



JGB Investor Presentation (Basic Information)

August 2025

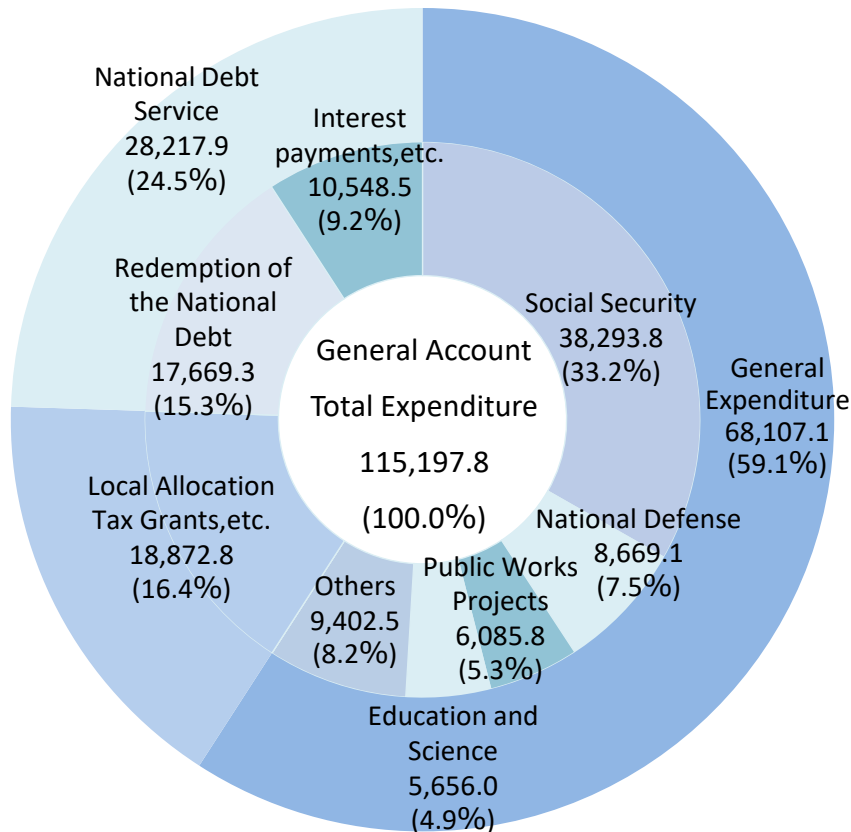
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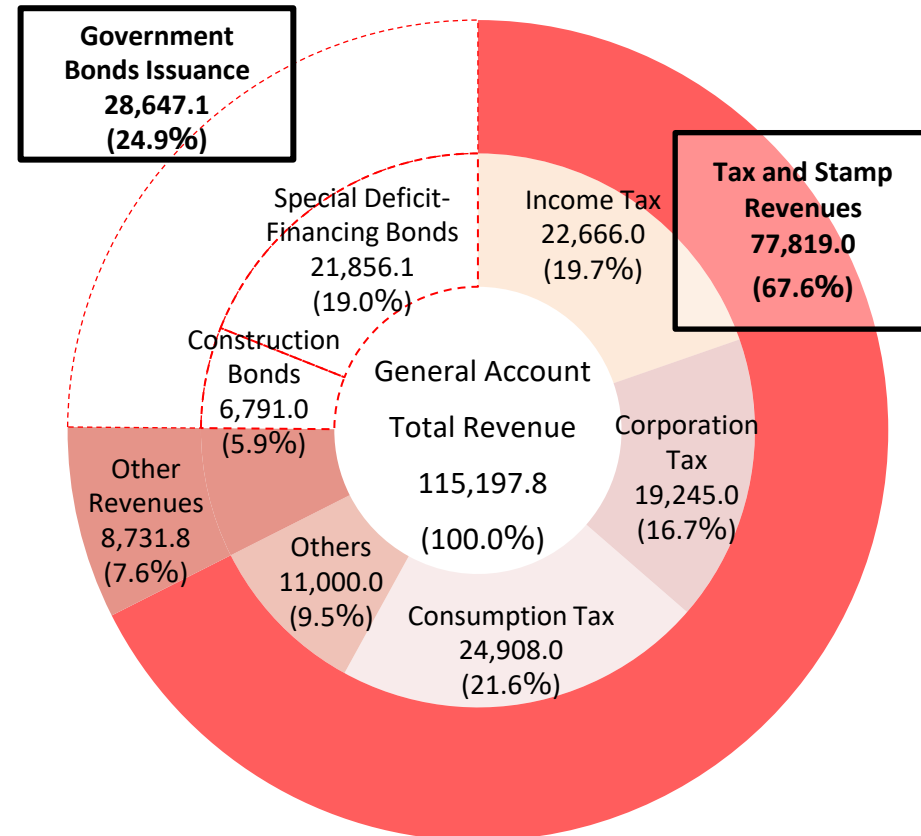
1. Fiscal Condition

The FY2025 Budget: Expenditure and Revenue

General Account Expenditure



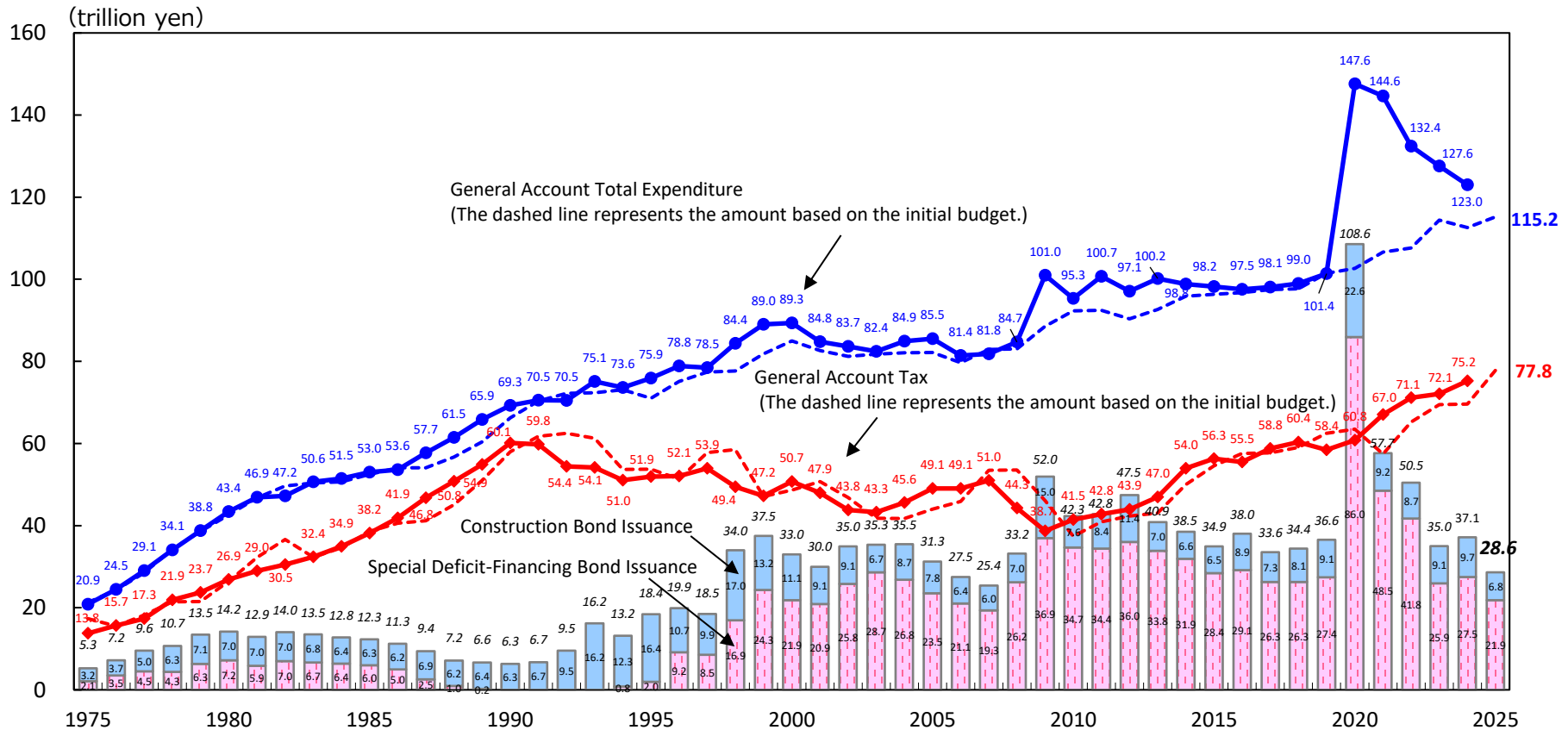
General Account Revenue



Note1: Figures may not add up to the total due to rounding.

