

Introduction of new JGB for Retail Investors (3-year fixed-rate)

1. Product Profile

- ① Purchasers : Limited to retail investors
- ② Minimum face value unit : 10,000 yen
- ③ Offering price : 100 yen per 100 yen face value
- ④ Maturity : 3-year
- ⑤ Redemption price : 100 yen per 100 yen face value (same for redemption before maturity)
- ⑥ Coupon payment : Fixed-rate coupon (Every six months)
- ⑦ Interest rate : Reference rate - 0.03%
(Reference rate is the yield at the theoretical price calculated on the market price of 5-year fixed-rate bonds, whose remaining maturity is 3 years)
- ⑧ Redemption before maturity : The bondholder is able to wholly or partially redeem the bond at any time after the second interest payment period (1 year following issue).
- ⑨ Exceptional redemption : Redemption before the second interest payment period is possible in the event of death or accident by natural catastrophe of the bondholder.
- ⑩ Value for redemption before maturity : Face value + a proportionate amount of accrued interest - already paid interest to a value corresponding to 2 interest payments (before tax) × 0.8

2. Others

- ① First issuance : The first issuance (Bond Number 1) will be in July, 2010 (Offering will start in June).
- ② Frequency of issuance : New JGB (3-year fixed-rate) will be issued monthly. Current JGB for retail investors (10-year Floating-rate and 5-year fixed-rate) continues to be issued quarterly as before.

Overview of JGB-R (for Retail Investors)

	Floating-rate (10-year)	Fixed-rate (5-year)	Fixed-rate (3-year)
Purchasers	Limited to retail investors (Offering price: 100 yen per 100 yen face value, Minimum face value unit: 10,000 yen)		
Maturity	10-year	5-year	3-year
Redemption price	100 yen per 100 yen face value (same for redemption before maturity)		
Coupon payment	Floating-rate coupon (semiannually variable) (Every six months)	Fixed-rate coupon (Every six months)	Fixed-rate coupon (Every six months)
Interest rate	Reference rate – 0.8%	Reference rate – 0.05%	Reference rate – 0.03%
	Reference rate is the yield at the average price of 10-year fixed-rate bond's auction held in the month prior to the commencement of the interest calculation period.	Reference rate is the yield at the theoretical price calculated on the market price of 5-year fixed-rate bonds, on the 2 business days prior to the offering date(auction date of the 10-year fixed-rate bonds).	Reference rate is the yield at the theoretical price calculated on the market price of 5-year fixed-rate bonds, whose remaining maturity is 3 years, on the 2 business days prior to the offering date(the first business day on each month in principle(note)).
Guaranteed minimum interest rate	0.05%		
Redemption before maturity	The bondholder is able to wholly or partially redeem the bond at any time after the second interest payment period (1 year following issue).	The bondholder is able to wholly or partially redeem the bond at any time after the fourth interest payment period (2 years following issue).	The bondholder is able to wholly or partially redeem the bond at any time after the second interest payment period (1 year following issue).
Exceptional redemption	Redemption before the above mentioned respective interest payment period is possible in the event of death or accident by natural catastrophe of the bondholder.		
Value for redemption before maturity	Face value + a proportionate amount of accrued interest – already paid interest to a value corresponding to the most recent 2 interest payments (before tax) × 0.8	Face value + a proportionate amount of accrued interest – already paid interest to a value corresponding to 4 interest payments (before tax) × 0.8	Face value + a proportionate amount of accrued interest – already paid interest to a value corresponding to 2 interest payments (before tax) × 0.8
Frequency of issuance	Quarterly (January, April, July and October)		Monthly

(note) In the case of the 3-year fixed-rate bonds issued in January, April, July and October, the date for deciding reference rate is the 10-year fixed-rate bond's auction date.