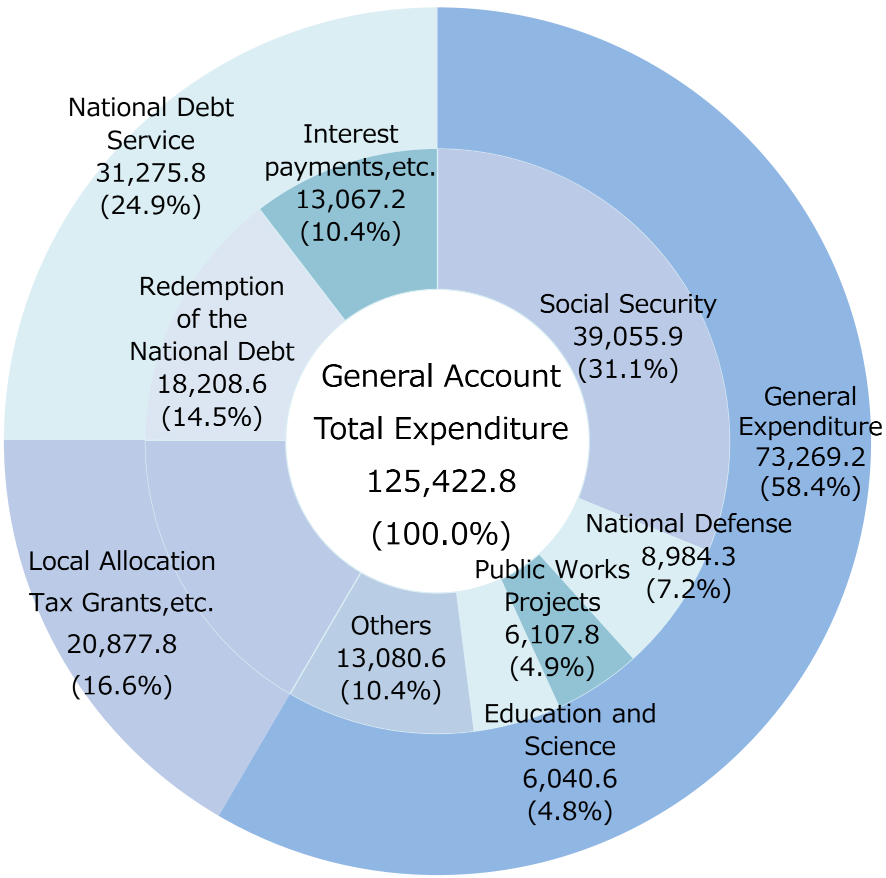
JGB Investor Presentation (Basic Information) August 2026

Table of Contents

1. Fiscal Condition

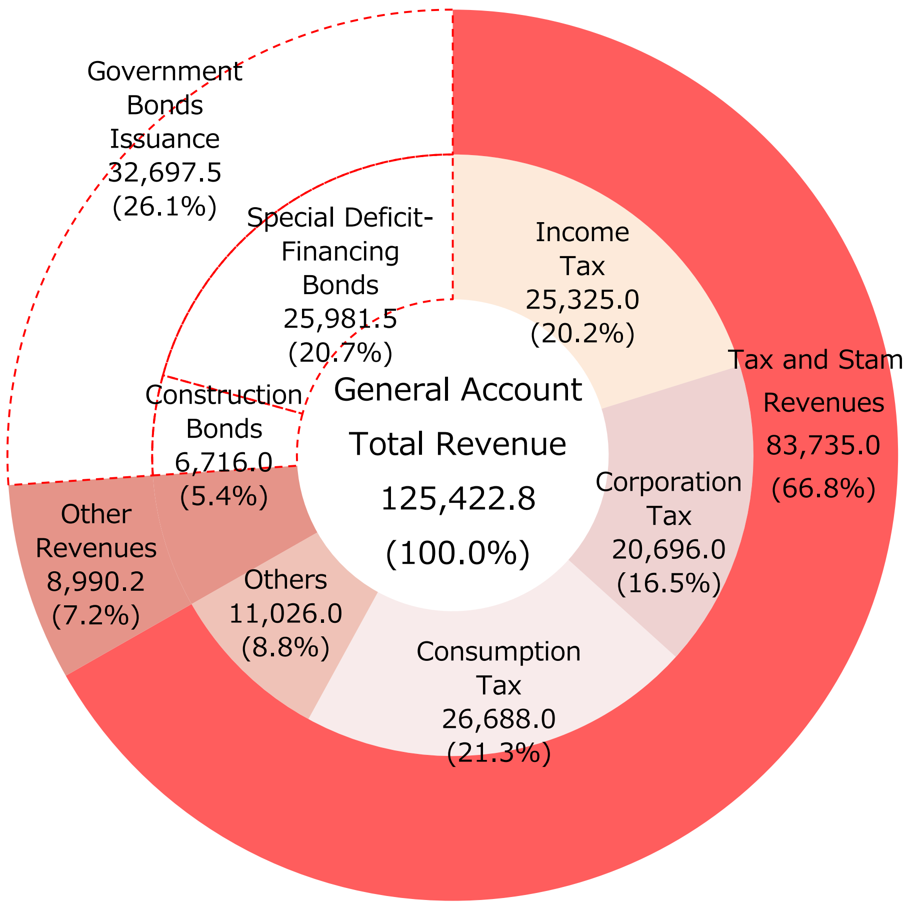
The FY2026 Budget: Expenditure and Revenue

