

Highlights of FY2017 Government Debt Management

- The calendar-based issuance to the market for FY2017 is to be reduced by 5.8 trillion yen (from FY 2016 initial JGB Issuance Plan), mainly based on the decrease in the total issuance of JGBs by 8.2 trillion yen (from FY 2016 initial JGB Issuance Plan).
- Maturity structure is designed to reflect investor demands appropriately, so that the current low interest rate situation should be utilized smoothly and effectively.
 - Super long-term (over 10 years) : Effectively increased, combining normal auctions and “Auctions for Enhanced-Liquidity”
 - Decrease in 20-year (- 1.2 trillion yen) , increase in 40-year (+0.6 trillion yen)
 - Increase in Auctions for Enhanced-Liquidity for Super long-term (+ 1.2 trillion yen, see below)
 - Long-term (10-year JGBs) : Decreased, reflecting weakened demand in a low interest rate environment (- 1.2 trillion yen)
 - Short- to Medium-term (5, 2-year JGBs and 1-year TBs) : Importantly decreased, based on diminished demand under negative interest rate situation (- 4.8 trillion yen)
- The amount of Auctions for Enhanced-Liquidity is to be increased in remaining maturity zones where strong market demands for improved liquidity exist.
 - 0.6 trillion yen is to be added to 5-15.5 year zone and 15.5-39 year zone, respectively (+ 1.2 trillion yen in total).

〈Breakdown by Legal Grounds〉
(unit : trillion yen)

	FY2017	
		Changes from FY2016(initial)
Newly-issued bonds (Construction Bonds and Special Deficit-Financing Bonds)	34.4	- 0.1
Reconstruction Bonds	1.5	- 0.6
FILP Bonds	12.0	- 4.5
Refunding Bonds	106.1	- 3.0
Total	154.0	- 8.2

〈Breakdown by Financing Methods〉
(unit : trillion yen)

	FY2017	
		Changes from FY2016(initial)
JGB market issuance	148.0	- 4.2
Market issuance (calendar-based)	141.2	- 5.8
Non-Price Competitive Auction II etc	6.8	+ 1.6
Sales for Households	3.0	+ 1.0
BOJ rollover	3.0	- 5.0
Total	154.0	- 8.2

