

March 17, 2023

Bank of Japan

### **The Bank of Japan's Budget for Expenses for Fiscal 2023**

The Bank of Japan's budget for expenses for fiscal 2023 (the 139th fiscal year) is as follows (Table 1).<sup>1</sup> While securing the necessary budget to perform its role as the central bank of Japan, the Bank has also thoroughly examined each item of expenditure to achieve more streamlined overall spending.

The budget for expenses for fiscal 2023 marked an increase of 1.9 percent from the previous year, of which the amount subject to the approval of the Minister of Finance increased by 6.2 percent. This overall increase was mainly due to changes in the following items: the cost of production of banknotes increased by 12.8 percent, mainly owing to expenses to be incurred in preparation for the introduction of a new series of banknotes, and other general and administrative expenses and costs increased by 4.0 percent, mainly due to a rise in expenses for electricity and water supply. On the other hand, the cost of fixed-asset purchases decreased by 30.0 percent, mainly owing to a decline in expenses related to improvements to the Bank's premises.

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<sup>1</sup> The Bank prepares a budget for expenses every fiscal year. Its budget, excluding the cost of purchasing fixed assets used for the Bank's business operations, is subject to the approval of the Minister of Finance under Article 51, paragraph 1 of the Bank of Japan Act before the beginning of each fiscal year. After obtaining authorization from the Minister of Finance, the Bank implements the budget from the start of the fiscal year. For fiscal 2023, the Bank sought approval on March 17, 2023. All figures, including those in Table 1, are rounded off.

Table 1

**Budget for Expenses for Fiscal 2023 (The 139th Fiscal Year)**

Item	Initial budget (thous. yen)	Change from the previous year (percent)
<b>Cost of production of banknotes</b>	<b>61,925,111</b>	<b>12.8</b>
<b>Administrative expenses for treasury business and Japanese government securities</b>	<b>21,326,048</b>	<b>-0.0</b>
<b>Personnel expenses</b>	<b>53,968,268</b>	<b>3.1</b>
Remuneration of the officers	431,716	0.7
Remuneration of the employees	42,989,124	3.4
Retirement allowances	10,547,428	1.8
<b>Expenses for transportation and communications</b>	<b>4,590,037</b>	<b>8.8</b>
Expenses for transportation	2,524,106	27.6
Expenses for communications	2,065,931	-7.8
<b>Expenses for maintenance and repairs</b>	<b>2,187,105</b>	<b>-3.9</b>
<b>Other general and administrative expenses and costs</b>	<b>60,064,166</b>	<b>4.0</b>
Cost of expendable supplies	1,309,062	11.9
Expenses for electricity and water supply	4,039,016	99.9
Leasing fees for buildings and equipment	6,839,129	19.2
Expenses for maintenance of buildings and equipment	11,700,977	0.3
Miscellaneous expenses	36,175,982	-2.6
<b>Subtotal</b>	<b>204,060,735</b>	<b>5.8</b>
<b>Cost of fixed-asset purchases</b>	<b>16,685,192</b>	<b>-30.0</b>
Of which: Subject to the approval of the Minister of Finance <sup>1</sup>	3,753,435	30.7
<b>Contingency funds</b>	<b>1,000,000</b>	<b>0.0</b>
<b>Total<sup>2</sup></b>	<b>221,745,927</b>	<b>1.9</b>
Of which: Subject to the approval of the Minister of Finance <sup>1</sup>	208,814,170	6.2

Notes: 1. Excludes the cost of purchasing fixed assets used for the Bank's business operations.

2. Of the budget for expenses, those related to computerization amounted to 33,095,829 thousand yen, a 0.4 percent increase from the previous year, and are included in expenses for communications, leasing fees for buildings and equipment, expenses for maintenance of buildings and equipment, and miscellaneous expenses.

Budget estimates of computerization expenses assume required outsourcing of approximately 12,018 person-months (one person-month is the workload equivalent of one person working for one month in system development), and a total of approximately 15,252 person-months when the workload of the Bank's employees is included.