

# Chapter 1 Government Bonds (JGBs)

## 1 Debt Management Policy Frameworks

### (1) Issuance Amount of Government Bonds

FY				Issuance Amount							Bond Dependency Ratio (%)	JGB Outstanding		(A) GDP (%)	National Debt Service (Initial) (B) (billion yen)	(B) General Account Total (%)
	Subtotal (billion yen)	Construction Bonds (billion yen)	Special Deficit- Financing Bonds (billion yen)	Special Bonds for Covering Public Pension Funding (billion yen)	Reconstruction Bonds (billion yen)	GX Economy Transition Bonds (billion yen)	Children Special Bonds (billion yen)	FILP Bonds (billion yen)	Refunding Bonds (billion yen)	Total (billion yen)		General Bonds Outstanding (A) (billion yen)	FILP Bonds Outstanding (billion yen)			
1947- 1964	In the period of balanced budget, JGBs were not issued.															
65	197.2	—	197.2	—	—	—	—	—	—	197.2	5.3	200.0	—	0.6	22.0	0.6
66	665.6	665.6	—	—	—	—	—	—	—	665.6	14.9	875.0	—	2.2	48.9	1.1
67	709.4	709.4	—	—	—	—	—	—	—	709.4	13.9	1,595.0	—	3.4	115.3	2.3
68	462.1	462.1	—	—	—	—	—	—	—	462.1	7.8	2,054.4	—	3.7	201.3	3.5
69	412.6	412.6	—	—	—	—	—	—	—	412.6	6.0	2,463.4	—	3.8	278.8	4.1
70	347.2	347.2	—	—	—	—	—	—	—	347.2	4.2	2,811.2	—	3.7	290.9	3.7
71	1,187.1	1,187.1	—	—	—	—	—	—	—	1,187.1	12.4	3,952.1	—	4.8	319.3	3.4
72	1,950.0	1,950.0	—	—	—	—	—	—	—	1,950.0	16.3	5,818.6	—	6.0	455.4	4.0
73	1,766.2	1,766.2	—	—	—	—	—	595.8	—	2,362.0	12.0	7,550.4	—	6.5	704.5	4.9
74	2,160.0	2,160.0	—	—	—	—	—	635.8	—	2,795.8	11.3	9,658.4	—	7.0	862.2	5.0
75	5,280.5	3,190.0	2,090.5	—	—	—	—	415.6	—	5,696.1	25.3	14,973.1	—	9.8	1,039.4	4.9
76	7,198.2	3,725.0	3,473.2	—	—	—	—	371.2	—	7,569.4	29.4	22,076.7	—	12.9	1,664.7	6.9
77	9,561.2	5,028.0	4,533.3	—	—	—	—	312.8	—	9,874.1	32.9	31,902.4	—	16.8	2,348.7	8.2
78	10,674.0	6,330.0	4,344.0	—	—	—	—	632.6	—	11,306.6	31.3	42,615.8	—	20.4	3,222.7	9.4
79	13,472.0	7,133.0	6,339.0	—	—	—	—	—	—	13,472.0	34.7	56,251.3	—	25.0	4,078.4	10.6
80	14,170.2	6,955.0	7,215.2	—	—	—	—	290.3	—	14,460.5	32.6	70,509.8	—	28.4	5,310.4	12.5
81	12,899.9	7,039.9	5,860.0	—	—	—	—	895.2	—	13,795.1	27.5	82,273.4	—	31.1	6,654.2	14.2
82	14,044.7	7,036.0	7,008.7	—	—	—	—	3,272.7	—	17,317.5	29.7	96,482.2	—	34.9	7,829.9	15.8
83	13,486.3	6,809.9	6,676.5	—	—	—	—	4,514.5	—	18,000.9	26.6	109,694.7	—	38.0	8,192.5	16.3
84	12,781.3	6,409.9	6,371.4	—	—	—	—	5,360.3	—	18,141.7	24.8	121,693.6	—	39.5	9,155.1	18.1
85	12,308.0	6,303.0	6,005.0	—	—	—	—	8,957.3	—	21,265.3	23.2	134,431.4	—	40.7	10,224.2	19.5
86	11,254.9	6,248.9	5,006.0	—	—	—	—	11,488.6	—	22,743.5	21.0	145,126.7	—	42.4	11,319.5	20.9
87	9,418.1	6,880.0	2,538.2	—	—	—	—	15,449.0	—	24,867.2	16.3	151,809.3	—	41.9	11,333.5	20.9
88	7,152.5	6,196.0	956.5	—	—	—	—	13,946.1	—	21,098.6	11.6	156,780.3	—	40.4	11,512.0	20.3
89	6,638.5	6,430.0	208.5	—	—	—	—	15,079.8	—	21,718.3	10.1	160,910.0	—	38.7	11,664.9	19.3
90	7,312.0	6,343.2	(968.9)	—	—	—	—	18,653.2	—	25,965.2	9.2	166,337.9	—	36.8	14,288.6	21.6
91	6,730.0	6,730.0	—	—	—	—	—	18,875.7	—	25,605.7	9.5	171,647.3	—	36.2	16,036.0	22.8
92	9,536.0	9,536.0	—	—	—	—	—	21,496.9	—	31,032.9	13.5	178,368.1	—	36.9	16,447.3	22.8
93	16,174.0	16,174.0	—	—	—	—	—	21,812.9	—	37,986.9	21.5	192,539.3	—	39.9	15,442.3	21.3
94	16,490.0	12,345.7	<3,333.7> [810.6]	—	—	—	—	—	22,881.7	39,371.7	17.9	206,604.6	—	40.4	14,360.2	19.6
95	21,247.0	16,440.1	<2,851.1> [1,955.8]	—	—	—	—	—	25,376.7	46,623.8	24.2	225,184.7	—	42.9	13,221.3	18.6
96	21,748.3	10,707.0	<1,879.6> [9,161.7]	—	—	—	—	—	26,552.4	48,300.7	25.2	244,658.1	—	45.4	16,375.2	21.8
97	18,458.0	9,940.0	8,518.0	—	—	—	—	—	31,432.0	49,890.0	23.5	257,987.5	—	47.6	16,802.3	21.7
98	34,000.0	17,050.0	16,950.0	—	—	—	—	—	42,431.0	76,431.0	40.3	295,249.1	—	55.2	17,262.8	22.2
99	37,513.6	13,166.0	24,347.6	—	—	—	—	—	40,084.4	77,597.9	42.1	331,668.7	—	62.5	19,831.9	24.2
00	33,004.0	11,138.0	21,866.0	—	—	—	—	—	53,269.7	86,273.7	36.9	367,554.7	—	68.4	21,965.3	25.8
01	30,000.0	9,076.0	20,924.0	—	—	—	—	43,883.1	59,329.6	133,212.7	35.4	392,434.1	43,760.5	74.4	17,170.5	20.8
02	34,968.0	9,148.0	25,820.0	—	—	—	—	31,843.5	69,615.5	136,427.1	41.8	421,099.1	75,564.4	80.4	16,671.2	20.5
03	35,345.0	6,693.0	28,652.0	—	—	—	—	28,508.6	74,948.9	138,802.5	42.9	456,973.6	91,849.0	86.8	16,798.1	20.5
04	35,490.0	8,704.0	26,786.0	—	—	—	—	40,129.7	84,450.5	160,070.2	41.8	499,013.7	121,553.2	94.2	17,568.6	21.4
05	31,269.0	7,762.0	23,507.0	—	—	—	—	28,249.4	105,519.5	165,037.9	36.6	526,927.9	139,353.2	98.7	18,442.2	22.4
06	27,470.0	6,415.0	21,055.0	—	—	—	—	25,559.5	108,120.6	161,150.2	33.7	531,701.5	138,906.1	99.0	18,761.6	23.5
07	25,382.0	6,044.0	19,338.0	—	—	—	—	16,769.6	99,189.4	141,341.0	31.0	541,458.4	139,754.3	100.6	20,998.8	25.3
08	33,168.0	6,975.0	26,193.0	—	—	—	—	8,600.0	93,909.5	135,677.5	39.2	545,935.6	131,050.1	105.8	20,163.2	24.3
09	51,955.0	15,011.0	36,944.0	—	—	—	—	9,410.0	90,480.3	151,845.3	51.5	593,971.7	122,225.3	119.4	20,243.7	22.9
10	42,303.0	7,603.0	34,700.0	—	—	—	—	8,400.0	100,835.5	151,538.5	44.4	636,311.7	118,191.8	126.0	20,649.1	22.4
11	42,798.0	8,368.0	34,430.0	—	11,250.0	—	—	13,100.0	109,020.0	176,168.0	42.5	669,867.4	110,912.2	134.0	21,549.1	23.3
12	47,465.0	11,429.0	36,036.0	2,584.2	2,303.3	—	—	14,220.0	110,957.9	177,530.3	48.9	705,007.2	109,260.7	141.2	21,944.2	24.3
13	40,851.0	7,014.0	33,837.0	2,603.5	—	—	—	10,700.0	110,156.9	164,311.4	40.8	743,867.6	104,210.4	145.1	22,241.5	24.0
14	38,492.9	6,577.0	31,915.9	—	120.0	—	—	14,000.0	119,372.8	171,985.7	39.0	774,083.1	98,991.0	147.9	23,270.2	24.3
15	34,918.3	6,479.0	28,439.3	—	1,320.0	—	—	13,400.0	114,230.8	163,869.1	35.5	805,418.2	96,115.5	148.9	23,450.7	24.3
16	38,034.6	8,901.4	29,133.2	—	790.9	—	—	19,600.0	109,479.8	167,905.3	39.0	830,573.3	96,250.9	152.4	23,612.1	24.4
17	33,554.6	7,281.8	26,272.8	—	76.8	—	—	12,000.0	106,382.0	152,013.4	34.2	853,178.9	94,525.9	153.5	23,528.5	24.1
18	34,395.4	8,097.2	26,298.2	—	—	—	—	10,630.0	103,285.3	148,310.7	34.8	874,043.4	92,245.6	157.0	23,302.0	23.8
19	36,581.9	9,143.7	27,438.2	—	810.0	—	—	12,550.0	104,238.3	154,180.1	36.1	886,694.5	91,090.1	159.2	23,508.2	23.2
20	108,553.9	22,596.0	85,957.9	—	722.4	—	—	39,075.1	108,503.9	256,855.3	73.5	946,646.8	118,645.0	175.7	23,351.5	22.7
21	57,655.0	9,168.0	48,487.0	—	40.0	—	—	10,144.6	142,850.2	210,689.7	39.9	991,411.1	104,624.2	178.8	23,758.8	22.3
22	50,478.9	8,727.0	41,751.9	—	—	—	—	14,133.0	147,733.5	212,345.4	38.1	1,027,097.3	100,836.1	181.1	24,339.3	22.6
23	34,998.0	9,068.0	25,930.0	—	—	1,540.1	—	2,995.9	153,921.1	193,455.2	27.4	1,053,652.6	94,598.9	177.0	25,250.3	22.1
24	42,139.0	9,659.0	32,480.0	—	26.0	1,401.2	221.9	9,500.0	134,181.4	187,469.5	33.3	1,103,930.4	91,346.6	180.2	27,009.0	24.0
25	28,647.1	6,791.0	21,856.1	—	121.1	725.8	1,139.7	10,000.0	136,223.1	176,856.8	24.9	1,128,534.3	90,887.0	179.3	28,217.9	24.5

