

# The Bank's Accounts

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## I. SETTLEMENT OF ACCOUNTS FOR FISCAL 2009

On May 28, 2010, the Bank of Japan released the "Financial Statements for the 125th Fiscal Year" (in Japanese only), which contains the Bank's financial statements (the inventory of property, balance sheet, and statement of income) for the 125th fiscal year, i.e., fiscal 2009 (April 1, 2009–March 31, 2010), and the schedule for the financial statements for fiscal 2009.

The Bank submitted the financial statements, together with the Auditors' opinion, to the Minister of Finance, and received the Minister's approval on May 25. The schedule for the financial statements was audited by the Auditors, whose opinion was that it duly complemented the financial statements.

The overview of the settlement of accounts for fiscal 2009 is as below.

### A. Assets and Liabilities, Profits and Losses, and Capital Adequacy Ratio

The balance sheet of the Bank at the end of fiscal 2009 shows that total assets decreased by 1.7 percent (2,064.4 billion yen) from a year earlier to 121,824.1 billion yen, mainly due to a decrease in receivables under resale agreements, foreign currency assets, and commercial paper (CP).<sup>1</sup> Total liabilities also decreased by 1.8 percent (2,176.2 billion yen) from a year earlier to 118,796.9 billion yen, mainly due to a decrease in other deposits (Table 1).

Detailed developments in the Bank's balance sheet in fiscal 2009 are as follows.

Looking at assets at the end of March 2010, holdings of Japanese government securities (JGSs)<sup>2</sup> increased by 13.7 percent from a year earlier to 73,066.1 billion yen, reflecting the fact that the amount of JGSs purchased and underwritten by the Bank exceeded the amount of those redeemed and sold. Loans and bills discounted increased by 9.3 percent from the previous year to 35,783.9 billion yen, mainly due to an increase in the amount of loans provided through the fixed-rate funds-supplying operation against pooled collateral introduced in December 2009. On the other hand, receivables under resale agreements decreased by 58.3 percent from a year earlier to 4,983.3 billion yen, due to a decrease in fund provisioning via the funds-supplying operation through purchases of JGSs and CP under repurchase agreements. Foreign currency assets also decreased by 53.8 percent from a year earlier to 5,022.7 billion yen, with the expiration of the Bank's U.S. dollar funds-supplying operation against

1. CP here comprises the following types, in dematerialized or physical form: (1) CP issued by domestic corporations; (2) CP issued by foreign corporations with guarantees (dematerialized only); and (3) asset-backed CP.

2. JGSs comprise Japanese government bonds (JGBs), treasury bills (TBs), financing bills (FBs), and treasury discount bills (T-bills).

pooled collateral and the amount outstanding of foreign currency loans falling to zero. In addition, the amount of CP decreased by 1,556.9 billion yen from a year earlier, falling to zero with the completion of outright purchases at the end of December 2009.

Turning to liabilities, payables under repurchase agreements increased by 12.3 percent from a year earlier to 11,651.5 billion yen, reflecting a rise in the amount outstanding of Japanese government bonds (JGBs) under repurchase agreements to the government. Deposits (excluding those of the government) as a whole decreased by 15.8 percent from a year earlier to 23,498.5 billion yen. This was due to the following developments. On the one hand, the amount outstanding of current account deposits at the Bank increased by 5.9 percent to 23,455.3 billion yen, reflecting the Bank's money market operations conducted in accordance with the guidelines for money market operations decided at the Monetary Policy Meetings; on the other hand, the amount outstanding of other deposits decreased by 99.3 percent to 43.2 billion yen, with the expiration of the Bank's U.S. dollar funds-supplying operation against pooled collateral bringing down the amount outstanding of loans provided through this facility to zero. Meanwhile, the year-on-year rate of change in the amount outstanding of banknotes issued (banknotes in circulation) was 0.6 percent, with the amount outstanding registering 77,352.7 billion yen at the fiscal year-end (the end of March 2010).

With regard to the Bank's statement of income for fiscal 2009, operating profits decreased by 72.5 billion yen to 366.5 billion yen. This was mainly due to the decline in "core" operating income<sup>3</sup> reflecting a decrease in yields on assets (Table 2).

Net income for the term—after subtracting corporate income tax and inhabitants and enterprise taxes—increased by 66.8 billion yen from the previous year to 367.1 billion yen. After transferring 18.3 billion yen to the legal reserve (5 percent of net income for the fiscal year) and paying dividends totaling 5 million yen (5 percent of the face value of shares), the Bank paid the remainder of its net income to the government (348.7 billion yen).

The capital adequacy ratio, after the appropriation of net income, was 7.47 percent at the end of fiscal 2009, around the same year-end level as the previous year (Table 3).

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3. For the definition of "core" operating income, see Note 2 in Table 2 on page 55.

Table 1

**Principal Assets and Liabilities<sup>1</sup>**

bil. yen

Item	End of fiscal 2008 (March 31, 2009)	End of fiscal 2009 (March 31, 2010)
<b>Total Assets</b>	123,888.6 (+9.2) <+10,462.3>	121,824.1 (-1.7) <-2,064.4>
Of which:		
Receivables under resale agreements	11,952.0 (+36.3) <+3,184.4>	4,983.3 (-58.3) <-6,968.7>
Japanese government securities	64,265.5 (-4.6) <-3,125.2>	73,066.1 (+13.7) <+8,800.5>
Commercial paper	1,556.9 (...) <+1,556.9>	... (...) <-1,556.9>
Corporate bonds	43.4 (...) <+43.4>	172.2 (4.0 times) <+128.7>
Pecuniary trusts (stocks held as trust property)	1,153.9 (-19.1) <-272.0>	1,425.5 (+23.5) <+271.5>
Loans and bills discounted	32,731.5 (+12.0) <+3,516.2>	35,783.9 (+9.3) <+3,052.4>
Foreign currency assets	10,864.7 (2.1 times) <+5,637.0>	5,022.7 (-53.8) <-5,841.9>
<b>Total Liabilities</b>	120,973.2 (+9.8) <+10,770.8>	118,796.9 (-1.8) <-2,176.2>
Of which:		
Banknotes	76,897.7 (+0.6) <+436.2>	77,352.7 (+0.6) <+454.9>
Deposits (excluding those of the government)	27,922.8 (+95.6) <+13,646.4>	23,498.5 (-15.8) <-4,424.2>
Deposits of the government	2,374.5 (-32.3) <-1,131.2>	3,018.6 (+27.1) <+644.0>
Payables under repurchase agreements	10,371.3 (-14.0) <-1,688.4>	11,651.5 (+12.3) <+1,280.1>

Note: 1. Figures in parentheses are the percentage changes from a year earlier; figures in angular brackets are changes (billions of yen) from a year earlier. "... " indicates that figures are not applicable.



