

JAPANESE GOVERNMENT BONDS

Monthly Newsletter of the Ministry of Finance, Japan

September 2021

Our fundamental goal of debt management policy is to achieve stable and smooth financing for our national accounts and to minimize medium-to-long term financing costs.

SUMMARY

What's New: The Japanese government's budget process and the JGB Issuance Plan p.2

- ✓ In Japan, the government's fiscal year runs from April 1 of one year to March 31 of the next. The Cabinet prepares the budget draft and presents it to the Diet under the Japanese constitution.

Monthly Topic: Quarterly Estimates of GDP April.-Jun.2021 p.3

- ✓ On August 16, 2021, the Cabinet Office released the first preliminary GDP estimate (Apr.-Jun.2021). Seasonally adjusted quarterly Real GDP increased by 0.3% (annual rate 1.3%) from the previous quarter, which marked the first positive growth since the fourth quarter of 2020.

IR Office: The Tokyo 2020 Olympic and Paralympic Games p.4

- ✓ From late July to early September this year, the Tokyo 2020 Olympic and Paralympic Games took place in Japan. Last year, in light of the COVID-19 pandemic, the Games were postponed by one year.

Statistics

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Ministry of Finance

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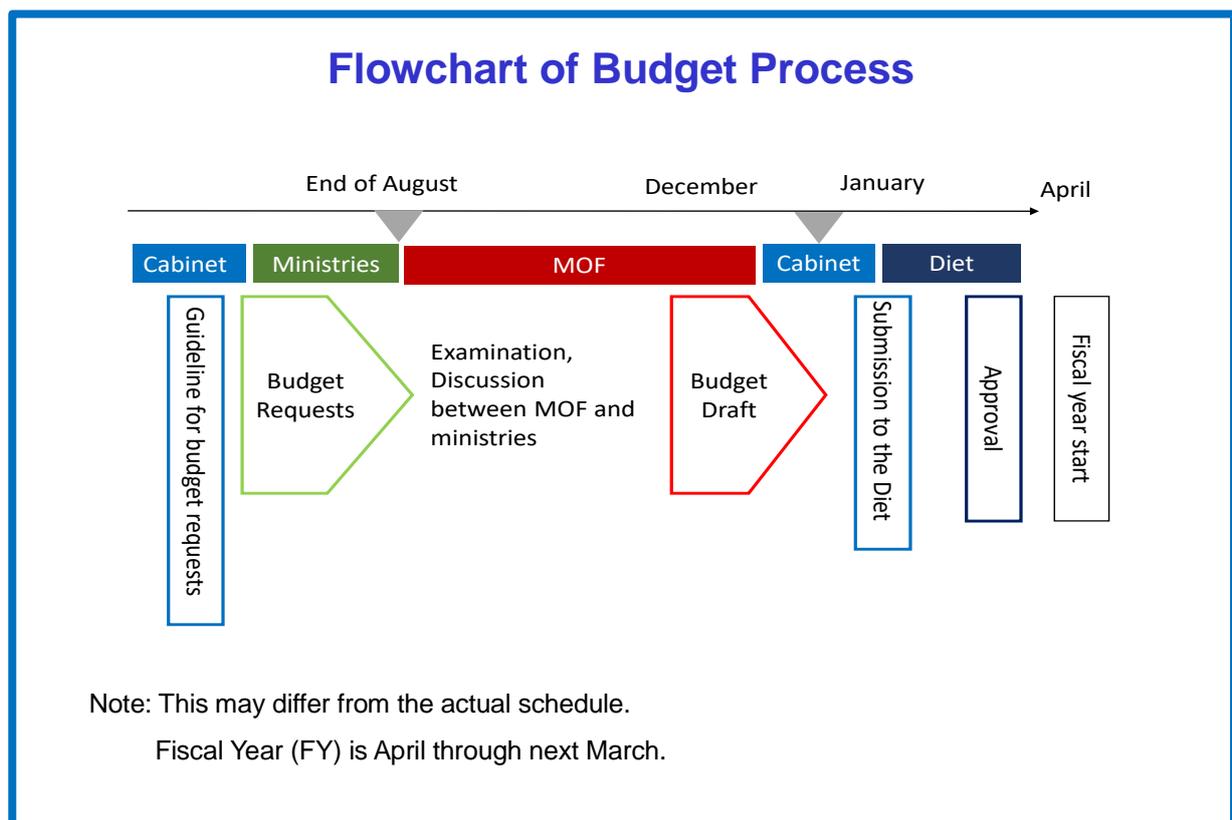
The Japanese government's budget process and the JGB Issuance Plan

We sometimes receive questions from foreign investors about the Japanese government's budget process. They also ask when the JGB Issuance Plan for the next fiscal year is made public.

In Japan, the government's fiscal year runs from April 1 of one year to March 31 of the next. The Cabinet prepares the budget draft and presents it to the Diet under the Japanese constitution.

In general, ministries submit the budget requests to the MOF by the end of August, and then the MOF starts work on their requests and creates the budget draft. The Cabinet decides the budget draft in December and submits it to the Diet in January. Then, the Diet passes the budget, which usually goes into effect on April 1 (see the budget process below).

The MOF publicly announces the JGB Issuance Plan for the next fiscal year in line with the Cabinet decision on the budget draft in December.



Regarding the FY2022 budget, ministries have just submitted the request to the MOF based on the guideline for the FY2022 budget requests approved by the Cabinet previously. Discussion between the MOF and ministries has just gone into full swing.

Quarterly Estimates of GDP Apr.–Jun. 2021

The Cabinet Office released the first preliminary GDP estimate (Apr.–Jun. 2021) on August 16.

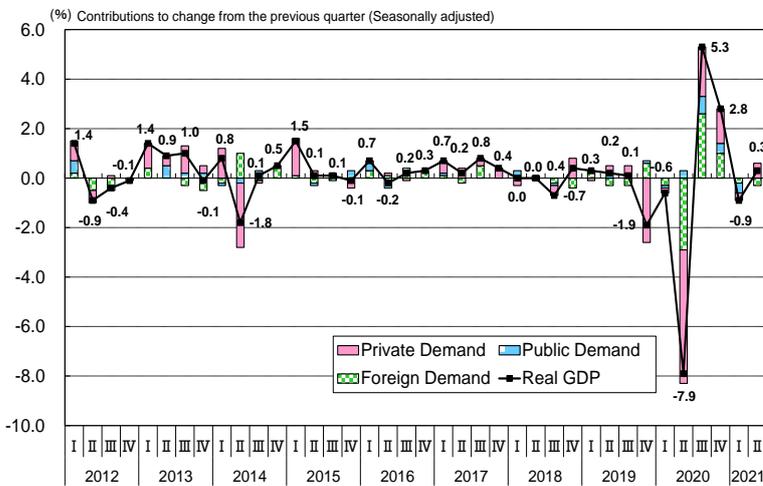
Seasonally adjusted quarterly Real GDP increased by 0.3% (annual rate 1.3%) from the previous quarter, which marked the first positive growth since the fourth quarter of 2020.

The overall increase reflected an increase in Domestic Demand that contributed 0.6% points and a decrease in Net Exports of Goods & Services that contributed -0.3% points.

As for Domestic Demand, Private Consumption, Private Residential Investment and Private Non-Resi. Investment increased by 0.8%, 2.1%, and 1.7%, respectively.

Furthermore, Government Consumption increased by 0.5%, while Public Investment decreased by 1.5%. See the development of real GDP below.

Development of Real GDP (Quarterly, seasonally adjusted series)



Source: Cabinet Office

| | 2020 | | | 2021 | | 2021 |
|---------------------------------|--------|--------|--------|--------|------|------|
| | 4~6 | 7~9 | 10~12 | 1~3 | 4~6 | 4~6 |
| Gross Domestic Product | -7.9 | 5.3 | 2.8 | -0.9 | 0.3 | 1.3 |
| Domestic Demand | -5.1 | 2.5 | 1.8 | -0.7 | 0.6 | 2.6 |
| Private Demand | -7.2 | 2.6 | 1.9 | -0.4 | 0.9 | 3.5 |
| Private Consumption | -8.3 | 5.1 | 2.3 | -1.0 | 0.8 | 3.4 |
| Consumption of Households | -8.6 | 5.2 | 2.3 | -1.1 | 0.9 | 3.5 |
| Excluding Imputed Rent | -10.3 | 6.3 | 2.7 | -1.3 | 1.0 | 4.2 |
| Private Residential Investment | 0.6 | -5.7 | 0.0 | 0.9 | 2.1 | 8.6 |
| Private Non-Resi. Investment | -6.0 | -2.1 | 4.3 | -1.3 | 1.7 | 7.0 |
| Change in Private Inventories | (0.1) | (-0.2) | (-0.5) | (0.4) | *** | *** |
| Public Demand | 1.1 | 2.3 | 1.6 | -1.5 | 0.1 | 0.3 |
| Government Consumption | 0.7 | 2.8 | 1.8 | -1.7 | 0.5 | 2.0 |
| Public Investment | 2.9 | 0.7 | 1.0 | -1.0 | -1.5 | -5.7 |
| Change in Public Inventories | (-0.0) | (0.0) | (-0.0) | (0.0) | *** | *** |
| Net Exports of Goods & Services | (-2.9) | (2.6) | (1.0) | (-0.2) | *** | *** |

Note: The figures in () indicate contributions to changes in GDP

※1 Changes from the previous quarter (seasonally adjusted)

※2 Annualized

※3 Net Exports of Goods & Services = Exports of Goods & Services - Imports of Goods & Services
The contribution is calculated as the contribution of Exports less that of Imports.

Source: Cabinet Office

For more detailed data, please refer to the following:

Quarterly Estimates of GDP: https://www.esri.cao.go.jp/en/sna/data/sokuhou/files/2021/toukei_2021.html

The second preliminary GDP estimate will be available on September 8, 2021.

Hi! This time, we will touch on the Tokyo 2020 Olympic and Paralympic Games.

From late July to early September this year, the Games took place in Japan. Tokyo was selected to host the Games in 2013, just two years later after the Great East Japan Earthquake of March 2011. Then, last year, in light of the COVID-19 pandemic, the Games were postponed by one year.

Almost all games were held without spectators at venues to prevent the spread of COVID-19. In addition, COVID-19 preventative measures including separating participants from the general public, the so-called "Olympic bubble," were taken. Thanks to these measures and the devoted efforts of many people involved, the Tokyo 2020 Olympic and Paralympic Games were delivered safely and went well.

In the Tokyo 2020 Olympic and Paralympic Games, some competitions took place in Miyagi and Fukushima Prefectures, which were seriously hit by the Great East Japan Earthquake and tsunami in 2011. 10 years have passed since then. One of the Games themes was to show our gratitude to those around the world who have been supporting the areas affected by the earthquake.

