Not to be released until 8:50 a.m. Japan Standard Time on Wednesday, March 12, 2008.

March 12, 2008

Bank of Japan

Minutes of the Monetary Policy Meeting

on February 14 and 15, 2008

(English translation prepared by the Bank's staff based on the Japanese original)

A Monetary Policy Meeting of the Bank of Japan Policy Board was held in the Head Office of the Bank of Japan in Tokyo on Thursday, February 14, 2008, from 2:00 p.m. to 4:21 p.m., and on Friday, February 15, from 9:05 a.m. to 12:47 p.m.[1]

Policy Board Members Present

Mr. T. Fukui, Chairman, Governor of the Bank of Japan

Mr. T. Muto, Deputy Governor of the Bank of Japan

Mr. K. Iwata, Deputy Governor of the Bank of Japan

Ms. M. Suda

Mr. A. Mizuno

Mr. K. G. Nishimura

Mr. T. Noda

Mr. S. Nakamura

Mr. H. Kamezaki

Government Representatives Present

Mr. M. Suzuki, Deputy Vice Minister for Policy Planning and Coordination, Ministry of Finance

Mr. J. Hamano, Vice Minister for Policy Coordination, Cabinet Office

Reporting Staff

Mr. N. Inaba, Executive Director

Mr. A. Horii, Executive Director (Assistant Governor)

Mr. K. Ido, Executive Director

Mr. M. Amamiya, Director-General, Monetary Affairs Department

Mr. S. Uchida, Associate Director-General, Monetary Affairs Department

Mr. T. Sekine, Senior Economist, Monetary Affairs Department

Mr. H. Nakaso, Director-General, Financial Markets Department

---

[1] The minutes of this meeting were approved by the Policy Board at the Monetary Policy Meeting held on March 6 and 7, 2008 as "a document which contains an outline of the discussion at the meeting" stipulated in Article 20, Paragraph 1 of the Bank of Japan Law of 1997. Those present are referred to by their titles at the time of the meeting.

Mr. K. Momma, Director-General, Research and Statistics Department

Mr. E. Maeda, Associate Director-General, Research and Statistics Department

Mr. T. Idesawa, Director-General, International Department

Secretariat of the Monetary Policy Meeting

Mr. K. Osugi, Director-General, Secretariat of the Policy Board

Mr. K. Shigyoh, Director, Deputy Head of Secretarial Services for the Board, Secretariat of the Policy Board

Mr. A. Otani, Senior Economist, Monetary Affairs Department

Mr. K. Nakamura, Senior Economist, Monetary Affairs Department

I. Summary of Staff Reports on Economic and Financial Developments[2]

A. Money Market Operations in the Intermeeting Period

The Bank conducted money market operations in accordance with the guideline decided at the previous meeting on January 21 and 22, 2008.[3] As a result, the uncollateralized overnight call rate had been at around 0.5 percent.

B. Recent Developments in Financial Markets

In the money market, while Euroyen rates and interest rates on term instruments, such as yields on financing bills (FBs) and treasury bills (TBs), had been more or less flat, interest rates on Euroyen futures increased slightly reflecting demand for funds maturing beyond the fiscal year-end.

Japanese stock prices fluctuated widely following unstable U.S. and European stock prices. They had recently risen, and the Nikkei 225 Stock Average had been in the range of 13,000-14,000 yen recently.

Long-term interest rates had risen since the previous meeting, continuing to follow those in the United States and Europe. They had recently been in the range of 1.4-1.5 percent.

The yen remained more or less unchanged against the U.S. dollar, and had recently been traded in the range of 107-108 yen against the dollar.

C. Overseas Economic and Financial Developments

A slowdown in the U.S. economy had become more evident in a situation where financial institutions had been applying tight lending standards to a broader range of borrowers. Business fixed investment remained on a gradual uptrend. Housing investment continued to decrease substantially, and the decline in home prices had accelerated due to excessive inventories of unsold homes. Private consumption continued to increase, but the slowing of the pace of increase had recently become clearer. In this situation, production in the manufacturing sector had continued to be weak, and an indicator

---

[2] Reports were made based on information available at the time of the meeting.

[3] The guideline was as follows:

The Bank of Japan will encourage the uncollateralized overnight call rate to remain at around 0.5 percent.

relating to the activity of the nonmanufacturing sector, which was previously firm, had shown sharp deterioration recently. Regarding the number of employees, in addition to the continued decrease in the manufacturing sector, a further deceleration of growth in the nonmanufacturing sector had been observed. As for prices, the year-on-year rate of increase in the consumer price index (CPI) for all items less energy and food, or the core CPI, had remained slightly over 2 percent.

