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1. Overview

(1) Commitments

A. Commitments by Purpose of Financing

(Unit: billions of yen, %)

	FY2009			FY2010			FY2011			FY2012			FY2013		
	Number	Total	Share	Number	Total	Share	Number	Total	Share	Number	Total	Share	Number	Total	Share
Loans															
Export Loans	**46**	**97.8**	**3**	**35**	**151.2**	**9**	**40**	**207.9**	**13**	**40**	**126.6**	**3**	**33**	**126.2**	**6**
Shipping	10	11.1	0	14	38.6	2	20	62.6	4	15	23.0	1	15	34.7	2
Plant	36	86.7	3	21	112.5	6	20	145.3	9	25	103.6	2	18	91.5	4
Import Loans	**1**	**8.2**	**0**	**1**	**169.5**	**10**	**3**	**172.6**	**11**	**4**	**304.3**	**7**	**5**	**56.2**	**3**
Natural Resources	1	8.2	0	1	169.5	10	3	172.6	11	4	304.3	7	5	56.2	3
Overseas Investment Loans	**134**	**2,193.7**	**65**	**60**	**710.3**	**40**	**84**	**962.0**	**60**	**157**	**3,138.5**	**74**	**167**	**1,671.0**	**76**
Natural Resources	16	522.9	16	11	221.9	13	26	607.9	38	39	1,784.2	42	18	594.7	27
Others	118	1,670.8	50	49	488.3	28	58	354.0	22	118	1,354.3	32	149	1,076.2	49
Untied Loans	**13**	**344.3**	**10**	**8**	**76.8**	**4**	**3**	**23.2**	**1**	**10**	**210.5**	**5**	**7**	**46.0**	**2**
Bridge Loans	—	—	—	—	—	—	—	—	—	**2**	**83.2**	**2**	—	—	—
Sub Total	**194**	**2,644.1**	**79**	**104**	**1,107.9**	**63**	**130**	**1,365.7**	**86**	**213**	**3,863.3**	**91**	**212**	**1,899.6**	**86**
Guarantees	**22**	**707.9**	**21**	**26**	**638.1**	**36**	**15**	**228.5**	**14**	**21**	**303.2**	**7**	**20**	**209.1**	**9**
Equity Participations	**5**	**13.0**	**0**	**3**	**19.8**	**1**	**1**	**1.5**	**0**	**8**	**74.3**	**2**	**7**	**97.4**	**4**
Total	**221**	**3,365.1**	**100**	**133**	**1,765.9**	**100**	**146**	**1,595.9**	**100**	**242**	**4,240.9**	**100**	**239**	**2,206.1**	**100**

B. Commitments by Region (Loans, Equity Participations and Guarantees)

(Unit: billions of yen, %)

	FY2009			FY2010			FY2011			FY2012			FY2013		
	Number	Total	Share	Number	Total	Share	Number	Total	Share	Number	Total	Share	Number	Total	Share
Asia	**94**	**851.0**	**25**	**57**	**221.5**	**13**	**65**	**269.9**	**17**	**86**	**513.6**	**12**	**108**	**472.7**	**21**
Oceania	**5**	**175.4**	**5**	**1**	**8.3**	**0**	**12**	**170.4**	**11**	**17**	**1,005.7**	**24**	**12**	**292.9**	**13**
Europe	**35**	**518.3**	**15**	**9**	**62.4**	**4**	**15**	**216.6**	**14**	**33**	**660.6**	**16**	**21**	**350.3**	**16**
The Middle East	**3**	**102.6**	**3**	**11**	**409.3**	**23**	**8**	**232.4**	**15**	**12**	**305.9**	**7**	**9**	**104.8**	**5**
Africa	**3**	**25.7**	**1**	**3**	**66.3**	**4**	**3**	**3.3**	**0**	**7**	**84.3**	**2**	**5**	**81.1**	**4**
North America	**27**	**495.9**	**15**	**10**	**148.5**	**8**	**11**	**113.6**	**7**	**35**	**710.8**	**17**	**43**	**654.0**	**30**
Latin America and the Caribbean	**40**	**511.5**	**15**	**34**	**426.2**	**24**	**26**	**415.5**	**26**	**43**	**805.5**	**19**	**36**	**209.1**	**9**
International Organizations, etc.	**1**	**9.1**	**0**	**2**	**24.3**	**1**	**3**	**12.3**	**1**	—	—	—	—	—	—
Others	**13**	**675.1**	**20**	**6**	**398.7**	**23**	**3**	**161.5**	**10**	**9**	**154.2**	**4**	**5**	**40.8**	**2**
Total	**221**	**3,365.1**	**100**	**133**	**1,765.9**	**100**	**146**	**1,595.9**	**100**	**242**	**4,240.9**	**100**	**239**	**2,206.1**	**100**

(2) Disbursements

(Unit: billions of yen, %)

	FY2009		FY2010		FY2011		FY2012		FY2013	
	Total	Share	Total	Share	Total	Share	Total	Share	Total	Share
Loans										
Export Loans	43.8	1	73.6	4	73.9	5	143.1	5	112.5	4
Import Loans	159.9	5	72.3	3	212.2	15	162.7	6	234.5	9
Overseas Investment Loans	2,222.8	67	1,041.5	50	700.7	50	2,144.6	75	1,928.0	73
Untied Loans	186.7	6	104.4	5	103.2	7	52.2	2	88.5	3
Bridge Loans	—	—	—	—	—	—	79.7	3	—	—
Sub Total	2,613.4	78	1,292.0	62	1,090.2	77	2,582.5	90	2,363.6	90
Guarantees	703.4	21	777.0	37	310.8	22	270.6	9	178.7	7
Equity Participations	13.6	0	26.8	1	7.3	1	17.2	1	85.4	3
Total	3,330.4	100	2,095.8	100	1,408.4	100	2,870.4	100	2,627.8	100

(3) Repayments

(Unit: billions of yen, %)

	FY2009		FY2010		FY2011		FY2012		FY2013	
	Total	Share	Total	Share	Total	Share	Total	Share	Total	Share
Loans										
Export Loans	119.9	10	152.5	12	125.3	8	112.4	7	106.3	8
Import Loans	60.0	5	197.3	16	252.4	15	147.4	10	170.1	13
Overseas Investment Loans	414.9	35	463.8	37	711.7	43	707.1	46	668.1	50
Untied Loans	242.4	20	204.9	16	192.4	12	161.6	11	173.5	13
Bridge Loans	—	—	—	—	—	—	79.7	5	—	—
Governmental Loans	2.6	0	2.4	0	3.1	0	2.9	0	2.9	0
Sub Total	839.9	71	1,021.0	81	1,285.2	78	1,211.3	79	1,121.1	84
Guarantees	343.9	29	236.7	19	362.6	22	318.1	21	204.9	15
Equity Participations	0.0	0	0.8	0	6.1	0	3.0	0	5.0	0
Total	1,183.9	100	1,258.6	100	1,653.9	100	1,532.4	100	1,331.1	100

(Note) Prepayments in FY2012 and 2013 amounted to ¥94.9 billion and ¥92.9 billion, respectively.

