

# Highlights of FY2014 Government Debt Management

## Issuance Size

- The total issuance of the JGB for FY2014 is planned to be 181.5 trillion yen, the largest ever. The market-issuance (Calendar-Base issuance) is to decrease against the previous year for the first time in six years since FY2008, mainly because of the advanced issuance of refunding bonds in FY2013.

## Main Policies in FY2014

### ◆ Extending the Average Maturity

- The average maturity of the market-issuance is extended by 6.6 months, reaching to 8 years and 5 months for FY2014 with a lowered refinance risk. Reflecting market voice, the extension is achieved by a well-balanced mixture of maturity terms from short to super long.

### ◆ Enhancing the Market Liquidity

- The amount of Auctions for Enhanced-Liquidity is to increase by 100 billion yen per month in order to maintain and enhance the liquidity of the JGB secondary market. Also, the scope of the auctions will be expanded to include every off-the-run issue.
- 20-Year bonds will be reopened in principle, to add volume.

### ◆ Encouraging the Inflation-Indexed Bonds Market

- The issuance of Inflation-Indexed Bonds (re-offered since October 2013) will be increased to meet the needs of a variety of entities including pension funds.
- An additional issuance will be made flexibly, based on quarterly discussion with market participants.

< Breakdown by Legal Grounds >

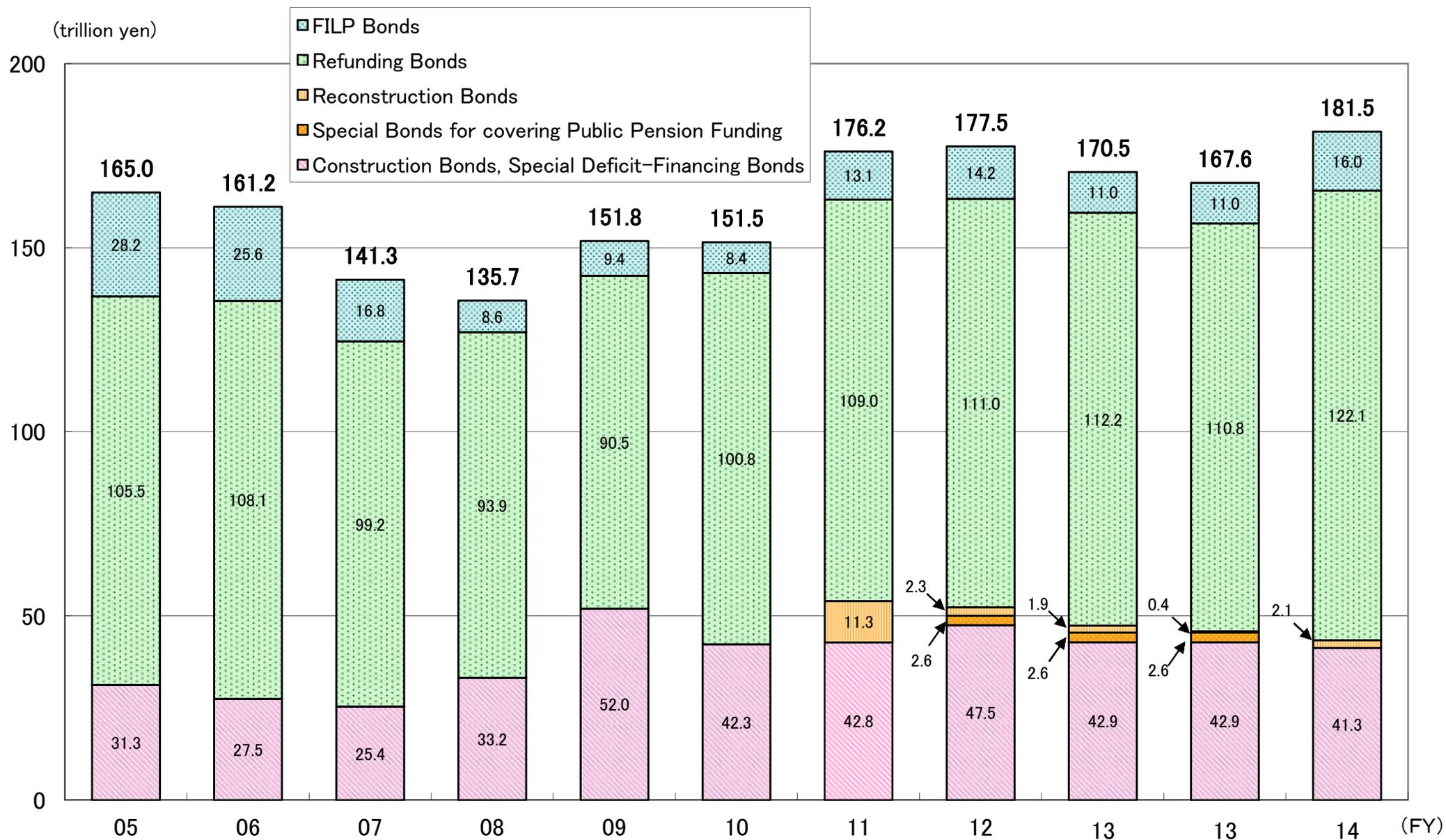
(Unit: trillion yen)