The economy of the euro area continued to expand, although the pace of growth was slowing moderately. Business fixed investment was on an upward trend. However, exports were decelerating gradually, housing investment continued to decelerate, and due to the rise in energy and food prices and uncertainty about the outlook for the economy, private consumption was somewhat weak. In this situation, financial institutions had been tightening their lending standards. As for prices, the year-on-year rate of increase in the Harmonized Index of Consumer Prices (HICP) continued to be relatively high, reflecting the rise in energy and food prices. The U.K. economy continued to expand, albeit with a moderate slowing of the pace of growth.

In China, both domestic and external demand continued to expand strongly. India's economy continued to show high growth, led mainly by domestic demand. The NIEs and ASEAN economies continued to expand at a moderate pace on the whole.

In global financial markets, adjustments stemming from the U.S. subprime mortgage problem had been prolonged. In money markets, strains had eased compared with some time ago. However, repricing of securitized products had continued amid persisting market concerns about the effects of possible further losses that financial institutions might incur and of downgrading of monoline insurers, and credit spreads such as corporate bond spreads and credit default swap (CDS) premiums had widened further. U.S. stock prices fell substantially at around the time of the previous meeting, and had stayed more or less unchanged thereafter. Long-term interest rates in the United States decreased significantly, due mainly to a "flight to quality," and had been more or less unchanged thereafter. In Europe, developments in stock prices and long-term interest rates had followed those in the United States. Developments in emerging economies had basically reflected those in the United States and Europe.

D. Economic and Financial Developments in Japan

1. Economic developments

Exports had continued to increase against the background of the expansion of overseas economies, rising again in the October-December quarter of 2007 from the previous quarter, in which they registered a substantial increase. Exports were expected to continue to rise, as overseas economies were likely to expand although at a slower pace.

As for domestic private demand, business fixed investment had continued to trend upward and was expected to continue to do so since the increasing trend of domestic and external demand and the generally high level of corporate profits were likely to be maintained.

Private consumption had been firm. With regard to durable consumer goods, sales of electrical appliances had continued to increase. The number of new passenger-car registrations had been picking up since the summer of 2007, supported mainly by the successive introduction of new models. Sales at department stores and supermarkets, which primarily sold nondurable and semi-durable consumer goods, had been more or less unchanged on the whole. As for services consumption, outlays for travel had generally been firm, and sales in the food service industry had also been firm on the whole, although they had lost momentum compared with some time ago. Consumer sentiment had become generally cautious, due mainly to rises in prices of daily necessities such as petroleum products and food products and the drop in stock prices, in a situation where the growth in wages had been sluggish. Private consumption was expected to follow a gradual uptrend, reflecting the gradual increase in household income.

Housing investment had dropped substantially, affected by the coming into force of the revised Building Standard Law. However, the number of housing starts had shown signs of recovery, primarily in small-scale properties. Housing investment was expected to recover gradually, although, with the effects of the revision of the law persisting, it was likely to remain sluggish for the time being.

Production had continued to increase, reflecting the rise in domestic and external demand. In light of developments in demand both at home and abroad, production was expected to follow an increasing trend, although it was likely to be flat in the short run. Inventories had been more or less in balance with shipments.

As for employment and income, household income had continued rising moderately, supported by the increase in the number of employees. Nominal wages per worker, however, had remained somewhat weak. The gradual increase in household income was likely to continue against the background that firms continued to feel a shortage of labor and corporate profits were expected to remain generally high.

On the price front, international commodity prices showed the following developments: crude oil prices had remained high; prices of crops such as wheat had also continued to increase; and prices of nonferrous metals had been softening since the fall of 2007, partly due to concerns about a further slowdown in the U.S. economy, but they had recently been more or less flat. The three-month rate of change in the domestic corporate goods price index (CGPI) had been positive, mainly due to the rise in international commodity prices, and the CGPI was likely to continue increasing for the time being. The year-on-year rate of change in the CPI (excluding fresh food) had been rising, and was projected to follow a positive trend due to the rise in prices of petroleum products and food products in the short run and the positive output gap in the longer run.