(4) Outstandings

(Unit: billions of yen, %)

	FY2009		FY2010		FY2011		FY2012		FY2013	
	Total	Share	Total	Share	Total	Share	Total	Share	Total	Share
Loans										
Export Loans	808.2	7	698.5	6	642.9	6	710.3	5	740.6	5
Import Loans	793.2	7	630.5	6	584.4	6	630.2	5	731.6	5
Overseas Investment Loans	5,786.3	54	5,827.2	53	5,762.9	55	8,165.9	62	10,183.9	67
Untied Loans	1,333.9	12	1,183.7	11	1,086.3	10	1,035.8	8	998.8	7
Governmental Loans	51.9	0	54.3	0	45.6	0	42.6	0	39.7	0
Sub Total	8,773.8	81	8,394.4	77	8,122.3	77	10,585.1	81	12,694.9	83
Guarantees	1,977.0	18	2,443.2	22	2,378.3	22	2,400.6	18	2,422.6	16
Equity Participations	44.2	0	72.6	1	70.3	1	100.1	1	187.0	1
Total	10,795.1	100	10,910.3	100	10,571.0	100	13,086.0	100	15,304.6	100

2. Commitments

(1) Export Loans by Industry

(Unit: billions of yen, %)

	FY2012			FY2013		
	Number	Total	Share	Number	Total	Share
Shipping	**15**	**23.0**	**18**	**15**	**34.7**	**27**
Road Vehicles and Other Transport Equipment	**1**	**10.2**	**8**	—	—	—
Electrical Machinery	**6**	**18.5**	**15**	**8**	**39.6**	**31**
Telecommunication Equipment	**1**	**1.7**	**1**	**1**	**0.9**	—
Textile Machines	**4**	**36.5**	**29**	**2**	**0.5**	**0**
Other Industrial Machinery and Equipment, etc.	**12**	**30.8**	**24**	**5**	**44.2**	**35**
Mining Equipment	—	—	—	1	0	0
Chemical Facilities	1	4.7	4	1	8.9	7
Loading Machinery	—	—	—	2	7.3	6
Oil and Natural Gas Facilities	2	17.1	14	1	27.5	22
Iron and Non-ferrous Metals Manufacturing Facilities	4	5.5	4	—	—	—
Others	5	3.3	3	—	—	—
Others	**1**	**5.6**	**4**	**2**	**6.0**	**5**
Total	**40**	**126.6**	**100**	**33**	**126.2**	**100**

(2) Natural Resource Loans by Item

(Unit: billions of yen, %)

	FY2012			FY2013		
	Number	Total	Share	Number	Total	Share
Energy Resources	**26**	**1,473.1**	**71**	**13**	**372.1**	**57**
Petroleum	6	337.2	16	5	255.5	39
Natural Gas	15	927.3	44	7	81.7	13
Coal	5	208.5	10	1	34.8	5
Other Resources	**14**	**576.2**	**28**	**10**	**278.8**	**43**
Iron Ore	1	102.9	5	4	188.8	29
Copper Ore and Concentrate	9	456.3	22	5	69.5	11
Lead and Zinc	—	—	—	1	20.4	3
Nickel	2	9.8	0	—	—	—
Wood, Wood Chips and Pulp	2	7.0	0	—	—	—
Others	**3**	**39.1**	**2**	—	—	—
Total	**43**	**2,088.5**	**100**	**23**	**651.0**	**100**

(3) Overseas Investment Loans by Industry (Excluding Natural Resource Loans)

(Unit: billions of yen, %)

	FY2012			FY2013		
	Number	Total	Share	Number	Total	Share
Manufacturing Industry	**45**	**166.0**	**12**	**73**	**243.3**	**23**
Food	4	56.9	4	—	—	—
Textiles	—	—	—	4	10.6	1
Chemicals	6	19.3	1	6	4.9	0
Petroleum and Coal Products	—	—	—	1	167.6	16
Ceramics, Stone and Clay	1	1.3	0	—	—	—
Iron and Non-ferrous Metal Products	6	16.8	1	8	2.2	0
Machinery	5	1.6	0	1	0.0	0
Electrical Machinery	—	—	—	5	21.3	2
Transport Equipment	13	55.0	4	24	21.2	2
Other Manufacturing Industries	10	14.8	1	24	15.2	1
Construction	**1**	**2.5**	**0**	—	—	—
Electric, Gas and Heat Supply and Water Service	**10**	**114.4**	**8**	**4**	**145.1**	**13**
Telecommunications	—	—	—	**1**	**220.0**	**20**
Transport and Postal Services	**1**	**119.5**	**9**	**1**	**0.7**	**0**
Commerce	**2**	**6.3**	**0**	**3**	**57.2**	**5**
Service Industry	**5**	**412.4**	**30**	**3**	**11.7**	**1**
Others (Note)	**54**	**533.0**	**39**	**64**	**398.0**	**37**
Total	**118**	**1,354.3**	**100**	**149**	**1,076.2**	**100**

(Note) "Others" includes two-step loans to regional financial institutions in Japan. JBIC supports the overseas operations of Japanese enterprises (especially SMEs) engaged in a diverse range of manufacturing and services, such as motor vehicles and parts, electrical and electronic equipment, machinery and metals, chemicals, and wholesale and retail businesses.

(4) Commitments to Mid-tier Enterprises and SMEs to Support their Overseas Business Activities

(Unit: billions of yen)

	FY2012		FY2013	
	Number of Projects	Amount	Number of Projects	Amount
Loans to SMEs and Mid-tier Enterprises	**34**	**34.1**	**54**	**18.0**

(Notes) 1. In making loans to mid-tier enterprises and SMEs, JBIC applies favorable loan terms, such as interest rates.
2. In this table, an SME is defined to be, in principle, an incorporated firm or individual with capital of ¥300 million or less, or having permanent employees of 300 or less. A mid-tier enterprise is defined to be an incorporated firm with capital of less than ¥1 billion (and excludes an SME).