	FY2013 (Initial)	FY2013 (Supplementary Budget)	FY2014 (Initial)
Construction Bonds, Special Deficit- Financing Bonds	42.9	42.9	41.3
Special Bonds for covering Public Pension Funding	2.6	2.6	–
Subtotal for the General Account	45.5	45.5	41.3
Reconstruction Bonds	1.9	0.4	2.1
FILP Bonds	11.0	11.0	16.0
Refunding Bonds	112.2	110.8	122.1
Total	170.5	167.6	181.5

< Breakdown by Financing Methods >

	FY2013 (Initial)	FY2013 (Supplementary Budget)	FY2014 (Initial)
Subtotal Financed in the Market	156.8	153.5	167.9
JGB Market Issuance (Calendar Base)	156.6	156.6	155.1
Subtotal for Households	2.0	2.4	2.5
BOJ Rollover	11.7	11.7	11.1
Total	170.5	167.6	181.5

# Historical Changes in JGB Issuance Plan



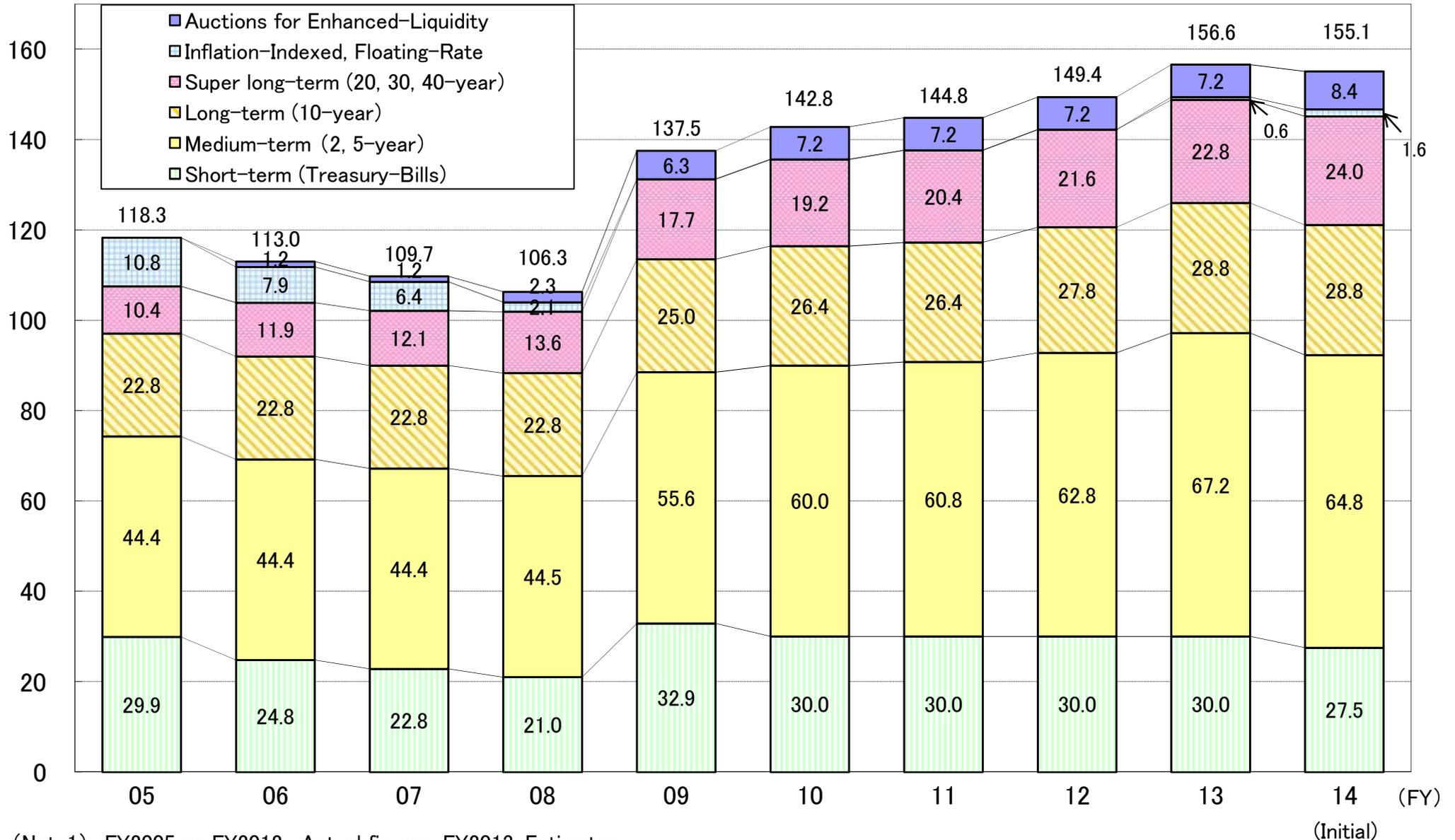
(Note1) FY2005 ~ FY2012 : Actual figures