Table 2

**Principal Profits and Losses<sup>1</sup>**

bil. yen

Item	Fiscal 2008 (April 1, 2008–March 31, 2009)	Fiscal 2009 (April 1, 2009–March 31, 2010)
<b>Operating profits/losses</b>	439.0 (–36.1) <–248.2>	366.5 (–16.5) <–72.5>
Of which:		
"Core" operating income <sup>2</sup>	1,071.4 <+30.6>	813.3 <–258.1>
Net government bond-related gains/losses <sup>3</sup>	8.9 <+8.9>	... <–8.9>
Net foreign exchange-related gains/losses <sup>4</sup>	–416.5 <+187.1>	–218.5 <+198.0>
Net pecuniary trusts gains/losses <sup>5</sup>	–17.8 <–330.8>	26.6 <+44.5>
<b>Special profits/losses</b>	–0.1 <+0.4>	0.6 <+0.7>
Of which:		
Net transfer to/from provision for possible losses on securities transactions	... <...>	... <...>
Net transfer to/from provision for possible losses on foreign exchange transactions	... <...>	... <...>
Net income before taxes	438.8 (–36.1) <–247.8>	367.1 (–16.4) <–71.7>
Provision for corporate income tax, inhabitants taxes, and enterprise taxes	138.5 <+92.6>	0.0 <–138.5>
Net income	300.2 (–53.1) <–340.4>	367.1 (+22.3) <+66.8>

Notes: 1. Figures in parentheses are the percentage changes from the previous fiscal year; figures in angular brackets are changes (billions of yen) from the previous fiscal year. "..." indicates that figures are not applicable.

The Bank, the sole issuer of banknotes in Japan, obtains most of its profits from banknote issuance. It is obliged to pay the government all of its net income after deducting expenses and income taxes, excluding certain provisions and dividends. This payment to the government is treated as deductible losses for income tax purposes, and is excluded from taxable income when corporate income tax and enterprise taxes are calculated.

2. The total of interest on loans and discounts, interest on receivables under resale agreements, interest and discounts on JGSS, interest on commercial paper, interest and discounts on corporate bonds, interest and discounts on foreign currency securities, lending fees on foreign currency securities, and interest on foreign currency deposits and loans.
3. Net gains/losses on sale of JGBs.
4. Net gains/losses on foreign currency assets resulting from fluctuations in foreign exchange rates during the fiscal year and arising from revaluation at the end of the fiscal year.
5. Net gains/losses on pecuniary trusts (stocks held as trust property).

Table 3

**The Bank's Capital Base and Capital Adequacy Ratio<sup>1</sup>**

bil. yen, except where otherwise noted

Item	End of fiscal 2007 (March 31, 2008)	End of fiscal 2008 (March 31, 2009)	End of fiscal 2009 (March 31, 2010)	Changes from a year earlier	[Reference] End of the first half of fiscal 2009 (September 30, 2009)
<b>Capital accounts (A)</b>	<b>2,615.0</b>	<b>2,660.1</b>	<b>2,678.4</b>	<b>+18.3</b>	<b>2,660.1</b>
Capital	0.1	0.1	0.1	...	0.1
Legal reserve and others <sup>2</sup>	2,614.9	2,660.0	2,678.3	+18.3	2,660.0
<b>Provisions (B)</b>	<b>3,037.8</b>	<b>3,037.8</b>	<b>3,037.8</b>	<b>...</b>	<b>3,037.8</b>
Provision for possible loan losses (excluding special provision for possible loan losses)	...	...	...	...	...
Provision for possible losses on securities transactions	2,243.3	2,243.3	2,243.3	...	2,243.3
Provision for possible losses on foreign exchange transactions	794.5	794.5	794.5	...	794.5
<b>Capital base<sup>3</sup> (A) + (B) = (C)</b>	<b>5,652.9</b>	<b>5,697.9</b>	<b>5,716.3</b>	<b>+18.3</b>	<b>5,697.9</b>
<b>Annual average of banknotes issued (D)</b>	<b>75,661.5</b>	<b>76,180.5</b>	<b>76,488.8</b>	<b>+308.2</b>	<b>76,220.1</b>
<b>Capital adequacy ratio (C)/(D) × 100 (percent)</b>	<b>7.47</b>	<b>7.47</b>	<b>7.47</b>	<b>...</b>	<b>7.47</b>

Notes: 1. "..." indicates that figures are not applicable.

2. Includes the special reserve (13 million yen).

3. Calculated in yen and then rounded down to the nearest 0.1 billion yen, thus figures are not necessarily equal to the total of relevant items listed in the above table.

## B. Financial Statements

### 1. Inventory of property as at March 31, 2010

Item	Value in yen	Unit (except where otherwise noted)
<b>ASSETS</b>		
Gold	441,253,409,037	
Cash	330,129,147,031	
Receivables under resale agreements	4,983,319,260,656	35
Japanese government securities	73,066,192,637,553	Face value at 72,306,164,200,000 yen
Corporate bonds	172,201,477,854	Face value at 172,000,000,000 yen
Pecuniary trusts (stocks held as trust property)	1,425,577,815,810	
Loans and bills discounted	35,783,900,000,000	
Loans on deeds	20,000,000,000	1
Electronic loans	35,763,900,000,000	1,066
Foreign currency assets	5,022,773,968,595	
Foreign currency deposits	89,157,169,726	
Foreign currency securities	4,754,601,245,295	
Foreign currency mutual funds	38,752,375,410	
Foreign currency pecuniary trusts	140,263,178,164	
Deposits with agents	19,318,752,590	Deposits with 93 agents
Other assets	357,862,697,787	
Bills and checks in process of collection	246,803,844	6
Capital subscription to the Deposit Insurance Corporation, and the Agricultural and Fishery Cooperative Savings Insurance Corporation	225,000,000	2
Capital subscription to an international financial institution	15,278,374,364	1
Provision of funds to the Deposit Insurance Corporation's "Jusen account"	100,000,000,000	1
Provision of funds to the New Financial Stabilization Fund	20,000,000,000	1
Withdrawn cash to be returned to the government	62,157,776,198	6
Refund on accrued tax	2,655,481,088	
Accrued interest receivable	139,476,150,437	
Others	17,823,111,856	
Tangible fixed assets	221,470,620,182	
Buildings	111,788,458,289	653,681.11 square meters
Land	83,261,748,607	698,091.51 square meters
Lease assets	8,909,276,361	Number of lease property: 23,580
Construction in progress	517,411,230	
Other tangible fixed assets	16,993,725,695	Number of movable property: 11,096
Intangible fixed assets	173,681,156	
Utility rights	173,681,156	
<b>Total assets</b>	<b>121,824,173,468,251</b>	
<b>LIABILITIES</b>		
Banknotes	77,352,766,465,158	
Deposits (excluding those of the government)	23,498,581,056,190	
Current deposits	23,455,332,683,433	1,192
Other deposits	43,248,372,757	130
Deposits of the government	3,018,603,167,693	
Treasury deposit	149,999,678,360	
Domestic designated deposit	2,475,917,347,476	
Other government deposits	392,686,141,857	
Payables under repurchase agreements	11,651,519,708,442	57
Other liabilities	44,358,852,514	
Remittances payable	9,976,724,947	
Unearned interest and discounts	39,452	
Taxes payable	5,000,000	
Lease liabilities	9,209,037,209	
Others	25,168,050,906	
Provision for retirement benefits	193,273,521,821	
Provision for possible losses on securities transactions	2,243,348,993,013	
Provision for possible losses on foreign exchange transactions	794,500,000,000	
<b>Total liabilities</b>	<b>118,796,951,764,831</b>	
<b>NET ASSETS</b>		
Capital	100,000,000	
Legal reserve	2,659,993,657,334	
Special reserve	13,196,452	
Net income	367,114,849,634	
<b>Total net assets</b>	<b>3,027,221,703,420</b>	
<b>Total liabilities and net assets</b>	<b>121,824,173,468,251</b>	

