

July
2022
Newsletter

JAPANESE GOVERNMENT BONDS

Ministry of Finance, Japan



What's New

The first meeting of the Study Group on Government Debt Management. (June 13, 2022)

Monthly Topic

JGB and T-Bill Holdings (as of the end of March 2022)

IR Office

Daiwa Securities online seminar, etc.

SUMMARY

What's New :

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The first meeting of the Study Group on Government Debt Management was held on June 13, 2022. The agenda was “Current status and issues regarding JGB issuance.”

Monthly Topic :

JGB and T-Bill Holdings (as of the end of March 2022) p.4

On June 27, the Bank of Japan (BOJ) released the Flow of Funds Accounts of the 1st Quarter 2022, which shows the breakdown of JGB and T-bill (hereinafter referred to as “JGBs”) holders.

IR Office :

Daiwa Securities online seminar, etc. p.5

On June 21, Mr. Mitsunari Okamoto, State Minister of Finance, delivered a presentation titled “Japan’s Economy and Public Debt Management” at Daiwa Securities online seminar. There were approximately 100 attendees from Japan and 40 attendees from overseas. We deeply appreciate our guests attending this seminar.

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What's New :

The first meeting of the Study Group on Government Debt Management (June 13, 2022)

The first meeting of the Study Group on Government Debt Management was held on June 13, 2022. The agenda was “Current status and issues regarding JGB issuance.”

The Financial Bureau explained about the agenda above. After that, the members exchanged opinions freely.

The Financial Bureau's presentation has been summarized below:

At the 54th meeting of the Advisory Council on Government Debt Management held in June 2021, the following points were discussed as points to be kept in mind in the upcoming discussion on the Debt Management Policy: (1) “Correction of the Shortened Average Maturity of JGBs”, (2) “Impact of the BOJ's Monetary Policy on the JGB Market”, (3) “Maintenance and Improvement of JGB Market Liquidity and Functionality”, and (4) “Necessity of More Multifaceted Discussions”. Risks in the Debt Management Policy in the longer term, such as natural disasters and geopolitical risks, should also be considered in the future.

Based on the aforementioned points, the Financial Bureau indicated that it would be worthwhile to discuss the following four main points at this group.

1. Quantitative Analysis of Future Interest Payment (Cost-at-Risk Analysis)

While we use stochastic interest rate models for our current CaR analysis, we believe it would be necessary to consider what tools are needed in order to analyze the various risks including natural disaster and geopolitical risks, taking into account those models used by our foreign counterparts.

2. Analysis of Liquidity in the JGB Market

Market liquidity is essential for the stable issuance of JGBs. We believe it would be necessary to closely monitor the JGB market condition cooperating with the BOJ, who oversees monetary policy, and market participants.

3. Infrastructure Development of the JGB Market (including BCP)

After the outbreak of the COVID-19 pandemic, restrictions on working at the office and risk-averse cashing of holdings increased uncertainty in the JGB market. Based on this experience, it would be necessary to strengthen the system to ensure that JGBs can be steadily issued under such circumstances.

4. Analysis of the Demand Trends and the Holding Structure of JGBs

Over the last 10 years, the holding structure of JGBs has changed significantly, including a large decrease in the share of banks and a gradual increase in that of foreign investors. It would be necessary to analyze how demand trends for JGBs could change in the future, how this would affect the primary market, and what types of foreign investors hold JGBs.

The League Table of JGB Market Special Participants (PDs)

The MOF updated the league table of the top 10 PDs for successful bids in the JGB auctions, which is updated quarterly.

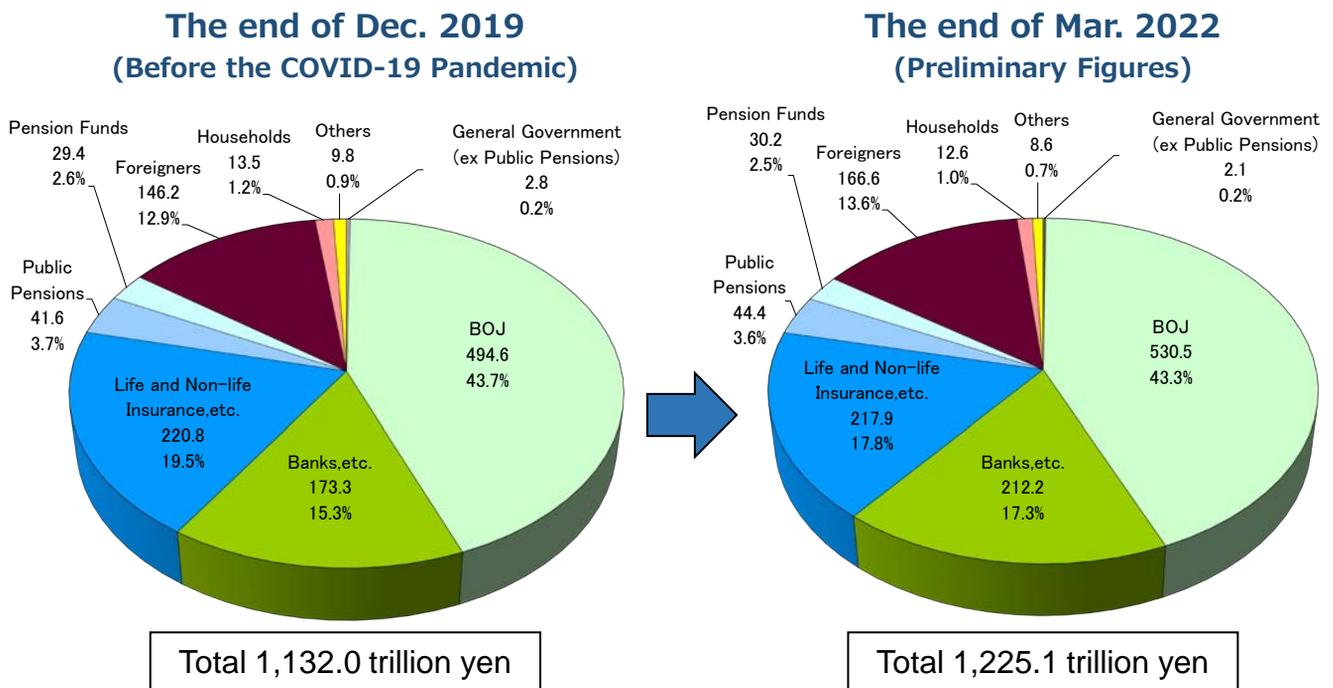
Top10 PDs for Successful Bids in Auctions (Weighted by Duration) Jan.2022 - Jun.2022

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

Monthly Topic: JGB and T-Bill Holdings (as of the end of March 2022)

On June 27, the Bank of Japan (BOJ) released the Flow of Funds Accounts of the 1st Quarter 2022, which shows the breakdown of JGB and T-bill (hereinafter referred to as “JGBs”) holders. Here are the key statistics:

- The total amount of JGBs outstanding was 1,225.1 trillion yen.
- The breakdown: the BOJ held 530.5 trillion yen (43.3%), Domestic Banks held 212.2 trillion yen (17.3%), and Foreigners held 166.6 trillion yen (13.6%). See the right pie chart below.



For more detailed data, please refer to the following link:
BOJ Time Series Data Search: https://www.stat-search.boj.or.jp/index_en.html

From December 2019 (before the COVID-19 pandemic) to March 2022, the total amount of JGBs outstanding increased by 93.0 trillion yen.

The BOJ’s holdings increased by 36.0 trillion yen (43.7%→43.3%), Domestic Banks holdings increased by 38.9 trillion yen (15.3%→17.3%) and Foreigners’ holdings increased by 20.3 trillion yen (12.9%→13.6%).

As for the demand condition, city banks, foreign investors and some others posted a net buying of medium- to long-term JGBs maturing in 2, 5 and 10 years. Life insurance companies, pension funds, regional financial institutions and some others increased their net buying of super long-term JGBs maturing in 20, 30 and 40 years.

IR Office

Daiwa Securities online seminar

Hi! We hope you're well.

On June 21, Mr. Mitsunari Okamoto, State Minister of Finance, delivered a presentation titled "Japan's Economy and Public Debt Management" at Daiwa Securities online seminar. There were approximately 100 attendees from Japan and 40 attendees from overseas. We deeply appreciate our guests attending this seminar.



Mr. Okamoto spoke about the recent economic situation and fiscal condition in Japan as well as our approach toward debt management. He pointed out that it is important to promote both economic growth and fiscal consolidation, and that the MOF will continue monitoring JGB market trends and be committed to proper public debt management policy based on a close dialogue with market participants. Finally, he emphasized that he believed Japan has a huge potential for further development.

