

# Highlights of FY2025 Debt Management Policy

## <JGB Issuance Plan>

- The total amount is set at 176.9 trillion yen and decreases by 5.1 trillion yen compared with FY2024 (Initial).
- Regarding market conditions, the market issuance by periodic auctions is set at 172.3 trillion yen. Short-term and medium-term bonds are increased and super long-term bonds are decreased.

## <Initiatives to increase JGB holdings (Note) >

- Prepare for the issuance of new floating-rate JGBs linked to short-term interest rates in order to meet investment demands from banks etc.
- Consider to sell “JGBs for Retail Investors” to non-profit corporations and unlisted companies in order to expand stable holders.

(Note) Floating-rate JGBs are expected to be available for issuance during FY2026 at the earliest, given that it takes a certain time for authorities and market participants to improve systems and establish frameworks. The actual start of issuance will be decided based on future market conditions and advice from market participants. The expansion of sales targets of JGBs for Retail Investors are expected to be during FY2026.

## [FY2025 JGB Issuance Plan]

### <Breakdown by Legal Grounds> (trillion yen)

|  | FY2025 (Initial) |                              |
|--|------------------|------------------------------|
|  |                  | Changes from FY2024(Initial) |
| Newly-Issued Bonds<br>(Construction Bonds and Special Deficit-Financing Bonds) | <b>28.6</b>      | <b>▲6.8</b>                  |
| Reconstruction Bonds   | <b>0.1</b>       | <b>▲0.0</b>                  |
| GX Economy Transition Bonds  | <b>0.7</b>       | <b>+0.1</b>                  |
| Children Special Bonds   | <b>1.1</b>       | <b>+0.9</b>                  |
| FILP Bonds   | <b>10.0</b>      | <b>—</b>                     |
| Refunding Bonds  | <b>136.2</b>     | <b>+0.7</b>                  |
| <b>Total</b>   | <b>176.9</b>     | <b>▲5.1</b>                  |

### <Market Issuance Plan by Issue> (trillion yen)

|                                      | FY2025 (Initial)   |                              |
|--------------------------------------|--------------------|------------------------------|
|                                      |                    | Changes from FY2024(Initial) |
| Market Issuance by Periodic Auctions | <b>172.3</b>       | <b>+1.3</b>                  |
| 40-Year                              | <b><u>3.0</u></b>  | <b><u>▲1.2</u></b>           |
| 30-Year                              | <b><u>9.6</u></b>  | <b><u>▲1.2</u></b>           |
| 20-Year                              | <b>12.0</b>        | <b>—</b>                     |
| 10-Year                              | <b>31.2</b>        | <b>—</b>                     |
| 5-Year                               | <b><u>28.8</u></b> | <b><u>+1.2</u></b>           |
| 2-Year                               | <b>31.2</b>        | <b>—</b>                     |
| TBs                                  | <b><u>40.8</u></b> | <b><u>+2.4</u></b>           |
| 10-Year Inflation-Indexed            | <b>1.0</b>         | <b>—</b>                     |
| Japan Climate Transition Bonds       | <b>1.2</b>         | <b>▲0.2</b>                  |
| Liquidity Enhancement Auction        | <b>13.5</b>        | <b>+0.3</b>                  |
| Sales for Household                  | <b>4.6</b>         | <b>+1.1</b>                  |
| Others                               | <b>-0.0</b>        | <b>▲7.5</b>                  |
| <b>Total</b>                         | <b>176.9</b>       | <b>▲5.1</b>                  |

# FY2025 JGB Issuance Plan (1/2)

## FY2025 JGB Issuance Plan

### <Breakdown by Legal Grounds>

(billion yen)

|                                 | FY2024      |             | FY2025               |           |           |
|---------------------------------|-------------|-------------|----------------------|-----------|-----------|
|                                 | Initial (a) | Initial (b) | Revised in March (c) |           |           |
|                                 |             |             |                      | (c) - (a) | (c) - (b) |
| Newly-issued Bonds              | 35,449.0    | 28,649.0    | 28,647.1             | ▲ 6,801.9 | ▲ 1.9     |
| Construction Bonds              | 6,579.0     | 6,791.0     | 6,791.0              | 212.0     | —         |
| Special Deficit-Financing Bonds | 28,870.0    | 21,858.0    | 21,856.1             | ▲ 7,013.9 | ▲ 1.9     |
| Reconstruction Bonds            | 146.1       | 121.1       | 121.1                | ▲ 25.0    | —         |
| GX Economy Transition Bonds     | 663.3       | 725.8       | 725.8                | 62.5      | —         |
| Children Special Bonds          | 221.9       | 1,139.7     | 1,139.7              | 917.8     | —         |
| FILP Bonds                      | 10,000.0    | 10,000.0    | 10,000.0             | —         | —         |
| Refunding Bonds                 | 135,515.4   | 136,223.1   | 136,223.1            | 707.7     | —         |
| Total                           | 181,995.6   | 176,858.7   | 176,856.8            | ▲ 5,138.9 | ▲ 1.9     |