Although we couldn't go to the stadiums, many people watched athletes' brilliant performances on television or the internet and shared the philosophy of the Games, "accepting one another." We are convinced that the Tokyo 2020 Games fostered a welcoming environment and promoted awareness of unity in diversity among citizens of the world.

Before concluding this article, we hope that the COVID-19 pandemic across the world will come to an end, as the COVID-19 vaccination rates rise. We are also looking forward to meeting investors in-person when we are able to travel abroad again.

If you have any questions regarding the contents of this newsletter, please do not hesitate to contact us at: JGB-IR@mof.go.jp

Auction Results (Bonds)

(Until 31 August 2021)

| Auction Date | Type of Security | Issue Number | Maturity Date | Nominal Coupon | Amounts of Competitive Bids (billion yen) | Amounts of Bids Accepted (billion yen) | Yield at the Lowest Accepted Price | Yield at the Average Price | Amounts of Non-Competitive Bids Tendered /Accepted (billion yen) | Amounts of Bids Accepted at the Non-price-competitive Auction I (billion yen) | Amounts of Bids Accepted at the Non-price-competitive Auction II (billion yen) |
|--------------|---------------------------------|--------------|---------------|----------------|---|--|------------------------------------|----------------------------|--|---|--|
| 6/3/2021 | 10-year | 362 | 3/20/2031 | 0.1% | 6,378.1 | 2,168.0 | 0.084% | 0.078% | 1,401 | 429.8 | 0.0 |
| 6/8/2021 | 30-year | 70 | 3/20/2051 | 0.7% | 2,479.2 | 731.8 | 0.697% | 0.693% | - | 167.3 | 80.5 |
| 6/22/2021 | 5-year | 147 | 3/20/2026 | 0.005% | 7,763.1 | 2,048.5 | ▲0.091% | ▲0.097% | - | 450.9 | 7.7 |
| 6/24/2021 | 20-year | 176 | 3/20/2041 | 0.5% | 3,547.2 | 980.4 | 0.436% | 0.433% | - | 218.8 | 96.3 |
| 6/29/2021 | 2-year | 426 | 7/1/2023 | 0.005% | 10,515.8 | 2,450.4 | ▲0.114% | ▲0.116% | - | 548.7 | 51.1 |
| 7/1/2021 | 10-year | 363 | 6/20/2031 | 0.1% | 7,441.3 | 2,101.6 | 0.059% | 0.058% | 1,507 | 495.7 | 249.9 |
| 7/6/2021 | 30-year | 71 | 6/20/2051 | 0.7% | 2,643.1 | 727.8 | 0.681% | 0.680% | - | 171.1 | 84.5 |
| 7/8/2021 | 5-year | 148 | 6/20/2026 | 0.005% | 7,192.5 | 2,035.6 | ▲0.109% | ▲0.115% | - | 463.6 | 10.0 |
| 7/13/2021 | 20-year | 177 | 6/20/2041 | 0.4% | 3,446.1 | 980.4 | 0.408% | 0.404% | - | 218.4 | 67.4 |
| 7/27/2021 | 40-year | 14 | 3/20/2061 | 0.7% | 1,627.6 | 599.3 | 0.735% | - | - | - | 43.9 |
| 7/29/2021 | 2-year | 427 | 8/1/2023 | 0.005% | 10,159.9 | 2,427.5 | ▲0.122% | ▲0.126% | - | 572.0 | 98.1 |
| 8/3/2021 | 10-year | 363 | 6/20/2031 | 0.1% | 6,997.0 | 2,099.1 | 0.012% | 0.009% | 1,265 | 498.6 | 221.2 |
| 8/5/2021 | 10-year Inflation-Indexed Bonds | 26 | 3/10/2031 | 0.005% | 574.5 | 199.6 | ▲0.174% | - | - | - | - |
| 8/10/2021 | 30-year | 71 | 6/20/2051 | 0.7% | 2,254.4 | 734.0 | 0.651% | 0.647% | - | 164.9 | 46.4 |
| 8/24/2021 | 5-year | 148 | 6/20/2026 | 0.005% | 7,627.7 | 2,030.6 | ▲0.116% | ▲0.120% | - | 468.7 | 61.2 |
| 8/26/2021 | 20-year | 177 | 6/20/2041 | 0.4% | 3,561.5 | 974.9 | 0.408% | 0.405% | - | 224.2 | 82.8 |
| 8/31/2021 | 2-year | 428 | 9/1/2023 | 0.005% | 10,977.1 | 2,437.3 | ▲0.127% | ▲0.129% | - | 561.7 | 119.0 |

Auction Results (Treasury Discount Bills)

(Until 31 August 2021)

| Auction Date | Type of Security | Issue Number | Maturity Date | Amounts of Competitive Bids (billion yen) | Amounts of Bids Accepted (billion yen) | Yield at the Lowest Accepted Price | Yield at the Average Price | Amounts of Bids Accepted at the Non-price-competitive Auction I (billion yen) |
|--------------|------------------|--------------|---------------|---|--|------------------------------------|----------------------------|---|
| 6/4/2021 | 3-month | 998 | 9/6/2021 | 17,894.39 | 5,143.82 | ▲0.0982% | ▲0.1018% | 1,156.10 |
| 6/9/2021 | 6-month | 999 | 12/10/2021 | 11,376.00 | 2,776.23 | ▲0.0996% | ▲0.1016% | 623.70 |
| 6/11/2021 | 3-month | 1000 | 9/13/2021 | 18,472.95 | 4,898.91 | ▲0.0982% | ▲0.1022% | 1,101.00 |
| 6/15/2021 | 6-month | 1001 | 12/16/2021 | 12,949.40 | 2,776.22 | ▲0.0996% | ▲0.1036% | 623.70 |
| 6/16/2021 | 1-year | 1002 | 6/20/2022 | 8,585.70 | 2,857.47 | ▲0.1091% | ▲0.1161% | 642.40 |
| 6/17/2021 | 3-month | 1003 | 9/21/2021 | 17,656.73 | 4,898.40 | ▲0.0991% | ▲0.1011% | 1,101.50 |
| 6/25/2021 | 3-month | 1004 | 9/27/2021 | 18,288.43 | 4,902.39 | ▲0.0962% | ▲0.0982% | 1,097.50 |
| 7/2/2021 | 3-month | 1005 | 10/4/2021 | 15,479.70 | 4,886.62 | ▲0.0962% | ▲0.0998% | 1,113.30 |
| 7/8/2021 | 6-month | 1006 | 1/11/2022 | 13,019.30 | 2,769.97 | ▲0.1096% | ▲0.1116% | 630.00 |
| 7/9/2021 | 3-month | 1007 | 10/11/2021 | 13,966.60 | 4,316.17 | ▲0.1002% | ▲0.1038% | 983.80 |
| 7/15/2021 | 3-month | 1008 | 10/18/2021 | 21,068.15 | 4,315.68 | ▲0.1062% | ▲0.1070% | 984.30 |
| 7/19/2021 | 1-year | 1009 | 7/20/2022 | 12,005.80 | 2,853.07 | ▲0.1178% | ▲0.1178% | 646.90 |
| 7/20/2021 | 6-month | 1010 | 1/25/2022 | 12,038.40 | 2,768.95 | ▲0.1176% | ▲0.1215% | 631.00 |
| 7/21/2021 | 3-month | 1011 | 10/25/2021 | 15,344.33 | 4,333.12 | ▲0.1042% | ▲0.1098% | 966.80 |
| 7/30/2021 | 3-month | 1012 | 11/1/2021 | 16,818.60 | 4,317.40 | ▲0.1022% | ▲0.1062% | 982.50 |
| 8/5/2021 | 6-month | 1013 | 2/10/2022 | 12,098.60 | 2,764.06 | ▲0.1189% | ▲0.1189% | 635.90 |
| 8/6/2021 | 3-month | 1014 | 11/8/2021 | 19,743.85 | 4,061.30 | ▲0.1074% | ▲0.1106% | 938.60 |
| 8/13/2021 | 3-month | 1015 | 11/15/2021 | 21,560.40 | 4,061.85 | ▲0.1122% | ▲0.1122% | 938.10 |
| 8/19/2021 | 1-year | 1016 | 8/22/2022 | 11,984.20 | 2,844.07 | ▲0.1271% | ▲0.1320% | 655.90 |
| 8/20/2021 | 3-month | 1017 | 11/22/2021 | 20,406.20 | 4,061.24 | ▲0.1162% | ▲0.1239% | 938.70 |
| 8/24/2021 | 6-month | 1018 | 2/25/2022 | 15,061.70 | 2,765.85 | ▲0.1248% | ▲0.1308% | 634.10 |
| 8/27/2021 | 3-month | 1019 | 11/29/2021 | 18,547.40 | 4,061.86 | ▲0.1162% | ▲0.1202% | 938.10 |

Auction Calendar for Sep. 2021 – Nov. 2021

| Auction Date | Issue | Auction Date | Issue | Auction Date | Issue | Auction Date | Issue |
|--------------|--|--------------|--|--------------|---|--------------|---|
| 9/2(Thu) | 10-year | 9/24(Fri) | T-Bills (3-month) | 10/19(The) | 20-year | 11/12(Fri) | T-Bills (3-month) |
| 9/3(Fri) | T-Bills (3-month) | 9/28(Tue) | 40-year | 10/21(Thu) | T-Bills (6-month) | 11/16(Tue) | 5-year |
| 9/7(Tue) | 30-year | 9/30(Thu) | 2-year | 10/22(Fri) | T-Bills (3-month) | 11/18(Thu) | T-Bills (1-year) |
| 9/9(Thu) | T-Bills (6-month) | 10/1(Fri) | T-Bills (3-month) | 10/25(Mon) | Liquidity Enhancement Auction (remaining maturities of 15.5-39 years) | 11/18(Thu) | 20-year |
| 9/9(Thu) | 5-year | 10/5(Tue) | 10-year | 10/27(Wed) | 2-year | 11/19(Fri) | T-Bills (3-month) |
| 9/10(Fri) | T-Bills (3-month) | 10/7(Thu) | T-Bills (6-month) | 10/29(Fri) | T-Bills (3-month) | 11/22(Mon) | Liquidity Enhancement Auction (remaining maturities of 1-5 years) |
| 9/14(Tue) | Liquidity Enhancement Auction (remaining maturities of 5-15.5 years) | 10/7(Thu) | Liquidity Enhancement Auction (remaining maturities of 5-15.5 years) | 11/1(Mon) | 10-year | 11/24(Wed) | T-Bills (6-month) |
| 9/16(Thu) | T-Bills (1-year) | 10/8(Fri) | T-Bills (3-month) | 11/4(Thu) | 10-year Inflation-Indexed Bonds | 11/25(Thu) | 40-year |
| 9/16(Thu) | 20-year | 10/12(Tue) | 30-year | 11/5(Fri) | T-Bills (3-month) | 11/26(Fri) | T-Bills (3-month) |
| 9/17(Fri) | T-Bills (3-month) | 10/14(Thu) | 5-year | 11/9(Tue) | T-Bills (6-month) | 11/30(Tue) | 2-year |
| 9/21(Tue) | T-Bills (6-month) | 10/15(Fri) | T-Bills (3-month) | 11/9(Tue) | 30-year | | |
| 9/21(Tue) | Liquidity Enhancement Auction (remaining maturities of 1-5 years) | 10/19(Tue) | T-Bills (1-year) | 11/11(Thu) | Liquidity Enhancement Auction (remaining maturities of 5-15.5 years) | | |

Note.1: The above calendar may be changed or added in light of changes in circumstances. In such cases, it will be announced in advance.

