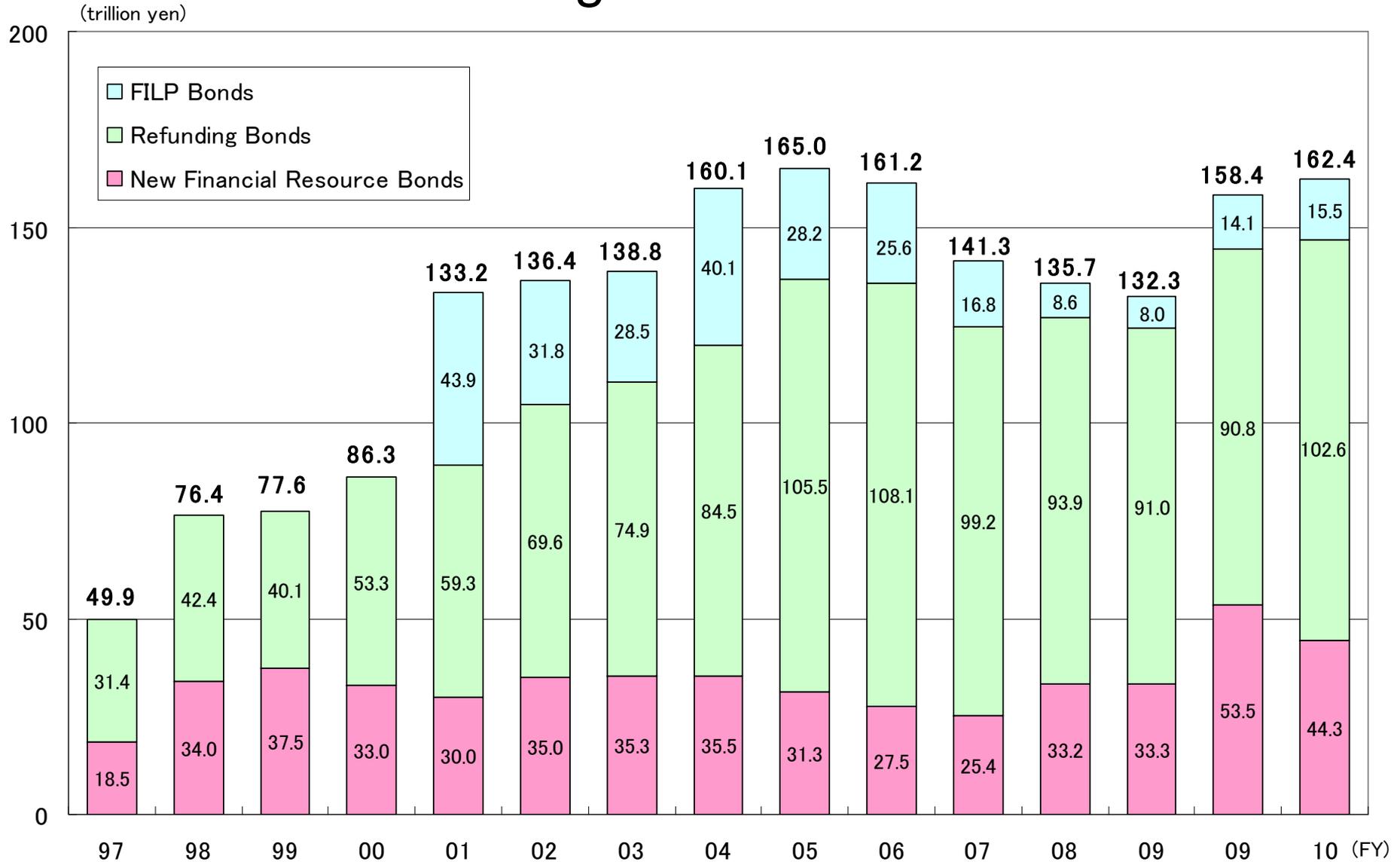


Highlights of FY2010 Government Debt Management

Ministry of Finance Japan

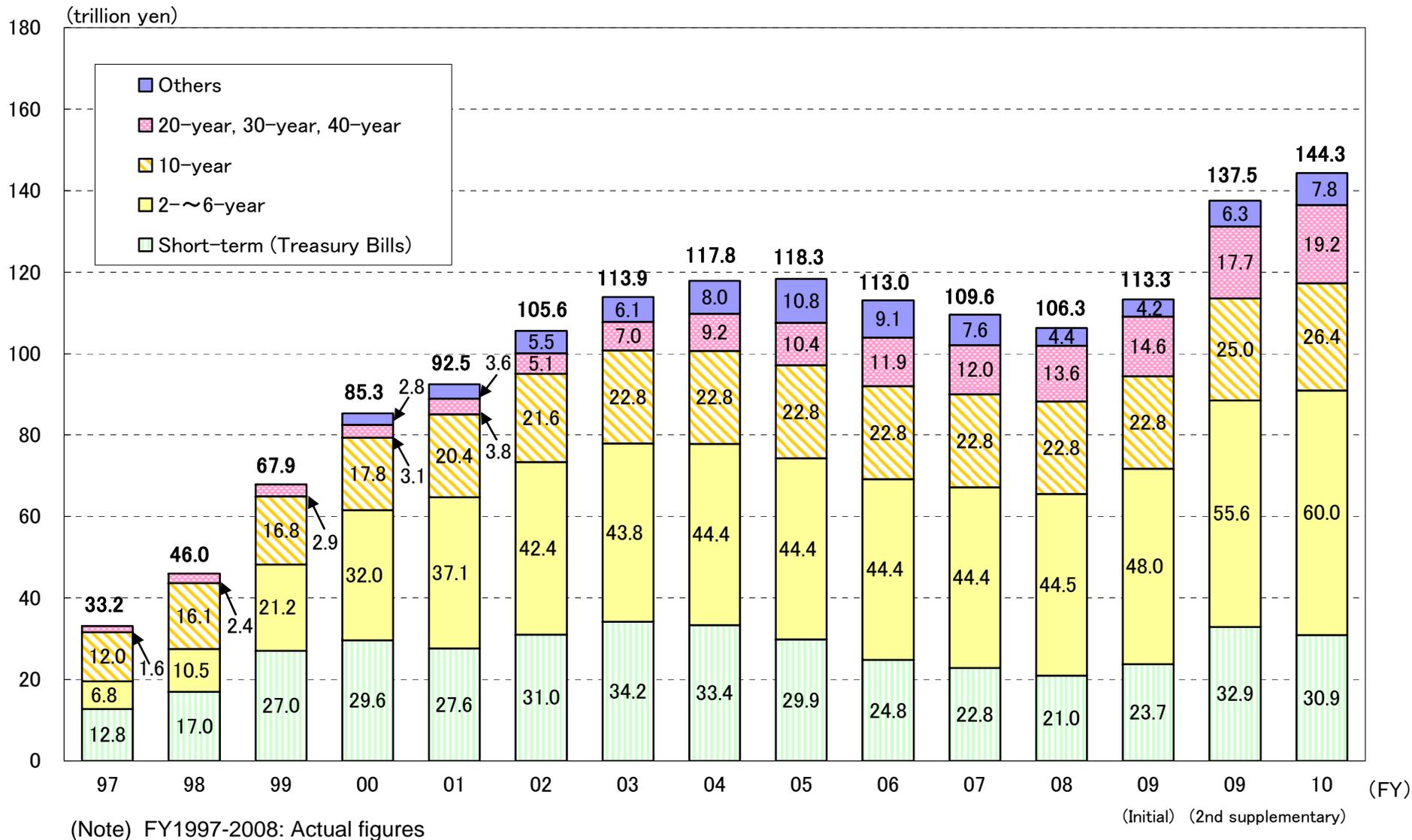
Historical Changes in JGB Issuance Plan



(Note) FY1997–FY2008: Actual figures

(initial) (2nd supplementary)

Historical Changes in Market Issuance Plan by JGB Types



Market Issuance Plan by JGB Types in FY2009

(trillion yen)

