



The Bank's Accounts:

Financial Statements
and Other Documents
for Fiscal 2014

**I. Assets and Liabilities, Profits and Losses, and
Capital Adequacy Ratio**

II. Financial Statements

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On May 27, 2015, the Bank of Japan released the "Financial Statements for the 130th Fiscal Year" (available only in Japanese), which contains the Bank's financial statements (the inventory of property, balance sheet, and statement of income) for the 130th fiscal year, i.e., fiscal 2014 (April 1, 2014–March 31, 2015), and the schedule for the financial statements for fiscal 2014.

The Bank submitted the financial statements, together with the Auditors' opinion, to the Minister of Finance, and received the Minister's approval. 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 financial results for fiscal 2014 is as below.

I. ASSETS AND LIABILITIES, PROFITS AND LOSSES, AND CAPITAL ADEQUACY RATIO

The balance sheet of the Bank at the end of fiscal 2014 shows that total assets increased by 33.9 percent (82,013.8 billion yen) from the previous fiscal year-end to 323,593.7 billion yen, mainly due to an increase in holdings of Japanese government securities (JGSs).¹ Total liabilities increased by 34.3 percent (81,584.2 billion yen) from the previous fiscal year-end to 319,698.3 billion yen, mainly due to an increase in current deposits (Table 1).

Detailed developments in the Bank's balance sheet in fiscal 2014 are as follows.

Looking at assets at the fiscal year-end, holdings of JGSs increased by 36.0 percent from the previous fiscal year-end to 269,792.1 billion yen, mainly reflecting the progress in the Bank's JGB purchases under quantitative and qualitative monetary easing (QQE). Loans and bills discounted increased by 29.6 percent from the previous fiscal year-end to 34,097.5 billion yen, mainly due to an increase in the amount of funds provided through the fund-provisioning measure to stimulate bank lending (hereafter the Stimulating Bank Lending Facility). The amount outstanding of loans provided through the Loan Support Program² was 28,461.0 billion yen.

Turning to liabilities, current deposits increased by 56.6 percent from the previous fiscal year-end to 201,556.4 billion yen, reflecting an increase in the amount of funds provided through JGB purchases and other measures. Meanwhile, the amount outstanding of banknotes issued (banknotes in circulation) increased by 3.5 percent from the previous fiscal year-end to 89,673.2 billion yen.

1. JGSs comprise Japanese government bonds (JGBs) and treasury discount bills (T-Bills).

2. The Bank aims through this program to support private financial institutions' efforts in strengthening the foundations for economic growth and stimulating bank lending. It was introduced as a temporary measure that would help the effects of monetary easing to permeate the entire economy, with a view to achieving price stability and thereby contributing to the sound development of the national economy.

With regard to the Bank's statement of income for fiscal 2014, operating profits increased by 433.1 billion yen from the previous fiscal year to 1,713.7 billion yen, mainly due to the rise in "core" operating income³ (Tables 2 and 3).

Meanwhile, net special losses amounted to 362.2 billion yen, due mainly to the transfer of funds to the provision for possible losses on foreign exchange transactions following net foreign exchange-related gains.

Net income for the term—after subtracting corporate income tax and inhabitants and enterprise taxes—increased by 284.7 billion yen from the previous fiscal year to 1,009.0 billion yen. After transferring 252.2 billion yen to the legal reserve (25 percent of net income for the term) 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 (756.7 billion yen). As for the amount transferred to the legal reserve, the Bank is obliged to reserve 5 percent of net income for the term pursuant to Article 53, paragraph 1 of the Bank of Japan Act (hereafter the Act). However, as the fluctuation in net income is expected to increase with the implementation of QQE, 25 percent of net income for the term was transferred with a view to securing the Bank's financial soundness, upon authorization from the Minister of Finance pursuant to Article 53, paragraph 2 of the Act.

The capital adequacy ratio, after the appropriation of net income, rose from its previous fiscal year-end level of 7.74 percent to 8.20 percent at the end of fiscal 2014 (Table 4).

3. For the definition of "core" operating income, see Note 2 in Table 2 on page 58.

Table 1

Principal Assets and Liabilities¹

bil. yen

Item	End of fiscal 2013 (March 31, 2014)	End of fiscal 2014 (March 31, 2015)
Total assets	241,579.8 (+46.6) <+76,767.1>	323,593.7 (+33.9) <+82,013.8>
Of which:		
Japanese government securities	198,337.0 (+58.2) <+72,981.4>	269,792.1 (+36.0) <+71,455.1>
Commercial paper	1,874.9 (+50.5) <+629.1>	1,978.9 (+5.6) <+104.0>
Corporate bonds	3,204.1 (+11.0) <+316.8>	3,243.0 (+1.2) <+38.9>
Pecuniary trusts (stocks held as trust property)	1,372.8 (-0.4) <-5.2>	1,375.7 (+0.2) <+2.9>
Pecuniary trusts (index-linked exchange-traded funds held as trust property)	2,851.1 (+84.7) <+1,307.1>	4,483.7 (+57.3) <+1,632.6>
Pecuniary trusts (Japan real estate investment trusts held as trust property)	148.8 (+25.1) <+29.8>	206.3 (+38.7) <+57.5>
Loans and bills discounted	26,313.8 (+3.2) <+826.7>	34,097.5 (+29.6) <+7,783.7>
Foreign currency assets	6,158.2 (+11.4) <+631.8>	7,112.5 (+15.5) <+954.2>
Total liabilities	238,114.0 (+47.4) <+76,590.0>	319,698.3 (+34.3) <+81,584.2>
Of which:		
Banknotes	86,630.8 (+3.9) <+3,252.5>	89,673.2 (+3.5) <+3,042.4>
Deposits (excluding those of the government)	132,347.7 (2.3 times) <+74,027.6>	206,071.8 (+55.7) <+73,724.1>
Deposits of the government	1,677.8 (+12.3) <+183.6>	1,794.1 (+6.9) <+116.3>
Payables under repurchase agreements	13,375.5 (-7.8) <-1,129.9>	17,608.2 (+31.6) <+4,232.7>

Note: 1. Figures in parentheses are the percentage changes from a year earlier unless otherwise noted; figures in angular brackets are changes in billions of yen from a year earlier.