2. Financial environment

The environment for corporate finance was accommodative. Credit demand in the private sector had been more or less flat. The issuing environment for CP and corporate bonds had been favorable as a whole, although issuance spreads on those issued by firms with low credit ratings had expanded slightly. The lending attitudes of private banks had continued to be accommodative, and the amount outstanding of lending by private banks had been increasing moderately. The amount outstanding of CP and corporate bonds issued had been above the previous year's level. Funding costs for firms had been more or less unchanged. The year-on-year rate of growth in the money stock (M_2+CDs) was around 2 percent.

II. Summary of Discussions by the Policy Board on Economic and Financial Developments

A. Economic Developments

On the current state of Japan's economy, members agreed on the following assessment: the economy was expanding moderately as a trend, although the pace of growth seemed to be slowing temporarily mainly due to the drop in housing investment; the virtuous circle of growth in production, income, and spending remained basically intact, and the economy was likely to continue expanding moderately, although the pace of growth was likely to slow for the time being; however, due attention should continue to be paid to factors such as uncertainty regarding future developments in overseas economies and global financial markets, as well as the effects of high energy and materials prices.

Members agreed that, although overseas economies taken as a whole continued to expand, downside risks, particularly to the U.S. economy, had increased against the background of the continuing instability of global financial markets.

Members shared the view that disruptions in global financial markets continued, reflecting downgrading of securitized products and further losses incurred by financial institutions. One member commented that money markets had been stable as seen in the fact that interest rates on term instruments had been declining since the end of 2007 due mainly to measures taken by central banks to provide liquidity to money markets. A few members, however, said that credit spreads such as corporate bond spreads and CDS premiums were widening, and stock prices were falling worldwide against the background of increased concerns about a further slowdown in the U.S. economy.

Members agreed that they needed to closely monitor developments in financial markets, which might be affected by financial statements of and capital reinforcement by U.S. and European financial institutions and ratings of U.S. monoline insurers. One member added that U.S. and European financial institutions were addressing the emergence of losses from securitized products swiftly. On the other hand, a different member expressed the view that market participants' confidence in U.S. and European financial institutions had not been sufficiently restored even though they had increased their capital significantly. Some members said that there were concerns about possible further losses that financial institutions might incur due to declines in home prices and downgrading of monoline insurers.

With regard to the U.S. economy, members concurred that a slowdown in the economy had become more evident. Many members were of the view that the decline in home prices had accelerated due to inventories of unsold homes remaining elevated amid the continued decline in housing starts and sales. A few members added that it was still difficult to predict when the adjustments in the housing market would be completed.

Members agreed that the slowing of the pace of increase in private consumption in the United States had recently become somewhat clearer, while business fixed investment remained on a gradual uptrend. Most members said that attention should be paid to the possibility that private consumption and business fixed investment would be affected by financial institutions' application of tight lending standards to a broader range of borrowers. A few members added that lending standards had been tightened especially sharply on commercial real estate loans, and this might adversely affect construction investment, which had been strong. Some members noted that it was necessary to pay attention to how private consumption was influenced by the negative wealth effect stemming from the fall in prices of homes and stocks and by deterioration in consumer sentiment.

Some members expressed the view that deceleration in production had begun to spread to other sectors beyond housing, as evidenced by the fact that production in the manufacturing sector had continued to be weak and that the Non-Manufacturing Index (NMI), compiled by the Institute for Supply Management (ISM), fell below 50 percent, the break-even point between improvement and deterioration in business conditions. Regarding the employment situation, many members noted the downturn in nonfarm payroll employment in January. They expressed the view that, even taking into account the fact that this indicator tended to fluctuate widely from month to month, growth in the number of employees had recently been losing momentum further.

With regard to the effects of macroeconomic policies, members agreed that they needed to carefully watch for the positive effects of tax cuts to be implemented and the monetary easing measures that had been taken so far on the U.S. economy going forward. On this point, one member said that the possibility warranted attention that households would use tax rebates to pay off their debts rather than to buy goods and services. A different member commented that attention should also be paid to the possibility that the effects of the monetary easing on private consumption would be limited, as the fall in home prices had been making it difficult for consumers to arrange refinancing of mortgage loans at a lower rate of interest.

As for prices, one member said that the year-on-year rate of increase in the CPI had stayed elevated reflecting the rise in energy and food prices, and thus there remained inflationary risks.

With regard to European economies, members shared the view that the economy of the euro area continued to expand, although the pace of growth was slowing moderately.