	FY2009(Initial)			FY2009(Revised in April)			FY2009(Revised in October)			FY2009(2nd Supplementary budget)			FY2010(Initial)			
	(a)			(b)			(c)			(d)			(e)			
						(b) - (a)									(e) - (a)	(e) - (d)
40-year	0.2 × 4 times	0.8		0.2 × 1 time 0.3 × 3 times	1.1	+ 0.3	0.2 × 1 time 0.3 × 3 times	1.1	—	0.2 × 1 time 0.3 × 3 times	1.1	—	0.3 × 4 times	1.2	+ 0.4	+ 0.1
30-year	0.5 × 6 times	3.0		0.5 × 2 times 0.6 × 4 times	3.4	+ 0.4	0.5 × 2 times 0.6 × 4 times	3.4	—	0.5 × 2 times 0.6 × 5 times	4.0	+ 0.6	0.6 × 8 times	4.8	+ 1.8	+ 0.8
20-year	0.9 × 12 times	10.8		0.9 × 3 times 1.1 × 9 times	12.6	+ 1.8	0.9 × 3 times 1.1 × 9 times	12.6	—	0.9 × 3 times 1.1 × 9 times	12.6	—	1.1 × 12 times	13.2	+ 2.4	+ 0.6
10-year	1.9 × 12 times	22.8		1.9 × 3 times 2.1 × 9 times	24.6	+ 1.8	1.9 × 3 times 2.1 × 5 times 2.2 × 4 times	25.0	+ 0.4	1.9 × 3 times 2.1 × 5 times 2.2 × 4 times	25.0	—	2.2 × 12 times	26.4	+ 3.6	+ 1.4
5-year	2.0 × 12 times	24.0		2.0 × 3 times 2.3 × 9 times	26.7	+ 2.7	2.0 × 3 times 2.3 × 4 times 2.4 × 5 times	27.2	+ 0.5	2.0 × 3 times 2.3 × 4 times 2.4 × 5 times	27.2	—	2.4 × 12 times	28.8	+ 4.8	+ 1.6
2-year	2.0 × 12 times	24.0		2.0 × 3 times 2.4 × 9 times	27.6	+ 3.6	2.0 × 3 times 2.4 × 5 times 2.6 × 4 times	28.4	+ 0.8	2.0 × 3 times 2.4 × 5 times 2.6 × 4 times	28.4	—	2.6 × 12 times	31.2	+ 7.2	+ 2.8
TBs (1-year)	1.9 × 12 times	22.8		1.9 × 3 times 2.3 × 9 times	26.4	+ 3.6	1.9 × 3 times 2.3 × 4 times 2.5 × 5 times	27.4	+ 1.0	1.9 × 3 times 2.3 × 4 times 2.5 × 5 times	27.4	—	2.5 × 12 times	30.0	+ 7.2	+ 2.6
TBs (6-month)		0.9			0.9	—		0.9	—		5.5	+ 4.6		0.9	—	▲ 4.6
15-year Floating-rate	0.3 × 1 time	0.3		0.3 × 1 time	0.3	—		—	▲ 0.3		—	—	0.3 × 1 time	0.3	—	+ 0.3
10-year Inflation-Indexed	0.3 × 1 time	0.3		0.3 × 1 time	0.3	—		—	▲ 0.3		—	—	0.3 × 1 time	0.3	—	+ 0.3
Auctions for Enhanced-liquidity	0.3 × 12 months	3.6		0.3 × 3 months 0.6 × 9 months	6.3	+ 2.7	0.3 × 3 months 0.6 × 9 months	6.3	—	0.3 × 3 months 0.6 × 9 months	6.3	—	0.6 × 12 months	7.2	+ 3.6	+ 0.9
Total to the Market	113.3			130.2		+ 16.9	132.3		+ 2.1	137.5		+ 5.2	144.3		+ 31.0	+ 6.8

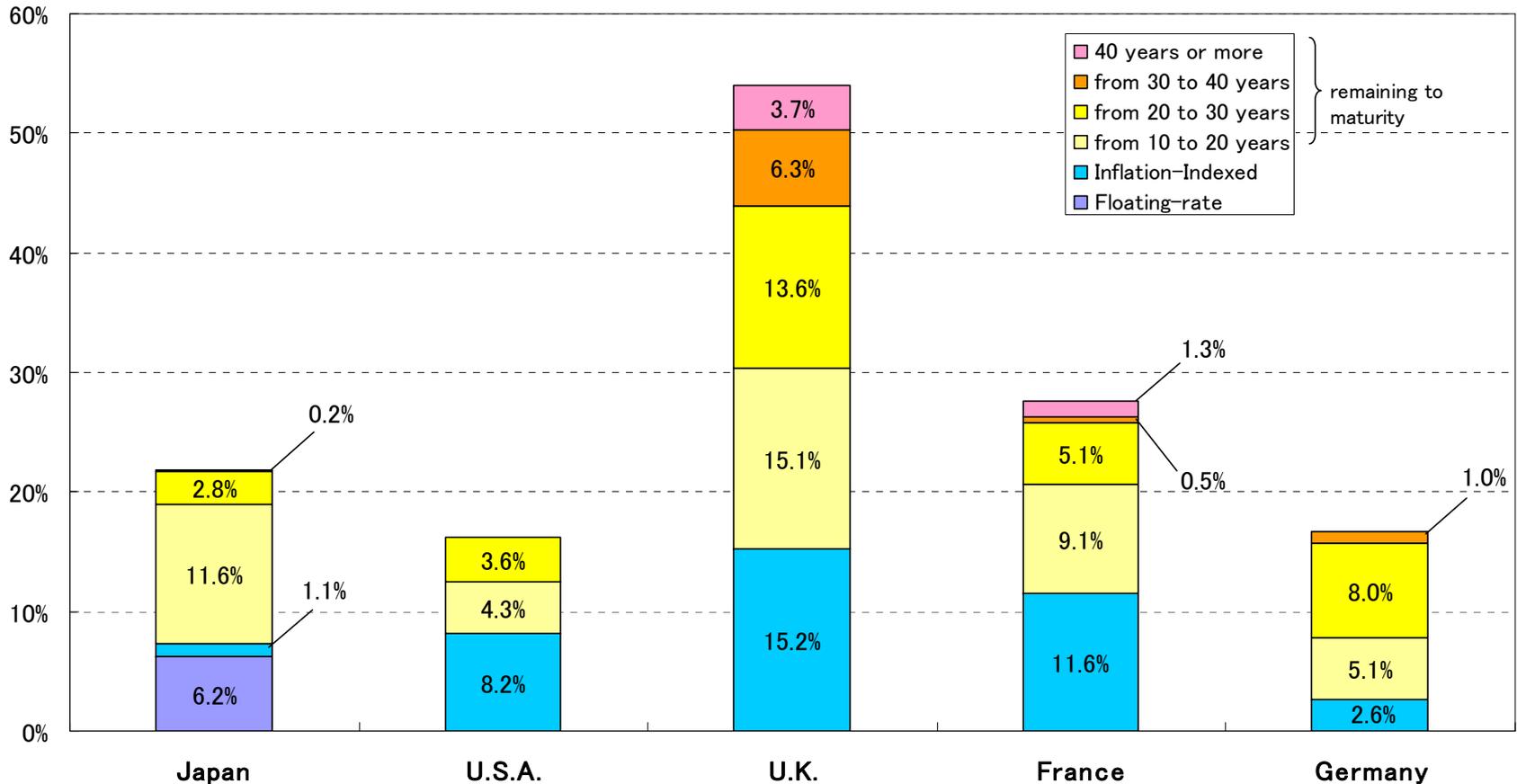
Average Maturity



【The Average Maturity of JGB Market Issuance “Calendar Base”】

(Note) FY2005-2008: Actual figures, FY2009: Figures based on 2nd Supplementary budget,
FY2010: Figure based on the initial issuance plan

Inflation-Indexed and Super Long as a Proportion of Total Outstanding Debts



(Note1) Non-maketable bonds are excluded. (e.g. bonds for retail investors)

(Note2) In U.K., "40 years or more" includes perpetual gilts.

