

**Guarantee for Rupiah Bonds Issued by Japanese Affiliate in Indonesia  
--JBIC Continues to Promote Asian Bond Market Initiative--**

1. Japan Bank for International Cooperation (JBIC; Governor: Kyosuke Shinozawa) today provided a guarantee for the rupiah-denominated bonds issued by P.T. Summit Oto Finance (SOF), an Indonesian corporation in which Sumitomo Corporation has equity stakes.
2. The corporate bonds totaling 1 trillion rupiah (about 13 billion yen) issued by SOF is guaranteed by Sumitomo Mitsui Banking Corporation, with a secondary guarantee by JBIC. The proceeds of bond issue will be used for SOF's consumer financing, to finance the purchase of Japanese motorcycles. This is the second bond issued by SOF in the Indonesian capital market, following the first one that SOF issued by making use of JBIC's guarantee facility in March 2006 (For its schematic illustration, see Appendix).
3. SOF's business operations have been rapidly expanding in parallel with the recent robust growth of the motorcycle sales market in Indonesia. As part of efforts to diversify its finance instruments, SOF vigorously addresses the rupiah-denominated bond issuance. In many Asian countries, however, underdeveloped bond markets have often made it difficult for Japanese affiliates to raise funds with bond issuance, and Indonesia is no exception. To facilitate their bond issuance, JBIC, in its capacity as an official financial institution, is called on to provide credit enhancement. It is against this background that JBIC decided to utilize its guarantee facility in support of SOF's successful and continued bond issue in the local market.
4. JBIC has been active in promoting the Asian Bond Market Initiative (ABMI), 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). As the second such effort in Indonesia under the ABMI, following the first one last year, this guarantee will help develop the country's bond market, and contribute to developing a favorable environment for Japanese companies' overseas business development.

[1] Publicly-issued bonds scheduled to be listed on the Surabaya Sock Exchange, the largest bond market in Indonesia.

[2] The Asian Bond Market Initiative 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, into 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.

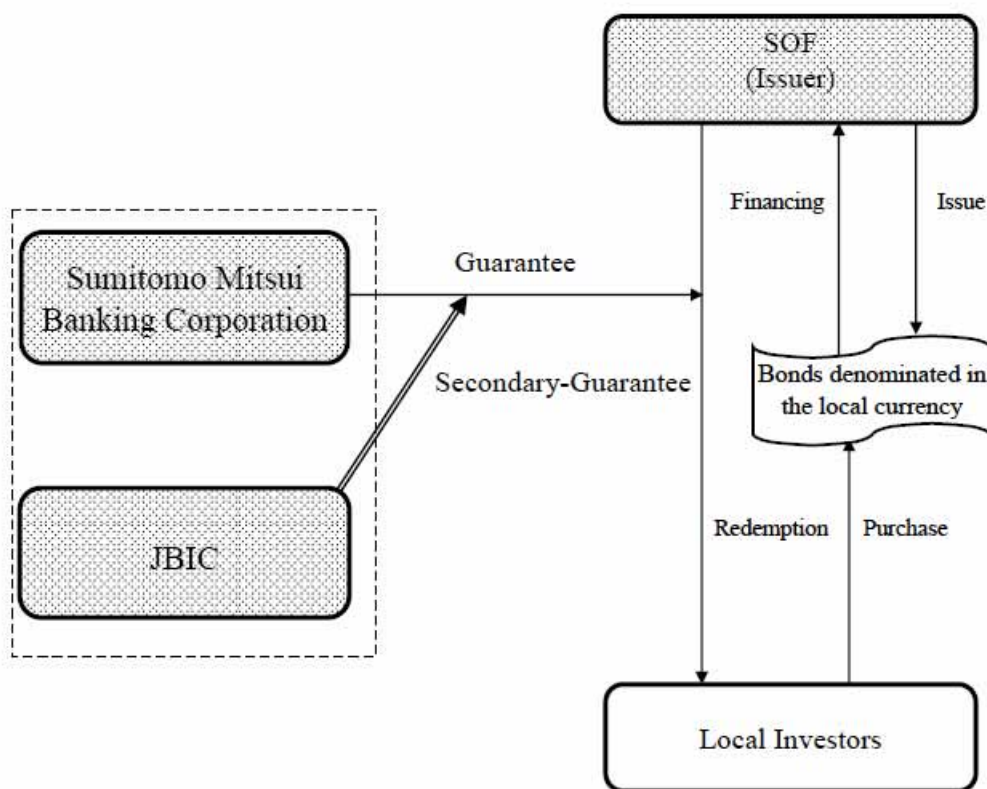
December 2004: Provision of a guarantee for Korean collateral bond obligations.

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.

March 2006: Provision of a guarantee for rupiah-denominated bonds issued by SOF.

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※The Lead Arranger for the bond issuance is P.T. Citigroup Securities Indonesia and P.T. DBS Vickers Securities Indonesia.