

The Bank's Accounts:

Financial Statements
and Other Documents
for Fiscal 2021

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

II. Financial Statements

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On May 27, 2022, the Bank of Japan released the "Financial Statements for the 137th Fiscal Year" (partially available in English), which contains the Bank's financial statements (the inventory of property, balance sheet, and statement of income) for the 137th fiscal year, i.e., fiscal 2021 (April 1, 2021–March 31, 2022), and the schedule for the financial statements for fiscal 2021.

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 2021 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 2021 shows that total assets increased by 3.0 percent (21,696.9 billion yen) from the previous fiscal year-end to 736,253.5 billion yen, mainly due to an increase in loans and bills discounted. Total liabilities increased by 3.0 percent (21,530.4 billion yen) from the previous fiscal year-end to 731,551.1 billion yen, mainly due to an increase in current deposits (Table 1).

Detailed developments in the Bank's balance sheet in fiscal 2021 are as follows.

Looking at assets at the fiscal year-end, loans and bills discounted increased by 25,692.6 billion yen from the previous fiscal year-end to 151,532.8 billion yen, due to an increase in funds provision mainly through the Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19). As the Bank proceeded with its asset purchases, holdings of Japanese government bonds (JGBs) increased by 15,454.1 billion yen from the previous fiscal year-end to 511,231.2 billion yen.

Turning to liabilities, current deposits increased by 40,608.1 billion yen from the previous fiscal year-end to 563,178.4 billion yen, reflecting an increase in funds provision through the Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19) in particular. Meanwhile, the amount outstanding of banknotes issued (banknotes in circulation) increased by 3,859.0 billion yen from the previous fiscal year-end to 119,870.7 billion yen.

With regard to the Bank's statement of income for fiscal 2021, operating profits increased by 442.1 billion yen from the previous fiscal year to 2,418.5 billion yen, mainly due to larger net foreign exchange-related gains arising from the depreciation of the yen and to a rise in net gains on pecuniary trusts (index-linked exchange-traded funds held as trust property) (Tables 2 and 3).

Meanwhile, net special losses amounted to 754.2 billion yen. This was mainly due to (1) the transfer of funds to the provision for possible losses on bonds transactions to compensate for any fluctuation in net income arising from the implementation of Quantitative and Qualitative Monetary Easing with Yield Curve Control, and (2) 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 105.4 billion yen from the previous fiscal year to 1,324.6 billion yen. After transferring 66.2 billion yen to the legal reserve (5 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 (1,258.3 billion yen).

The capital adequacy ratio, after the appropriation of net income, rose from its previous fiscal year-end level of 8.87 percent to 9.29 percent at the end of fiscal 2021 (Table 4).

Table 1

Principal Assets and Liabilities¹

bil. yen

Item	End of fiscal 2020 (Mar. 31, 2021)	End of fiscal 2021 (Mar. 31, 2022)
Total assets	714,556.6 (+18.2) <+110,072.0>	736,253.5 (+3.0) <+21,696.9>
Of which:		
Japanese government securities	532,165.2 (+9.5) <+46,247.1>	526,173.6 (-1.1) <-5,991.5>
Commercial paper	2,876.4 (+12.7) <+324.6>	2,514.3 (-12.6) <-362.1>
Corporate bonds	7,498.4 (2.3 times) <+4,277.6>	8,583.0 (+14.5) <+1,084.5>
Pecuniary trusts (stocks held as trust property)	581.0 (-20.2) <-146.6>	457.5 (-21.3) <-123.4>
Pecuniary trusts (index-linked exchange-traded funds held as trust property)	35,879.6 (+20.7) <+6,160.6>	36,565.7 (+1.9) <+686.1>
Pecuniary trusts (Japan real estate investment trusts held as trust property)	666.8 (+15.9) <+91.5>	666.1 (-0.1) <-0.7>
Loans and bills discounted	125,840.2 (2.3 times) <+71,511.6>	151,532.8 (+20.4) <+25,692.6>
Foreign currency assets	7,678.7 (-70.4) <-18,287.5>	8,306.4 (+8.2) <+627.6>
Total liabilities	710,020.6 (+18.3) <+110,083.4>	731,551.1 (+3.0) <+21,530.4>
Of which:		
Banknotes	116,011.6 (+5.8) <+6,395.1>	119,870.7 (+3.3) <+3,859.0>
Deposits (excluding those of the government)	549,372.7 (+22.9) <+102,296.4>	589,747.3 (+7.3) <+40,374.6>
Deposits of the government	36,917.9 (2.9 times) <+24,284.0>	13,032.5 (-64.7) <-23,885.3>
Payables under repurchase agreements	594.7 (-97.5) <-23,521.5>	919.9 (+54.7) <+325.1>

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

[Reference to Table 1]

Loans Provided through the Loan Support Program¹

bil. yen

Item	End of fiscal 2019 (Mar. 31, 2020)	End of fiscal 2020 (Mar. 31, 2021)	End of fiscal 2021 (Mar. 31, 2022)
Total amount outstanding	51,741.4	62,412.2	63,934.1
Loans made under the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth	8,927.6	8,157.9	8,065.1
Loans made under the Fund-Provisioning Measure to Stimulate Bank Lending	42,813.8	54,254.3	55,869.0

Note: 1. Includes foreign currency-denominated loans that are not included in "loans and bills discounted."