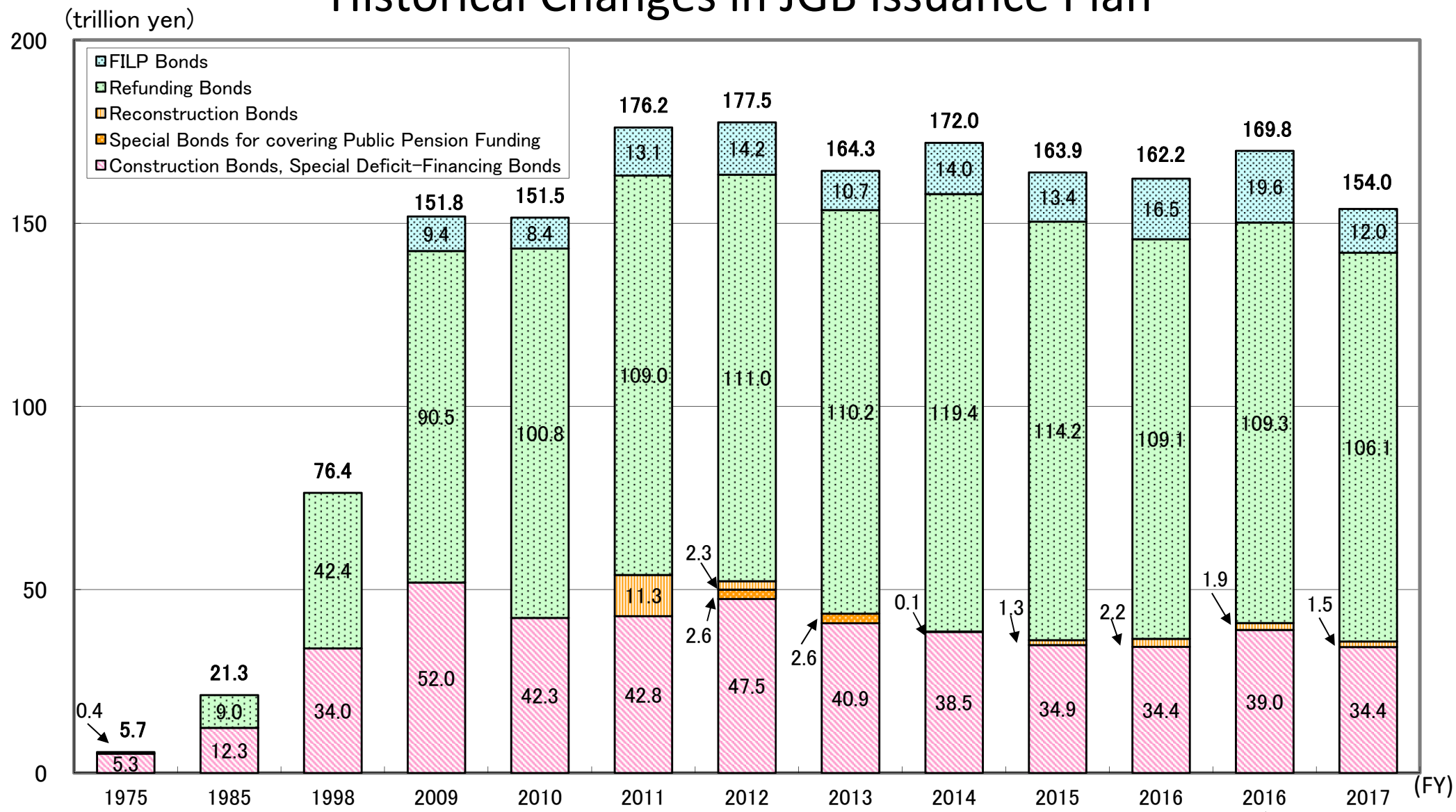
〈Market Issuance Plan by JGB types〉
(unit : trillion yen)

	FY2017	
		Changes from FY2016(initial)
40-Year	3.0	+ 0.6
30-Year	9.6	± 0
20-Year	12.0	- 1.2
10-Year	27.6	- 1.2
5-Year	26.4	- 2.4
2-Year	26.4	- 1.2
TBs(1-year)	23.8	- 1.2
10-Year Inflation-Indexed	1.6	- 0.4
Auctions for Enhanced-Liquidity	10.8	+ 1.2
Total	141.2	- 5.8

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Historical Changes in JGB Issuance Plan

