

# About the Bank of Japan

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**I. Core Purposes**

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The Bank of Japan is the central bank of Japan. It is a juridical person established based on the Bank of Japan Act (hereafter the Act), and is not a government agency or a private corporation (Table 1).

## I. CORE PURPOSES

The Act determines the Bank's core purposes as follows:

### Article 1

- (1) The purpose of the Bank of Japan, or the central bank of Japan, is to issue banknotes and to carry out currency and monetary control.
- (2) In addition to what is prescribed in the preceding paragraph, the Bank of Japan's purpose is to ensure smooth settlement of funds among banks and other financial institutions, thereby contributing to the maintenance of stability of the financial system.

The Act also stipulates the principle governing the Bank's currency and monetary control as follows:

### Article 2

Currency and monetary control by the Bank of Japan shall be aimed at achieving price stability, thereby contributing to the sound development of the national economy.

## II. CAPITAL

The Bank is capitalized at 100 million yen in accordance with Article 8, paragraph 1 of the Act. As of the end of March 2009, 55,008,000 yen is subscribed by the government, and the rest by the private sector (Table 2).<sup>1</sup>

The Act does not grant holders of subscription certificates the right to participate in the Bank's management, and, in the case of liquidation, only gives them the right to request distribution of residual assets up to the sum of the paid-up capital and, if any, the special reserve fund (Article 60, paragraph 2, and Supplementary Provisions Article 22, paragraph 2). Dividend payments as a proportion of paid-up capital are limited to 5 percent or below in each fiscal year.<sup>2</sup>

## III. BANK OFFICERS

Bank officers are the Governor, Deputy Governors, Members of the Policy Board, Auditors, Executive Directors, and Counsellors.<sup>3</sup> Of the above, the Governor, the two Deputy Governors, and six Members of the Policy Board make up the Policy Board.<sup>4,5</sup>

The Governor, the Deputy Governors, and Members of the Policy Board are appointed by the Cabinet, subject to the consent of the House of Representatives and the House of Councillors. Auditors are appointed by the Cabinet. Executive Directors and Counsellors are

1. Article 8, paragraph 2 of the Act states as follows: "Of the amount of stated capital set forth in the preceding paragraph, the amount of contribution by the government shall be no less than fifty-five million yen."

2. Stipulated by Article 53, paragraph 4.

3. Stipulated by Article 21. The officers of the Bank consist of a Governor, two Deputy Governors, six Members of the Policy Board, three or fewer Auditors, six or fewer Executive Directors, and a small number of Counsellors.

4. Stipulated by Article 16, paragraph 2.

5. As of August 17, 2009, one of the Member of the Policy Board positions is vacant.

appointed by the Minister of Finance based on the Board's recommendation.<sup>6</sup>

The terms of office are five years for the Governor, Deputy Governors, and Members of the Policy Board; four years for Auditors and Executive Directors; and two years for Counsellors.<sup>7</sup> Bank officers, excluding

Executive Directors, are not dismissed against their will during their terms of office, except in the cases prescribed in the Act, such as the formal commencement of bankruptcy proceedings against them.<sup>8</sup>

For duties and powers of Bank officers, see Table 3.<sup>9</sup>

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6. Stipulated by Article 23.

7. Stipulated by Article 24.

8. Stipulated by Article 25.

9. Duties and powers are stipulated by Article 16, paragraph 2, and Article 22.

Table 1

**History of the Bank of Japan**

|      |         |   |
|------|---------|---|
| 1882 | June    | The Bank of Japan Act of 1882 is promulgated; the Bank is to have capital of 10 million yen and is given a license to operate for 30 years from the start of business.    |
|      | Oct. 10 | Business operation begins.  |
| 1887 | Mar.    | An increase in the Bank's capital is announced from 10 million yen to 20 million yen.   |
| 1895 | Aug.    | An increase in the Bank's capital is announced from 20 million yen to 30 million yen.   |
| 1896 | Apr.    | The Head Office is moved to a new building at the present location.   |
| 1910 | Feb.    | The Bank is given a license to operate for 30 more years from October 10, 1912, and an increase in the Bank's capital is announced from 30 million yen to 60 million yen. |
| 1942 | Feb.    | The Bank of Japan Act of 1942 is promulgated; the Bank is to have capital of 100 million yen.   |
|      | May 1   | The Bank is reorganized under the Bank of Japan Act of 1942.  |
| 1949 | June    | The Policy Board is established.  |
| 1997 | June    | The Bank of Japan Act of 1997 is promulgated; the Bank is to have capital of 100 million yen.   |
| 1998 | Apr. 1  | The Bank of Japan Act of 1997 comes into effect.  |