Table 2

Principal Profits and Losses¹

bil. yen

Item	Fiscal 2020 (Apr. 1, 2020–Mar. 31, 2021)	Fiscal 2021 (Apr. 1, 2021–Mar. 31, 2022)
Operating profits/losses²	1,976.4 (+20.7) <+338.8>	2,418.5 (+22.4) <+442.1>
Of which: "Core" operating income ³	1,164.6 <-152.4>	1,159.8 <-4.8>
Net government bond-related gains/losses ⁴	...	...
Net foreign exchange-related gains/losses ⁵	247.8 <+462.2>	722.0 <+474.2>
Net gains/losses on pecuniary trusts (stocks held as trust property)	250.5 <+45.4>	297.3 <+46.7>
Net gains/losses on pecuniary trusts (index-linked exchange-traded funds held as trust property)	727.5 <+122.8>	842.6 <+115.0>
Net gains/losses on pecuniary trusts (Japan real estate investment trusts held as trust property)	29.2 <+21.2>	31.5 <+2.3>
Interest on excess reserve balances under the complementary deposit facility ⁶	-217.9 <-29.6>	-180.2 <+37.6>
Interest on excess reserve balances under the interest scheme to promote lending	...	-80.6 <-80.6>
Special profits/losses⁷	-523.4 <-252.7>	-754.2 <-230.7>
Of which: Net transfer to/from provision for possible losses on bonds transactions	-398.7 <-15.0>	-402.9 <-4.2>
Net transfer to/from provision for possible losses on foreign exchange transactions	-123.9 <-231.1>	-361.0 <-237.1>
Net income before taxes	1,452.9 (+6.3) <+86.0>	1,664.3 (+14.5) <+211.3>
Provision for corporate income tax, inhabitants taxes, and enterprise taxes	233.8 <+162.2>	339.6 <+105.8>
Net income⁸	1,219.1 (-5.9) <-76.1>	1,324.6 (+8.7) <+105.4>

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

2. Includes interest payment on excess reserve balances under the Special Deposit Facility to Enhance the Resilience of the Regional Financial System (hereafter the Special Deposit Facility) (-64.7 billion yen).

3. The total of interest on loans and discounts, interest on receivables under resale agreements, interest and discounts on Japanese government securities (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.

4. Net gains/losses on sales of JGBs.

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

6. Net difference between interest payment on excess reserve balances to which a positive interest rate is applied (-207.5 billion yen) and interest income on the balances to which a negative interest rate is applied (27.2 billion yen). Interest payment on the balances to which a positive interest rate is applied includes that on the outstanding balances of current accounts held by financial institutions at the Bank corresponding to the amounts outstanding of loans provided through the Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19) before the Interest Scheme to Promote Lending was applied (-0.3 billion yen).

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

8. 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 2019 (Apr. 1, 2019– Mar. 31, 2020)	Fiscal 2020 (Apr. 1, 2020– Mar. 31, 2021)	Fiscal 2021	First half of the fiscal year (Apr. 1, 2021– Sept. 30, 2021)	Second half of the fiscal year (Oct. 1, 2021– Mar. 31, 2022)
1. Net government bond-related gains/losses	...	...	...	...	...
Of which:					
Gains on sale of Japanese government bonds	...	...	...	...	...
Losses on sale of Japanese government bonds	...	...	...	...	...
2. Net foreign exchange-related gains/losses²	-214.4	247.8	722.0	28.0	693.9
3. Net gains/losses on pecuniary trusts (stocks held as trust property)	205.0	250.5	297.3	146.9	150.4
Of which:					
Dividends and others	45.1	33.3	38.4	17.6	20.8
Losses on impairment	-22.4	-0.3	-1.3	...	-1.3
Net gains/losses on sale	182.3	217.6	260.2	129.3	130.8
4. Net gains/losses on pecuniary trusts (index-linked exchange-traded funds held as trust property)	604.7	727.5	842.6	771.8	70.8
Of which:					
Distributions and others	604.7	727.5	842.6	771.8	70.8
Losses on impairment	...	...	...	...	...
Net gains/losses on sale	...	...	...	...	...
5. Net gains/losses on pecuniary trusts (Japan real estate investment trusts held as trust property)	7.9	29.2	31.5	16.4	15.0
Of which:					
Distributions and others	23.9	29.2	30.1	15.1	15.0
Losses on impairment	-15.9	...	...	...	...
Net gains/losses on sale	...	...	1.3	1.3	...

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 2019 (Apr. 1, 2019– Mar. 31, 2020)	Fiscal 2020 (Apr. 1, 2020– Mar. 31, 2021)	Fiscal 2021	First half of the fiscal year (Apr. 1, 2021– Sept. 30, 2021)	Second half of the fiscal year (Oct. 1, 2021– Mar. 31, 2022)
6. "Core" operating income	1,317.0	1,164.6	1,159.8	569.3	590.5
Yen assets	1,195.2	1,087.2	1,124.9	553.1	571.7
Of which:					
Interest on loans and discounts	0.0	0.0	0.0	0.0	0.0
Interest on receivables under resale agreements	–0.0	...	–0.1	...	–0.1
Interest and discounts on Japanese government securities	1,196.0	1,086.6	1,123.3	552.5	570.8
Treasury discount bills	–19.2	–52.9	–28.2	–18.8	–9.3
Japanese government bonds	1,215.3	1,139.6	1,151.5	571.4	580.1
Interest on commercial paper	0.0	–0.3	–0.4	–0.2	–0.2
Interest and discounts on corporate bonds	–0.7	0.8	2.1	0.8	1.3
Interest on foreign currency assets	121.8	77.4	34.8	16.1	18.7
7. Interest-bearing assets (average amount outstanding)	543,032.3	639,936.3	685,373.8	682,729.2	688,032.9
Yen assets	535,933.0	625,568.7	677,823.4	675,296.9	680,363.9
Of which:					
Loans and bills discounted	47,877.1	91,386.6	136,213.5	130,035.6	142,425.4
Receivables under resale agreements	25.1	...	147.3	...	295.5
Japanese government securities	482,632.6	524,609.9	530,429.3	534,557.5	526,278.3
Treasury discount bills	10,354.4	34,852.7	23,473.5	31,753.1	15,148.5
Japanese government bonds	472,278.1	489,757.2	506,955.7	502,804.4	511,129.8
Commercial paper	2,202.0	4,223.9	3,002.5	2,934.4	3,070.9
Corporate bonds	3,196.1	5,348.2	8,030.7	7,769.3	8,293.5
Foreign currency assets	7,099.2	14,367.5	7,550.3	7,432.2	7,669.0
8. Yield on interest-bearing assets (percent)	0.242	0.181	0.169	0.166	0.172
Yen assets	0.223	0.173	0.165	0.163	0.168
Of which:					
Loans and bills discounted	0.000	0.000	0.000	0.000	0.000
Receivables under resale agreements	–0.093	...	–0.094	...	–0.094
Japanese government securities	0.247	0.207	0.211	0.206	0.217
Treasury discount bills	–0.186	–0.152	–0.120	–0.118	–0.123
Japanese government bonds	0.257	0.232	0.227	0.226	0.227
Commercial paper	0.001	–0.007	–0.014	–0.015	–0.013
Corporate bonds	–0.024	0.016	0.027	0.021	0.032
Foreign currency assets	1.716	0.538	0.462	0.433	0.490