General Account Expenditure



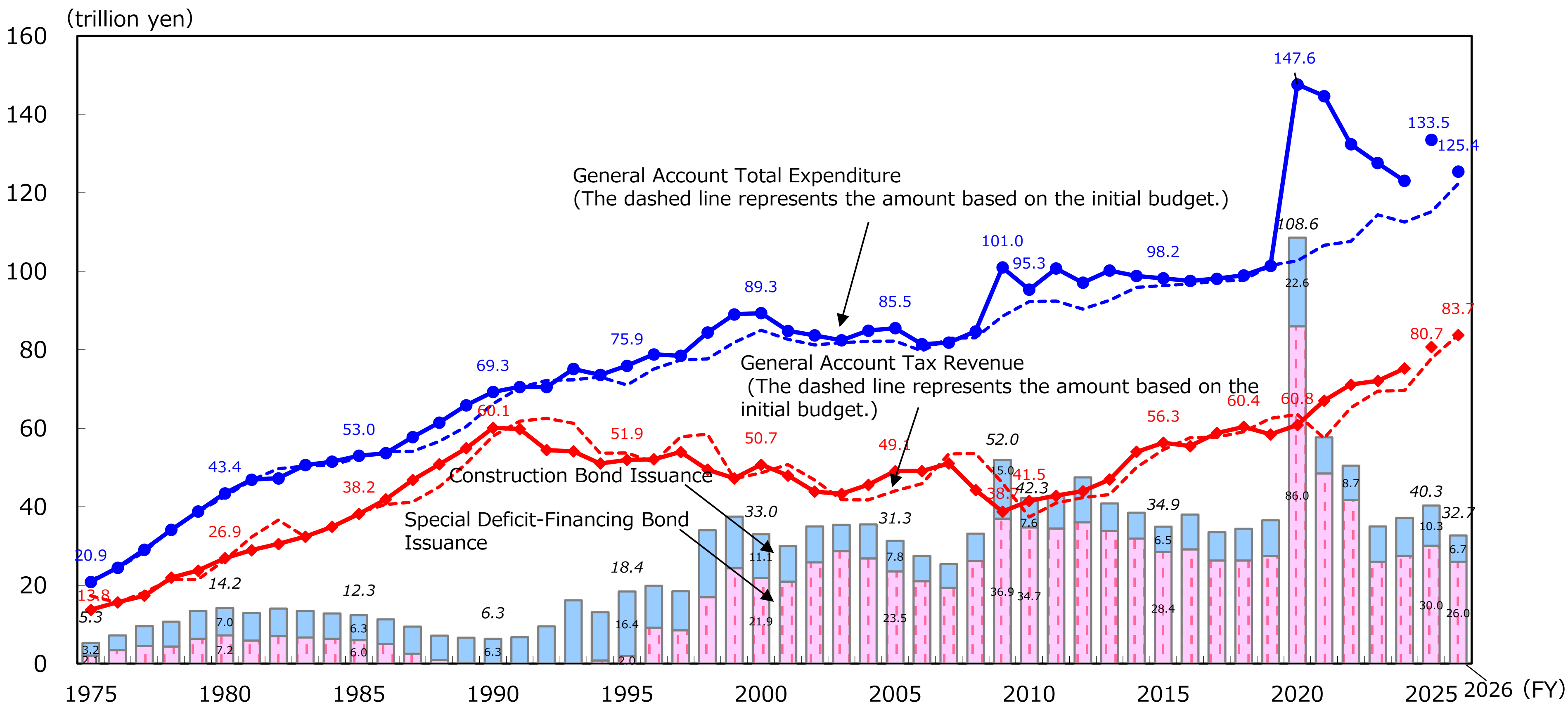
General Account Revenue

(unit: billion yen)



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

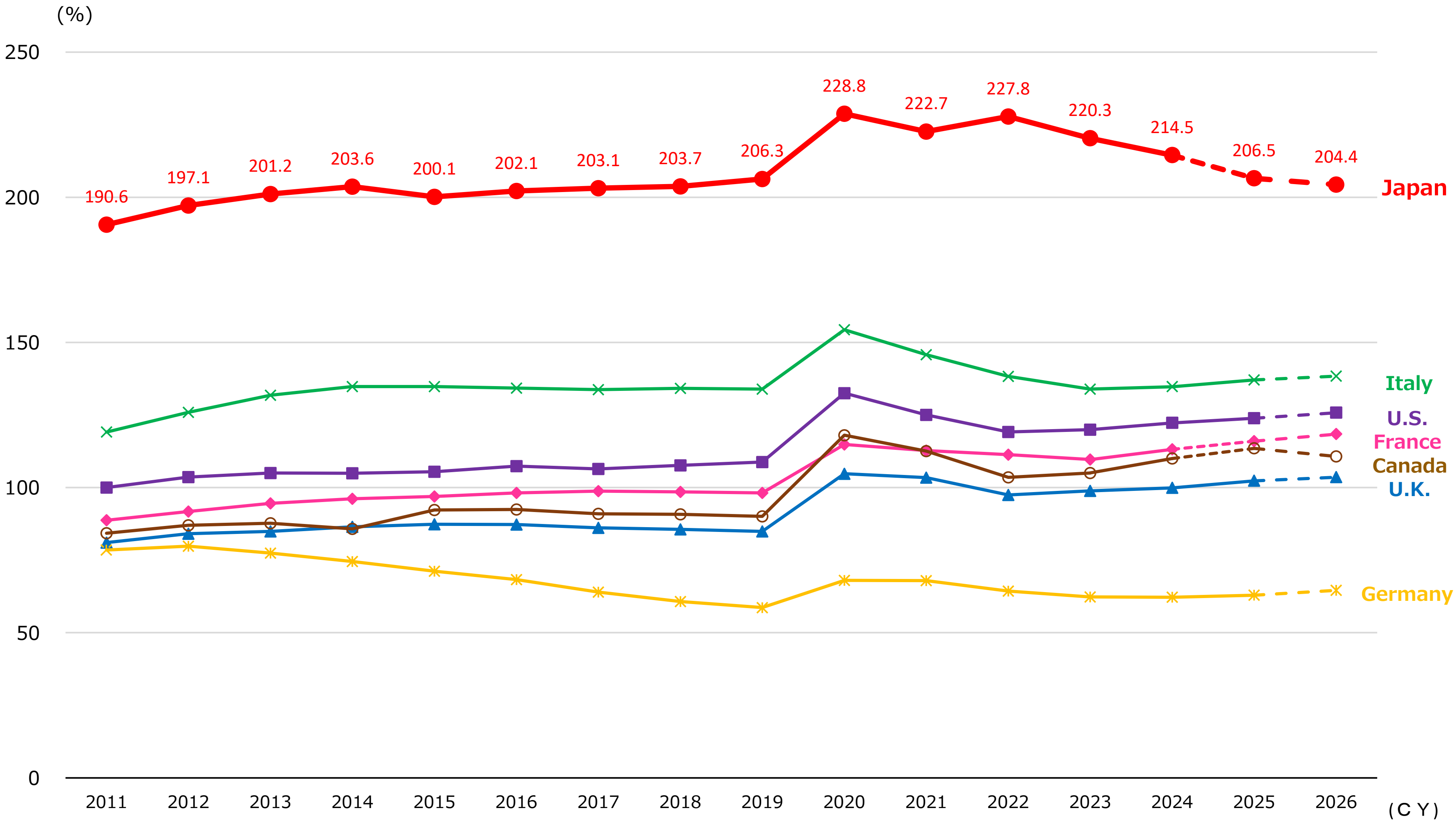
Trends in General Account Expenditure, Tax Revenue and Bond Issuance



Note 1: FY1975 - FY2024: settled figures; FY2025 and FY2026: based on the supplementary budget. The dashed line represents the amount based on the initial budget.

