

JAPANESE GOVERNMENT BONDS

Monthly Newsletter of the Ministry of Finance, Japan

December 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: Alteration in the JGB Issuance Plan for FY2021

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- ✓ On November 26, the Ministry of Finance released the revised JGB Issuance Plan for FY2021 in line with the supplementary budget proposal for FY2021 which the Kishida Cabinet approved.

What's New: The Meeting of JGB Market Special Participants and the Meeting of JGB Investors

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- ✓ On November 29, 2021, the 96th Meeting of JGB Market Special Participants and the 87th Meeting of JGB Investors were held, each of which was a hybrid meeting with in-person and online members.

What's New: Supplementary Budget for FY2021 (November 26, 2021)

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- ✓ On November 26, the Kishida Cabinet decided the FY2021 Supplementary Budget proposal. The Supplementary Budget proposal is based on the economic policy package “Economic Measures to Overcome New Coronavirus infections and to Carve out a New Era” which was decided by the Cabinet on November 19.

Monthly Topic: Quarterly Estimates of GDP Jul.–Sep. 2021

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- ✓ On December 8, the Cabinet Office released the second preliminary GDP estimate (Jul.–Sep. 2021). Seasonally adjusted quarterly Real GDP decreased by 0.9% (annual rate 3.6%) from the previous quarter.

IR Office: Daiwa Capital Market Conference 2021 and 12th Virtual IR meetings

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- ✓ On November 5, Mr. Kamiya, Director of Debt Management Policy Division of the Financial Bureau, presented “Japan’s Economy and Public Debt Management” at the Daiwa Capital Markets Conference 2021.
- ✓ From mid-November to early December, we had virtual meetings with North and South American investors.

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Ministry of Finance

www.mof.go.jp

What's new

1. Alteration in the JGB Issuance Plan for FY2021

The Ministry of Finance released the revised JGB Issuance Plan for FY2021 in line with the supplementary budget proposal for FY2021 which the Kishida Cabinet approved on November 26.

The government will issue Newly-issued Bonds worth 22.1 trillion yen to raise funds for the supplementary budget (See the first row of the left table below.)

Look at the left table on the FY2021 JGB Issuance Plan below. The government will implement a cut in FILP Bonds by 30.0 trillion yen through the utilization of surpluses of the Fiscal Loan Fund, etc. As a result, the government will avoid any further increase in the issuance amount of coupon-bearing bonds (See the table of the Market Issuance Plan by JGB Types on the next page.) The total JGB issuance amount will rather decrease by 11.6 trillion yen from the initial JGB Issuance Plan for FY2021.

As for financing methods, look at the first row of the right table below. JGB Market Issuance (Calendar Base) will decrease by 9.2 trillion yen due to the reduction of the 6-month TBs issuance amount.

With this revision, the average maturity of JGBs will be slightly extended to 7 years and 1 month from 6 years and 10 months in the Initial Plan on a flow-basis.

FY2021 JGB Issuance Plan

< Breakdown by Legal Grounds >

(billion yen)

	Initial	Supplementary Budget	
	(a)	(b)	(b) - (a)
Newly-issued Bonds	43,597.0	65,655.0	22,058.0
Construction Bonds	6,341.0	9,168.0	2,827.0
Special Deficit-Financing Bonds	37,256.0	56,487.0	19,231.0
Reconstruction Bonds	218.3	40.0	▲ 178.3
FILP Bonds	45,000.0	15,000.0	▲ 30,000.0
Refunding Bonds	147,192.9	143,663.3	▲ 3,529.6
For matured Reconstruction Bonds	2,871.0	2,737.5	▲ 133.5
Total	236,008.2	224,358.3	▲ 11,649.9

< Breakdown by Financing Methods >

(billion yen)

	Initial	Supplementary Budget	
	(a)	(b)	(b) - (a)
JGB Market Issuance (Calendar Base)	221,400.0	212,200.0	▲ 9,200.0
Non-Price Competitive Auction II, etc.	8,230.0	7,031.9	▲ 1,198.1
Adjustment between fiscal years	78.2	85.9	7.7
Subtotal Financed in the Market	229,708.2	219,317.8	▲ 10,390.4
Sales for Households	4,100.0	2,840.5	▲ 1,259.5
BOJ Rollover	2,200.0	2,200.0	-
Total	236,008.2	224,358.3	▲ 11,649.9

- Buy-back program in FY2021 is planned to be implemented based on market conditions and through discussions with market participants.
- The maximum amount of front-loading issuance of Refunding Bonds in FY2021 is 20 trillion yen.

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

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

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

The amount of the non-price competitive auction II of the Initial Plan for FY2021 is calculated by multiplying the amount of "JGB Market Issuance (Calendar Base)" (40-Year, 30-Year, 20-Year, 10-Year, 5-Year and 2-Year Bonds) by 5.5% (the amount in the supplementary budget for FY2021 reflects its actual revenue).

"Non-Price Competitive Auction II, etc." includes estimated gap between the amount of the Calendar Base (of the bonds listed above) at face value and actual

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

Please see the website,

JGB Issuance Plan for FY2021 (supplementary budget):

https://www.mof.go.jp/english/policy/jgbs/debt_management/plan/issuanceplan211126.pdf

FY2021 JGB Issuance Plan

< Market Issuance Plan by JGB Types >

(trillion yen)

	FY2021(Initial)				FY2021(Supplementary Budget)				(b)-(a)		
	(per time)		(total ; a)		(per time)		(total ; b)				
40-Year	0.6	×	6	times	3.6	0.6	×	6	times	3.6	-
30-Year	0.9	×	12	times	10.8	0.9	×	12	times	10.8	-
20-Year	1.2	×	12	times	14.4	1.2	×	12	times	14.4	-
10-Year	2.6	×	12	times	31.2	2.6	×	12	times	31.2	-
5-Year	2.5	×	12	times	30.0	2.5	×	12	times	30.0	-
2-Year	3.0	×	12	times	36.0	3.0	×	12	times	36.0	-
TBs					83.2					74.0	▲ 9.2
10-Year Inflation-indexed	0.2	×	4	times	0.8	0.2	×	4	times	0.8	-
Liquidity enhancement auction					11.4					11.4	-
Total					221.4					212.2	▲ 9.2

Fig.1 Issuance Amounts for TBs

	FY2021 (Initial) (a)				FY2021 (Supplementary Budget) (b)				(b)-(a)		
	(per time)		(total)		(per time)		(total)				
TBs (1-Year)	3.5	×	12	times	42.0	3.5	×	12	times	42.0	-
TBs (6-Month)					41.2					32.0	▲ 9.2

Fig.2 Issuance Amounts by Zones for Liquidity Enhancement Auctions

	FY2021 (Initial) (a)		FY2021 (Supplementary Budget) (b)		(b)-(a)
	(per time)	(total)	(per time)	(total)	
15.5-39 Year		3.0		3.0	-
5-15.5 Year		6.0		6.0	-
1-5 Year		2.4		2.4	-

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

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

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

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

(Note 5) The issuance amount of liquidity enhancement auction and its allocation among each zone may be adjusted in a flexible manner in response to market circumstances and demands of investors, which will be determined based on discussions with market participants, while the issuance amount and zones on the table (Figure 2) are set as a basic plan.

(Note 6) The floor of the nominal rate on coupon-bearing JGBs has been lowered (0.1%→0.005%) since April 2021.

Please see the website,

Market Issuance Plan by JGB Types for FY2021 (supplementary budget):

https://www.mof.go.jp/english/policy/jgbs/debt_management/plan/calendar211126.pdf

2. The Meeting of JGB Market Special Participants and the Meeting of JGB Investors

The 96th Meeting of JGB Market Special Participants and the 87th Meeting of JGB Investors were held on November 29, 2021, each of which was a hybrid meeting with in-person and online members. The agenda of both meeting was “Current status and issues for the compilation of the JGB Issuance Plan for FY2022.” The MOF focused the discussion on the following two points.

1. The share of the Treasury Bills (TBs) in the JGB market issuance has increased to approximately 40%. In this regard, the MOF plans to reduce the issuance amount of the TBs only through the reduction of the total JGB issuance amount in order to ensure the smooth and secure issuance of JGBs. It should be noted that the MOF does not plan to increase the coupon-bearing bonds issuance amount at the same time when the issuance amount of TBs decreases.
2. The market size of the 40-year bonds has been reasonably expanding. The MOF thinks that diversification of the investor base should be considered. When the MOF increases the issuance amount of 40-year bonds after the diversification of the investor base, the MOF will also consider the monthly issuance of 40-year bonds and adopting the discriminatory auction method.

We will briefly describe the JGB Issuance Plan for FY2022 in the upcoming Newsletter.

What's New

3. Supplementary Budget for FY2021 (November 26, 2021)

On November 26, the Kishida Cabinet decided the FY2021 Supplementary Budget proposal.

The Supplementary Budget proposal is based on the economic policy package, “Economic Measures to Overcome New Coronavirus Infections and to Carve out a New Era” which was decided by the Cabinet on November 19. The amount of the fiscal expenditure and the project scale in the economic policy package are 55.7 trillion yen and 78.9 trillion yen respectively. The Cabinet Office estimates that through this policy package, the real GDP will be boosted by about 5.6 percent.

Based on the supplementary budget proposal, the government plans to spend 18.6 trillion yen for the containment measures for COVID-19” and 8.2 trillion yen for launching a “New Form of Capitalism” to carve out a future society. The charts below are the overview of the Supplementary Budget for FY2021.

Overview of the Supplementary Budget for FY2021

(billion yen)

Expenditures		Revenues		Provisional Translation
1. Containment measures for the COVID-19	18,605.9	1. Tax revenues		6,432.0
2. Resumption of socioeconomic activities in the “Live-with-Corona” environment and preparation for the next crisis	1,768.7			
3. Launching a “New Form of Capitalism” to carve out a future society	8,253.2	2. Non-tax revenues		1,351.6
4. Securing safety and relief with respect to disaster management	2,934.9			
Subtotal (expenses related to the economic stimulus measures)	31,562.7			
5. Other expenses	213.5	3. Surplus from the previous fiscal year		6,147.9
6. Transfer to the Special Account for the National Debt Consolidation Fund	2,268.2			
7. Local allocation tax grants	3,511.7	4. Government bond issuance		22,058.0
8. Reduction in previously approved expenses	-1,566.5	(1) Construction bonds		2,827.0
		(2) Special deficit-financing bonds		19,231.0
Total	35,989.5	Total		35,989.5

(Note) Figures may not add to the totals due to rounding.

I. Containment measures for the COVID-19 18,605.9bn

1. Securing the medical treatment system, etc. 4,478.3bn

- Emergency comprehensive support grant for the COVID-19 (securing beds, etc.) [2,031.4bn]
- Development of new coronavirus vaccine inoculation system and implementation of inoculation [1,295.4bn]
- Securing therapeutic drugs [601.9bn] , etc.

2. Support for business, daily life, and livelihood 14,127.6bn

(1) Support for businesses

- Support for reviving business [2,803.2bn]
- Funding support [140.3bn] (3,024.5bn if previously approved expenses are included.)
- Support for restaurants etc. cooperating on shortening business hours, etc.(Local Revitalization Grant) [6,476.9bn] , etc.