In the Q&A session, Mr. Okamoto answered questions regarding the outlook of the Japanese economy and the fiscal consolidation target of achieving primary balance surplus. We hope that this presentation helped investors better understand Japan's economy and public debt management.

Through JGB IR activities, we continue to provide accurate and timely information on the Japanese economy and JGBs.



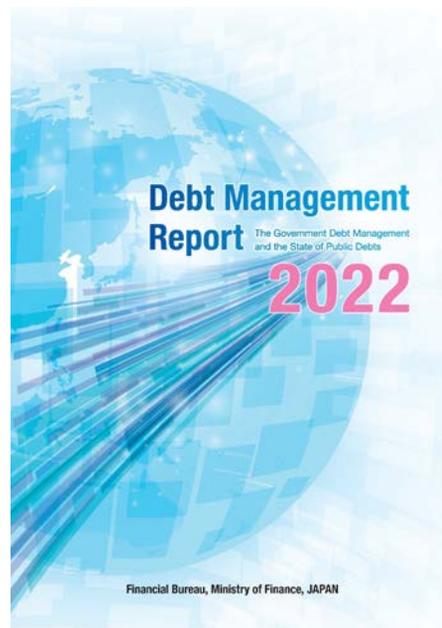
IR Office

1. Debt Management Report 2022

At the end of June, the MOF published the 2022 edition of its “Debt Management Report,” which has been published annually since 2004. It is available on the MOF website.

This report provides an overview of Japan’s debt management policy, recent developments including the FY2022 JGB Issuance Plan, and recent trends in the JGB market.

This entire published report may be downloaded as a pdf file. You may also access the Excel files on our website for the data on our Debt Management Report. Here is the link:



☛ https://www.mof.go.jp/english/policy/jgbs/publication/debt_management_report/2022/index.html

2. Debt Management Report 2022 e-book

Debt Management Report 2022 is also available in e-book format for free. You can download it on your smartphone or tablet and simply open the e-book to read the details of our debt management anytime, anywhere.

You may download the English version report from the following URLs:

- ☐ Apple Books : <http://books.apple.com/jp/book/id6443057320>
- ☐ Kinokuniya : <https://www.kinokuniya.co.jp/f/dsg-08-EK-1232102>
- ☐ kobo : <https://books.rakuten.co.jp/rk/e7212f6773493f658fb014a8388f4c88/>

We hope that this report provides domestic and foreign market participants, government officials, researchers, etc., with an opportunity to gain a deeper understanding of Japan’s debt management policy. Your comments would be highly appreciated for further improvements of this report. Please feel free to contact us.

JGB Primary Market: Auction Results

Bonds

(Until 30 June 2022)

| 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) |
|--------------|---------------------------------|--------------|---------------|----------------|---|--|------------------------------------|----------------------------|--|---|--|
| 4/5/2022 | 10-year | 366 | 3/20/2032 | 0.2% | 7,860.0 | 2,176.9 | 0.203% | 0.201% | 0.325 | 522.1 | - |
| 4/7/2022 | 30-year | 74 | 3/20/2052 | 1.0% | 2,226.7 | 730.3 | 0.993% | 0.989% | - | 169.0 | 88.3 |
| 4/12/2022 | 5-year | 151 | 3/20/2027 | 0.005% | 7,328.5 | 2,027.9 | 0.029% | 0.027% | - | 471.3 | 83.8 |
| 4/14/2022 | 20-year | 180 | 3/20/2042 | 0.8% | 3,022.6 | 974.4 | 0.742% | 0.724% | - | 225.2 | - |
| 4/27/2022 | 2-year | 436 | 5/1/2024 | 0.005% | 9,820.1 | 2,258.4 | -0.050% | -0.054% | - | 540.8 | - |
| 5/10/2022 | 10-year | 366 | 3/20/2032 | 0.2% | 12,569.1 | 2,188.7 | 0.248% | 0.245% | 0.285 | 510.3 | - |
| 5/12/2022 | 30-year | 74 | 3/20/2052 | 1.0% | 2,227.5 | 723.4 | 1.026% | 1.015% | - | 175.8 | 62.3 |
| 5/16/2022 | 10-year Inflation-Indexed Bonds | 27 | 3/10/2032 | 0.005% | 722.9 | 199.8 | -0.715% | - | - | - | - |
| 5/18/2022 | 5-year | 151 | 3/20/2027 | 0.005% | 6,873.8 | 2,020.3 | 0.019% | 0.017% | 0.500 | 478.4 | 78.0 |
| 5/20/2022 | 20-year | 180 | 3/20/2042 | 0.8% | 3,630.6 | 964.3 | 0.759% | 0.757% | - | 234.6 | 89.6 |
| 5/26/2022 | 40-year | 15 | 3/20/2062 | 1.0% | 1,689.2 | 699.2 | 1.070% | - | - | - | 43.3 |
| 5/31/2022 | 2-year | 437 | 6/1/2024 | 0.005% | 12,282.7 | 2,263.7 | -0.054% | -0.058% | - | 535.2 | 275.7 |
| 6/2/2022 | 10-year | 366 | 3/20/2032 | 0.2% | 10,667.5 | 2,195.1 | 0.241% | 0.239% | 0.405 | 503.6 | 234.6 |
| 6/7/2022 | 30-year | 74 | 3/20/2052 | 1.0% | 2,260.8 | 726.5 | 1.055% | 1.049% | - | 172.4 | 51.0 |
| 6/21/2022 | 5-year | 152 | 3/20/2027 | 0.1% | 6,396.3 | 2,020.7 | 0.089% | 0.083% | - | 478.4 | 245.0 |
| 6/23/2022 | 20-year | 180 | 3/20/2042 | 0.8% | 3,281.7 | 970.5 | 0.913% | 0.905% | - | 228.9 | 99.6 |
| 6/28/2022 | 2-year | 438 | 7/1/2024 | 0.005% | 8,985.0 | 2,355.8 | -0.044% | -0.049% | - | 443.3 | - |

Treasury Discount Bills

(Until 30 June 2022)

| 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) |
|--------------|------------------|--------------|---------------|---|--|------------------------------------|----------------------------|---|
| 4/1/2022 | 3-month | 1070 | 7/11/2022 | 16,534.70 | 4,620.41 | -0.0930% | -0.0979% | 1,079.50 |
| 4/7/2022 | 6-month | 1071 | 10/11/2022 | 13,729.10 | 2,756.27 | -0.0956% | -0.0976% | 643.70 |
| 4/8/2022 | 3-month | 1072 | 7/19/2022 | 20,067.05 | 4,782.16 | -0.1179% | -0.1223% | 1,117.80 |
| 4/15/2022 | 3-month | 1073 | 7/25/2022 | 11,653.95 | 4,782.14 | -0.1005% | -0.1128% | 1,117.80 |
| 4/19/2022 | 1-year | 1074 | 4/20/2023 | 8,742.40 | 2,837.18 | -0.0659% | -0.0789% | 662.80 |
| 4/21/2022 | 6-month | 1075 | 10/25/2022 | 11,995.70 | 2,756.26 | -0.0917% | -0.0917% | 643.70 |
| 4/22/2022 | 3-month | 1076 | 8/1/2022 | 18,617.75 | 4,782.17 | -0.1172% | -0.1191% | 1,117.80 |
| 5/6/2022 | 3-month | 1077 | 8/8/2022 | 11,930.65 | 4,771.45 | -0.1162% | -0.1343% | 1,128.50 |
| 5/9/2022 | 6-month | 1078 | 11/10/2022 | 9,270.00 | 2,588.34 | -0.0912% | -0.1070% | 611.60 |
| 5/13/2022 | 3-month | 1079 | 8/15/2022 | 15,415.60 | 4,771.40 | -0.1142% | -0.1218% | 1,128.60 |
| 5/19/2022 | 1-year | 1080 | 5/22/2023 | 13,762.50 | 2,830.79 | -0.0804% | -0.0884% | 669.20 |
| 5/20/2022 | 3-month | 1081 | 8/22/2022 | 13,446.70 | 4,771.38 | -0.1162% | -0.1210% | 1,128.60 |
| 5/24/2022 | 6-month | 1082 | 11/25/2022 | 11,873.40 | 2,588.36 | -0.1070% | -0.1110% | 611.60 |
| 5/27/2022 | 3-month | 1083 | 8/29/2022 | 12,353.70 | 4,771.35 | -0.0982% | -0.1050% | 1,128.60 |
| 6/3/2022 | 3-month | 1084 | 9/5/2022 | 12,782.60 | 4,771.33 | -0.0882% | -0.0950% | 1,128.60 |
| 6/9/2022 | 6-month | 1085 | 12/12/2022 | 11,108.80 | 2,264.85 | -0.0867% | -0.0946% | 535.10 |
| 6/10/2022 | 3-month | 1086 | 9/12/2022 | 17,395.70 | 4,528.93 | -0.0882% | -0.0942% | 1,071.00 |
| 6/14/2022 | 6-month | 1087 | 12/16/2022 | 8,883.10 | 2,264.84 | -0.0897% | -0.0996% | 535.10 |
| 6/15/2022 | 1-year | 1088 | 6/20/2023 | 9,646.00 | 2,839.89 | -0.0909% | -0.0949% | 660.10 |
| 6/16/2022 | 3-month | 1089 | 9/20/2022 | 16,014.90 | 4,528.98 | -0.1308% | -0.1479% | 1,071.00 |
| 6/24/2022 | 3-month | 1090 | 9/26/2022 | 12,976.40 | 4,528.99 | -0.1443% | -0.1836% | 1,071.00 |