[Reference to Table 1]

Loans Provided through the Loan Support Program^{1,2}

bil. yen

Item	End of fiscal 2012 (March 31, 2013)	End of fiscal 2013 (March 31, 2014)	End of fiscal 2014 (March 31, 2015)
Total amount outstanding	3,684.3	12,686.4	28,461.0
Loans made under the fund-provisioning measure to support strengthening the foundations for economic growth	3,684.3	4,136.8	6,115.6
Loans made under the fund-provisioning measure to stimulate bank lending	...	8,549.6	22,345.4

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

2. This program was introduced in December 2012 upon the establishment of the fund-provisioning measure to stimulate bank lending (hereafter the Stimulating Bank Lending Facility), under which loans were first disbursed in June 2013. It comprises the Stimulating Bank Lending Facility and the previously established fund-provisioning measure to support strengthening the foundations for economic growth (hereafter the Growth-Supporting Funding Facility).

Table 2

Principal Profits and Losses¹

bil. yen

Item	Fiscal 2013 (April 1, 2013–March 31, 2014)	Fiscal 2014 (April 1, 2014–March 31, 2015)
Operating profits/losses	1,280.5 (+13.2) <+148.8>	1,713.7 (+33.8) <+433.1>
Of which: "Core" operating income ²	908.7 <+167.7>	1,144.7 <+236.0>
Net government bond-related gains/losses ³	0.2 <-0.1>	0.0 <-0.1>
Net foreign exchange-related gains/losses ⁴	619.4 <+15.8>	760.1 <+140.7>
Net gains/losses on pecuniary trusts (stocks held as trust property)	42.1 <+55.4>	49.7 <+7.6>
Net gains/losses on pecuniary trusts (index-linked exchange-traded funds held as trust property)	37.5 <+16.0>	59.1 <+21.6>
Net gains/losses on pecuniary trusts (Japan real estate investment trusts held as trust property)	6.6 <+1.4>	7.7 <+1.0>
Interest on excess reserve balances under the complementary deposit facility	-83.6 <-52.0>	-151.3 <-67.6>
Special profits/losses⁵	-298.8 <-3.8>	-362.2 <-63.4>
Of which:		
Net transfer to/from provision for possible losses on bonds transactions	... <...>	... <...>
Net transfer to/from provision for possible losses on foreign exchange transactions	-309.7 <-7.9>	-380.0 <-70.3>
Net income before taxes	981.6 (+17.3) <+144.9>	1,351.4 (+37.7) <+369.7>
Provision for corporate income tax, inhabitants taxes, and enterprise taxes	257.3 <-3.2>	342.4 <+85.0>
Net income⁶	724.2 (+25.7) <+148.2>	1,009.0 (+39.3) <+284.7>

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

2. The total of interest on loans and discounts, interest and discounts on JGSs, interest on commercial paper (CP), 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 revaluation following fluctuations in foreign exchange rates.

5. A minus sign shows net transfer to the relevant provisions (negative figures reduce net income).

6. 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 providing for the amount transferred to the legal reserve and for 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.

Table 3

Changes in Profits and Losses¹

bil. yen

Item	Fiscal 2012 (April 1, 2012– March 31, 2013)	Fiscal 2013 (April 1, 2013– March 31, 2014)	Fiscal 2014	First half of the fiscal year (April 1, 2014– September 30, 2014)	Second half of the fiscal year (October 1, 2014– March 31, 2015)
1. Net government bond-related gains/losses	0.3	0.2	0	...	0
Of which:					
Gains on sale of Japanese government bonds	0.3	0.2	0	...	0
Losses on sale of Japanese government bonds	...	...	...	...	...
2. Net foreign exchange-related gains/losses²	603.6	619.4	760.1	305.5	454.5
3. Net gains/losses on pecuniary trusts (stocks held as trust property)	-13.3	42.1	49.7	21.4	28.3
Of which:					
Dividends and others	35.9	42.8	48.9	21.4	27.4
Losses on impairment	-49.2	-3.9	...	...	...
Net gains/losses on sale	-0.0	3.2	0.8	...	0.8
4. Net gains/losses on pecuniary trusts (index-linked exchange-traded funds held as trust property)	21.4	37.5	59.1	56.2	2.8
Of which:					
Distributions and others	21.4	37.5	59.1	56.2	2.8
Losses on impairment	...	...	...	...	...
Net gains/losses on sale	...	...	...	...	...
5. Net gains/losses on pecuniary trusts (Japan real estate investment trusts held as trust property)	5.1	6.6	7.7	3.5	4.1
Of which:					
Distributions and others	5.1	6.6	7.7	3.5	4.1
Losses on impairment	...	...	...	...	...
Net gains/losses on sale	...	...	...	...	...

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

2. Net gains/losses on foreign currency assets resulting from revaluation following fluctuations in foreign exchange rates.

bil. yen, except where otherwise noted

Item	Fiscal 2012 (April 1, 2012– March 31, 2013)	Fiscal 2013 (April 1, 2013– March 31, 2014)	Fiscal 2014	First half of the fiscal year	Second half of the fiscal year
				(April 1, 2014– September 30, 2014)	(October 1, 2014– March 31, 2015)
6. "Core" operating income	741.0	908.7	1,144.7	564.3	580.4
Yen assets	664.1	838.5	1,078.5	532.5	546.0
Of which:					
Interest on loans and discounts	33.2	25.6	28.6	13.4	15.1
Interest and discounts on Japanese government securities	622.5	805.7	1,044.0	516.2	527.7
Treasury discount bills	22.0	29.5	10.8	9.5	1.2
Japanese government bonds	600.5	776.1	1,033.1	506.6	526.4
Interest on commercial paper	1.8	1.8	1.9	0.9	1.0
Interest and discounts on corporate bonds	6.5	5.3	3.9	1.9	1.9
Interest on foreign currency assets	76.8	70.1	66.1	31.7	34.4
7. Interest-bearing assets (average amount outstanding)	147,347.9	202,865.4	275,286.9	255,029.3	295,655.8
Yen assets	142,422.0	197,674.9	269,635.4	249,550.7	289,830.4
Of which:					
Loans and bills discounted	33,104.0	25,611.4	28,628.0	26,775.3	30,490.9
Japanese government securities	104,975.0	166,965.8	235,522.2	217,316.1	253,828.4
Treasury discount bills	21,457.5	40,399.2	49,943.7	48,690.2	51,204.1
Japanese government bonds	83,517.4	126,566.5	185,578.5	168,625.9	202,624.3
Commercial paper	1,719.3	2,014.8	2,248.2	2,227.5	2,269.0
Corporate bonds	2,623.5	3,082.8	3,236.8	3,231.7	3,242.0
Foreign currency assets	4,925.9	5,190.5	5,651.4	5,478.5	5,825.3
8. Yield on interest-bearing assets (percent)	0.502	0.447	0.415	0.441	0.393
Yen assets	0.466	0.424	0.400	0.425	0.377
Of which:					
Loans and bills discounted	0.100	0.100	0.100	0.100	0.100
Japanese government securities	0.593	0.482	0.443	0.473	0.416
Treasury discount bills	0.102	0.073	0.021	0.039	0.005
Japanese government bonds	0.719	0.613	0.556	0.599	0.521
Commercial paper	0.108	0.092	0.088	0.082	0.094
Corporate bonds	0.249	0.174	0.122	0.122	0.122
Foreign currency assets	1.560	1.351	1.171	1.154	1.187

