

日本の力を、世界のために。

Supporting Your Global Challenges



Fourth Medium-term Business Plan (FY2021–FY2023) Overview

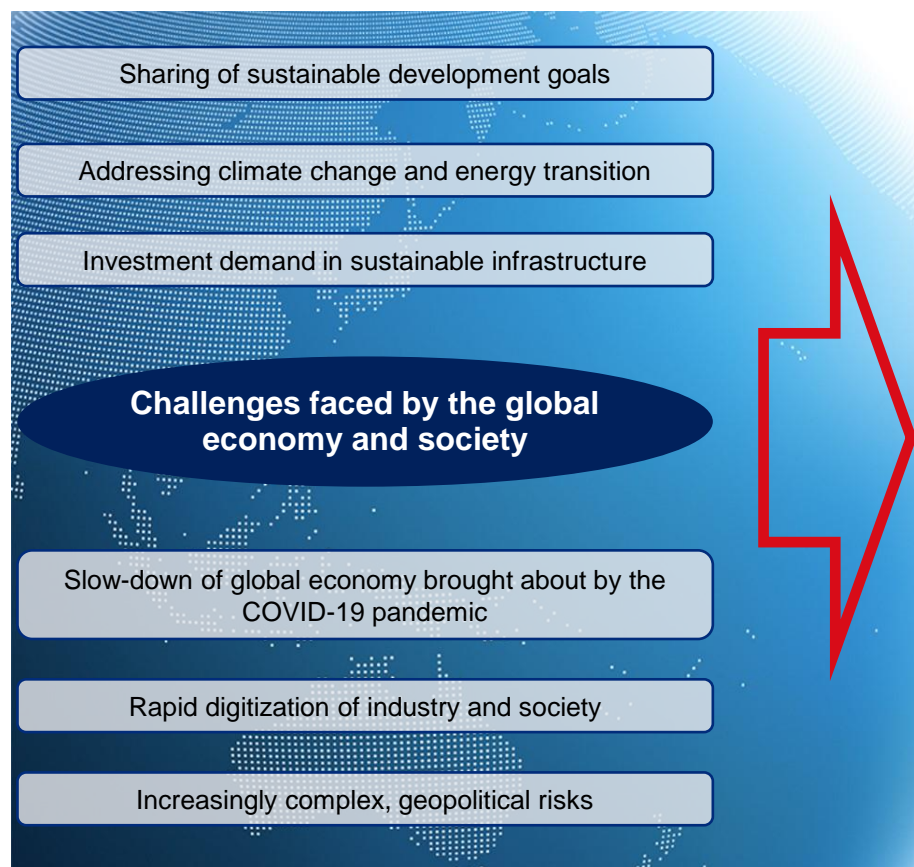
Provisional Translation

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I. Direction of the Business in the Fourth Medium-term Business Plan

In FY2020, economic activities faced an unprecedented degree of restrictions due to the COVID-19 pandemic. Amidst expectations of strong recovery of the global economy after such a year, the international community is confronted by these common challenges: (1) exploring the way toward sustainable growth and development that achieves balance between the economy, society, and the environment; (2) acceleration of energy transition toward the realization of a decarbonized society; (3) responding to industrial and social transformation due to advancement in digitization. Taking these challenges into consideration, JBIC has set out the following objectives, from the perspective of policy-based finance. These objectives have been incorporated as action plans into the Fourth Medium-term Business Plan. JBIC is fully committed to the achievement of the plan.



JBIC's Objectives

- With a view to achieving the SDGs and realizing a decarbonized society, address global issues such as the formation of ecosystems that deploy decarbonized innovation created by Japanese companies, and effective energy transformation in the host country and resolution of social issues
- Offer proactive support for the overseas businesses of Japanese companies that are developing new global alliances with a view to realizing digital transformation and are reviewing and optimizing global supply chains
- While keeping in mind the needs of the host country and awareness of international cooperation, promote strategic initiatives to promote investment in quality infrastructure that gives consideration to openness, transparency, economic viability, and debt sustainability
- Exert the risk-assuming function, as well as policy-based finance functions that address the damage caused by the prolonged COVID-19 pandemic, create post-COVID new business opportunities overseas, and facilitate mobilization of private capital

II. Key Focus Areas

JBIC's corporate philosophy is, "Positioned at the crossroads of global business opportunities, JBIC is opening new venues to the future for the Japanese and global economy." Under this philosophy, it has established the medium- to long-term vision, "To serve as a 'navigator' to build a brighter future with Japanese power in an uncharted global situation," which defines what JBIC wishes to become over the next 10 years. Based on this vision, the Fourth Medium-term Business Plan sets out six key focus areas based on the theme "navigator in an era of transformation," in the context of objectives such as the realization of the SDGs and a decarbonized society, and the irreversible advancements in energy transformation and digital transformation. Seventeen action plans have been positioned under these six key focus areas, and JBIC is committed to achieving these action plans in coming years.