(2) Support for daily life and livelihood

- Benefit for households exempt from resident tax [1,432.3bn]
- Special lending for emergency small loans, etc. [458.1bn]
- COVID-19 payment for self-reliance support for those in need [93.7bn]
- Emergency benefits for supporting students [67.5bn] ○ Housing security benefit [10.0bn]
- Special measures for Employment Adjustment Subsidies, etc. [654.7bn]
- Financial stability of employment insurance [1,742.2bn] etc.

(3) Measures against soaring energy prices

- Reduction in burden of transportation fuel, etc. [80.0bn] (89.3 bn if previously approved expenses are included) , etc.

II. Resumption of socioeconomic activities in the "Live-with-Corona" environment and preparation for the next crisis 1,768.7bn

1. Resumption of socioeconomic activities with ensured safety and relief 833.6bn

- "New Go To Travel campaign" [268.5bn] (1,323.9bn if previously approved expenses (including support for regional tourism projects) are included.)
- Expansion of free inspection without reservation (Local Revitalization Grant) [320.0bn] , etc.

2. Fundamentally strengthening contingency plans for infectious diseases 935.1bn

- Establishment of R&D and production systems for vaccines and therapeutic drugs [735.5bn] , etc.

III. Launching a "New Form of Capitalism" to carve out a future society 8,253.2bn

1. Growth strategy 6,257.9bn

(1) Realization of a science and technology nation

- University fund [611.1bn] ○ Moonshot-type R&D [80.0bn]
- R&D project for enhancing post-5G information and communication system infrastructure (development of cutting-edge semiconductor and other technologies) [110.0bn]
- R&D promotion in space field, etc. [93.3bn] ○ Securing domestic production base for storage batteries [1,00.0bn] etc.

(2) "Vision for a Digital Garden City Nation" to revitalize local areas and connect them to the world

- Development of digital infrastructure in local areas [57.1bn]
- Second launch of the My Number Point system (tentative name) [1,813.4bn]
- Local Revitalization Grant related to the Vision for a Digital Garden City Nation (tentative name) [66.0bn]
- Subsidy for restructuring SME businesses [612.3bn] ○ SME productivity revolution promotion project [2,00.1bn]
- Strengthening the export and growth potential in agriculture, forestry and fisheries industries [320.0bn] etc.

(3) Economic security

- Securing domestic production bases for advanced semiconductors [617.0bn]
- Program for fostering key technologies for economic security (vision realization type) [250.0bn] etc.

2. Distribution strategy ~Strengthening human resource investment that will bring relief and growth~ 1,995.2bn

- Benefits for households raising children [1,216.2bn] (1,947.3bn if the use of Covid-19 contingency fund on November 26 is included.)
- Strong promotion of the facilitation of labor mobility and human resource development [64.0bn *] (about 0.1tn if special accounts are included.)
- Raising the income of employees in medical nursing, elderly care, childcare services, child education, etc. [260.0bn]
- Improving the capacity of childcare and after-school clubs [61.8bn] etc.

IV. Securing safety and relief with respect to disaster management 2,934.9bn

- Five-year acceleration measures for disaster prevention, disaster mitigation, and national resilience (public works) [1,253.9bn *]
- Disaster recovery [487.0bn]
- Immediate response of the Self-Defense Forces to the changing international situation, etc. [735.4bn] , etc.

■ Total additional spending of the supplementary budget 31,562.7bn

* The amount includes projects in other pillars.

(Reference 1) The supplementary budget in FY2021 includes additional financial needs (213.5bn) such as special local grants and international contributions as well as the expenditure for implementing the above "Economic measures to overcome new coronavirus infections and to carve out a new era."
(Reference 2) In addition to the above, 384.1bn of additional expenditure is recorded in the Labor Insurance Special Account.

For more information, please see:

Overview of the Supplementary Budget for FY2021:
<https://www.mof.go.jp/english/policy/budget/budget/fy2021/03.pdf>

"Economic measures to overcome new coronavirus infections and to carve out a new era" on November 19, 2021:
https://japan.kantei.go.jp/document_pdf/20211122_taisaku.pdf

"Outline of Emergency Proposal Toward the Launch of a "New Form of Capitalism" that Carves Out the Future" on November 8, 2021:
https://japan.kantei.go.jp/ongoingtopics/_00001.html

Monthly Topic

Quarterly Estimates of GDP Jul.–Sep. 2021

The Cabinet Office released the second preliminary GDP estimate (Jul.–Sep. 2021) on December 8.

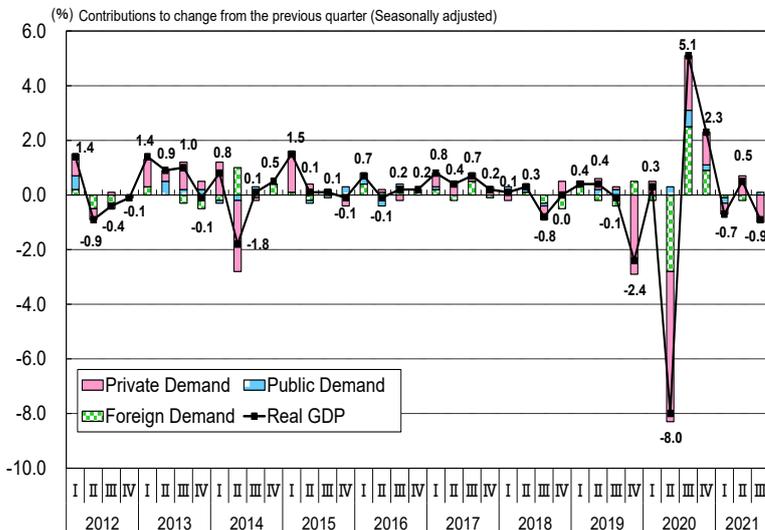
Seasonally adjusted quarterly Real GDP decreased by 0.9% (annual rate 3.6%) from the previous quarter.

The overall decrease reflected a decrease in Domestic Demand that contributed -0.9% points.

As for Domestic Demand, Private Consumption, Private Residential Investment and Private Non-Resi. Investment decreased by 1.3%, 1.6%, and 2.3%, respectively.

Meanwhile, Government Consumption increased by 1.0%, while Public Investment decreased by 2.0%. See the development of real GDP below.

Development of Real GDP (Quarterly, seasonally adjusted series)



Source: Cabinet Office

	Note1				Note2		
	2020		2021		2021		
	7~9	10~12	1~3	4~6	7~9	7~9	
Gross Domestic Product	5.1	2.3	-0.7	0.5	-0.9	***	-3.6
Domestic Demand	2.5	1.4	-0.6	0.7	-0.9	***	-3.7
	(2.6)	(1.4)	(-0.6)	(0.7)	***	(-0.9)	***
Private Demand	2.6	1.6	-0.5	1.0	-1.4	(-1.0)	-5.5
Private Consumption	5.0	2.3	-1.1	0.6	-1.3	(-0.7)	-5.1
Consumption of Households	5.0	2.2	-1.1	0.6	-1.4	(-0.7)	-5.3
Excluding Imputed Rent	6.1	2.7	-1.3	0.8	-1.6	(-0.7)	-6.4
Private Residential Investment	-4.8	0.0	0.9	1.0	-1.6	(-0.1)	-6.2
Private Non-Resi. Investment	-0.4	1.2	0.4	2.0	-2.3	(-0.4)	-8.8
Change in Private Inventories	(-0.5)	(-0.2)	(0.1)	(0.0)	***	(0.1)	***
Public Demand	2.0	0.7	-0.8	0.0	0.4	(0.1)	1.4
Government Consumption	2.1	0.8	-0.6	0.7	1.0	(0.2)	4.1
Public Investment	1.6	0.6	-1.5	-2.6	-2.0	(-0.1)	-7.8
Change in Public Inventories	(0.0)	(-0.0)	(0.0)	(-0.0)	***	(-0.0)	***
Net Exports of Goods & Services	(2.5)	(0.9)	(-0.1)	(-0.2)	***	(0.0)	***

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

1. Daiwa Capital Market Conference 2021

On November 5, Mr. Kamiya, Director of Debt Management Policy Division of the Financial Bureau, presented "Japan's Economy and Public Debt Management" at the Daiwa Capital Markets Conference 2021.



This conference was held with two separate audiences, where a part of them joined in person and the other joined remotely. There were approximately 90 in-person attendees in the conference hall, 300 virtual attendees from overseas and 100 virtual Japanese attendees. We were grateful to meet with many investors face-to-face at the conference. We believe that the presentation went well. The in-person audience listened carefully to Mr. Kamiya's presentation, and they had a good discussion in the Q&A session. We reconfirmed that the in-person interactions were important to promote mutual understandings.

In the Q&A session, Mr. Kamiya answered some questions regarding the revisions to the JGB Issuance Plan for FY2021 in response to the economic measures Prime Minister Kishida planned.

2. 12th Virtual IR Meetings with North and South American Investors

From mid-November to early December, we had virtual meetings with North and South American investors. Our meetings were scheduled during the Thanksgiving holiday season. Furthermore, due to the time difference, they had to have the meetings in the evening in their time. However, they kindly accepted our offer and shared their time with us. Thank you again. We really appreciate it.

Their deep understanding of the Japanese market and economy led to good discussions. Some investors said that investments in the super long-term JGB were attractive. We also had some questions regarding Prime Minister Kishida's economic policy measures (See the Monthly Topics section in this letter).

We hope that the COVID-19 pandemic across the world will come to an end as soon as possible. We really appreciate your help in 2021. We are also looking forward to meeting foreign investors in-person again. We wish you a very Happy Holiday season.