Table 4

The Bank's Capital Base and Capital Adequacy Ratio¹

bil. yen, except where otherwise noted

Item	End of fiscal 2012 (March 31, 2013)	End of fiscal 2013 (March 31, 2014)	End of fiscal 2014 (March 31, 2015)	[Reference]	
				Changes from a year earlier	End of the first half of fiscal 2014 (September 30, 2014)
Capital accounts (A)	2,741.5	2,886.3	3,138.6	+252.2	2,886.3
Capital	0.1	0.1	0.1	...	0.1
Legal reserve and others ²	2,741.4	2,886.2	3,138.5	+252.2	2,886.2
Provisions (B)	3,339.6	3,649.3	4,029.4	+380.0	3,802.1
Provision for possible loan losses (excluding special provision for possible loan losses)	...	...	...	...	...
Provision for possible losses on bonds transactions	2,243.3	2,243.3	2,243.3	...	2,243.3
Provision for possible losses on foreign exchange transactions	1,096.3	1,406.0	1,786.1	+380.0	1,558.8
Capital base³ (C) = (A) + (B)	6,081.1	6,535.7	7,168.0	+632.3	6,688.5
Annual average of banknotes issued (D)	81,569.5	84,411.6	87,394.1	+2,982.5	86,154.6
Capital adequacy ratio (C)/(D) × 100 (percent)	7.45	7.74	8.20	+0.46	7.76

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.

[Reference]

Market Value of the Bank's Securities Holdings¹

bil. yen

Item	End of fiscal 2013 (March 31, 2014)			End of fiscal 2014 (March 31, 2015)		
	Book value	Market value ²	Difference	Book value	Market value ²	Difference
Japanese government securities	198,337.0	201,060.5	2,723.4	269,792.1	274,606.7	4,814.5
Commercial paper	1,874.9	1,874.9	...	1,978.9	1,978.9	...
Corporate bonds	3,204.1	3,198.1	-6.0	3,243.0	3,239.5	-3.5
Pecuniary trusts ³ (stocks held as trust property)	1,351.5	2,288.4	936.9	1,351.0	2,978.3	1,627.3
Pecuniary trusts ³ (index-linked exchange-traded funds held as trust property)	2,868.6	3,865.9	997.3	4,572.0	6,963.7	2,391.6
Pecuniary trusts ³ (Japan real estate investment trusts held as trust property)	147.6	191.0	43.3	205.2	286.8	81.6

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

2. Based on market prices and other factors at the end of the fiscal year.

3. Comprises trust property on a contract basis; thus, book values are not necessarily equal to balance sheet amounts.

II. FINANCIAL STATEMENTS

1. Inventory of property as at March 31, 2015

Item	Value in yen	Unit (except where otherwise noted)
ASSETS		
Gold	441,253,409,037	
Cash	244,225,487,792	
Japanese government securities	269,792,149,426,838	Face value at 265,559,194,000,000 yen
Commercial paper	1,978,962,167,690	Face value at 1,979,100,000,000 yen
Corporate bonds	3,243,074,065,621	Face value at 3,211,400,000,000 yen
Pecuniary trusts (stocks held as trust property)	1,375,754,718,852	
Pecuniary trusts (index-linked exchange-traded funds held as trust property)	4,483,786,805,557	
Pecuniary trusts (Japan real estate investment trusts held as trust property)	206,393,485,183	
Loans and bills discounted	34,097,585,000,000	
Electronic loans	34,097,585,000,000	1,815
Foreign currency assets	7,112,527,067,358	
Foreign currency deposits	688,746,542,485	
Foreign currency securities	4,825,426,306,376	
Foreign currency mutual funds	61,024,921,497	
Foreign currency loans	1,537,329,297,000	
Deposits with agents	23,119,339,601	Deposits with 88 agents
Other assets	393,782,377,361	
Bills and checks in process of collection	157,333,987	8
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
Withdrawn cash to be returned to the government	47,049,502,461	6
Accrued interest receivable	303,212,411,537	
Others	27,859,755,012	
Tangible fixed assets	200,985,823,213	
Buildings	98,402,849,658	618,198.88 square meters
Land	82,711,838,658	527,540.23 square meters
Lease assets	7,122,635,036	Number of lease property: 19,137
Construction in progress	1,325,920,710	
Other tangible fixed assets	11,422,579,151	Number of movable property: 10,359
Intangible fixed assets	116,658,434	
Utility rights	116,658,434	
Total assets	323,593,715,832,537	
LIABILITIES		
Banknotes	89,673,254,629,643	
Deposits (excluding those of the government)	206,071,828,959,242	
Current deposits	201,556,431,650,544	1,145
Other deposits	4,515,397,308,698	127
Deposits of the government	1,794,185,531,047	
Treasury deposit	149,999,428,427	
Domestic designated deposit	1,352,539,436,252	
Other government deposits	291,646,666,368	
Payables under repurchase agreements	17,608,286,376,004	8
Other liabilities	322,816,287,376	
Remittances payable	6,386,633,540	
Taxes payable	279,469,000,000	
Lease liabilities	7,532,134,095	
Others	29,428,519,741	
Provision for retirement benefits	198,477,352,529	
Provision for possible losses on bonds transactions	2,243,348,993,013	
Provision for possible losses on foreign exchange transactions	1,786,105,000,000	
Total liabilities	319,698,303,128,854	
NET ASSETS		
Capital	100,000,000	
Legal reserve	2,886,275,112,565	
Special reserve	13,196,452	
Net income	1,009,024,394,666	
Total net assets	3,895,412,703,683	
Total liabilities and net assets	323,593,715,832,537	