Table 4

The Bank's Capital Base and Capital Adequacy Ratio¹

bil. yen, except where otherwise noted

Item	End of fiscal 2019 (Mar. 31, 2020)	End of fiscal 2020 (Mar. 31, 2021)	End of fiscal 2021 (Mar. 31, 2022)	Changes from a year earlier	[Reference]
					End of the first half of fiscal 2021 (Sept. 30, 2021)
Capital accounts (A)	3,316.8	3,377.8	3,444.0	+66.2	3,377.8
Capital	0.1	0.1	0.1	...	0.1
Legal reserve and others ²	3,316.7	3,377.7	3,443.9	+66.2	3,377.7
Provisions (B)	6,206.8	6,729.4	7,493.4	+763.9	6,958.6
Provision for possible loan losses (excluding special provision for possible loan losses)	...	...	...	...	...
Provision for possible losses on bonds transactions	4,799.2	5,198.0	5,601.0	+402.9	5,413.2
Provision for possible losses on foreign exchange transactions	1,407.5	1,531.4	1,892.4	+361.0	1,545.4
Capital base³ (C) = (A) + (B)	9,523.7	10,107.3	10,937.5	+830.2	10,336.5
Annual average of banknotes issued (D)	108,275.2	113,821.4	117,609.4	+3,787.9	116,502.3
Capital adequacy ratio (C)/(D) × 100 (percent)	8.79	8.87	9.29	+0.42	8.87

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 2020 (Mar. 31, 2021)			End of fiscal 2021 (Mar. 31, 2022)		
	Book value	Market value ²	Difference	Book value	Market value ²	Difference
Japanese government securities	532,165.2	541,596.6	9,431.4	526,173.6	530,547.1	4,373.4
Commercial paper	2,876.4	2,876.4	...	2,514.3	2,514.3	...
Corporate bonds	7,498.4	7,478.7	-19.7	8,583.0	8,553.2	-29.8
Pecuniary trusts ³ (stocks held as trust property)	566.1	1,736.4	1,170.2	440.6	1,410.9	970.2
Pecuniary trusts ³ (index-linked exchange-traded funds held as trust property)	36,064.9	51,509.3	15,444.4	36,625.5	51,310.9	14,685.4
Pecuniary trusts ³ (Japan real estate investment trusts held as trust property)	657.4	850.4	192.9	656.6	837.6	180.9

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, 2022

Item	Value in yen	Unit (except where otherwise noted)
ASSETS		
Gold	441,253,409,037	
Cash	298,375,400,551	
Japanese government securities	526,173,698,752,394	Face value at 515,314,116,600,000 yen
Commercial paper	2,514,385,047,260	Face value at 2,514,300,000,000 yen
Corporate bonds	8,583,033,503,685	Face value at 8,554,200,000,000 yen
Pecuniary trusts (stocks held as trust property)	457,566,711,411	
Pecuniary trusts (index-linked exchange-traded funds held as trust property)	36,565,788,694,932	
Pecuniary trusts (Japan real estate investment trusts held as trust property)	666,135,965,460	
Loans and bills discounted	151,532,888,000,000	
Electronic loans	151,532,888,000,000	2,055
Foreign currency assets	8,306,408,621,708	
Foreign currency deposits	3,150,196,421,866	
Foreign currency securities	2,754,880,111,072	
Foreign currency mutual funds	72,107,563,770	
Foreign currency loans	2,329,224,525,000	
Deposits with agents	4,723,922,571	Deposits with 73 agents
Other assets	476,795,000,622	
Bills and checks in process of collection	35,125,663	5
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	19,599,380,675	6
Accrued interest receivable	432,957,061,105	
Others	8,700,058,815	
Tangible fixed assets	232,059,808,131	
Buildings	110,296,783,611	604,724.99 square meters
Land	84,121,962,141	495,104.85 square meters
Lease assets	6,341,767,215	Number of lease property: 19,472
Construction in progress	20,229,647,574	
Other tangible fixed assets	11,069,647,590	Number of movable property: 9,896
Intangible fixed assets	484,026,408	
Utility rights	484,026,408	
Total assets	736,253,596,864,170	
LIABILITIES		
Banknotes	119,870,775,898,807	
Deposits (excluding those of the government)	589,747,362,365,186	
Current deposits	563,178,486,879,201	1,097
Other deposits	26,568,875,485,985	145
Deposits of the government	13,032,518,059,515	
Treasury deposit	150,000,000,000	
Domestic designated deposit	12,564,293,810,498	
Other government deposits	318,224,249,017	
Payables under repurchase agreements	919,971,215,714	16
Other liabilities	279,941,212,158	
Remittances payable	22,369,026,365	
Taxes payable	189,620,000,000	
Lease liabilities	6,672,038,168	
Others	61,280,147,625	
Provision for retirement benefits	207,099,172,922	
Provision for possible losses on bonds transactions	5,601,023,993,013	
Provision for possible losses on foreign exchange transactions	1,892,450,000,000	
Total liabilities	731,551,141,917,315	
NET ASSETS		
Capital	100,000,000	
Legal reserve	3,377,727,473,908	
Special reserve	13,196,452	
Net income	1,324,614,276,495	
Total net assets	4,702,454,946,855	
Total liabilities and net assets	736,253,596,864,170	

