Tokyo—The Japanese government launched a fresh round of foreign-exchange intervention Monday, spending an estimated ¥5 trillion to ¥6 trillion ($63 billion to $76 billion) to cap a rise in the yen that has undermined the economy and dragged down the key export sector.

"I have said time and again that we will take decisive steps against speculative movement in the market, but unfortunately we have seen the continuance of one-sided speculative movement that doesn’t reflect our country’s real economy at all," Finance Minister Jun Azumi said at a press conference some 20 minutes after the yen-selling intervention began mid-morning.

Mr. Azumi said the intervention was undertaken by Japan alone. He would not comment on amounts, but dealers’ estimate of ¥5 trillion to ¥6 trillion in selling through the day would represent a record-large one-day intervention.

"We conducted foreign-exchange intervention this morning to do everything we could to deal with speculative and disorderly moves, in order to keep downside risks to the Japanese economy from materializing," Prime Minister Yoshihiko Noda said later in parliament.

The intervention pushed the dollar as much as 5% higher, to ¥79.55 from around ¥75.65 before the move. As the initial wave of buying passed, the dollar spent much of the afternoon at just under ¥79.20. Traders said that finance ministry was meeting all sell offers at that level, allowing exporters and others to repatriate yen at a much more attractive rate.

"The fact that the dollar doesn’t fall despite massive selling orders from many players such as exporters means someone must be there to support the U.S. currency," one Tokyo trader said. By 0715 GMT, the dollar was around ¥78.99.

The trend was similar against the euro, which initially rose to ¥111.24 from ¥107.12 and then remained virtually unchanged from midday at ¥110.90. Mr. Azumi indicated that the authorities had not actually purchased euros, matching the pattern in the recent interventions since September 2010.

The intervention came after the dollar fell to a post-World War II low of ¥75.31 in early Asian trading.

Mr. Azumi said that the intervention would continue until he was satisfied, although other government officials said privately that the intervention would be for a limited duration. Officials have repeatedly stressed that Japan views its intervention as different than efforts by countries, such as South Korea, which enter the markets frequently.

The intervention came on the last day of the month, helping exporters looking to repatriate overseas earnings before closing their books.

Japan’s flagship auto and technology companies, already hit this year by supply-chain disruptions from the March 11 earthquake and tsunami, have seen the profitability of goods exported from their domestic manufacturing operations seriously undercut by
the yen's sharp appreciation.

That has driven companies such as Toyota Motor Corp. and Sony Corp. to step up the hunt for overseas production facilities, while grappling with the need to maintain a domestic base. At the same time, revenue from goods sold in key markets like the U.S. and Europe now translates back into much less in yen terms.

Citing the strength of the yen, global market uncertainty and also the impact of extreme floods on cheaper manufacturing operations in Thailand, companies from consumer-electronics supplier Sharp Corp. to Mitsubishi Motors Corp. have already lowered revenue and operating-profit targets.

There was also market talk that Japan may have been responding in part to Friday data from the Commodities Futures Trading Commission in the U.S. showing that non-commercial long holders of yen had jumped sharply in the week through Oct. 25, as the Japanese currency touched fresh highs against the dollar. This would make Japanese authorities more keen to act to undercut growing strength in the Japanese currency.

It is unclear whether this latest intervention will be able to reverse the yen's rise, given the short-lived impact of the last one in August. Some analysts said a desire to undercut speculators rather than to permanently change the yen's strength was behind Monday's action.

The Japanese government spent ¥4.5 trillion, about $59 billion at current rates, to push the dollar up in the August intervention. It was the country's biggest single-day action ever and the dollar quickly rose by some three yen. But it quickly fell back below the intervention level of around ¥77.10 and within weeks hit another record low.

There was no immediate comment from European or U.S. officials. While the government has been under strong domestic pressure to act, officials have acknowledged that intervention wouldn't be seen favorably by major trading partners in Europe and elsewhere.

The U.S. and other countries are pressuring China to allow greater flexibility in the value of the yuan, an effort that could be undercut if Japan is perceived to be regulating its own currency. The issue is expected to emerge at this week's meeting of leaders of the Group of 20 industrialized and emerging economies in Cannes, France.

Monday's action was the fourth time in slightly over a year that Japan has intervened to cap the yen, the prior three being a one-day move last September, joint intervention with other Group of Seven nations after the quake in March and the August intervention.

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