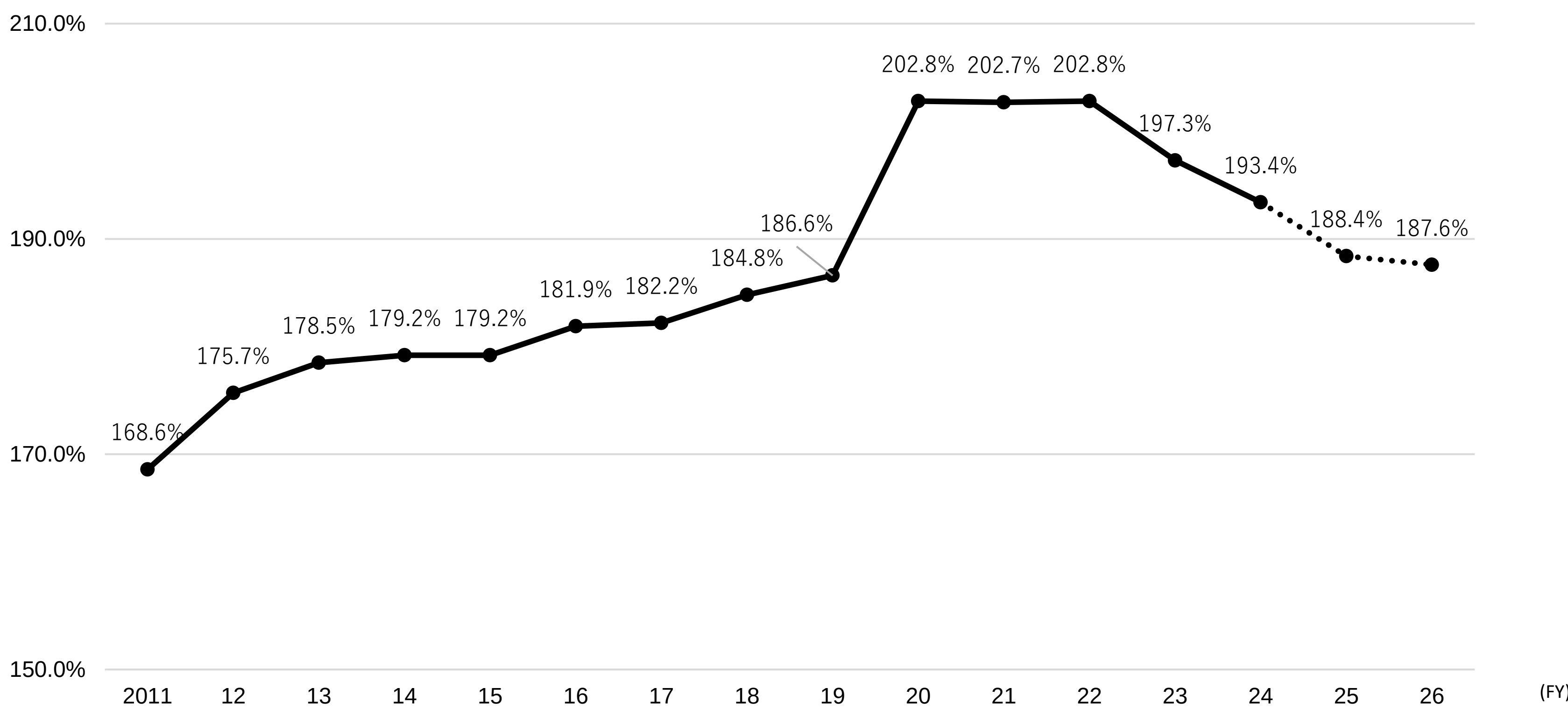
Note 2: The following bonds are excluded: Ad-hoc special deficit-financing bonds issued in FY1990 as a source of funds to support peace and reconstruction activities in the Persian Gulf region, Tax reduction-related special deficit-financing bonds issued in FY1994 - FY1996 to make up for decline in tax 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 2025-2026 figures for Japan, France and Canada, and the 2026 figures for the other countries are estimated figures.
Source: IMF "World Economic Outlook" (April 2026).

(Reference) Trends in the Outstanding Debt of Central and Local Governments (% of GDP)

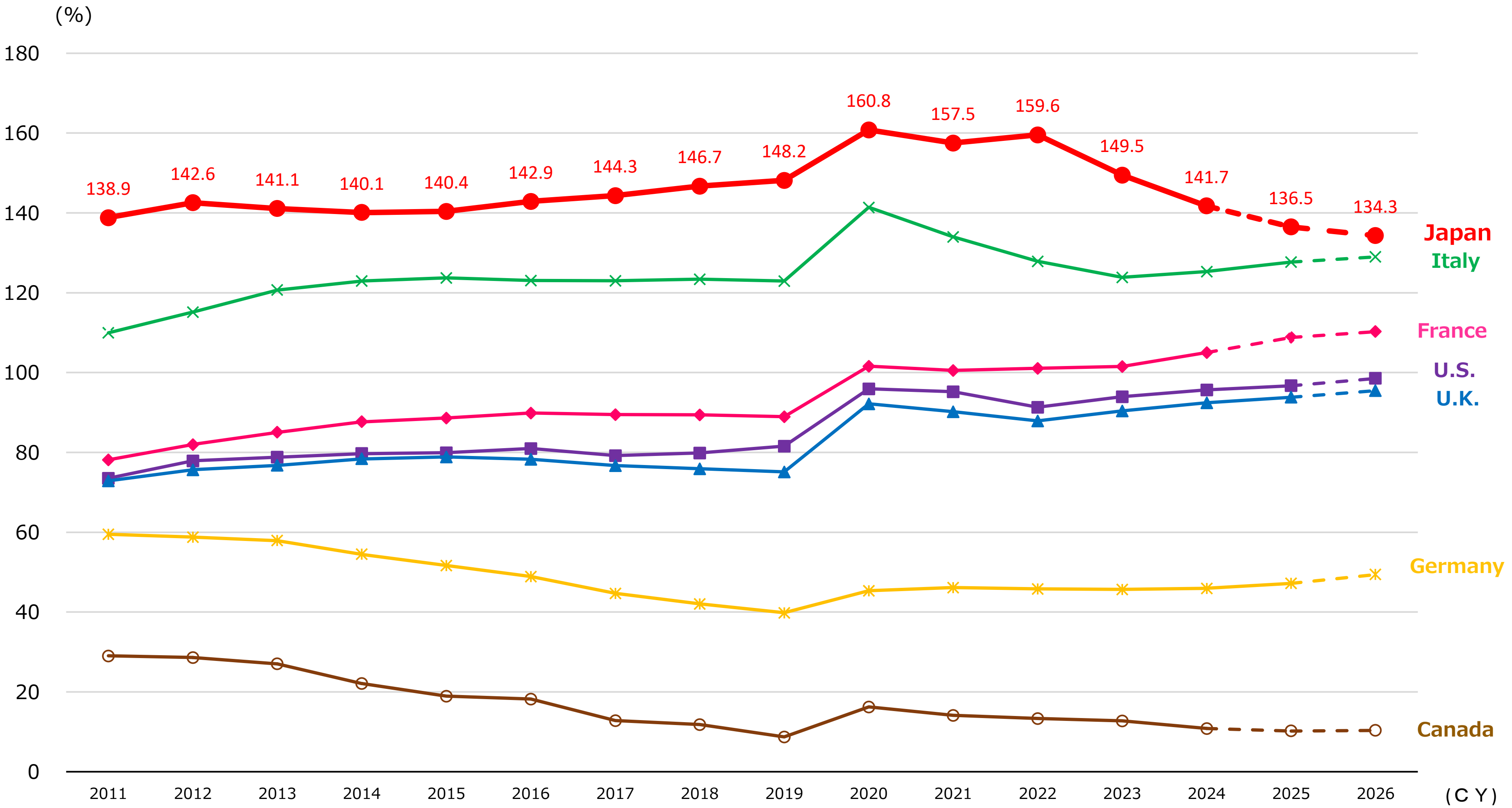


	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Outstanding amount (trillion yen)	850.3	886.2	926.6	956.7	988.9	1011.7	1034.1	1053.5	1064.6	1124.1	1168.9	1199.9	1221.8	1243.2	1260.9	1293.0
Ratio to nominal GDP	168.6%	175.7%	178.5%	179.2%	179.2%	181.9%	182.2%	184.8%	186.6%	202.8%	202.7%	202.8%	197.3%	193.4%	188.4%	187.6%

Nominal GDP (trillion yen)	504.2	504.5	519.2	533.7	551.9	556.3	567.7	569.9	570.6	554.3	576.6	591.7	619.4	642.8	669.4	689.3