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

Auction Results (Bonds)

(Until 30 November 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)
9/2/2021	10-year	363	6/20/2031	0.1%	7,092.6	2,112.7	0.025%	0.023%	1,280	484.6	-
9/7/2021	30-year	71	6/20/2051	0.7%	2,193.5	731.1	0.655%	0.653%	-	167.7	71.3
9/9/2021	5-year	148	6/20/2026	0.005%	8,972.0	2,030.4	▲0.101%	▲0.103%	-	468.7	184.5
9/16/2021	20-year	177	6/20/2041	0.4%	3,146.8	982.6	0.416%	0.412%	-	216.4	-
9/28/2021	40-year	14	3/20/2061	0.7%	1,514.4	599.7	0.770%	-	-	-	46.8
9/30/2021	2-year	429	10/1/2023	0.005%	10,569.4	2,490.3	▲0.114%	▲0.115%	-	509.1	100.2
10/5/2021	10-year	364	9/20/2031	0.1%	5,144.6	2,097.8	0.052%	0.049%	2,275	499.1	-
10/12/2021	30-year	72	9/20/2051	0.7%	2,124.1	731.4	0.706%	0.702%	-	167.9	71.3
10/14/2021	5-year	149	9/20/2026	0.005%	7,793.9	2,018.8	▲0.077%	▲0.079%	-	480.3	15.0
10/19/2021	20-year	178	9/20/2041	0.5%	2,624.4	974.6	0.475%	0.471%	-	224.4	84.0
10/27/2021	2-year	430	11/1/2023	0.005%	10,164.9	2,517.4	▲0.092%	▲0.097%	-	482.4	14.6
11/1/2021	10-year	364	9/20/2031	0.1%	6,651.3	2,120.5	0.112%	0.107%	0,485	478.5	234.2
11/4/2021	10-year Inflation-Indexed Bonds	26	3/10/2031	0.005%	661.9	199.7	▲0.357%	-	-	-	-
11/9/2021	30-year	72	9/20/2051	0.7%	2,505.3	726.4	0.685%	0.683%	-	172.2	80.7
11/16/2021	5-year	149	9/20/2026	0.005%	9,179.1	2,023.1	▲0.075%	▲0.077%	-	475.1	248.0
11/18/2021	20-year	178	9/20/2041	0.5%	3,629.8	960.0	0.466%	0.464%	-	239.0	12.0
11/25/2021	40-year	14	3/20/2061	0.7%	1,419.0	599.4	0.725%	-	-	-	34.2
11/30/2021	2-year	431	12/1/2023	0.005%	9,942.5	2,453.9	▲0.119%	▲0.121%	-	545.1	14.3

Auction Results (Treasury Discount Bills)

(Until 30 November 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)
9/3/2021	3-month	1020	12/6/2021	18,263.39	4,061.84	▲0.1142%	▲0.1194%	938.10
9/9/2021	6-month	1021	3/10/2022	10,001.50	2,763.05	▲0.1168%	▲0.1189%	636.90
9/10/2021	3-month	1022	12/13/2021	16,844.90	4,061.84	▲0.1122%	▲0.1174%	938.10
9/16/2021	1-year	1023	9/20/2022	9,498.60	2,884.07	▲0.1101%	▲0.1161%	615.90
9/17/2021	3-month	1024	12/20/2021	18,916.20	4,061.85	▲0.1094%	▲0.1135%	938.10
9/21/2021	6-month	1025	3/25/2022	13,693.50	2,763.55	▲0.1100%	▲0.1141%	636.40
9/24/2021	3-month	1026	1/6/2022	15,497.42	4,072.96	▲0.1300%	▲0.1383%	927.00
10/1/2021	3-month	1027	1/11/2022	15,503.50	4,061.35	▲0.1271%	▲0.1330%	938.60
10/7/2021	6-month	1028	4/11/2022	12,092.60	2,805.83	▲0.1102%	▲0.1142%	644.10
10/8/2021	3-month	1029	1/17/2022	11,914.70	4,061.38	▲0.1098%	▲0.1198%	938.60
10/15/2021	3-month	1030	1/24/2022	20,713.40	4,061.30	▲0.1117%	▲0.1172%	938.60
10/19/2021	1-year	1031	10/20/2022	12,856.40	2,891.55	▲0.1088%	▲0.1098%	608.40
10/21/2021	6-month	1032	4/25/2022	15,294.00	2,823.33	▲0.1062%	▲0.1062%	626.60
10/22/2021	3-month	1033	1/31/2022	18,413.80	4,061.34	▲0.1061%	▲0.1098%	938.60
10/29/2021	3-month	1034	2/7/2022	20,207.90	4,062.33	▲0.1117%	▲0.1143%	937.60
11/5/2021	3-month	1035	2/14/2022	16,098.90	3,498.03	▲0.1172%	▲0.1213%	801.90
11/9/2021	6-month	1036	5/10/2022	10,612.10	2,818.85	▲0.1128%	▲0.1168%	631.10
11/12/2021	3-month	1037	2/21/2022	17,403.60	3,498.07	▲0.1210%	▲0.1239%	801.90
11/18/2021	1-year	1038	11/21/2022	10,747.90	2,847.86	▲0.1241%	▲0.1261%	652.10
11/19/2021	3-month	1039	2/28/2022	17,194.80	3,498.09	▲0.1377%	▲0.1388%	801.90
11/24/2021	6-month	1040	5/25/2022	13,904.30	2,806.88	▲0.1330%	▲0.1370%	643.10
11/26/2021	3-month	1041	3/7/2022	14,451.40	3,498.06	▲0.1470%	▲0.1518%	801.90

Auction Calendar for Dec. 2021 – Feb. 2022

Auction Date	Issue	Auction Date	Issue	Auction Date	Issue	Auction Date	Issue
12/2(Thu)	10-year	12/27(Mon)	2-year	1/21(Fri)	Liquidity Enhancement Auction (remaining maturities of 5-15.5 years)	2/15(Tue)	5-year
12/3(Fri)	T-Bills (3-month)	1/5(wed)	T-Bills (3-month)	1/24(Mon)	T-Bills (6-month)	2/17(Thu)	T-Bills (1-year)
12/7(Tue)	30-year	1/5(wed)	10-year	1/25(Tue)	40-year	2/17(Thu)	20-year
12/9(Thu)	T-Bills (6-month)	1/6(Thu)	T-Bills (6-month)	1/27(Thu)	2-year	2/18(Fri)	T-Bills (3-month)
12/9(Thu)	5-year	1/7(Fri)	T-Bills (3-month)	1/28(Fri)	T-Bills (3-month)	2/22(Tue)	Liquidity Enhancement Auction (remaining maturities of 5-15.5 years)
12/10(Fri)	T-Bills (3-month)	1/7(Fri)	30-year	2/1(Tue)	10-year	2/24(Thu)	T-Bills (6-month)
12/14(Tue)	T-Bills (6-month)	1/12(Wed)	5-year	2/3(Thu)	30-year	2/25(Fri)	T-Bills (3-month)
12/14(Tue)	Liquidity Enhancement Auction (remaining maturities of 5-15.5 years)	1/14(Fri)	T-Bills (3-month)	2/4(Fri)	T-Bills (3-month)	2/25(Fri)	2-year
12/15(Wed)	T-Bills (1-year)	1/14(Fri)	20-year	2/8(Tue)	10-year Inflation-Indexed Bonds		
12/16(Thu)	T-Bills (3-month)	1/19(Wed)	T-Bills (1-year)	2/9(Wed)	T-Bills (6-month)		
12/16(Thu)	20-year	1/19(Wed)	Liquidity Enhancement Auction (remaining maturities of 1-5 years)	2/10(Thu)	T-Bills (3-month)		
12/23(Thu)	Liquidity Enhancement Auction (remaining maturities of 15.5-39 years)	1/21(Fri)	T-Bills (3-month)	2/10(Thu)	Liquidity Enhancement Auction (remaining maturities of 15.5-39 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) (Apr. 2021~Sep. 2021)

1	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
2	Daiwa Securities Co. Ltd.
3	Mizuho Securities Co., Ltd.
4	Nomura Securities Co., Ltd.
5	JPMorgan Securities Japan Co., Ltd.

6	SMBC Nikko Securities Inc.
7	Deutsche Securities Inc.
8	Citigroup Global Markets Japan Inc.
9	BNP Paribas Securities (Japan) Limited
10	Morgan Stanley MUFG Securities Co., Ltd.

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

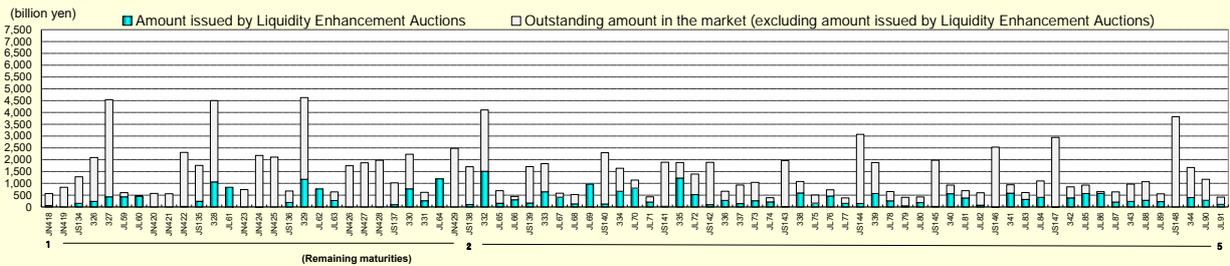
Results of Liquidity Enhancement Auctions

(Until 30 November 2021)

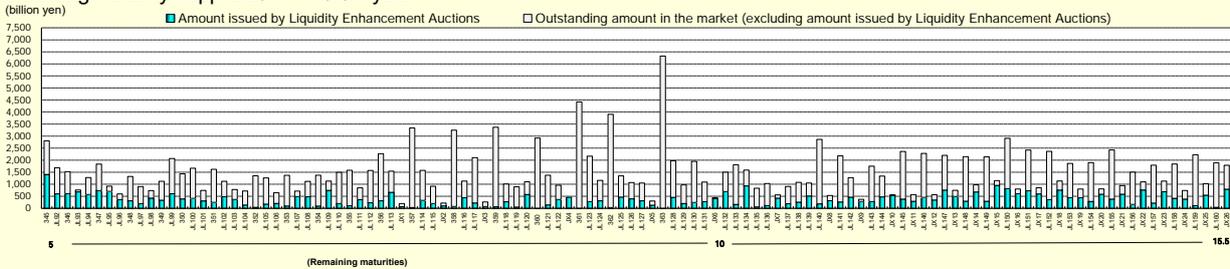
Auction Date	Amounts of Competitive Bids (billion yen)	Amounts of Bids Accepted (billion yen)	Average Accepted Spread	Highest Accepted Spread	Issues Re-opened
9/14/2021	2,109.2	497.2	▲0.002%	▲0.001%	10-year(348,349,358) 20-year(91,92,93,94,95,97,98,99,100,101,102,103,104,105,107,108,112,143,144,148,149,150,151,152,154,156,158) 30-year(16,22)
9/21/2021	1,620.8	398.8	▲0.007%	▲0.005%	5-year(135,139,141,142,143,144,145,147) 10-year(326,329,330,332,333,334,335,336,337,338,339,340,341,342) 20-year(64,66,67,68,70,71,72,73,75,77,78,79,80,82,83,86,88)
10/7/2021	1,966.2	498.0	▲0.007%	▲0.007%	10-year(345,348,353,358,359,362) 20-year(92,99,100,101,105,107,109,113,118,119,120,123,124,125,126,136,137,138,139,140,142,143,144,145,146,147,151,158,160)
10/25/2021	1,118.3	498.1	+0.007%	+0.009%	20-year(161,164,169,177) 30-year(31,32,34,35,41,42,43,44,45,46,47,48,49,50,52,53,54,55,68) 40-year(5,6,7,8,9,10,11,13)
11/11/2021	1,584.1	498.8	+0.011%	+0.013%	10-year(345,346,347,348) 20-year(92,97,98,105,106,132,136,149,150,156,157,158,159) 30-year(5,24)
11/22/2021	2,215.4	400.0	▲0.007%	▲0.007%	10-year(344)

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

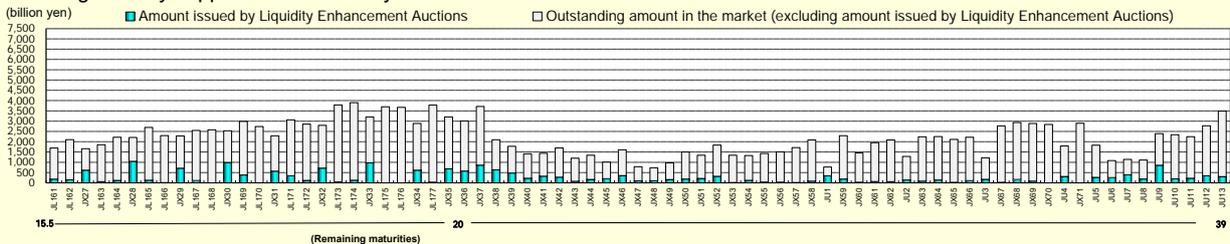
① Remaining maturity : approx. 1 - ~5 - year



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 October 2021.
Note2 : All issues in the graph above will be eligible afterward.