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

(Initial) (Supplemented) (Initial)

# Historical Changes in Market Issuance Plan by JGB Types

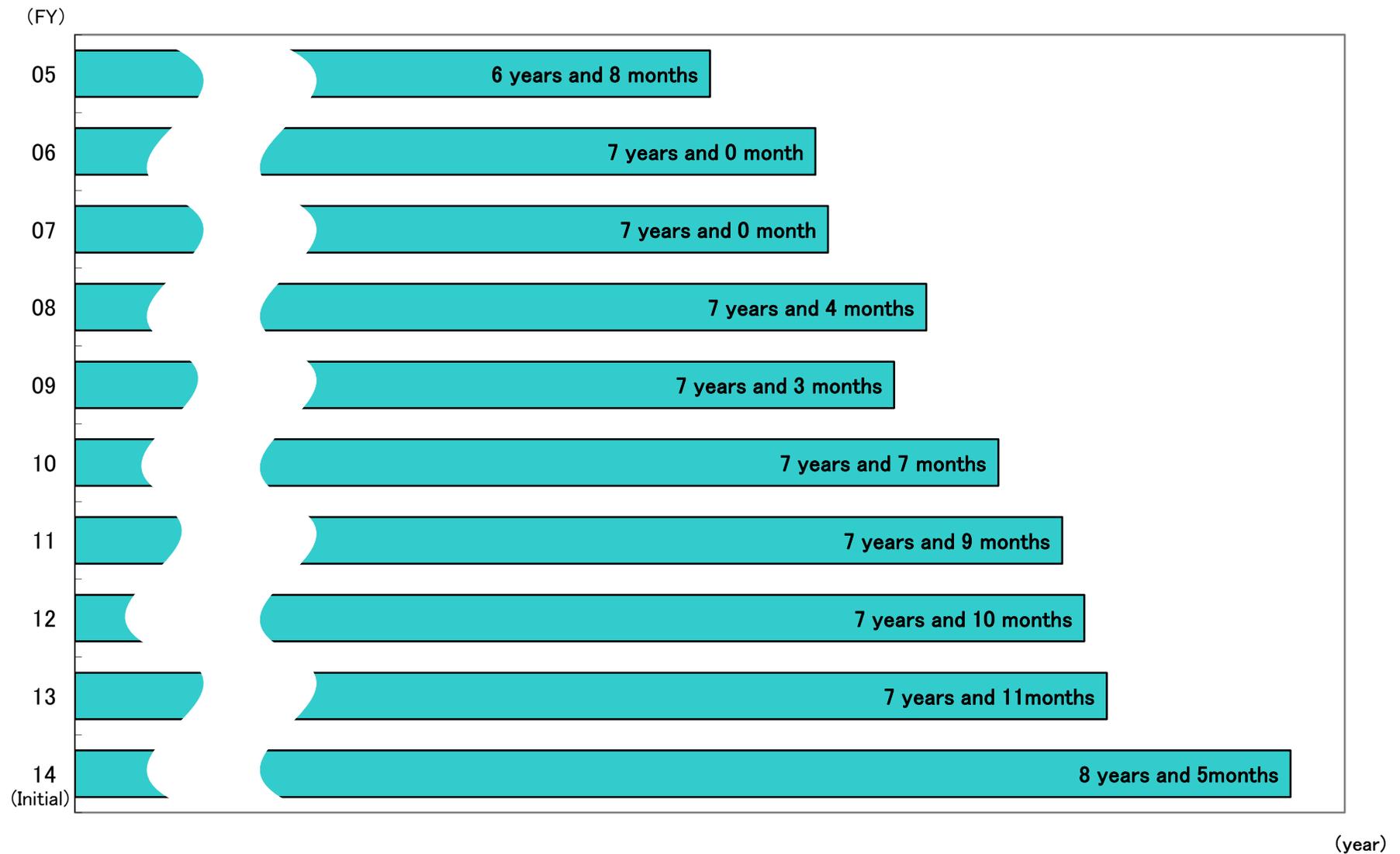
(trillion yen)



