Provisional Translation

The Framework of the First Supplementary Budget for FY2026

(billion yen)

Expenditures		Revenues	
1. Priority Support Local Allocation Grant	100.0	1. Government bond issuance (Special deficit-financing bonds)	3,113.5
2. Preparing thoroughly for the future	3,013.5		
(1) General contingency reserves	513.5		
(2) Reserve fund for responding to the situation in the Middle East and other matters	2,500.0		
Total	3,113.5	Total	3,113.5

(Note) Reserve fund for responding to the situation in the Middle East and other matters shall not be used for any purpose other than expenses required to respond to the effects on the Japanese economy of soaring energy prices associated with the situation in the Middle East, and other urgent expenses required to respond to the effects on Japan arising from changes in the international situation, including the situation in the Middle East.

Overview of the Supplementary Budget for FY2026

Provisional Translation

○ As the situation in the Middle East remains uncertain, while monitoring future price trends and the impact on the economy, the government will make appropriate judgments and respond in a timely manner as needed so that economic activities and people's daily lives are not negatively affected, and make all possible preparations from the perspective of minimizing risk.

1. Priority Support Local Allocation Grant 100.0 bn

＊Financial measures for support tailored to local circumstances, including support for those using extra high voltage power service or liquefied petroleum gas (LP gas)

2. Preparing thoroughly for the future 3,013.5 bn

○ **General contingency reserves〔513.5 bn〕**

＊After the decision on May 26 to use the reserves for assistance with electricity and natural gas charges, the balance will be restored to 1 trillion yen.

○ **Reserve fund for responding to the situation in the Middle East and other matters〔2,500.0 bn〕**

＊Used for

・Expenses required to respond to the effects on the Japanese economy of soaring energy prices associated with the situation in the Middle East

・Other urgent expenses required to respond to the effects on Japan arising from changes in the international situation, including the situation in the Middle East

■ Total expenditure 3,113.5 bn

【Reference】 May 26: Decision to use general contingency reserves（Assistance with electricity and natural gas charges） **513.5 bn**

■ Revenue (Special deficit-financing bonds) 3,113.5 bn

＊While the amount of special deficit-financing bonds for FY2026 will increase, of the special deficit-financing bonds for FY2025, 3 trillion yen currently scheduled to be issued during the period of clearance for receipts and disbursements (April through June of this year) is expected to be reduced.
(It is currently under close examination toward the FY2025 settlement, which is scheduled to be released in July this year.)
→By making adjustments within the overall projected sovereign bond issuance amount, it will be possible to respond without increasing the amount of bonds to be issued into the market in FY2026.

＊Necessary revisions will also be made to the special account budget.