

February
2024
Newsletter

JAPANESE GOVERNMENT BONDS

Ministry of Finance, Japan



(Cover photo) The garden of the MOF building piled with snow in February

Greetings from the IR office, the Ministry of Finance, Japan.

As you may know, Japan embraces the four seasons and we are enjoying the winter season as we prepare this draft. February is the coldest month, but here in Tokyo it rarely snows. On February 5, the first snow of the season fell and settled in Tokyo, as you can see in the cover photo. It was quite a challenge for people who were not used to walking on the frozen and slippery roads. Many people worked from home on that day to avoid being stuck at the Ministry of Finance due to transportation suspensions.

For this newsletter, we pick up several events relevant to JGB investors. First, we are pleased to inform you about the auction result of the inaugural issuance of Japan Climate Transition Bonds and CBI certification of Japan Climate Transition Bonds for FY2023. Secondly, the MOF announced an update on central government debt as of the end of December 2023. Finally, we conducted IR activities for the newly issued Climate Transition Bonds in Europe, the USA, and Japan.

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What's New 1: Auction Result of the Inaugural Issuance of Japan Climate Transition Bonds

We are delighted to announce that we issued the first Japan Climate Transition Bonds, which are worth roughly 800 billion yen in 10-year bonds. Please see the details below. Another almost 800 billion yen in 5 year-bonds will be auctioned on Feb 27, JST.

Auction Date	Type of Security	Issue Number	Maturity Date	Nominal Coupon	Amounts of Competitive Bids (billion yen)	Amounts of Bids Accepted (billion yen)	Yield at the Lowest Accepted Price
2/14/2024	10-Year Climate Transition	1	12/20/2033	0.7%	2,321.2	799.5	0.740%

What's New 2: CBI Certification of Japan Climate Transition Bonds for FY2023

The first tranche of the roughly 1.6 trillion yen Japan Climate Transition Bonds* mentioned above are certified under the Climate Bonds Standard by Climate Bonds Initiative (CBI), offering investors assurance on the environmental objectives of the use of proceeds, and signifying alignment with the best practice global standards.

*5 & 10-year Japan Climate Transition Bonds (1st)

CBI Press Release

Japan will issue \$11bn Climate Transition Bond, Certified under the Climate Bonds Standard

World First: supports Japan's ambitious emission reduction goals

Tokyo/London, 08/02/2024 15:30 JST: Japan will issue the first tranche of its JPY1.6tn (USD11bn) Climate Transition Bond, with proceeds being used to fund Japan's ambitious Green Transformation (GX) programme.

The GX Plan promotes public and private investments of JPY150trn (USD 1trn) over the next 10 years in advanced, sustainable technologies that support national emissions reduction. It underscores Japan's commitment to its 2030 greenhouse gas (GHG) reduction goals, and to its vision for carbon neutrality by 2050.

The Bond is Certified under the Climate Bonds Standard, offering investors assurance on the environmental objectives of the use of the proceeds and signifying alignment with best practice global standards.

Sean Kidney, CEO, Climate Bonds Initiative, said:

"Transition is the theme for the year: corporates, cities and countries need to do transition plans in line with global emission reduction targets; under the Paris Climate Agreement countries are working on ambitious new Nationally Determined Contributions (NDCs) - transition plans - to be tabled at next year's COP.

"This bond shows clearly how governments, and others, can raise funds to invest in that transition. It marks a significant milestone in transition finance."

55.5% of the proceeds of the bond are allocated to support for research and development (R&D) initiatives aligning with Japan's efforts to limit temperature increase to 1.5°C, in areas ranging from renewable energy to hydrogen utilisation in steelmaking; 44.5% are for subsidies for activities ranging from the manufacturing of electricity storage batteries to energy-efficiency measures in buildings.

The Bond strictly delineates its Use of Proceeds, excluding any allocation towards gas-fired power generation or operational activities involving ammonia co-firing in coal-fired plants.

The bond's independent verification report was prepared by Japan Credit Rating Agency (<https://www.jcr.co.jp/en/>) (JCRA), a Climate Bonds Approved Verifier since 2019.

CBI Certification

[CBI Press Release](#)



[CBI Certification](#)

What's New 3: Central Government Debt (As of the end of December 2023)

On February 9, the MOF released an update on central government debt. Outstanding debt and its composition as of the end December 2023 are as follows:

Main Points

- Outstanding government bonds and borrowings increased to 1,286.5 trillion yen from the end of September (1,275.6 trillion yen) by 10.8 trillion yen. The total amount for General Bonds; and Borrowings, Subsidy Bonds and Others, increased by 16.4 trillion yen and 2.8 trillion yen respectively, while FILP Bonds and FBs decreased by 1.3 trillion yen and 7.0 trillion yen respectively.
- Long-term outstanding central government debt, which does not include FILP Bonds, FBs or some of the borrowings related to local governments, increased to 1,070.1 trillion yen from the end of September (1,053.9 trillion yen), which was the highest amount ever.

Central Government Debt

	The end of December 2023 (Actual)	Increase or Decrease (-) from the end of the Previous Quarter
(trillion yen)		
1) Outstanding Government Bonds and Borrowings		
General Bonds	1,043.8	16.4
Fiscal Investment and Loan Program Bonds (FILP Bonds)	93.3	- 1.3
Borrowings, Subsidy Bonds, etc.	57.1	2.8
Financing Bills (FBs)	92.3	- 7.0
Total	1,286.5	10.8
2) Outstanding Government-Guaranteed Debts		
Government-Guaranteed Debts	29.1	- 0.5

- Notes:
1. Figures may not add up to the total because of rounding.
 2. "Outstanding Government Bonds and Borrowings" include government bonds held by and borrowings within the government.
 3. Figures are total of the general account and all special accounts, and the coverage is different from the central government defined in SNA.
 4. The data as of the end of March 2024 will be released on May 10, 2024.

Reference Long-term Debt Outstanding of Central and Local Governments

The MOF has announced the "Long-term debt outstanding of central and local governments" whose interest payments and redemption funds are mainly to be covered by tax revenues, from the viewpoint of transparency of fiscal management. The statistics are derived by adding the long-term debt outstanding of local governments to the above-mentioned Central Government Debt, while excluding Fiscal Investment and Loan Program Bonds and Financing Bills.

	The end of December 2023 (Actual)	The end of FY2023 (Estimate)
① General Bonds	1,043.8	1,076
② Fiscal Investment and Loan Program Bonds (FILP Bonds)	Not included	Not included
③ Borrowings, Subsidy Bonds, etc. (Note 1)	26.3	26 (Note1)
④ Financing Bills (FBs)	Not included	Not included
Long-term debt outstanding of central government	1,070.1	1,102
⑤ Long-term debt outstanding of local governments	(Note 2)	183
Long-term debt outstanding of central and local governments	(Note 2)	1,285

Note 1: The borrowings of the Special Account for Allotment of Local Allocation Tax and Local Transfer Tax (as of the end of FY2023: approx. 29 trillion yen) are included in "⑤ Long-term debt outstanding of local governments" because the burden of redemption funds falls on local governments.

Note 2: The actual figure of "⑤ Long-term debt outstanding of local governments" is blank, because quarterly data has not been created.

Details: <https://www.mof.go.jp/english/policy/jgbs/reference/gbb/e202312.html>

Monthly Topic: BOJ's Outlook for Economic Activity and Prices (January 2024)

The BOJ released the quarterly Outlook for Economic Activity and Prices (Outlook Report) on January 23, 2024.

The BOJ decided the text of the Outlook Report at the Monetary Policy Meetings held on January 22 and 23, 2024. The Outlook Report presents the BOJ's outlook for developments in economic activity and prices, assesses upside and downside risks, and outlines its views on the future course of monetary policy. Here is the summary of the BOJ's views:

Summary

- Japan's economy is likely to continue recovering moderately for the time being, supported by factors such as the materialization of pent-up demand, although it is expected to be under downward pressure stemming from a slowdown in the pace of recovery in overseas economies. Thereafter, as a virtuous cycle from income to spending gradually intensifies, Japan's economy is projected to continue growing at a pace above its potential growth rate.
- The year-on-year rate of increase in the consumer price index (CPI, all items less fresh food) is likely to be above 2 percent through fiscal 2024, due to factors such as the effects, albeit waning, of a pass-through to consumer prices of cost increases led by the past rise in import prices and a waning of the effects of the government's economic measures pushing down CPI inflation of the previous year. As for fiscal 2025, the rate of increase is projected to decelerate owing to dissipation of these factors. Meanwhile, toward the end of the projection period, underlying CPI inflation is likely to increase gradually toward achieving the price stability target, as the output gap turns positive and as medium- to long-term inflation expectations and wage growth rise. The likelihood of realizing this outlook has continued to gradually rise, although there remain high uncertainties over future developments.
- Comparing the projections with those presented in the previous Outlook for Economic Activity and Prices (Outlook Report), the projected real GDP growth rate is somewhat lower for fiscal 2023 and somewhat higher for fiscal 2024. The projected year-on-year rate of increase in the CPI (all items less fresh food) for fiscal 2024 is lower, mainly due to the effects of the recent decline in crude oil prices.
- Concerning risks to the outlook, there are extremely high uncertainties surrounding Japan's economic activity and prices, including developments in overseas economic activity and prices, developments in commodity prices, and domestic firms' wage- and price-setting behavior. Under these circumstances, it is necessary to pay due attention to developments in financial and foreign exchange markets and their impact on Japan's economic activity and prices.
- With regard to the risk balance, risks to both economic activity and prices are generally balanced. In terms of prices, it should be noted that, mainly due to the experience of prolonged low growth and deflation, the behavior and mindset based on the assumption that wages and prices will not increase easily have taken hold in society. Considering this, it is important to closely monitor whether a virtuous cycle between wages and prices will intensify.



For more information, please see: <https://www.boj.or.jp/en/mopo/outlook/index.htm/>

IR Office



1. GX IR activities in Europe and the USA

In preparation for the first auctions of the Japan Climate Transition Bonds in February, we committed ourselves to IR activities both globally and domestically. In regards to this time's overseas IR roadshow, our team members consisted of people from different organizations including: Mr. Yano, Deputy Director; Mr. Kobayashi, Staff Member; and Mr. Yamada, Researcher from the Debt Management Policy Division, Ministry of Finance (MOF). As well as Ms. Nemoto, Assistant Director, GX Finance Promotion Office from the Ministry of Economy, Trade and Industry (METI). Additionally, from the second party opinion provider side, Ms. Kajiwara, Managing Executive Officer, Head of Sustainable Finance Evaluation Group from JCR, and Mr. Kanedome, Principal (Technical Expert) of Sustainability Service Department from DNV, joined our team.