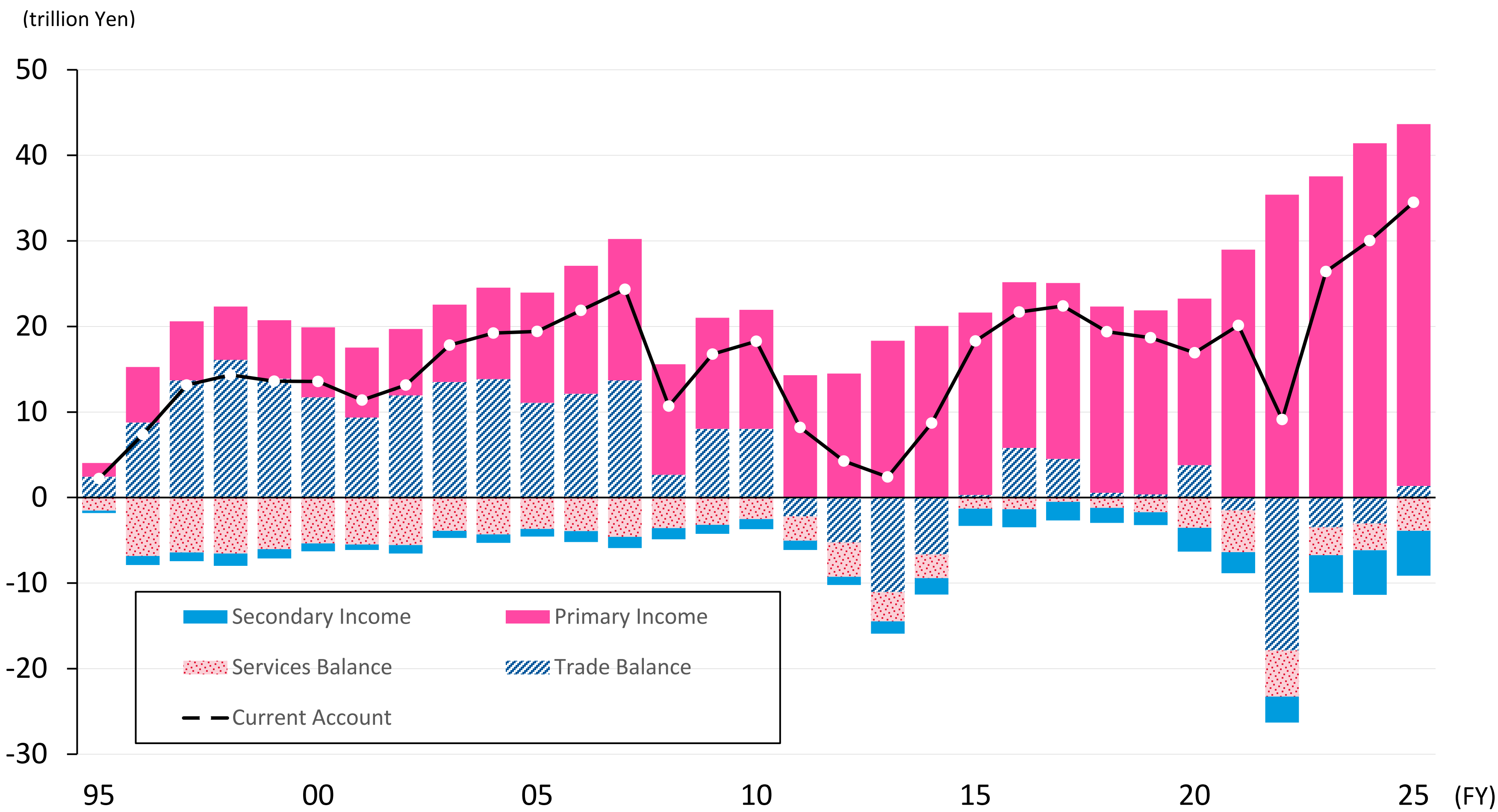
Note : Excluding the expenditures and the fiscal resources for the measures on recovery and reconstruction, GX, and the AI and semiconductor industry foundation strengthening support.
Source : Cabinet Office "Economic and Fiscal Projections for Medium to Long Term Analysis" (July 30, 2026)

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



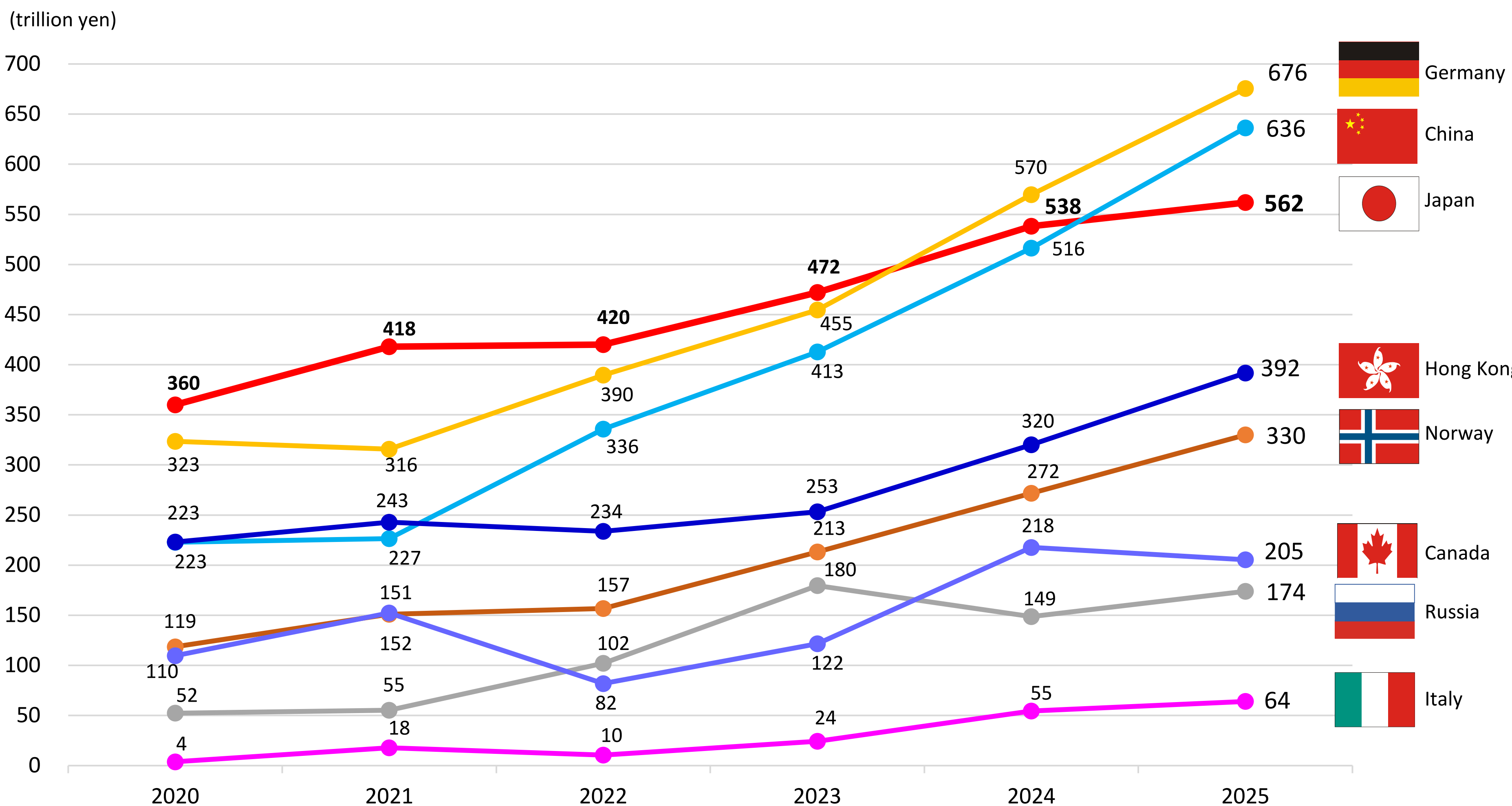
Note1: The figures represent the general-government-based data (the central/local governments and social security funds combined).
Note2: The 2025-2026 figures for Japan, France and Canada, and the 2026 figures for the other countries are estimated figures.
Note3: General government net debt is calculated as gross debt minus financial assets corresponding to debt instruments such as currency and deposits, and debt securities.
Source: IMF "World Economic Outlook" (April 2026).

