

Outline of Outright Purchases of Japanese Government Bonds

1. Amounts to be Purchased

16.8 trillion yen per year (approximately 1.4 trillion yen per month).

2. Bonds to be Purchased

Japanese government bonds with coupons (2-year bonds, 4-year bonds, 5-year bonds, 6-year bonds, 10-year bonds, 20-year bonds, 30-year bonds, floating-rate bonds, and inflation-indexed bonds).

3. Amounts to be Purchased from Specific Brackets Classified by Bond Type and Residual Maturity

Bonds with coupons (excluding floating-rate bonds and inflation-indexed bonds)			Floating-rate bonds	Inflation-indexed bonds
Residual maturity of				
up to 1 year	more than 1 year and up to 10 years	more than 10 years and up to 30 years		
5.52 trillion yen per year	9.6 trillion yen per year	0.9 trillion yen per year	0.6 trillion yen per year	0.18 trillion yen per year

4. Frequency of Purchases

Four times per month in principle (from two specific brackets at each purchase).

5. Method for Auctions

A multiple-price competitive auction.

Bonds with coupons (excluding floating-rate bonds and inflation-indexed bonds): counterparties bid "yield spreads," which are calculated by subtracting the benchmark yields from the yields at which counterparties desire to sell bonds to the Bank.

Floating-rate bonds and inflation-indexed bonds: counterparties bid “price spreads,” which are calculated by subtracting the benchmark prices from the prices at which counterparties desire to sell bonds to the Bank.

6. The Principle Regarding the Bank’s Holdings of Japanese Government Bonds

The outstanding amount of Japanese government bonds held by the Bank should not exceed the outstanding amount of banknotes issued.

(Note) Purchases of 30-year bonds, floating-rate bonds and inflation-indexed bonds, and purchases of bonds from specific brackets classified by bond type and residual maturity will start from February 2009.

Monthly Schedule of Outright Purchases of Japanese Government Bonds

1. Odd Months (January, March, May, July, September, and November)

(billion yen)

	Bonds with coupons (excluding floating-rate bonds and inflation-indexed bonds)			Floating-rate bonds	Inflation-indexed bonds	Total
	Residual maturity of					
	up to 1 year	more than 1 year and up to 10 years	more than 10 years and up to 30 years			
1st purchase	230	200				430
2nd purchase		200	75			275
3rd purchase	230	200				430
4th purchase		200			30	230
Total	460	800	75	0	30	1,365

2. Even Months (February, April, June, August, October, and December)

(billion yen)

	Bonds with coupons (excluding floating-rate bonds and inflation-indexed bonds)			Floating-rate bonds	Inflation-indexed bonds	Total
	Residual maturity of					
	up to 1 year	more than 1 year and up to 10 years	more than 10 years and up to 30 years			
1st purchase	230	200				430
2nd purchase		200	75			275
3rd purchase	230	200				430
4th purchase		200		100		300
Total	460	800	75	100	0	1,435