JGB Primary Market: Auction Calendar

July 2022

| Auction Date | Issue |
|--------------|--|
| 7/1(Fri) | T-Bills (3-month) |
| 7/5(Tue) | 10-year |
| 7/7(Thu) | T-Bills (6-month) |
| 7/7(Thu) | 30-year |
| 7/8(Fri) | T-Bills (3-month) |
| 7/12(Tue) | 5-year |
| 7/14(Thu) | 20-year |
| 7/15(Fri) | T-Bills (3-month) |
| 7/19(Tue) | T-Bills (1-year) |
| 7/20(Wed) | T-Bills (6-month) |
| 7/20(Wed) | Liquidity Enhancement Auction (remaining maturities of 1-5 years) |
| 7/22(Fri) | T-Bills (3-month) |
| 7/22(Fri) | Liquidity Enhancement Auction (remaining maturities of 5-15.5 years) |
| 7/26(Tue) | 40-year |
| 7/28(Thu) | 2-year |
| 7/29(Fri) | T-Bills (3-month) |

August 2022

| Auction Date | Issue |
|--------------|---|
| 8/2(Tue) | 10-year |
| 8/4(Thu) | 10-year Inflation-Indexed Bonds |
| 8/5(Fri) | T-bills (3-month) |
| 8/9(Tue) | T-bills (6-month) |
| 8/9(Tue) | 30-year |
| 8/12(Fri) | T-bills (3-month) |
| 8/16(Tue) | 5-year |
| 8/18(Thu) | T-bills (1-year) |
| 8/18(Thu) | 20-year |
| 8/19(Fri) | T-bills (3-month) |
| 8/23(Tue) | Liquidity Enhancement Auction (remaining maturities of 5-15.5 years) |
| 8/25(Thu) | Liquidity Enhancement Auction (remaining maturities of 15.5-39 years) |
| 8/26(Fri) | T-bills (3-month) |
| 8/30(Tue) | 2-year |

September 2022

| Auction Date | Issue |
|--------------|--|
| 9/1(Thu) | 10-year |
| 9/2(Fri) | T-Bills (3-month) |
| 9/6(Tue) | 30-year |
| 9/8(Thu) | T-Bills (6-month) |
| 9/8(Thu) | Liquidity Enhancement Auction (remaining maturities of 5-15.5 years) |
| 9/9(Fri) | T-Bills (3-month) |
| 9/13(Tue) | 5-year |
| 9/15(Thu) | T-Bills (1-year) |
| 9/15(Thu) | 20-year |
| 9/16(Fri) | T-Bills (3-month) |
| 9/21(Wed) | T-Bills (3-month) |
| 9/21(Wed) | Liquidity Enhancement Auction (remaining maturities of 1-5 years) |
| 9/27(Tue) | 40-year |
| 9/29(Thu) | 2-year |
| 9/30(Fri) | T-Bills (3-month) |

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.

Top10 PDs for Successful Bids in Auctions (Weighted by Duration)

Jan.2022 - Jun.2022

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

Top5 PDs for Successful Bids of JGBI

FY2021

| |
|--|
| 1 Mizuho Bank, Ltd. |
| 2 JPMorgan Securities Japan Co., Ltd. |
| 3 Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. |
| 4 Goldman Sachs Japan Co., Ltd. |
| 5 Nomura Securities Co., Ltd. |

Liquidity Enhancement Auctions and JGB Buy-Back

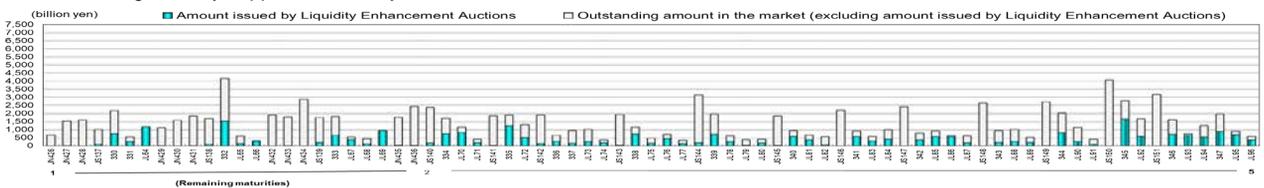
Results of Liquidity Enhancement Auctions

(Until 30 June 2022)

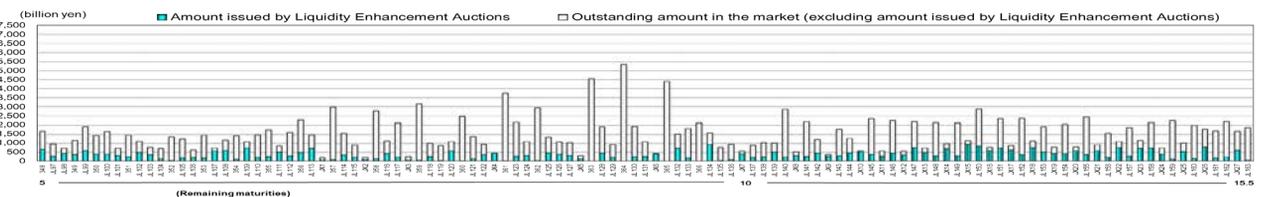
| Auction Date | Amounts of Competitive Bids (billion yen) | Amounts of Bids Accepted (billion yen) | Average Accepted Spread | Highest Accepted Spread | Issues Re-opened |
|--------------|---|--|-------------------------|-------------------------|---|
| 4/19/2022 | 2,318.4 | 498.5 | -0.009% | -0.008% | 10-year (348,349,354,355,356,359) 20-year (97,107,108,113,114,117,150,151,154,158,160) 30-year (2,24) |
| 4/21/2022 | 1,020.5 | 499.9 | -0.009% | +0.019% | 20-year (163,171,177,178,179) 30-year (35,37,38,39,46,47,51,54,56,57,64,65,66,68,69,73) 40-year (1,2,5,6,7,8,10,13,14) |
| 5/6/2022 | 2,203.4 | 498.7 | +0.005% | +0.007% | 2-year (427,428,429,431,432,433,435,436) 5-year (137,139,140,141,142,143) 10-year (329,331,332,333,334,335,336,337,338,339,340,342) 20-year (62,63,65,69,70,71,72) |
| 5/24/2022 | 2,155.6 | 497.7 | -0.007% | -0.007% | 10-year (347,348,350,357,362,364) 20-year (95,96,114,115,121,122,125,153,156,157,158,159,160,162) 30-year (4,5,15,23) |
| 6/9/2022 | 3,072.7 | 499.4 | -0.006% | -0.003% | 10-year (347,348,349,350,354) 20-year (95,109,110,112,153,154,158,159,160,162) 30-year (7,8,9,26,27) |
| 6/14/2022 | 974.7 | 499.3 | +0.084% | +0.099% | 20-year (163,167,170,171,175,177,178,179) 30-year (28,29,30,32,33,34,36,37,38,55,60,65,66,69,73) 40-year (1,5,7,13,14) |

Target Zones of Liquidity Enhancement Auctions for Jul.- Sep. 2022

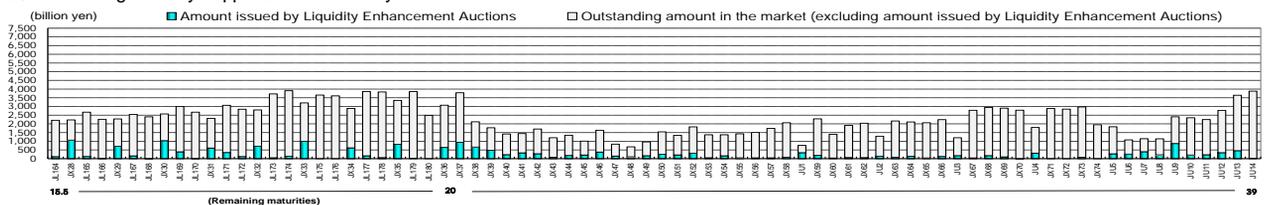
1. Remaining maturity : approx.1 - ~5 - year



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 May 2022.
Note2 : All issues in the graph above will be eligible afterward.