### <Breakdown by Financing Methods>

(billion yen)

|                                     | FY2024      |             | FY2025               |           |           |
|-------------------------------------|-------------|-------------|----------------------|-----------|-----------|
|                                     | Initial (a) | Initial (b) | Revised in March (c) |           |           |
|                                     |             |             |                      | (c) - (a) | (c) - (b) |
| JGB Market Issuance (Calendar Base) | 171,000.0   | 172,300.0   | 172,300.0            | 1,300.0   | —         |
| Non-Price Competitive Auction II    | 5,265.0     | 6,948.0     | 6,948.0              | 1,683.0   | —         |
| Adjustment between fiscal years     | 530.6       | ▲ 6,989.3   | ▲ 6,991.2            | ▲ 7,521.9 | ▲ 1.9     |
| Subtotal Financed in the Market     | 176,795.6   | 172,258.7   | 172,256.8            | ▲ 4,538.9 | ▲ 1.9     |
| Sales for Households                | 3,500.0     | 4,600.0     | 4,600.0              | 1,100.0   | —         |
| BOJ Rollover                        | 1,700.0     | —           | —                    | ▲ 1,700.0 | —         |
| Total                               | 181,995.6   | 176,858.7   | 176,856.8            | ▲ 5,138.9 | ▲ 1.9     |

- Buy-back program in FY2025 is planned to be implemented based on market conditions and through discussions with market participants.
- The maximum amount of front-loading issuance of Refunding Bonds in FY2025 is 55 trillion yen.

(Note 1) Figures may not sum up to the total because of rounding.

(Note 2) "JGB Market Issuance (Calendar Base)" refers to JGBs issued at face value by scheduled auctions from April to next March (periodic auctions).

(Note 3) Non-price competitive auction II is an additional issuance for JGB Market Special Participants after the normal auction (the amount assignable to each Market Special Participant does not exceed 10% of the amount awarded to it in the normal auction), and the price for the additional issuance is equal to the weighted average accepted price in the normal auction.

The amount of the non-price competitive auction II of the Initial Plan for FY2025 is calculated by multiplying the amount of "JGB Market Issuance (Calendar Base)" (40-year, 30-year, 20-year, 10-year, 5-year and 2-year bonds) by 6%.

(Note 4) "Adjustment between fiscal years" refers to leveling-off of the issuance between fiscal years through front-loading issuance and deferred issuance during an accounting adjustment period.

# FY2025 JGB Issuance Plan (2/2)

## <Market Issuance Plan by Issue>

(trillion yen)

|                                | FY2024 (Initial) |              | FY2024 (Supplementary Budget) |              | FY2025 (Initial) |              | (c)-(a)    | (c)-(b)     |
|--------------------------------|------------------|--------------|-------------------------------|--------------|------------------|--------------|------------|-------------|
|                                | (per time)       | (total ; a)  | (per time)                    | (total ; b)  | (per time)       | (total ; c)  |            |             |
| 40-Year                        | 0.7 × 6 times    | 4.2          | 0.7 × 6 times                 | 4.2          | 0.5 × 6 times    | 3.0          | ▲1.2       | ▲1.2        |
| 30-Year                        | 0.9 × 12 times   | 10.8         | 0.9 × 12 times                | 10.8         | 0.8 × 12 times   | 9.6          | ▲1.2       | ▲1.2        |
| 20-Year                        | 1.0 × 12 times   | 12.0         | 1.0 × 12 times                | 12.0         | 1.0 × 12 times   | 12.0         | —          | —           |
| 10-Year                        | 2.6 × 12 times   | 31.2         | 2.6 × 12 times                | 31.2         | 2.6 × 12 times   | 31.2         | —          | —           |
| 5-Year                         | 2.3 × 12 times   | 27.6         | 2.3 × 12 times                | 27.6         | 2.4 × 12 times   | 28.8         | 1.2        | 1.2         |
| 2-Year                         | 2.6 × 12 times   | 31.2         | 2.6 × 12 times                | 31.2         | 2.6 × 12 times   | 31.2         | —          | —           |
| TBs                            |                  | 38.4         |                               | 40.8         |                  | 40.8         | 2.4        | —           |
| 10-Year Inflation-Indexed      | 0.25 × 4 times   | 1.0          | 0.25 × 4 times                | 1.0          | 0.25 × 4 times   | 1.0          | —          | —           |
| Japan Climate Transition Bonds |                  | 1.4          |                               | 1.4          |                  | 1.2          | ▲0.2       | ▲0.2        |
| Liquidity Enhancement Auction  |                  | 13.2         |                               | 13.2         |                  | 13.5         | 0.3        | 0.3         |
| <b>Total</b>                   |                  | <b>171.0</b> |                               | <b>173.4</b> |                  | <b>172.3</b> | <b>1.3</b> | <b>▲1.1</b> |