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

Note.2: Issuance Amount is calculated on a revenue basis, up to FY2023; actual, FY2024; supplementary budget, FY2025; initial

The figures in ( ) indicate Ad-hoc Special Deficit-Financing Bonds, < > are Tax Cut Special Deficit-Financing Bonds, [ ] are Special Deficit-Financing Bonds for Earthquake.

Note.3: Reconstruction Bonds are issued under the General Account in FY2011 and under the Special Account for Reconstruction from the Great East Japan Earthquake from FY2012 onward.

Note.4: The figure of Special Deficit-Financing Bonds in FY1965 includes Revenue Supplementary Bonds issued at the time of supplementary budget for reasons of expediency.

Note.5: Bond Dependency Ratio is the issuance amount of (Construction Bonds+Special Deficit-Financing Bonds)/general account total, up to FY2023; actual, FY2024; supplementary budget, FY2025; initial.

This calculation excludes "bonds issued as bridging finance," for which redemption resources are secured separately through the establishment of special taxes, etc.

Note.6: JGB Outstanding at the end of each fiscal year is calculated on a nominal basis, up to FY2023; actual, FY2024; supplementary budget, FY2025; initial.

Note.7: JGB Outstanding/GDP is calculated on a nominal basis, actual GDP for years up to FY2023 and estimated GDP for FY2024 and 2025 in the "Fiscal 2025 Economic Outlook and Basic Stance for Economic and Fiscal Management" (Cabinet Decision on January 24, 2025).

Note.8: National Debt Service and National Debt Service/General Account Total are on an initial budget basis for all years. FY2019 and FY2020 data cover extraordinary and special measures.

## (2) Revenues and Expenditures for the Special Account for the GDCF (FY 2025 Initial Budget)

## Revenues

(Unit: million yen)

	FY2024 (Initial) (A)	FY2025 (Initial) (B)	Changes (B) - (A)
Grants from Other Accounts	88,856,307	85,019,946	▲ 3,836,361
Grant from the General Account	27,008,257	28,217,106	1,208,849
Grants from Special Accounts	61,848,050	56,802,840	▲ 5,045,210
Local Allocation Tax and Local Transfer Tax	29,710,179	29,165,316	▲ 544,863
Forex fund	489,149	788,556	299,407
FILP	15,453,960	11,189,018	▲ 4,264,942
Energy Policy	14,090,161	13,658,917	▲ 431,244
Pension	1,442,480	1,457,792	15,312
Child and Child-rearing Support	2,688	16,789	14,101
Stable Food Supply	286,054	158,769	▲ 127,285
Administration of National Forestry Management Debt	340,115	334,695	▲ 5,419
Motor Vehicles Safety	33,263	32,987	▲ 277
Grant from the Special Account for Reconstruction from the Great East Japan Earthquake or Other Accounts	25,411	26,951	1,541
Grant from Special Account	25,411	26,951	1,541
Reconstruction from the Great East Japan Earthquake	25,411	26,951	1,541
Grant from Other Account for GX Promotion	59,548	54,117	▲ 5,431
Grant from Special Account	59,548	54,117	▲ 5,431
Energy Policy	59,548	54,117	▲ 5,431
Tax	114,300	114,900	600
Revenues from JGBs	135,515,353	136,223,053	707,700
Revenues from JGBs	131,500,477	132,467,701	967,224
Revenues from Reconstruction-related Refunding Public Bonds	3,164,043	3,051,848	▲ 112,195
Revenues from GX Economy Transition-related Refunding Public Bonds	850,833	703,503	▲ 147,329
Revenues from Equity Sale Related to Reconstruction from the Great East Japan Earthquake	169,152	102,900	▲ 66,251
Dividend Income Related to Reconstruction from the Great East Japan Earthquake	4,965	8,363	3,397
Tokyo Metro	4,965	4,965	0
Japan Post	—	3,397	3,397
Investment Income	98,645	222,451	123,805
Interest Income	98,644	221,715	123,071
Sales/Redemption Profit	1	735	734
Investment Income Related to Reconstruction from the Great East Japan Earthquake	404	2,163	1,759
Interest Income	404	2,160	1,756
Sales/Redemption Profit	—	4	4
Investment Income Related to GX Promotion	199	2,278	2,079
Interest Income	199	2,278	2,079
Sales/Redemption Profit	—	0	0
Miscellaneous Income	291,897	339,214	47,317
Accrued Interest Receivable	290,792	338,029	47,237
Miscellaneous Income	1,105	1,185	80
Miscellaneous Income Related to Reconstruction from the Great East Japan Earthquake	58	44	▲ 14
Accrued Interest Receivable	58	44	▲ 14
Miscellaneous Income Related to GX Promotion	2,748	2,120	▲ 628
Accrued Interest Receivable	2,748	2,120	▲ 628
Total	225,138,987	222,118,500	▲ 3,020,487

## Expenditures

(Unit: million yen)