Buy-Back Results (10-year Inflation-Indexed)

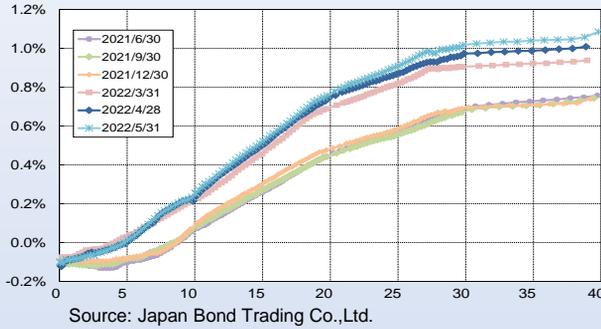
(Until 30 June 2022)

| Auction Date | Amounts of Competitive Bids (billion yen) | Amounts of Bids Accepted (billion yen) | Average Accepted Spread (yen) | Highest Accepted Spread (yen) | Issue Numbers |
|--------------|---|--|-------------------------------|-------------------------------|----------------|
| 3/4/2022 | 98.1 | 20.0 | -0.310 | -0.30 | 21, 23 |
| 4/13/2022 | 127.5 | 20.1 | -0.500 | -0.50 | 24, 26 |
| 5/11/2022 | 142.6 | 20.1 | -0.504 | -0.50 | 21, 24, 25, 26 |
| 6/6/2022 | 118.6 | 20.0 | -0.486 | -0.40 | 18, 20 |

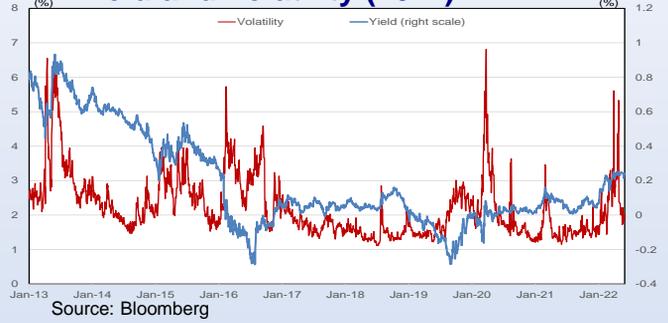
JGB Secondary Market

(Until 31 May 2022)

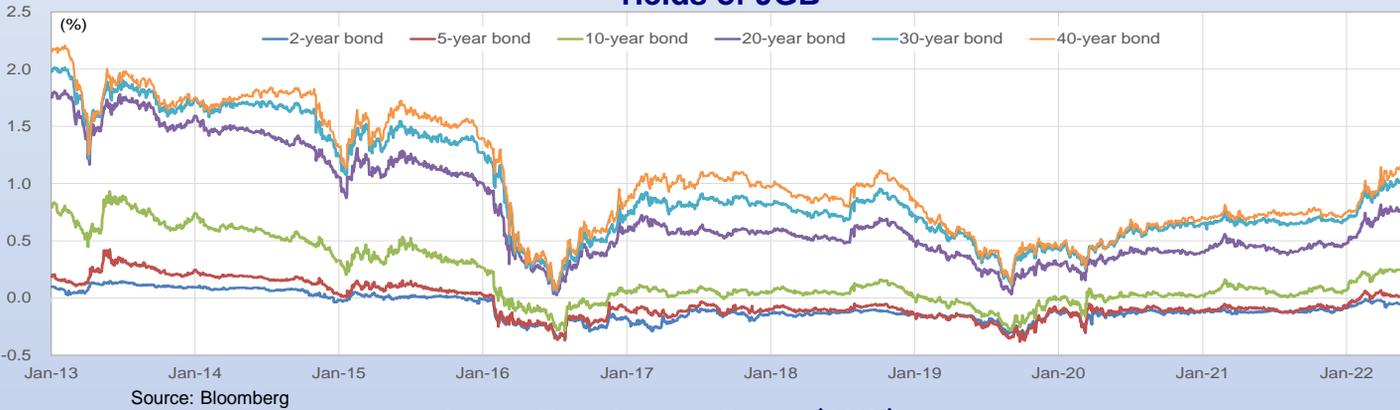
JGB Yield Curves



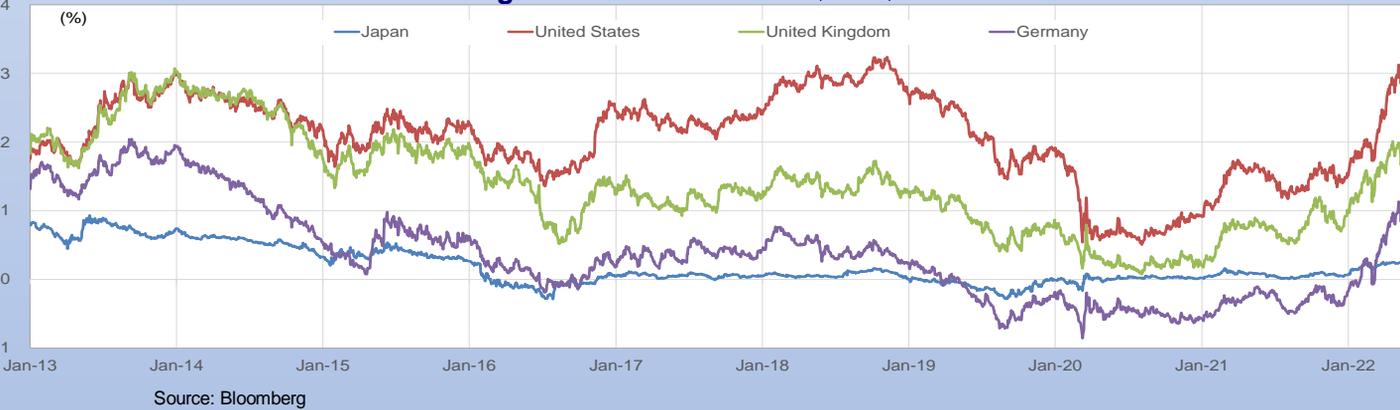
Yield and Volatility (10Yr)



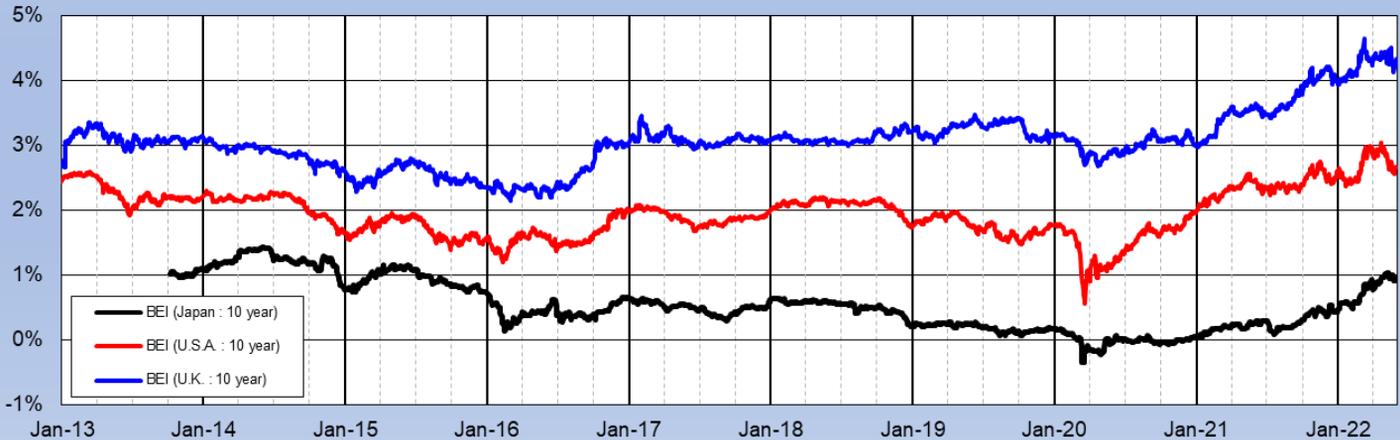
Yields of JGB



Long - Term Interest Rates (10Yr)