Note.2: Each issue amount will be announced about one week prior to each auction date.

Top 10 PDs for Successful Bids in Auctions (Weighted by Duration) (Jan. 2021~Jun. 2021)

| | | | |
|---|--|----|--|
| 1 | Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. | 6 | SMBC Nikko Securities Inc. |
| 2 | Daiwa Securities Co. Ltd. | 7 | Deutsche Securities Inc. |
| 3 | Nomura Securities Co., Ltd. | 8 | Goldman Sachs Japan Co., Ltd. |
| 4 | Mizuho Securities Co., Ltd. | 9 | Morgan Stanley MUFG Securities Co., Ltd. |
| 5 | JPMorgan Securities Japan Co., Ltd. | 10 | BNP Paribas Securities (Japan) Limited |

Top 5 PDs for Successful Bids of Inflation-Indexed Bond (FY2020)

| | |
|---|-------------------------------------|
| 1 | Goldman Sachs Japan Co., Ltd. |
| 2 | JPMorgan Securities Japan Co., Ltd. |
| 3 | Mizuho Securities Co., Ltd. |
| 4 | Barclays Securities Japan Limited |
| 5 | Nomura Securities Co., Ltd. |

Liquidity Enhancement Auctions and JGB Buy-Back

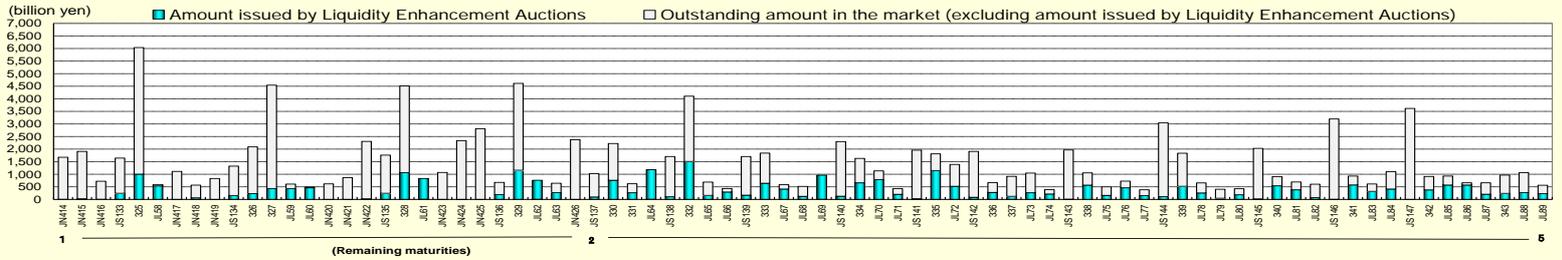
Results of Liquidity Enhancement Auctions

(Until 31 August 2021)

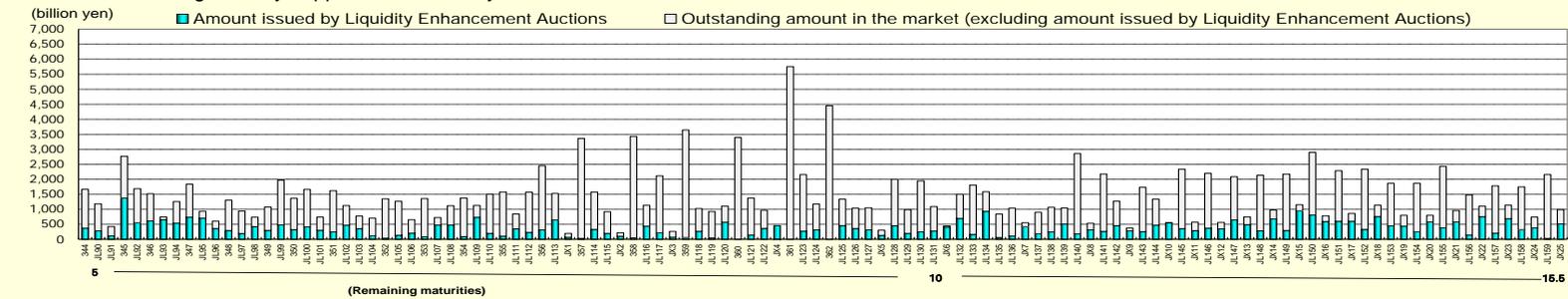
| Auction Date | Amounts of Competitive Bids (billion yen) | Amounts of Bids Accepted (billion yen) | Average Accepted Spread | Highest Accepted Spread | Issues Re-opened |
|--------------|---|--|-------------------------|-------------------------|--|
| 6/10/2021 | 2,201.9 | 497.7 | ▲0.017% | ▲0.016% | 10-year(344,347,348,349,350,355,359) 20-year(90,91,92,95,96,99,100,101,102,111,112,133,136,137,138,139,144,145,146,147,148,151,158) 30-year(14) |
| 6/15/2021 | 1,089.5 | 498.8 | +0.005% | +0.008% | 20-year(160,163,164,173) 30-year(25,29,30,31,32,34,35,36,40,45,46,47,49,50,51,56,59,62,67,68) 40-year(1,2,3,4,5,6,7,8,9,10,11,13) |
| 7/15/2021 | 1,929.2 | 399.3 | ▲0.005% | ▲0.002% | 2-year(414,415,416,417,424) 5-year(135,136,137,138,139,140,142,143,144,145,146) 10-year(326,328,329,330,333,334,335,336,337,338,339,340,341,343) 20-year(58,59,61,63,68,71,72,74,75,76,79,80,81,82,83,84,85,86,87,88) |
| 7/20/2021 | 1,590.0 | 498.8 | ▲0.012% | ▲0.011% | 10-year(345,348,350,354,355,356,357) 20-year(95,96,99,101,112,113,136,140,142,143,144,146,150,151,152,159) 30-year(3,13,16,17,20,23,24,25) |
| 8/13/2021 | 1,546.2 | 498.2 | ▲0.003% | ▲0.001% | 10-year(344,345,349,350) 20-year(90,93,94,99,102,103,104,111,112,113,123,125,126,150,151,152,157,158,159) 30-year(7,20,25) |
| 8/19/2021 | 1,078.8 | 498.8 | +0.004% | +0.008% | 20-year(160,169,174) 30-year(27,29,30,31,33,40,50,51,52,56,62,68,69) 40-year(2,3,4,6,8,9,10,13) |

Target Zones of Liquidity Enhancement Auctions for the Second Quarter of FY 2021

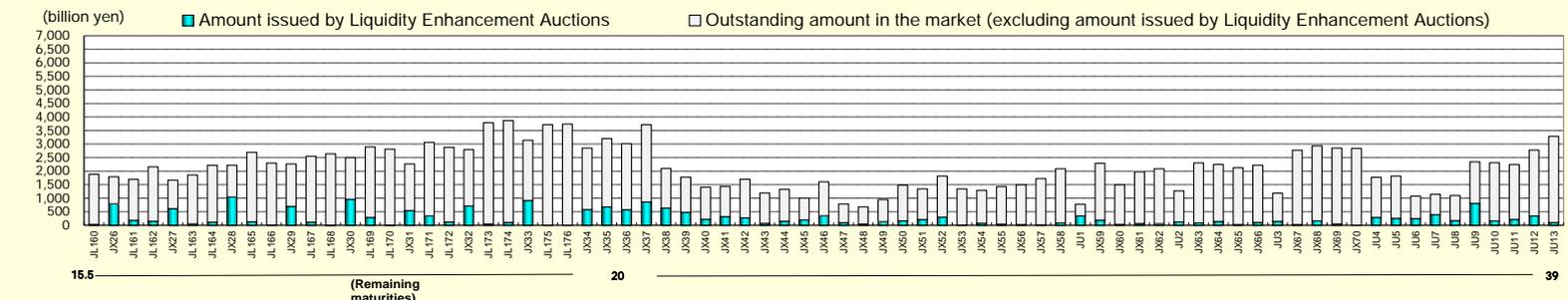
① Remaining maturity : approx. 1 - ~5 - year



② Remaining maturity : approx. 5 - ~15.5 - year



③ Remaining maturity : approx. 15.5 - ~39 - year



Note1 : JN shows 2 - year JGBs. JS shows 5 - year JGBs. JL shows 20 - year JGBs. JX shows 30 - year JGBs. JU shows 40 - year JGBs. Outstanding amount is as of the end of July 2021.
Note2 : All issues in the graph above will be eligible afterward.

10-year Inflation-Indexed

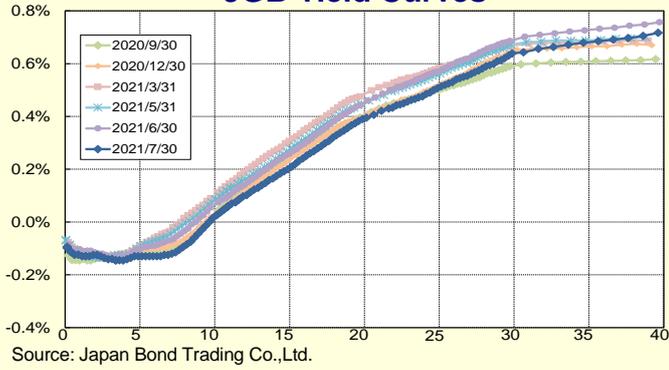
Buy-Back Results

(Until 31 August 2021)

| Auction Date | Amounts of Competitive Bids (billion yen) | Amounts of Bids Accepted (billion yen) | Average Accepted Spread (yen) | Highest Accepted Spread (yen) | Issue Numbers |
|--------------|---|--|-------------------------------|-------------------------------|--------------------------------|
| 5/12/2021 | 176.2 | 50.1 | ▲0.018 | 0.10 | 17, 18, 19, 20, 21, 25 |
| 6/21/2021 | 253.9 | 50.1 | ▲0.328 | ▲0.22 | 17, 18, 19, 20, 22, 23, 24, 25 |
| 7/7/2021 | 201.7 | 50.0 | ▲0.182 | ▲0.17 | 17, 18, 25 |
| 8/25/2021 | 99.2 | 50.1 | ▲0.050 | ▲0.050 | 18, 19, 20 |