(Note3) Japan: end of Sep. 2009, U.S.A.: end of Oct. 2009, U.K.: Dec. 2009, France: end of Oct. 2009, Germany: Nov. 2009

(Source) Japan: MOF U.S.A., U.K., France, Germany: Website of relevant governments

International Comparison of Inflation-Indexed Bonds (Unauthorized)

	Japan	U.S.A	U.K.	France	Germany
Initial Issue: Term to Maturity	2004: 10-year	1997: 5・10-year 1998: 30-year 2004: 20-year	1981: 15-year, 25-year 1982: 30-year, 19-year Since 1983, various bonds were issued, 38-year (in 1986) ~ 6-year (in 1992) 2005: 50-year 2007: 40-year	1998: 10-year 2000: 30-year 2004: 15-year 2006: 4-year	2006: 10-year 2007: 5-year
Outstanding Amount	7,105.0 billion yen (end of Sep. 2009)	567.1 billion \$ (end of Oct. 2009)	122.5 billion £ (Dec. 2009)	132.1 billion € (end of Oct. 2009)	27.0 billion € (Nov. 2009)
Percentage in the total outstanding amount	1.1% (end of Sep. 2009)	8.2% (end of Oct. 2009)	15.2% (Dec. 2009)	11.6% (end of Oct. 2009)	2.6% (Nov. 2009)
Base Index	Consumer Price Index (excluding fresh food)	Consumer Price Index	Retail Price Index	Consumer Price Index (excluding tobacco) Harmonized Index for Consumer Prices (excluding tobacco)	Harmonized Index for Consumer Prices (excluding tobacco)
Auction Method	Dutch (Note 3)	Dutch	Dutch	Conventional	Conventional
Deflation Floor (on redemption)	×	○	×	○	○

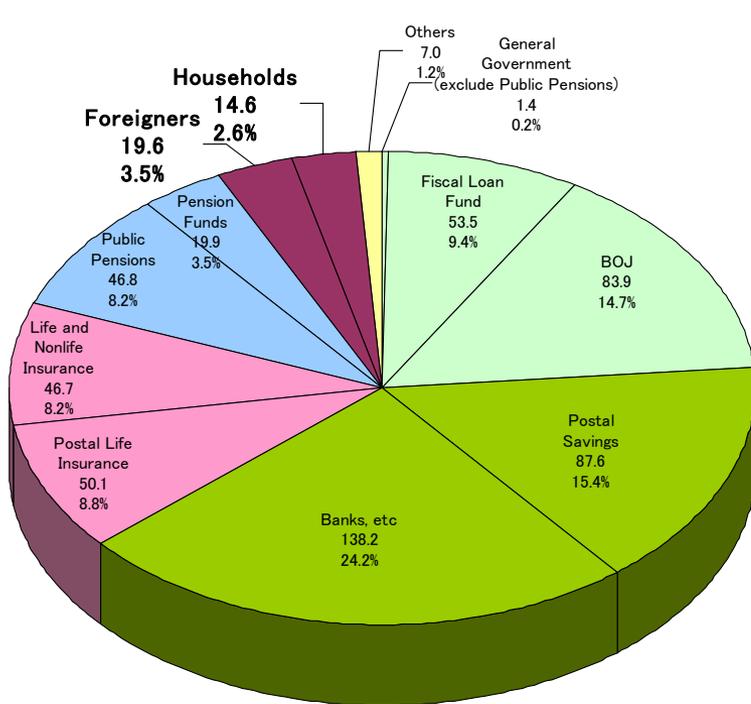
(Note 1) Marketable Debts

(Note 2) The amount of outstanding of Inflation-Indexed Bonds in Japan, U.S.A, U.K. and France include inflation uplift.

(Note 3) If issued as a reopening, it is subject to Conventional-style.

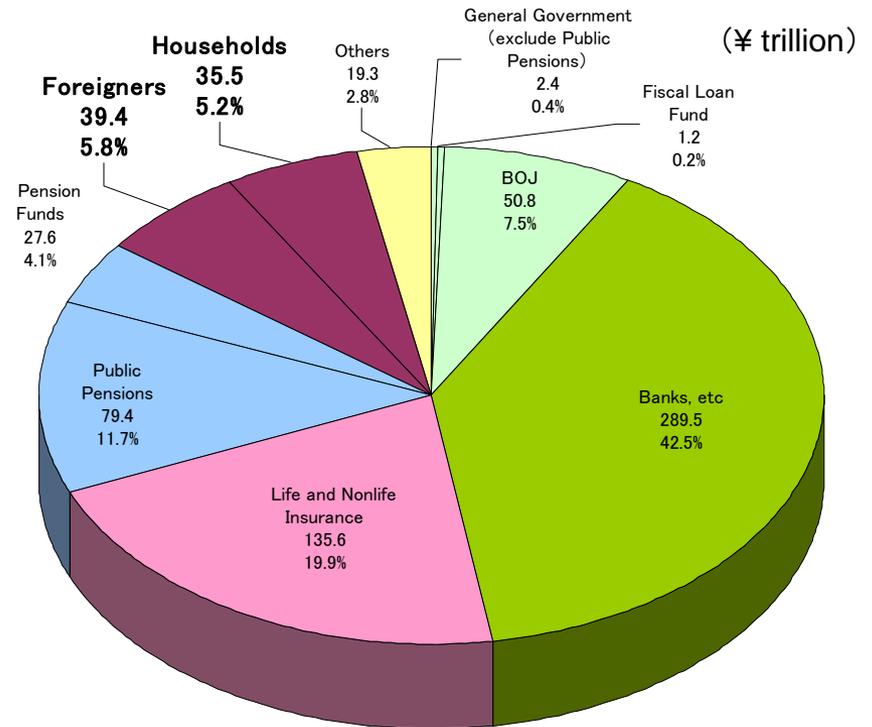
(Source) Japan: Ministry of Finance, U.S.A, U.K., France: Website of Debt Management Office,
Germany: Website of Debt Management Office and Bundesbank

Breakdown of JGB Holders



Total 569.5 trillion yen

The end of Mar. 2004



Total 680.8 trillion yen

The end of Sep. 2009
(QE)

(Note) “Banks, etc.” include “Securities investment trust” and “Securities Companies”.

From preliminary figures of the end of December 2007, “Banks, etc” includes Japan Post Bank. “Life and Nonlife Insurance” includes Japan Post Insurance.

(Source) Bank of Japan “Flow of Funds”

Breakdown of Government Securities Holders

	Government		Central bank		Financial institutions		Overseas		Households		Others		Total
	Share	Share	Share	Share	Share	Share	Share	Share	Share	Share			
Japan (as of Sep. 2009) (¥ trillion)	83.1	12.2%	50.8	7.5%	452.8	66.5%	39.4	5.8%	35.5	5.2%	19.3	2.8%	680.8
U.S. (as of Sep. 2009) (\$ billion)	796.7	10.6%	769.2	10.2%	1,446.4	19.2%	3,583.9	47.7%	801.6	10.7%	123.1	1.6%	7,520.8
U.K. (as of Jun. 2009) (£ billion)	0.3	0.0%	141.7	19.1%	351.2	47.3%	237.3	32.0%	9.6	1.3%	2.1	0.3%	742.2
Germany (as of Jun. 2009) (€ billion)	0.5	0.0%	4.4	0.3%	430.4	26.1%	885.3	53.8%			325.6	19.8%	1,646.3
France (as of Jun. 2009) (€ billion)	67.6	3.2%	48.1	2.3%	1,183.8	56.8%	723.4	34.7%	42.4	2.0%	19.8	0.9%	2,084.8

(Note1) The breakdown of government securities in each countries is as follows.

Japan: General bonds, FILP bonds. U.S.: Treasury securities excluding those are held by government agencies and trust funds.

U.K.: Gilts, Treasury bills. Germany: whole public debts including local government bonds.

France: transferable bonds and similar securities in euros.

(Note2) There are differences in classification of holder categories among countries.