10-year Inflation-Indexed

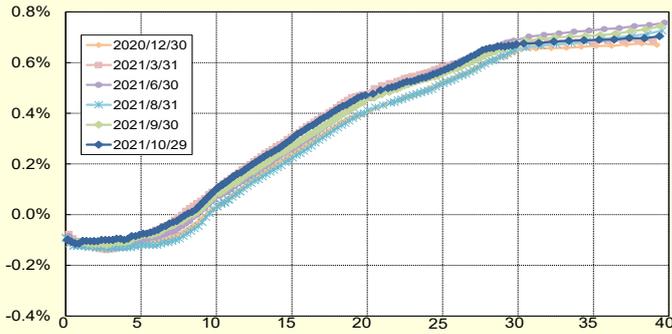
Buy-Back Results

(Until 30 November 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
8/25/2021	99.2	50.1	▲0.050	▲0.05	18, 19, 20
9/10/2021	209.7	50.0	▲0.042	0.04	17, 18, 19, 20, 22, 25
10/13/2021	206.6	50.2	▲0.095	0.00	19, 20, 22, 23, 24, 25
11/15/2021	216.9	50.2	▲0.081	▲0.05	17, 21, 22, 23, 24

JGB Secondary Market

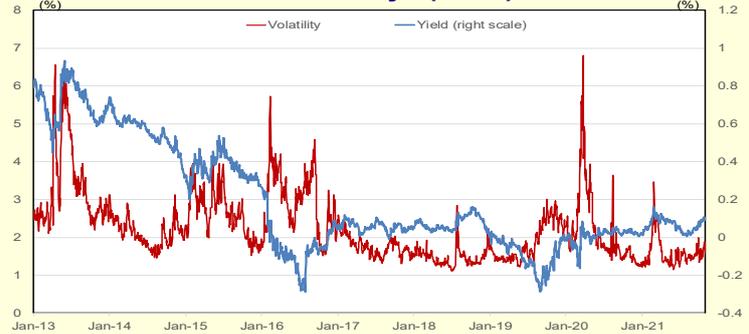
JGB Yield Curves



Source: Japan Bond Trading Co.,Ltd.

Yield and Volatility (10Yr)

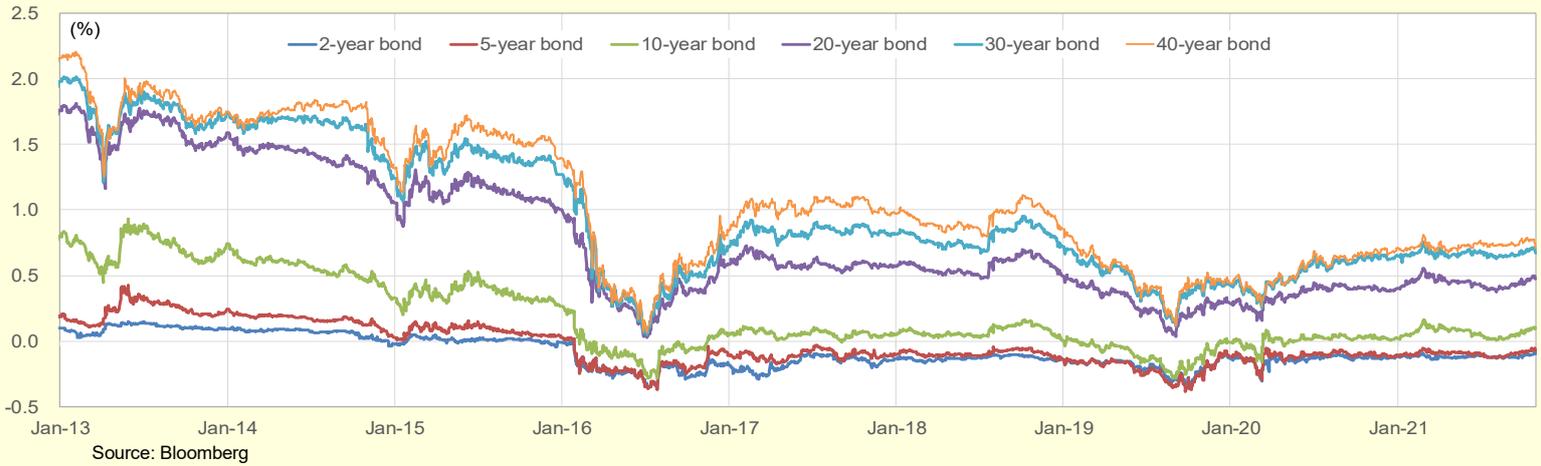
(Until 31 October 2021)



Source: Bloomberg

Yields of JGB

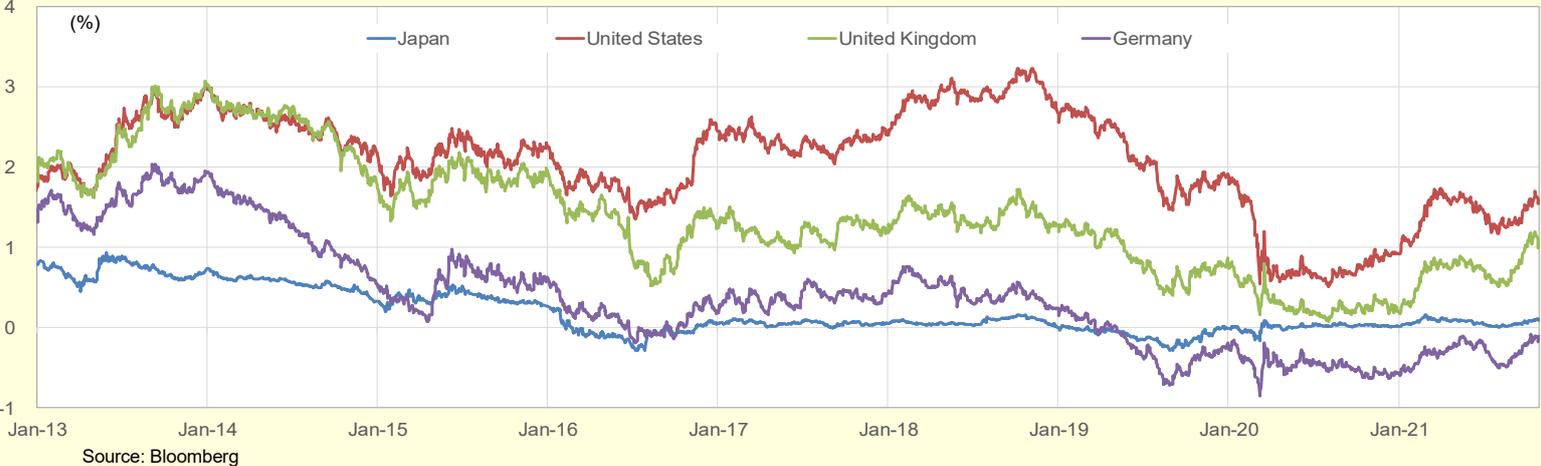
(Until 31 October 2021)



Source: Bloomberg

Long - Term Interest Rates (10Yr)

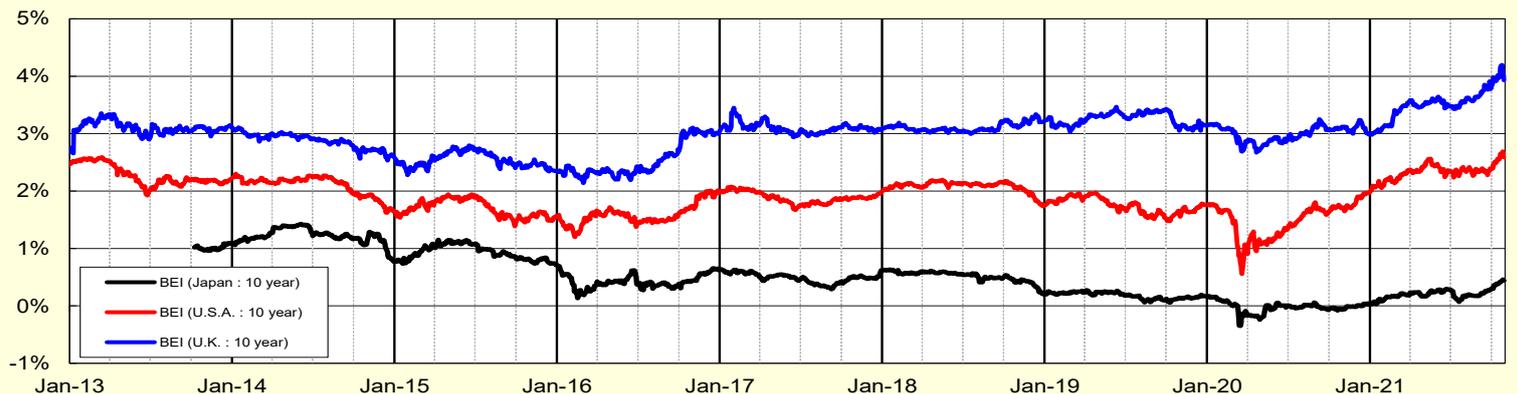
(Until 31 October 2021)



Source: Bloomberg

Break-Even Inflation Rates

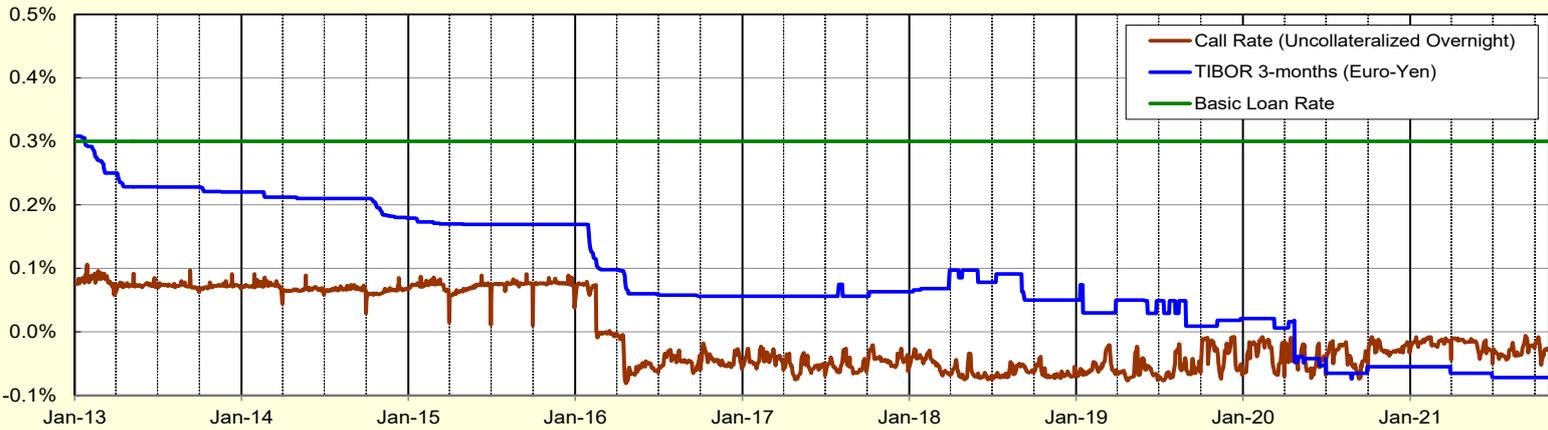
(Until 31 October 2021)



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.

