

Date of Fund Membership:

August 13, 1952

Standard Sources:

Bank of Japan
Cabinet Office
Ministry of Economy, Trade and Industry
Ministry of Finance
Statistics Bureau of Japan
Ministry of Health Labour and Welfare

Exchange Rates:

Market Rate (End of Period and Period Average):

Midpoint rate in the interbank foreign exchange market in Tokyo.

International Liquidity:

Gold (National Valuation) (line 1and) is the U.S. dollar value of official holdings of gold as reported in the country's standard sources. Beginning April 2000, gold is valued according to market prices, in U.S. dollars. Prior to April 2000, gold is valued at SDR 35 per fine troy ounce and converted into U.S. dollars at the U.S. dollar/SDR rate.

Data for *lines 7a.d* and *7b.d* include long-term foreign accounts and therefore are not the U.S. dollar equivalents of *lines 21* and *26c*, which comprise only short-term accounts; data are from the Bank for International Settlement's *Annual Report* and *Quarterly Press Release*.

Central Bank:

Consists of the Bank of Japan (BOJ) only.

Data in the SRF format are based on balance sheet data for the central bank published in the *Flow of Funds Accounts (FFA)* and other account information of the BOJ publicly available on a monthly basis, which are not fully based on the *Monetary and Financial Statistics Manual (MFSM)* methodology. Beginning in March 2005, data are based on source data reflecting alignment to *2008 System of National Accounts*. Departures from the *MFSM* methodology are explained below.

Claims on Nonresidents includes the IMF accounts assigned to the central government. The portion of IMF accounts belonging to the Bank of Japan may be double counted in some periods.

Financial assets and liabilities for which economic sectorization is unavailable are allocated to the economic sector assumed to have a significant volume of transactions in the category.

Accrued interest is included in *Other items (Net)* rather than in the outstanding amounts of the financial assets and liabilities.

Accounts receivable and payable are included in *Other Items (Net)* rather than in the BOJ's claims on and liabilities to the corresponding sectors.

Currency in circulation includes coins circulated by BOJ on behalf of the government. The counter entry of this amount is included in *Other Items (Net)*.

Shares and other equity comprises 100 million yen of funds contributed by owners. The figure is not significant in the publication which is expressed in trillions of yen.

Valuation adjustment is included in *Other Items (Net)* rather than in *Shares and Other Equity*.

Other Depository Corporations:

Comprises domestically licensed banks (including Japan Post Bank), foreign-owned banks in Japan, financial institutions for agriculture, forestry, and fisheries (Norinchukin Bank, Prefectural Credit Federations of Agricultural Cooperatives, agricultural cooperatives, Prefectural Credit Federations of Fishery Cooperatives, and fishery coops), financial institutions for small business (Shinkin banks, Shinkin Central Bank, Shoko Chukin Bank, Shinkumi Federation Bank, Shinkumi banks, Rokinren Bank, and labor banks), collectively managed trusts, and holding companies that have subsidiaries in other depository corporations. Beginning in March 2005, excludes holding companies that have subsidiaries in other depository corporations.

Data in the SRF format are based on balance sheet data for other depository corporations published in the *FFA*, which are not fully based on the *Monetary and Financial Statistics Manual (MFSM)* methodology. Beginning in March 2005, data are based on source data reflecting alignment to *2008 System of National Accounts*. For other depository corporations in Japan, departures from the *MFSM* methodology are explained below. Data are available only on a quarterly basis. Data for the intervening months are estimated by interpolation. Data for the two months after the latest quarter are estimated by extrapolation.

Financial assets and liabilities for which economic sectorization is unavailable are allocated to the economic sector that assumed to have a significant volume of transactions in the category.

Commercial papers and bank debentures held by money holders are included in *Other Items (Net)* rather than in *Securities other than Shares Included in Broad Money*.

Accrued interest is included in *Other items (Net)* rather than in the outstanding amounts of the financial assets and liabilities.

Accounts receivable and payable are included in *Other Items (Net)* rather than in the other depository corporations' claim on and liabilities to the corresponding sectors.

Valuation adjustment is included in *Other Items (Net)* rather than in *Shares and Other Equity*.

Depository Corporations:

See notes on central bank and other depository corporations.