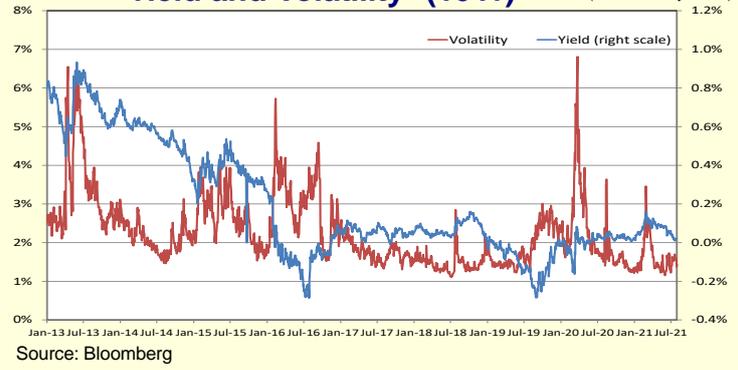
JGB Secondary Market

JGB Yield Curves



Yield and Volatility (10Yr)

(Until 31 July 2021)



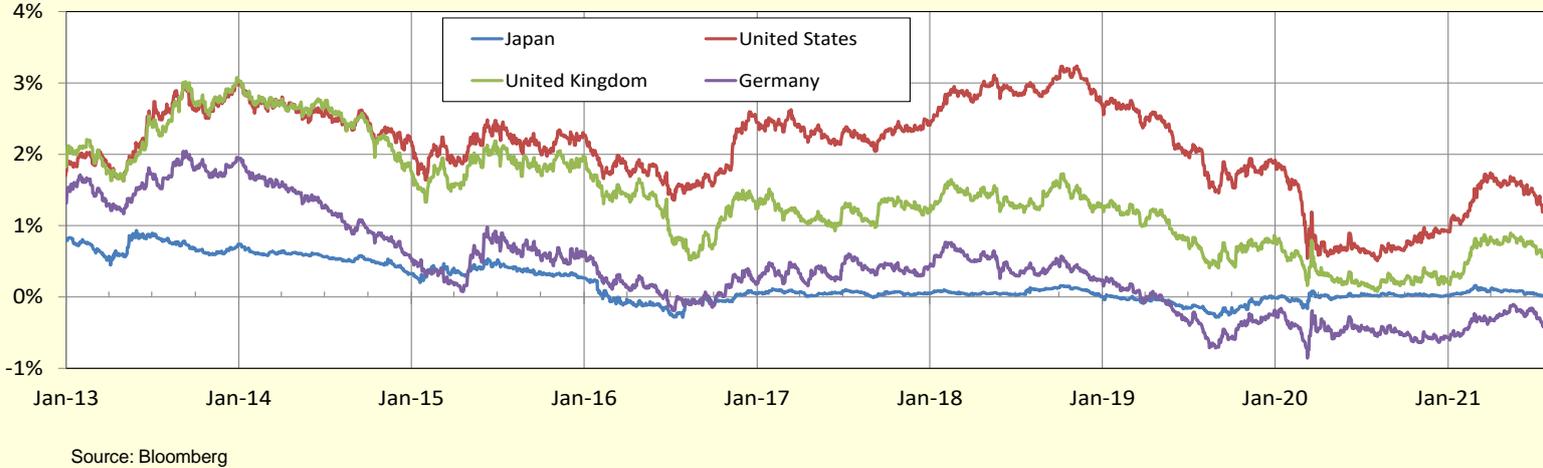
Yields of JGB

(Until 31 July 2021)



Long - Term Interest Rates (10Yr)

(Until 31 July 2021)



Break-Even Inflation Rates

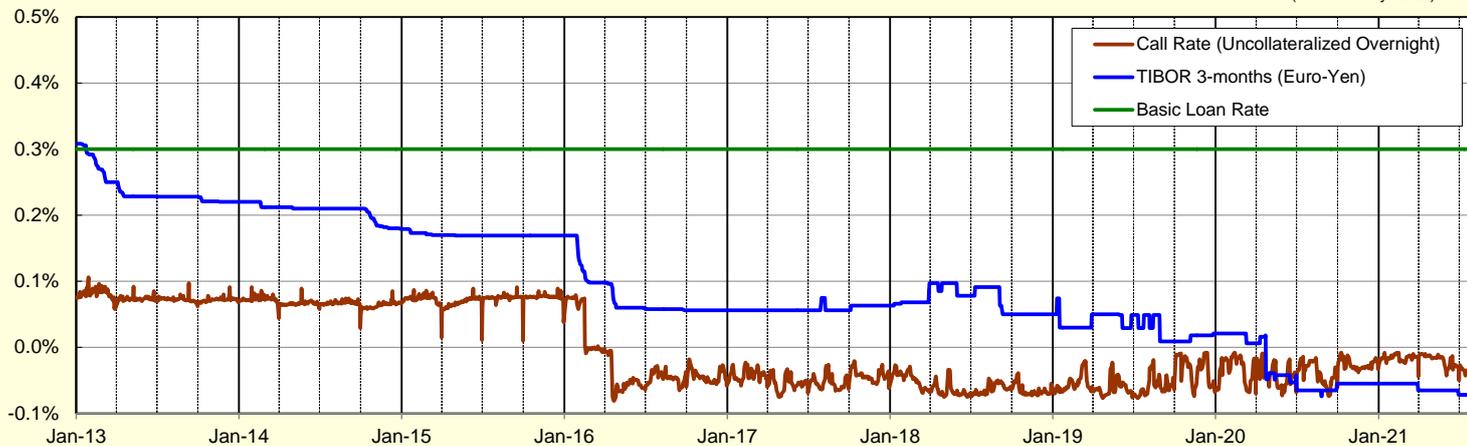
(Until 31 July 2021)



Note: BEI (Japan : 10 year) is calculated based on the compound interest rate of the new Inflation-Indexed Bonds and the 10-Year Bonds
 Sources: Japan: Calculation by the Ministry of Finance based on the information on interest rates offered by NIKKEI QUICK.
 U.S.A., U.K.: Bloomberg.

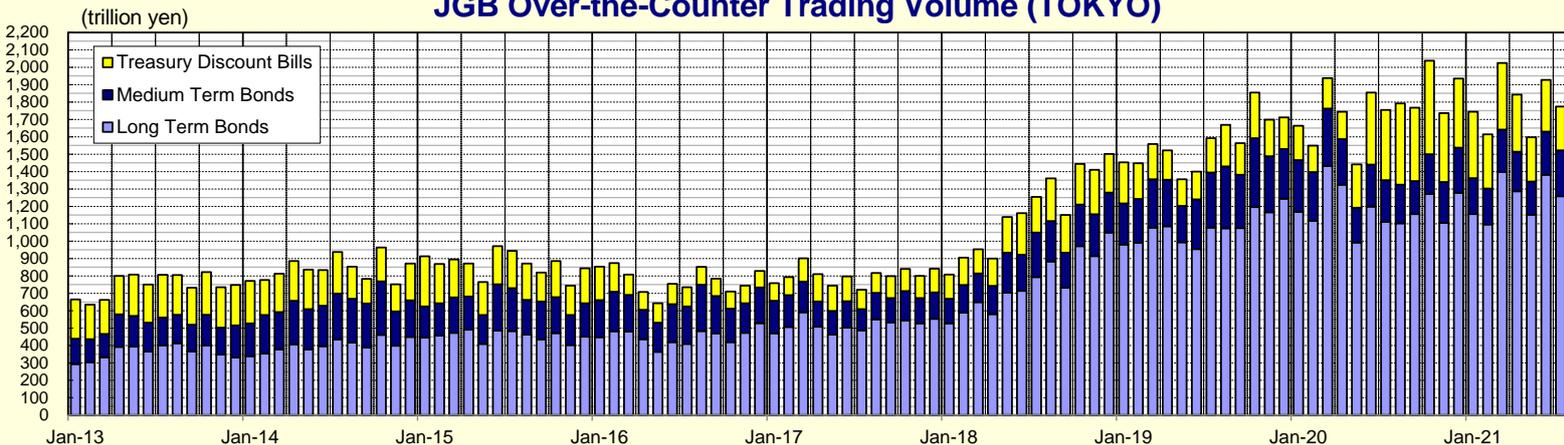
Short-Term Interest Rates

(Until 31 July 2021)



Sources: Bank of Japan, Tanshi Association, Bloomberg

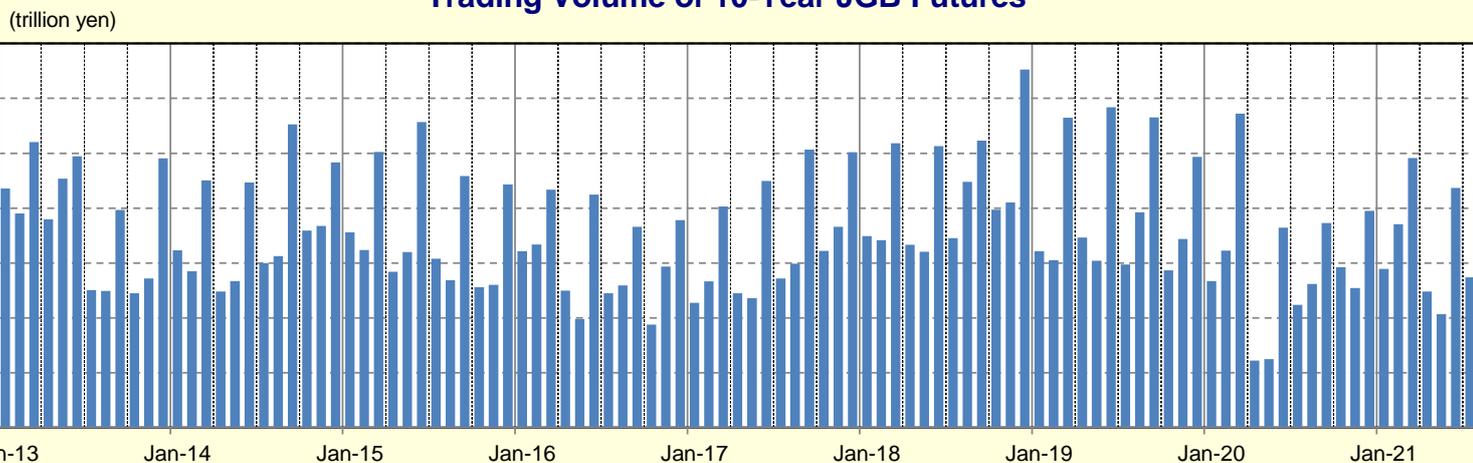
JGB Over-the-Counter Trading Volume (TOKYO)



Note: Trading volume is the sum of sales and purchases including the trading volume of bonds with repurchase agreements.