We had meetings with staff members in charge of ESG strategies at institutional investors such as commercial banks, asset managers, pension funds, etc., in Europe (London, Paris and Frankfurt) from January 15 to 19, and in the USA (Boston, New York, Los Angeles and San Francisco) from January 29 to February 2. These meetings were arranged by BNP Paribas Securities (Japan) Limited and Citigroup Global Markets Japan Inc., who are members of the GX Bonds Marketing Supporters*.

*In order to prepare for the issuance of Japan Climate Transition Bonds, we selected 7 investment banks with the expertise in the ESG Bonds market to support marketing efforts including IR arrangements at the international and domestic levels.



Frankfurt in January



The Citi San Francisco office in February

We explained Japan's goals and strategies to achieve its international commitments to carbon neutrality by 2050 and to reduce greenhouse gas emissions by 46% by 2030, while ensuring a stable energy supply. Also, we discussed the contents of Japan Climate Transition Bond Framework released in November 2023 and the use of proceeds from the initial tranche of Japan Climate Transition Bonds. The framework sets the use of proceeds, which explains how the government utilizes the funds being raised by Japan Climate Transition bonds in order to achieve its transition towards decarbonization.

IR Office

Throughout the entirety of the meetings, we found that many investors have high interest and expectations about the GX Promotion Strategy and Japan Climate Transition Bonds as practical approaches to decarbonization, particularly given Japan's climate conditions and geographical constraints. In both Europe and the USA, we received plenty of comments and advice regarding the outlook and progress of projects stipulated in the framework, their expected CO₂ reduction effects and reporting methodologies to be provided after the Bond's issuance.

Lastly, we would like to thank all the investors we met during this time. We had fruitful discussions and were glad to receive valuable opinions on ESG related investments. We would also like to continue meticulous discussions with global investors to enhance their understanding of Japan Climate Transition Bonds.

2. GX IR activities in Japan

After the announcement of the framework, to address the first issuance of Japan Climate Transition Bonds in February, we have actively engaged in IR activities toward domestic investors, especially in financial institutions, as well for the purpose of accelerating trends in Japan's GX policy beyond Japan Climate Transition Bonds toward the whole of Japan.

For example, we hosted online seminars three times for domestic institutional investors all over Japan invited by the GX Bonds Marketing Supporters.* Also, we held seminars for local financial institutions conducted in hybrid formats to exchange opinions with them in collaboration with Kanto, Tokai, and Chugoku Financial Bureau local branches of the MOF. We hope our seminars were informative and made it easier to understand Japan Climate Transition Bonds as well as Japan's GX policy. We will keep moving forward.

*The GX Bonds Marketing Supporters specializing in domestic IR Activities are Daiwa Securities Co. Ltd., Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., Mizuho Securities Co., Ltd., Nomura Securities Co., Ltd., and SMBC Nikko Securities Inc.



The GX Bonds Seminar for domestic local investors at the Kanto Local Finance Bureau office in December

JGB Primary Market: Auction Results

Bonds

(Until 31 January 2024)

Auction Date	Type of Security	Issue Number	Maturity Date	Nominal Coupon	Amounts of Competitive Bids (billion yen)	Amounts of Bids Accepted (billion yen)	Yield at the Lowest Accepted Price	Yield at the Average Price	Amounts of Non-Competitive Bids Tendered /Accepted (billion yen)	Amounts of Bids Accepted at the Non-price-competitive Auction I (billion yen)	Amounts of Bids Accepted at the Non-price-competitive Auction II (billion yen)
11/2/2023	10-year	372	9/20/2033	0.8%	7,889.4	2,178.4	0.915%	0.910%	1,528	519.3	0.0
11/7/2023	10-year Inflation-Indexed Bonds	28	3/10/2033	0.005%	682.1	249.9	-0.480%	-	-	-	-
11/9/2023	30-year	80	9/20/2053	1.8%	2,619.3	726.7	1.751%	1.741%	-	172.8	86.4
11/14/2023	5-year	163	9/20/2028	0.4%	8,448.8	2,028.2	0.421%	0.418%	1,050	470.3	247.8
11/21/2023	20-year	186	9/20/2043	1.5%	3,430.9	969.2	1.432%	1.423%	-	230.2	115.4
11/28/2023	40-year	16	3/20/2063	1.3%	1,544.4	699.6	1.810%	-	-	-	0.0
11/30/2023	2-year	455	12/1/2025	0.005%	6,872.7	2,361.2	0.052%	0.046%	0.000	538.2	0.0
12/5/2023	10-year	372	9/20/2033	0.8%	6,183.9	2,190.9	0.707%	0.697%	1,585	507.3	226.1
12/7/2023	30-year	80	9/20/2053	1.8%	1,912.6	731.1	1.681%	1.623%	-	168.8	0.0
12/12/2023	5-year	163	9/20/2028	0.4%	7,832.8	2,034.1	0.331%	0.325%	1,082	464.6	192.8
12/14/2023	20-year	186	9/20/2043	1.5%	2,519.8	975.2	1.467%	1.414%	-	224.4	0.0
12/26/2023	2-year	456	1/1/2026	0.1%	7,864.2	2,354.5	0.074%	0.064%	0.000	544.9	0.0
1/10/2024	10-year	373	12/20/2033	0.6%	6,327.2	2,178.7	0.609%	0.596%	1,522	519.3	0.0
1/12/2024	30-year	81	12/20/2053	1.6%	2,181.7	726.4	1.649%	1.629%	-	172.8	76.3
1/16/2024	5-year	164	12/20/2028	0.2%	7,682.7	2,028.0	0.204%	0.197%	1,000	470.3	72.7
1/18/2024	20-year	187	12/20/2043	1.3%	2,537.3	811.7	1.399%	1.383%	-	187.3	0.0
1/25/2024	40-year	16	3/20/2063	1.3%	1,502.5	699.5	1.925%	-	-	-	69.3
1/30/2024	2-year	457	2/1/2026	0.1%	8,830.1	2,359.7	0.082%	0.075%	0.000	539.7	289.2

Treasury Discount Bills

(Until 31 January 2024)

Auction Date	Type of Security	Issue Number	Maturity Date	Amounts of Competitive Bids (billion yen)	Amounts of Bids Accepted (billion yen)	Yield at the Lowest Accepted Price	Yield at the Average Price	Amounts of Bids Accepted at the Non-price-competitive Auction I (billion yen)
11/2/2023	3-month	1192	2/13/2024	14,250.00	4,547.13	-0.1805%	-0.1875%	1,052.80
11/9/2023	6-month	1193	5/10/2024	10,104.70	3,295.17	-0.1502%	-0.1623%	704.80
11/10/2023	3-month	1194	2/19/2024	17,182.00	4,547.15	-0.1917%	-0.1980%	1,052.80
11/16/2023	1-year	1195	11/20/2024	10,547.20	2,851.88	-0.0378%	-0.0468%	648.10
11/17/2023	3-month	1196	2/26/2024	16,065.90	4,547.17	-0.2214%	-0.2330%	1,052.80
11/24/2023	3-month	1197	3/4/2024	11,459.50	4,547.17	-0.2047%	-0.2266%	1,052.80
12/1/2023	3-month	1198	3/11/2024	14,815.30	4,547.12	-0.1507%	-0.1656%	1,052.80
12/7/2023	6-month	1199	6/10/2024	10,482.80	3,349.00	-0.1282%	-0.1402%	651.00
12/8/2023	3-month	1200	3/18/2024	12,191.20	4,547.15	-0.1433%	-0.1556%	1,052.80
12/15/2023	3-month	1201	3/25/2024	14,001.91	4,547.16	-0.1619%	-0.1723%	1,052.80
12/18/2023	1-year	1202	12/20/2024	10,585.50	2,979.45	0.0000%	-0.0039%	520.50
12/22/2023	3-month	1203	4/4/2024	10,649.71	4,547.48	-0.1950%	-0.2394%	1,052.50
1/5/2024	3-month	1204	4/8/2024	14,776.92	4,547.17	-0.1621%	-0.1775%	1,052.80
1/9/2024	6-month	1205	7/10/2024	12,035.30	3,249.48	-0.1583%	-0.1723%	750.50
1/12/2024	3-month	1206	4/15/2024	14,531.50	4,547.15	-0.1944%	-0.2080%	1,052.80
1/18/2024	1-year	1207	1/20/2025	11,782.90	2,842.96	-0.0461%	-0.0551%	657.00
1/19/2024	3-month	1208	4/22/2024	12,603.00	4,547.17	-0.1723%	-0.1872%	1,052.80
1/26/2024	3-month	1209	5/7/2024	12,374.80	4,547.15	-0.1437%	-0.1544%	1,052.80

JGB Primary Market: Auction Calendar

February 2024

Auction Date	Issue
2/1	10-year
2/2	T-Bills (3-month)
2/5	10-year Inflation-Indexed Bonds
2/7	30-year
2/8	T-Bills (6-month)
2/9	T-Bills (3-month)
2/9	5-year
2/14	10-year Japan Climate Transition Bonds
2/16	T-Bills (3-month)
2/16	Liquidity Enhancement Auction (remaining maturities of 15.5-39 years)
2/19	T-Bills (1-year)
2/20	20-year
2/22	T-Bills (3-month)
2/22	Liquidity Enhancement Auction (remaining maturities of 5-15.5 years)
2/27	5-year Japan Climate Transition Bonds
2/29	2-year

March 2024

Auction Date	Issue
3/1	T-Bills (3-month)
3/5	10-year
3/7	T-Bills (6-month)
3/7	30-year
3/8	T-Bills (3-month)
3/12	5-year
3/14	20-year
3/15	T-Bills (3-month)
3/18	T-Bills (1-year)
3/21	Liquidity Enhancement Auction (remaining maturities of 5-15.5 years)
3/22	T-Bills (3-month)
3/25	Liquidity Enhancement Auction (remaining maturities of 1-5 years)
3/27	40-year
3/29	2-year

April 2024

Auction Date	Issue
4/2	10-year
4/3	T-Bills (3-month)
4/4	30-year
4/5	T-Bills (3-month)
4/9	T-Bills (6-month)
4/9	5-year
4/11	20-year
4/12	T-Bills (3-month)
4/16	Liquidity Enhancement Auction (remaining maturities of 5-15.5 years)
4/18	T-Bills (1-year)
4/18	Liquidity Enhancement Auction (remaining maturities of 15.5-39 years)
4/19	T-Bills (3-month)
4/23	2-year

Note 1: The above calendar may be changed or added in light of changes in circumstances. In such cases, it will be announced in advance.

