

September 21, 2016

Bank of Japan

Change in the Maximum Amount of Each ETF to be Purchased

At the Monetary Policy Meeting held on September 20 and 21, 2016, the Policy Board of the Bank of Japan decided to amend the "Principal Terms and Conditions for Purchases of ETFs and J-REITs" in order to facilitate smooth market operations (see Attachment 1).

In accordance with this decision by the Policy Board, the Bank will change the maximum amount of each ETF to be purchased (see Attachment 2).

Amendment to "Principal Terms and Conditions for Purchases of ETFs and J-REITs"

- Paragraph 6. shall be amended as follows.

6. Maximum Outstanding Amount to Be Purchased

(1) The maximum amount of each ETF to be purchased shall, pursuant to the relevant rules of the Bank, be set so that the Bank's purchase would ~~roughly be proportionate to~~ take into account the total market value of that ETF issued and the coverage of the index which that ETF tracks.

(2) (No change)

(Supplementary Provision)

This amendment shall become effective on October 3, 2016.

September 21, 2016
 Financial Markets Department
 Bank of Japan

The Maximum Amount of Each ETF to be Purchased

At the Monetary Policy Meeting held on September 20 and 21, 2016, the Policy Board of the Bank of Japan decided to amend the "Principal Terms and Conditions for Purchases of ETFs and J-REITs."

In accordance with this decision, the Bank will make the following changes to the maximum amount of each exchange-traded fund (ETF) to be purchased, which shall become effective in October 2016.¹

(Before the change)

The maximum amount of each ETF to be purchased, for ETFs that track any of the three indices (the Tokyo Stock Price Index [TOPIX], the Nikkei 225 Stock Average, or the JPX-Nikkei Index 400 [JPX-Nikkei 400]), shall be set so that the Bank's purchase would roughly be proportionate to the total market value of that ETF issued.

(After the change)

The maximum amount of each ETF to be purchased shall be set as follows.

1. Of the annual purchase amount of 5.7 trillion yen, 3 trillion yen will be used for ETFs that track any of the three indices as before. The maximum amount of each ETF to be purchased shall be set so that the Bank's purchase would roughly be proportionate to the total market value of that ETF issued.
2. The remaining 2.7 trillion yen will be used for ETFs that track the TOPIX. The maximum amount of each ETF to be purchased shall be set so that the Bank's purchase would roughly be proportionate to the total market value of that ETF issued.

(Reference) Annual purchase of ETFs after the change

2.7 trillion yen	TOPIX		
3.0 trillion yen	TOPIX	Nikkei 225 Stock Average	JPX- Nikkei 400

¹ There is no change in the amount of each ETF to be purchased for "Special Rules for Purchases of ETFs to Support Firms Proactively Investing in Physical and Human Capital" (annual purchase of about 300 billion yen).