A few members referred to the real GDP growth rate in the October-December quarter of 2007 as a factor supporting this assessment. One member added that a slowdown had become clear in the economies where real estate prices were previously rising. Some members said that it was necessary to pay attention to the effects of the disruptions in global financial markets and the consequent tightening of financial institutions' lending standards.

On Asian economies, members concurred that China continued to show high growth, and that the NIEs and ASEAN economies continued to expand at a moderate pace on the whole. One member expressed the view that, although emerging economies could not be completely decoupled from the U.S. economy, they had become less vulnerable to any slowdown in the U.S. economy. A different member said that whether an economy could be decoupled from the U.S. economy depended partly on the extent to which it could take policy action on its own. The member continued that emerging economies were successfully decoupled from the U.S. economy at present -- for example, oil-producing economies in the Middle East, where large-scale projects were being conducted, were enjoying growth led by domestic demand.

Regarding global price developments, a few members were of the opinion that attention should continue to be paid to upside risks worldwide such as risks arising from the surge in international commodity prices.

Members concurred that Japan's exports had continued to increase, reflecting the expansion of overseas economies, and were likely to continue to increase as overseas economies were likely to expand although at a slower pace. Some members noted that, although exports to the United States had remained relatively weak as a trend, those to emerging economies and oil-producing economies had been growing. A few of these members, however, referred to the deceleration in China's exports to the United States, and said that the possibility warranted attention that the slowdown in the U.S. economy would restrain exports of Asian economies to the United States and in turn Japan's exports to those economies.

As for domestic private demand, members shared the view that business fixed investment had continued to trend upward, and was likely to keep increasing, albeit at a slower pace, since the increasing trend in domestic and external demand and generally high corporate profits were likely to be maintained. A few members, however, said that small firms' sentiment had deteriorated reflecting higher materials prices, and their fixed investment was starting to show some weakness. Many members commented that careful monitoring was required of the effects on small firms' spending of the deterioration in their sentiment and the tightening of financial institutions' lending stance with regard to provision of loans to certain industries.

Members concurred that private consumption had been firm and was likely to follow a gradual uptrend, reflecting the gradual increase in household income. Some members, however, noted that attention should be paid to future developments in private consumption because consumer sentiment had become cautious given the ongoing rise in the prices of daily necessities, such as petroleum products and food products.

As for employment and income, members agreed that household income had continued rising moderately, supported by the increase in the number of employees. They also concurred that the gradual increase in household income was likely to continue against the background that firms continued to feel a shortage of labor and corporate profits were expected to remain generally high. Many members noted lower winter bonus payments by small firms compared with the previous year. They expressed the view that the sluggishness in wages might continue, given that the growth of profits of small firms was slowing due mainly to higher materials prices.

Members agreed that housing investment had dropped sharply, affected by the coming into force of the revised Building Standard Law. Many members said that the number of housing starts had shown signs of recovery, primarily in small-scale properties. Members were of the opinion that housing investment was likely to be sluggish for the time being but recover gradually thereafter. Many members, however, said that some weakness had been observed in sales of condominiums, particularly those in the Tokyo metropolitan area, and there was uncertainty with regard to the pace and the extent of recovery in housing investment.

Members agreed that production had continued to increase against the background of the growth in domestic and external demand. Some members expressed the view that production was likely to be flat in the short run due mainly to the fact that the high level of production of IT-related goods, which had continued since the completion of inventory adjustments, was coming to an end, as was the accelerated production of automobiles to make up for the disruption caused by the earthquake in Niigata Prefecture. A few of these members said that inventories had been more or less in balance with shipments, and it seemed that the upward trend in production was being basically maintained. However, some members including these commented that future developments in production should be carefully watched, taking account of the possibility that a global economic slowdown might affect Japan's exports and in turn its production.

Some members said that the first preliminary estimates of GDP for the October-December quarter of 2007 confirmed the increase in exports, the firmness in private consumption, and the drop in housing investment, but business fixed investment was stronger than expected. They were of the view that the state of the economy should be assessed not solely based on these figures but also other incoming data, including the second preliminary estimates of GDP. In relation to recent developments in GDP, one member expressed the opinion that deterioration in the terms of trade resulting from higher materials prices had caused an outflow of real income to overseas economies, leading to sluggishness in domestic demand.

As for prices, members said that the three-month rate of change in the CGPI had been positive, mainly due to the rise in international commodity prices, and the CGPI was likely to continue increasing for the time being.