Note2: Social security related expenditures account for 56.2% of the general expenditure.

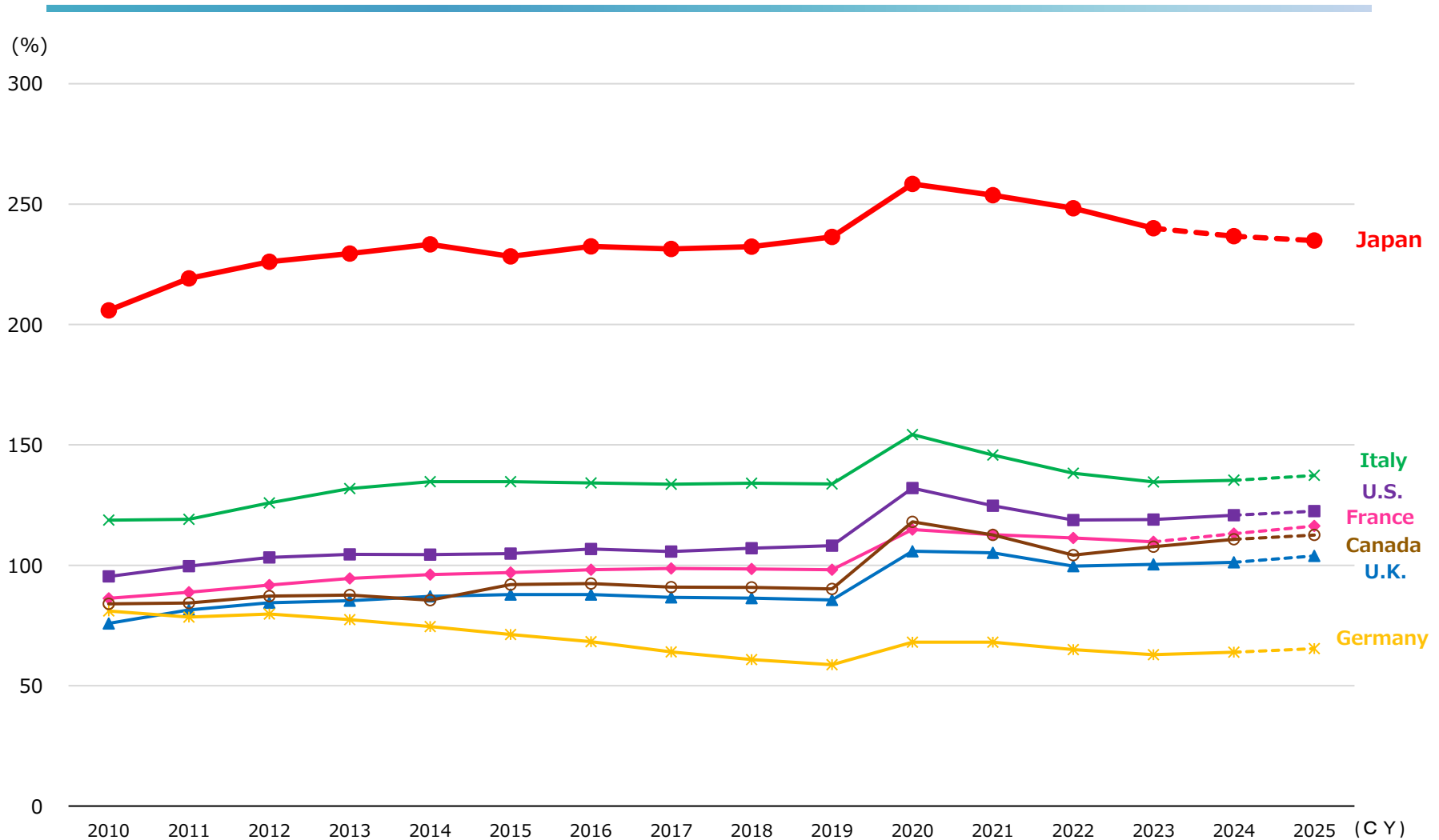
Trends in General Account Expenditure, Tax Revenue and Bond Issuance



Note 1: FY1975 - FY2024: settled figures; FY2025: Based on the budget. The dashed line represents the amount based on the initial budget.

Note 2: The following bonds are excluded: Ad-hoc special deficit-financing bonds issued in FY1990 as a source of funds to support peace and reconstruction activities in the Persian Gulf region, Tax reduction-related special deficit-financing bonds issued in FY1994 - FY1996 to make up for decline in tax revenue due to a series of tax cuts preceding consumption tax hike from 3% to 5%, Reconstruction bonds issued in FY2011 as a source of funds to implement measures for the reconstruction from the Great East Japan Earthquake and Pension-related special deficit-financing bonds issued in FY2012 and FY2013 as a source of funds to achieve the targeted national contribution to one-half of basic pension.

International Comparison of General Government Gross Debt (% of GDP)