Current Account Balance



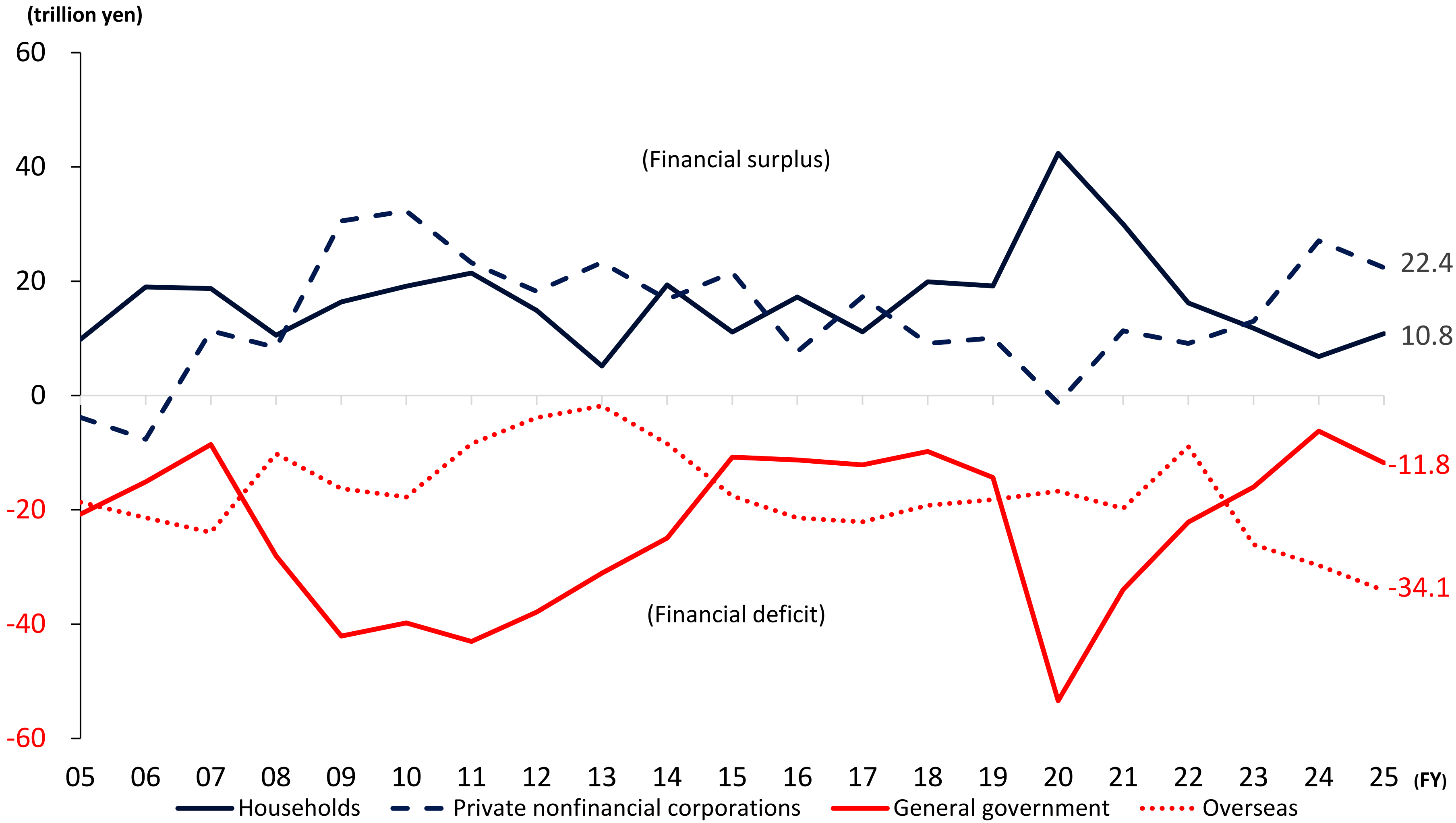
Note: *The figures in FY 2025 are as of March 2026*
Source: Bank of Japan "Flow of Funds"

Net International Investment Position (End of 2025)
–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

◇The Meeting of JGB Market Special Participants

Discussion of important matters regarding the JGB market with JGB Market Special Participants (primary dealers including securities companies).

Debt Management Office

◇Study Group on Government Debt Management

Discussion of technical aspects with experts with a high degree of insight on public debt management from the medium to long-term perspective.

Promotion of JGB holdings

◇The Meeting of JGB Investors

Dialogue with institutional investors such as insurance companies, banks, and asset management companies.

◇Domestic & Overseas IR

Provision of accurate and timely information on Japanese economy, public finances and debt management policies for domestic and foreign investors from the perspective of diversifying JGB holders.

◇The Meeting of JGB Top Retailers

Dialogue with JGB selling financial institutions from the perspective of promoting bond ownership by retail investors.

Highlights of FY2026 Debt Management Policy

Published on December 26, 2025

Points of the Fiscal Year 2026

○ **Government bond issuance volume**

- The total amount of government bonds issued in FY2026 is set at 180.7 trillion yen (a decrease of 8.9 trillion yen compared to FY2025 supplementary budget).
- Based on dialogues with the market, issuance of super long-term bonds (40-, 30-, and 20-Year bonds) will be reduced by 100 billion yen per month, while issuance of medium- to long-term bonds (2-, 5-, and 10-Year bonds) will be maintained at the scale of FY2025 supplementary budget.

○ **Strengthening Communication with the Market (Mid-Year Interviews)**

- Starting in FY2026, to enhance flexibility in responding to market environment changes, we will introduce "Mid-Year Interviews" with market participants around June regarding issuance plans for the current fiscal year. ※When sudden changes occur in the market, flexible actions will be made as before.

New Initiatives for Fiscal Year 2026

○ **Expansion of Target Customers for Retail Government Bonds ("Retail Government Bonds Plus")**

- In addition to individuals, the target for sales will be expanded to include non-profit organizations and similar entities (such as incorporated educational institutions and condominium management associations) that are expected to hold the bonds for a stable period (scheduled to begin with the January 2027 issue (December 2026 offering)).

○ **New Floating-Rate Government Bonds to Begin Issuance**

- Based on market demands, issuance of floating-rate government bonds linked to short-term interest rates will commence (planned for January 2027 or later, with details currently being coordinated with market participants).