"Government" in Japan includes Fiscal Loan Funds, and "Financial institutions" includes Postal Savings and Postal Life Insurance.

(Note3) U.S.: nominal value, the others: market value.

(Note4) "Central bank" in U.K. includes some financial institutions.

(Note5) These are preliminary figures and not sum up to the total because of rounding.

(Source) Japan: Japan's Flow of Funds Accounts (Bank of Japan)

U.S.: Flow of Funds Accounts of the United States (Federal Reserve Board)

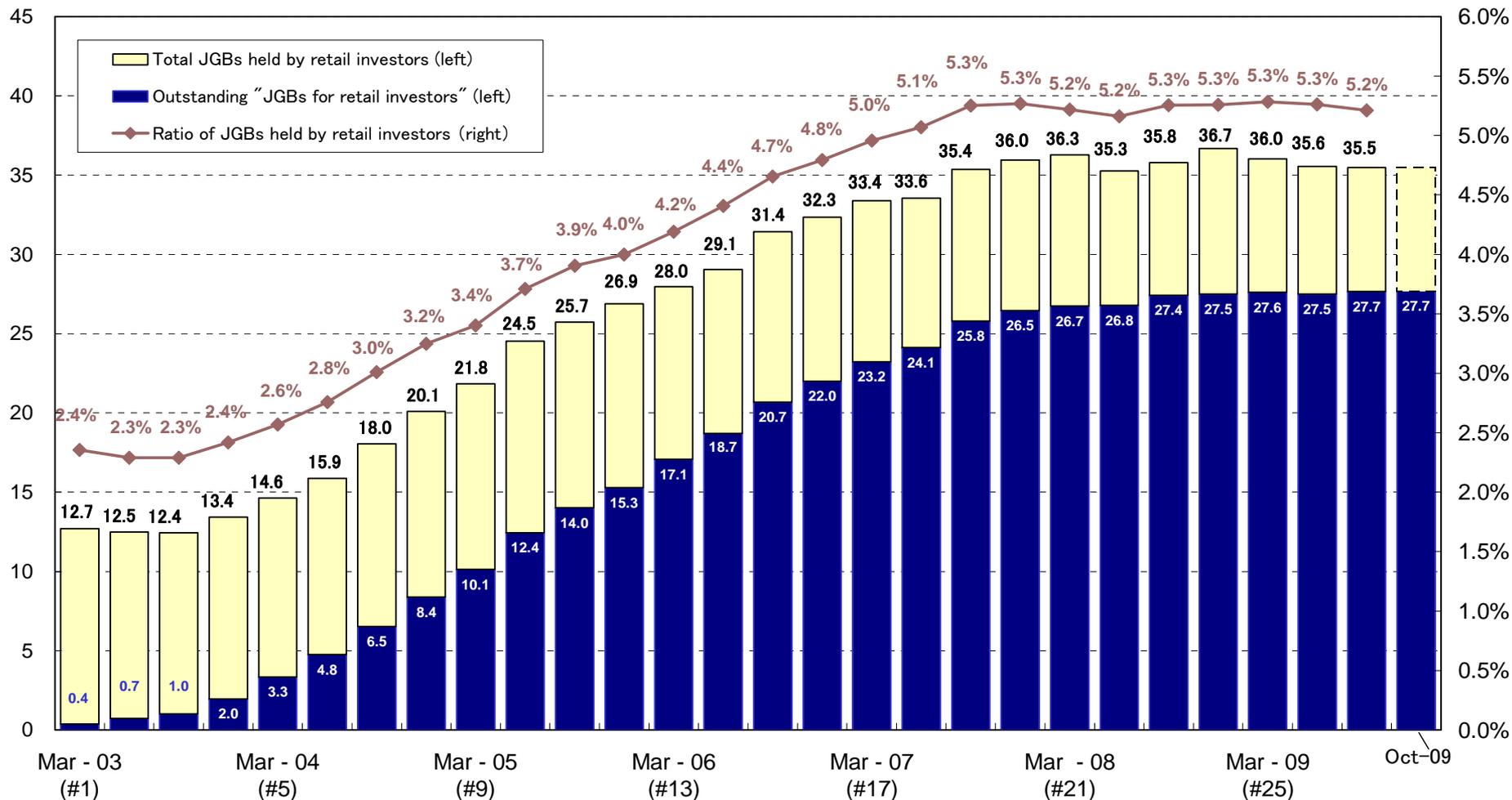
U.K.: United Kingdom Economic Accounts (Office for National Statistics)

Germany: Deutsche Bundesbank Monthly Report (Deutsche Bundesbank)

France: Annual Financial Accounts (Banque de France)

Households Increase JGB Holding

(trillion yen)

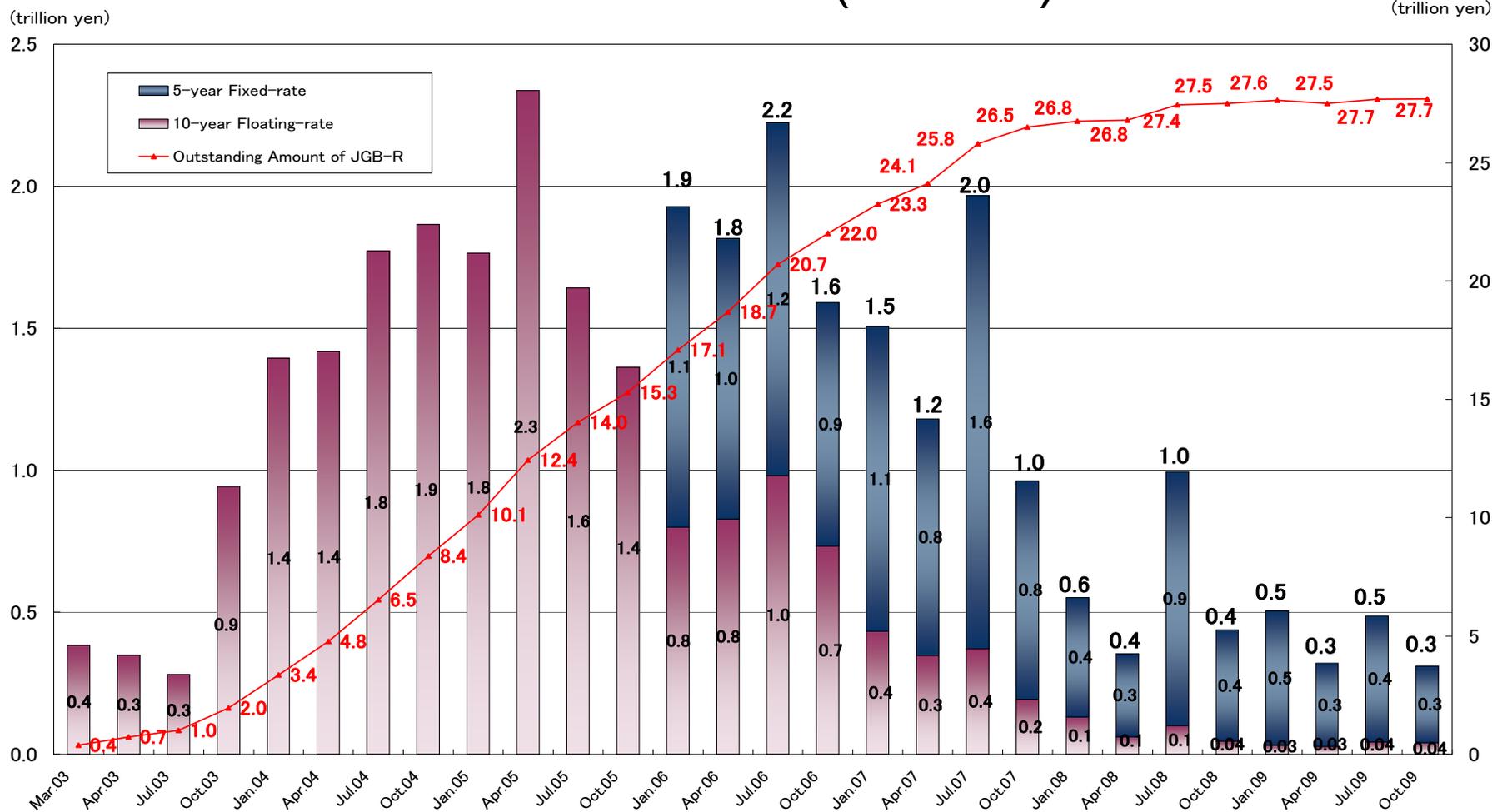


(Note1) Outstanding "JGBs for retail investors" at Oct -09 is [aggregate issues of ¥32.7 trillion]-[redemption before maturity of ¥5.0trillion].