Members concurred that the year-on-year rate of change in the CPI (excluding fresh food) was likely to follow a positive trend due to the rise in prices of petroleum products and food products in the short run and the positive output gap in the longer run. One member said that the year-on-year rate of increase in the CPI (excluding fresh food) was likely to be around 1 percent for the time being. Many members commented that the number of goods and services, especially daily necessities, showing a price rise had been increasing, and prices of many other goods and services were also scheduled to be raised in the near future. A few members said that higher materials prices had been gradually passed on to prices downstream, and that some services prices had started to be raised. One member was of the opinion that it was necessary to pay attention to the risk of a higher-than-expected rate of inflation, if there were price rises in a wider range of goods and services.

B. Financial Developments

On financial developments in Japan, members concurred that the financial environment remained accommodative. A few members commented that the effects of disruptions in global financial markets on the domestic financial environment remained limited so far. One of these members said that the issuing environment for CP and corporate bonds had been accommodative as a whole, although issuance spreads on those issued by firms with low credit ratings had expanded slightly. A few members expressed the view that the lending attitudes of financial institutions had continued to be accommodative. Some members, however, noted that small firms were facing a tightening of credit conditions: they were having some funding difficulties amid deteriorating business conditions, and financial institutions were becoming cautious about lending to certain industries such as construction, real estate, and distribution. They continued that close attention should be paid to how these developments affected the economy.

III. Summary of Discussions on Monetary Policy for the Immediate Future

On the guideline for money market operations for the intermeeting period ahead, members agreed that, given the economic and financial situation, it would be appropriate to maintain the current guideline that the Bank would encourage the uncollateralized overnight call rate to remain at around 0.5 percent. They shared the following view: (1) the pace of growth of Japan's economy seemed to be slowing temporarily mainly due to the drop in housing investment, but the mechanism of Japan's economic growth basically remained in place, and the economy was likely to continue expanding moderately under price stability; (2) however, global financial markets continued to be unstable, and downside risks to the global economy, especially the U.S. economy, were increasing; (3) there were also some domestic factors that might adversely affect the virtuous circle of growth in production, income, and spending -- for example, sluggish growth of small firms' profits, weakness in wages, and deterioration in consumer sentiment; and (4) in this situation, it was appropriate to carefully examine economic and financial developments at home and abroad to grasp the situation more accurately. One member said that the Bank should continue to conduct money market operations flexibly through the fiscal year-end, giving due consideration to developments in U.S. and European financial markets.

Members concurred that their basic thinking on the monetary policy stance for the future remained unchanged. They agreed that, as risk factors had been increasing both at home and abroad, the Bank should, in a forward-looking manner and in line with the "two perspectives," assess the levels of uncertainty associated with the projected future paths of the economy and prices, remaining attentive to both upside and downside risks, and make policy decisions based on the assessment. One member commented that the Bank's framework for the conduct of monetary policy was one that enabled the Bank to make comprehensive and consistent assessment of economic and financial developments even in a situation where there was considerable uncertainty about future developments, such as the present one, and to conduct monetary policy in a forward-looking manner. A different member assessed the outlook for economic activity and prices as well as risks from the "two perspectives," and expressed the following view: there was no need to change the baseline scenario that Japan's economy would return to a moderate growth path, after a slowdown in the short run; and while in the longer run there were upside risks arising from the expectation of interest rates being maintained at low levels, downside risks were increasing both at home and abroad due to, for example, a clearer slowdown in the U.S. economy and deterioration in the sentiment of small firms and consumers in Japan. Based on this view, the member continued that it was appropriate to maintain the basic thinking regarding the conduct of monetary policy, and even more careful consideration was needed in making policy decisions than before. Another member, after expressing the view that it would be some time before the baseline scenario could be judged with greater certainty as likely to materialize, said that the member continued to be of the opinion that, once it was, the Bank should not hesitate to raise the policy interest rate.

IV. Remarks by Government Representatives

The representative from the Ministry of Finance made the following remarks.

(1) Japan's economy as a whole continued to experience a sustained recovery, although some weaknesses had been seen -- for example, housing construction remained at a low level, albeit with some recovery, and business sentiment was somewhat cautious. Domestic corporate goods prices had been rising due to increased materials prices. The trend of consumer prices had been more or less flat although prices, particularly those of petroleum products, had been rising recently.

(2) Given the current developments in economic activity and prices, the government would like the Bank to continue to support the economy from the financial side so as to ensure the sustainability of the ongoing economic recovery.