(5) Guarantee Commitments by Purpose

(Unit: billions of yen, %)

	FY2012			FY2013		
	Number	Total	Share	Number	Total	Share
Guarantee for Samurai Bonds	**3**	**170.0**	**56**	**2**	**52.4**	**25**
Guarantee for Import of Aircrafts	**5**	**51.1**	**17**	**8**	**76.3**	**37**
Guarantee for Others	**13**	**82.0**	**27**	**10**	**80.3**	**38**
Total	**21**	**303.2**	**100**	**20**	**209.1**	**100**

(6) Loan and Guarantee Commitments by Region

A. Export Loan Commitments by Region

(Unit: billions of yen, %)

	FY2012			FY2013		
	Number	Total	Share	Number	Total	Share
Asia	**15**	**32.9**	**26**	**9**	**38.0**	**30**
East Asia	5	6.0	5	—	—	—
Southeast Asia	4	5.4	4	6	18.5	15
South Asia	5	7.5	6	2	10.5	8
Central Asia and the Caucasus	1	13.9	11	1	8.9	7
Europe	**3**	**4.1**	**3**	**3**	**30.3**	**24**
Central and Eastern Europe and Russia	—	—	—	2	27.8	22
Western Europe	3	4.1	3	1	2.4	2
The Middle East	**5**	**6.6**	**5**	**6**	**28.2**	**22**
Africa	**6**	**59.3**	**47**	—	—	—
Northern Africa	1	17.1	14	—	—	—
Sub-Saharan Africa	5	42.2	33	—	—	—
Latin America and the Caribbean	**11**	**23.5**	**19**	**15**	**29.6**	**23**
Total	**40**	**126.6**	**100**	**33**	**126.2**	**100**

B. Import Loan Commitments by Region

(Unit: billions of yen, %)

	FY2012			FY2013		
	Number	Total	Share	Number	Total	Share
Oceania	—	—	—	**3**	**30.2**	**54**
The Middle East	**1**	**191.1**	**63**	—	—	—
Latin America and the Caribbean	**1**	**18.1**	**6**	—	—	—
Others	**2**	**95.0**	**31**	**2**	**26.0**	**46**
Total	**4**	**304.3**	**100**	**5**	**56.2**	**100**

C. Overseas Investment Loan Commitments by Region

(Unit: billions of yen, %)

	FY2012			FY2013		
	Number	Total	Share	Number	Total	Share
Asia	**52**	**169.6**	**5**	**87**	**335.1**	**20**
East Asia	16	14.2	0	28	30.8	2
Southeast Asia	23	108.2	3	55	285.8	17
South Asia	12	27.6	1	4	18.5	1
Central Asia and the Caucasus	1	19.5	1	—	—	—
Oceania	**16**	**983.9**	**31**	**9**	**262.7**	**16**
Europe	**30**	**656.4**	**21**	**17**	**301.4**	**18**
Central and Eastern Europe and Russia	1	2.7	0	1	3.6	0
Western Europe	29	653.7	21	16	297.7	18
The Middle East	**1**	**11.6**	**0**	**3**	**76.5**	**5**
Africa	—	—	—	**2**	**53.7**	**3**
Sub-Saharan Africa	—	—	—	2	53.7	3
North America	**30**	**659.6**	**21**	**34**	**517.6**	**31**
Latin America and the Caribbean	**24**	**645.7**	**21**	**15**	**123.7**	**7**
Others	**4**	**11.4**	**0**	—	—	—
Total	**157**	**3,138.5**	**100**	**167**	**1,671.0**	**100**

D. Untied Loan Commitments by Region

(Unit: billions of yen, %)

	FY2012			FY2013		
	Number	Total	Share	Number	Total	Share
Asia	**4**	**133.2**	**63**	**3**	**13.7**	**30**
Southeast Asia	3	129.0	61	—	—	—
South Asia	1	4.2	2	3	13.7	30
The Middle East	**2**	**7.0**	**3**	—	—	—
Africa	—	—	—	**1**	**3.0**	**7**
Sub-Saharan Africa	—	—	—	1	3.0	7
Latin America and the Caribbean	**4**	**70.2**	**33**	**3**	**29.2**	**64**
Total	**10**	**210.5**	**100**	**7**	**46.0**	**100**

E. Bridge Loan Commitments by Region

(Unit: billions of yen, %)

	FY2012			FY2013		
	Number	Total	Share	Number	Total	Share
Asia	**2**	**83.2**	**100**	—	—	—
Southeast Asia	2	83.2	100	—	—	—
Total	**2**	**83.2**	**100**	—	—	—

F. Guarantee Commitments by Region

(Unit: billions of yen, %)

	FY2012			FY2013		
	Number	Total	Share	Number	Total	Share
Asia	**9**	**89.6**	**30**	**8**	**85.8**	**41**
East Asia	1	0.9	0	1	30.0	14
Southeast Asia	6	81.8	27	4	43.2	21
South Asia	2	6.9	2	3	12.5	6
The Middle East	**3**	**89.4**	**30**	—	—	—
Africa	**1**	**25.0**	**8**	**2**	**24.3**	**12**
Northern Africa	1	25.0	8	1	22.4	11
Sub-Saharan Africa	—	—	—	1	1.9	1
North America	**5**	**51.1**	**17**	**8**	**76.3**	**37**
Latin America and the Caribbean	**3**	**47.9**	**16**	**2**	**22.6**	**11**
Total	**21**	**303.2**	**100**	**20**	**209.1**	**100**

G. Equity Participations by Region

(Unit: billions of yen, %)

	FY2012			FY2013		
	Number	Total	Share	Number	Total	Share
Asia	**4**	**4.8**	**6**	**1**	**0.0**	**0**
East Asia	2	2.2	3	1	0.0	0
South Asia	2	2.5	3	—	—	—
Oceania	**1**	**21.7**	**29**	—	—	—
Europe	—	—	—	**1**	**18.5**	**19**
Western Europe	—	—	—	1	18.5	19
North America	—	—	—	**1**	**60.0**	**62**
Latin America and the Caribbean	—	—	—	**1**	**3.9**	**4**
Others	**3**	**47.7**	**64**	**3**	**14.8**	**15**
Total	**8**	**74.3**	**100**	**7**	**97.4**	**100**

(7) Geographical Distribution of Loan and Equity Participation Commitments

(Unit: billions of yen)

Region / Country			FY2012		FY2013		Accumulated	
			Number	Total	Number	Total	Number	Total
Asia	East Asia	China	16	12.1	21	21.7	1,525	3,871.4
		Hong Kong	4	4.0	4	3.0	272	298.9
		Republic of Korea			4	6.0	699	1,285.4
		Others	3	6.4			1,027	508.5
		Sub Total	**23**	**22.6**	**29**	**30.8**	**3,523**	**5,964.4**
	Southeast Asia	Brunei Darussalam					4	45.1
		Indonesia	9	133.7	18	70.9	1,487	5,522.7
		Malaysia	3	13.9	3	1.4	594	1,315.9
		Myanmar	2	83.2			56	144.5
		The Philippines	3	16.3	1	5.8	813	1,753.3
		Singapore	2	35.3	7	13.1	467	775.2
		Thailand	10	42.7	23	35.1	2,471	2,725.7
		Vietnam	3	0.3	9	177.8	130	392.3
		Others					36	213.9
		Sub Total	**32**	**325.8**	**61**	**304.4**	**6,058**	**12,889.1**
	South Asia	Bangladesh					7	22.9
		India	20	41.9	9	42.7	832	1,221.4
		Pakistan					290	298.3
		Sri Lanka					59	64.9
		Others					17	3.6
		Sub Total	**20**	**41.9**	**9**	**42.7**	**1,205**	**1,611.3**
	Central Asia and the Caucasus	Kazakhstan	2	33.4			25	301.8
		Turkmenistan			1	8.9	8	84.2
		Others					20	255.7
		Sub Total	**2**	**33.4**	**1**	**8.9**	**53**	**641.7**
		Total	**77**	**423.9**	**100**	**386.9**	**10,839**	**21,106.6**
Oceania		Australia	16	998.4	12	292.9	865	3,059.0
		New Zealand					145	141.2
		Papua New Guinea	1	7.3			56	267.2
		Others					52	27.0
		Total	**17**	**1,005.7**	**12**	**292.9**	**1,118**	**3,494.5**