## 2. Balance sheet as at March 31, 2010

yen

<b>ASSETS</b>	
<b>Gold</b>	<b>441,253,409,037</b>
<b>Cash</b>	<b>330,129,147,031</b>
<b>Receivables under resale agreements</b>	<b>4,983,319,260,656</b>
<b>Japanese government securities</b>	<b>73,066,192,637,553</b>
Corporate bonds	172,201,477,854
<b>Pecuniary trusts (stocks held as trust property)</b>	<b>1,425,577,815,810</b>
<b>Loans and bills discounted</b>	<b>35,783,900,000,000</b>
Loans on deeds	20,000,000,000
Electronic loans	35,763,900,000,000
<b>Foreign currency assets</b>	<b>5,022,773,968,595</b>
Foreign currency deposits	89,157,169,726
Foreign currency securities	4,754,601,245,295
Foreign currency mutual funds	38,752,375,410
Foreign currency pecuniary trusts	140,263,178,164
<b>Deposits with agents</b>	<b>19,318,752,590</b>
<b>Other assets</b>	<b>357,862,697,787</b>
Bills and checks in process of collection	246,803,844
Capital subscription to the Deposit Insurance Corporation, and the Agricultural and Fishery Cooperative Savings Insurance Corporation	225,000,000
Capital subscription to an international financial institution	15,278,374,364
Provision of funds to the Deposit Insurance Corporation's "Jusen account"	100,000,000,000
Provision of funds to the New Financial Stabilization Fund	20,000,000,000
Withdrawn cash to be returned to the government	62,157,776,198
Refund on accrued tax	2,655,481,088
Accrued interest receivable	139,476,150,437
Others	17,823,111,856
<b>Tangible fixed assets</b>	<b>221,470,620,182</b>
Buildings	111,788,458,289
Land	83,261,748,607
Lease assets	8,909,276,361
Construction in progress	517,411,230
Other tangible fixed assets	16,993,725,695
<b>Intangible fixed assets</b>	<b>173,681,156</b>
Utility rights	173,681,156
<b>Total assets</b>	<b>121,824,173,468,251</b>
<b>LIABILITIES</b>	
<b>Banknotes</b>	<b>77,352,766,465,158</b>
<b>Deposits (excluding those of the government)</b>	<b>23,498,581,056,190</b>
Current deposits	23,455,332,683,433
Other deposits	43,248,372,757
<b>Deposits of the government</b>	<b>3,018,603,167,693</b>
Treasury deposit	149,999,678,360
Domestic designated deposit	2,475,917,347,476
Other government deposits	392,686,141,857
<b>Payables under repurchase agreements</b>	<b>11,651,519,708,442</b>
<b>Other liabilities</b>	<b>44,358,852,514</b>
Remittances payable	9,976,724,947
Unearned interest and discounts	39,452
Taxes payable	5,000,000
Lease liabilities	9,209,037,209
Others	25,168,050,906
<b>Provision for retirement benefits</b>	<b>193,273,521,821</b>
<b>Provision for possible losses on securities transactions</b>	<b>2,243,348,993,013</b>
<b>Provision for possible losses on foreign exchange transactions</b>	<b>794,500,000,000</b>
<b>Total liabilities</b>	<b>118,796,951,764,831</b>
<b>NET ASSETS</b>	
<b>Capital</b>	<b>100,000,000</b>
<b>Legal reserve</b>	<b>2,659,993,657,334</b>
<b>Special reserve</b>	<b>13,196,452</b>
<b>Net income</b>	<b>367,114,849,634</b>
<b>Total net assets</b>	<b>3,027,221,703,420</b>
<b>Total liabilities and net assets</b>	<b>121,824,173,468,251</b>



### 3. Statement of income for fiscal 2009 (April 1, 2009–March 31, 2010)

yen

<b>Operating income</b>	<b>832,411,510,941</b>
<b>Interest on loans and discounts</b>	<b>39,815,944,581</b>
Interest on loans	39,815,944,581
<b>Interest on receivables under resale agreements</b>	<b>9,321,968,935</b>
<b>Interest and discounts on Japanese government securities</b>	<b>599,529,558,649</b>
<b>Interest on commercial paper</b>	<b>761,171,742</b>
<b>Interest and discounts on corporate bonds</b>	<b>1,646,435,554</b>
<b>Gains on sale of Japanese government securities</b>	<b>6,000,211,038</b>
<b>Gains on foreign currency assets</b>	<b>123,329,611,047</b>
Gains on foreign currency securities	100,317,502,077
Gains on foreign currency mutual funds	4,122,074,600
Gains on foreign currency pecuniary trusts	6,038,641,789
Interest on foreign currency deposits and loans	12,851,392,581
<b>Other operating income</b>	<b>52,006,609,395</b>
Gains on pecuniary trusts (stocks held as trust property)	26,618,726,055
Dividends	680,783,340
Fees and commissions	10,334,738,840
Other income	14,372,361,160
<b>Operating expenses</b>	<b>465,895,058,645</b>
<b>Interest on payables under repurchase agreements</b>	<b>20,258,707,171</b>
<b>Losses on foreign currency assets</b>	<b>218,588,510,959</b>
Foreign exchange losses	218,588,510,959
<b>General and administrative expenses and costs</b>	<b>192,236,365,073</b>
Cost of production of banknotes	50,884,110,000
Administrative expenses for treasury business and Japanese government securities	18,332,510,848
Personnel expenses	50,094,633,290
Expenses for transportation and communications	4,688,577,317
Expenses for maintenance and repairs	1,934,657,655
Other general and administrative expenses and costs	44,428,410,348
Taxes excluding corporate income tax, inhabitants taxes, and enterprise taxes	4,000,275,756
Depreciation and amortization	17,873,189,859
<b>Other general and administrative expenses</b>	<b>34,811,475,442</b>
Fees and commissions paid	177,427,810
Other expenses	34,634,047,632
<b>Operating profits</b>	<b>366,516,452,296</b>
<b>Special profits</b>	<b>1,146,832,036</b>
Gains on disposal of fixed assets	1,146,832,036
<b>Special losses</b>	<b>538,592,498</b>
Losses on disposal of fixed assets	538,592,498
<b>Net income before taxes</b>	<b>367,124,691,834</b>
<b>Provision for corporate income tax, inhabitants taxes, and enterprise taxes</b>	<b>9,842,200</b>
<b>Net income</b>	<b>367,114,849,634</b>

#### 4. Summary of significant accounting policies

##### a. Securities

Yen-denominated bonds and CP<sup>4</sup> are valued at amortized cost determined by the moving-average method.

