Modification of the Conduct of Yield Curve Control (YCC)

**Impact of Increased Volatility in Overseas Markets**

- **Deterioration in Japan's bond market functioning**
  - Relative relationships among interest rates of bonds with different maturities
  - Arbitrage relationships between spot and futures markets

- **Possibility of a negative impact on financial conditions**
  - Yields on Japanese government bonds (JGBs) are reference rates for corporate bond yields, bank lending rates, and other funding rates.

**Measures Decided by the Bank of Japan**

- **Conduct of YCC**
  - Encourage a smoother formation of the entire yield curve

- **Significant increase in the amount of JGB purchases**: from 7.3 trillion yen per month to about 9 trillion yen per month

- **Expansion of the range of 10-year JGB yield fluctuations from the target level**: from between around ±0.25% pts to between around ±0.5% pts

- **Nimble responses for each maturity**:
  - Offer to purchase 10-year JGBs at 0.5% every business day through fixed-rate purchase operations
  - Make nimble responses for each maturity by increasing the amount of JGB purchases even more and conducting fixed-rate purchase operations

- **Facilitate the transmission of monetary easing effects**
  - generated under the framework of YCC, such as through corporate financing

- **In adjusting the amount outstanding of corporate bonds**, the Bank will give due consideration to their issuance conditions.

- **The Bank will aim to achieve the price stability target by enhancing the sustainability of monetary easing.**