(Unit: billions of yen)

Region / Country			FY2012		FY2013		Accumulated	
			Number	Total	Number	Total	Number	Total
Europe	Central and Eastern Europe and Russia	Belarus					3	5.6
		Bulgaria					117	134.4
		Czech Republic					31	85.0
		Moldova					1	5.3
		Romania					142	95.2
		Russia	1	2.7	3	31.5	116	1,550.5
		Ukraine					11	41.3
		Others					848	2,049.8
		Sub Total	**1**	**2.7**	**3**	**31.5**	**1,269**	**3,967.5**
	Western Europe	Cyprus	4	6.2			18	17.4
		Denmark			1	18.5	57	78.9
		France	4	118.9			309	641.6
		Germany	5	6.8	6	21.8	265	264.3
		United Kingdom	10	150.8	3	120.4	524	1,556.6
		Ireland	3	277.4			40	302.7
		Italy	3	9.5	1	80.9	45	166.2
		Luxemberg			3	32.5	4	34.9
		Malta					3	11.9
		Netherlands	1	74.4			95	396.5
		Norway					248	456.2
		Portugal					46	37.5
		Spain			1	29.8	61	105.7
		Sweden			2	12.0	58	144.8
		Isle of Man			1	2.4	1	2.4
		Switzerland	2	13.4			85	101.1
		Others					626	679.0
		Sub Total	**32**	**657.8**	**18**	**318.7**	**2,485**	**4,998.5**
		Total	**33**	**660.6**	**21**	**350.3**	**3,754**	**8,966.0**
The Middle East		Bahrain					6	110.4
		Iran					199	1,026.8
		Iraq					21	219.9
		Jordan					28	79.8
		Kuwait			1	65.4	23	203.9
		Oman			1	10.3	28	296.4
		Qatar					36	738.6
		Saudi Arabia			1	18.5	77	703.2
		Turkey	7	13.7	6	10.4	182	621.1
		United Arab Emirates	2	202.8			66	1,461.2
		Yemen					11	35.8
		Others					106	212.0
		Total	**9**	**216.5**	**9**	**104.8**	**783**	**5,709.8**

(Unit: billions of yen)

Region / Country			FY2012		FY2013		Accumulated	
			Number	Total	Number	Total	Number	Total
Africa	Northern Africa	Algeria					345	971.8
		Egypt					183	240.5
		Morocco	1	17.1			7	48.4
		Others					22	108.1
		Sub Total	**1**	**17.1**			**557**	**1,368.9**
	Sub-Saharan Africa	Angola	4	36.5			29	93.4
		Equatorial Guinea					2	17.1
		Gabon					20	33.5
		Ghana			1	49.8	25	59.7
		Kenya					30	19.3
		Liberia					1,202	1,475.0
		Madagascar					9	102.5
		Mozambique					17	25.3
		Niger					117	105.1
		Nigeria					51	266.5
		Seychelles					2	1.2
		South Africa	1	5.6	2	6.9	114	313.6
		Tanzania					20	11.4
		Uganda					6	1.1
		Others					158	102.6
		Sub Total	**5**	**42.2**	**3**	**56.7**	**1,802**	**2,628.1**
		Total	**6**	**59.3**	**3**	**56.7**	**2,359**	**3,997.1**
North America		Canada	5	136.1	1	30.8	325	712.6
		United States	25	523.4	34	546.8	2,591	6,556.4
		Total	**30**	**659.6**	**35**	**577.6**	**2,916**	**7,269.1**
Latin America and the Caribbean		Argentina					272	564.0
		The Bahamas	3	11.9	3	16.9	21	52.6
		Bolivia			1	20.4	32	65.9
		Brazil	7	138.6	5	28.1	1,941	3,131.3
		British Virgin Islands					3	11.4
		Cayman Islands					5	97.3
		Chile	11	521.6	5	69.5	159	1,334.3
		Colombia	1	5.6			122	276.2
		Costa Rica			2	6.0	23	13.7
		Ecuador			1	0.9	32	79.1
		El Salvador					35	15.0
		Jamaica					2	3.5
		Panama	1	1.0	6	5.2	290	420.4
		Peru					112	447.7
		Mexico	16	68.5	11	39.1	807	2,196.5
		Venezuela	1	10.2			81	661.8
		Others					180	234.8
		Total	**40**	**757.5**	**34**	**186.5**	**4,117**	**9,606.1**
International Organizations, etc.		**Total**					**56**	**1,208.0**
Others		**Total**	**9**	**154.2**	**5**	**40.8**	**106**	**1,915.1**
		Grand Total	**221**	**3,937.7**	**219**	**1,997.0**	**26,048**	**63,272.6**

(Note) Others: Two-step loans to regional financial institutions in Japan and loans for crossborder projects, etc.

3. Outstandings

(1) Outstandings by Purpose of Financing

(Unit: billions of yen, %)

	FY2012		FY2013	
	Total	Share	Total	Share
Loans				
Export Loans	**710.3**	**5**	**740.6**	**5**
Shipping	118.9	1	142.0	1
Plant	590.4	5	598.1	4
Technical Service	0.9	0	0.5	0
Import Loans	**630.2**	**5**	**731.6**	**5**
Natural Resources	616.2	5	721.3	5
Manufactured Goods & Technologies	14.0	0	10.3	0
Overseas Investment Loans	**8,165.9**	**62**	**10,183.9**	**67**
Natural Resources	3,709.4	28	4,715.0	31
Others	4,456.5	34	5,468.9	36
Untied Loans	**1,035.8**	**8**	**998.8**	**7**
Governmental Loans	**42.6**	**0**	**39.7**	**0**
Sub Total	**10,585.1**	**81**	**12,694.9**	**83**
Guarantees	**2,400.6**	**18**	**2,422.6**	**16**
Equity Participations	**100.1**	**1**	**187.0**	**1**
Total	**13,086.0**	**100**	**15,304.6**	**100**

(2) Guarantee Outstandings by Purpose

(Unit: billions of yen, %)