	FY2024 (Initial) (A)	FY2025 (Initial) (B)	Changes (B) - (A)
Government Debt Consolidation Expenditures	220,861,626	218,164,211	▲ 2,697,415
Certificate, etc., Production Cost	3	174	171
JGB Handling Fees	23,823	26,742	2,919
Compensations, Redemptions, and Refunds	823	823	—
Currency Exchange Gap Compensations	0	0	0
Sales/Redemption Gap Compensations	98,000	199,000	101,000
Debt Redemption Expenses	209,233,972	205,142,477	▲ 4,091,495
Public Bonds, etc., Redemption	164,865,189	160,060,080	▲ 4,805,109
Financed with the General Account	148,209,928	149,574,213	1,364,285
Financed with Special Accounts	16,655,261	10,485,867	▲ 6,169,394
Borrowings Redemption	40,562,483	40,013,676	▲ 548,807
Financed with the General Account	586,872	586,215	▲ 657
Financed with Special Accounts	39,975,611	39,427,461	▲ 548,150
Financing Bills Redemption	3,806,300	5,068,720	1,262,420
Interest and Discount Expenses	11,505,005	12,794,996	1,289,991
Interests on Public Bonds, etc.	10,718,191	11,573,913	855,722
Financed with the General Account	10,025,625	10,866,447	840,822
Financed with Special Accounts	692,566	707,467	14,900
Interests on Borrowings	224,398	310,042	85,644
Financed with the General Account	10,725	9,865	▲ 860
Financed with Special Accounts	213,673	300,177	86,504
Interests on Financing Bills	562,417	911,041	348,624
Financed with the General Account	60,000	100,000	40,000
Financed with Special Accounts	502,417	811,041	308,624
Reconstruction Bonds Consolidation Expenditures	3,364,033	3,192,270	▲ 171,762
JGB Handling Fees	69	65	▲ 3
Equity Sale Fees	4,102	6	▲ 4,096
Sales/Redemption Gap Compensations	404	2,058	1,655
Debt Redemption Expenses	3,334,058	3,163,127	▲ 170,931
Public Bonds, etc., Redemption	3,334,058	3,163,127	▲ 170,931
Financed with Special Accounts	3,334,058	3,163,127	▲ 170,931
Interest and Discount Expenses	25,400	27,014	1,613
Interests on Public Bonds, etc.	24,575	25,814	1,238
Financed with Special Accounts	24,575	25,814	1,238
Interests on Borrowings	825	1,200	375
Financed with Special Accounts	825	1,200	375
GX Economy Transition Bonds Consolidation Expenditures	913,328	762,018	▲ 151,310
JGB Handling Fees	54	79	24
Sales/Redemption Gap Compensations	198	2,167	1,969
Debt Redemption Expenses	850,833	703,503	▲ 147,329
Public Bonds, etc., Redemption	850,833	703,503	▲ 147,329
Financed with Special Accounts	850,833	703,503	▲ 147,329
Interest and Discount Expenses	62,242	56,269	▲ 5,973
Interests on Public Bonds, etc.	62,242	56,269	▲ 5,973
Financed with Special Accounts	62,242	56,269	▲ 5,973
Total	225,138,987	222,118,500	▲ 3,020,487

Note 1: "Financed with the General Account" in the "Government Debt Consolidation Expenditures" and "Financed with Special Accounts" in the "Reconstruction Bonds Consolidation Expenditures" and "GX Economy Transition Bonds Consolidation Expenditures" include GDCF's original revenue.

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

Note 3: Grants from Pension and Child and Child-rearing Support Accounts in the initial FY2024 budget is reclassified for a comparison with the expense in the initial FY2025 budget.

### (3) Payment Status of Debt Redemption Expenses and Interest, Discount Expenses and so on for Each Account (FY2025 Initial Budget, FY2023 Settlement of Accounts)

The GDCF Special Account centrally conducts accounting for redemption and interest payments for public bonds and borrowings, using fiscal transfers from the General Account and other special accounts.

#### A FY2025 Initial Budget

(Unit: million yen)

	Debt Redemption Expenses	Interest and Discount Expenses	Others	Total	Remarks
Grants from Other Accounts	72,651,382	12,341,661	26,904	85,019,946	
Grant from the General Account	17,669,333	10,522,976	24,796	28,217,106	The redemption and interest of public bonds and borrowings, Treasury Financing Bill discount expenses, etc.
Grants from Special Accounts	54,982,048	1,818,684	2,108	56,802,840	
Local Allocation Tax and Local Transfer Tax	28,935,238	230,078	—	29,165,316	The redemption and interest of borrowings, and the interest of temporary borrowings
Forex Fund	—	787,870	686	788,556	The discount expense of Foreign Exchange Fund Financing Bills, etc.
FILP	10,485,867	701,757	1,393	11,189,018	The redemption and interest of FILP Bonds, the discount expenses of Fiscal Loan Fund Financing Bills, etc.
Energy Policy	13,607,925	50,979	14	13,658,917	The redemption and interest of borrowings, the redemption and discount expense of Petroleum Financing Bills and Nuclear Damage Liability Facilitation Financing Bills, etc.
Pension	1,434,835	22,957	—	1,457,792	The redemption and interest of borrowings, and the interest of temporary borrowings
Child and Child-rearing Support	—	16,776	13	16,789	The interest of Children Special Bonds, etc.
Stable Food Supply	157,964	804	1	158,769	The redemption and interest of borrowings, the redemption and discount expense of Food Financing Bills, etc.
Administration of National Forestry Management Debt	330,833	3,863	—	334,695	The redemption and interest of borrowings, and the interest of temporary borrowings
Motor Vehicles Safety	29,386	3,600	—	32,987	The redemption and interest of borrowings, and the interest of temporary borrowings
Grant from the Special Account for Reconstruction from the Great East Japan Earthquake or Other Accounts	21	26,865	65	26,951	
Grant from Special Account	21	26,865	65	26,951	
Reconstruction from the Great East Japan Earthquake	21	26,865	65	26,951	The redemption and interest of Reconstruction Bonds, the interest of temporary borrowings, etc.
Grant from Other Account for GX Promotion	—	54,038	79	54,117	
Grant from Special Account	—	54,038	79	54,117	
Energy Policy	—	54,038	79	54,117	The interest of GX Economy Transition Bonds, etc.

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

#### B FY2023 Settlement of Accounts

(Unit: million yen)

	Debt Redemption Expenses	Interest and Discount Expenses	Others	Total	Remarks
Grants from Other Accounts	69,008,320	7,958,924	16,670	76,983,914	
Grant from the General Account	18,070,789	7,413,895	15,757	25,500,441	The redemption and interest of public bonds and borrowings, etc.
Grants from Special Accounts	50,937,531	545,029	913	51,483,473	
Local Allocation Tax and Local Transfer Tax	29,612,295	8,869	—	29,621,165	The redemption and interest of borrowings and the interest of temporary borrowings
Forex Fund	—	566	305	872	The discount expense of Foreign Exchange Fund Financing Bills, etc.
FILP	9,298,127	529,623	601	9,828,351	The redemption and interest of FILP Bonds, etc.
Energy Policy	9,976,513	338	7	9,976,857	The redemption of Government Bonds issued to Nuclear Damage Compensation and Decommissioning Facilitation Corporation, the redemption and interest of borrowings, the redemption of Petroleum Financing Bills, etc.
Pension	1,436,702	3,881	—	1,440,583	The redemption and interest of borrowings, and the interest of temporary borrowings
Stable Food Supply	239,828	56	0	239,885	The redemption and interest of borrowings, the redemption and discount expense of Food Financing Bills, etc.
Administration of National Forestry Management Debt	342,801	156	—	342,957	The redemption and interest of borrowings
Motor Vehicles Safety	31,265	1,540	—	32,804	The redemption and interest of borrowings
Grant from the Special Account for Reconstruction from the Great East Japan Earthquake or Other Accounts	187,779	207	30	188,016	
Grant from Special Account	187,779	207	30	188,016	
Reconstruction from the Great East Japan Earthquake	187,779	207	30	188,016	The redemption and interest of Reconstruction Bonds, etc.
Grant from Other Account for GX Promotion	—	—	6	6	
Grant from Special Account	—	—	6	6	
Energy Policy	—	—	6	6	JGB handling fees

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

**(4) Transfer of Redemption Resources, Redemption Amount, Outstanding Amount and Refunding Amount of the GDCF (FY2025 Initial Budget)**

(Unit: billion yen)