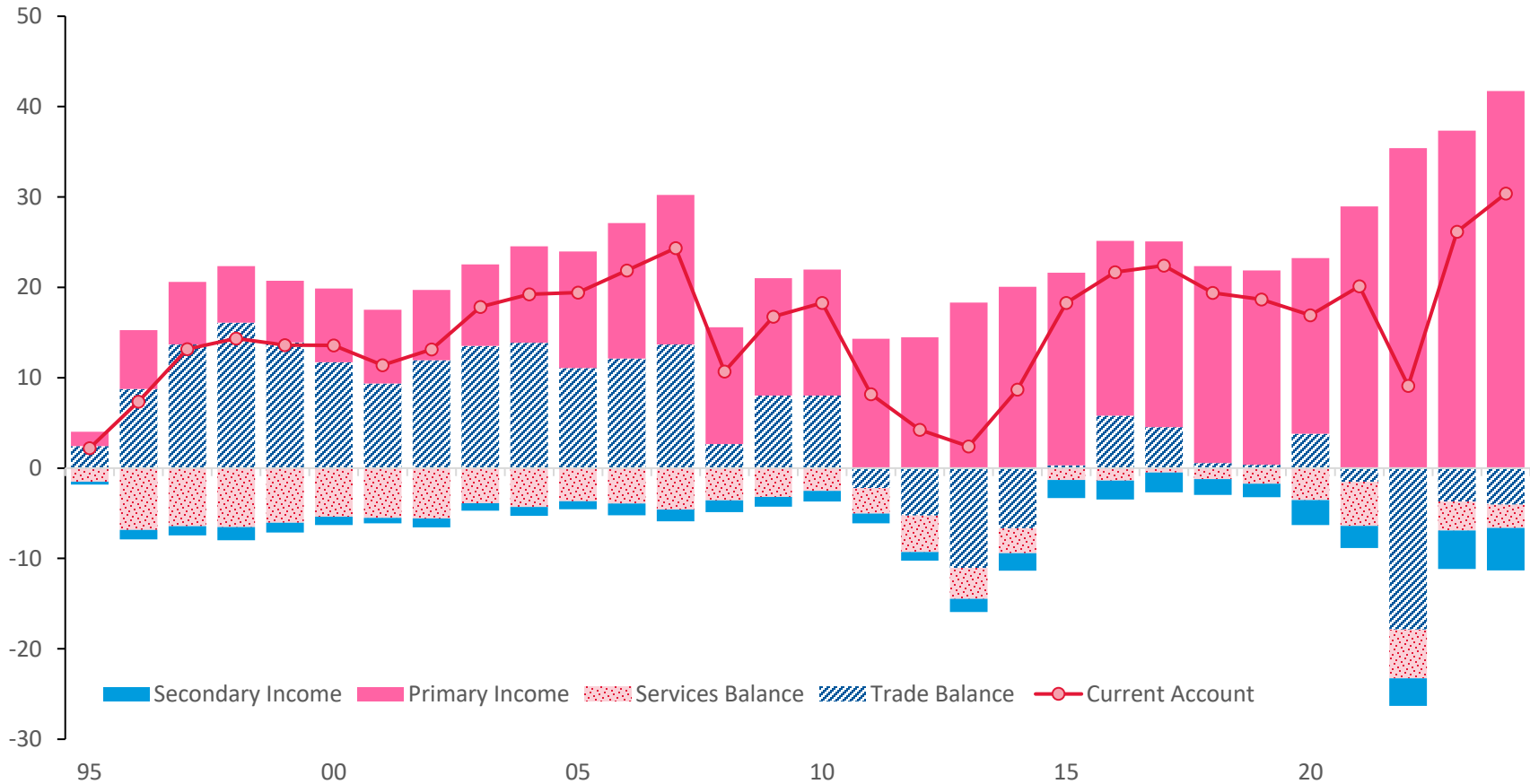


Note1: The figures represent the general-government-based data (the central/local governments and social security funds combined).

Note2: The 2024-2025 figures for Japan and France, and the 2025 figures for the other countries are estimated figures.

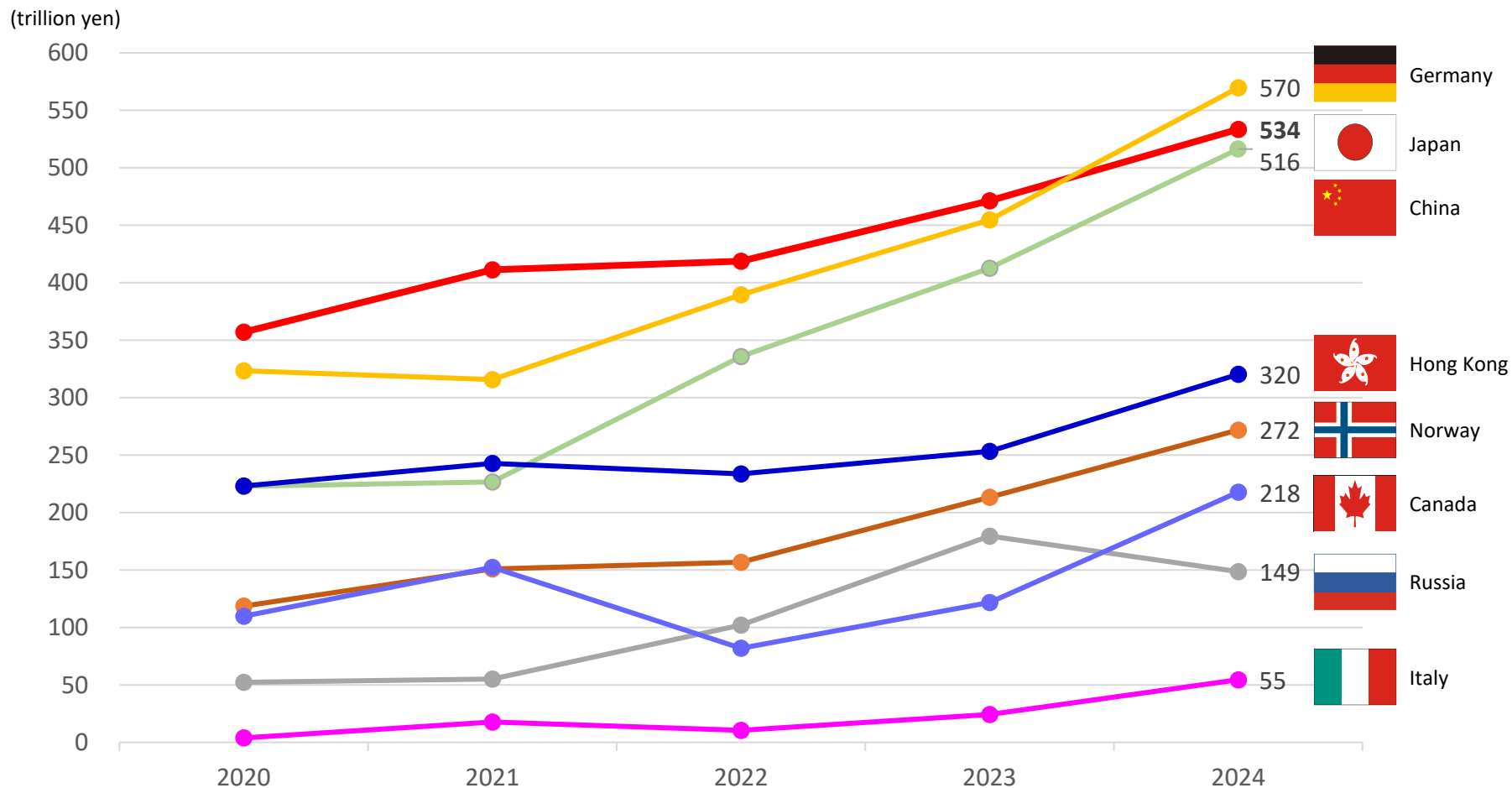
Source: IMF "World Economic Outlook" (April 2025).

Current Account Balance



Note: The figures in FY 2023 are as of March 2024
Source: Bank of Japan "Flow of Funds"