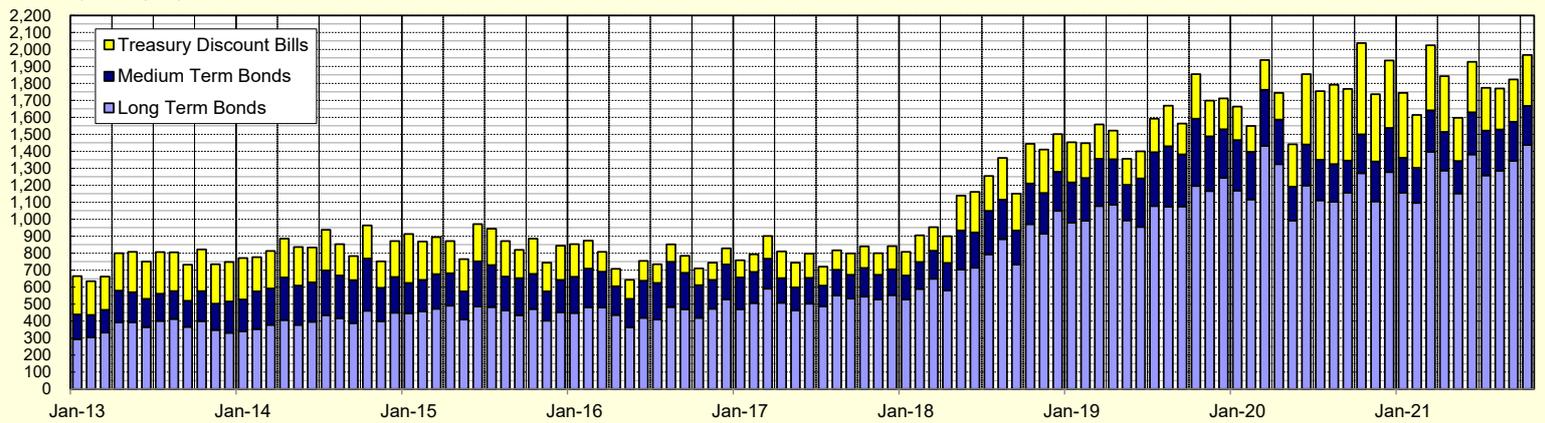
Short-Term Interest Rates

(Until 31 October 2021)



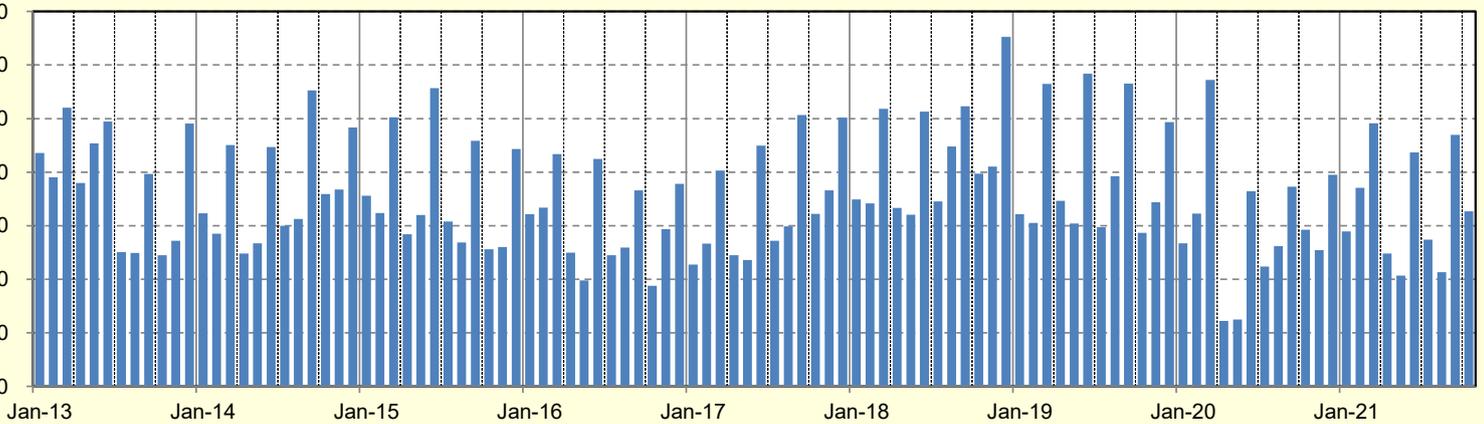
JGB Over-the-Counter Trading Volume (TOKYO)

(trillion yen)



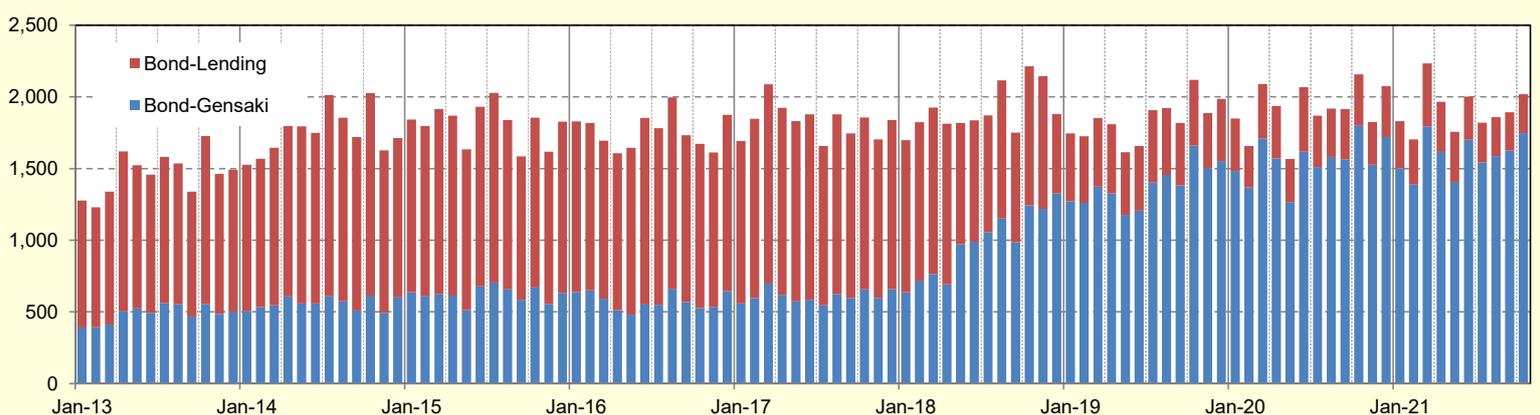
Trading Volume of 10-Year JGB Futures

(trillion yen)



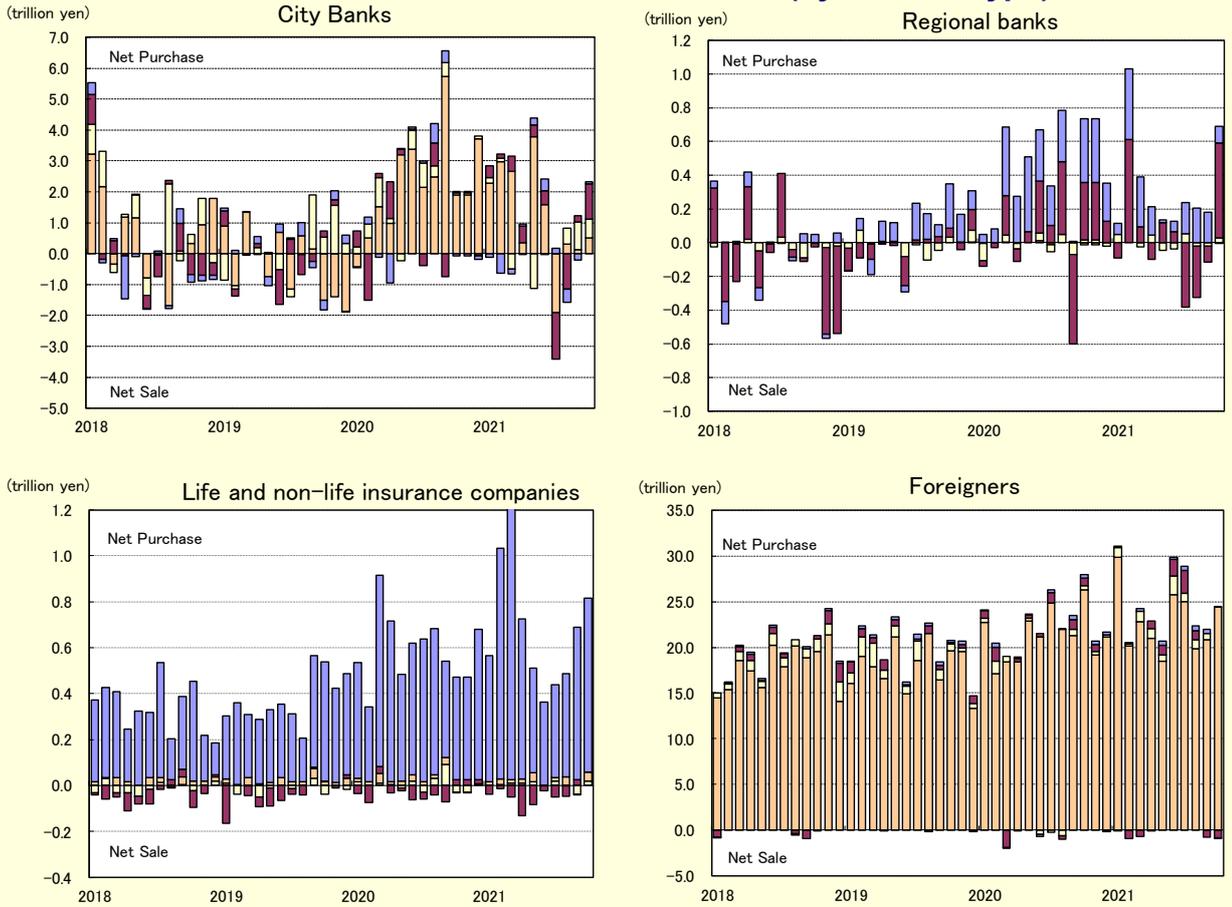
Repurchase Transactions

(trillion yen)