FY2026 JGB Issuance Plan

< Breakdown by Legal Grounds >

(trillion yen)

	FY2026 (Initial) (Note)	Changes from FY2025(Initial)	Changes from FY2025 (Supplementary Budget)
Newly-Issued Bonds (Construction Bonds and Special Deficit-Financing Bonds)	29.6	+0.9	−10.8
FILP Bonds	13.0	+3.0	+1.0
Refunding Bonds	135.8	−0.5	+1.0
Other Bonds	2.3	+0.4	−0.2
Total	180.7	+3.8	−8.9

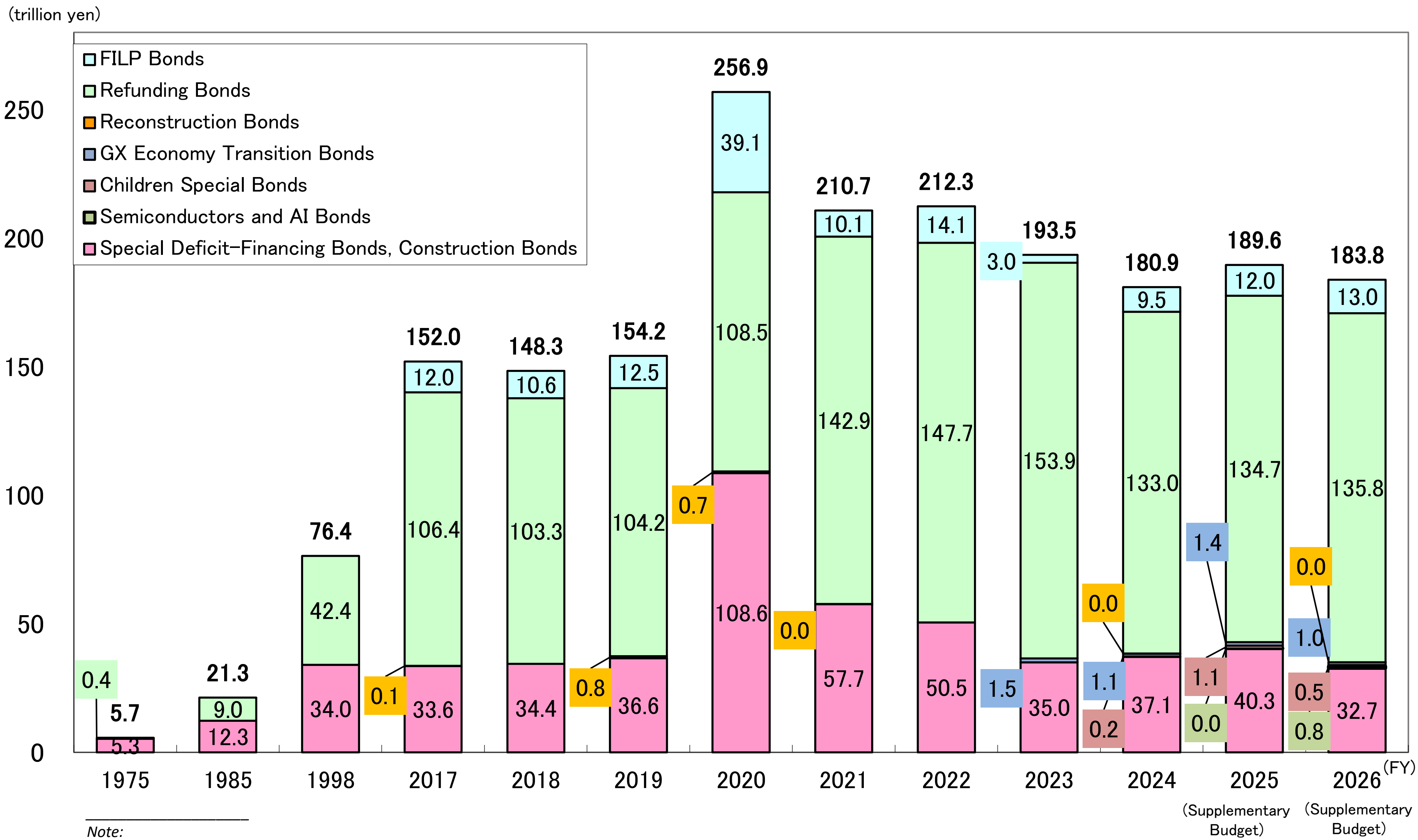
< Market Issuance Plan by Issue >

(trillion yen)

		FY2025 (Supplementary Budget)	FY2026 (Initial)	Changes from FY2025 (Supplementary Budget)
Market Issuance by Periodic Auctions		184.2	174.8	−9.4
	40-Year	2.5	1.8	−0.7
	30-Year	8.7	7.2	−1.5
	20-Year	10.2	8.4	−1.8
	10-Year	31.2	31.2	-
	5-Year	29.1	30.0	+0.9
	2-Year	32.1	33.6	+1.5
	TBs	49.2	40.8	−8.4
Sales for Households		5.4	5.9	+0.5
Total		189.6	180.7	−8.9

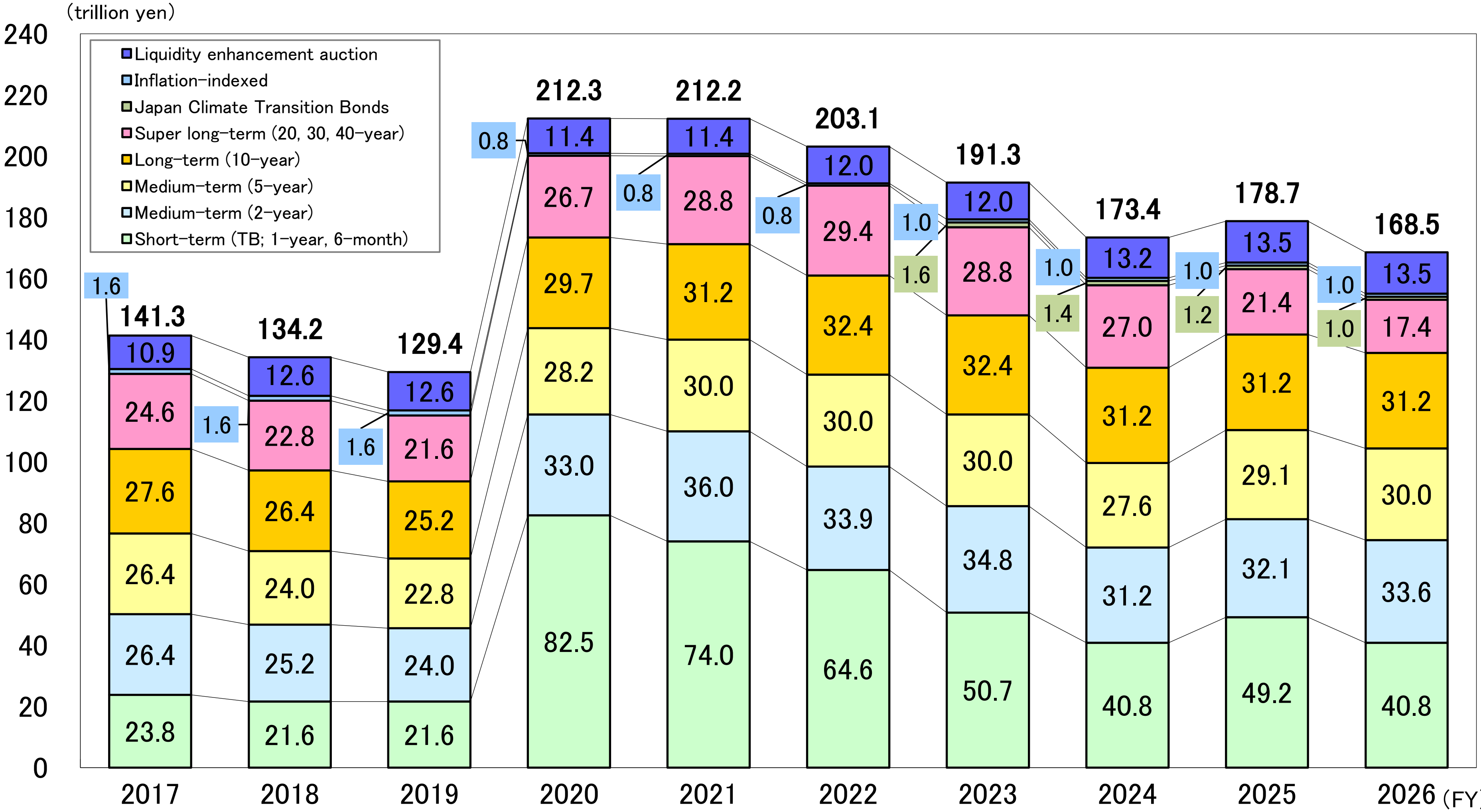
Note: As a funding source for the supplementary budget enacted in June 2026, a little over 3 trillion yen in special deficit-covering government bonds will be issued. Following the enactment of the supplementary budget, the total amount stood at 183.8 trillion.