2. Balance sheet as at March 31, 2015

yen

ASSETS	
Gold	441,253,409,037
Cash	244,225,487,792
Japanese government securities	269,792,149,426,838
Commercial paper	1,978,962,167,690
Corporate bonds	3,243,074,065,621
Pecuniary trusts (stocks held as trust property)	1,375,754,718,852
Pecuniary trusts (index-linked exchange-traded funds held as trust property)	4,483,786,805,557
Pecuniary trusts (Japan real estate investment trusts held as trust property)	206,393,485,183
Loans and bills discounted	34,097,585,000,000
Electronic loans	34,097,585,000,000
Foreign currency assets	7,112,527,067,358
Foreign currency deposits	688,746,542,485
Foreign currency securities	4,825,426,306,376
Foreign currency mutual funds	61,024,921,497
Foreign currency loans	1,537,329,297,000
Deposits with agents	23,119,339,601
Other assets	393,782,377,361
Bills and checks in process of collection	157,333,987
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
Withdrawn cash to be returned to the government	47,049,502,461
Accrued interest receivable	303,212,411,537
Others	27,859,755,012
Tangible fixed assets	200,985,823,213
Buildings	98,402,849,658
Land	82,711,838,658
Lease assets	7,122,635,036
Construction in progress	1,325,920,710
Other tangible fixed assets	11,422,579,151
Intangible fixed assets	116,658,434
Utility rights	116,658,434
Total assets	323,593,715,832,537
LIABILITIES	
Banknotes	89,673,254,629,643
Deposits (excluding those of the government)	206,071,828,959,242
Current deposits	201,556,431,650,544
Other deposits	4,515,397,308,698
Deposits of the government	1,794,185,531,047
Treasury deposit	149,999,428,427
Domestic designated deposit	1,352,539,436,252
Other government deposits	291,646,666,368
Payables under repurchase agreements	17,608,286,376,004
Other liabilities	322,816,287,376
Remittances payable	6,386,633,540
Taxes payable	279,469,000,000
Lease liabilities	7,532,134,095
Others	29,428,519,741
Provision for retirement benefits	198,477,352,529
Provision for possible losses on bonds transactions	2,243,348,993,013
Provision for possible losses on foreign exchange transactions	1,786,105,000,000
Total liabilities	319,698,303,128,854
NET ASSETS	
Capital	100,000,000
Legal reserve	2,886,275,112,565
Special reserve	13,196,452
Net income	1,009,024,394,666
Total net assets	3,895,412,703,683
Total liabilities and net assets	323,593,715,832,537

3. Statement of income for fiscal 2014 (April 1, 2014–March 31, 2015)

yen

Operating income	2,078,249,103,726
Interest on loans and discounts	28,614,265,264
Interest on loans	28,614,265,264
Interest and discounts on Japanese government securities	1,044,012,970,315
Interest on commercial paper	1,993,303,944
Interest and discounts on corporate bonds	3,974,641,029
Gains on sale of Japanese government securities	77,800,000
Gains on foreign currency assets	857,077,653,910
Foreign exchange gains	760,161,673,123
Gains on foreign currency securities	86,925,893,812
Gains on foreign currency mutual funds	5,525,312,865
Interest on foreign currency deposits and loans	4,464,774,110
Other operating income	142,498,469,264
Gains on pecuniary trusts (stocks held as trust property)	49,779,640,597
Gains on pecuniary trusts (index-linked exchange-traded funds held as trust property)	59,172,075,331
Gains on pecuniary trusts (Japan real estate investment trusts held as trust property)	7,716,993,650
Dividends	582,895,364
Fees and commissions	10,910,088,293
Other income	14,336,776,029
Operating expenses	364,522,403,329
Interest on payables under repurchase agreements	5,362,231,841
General and administrative expenses and costs	197,514,096,403
Cost of production of banknotes	51,483,108,000
Administrative expenses for treasury business and Japanese government securities	17,933,624,189
Personnel expenses	50,129,688,012
Expenses for transportation and communications	4,434,099,288
Expenses for maintenance and repairs	2,008,511,765
Other general and administrative expenses and costs	52,685,909,799
Taxes excluding corporate income tax, inhabitants taxes, and enterprise taxes	3,760,777,819
Depreciation and amortization	15,078,377,531
Other general and administrative expenses	161,646,075,085
Fees and commissions paid	107,444,818
Other expenses	161,538,630,267
Operating profits	1,713,726,700,397
Special profits	18,100,432,503
Gains on disposal of fixed assets	18,100,432,503
Special losses	380,397,117,965
Losses on disposal of fixed assets	317,117,965
Transfer to provision for possible losses on foreign exchange transactions	380,080,000,000
Net income before taxes	1,351,430,014,935
Provision for corporate income tax, inhabitants taxes, and enterprise taxes	342,405,620,269
Net income	1,009,024,394,666

4. Summary of significant accounting policies

a. Securities

Yen-denominated bonds and CP⁴ 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.

Stocks, beneficiary interests in index-linked exchange-traded funds, and investment equities issued by real estate investment corporations are valued at cost determined by the moving-average method.

Impairment procedures will be applied for CP, corporate bonds,⁵ stocks, beneficiary interests in index-linked exchange-traded funds, and investment equities issued by real estate investment corporations whose market values have fallen considerably.

Securities held as trust property in pecuniary trusts⁶ 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.

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); (3) asset-backed CP; and (4) CP issued by real estate investment corporations.

5. Includes bonds issued by real estate investment corporations.

6. 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.

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 foreign exchange rate prevailing at the time of subscription. Assets and liabilities deriving from the Bank's U.S. dollar funds-supplying operations against pooled collateral are translated into yen at the foreign exchange rates used in swap transactions with the Federal Reserve Bank of New York.