Foreign currency-denominated bonds and foreign currency-denominated mutual funds are valued at market value.

Stockholdings are valued at cost determined by the moving-average method.

Impairment procedures will be applied for CP, corporate bonds, and stocks whose market values have fallen considerably.

Securities held as trust property in pecuniary trusts<sup>5</sup> are valued in accordance with the procedures prescribed above according to the type of securities.

##### b. Tangible and intangible fixed assets

Depreciation is computed as follows:

###### (1) Buildings

Depreciation is computed by the declining-balance method while the straight-line method is applied to buildings acquired on or after April 1, 1998, at a rate based on the Corporation Tax Act.

###### (2) Accessory equipment in the Bank's buildings and movable property

Depreciation is computed by the declining-balance method at a rate based on the Corporation Tax Act.

###### (3) Lease assets arising from finance lease transactions that transfer ownership

Depreciation is computed based on the same depreciation method as is applied to fixed assets owned by the Bank.

###### (4) Lease assets arising from finance lease transactions that do not transfer ownership

Depreciation is computed using the straight-line method based on the assumption that the useful life equals the lease term and the residual value equals zero.

###### (5) Others

Depreciation is computed in accordance with the Corporation Tax Act.

##### c. Foreign currency transactions

Assets and liabilities denominated in foreign currencies are translated into yen at the foreign exchange rate prevailing at the balance-sheet date. However, the amount of capital subscription to an international financial institution is translated into yen at the

4. CP here comprises the following types, in dematerialized or physical form: (1) CP issued by domestic corporations; (2) CP issued by foreign corporations with guarantees (dematerialized only); and (3) asset-backed CP.

5. Includes (1) "money trusts," where the beneficiaries entrust money to be held as trust property, and at the end of the term receive money; and (2) "pecuniary trusts other than money trusts," where the beneficiaries entrust money to be held as trust property, and at the end of the term receive securities or other forms of property in which the money has been invested.

foreign exchange rate prevailing at the time of subscription.

**d. Transfers to/from provisions**

(1) Provision for possible loan losses

The general provision for possible loan losses is maintained based on the past experience of the ratio of actual loan losses to total loans (the loan-loss ratio). However, a special provision for possible losses on specific loans will be recorded separately, should the Bank's Policy Board deem it necessary.

(2) Provision for retirement benefits

Appropriation for the provision for retirement benefits is based on the estimated amount of retirement benefit obligations at the fiscal year-end.

Unrecognized actuarial differences are amortized from the fiscal year following the one in which the difference arises; this is done using the straight-line method, which fixes the amount of the amortization and applies it over a certain number of years—within the average remaining service period of employees at the time (the amortization is applied over ten years).

(3) Provisions for possible losses on securities transactions and foreign exchange transactions

Provisions for possible losses on securities transactions and for possible losses on foreign exchange transactions are maintained pursuant to the following rules and regulations: Article 15 of the Bank of Japan Act Enforcement Order; Articles 9, 10, and 11 of the Ordinance for Enforcement of the Bank of Japan Act; and Article 18 of the Bank's Accounting Rules.

(4) Provision for unrealized losses on stockholdings

A provision for unrealized losses on stockholdings is appropriated when the market value is less than the book value, in an amount equivalent to the difference between them.

**e. Significant changes in the accounting standard**

The Bank of Japan has applied "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (Accounting Standards Board of Japan, July 31, 2008), beginning with the financial statements for this fiscal year (fiscal 2009). This change had no impact on the financial statements for the fiscal year.

### Explanatory Notes to Lease Transactions

#### 1. Finance lease transactions

Finance lease transactions that do not transfer ownership

##### a. Details of lease assets

Tangible fixed assets, mainly electronic data processing systems such as the Bank's host computers.

##### b. Methods used in calculating the depreciation of lease assets

Depreciation is computed in accordance with the Bank's significant accounting policies on methods used in calculating the depreciation of tangible fixed assets and intangible fixed assets.

#### 2. Operating lease transactions

Future minimum lease payments for non-cancelable operating lease transactions

##### a. Lessee

	mil. yen
Within one year	91
More than one year	134
Total	225

##### b. Lessor

	mil. yen
Within one year	1
More than one year	44
Total	46

### Explanatory Notes to Accounting for Retirement Benefits<sup>1</sup>

<b>1. Projected benefit obligation</b>		yen
Projected benefit obligation	(A)	-201,537,098,000
Fair value of plan assets	(B)	...
Unfunded projected benefit obligation	(C) = (A) + (B)	-201,537,098,000
Unrecognized actuarial differences	(D)	8,263,576,179
Unrecognized prior service cost	(E)	...
Net amount recorded on the balance sheet	(F) = (C) + (D) + (E)	-193,273,521,821
Prepaid pension cost	(G)	...
Provision for retirement benefits	(F) - (G)	-193,273,521,821
<b>2. Pension expenses</b>		yen
Service costs		4,706,073,000
Interest costs		3,996,451,000
Expected return on plan assets		...
Amortization of actuarial differences		3,200,308,590
Amortization of prior service cost		...
Others (such as extra retirement benefits)		...
Pension expenses		11,902,832,590
<b>3. Assumptions</b>		
Discount rate		2.0%
Expected rate of return on plan assets		...
Method of attributing the projected benefits to periods of service		Straight-line method
Amortization period of actuarial differences		10 years
Amortization period of service cost		...

Note: 1. "..." indicates that figures are not applicable.



**5. Auditors' opinion<sup>6</sup>**

May 6, 2010

**Auditors' Opinion on the Bank of Japan's Financial Statements  
for Fiscal 2009**

Pursuant to Article 52, paragraph 1 of the Bank of Japan Act (Act No. 89, 1997), we have audited the financial statements of the Bank of Japan for fiscal 2009 indicated below. In our opinion, the financial statements present fairly the state of property and the results of operations for fiscal 2009.