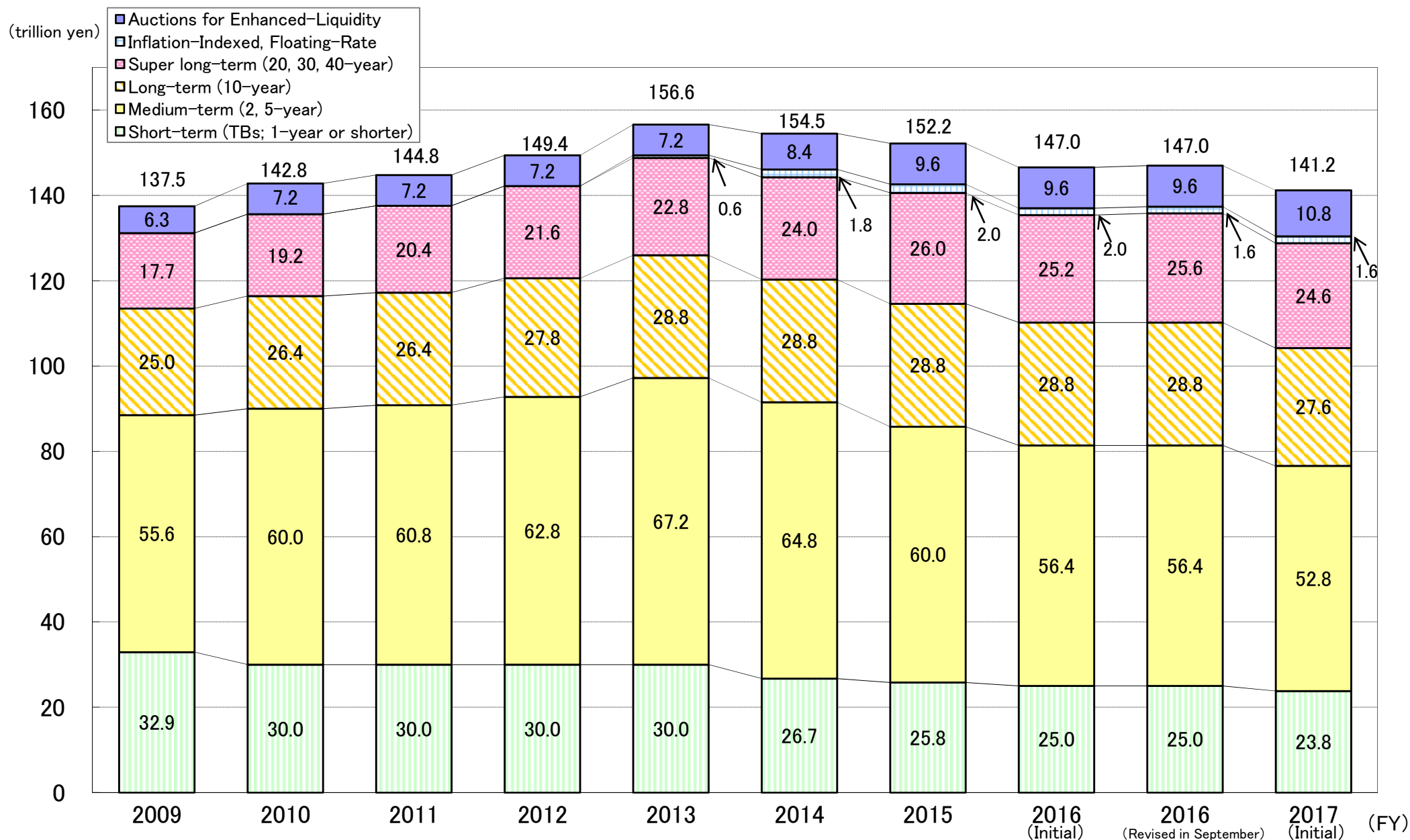


(Note1) Up to FY2015: Actual figures

(Note2) Figures may not sum up to total because of rounding.

(3rd Supplementary budget)

