

## **Issuing, Redemption and Outstanding Amounts of Bonds**

### **(Purpose)**

These statistics publish long-term time-series data by category of public and corporate straight bonds on their number of new issues, issue and redemption amounts as well as outstanding balances with the aim of providing a measure for the general public to better understand the scale of the public and corporate bond market.

### **(Definitions)**

- “Government Bonds” are coupon or discount bonds issued and redeemed by the government. The aggregated data are divided into those sold in the market (new issues sold by public auction, etc.) and those subscribed by Bank of Japan, etc. (new issues underwritten by the public sector).
- “Municipal Bonds” are public sector bonds issued by local public bodies. They are issued to cover portions of a variety of budgetary expenditure demands. Their principal is redeemed and interest paid across accounting years.
- “Government-Guaranteed Bonds” are those bonds issued by Japanese government-related organizations and public corporations for which the government guarantees both interest and principal payments.
- “FILP-Agency Bonds” are those bonds issued by Japanese government-related organizations and public corporations for which the government does not guarantee interest and principal payments.
- “Corporate Straight Bonds” are bonds issued by stock companies for fund-raising. They are divided into the major categories of electric power; NTT, JR, JT; other corporate and bank bonds. The statistics also include bonds issued by investment corporations, Japan Broadcasting Corporation (NHK) and Tokyo Metro Co., Ltd., (including bonds issued by the Teito Rapid Transit Authority).
- “Asset Backed Bonds” are bonds issued with specified assets as collateral. These bonds include specified bonds issued by special purpose companies stipulated under the Act on Securitization of Assets and corporate bonds issued by stock companies.
- “Convertible Bonds” are corporate bonds with attached share options (the right to acquire a specified amount of shares in the company at a predetermined price if the share option is exercised within a specified period).
- “Bank Debentures” are notes issued by specified financial institutions based on the underlying laws by which they were established. This classification includes issues by banks that succeeded the businesses of long-term banks or merged with foreign exchange banks and had such issues approved under special provisions. Issue of these debentures is also approved for financial institutions covered by the Norinchukin Bank Act, Shoko Chukin Bank Act, and Shinkin Bank Act.

Bank debentures come in the form of coupon bank debentures and discount bank debentures that have their face value discounted in lieu of paying interest.

- “Yen-Denominated Bonds Issued by Non-Residents” are yen-denominated bonds issued in Japan by foreign governments, foreign government-related bodies, and foreign corporations (samurai bonds). This classification includes dual currency bonds, etc. The aggregated data are divided into yen-denominated foreign bonds and asset backed bonds.
- “Redemption” is the repayment of the bond principal by the issuer to the bond holders and is categorized into the following types.
  - “Maturity Redemption” is the repayment of principal on a previously decided maturity date.
  - “Scheduled Redemption” is the repayment in fixed amount by periodic installments.
  - “Advanced Redemption” is the repayment of a partial or full amount of principal before the maturity date.
  - “Buy-back Redemption” means that the issuer purchases bonds issued by itself and cancel them.

#### **(Data Source)**

- The data on government bond issue and redemption amounts are gathered from government gazette, etc.
- The data on issue amounts for municipal; government-guaranteed; FILP-Agency, etc.; corporate; asset backed; convertible; and non-resident bonds are gathered from information on issue and subscription conditions from representative underwriting companies and the data on redemption amounts from trustee companies (administrators), etc. Redemption amounts for convertible bonds are aggregated based on securities exchange journals, etc.
- The data on issue and redemption amounts for bank debentures are gathered from materials provided by issuers.
- Outstanding balances are calculated by subtracting the redemption amount from the carried forward balance from the previous month plus the additional amount issued in the current month.

#### **(Notes for Users)**

- The data during last six months are provisional. The Provisional data are shadowed in these statistics.
- The buy-back amounts for total bonds include partial redemptions that do not use scheduled redemption or buy-back methods and conversion amounts of convertible bonds, etc.

The buy-back amounts for government-guaranteed bonds include the decrease due to debt transfer to the government.

- The buy-back amounts of FILP-agency, corporate, asset backed, and non-resident bonds include partial redemptions that do not use scheduled redemption or buy-back methods.

**(Publication Timing)**

These statistics are published, in principle, on the JSDA's website on the 7<sup>th</sup> business day of the second month after the issue or redemption date. In June and December, however, the planned publication date is on the 25<sup>th</sup> day of the month.

These explanatory materials are intended to provide assistance to non-professionals using the statistical data provided by the JSDA in understanding the specialized vocabulary used in the statistics. The definitions and other explanations used are not necessarily based on laws or other regulations.