	FY2012		FY2013	
	Total	Share	Total	Share
Guarantee for Samurai Bonds	**1,146.5**	**48**	**1,198.9**	**49**
Guarantee for Import of Aircrafts	**465.3**	**19**	**465.5**	**19**
Guarantee for Others	**788.8**	**33**	**758.2**	**31**
Total	**2,400.6**	**100**	**2,422.6**	**100**

(3) Geographical Distribution of Loan and Equity Participation Outstandings

(As of March 31, 2014; billions of yen)

Region / Country			Number	Total
Asia	East Asia	China	137	156.9
		Hong Kong	9	7.6
		Republic of Korea	12	26.2
		Others	9	44.8
		Sub Total	**167**	**235.6**
	Southeast Asia	Brunei Darussalam	1	16.5
		Indonesia	114	652.1
		Malaysia	32	126.4
		The Philippines	17	262.7
		Singapore	24	99.8
		Thailand	70	194.0
		Vietnam	45	73.3
		Sub Total	**303**	**1,425.0**
	South Asia	Bangladesh	1	1.4
		India	75	174.4
		Pakistan	3	59.6
		Sri Lanka	2	0.7
		Sub Total	**81**	**236.2**
	Central Asia and the Caucasus	Kazakhstan	12	189.9
		Turkmenistan	1	26.6
		Sub Total	**13**	**216.6**
		Total	**564**	**2,113.5**
Oceania		Australia	77	1,298.4
		New Zealand	4	0.8
		Papua New Guinea	6	257.8
		Total	**87**	**1,557.1**
Europe	Central and Eastern Europe and Russia	Belarus	1	1.5
		Bulgaria	5	15.6
		Czech Republic	2	0.8
		Serbia	2	3.0
		Moldova	1	1.0
		Romania	3	3.1
		Russia	28	506.8
		Ukraine	2	0.1
		Sub Total	**44**	**532.2**
	Western Europe	Cyprus	7	12.2
		France	6	154.6
		Germany	11	30.1
		United Kingdom	15	186.0
		Ireland	3	328.4
		Italy	4	53.0
		Malta	3	14.7
		Netherlands	3	94.3
		Norway	5	12.6
		Portugal	2	3.2
		Sweden	5	96.7
		Isle of Man	1	2.5
		Switzerland	5	60.7
		Sub Total	**70**	**1,049.7**
		Total	**114**	**1,581.9**

(As of March 31, 2014; billions of yen)

Region / Country			Number	Total
The Middle East		Bahrain	2	51.4
		Iran	8	105.0
		Iraq	1	15.6
		Jordan	1	9.0
		Kuwait	1	7.9
		Oman	10	152.0
		Qatar	5	338.4
		Saudi Arabia	5	318.3
		Turkey	20	49.5
		United Arab Emirates	8	675.1
		Yemen	2	16.1
		Total	**63**	**1,738.7**
Africa	Northern Africa	Algeria	6	19.1
		Egypt	3	28.1
		Morocco	1	22.2
		Sub Total	**10**	**69.5**
	Sub-Saharan Africa	Angola	5	33.5
		Equatorial Guinea	2	8.2
		Gabon	2	0.4
		Kenya	2	0.3
		Liberia	2	12.7
		Madagascar	2	88.6
		Mozambique	2	0.5
		Niger	8	1.6
		Nigeria	2	16.1
		Seychelles	3	0.5
		South Africa	9	49.2
		Tanzania	1	0.2
		Uganda	1	0.1
		Sub Total	**41**	**212.2**
		Total	**51**	**281.8**
North America		Canada	12	223.0
		United States	82	1,207.3
		Total	**94**	**1,430.4**
Latin America and the Caribbean		Argentina	25	83.4
		The Bahamas	4	15.4
		Bolivia	3	17.6
		Brazil	73	745.3
		British Virgin Islands	1	2.8
		Cayman Islands	1	26.5
		Chile	25	842.1
		Colombia	2	66.9
		Ecuador	9	0.7
		El Salvador	1	0.1
		Jamaica	1	0.2
		Panama	14	66.3
		Peru	7	36.8
		Mexico	55	234.3
		Venezuela	6	262.3
		Total	**227**	**2,401.3**
International Organizations, etc.		**Total**	**5**	**88.7**
Others		**Total**	**46**	**1,688.1**
		Grand Total	**1,251**	**12,881.9**

4. Others

(1) Major Buyer's Credit and Bank-to-bank Loan Commitments (FY2013)

Country	Project/Transaction	Borrower	Amount
Vietnam	Export of machinery and equipment for the coal-fired thermal power plant	Vietnam Oil and Gas Group	US$85 million
Turkmenistan	Export of sulfuric acid production plant facility	Government of Turkmenistan	¥8.9 billion
Russia	Export of ammonia production plant facility	OJSC PhosAgro-Cherepovets	US$264 million
Saudi Arabia	Export of machinery and equipment for the thermal power generation	Saudi Electricity Company	US$183 million

(Note) A buyer's credit is a loan JBIC directly extends to a foreign importer (buyer) to finance its import of machinery, equipment or services from a Japanese company.

(2) Untied Loan Commitments (FY2013)

Country	Project/Transaction	Borrower	Amount
Mongolia	Guarantee for privately placed Samurai bonds (GATE) [1]	Development Bank of Mongolia	¥30 billion [2, 3]
India	Energy efficiency and renewable energy projects (GREEN)	State Bank of India	US$45 million [3]
India	Renewable energy and energy efficiency projects (GREEN)	IDFC Limited	US$45 million [3]
India	Renewable energy and energy efficiency projects (GREEN)	ICICI Bank Limited	US$45 million [3]
Tunisia	Guarantee for privately placed Samurai bonds (GATE) [1]	Central Bank of Tunisia	¥22.4 billion [2, 3]
South Africa	Renewable energy projects (GREEN)	Development Bank of Southern Africa Limited	US$30 million [3]
Mexico	Partial acquisition of public offering Samurai bonds (GATE) [1]	Government of Mexico	—
Brazil	Renewable energy projects (GREEN)	Banco Nacional de Desernvolvimento Econômico e Social	US$150 million [3]

(Notes) 1. GATE refers to the "Guarantee and Acquisition toward Tokyo market Enhancement (GATE)" facility launched in April 2010. It will enable JBIC to acquire Samurai bonds where appropriate, in addition to providing partial guarantees for Samurai bond issues. The GATE facility will thereby support foreign governments and government agencies to raise funds in the Tokyo market.
2. Guarantee commitments made by JBIC (principal amount).
3. The figures denote loan commitments made by JBIC. Apart from them, JBIC has provided guarantees to the portion co-financed by private financial institutions.