JBIC Medium- to Long-term Vision

**To serve as a "navigator" to build a brighter future
with Japanese power in an uncharted global situation**

**Fourth Medium-term
Business Plan:
Navigator in an era of
transformation
(JBIC Compass 2.0)**






**Key Focus
Areas
(Business)**

1. Address global issues toward realizing sustainable development for the global economy and society.
2. Support the strengthening of the international competitiveness of Japan's industries in the era of industrial and social transformation.
3. Propel strategic initiatives to promote quality infrastructure projects overseas.
4. Execute policy-based finance functions that are adapted to changes in the economic situation.

**Key Focus
Areas
(Organization)**

5. Develop a business structure that can adapt to changes in the external environment.
6. Manage the organization efficiently in order to respond to the "new normal."

III. Action Plans

		Key Focus Areas	Action Plans
    	Business	1. Address global issues toward realizing sustainable development for the global economy and society.	(1) Respond to energy transformation toward the realization of a decarbonized society. (2) Support projects that contribute toward resolving social issues.
		2. Support the strengthening of the international competitiveness of Japan's industries in the era of industrial and social transformation.	(1) Address the strengthening of resilience and rebuilding of international supply chains. (2) Support M&A and technology acquisition by Japanese companies toward digital transformation, etc.
		3. Propel strategic initiatives to promote quality infrastructure projects overseas.	(1) Support participation in overseas infrastructure projects that harness the strengths of Japanese companies. (2) Promote multilateral cooperation and cooperation with multilateral financial institutions, etc.
		4. Execute policy-based finance functions that are adapted to changes in the economic situation.	(1) Respond swiftly to overseas businesses that have been impacted by the COVID-19 pandemic. (2) Undertake strategic initiatives for countries/regions of great importance from a policy perspective. (3) Execute-business steadily as a policy-based financial institution, including support for small and medium-sized enterprises. (4) Strengthen the risk-assuming functions as a policy-based financial institution. (5) Further promote the mobilization of private capital.
	Organization	5. Develop a business structure that can adapt to changes in the external environment.	(1) Develop a business structure that is adapted to changes in the business environment and customer needs. (2) Respond appropriately to interest rate benchmark reforms. (3) Conduct appropriate and efficient credit analysis and credit management during and after the COVID-19 pandemic.
		6. Manage the organization efficiently in order to respond to the "new normal."	(1) Digitalize the working environment that can adapt to the "new normal." (2) Promote human resource development and work style reforms that can maximize performance and draw out vitality of diverse employees. (3) Strengthen the effectiveness of the compliance system.

IV. Action Plans (Business)

Key Focus Area 1	Address global issues toward realizing sustainable development for the global economy and society.
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Action Plan (1)	Respond to energy transformation toward the realization of a decarbonized society.
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- To contribute toward the creation of a new ecosystem, with a view to reducing greenhouse gases worldwide and realizing decarbonization in Japan, support efforts to reduce greenhouse gases and popularize green innovation by financing projects in fields such as renewable energy and energy savings, smart energy (power storage technology, etc.), green mobility, smart cities, and promotion of the production, transportation, and utilization of hydrogen (Green finance)
- While working to engage host countries to make the shift toward sustainable energy, provide support for initiatives toward global energy transition by financing projects in areas such as energy conversion, CCUS/carbon recycling, ammonia and hydrogen co-combustion, in order to contribute toward expanding businesses that help to reduce environmental burden (Transition finance)

Action Plan (2)	Support projects that contribute toward resolving social issues.
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- To contribute toward efforts aimed at resolving social issues in host countries and realize sustainable growth, such as efforts to improve health, welfare and hygiene, create employment, and develop sustainable cities and living spaces, provide support for projects that assist resolving social issues in the host countries. These include the development and enhancement of the medical care environment (infectious disease countermeasures, hospital and medical equipment), access to basic infrastructure (water and sewage services, rural electrification and distributed power systems, information communications), development of the living environment (urban development and disaster prevention, public transport), improvement in the hygiene environment (waste disposal, reuse and recycling, countermeasures for marine plastic waste), and food safety and sustainable food systems (food value chains) (Social impact finance)

IV. Action Plans (Business)

Key Focus Area 2

Support the strengthening of the international competitiveness of Japan's industries in the era of industrial and social transformation.

Action Plan (1)

Address the strengthening of resilience and rebuilding of international supply chains.

- To contribute toward efforts aimed at the restructuring of global supply chains by Japanese companies and the building of local supply chains in order to cultivate new markets, support Japanese companies to rebuild and strengthen the resilience of global supply chains. These efforts include new capital investment overseas by Japanese companies (investments related to the relocation, establishment, and expansion of business bases), and infrastructure development for local supporting industries and industrial cluster overseas

Action Plan (2)

Support M&A and technology acquisition by Japanese companies toward digital transformation, etc.