Note 2: Each issue amount will be announced about one week prior to each auction date.

Top10 PDs for Successful Bids in Auctions (Weighted by Duration) Jul. 2023 - Dec. 2023

1 Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
2 Nomura Securities Co., Ltd.
3 Daiwa Securities Co. Ltd.
4 Citigroup Global Markets Japan Inc.
5 Mizuho Securities Co., Ltd.
6 JPMorgan Securities Japan Co., Ltd.
7 Okasan Securities Co., Ltd.
8 Deutsche Securities Inc.
9 Goldman Sachs Japan Co., Ltd.
10 SMBC Nikko Securities Inc.

Top5 PDs for Successful Bids of JGBi FY2022

1 Mizuho Bank, Ltd.
2 Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
3 JPMorgan Securities Japan Co., Ltd.
4 Goldman Sachs Japan Co., Ltd.
5 Deutsche Securities Inc.

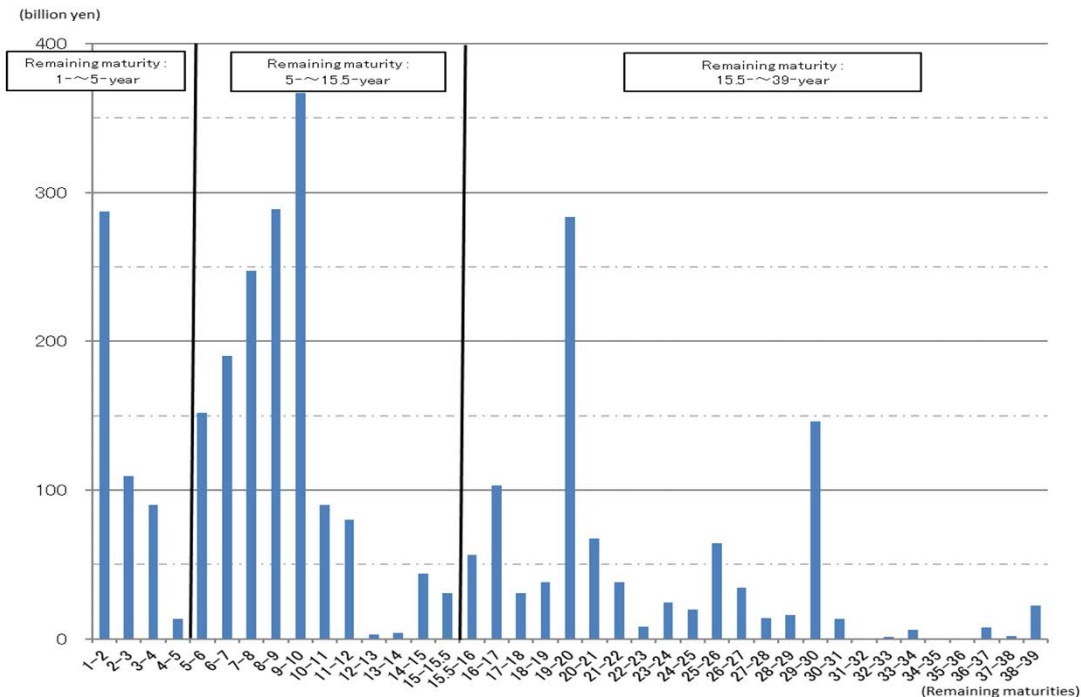
Liquidity Enhancement Auctions and JGB Buy-Back

Results of Liquidity Enhancement Auctions

(Until 31 January 2024)

Auction Date	Amounts of Competitive Bids (billion yen)	Amounts of Bids Accepted (billion yen)	Average Accepted Spread	Highest Accepted Spread	Issues Re-opened
11/16/2023	1,904.4	499.5	-0.013%	-0.010%	2-year (445,451) 5-year (142,144,145,149,152) 10-year(337,339,342,343,344,345,346,347,348,352) 20-year (75,76,78,79,80,81,82,83,84,86,94)
11/24/2023	2,185.3	498.9	+0.031%	+0.033%	10-year (353,354,355,356,357,365) 20-year(108,110,111,112,116,118,119,121,122,123,124,125,128,130,131,132,133,135,136,139,140,142,144,145) 30-year (3,4,5,6,8,11)
12/20/2023	2,077.6	499.6	-0.081%	-0.079%	10-year (356,357,359,367,371) 20-year(116,121,138,143,144,147,148,159,161,164,165,167) 30-year (3,13,15,30)
12/22/2023	1,049.9	499.5	+0.064%	+0.085%	20-year (169,170,171,172,175,179,181,183,185) 30-year (31,32,33,34,35,36,37,39,40,41,42,43,47,49,65,73,77,79) 40-year (1,2,3,4,5,6,7,9,10,15)
1/5/2024	2,216.3	498.0	-0.009%	-0.008%	2-year (445,446,447,448,454) 5-year (145,149,155,159) 10-year(342,344,345,346,347,348,350,351,352) 20-year (75,77,79,85,89,93,101,102,106)
1/22/2024	1,693.1	498.7	-0.010%	-0.007%	10-year (355,357,366) 20-year(111,112,115,116,117,123,124,125,126,127,128,129,130,131,143,144,145,149,164,166,167,168,169) 30-year (3,10,12,28,29)

Issuance Amounts by Remaining Maturity for Liquidity Enhancement Auctions (October-December 2023)



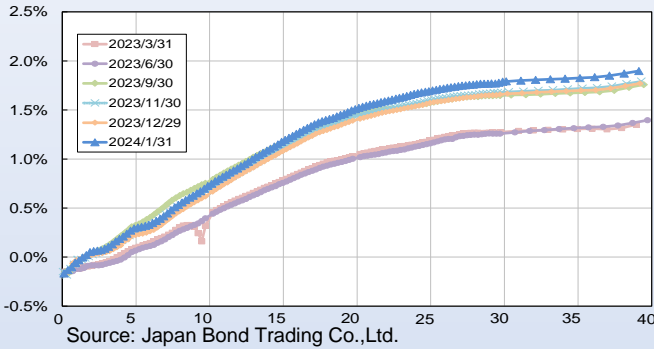
Buy-Back Results (10-year Inflation-Indexed)

(Until 31 January 2024)

Auction Date	Amounts of Competitive Bids (billion yen)	Amounts of Bids Accepted (billion yen)	Average Accepted Spread (yen)	Highest Accepted Spread (yen)	Issue Numbers
10/12/2023	86.7	20.2	-0.084	-0.01	19,20,21,23,24,26
11/13/2023	98.8	20.0	-0.454	-0.34	27
12/13/2023	147.1	20.0	-0.830	-0.83	25,27
1/11/2024	121.0	20.0	-0.266	-0.25	24,25

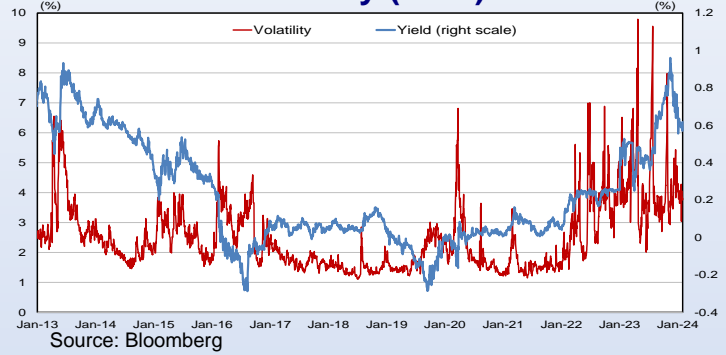
JGB Secondary Market

JGB Yield Curves

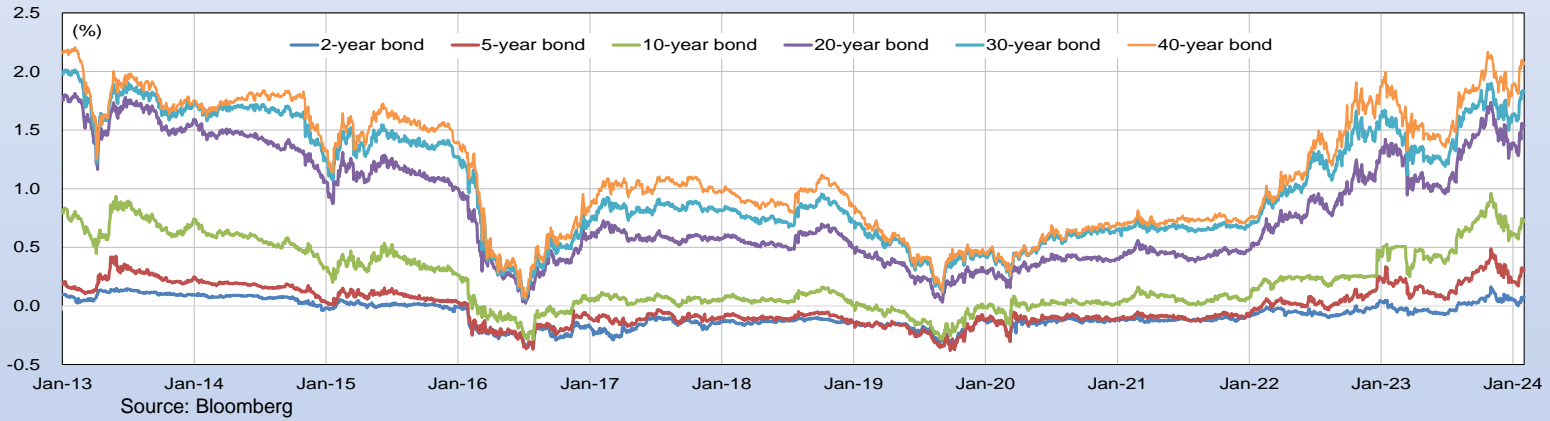


Yield and Volatility (10Yr)