2. Balance sheet as at March 31, 2022

yen

ASSETS	
Gold	441,253,409,037
Cash	298,375,400,551
Japanese government securities	526,173,698,752,394
Commercial paper	2,514,385,047,260
Corporate bonds	8,583,033,503,685
Pecuniary trusts (stocks held as trust property)	457,566,711,411
Pecuniary trusts (index-linked exchange-traded funds held as trust property)	36,565,788,694,932
Pecuniary trusts (Japan real estate investment trusts held as trust property)	666,135,965,460
Loans and bills discounted	151,532,888,000,000
Electronic loans	151,532,888,000,000
Foreign currency assets	8,306,408,621,708
Foreign currency deposits	3,150,196,421,866
Foreign currency securities	2,754,880,111,072
Foreign currency mutual funds	72,107,563,770
Foreign currency loans	2,329,224,525,000
Deposits with agents	4,723,922,571
Other assets	476,795,000,622
Bills and checks in process of collection	35,125,663
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	19,599,380,675
Accrued interest receivable	432,957,061,105
Others	8,700,058,815
Tangible fixed assets	232,059,808,131
Buildings	110,296,783,611
Land	84,121,962,141
Lease assets	6,341,767,215
Construction in progress	20,229,647,574
Other tangible fixed assets	11,069,647,590
Intangible fixed assets	484,026,408
Utility rights	484,026,408
Total assets	736,253,596,864,170
LIABILITIES	
Banknotes	119,870,775,898,807
Deposits (excluding those of the government)	589,747,362,365,186
Current deposits	563,178,486,879,201
Other deposits	26,568,875,485,985
Deposits of the government	13,032,518,059,515
Treasury deposit	150,000,000,000
Domestic designated deposit	12,564,293,810,498
Other government deposits	318,224,249,017
Payables under repurchase agreements	919,971,215,714
Other liabilities	279,941,212,158
Remittances payable	22,369,026,365
Taxes payable	189,620,000,000
Lease liabilities	6,672,038,168
Others	61,280,147,625
Provision for retirement benefits	207,099,172,922
Provision for possible losses on bonds transactions	5,601,023,993,013
Provision for possible losses on foreign exchange transactions	1,892,450,000,000
Total liabilities	731,551,141,917,315
NET ASSETS	
Capital	100,000,000
Legal reserve	3,377,727,473,908
Special reserve	13,196,452
Net income	1,324,614,276,495
Total net assets	4,702,454,946,855
Total liabilities and net assets	736,253,596,864,170

3. Statement of income for fiscal 2021 (April 1, 2021–March 31, 2022)

yen

Operating income	3,050,793,809,235
Interest on loans and discounts	89,770
Interest on loans	89,770
Interest on receivables under resale agreements	-139,720,820
Interest and discounts on Japanese government securities	1,123,369,268,221
Interest on commercial paper	-438,482,624
Interest and discounts on corporate bonds	2,170,979,810
Gains on foreign currency assets	729,961,758,954
Foreign exchange gains	722,016,457,874
Gains on foreign currency mutual funds	1,231,715,177
Interest on foreign currency deposits and loans	6,713,585,903
Other operating income	1,195,869,915,924
Gains on pecuniary trusts (stocks held as trust property)	297,371,451,599
Gains on pecuniary trusts (index-linked exchange-traded funds held as trust property)	842,663,820,624
Gains on pecuniary trusts (Japan real estate investment trusts held as trust property)	31,521,351,370
Dividends	1,410,517,416
Fees and commissions	8,821,380,406
Other income	14,081,394,509
Operating expenses	632,231,082,622
Interest on payables under repurchase agreements	-86,612,932
Losses on foreign currency assets	103,734,987,211
Losses on foreign currency securities	103,734,987,211
General and administrative expenses and costs	201,834,410,316
Cost of production of banknotes	49,356,081,833
Administrative expenses for treasury business and Japanese government securities	19,402,286,638
Personnel expenses	51,257,374,413
Expenses for transportation and communications	2,780,908,089
Expenses for maintenance and repairs	2,157,565,761
Other general and administrative expenses and costs	47,590,174,020
Taxes excluding corporate income tax, inhabitants taxes, and enterprise taxes	14,420,700,417
Depreciation and amortization	14,869,319,145
Other general and administrative expenses	326,748,298,027
Interest on excess reserve balances under the complementary deposit facility	180,252,822,943
Interest on excess reserve balances under the interest scheme to promote lending	80,600,260,035
Fees and commissions paid	155,274,599
Other expenses	65,739,940,450
Operating profits	2,418,562,726,613
Special profits	10,070,530,387
Gains on disposal of fixed assets	10,070,530,387
Special losses	764,320,519,783
Losses on disposal of fixed assets	339,519,783
Transfer to provision for possible losses on bonds transactions	402,973,000,000
Transfer to provision for possible losses on foreign exchange transactions	361,008,000,000
Net income before taxes	1,664,312,737,217
Provision for corporate income tax, inhabitants taxes, and enterprise taxes	339,698,460,722
Net income	1,324,614,276,495

4. Summary of significant accounting policies

a. Securities

Yen-denominated bonds and CP¹ 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,² 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 trusts³ 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. However, depreciation for accessory equipment acquired on or after April 1, 2016, is computed using the straight-line 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.

1. 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.

2. Includes bonds issued by real estate investment corporations.

3. 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.