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

(Source) Ministry of Finance, Bank of Japan.

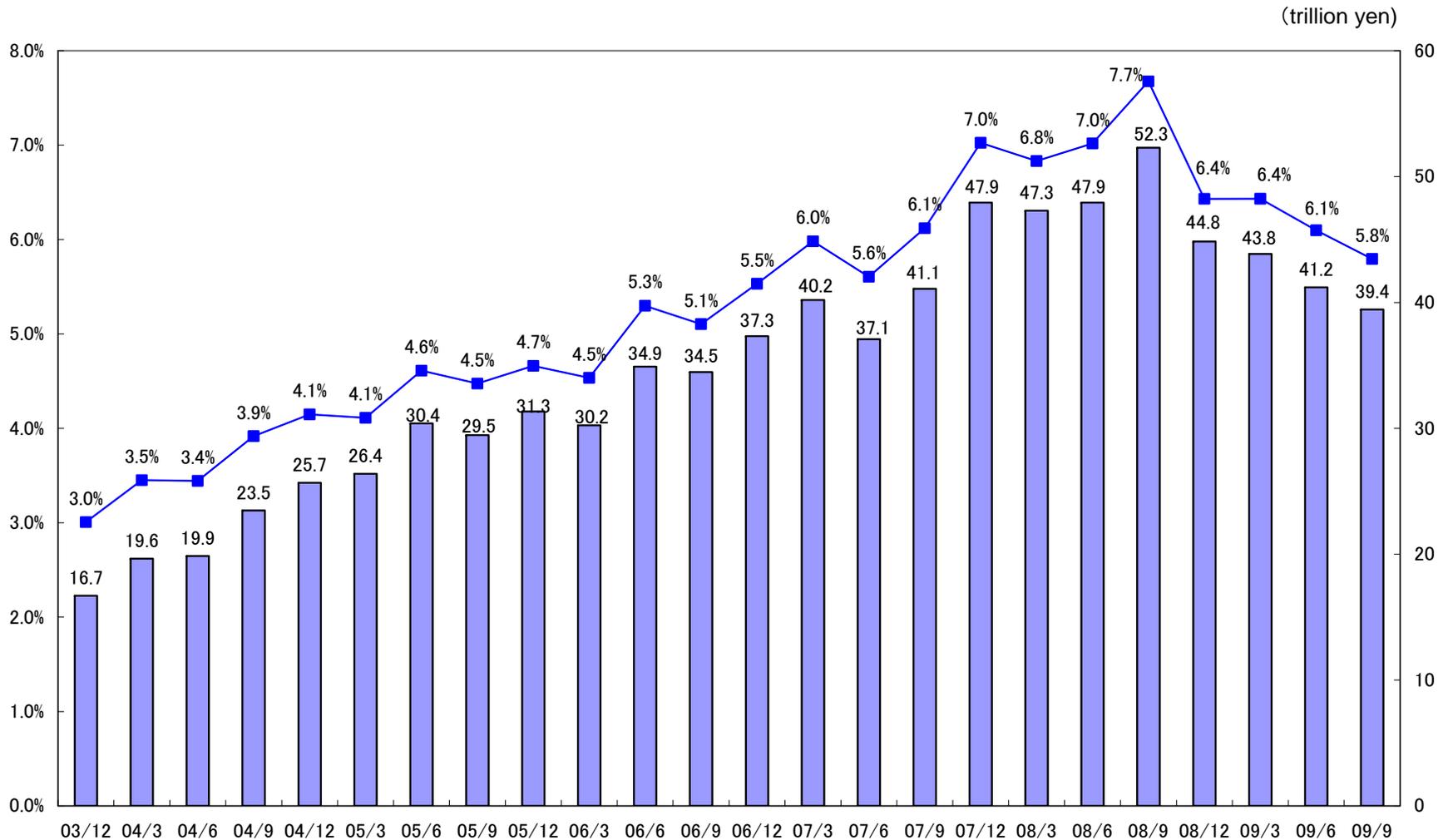
Sales and Outstanding Amount of JGB for Retail Investors (JGB-R)



	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th	12th	13th	14th	15th	16th	17th	18th	19th	20th	21st	22nd	23rd	24th	25th	26th	27th	28th
Initial Interest Rate (Floating-rate Bonds)	0.09%	0.05%	0.05%	0.77%	0.62%	0.55%	0.74%	0.74%	0.67%	0.73%	0.45%	0.55%	0.68%	0.85%	1.10%	0.92%	0.84%	0.87%	1.01%	0.85%	0.68%	0.57%	1.00%	0.69%	0.58%	0.50%	0.73%	0.53%
Interest Rate (Fixed-rate Bonds)													0.80%	1.01%	1.30%	1.13%	1.20%	1.13%	1.50%	1.15%	0.94%	0.81%	1.22%	0.99%	0.80%	0.71%	0.82%	0.60%

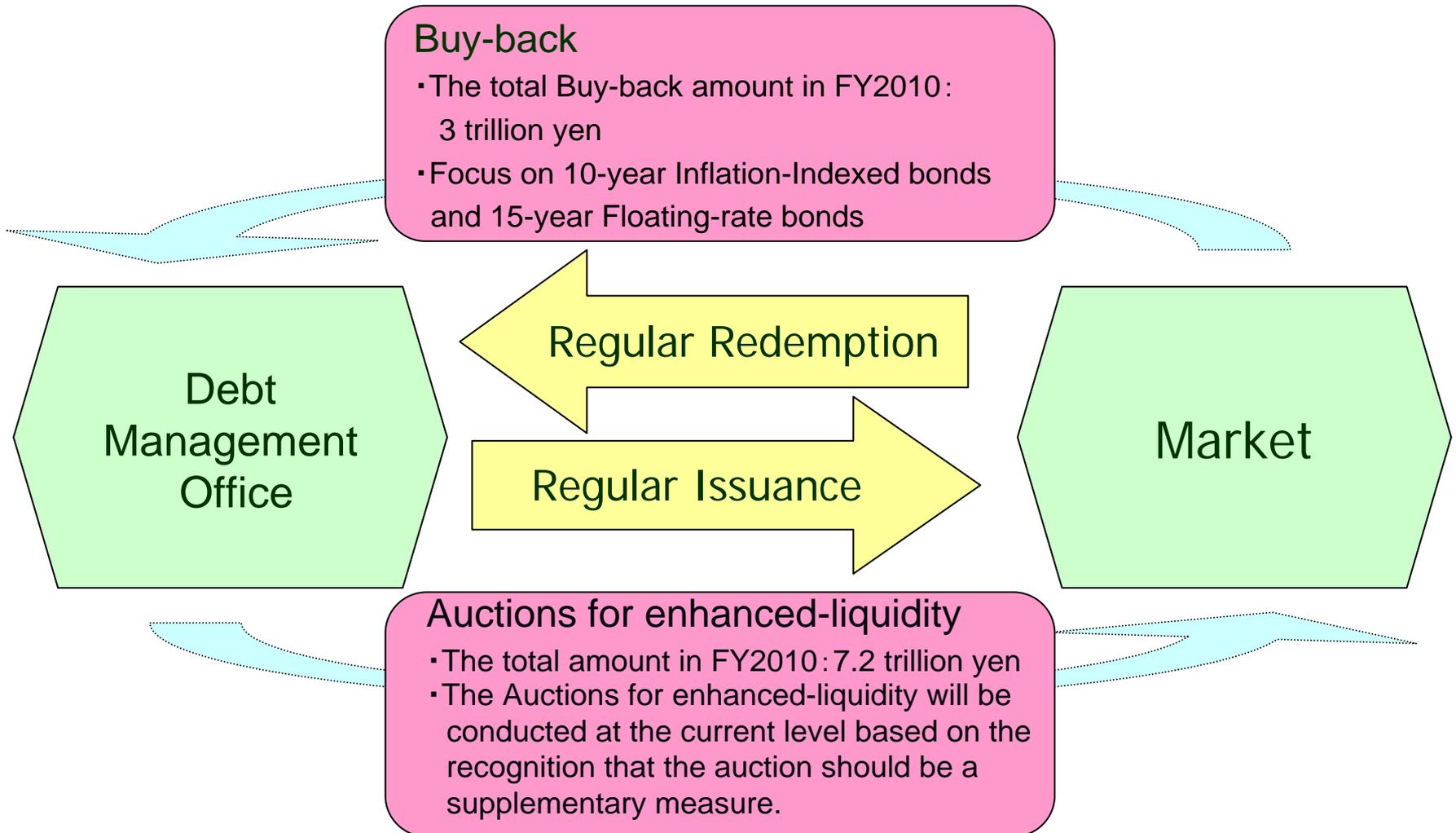
(Note) Figures may not sum up to the total because of rounding.