5. Standard Loan Conditions

Standard loan conditions are shown below. Loan Interest rates are linked to the funding cost of JBIC, including the rate on borrowings from the Fiscal Loan Fund Special Account, and thus they are subject to changes in conditions of the financial market. A loan applicant should make an inquiry at the relevant loan department for specific loan conditions.[1]

1— Standard Interest Rates

(As of July 15, 2014)

Type of Loans	Standard Interest Rate[2]	Percentage of Loan Provided by JBIC
Export Loans	■ Fixed at commitment (Yen CIRR)[3] • 1.10% (Repayment period 5yrs or less) • 1.18% (Repayment period over 5yrs to 8.5yrs) • 1.31% (Repayment period over 8.5yrs) ■ Fixed at tenders[3] • above rate + 0.2%	60% limit
Import Loans / Overseas Investment Loans / Untied Loans / (Natural Resources / International Competitiveness)[1]	■ Japanese yen[4] • 0.775%[6] ■ Foreign Currency[5] • LIBOR+0.4375%[6]	60% limit[7]

(Notes) 1. SMEs are eligible for preferential interest rates and other favorable loan conditions.
2. Premium is added based on the type of financing such as collateral /guarantee and loan schemes.
3. Synthetic rate based on interest rates charged by JBIC and cofinancing institutions.
4. Interest rates on loans in Japanese yen are determined based on specific loan periods and the amortization schedule.
The interest rate shown in the table is a reference rate for a 10-year loan with lump-sum repayment upon maturity. Please make an inquiry at the relevant department for interest rate on specific conditions.
5. Interest rates on loans in foreign currencies are linked to 6-month LIBOR for US dollars.
6. Special interest rates will be applied based on policy implication such as contribution to "Promoting overseas development and acquisition of strategically important natural resources to Japan" or "Maintaining and improving the International competitiveness of Japanese industries."
7. 70% limit for resource-related (import and overseas investment) loans.

2— Loan Maturity

The loan maturity for each loan will be determined by taking account of cash flows generated by each project.

3— Collateral, Guarantee

Collaterals and guarantees are determined in consultation with the clients.

6. Breakdown of Countries and Regions

(As of April 1, 2014)

Regions		Countries
Asia	East Asia	China, Hong Kong, Democratic People's Republic of Korea, Republic of Korea, Macao, Mongolia, Taiwan
	Southeast Asia	Brunei Darussalam, Cambodia, East Timor, Indonesia, Laos, Malaysia, Myanmar, The Philippines, Singapore, Thailand, Vietnam
	South Asia	Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, Sri Lanka
	Central Asia and the Caucasus	Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyz, Tajikistan, Turkmenistan, Uzbekistan
Oceania		Australia, Cook Islands, Fiji, Kiribati, Marshall Islands, Micronesia, Nauru, New Caledonia, New Zealand, North Mariana Islands, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu
Europe	Central and Eastern Europe and Russia	Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Macedonia, Serbia, Montenegro, Moldova, Poland, Romania, Russia, Slovakia, Slovenia, Ukraine, Kosovo
	Western Europe	Andorra, Austria, Belgium, Cyprus, Denmark, Finland, France, Germany,United Kingdom (U.K.), Greece, Iceland, Ireland, Italy, Liechtenstein, Luxembourg, Malta, Monaco, Netherlands, Norway, Portugal, San Marino, Spain, Sweden, Switzerland, Vatican, Channel Islands
The Middle East		Bahrain, Iran, Iraq, Israel, Jordan, Kuwait, Lebanon, Oman, West Bank and Gaza Strip, Qatar, Saudi Arabia, Syria, Turkey, United Arab Emirates (UAE), Yemen
Africa	Northern Africa	Algeria, Egypt, Libya, Morocco, Tunisia
	Sub-Saharan Africa	Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Congo, Cote d'Ivoire, Djibouti, Equatorial Guinea, Ethiopia, Gabon, Gambia, Ghana, Guinea, Guinea-Bissau, Kenya, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tome and Principe, Senegal, Seychelles, Sierra Leone, Somalia, South Africa, Sudan, Swaziland, Tanzania, Togo, Uganda, Zambia, Zimbabwe, Eritrea, South Sudan
North America		Canada, United States (U.S.)
Latin America and the Caribbean		Antigua and Barbuda, Netherlands Antilles, Argentina, The Bahamas, Barbados, Belize, Bermuda Islands, Bolivia, Brazil, British Virgin Islands, Cayman Islands, Chile, Colombia, Costa Rica, Cuba, Commonwealth of Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Nicaragua, Panama, Paraguay, Peru, Puerto Rico, Saint Christopher and Nevis, Saint Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, Mexico, United States Virgin Islands, Uruguay, Venezuela, Curacao
International Organizations, etc.		International Monetary Fund (IMF), International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), Asian Development Bank (ADB), Inter-American Development Bank (IDB), African Development Bank (AfDB), European Bank for Reconstruction and Development (EBRD), Banco Centroamericano de Integración Económica (BCIE), Corporación Andina de Fomento (CAF), Banque Ouest Africaine de Développement (BOAD), Entidad Binacional Yacyretá (YACYRETA), East African Development Bank (EADB), etc.
Others		Two-step loans to regional financial institutions in Japan and loans for crossborder projects, etc.

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1. Statutory Financial Statements

The balance sheets, statements of operations, statements of changes in net assets, and notes to the non-consolidated financial statements of JBIC were prepared in accordance with the regulations concerning terminology, forms, and preparation methods of financial statements set in the ordinance of the Ministry of Finance No.59 of 1963. Assets and liabilities, revenue and expenses were classified in accordance with the ordinance of the Ministry of Finance regarding Japan Bank for International Cooperation Act No.15 of 2012.

However, comparative information contained in the balance sheets of this fiscal year (April 1, 2013-March 31, 2014) was prepared based on the regulations concerning terminology, forms, and preparations methods of financial statements before the revision of these regulations in accordance with Supplementary Article 2, Paragraph 2 of the ordinance of the Cabinet Office on partial revision of the regulations concerning terminology, forms, and preparations methods of financial statements (Cabinet Office Ordinance No. 61 issued on September 21, 2013).

FY 2013 financial statements for the period of April 1, 2013, to March 31, 2014, were audited by Ernst & Young ShinNihon LLC in accordance with Article 193 Paragraph 2 Item 1 of Financial Instruments and Exchange Act.

No consolidated financial statements were prepared as JBIC has no consolidating subsidiaries.