Figure.1 Issuance for TBs

|               | FY2024 (Initial)    | FY2024 (Supplementary Budget) | FY2025 (Initial)    |                 |
|---------------|---------------------|-------------------------------|---------------------|-----------------|
|               | (a)                 | (b)                           | (c)                 | (c)-(a) (c)-(b) |
| TBs (1-Year)  | 3.2 × 12 times 38.4 | 3.2 × 12 times 38.4           | 3.2 × 12 times 38.4 | — —             |
| TBs (6-Month) | —                   | 0.8 × 3 times 2.4             | 0.4 × 6 times 2.4   | 2.4 —           |

Figure.2 Issuance for Japan Climate Transition Bonds

|         | FY2024 (Initial)   | FY2024 (Supplementary Budget) | FY2025 (Initial)  |                 |
|---------|--------------------|-------------------------------|-------------------|-----------------|
|         | (a)                | (b)                           | (c)               | (c)-(a) (c)-(b) |
| 10-Year | 0.35 × 2 times 0.7 | 0.35 × 2 times 0.7            | 0.3 × 2 times 0.6 | ▲0.1 ▲0.1       |
| 5-Year  | 0.35 × 2 times 0.7 | 0.35 × 2 times 0.7            | 0.3 × 2 times 0.6 | ▲0.1 ▲0.1       |

Figure.3 Issuance by Zones for Liquidity Enhancement Auctions

|              | FY2024 (Initial) | FY2024 (Supplementary Budget) | FY2025 (Initial) |                 |
|--------------|------------------|-------------------------------|------------------|-----------------|
|              | (a)              | (b)                           | (c)              | (c)-(a) (c)-(b) |
| 15.5-39 Year | 3.0              | 2.6                           | 2.7              | ▲0.3 0.1        |
| 5-15.5 Year  | 7.2              | 7.6                           | 7.8              | 0.6 0.2         |
| 1-5 Year     | 3.0              | 3.0                           | 3.0              | — —             |

(Note 1) The issuance of the fiscal year can be changed based on discussions with market participants in response to market circumstances and issuance conditions.

(Note 2) The 40-year bond will be issued in May, July, September, November, January and March.

(Note 3) Treasury Bills (TBs) are jointly issued with Financing Bills (FBs), under unified names of Treasury Discount Bills (T-Bills). The maturity of TBs, its issuance, and the number of auctions may be adjusted in a flexible manner in response to market circumstances and demands of investors, thus the maturity and the issuance on the table (Figure 1) be subject to an adjustment.

(Note 4) The 10-year inflation-indexed bond is planned to be issued in May, August, November and February. The issuance may be adjusted in a flexible manner in response to market circumstances and demands of investors, which will be determined based on discussions with market participants.

(Note 5) "Japan Climate Transition Bonds" means GX Economy Transition Bonds and its Refunding Bonds issued as financial instruments based on a framework regulating the Use of Proceeds.