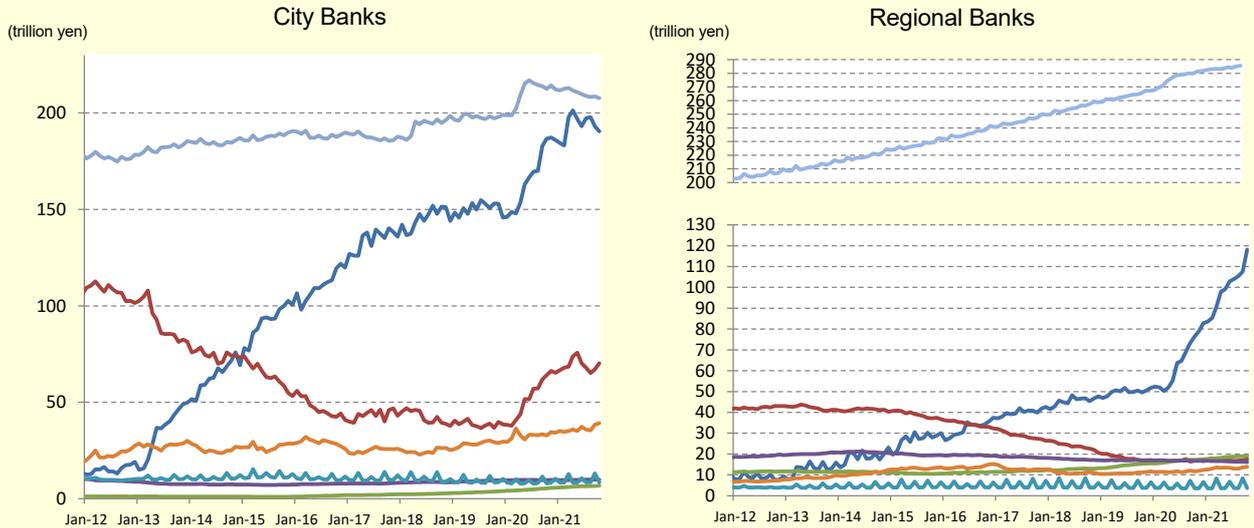
Investor Trends and JGB Outstanding

Trends in JGBs Transactions (by investor type)



Source: Japan Securities Dealers Association

Trends in Bank Assets by Types

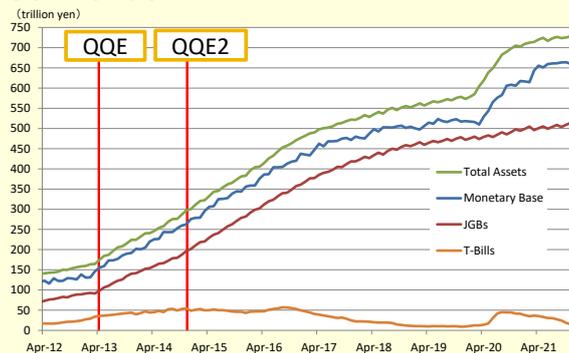


Source: Bank of Japan

	Apr 2013 (Actual)	Nov 2021 (Actual)
Monetary Base	155	660
JGBs	98	514
T-Bills	36	16
CP	1.4	3.2
Corporate Bonds	2.9	8.2
ETFs	1.7	36.3
J-REITs	0.13	0.65
Total Assets	175	728

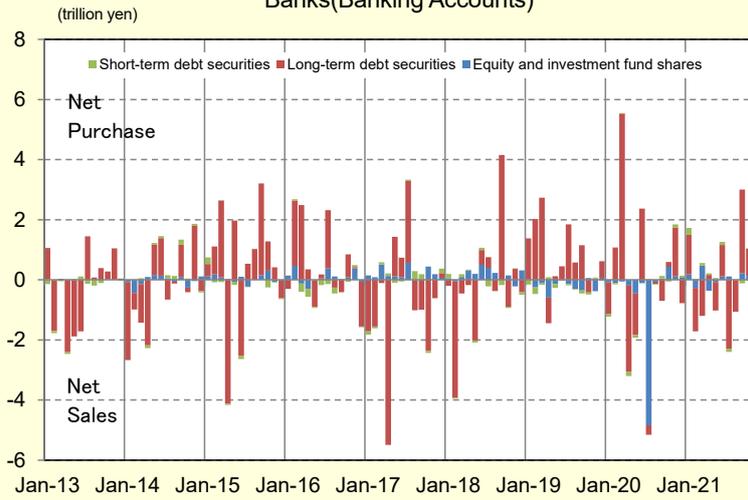
Source: Bank of Japan

BOJ Trends



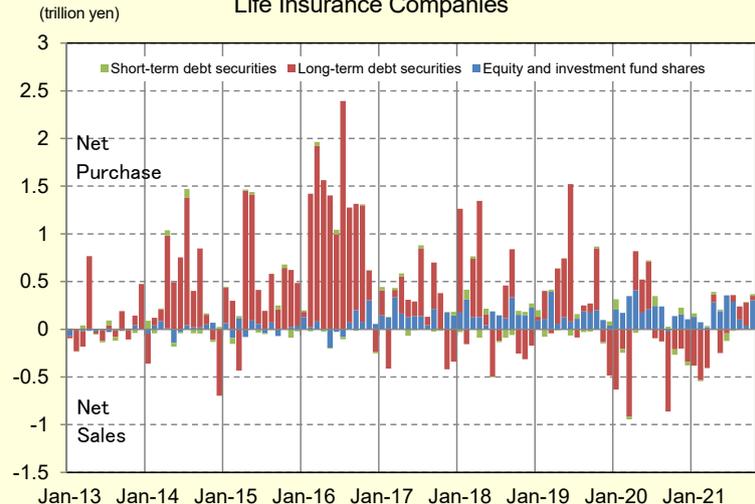
Transactions of Foreign Securities by Residents (by Investor types)

Banks(Banking Accounts)



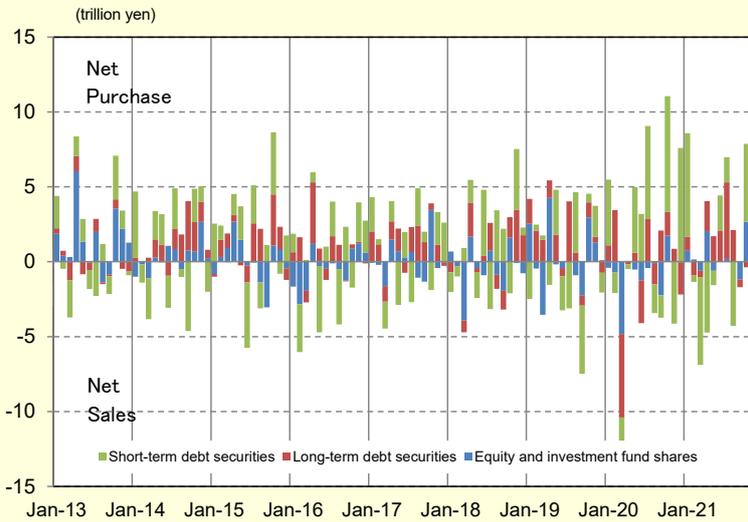
Source: Ministry of Finance

Life Insurance Companies



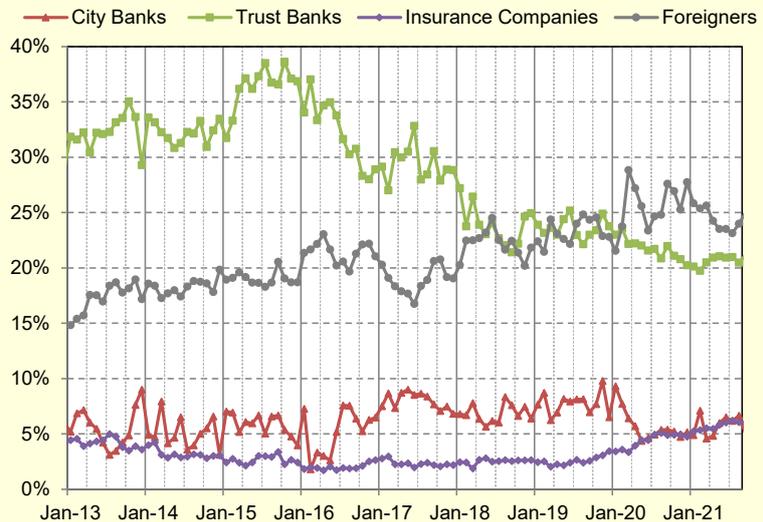
Source: Ministry of Finance

Transactions of Domestic Securities by Non-Residents



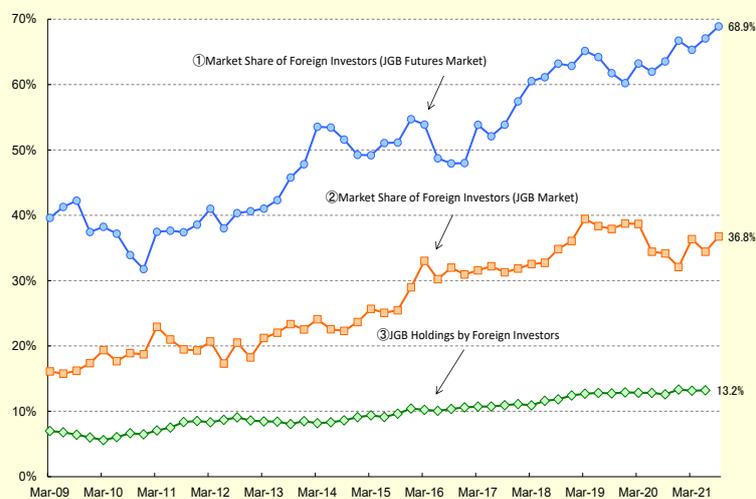
Source: Ministry of Finance

Outstanding of Repurchase Agreements (by Investor types)



Source: Japan Securities Dealers Association

Foreign Investors Presence

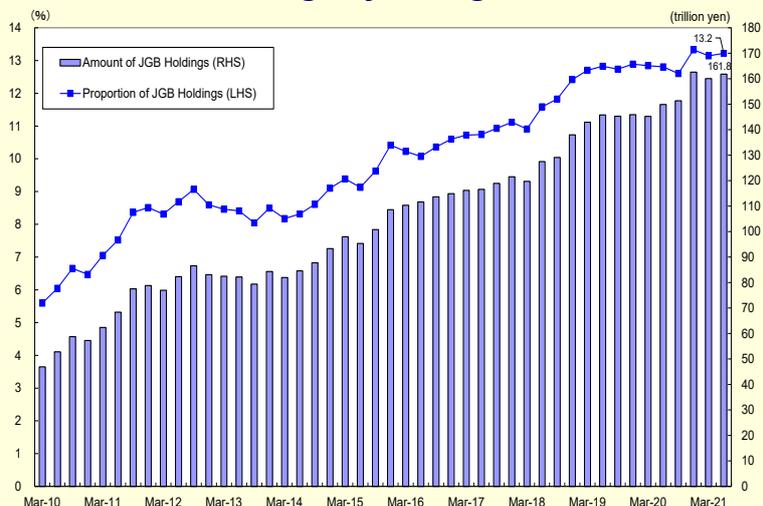


Note.1: Quarterly basis.