Balance Sheets

		March 31, 2013 (In millions of yen)	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
Assets:				
Cash and due from banks		**¥ 837,986**	**¥ 723,189**	**$ 7,027**
Cash		0	0	0
Due from banks		837,986	723,189	7,027
Receivables under resale agreements	Note 6	**284,902**	**202,733**	**1,970**
Securities	Note 5	**122,181**	**227,201**	**2,208**
Other securities		122,181	227,201	2,208
Loans and bills discounted	Notes 7	**10,555,128**	**12,655,401**	**122,963**
Loans on deeds		10,555,128	12,655,401	122,963
Other assets		**338,679**	**213,627**	**2,076**
Prepaid expenses		307	323	3
Accrued income		34,558	37,008	360
Derivatives other than for trading-assets		264,231	73,135	711
Cash collateral paid for financial instruments		39,070	102,890	1,000
Other		511	271	2
Property, plant and equipment	Note 9	**28,206**	**28,558**	**277**
Buildings		3,166	3,176	31
Land		24,694	24,694	240
Lease assets		37	31	0
Construction in progress		5	—	—
Other		301	655	6
Intangible assets		**1,352**	**1,561**	**15**
Software		1,340	1,561	15
Lease assets		11	—	—
Customers' liabilities for acceptances and guarantees		**2,400,699**	**2,422,658**	**23,539**
Allowance for loan losses		**(138,891)**	**(128,885)**	**(1,252)**
Total assets		**¥ 14,430,245**	**¥ 16,346,047**	**$ 158,823**

		March 31, 2013 (In millions of yen)	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
Liabilities:				
Borrowed money		**¥ 7,234,598**	**¥ 8,407,707**	**$ 81,692**
Borrowings		7,234,598	8,407,707	81,692
Bonds payable	Note 8	**2,215,962**	**2,711,377**	**26,345**
Other liabilities		**216,171**	**448,229**	**4,355**
Accrued expenses		27,127	29,106	283
Unearned revenue		50,284	52,091	506
Derivatives other than for trading-assets		32,654	303,640	2,950
Cash collateral received for financial instruments		105,240	63,140	613
Lease obligations		58	38	0
Other		805	211	3
Provision for bonuses		**445**	**483**	**5**
Provision for directors' bonuses		**5**	**5**	**0**
Provision for retirement benefits		**15,595**	**14,251**	**138**
Provision for directors' retirement benefits		**29**	**20**	**0**
Acceptances and guarantees		**2,400,699**	**2,422,658**	**23,539**
Total liabilities		**¥ 12,083,506**	**¥ 14,004,734**	**$ 136,074**
Net assets:				
Capital stock		**¥ 1,360,000**	**¥ 1,360,000**	**$ 13,214**
Retained earnings		**851,685**	**911,366**	**8,855**
Legal retained earnings		788,314	820,000	7,967
Other retained earnings		63,370	91,366	888
Retained earnings brought forward		63,370	91,366	888
Total shareholders' equity		**2,211,685**	**2,271,366**	**22,069**
Valuation difference on available-for-sale securities		**2,221**	**5,472**	**53**
Deferred gains or losses on hedges		**132,831**	**64,472**	**627**
Total valuation and translation adjustments		**135,053**	**69,945**	**680**
Total net assets		**¥ 2,346,738**	**¥ 2,341,312**	**$ 22,749**
Total liabilities and net assets		**¥ 14,430,245**	**¥ 16,346,047**	**$ 158,823**

Statements of Operations

	March 31, 2013 (In millions of yen)	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
Ordinary income:	**¥ 217,291**	**¥ 226,100**	**$ 2,197**
Interest income	167,947	181,143	1,760
Interest on loans and discounts	132,408	149,769	1,455
Interest and dividends on securities	441	643	6
Interest on receivables under resale agreements	671	262	3
Interest on deposits with banks	1,232	1,623	16
Interest on interest swaps	33,191	28,784	280
Other interest income	2	60	0
Fees and Commissions	23,288	23,722	230
Other fees and commissions	23,288	23,722	230
Other ordinary income	9,171	3,615	35
Gain on foreign exchange transactions	5,197	3,615	35
Income from derivatives other than for trading or hedging	3,950	—	—
Other	24	—	—
Receipts from the national budget	256	—	—
Receipts from general account of the national budget	256	—	—
Other income	16,627	17,617	172
Recoveries of written-off claims	—	10,006	97
Recoveries of written-off claims	4,572	3,713	36
Gain on investments in partnerships Note 12	11,843	3,694	36
Other	211	203	3
Ordinary expenses:	**153,708**	**134,741**	**1,309**
Interest expenses	119,510	115,677	1,124
Interest on borrowings and rediscounts	63,797	57,187	556
Interest on bonds	55,476	58,430	568
Other interest expenses	236	60	0
Fees and commissions payments	1,427	2,217	22
Other fees and commissions	1,427	2,217	22
Other ordinary expenses	597	1,377	13
Amortization of bond issuance cost	387	979	10
Expenses on derivatives other than for trading or hedging	—	138	1
Other	210	260	2
General and administrative expenses	17,551	14,952	145
Other expenses	14,620	516	5
Provision of allowance for loan losses	14,620	—	—
Other	0	516	5
Ordinary profit	**63,583**	**91,358**	**888**
Extraordinary income	**1**	**8**	**0**
Gain on disposal of noncurrent assets	1	8	0
Extraordinary loss	—	**0**	**0**
Loss on disposal of noncurrent assets	—	0	0
Net income	**¥ 63,585**	**¥ 91,366**	**$ 888**

Statements of Changes in Net Assets

	March 31, 2013 (In millions of yen)	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
Shareholders' equity			
Capital stock			
Balance at the beginning of current period	Note 13 (b) ¥ 1,291,000	¥ 1,360,000	$ 13,214
Changes of items during the period			
Issuance of new shares	69,000		
Total changes of items during the period	69,000	—	—
Balance at the end of current period	1,360,000	1,360,000	13,214
Retained earnings			
Legal retained earnings			
Balance at the beginning of current period	Note 13 (b) 788,314	788,314	7,659
Changes of items during the period			
Issuance of new shares		31,685	308
Total changes of items during the period	—	31.685	308
Balance at the end of current period	788,314	820,000	7,967
Other retained earnings			
Retained earnings brought forward			
Balance at the beginning of current period	Note 13 (b) (5)	63,370	616
Changes of items during the period			
Issuance of new shares		(31,685)	(308)
Payment to national treasury	(209)	(31,685)	(308)
Net income	63,585	91,366	888
Total changes of items during the period	63,376	27,996	272
Balance at the end of current period	63,370	91,366	888
Total retained earnings			
Balance at the beginning of current period	Note 13 (b) 788,309	851,685	8,275
Changes of items during the period			
Issuance of new shares		—	—
Payment to national treasury	(209)	(31,685)	(308)
Net income	63,585	91,366	888
Total changes of items during the period	63,376	59,681	580
Balance at the end of current period	851,685	911,366	8,855
Total shareholders' equity			
Balance at the beginning of current period	Note 13 (b) 2,079,309	2,211,685	21,489
Changes of items during the period			
Issuance of new shares	69,000	—	—
Payment to national treasury	(209)	(31,685)	(308)
Net income	63,585	91,366	888
Total changes of items during the period	132,376	59,681	580
Balance at the end of current period	2,211,685	2,271,366	22,069