Foreign Investors JGB Holding

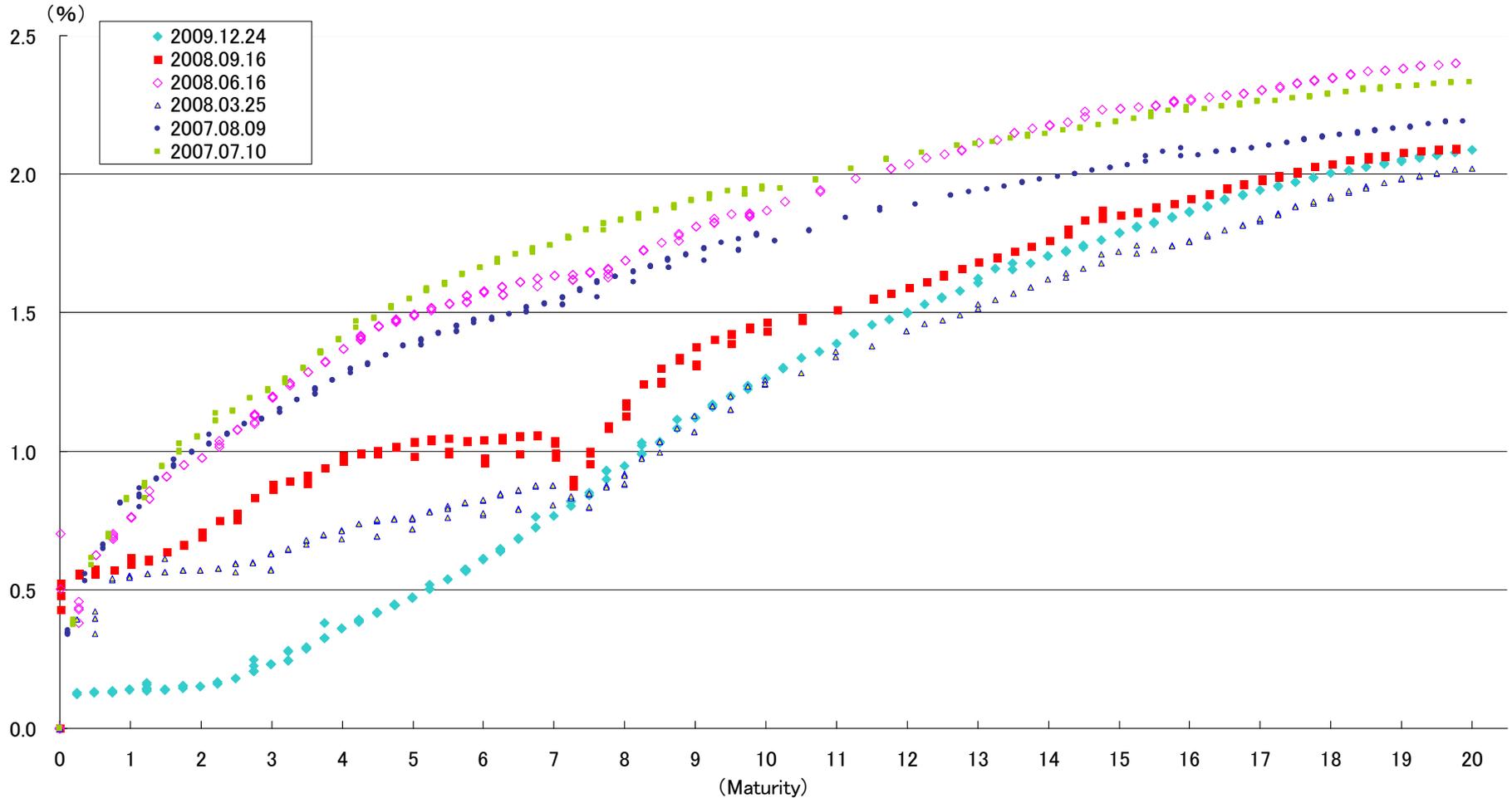


(Source) Bank of Japan "Flow of Funds"