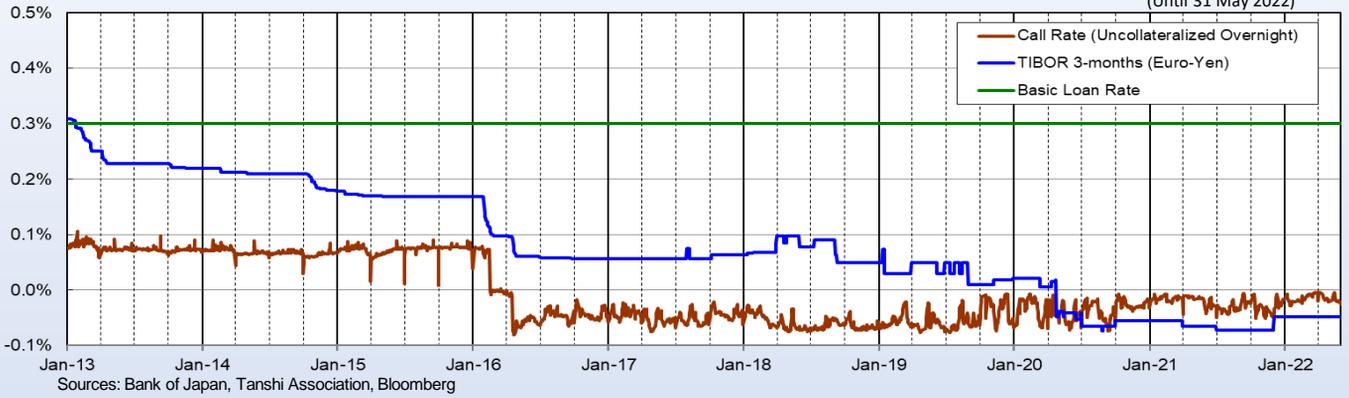


Break-Even Inflation Rates



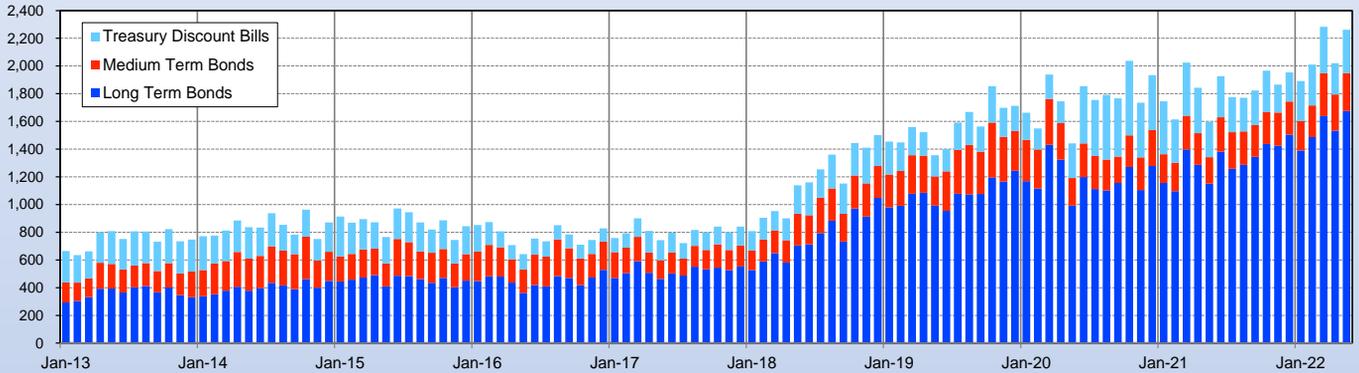
Short-Term Interest Rates

(Until 31 May 2022)



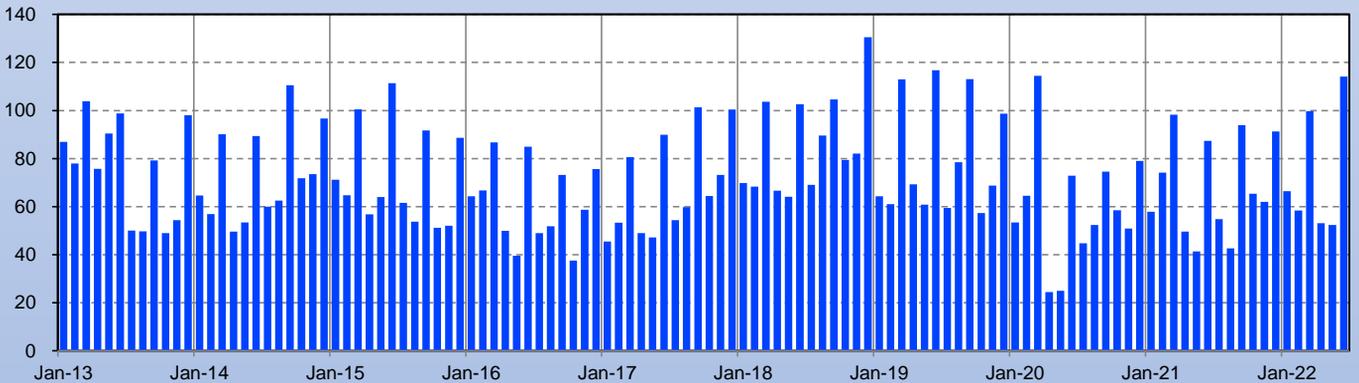
JGB Over-the-Counter Trading Volume (TOKYO)

(trillion yen)



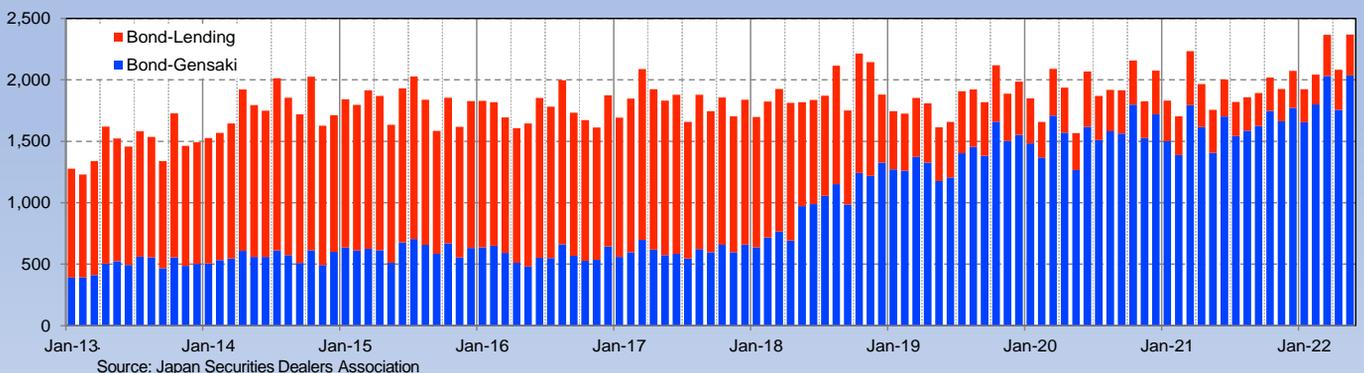
Trading Volume of 10-Year JGB Futures

(trillion yen)



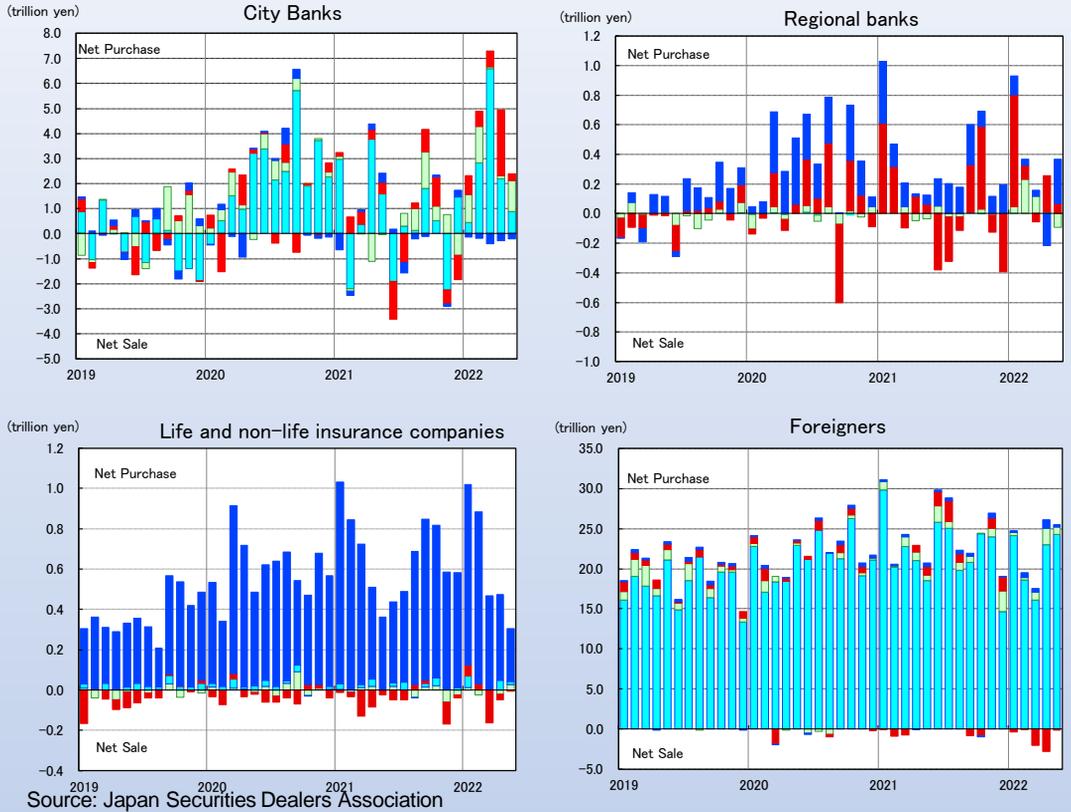
Repurchase Transactions

(trillion yen)