Net International Investment Position (End of 2024) –International Comparison–

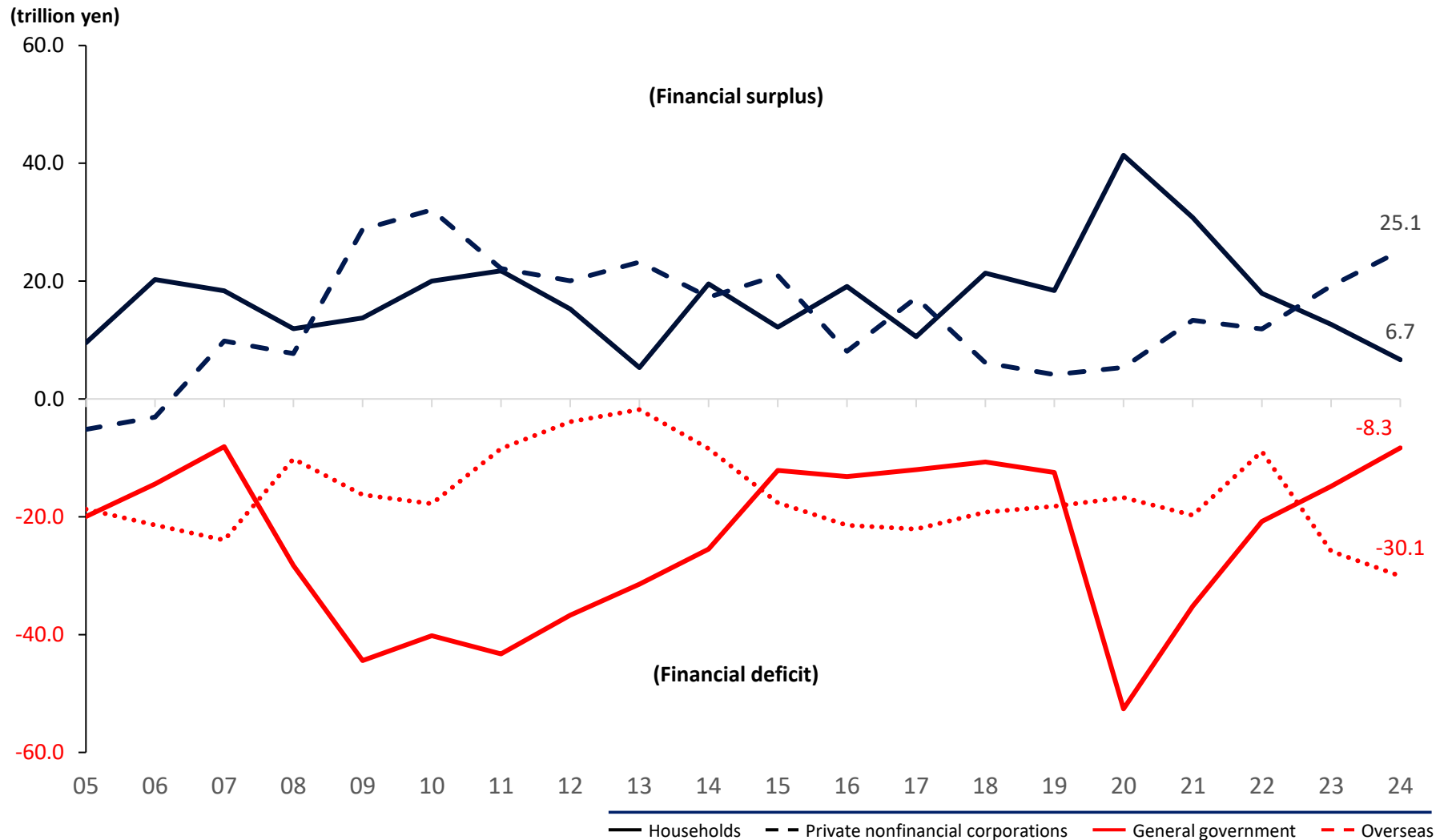


Source: MOF (Japan), Bank of Russia (Russia), IMF (Others)

Note: Figures for countries and regions except for Japan are converted into yen at the year-end exchange rates published by IMF

Figures for certain countries/regions are not disclosed

Financial Surplus and Deficit of Major Sectors



Source: Bank of Japan "Flow of Funds"

Note: "General government" includes "Central government", "Local governments", and "Social security funds"



2. Debt Management

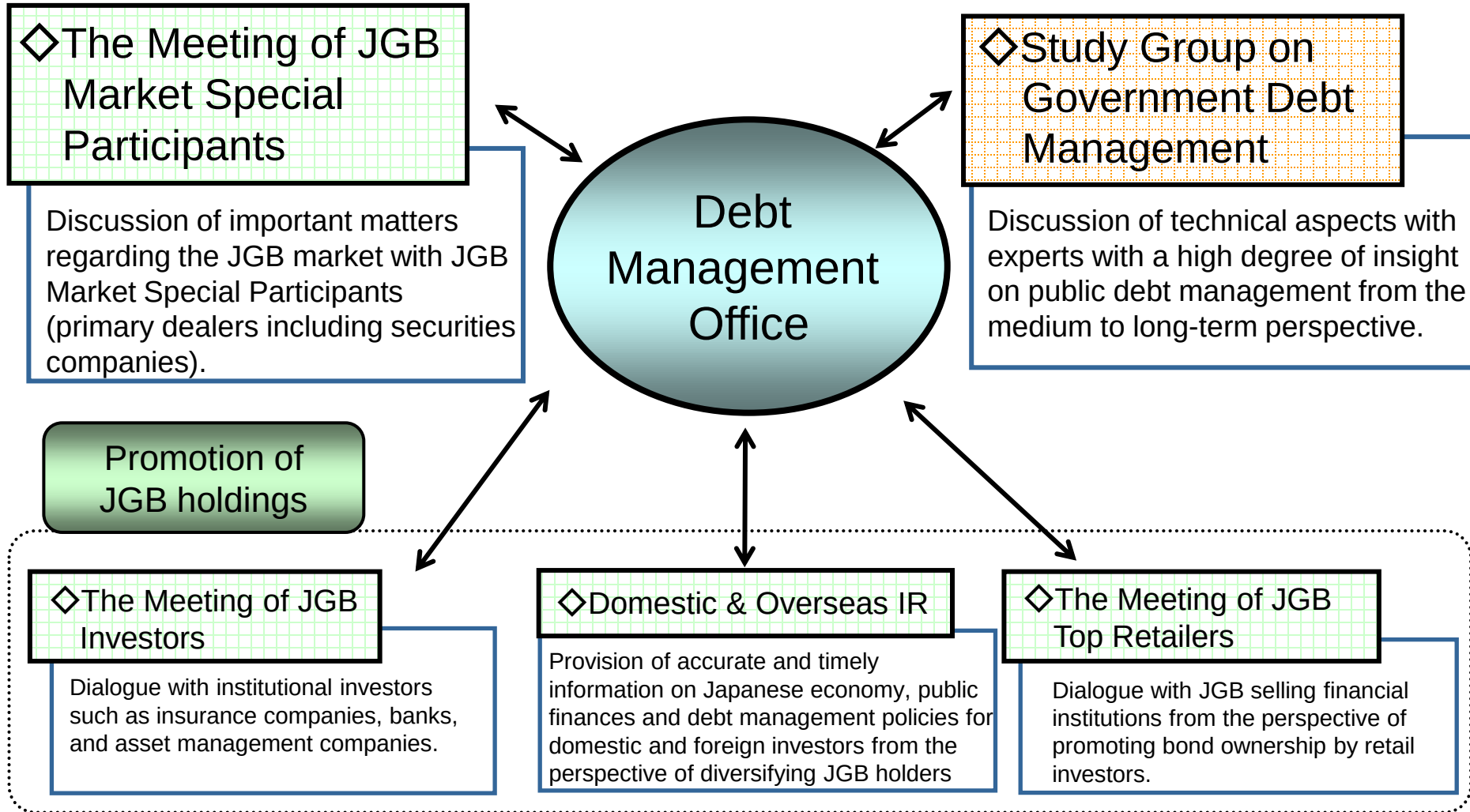
Debt Management Policy

[Basic Objectives]

1. Implement Secure and Smooth Issuance of Japanese Government Bonds
2. Minimize Medium- to Long- Term Financing Costs

- For the Basic Objectives of Debt Management Policy, JGB issuance plan should be formulated in line with market trends and needs. At the same time, securing predictability and transparency is needed to reduce risk of JGB investment.
- As for the maturity composition of the amount, the MOF promotes careful dialogues with the market through such forums as the Meeting of JGB Market Special Participants (PDs) to minimize the impact on the market.

Dialogue with the Markets



Highlights of FY2025 JGB Issuance Plan

<JGB Issuance Plan>

- The total amount is set at 176.9 trillion yen and decreases by 5.1 trillion yen compared with FY2024 (Initial).
- Regarding market conditions, the market issuance by periodic auctions is set at 172.3 trillion yen. Short-term and medium-term bonds are increased and super long-term bonds are decreased.