(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 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 10 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) Provision for possible losses on bonds transactions

The provision for possible losses on bonds transactions is maintained pursuant to the following rules and regulations: Article 15 of the Order for Enforcement of the Bank of Japan Act and Article 1-2 of the Supplementary Provisions of this order; Articles 9, 10, and 11 of the Ordinance for Enforcement of the Bank of Japan Act and Article 3 of the Supplementary Provisions of this ordinance; and Article 18 of the Bank's Accounting Rules and the Supplementary Provisions of these rules.

(4) Provision for possible losses on foreign exchange transactions

The provision for possible losses on foreign exchange transactions is maintained pursuant to the following rules and regulations: Article 15 of the Order for

Enforcement of the Bank of Japan Act; 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.

(5) 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.

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 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	245
More than one year	706

Total	951
-------	-----

b. Lessor

	mil. yen
Within one year	1
More than one year	25

Total	26
-------	----

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 2021	232,195,679,000
Service cost	5,795,294,000
Interest cost	928,545,000
Actuarial differences	639,967,642
Retirement benefits paid	-9,860,924,642
Prior service cost	...
<hr/>	
Projected benefit obligation at the end of fiscal 2021	229,698,561,000

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

	yen
Projected benefit obligation	229,698,561,000
Fair value of plan assets	...
<hr/>	
Unfunded projected benefit obligation	229,698,561,000
Unrecognized actuarial differences	-27,717,244,603
Unrecognized prior service cost	5,117,856,525
<hr/>	
Net amount recorded on the balance sheet	207,099,172,922
Prepaid pension cost	...
<hr/>	
Provision for retirement benefits	207,099,172,922

3. Retirement benefit cost

	yen
Service cost	5,795,294,000
Interest cost	928,545,000
Expected return on plan assets	...
Amortization of actuarial differences	6,706,938,694
Amortization of prior service cost	-1,487,408,600
<hr/>	
Retirement benefit cost	11,943,369,094

4. Assumptions

Discount rate	0.4%
Long-term expected rate of return on plan assets	...

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

5. Auditors' opinion⁴

May 11, 2022

Auditors' Opinion on the Bank of Japan's Financial Statements for Fiscal 2021

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 2021 indicated below. In our opinion, the financial statements present fairly the state of property and the results of operations for fiscal 2021.

The financial statements comprise the following:
Inventory of property as at March 31, 2022;
Balance sheet as at March 31, 2022; and
Statement of income for fiscal 2021.

ONozAWA Yoji
FUJITA Hirokazu
SAKAMOTO Tetsuya

Auditors, Bank of Japan

6. Appropriation of net income for fiscal 2021

yen

Net income	1,324,614,276,495
Appropriations:	
Transfer to legal reserve	66,230,713,825
Dividends, 5 percent of share face value	5,000,000
Payment to the government	1,258,378,562,670
Total	1,324,614,276,495

4. 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 2021	Balance at the end of fiscal 2021	Changes during fiscal 2021
1. Gold	441,253,409,037	441,253,409,037	0
2. Cash¹	199,171,685,512	298,375,400,551	99,203,715,039
3. Japanese government securities	532,165,254,025,240	526,173,698,752,394	-5,991,555,272,846
Treasury discount bills	36,388,231,152,452	14,942,486,513,429	-21,445,744,639,023
Japanese government bonds	495,777,022,872,788	511,231,212,238,965	15,454,189,366,177
2-year bonds	31,044,438,948,862	38,867,644,637,943	7,823,205,689,081
5-year bonds	102,544,470,974,306	97,169,833,352,710	-5,374,637,621,596
10-year bonds	207,750,903,943,789	216,305,253,371,209	8,554,349,427,420
20-year bonds	104,291,742,669,927	107,665,107,087,640	3,373,364,417,713
30-year bonds	36,946,706,216,180	38,228,001,149,821	1,281,294,933,641
40-year bonds	7,855,409,556,225	7,896,639,829,042	41,230,272,817
Floating-rate bonds	1,877,939,316,754	886,200,610,784	-991,738,705,970
Inflation-indexed bonds	3,465,411,246,745	4,212,532,199,816	747,120,953,071
4. Commercial paper²	2,876,498,321,594	2,514,385,047,260	-362,113,274,334
Dematerialized commercial paper	2,876,498,321,594	2,514,385,047,260	-362,113,274,334
5. Corporate bonds³	7,498,464,253,763	8,583,033,503,685	1,084,569,249,922
6. Pecuniary trusts (stocks held as trust property)⁴	581,052,196,685	457,566,711,411	-123,485,485,274
Stocks	566,152,079,265	440,638,678,581	-125,513,400,684
Dividends receivable and others	14,900,117,420	16,928,032,830	2,027,915,410
7. Pecuniary trusts (index-linked exchange-traded funds held as trust property)⁵	35,879,608,384,323	36,565,788,694,932	686,180,310,609
Index-linked exchange-traded funds	35,879,567,019,446	36,565,787,154,917	686,220,135,471
Money trust received as collateral	159,478,011,467	2,088,633,341	-157,389,378,126
Accrued income receivable from lending transactions	41,364,877	1,540,015	-39,824,862
Payables under lending transactions	159,478,011,467	2,088,633,341	-157,389,378,126
8. Pecuniary trusts (Japan real estate investment trusts held as trust property)⁶	666,862,432,759	666,135,965,460	-726,467,299
Japan real estate investment trusts	657,491,826,035	656,694,721,538	-797,104,497
Distributions receivable	9,370,606,724	9,441,243,922	70,637,198
9. Loans and bills discounted	125,840,264,000,000	151,532,888,000,000	25,692,624,000,000
Electronic loans	125,840,264,000,000	151,532,888,000,000	25,692,624,000,000
Loans by Funds-Supplying Operations against Pooled Collateral ⁷	125,840,264,000,000	151,532,888,000,000	25,692,624,000,000
10. Foreign currency assets	7,678,725,322,447	8,306,408,621,708	627,683,299,261
Foreign currency deposits ⁸	3,236,039,822,888	3,150,196,421,866	-85,843,401,022
Foreign currency securities ⁹	1,960,183,406,414	2,754,880,111,072	794,696,704,658
Foreign currency mutual funds	66,590,078,145	72,107,563,770	5,517,485,625
Foreign currency loans ¹⁰	2,415,912,015,000	2,329,224,525,000	-86,687,490,000
11. Deposits with agents¹¹	18,140,315,418	4,723,922,571	-13,416,392,847