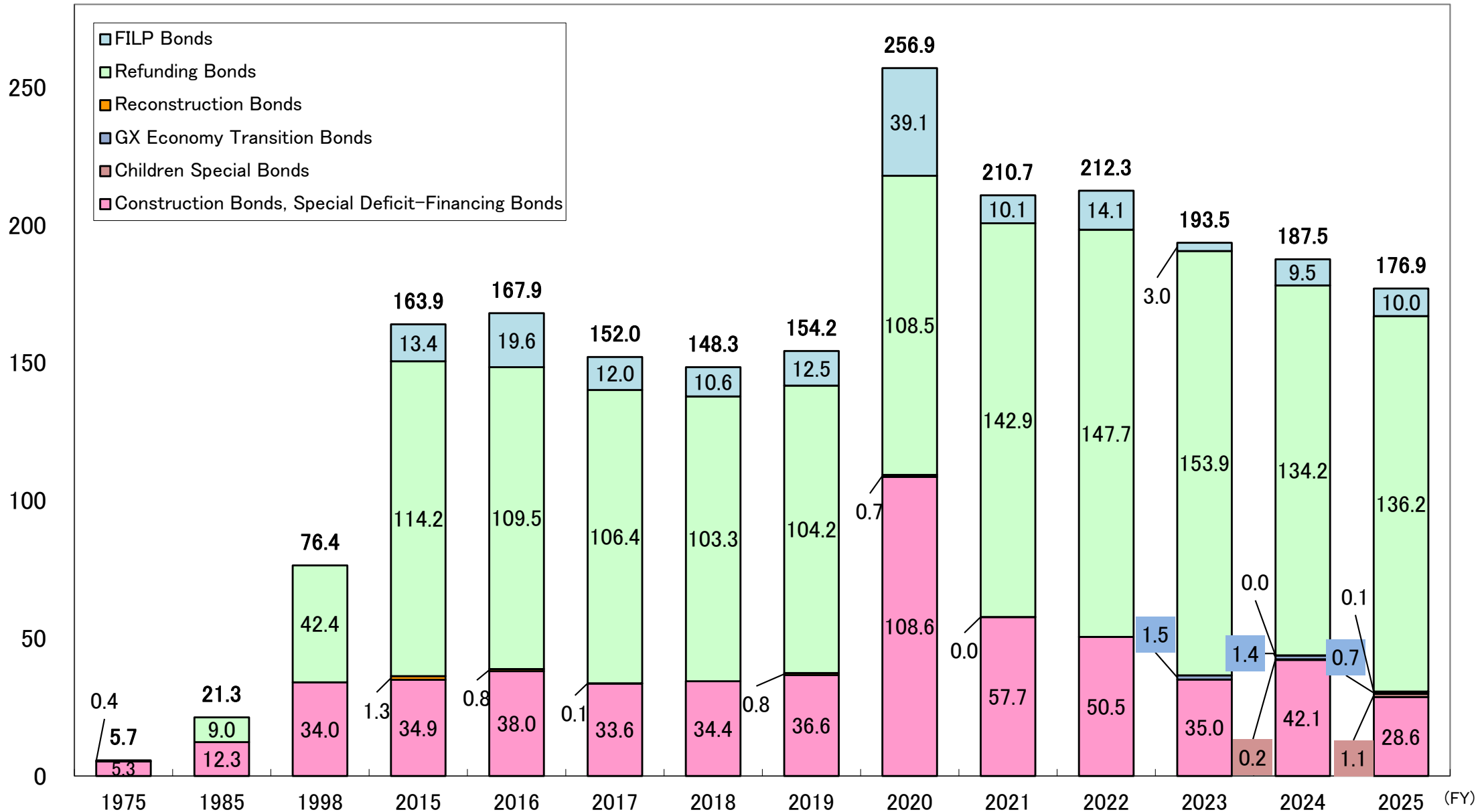
10-Year Japan Climate Transition Bonds will be issued in October and March, and 5-Year Japan Climate Transition Bonds will be issued in July and January.

The issuance is assumed to be implemented according to the table (Figure.2), and adjusted in a flexible manner in response to market circumstances and demands of investors based on discussions with market participants.

(Note 6) The issuance of liquidity enhancement auction and its allocation among each zone may be adjusted in a flexible manner in response to market circumstances and demands of investors, which will be determined based on discussions with market participants, thus the issuance and zones on the table (Figure 3) be subject to an adjustment.