<Initiatives to increase JGB holdings (Note) >

- Prepare for the issuance of new floating-rate JGBs linked to short-term interest rates in order to meet investment demands from banks etc.
- Consider to sell “JGBs for Retail Investors” to non-profit corporations and unlisted companies in order to expand stable holders.

(Note) Floating-rate JGBs are expected to be available for issuance during FY2026 at the earliest, given that it takes a certain time for authorities and market participants to improve systems and establish frameworks. The actual start of issuance will be decided based on future market conditions and advice from market participants. The expansion of sales targets of JGBs for Retail Investors are expected to be during FY2026.

Breakdown by Legal Grounds

(trillion yen)

	FY2025 (Initial)	
		Changes from FY2024(Initial)
Newly-Issued Bonds (Construction Bonds and Special Deficit-Financing Bonds)	28.6	-6.8
Reconstruction Bonds	0.1	-0.0
GX Economy Transition Bonds	0.7	+ 0.1
Children Special Bonds	1.1	+ 0.9
FILP Bonds	10.0	—
Refunding Bonds	136.2	+ 0.7
Total	176.9	-5.1

Breakdown by Financing Methods

(trillion yen)

	FY2025 (Initial)	
		Changes from FY2024(Initial)
Market Issuance by Periodic Auctions	172.3	+ 1.3
40-Year	3.0	-1.2
30-Year	9.6	-1.2
20-Year	12.0	—
10-Year	31.2	—
5-Year	28.8	+ 1.2
2-Year	31.2	—
TBs	40.8	+ 2.4
10-Year Inflation-Indexed	1.0	—
Japan Climate Transition Bonds	1.2	-0.2
Liquidity Enhancement Auction	13.5	+ 0.3
Sales for Household	4.6	+ 1.1
Others	-0.0	-7.5
Total	176.9	-5.1

Highlights of FY2025 JGB Issuance Plan (Revised in June)

- Taking market needs into account, the issuance amount of 40-Year Bonds and 30-Year Bonds is each decreased by 0.1 trillion yen per time, and 20-Year Bonds is decreased by 0.2 trillion yen per time. The amount of Liquidity Enhancement Auction (15.5-39 Year) is also decreased by 0.1 trillion yen per time.
- The reduction of super long-term bonds is offset by the increase of 2-Year Bonds, TBs, and reflection of upswing in Sales for Household, etc.
- The MOF will adequately implement Debt Management Policy while monitoring market conditions and investor's trends

【FY2025 JGB Issuance Plan (Market Issuance Plan by Issue)】

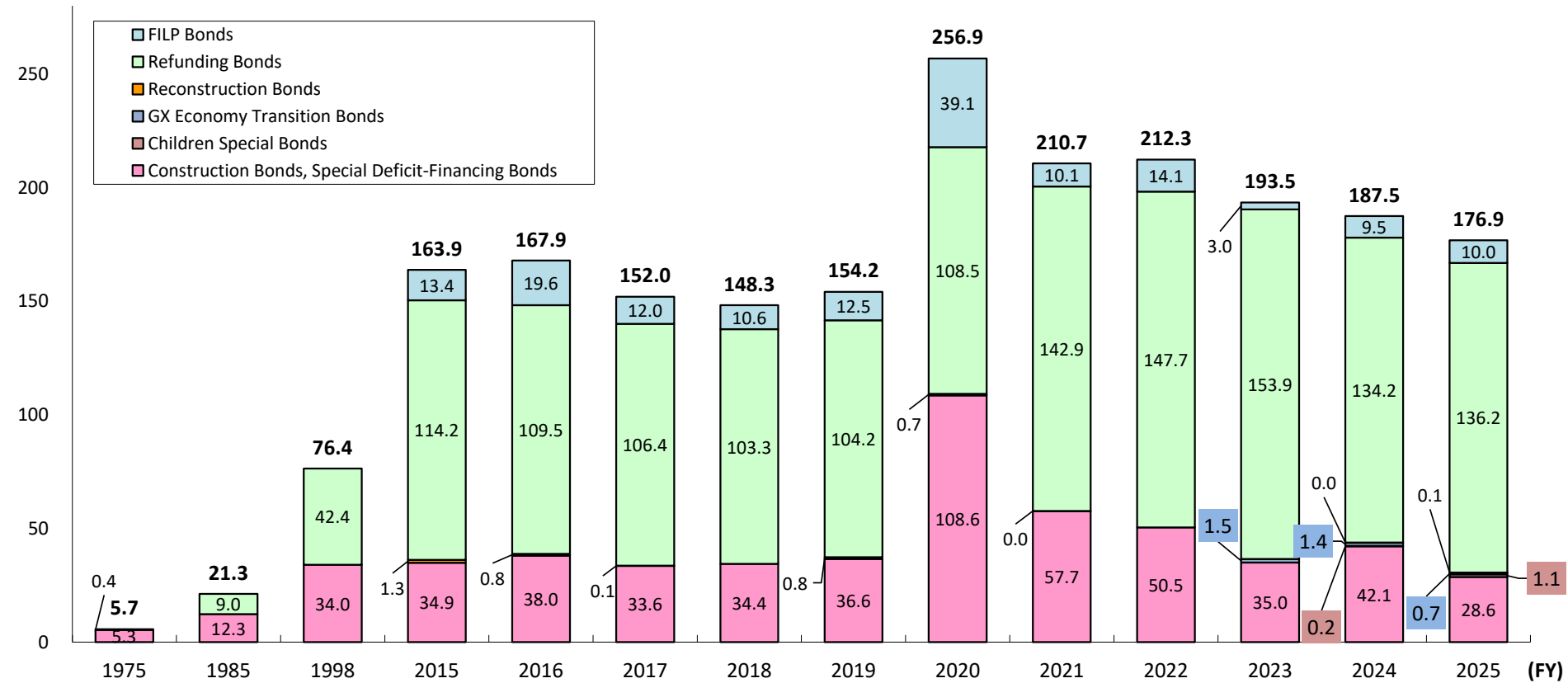
(trillion yen)

		Issuance amount (per time)			Issuance amount (year)		
		2025 (Initial)	2025 (Revised in June)	Changes	2025 (Initial)	2025 (Revised in June)	Changes
Market Issuance by Periodic Auctions					172.3	171.8	-0.5
	40-Year	0.5	0.4 (from July)	-0.1	3.0	2.5	-0.5
	30-Year	0.8	0.7 (from July)	-0.1	9.6	8.7	-0.9
	20-Year	1.0	0.8 (from July)	-0.2	12.0	10.2	-1.8
	10-Year	2.6	2.6	—	31.2	31.2	—
	5-Year	2.4	2.4	—	28.8	28.8	—
	2-Year	2.6	2.7 (from October)	+0.1	31.2	31.8	+0.6
	TBs (1-Year)	3.2	3.3 (from January)	+0.1	38.4	38.7	+0.3
	TBs (6-Month)	0.4	0.7 (from October)	+0.3	2.4	4.2	+1.8
Liquidity Enhancement Auction	15.5-39 Year	0.45	0.35 (from August)	-0.1	2.7	2.3	-0.4
	5-15.5 Year	0.65	0.65	—	7.8	7.8	—
	1-5 Year	0.5	0.6 (from September)	+0.1	3.0	3.4	+0.4
	10-Year Inflation-Indexed Japan Climate Transition Bonds				2.2	2.2	—
Others (Sales for Households, etc)					4.6	5.1	+0.5
Total					176.9	176.9	—

※ 40-Year Bonds Auction and Liquidity Enhancement Auction (15.5-39 Year, 1-5 Year) are conducted every two months.