The financial statements comprise the following:  
Inventory of property as at March 31, 2010;  
Balance sheet as at March 31, 2010; and  
Statement of income for fiscal 2009.

Toshiharu Murayama  
Makoto Hosomi  
Michio Masukawa

Auditors, Bank of Japan

**6. Appropriation of net income for fiscal 2009**

yen

<b>Net income</b>	<b>367,114,849,634</b>
Appropriations:	
Transfer to legal reserve	18,355,742,482
Dividends, 5 percent of share face value	5,000,000
Payment to the government	348,754,107,152
<b>Total</b>	<b>367,114,849,634</b>

6. This presents a translation, for convenience only, of the original report issued in Japanese.

## C. Schedule for the Financial Statements for Fiscal 2009

### 1. Details of assets

yen

Item	Balance at the beginning of the fiscal year	Balance at the end of the fiscal year	Changes during the fiscal year
<b>1. Gold</b>	<b>441,253,409,037</b>	<b>441,253,409,037</b>	<b>0</b>
<b>2. Cash<sup>7</sup></b>	<b>246,668,852,439</b>	<b>330,129,147,031</b>	<b>83,460,294,592</b>
<b>3. Receivables under resale agreements<sup>2</sup></b>	<b>11,952,035,942,590</b>	<b>4,983,319,260,656</b>	<b>-6,968,716,681,934</b>
Purchases of Japanese government securities under repurchase agreements	8,964,903,723,766	2,996,979,539,258	-5,967,924,184,508
Purchases of commercial paper under repurchase agreements	2,987,132,218,824	1,986,339,721,398	-1,000,792,497,426
<b>4. Japanese government securities</b>	<b>64,265,595,338,423</b>	<b>73,066,192,637,553</b>	<b>8,800,597,299,130</b>
Financing bills, treasury bills, and treasury discount bills	21,604,314,067,239	22,853,230,711,380	1,248,916,644,141
Financing bills	5,139,243,384,093	0	-5,139,243,384,093
Treasury bills	12,429,438,199,340	0	-12,429,438,199,340
Treasury discount bills	4,035,632,483,806	22,853,230,711,380	18,817,598,227,574
Japanese government bonds	42,661,281,271,184	50,212,961,926,173	7,551,680,654,989
2-year Japanese government bonds	1,941,703,035,264	2,195,539,857,238	253,836,821,974
5-year Japanese government bonds	6,571,361,102,758	9,277,374,144,329	2,706,013,041,571
10-year Japanese government bonds	20,392,713,684,227	23,242,692,492,346	2,849,978,808,119
20-year Japanese government bonds	13,310,119,168,660	13,739,592,861,045	429,473,692,385
Floating-rate Japanese government bonds	116,230,792,170	827,965,489,700	711,734,697,530
Others	329,153,488,105	929,797,081,515	600,643,593,410
<b>5. Commercial paper<sup>3</sup></b>	<b>1,556,909,447,058</b>	<b>0</b>	<b>-1,556,909,447,058</b>
Dematerialized commercial paper	1,556,909,447,058	0	-1,556,909,447,058
<b>6. Corporate bonds</b>	<b>43,468,449,273</b>	<b>172,201,477,854</b>	<b>128,733,028,581</b>
<b>7. Pecuniary trusts (stocks held as trust property)<sup>4</sup></b>	<b>1,153,983,439,300</b>	<b>1,425,577,815,810</b>	<b>271,594,376,510</b>
Stocks	1,139,200,406,000	1,410,257,008,710	271,056,602,710
Dividends receivable and others	14,783,033,300	15,320,807,100	537,773,800
<b>8. Loans and bills discounted</b>	<b>32,731,500,000,000</b>	<b>35,783,900,000,000</b>	<b>3,052,400,000,000</b>
Loans on deeds	0	20,000,000,000	20,000,000,000
Of which: loans pursuant to "Principal Terms and Conditions for Provision of Subordinated Loans"	0	20,000,000,000	20,000,000,000
Electronic loans	32,731,500,000,000	35,763,900,000,000	3,032,400,000,000
Loans by complementary lending facility	59,200,000,000	4,800,000,000	-54,400,000,000
Loans by funds-supplying operations against pooled collateral <sup>5</sup>	32,672,300,000,000	35,759,100,000,000	3,086,800,000,000
<b>9. Foreign currency assets</b>	<b>10,864,739,287,260</b>	<b>5,022,773,968,595</b>	<b>-5,841,965,318,665</b>
Foreign currency deposits <sup>6</sup>	88,954,381,545	89,157,169,726	202,788,181
Foreign currency securities <sup>7,8</sup>	4,870,120,264,084	4,754,601,245,295	-115,519,018,789
Foreign currency mutual funds	36,267,229,273	38,752,375,410	2,485,146,137
Foreign currency pecuniary trusts	142,912,452,358	140,263,178,164	-2,649,274,194
Foreign currency loans <sup>9</sup>	5,726,484,960,000	0	-5,726,484,960,000
<b>10. Deposits with agents<sup>10</sup></b>	<b>26,189,233,967</b>	<b>19,318,752,590</b>	<b>-6,870,481,377</b>

- Notes:
1. Coins reserved for circulation.
  2. Monetary obligations arising from the purchase of JGSs and CP under repurchase agreements.
  3. Comprises the following types, in dematerialized or physical form: (1) CP issued by domestic corporations; (2) CP issued by foreign corporations with guarantees (dematerialized only); and (3) asset-backed CP.
  4. Stocks purchased from financial institutions through a trust bank, and other trust properties.
  5. Includes the amount outstanding of loans arising from the special funds-supplying operation to facilitate corporate financing. The amount outstanding at the fiscal year-end also includes that from the fixed-rate funds-supplying operation against pooled collateral.
  6. Deposits held at foreign central banks and the Bank for International Settlements.
  7. Includes securities issued by foreign governments.
  8. 902,192,276,723 yen of the amount outstanding of the foreign currency securities at the fiscal year-end comprises loans due to lending/borrowing of securities.
  9. Loans arising from U.S. dollar funds-supplying operations against pooled collateral.
  10. Deposits held at agents that conduct operations relating to treasury funds and JGSs on behalf of the Bank. These deposits are reserved for such operations.

yen

Item	Balance at the beginning of the fiscal year	Balance at the end of the fiscal year	Changes during the fiscal year
<b>11. Other assets</b>	<b>385,369,652,179</b>	<b>357,862,697,787</b>	<b>-27,506,954,392</b>
Bills and checks in process of collection <sup>11</sup>	51,787,296	246,803,844	195,016,548
Capital subscription to the Deposit Insurance Corporation, and the Agricultural and Fishery Cooperative Savings Insurance Corporation	225,000,000	225,000,000	0
Capital subscription to an international financial institution <sup>12</sup>	15,278,374,364	15,278,374,364	0
Provision of funds to the Deposit Insurance Corporation's "Jusen account" <sup>13</sup>	100,000,000,000	100,000,000,000	0
Provision of funds to the New Financial Stabilization Fund <sup>14</sup>	20,000,000,000	20,000,000,000	0
Withdrawn cash to be returned to the government <sup>15</sup>	68,471,327,650	62,157,776,198	-6,313,551,452
Refund on accrued tax	0	2,655,481,088	2,655,481,088
Accrued interest receivable	143,986,557,669	139,476,150,437	-4,510,407,232
Others	37,356,605,200	17,823,111,856	-19,533,493,344

Notes: 11. Checks and bills received as cash and in process of collection.