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 (1) beneficiary interests in index-linked exchange-traded funds purchased through a trust bank, (2) distributions receivable, (3) money trust received as collateral in transactions involving the lending of beneficiary interests in index-linked exchange-traded funds, (4) accrued income receivable from lending transactions, and (5) payables under lending transactions (liabilities) for money trust received as collateral.

6. Comprises investment equities issued by real estate investment corporations purchased through a trust bank and distributions receivable.

7. Includes the amounts outstanding of: (1) loans made through the Fixed-Rate Funds-Supplying Operation against Pooled Collateral; (2) loans made under the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth (hereafter 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); (3) loans made under the Fund-Provisioning Measure to Stimulate Bank Lending conducted through the Loan Support Program; (4) loans made through the Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19); and (5) loans made through the Funds-Supplying Operation to Support Financial Institutions in Disaster Areas. The balance at the beginning of the fiscal year also includes the amount outstanding of loans made under the principal terms and conditions for the Funds-Supplying Operation to Support Financial Institutions in Disaster Areas and the principal terms and conditions for the Funds-Supplying Operation to Support Financial Institutions in Disaster Areas of the 2016 Kumamoto Earthquake, both of which became invalid on June 30, 2020. In addition, the balance at the fiscal year-end includes the amount outstanding of loans made through the Funds-Supplying Operations to Support Financing for Climate Change Responses.

8. Deposits held at foreign central banks and the Bank for International Settlements (BIS).

9. Includes securities issued by foreign governments.

10. The amount outstanding is 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.

11. 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 2021	Balance at the end of fiscal 2021	Changes during fiscal 2021
12. Other assets	488,470,717,403	476,795,000,622	-11,675,716,781
Bills and checks in process of collection ¹²	139,288,712	35,125,663	-104,163,049
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 ¹³	15,278,374,364	15,278,374,364	0
Withdrawn cash to be returned to the government ¹⁴	18,153,197,339	19,599,380,675	1,446,183,336
Accrued interest receivable	442,867,839,088	432,957,061,105	-9,910,777,983
Others	11,807,017,900	8,700,058,815	-3,106,959,085

Notes: 12. Checks and bills received as cash and in process of collection.

13. A subscription to the BIS.

14. 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 2021	Increase during fiscal 2021	Decrease during fiscal 2021	Of which:	Balance at the end of fiscal 2021	Cumulative total of depreciation
				Depreciation		
13. Tangible fixed assets¹⁵	222,790,202,481	34,487,684,708	25,218,079,058	13,478,476,381	232,059,808,131	378,117,199,473
Buildings ^{16,17}	107,714,922,130 (606,827.52)	10,319,673,806 (3,341.96)	7,737,812,325 (5,444.49)	7,577,930,024 (...)	110,296,783,611 (604,724.99)	349,160,822,168 (...)
Land ¹⁶	84,123,687,005 (504,450.18)	0 (0.00)	1,724,864 (9,345.33)	... (...)	84,121,962,141 (495,104.85)	... (...)
Lease assets ^{18,19}	7,127,736,211 (20,098)	2,466,164,067 (2,690)	3,252,133,063 (3,316)	3,205,574,718 (...)	6,341,767,215 (19,472)	6,880,742,313 (...)
Construction in progress ²⁰	12,450,857,762	19,279,431,144	11,500,641,332	...	20,229,647,574	...
Other tangible fixed assets ^{21,22}	11,372,999,373 (9,952)	2,422,415,691 (184)	2,725,767,474 (240)	2,694,971,639 (...)	11,069,647,590 (9,896)	22,075,634,992 (...)

Notes: 15. "..." indicates that figures are not applicable.

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

17. The increase in "buildings" was mainly due to the renovation of and repairs to buildings for the Bank's business operations.

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

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

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

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

22. 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 2021	Increase during fiscal 2021	Decrease during fiscal 2021	Of which:	Balance at the end of fiscal 2021	Cumulative total of depreciation
				Depreciation		
14. Intangible fixed assets	123,898,021	368,559,101	8,430,714	8,430,714	484,026,408	868,152,255
Utility rights	123,898,021	368,559,101	8,430,714	8,430,714	484,026,408	868,152,255

Appendix: Details of loans provided through the Loan Support Program

yen

Item	Balance at the beginning of fiscal 2021	Balance at the end of fiscal 2021	Changes during fiscal 2021
Total amount outstanding	62,412,276,015,000	63,934,112,525,000	1,521,836,510,000
Loans made under the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth ¹	8,157,976,015,000	8,065,112,525,000	-92,863,490,000
Loans made under the Fund-Provisioning Measure to Stimulate Bank Lending	54,254,300,000,000	55,869,000,000,000	1,614,700,000,000

Note: 1. The amount outstanding of loans made under the Growth-Supporting Funding Facility conducted through the Loan Support Program (including loans disbursed pursuant to the special rules for the U.S. dollar lending arrangement).