# Changes in JGB Issuance Plan

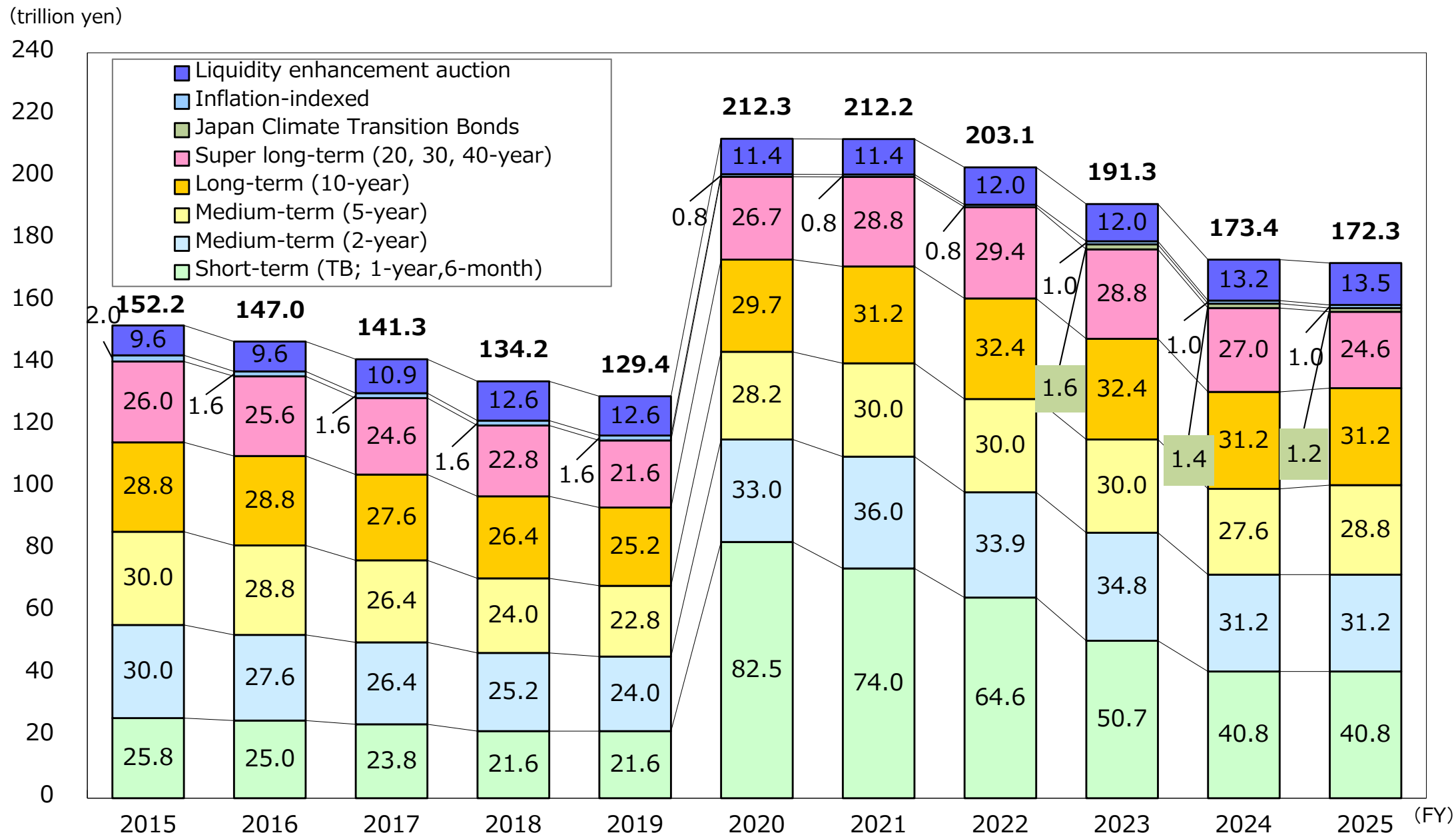
(trillion yen)



(Note1) Up to FY2023: Actual. FY2024: Supplementary budget basis. FY2025: Initial basis.