	FY2023 (Actual)	FY2024 (Forecast)	FY2025 (Forecast)
<b>&lt;Transfer of financial resources for redemption&gt;</b>			
JGBs	27,738.9	32,433.9	28,000.3
(Financial Resources for Reconstruction Bond Redemption)	(301.5)	(358.9)	(111.3)
(Financial Resources for GX Economy Transition Bond Redemption)	(—)	(0)	(—)
General Account	17,761.3	17,422.0	17,379.8
Special Accounts	9,863.1	14,816.2	10,485.9
(Financial Resources for Reconstruction Bond Redemption)	(187.8)	(163.9)	(0)
(Financial Resources for GX Economy Transition Bond Redemption)	(—)	(—)	(—)
Revenue from the sales of shares	105.7	182.9	102.9
(Financial Resources for Reconstruction Bond Redemption)	(105.7)	(182.9)	(102.9)
Investment revenue, etc.	8.8	12.8	31.8
(Financial Resources for Reconstruction Bond Redemption)	(8.0)	(12.1)	(8.4)
(Financial Resources for GX Economy Transition Bond Redemption)	(—)	(0)	(—)
Borrowings	40,177.3	40,275.2	39,717.0
General Account	309.5	299.6	289.6
Special Accounts	39,867.8	39,975.6	39,427.5
Total	67,916.2	72,709.1	67,717.3
<b>&lt;Redemption Amount&gt;</b>			
JGBs	27,734.8	32,439.2	27,999.4
General Bonds	17,398.0	17,071.2	17,052.8
Subscription/ Contribution Bonds	737.2	2,256.9	349.4
FILP Bonds	9,298.1	12,752.3	10,485.9
Reconstruction Bonds	301.5	358.9	111.3
GX Economy Transition Bonds	—	0	—
Borrowings	40,177.3	40,275.2	39,717.0
Total	67,912.1	72,714.4	67,716.4
Outstanding Balance of GDCF at the End of FY	3,008.5	3,003.1	3,004.1
(Financial Resources for Reconstruction Bond Redemption)	(—)	(—)	(—)
(Financial Resources for GX Economy Transition Bond Redemption)	(—)	(—)	(—)
<b>(Reference)</b>			
Refunding Bonds as Stipulated in Article 47(1) of the Act on Special Accounts	24,357.9	44,500.0	55,000.0
Outstanding Balance of GDCF at the End of FY incl.	27,366.4	47,503.1	58,004.1
Refunding Bonds as Stipulated in Article 47(1) of the Act on Special Accounts			

Refunding Amount of JGBs	153,921.1	134,181.4	136,223.1
(Refunding amount of Reconstruction Bonds)	(3,378.8)	(3,129.9)	(3,051.8)
(Refunding amount of GX Economy Transition Bonds)	(1,103.4)	(848.4)	(703.5)

Note 1: Expenses associated with share sales have been deducted from the revenue from share sales.

Note 2: Investment revenue etc. includes dividend revenue and carry-over from the previous year.

Note 3: Outstanding balance of GDCF at the end of FY does not include Refunding Bonds as stipulated in Article 47(1) of the Act on Special Accounts.

Note 4: Refunding Bonds as stipulated in Article 47(1) of the Act on Special Accounts for FY2024(Forecast) and FY2025(Forecast) are the limit of general provisions concerning the Budget.

Note 5: Figures may not sum up to the total because of rounding.

**(5) GDCF Investment in JGBs**

(Unit: trillion yen)

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Treasury Discount Bills	—	—	—	—	—	—	—	—	—	16.8
Gensaki, etc.	0.1	0.3	0.3	0.2	0.6	0.2	0.1	0.1	0.1	10.8
Total	0.1	0.3	0.3	0.2	0.6	0.2	0.1	0.1	0.1	27.6

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

(6) Budgetary Surplus of the Special Account of the GDCF

(Unit: billion yen)

	Budgetary Surplus	Outstanding Balance of GDCF
FY 2019	3,091.8	3,020.0
FY 2020	3,052.2	3,005.0
FY 2021	3,078.7	3,018.0
FY 2022	3,067.0	3,004.4
FY 2023	3,070.0	3,008.5
FY 2024	3,003.1	3,003.1
FY 2025	3,004.1	3,004.1

Note : Data for FY2024 and FY2025 is based on the initial budget for FY2025.



## (7) Various Meetings

### A. Study Group on Government Debt Management

#### <Members>

AKAMATSU Keiichi	Deputy Head of Global Markets Business Unit, Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
IWASHITA Mari	Executive Rates Strategist, Market Strategy Research, Nomura Securities Co., Ltd.
KAMEDA Keigo	Professor, School of Policy Studies, Kwansei Gakuin University
MORITA Chotaro	All Nippon Asset Management Chief Strategist / Walls & Bridges President
SAMIKAWA Ikuko	Director, Financial Research, Lead Economist, Economic Research Department, Deputy Executive Secretary, Japan Center for Economic Research
SHINO Junnosuke	Associate Professor, Faculty of International Research and Education, Waseda University
TAKIZAWA Miho	Professor, Faculty of Economics, Gakushuin University
TOMURA Hajime	Professor, Faculty of Political Science and Economics, Waseda University

(8 members)

(Alphabetical order)

(As of May 8, 2025)

#### <Actual Achievement>

Date	Content
June 13, 2022 (1st Round) *In-person / Online conference	<ul style="list-style-type: none"> <li>Current status and issues regarding JGB issuance</li> </ul>
November 10, 2022 (2nd Round)	<ul style="list-style-type: none"> <li>Current status and issues regarding JGB issuance</li> <li>Trends in the Yen interest rate market: spillover of global upward pressure on interest rates</li> <li>Cost-at-Risk analysis</li> </ul>
Jun 2, 2023 (3rd Round) *In-person / Online conference	<ul style="list-style-type: none"> <li>Stable absorption of JGBs</li> <li>Natural interest rate and long term yield</li> </ul>
Nov 21, 2023 (4th Round) *In-person / Online conference	<ul style="list-style-type: none"> <li>Current status and issues regarding JGB issuance</li> <li>Current status regarding JGB issuance               <ol style="list-style-type: none"> <li>Liquidity and Challenges in JGB Market ~Preparing for positive rates~</li> <li>Overview of JGB Futures at Osaka Exchange</li> </ol> </li> </ul>
May 9, 2024 (5th Round)	<ul style="list-style-type: none"> <li>Report               <ol style="list-style-type: none"> <li>JGB Issuance Plan for FY2024</li> <li>Changes in the monetary policy framework</li> </ol> </li> <li>Issues for stable issuance and absorption of JGBs in the future</li> </ul>
June 21, 2024 (6th Round) *In-person / Online conference	<ul style="list-style-type: none"> <li>Report               <ol style="list-style-type: none"> <li>Debt Management Policies in Foreign Countries</li> <li>Comment from members</li> </ol> </li> <li>Market and investor trends after changes in the monetary policy</li> <li>Initiatives for stable issuance and absorption of JGBs in the future</li> </ul>
October 18, 2024 (7th Round) *In-person / Online conference	<ul style="list-style-type: none"> <li>Direction of future views in response to “Summary of Discussions”</li> <li>Recent monetary policy</li> <li>Outlook for the structure of JGB holdings in the future</li> </ul>
May 8, 2025 (8th Round)	<ul style="list-style-type: none"> <li>Report from Debt Management Organization</li> <li>Trends and Analysis of JGBs market</li> </ul>

## B. The Meeting of JGB Market Special Participants

### <Members>

Barclays Securities Japan Limited  
 BNP Paribas Securities (Japan) Limited  
 BofA Securities Japan Co., Ltd.  
 Citigroup Global Markets Japan Inc.  
 Credit Agricole Securities Asia B.V.  
 Daiwa Securities Co. Ltd.  
 Deutsche Securities Inc.  
 Goldman Sachs Japan Co., Ltd.  
 JPMorgan Securities Japan Co., Ltd.  
 Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.  
 Mizuho Bank, Ltd.  
 Mizuho Securities Co., Ltd.  
 Morgan Stanley MUFG Securities Co., Ltd.  
 Nomura Securities Co., Ltd.  
 Okasan Securities Co., Ltd.  
 SMBC Nikko Securities Inc.  
 Societe Generale Securities Japan Limited  
 Sumitomo Mitsui Banking Corporation  
 Tokai Tokyo Securities Co., Ltd.