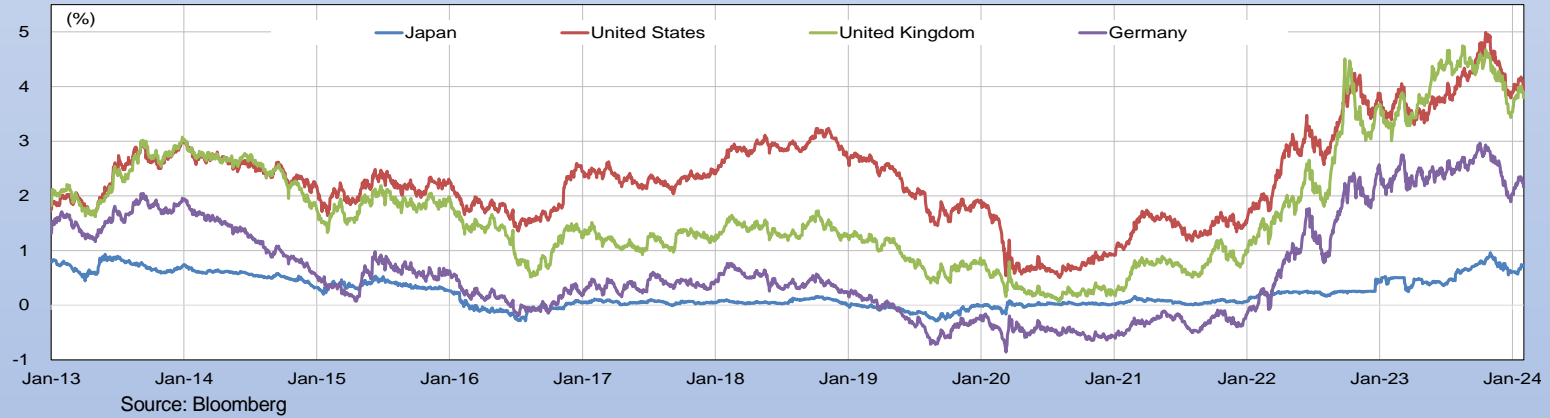
(Until 31 January 2024)



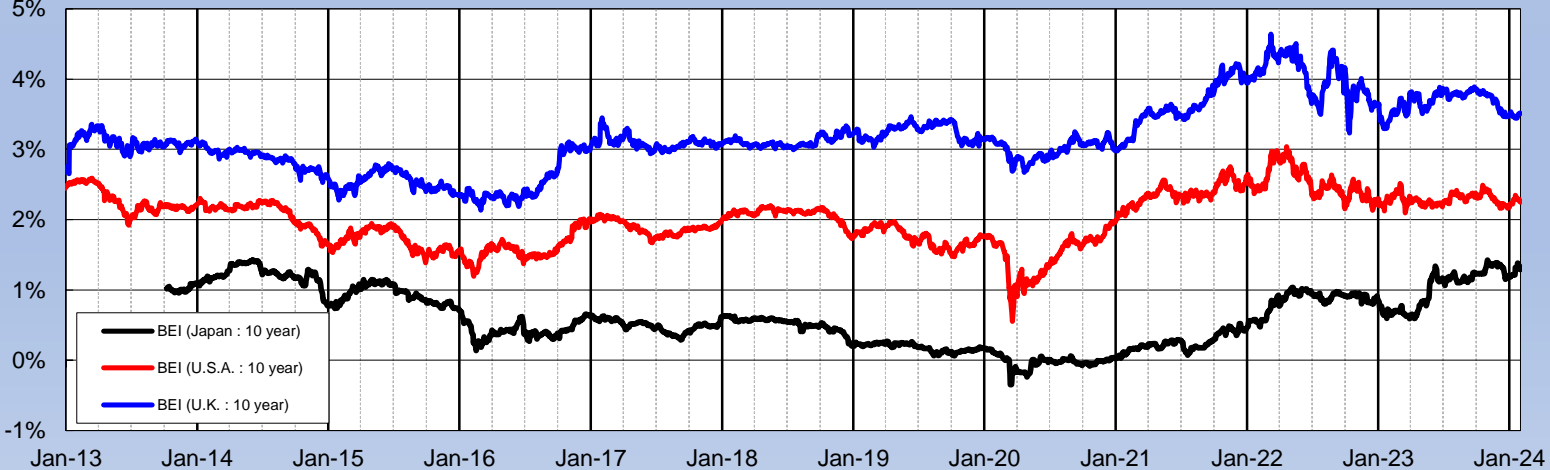
Yields of JGB



Long - Term Interest Rates (10Yr)



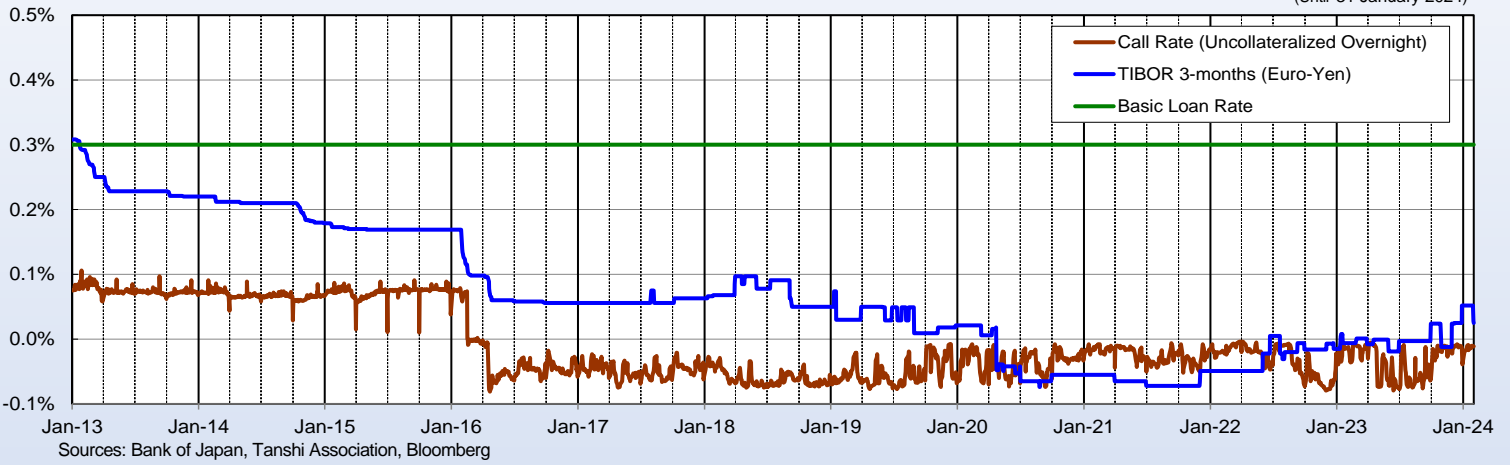
Break-Even Inflation Rates



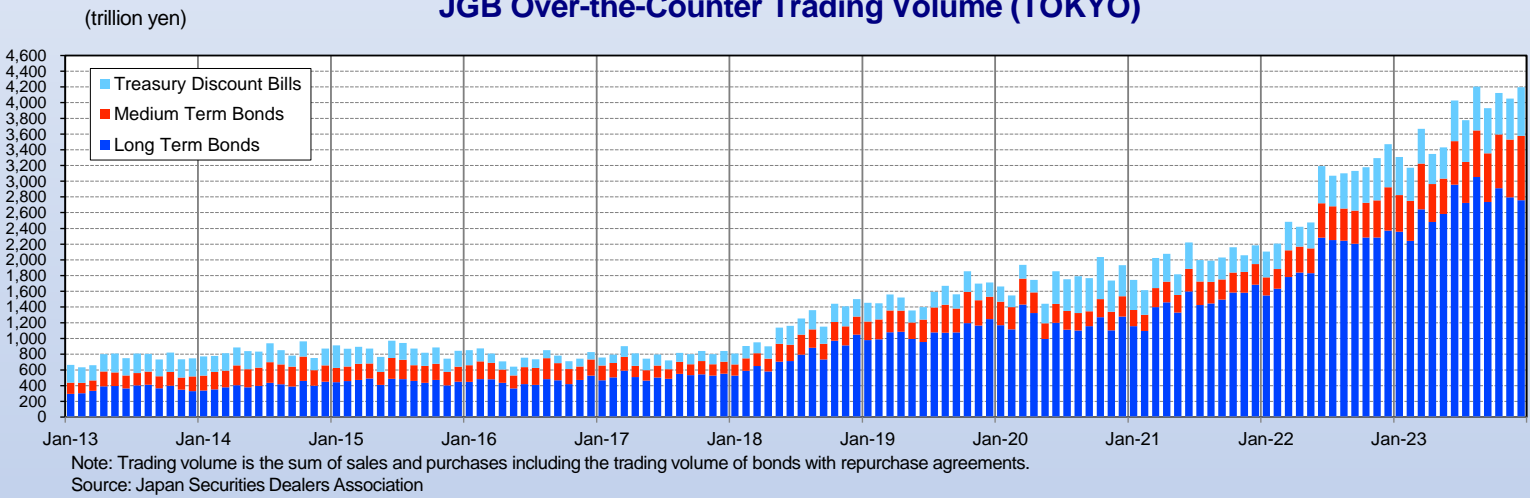
Note: BEI (Japan : 10 year) is calculated based on the compound interest rate of the new Inflation-Indexed Bonds and the 10-Year Bonds