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

Sources: Bank of Japan, Japan Securities Dealers Association, Japan Exchange Group, Inc.

JGBs Holdings by Foreign Investors



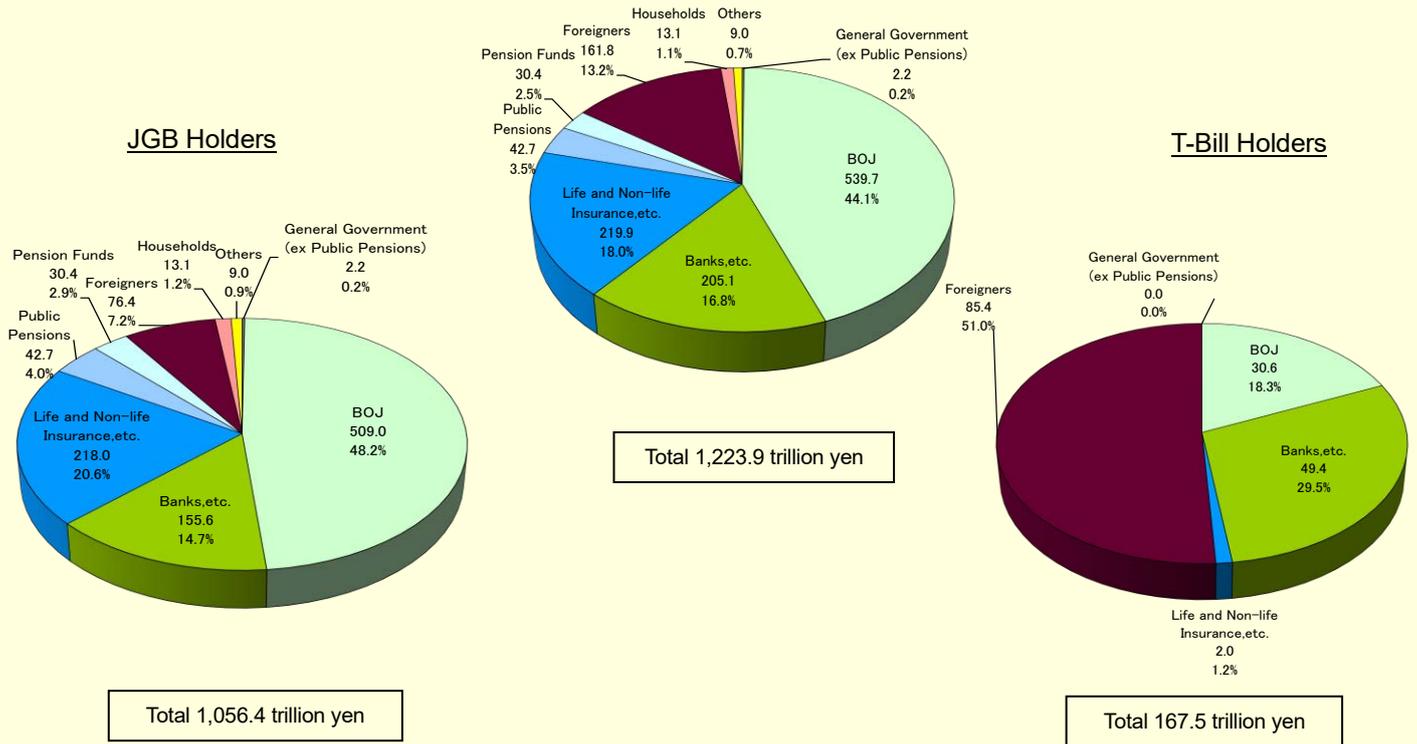
Note.1: Quarterly basis.

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

Source: Bank of Japan

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

JGB and T-Bill Holders (trillion yen)



Note1: "JGB" includes "FILP Bonds."

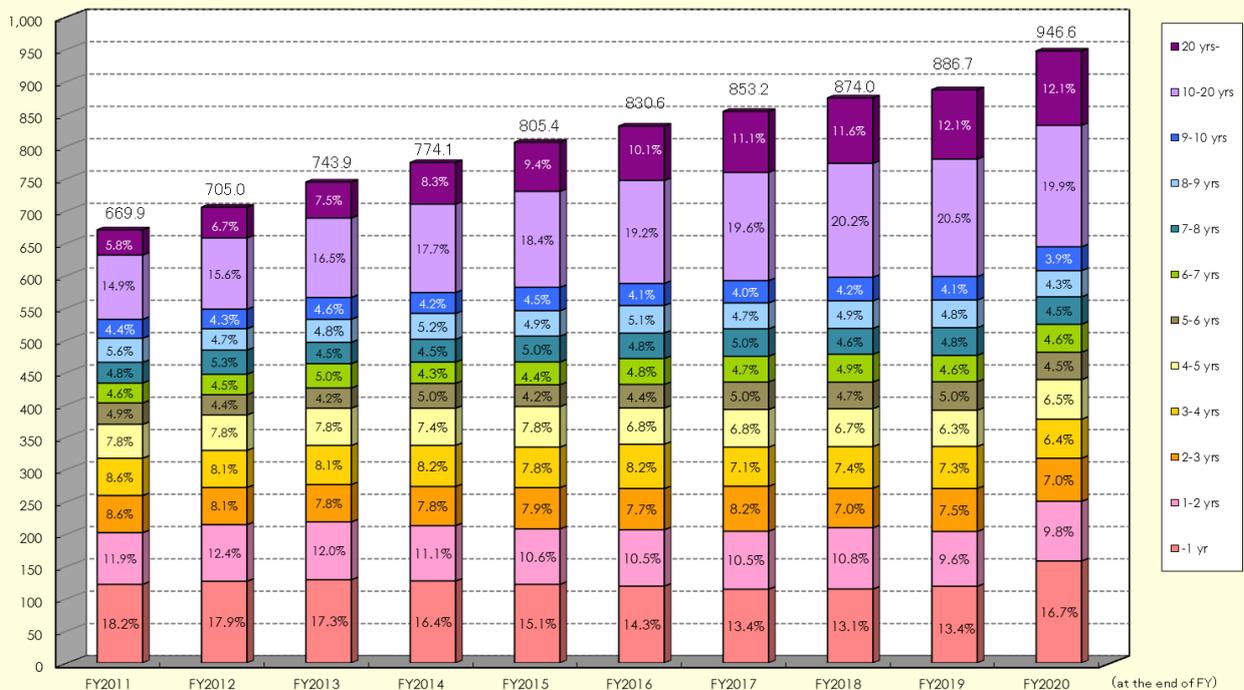
Note2: "Banks, etc." includes "Japan Post Bank," "Securities investment trust" and "Securities companies."

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

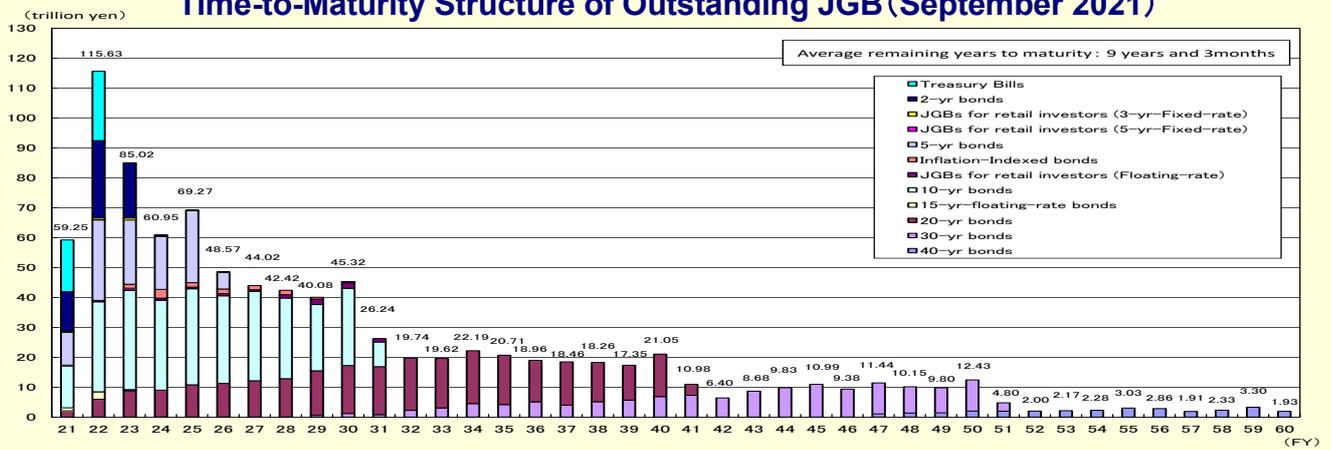
(Unit: trillion yen)



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 (September 2021)



Source: Ministry of Finance

Scheduled redemption of JGB at maturity in December, 2021

(billion yen)

Types	The amount of redemption at maturity	Scheduled redemption date
2-Year Bonds	2,065.9	December 1
20-Year Bonds	1,786.2	December 20
10-Year Bonds	8,538.5	December 20
5-Year Bonds	7,757.3	December 20
Treasury Bills (1-Year)	3,500.0	December 20
Total	23,647.9	

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

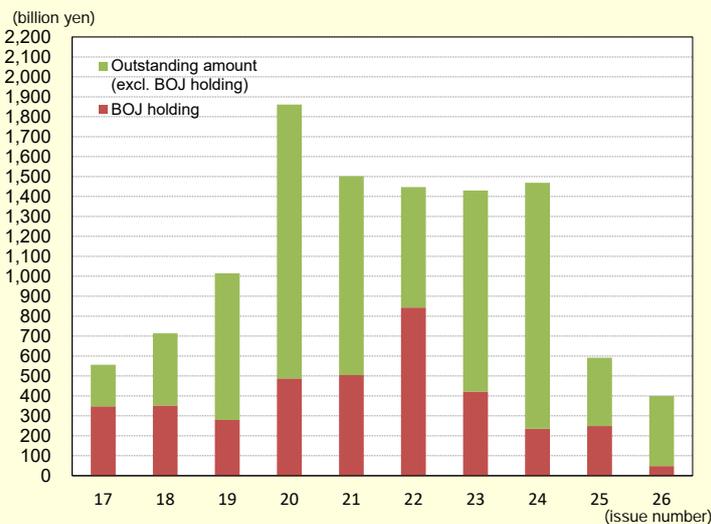
Note.2: The figures are the scheduled redemption at maturity and may be different from the actual redemption due to Buy-back of JGBs.

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.