Table 2

**Subscribers by Category**

| Subscribers            | Amount of subscription (thous. yen) <sup>1</sup> | Percentage of the total subscription (%) |
|------------------------|--|--|
| The government         | 55,008   | 55.0                                     |
| The private sector     | 44,991   | 45.0                                     |
| Individuals            | 34,895   | 34.9                                     |
| Financial institutions | 2,395  | 2.4                                      |
| Public organizations   | 241  | 0.2                                      |
| Securities companies   | 72   | 0.1                                      |
| Other firms            | 7,385  | 7.4                                      |
| Total                  | 100,000  | 100.0                                    |

Note: 1. Rounded down to the nearest 1,000 yen. As of the end of March 2009.

Table 3

**Duties and Powers of Bank Officers**

|                             | Duties and powers   |
|-----------------------------|---|
| Policy Board members        | Decide the guideline for currency and monetary control and other important matters concerning the Bank's operations, and supervise the officers (excluding Auditors and Counsellors) in the fulfillment of their duties.  |
| Governor                    | Represents the Bank and exercises general control over the Bank's business in accordance with decisions made by the Board. At the same time, fulfills the duties of an independent Board member.  |
| Deputy Governors            | In accordance with decisions made by the Governor, represent the Bank, administer the business of the Bank assisting the Governor, act for the Governor whenever the Governor is prevented from attending to his/her duties, and perform the Governor's duties during a vacancy in the office of the Governor. At the same time, fulfill the duties of independent Board members. |
| Members of the Policy Board | Comprise the Board, together with the Governor and the Deputy Governors.  |
| Auditors                    | Audit the business of the Bank. May, when they find it necessary based on the audit results, submit their opinions to the Minister of Finance, the Prime Minister (the Commissioner of the Financial Services Agency when the Prime Minister delegates such authority under Article 61-2 of the Bank of Japan Act), or the Board.   |
| Executive Directors         | In accordance with the decisions made by the Governor, administer the business of the Bank assisting the Governor and the Deputy Governors, act for the Governor when the Governor and the Deputy Governors are prevented from attending to their duties, and perform the Governor's duties during a vacancy in the office of the Governor and the Deputy Governors.              |
| Counsellors                 | Give advice to the Board when consulted on any important matter concerning the Bank's business operations. May also express their opinions to the Board when they find it necessary.  |

# Policy Board Members<sup>1</sup>



Standing from left to right: Seiji Nakamura, Atsushi Mizuno, Miyako Suda, Tadao Noda, and Hidetoshi Kamezaki  
Seated from left to right: Hirohide Yamaguchi, Masaaki Shirakawa, and Kiyohiko G. Nishimura

## Masaaki Shirakawa

*Governor (the 30th) and Chairman of the Policy Board*

### Date of Birth

September 27, 1949

### Education

The University of Tokyo  
(1972, B.A. in Economics)  
The University of Chicago  
(1977, M.A. in Economics)

|      |   |
|------|---|
| 1972 | Joined the Bank of Japan  |
| 1990 | Director, Head of Financial System Division, Financial and Payment System Office                                      |
| 1993 | Director, Head of Planning Division, Policy Planning Office   |
| 1994 | General Manager, Oita Branch  |
| 1995 | General Manager for the Americas  |
| 1996 | Deputy Director-General, Institute for Monetary and Economic Studies  |
| 1997 | Deputy Director-General, International Department<br>Adviser to the Governor, Credit and Market Management Department |
| 1998 | Adviser to the Governor, Financial Markets Department   |
| 2000 | Adviser to the Governor, Policy Planning Office   |
| 2002 | Executive Director  |
| 2006 | Professor, Kyoto University School of Government  |
| 2008 | Deputy Governor, Bank of Japan  |
|      | Present position  |

Note: 1. Members are as of August 17, 2009.