(3) The G-7 countries agreed at their recent meeting that, amid the increasing uncertainty

regarding the global economy, they would continue to watch economic developments closely and take appropriate actions, individually and collectively, in order to secure stability and growth in each economy.

(4) Developments in the U.S. subprime mortgage problem, in crude oil prices, and in the global economy, particularly the U.S. economy, should continue to be watched closely. Particular attention should also be paid to developments in small firms since they had been significantly affected by the surge in crude oil prices and the revision of the Building Standard Law. The government would like the Bank to carefully monitor both the effects of developments in these areas on Japan's economy and developments in financial markets, and continue to react appropriately to changes in trends. The Ministry of Finance would also give due consideration to developments in the economy and financial markets, both at home and abroad.

(5) Furthermore, the government would like the Bank to clearly explain to market participants and the public its view regarding the current situation and future course of Japan's economy and its thinking on the future conduct of monetary policy.

The representative from the Cabinet Office made the following remarks.

(1) Japan's economy seemed to continue to be on a recovery trend, but some weaknesses had been seen -- for example, private consumption had been almost flat and housing construction remained at a low level affected by the coming into force of the revised Building Standard Law. In addition, there were overseas developments that could be risk factors to Japan's economy: the turbulence in global financial markets stemming from the U.S. subprime mortgage problem, the slowdown in the U.S. economy, and the surge in crude oil prices. The weaknesses observed in the domestic economy and the overseas developments seemed to be increasing the downside risks to the outlook for Japan's economy. In this economic situation, the trend of consumer prices had been flat although prices, particularly those of petroleum products, had been rising due to the surge in crude oil prices. The year-on-year pace of decrease in unit labor costs and the GDP deflator accelerated in the October-December quarter of 2007, suggesting that inflation pressures stemming from domestic factors had been weak.

(2) In order to ensure sustainable economic growth led by private demand and achieve a stable inflation rate that would be compatible with that growth, it was important for the

government and the Bank to implement their policies based on the shared basic perspective on macroeconomic management.

(3) The government would like to request the Bank to implement effective monetary policy that was consistent with the government's policy efforts and outlook for the economy, and to firmly support the economy from the financial side, paying due attention to economic and price developments in view of downside risks to the outlook for economic activity and prices.

V. Votes

Based on the above discussions, members agreed that it was appropriate to maintain the current guideline for money market operations, which encouraged the uncollateralized overnight call rate to remain at around 0.5 percent.

To reflect this view, the chairman formulated the following proposal and put it to the vote.

The Chairman's Policy Proposal on the Guideline for Money Market Operations:

The guideline for money market operations for the intermeeting period ahead will be as follows, and will be made public by the attached statement (see Attachment).

> The Bank of Japan will encourage the uncollateralized overnight call rate to remain at around 0.5 percent.

Votes for the proposal: Mr. T. Fukui, Mr. T. Muto, Mr. K. Iwata, Ms. M. Suda, Mr. A. Mizuno, Mr. K. G. Nishimura, Mr. T. Noda, Mr. S. Nakamura, and Mr. H. Kamezaki.

Votes against the proposal: None.

VI. Discussion on the Bank's View of Recent Economic and Financial Developments

Members discussed "The Bank's View" in the *Monthly Report of Recent Economic and Financial Developments* (consisting of "The Bank's View" and "The Background"), and put it to the vote.

The Policy Board decided, by a unanimous vote, the text of "The Bank's View."

It was confirmed that "The Bank's View" would be published on February 15, 2008 and the whole report on February 18, 2008.[4]

VII. Approval of the Minutes of the Monetary Policy Meeting

The Policy Board approved unanimously the minutes of the Monetary Policy Meeting of January 21 and 22, 2008 for release on February 20, 2008.

[4] The English version of the whole report was published on February 19, 2008.

Attachment

February 15, 2008

Bank of Japan

At the Monetary Policy Meeting held today, the Bank of Japan decided, by a unanimous vote,[Note] to set the following guideline for money market operations for the intermeeting period:

> The Bank of Japan will encourage the uncollateralized overnight call rate to remain at around 0.5 percent.

[Note] Voting for the action: Mr. T. Fukui, Mr. T. Muto, Mr. K. Iwata, Ms. M. Suda, Mr. A. Mizuno, Mr. K. G. Nishimura, Mr. T. Noda, Mr. S. Nakamura, and Mr. H. Kamezaki.
Voting against the action: None.