Changes in JGB Issuance Plan

(trillion yen)

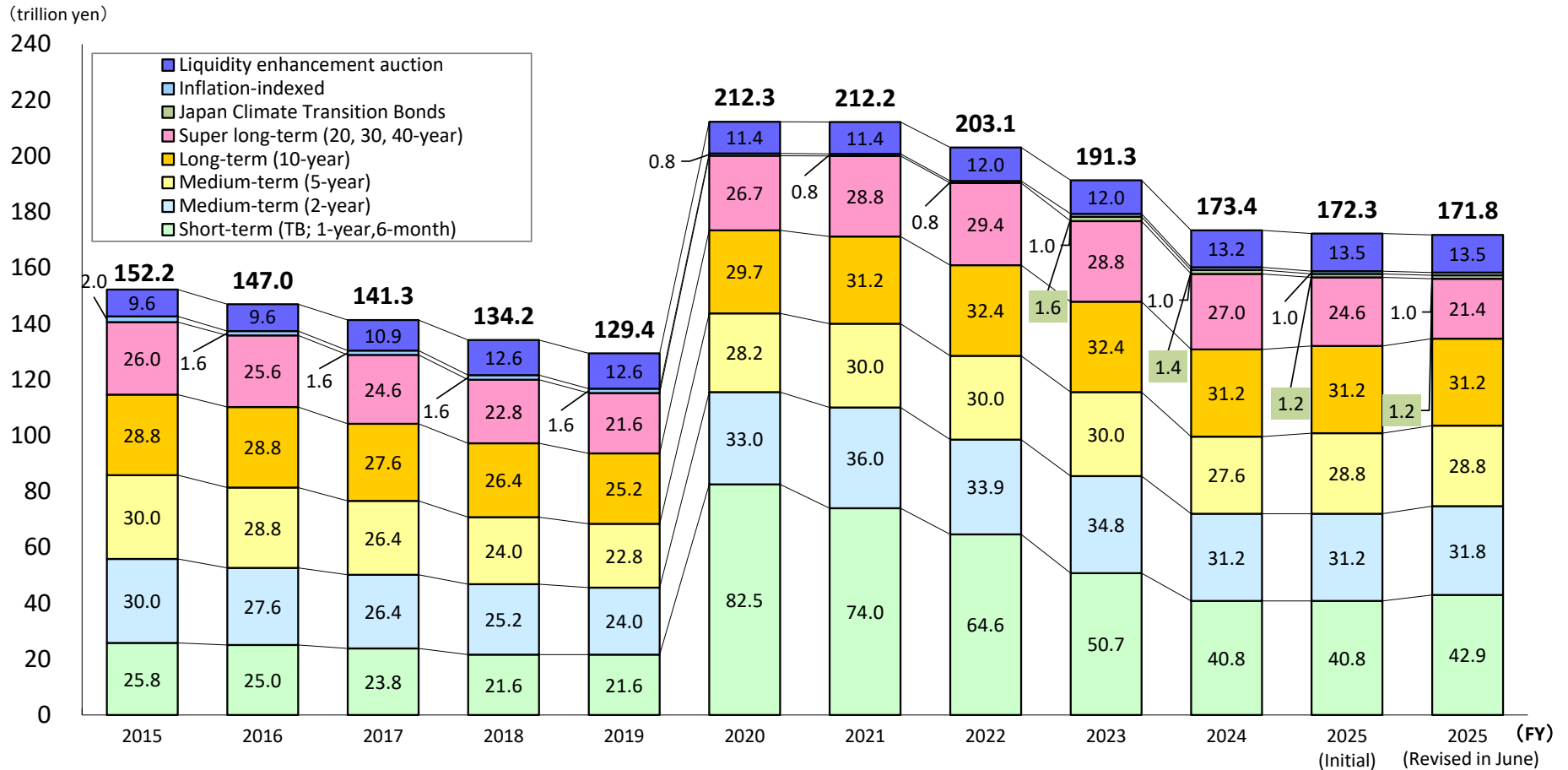


Note:

(1) Up to FY2023: Actual. FY2024: Supplementary budget basis. FY2025: Initial basis.

(2) Figures may not sum up to the total because of rounding.

Changes in Market Issuance Plan by Issue

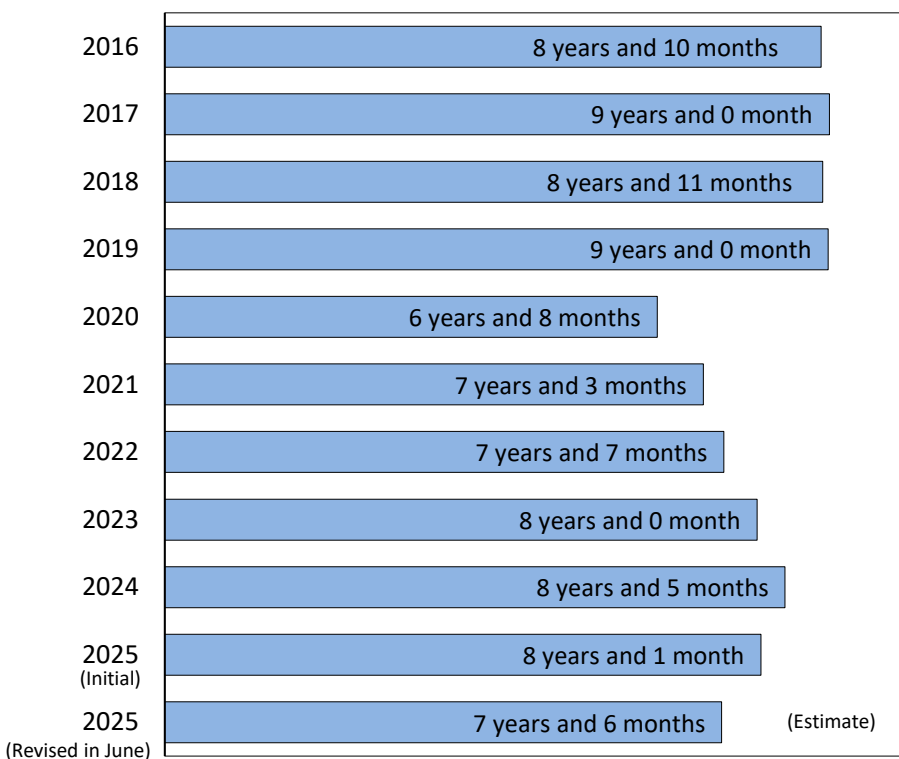


Note: Up to FY2024: Last revised basis.

FY2025: Initial, Revised in June basis.