### Hirohide Yamaguchi

*Deputy Governor*

**Date of Birth**  
March 6, 1951

**Education**  
The University of Tokyo  
(1974, B.A. in Economics)

1974 Joined the Bank of Japan

1992 Director, Head of Price Statistics Division, Research and Statistics Department

1993 Director, Head of Credit and Market Division, Osaka Branch

1995 Director, Head of Bank Relations Division, Credit and Market Management Department

1996 General Manager, Takamatsu Branch

1998 Deputy Director-General, Budget and Management Office

2004 Director-General, Monetary Affairs Department

2006 Executive Director

2008 Present position

### Miyako Suda

**Date of Birth**  
May 15, 1948

**Education**  
The University of Tokyo  
(1971, B.A. in Arts and Sciences and 1979, Completed a Ph.D. Program in Economics)

1982 Assistant Professor, Senshu University

1988 Professor, Senshu University

1990 Professor, Gakushuin University

2001 Present position

### Tadao Noda

**Date of Birth**  
January 31, 1947

**Education**  
Kyoto University (1969, B.A. in Law)

1969 Joined The Dai-ichi Bank, Ltd.

1997 Director and General Manager, Corporate Operation Planning and Coordination Office, The Dai-ichi Kangyo Bank, Ltd. (DKB)<sup>2</sup>

1998 Managing Director, DKB

2001 Managing Executive Officer and Head of Strategic Planning Group (Chief Strategy Officer), Mizuho Holdings, Inc.<sup>3</sup>

2003 Deputy President, Mizuho Financial Group, Inc. (MHFG) (upon establishment of MHFG)

2005 Chairman, Chuo Real Estate Co., Ltd.

2006 Present position

### Hidetoshi Kamezaki

**Date of Birth**  
April 1, 1943

**Education**  
Yokohama National University (1966, B.A. in Economics)  
Harvard Business School (1990, Completed the Advanced Management Program)

1966 Joined Mitsubishi Corporation

1998 Executive Vice President, Director, Mitsubishi International Corporation (New York)

2000 President, Mitsubishi Corporation (Taiwan) Ltd.

2001 Senior Vice President, Mitsubishi Corporation

2002 Member of the Board, Executive Vice President, Chief Regional Officer, Mitsubishi Corporation

2005 Member of the Board, Senior Executive Vice President, Corporate Planning, Chief Regional Officer, Mitsubishi Corporation

2007 Present position

### Kiyohiko G. Nishimura

*Deputy Governor*

**Date of Birth**  
March 30, 1953

**Education**  
The University of Tokyo (1975, B.A. in Economics and 1977, M.A. in Economics)  
Yale University (1982, Ph.D. in Economics)

1981 Arthur M. Okun Memorial Research Fellow, Economic Studies Program, The Brookings Institution

1983 Associate Professor, The University of Tokyo

1994 Professor, The University of Tokyo

2003 Executive Research Fellow, Economic and Social Research Institute, Cabinet Office, and Professor, Graduate School of Economics, The University of Tokyo

2005 Member of the Policy Board, Bank of Japan

2008 Present position

### Atsushi Mizuno

**Date of Birth**  
August 18, 1959

**Education**  
Waseda University (1984, B.A. in Economics)  
The City University of New York  
(1989, Ph.D. in Economics)

1986 Predoctoral Visiting Scholar, National Bureau of Economic Research

1989 Senior Economist, Nomura Securities Co., Ltd., Tokyo

1996 Chief Strategist, Nomura Securities Co., Ltd., Tokyo

1997 Managing Director, Chief Fixed-Income Strategist & Chief Economist, Deutsche Morgan Grenfell Capital Markets Ltd., Tokyo Branch (renamed to Deutsche Securities Ltd., Tokyo Branch)

2002 Council Member, Council for Establishing of Japan Post (Japan Services Public Corporation)

2004 Vice Chairman, Global Markets Japan, Deutsche Securities Ltd., Tokyo Branch (the present Deutsche Securities Inc.)  
Co-Head of Research Division, Chief Fixed Income Strategist, Credit Suisse First Boston Securities (Japan) Ltd. (the present Credit Suisse Securities (Japan) Ltd.)  
Present position