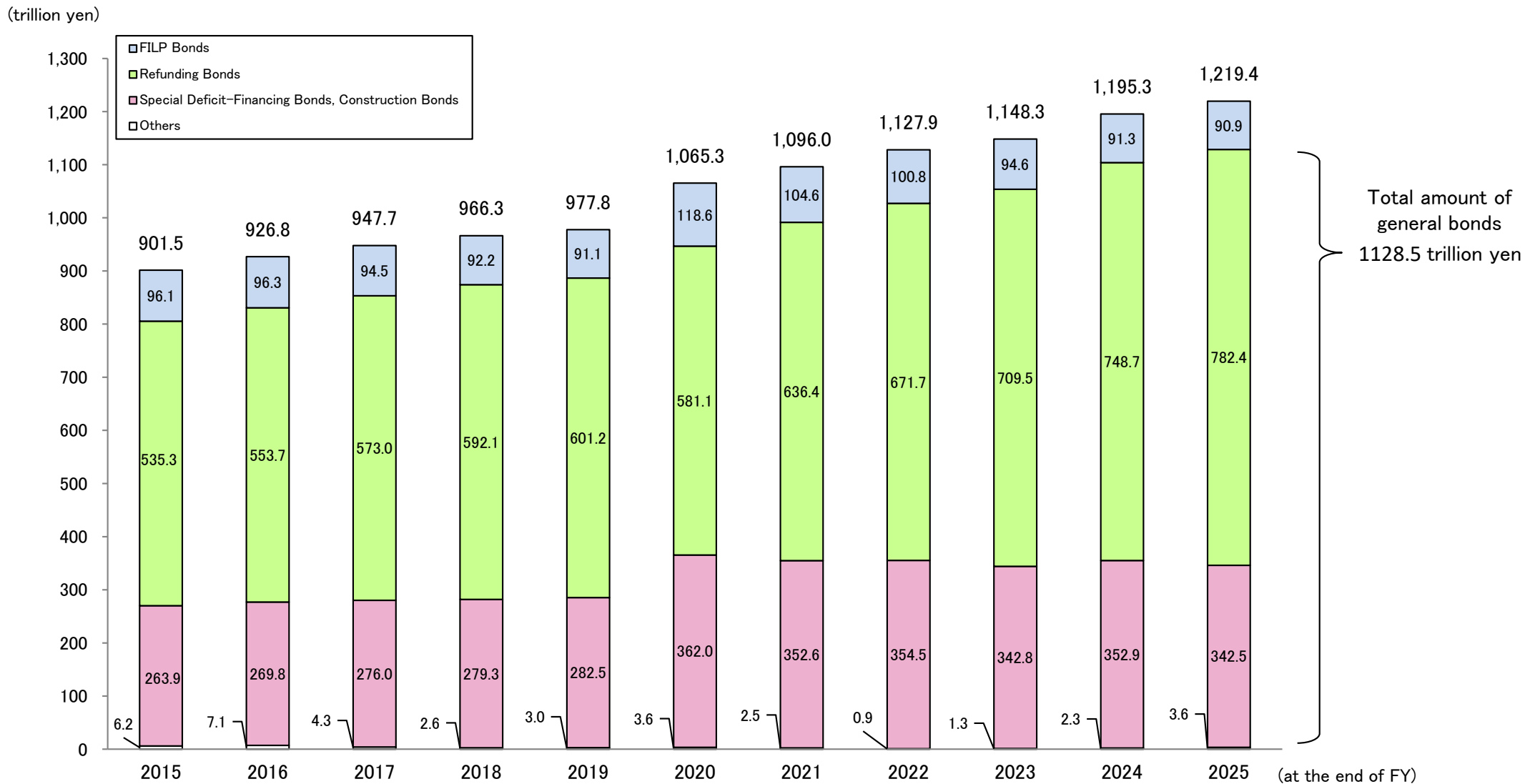
(Note2) Figures may not sum up to the total because of rounding.

# Changes in Market Issuance Plan by Issue



(Note) Up to FY2024: Last revised basis.  
FY2025: Initial basis.

# Changes in Outstanding Amount of JGBs



Note 1 : Up to FY2023: Actual

FY2024: Estimate based on the JGB Issuance Plan for FY2024 (Supplementary Budget), including 44.5 trillion yen of front-loading refunding bonds.

FY2025: Estimate based on the JGB Issuance Plan for FY2025 (Initial), including 55 trillion yen of front-loading refunding bonds.

Note 2 : Figures may not sum up to the total because of rounding.

Note 3 : "Others" includes the following JGBs.