Source: Bloomberg

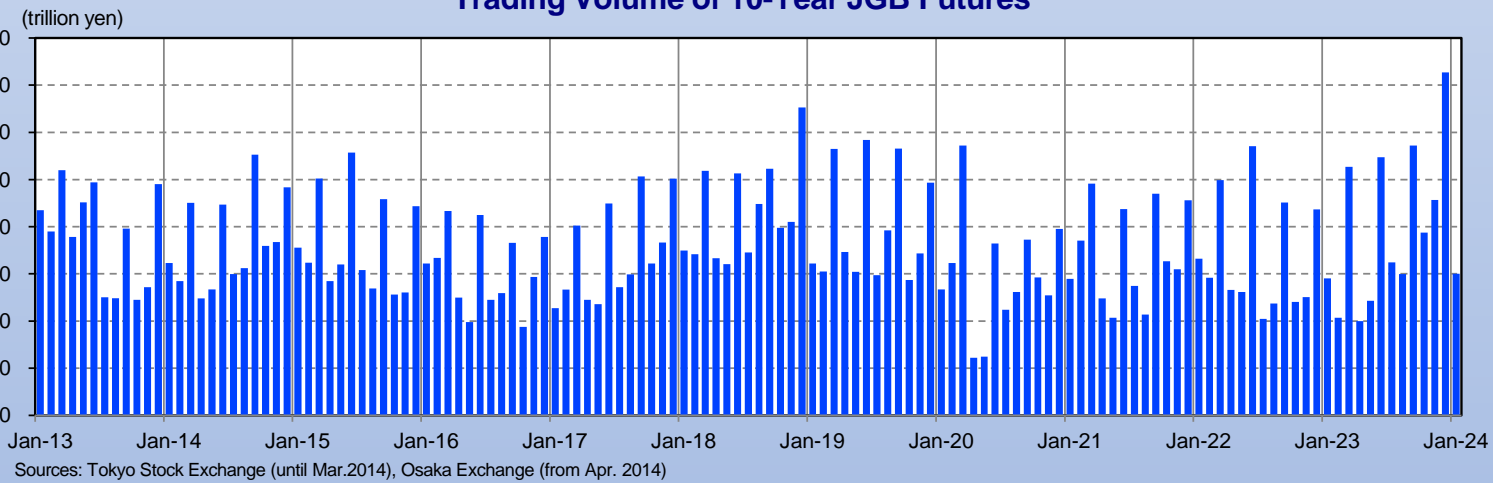
Short-Term Interest Rates



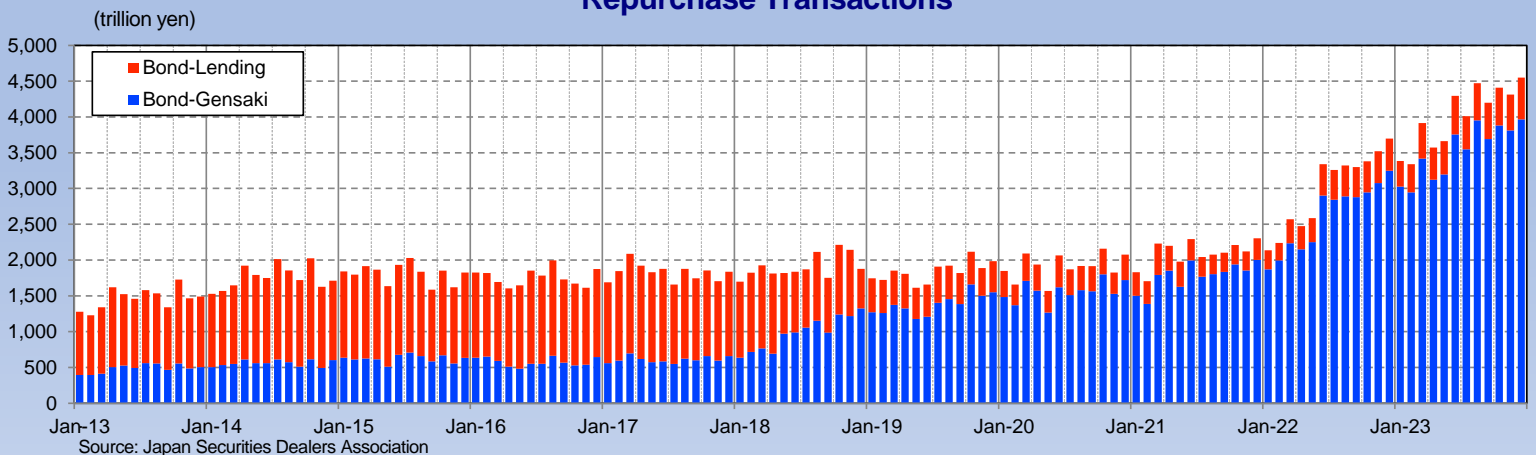
JGB Over-the-Counter Trading Volume (TOKYO)



Trading Volume of 10-Year JGB Futures

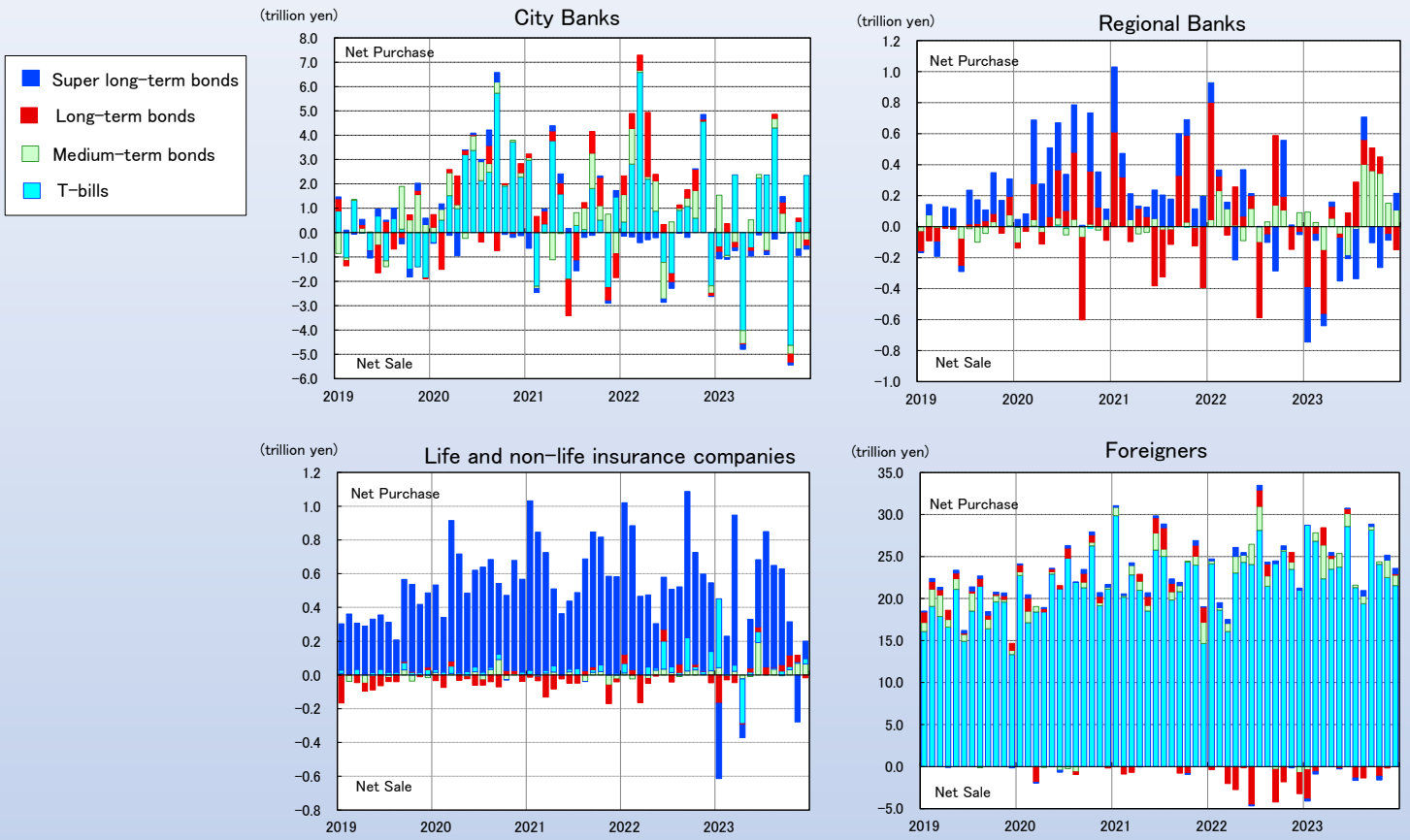


Repurchase Transactions

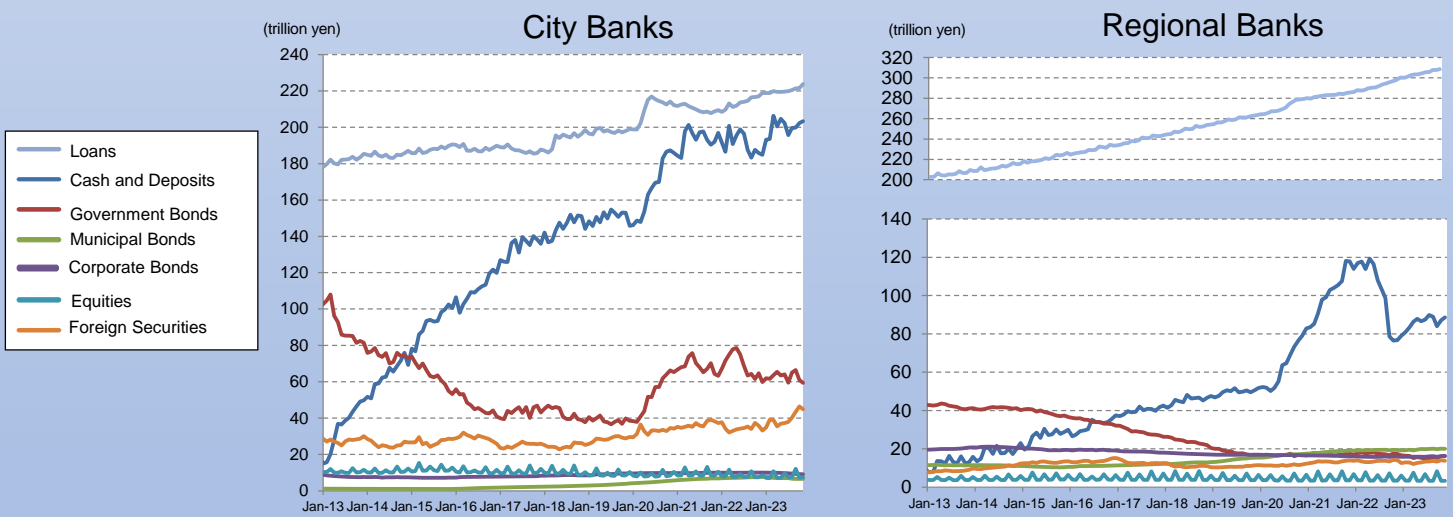


Investor Trends and JGB Outstanding

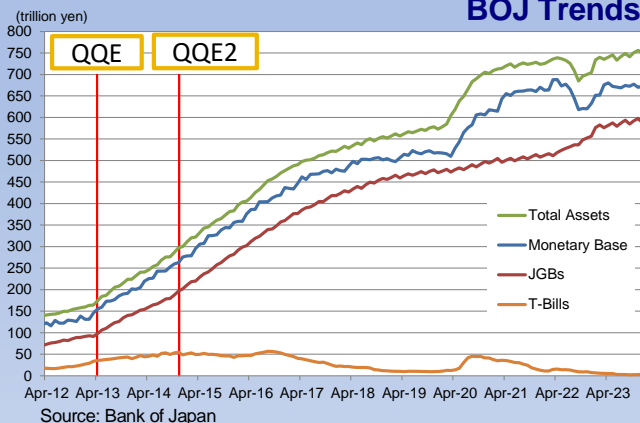
Trends in JGBs Transactions (by investor type)