### Seiji Nakamura

**Date of Birth**  
April 28, 1942

**Education**  
Keio University  
(1965, B.A. in Economics)

1965 Joined Mitsui O.S.K. Lines, Ltd.

1992 General Manager of Finance Division, Mitsui O.S.K. Lines, Ltd.

1994 Director and General Manager of Finance and Accounting Division, Mitsui O.S.K. Lines, Ltd.

1995 Director and General Manager of Corporate Planning Division, Mitsui O.S.K. Lines, Ltd.

1996 Managing Director, Mitsui O.S.K. Lines, Ltd.

1998 Senior Managing Director, Mitsui O.S.K. Lines, Ltd.

2000 Deputy President, Mitsui O.S.K. Lines, Ltd.

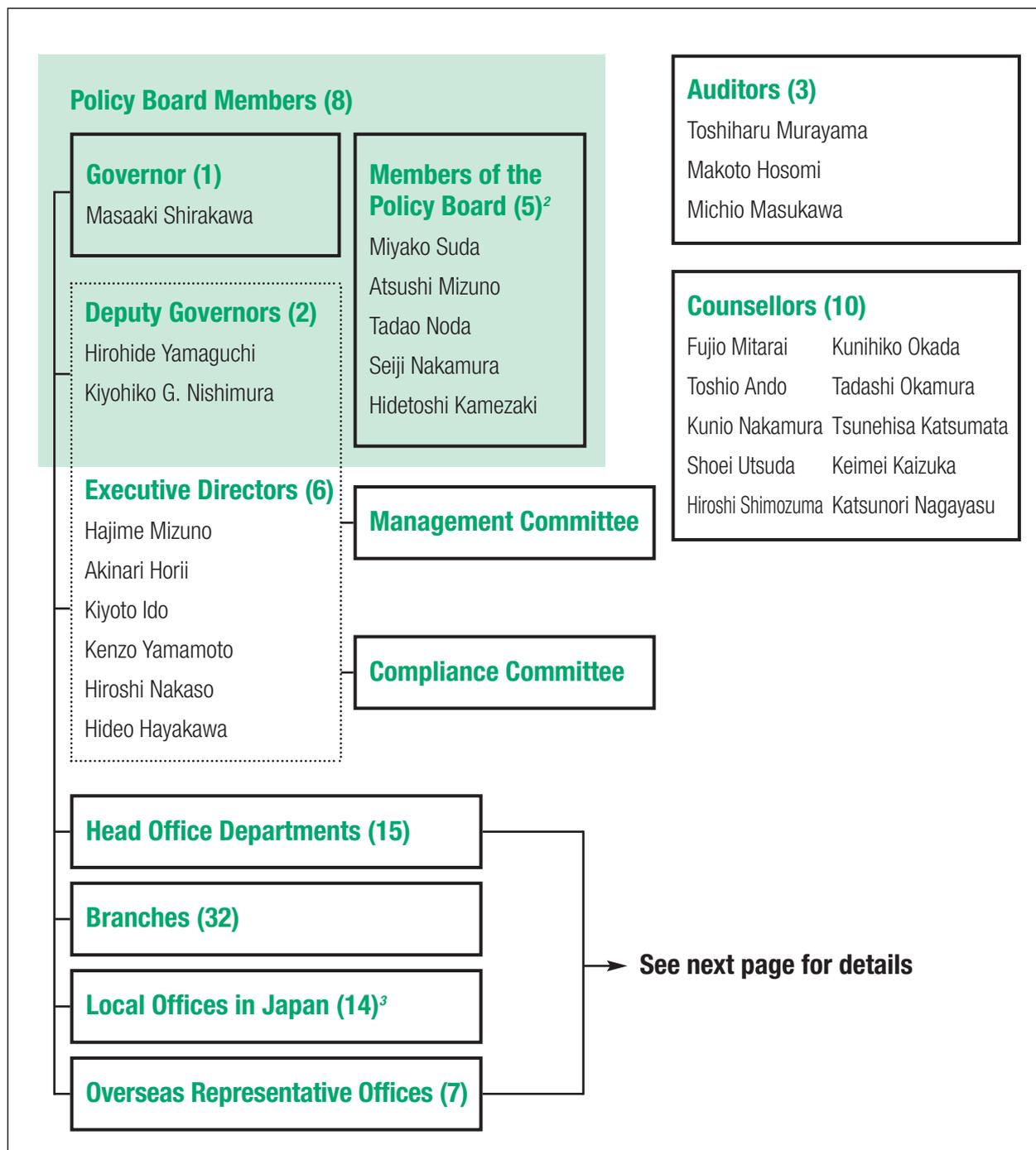
2003 President, MOL Ferry Co., Ltd.