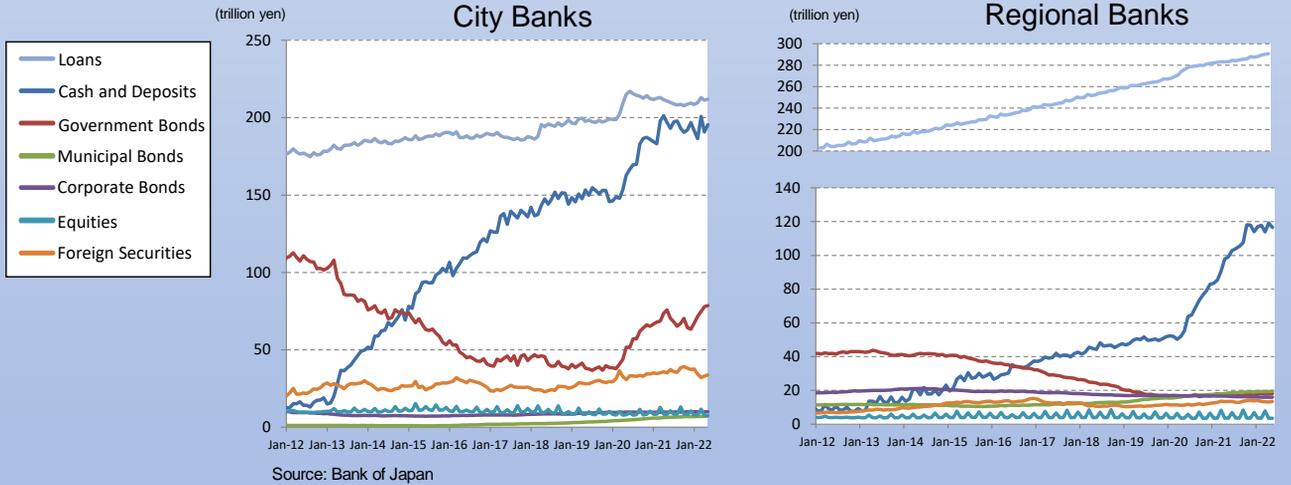


Investor Trends and JGB Outstanding

Trends in JGBs Transactions (by investor type)



Trends in Bank Assets by Types



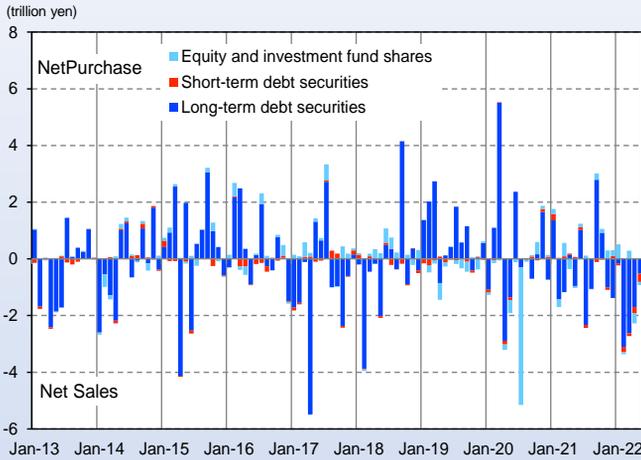
BOJ Trends



| | Apr 2013 (Actual) | Jun 2022 (Actual) |
|---------------------|----------------------|----------------------|
| Monetary Base | 155 | 677 |
| JGBs | 98 | 528 |
| T-Bills | 36 | 14 |
| CP | 1.4 | 2.7 |
| Corporate Bonds | 2.9 | 8.5 |
| ETFs | 1.7 | 36.8 |
| J-REITs | 0.13 | 0.66 |
| Total Assets | 175 | 733 |

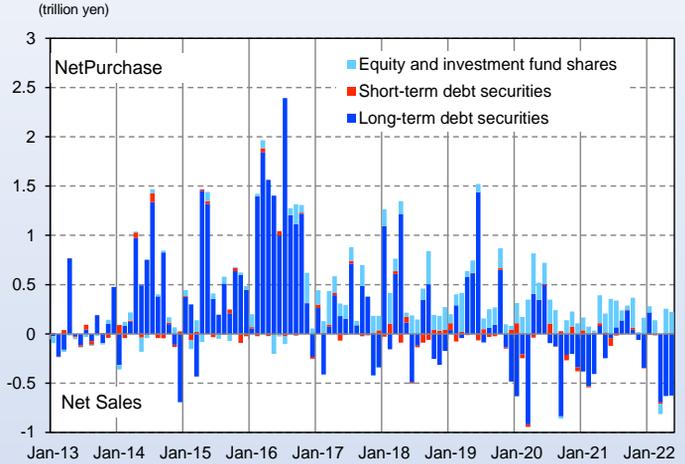
Transactions of Foreign Securities by Residents (by Investor types)

Banks(Banking Accounts)



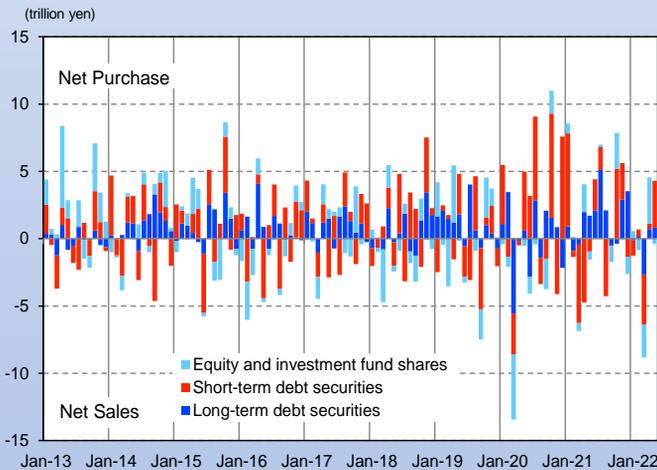
Source: Ministry of Finance

Life Insurance Companies



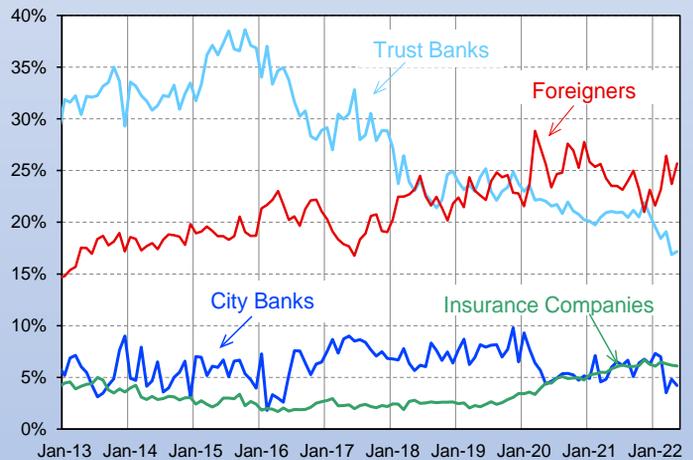
Source: Ministry of Finance

Transactions of Domestic Securities by Non-Residents



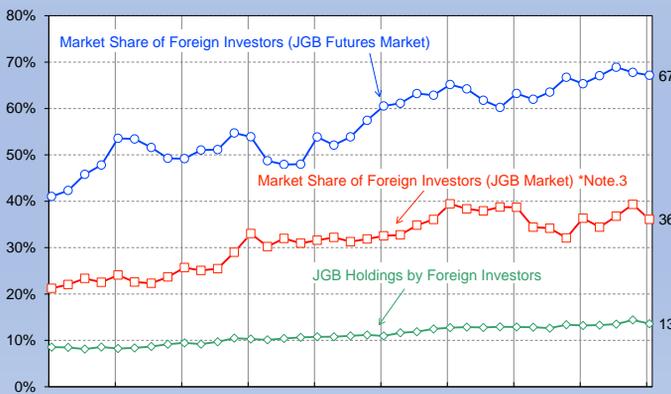
Source: Ministry of Finance

Outstanding of Repurchase Agreements (by Investor types)



Source: Japan Securities Dealers Association

Foreign Investors Presence



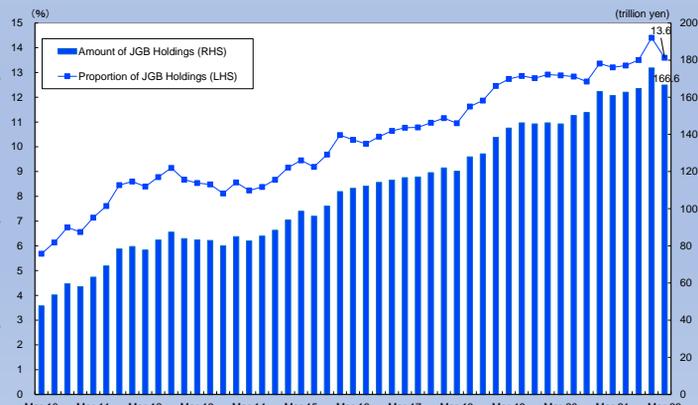
Note.1: Quarterly basis.