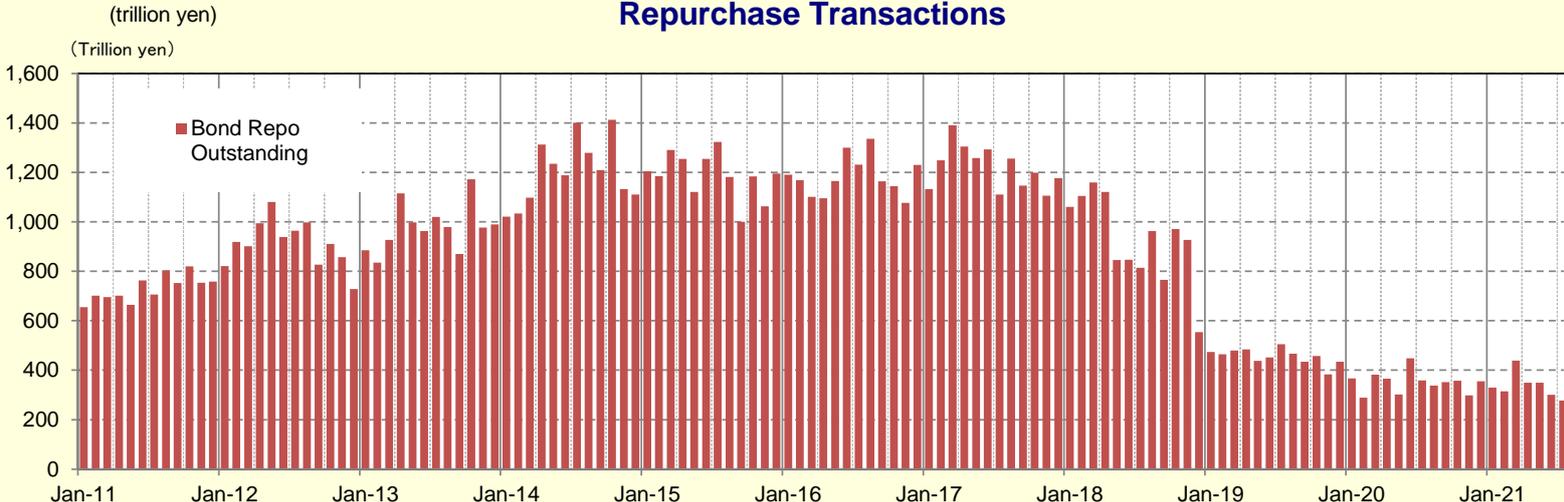
Source: Japan Securities Dealers Association

Trading Volume of 10-Year JGB Futures



Sources: Tokyo Stock Exchange (until Mar.2014), Osaka xchange (from Apr. 2014)

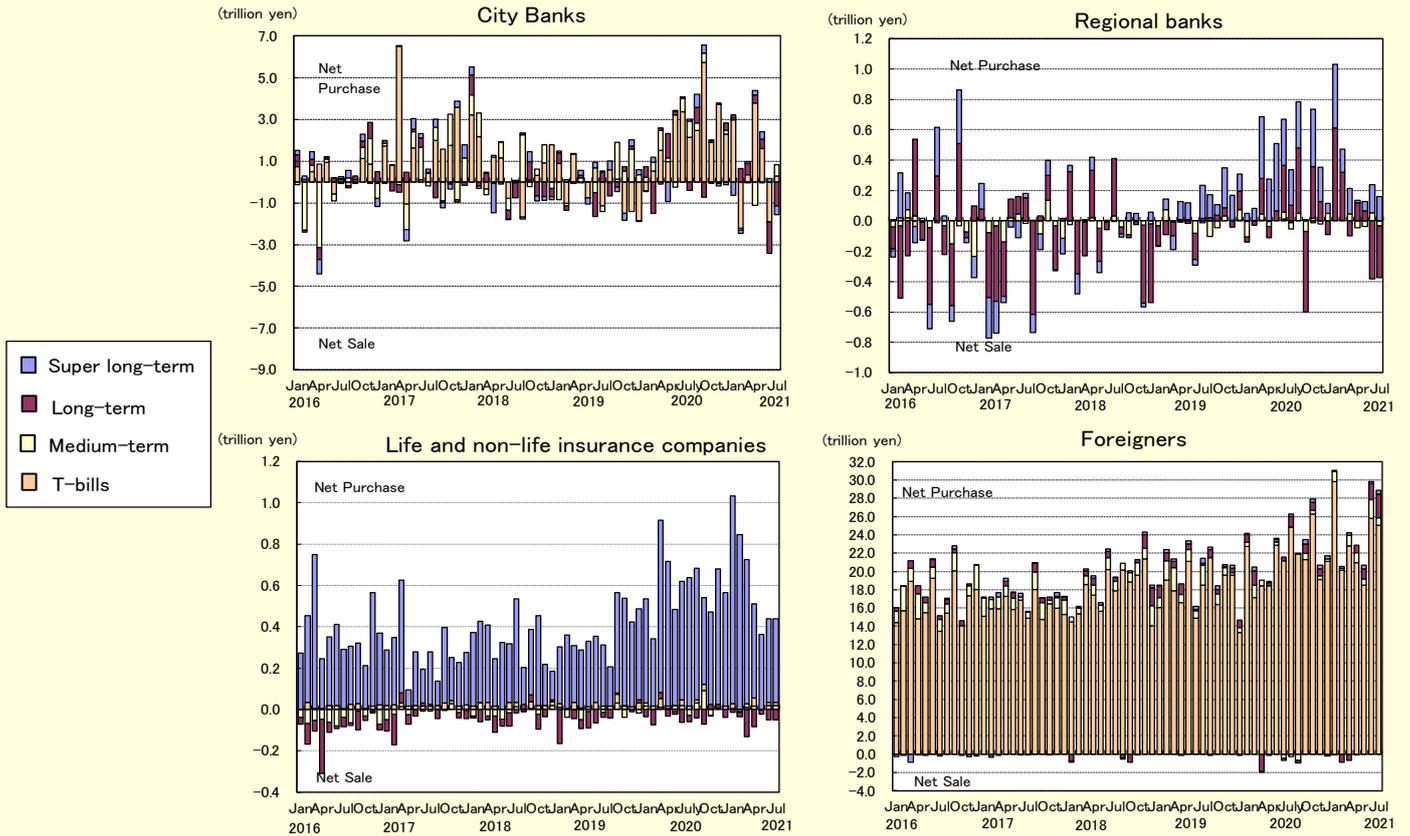
Repurchase Transactions



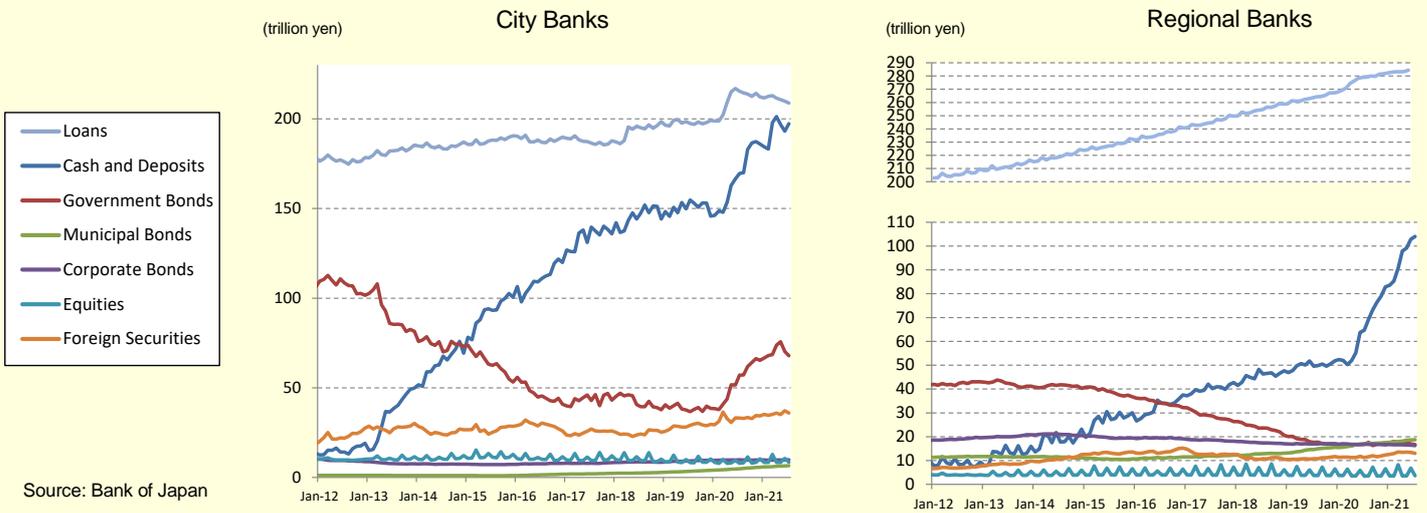
Note: Repurchase transactions do not include Bond-Gensaki.

Source: Japan Securities Dealers Association

Trends in JGBs Transactions (by investor type)



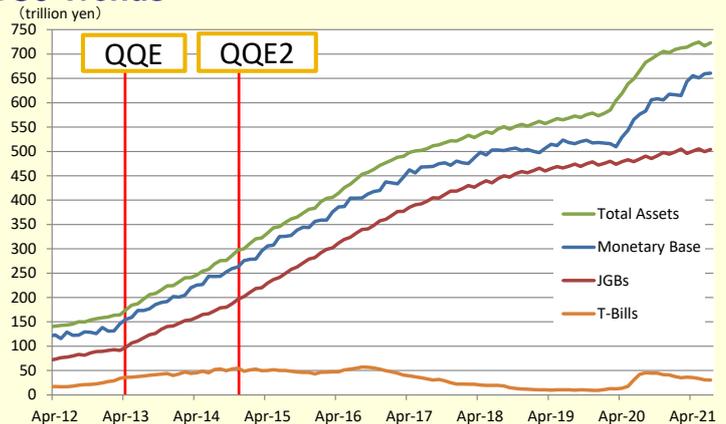
Trends in Bank Assets by Types



| | Apr 2013 (Actual) | Jul 2021 (Actual) |
|---------------------|----------------------|----------------------|
| Monetary Base | 155 | 661 |
| JGBs | 98 | 504 |
| T-Bills | 36 | 30 |
| CP | 1.4 | 3.0 |
| Corporate Bonds | 2.9 | 7.8 |
| ETFs | 1.7 | 36.2 |
| J-REITs | 0.13 | 0.66 |
| Total Assets | 175 | 723 |