2007 Present position

Notes: 2. Established in 1971 through merger of The Dai-ichi Bank, Ltd. and The Nippon Kangyo Bank, Ltd.

3. Established in 2000 through merger of DKB, The Fuji Bank, Ltd., and The Industrial Bank of Japan, Ltd.

## IV. ORGANIZATION

Organization Chart of the Bank<sup>1</sup>

Notes: 1. As of August 17, 2009.

2. One of the Member of the Policy Board positions is vacant.

3. Includes the computer center, represented by the Director-General of the Information System Services Department; and the banknote operations center, represented by the Director-General of the Currency Issue Department.

| Head office departments                           | Officials  |
|---|--|
| Secretariat of the Policy Board                   | Yuji Iino (Director-General)<br>Atsushi Miyanoya (Director-General, Senior Secretary to the Governor)<br>Tomohisa Takeda <sup>4</sup> (Director-General for Management Strategy, Budget, and Accounting)<br>Toru Umemori (Director-General for Parliamentary Affairs and Public Relations) |
| Internal Auditors' Office                         | Hideharu Morikawa (Director-General)   |
| Monetary Affairs Department                       | Masayoshi Amamiya (Director-General)   |
| Financial Systems and Bank Examination Department | Hiroki Tanaka (Director-General)   |
| Payment and Settlement Systems Department         | Toshihiro Oritate (Director-General)   |
| Financial Markets Department                      | Haruyuki Toyama (Director-General)   |
| Research and Statistics Department                | Kazuo Momma (Director-General)   |
| International Department                          | Hideaki Ono (Director-General)   |
| Currency Issue Department                         | Taku Oizumi (Director-General)   |
| Operations Department                             | Masashi Shimizu (Director-General)   |
| Information System Services Department            | Hirohisa Hokari (Director-General)   |
| Public Relations Department                       | Keiji Kono (Director-General)  |
| Personnel and Corporate Affairs Department        | Shigeki Kushida (Director-General)   |
| Administration Department                         | Tomohiko Sakamoto (Director-General)   |
| Institute for Monetary and Economic Studies       | Wataru Takahashi (Director-General)  |

| Overseas representative offices |   | Telephone numbers | General managers/<br>chief representatives  |
|---------------------------------|---|-------------------|---|
| New York                        | Bank of Japan Chief Representative Office for the Americas<br>Bank of Japan Representative Office in New York<br>140 Broadway, 18th Floor, New York, NY 10005, U.S.A. | +1-212-269-6566   | Shuhei Aoki<br>(General Manager for the Americas and<br>Chief Representative in New York) |
| Washington,<br>D.C.             | Bank of Japan Representative Office in Washington, D.C.<br>2100 Pennsylvania Ave., N.W., Suite 505,<br>Washington, D.C. 20037, U.S.A.                                 | +1-202-466-2228   | Naruki Mori<br>(Chief Representative in Washington, D.C.)                                 |
| London                          | Bank of Japan Chief Representative Office for Europe<br>Bank of Japan Representative Office in London<br>Basildon House, 7-11 Moorgate, London EC2R 6AF, U.K.         | +44-20-7606-2454  | Takamasa Hisada<br>(General Manager for Europe and<br>Chief Representative in London)     |
| Paris                           | Bank of Japan Representative Office in Paris<br>17 Avenue George V, 75008 Paris, France   | +33-1-4720-7295   | Naoyuki Suzuki<br>(Chief Representative in Paris)   |
| Frankfurt                       | Bank of Japan Representative Office in Frankfurt<br>Taunusanlage 21, 60325 Frankfurt am Main, Germany   | +49-69-9714310    | Yuji Osawa<br>(Chief Representative in Frankfurt)   |
| Hong Kong                       | Bank of Japan Representative Office in Hong Kong<br>Suite 1012, One Pacific Place, 88 Queensway, Central, Hong Kong   | +852-2525-8325    | Shingo Odaka<br>(Chief Representative in Hong Kong)                                       |
| Beijing                         | Bank of Japan Representative Office in Beijing<br>19th Floor, Unit 12C, China World Tower 2,<br>No. 1 Jian Guo Men Wai Avenue, Beijing 100004, China                  | +86-10-6505-9601  | Rikuichi Niikawa<br>(Chief Representative in Beijing)                                     |

Note: 4. Concurrently also Director-General for New BOJ-NET Planning, a task force established across the Bank's four departments (Secretariat of the Policy Board, Financial Markets Department, Operations Department, and Information System Services Department).