2. Details of liabilities and net assets

yen

Item	Balance at the beginning of fiscal 2021	Balance at the end of fiscal 2021	Changes during fiscal 2021
1. Banknotes	116,011,687,897,828	119,870,775,898,807	3,859,088,000,979
10,000 yen notes	107,784,191,960,000	111,441,150,310,000	3,656,958,350,000
5,000 yen notes	3,577,432,612,500	3,674,588,502,500	97,155,890,000
2,000 yen notes	192,673,421,000	191,537,690,000	-1,135,731,000
1,000 yen notes	4,315,216,634,000	4,422,591,964,500	107,375,330,500
Other banknotes ¹	142,173,270,328	140,907,431,807	-1,265,838,521
2. Deposits (excluding those of the government)	549,372,716,990,778	589,747,362,365,186	40,374,645,374,408
Current deposits	522,570,301,095,603	563,178,486,879,201	40,608,185,783,598
Other deposits ²	26,802,415,895,175	26,568,875,485,985	-233,540,409,190
3. Deposits of the government	36,917,905,068,030	13,032,518,059,515	-23,885,387,008,515
Treasury deposit	150,000,000,000	150,000,000,000	0
Domestic designated deposit ³	36,550,226,554,339	12,564,293,810,498	-23,985,932,743,841
Other government deposits ⁴	217,678,513,691	318,224,249,017	100,545,735,326
4. Payables under repurchase agreements⁵	594,785,230,947	919,971,215,714	325,185,984,767
Securities lending as a secondary source of Japanese government securities	594,785,230,947	919,971,215,714	325,185,984,767
5. Other liabilities	189,068,741,931	279,941,212,158	90,872,470,227
Remittances payable	20,688,693,628	22,369,026,365	1,680,332,737
Taxes payable	118,969,000,000	189,620,000,000	70,651,000,000
Lease liabilities	7,524,737,035	6,672,038,168	-852,698,867
Others ⁶	41,886,311,268	61,280,147,625	19,393,836,357

- 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 foreign central banks and others.
 3. A deposit to which the surplus funds from management of the treasury are transferred from the "treasury deposit."
 4. 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.
 5. Monetary obligations arising from sales of JGSs under repurchase agreements.
 6. The amount outstanding at the fiscal-year end includes interest accrued on excess reserve balances of 28,320,844,026 yen under the complementary deposit facility, 14,027,821,960 yen under the interest scheme to promote lending, and 14,310,893,369 yen under the Special Deposit Facility.

yen

Item	Balance at the beginning of fiscal 2021	Increase during fiscal 2021	Decrease during fiscal 2021	Balance at the end of fiscal 2021
6. Provisions⁷	6,934,509,721,483	775,924,369,094	9,860,924,642	7,700,573,165,935
Provision for retirement benefits	205,016,728,470	11,943,369,094	9,860,924,642	207,099,172,922
Provision for possible losses on bonds transactions	5,198,050,993,013	402,973,000,000	0	5,601,023,993,013
Provision for possible losses on foreign exchange transactions	1,531,442,000,000	361,008,000,000	0	1,892,450,000,000
7. Net assets	3,316,884,625,974	60,956,044,386	0	3,377,840,670,360
Capital	100,000,000	0	0	100,000,000
Legal reserve ⁸	3,316,771,429,522	60,956,044,386	0	3,377,727,473,908
Special reserve ⁹	13,196,452	0	0	13,196,452

- Notes: 7. Appropriated in accordance with the Bank's significant accounting policies.
 8. A reserve maintained to cover possible losses and to pay dividends under Article 53, paragraphs 1 and 2 of the Bank of Japan Act.
 9. To ease the reconstruction of financial institutions after World War II, the Bank, along with private financial institutions, suspended the 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 2021

a. Operating income

Interest on loans and discounts	
Interest on loans	89,770 yen from electronic loans.
Interest on receivables under resale agreements	139,720,820 yen from interest income on purchases of Japanese government securities under resale agreements.
Interest and discounts on Japanese government securities	1,123,369,268,221 yen from interest income on Japanese government securities after adjustment.
Interest on commercial paper	-438,482,624 yen from interest income on commercial paper after adjustment.
Interest and discounts on corporate bonds	2,170,979,810 yen from interest income on corporate bonds after adjustment.
Gains on foreign currency assets	
Foreign exchange gains	722,016,457,874 yen from gains on foreign currency assets resulting from revaluation following fluctuations in foreign exchange rates.
Gains on foreign currency mutual funds	1,231,715,177 yen
Interest on foreign currency deposits and loans	6,713,585,903 yen
Other operating income	
Gains on pecuniary trusts (stocks held as trust property)	297,371,451,599 yen mainly from gains on sales.
Gains on pecuniary trusts (index-linked exchange-traded funds held as trust property)	842,663,820,624 yen mainly from distributions.
Gains on pecuniary trusts (Japan real estate investment trusts held as trust property)	31,521,351,370 yen mainly from distributions.
Dividends	1,410,517,416 yen for dividends from shares of the Bank for International Settlements held by the Bank.
Fees and commissions	8,821,380,406 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	14,081,394,509 yen from transfer from provision for retirement benefits and other income.