Other Financial Corporations:

Comprises life insurance companies, nonlife insurance companies, mutual aid insurance companies, pension funds, securities investment trusts, finance companies, structured-financing special purpose companies and trusts, public financial institutions, financial dealers and brokers, and financial auxiliaries. Beginning in March 2005, includes holding companies.

Data in the SRF format are based on balance sheet data for other financial corporations published in the *FFA*, which are not fully based on the *Monetary and Financial Statistics Manual (MFSM)* methodology. Beginning in March 2005, data are based on source data reflecting alignment to *2008 System of National Accounts*. For other financial corporations in Japan, departures from the *MFSM* methodology are explained below.

Data for other financial corporations are available only on a quarterly basis.

Financial assets and liabilities for which economic sectorization is unavailable are allocated to the economic sector assumed having a significant volume of transaction in the category.

Accounts receivable and payable are included in *Other Items (Net)* rather than in the other financial corporations' claims on and liabilities to the corresponding sectors.

Accrued interest is included in *Other items (Net)* rather than in the outstanding amounts of the financial assets and liabilities.

Shares and other equity includes funds contributed by owners only. Retained earnings, current year result, general and special reserves, and valuation adjustment are included in the *Other Items (Net)*.

Financial Corporations:

See notes on central bank, other depository corporations, and other financial corporations.

Monetary Aggregates:

Broad Money:

Broad Money calculated from the liability data in the section for the central bank and other depository corporations differs from *L* described below mainly because broad money (i) excludes pecuniary trusts, investment trusts, bank debentures, commercial paper issued by financial institutions, repurchase agreements, securities lending with cash collateral, government bonds, and foreign bonds, (ii) is on an end-of-month basis while *L* is on a month average basis, and (iii) is estimated for the intervening months between end of each quarter and the most current two months. † Beginning in April 2003, *L* also excludes repurchase agreements and securities lending with cash collateral and includes privately placed investment trusts and straight bonds issued by banks.

Money (National Definitions):

M1 comprises notes and coins in circulation outside banking corporations and demand and savings deposits of households, nonfinancial corporations, local governments, securities companies, Tanshi companies, and some other financial corporations such as securities finance companies with banking corporations in national currency. The banking corporations surveyed comprise the BOJ, domestically licensed banks (excluding Japan Post Bank), foreign-owned banks in Japan, Shinkin Central Bank, Shinkin banks, Norinchukin Bank, and Shoko Chukin Bank. † Beginning in April 2003, *M1* comprises notes and coins in circulation outside depository corporations and demand and savings deposits of households, nonfinancial corporations, local governments, and some other financial corporations such as securities finance companies with depository corporations in national currency. The depository corporations surveyed comprise the above-mentioned "banking corporations", Japan Post Bank, Shinkumi Federation Bank, Shinkumi banks, Rokinren Bank, labor banks, Prefectural Credit Federations of Agricultural Cooperatives, agricultural cooperatives, Prefectural Credit Federations of Fishery Cooperatives, and fishery coops.

M2 comprises notes and coins in circulation outside banking corporations; demand and savings deposits, fixed and installment savings deposits, time deposits, and certificates of deposit of households, nonfinancial corporations, local governments, securities companies, Tanshi companies, and some other financial corporations such as securities finance companies with banking corporations in national and foreign currency; and nonresident deposits with banking corporations in national currency. † Beginning in April 2003, *M2* comprises notes and coins in circulation outside depository corporations and demand and savings deposits, fixed and installment savings deposits, time deposits, and certificates of deposit of households, nonfinancial corporations, local governments, and some other financial corporations such as securities finance companies with banking corporations in national and foreign currency.

M3 comprises notes and coins in circulation outside banking corporations; demand and savings deposits, fixed and installment savings deposits, time deposits, and certificates of deposit of households, nonfinancial corporations, local governments, securities companies, Tanshi companies, and some other financial corporations such as securities finance companies with depository corporations in national and foreign currency; and nonresident deposits with banking corporations in national currency. † Beginning in April 2003, *M3* comprises notes and coins in circulation outside depository corporations and demand and savings deposits, fixed and installment savings deposits, time deposits, and certificates of deposit of households, nonfinancial corporations, local governments, and some other financial corporations such as securities finance companies with depository corporations in national and foreign currency.