Enhancing Market Liquidity



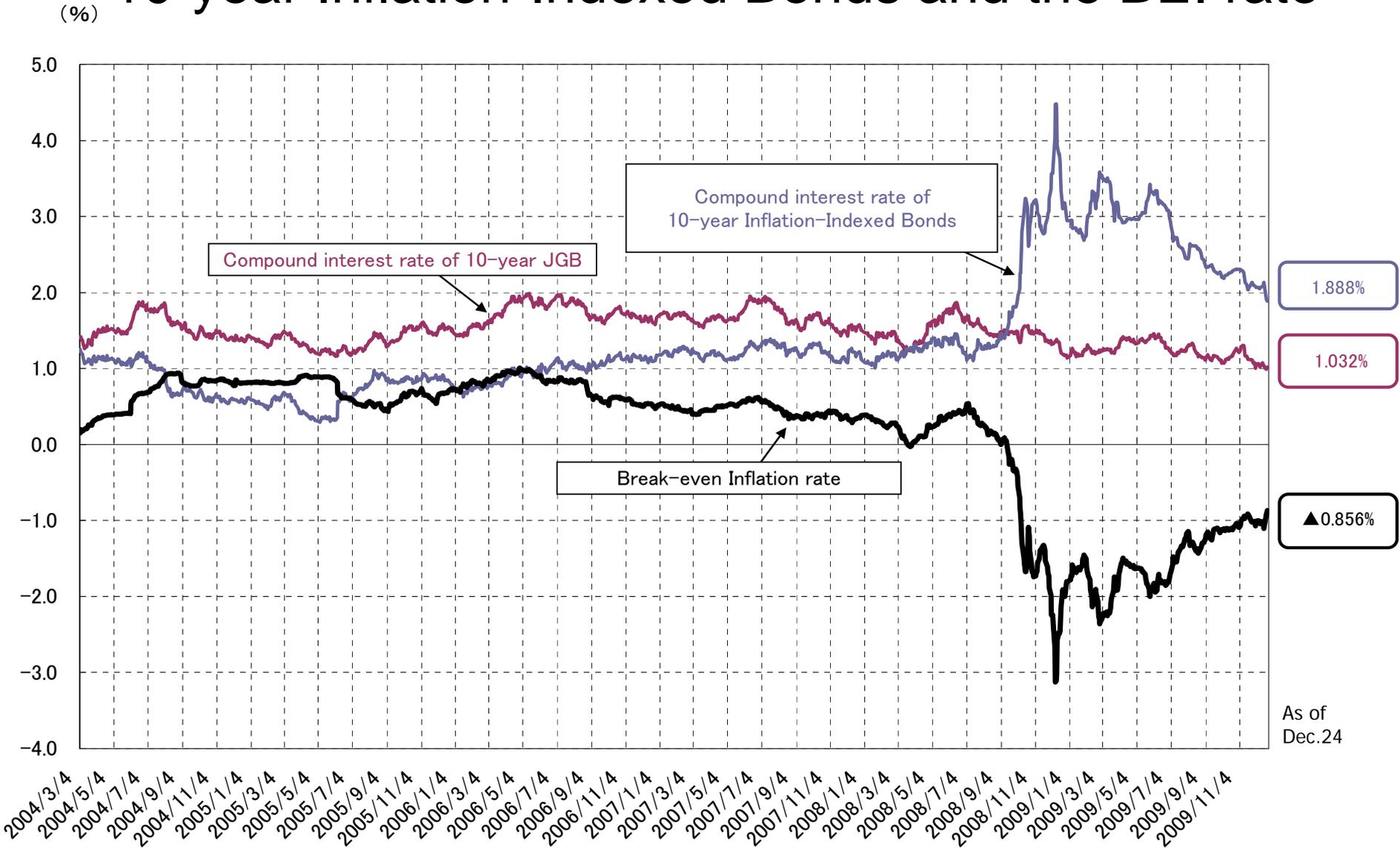
Distortion in the Yield Curve



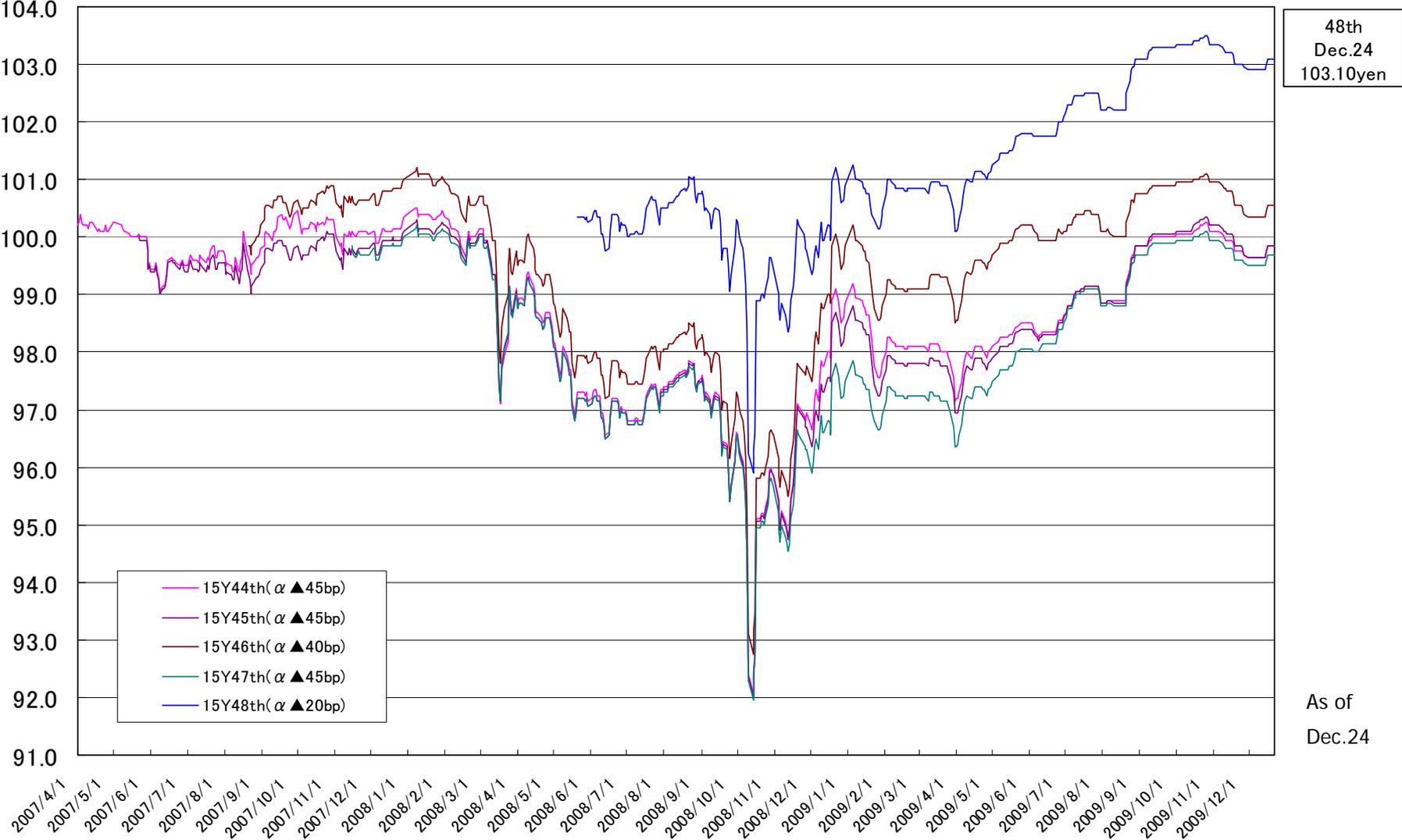
【Yield Curve of 10-year and 20-year bonds】

As of
Dec.24

Interest Rate of 10-year Bonds and 10-year Inflation-Indexed Bonds and the BEI rate



Market Price of 15-year Floating-rate Bonds



Provision of the interest rate information

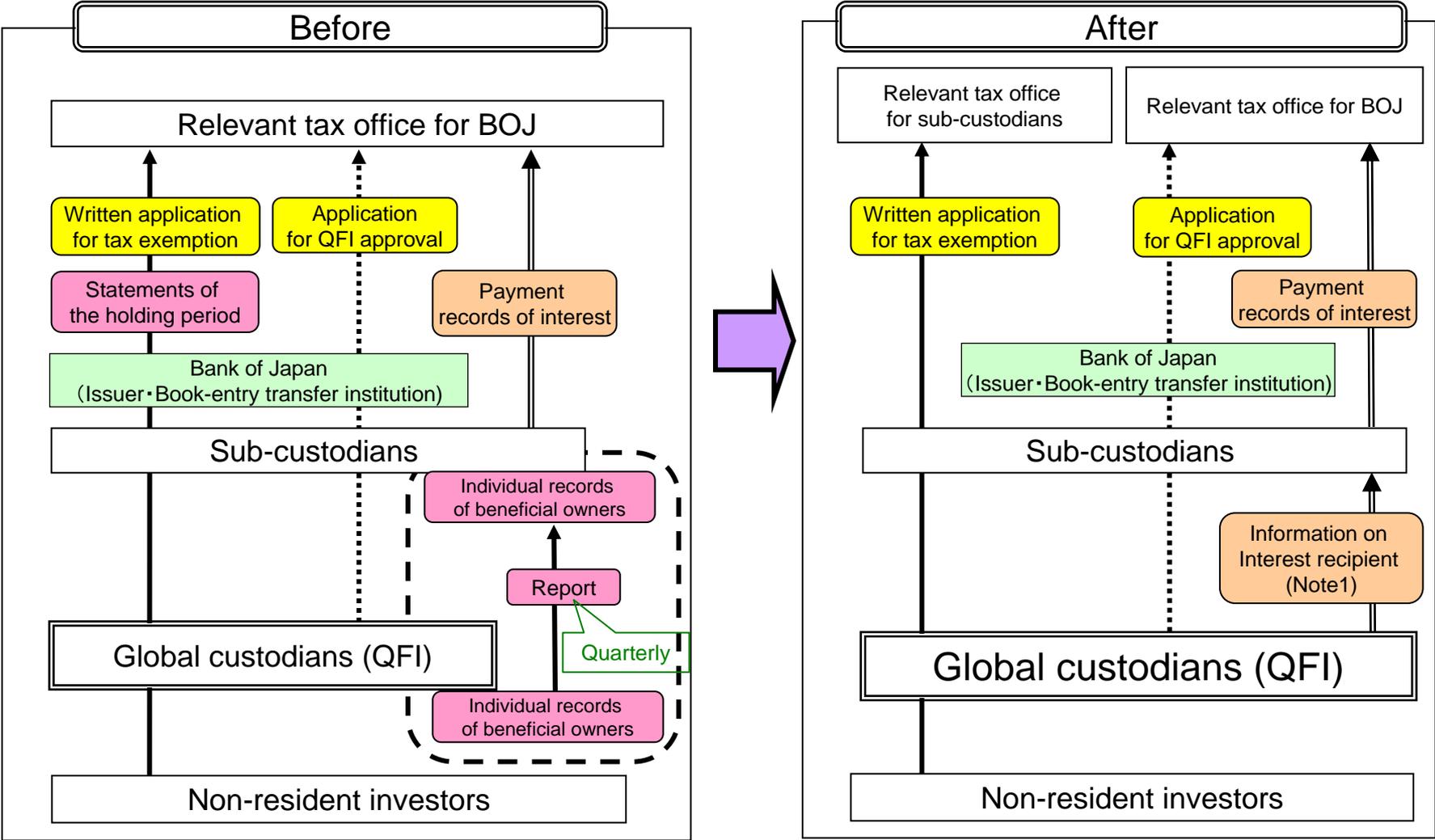
- Information of JGB interest rate on a constant maturity basis will be released on the website of Ministry of Finance.
 - Interest rates on a constant maturity basis are calculated based on prevailing prices on the secondary market.
 - It is expected to start in March 2010.

