April 18, 2013
Financial Markets Department
Bank of Japan

Outline of Outright Purchases of Japanese Government Bonds

Following the meetings with market participants, the Bank of Japan decided to revise the Outline of Outright Purchases of Japanese Government Bonds released on April 4, 2013, as stated below. This revision takes effect on April 19, 2013.

1. Amount to be Purchased

Approximately 7+ trillion yen per month

2. Bonds to be Purchased

Japanese government bonds with coupons (2-year bonds, 5-year bonds, 10-year bonds, 20-year bonds, 30-year bonds, 40-year bonds, floating-rate bonds, and inflation-indexed bonds).

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

Stated in the attachment.

4. Frequency of Purchases

Approximately 8 times (business days) per month.

5. Method of 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.

(Attachment)

＜Schedule for the rest of April 2013＞

(billion yen)

	Residual maturity	Number of auctions	Purchase size per auction	Purchase size in total
Bonds with coupons (excluding floating-rate bonds and inflation-indexed bonds)	Up to 1 year	0	---	0
	More than 1 year and up to 5 years	2	500-600	1,000-1,200
	More than 5 years and up to 10 years	2	500-600	1,000-1,200
	More than 10 years	1	300	300
Floating-rate bonds		1	140	140
Inflation-indexed bonds		0	---	0
Total				---

＜Schedule for May 2013＞

(billion yen)

	Residual maturity	Number of auctions	Purchase size per auction	Purchase size in total
Bonds with coupons (excluding floating-rate bonds and inflation-indexed bonds)	Up to 1 year	2	110	220
	More than 1 year and up to 5 years	5	600-700	3,000-3,500
	More than 5 years and up to 10 years	5	600-700	3,000-3,500
	More than 10 years	4	200-300	800-1,200
Floating-rate bonds		0	---	0
Inflation-indexed bonds		1	20	20
Total				Approximately 7,500

Note 1: In principle, the Bank of Japan announces two operations with different maturity segments at the same time.

Note 2: In principle, on the day of the JGB auctions (including enhanced-liquidity auctions) by the Ministry of Finance, the Bank refrains from announcing operations with the corresponding maturity segments. The Bank conducts operations for floating-rate bonds and inflation-indexed bonds in the latter half of the month.

Note 3: With regard to the auctions with residual maturity of more than 1 year and up to 5 years, the Bank may set sub-segments of the residual maturity and announce separate auctions at the same time.