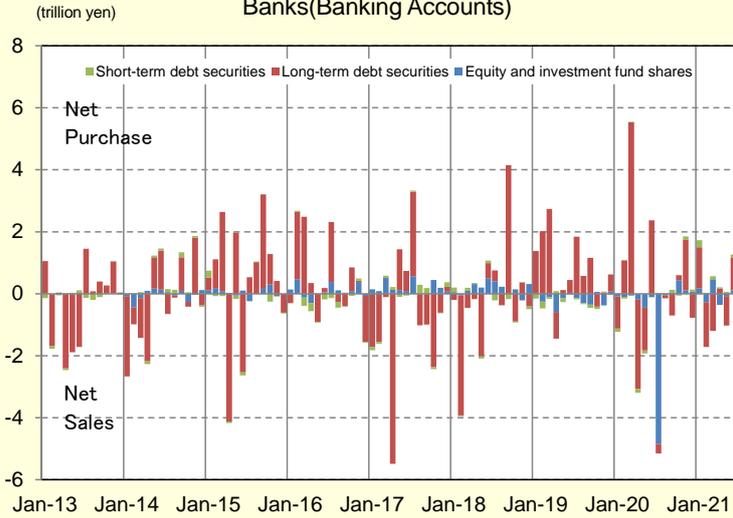
Source: Bank of Japan

BOJ Trends



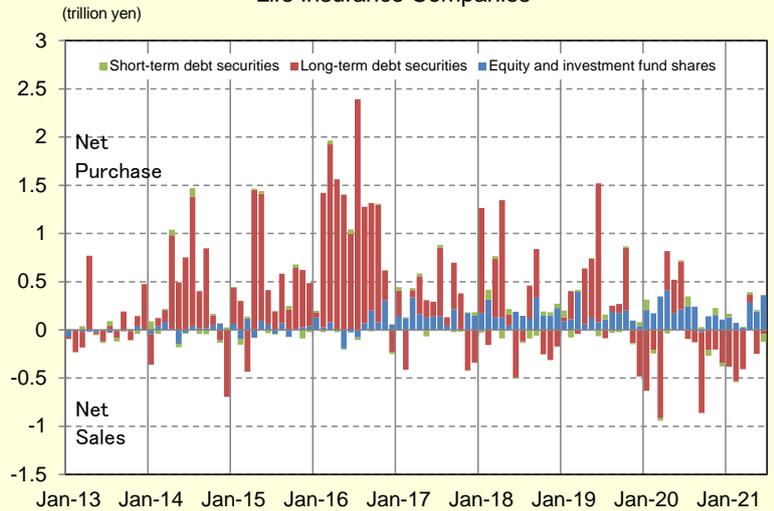
Transactions of Foreign Securities by Residents (by Investor types)

Banks(Banking Accounts)



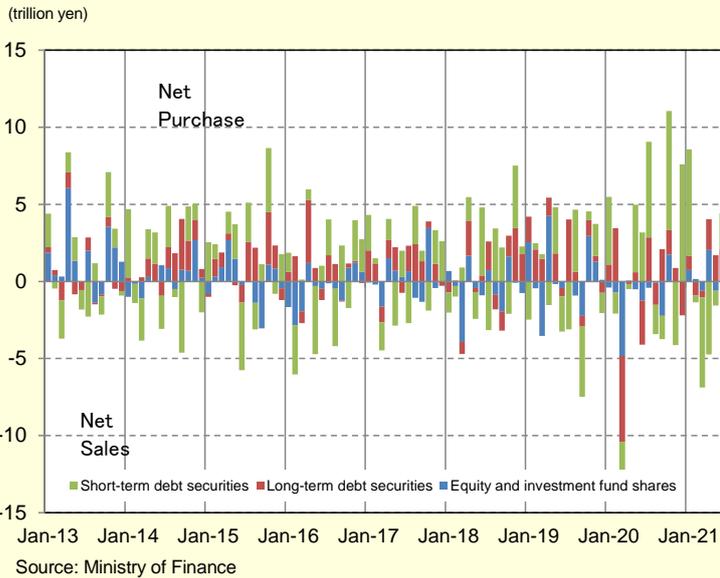
Source: Ministry of Finance

Life Insurance Companies



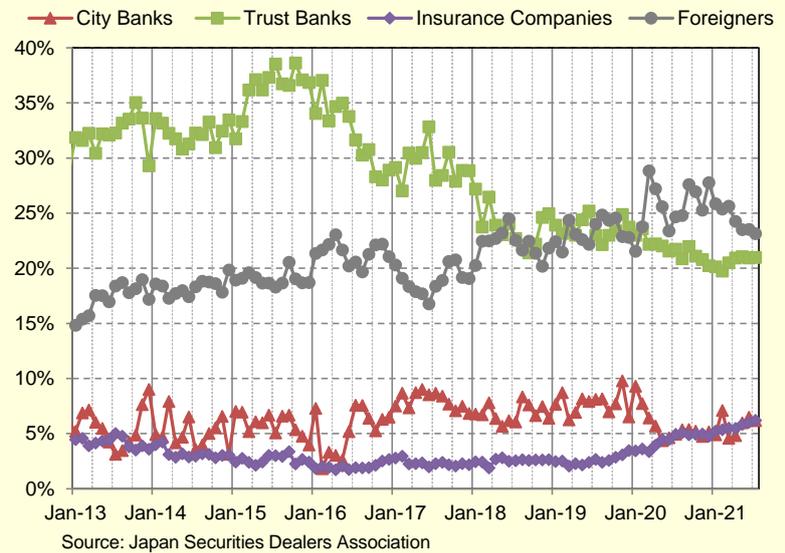
Source: Ministry of Finance

Transactions of Domestic Securities by Non-Residents



Source: Ministry of Finance

Outstanding of Repurchase Agreements (by Investor types)



Source: Japan Securities Dealers Association

Foreign Investors Presence

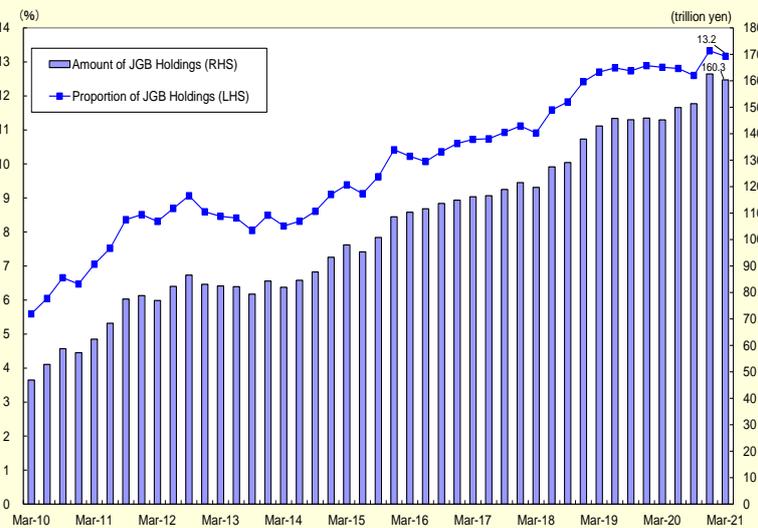


Note.1: Quarterly basis.

Note.2: "JGB" includes T-Bills. The figures of ②excludes dealers' transactions.

Sources: Bank of Japan, Japan Securities Dealers Association, Tokyo Stock Exchange, Osaka Exchange

JGBs Holdings by Foreign Investors



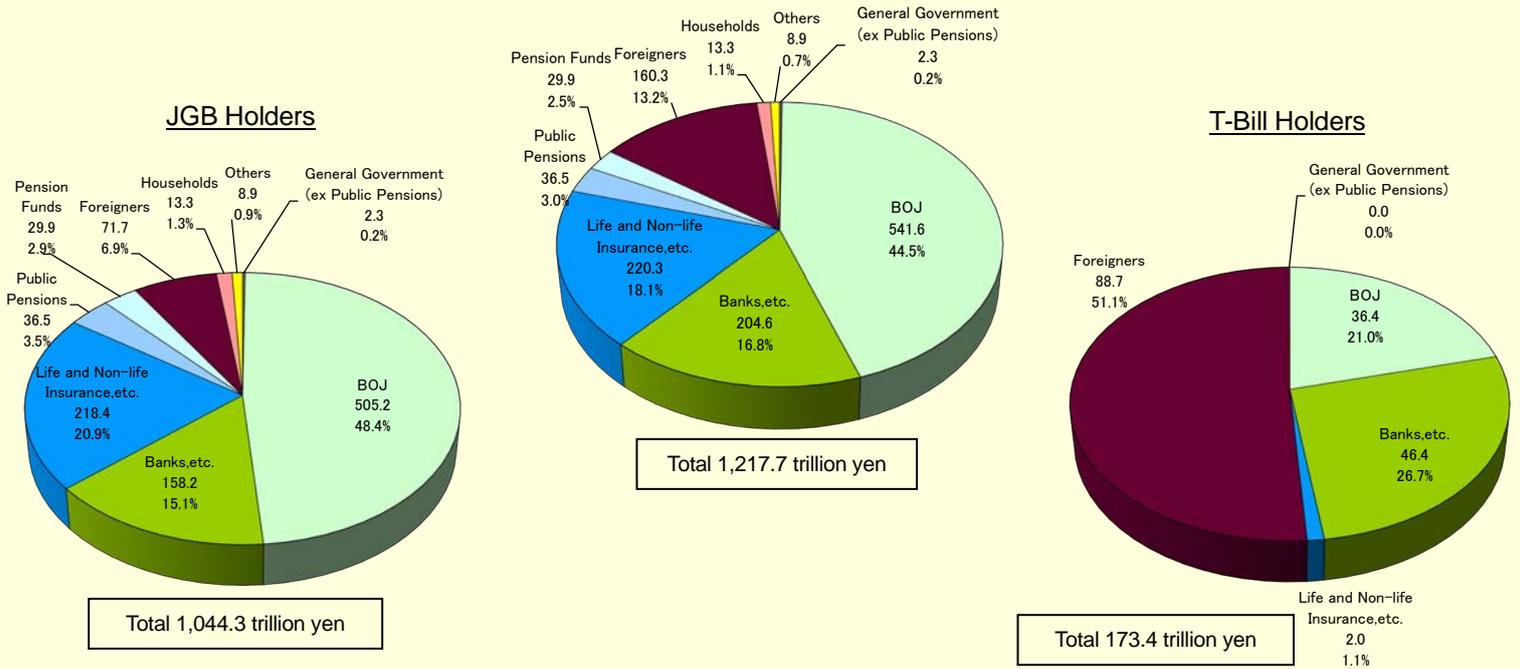
Note.1: Quarterly basis.

Note.2: "JGB" includes "FILP Bonds" and "T-Bills".

Source: Bank of Japan

Breakdown by JGB and T-Bill Holders (The end of Mar. 2021 QE)

JGB and T-Bill Holders (trillion yen)



Note1: "JGB" includes "FILP Bonds."

