

June 16, 2026

Bank of Japan

Plan for the Outright Purchases of Japanese Government Bonds

At the Monetary Policy Meeting (MPM) held today, the Policy Board of the Bank of Japan reviewed the developments in and functioning of the Japanese government bond (JGB) markets and discussed its approach to future JGB purchases.

In principle, long-term interest rates are to be formed in financial markets, and it is appropriate for the Bank to conduct the purchases of JGBs in a predictable manner, while allowing enough flexibility to support stability in the JGB markets.

Based on this thinking, with a view to improvement of market functioning and stability of the JGB markets, the Bank decided, by a 7-1 majority vote, to conduct the outright purchases of JGBs as follows. ^[Note]

1. The Bank will reduce the planned amount of its monthly purchases of JGBs by, in principle, about 200 billion yen each calendar quarter until January-March 2027. From April 2027, the amount of its monthly purchases of JGBs will be about 2 trillion yen (see Attachment).
2. In the case of a rapid rise in long-term interest rates, the Bank will make nimble responses by, for example, increasing the amount of JGB purchases and conducting fixed-rate purchase operations of JGBs -- both of which can be done regardless of the monthly schedule of JGB purchases -- and the Funds-Supplying Operations against Pooled Collateral.
3. The Bank will not conduct interim assessments of the plan for the outright purchases of JGBs in the future. However, the Bank is prepared to amend the pace of its JGB purchases at the MPMs, if deemed necessary, taking into account the basic thinking on the purchases of JGBs and other factors such as developments in the JGB markets.

^[Note] Voting for the action: HIMINO Ryoza, UCHIDA Shinichi, NAKAGAWA Junko, TAKATA Hajime, KOEDA Junko, MASU Kazuyuki, and ASADA Toichiro. Voting against the action: TAMURA Naoki. Absent: UEDA Kazuo. Tamura Naoki considered that the Bank should allow long-term interest rates to be determined by the market and its participants, and proposed that the Bank reduce the amount of its monthly outright purchases of JGBs by about 200 billion yen each calendar quarter until January-March 2028 in principle. The proposal was defeated by a majority vote.

Amount of Monthly Outright Purchases of Japanese Government Bonds

	Amount of outright purchases of Japanese government bonds (JGBs)
April-June 2026	About 2.7 trillion yen
July-September 2026	About 2.5 trillion yen
October-December 2026	About 2.3 trillion yen
January-March 2027	About 2.1 trillion yen
From April 2027 onward	About 2 trillion yen

Note: The schedule for the outright purchases of JGBs, including the purchase size per auction by residual maturity and dates, will continue to be announced in the "Quarterly Schedule of Outright Purchases of Japanese Government Bonds (Competitive Auction Method)."

(Reference) Expected Amount Outstanding of the Bank's JGB Holdings

	Amount outstanding of the Bank's JGB holdings	Percent reduction from end-June 2024 (Compared to before the reduction)
End-March 2027	About 480 trillion yen	About 17%
End-March 2028	About 430-440 trillion yen	About 24-25%
End-March 2029	About 390-400 trillion yen	About 31-32%
End-March 2030	About 350-370 trillion yen	About 36-39%

Notes: 1. Figures are estimated assuming that the monthly purchase amount will be maintained at about 2 trillion yen. Based on face value.
2. The composition of purchases by residual maturity, etc. is assumed to remain broadly unchanged.