Note.2: "JGB" includes T-Bills.

Note.3: The figures excludes dealers' transactions.

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

JGBs Holdings by Foreign Investors



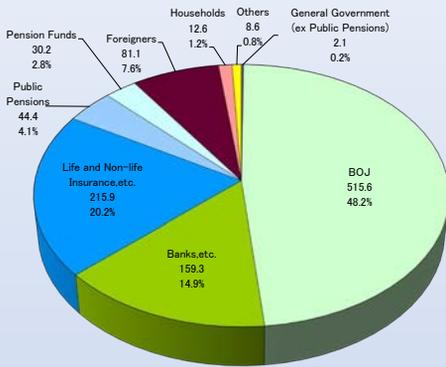
Note.1: Quarterly basis.

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

Source: Bank of Japan

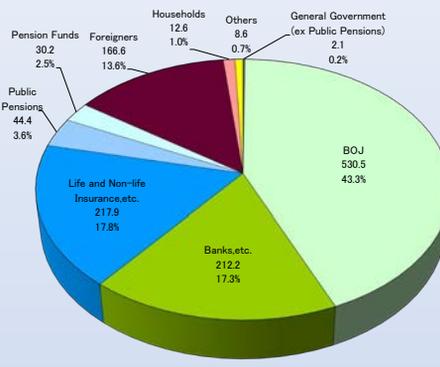
Breakdown by JGB and T-Bill Holders (The end of Mar. 2022 QE)

JGB Holders



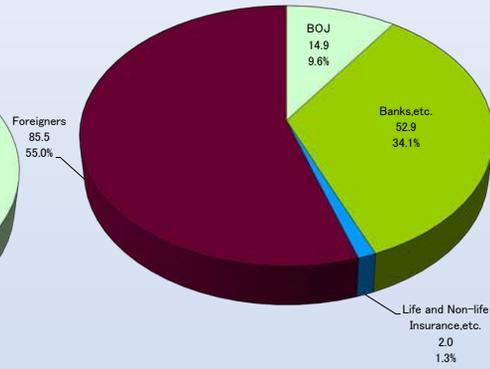
Total 1,069.8 trillion yen

JGB and T-Bill Holders



Total 1,225.1 trillion yen

T-Bill Holders



Total 155.3 trillion yen

Note1: "JGB" includes "FILP Bonds."

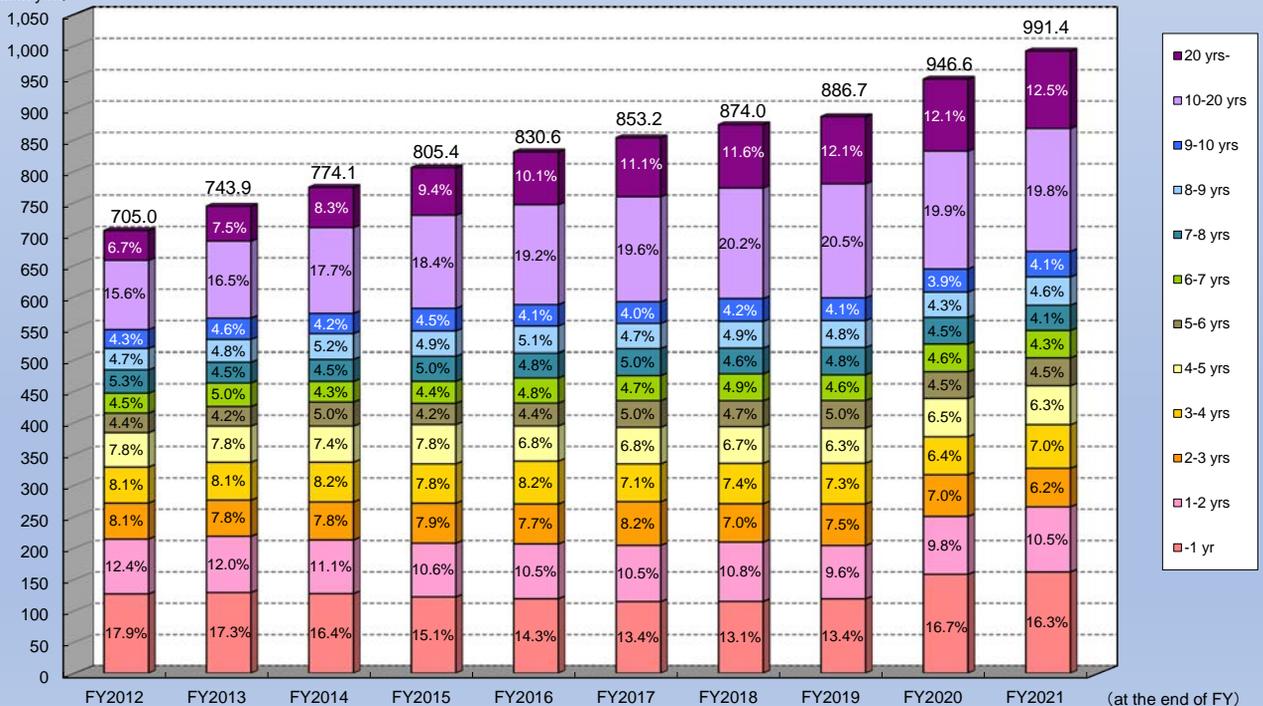
Note2: "Banks, etc." includes "Japan Post Bank," "Securities investment trust" and "Securities companies."

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

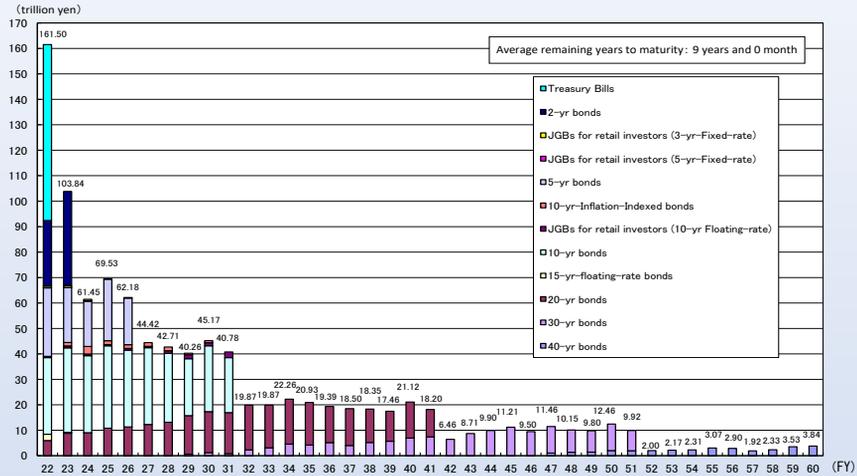
(Unit: trillion yen)



| Average YTM* | 7Y3M | 7Y7M | 8Y0M | 8Y5M | 8Y7M | 8Y10M | 9Y0M | 9Y2M | 8Y11M | 9Y0M |
|--|------|------|------|------|------|-------|------|------|-------|------|
| Average YTM* (excluding JGBs for Retail Investors) | 7Y5M | 7Y8M | 8Y0M | 8Y5M | 8Y8M | 8Y11M | 9Y1M | 9Y2M | 8Y11M | 9Y0M |

*years to maturity

Time-to-Maturity Structure of Outstanding JGB (March 2022)



Source: Ministry of Finance

Scheduled redemption of JGB at maturity in July, 2022

(billion yen)

| Types | The amount of redemption at maturity | Date of redemption |
|--------------------------|--------------------------------------|--------------------|
| 2-Year Bonds | 3,252.7 | 2022/7/1 |
| Treasury Bills (6-Month) | 1,250.0 | 7/11 |
| Treasury Bills (1-Year) | 3,500.0 | 7/20 |
| Treasury Bills (6-Month) | 1,250.0 | 7/25 |
| Total | 9,252.7 | |

