



Highlights of Government Debt Management

Recent achievements up to 2004

1 Stable financing and improvement of JGB market liquidity

Introduction of JGB Market Special Participants scheme 【Oct.2004】

2 Diversification of JGB instruments and of JGB holders

Introduction of 15-year floating-rate 【Jun.2000】 and Inflation-Indexed 【Mar.2004】 bonds

Relaxation of tax requirement for foreign investors to purchase TB/FB 【Apr.2004】

3 Improvement of market efficiency and infrastructure

Introduction of When Issued (WI) trading 【Feb.2004】

Stepped increase in price competitive portion of 10-year JGB from 80% to 85% 【May 2004】

4 Dialogue with market participants

Establishment of the Advisory Council on Government Debt Management 【Nov. 2004】

Publication of Debt Management Report 【Jul. 2004】

Reinforcement of Debt Management structure 【Jul. 2004】

New actions in 2005

1 Diversification of JGB instruments and of JGB holders

Introduction of New JGBs for individual investors (fixed-rate)【the second half of FY2005】

MOF seminar on the Japanese economy and JGBs in London and N.Y. 【Jan. 2005】

Purchase of Inflation-Indexed bonds by foreign corporations 【Apr. 2005】

Simplification of the procedures and documentation relating to tax exemptions for foreign investors 【Apr. 2005】

2 Efficient management of outstanding debt

Introduction of interest rate swap transactions 【the second half of FY 2005】

3 Improvement of market efficiency

Reduction of the fixed share syndicate underwriting portion of 10-year JGB to 10% 【Apr. 2005】