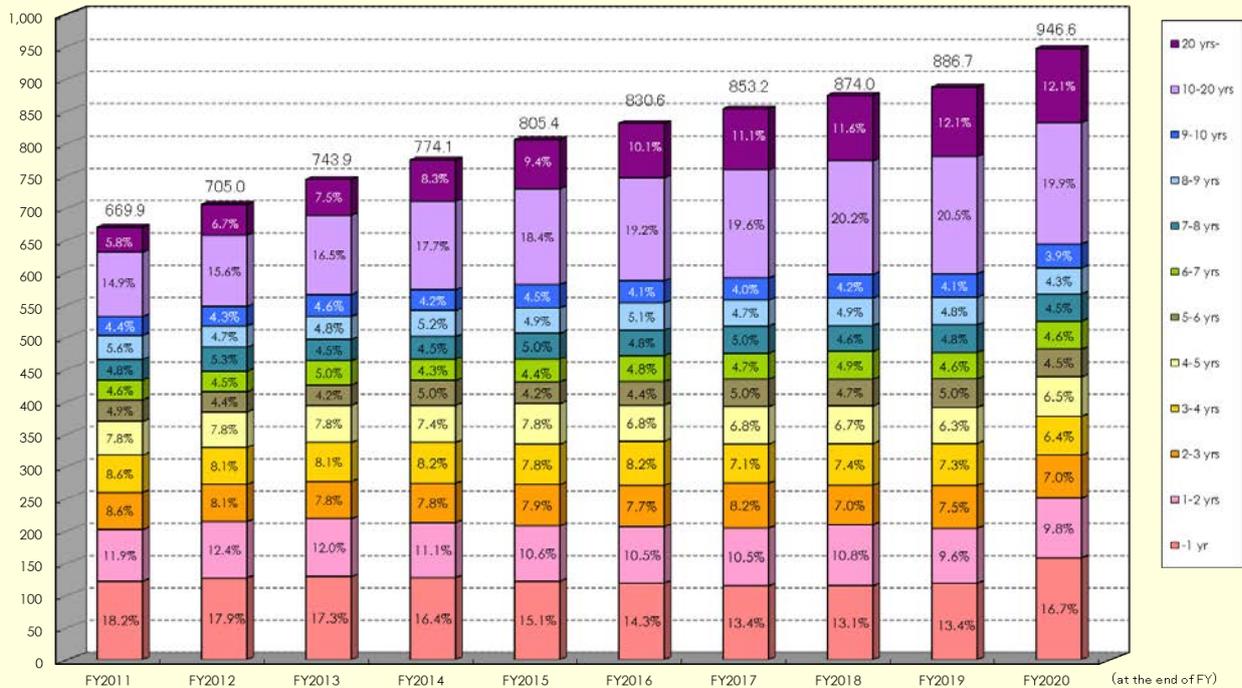
Note2: "Banks, etc." includes "Japan Post Bank," "Securities investment trust" and "Securities companies."

Note3: "Life and Non-life insurance, etc." includes "Japan Post Insurance."

Source: Bank of Japan "Flow of Funds Accounts (Preliminary Figures)"

Breakdown of Outstanding Amount of General Bonds by Remaining Years to Maturity

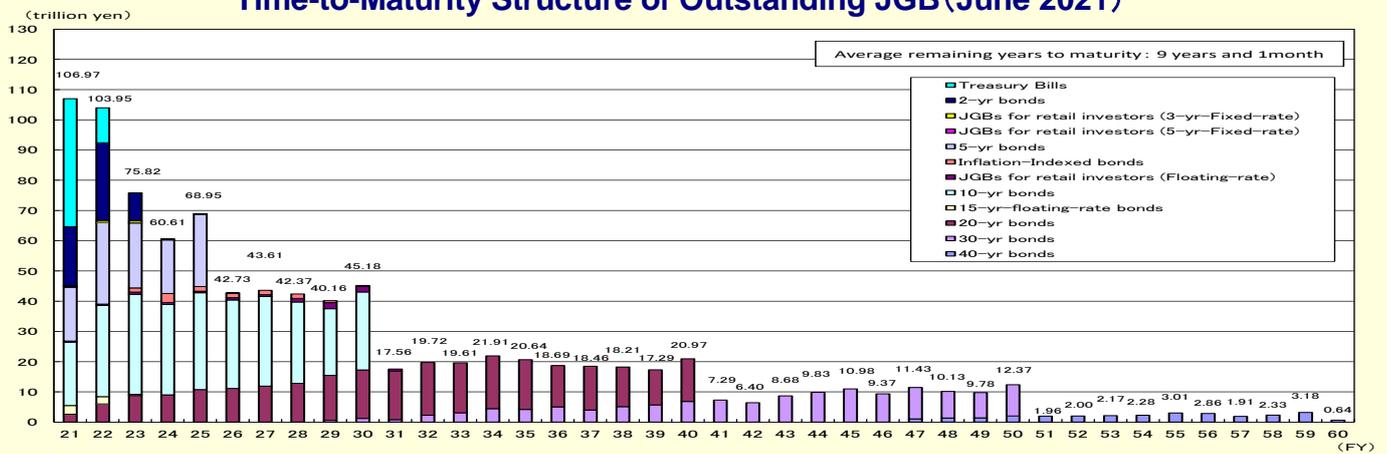
(Unit: trillion yen)



| Average YTM* | 7Y0M | 7Y3M | 7Y7M | 8Y0M | 8Y5M | 8Y7M | 8Y10M | 9Y0M | 9Y2M | 8Y11M |
|---------------------------------------|------|------|------|------|------|------|-------|------|------|-------|
| Average YTM* (excluding saving bonds) | 7Y1M | 7Y5M | 7Y8M | 8Y0M | 8Y5M | 8Y8M | 8Y11M | 9Y1M | 9Y2M | 8Y11M |

*years to maturity

Time-to-Maturity Structure of Outstanding JGB (June 2021)



Source: Ministry of Finance

Scheduled redemption of JGB at maturity in September, 2021

| Types | The amount of redemption at maturity | Scheduled redemption date |
|-----------------------------|--------------------------------------|---------------------------|
| 2-Year Bonds | 2,124.4 | September 1 |
| Treasury Bills (6-Month) | 3,399.9 | September 10 |
| 15-Year Floating-Rate Bonds | 987.0 | September 20 |
| 10-Year Bonds | 7,721.4 | September 20 |
| 5-Year Bonds | 7,607.3 | September 20 |
| 20-Year Bonds | 760.8 | September 21 |
| Treasury Bills (1-Year) | 3,500.0 | September 21 |
| Treasury Bills (6-Month) | 3,400.0 | September 27 |
| Total | 29,500.8 | |

Note.1: The figures are based on the outstanding JGBs at the end of July, 2021

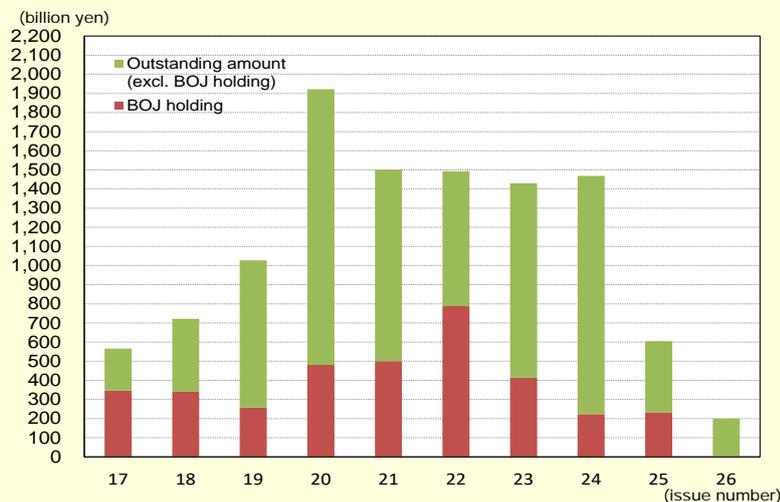
Note.2: The figures are the scheduled redemption at maturity and may be different from the actual redemption due to Buy-back of JGBs.

Note.3: The figures do not include "JGB for Retail Investors."

Note.4: If the redemption date coincides with bank holiday, the payment of redemption is carried out on the following business day.

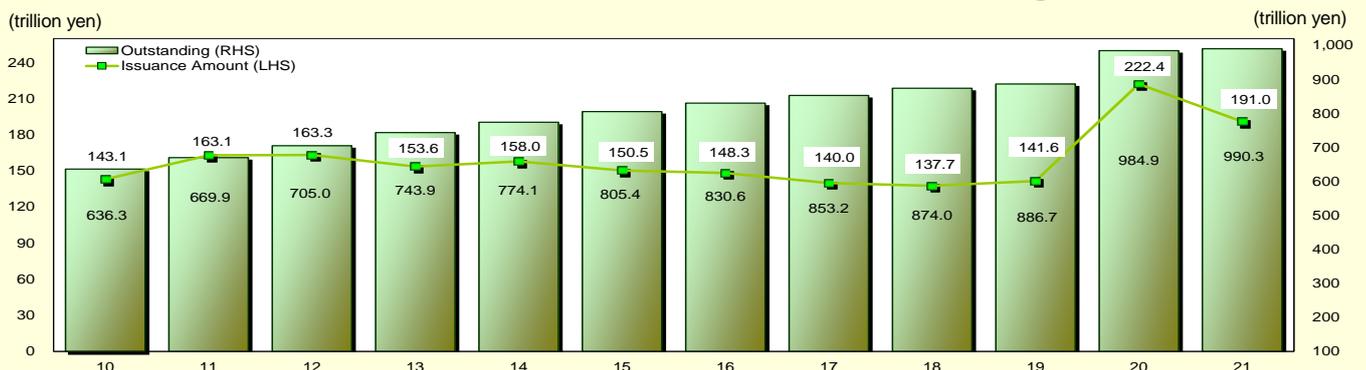
Note.5: Figures may not sum up to total because of rounding.