(Note1) FY2005 ~ FY2012 : Actual figures, FY2013: Estimates

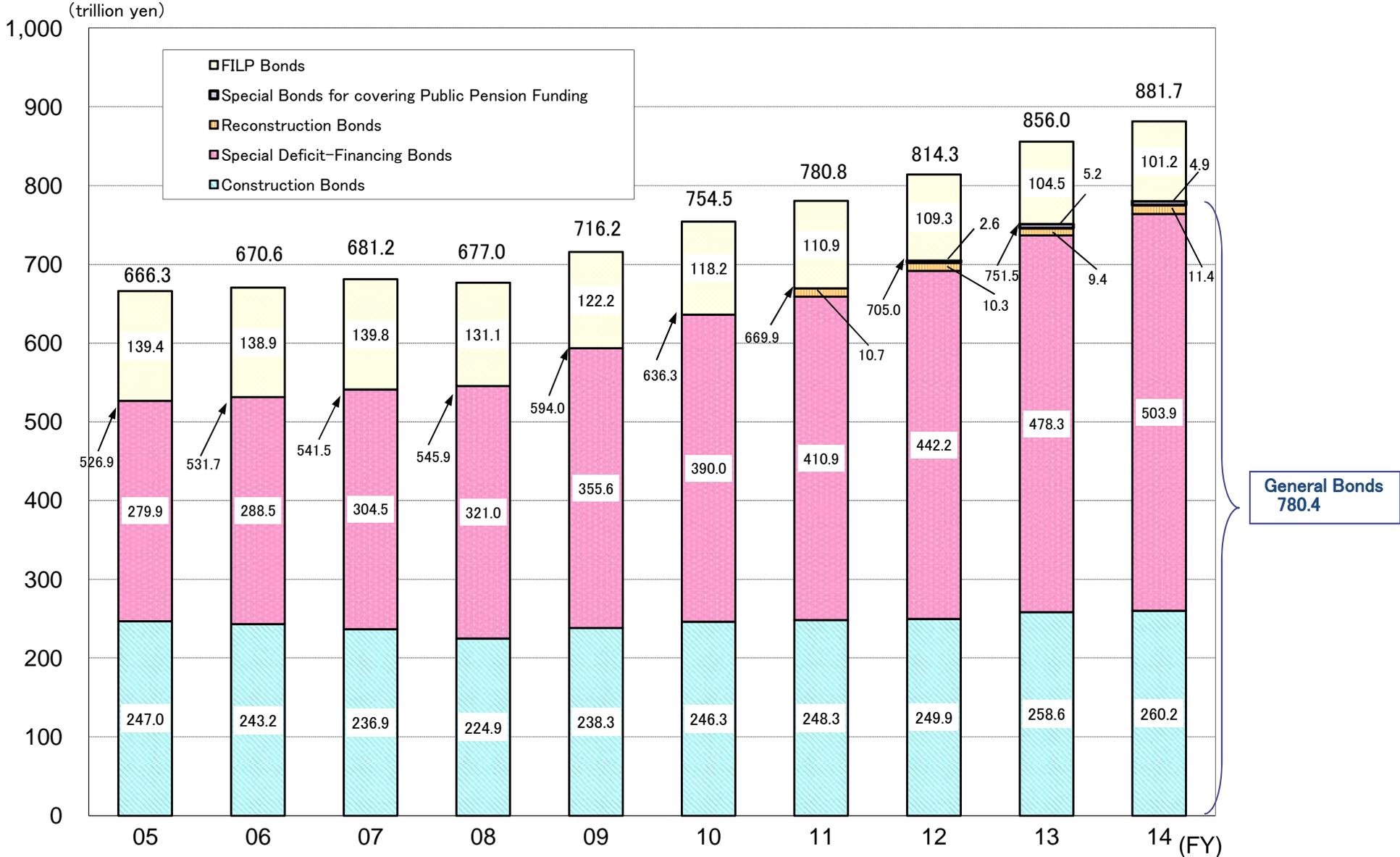
(Note2) The short-term JGBs are discount bonds. The medium-, long-, and super long-term bonds are the bonds with fixed-rate coupons.