<Highlights of the issue>

Contents	Measures
Substance of release	
Types of interest rate	Semiannual compound interest rate (par rate)
Classification of interest rate	Nominal interest rate
Maturity (year)	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 15, 20, 25, 30, 40
Calculating method	① Selecting specific issues by grid ② Formulating a yield curve by interpolating through cubic spline function, utilizing prevailing interest rates as contact points. ③ Calculating interest rates on a constant maturity basis
Reference data	Reference prices for OTC bond transactions
Method of publication	
Release method	On the website of Ministry of Finance
Released data	Interest rates on a constant maturity basis (semiannual compound interest rate)
Data format	HTML
Download	CSV file
Frequency of revision	Daily
Flow of release	The business day after reference date
Past data	To be released (※The details are to be considered.)

Outline of tax treatment for JGBs (FY2010 Tax Reform)

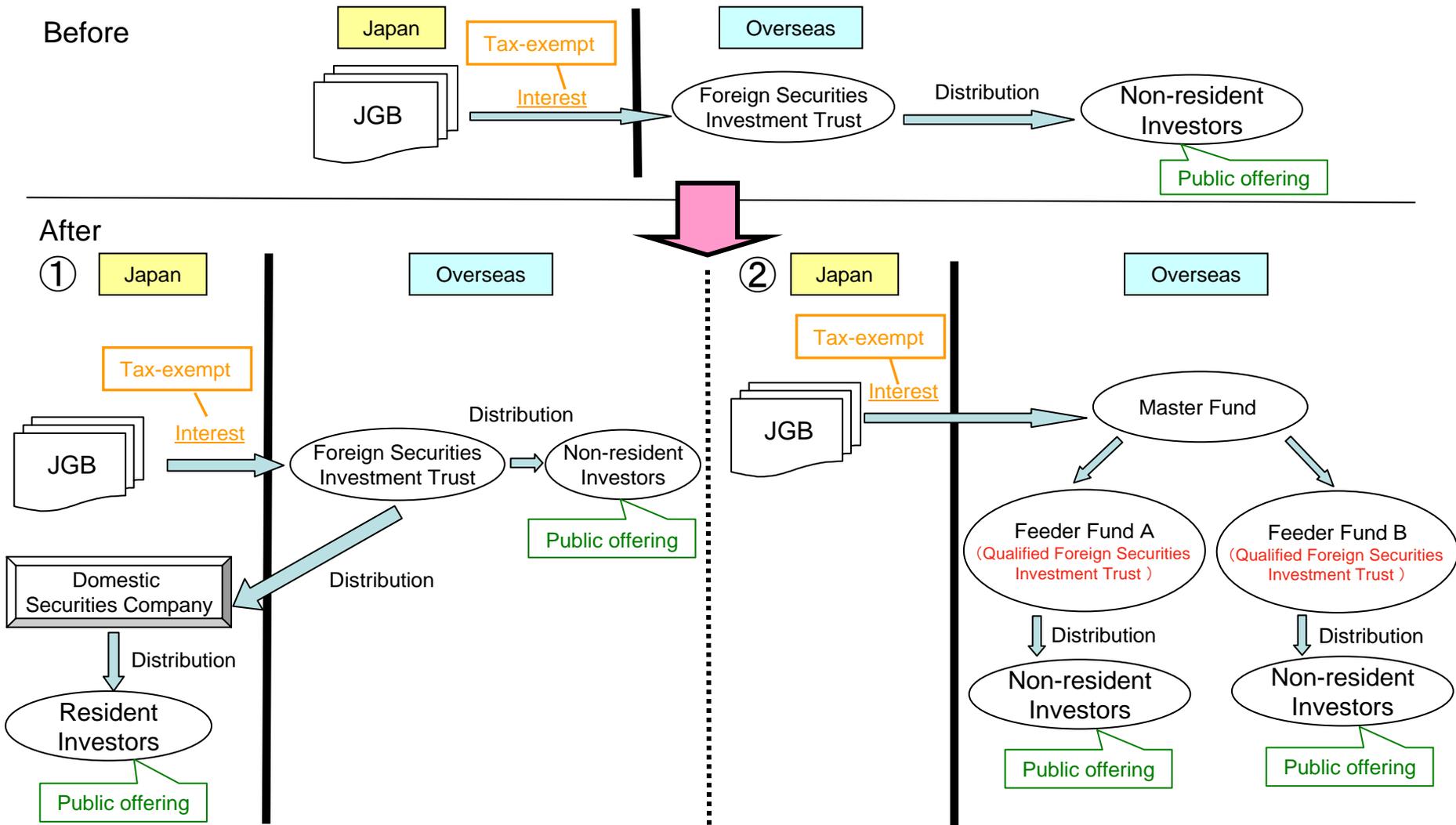
(1) Simplification of procedure for tax exemption



(Note1) Global custodians have to submit Information on Interest recipient to sub-custodians with the least delay after the time of interest payment.

(Note2) This rule shall apply to interest on bonds in book-entry form whose coupon calculation period starts on or after June 1, 2010 in principle.

(2) Widening of scope of non-taxable entities



Government-Guaranteed Bonds (JGGB) Issuance Plan (By Issuer and Maturity) <Planned Issuance for FY2010 Initial Budget >

(billion yen)

Issuer	30-year	20-year	15-year	10-year	6-year	5-year	4-year	2-year	Subtotal	Short - Term Bonds	Foreign Bonds	Total
Japan Finance Corporation				615.0	730.0				1,345.0	500.0	560.0	2,405.0
Japan International Cooperation Agency		20.0	20.0	55.0					95.0			95.0
Deposit Insurance Corporation of Japan							500.0	580.0	1,080.0			1,080.0
Urban Renaissance Agency							110.0	280.0	390.0			390.0
Japan Expressway Holding and Debt Repayment Agency	90.0	240.0		1,319.0		200.0		400.0	2,249.0			2,249.0
Kansai International Airport Co., Ltd.				18.0					18.0			18.0
Development Bank of Japan Inc.		20.0	20.0	100.0	60.0				200.0		150.0	350.0
Central Japan International Airport Co.,Ltd.				6.8	10.0		30.0		46.8			46.8
Japan Finance Organization for Municipalities				650.0					650.0		100.0	750.0
Total	90.0	280.0	40.0	2,763.8	800.0	200.0	640.0	1,260.0	6,073.8	500.0	810.0	7,383.8

(Note1) Figures for Short-Term Bonds are limit amounts based on debt outstanding.

(Note2) It could be that aforesaid plan is changed in the middle of FY2010.