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

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

The method of attributing projected benefits to periods up to the fiscal year-end is based on the straight-line method. Prior service cost is amortized 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). Unrecognized actuarial differences are amortized from the fiscal year following the one in which the difference arises; this is also done using the straight-line method.

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

Provisions for possible losses on bonds 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) Provisions for unrealized losses on stockholdings, index-linked exchange-traded fund holdings, and Japan real estate investment trust holdings

Provisions for unrealized losses on stockholdings, index-linked exchange-traded fund holdings, and Japan real estate investment trust holdings will be registered for the difference between the market value and the book value for each in cases where the market value is less than the book value.

e. Significant changes in the accounting standard

Based on the "Accounting Standard for Retirement Benefits" (Accounting Standards Board of Japan, May 17, 2012), the Bank has changed the calculation method for the retirement benefit obligation and service cost associated with the provision for retirement benefits, beginning with the financial statements for this fiscal year (fiscal 2014).

Specifically, the method of determining the discount rate has been changed from one that uses the discount rate based on the average remaining service period of employees to one that uses the single weighted average discount rate that reflects the estimated period and amount of benefit payment in each period.

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	101
More than one year	471
Total	572

b. Lessor

	mil. yen
Within one year	1
More than one year	41
Total	43

Explanatory Notes to Accounting for Retirement Benefits¹

1. Reconciliation of beginning and ending balances of the projected benefit obligation

	yen
Projected benefit obligation at the beginning of fiscal 2014	212,999,964,000
Service cost	4,954,099,000
Interest cost	3,335,135,000
Actuarial differences	785,508,620
Retirement benefits paid	-9,583,519,620
Prior service cost	-11,581,533,000
<hr/>	
Projected benefit obligation at the end of fiscal 2014	200,909,654,000

2. Reconciliation of the projected benefit obligation and the provision for retirement benefits

	yen
Projected benefit obligation	200,909,654,000
Fair value of plan assets	...
<hr/>	
Unfunded projected benefit obligation	200,909,654,000
Unrecognized actuarial differences	-13,434,757,821
Unrecognized prior service cost	11,002,456,350
<hr/>	
Net amount recorded on the balance sheet	198,477,352,529
Prepaid pension cost	...
<hr/>	
Provision for retirement benefits	198,477,352,529

3. Retirement benefit cost

	yen
Service cost	4,954,099,000
Interest cost	3,335,135,000
Expected return on plan assets	...
Amortization of actuarial differences	1,325,599,790
Amortization of prior service cost	-579,076,650
<hr/>	
Retirement benefit cost	9,035,757,140

4. Assumptions

Discount rate	1.6%
Long-term expected rate of return on plan assets	...

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

5. Auditors' opinion⁷

May 8, 2015

Auditors' Opinion on the Bank of Japan's Financial Statements for Fiscal 2014

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 2014 indicated below. In our opinion, the financial statements present fairly the state of property and the results of operations for fiscal 2014.

The financial statements comprise the following:
Inventory of property as at March 31, 2015;
Balance sheet as at March 31, 2015; and
Statement of income for fiscal 2014.

Makoto Hosomi
Kazuhito Osugi
Yuji Iino

Auditors, Bank of Japan

6. Appropriation of net income for fiscal 2014

yen

Net income	1,009,024,394,666
Appropriations:	
Transfer to legal reserve	252,256,098,667
Dividends, 5 percent of share face value	5,000,000
Payment to the government	756,763,295,999
Total	1,009,024,394,666

⁷ This presents a translation, for convenience only, of the original report issued in Japanese.

III. SCHEDULE FOR THE FINANCIAL STATEMENTS

1. Details of assets

yen

Item	Balance at the beginning of fiscal 2014	Balance at the end of fiscal 2014	Changes during fiscal 2014
1. Gold	441,253,409,037	441,253,409,037	0
2. Cash¹	289,848,532,257	244,225,487,792	-45,623,044,465
3. Japanese government securities	198,337,031,240,604	269,792,149,426,838	71,455,118,186,234
Treasury discount bills	44,183,394,256,253	49,658,400,239,473	5,475,005,983,220
Japanese government bonds	154,153,636,984,351	220,133,749,187,365	65,980,112,203,014
2-year Japanese government bonds	18,549,272,192,216	25,069,682,275,158	6,520,410,082,942
5-year Japanese government bonds	43,305,046,131,749	59,818,095,112,049	16,513,048,980,300
10-year Japanese government bonds	57,186,771,246,336	82,609,068,104,416	25,422,296,858,080
20-year Japanese government bonds	26,600,194,210,818	36,450,297,970,790	9,850,103,759,972
30-year Japanese government bonds	2,502,764,386,635	7,848,523,072,877	5,345,758,686,242
40-year Japanese government bonds	783,697,613,149	2,191,623,508,088	1,407,925,894,939
Floating-rate Japanese government bonds	3,962,471,247,746	4,813,496,987,108	851,025,739,362
Inflation-indexed bonds	1,263,419,955,702	1,332,962,156,879	69,542,201,177
4. Commercial paper²	1,874,901,616,064	1,978,962,167,690	104,060,551,626
Dematerialized commercial paper	1,874,901,616,064	1,978,962,167,690	104,060,551,626
5. Corporate bonds³	3,204,134,652,692	3,243,074,065,621	38,939,412,929
6. Pecuniary trusts (stocks held as trust property)⁴	1,372,809,053,507	1,375,754,718,852	2,945,665,345
Stocks	1,351,505,455,007	1,351,078,039,802	-427,415,205
Dividends receivable and others	21,303,598,500	24,676,679,050	3,373,080,550
7. Pecuniary trusts (index-linked exchange-traded funds held as trust property)⁵	2,851,175,926,577	4,483,786,805,557	1,632,610,878,980
Index-linked exchange-traded funds	2,851,175,926,577	4,483,556,323,777	1,632,380,397,200
Distributions receivable	0	230,481,780	230,481,780
8. Pecuniary trusts (Japan real estate investment trusts held as trust property)⁶	148,828,559,477	206,393,485,183	57,564,925,706
Japan real estate investment trusts	147,030,239,019	204,031,188,502	57,000,949,483
Distributions receivable	1,798,320,458	2,362,296,681	563,976,223
9. Loans and bills discounted	26,313,833,000,000	34,097,585,000,000	7,783,752,000,000
Electronic loans	26,313,833,000,000	34,097,585,000,000	7,783,752,000,000
Loans by complementary lending facility	3,100,000,000	0	-3,100,000,000
Loans by funds-supplying operations against pooled collateral ⁷	26,310,733,000,000	34,097,585,000,000	7,786,852,000,000
10. Foreign currency assets	6,158,293,721,818	7,112,527,067,358	954,233,345,540
Foreign currency deposits ⁸	775,121,686,196	688,746,542,485	-86,375,143,711
Foreign currency securities ^{9,10}	4,426,572,243,822	4,825,426,306,376	398,854,062,554
Foreign currency mutual funds	50,506,196,800	61,024,921,497	10,518,724,697
Foreign currency loans ¹¹	906,093,595,000	1,537,329,297,000	631,235,702,000
11. Deposits with agents¹²	25,384,176,928	23,119,339,601	-2,264,837,327