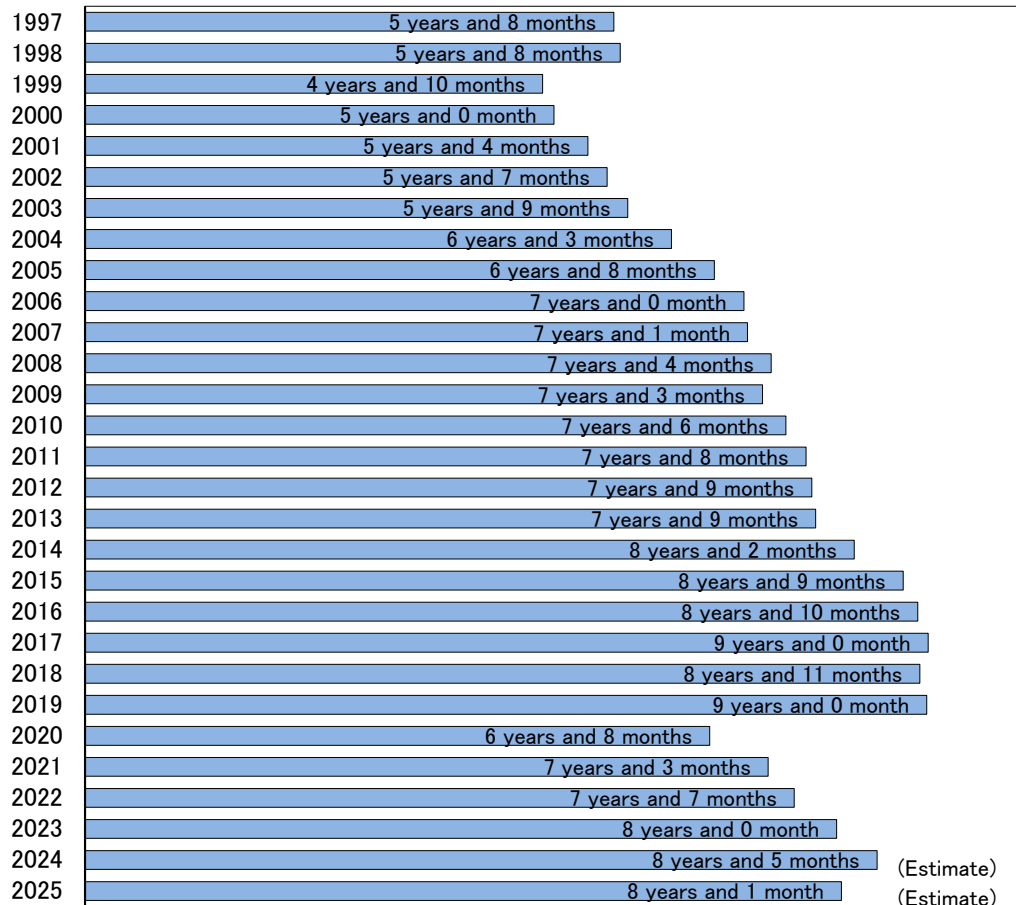
- "Reconstruction Bonds" (from the end of FY2015 to the end of FY2025)
- "Special Bonds for Covering Public Pension Funding" (from the end of FY2015 to the end of FY2022)
- "GX Economy Transition Bonds" (from the end of FY2023 to the end of FY2025)
- "Children Special Bonds" (from the end of FY2024 to the end of FY2025)