(19 companies)  
 (Alphabetical order)  
 (As of December 27, 2023)

### <Actual Achievement>

Date	Content
June 24, 2024 (109th Round)	<ul style="list-style-type: none"> <li>• Issuance size and Buy-back amount of Inflation-Indexed Bonds in the July-September 2024 quarter</li> <li>• Issuance size of Liquidity Enhancement Auctions in the July-September 2024 quarter</li> <li>• Latest JGB market situation and outlook in the future</li> </ul>
September 25, 2024 (110th Round)	<ul style="list-style-type: none"> <li>• Issuance size and Buy-back amount of Inflation-Indexed Bonds in the October-December 2024 quarter</li> <li>• Issuance size of Liquidity Enhancement Auctions in the October-December 2024 quarter</li> <li>• Issuance of Japan Climate Transition Bonds from October 2024</li> <li>• Latest JGB market situation and outlook in the future</li> </ul>
November 26, 2024 (111st Round)	<ul style="list-style-type: none"> <li>• Current trends on JGB investment and opinions on the formulation of the JGB issuance plan for FY2025</li> </ul>
December 11, 2024 (112nd Round)	<ul style="list-style-type: none"> <li>• JGB issuance plan for FY2025</li> <li>• Issuance size and Buy-back amount of Inflation-Indexed Bonds in the January-March 2025 quarter</li> <li>• Issuance size of Liquidity Enhancement Auctions in the January-March 2025 quarter</li> <li>• Basic product features(draft) of the New Floating-rate JGBs to be issued</li> <li>• Latest JGB market situation and outlook in the future</li> </ul>
March 21, 2025 (113rd Round)	<ul style="list-style-type: none"> <li>• Reopening rules of fixed-rate coupon-bearing bonds in FY2025</li> <li>• Auction methods of fixed-rate coupon-bearing bonds in FY2025</li> <li>• Issuance size and Buy-back amount of Inflation-Indexed Bonds in the April-June 2025 quarter and others</li> <li>• Issuance size of Liquidity Enhancement Auctions in the April-June 2025 quarter</li> <li>• Latest JGB market situation and outlook in the future</li> </ul>

## C. The Meeting of JGB Investors

### <Members>

#### 1. Investors

Capula Investment Management LLP  
 Japan Post Bank Co., Ltd.  
 Japan Post Insurance Co., Ltd.  
 MUFG Bank, Ltd.  
 National Mutual Insurance Federation of Agricultural Cooperatives  
 Nippon Life Insurance Company  
 Pension Fund Association  
 PGIM Japan Co., Ltd.  
 Shinkin Central Bank  
 Sumitomo Mitsui Trust Asset Management Co., Ltd.  
 Sumitomo Mitsui Trust Bank, Limited  
 The Bank of Nagoya, Ltd.  
 The Jyo Bank, Ltd.  
 The Norinchukin Bank  
 Tokio Marine Holdings, Inc.

(15 companies)  
 (Alphabetical order)

#### 2. Academics

KOHYAMA Hiroyuki  
 - Professor, The University of Tokyo Graduate Schools for Law and Politics  
 TOMITA Toshiki  
 - Guest Scholar, Nomura Institute of Capital Markets Research  
 (Chairperson) YOSHINO Naoyuki  
 - Professor Emeritus of Economics, Keio University  
 - Specially Appointed Professor, Tokyo Metropolitan University (International Economics)  
 - Advisor, Financial Research Center, Financial Services Agency (FSA)

(3 members)  
 (Alphabetical order)  
 (As of April 30, 2025)

### <Actual Achievement>

Date	Content
November 27, 2024 (95th Round)	<ul style="list-style-type: none"> <li>Current trends on JGB investment and opinions on the formulation of the JGB issuance plan for FY2025</li> </ul>
March 24, 2025 (96th Round)	<ul style="list-style-type: none"> <li>Reopening rules of fixed-rate coupon-bearing bonds in FY2025</li> <li>Auction methods of fixed-rate coupon-bearing bonds in FY2025</li> <li>Issuance size and Buy-back amount of Inflation-Indexed Bonds in the April-June 2025 quarter and others</li> <li>Issuance size of Liquidity Enhancement Auctions in the April-June 2025 quarter</li> <li>Latest JGB market situation and outlook for future investments</li> </ul>



### D. The Meeting of JGB Top Retailers

#### <Members>

Chuo Labour Bank	Resona Bank, Limited
Daiwa Securities Co. Ltd.	Saitama Resona Bank, Limited
JA IRUMANO	SBI SECURITIES Co., Ltd.
JAPAN POST BANK Co., Ltd.	SMBC Nikko Securities Inc.
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	Sumitomo Mitsui Banking Corporation
Mizuho Bank, Ltd.	Sumitomo Mitsui Trust Bank, Limited
Mizuho Securities Co., Ltd.	JOYO BANK, Ltd.
MUFG Bank, Ltd.	THE NAGANO-KEN SHINKUMI BANK
Nomura Securities Co., Ltd.	The Tama Shinkin Bank
North Pacific Bank, Ltd.	

(19 companies)

(Alphabetical order)

(As of June 2, 2025)

#### <Actual Achievement of Past Meetings>

Date	Content
June 7, 2021 (20th Round) *Online meeting	<ul style="list-style-type: none"> <li>• Explanation from the Financial Bureau regarding trends vis-à-vis the sale of JGBs for Retail Investors, initiative cases by handling institutions for the sale of JGBs for Retail Investors, enhancement of cooperation between the Financial Bureau and handling institutions and advertisement of JGBs for Retail Investors</li> <li>• Explanation from handling institutions regarding their efforts at selling JGBs for Retail Investors</li> <li>• Exchange of opinions with regard to each content</li> </ul>
June 8, 2022 (21st Round) *Online meeting	<ul style="list-style-type: none"> <li>• Explanation from the Financial Bureau regarding trends vis-à-vis the sale of JGBs for Retail Investors, advertisement of JGBs for Retail Investors, initiative cases by handling institutions for the sale of JGBs for Retail Investors, cautions on handling JGBs for Retail Investors, and initiative policy for FY2022</li> <li>• Explanation from handling institutions regarding their efforts at selling JGBs for Retail Investors</li> <li>• Exchange of opinions with regard to each content</li> </ul>
June 15, 2023 (22nd Round) *In-person meeting/Online meeting	<ul style="list-style-type: none"> <li>• Explanation from the Financial Bureau regarding trends vis-à-vis the sale of JGBs for Retail Investors and advertisement of JGBs for Retail Investors</li> <li>• Explanation from handling institutions regarding their efforts at selling JGBs for Retail Investors</li> <li>• Exchange of opinions with regard to each content</li> </ul>
June 7, 2024 (23rd Round) * In-person meeting/Online meeting	<ul style="list-style-type: none"> <li>• Explanation from the Financial Bureau regarding trends vis-à-vis the sale of JGBs for Retail Investors</li> <li>• Explanation from an advertising agency regarding advertisement of JGBs for Retail Investors</li> <li>• Explanation from handling institutions regarding their efforts at selling JGBs for Retail Investors</li> <li>• Exchange of opinions with regard to each content</li> </ul>
June 9, 2025 (24th Round)	<ul style="list-style-type: none"> <li>• Explanation from the Financial Bureau regarding trends vis-à-vis the sale of JGBs for Retail Investors</li> <li>• Explanation from an advertising agency regarding advertisement of JGBs for Retail Investors</li> <li>• Explanation from handling institutions regarding their efforts at selling JGBs for Retail Investors</li> <li>• Explanation from the Financial Bureau regarding the expansion of sales of JGBs for Retail Investors to corporations, etc.</li> <li>• Exchange of opinions with regard to each content</li> </ul>