# Functions of Committees/Departments/Offices

## COMMITTEES/DEPARTMENTS/OFFICES

### Management Committee

Examines and manages Bank-wide issues regarding the Bank's operations. The members of this committee comprise the Deputy Governors and all Executive Directors.

### Compliance Committee

Ensures that the officers and employees perform their duties fairly and in compliance with the relevant laws and regulations. The members of this committee comprise members appointed from among the Deputy Governors and Executive Directors by the Governor; the Director-General of the Internal Auditors' Office; and one or more legal experts from outside the Bank.

### Secretariat of the Policy Board

(1) Arranges proceedings for Policy Board meetings; (2) liaises with the Diet and the media; (3) reviews the content and wording of important documents, and offers a legal perspective on them; (4) plans and formulates measures relating to the Bank's business operations and organizational management; (5) handles the Bank's budget, settlement, and accounting; (6) provides administrative services for Bank officers; and (7) supports the Auditors in auditing.

### Internal Auditors' Office

Audits the Bank's business operations.

### Monetary Affairs Department

Plans and formulates monetary policy measures.

### Financial Systems and Bank Examination Department

(1) Plans and formulates measures that contribute to the maintenance of an orderly financial system; (2) conducts on-site examinations and off-site monitoring of financial institutions that hold current accounts at the Bank; (3) judges financial institutions' eligibility to hold current accounts at the Bank and to have access to its lending facilities; and (4) determines the specifics of credit extension and discounting of bills by the Bank.

### Payment and Settlement Systems Department

Plans and formulates measures in the following areas: (1) policy issues relating to the payment and settlement system; (2) financial institutions' access to payment and settlement services provided by the Bank; and (3) the Bank's business continuity planning.

### Financial Markets Department

(1) Determines the specifics of daily market operations; (2) conducts foreign exchange interventions; (3) works toward improving the functioning of Japanese financial markets, including the foreign exchange market; and (4) monitors and analyzes developments in financial markets in Japan as well as overseas, including foreign exchange markets.

### Research and Statistics Department

(1) Conducts research on the domestic economy and fiscal situation; and (2) compiles and releases statistics.

### International Department

(1) Liaises and coordinates with overseas central banks and international organizations; (2) makes arrangements for investment in yen assets by overseas central banks, and conducts operations aimed at providing international financial support; (3) manages foreign currency assets held by the Bank; (4) conducts research on global economic and financial conditions; and (5) compiles Japan's balance of payments and other such statistics.

### Currency Issue Department

(1) Conducts planning and operations relating to banknotes; and (2) conducts payment/receipt of coins, and examines and takes custody of them.

### Operations Department

Conducts banking operations including the following: (1) discounting of bills; (2) credit extension; (3) purchasing/selling of bills, Japanese government securities, and other securities; (4) borrowing/lending of securities with cash collateral; (5) accepting deposits; (6) domestic funds transfers; (7) handling of treasury funds; and (8) operations relating to stocks purchased by the Bank.

### Information System Services Department

Manages the development and operation of the Bank's computer systems.

### Public Relations Department

(1) Is responsible for public relations; (2) administers the Bank's library; and (3) works toward raising the public's awareness and understanding of financial and economic issues.

### Personnel and Corporate Affairs Department

Handles business in corporate affairs, personnel policy issues relating to recruitment, assessment of job performance, career planning and training, wages and salaries, and the Bank's code of ethics.

### Administration Department

Conducts administrative operations relating to the Bank's facilities, supplies, security, and transportation.

### Institute for Monetary and Economic Studies

(1) Studies theoretical, institutional, technological, and historical aspects of monetary and economic issues; (2) collects, preserves, and exhibits historical materials and documents related to monetary and economic issues; and (3) exchanges views with academics.