12. A subscription to the Bank for International Settlements.

13. Funds provided to the Deposit Insurance Corporation's "Jusen (housing loan companies) account."

14. Funds provided to the New Financial Stabilization Fund, an incorporated association.

15. Includes coins that became unfit for circulation through damage and received as treasury funds by the Bank.

yen

Item	Balance at the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	Of which:	Balance at the end of the fiscal year	Cumulative total of depreciation
				Depreciation		
<b>12. Tangible fixed assets<sup>16</sup></b>	<b>220,696,833,846</b>	<b>30,846,418,220</b>	<b>30,072,631,884</b>	<b>17,303,761,358</b>	<b>221,470,620,182</b>	<b>304,979,980,082</b>
Buildings <sup>17,18</sup>	115,131,552,291 (652,644.26)	6,073,295,422 (2,660.53)	9,416,389,424 (1,623,68)	9,396,876,657 (...)	111,788,458,289 (653,681.11)	277,617,871,813 (...)
Land <sup>17</sup>	83,263,386,539 (712,419.11)	0 (0.00)	1,637,932 (14,327.60)	...	83,261,748,607 (698,091.51)	...
Lease assets <sup>19,20</sup>	6,163,422,445 (24,387)	6,540,104,576 (6,251)	3,794,250,660 (7,058)	3,787,295,129 (...)	8,909,276,361 (23,580)	5,281,213,199 (...)
Construction in progress <sup>21</sup>	2,118,647,280	10,657,617,136	12,258,853,186	...	517,411,230	...
Other tangible fixed assets <sup>22,23</sup>	14,019,825,291 (11,407)	7,575,401,086 (276)	4,601,500,682 (587)	4,119,589,572 (...)	16,993,725,695 (11,096)	22,080,895,070 (...)

Notes: 16. "..." indicates that figures are not applicable.

17. Figures in parentheses for "buildings" and "land" indicate area in square meters.

18. Main factors behind the increase in "buildings" were the renovation of and repairs to buildings for the Bank's business operations.

19. Figures in parentheses for "lease assets" describe the number of items of lease property.

20. Purchases of new electronic data processing systems were the main factor behind the increase in "lease assets."

21. The increase in "construction in progress" was mainly due to the renovation of and repairs to buildings for the Bank's business operations, and the production of automatic banknote examination machines.

22. Figures in parentheses for "other tangible fixed assets" describe the number of items of movable property.

23. Purchase of new automatic banknote examination machines was the main factor behind the increase in "other tangible fixed assets."

yen

Item	Balance at the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	Of which:	Balance at the end of the fiscal year	Cumulative total of depreciation
				Depreciation		
<b>13. Intangible fixed assets</b>	<b>191,430,875</b>	<b>0</b>	<b>17,749,719</b>	<b>17,749,719</b>	<b>173,681,156</b>	<b>764,434,145</b>
Utility rights	191,430,875	0	17,749,719	17,749,719	173,681,156	764,434,145

## 2. Details of liabilities and net assets

yen

Item	Balance at the beginning of the fiscal year	Balance at the end of the fiscal year	Changes during the fiscal year
<b>1. Banknotes</b>	<b>76,897,777,593,324</b>	<b>77,352,766,465,158</b>	<b>454,988,871,834</b>
10,000 yen notes	70,266,673,120,000	70,704,677,085,000	438,003,965,000
5,000 yen notes	2,689,456,565,000	2,682,622,575,000	-6,833,990,000
2,000 yen notes	252,033,134,000	226,236,563,000	-25,796,571,000
1,000 yen notes	3,531,361,867,000	3,582,377,408,000	51,015,541,000
Other banknotes <sup>1</sup>	158,252,907,324	156,852,834,158	-1,400,073,166
<b>2. Deposits (excluding those of the government)</b>	<b>27,922,827,226,375</b>	<b>23,498,581,056,190</b>	<b>-4,424,246,170,185</b>
Current deposits	22,148,918,284,105	23,455,332,683,433	1,306,414,399,328
Current deposits of financial institutions <sup>2</sup>	21,493,060,471,960	22,128,242,280,851	635,181,808,891
Other current deposits of nonfinancial institutions <sup>3</sup>	655,857,812,145	1,327,090,402,582	671,232,590,437
Other deposits <sup>4</sup>	5,773,908,942,270	43,248,372,757	-5,730,660,569,513
<b>3. Deposits of the government</b>	<b>2,374,589,570,137</b>	<b>3,018,603,167,693</b>	<b>644,013,597,556</b>
Treasury deposit	149,999,399,894	149,999,678,360	278,466
Domestic designated deposit <sup>5</sup>	1,909,245,788,074	2,475,917,347,476	566,671,559,402
Other government deposits <sup>6</sup>	315,344,382,169	392,686,141,857	77,341,759,688
<b>4. Payables under repurchase agreements<sup>7</sup></b>	<b>10,371,380,875,981</b>	<b>11,651,519,708,442</b>	<b>1,280,138,832,461</b>
Sales of Japanese government bonds under repurchase agreements to the government	8,181,734,673,676	9,679,316,315,156	1,497,581,641,480
Sales of treasury bills and financing bills under repurchase agreements to foreign central banks and other foreign entities	2,156,462,590,803	1,972,203,393,286	-184,259,197,517
Other sales of Japanese government securities under repurchase agreements	33,183,611,502	0	-33,183,611,502
Of which: Under the securities lending facility	33,183,611,502	0	-33,183,611,502
<b>5. Other liabilities</b>	<b>177,965,933,166</b>	<b>44,358,852,514</b>	<b>-133,607,080,652</b>
Remittances payable	6,299,944,758	9,976,724,947	3,676,780,189
Unearned interest and discounts	486,575	39,452	-447,123
Taxes payable	113,582,000,000	5,000,000	-113,577,000,000
Lease liabilities	6,357,756,663	9,209,037,209	2,851,280,546
Others	51,725,745,170	25,168,050,906	-26,557,694,264