Historical Changes in Market Issuance Plan by JGB Types

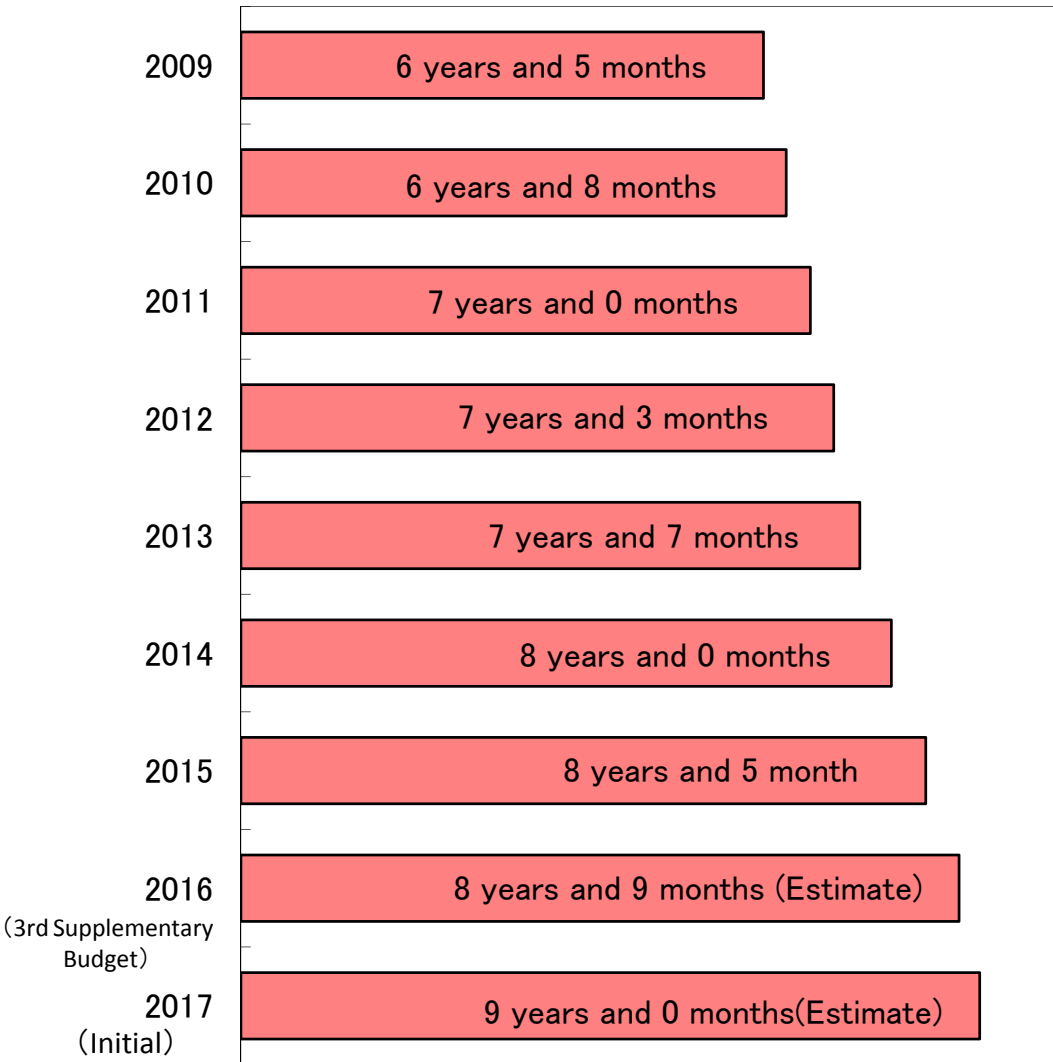


(Note) The short-term JGBs are discount bonds. The medium-, long-, and super long-term bonds are the bonds with fixed-rate coupons.