## (8) History of Postwar Debt Management Policy

FY	Debt Management Policy	Fiscal Policy, etc.
47 ~ 64		
65	66.1 Launch of underwriting Syndicate (7-year)	The issuance of Revenue-Supplementary Bonds in the supplementary budget (Start of issuance of bonds)
66	66.3 Launch of underwriting by Trust Funds Bureau	Introduction of Construction Bonds
67		
68	68.4 Introduction of "Tokubetsu-Maruyu" tax free saving schemes	
69	68.5 Formation of Redemption system	
70		
71	72.1 Extension of term-to-maturity for JGBs (7 years → 10 years)	Nixon Shock
72		
73		First year of the welfare era First oil crisis of 1973
74		
75		Launch of issuance of Special Deficit-Financing Bonds
76	77.1 Launch of auction for discount bonds (5-year)	
77	77.4 Launch of liquidity of JGBs acquired by financial institutions	
78	78.6 Launch of auction for medium-term bonds (3-year)	Proactive fiscal management for 7% growth promised at Bonn summit
79	79.6 Launch of auction for medium-term bonds (2-year)	Second oil crisis of 1979
80	80.1 Launch of sales for Fund of medium-term JGBs	Locomotive theory
81	80.2 Creation of the JGB Book-Entry System	Setting of the goal (fiscal year 1984) to grow out of dependence on Special Deficit-Financing Bonds
82	80.6 Launch of auction for medium-term bonds (4-year)	The first step toward fiscal reconstruction
83	81.9 Direct issuance of 6-Year Bonds	The global depression
84	83.2 Direct issuance of 15-Year Floating-Rate Bonds	Setting of "Zero-Ceiling"
85	83.4 Launch of handling for offering of JGBs by financial institutions\	Setting of "Minus-Ceiling"
86	83.9 Direct issuance of 20-Year Bonds	Setting of the goal (fiscal year 1990) to grow out of dependence on Special Deficit-Financing Bonds
87	84.6 Launch of dealing of JGBs by financial institutions	
88	85.6 Amendment of the law for the Act on GDCF Special Account	
89	① Launch of issuance of short-term bonds and Refunding Bonds (front-loading)	
90	② Reversion of former NTT stocks, etc. to the Account	
91	85.10 Launch of JGB Futures Trading	
92	86.2 Launch of auction for short-term bonds	
93	86.10 Launch of underwriting Syndicate (20-year)	
94	87.9 Launch of auction for Fixed-rate bonds (20-year)	
95	87.11 Introduction of system for underwriting auction of 10-Year Bonds	
96	88.4 Launch of handling for offering of JGBs in post offices	
97	89.4 Introduction of partial auction system for 10-Year Bonds by Syndicate	Introduction of consumption tax (3%)
98	90.10 Extension to the ratio of bids by Syndicate (10-Year Bonds; 40% → 60%)	Growing out of dependence on Special Deficit-Financing Bonds Issuance of Ad-hoc Special Deficit-Financing Bonds (in response to the Gulf War)
99	91.4 Same-day-announcement of auction results for 10-Year Bonds	
00	92.4 Tax exemption on profit from redemption for TB and FB owned by foreign corporations	
01	94.1 Extension of scope for "Maruyu" tax free saving schemes (3.5 million yen)	
02	94.2 Launch of auction for Fixed-rate bonds (6-year)	
03		Issuance of Tax Cut Special Deficit-Financing Bonds (until FY1996) Issuance of Special Deficit-Financing Bonds for Earthquake
04		Re-issuance of Special Deficit-Financing Bonds
05	96.4 Introduction of auction for 20-Year Bonds in each quarter of the year	Setting of the goal for fiscal consolidation (Grow out of dependence on Special Deficit-Financing Bonds by fiscal year 2005)
06	96.4 Launch of the Japanese Repurchase (Repo) Transactions	Act on Special Measures concerning Promotion of Fiscal Structural Reform
07		Consumption tax hike from 3% → 5%
08	98.4 Launch of the non-competitive auction for medium-term JGBs	Suspension of the special law for promoting fiscal structural reform
09	99.1 Abolishment of the article pre-maturity redemption	
10	99.3 Prior announcement of auction schedules and amounts of issuance	
11	99.4 Launch of auction for T-Bill (1-year)	Reduction for income tax and corporate tax
12	99.9 Launch of auction for Fixed-rate bonds (30-year)	
13	00.2 Introduction of Fixed-rate bonds (5-year)	
14	00.6 Launch of auction for 15-Year Floating-Rate Bonds	
15	00.9 Launch of the Meeting of JGB Market	
16	00.11 Launch of auction for discount bonds (3-year)	
17	01.3 Introduction of the immediate reopening rule	
18	01.4 Introduction of new Gensaki transactions	Formation of the Koizumi Cabinet
19	01.10 Alteration of announcement of auction calendar (announce next 3 months)	Launching of issuance of FILP Bonds
20	02.4 Launch of the Meeting of JGB Investors	
21	02.5 Raising of the ratio of competitive auction in Syndicate (From 60% to 75%; applied since May, 2002)	
22	02.5 Reduction of the fee of underwriting Syndicate (From 0.63 yen to 0.39 yen; applied since May, 2002)	
23	03.1 Introduction of a new Book-Entry Transfer System	
24	03.1 Introduction of STRIPS	
25	03.2 Launch of the auction for Buy-back	
26	03.3 Introduction of JGBs for Retail Investors	
27	03.5 Raising of the ratio of competitive auction in Syndicate (From 75% to 80%; applied since May, 2003)	
28	03.12 Announcement of "Forthcoming Development of Debt Management Policy"	
29	04.2 Launch of WI transactions	
30	04.3 Introduction of 10-Year Inflation-Index Bonds	
31	04.5 Raising of the ratio of competitive auction in Syndicate (From 80% to 85%; applied since May, 2004)	
32	04.5 Reduction of the fee of Underwriting Syndicate (From 0.39 yen to 0.23 yen; applied since May, 2004)	
33	04.7 Reinforcement of Debt Management System	
34	Establishment of Deputy Director-General and Special Officer for Analysis on Debt Market	
35	Separation of the Debt Management Division into two	
36	Appointment of non-government persons, etc.	
37	04.10 Introduction of JGB Market Special Participants Scheme	
38	Designation of JGB Market Special Participants	
39	Launch of the Meeting of JGB Market Special Participants	
40	Launch of the Non-Price Competitive Auction II	
41	04.11 Launch of the Advisory Council on Government Debt Management	
42	05.1 Launch of overseas IRs	