- Notes: 1. The total of banknotes of denominations that are no longer issued new but are still legal tender (i.e., notes of 500 yen, 100 yen, 50 yen, 10 yen, 5 yen, and 1 yen).
2. Deposits held by financial institutions including institutions such as *tanshi* companies (money market brokers) and securities finance companies.
3. Deposits held by institutions, for example, financial instruments firms.
4. Deposits held by foreign central banks and others.
5. A deposit to which the surplus funds from management of the treasury is transferred from the "treasury deposit."
6. Includes the special deposit, which balances "cash" (coins reserved for circulation) and "withdrawn cash to be returned to the government" (coins withdrawn from circulation) in the asset account.
7. Monetary obligations arising from the sale of JGSs under repurchase agreements.

yen

Item	Balance at the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	Balance at the end of the fiscal year
<b>6. Provisions<sup>8</sup></b>	<b>3,228,705,573,801</b>	<b>11,902,832,590</b>	<b>9,485,891,557</b>	<b>3,231,122,514,834</b>
Provision for retirement benefits	190,856,580,788	11,902,832,590	9,485,891,557	193,273,521,821
Provision for possible losses on securities transactions	2,243,348,993,013	0	0	2,243,348,993,013
Provision for possible losses on foreign exchange transactions	794,500,000,000	0	0	794,500,000,000
<b>7. Net assets</b>	<b>2,615,063,143,842</b>	<b>45,043,709,944</b>	<b>0</b>	<b>2,660,106,853,786</b>
Capital	100,000,000	0	0	100,000,000
Legal reserve <sup>9</sup>	2,614,949,947,390	45,043,709,944	0	2,659,993,657,334
Special reserve <sup>10</sup>	13,196,452	0	0	13,196,452

Notes: 8. Appropriated in accordance with the Bank's significant accounting policies.

9. A reserve maintained to cover possible losses and to pay dividends under Article 53, paragraphs 1 and 2 of the Bank of Japan Act.

10. To ease the reconstruction of financial institutions after World War II, the Bank, along with private financial institutions, suspended payment of dividends from the first half of fiscal 1945 to the first half of fiscal 1949, in accordance with an order from the Minister of Finance. The unpaid dividends were set aside as a special reserve pursuant to the Supplementary Provisions of the Act for Partial Revision of the Bank of Japan Act (Act No. 46 of 1947).

### 3. Details of revenues and expenses

#### a. Operating income

<b>Interest on loans and discounts</b>	
Interest on loans	39,369,214,943 yen from electronic loans and 446,729,638 yen from loans on deeds.
<b>Interest on receivables under resale agreements</b>	6,380,862,640 yen from interest income on purchase of Japanese government securities under resale agreements and 2,941,106,295 yen from interest income on purchase of commercial paper under resale agreements.
<b>Interest and discounts on Japanese government securities</b>	599,529,558,649 yen from interest income on Japanese government securities after adjustment.
<b>Interest on commercial paper</b>	761,171,742 yen from interest income on commercial paper after adjustment.
<b>Interest and discounts on corporate bonds</b>	1,646,435,554 yen from interest income on corporate bonds after adjustment.
<b>Gains on sale of Japanese government securities</b>	6,000,211,038 yen from gains on sales of financing bills and treasury bills.
<b>Gains on foreign currency assets</b>	
Gains on foreign currency securities	Total of 148,937,862,191 yen from interest and discounts on foreign currency securities and 508,326,753 yen from lending fees on them; and 49,128,686,867 yen of losses arising from sale, redemption, and revaluation at end-March 2010 of foreign currency securities.
Gains on foreign currency mutual funds	4,122,074,600 yen
Gains on foreign currency pecuniary trusts	6,038,641,789 yen
Interest on foreign currency deposits and loans	12,851,392,581 yen
<b>Other operating income</b>	
Gains on pecuniary trusts (stocks held as trust property)	26,618,726,055 yen mainly from dividends.
Dividends	680,783,340 yen for dividends from shares of the Bank for International Settlements held by the Bank.
Fees and commissions	10,334,738,840 yen for fees and commissions for operations regarding Japanese government securities, the BOJ-NET, foreign exchange transactions, and other operations.
Other income	14,372,361,160 yen from transfer from provision for retirement benefits and other miscellaneous income.



## b. Operating expenses

<b>Interest on payables under repurchase agreements</b>	20,258,707,171 yen for interest payment on sale of Japanese government securities under repurchase agreements.
<b>Losses on foreign currency assets</b>	
Foreign exchange losses	218,588,510,959 yen from losses on foreign currency assets resulting from fluctuations in foreign exchange rates during the fiscal year and arising from revaluation at the end of the fiscal year.
<b>General and administrative expenses and costs</b>	
Cost of production of banknotes	50,884,110,000 yen from payments to the National Printing Bureau, an incorporated administrative agency, for the cost of production of banknotes.
Administrative expenses for treasury business and Japanese government securities	18,332,510,848 yen from fees and commissions paid to agents of the Bank for administration of treasury business and Japanese government securities.
Personnel expenses	390,529,200 yen for remuneration of the officers; 40,194,392,533 yen for remuneration of the employees; and 9,509,711,557 yen for retirement allowances.
Expenses for transportation and communications	1,819,856,652 yen for expenses for transportation and 2,868,720,665 yen for expenses for communications.
Expenses for maintenance and repairs	1,934,657,655 yen on offices and other premises.
Other general and administrative expenses and costs	1,242,237,998 yen for the cost of expendable supplies; 1,880,728,659 yen for expenses for electricity and water supply; 8,932,848,316 yen for leasing fees for buildings and equipment; 9,156,962,066 yen for expenses for maintenance of buildings and equipment; and 23,215,633,309 yen for miscellaneous expenses.
Taxes, excluding corporate income tax, inhabitants taxes, and enterprise taxes	4,000,275,756 yen for taxes and public charges (including fixed-asset tax and urban development tax).
Depreciation and amortization	17,873,189,859 yen on buildings and lease assets.
<b>Other general and administrative expenses</b>	
Fees and commissions paid	177,427,810 yen
Other expenses	34,634,047,632 yen for interest on domestic designated deposit; interest on excess reserve balances under the Complementary Deposit Facility; interest payment on currency swap transactions; transfers to provision for retirement benefits; and other expenses.