Trends in Bank Assets by Types



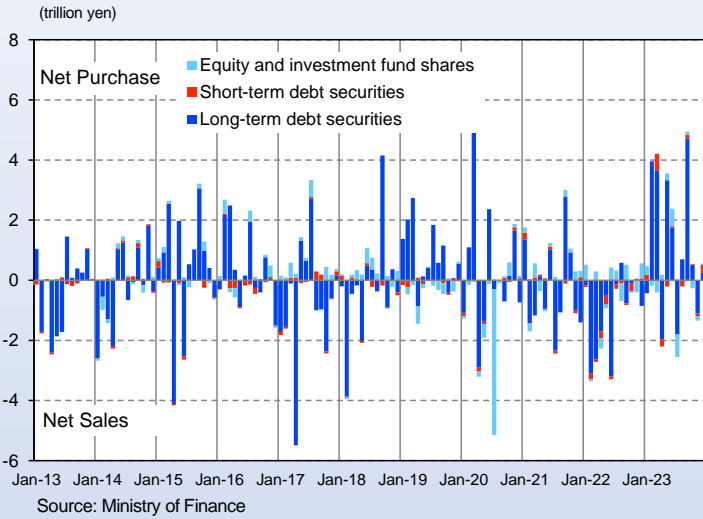
BOJ Trends



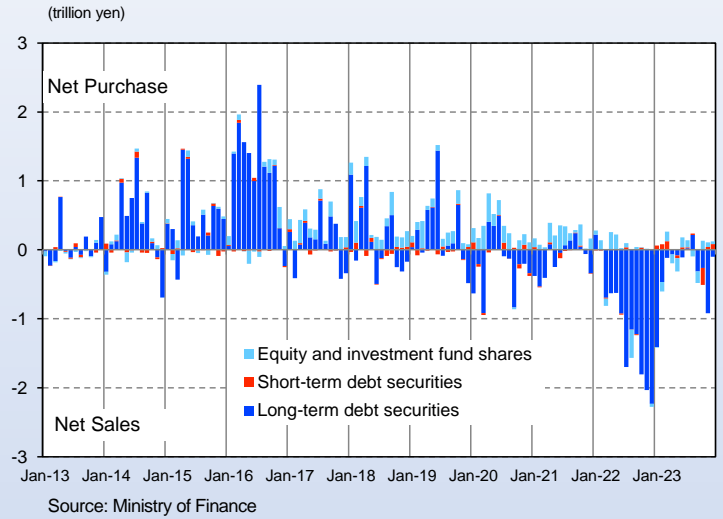
	Apr 2013 (Actual)	Jan 2024 (Actual)
Monetary Base	155	670
JGBs	98	593
T-Bills	36	3.9
CP	1.4	2.5
Corporate Bonds	2.9	6.1
ETFs	1.7	37.2
J-REITs	0.13	0.66
Total Assets	175	756

Transactions of Foreign Securities by Residents (by Investor types)

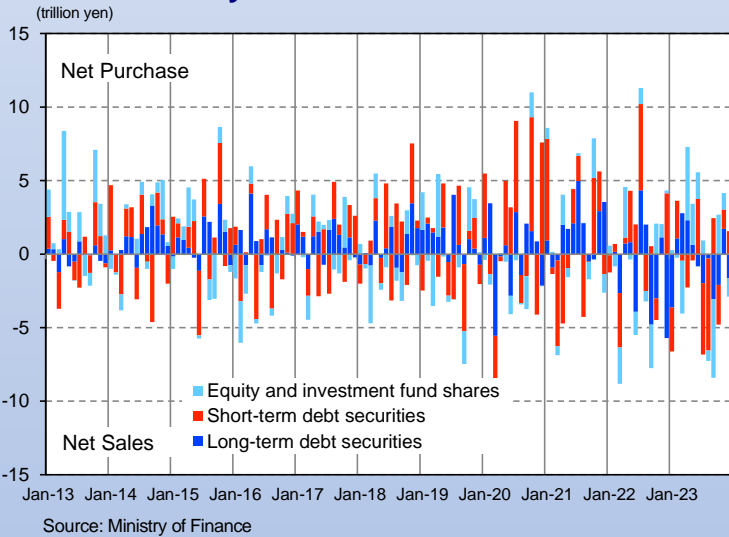
Banks(Banking Accounts)



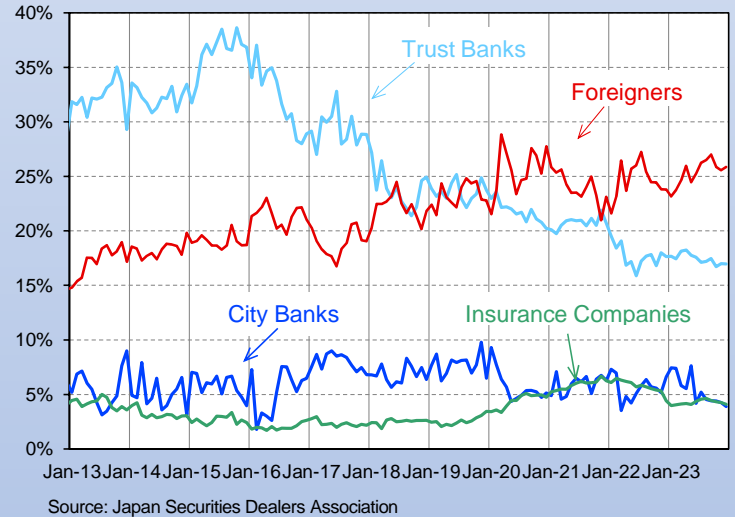
Life Insurance Companies



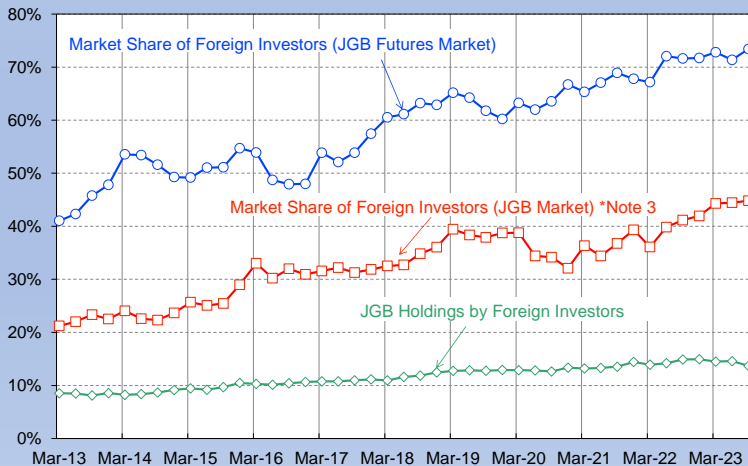
Transactions of Domestic Securities by Non-Residents



Outstanding of Repurchase Agreements (by Investor types)

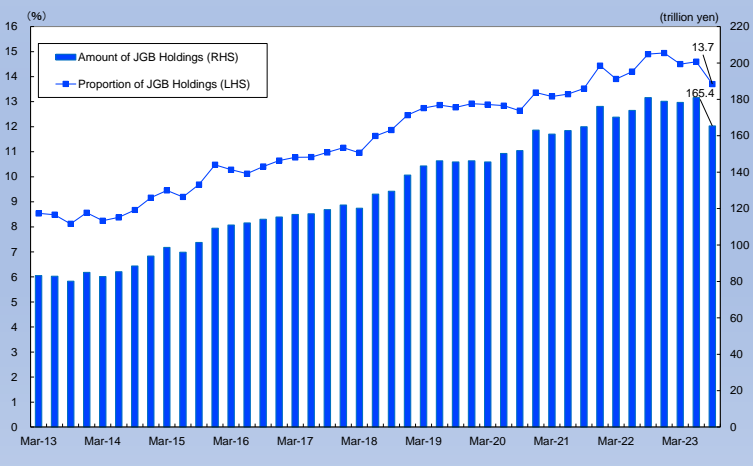


Foreign Investors Presence



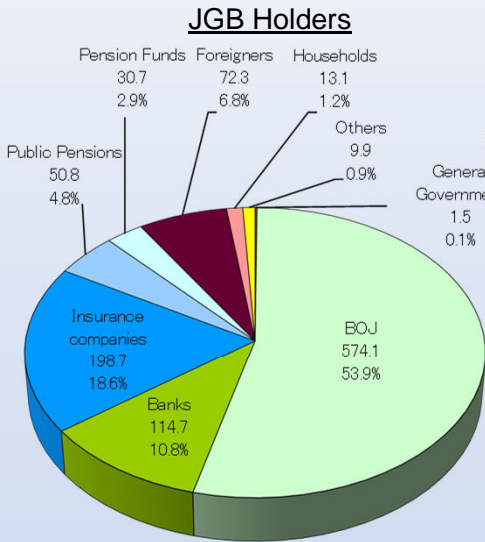
Note 1: Quarterly basis.
 Note 2: "JGB" includes T-Bills.
 Note 3: The figures excludes dealers' transactions.
 Sources: Bank of Japan, Japan Securities Dealers Association, Japan Exchange Group, Inc.

JGBs Holdings by Foreign Investors

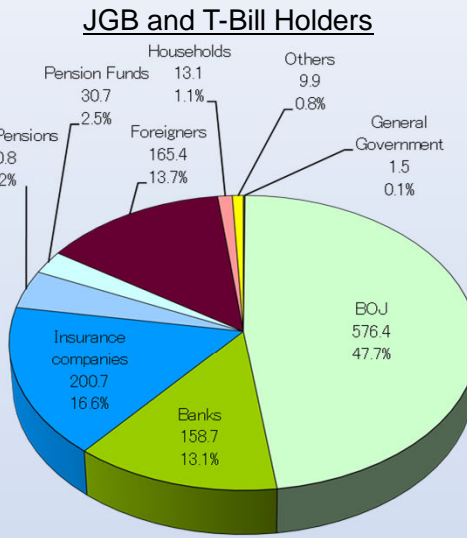


Note 1: Quarterly basis.
 Note 2: "JGB" includes "FILP Bonds" and "T-Bills".
 Source: Bank of Japan

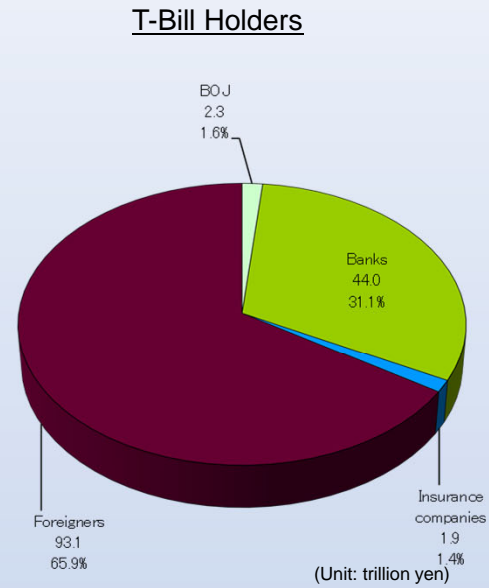
Breakdown by JGB and T-Bill Holders (The end of Sep. 2023 QE)