## OTHER OFFICES

### Branches

The 32 branches mainly conduct operations relating to currency issue and banking operations, and research on the economic and financial situation in their respective areas.

### Local Offices in Japan

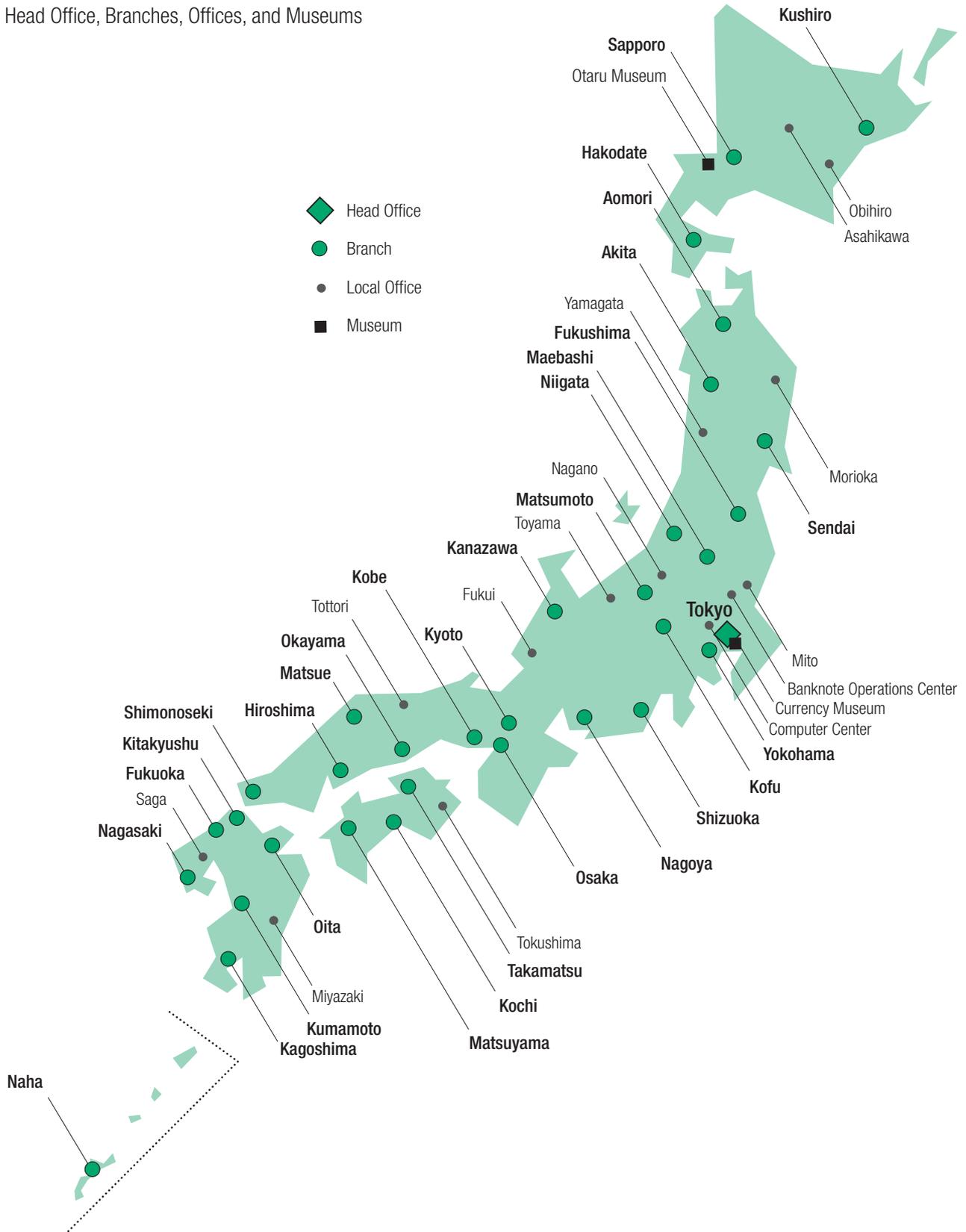
The computer center operates the Bank's systems. The banknote operations center in Toda City, Saitama Prefecture, receives, pays, and stores banknotes. The other 12 local offices handle some of the operations of the Head Office or branches.