FY	Debt Management Policy	Fiscal Policy, etc.
05	05.4 Launch of the Non-Price Competitive Auction I	
	05.4 Raising of the ratio of competition auction in Syndicate (From 85% to 90%; applied since April, 2005)	
	05.7 Revision of rules related to auctions	
	05.7 Introduction of bid limitation for competitive auction of JGBs and FB	
	05.7 Alteration of auction system for 15-Year Floating-Rate Bonds (conventional method)	
06	06.1 Introduction of new type of JGBs for Retail Investors (fixed-rate)	Formation of the Abe Cabinet
	06.1 Extension of targets of Auction for Buy-back (for all brands)	
	06.3 Abolishment of the government bond for underwriting Syndicate	
	06.4 Launch of Liquidity Enhancement Auctions	
07	06.12 Announcement of re-opening issuance in principle of 10-Year Inflation-Indexed Bonds and 30-Year Bonds	Formation of the Fukuda Cabinet
	07.1 Introduction of FB (6-Month) (transferred from TB (6-Month))	
	07.4 Execution of law regarding Special Accounts (legislation of rules of swaption transaction, etc.)	
08	07.4 Alteration of auction system for 30-Year Bonds (conventional method)	Global financial crisis Formation of the Aso Cabinet
	07.6 Launch of the Meeting of JGB Top Retailers	
	07.9 Announcement of re-opening issuance in principle of 15-Year Floating-Rate Bonds	
	07.10 Introduction of the New Over-The-Counter (OTC) Sales System	
	07.11 Launch of auction for fixed-rate bonds (40-year)	
09	08.4 Introduction of Special Liquidity Enhancement Auctions	Formation of the Hatoyama Cabinet
	08.4 Setting of the issuance date of coupon-bearing bonds as T (auction date) + 3, in principle	
	08.4 Extension of scope for Liquidity Enhancement Auctions (Coupon-bearing bonds from 6-year to 29-year except for 10-Year Inflation-Indexed Bonds and 15-Year Floating-Rate Bonds)	
	08.6 Launch of Buy-back of STRIPS	
	08.8 Reduction in planned issuance amount of 15-Year Floating-Rate Bonds (four times per year → twice per year)	
	08.9,10 Reduction in planned issuance amount of 10-Year Inflation-Indexed Bonds (Suspension of issuance)	
	08.12 Reduction in planned issuance amount of 10-Year Inflation-Indexed Bonds and 15-Year Floating-Rate Bonds (Suspension of issuance; Feb, 2009) etc.	
	09.1 Raising of the Bidding upper limit for Non-Price Competitive Auction II from "10% of the amount in the normal auction" to "15%"	
	09.2 Launch of issuance of T-Bills by the integration of TB and FB	
	09.4 Extension of total amount of Buy-back from the market (3 → 4 trillion yen) (Centering on 10-Year Inflation-Indexed Bonds and 15-Year Floating-Rate Bonds)	
10	09.7 Extension of scope for Liquidity Enhancement Auctions (Coupon-bearing bonds from 5-year to 29-year)	Formation of the Kan Cabinet
	10.1 Reduction in amount of Buy-back for 10-Year Inflation-Indexed Bonds and 15-Year Floating-Rate Bonds (In terms of a change from response to the financial crisis to ordinary support)	
	10.3 Announcement of real interest rate (constant maturity basis) based on the daily JGB prices in the secondary market on the MOF website	
11	10.7 Issuance of JGBs for Retail Investors (3-year) since July (offered in June), 2010	Formation of the Noda Cabinet
	10.12 Execution of Buy-back with reduced resources from Government Debt Consolidation Fund(GDCF)	
12	11.7 Revisions to Rate-Setting Formula for JGBs for Retail Investors (10-Year Floating Rate)	Formation of the Abe Cabinet
	12.1 Issuance of Reconstruction Bonds for Retail Investors since January, 2012 (offered in December, 2011)	
	12.4 Issuance of Reconstruction Supporters' Bonds for Retail Investors since April, 2012 (offered in March, 2012)	
13	13.1 Setting of the issuance date for JGB and T-Bill as T (auction date) + 2, in principle	Issuance of Special Bonds for covering Public Pension Funding (until FY2013)
	13.1 Announcement of reduction of the Issuance of Refunding Bonds by using the GDCF	
	13.7 Extension of scope for Liquidity Enhancement Auctions (Coupon-bearing bonds from 5-year to 39-year bonds)	
	13.10 Resumption of issuance for Inflation-Indexed Bonds	
14	13.12 Launch of the monthly offering and issuance of JGBs for retail investors (10-Year Floating Rate and 5-Year Fixed Rate)	Consumption tax hike from 5% to 8%
	Announcement of re-opening issuance in principle for 20-Year Bonds	
15	14.5 Announcement regarding allowing Retail Investors to hold JGBi from January, 2015	Consumption tax hike from 8% to 10%
	15.1 Launch of purchase of JGBi by Retail Investors through direct negotiation	
16	15.4 Reduction of the Bidding upper limit for auction participants from "planned issuance amount" to "half of planned issuance amount"	Implementation of the reduced tax rate system for consumption tax Spread of COVID-19
	15.4 Raising of the minimum bidding responsibility amount for JGB market Special Participants from 3% of the planned issue amount to 4%	
17	16.4 Extension of scope for Liquidity Enhancement Auctions (Coupon-bearing bonds from 1-year to 39-year bonds)	Formation of the Suga Cabinet
	16.4 Launch Buy-backs of Inflation-Indexed Bonds	
18	17.7 Raising of the upper issue limit for Non-Price Competitive Auction I from "10% of the planned issue amount" to "20%"	Formation of the Kishida Cabinet
	17.7 Raising of the minimum bidding responsibility amount for JGB market Special Participants from 4% of the planned issue amount to 5%	
19	18.5 Setting of the issuance date of JGB and T-Bill as T (auction date) + 1, in principle	Formation of the Ishiba Cabinet
	20.1 Reduction of the Bidding upper limit for Non-Price Competitive Auction II from "15% of the amount in the normal auction" to "10%"	
	20.3 Buy-back of Inflation-Indexed Bonds worth 300 billion yen	
20	20.4 Suspension of Non-Price Competitive Auction II for Inflation-Indexed Bonds	Formation of the Suga Cabinet
	20.4 Raising the Buy-back of Inflation-Indexed Bonds from 20 billion yen to 50 billion yen per buy-back	
	20.10 Revision of the fee system for JGBs for Retail Investors (Introduction of a management fee)	
21	21.4 Reduction of the lower limit for a coupon on interest-bearing JGBs from 0.1% to 0.005%	Formation of the Kishida Cabinet
	21.6 Termination of the Advisory Council on Government Debt Management	
	22.1 Reduction of Buy-back of Inflation-Indexed Bonds from 50 billion yen to 20 billion yen per buy-back	
22	22.3 Change of the minimum bidding responsibility amount for JGB Market Special Participants from "5% of the planned issue amount" to "100/n(*)%" *n is the number of the JGB Market Special Participants	Formation of the Kishida Cabinet
	22.6 Commencement of Study Group on Government Debt Management	
23	24.2 Launch of auction for Japan Climate Transition Bonds	
24	24.12 · Announcement of Study Group on Government Debt Management, Main Points of "Initiatives for Stable Issuance and Absorption of JGBs in the future" · Announcement of "Basic Product Features of the New Floating-rate JGBs"	Formation of the Ishiba Cabinet

## (9) Government Bond-related Legal Systems

### A. Legal basis of issuance

All JGBs are issued in accordance with applicable laws. Depending on legal grounds, JGBs are categorized into JGBs (Construction Bonds, Special Deficit-Financing Bonds, Reconstruction Bonds, GX Economy Transition Bonds, Children Special Bonds, Semiconductors and AI Bonds, Refunding Bonds, and Fiscal Investment and Loan Program (FILP) Bonds), Financing Bills for financing temporary cash shortage of the national treasury, and Subsidy Bonds granted in place of cash payments.

According to Art. 85 of the Japanese Constitution, the Diet approval is necessary when the central government intends to assume new liabilities.

#### a. Public Finance Act, Art. 4 (1), Proviso (Construction Bonds)

Proviso to Art. 4 (1) of the “Public Finance Act” permits, as an exception, the ability to issue bonds and carry out borrowings within amounts that correspond to public works, capital subscriptions, and lending. These expenditures, which are not consumptive, contribute to the asset formation of the state, normally with long-term benefits. Therefore, with regard to this type of expenditure, financial resources can be procured through bond issuance or borrowing, and the understanding is that future generations can be required to share in the burden of debt service.

In other words, Art. 4 (1) of the “Public Finance Act” rests on the concept of an equitable sharing of the financial burden across the generations, and is interpreted to stipulate a principle of sound fiscal policy such that bond issuance and/or borrowing are permitted, limited to public works expenditure, etc.

However, the government can issue Construction Bonds within the amount approved by the Diet, and the ceiling amount is provided under the general provisions of the General Account budget.

Furthermore, Art. 4 (2) provides that when this ceiling amount is put to a parliamentary vote, the government is obliged to submit to the Diet a redemption plan that shows the redemption amount for each fiscal year, the redemption method and the redemption periods.

#### b. Special Law for Special Deficit-Financing Bonds (Special Deficit-Financing Bonds)

A special law for Special Deficit-Financing Bonds legislated in each fiscal year and the “Act on Special Provisions concerning Issuance of Public Bonds to Secure Financial Resources Required for Fiscal Management” provide for “issuance in addition to the government bonds issued pursuant to the proviso of Art. 4 (1) of the Public Finance Act.” The purpose of this provision is to limit the issuance of Special Deficit-Financing Bonds to cases where, despite the issuance of Construction Bonds, a revenue shortfall is expected to arise.

These laws provide merely the authority to issue Special Deficit-Financing Bonds, but leave it to the general provisions of the General Account budget to stipulate the specific ceiling amount. The reason for this structure is that the applicable ceilings for the issuance of government bonds each fiscal year are decided within the balance of total income and expenditure for the fiscal year in question. In this sense, since the ceiling amount for JGBs is inseparably linked to budgeted income and expenditure, it is considered most appropriate to have these matters stipulated in the general provisions of the General Account budget and to hold a parliamentary debate and obtain a decision as part of wider income and expenditure considerations.

Moreover, as with Construction Bonds, when the issuance ceiling for Special Deficit-Financing Bonds requires Diet approval, a redemption plan must be submitted to the Diet for reference during the deliberations.

Issuance of Special Deficit-Financing Bonds is an exceptional measure. Actual issuance can be within the amount approved by the Diet, must be made with consideration for the state of income sources such as tax revenues, and must be kept as low as possible. In this context, the government is allowed to issue Special Deficit-Financing Bonds even during the accounting adjustment term. Specifically, the government is allowed to issue Special Deficit-Financing Bonds until the end of June in the next fiscal year, in order to adjust the issuance amount of Special Deficit-Financing Bonds until the end of May in the next fiscal year: the deadline for collecting the tax revenue for the fiscal year.