Total 1,065.9 trillion yen



Total 1,207.2 trillion yen



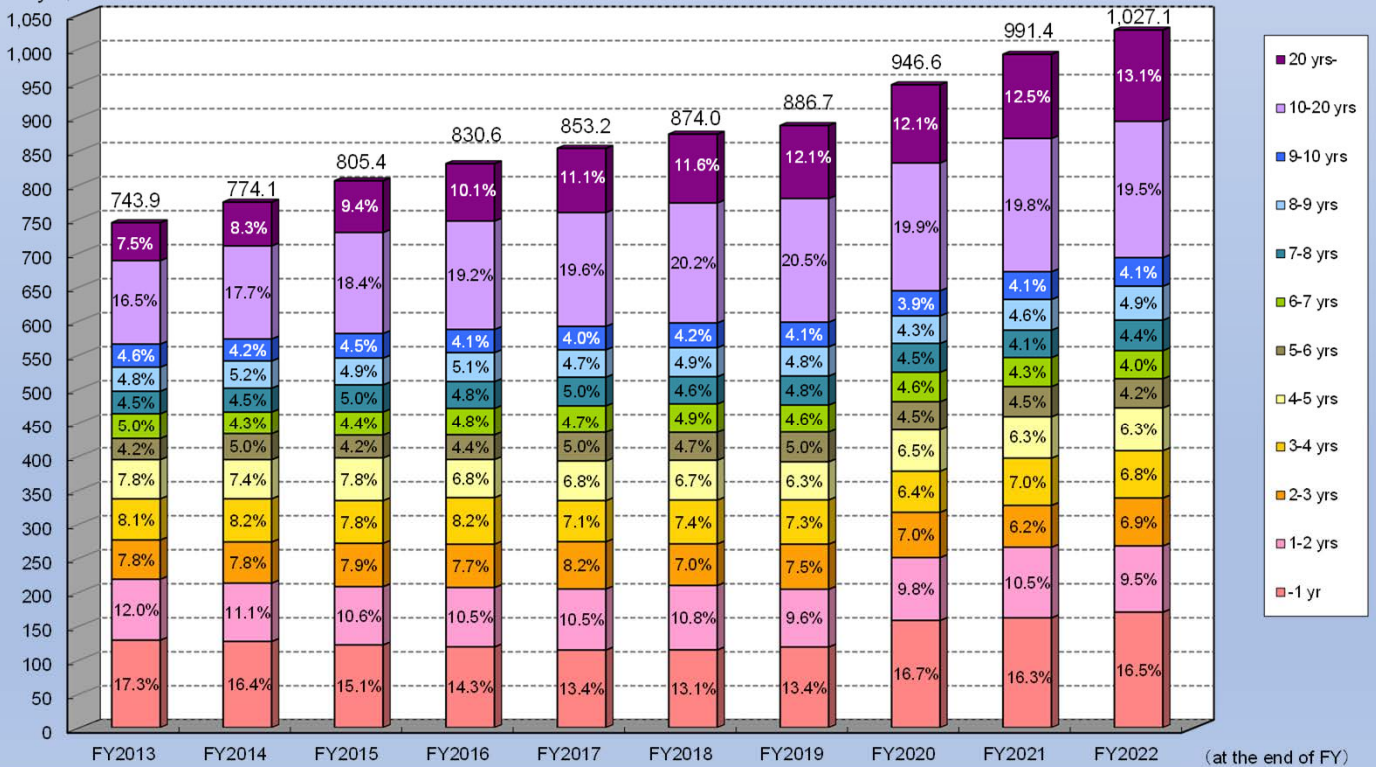
(Unit: trillion yen)

Total 141.3 trillion yen

Note 1: "JGB" includes "FILP Bonds."
 Note 2: "Banks" includes "Japan Post Bank," "Securities investment trusts," "Securities companies," etc.
 Note 3: "Insurance companies" includes "Life insurance," "Nonlife insurance," and "Mutual aid insurance."
 Note 4: "General Government" excludes "Public Pensions."
 Source: Bank of Japan "Flow of Funds Accounts (Preliminary Figures)"

Breakdown of Outstanding Amount of General Bonds by Remaining Years to Maturity

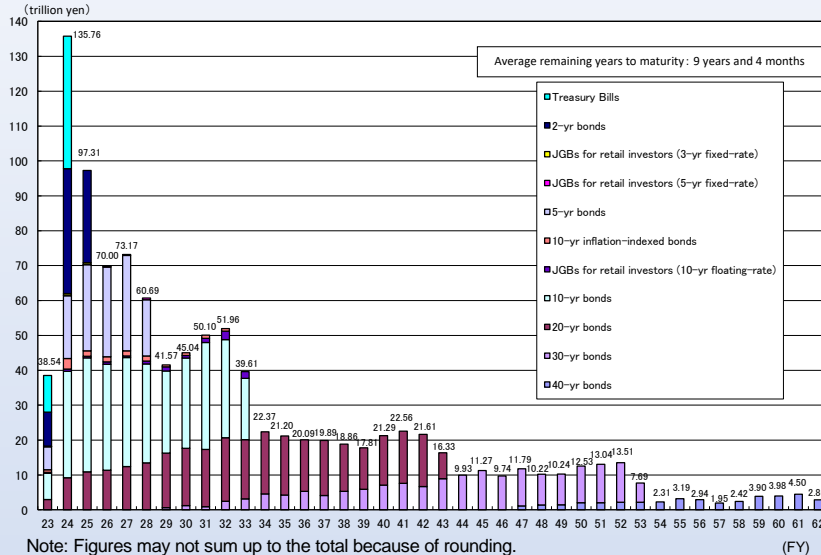
(Unit: trillion yen)



Average YTM*	7Y7M	8Y0M	8Y5M	8Y7M	8Y10M	9Y0M	9Y2M	8Y11M	9Y0M	9Y2M
Average YTM (excluding JGBs for Retail Investors)	7Y8M	8Y0M	8Y5M	8Y8M	8Y11M	9Y1M	9Y2M	8Y11M	9Y0M	9Y2M

*years to maturity

Time-to-Maturity Structure of Outstanding JGB (December, 2023)



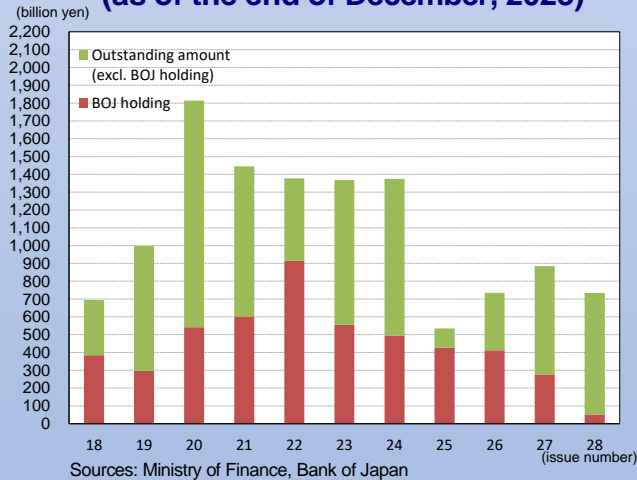
Scheduled redemption of JGB at maturity in February, 2024

Types	The amount of redemption at maturity	Date of redemption
2-Year Bonds	3,230.9	2/1/2024
Treasury Bills (1-Year)	3,500.0	2/20/2024
Total	6,730.9	

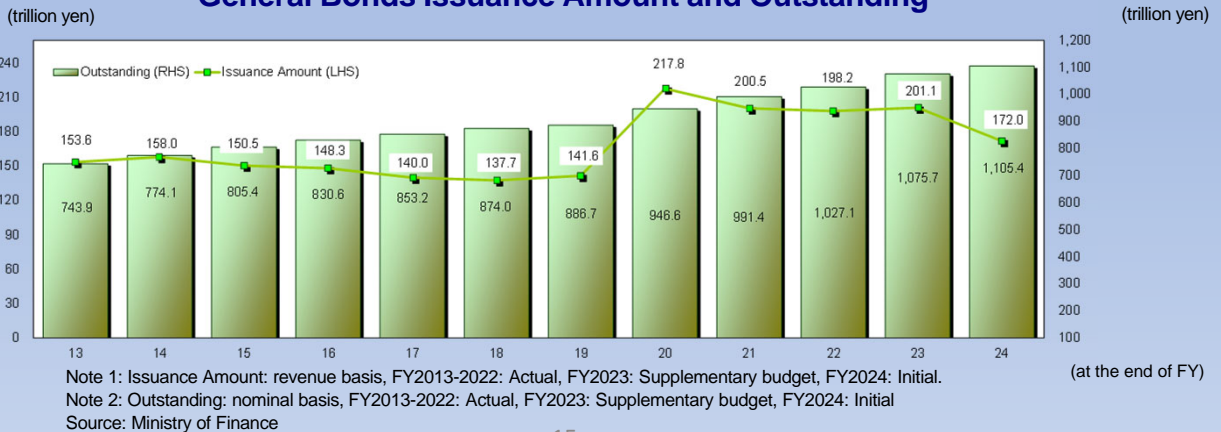
(billion yen)

Note 1: The figures are based on the outstanding JGBs at the end of December, 2023.
 Note 2: The figures are the scheduled redemption at maturity and may be different from the actual redemption due to Buy-back of JGBs.
 Note 3: The figures do not include "JGB for Retail Investors."
 Note 4: If date of redemption coincides with bank holiday, the payment of redemption is carried out on the following business day.
 Note 5: Figures may not sum up to the total because of rounding.