b. Operating expenses

Interest on payables under repurchase agreements	86,612,932 yen from interest income on sales of Japanese government securities under repurchase agreements.
Losses on foreign currency assets	
Losses on foreign currency securities	Total of 28,184,439,298 yen from interest and discounts on foreign currency securities and 131,919,426,509 yen of losses arising from the sale, redemption, and revaluation at end-March 2022 of foreign currency securities.
General and administrative expenses and costs	
Cost of production of banknotes	49,356,081,833 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	19,402,286,638 yen from fees and commissions paid to agents of the Bank for administration of treasury business and Japanese government securities.
Personnel expenses	424,393,500 yen for remuneration of the officers; 40,927,892,271 yen for remuneration of the employees; and 9,905,088,642 yen for retirement allowances.
Expenses for transportation and communications	886,066,727 yen for expenses for transportation and 1,894,841,362 yen for expenses for communications.
Expenses for maintenance and repairs	2,157,565,761 yen on offices and other premises.
Other general and administrative expenses and costs	1,115,301,295 yen for the cost of expendable supplies; 1,442,181,697 yen for expenses for electricity and water supply; 5,344,891,178 yen for leasing fees for buildings and equipment; 9,161,470,848 yen for expenses for maintenance of buildings and equipment; and 30,526,329,002 yen for miscellaneous expenses.
Taxes excluding corporate income tax, inhabitants taxes, and enterprise taxes	14,420,700,417 yen for taxes and public charges (including fixed-asset tax and urban development tax).
Depreciation and amortization	14,869,319,145 yen on buildings and lease assets.
Other general and administrative expenses	
Interest on excess reserve balances under the complementary deposit facility	180,252,822,943 yen (net difference between interest payment of 207,506,280,037 yen on excess reserve balances to which a positive interest rate is applied and interest income of 27,253,457,094 yen on the balances to which a negative interest rate is applied).
Interest on excess reserve balances under the interest scheme to promote lending	80,600,260,035 yen
Fees and commissions paid	155,274,599 yen
Other expenses	65,739,940,450 yen, including 64,706,071,624 yen of interest payment on excess reserve balances under the Special Deposit Facility to Enhance the Resilience of the Regional Financial System.

c. Special profits

Gains on disposal of fixed assets	10,070,530,387 yen for gains on sales of land for the Bank's premises.
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d. Special losses

Losses on disposal of fixed assets	339,519,783 yen for losses on demolition of the Bank's premises and other losses.
Transfer to provision for possible losses on bonds transactions	402,973,000,000 yen
Transfer to provision for possible losses on foreign exchange transactions	361,008,000,000 yen

e. Net income

Net income before taxes	1,664,312,737,217 yen
Provision for corporate income tax, inhabitants taxes, and enterprise taxes	339,698,460,722 yen
Net income	1,324,614,276,495 yen

IV. EXPENSES

With regard to the Bank's statement of accounts for fiscal 2021 (the 137th fiscal year), the total amount of actual expenses increased by 3.5 percent (7.0 billion yen) to 205.8 billion yen compared to the previous fiscal year. This was chiefly due to increases in: "administrative expenses for treasury business and Japanese government securities," reflecting a revision of fees and commissions paid to agents of the Bank for administration of treasury business; and "cost of fixed-asset purchases," mainly owing to a rise in expenses related to improvements to the Bank's premises.

1. Statement of accounts for fiscal 2021

yen

Item	Initial budget	Adjusted budget ¹	Actual	Surpluses	Changes from the previous year (actual)
Cost of production of banknotes	54,291,715,000	54,291,715,000	54,291,690,000	25,000	368,310,000
Administrative expenses for treasury business and Japanese government securities	21,749,787,000	21,749,787,000	21,208,074,850	541,712,150	1,559,915,005
Personnel expenses	52,817,522,000	52,817,522,000	51,326,334,724	1,491,187,276	37,707,181
Remuneration of the officers	429,737,000	429,737,000	424,393,500	5,343,500	-5,417,900
Remuneration of the employees	41,894,727,000	41,894,727,000	40,996,852,582	897,874,418	42,485,917
Retirement allowances	10,493,058,000	10,493,058,000	9,905,088,642	587,969,358	639,164
Expenses for transportation and communications	4,274,275,000	4,274,275,000	3,009,241,990	1,265,033,010	-144,124,774
Expenses for transportation	2,005,415,000	2,005,415,000	959,605,180	1,045,809,820	-167,884,144
Expenses for communications	2,268,860,000	2,268,860,000	2,049,636,810	219,223,190	23,759,370
Expenses for maintenance and repairs	2,507,673,000	2,507,673,000	2,373,322,300	134,350,700	77,580,299
Other general and administrative expenses and costs	53,614,915,000	53,614,915,000	51,470,339,668	2,144,575,332	1,617,028,365
Cost of expendable supplies	1,253,116,000	1,253,116,000	1,225,978,860	27,137,140	199,972,627
Expenses for electricity and water supply	1,859,093,000	1,859,093,000	1,586,098,793	272,994,207	37,361,688
Leasing fees for buildings and equipment	6,019,868,000	6,019,868,000	5,820,412,736	199,455,264	-842,683,950
Expenses for maintenance of buildings and equipment	10,228,136,000	10,228,136,000	10,075,473,346	152,662,654	-1,052,191,278
Miscellaneous expenses	34,254,702,000	34,254,702,000	32,762,375,933	1,492,326,067	3,274,569,278
Subtotal	189,255,887,000	189,255,887,000	183,679,003,532	5,576,883,468	3,516,416,076
Cost of fixed-asset purchases	22,547,616,000	22,547,616,000	22,168,569,800	379,046,200	3,511,496,360
Of which: Subject to the approval of the Minister of Finance ²	5,298,242,000	5,298,242,000	4,983,243,742	314,998,258	640,997,203
Contingency funds	1,000,000,000	1,000,000,000	0	1,000,000,000	0
Total	212,803,503,000	212,803,503,000	205,847,573,332	6,955,929,668	7,027,912,436
Of which: Subject to the approval of the Minister of Finance ²	195,554,129,000	195,554,129,000	188,662,247,274	6,891,881,726	4,157,413,279

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 2021¹

mil. yen

Area of business operation	Expenses	Changes from a year earlier	
		Changes from a year earlier	Share of total (percent)
Issuance of banknotes	85,979	+550	42.6
Monetary policy	23,124	+1,778	11.5
Financial system policy	19,878	+1,687	9.8
Payment and settlement systems	25,544	-3,787	12.7
Services relating to the government ²	47,309	+2,583	23.4
Total	201,834	+2,811	100.0

Notes: 1. Calculated based on "general and administrative expenses and costs" (201.8 billion yen) in the statement of income for fiscal 2021 (the 137th 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.