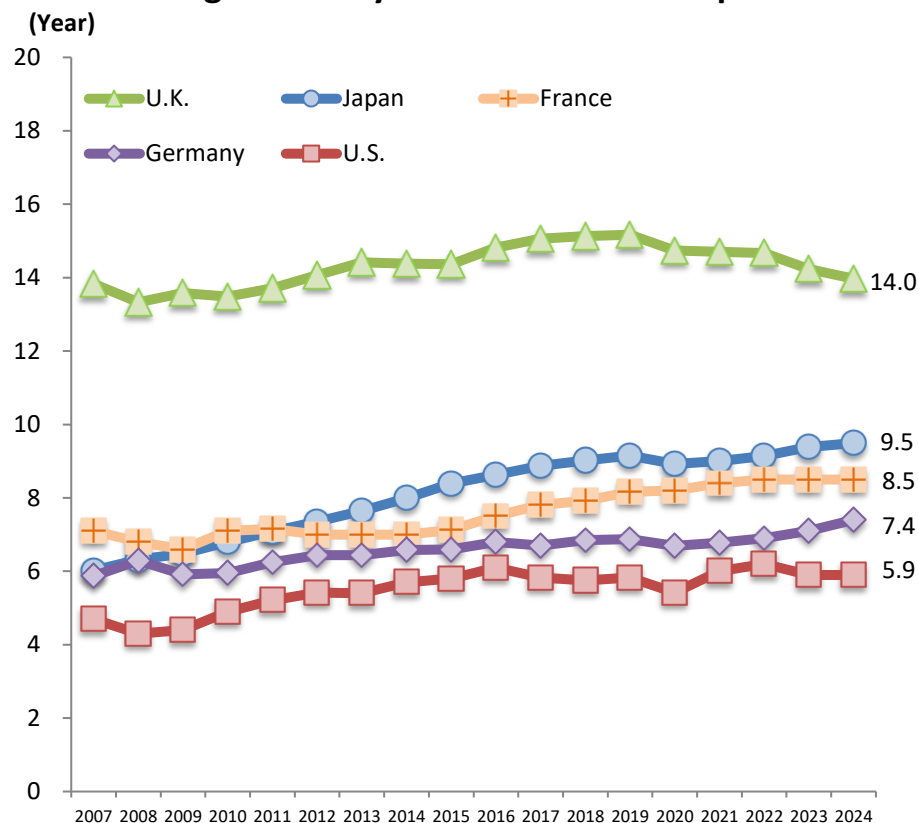
Weighted Average Maturity of JGB

Market Issuance (flow-basis)



Note: Up to FY2023: Actual. FY2024: supplementary budget basis. FY2025: initial basis.

Average maturity -International Comparison-

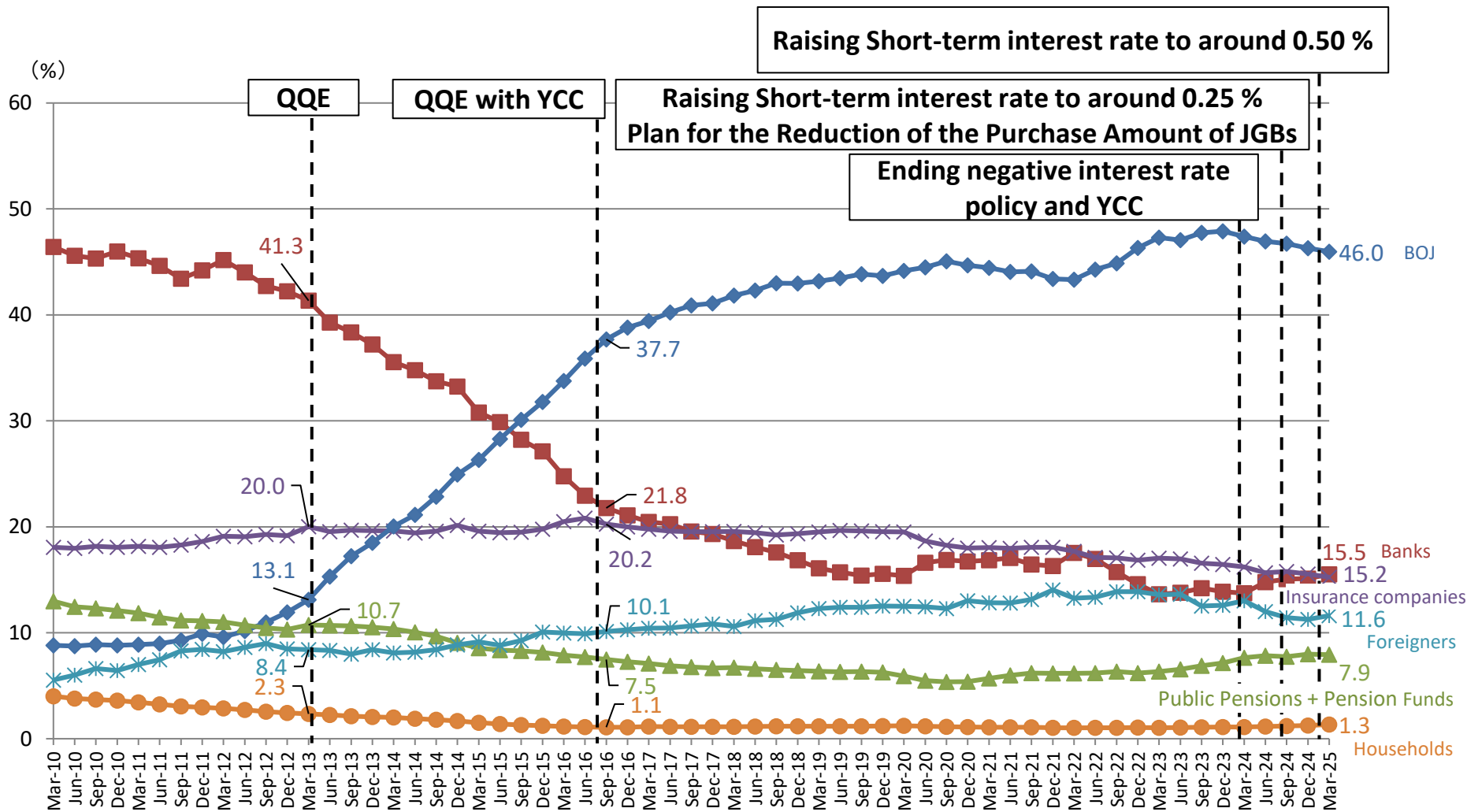


Source: OECD, Websites of the respective countries' debt management authorities

Note:

- (1) Data for Japan represent the average weighted maturity of outstanding General Bonds including Treasury Bills (TBs) and excluding Financing Bills (FBs). Data for other countries include short-term (one-year and shorter) bills.
- (2) Data are calculated on a stock basis. Non-marketable bonds are excluded.
- (3) Data for each year are as of the end of March of the following year for Japan alone and as of the end of December for other countries.

Share of JGB and T-Bill –Breakdown by Holders-



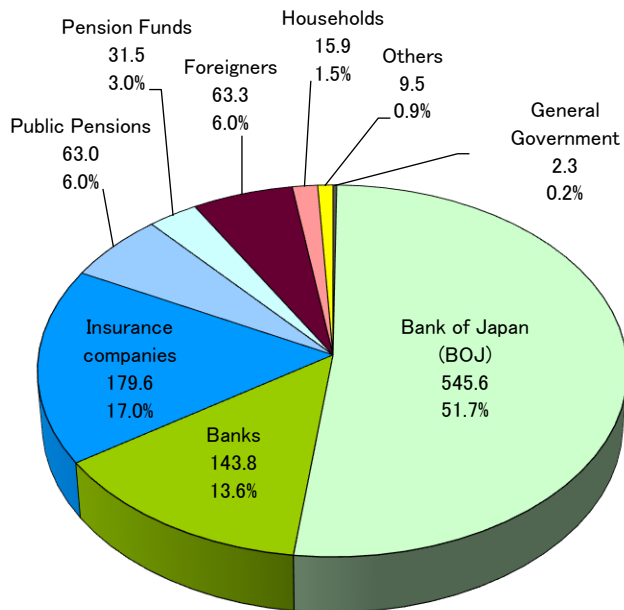
Source: Bank of Japan "Flow of Funds Accounts (Preliminary Figures)"

Note:

