

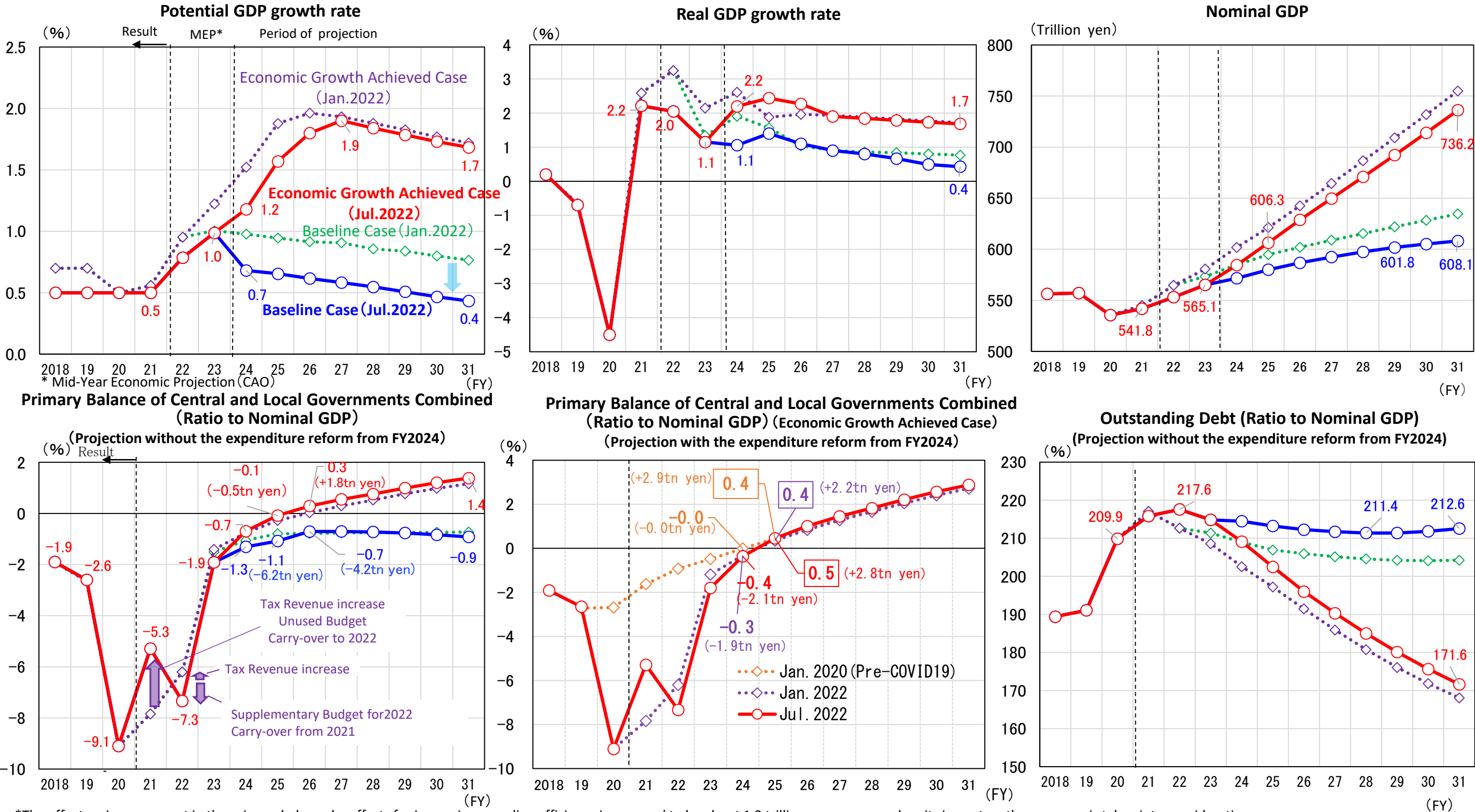
Executive Summary: Economic and Fiscal Projections for Medium to Long Term Analysis (July 2022)

<Macroeconomic Projection>

- In the Economic Growth Achieved Case, the potential growth rate steady rises, achieving around 2% real and 3% nominal GDP growth. Nominal GDP is projected to be 600 trillion yen around FY2025.
- In the Baseline Case, the potential growth rate is revised downward, based on the recent trend.

<Fiscal Projection>

- The primary deficit is projected to be around 0.1% of GDP in FY2025 and turn to surplus in FY2026 in the Economic Growth Achieved Case. With expenditure reform from FY2024, primary surplus will be achieved in FY2025, a year earlier. In the Baseline Case, primary deficit remains in the projection periods.
- The ratio of outstanding debt to Nominal GDP is projected to decline in the projection periods in the Economic Growth Achieved Case. In the Baseline Case, it rises in the latter half of the periods.



*The effect on improvement in the primary balance by efforts for increasing spending efficiency is assumed to be about 1.3 trillion yen per year when its impact on the economy is taken into consideration.