

September 19, 2012

Bank of Japan

**Amendment to "Principal Terms and Conditions for the Asset Purchase Program"**

At the Monetary Policy Meeting held today, the Policy Board of the Bank of Japan made the following decisions regarding the Asset Purchase Program with a view to further enhancing monetary easing.

1. The Bank shall amend the "Principal Terms and Conditions for the Asset Purchase Program" (see Attachment 1).
2. The Bank shall amend the "Principal Terms and Conditions for Outright Purchases of Japanese Government Bonds and Treasury Discount Bills Conducted through the Asset Purchase Program" (see Attachment 2).
3. The Bank shall amend the "Principal Terms and Conditions for Outright Purchases of CP and Corporate Bonds Conducted through the Asset Purchase Program" (see Attachment 3).

**Amendment to "Principal Terms and Conditions for the Asset Purchase Program"**

- 4. shall be amended as follows.

4. Maximum Outstanding Amount of Purchases and Loans

(1) The maximum outstanding amount of financial assets purchased through the Program shall be about ~~4555~~ trillion yen. The maximum outstanding amount of loans provided through the Program shall be about 25 trillion yen.

(2) The maximum outstanding amount for each financial asset purchased through the Program shall be as follows.

a. Japanese government bonds with coupons

about ~~2934~~ trillion yen

b. Treasury discount bills

about ~~9.5~~14.5 trillion yen

c. }  
d. } (No change)  
e. }  
f. }

(Supplementary Provision)

These amendments shall become effective today.

**Amendment to "Principal Terms and Conditions for Outright Purchases of Japanese Government Bonds and Treasury Discount Bills Conducted through the Asset Purchase Program"**

- 7. shall be amended as follows.

7. Method

~~(1) JGBs~~

~~A multiple-price competitive auction shall be conducted for each purchase where counterparties bid "yield spreads," which shall not be negative and are calculated by subtracting the minimum yield of 0.1 percent per annum from the yield at which counterparties desire to sell JGBs to the Bank.~~

~~(2) T-Bills~~

A multiple-price competitive auction shall be conducted for each purchase where counterparties bid yield at which they desire to sell JGBs or T-Bills to the Bank.

- 8. shall be amended as follows.

8. Purchasing Price

~~(1) JGBs~~

~~The purchasing price for each issue of JGBs is calculated by using the yield obtained by adding the yield spread derived from the method described in item 7. above to the minimum yield.~~

~~(2) T-Bills~~

The purchasing price for each issue of JGBs or T-Bills is calculated by using the yield derived from the method described in item 7.

(Supplementary Provision)

These amendments shall become effective today.

**Amendment to "Principal Terms and Conditions for Outright Purchases of CP and Corporate Bonds Conducted through the Asset Purchase Program"**

- 6. shall be amended as follows.

6. Method

~~(1) CP~~

~~A multiple-price competitive auction shall be conducted for each purchase where counterparties bid yield at which they desire to sell CP or corporate bonds to the Bank.~~

~~(2) Corporate Bonds~~

~~A multiple-price competitive auction shall be conducted for each purchase where counterparties bid "yield spreads," which shall not be negative and are calculated by subtracting the minimum yield of 0.1 percent per annum from the yield at which counterparties desire to sell corporate bonds to the Bank.~~

- 7. shall be amended as follows.

7. Purchasing Price

~~(1) CP~~

~~The purchasing price for each issue of CP or corporate bonds is calculated by using the yield derived from the method of described in item 6.~~

~~(2) Corporate Bonds~~

~~The purchasing price for each issue of corporate bonds is calculated by using the yield obtained by adding the yield spread derived from the method of 6 to the minimum yield.~~

(Supplementary Provision)

These amendments shall become effective today.