# The Average Maturity of JGB Market Issuance



(note) FY2005~FY2012: Actual figures, FY2013: Estimates

# Historical Changes in Outstanding Amount of JGBs



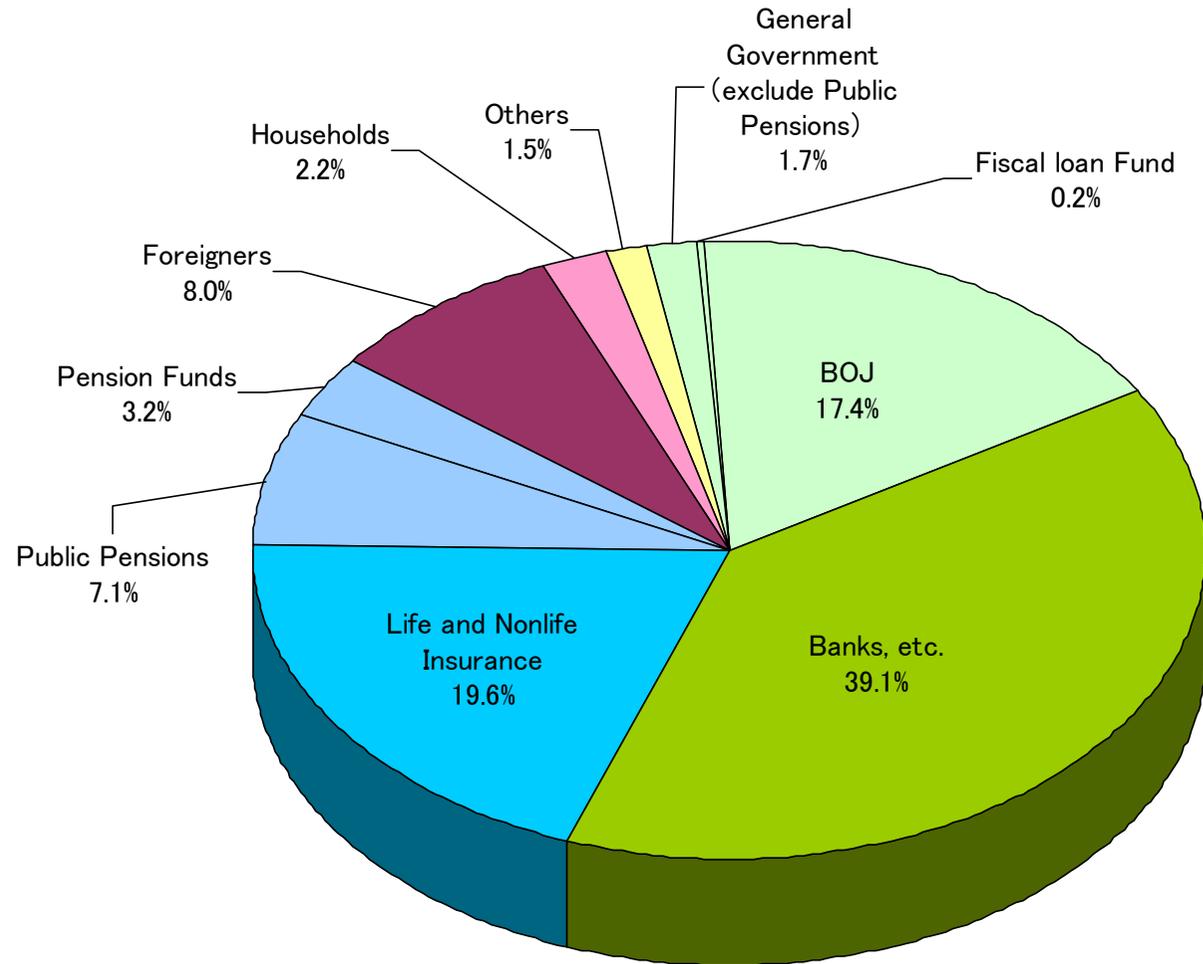
(note1) Figures may not sum up to total because of rounding.

(note2) FY2005 ~ FY2012: Actual figures, FY2013 ~ FY2014: Estimates

(note3) Special Deficit-financing Bonds include Refunding Bonds which were issued resulting from the takeover of debts transferred.

# Breakdown of JGB Holders

(The end of Sep. 2013(QE))



Total 979.9 trillion yen

(Source) Bank of Japan, "Flow of Funds"

(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.