Note.1: The figures are based on the outstanding JGBs at the end of May, 2022

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

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

Market-held Balance of the Inflation-Indexed Bonds (as of the end of May, 2022)



Sources: Ministry of Finance, Bank of Japan

General Bonds Issuance Amount and Outstanding

(trillion yen)

(trillion yen)



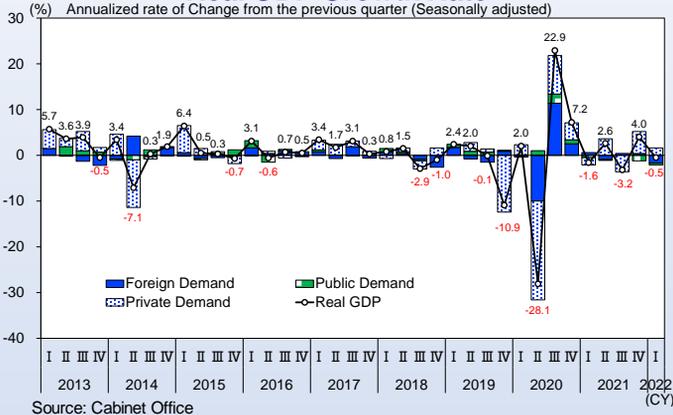
Note 1: Issuance Amount: revenue basis, FY2011-2020: Actual, FY2021: Supplementary budget, FY2022: Initial budget

Note 2: Outstanding: nominal basis, FY2011-2020: Actual, FY2021: Supplementary budget, FY2022: Initial budget

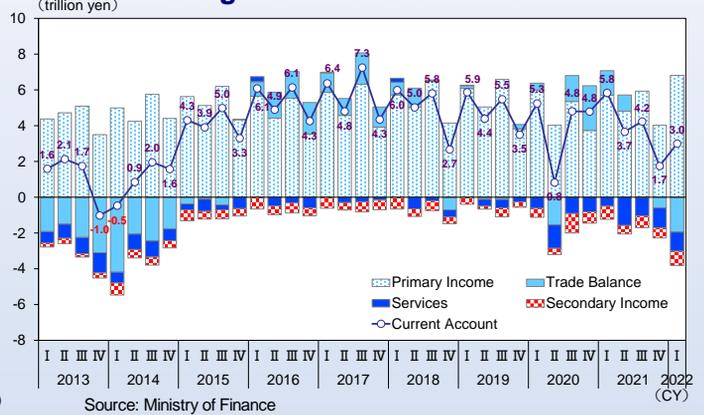
Source: Ministry of Finance

Economic and Financial Trends

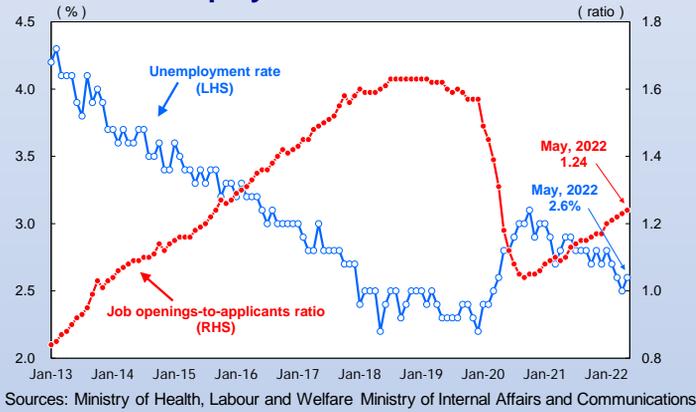
Real GDP Growth Rate



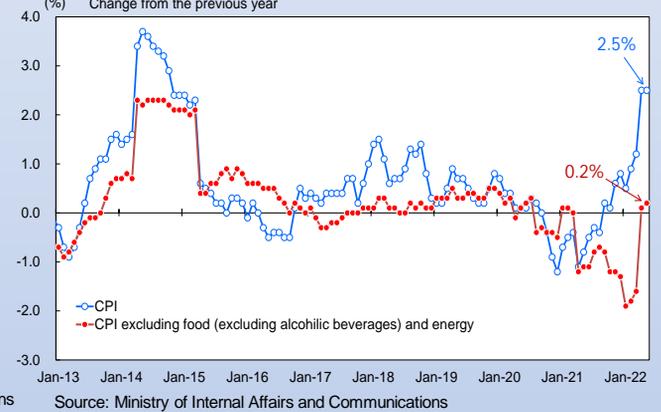
Changes in Current Account



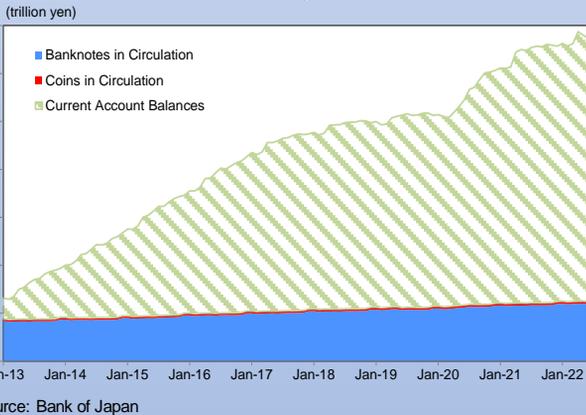
Employment Conditions



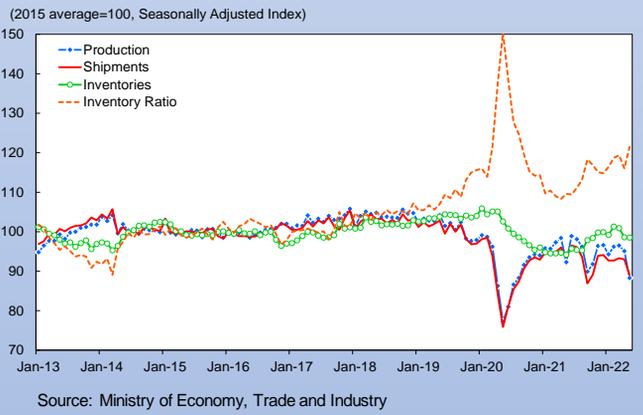
Prices



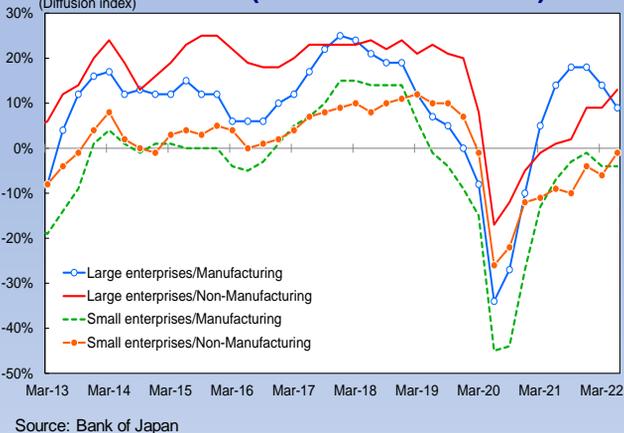
Monetary Base



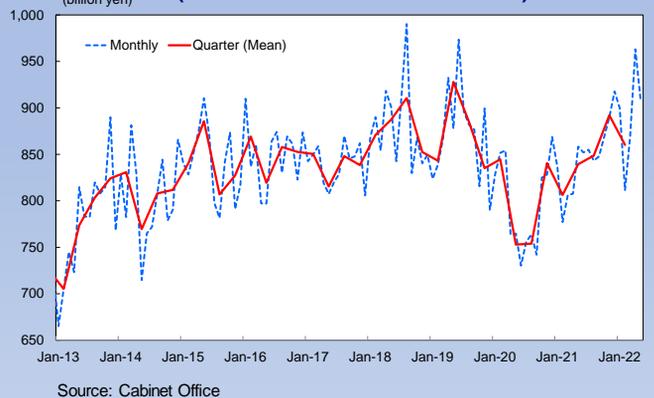
Indices of Industrial Production



TANKAN (Business Conditions)



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



Information

| 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/gbb/index.htm |
| Interest Rate | Daily | https://www.mof.go.jp/english/jgbs/reference/interest_rate/index.htm |
| STRIPS | Quarterly | https://www.mof.go.jp/english/jgbs/reference/jgbstat/index.htm |
| Dialogue with the market | | |
| Study Group on Government Debt Management | Each Meeting | https://www.mof.go.jp/english/about_mof/councils/study_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 | | |
| Debt Management Report | Annual | https://www.mof.go.jp/english/jgbs/publication/debt_management_report/index.htm |
| JGB Newsletter | Monthly | https://www.mof.go.jp/english/jgbs/publication/newsletter/index.htm |

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