### Overseas Representative Offices

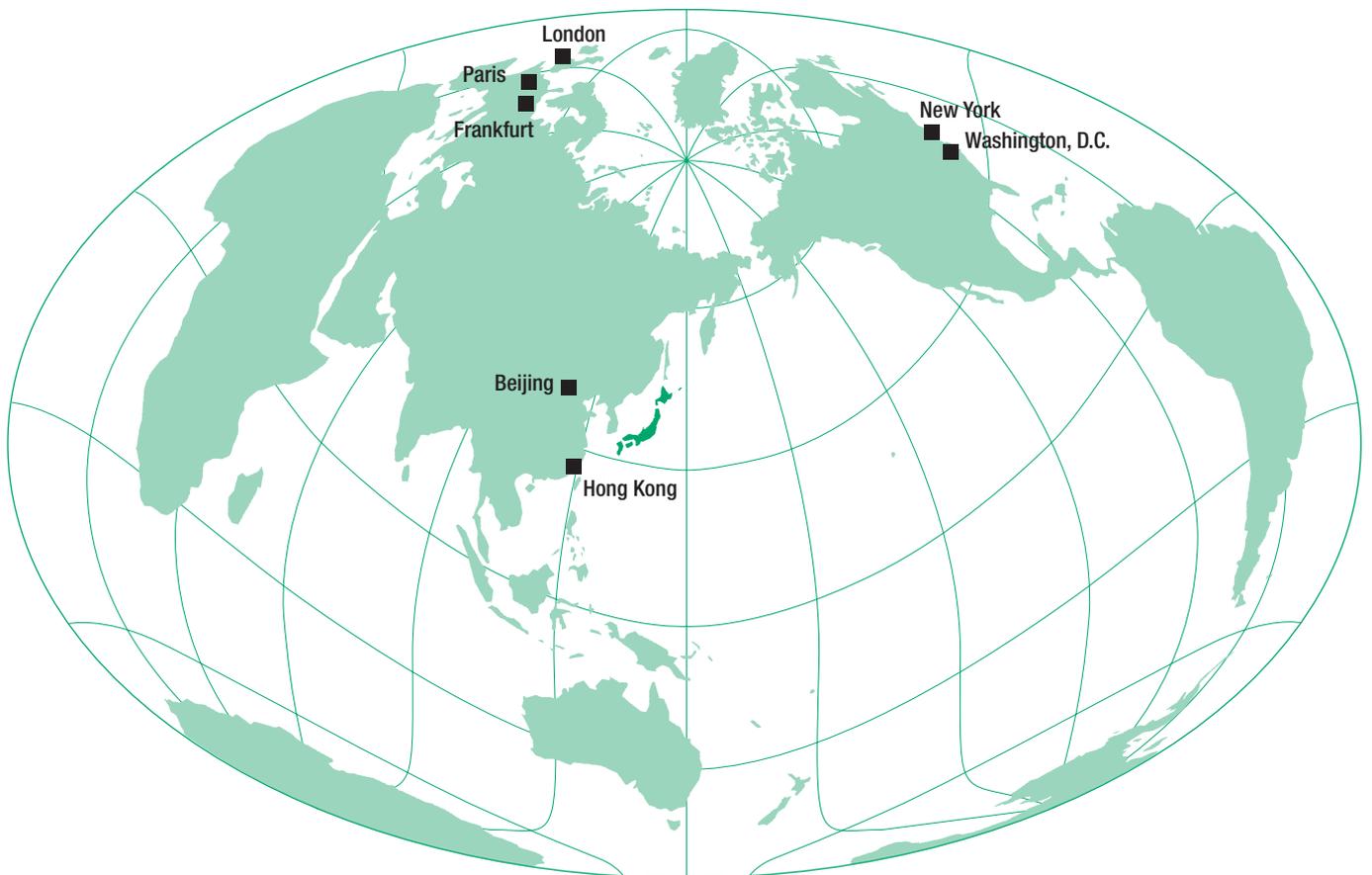
The seven overseas representative offices perform a liaison function, gather information, and conduct research.

# The Bank's Offices

Head Office, Branches, Offices, and Museums



## Overseas Representative Offices<sup>1</sup>



Note: 1. For details, see page 17.