## c. Special profits

<b>Gains on disposal of fixed assets</b>	1,146,832,036 yen for gains on sale of land for the Bank's premises and other properties.
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## d. Special losses

<b>Losses on disposal of fixed assets</b>	538,592,498 yen for losses on disposals of banknote examination machines and other properties.
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## e. Net income

<b>Net income before taxes</b>	367,124,691,834 yen
<b>Provision for corporate income tax, inhabitants taxes, and enterprise taxes</b>	9,842,200 yen
<b>Net income</b>	367,114,849,634 yen

## II. SETTLEMENT OF ACCOUNTS FOR EXPENSES<sup>7</sup> FOR FISCAL 2009

The Bank's settlement of accounts for expenses for fiscal 2009 (the 125th fiscal year) decreased by 14.7 percent (31.5 billion yen) to 182.8 billion yen compared to the previous year. This was mainly due to the following. Although the "cost of fixed-asset purchases" increased owing to the updating and repairing of automatic banknote examination machines, "administrative expenses for treasury business and Japanese government securities" decreased significantly due to reductions in fees for redemptions of and interest payments on JGSs, and the "cost of production of banknotes" decreased due to a cost reduction by the National Printing Bureau.

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7. These are limited to expenses specified by a Cabinet Order as not hampering the currency and monetary control.

## A. Annual Report on Settlement of Accounts

### 1. Settlement of accounts for fiscal 2009

yen

Item	Initial budget	Use of contingency funds	Diversion of funds	Adjusted budget <sup>1</sup>	Settlement of accounts	Surpluses	Changes from the previous year's settlement of accounts
<b>Cost of production of banknotes</b>	<b>51,979,378,000</b>	<b>0</b>	<b>0</b>	<b>51,979,378,000</b>	<b>50,884,110,000</b>	<b>1,095,268,000</b>	<b>-1,803,608,000</b>
<b>Administrative expenses for treasury business and Japanese government securities</b>	<b>20,597,397,000</b>	<b>0</b>	<b>0</b>	<b>20,597,397,000</b>	<b>18,332,510,848</b>	<b>2,264,886,152</b>	<b>-30,675,940,241</b>
<b>Personnel expenses</b>	<b>52,194,298,000</b>	<b>0</b>	<b>0</b>	<b>52,194,298,000</b>	<b>50,094,633,290</b>	<b>2,099,664,710</b>	<b>-880,578,145</b>
Remuneration of the officers	436,078,000	0	0	436,078,000	390,529,200	45,548,800	-4,592,900
Remuneration of the employees	41,514,816,000	0	0	41,514,816,000	40,194,392,533	1,320,423,467	-509,638,729
Retirement allowances	10,243,404,000	0	0	10,243,404,000	9,509,711,557	733,692,443	-366,346,516
<b>Expenses for transportation and communications</b>	<b>5,528,869,000</b>	<b>0</b>	<b>0</b>	<b>5,528,869,000</b>	<b>4,688,577,317</b>	<b>840,291,683</b>	<b>-295,730,243</b>
Expenses for transportation	2,250,961,000	0	0	2,250,961,000	1,819,856,652	431,104,348	-45,670,259
Expenses for communications	3,277,908,000	0	0	3,277,908,000	2,868,720,665	409,187,335	-250,059,984
<b>Expenses for maintenance and repairs</b>	<b>2,115,000,000</b>	<b>0</b>	<b>0</b>	<b>2,115,000,000</b>	<b>1,934,657,655</b>	<b>180,342,345</b>	<b>242,539,619</b>
<b>Other general and administrative expenses and costs</b>	<b>49,949,269,000</b>	<b>0</b>	<b>0</b>	<b>49,949,269,000</b>	<b>44,428,410,348</b>	<b>5,520,858,652</b>	<b>-770,437,690</b>
Cost of expendable supplies	1,646,907,000	0	0	1,646,907,000	1,242,237,998	404,669,002	-121,143,217
Expenses for electricity and water supply	2,275,422,000	0	0	2,275,422,000	1,880,728,659	394,693,341	-206,056,662
Leasing fees for buildings and equipment	9,959,813,000	0	0	9,959,813,000	8,932,848,316	1,026,964,684	-1,316,090,350
Expenses for maintenance of buildings and equipment	9,863,231,000	0	0	9,863,231,000	9,156,962,066	706,268,934	112,913,805
Miscellaneous expenses	26,203,896,000	0	0	26,203,896,000	23,215,633,309	2,988,262,691	759,938,734
<b>Subtotal</b>	<b>182,364,211,000</b>	<b>0</b>	<b>0</b>	<b>182,364,211,000</b>	<b>170,362,899,458</b>	<b>12,001,311,542</b>	<b>-34,183,754,700</b>
<b>Cost of fixed-asset purchases</b>	<b>13,393,147,000</b>	<b>0</b>	<b>0</b>	<b>13,393,147,000</b>	<b>12,450,252,411</b>	<b>942,894,589</b>	<b>2,730,089,936</b>
Of which: Subject to the approval of the Minister of Finance <sup>2</sup>	8,023,147,000	0	0	8,023,147,000	7,758,207,446	264,939,554	3,987,066,265
<b>Contingency funds</b>	<b>1,000,000,000</b>	<b>0</b>	<b>0</b>	<b>1,000,000,000</b>	<b>0</b>	<b>1,000,000,000</b>	<b>0</b>
<b>Total</b>	<b>196,757,358,000</b>	<b>0</b>	<b>0</b>	<b>196,757,358,000</b>	<b>182,813,151,869</b>	<b>13,944,206,131</b>	<b>-31,453,664,764</b>
Of which: Subject to the approval of the Minister of Finance <sup>2</sup>	191,387,358,000	0	0	191,387,358,000	178,121,106,904	13,266,251,096	-30,196,688,435

Notes: 1. "Initial budget" plus/minus "use of contingency funds" and "diversion of funds."

2. Excludes the cost of purchasing fixed assets used for the Bank's business operations. The annual report on the settlement of accounts for each fiscal year is compiled and submitted, together with the Auditors' opinion, to the Minister of Finance. The cost of purchasing fixed assets used for the Bank's business operations is not subject to the Minister's authorization, but it was also audited by the Auditors, who approved it as fairly presenting the expenses for such purchases.

## B. Expenses by Area of Business Operation

### 1. Expenses by area of business operation for fiscal 2009<sup>1</sup>

mil. yen

Area of business operation	Expenses	Changes from a year earlier	Share of total (percent)
Issuance of banknotes	83,687	-1,120	43.5
Monetary policy	21,826	-243	11.4
Financial system policy	19,313	+631	10.0
Payment and settlement systems	24,979	-3,294	13.0
Services relating to the government <sup>2</sup>	42,431	-31,134	22.1
<b>Total</b>	<b>192,236</b>	<b>-35,160</b>	<b>100.0</b>

Notes: 1. Calculated based on "general and administrative expenses and costs" (192.2 billion yen) in the statement of income for fiscal 2009 (the 125th fiscal year). Figures are rounded to the nearest million yen.

Expenses for the Bank's various business and organizational divisions (international finance, research and statistics, external relations activities, and organizational management), which contribute jointly to each of the above areas of business operation, are amortized equally and included in the relevant sections of the above table.

2. Services provided by the Bank, specifically those relating to treasury funds, JGSs, and others.