

FOREWORD BY THE GOVERNOR



The Bank of Japan has two missions, to achieve price stability and ensure the stability of the financial system. On the price stability side, the Bank has been steadily pursuing Quantitative and Qualitative Monetary Easing with a Negative Interest Rate to achieve the price stability target of 2 percent in terms of the year-on-year rate of change in the consumer price index. The Bank works to fulfill the two missions by conducting, besides monetary policy, business operations in a wide range of areas such as financial system and bank examination, payment and settlement systems, market infrastructure, international finance, banknotes, treasury funds and Japanese government securities (JGS) services, and public communications. The Bank pursues its various policies through the precise and deliberate execution of these central banking operations.

The *Annual Review* provides excerpts from the Japanese original *Gyōmu Gaikō Shō* (Outline of Business Operations), which is prepared pursuant to Article 55 of the Bank of Japan Act. The *Gyōmu Gaikō Shō* for fiscal 2015 and the *Annual Review 2016* have been drawn up and released to explain to readers the implementation of the Bank's business operations during fiscal 2015. Throughout the fiscal year, the Bank, in accordance with "The Bank of Japan's Strategic Priorities for Fiscal 2014–2018," continued to address various issues and move forward with a number of action plans, while ensuring the timely conduct of its business operations and organizational management in view of changes in circumstances. The Bank will proceed with its efforts as the country's central bank to achieve the sustainable growth and development of Japan's economy. The Bank will also make full use of its functions as the country's central bank to provide a fitting response to the various challenges posed by the Kumamoto Earthquake that struck in April 2016. I hope this year's *Annual Review* will help readers to gain an overview of the Bank's efforts.

A handwritten signature in black ink that reads "Haruhiko Kuroda". The signature is fluid and cursive.

Haruhiko Kuroda
Governor of the Bank of Japan