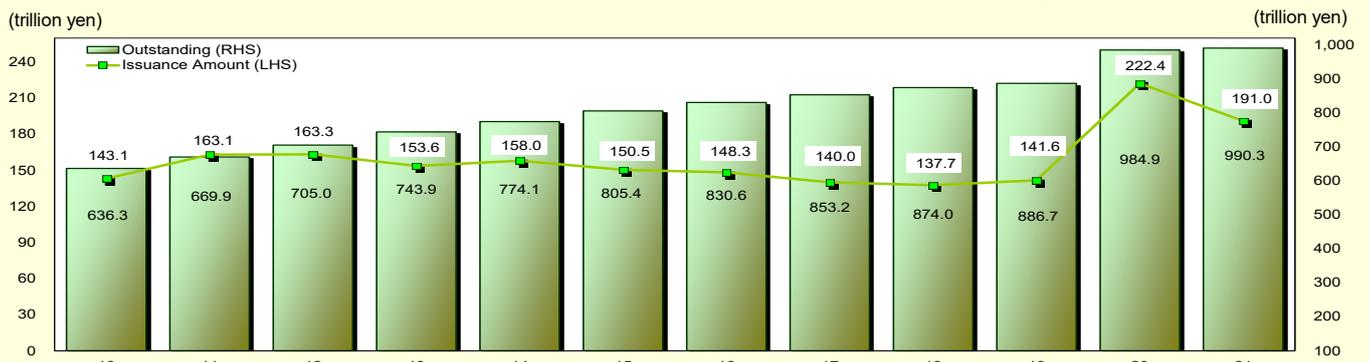
Note.5: Figures may not sum up to total because of rounding.

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



Sources: Ministry of Finance, Bank of Japan

General Bonds Issuance Amount and Outstanding



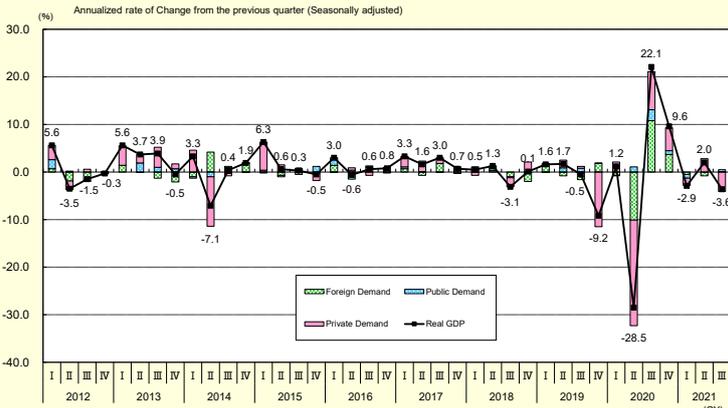
Note 1: Issuance Amount: revenue basis, FY2010-2019: Actual, FY2020: Supplementary budget, FY2021: Initial budget

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

Source: Ministry of Finance

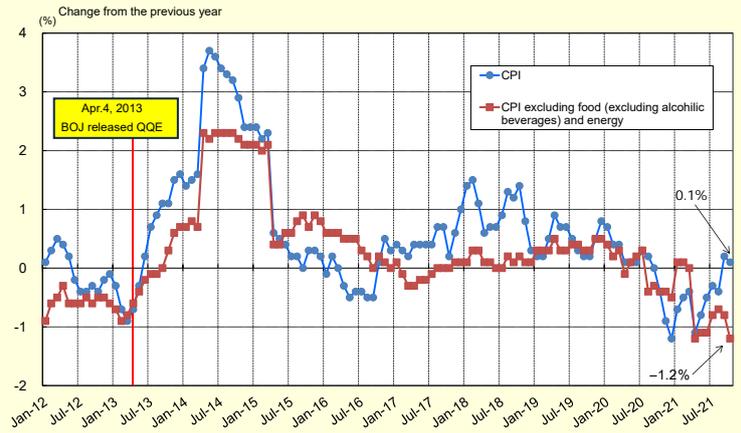
Economic and Financial Trends

Real GDP Growth Rate



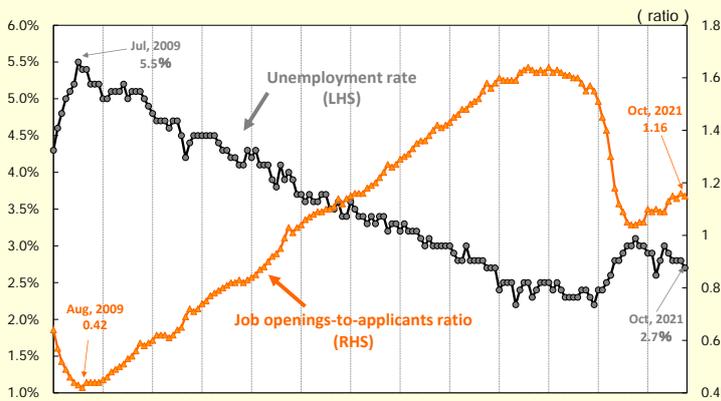
Source: Cabinet Office

Prices



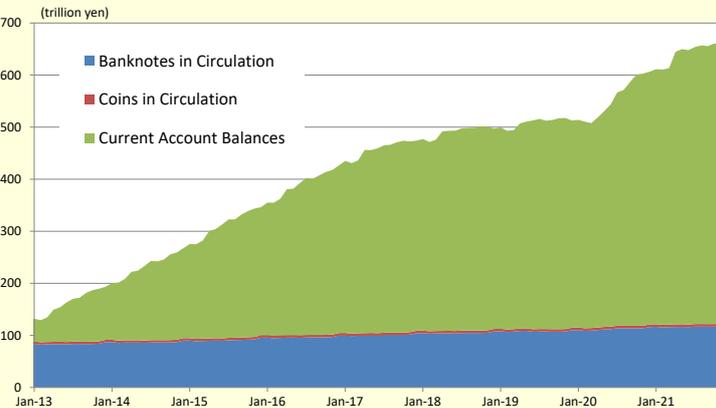
Source: Ministry of Internal Affairs and Communications

Employment Conditions



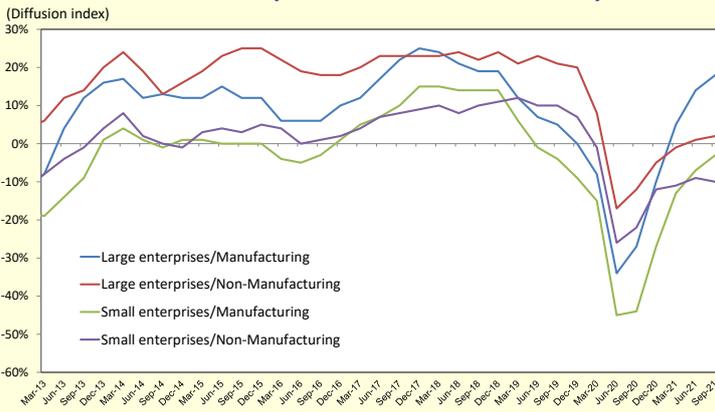
Sources: Ministry of Health, Labour and Welfare
Ministry of Internal Affairs and Communications

Monetary Base



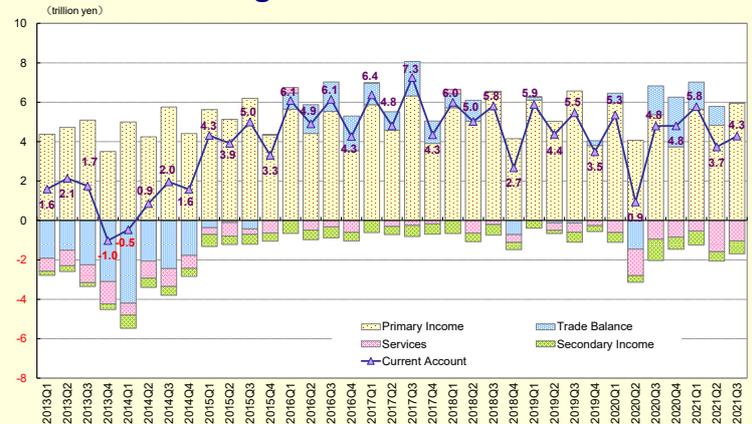
Source: Bank of Japan

TANKAN (Business Conditions)



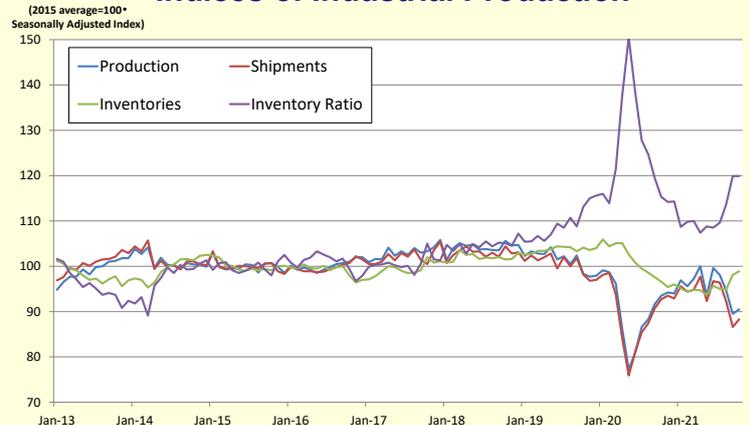
Source: Bank of Japan

Changes in Current Account



Source: Ministry of Finance

Indices of Industrial Production



Source: Ministry of Economy, Trade and Industry

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/jgbs/debt_management/message.htm
About JGBs	As needed	https://www.mof.go.jp/english/jgbs/debt_management/guide.htm
About the Debt Management Policy	As needed	https://www.mof.go.jp/english/jgbs/debt_management/about.htm
JGB Issuance Plan	As needed	https://www.mof.go.jp/english/jgbs/debt_management/plan/index.htm
Auction Calendar		
Auction Calendar	Monthly	https://www.mof.go.jp/english/jgbs/auction/calendar/index.htm
Historical Data of Auction Results	Monthly	https://www.mof.go.jp/english/jgbs/auction/past_auction_results/index.html
Topics		
Product Characteristics of the JGB	As needed	https://www.mof.go.jp/english/jgbs/topics/bond/index.html
Treasury Discount Bills (T-Bills)	As needed	https://www.mof.go.jp/english/jgbs/topics/t_bill/index.htm
Japanese Government Guaranteed Bonds	Annual	https://www.mof.go.jp/english/jgbs/topics/gov_guaranteed_bonds/index.htm
Interest Rate Swap	Semiannual	https://www.mof.go.jp/english/jgbs/topics/swap/index.htm
Taxation of Government Bonds	As needed	https://www.mof.go.jp/english/jgbs/topics/taxation2016/index.html
For Individual Investors	As needed	https://www.mof.go.jp/english/jgbs/topics/individual/index.htm
Data		
Central Government Debt	Quarterly	https://www.mof.go.jp/english/jgbs/reference/qbb/index.htm
Interest Rate	Daily	https://www.mof.go.jp/english/jgbs/reference/interest_rate/index.htm
STRIPS	Monthly	https://www.mof.go.jp/english/jgbs/reference/jgbstat/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/jgbsp/index.html
Meeting of JGB Investors	Each Meeting	https://www.mof.go.jp/english/about_mof/councils/jgb_investor/index.html
Publications		
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