Market-held Balance of the Inflation-Indexed Bonds (as of the end of December, 2023)

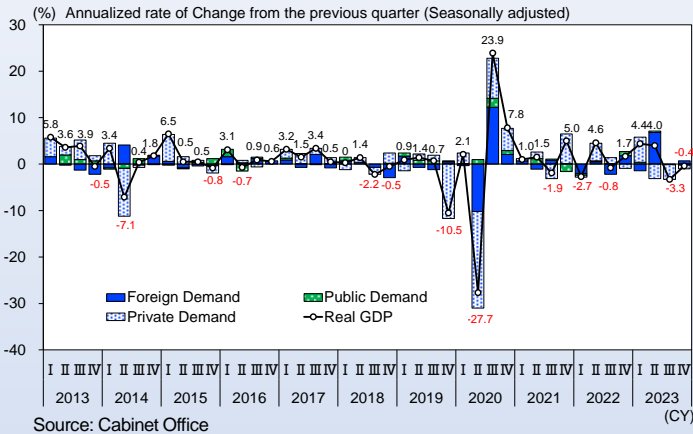


General Bonds Issuance Amount and Outstanding

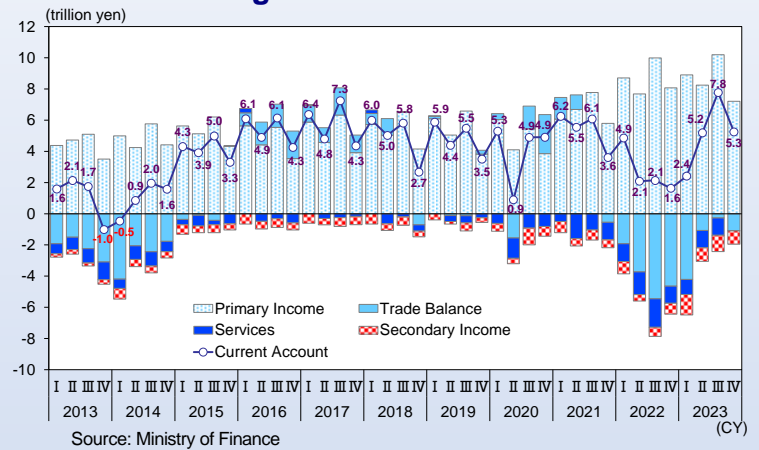


Economic and Financial Trends

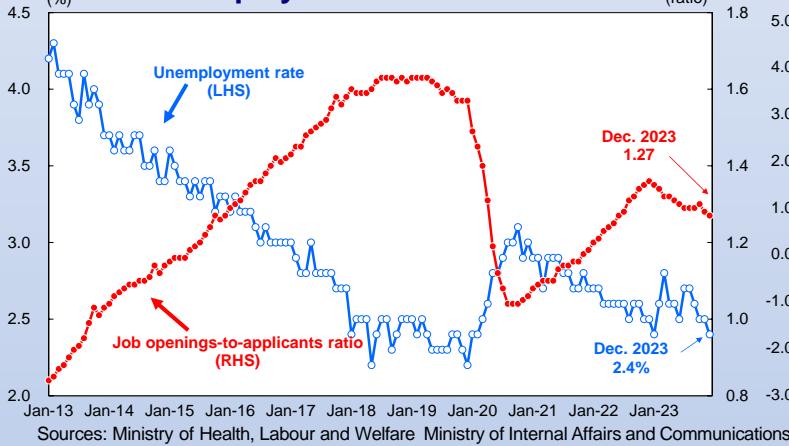
Real GDP Growth Rate



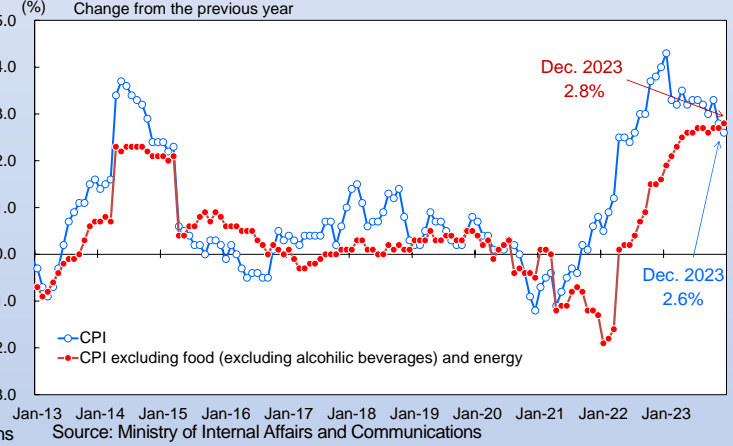
Changes in Current Account



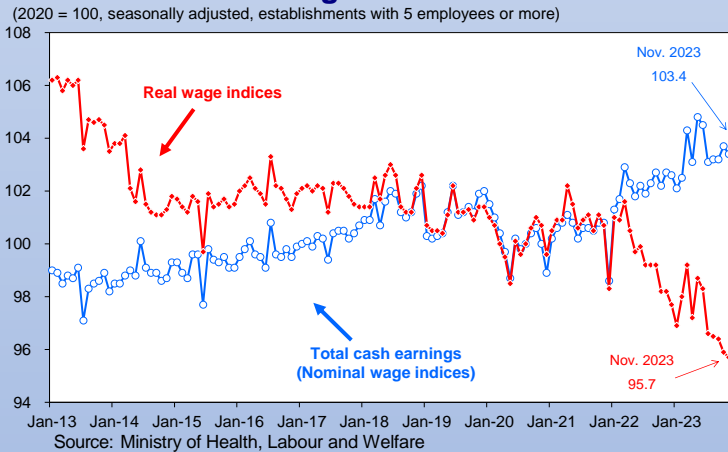
Employment Conditions



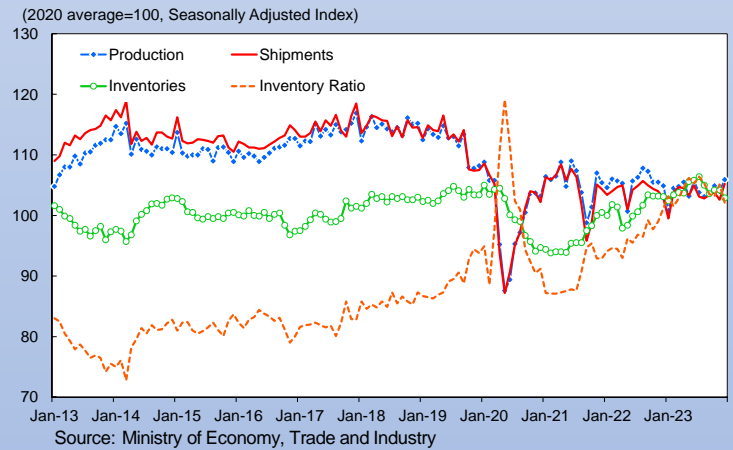
Prices



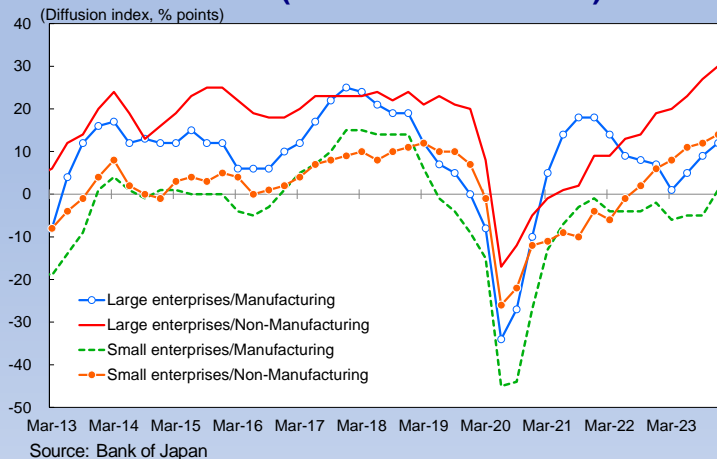
Wage Indices



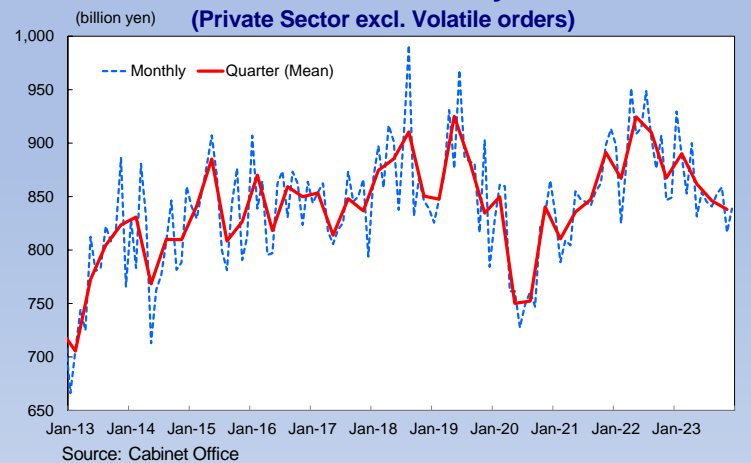
Indices of Industrial Production



TANKAN (Business Conditions)



Total Value of Machinery Orders



Information

English Publications on JGBs	Frequency	URL
Debt Management		
Message from the Financial Bureau	As needed	https://www.mof.go.jp/english/jgbs/debt_management/message.htm
About JGBs	As needed	https://www.mof.go.jp/english/jgbs/debt_management/guide.htm
About the Debt Management Policy	As needed	https://www.mof.go.jp/english/jgbs/debt_management/about.htm
JGB Issuance Plan	As needed	https://www.mof.go.jp/english/jgbs/debt_management/plan/index.htm
Auction Calendar		
Auction Calendar	Monthly	https://www.mof.go.jp/english/jgbs/auction/calendar/index.htm
Historical Data of Auction Results	Monthly	https://www.mof.go.jp/english/jgbs/auction/past_auction_results/index.html
Topics		
Product Characteristics of the JGB	As needed	https://www.mof.go.jp/english/jgbs/topics/bond/index.html
Treasury Discount Bills (T-Bills)	As needed	https://www.mof.go.jp/english/jgbs/topics/t_bill/index.htm
Japanese Government Guaranteed Bonds	Annual	https://www.mof.go.jp/english/jgbs/topics/gov_guaranteed_bonds/index.htm
Interest Rate Swap	Semiannual	https://www.mof.go.jp/english/jgbs/topics/swap/index.htm
Taxation of Government Bonds	As needed	https://www.mof.go.jp/english/jgbs/topics/taxation2016/index.html
For Individual Investors	As needed	https://www.mof.go.jp/english/jgbs/topics/individual/index.htm
Data		
Central Government Debt	Quarterly	https://www.mof.go.jp/english/jgbs/reference/gbb/index.htm
Interest Rate	Daily	https://www.mof.go.jp/english/jgbs/reference/interest_rate/index.htm
STRIPS	Quarterly	https://www.mof.go.jp/english/jgbs/reference/jgbstat/index.htm
Dialogue with the market		
Study Group on Government Debt Management	Each Meeting	https://www.mof.go.jp/english/about_mof/councils/study_gov_debt_management/index.html
Meeting of JGB Market Special Participants	Each Meeting	https://www.mof.go.jp/english/about_mof/councils/jgbsp/index.html
Meeting of JGB Investors	Each Meeting	https://www.mof.go.jp/english/about_mof/councils/jgb_investor/index.html
Publications		
Debt Management Report	Annual	https://www.mof.go.jp/english/jgbs/publication/debt_management_report/index.htm
JGB Newsletter	Monthly	https://www.mof.go.jp/english/jgbs/publication/newsletter/index.htm

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