- To cope with the rapid progress of digital transformation, and to support initiatives by Japanese companies to rebuild their business models as well as develop and acquire state-of-the-art technology, provide support to strengthen the international competitiveness of Japanese companies during the period of digital transformation by financing efforts for the acquisition of advanced technologies and knowhow from overseas, including digital technology

IV. Action Plans (Business)

Key Focus Area 3 | **Propel strategic initiatives to promote quality infrastructure projects overseas.**

Action Plan (1)

Support participation in overseas infrastructure projects that harness the strengths of Japanese companies.

- To secure debt sustainability in host countries and economic viability that reflects the life cycle costs of a project, and to contribute toward the promotion of quality infrastructure overseas that takes environmental and social impact into consideration, provide support for the quality infrastructure projects overseas through means such as the utilization of core technologies by Japanese companies and continued involvement in O&M

Action Plan (2)

Promote multilateral cooperation and cooperation with multilateral financial institutions, etc.

- To meet global infrastructure needs through coordination and cooperation with diverse funding sources, promote initiatives toward deal-sourcing and structuring of projects through multilateral cooperation, including Japan-U.S.-Australia-India cooperation, and coordination with multilateral financial institutions, etc.

IV. Action Plans (Business)

Key Focus Area 4 | **Execute policy-based finance functions that are adapted to changes in the economic situation.**

Action Plan (1)

Respond swiftly to overseas businesses that have been impacted by the COVID-19 pandemic.

- Implement emergency measures steadily (financing based on the Emergency Window)
- Respond flexibly to changes in the global financial environment (including appropriate credit management)

Action Plan (2)

Undertake strategic initiatives for countries/regions of great importance from the policy perspective.

- Undertake strategic initiatives toward the formation of loan, equity participation, and guarantee projects in countries and regions of great importance from policy perspectives (including enhancing support for projects in Africa and initiatives based on multilateral cooperation)

Action Plan (3)

Execute business steadily as a policy-based financial institution, including support for mid-tier enterprises and small and medium-sized enterprises.

- Implement policy-based finance steadily, including securing important resources and supporting overseas expansion by Japanese industries
- Support overseas expansion by small and medium-sized enterprises through efforts such as strengthening cooperation with private financial institutions, including regional financial institutions, and knowledge sharing

IV. Action Plans (Business)

Key Focus Area 4

Execute policy-based finance functions that are adapted to changes in the economic situation.

Action Plan (4)

Strengthen the risk-assuming functions as a policy-based financial institution.

- Strengthen the risk-assuming function through means such as the utilization of special operations, and diversify financing products by utilizing local currency-denominated financing, etc.
- Strengthen external presence and negotiation leverage as a policy-based financial institution

Action Plan (5)

Further promote the mobilization of private capital.

- Actively promote the mobilization of private capital, including private investment and financing by private financial institutions, through our loan, equity participation, and guarantee operations and the securitization of loan assets

IV. Action Plans (Organization)

Key Focus Areas 5 | Develop a business structure that can adapt to changes in the external environment.

Action Plan (1)

Develop a business structure that is adapted to changes in the business environment and customer needs.

- Develop a business process and structure that takes the external environment into consideration, such as changes in the business environment and customer needs, response to SDGs and climate change issues, and global trends related to ESG investments

Action Plan (2)

Respond appropriately to interest rate benchmark reforms.

- Respond appropriately to interest rate benchmark reforms (LIBOR cessation), including the smooth transition to an alternative interest rate benchmark in loans, equity participation, and guarantee operation, and system modification and the review of credit analysis processes

Action Plan (3)

Conduct appropriate and efficient analysis and credit management during and after the COVID-19 pandemic.

- Conduct appropriate and efficient credit analysis and credit management under the constraints of a remote work environment
- Adjust risk-management framework to changes in the international situation and social environment, such as the prolonged COVID-19 pandemic and interest rate benchmark reforms

IV. Action Plans (Organization)

Key Focus Area 6 | **Manage the organization efficiently in order to respond to the “new normal.”**

Action Plan (1)	Digitalize a working environment that can adapt to the “new normal.”
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- Agilely review, improve, and digitize work processes, and utilize RPA
- Strengthen functions toward improving user experience for information systems, in anticipation of the normalization of remote work, and secure stability and safety of information systems

Action Plan (2)	Promote human resource development and work style reforms that can maximize performance and draw out vitality of diverse employees.
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- Foster an organizational culture that harnesses the diversity of employees as a source of vitality, and support autonomous career development and capacity development
- Undertake initiatives toward improving the working environment to enable employees to continue working with vitality

Action Plan (3)	Strengthen the effectiveness of the compliance system.
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- Develop a compliance system that strikes a balance between effectiveness and efficiency

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