1. At the Monetary Policy Meeting held today, the Policy Board of the Bank of Japan decided upon the following.

(1) Yield curve control (an 8-1 majority vote) [Note 1]

a) The Bank decided to set the following guideline for market operations for the intermeeting period.

The short-term policy interest rate:

The Bank will apply a negative interest rate of minus 0.1 percent to the Policy-Rate Balances in current accounts held by financial institutions at the Bank.

The long-term interest rate:

The Bank will purchase a necessary amount of Japanese government bonds (JGBs) without setting an upper limit so that 10-year JGB yields will remain at around zero percent.

b) Clarification of how the Bank conducts fixed-rate purchase operations for consecutive days

In order to implement the above guideline for market operations, the Bank will offer to purchase 10-year JGBs at 0.25 percent every business day through fixed-rate purchase operations, unless it is highly likely that no bids will be submitted.

(2) Guidelines for asset purchases (a unanimous vote)

With regard to asset purchases other than JGB purchases, the Bank decided to set the following guidelines.

a) The Bank will purchase exchange-traded funds (ETFs) and Japan real estate investment trusts (J-REITs) as necessary with upper limits of about 12 trillion yen and about 180 billion yen, respectively, on annual paces of increase in their amounts outstanding.

b) The Bank will purchase CP and corporate bonds at about the same pace as prior to the novel coronavirus (COVID-19) pandemic, so that their amounts outstanding will
gradually return to pre-pandemic levels, namely, about 2 trillion yen for CP and about
3 trillion yen for corporate bonds.

2. The Bank will continue with Quantitative and Qualitative Monetary Easing (QQE) with Yield
Curve Control, aiming to achieve the price stability target of 2 percent, as long as it is necessary
for maintaining that target in a stable manner. It will continue expanding the monetary base
until the year-on-year rate of increase in the observed consumer price index (CPI, all items less
fresh food) exceeds 2 percent and stays above the target in a stable manner.

For the time being, while closely monitoring the impact of COVID-19, the Bank will support
financing, mainly of firms, and maintain stability in financial markets, and will not hesitate to
take additional easing measures if necessary; it also expects short- and long-term policy interest
rates to remain at their present or lower levels. [Note 2]

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[Note 1] Voting for the action: Mr. KURODA Haruhiko, Mr. AMAMIYA Masayoshi, Mr. WAKATABE
Masazumi, Mr. SUZUKI Hitoshi, Mr. ADACHI Seiji, Mr. NAKAMURA Toyoaki, Mr. NOGUCHI
Asahi, and Ms. NAKAGAWA Junko. Voting against the action: Mr. KATAOKA Goushi. Mr. Kataoka
dissented, considering that it was desirable to further strengthen monetary easing by lowering short-
and long-term interest rates, with a view to encouraging firms to make active business fixed
investment for the post-COVID-19 era.

[Note 2] Mr. Kataoka dissented, considering that further coordination of fiscal and monetary policy was
necessary and it was appropriate for the Bank to revise the forward guidance for the policy rates to
relate it to the price stability target.
Reference

Meeting hours:

   Wednesday, April 27: 14:00-15:52
   Thursday, April 28: 9:00-12:02

Policy Board members present:
   Mr. KURODA Haruhiko, Chairman (Governor)
   Mr. AMAMIYA Masayoshi (Deputy Governor)
   Mr. WAKATATE Masazumi (Deputy Governor)
   Mr. SUZUKI Hitoshi
   Mr. KATAOKA Goushi
   Mr. ADACHI Seiji
   Mr. NAKAMURA Toyoaki
   Mr. NOGUCHI Asahi
   Ms. NAKAGAWA Junko

[Others present]

April 27
From the Ministry of Finance:
   Mr. ONO Heihachiro, Deputy Vice-Minister for Policy Planning and Coordination (14:00-15:52)
From the Cabinet Office:
   Mr. INOUE Hiroyuki, Vice-Minister for Policy Coordination (14:00-15:52)

April 28
From the Ministry of Finance:
   Mr. OIE Satoshi, State Minister of Finance (9:00-11:41, 11:49-12:02)
From the Cabinet Office:
   Mr. KIKAWADA Hitoshi, State Minister of Cabinet Office (9:00-11:41, 11:49-12:02)

Release dates and times:

   Statement on Monetary Policy -- Thursday, April 28 at 12:09
   Outlook for Economic Activity and Prices (Outlook Report)
      The Bank's View -- Thursday, April 28 at 12:09
      Full text -- Monday, May 2 at 14:00
   Summary of Opinions -- Thursday, May 12 at 8:50
   Minutes of the Monetary Policy Meeting -- Wednesday, June 22 at 8:50