Changes in JGB Issuance Plan



Note:
(1) Up to FY2024: Actual. FY2025 and FY2026: Supplementary budget basis.
(2) Figures may not sum up to the total because of rounding.

Changes in Market Issuance Plan by Issue



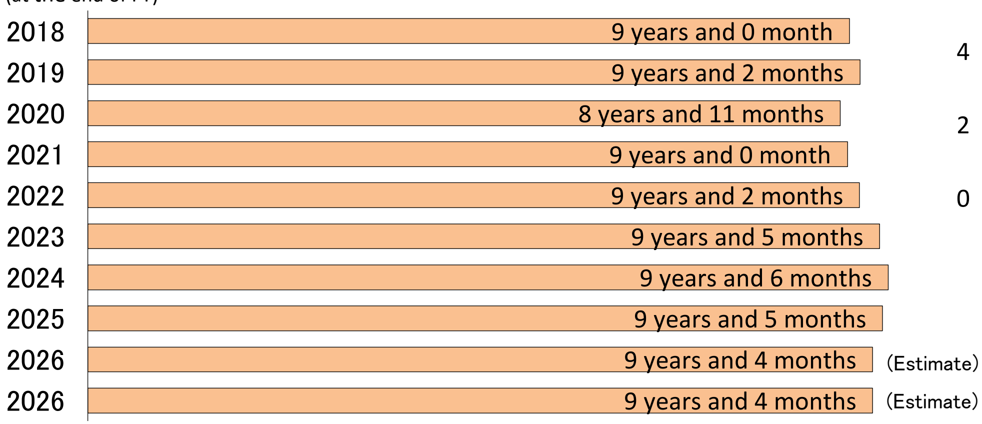
Note: Up to FY2025: Last revised basis. FY2026: Supplementary Budget basis.

Weighted Average Maturity of JGB

Market Issuance (flow-basis)

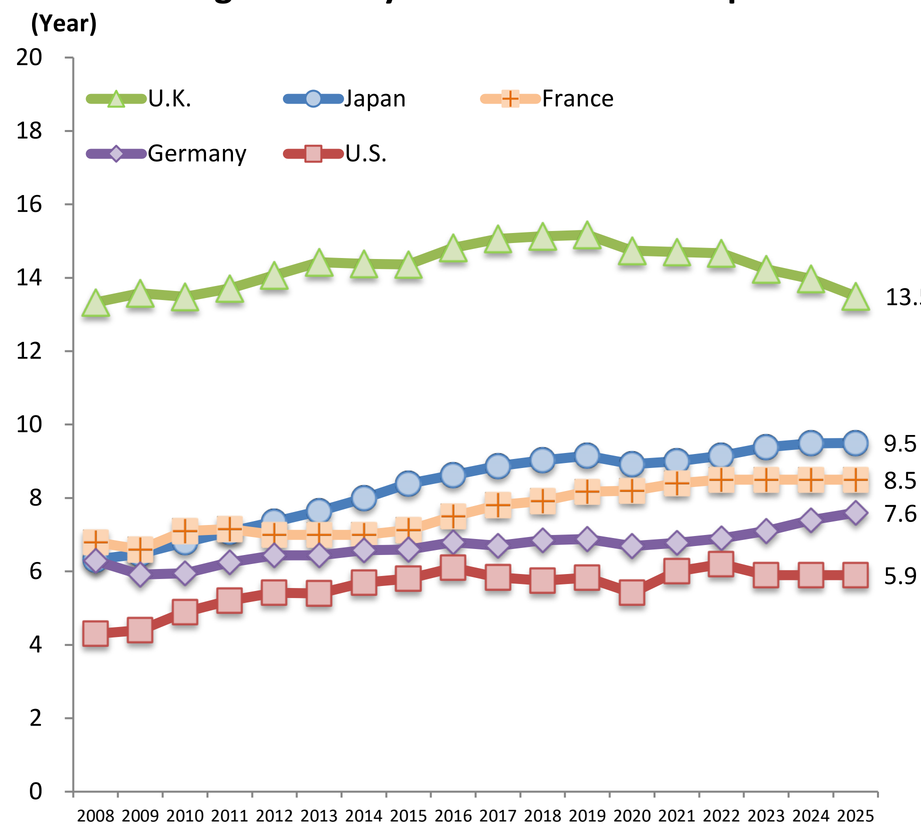
Note :Up to FY2025: Actual. FY2026: Initial, Supplementary *Budget.*
The decrease in FY2026(Supplementary Budget) is due to the changes in the scope of maturities for the liquidity enhancement auctions.

Outstanding Amount (stock-basis)



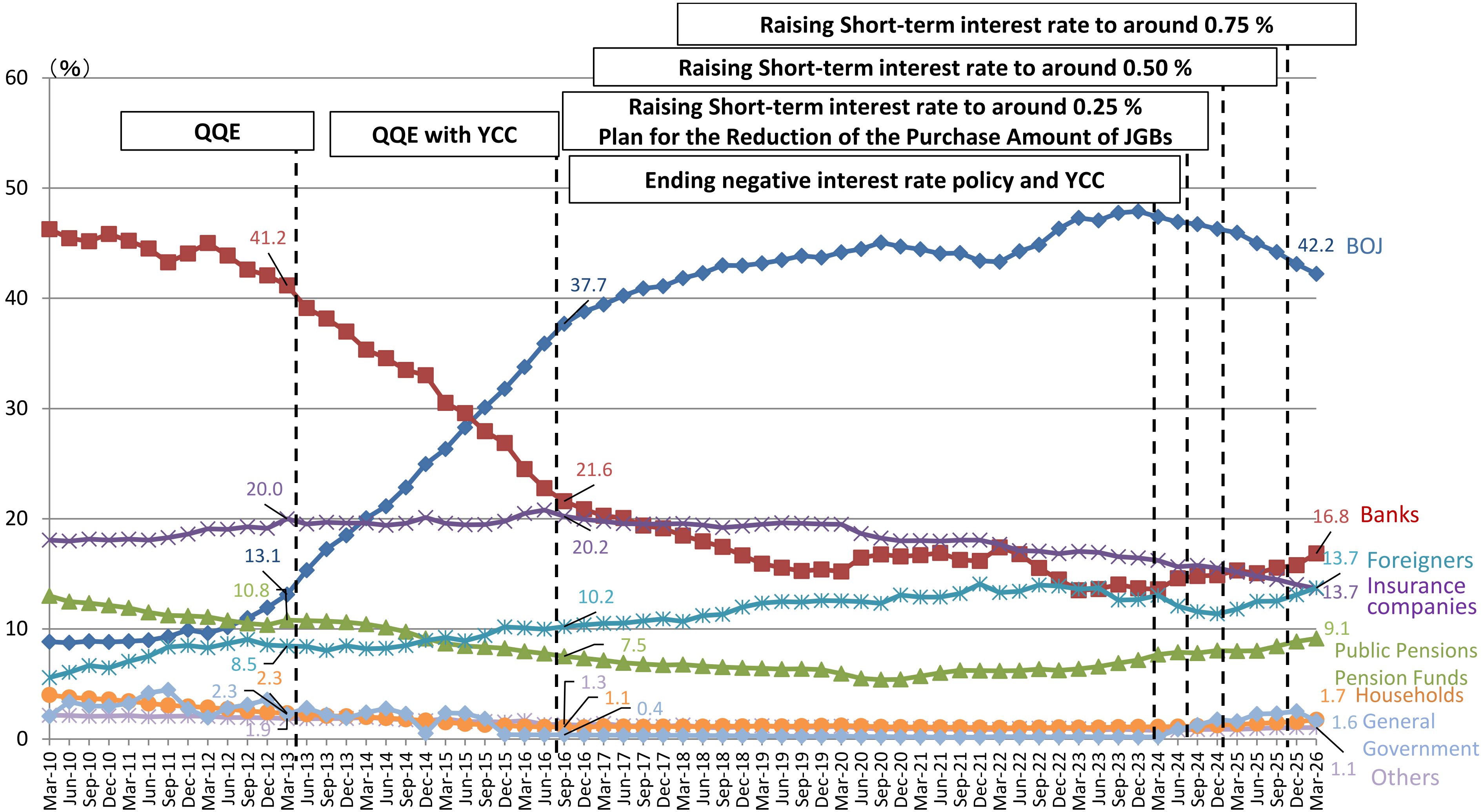
Note: Up to FY2025: Actual. FY2026: Initial, Supplementary Budget.