- Notes:
1. Coins reserved for circulation.
 2. 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); (3) asset-backed CP; and (4) CP issued by real estate investment corporations.
 3. Includes corporate bonds issued by real estate investment corporations.
 4. Comprises stocks purchased from financial institutions through a trust bank, and dividends receivable and others.
 5. Comprises beneficiary interests in index-linked exchange-traded funds purchased through a trust bank and distributions receivable.
 6. Comprises investment equities issued by real estate investment corporations purchased through a trust bank and distributions receivable.
 7. Includes the amount outstanding of loans made through the fixed-rate funds-supplying operation against pooled collateral, that of loans made under the Growth-Supporting Funding Facility conducted through the Loan Support Program (excluding loans disbursed pursuant to the special rules for the U.S. dollar lending arrangement), that of loans made under the Stimulating Bank Lending Facility conducted through the Loan Support Program, and that of loans made through the funds-supplying operation to support financial institutions in disaster areas.
 8. Deposits held at foreign central banks and the Bank for International Settlements (BIS).
 9. Includes securities issued by foreign governments.
 10. 196,728,072,925 yen of the amount outstanding of the foreign currency securities at the fiscal year-end comprises loans due to lending/borrowing of securities.
 11. The amount outstanding at the beginning of the fiscal year comprises that of loans disbursed pursuant to the special rules for the U.S. dollar lending arrangement to enhance the Growth-Supporting Funding Facility conducted through the Loan Support Program. The amount outstanding at the fiscal year-end comprises that of loans disbursed pursuant to the special rules for the U.S. dollar lending arrangement to enhance the Growth-Supporting Funding Facility conducted through the Loan Support Program and that of loans arising from U.S. dollar funds-supplying operations against pooled collateral.
 12. 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 fiscal 2014	Balance at the end of fiscal 2014	Changes during fiscal 2014
12. Other assets	358,968,074,467	393,782,377,361	34,814,302,894
Bills and checks in process of collection ¹³	1,626,442,156	157,333,987	-1,469,108,169
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 ¹⁴	15,278,374,364	15,278,374,364	0
Withdrawn cash to be returned to the government ¹⁵	65,898,388,030	47,049,502,461	-18,848,885,569
Accrued interest receivable	245,667,044,542	303,212,411,537	57,545,366,995
Others	30,272,825,375	27,859,755,012	-2,413,070,363

Notes: 13. Checks and bills received as cash and in process of collection.

14. A subscription to the BIS.

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 fiscal 2014	Increase during fiscal 2014	Decrease during fiscal 2014	Of which:	Balance at the end of fiscal 2014	Cumulative total of depreciation
				Depreciation		
13. Tangible fixed assets¹⁶	203,257,330,049	20,782,538,222	23,054,045,058	14,468,976,715	200,985,823,213	342,200,628,122
Buildings ^{17,18}	100,767,249,031 (633,461.24)	6,998,406,392 (0.02)	9,362,805,765 (15,262.38)	8,448,623,497 (...)	98,402,849,658 (618,198.88)	308,865,682,487 (...)
Land ¹⁷	82,830,507,504 (571,528.83)	0 (781.78)	118,668,846 (44,770.38)	... (...)	82,711,838,658 (527,540.23)	... (...)
Lease assets ^{19,20}	7,108,497,193 (20,732)	3,623,939,568 (3,521)	3,609,801,725 (5,116)	3,608,273,702 (...)	7,122,635,036 (19,137)	9,074,154,708 (...)
Construction in progress ²¹	1,398,166,350	7,313,864,528	7,386,110,168	...	1,325,920,710	...
Other tangible fixed assets ^{22,23}	11,152,909,971 (10,514)	2,846,327,734 (185)	2,576,658,554 (340)	2,412,079,516 (...)	11,422,579,151 (10,359)	24,260,790,927 (...)

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

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

18. The increase in "buildings" was mainly due to 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. The increase in "lease assets" was mainly due to new lease contracts on electronic data processing systems.

21. The increase in "construction in progress" was mainly due to repairs to buildings for the Bank's business operations.

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

23. The increase in "other tangible fixed assets" was mainly due to purchase of new automatic banknote examination machines.

yen

Item	Balance at the beginning of fiscal 2014	Increase during fiscal 2014	Decrease during fiscal 2014	Of which:	Balance at the end of fiscal 2014	Cumulative total of depreciation
				Depreciation		
14. Intangible fixed assets	126,522,433	0	9,863,999	9,863,999	116,658,434	835,703,583
Utility rights	126,522,433	0	9,863,999	9,863,999	116,658,434	835,703,583

Appendix: Details of loans provided through the Loan Support Program

yen

Item	Balance at the beginning of fiscal 2014	Balance at the end of fiscal 2014	Changes during fiscal 2014
Total amount outstanding	12,686,426,595,000	28,461,032,997,000	15,774,606,402,000
Loans made under the fund-provisioning measure to support strengthening the foundations for economic growth ¹	4,136,826,595,000	6,115,632,997,000	1,978,806,402,000
Loans made under the fund-provisioning measure to stimulate bank lending	8,549,600,000,000	22,345,400,000,000	13,795,800,000,000

Note: 1. Comprises the loans disbursed pursuant to the following: (1) main rules; (2) special rules for equity investments and asset-based lending; (3) special rules for small-lot investments and loans; and (4) special rules for the U.S. dollar lending arrangement. Figures for loans in categories (1) through (3) are included in "loans and bills discounted" under assets. As for loans in category (4), the relevant figure is included in "foreign currency assets" under assets.

