

**Guarantee for Rupiah Bonds Issued by Japanese Affiliate in Indonesia
--Promoting the Asian Bond Market Initiative--**

1. Japan Bank for International Cooperation (JBIC; Governor: Kyosuke Shinozawa) provided a guarantee today for the rupiah-denominated bonds^[1] issued by P.T. Summit Oto Finance (SOF; Head Office: Jakarta), an Indonesian corporation in which Sumitomo Corporation has equity stakes. The corporate bonds issued by SOF total 1 trillion rupiah (about 12 billion yen) and are guaranteed by the Bank of Tokyo-Mitsubishi UFJ with a secondary guarantee by JBIC. The proceeds of the bond issue will be used for SOF's consumer financing to finance the purchase of Japanese motorcycles, the sale of which has been rapidly expanding in parallel with the recent robust growth of the Indonesian economy. This is the first bond issue by SOF in the Indonesian capital market. (For a schematic illustration of this, see the Appendix.)

2. Many Japanese affiliates operating in Asian countries seek to finance their business operations in local currencies to avoid exchange risks. Throughout these different countries, however, underdeveloped bond markets have made it difficult for these companies to raise funds with bond issuance, and therefore their financing methods have been limited. In Indonesia, where only a limited number of bonds have been issued by domestic or foreign companies to date, even Japanese companies with high credit standing have low name recognition in the local bond market. To facilitate their effective bond issuance JBIC, in its capacity as a Japanese governmental financial institution, is called on to enhance their credit. To meet the needs of Japanese affiliates with increasingly diverse financing modalities, JBIC utilized its guarantee facility this time to support successful bond issuance in the local market.

3. JBIC has been active in promoting the Asian Bond Market Initiative (ABMI),^[2] which was proposed by the Government of Japan in December 2002 and under which various efforts to develop bond markets have been underway within the framework of ASEAN+3 (Japan, China, and Korea).^[3] As the first such effort in Indonesia under the ABMI, this guarantee will help develop the country's bond market and contribute to developing a favorable environment for Japanese companies' overseas business development. JBIC promotes the ABMI through the use of its guarantee facility.

[1] The bonds are publicly-offered corporate bonds and to be listed on the Surabaya Stock Exchange which is largest bond market in this country.

[2] The Asian Bond Market Initiative (ABMI) was launched as a measure to prevent the recurrence of the Asian currency crisis by channeling funds in the Asian region, which is characterized by a high savings rate, to investments within the region. Currently, discussions are underway among the governments of ASEAN+3 (Japan, China, and Korea) countries on ways to develop and invigorate bond markets in Asian countries.

[3] JBIC has made the following contributions to the ABMI to date:

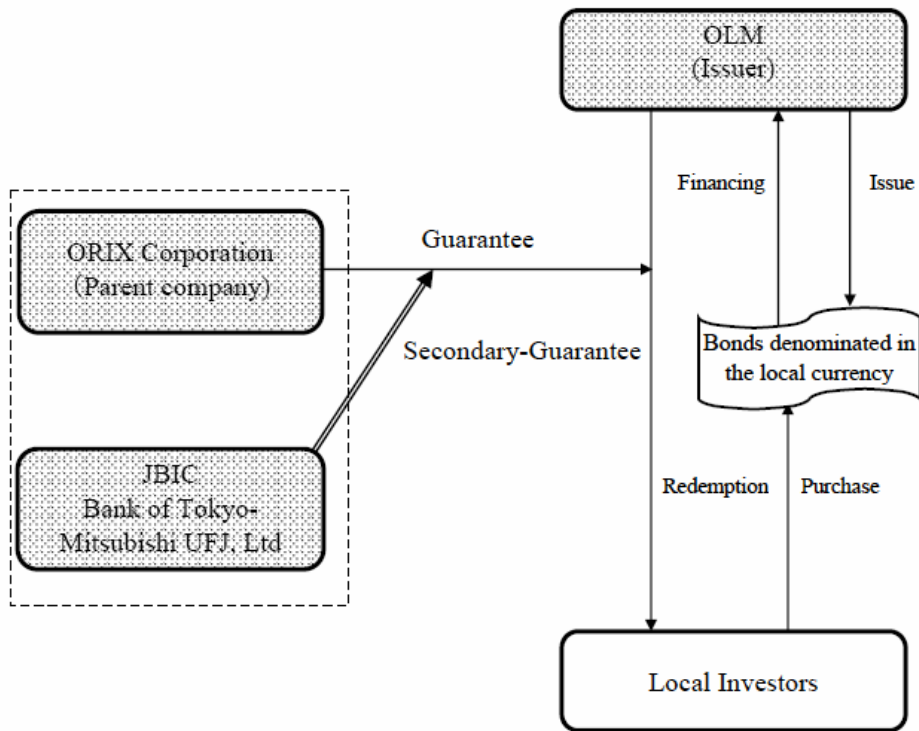
June 2004: Provision of a guarantee for baht-denominated bonds issued by Japanese affiliates in Thailand.

December 2004: Provision of a guarantee for Korean collateral bond obligations.

September 2005: Issuance of baht-denominated bonds in the Thai market for funding the provision of a two-step loan in baht for Japanese banks.

January 2006: Provision of a guarantee for ringgit-denominated bonds issued by a Japanese affiliate in Malaysia.

For further information
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*The Joint Lead Arrangers for the bonds issuance are Bank of Tokyo-Mitsubishi UFJ (Malaysia) Berhad, Citibank Berhad and Standard Chartered Bank Malaysia Berhad.