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."

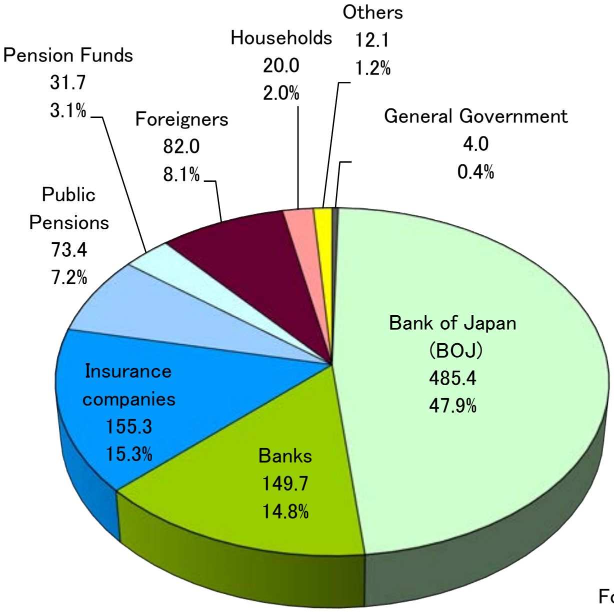
(2) "Banks" includes "Japan Post Bank," "Securities investment trusts," "Securities companies," etc.

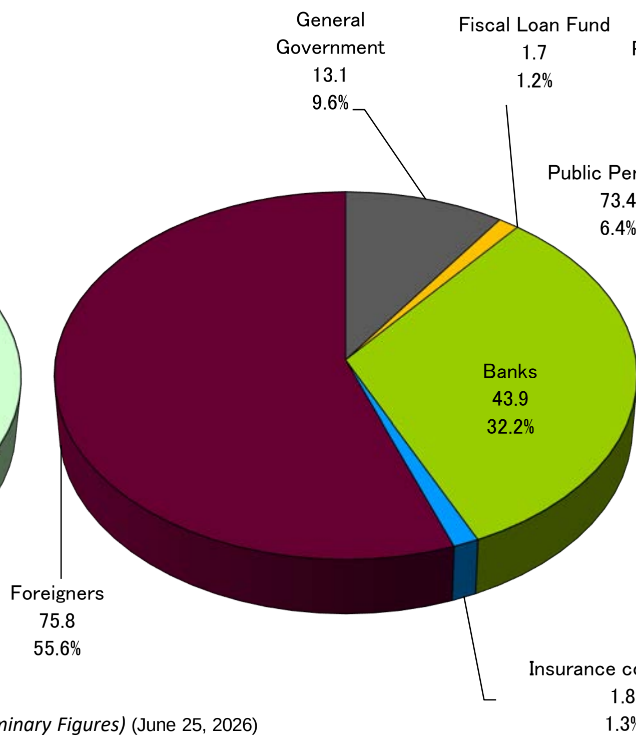
(3) "Insurance companies" includes "Life insurance," "Nonlife insurance," and "Mutual aid insurance."

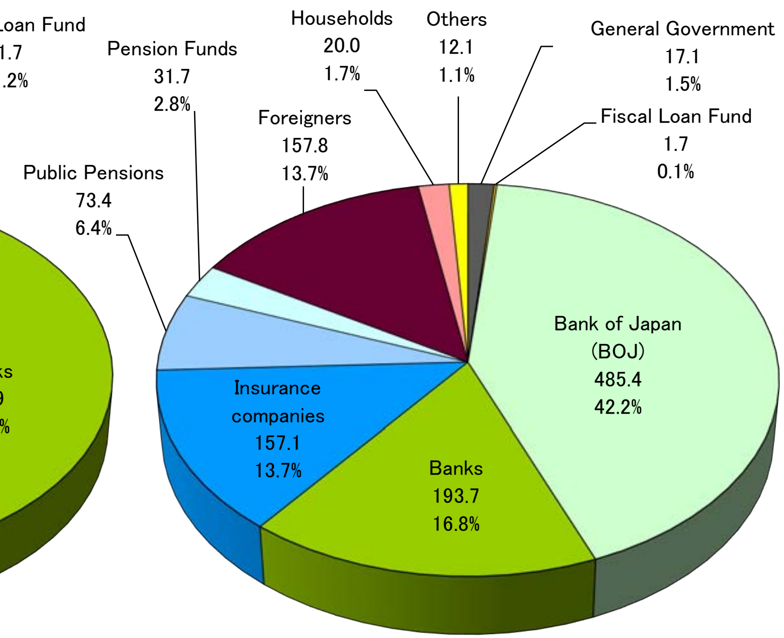
(4) "General Government" includes "Fiscal Loan Fund," and excludes "Public Pensions."

Breakdown by JGB and T-Bill Holders (Mar. 2026, Preliminary Figures)

JGB Holders Total 1,013.8 trillion yen	T-Bill Holders Total 136.3 trillion yen	JGB and T-Bill Holders Total 1,150.1 trillion yen







(Unit: trillion yen)

Source: Bank of Japan "Flow of Funds Accounts (Preliminary Figures) (June 25, 2026)
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 shall specify a Spread (which can be positive, zero, or negative, expressed in 0.1bp） and the issue price shall be 100 yen at par.
Tenor	2- or 5-Year
Maturity date	2-year bonds: the 1st day of the month of the issuance in the year of maturity 5-year bonds: the 20th 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 other JGBs
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. For the security codes of the new Floating-rate JGBs, please refer to the announcement(December 27, 2024) issued 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.

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 810 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 110 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.
- The Impact Report for FY2023 Issuance and The Allocation Report for FY2024 Issuance was published in February 2026.
- Auctions Schedule in FY2026 (from April 2026 to March 2027):

Auction Date	Maturity	Offering Amounts
25 May 2026	5-year	JPY 250 billion (About EUR 1.35 billion / USD 1.61 billion)
24 August 2026	10-year	About JPY 250 billion (About EUR 1.35 billion / USD 1.61 billion)
November 2026	5-year	About JPY 250 billion (About EUR 1.35 billion / USD 1.61 billion)
February 2027	10-year	About JPY 250 billion (About EUR 1.35 billion / USD 1.61 billion)

Note: FX Rate : EUR 1 = JPY 185, USD 1 = JPY 155

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