The Average Maturity of JGBs

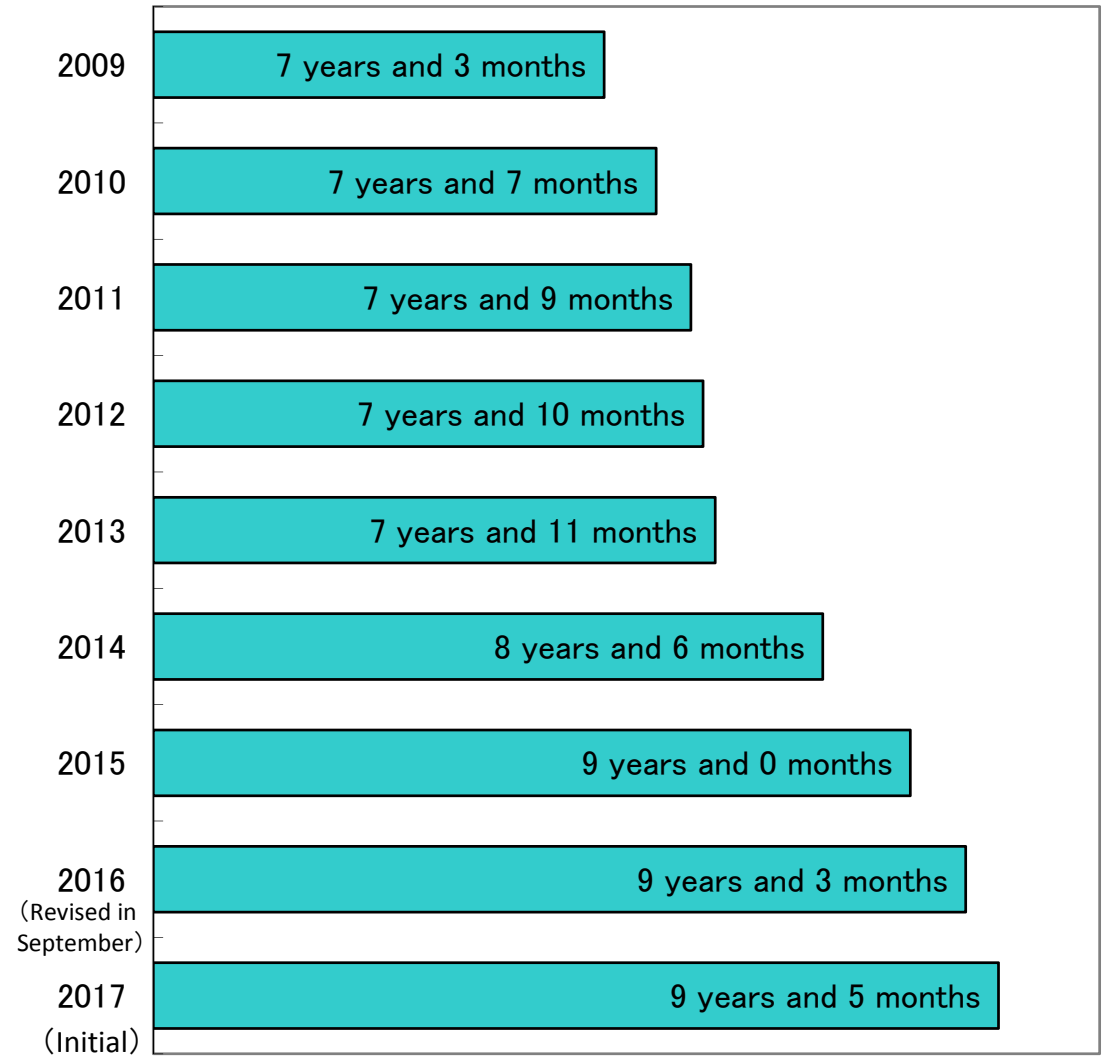
Outstanding amount (Stock-basis)

(at the end of FY)