In addition, the government must strive to expeditiously reduce Special Deficit-Financing Bonds.

**c. Act on Special Measures concerning the securing of financial resources to execute measures necessary for recovery from the Great East Japan Earthquake, Art. 69 (1) and (4) (Reconstruction Bonds)**

Reconstruction Bonds are government bonds issued pursuant to Art. 69 (1) and (4) of the “Act on Special Measures concerning the securing of financial resources to execute measures necessary for recovery from the Great East Japan Earthquake.” These bonds are issued from FY 2011 to FY 2025 as bridging finance to secure funding for measures related to cover reconstruction from the Great East Japan Earthquake. Reconstruction Bonds were issued as a General Account item in FY2011, but the government issued these bonds under the Special Account for Reconstruction from the Great East Japan Earthquake from FY2012 onward.

The issuance of Reconstruction Bonds is permitted within the amount approved by the National Diet, similar to Construction Bonds or Special Deficit-Financing Bonds. Their issuance cap is stipulated in the general provisions of the General Account budget with regard to FY2011 and in the general provisions of the Special Account budget with regard to FY2012 onwards. In addition, similar to Special Deficit-Financing Bonds, there is a system in place for the issuance of bonds in the accounting adjustment term.

Furthermore, regarding Reconstruction Bonds, including their Refunding Bonds, it is stipulated that they will be redeemed by revenues generated from the Special Taxes for Reconstruction, etc. from FY2012 to FY2037, up to FY 2037.

**d. Act on Promoting Transition to the Decarbonized Growth Economic Structure, Art. 7 (1) (GX Economy Transition Bonds)**

GX Economy Transition Bonds are government bonds issued pursuant to Art. 7 (1) of the “Act on Promoting Transition to the Decarbonized Growth Economic Structure” to support upfront investment toward the realization of the “Strategy to Promote Transition to the Decarbonized Growth Economic Structure.” These bonds are issued from FY 2023 to FY 2032 as bridging finance, which amount to approximately 20 trillion yen.

The issuance of GX Economy Transition Bonds is permitted within the amount approved by the National Diet, similar to Construction Bonds or Special Deficit-Financing Bonds. Their issuance cap is stipulated in the general provisions of the Special Account budget. In addition, similar to Special Deficit-Financing Bonds, there is a system in place for the issuance of bonds in the accounting adjustment term.

Furthermore, regarding GX Economy Transition Bonds, including their Refunding Bonds, it is stipulated that they will be redeemed by revenues from GX-Surcharge (Surcharge on fossil fuel supply) for companies such as fossil fuel importers and GX-ETS (Emissions Trading System), up to FY 2050.

**e. Child and Child Care Support Act, Art. 71-26 (1) (Children Special Bonds)**

Children Special Bonds are government bonds issued pursuant to Art. 71-26 (1) of the “Child and Child Care Support Act.” These bonds are issued from FY 2024 to FY 2028 as bridging finance for strengthening Policies supporting children and child-rearing radically until stable financial resources will be secured.

The issuance of Children Special Bonds is permitted within the amount approved by the National Diet, similar to Construction Bonds or Special Deficit-Financing Bonds. Their issuance cap is stipulated in the general provisions of the Special Account budget. In addition, similar to Special Deficit-Financing Bonds, there is a system in place for the issuance of bonds in the accounting adjustment term.

Furthermore, regarding Children Special Bonds, including their Refunding Bonds, it is stipulated that they will be redeemed by Child and Child-rearing Support Levy, up to FY 2051.

**f. Act on Facilitation of Information Processing, Art. 69 (1) (Semiconductors and AI Bonds)**

Semiconductors and AI bonds are government bonds issued pursuant to Art. 69 (1) of the “Act on Facilitation of Information Processing.” These bonds will be issued from FY 2025 to FY 2030 as bridging finance to secure funding for measures related to advanced semiconductors and artificial intelligence technologies.

The issuance of Semiconductors and AI bonds is permitted within the amount approved by the National Diet, similar to Construction Bonds or Special Deficit-Financing Bonds. Their issuance cap is stipulated in the general provisions of the Special Account budget. In addition, similar to Special Deficit-Financing Bonds, there is a system in place for the issuance of bonds in the accounting adjustment term.



Furthermore, regarding Semiconductors and AI Bonds, including their Refunding Bonds, it is stipulated that they will be redeemed by transfer from the Investment Account of the FILP Special Account to Special Accounts for Energy Measures, up to FY 2050.

#### **g. Act on Special Accounts, Art. 46 (1) and Art. 47 (1) (Refunding Bonds)**

Art. 46 (1) of the “Act on Special Accounts” allows the government to issue Refunding Bonds up to the amount necessary for JGB adjustment or redemption without Diet approval of the issuance ceiling or submission of a redemption plan. The reason is that, unlike new financial resource bonds such as Construction Bonds and Special Deficit-Financing Bonds, the issuance of Refunding Bonds does not lead to an increase in the total amount of outstanding debt. Besides, since circumstances will require that the issuance of Refunding Bonds must occur promptly and flexibly in accordance with financial market conditions, the time constraints associated with the issuance of Refunding Bonds do not allow for procedures such as the advance submission of redemption plans or advance Diet approval of the issuance amount.

In addition, in order to enable flexible issuance in response to financial conditions, Art. 47 (1) allows front-loaded issuance of Refunding Bonds. However, this front-loading is restricted to the ceiling amount stipulated in the general provisions of the Special Account budget approved in advance by the Diet.

#### **h. Act on Special Accounts, Art. 62 (1) (Fiscal Investment and Loan Program Bonds)**

Along with the 2001 reform of the FILP, Art. 62 (1) of the “Act on Special Accounts” permits the issuance of Fiscal Investment and Loan Program Bonds (FILP Bonds), which are charged to the Fiscal Loan Fund Account, in order to finance the Fiscal Loan Fund operations. According to Art. 62 (2), as the central government issues FILP Bonds based on its credit, an approval from the Diet is necessary on the issuance amount in a similar manner to other JGBs. Art. 62 (3) stipulates that the expenditure schedule must be accompanied by a redemption plan.

#### **i. Others (Financing Bills, etc.)**

Financing Bills are issued in accordance with Art. 7 of the “Public Finance Act” or the “Act on Special Accounts,” etc. Subsidy Bonds are issued in line with their respective condolence money allowance legislations, and specific legislations, such as the Act on Nuclear Damage Compensation and Decommissioning Facilitation Corporation.

### **B. Other laws**

#### **a. Act on National Government Bonds (Basic matters of JGBs)**

The “Act on National Government Bonds” defines basic matters of JGBs and stipulates, among others, matters related to bond issuance such as the conditions of JGB issuance and necessary matters concerning debt service, securities certificates, and registration, which are determined by the Minister of Finance. Clerical tasks concerning JGBs are performed by the Bank of Japan; matters concerning the registration of JGBs; matters concerning restrictions on the transfer of JGBs; remedies in cases of the destruction or loss of JGB certificates; and matters concerning the extinctive prescription of JGBs. In relation to matters not stipulated in this law, the Civil Code and the Commercial Code, as well as general rules such as transaction conventions, are applicable.

Specific procedures for the issuance and redemption of JGBs are stipulated in the “Rules Concerning National Government Bonds”; the “Ordinance of the Ministry of Finance on Issuance, etc. of National Government Bonds”; the “Rules for the Handling of National Government Bonds in the Bank of Japan”; and the “Ordinance of the Ministry of Finance Concerning Special Handling Procedures of the Bank of Japan for the Payment, etc., of Principal and Interest of National Government Bonds” among others.

#### **b. Act on Special Accounts, Art. 38 through 49 (Redemption of JGBs, etc.)**

The redemption of JGBs (payment of principal) and the payment of interest occur through the GDCF established by the “Act on Special Accounts.”

The act stipulates the following matters regarding the GDCF: the establishment of the GDCF for the redemption of JGBs including borrowings, redemption resources and transfer methods, the issuance of JGBs (Refunding Bonds) for JGB consolidation and/or redemption, and the successive carry-over of debt redemption cost.