L comprises *M3*, pecuniary trusts, investment trusts, bank debentures, commercial paper issued by financial institutions, repurchase agreements, securities lending with cash collateral, government bonds, and foreign bonds. † Beginning in April 2003, *L* excludes repurchase agreements and securities lending with cash collateral and includes privately placed investment trusts and straight bonds issued by banks.

M1 and *M3* are an end-of-month basis while *M2* and *L* are on a month average basis.

Interest Rates:

Discount Rate (End of Period):

Rate at which the BOJ discounts eligible commercial bills and loans secured by government bonds, specially designed securities, and eligible commercial bills. This rate is considered the key indicator of the BOJ's discount policy.

Money Market Rate:

Rate for collateral and overnight loans in the Tokyo Call Money Market.

Treasury Bill Rate:

Average yield on 3-month treasury discount bills.

Deposit Rate:

Average rate offered by banks on deposits with maturity of three months or more and less than six months, ranging in size from three million yen to under ten million yen.

Certificates of Deposit Rate:

Average rate on 90-179 day certificate of deposit issued by domestically licensed banks.

Lending Rate:

Weighted arithmetic average of contracted rates charged by banks on both short- and long-term loans, discounts, and overdrafts.

Government Bond Yield:

Arithmetic average yield on newly issued government bonds with ten-year maturity.

Prices, Production, Labor:*Share Prices:*

The index, base January 4, 1968, refers to the average of daily closing prices for all shares listed on the Tokyo exchange.

Wholesale Price Indices:

The index, (Corporate Goods Price Index) weights reference period: 2010, covers 1,286 domestic products.

Consumer Prices:

Source: Statistics Bureau of Japan. Weights Reference Period: 2015; Geographical Coverage: The entire country is divided into 167 strata and one municipality is selected from each stratum by using probability sampling method to represent the entire country; Number of Items in Basket: 588; Basis for Calculation: The weights are based on the 2015 Family Income and Expenditure Survey and are revised once every five years.

Wages: Monthly Earnings:

The series, weights reference period: 2010, refers to the monthly contract cash earnings of regular workers in all industries.

Industrial Production:

Source: Ministry of Economy, Trade and Industry, weights reference period: 2010. The index covers the whole industry.

Manufacturing Employment, Seasonally Adjusted:

The index, weights reference period: 2010, is from Bank of Japan. It refers to employment of regular workers only and covers all manufacturing establishments with 30 or more regular workers.

International Transactions:

Exports and Imports, c.i.f.: Ministry of Finance data.

Trade indices are from Bank of Japan, weights reference period: 2010. The unit value indices are Fisher Ideal indices. The volume indices are derived from the value indices divided by the unit value indices.

Export and Import Prices:

The series cover, in principle, all export and import commodities excluding used ships, jewelry, fresh fruits and vegetables, and works of art and are weighted with the value of exports and imports in 2010. The prices are contract prices, f.o.b. for exports and c.i.f. for imports.

International Investment Position:

The quarterly international investment position (IIP) data for Japan do not include financial derivatives. Japan intends to include financial derivatives in the quarterly IIP series (consistent with the end-year IIP series), when they convert to *BPM6* in 2014.

Government Finance:

Quarterly cash flow data for the budgetary central government data are reported by the Ministry of Finance. For quarterly data, expense includes the acquisition of nonfinancial assets. No further breakdowns of revenue and expense are available. The fiscal year ends March 31.

National Accounts:

Source: Cabinet Office. *Exports of Goods and Services (line 90c.c)* includes factor income received from abroad. *Imports of Goods and Services (line 98c.c)* includes factor income payments to abroad, and *lines 90c.c* through *98c.c* add up to *GNP (line 99a.c)*. *Line 98.nc* is not reported to *IFS* and is calculated for *IFS* as the difference between GNP and GDP. As indicated by the country, from 2016 onward data have been revised following the implementation of the *2008 SNA*. GDP chain-linked volume measures are calculated based on the prices and weights of the previous year, using Laspeyres formula in general. Quarterly data are seasonally adjusted at annual rates.