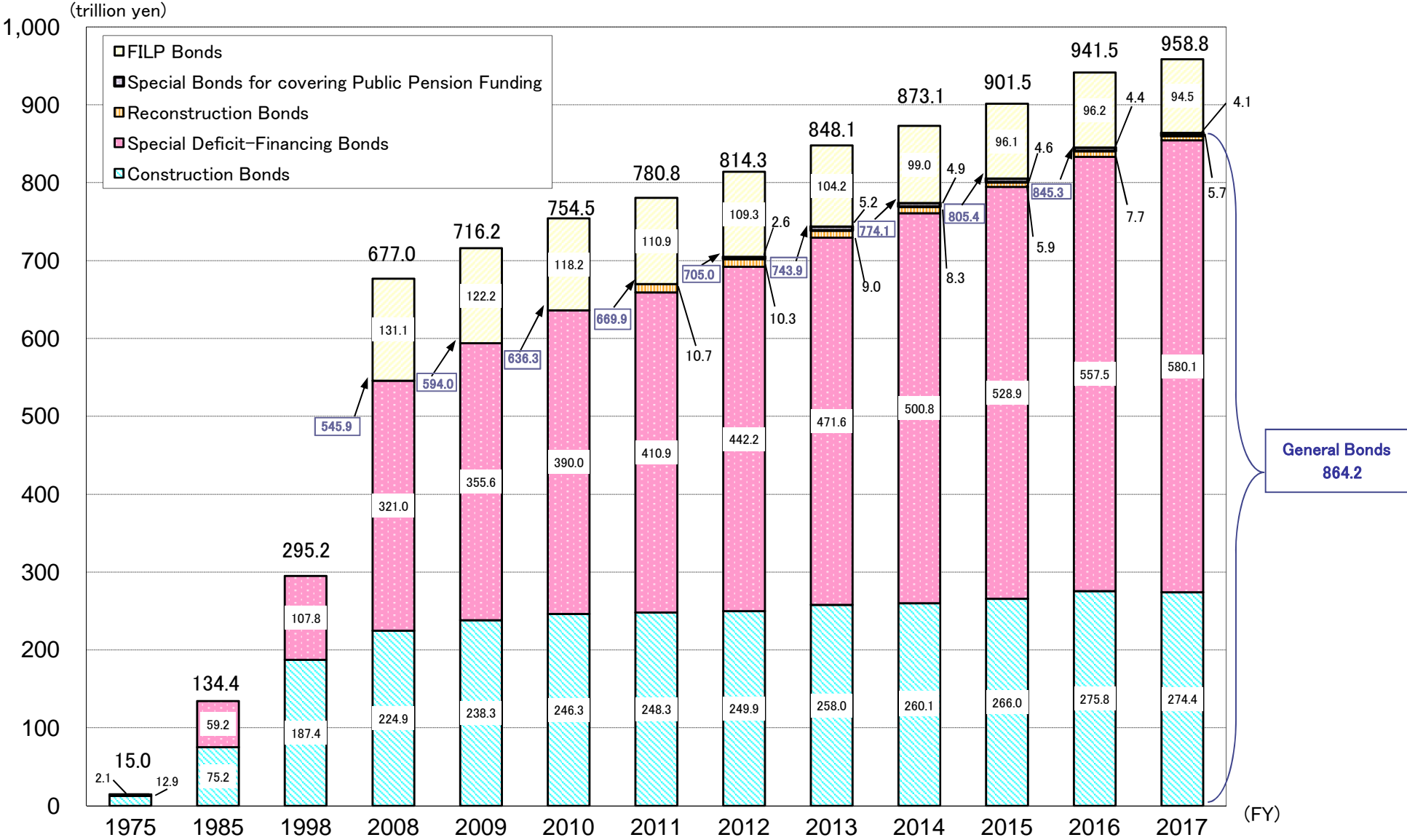
Market issuance (Flow-basis)

(FY)



(Note) Outstanding amount consists of only General Bonds
(i.e., FILP Bonds are excluded.)