2. Details of liabilities and net assets

yen

Item	Balance at the beginning of fiscal 2014	Balance at the end of fiscal 2014	Changes during fiscal 2014
1. Banknotes	86,630,810,178,427	89,673,254,629,643	3,042,444,451,216
10,000 yen notes	79,371,102,615,000	82,373,440,475,000	3,002,337,860,000
5,000 yen notes	3,093,642,837,500	3,112,312,082,500	18,669,245,000
2,000 yen notes	198,639,468,000	197,139,524,000	-1,499,944,000
1,000 yen notes	3,816,277,518,000	3,840,542,111,500	24,264,593,500
Other banknotes ¹	151,147,739,927	149,820,436,643	-1,327,303,284
2. Deposits (excluding those of the government)	132,347,720,198,864	206,071,828,959,242	73,724,108,760,378
Current deposits	128,667,873,654,832	201,556,431,650,544	72,888,557,995,712
Current deposits of financial institutions ²	124,724,970,570,116	196,131,467,358,465	71,406,496,788,349
Other current deposits of nonfinancial institutions ³	3,942,903,084,716	5,424,964,292,079	1,482,061,207,363
Other deposits ⁴	3,679,846,544,032	4,515,397,308,698	835,550,764,666
3. Deposits of the government	1,677,803,694,047	1,794,185,531,047	116,381,837,000
Treasury deposit	149,998,722,256	149,999,428,427	706,171
Domestic designated deposit ⁵	1,170,217,267,220	1,352,539,436,252	182,322,169,032
Other government deposits ⁶	357,587,704,571	291,646,666,368	-65,941,038,203
4. Payables under repurchase agreements⁷	13,375,580,245,208	17,608,286,376,004	4,232,706,130,796
Sales of Japanese government bonds under repurchase agreements to the government	13,375,149,036,392	17,560,951,703,454	4,185,802,667,062
Other sales of Japanese government securities under repurchase agreements	431,208,816	47,334,672,550	46,903,463,734
Of which: Under the securities lending facility	431,208,816	47,334,672,550	46,903,463,734
5. Other liabilities	233,744,524,353	322,816,287,376	89,071,763,023
Remittances payable	5,473,070,579	6,386,633,540	913,562,961
Unearned interest and discounts	25,479	0	-25,479
Taxes payable	198,012,000,000	279,469,000,000	81,457,000,000
Lease liabilities	7,468,470,626	7,532,134,095	63,663,469
Others ⁸	22,790,957,669	29,428,519,741	6,637,562,072

- 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 business operators.
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 sales of JGSs under repurchase agreements.
8. 21,060,169,977 yen of the amount outstanding of "others" at the fiscal year-end comprises accrued interest on excess reserve balances under the complementary deposit facility.

yen

Item	Balance at the beginning of fiscal 2014	Increase during fiscal 2014	Decrease during fiscal 2014	Balance at the end of fiscal 2014
6. Provisions⁹	3,848,399,108,022	389,115,757,140	9,583,519,620	4,227,931,345,542
Provision for retirement benefits	199,025,115,009	9,035,757,140	9,583,519,620	198,477,352,529
Provision for possible losses on bonds transactions	2,243,348,993,013	0	0	2,243,348,993,013
Provision for possible losses on foreign exchange transactions	1,406,025,000,000	380,080,000,000	0	1,786,105,000,000
7. Net assets	2,741,538,419,523	144,849,889,494	0	2,886,388,309,017
Capital	100,000,000	0	0	100,000,000
Legal reserve ¹⁰	2,741,425,223,071	144,849,889,494	0	2,886,275,112,565
Special reserve ¹¹	13,196,452	0	0	13,196,452

- Notes: 9. Appropriated in accordance with the Bank's significant accounting policies.
10. A reserve maintained to cover possible losses and to pay dividends under Article 53, paragraphs 1 and 2 of the Act.
11. 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 for fiscal 2014

a. Operating income

Interest on loans and discounts	
Interest on loans	28,614,265,264 yen from electronic loans.
Interest and discounts on Japanese government securities	1,044,012,970,315 yen from interest income on Japanese government securities after adjustment.
Interest on commercial paper	1,993,303,944 yen from interest income on commercial paper after adjustment.
Interest and discounts on corporate bonds	3,974,641,029 yen from interest income on corporate bonds after adjustment.
Gains on sale of Japanese government securities	77,800,000 yen from gains on sales of Japanese government bonds.
Gains on foreign currency assets	
Foreign exchange gains	760,161,673,123 yen from gains on foreign currency assets resulting from revaluation following fluctuations in foreign exchange rates.
Gains on foreign currency securities	Total of 61,613,344,415 yen from interest and discounts on foreign currency securities and 119,334,027 yen from lending fees on them; and 25,193,215,370 yen of gains arising from sale, redemption, and revaluation at end-March 2015 of foreign currency securities.
Gains on foreign currency mutual funds	5,525,312,865 yen
Interest on foreign currency deposits and loans	4,464,774,110 yen
Other operating income	
Gains on pecuniary trusts (stocks held as trust property)	49,779,640,597 yen mainly from dividends.
Gains on pecuniary trusts (index-linked exchange-traded funds held as trust property)	59,172,075,331 yen mainly from distributions.
Gains on pecuniary trusts (Japan real estate investment trusts held as trust property)	7,716,993,650 yen mainly from distributions.
Dividends	582,895,364 yen for dividends from shares of the Bank for International Settlements held by the Bank.
Fees and commissions	10,910,088,293 yen for fees and commissions for operations regarding Japanese government securities, the Bank of Japan Financial Network System (BOJ-NET), foreign exchange transactions, and other operations.
Other income	14,336,776,029 yen from transfer from provision for retirement benefits and other miscellaneous income.