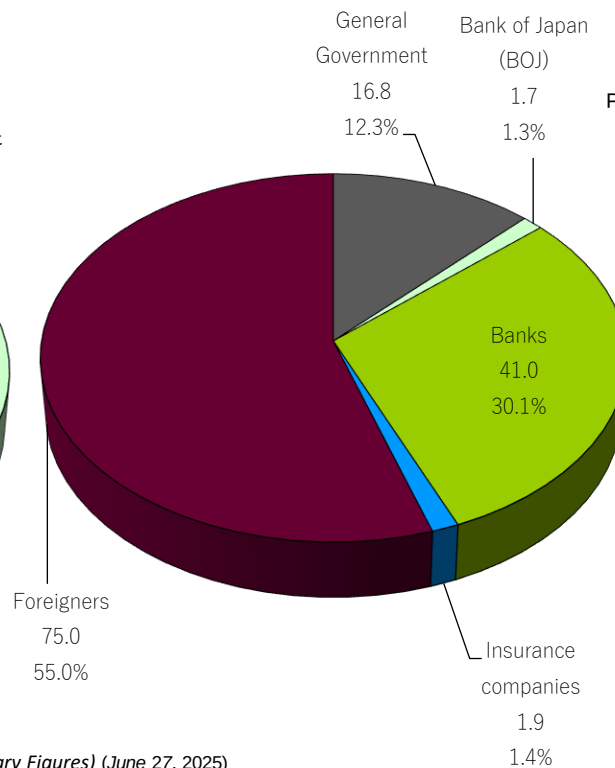
- (1) "JGB" includes "FILP Bonds."
- (2) "Banks" includes "Japan Post Bank," "Securities investment trusts," "Securities companies," etc.
- (3) "Insurance companies" includes "Life insurance," "Nonlife insurance," and "Mutual aid insurance."

Breakdown by JGB and T-Bill Holders (Mar. 2025, Preliminary Figures)

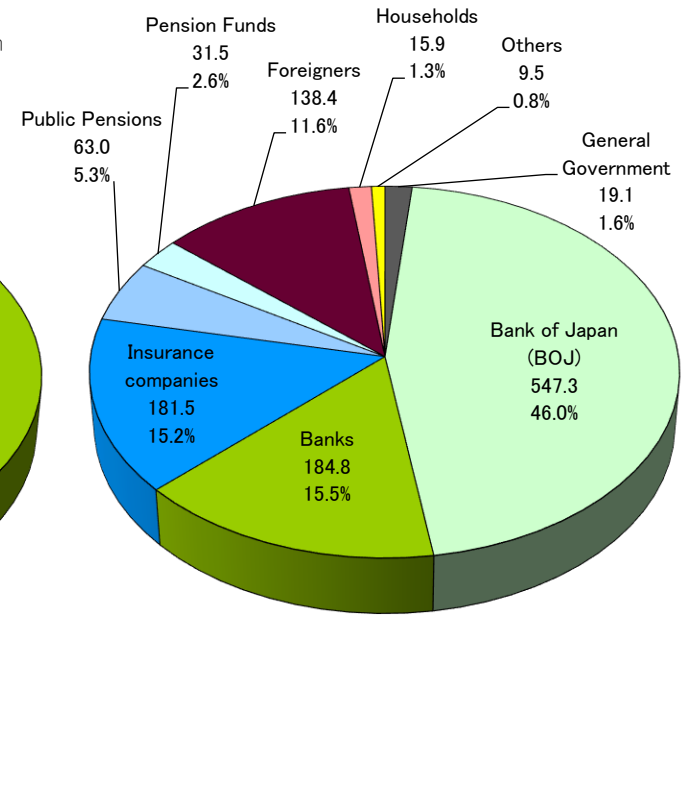
JGB Holders
Total 1,054.5 trillion yen



T-Bill Holders
Total 136.4 trillion yen



JGB and T-Bill Holders
Total 1,190.9 trillion yen



Source: Bank of Japan "Flow of Funds Accounts (Preliminary Figures) (June 27, 2025)

Note

- (1) "JGB" includes "FILP Bonds."
- (2) "Banks" includes "Japan Post Bank," "Securities investment trusts," "Securities companies," etc.
- (3) "Insurance companies" includes "Life insurance," "Nonlife insurance," and "Mutual aid insurance."
- (4) "General Government" excludes "Public Pensions."

Basic Product Features of the New Floating-rate JGBs

Coupon rate	Reference rate + Spread ^(Note 1) (Coupon rate is set in percentage with 3 decimal places and the lowest coupon rate is 0%.)
Reference rate ^(Note 2)	6-month T-Bill issue yield (Average issue yield of the 6-month T-Bill auction held immediately prior to the rate decision, rounded off the yield to 4 decimal places.)
Issuance methods	Dutch-style competitive auction in which each competitive tender specifies a Spread (which can be positive, zero, or negative, expressed in 0.1bp)
Tenor	2- or 5-Year
Maturity date	2-year bonds: the 1 st day of the month of the issuance in the year of maturity 5-year bonds: the 20 th day of the final month in the preceding quarter of the issuance date, namely March, June, September, or December, in the year of maturity ^(Note 3) .
Interest Payment dates	Every six months until maturity
Day Count Convention	Same as existing T-Bills
Min. face value unit	50,000 yen
STRIPS Eligible	No
Reopening	To be decided
Other items	Non-Price Competitive Auction II is offered. Non-Competitive Auction, Non-Price Competitive Auction I, Liquidity Enhancement Auction, and Buy-back program are NOT offered. Security codes for the new Floating-rate JGBs will be announced later by the Securities Identification Code Committee.

(Note 1) Spread is set in the auction and stays until maturity.

(Note 2) Reference rate is determined before each interest calculation period starts and revised semi-annually.

(Note 3) Maturity date of the 5-year bonds may also be the 1st day of the month of the issuance, as with the 2-year bonds, depending on the issue frequency and issue amount.

(Note 4) The above points may change during the course of future discussions.



3. Japan Climate Transition Bonds

GX Economy Transition Bonds & Japan Climate Transition Bonds

GX Investment and “GX Economy Transition Bonds”

- More than JPY 150 trillion (About EUR 940 billion/USD 970 billion) of public and private GX investments will be raised over 10 years to simultaneously realize international commitments, strengthen industrial competitiveness, and achieve economic growth.
- JPY 20 trillion (About EUR 125 billion/USD 130 billion) worth of “GX Economy Transition Bonds” will be issued over 10 years (from FY2023 to FY2032) in order to implement upfront GX investments.
- GX Economy Transition Bonds will be redeemed by FY2050, with revenues from a surcharge on fossil fuel supply for companies such as fossil fuel importers starting from FY2028, as well as with revenues from the auction of emission quotas by power producers starting from FY2033.

“Japan Climate Transition Bonds”

- In November 2023, the framework for the bonds was formulated and second party opinions were obtained from external reviewers, JCR and DNV, for alignment with international standards.(Revised in June 2025)
- Japan named the world’s first sovereign transition bonds “Japan Climate Transition Bonds,” which was first issued in February 2024.
- Japan issued JPY 3.0 trillion of the transition bonds from FY2023 to FY2024 with tenors of 5-year and 10-year.
- Auctions Schedule in FY2025 (from April 2025 to March 2026):

Auction Date	Maturity	Offering Amounts
15 July 2025	5-year	About JPY 300 billion (About EUR 1.8 billion / USD 2.0billion)
October 2025	10-year	About JPY 300 billion (About EUR 1.8 billion / USD 2.0billion)
January 2026	5-year	About JPY 300 billion (About EUR 1.8 billion / USD 2.0billion)
March 2026	10-year	About JPY 300 billion (About EUR 1.8 billion / USD 2.0billion)

- After issuance, annual reporting will be conducted on (1) Allocation and (2) Impact. The Allocation Report (1) for FY2023 issuance was published in December 2024. As the outcomes of the projects take time to become evident, the first Impact Report (2) is scheduled to be published by the end of the second fiscal year following the issuance year.

For More 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
Japan Climate Transition Bonds	As needed	https://www.mof.go.jp/english/policy/jgbs/topics/JapanClimateTransitionBonds/index.html
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