

## **Increase in the Amounts of Outright Purchases of Japanese Government Bonds and Other Market Operation Measures**

In accordance with the guidelines for market operations and asset purchases decided at the Monetary Policy Meeting today, the Bank of Japan has decided to implement following measures in its conduct of market operations.

### 1. Increase in the amounts of outright purchases of Japanese Government Bonds (competitive auction method)

#### (1) Purchases from January through March 2023

From January through March 2023, the Bank will increase the amount of purchases to about 9 trillion yen per month, as shown in "Quarterly Schedule of Outright Purchases of Japanese Government Bonds (Competitive Auction Method) (January-March 2023)" published on December 20, 2022. The purchase size per auction will be set in a flexible manner, taking account of market conditions.

#### (2) Purchases through the end of December 2022

With regard to the purchases on December 26, 2022, indicated in "Quarterly Schedule of Outright Purchases of Japanese Government Bonds (Competitive Auction Method) (October-December 2022) <Revised>" published on November 29, the Bank will conduct the purchases in approximately the same size as the size per auction from January through March 2023, as defined in (1). The Bank will also conduct additional purchases on December 22, 2022, the amounts of which will be decided based on market conditions.

#### (3) Other ad hoc purchases

In addition to (1) and (2), the Bank will make nimble responses for each maturity by increasing the amount of purchases even more and conducting fixed-rate purchase operations when deemed necessary.

## 2. Conduct of fixed-rate purchase operations for consecutive days

### (1) Fixed-Rate Purchase Operations of three on-the-run issues of 10-year JGBs

From now on,<sup>1</sup> in the auction announcement for fixed-rate purchase operations of three on-the-run issues of 10-year JGBs which the Bank will make on every business day, unless it is highly likely that no bids will be submitted, the Bank will set a fixed rate to be applied in the auctions at 0.50 percent. In principle, the bonds with the highest yield between three on-the-run issues will be purchased at the fixed rate of 0.50 percent.

### (2) Fixed-Rate Purchase Operations of the Cheapest-to-Deliver Issue for Consecutive Days

From now on,<sup>1</sup> in the auction announcement for fixed-rate purchase operations of the 10-year JGBs #358 for consecutive days which the Bank will make for an extended period of time, the Bank will set a fixed rate to be applied in the auctions at 0.50 percent.<sup>2, 3</sup>

Notes: 1. From the fixed-rate purchase operations in the afternoon on December 20, 2022.

2. The fixed-rate purchase operations of the 10-year JGBs #357 will be conducted in the afternoon on December 20, 2022, in the same manner.

3. "Relaxation of the Terms and Conditions for the Securities Lending Facility for the Cheapest-to-Deliver Issues" published on November 29, 2022, will remain effective.

## 3. Conduct of Outright Purchases of Corporate Bonds

With respect to the outright purchases of corporate bonds, the Bank has decided the maximum amounts outstanding of a single issuer's corporate bonds to be purchased based on paragraph 4. of the Supplementary Provision of "Principal Terms and Conditions for Outright Purchases of CP and Corporate Bonds," in the period to September 2023, to be 200 billion yen and the ratio to the total amount outstanding of issuance to be 30 percent. The Bank will set the purchase size per auction with due consideration to issuance conditions for corporate bonds.