b. Operating expenses

Interest on payables under repurchase agreements	5,362,231,841 yen for interest payment on sales of Japanese government securities under repurchase agreements.
General and administrative expenses and costs	
Cost of production of banknotes	51,483,108,000 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	17,933,624,189 yen from fees and commissions paid to agents of the Bank for administration of treasury business and Japanese government securities.
Personnel expenses	423,717,500 yen for remuneration of the officers; 40,087,148,892 yen for remuneration of the employees; and 9,618,821,620 yen for retirement allowances.
Expenses for transportation and communications	1,782,852,602 yen for expenses for transportation and 2,651,246,686 yen for expenses for communications.
Expenses for maintenance and repairs	2,008,511,765 yen on offices and other premises.
Other general and administrative expenses and costs	1,145,285,201 yen for the cost of expendable supplies; 2,255,782,603 yen for expenses for electricity and water supply; 9,716,051,945 yen for leasing fees for buildings and equipment; 11,157,904,165 yen for expenses for maintenance of buildings and equipment; and 28,410,885,885 yen for miscellaneous expenses.
Taxes excluding corporate income tax, inhabitants taxes, and enterprise taxes	3,760,777,819 yen for taxes and public charges (including fixed-asset tax and urban development tax).
Depreciation and amortization	15,078,377,531 yen on buildings and lease assets.
Other general and administrative expenses	
Fees and commissions paid	107,444,818 yen
Other expenses	151,310,041,304 yen for interest on excess reserve balances under the complementary deposit facility; 90,810,649 yen for interest on domestic designated deposit and interest payment on currency swap transactions; and 10,137,778,314 yen for transfer to provision for retirement benefits and other expenses.

c. Special profits

Gains on disposal of fixed assets	18,100,432,503 yen for gains on sales of land for the Bank's premises and other gains.
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d. Special losses

Losses on disposal of fixed assets	317,117,965 yen for losses on disposals of automatic banknote examination machines and other properties.
Transfer to provision for possible losses on foreign exchange transactions	380,080,000,000 yen

e. Net income

Net income before taxes	1,351,430,014,935 yen
Provision for corporate income tax, inhabitants taxes, and enterprise taxes	342,405,620,269 yen
Net income	1,009,024,394,666 yen

IV. EXPENSES

With regard to the Bank's statement of accounts for fiscal 2014 (the 130th fiscal year), the total amount of actual expenses increased by 3.6 percent (6.5 billion yen) to 189.0 billion yen compared to the previous fiscal year. This was mainly because the decrease in the "cost of fixed-asset purchases," reflecting a decrease in the amount of large-scale improvements to the Bank's premises, was more than offset by the effects of the consumption tax hike, as well as increases in the "cost of production of banknotes" due to a cost increase and in "personnel expenses" due to the termination of the provisional and exceptional measure taken by the Bank to reduce its officers' and employees' remuneration in support of rebuilding efforts following the disaster caused by the Great East Japan Earthquake.

1. Statement of accounts for fiscal 2014

yen

Item	Initial budget	Adjusted budget ¹	Actual	Surpluses	Changes from the previous year (actual)
Cost of production of banknotes	51,483,139,000	51,483,139,000	51,483,108,000	31,000	3,466,880,000
Administrative expenses for treasury business and Japanese government securities	18,263,871,000	18,263,871,000	17,933,624,189	330,246,811	-106,240,933
Personnel expenses	51,467,678,000	51,467,678,000	50,129,688,012	1,337,989,988	2,920,250,237
Remuneration of the officers	420,556,000	424,556,000	423,717,500	838,500	82,602,600
Remuneration of the employees	41,265,270,000	41,265,270,000	40,087,148,892	1,178,121,108	2,653,211,488
Retirement allowances	9,781,852,000	9,777,852,000	9,618,821,620	159,030,380	184,436,149
Expenses for transportation and communications	4,837,106,000	4,837,106,000	4,434,099,288	403,006,712	108,163,555
Expenses for transportation	1,973,712,000	1,973,712,000	1,782,852,602	190,859,398	29,967,499
Expenses for communications	2,863,394,000	2,863,394,000	2,651,246,686	212,147,314	78,196,056
Expenses for maintenance and repairs	2,049,069,000	2,049,069,000	2,008,511,765	40,557,235	40,579,529
Other general and administrative expenses and costs	55,861,348,000	55,861,348,000	52,685,909,799	3,175,438,201	885,635,106
Cost of expendable supplies	1,296,014,000	1,296,014,000	1,145,285,201	150,728,799	154,824,071
Expenses for electricity and water supply	2,508,272,000	2,508,272,000	2,255,782,603	252,489,397	222,163,132
Leasing fees for buildings and equipment	10,276,524,000	10,276,524,000	9,716,051,945	560,472,055	346,237,150
Expenses for maintenance of buildings and equipment	11,728,094,000	11,728,094,000	11,157,904,165	570,189,835	1,048,880,930
Miscellaneous expenses	30,052,444,000	30,052,444,000	28,410,885,885	1,641,558,115	-886,470,177
Subtotal	183,962,211,000	183,962,211,000	178,674,941,053	5,287,269,947	7,315,267,494
Cost of fixed-asset purchases	11,148,620,000	11,148,620,000	10,328,557,064	820,062,936	-776,393,569
Of which: Subject to the approval of the Minister of Finance ²	3,198,934,000	3,198,934,000	3,106,979,146	91,954,854	-174,118,175
Contingency funds	1,000,000,000	1,000,000,000	0	1,000,000,000	0
Total	196,110,831,000	196,110,831,000	189,003,498,117	7,107,332,883	6,538,873,925
Of which: Subject to the approval of the Minister of Finance ²	188,161,145,000	188,161,145,000	181,781,920,199	6,379,224,801	7,141,149,319

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 statement 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.

2. Expenses by area of business operation for fiscal 2014¹

mil. yen

Area of business operation	Expenses	Changes from a year earlier	Share of total (percent)
Issuance of banknotes	82,664	+4,964	41.9
Monetary policy	24,597	+432	12.5
Financial system policy	17,078	+882	8.6
Payment and settlement systems	33,435	+272	16.9
Services relating to the government ²	39,740	+148	20.1
Total	197,514	+6,697	100.0

Notes: 1. Calculated based on "general and administrative expenses and costs" (197.5 billion yen) in the statement of income for fiscal 2014 (the 130th 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.