# Weighted Average Maturity of JGB

## Market Issuance (flow-basis)

## Outstanding Amount (stock-basis)

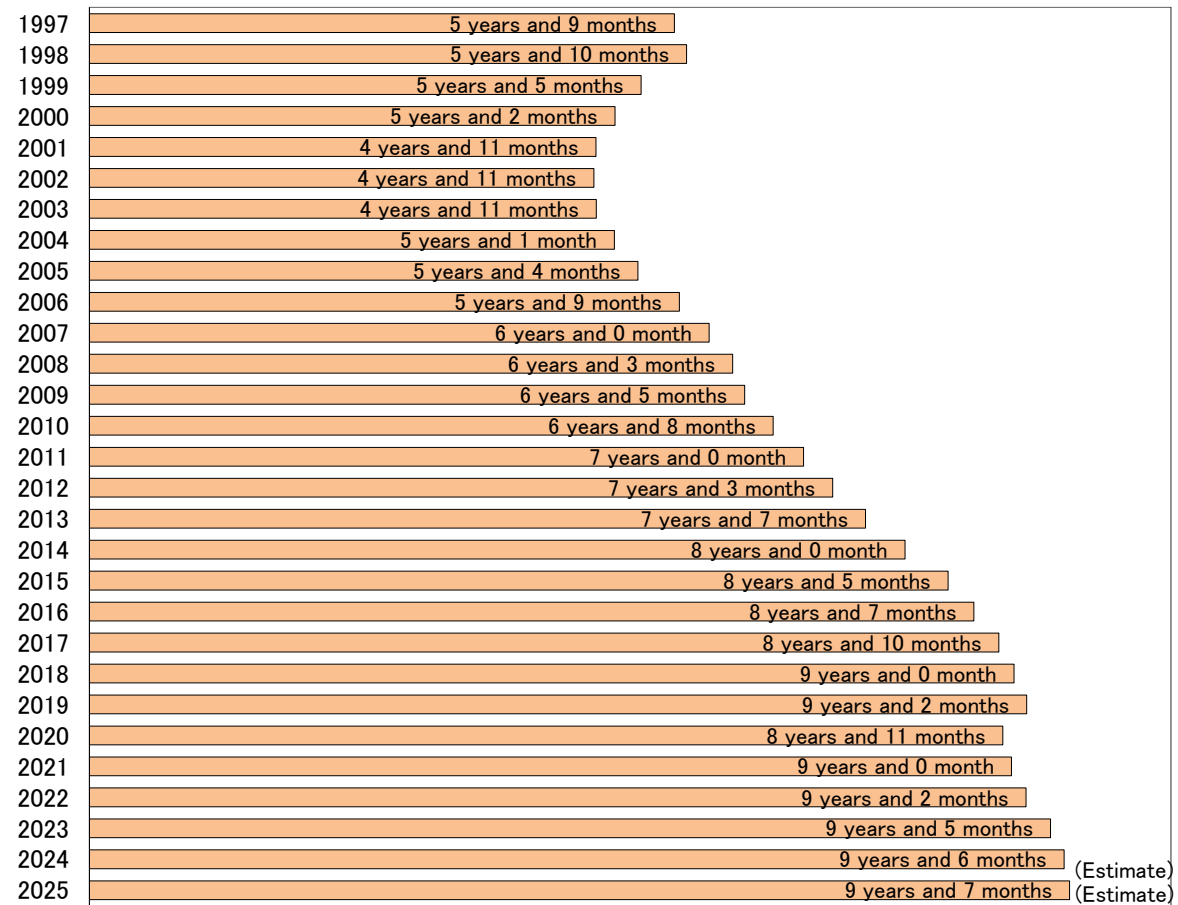
(FY)



(Note) Up to FY2023: Actual.

FY2024: supplementary budget basis. FY2025: initial basis

(at the end of FY)



(Note) Outstanding amount of general bonds. Up to FY2023: Actual.

FY2024: supplementary budget basis. FY2025: initial basis.

# Basic Product Features of the New Floating-rate JGBs

Press Release  
(December 27, 2024)

|                                    |   |
|------------------------------------|---|
| Coupon rate                        | Reference rate + Spread <sup>(Note 1)</sup><br>(Coupon rate is set in percentage with 3 decimal places and the lowest coupon rate is 0%.)   |
| Reference rate <sup>(Note 2)</sup> | 6-month T-Bill issue yield (Average issue yield of the 6-month T-Bill auction held immediately prior to the rate decision, rounded off the yield to 4 decimal places.)  |
| Issuance methods                   | Dutch-style competitive auction in which each competitive tender specifies a Spread (which can be positive, zero, or negative, expressed in 0.1bp)  |
| Tenor                              | 2- or 5-Year  |
| Maturity date                      | 2-year bonds: the 1 <sup>st</sup> day of the month of the issuance in the year of maturity<br>5-year bonds: the 20 <sup>th</sup> day of the final month in the preceding quarter of the issuance date, namely March, June, September, or December, in the year of maturity <sup>(Note 3)</sup>                  |
| Interest Payment dates             | Every six months until maturity   |
| Day Count Convention               | Same as existing T-Bills  |
| Min. face value unit               | 50,000 yen  |
| STRIPS Eligible                    | No  |
| Reopening                          | To be decided   |
| Other items                        | Non-Price Competitive Auction II is offered.<br>Non-Competitive Auction, Non-Price Competitive Auction I, Liquidity Enhancement Auction, and Buy-back program are <b>NOT</b> offered.<br>Security codes for the new Floating-rate JGBs will be announced later by the Securities Identification Code Committee. |

(Note 1) Spread is set in the auction and stays until maturity.

(Note 2) Reference rate is determined before each interest calculation period starts and revised semi-annually.

(Note 3) Maturity date of the 5-year bonds may also be the 1<sup>st</sup> day of the month of the issuance, as with the 2-year bonds, depending on the issue frequency and issue amount.

(Note 4) The above points may change during the course of future discussions.