Historical Changes in Outstanding Amount of JGBs



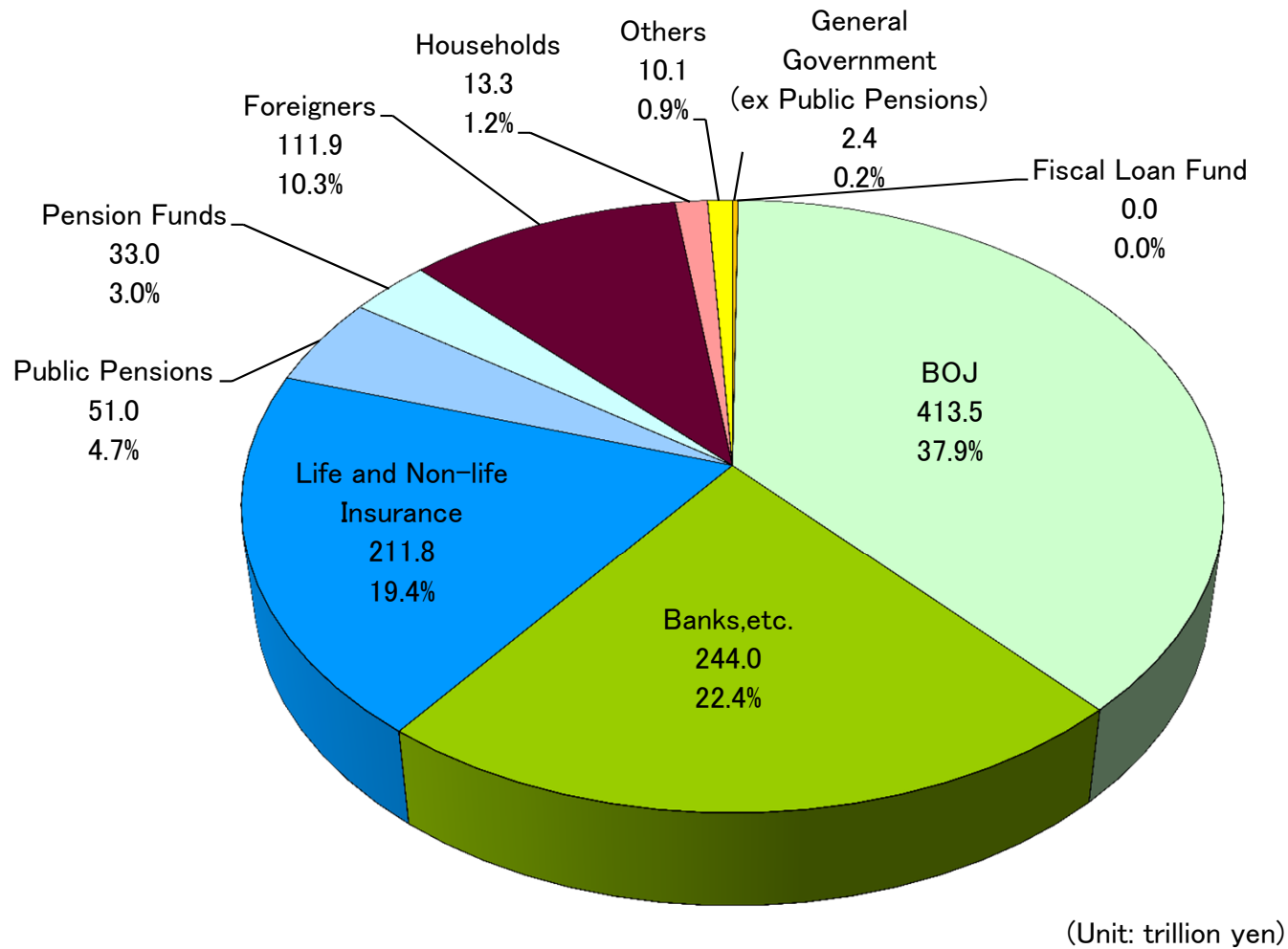
(Note1) Figures may not sum up to total because of rounding.

(Note2) Up to FY2015: Actual figures, FY2016-FY2017: Estimates

(Note3) Special Deficit-Financing Bonds include Refunding Bonds which were issued resulting from the takeover of debts transferred.

Breakdown by JGB Holders

(Sep. 2016, Q. E.)



Total 1,091.0 trillion yen

Note1 : "JGB" includes FILP Bonds and T-Bills.

Note2 : "Banks, etc" includes "Japan Post Bank", "Securities investment trust " and "Securities companies."

Note3 : "Life and Nonlife insurance" includes "Japan Post Insurance".

Source: Bank of Japan "Flow of Funds"