Market-held Balance of the Inflation-Indexed Bonds (as of the end of July, 2021)



Sources: Ministry of Finance, Bank of Japan

General Bonds Issuance Amount and Outstanding



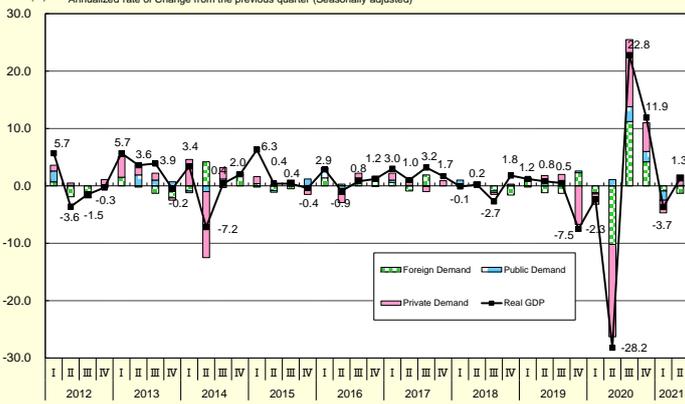
Note 1: Issuance Amount: revenue basis, FY2010-2019: Actual, FY2020: Supplementary budget, FY2021: Initial budget

Note 2: Outstanding: nominal basis, FY2010-2019: Actual, FY2020: Supplementary budget, FY2021: Initial budget

Source: Ministry of Finance

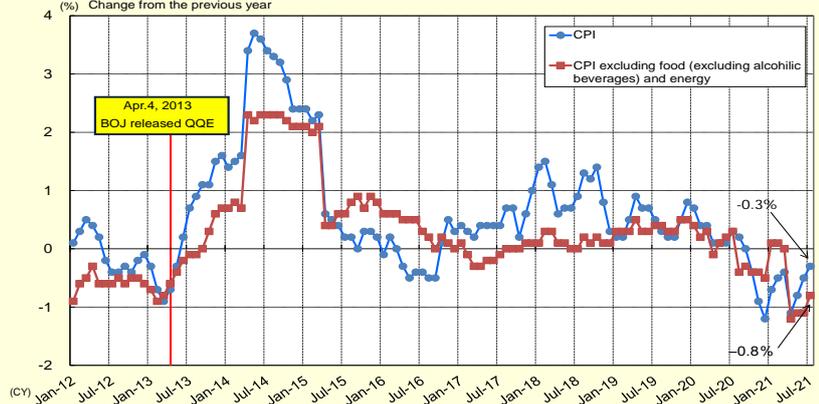
Economic and Financial Trends

Real GDP Growth Rate



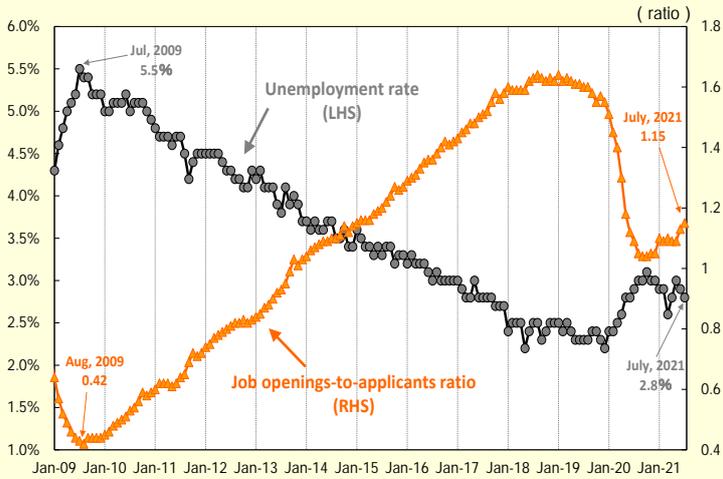
Source: Cabinet Office

Prices



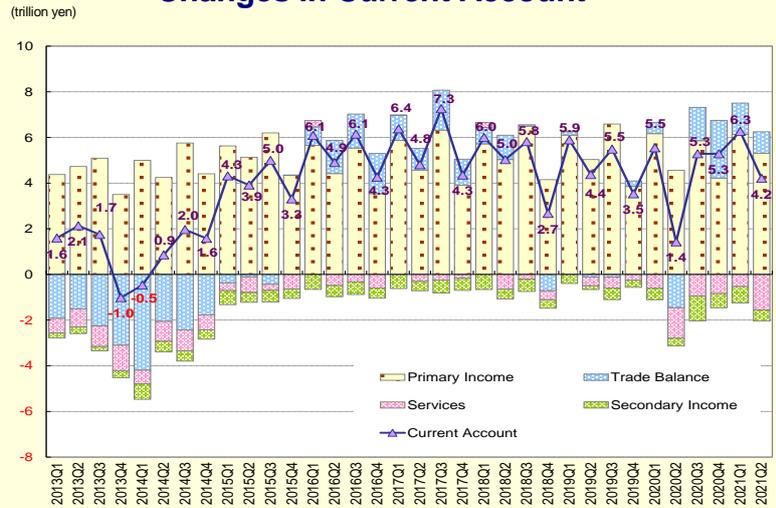
Source: Ministry of Internal Affairs and Communications

Employment Conditions



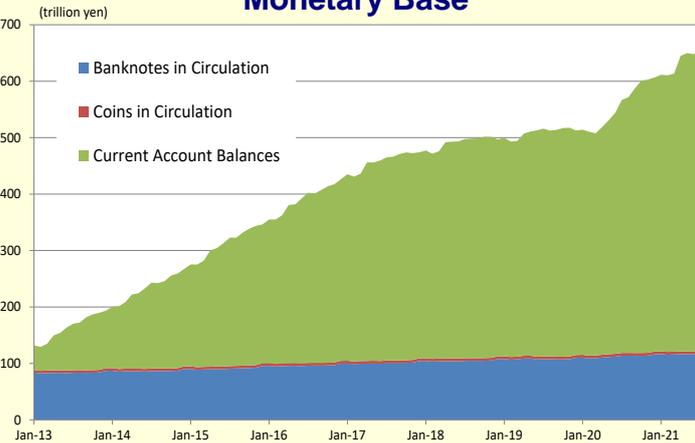
Sources: Ministry of Health, Labour and Welfare
Ministry of Internal Affairs and Communications

Changes in Current Account



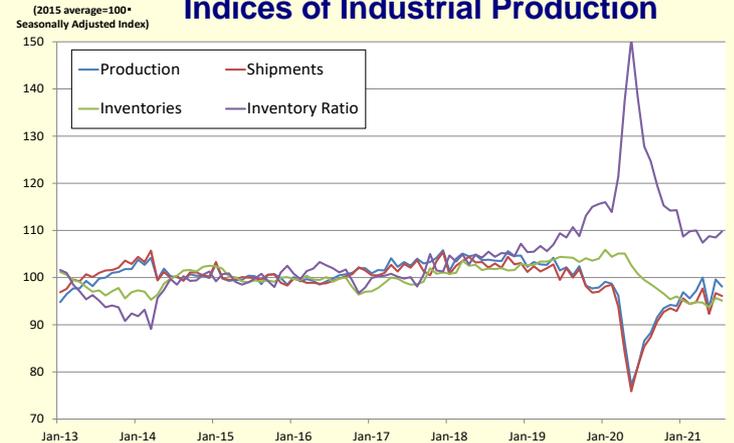
Source: Ministry of Finance

Monetary Base



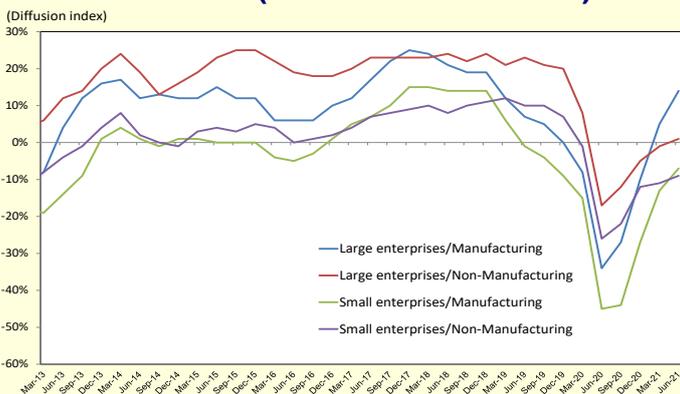
Source: Bank of Japan

Indices of Industrial Production



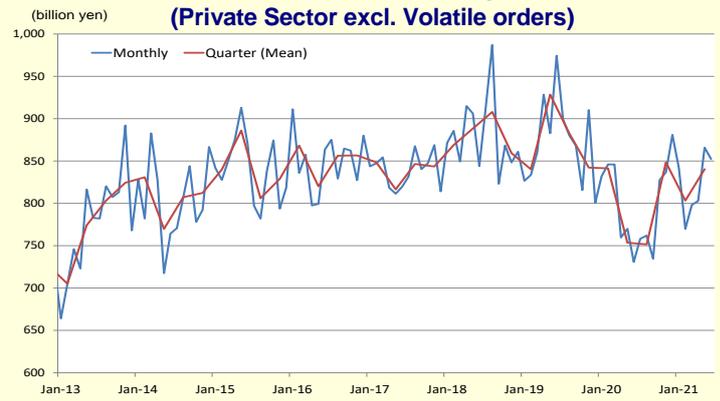
Source: Ministry of Economy, Trade and Industry

TANKAN (Business Conditions)



Source: Bank of Japan

Total Value of Machinery Orders (Private Sector excl. Volatile orders)



Source: Cabinet Office

| English Publications on JGBs | Frequency | URL |
|---|--------------|---|
| Debt Management | | |
| Message from the Financial Bureau | As needed | https://www.mof.go.jp/english/jqbs/debt_management/message.htm |
| About JGBs | As needed | https://www.mof.go.jp/english/jqbs/debt_management/guide.htm |
| About the Debt Management Policy | As needed | https://www.mof.go.jp/english/jqbs/debt_management/about.htm |
| JGB Issuance Plan | As needed | https://www.mof.go.jp/english/jqbs/debt_management/plan/index.htm |
| Auction Calendar | | |
| Auction Calendar | Monthly | https://www.mof.go.jp/english/jqbs/auction/calendar/index.htm |
| Historical Data of Auction Results | Monthly | https://www.mof.go.jp/english/jqbs/auction/past_auction_results/index.html |
| Topics | | |
| Product Characteristics of the JGB | As needed | https://www.mof.go.jp/english/jqbs/topics/bond/index.html |
| Treasury Discount Bills (T-Bills) | As needed | https://www.mof.go.jp/english/jqbs/topics/t_bill/index.htm |
| Japanese Government Guaranteed Bonds | Annual | https://www.mof.go.jp/english/jqbs/topics/gov_quaranteed_bonds/index.htm |
| Interest Rate Swap | Semiannual | https://www.mof.go.jp/english/jqbs/topics/swap/index.htm |
| Taxation of Government Bonds | As needed | https://www.mof.go.jp/english/jqbs/topics/taxation2016/index.html |
| For Individual Investors | As needed | https://www.mof.go.jp/english/jqbs/topics/individual/index.htm |
| Data | | |
| Central Government Debt | Quarterly | https://www.mof.go.jp/english/jqbs/reference/qbb/index.htm |
| Interest Rate | Daily | https://www.mof.go.jp/english/jqbs/reference/interest_rate/index.htm |
| STRIPS | Monthly | https://www.mof.go.jp/english/jqbs/reference/jqbstat/index.htm |
| Dialogue with the market | | |
| Advisory Councils on Government Debt Management | Each Meeting | https://www.mof.go.jp/english/about_mof/councils/gov_debt_management/index.html |
| Meeting of JGB Market Special Participants | Each Meeting | https://www.mof.go.jp/english/about_mof/councils/jqbsp/index.html |
| Meeting of JGB Investors | Each Meeting | https://www.mof.go.jp/english/about_mof/councils/jgb_investor/index.html |
| Publications | | |
| Debt Management Report | Annual | https://www.mof.go.jp/english/jqbs/publication/debt_management_report/index.htm |
| JGB Newsletter | Monthly | https://www.mof.go.jp/english/jqbs/publication/newsletter/index.htm |

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