	March 31, 2013 (In millions of yen)	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
Valuation and translation adjustments			
Valuation difference on available-for-sale securities			
Balance at the beginning of current period	Note 13 (b) ¥ —	¥ 2,221	$ 22
Changes of items during the period			
Net changes of items other than shareholders' equity	2,221	3,251	31
Total changes of items during the period	Note 13 (c) 2,221	3,251	31
Balance at the end of current period	2,221	5,472	53
Deferred gains or losses on hedges			
Balance at the beginning of current period	Note 13 (b) —	132,831	1,291
Changes of items during the period			
Net changes of items other than shareholders' equity	132,831	(68,358)	(664)
Total changes of items during the period	Note 13 (c) 132,831	(68,358)	(664)
Balance at the end of current period	132,831	64,472	627
Total valuation and translation adjustments			
Balance at the beginning of current period	Note 13 (b) —	135,053	1,313
Changes of items during the period			
Net changes of items other than shareholders' equity	135,053	(65,107)	(633)
Total changes of items during the period	135,053	(65,107)	(633)
Balance at the end of current period	135,053	69,945	680
Total net assets			
Balance at the beginning of current period	Note 13 (b) 2,079,309	2,346,738	22,802
Changes of items during the period			
Issuance of new shares	69,000	—	—
Payment to national treasury	(209)	(31,685)	(308)
Net income	63,585	91,366	888
Net changes of items other than shareholders' equity	135,053	(65,107)	(633)
Total changes of items during the period	267,429	(5,425)	(53)
Balance at the end of current period	2,346,738	2,341,312	22,749

Statements of Cash Flows

	March 31, 2013 (In millions of yen)	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
Cash flow from operating activities			
Net income	¥ 63,585	¥ 91,366	$ 888
Depreciation and amortization	1,018	1,245	12
Increase (decrease) in allowance for loan losses	14,620	(10,006)	(97)
Increase (decrease) in provision for bonuses	(55)	37	0
Increase (decrease) in provision for directors' bonuses	4	0	0
Increase (decrease) in provision for retirement benefits	2,332	(1,344)	(13)
Increase (decrease) in provision for directors' retirement benefits	11	(8)	(0)
Gain on fund management	(167,947)	(181,143)	(1,760)
Financing expenses	119,510	115,677	1,124
Loss (gain) related to securities	(11,843)	(3,694)	(36)
Loss (gain) on disposal of noncurrent assets	(1)	(8)	(0)
Net decrease (increase) in loans and bills discounted	(2,444,771)	(2,100,273)	(20,407)
Net increase (decrease) in borrowed money	1,979,109	1,173,109	11,398
Net decrease (increase) in deposit (excluding deposit paid to Bank of Japan)	(128,972)	134,009	1,302
Net decrease (increase) in receivables under resale agreements	317,822	82,169	798
Increase (decrease) in straight bonds-issuance and redemption	(163,469)	494,432	4,804
Proceeds from fund management	165,751	178,618	1,736
Payments for finance	(120,524)	(112,765)	(1,096)
Other	387,646	289,587	2,814
Subtotal	13,826	151,011	1,467
Net cash provided by (used in) operating activities	13,826	151,011	1,467
Cash flow from investing activities			
Purchase of securities	(35,224)	(104,301)	(1,013)
Proceeds from sales of securities	2,946	4,801	47
Proceeds from redemption of securities	—	1,171	11
Purchase of property, plant and equipment	(322)	(771)	(7)
Proceeds from sales of property, plant and equipment	1	10	0
Purchase of intangible assets	(432)	(998)	(10)
Net cash provided by (used in) investing activities	(33,030)	(100,086)	(972)
Cash flow from financing activities			
Proceeds from issuance of common stock	69,000	—	—
Repayments of lease obligations	(117)	(26)	(0)
Payment to national treasury	(26,524)	(31,685)	(308)
Net cash provided by (used in) financing activities	42,358	(31,712)	(308)
Effect of exchange rate change on cash and cash equivalents	—	—	—
Net increase (decrease) in cash and cash equivalents	**23,154**	**19,212**	**187**
Cash and cash equivalents at beginning of period	**0**	**23,154**	**225**
Cash and cash equivalents at end of period Note 14	**¥ 23,154**	**¥ 42,367**	**$ 412**

Notes to Financial Statements

1. Basis of presentation

The accompanying financial statements have been prepared from the accounting records maintained by Japan Bank for International Cooperation ("JBIC") in accordance with the accounting principles and practices generally accepted in Japan, which are different in certain aspects from the application and disclosure requirements of International Financial Reporting Standards.

Consolidated financial statements are not prepared since JBIC has no subsidiaries.

The amounts indicated in millions of yen are rounded down by omitting figures less than one million. Totals may therefore not add up exactly because of this rounding.

Amounts in U.S. dollars are presented solely for the convenience of readers outside Japan. The rate of ¥102.92=$1.00, the foreign exchange rate on March 31, 2014, has been used in translations. The presentation of such amounts is not intended to imply that Japanese yen have been or could be readily converted, realized, or settled in U.S. dollars at the aforementioned rates or any other rate.

2. Significant accounting policies

(a) Securities

Held-to-maturity securities are carried at amortized cost based on the moving average method. Investments in affiliates are carried at cost based on the moving average method. Available-for-sale securities are in principle stated at fair value with changes in net unrealized gains or losses included directly in Net assets. However, available-for-sale securities whose fair value cannot be readily determined are carried at cost based on the moving average method.

Investments in partnerships for investment, which are regarded as securities under Article 2, Clause 2 of the Japanese Financial Instruments and Exchange Law, are recognized at an amount equivalent to JBIC's percentage share of the net assets of such partnerships, based upon the most recent financial statements available depending on the report date stipulated in the partnership agreement.

(b) Valuation method for derivative financial instruments

Derivative financial instruments are carried at fair value.

(c) Depreciation basis for fixed assets

(i) Property, plant and equipment (except for lease assets)

JBIC's tangible fixed assets are depreciated by the declining balance method over their useful economic lives except for buildings (excluding installed facilities) which are depreciated by the straight-line method.

Depreciation is based on the following range of estimated useful lives:

Buildings: 3 years to 50 years
Other: 2 years to 35 years

(ii) Intangible assets (except for lease assets)

Depreciation of intangible fixed assets is computed by the straight-line method. Software used by JBIC is depreciated over its useful life (5 years or less), which has been determined by JBIC.

(iii) Lease assets

Lease assets in "property, plant and equipment" or "intangible assets," under finance leases that do not involve transfer of ownership to the lessee are depreciated by the straight-line method over the lease term. Depreciation for lease assets is calculated with zero residual value being assigned to the asset.

(d) Method of amortization for deferred charges

Organization expenses and bond issuance cost are expensed as incurred.

(e) Foreign currency translation and revaluation method

JBIC maintains its accounting records in Japanese yen. Assets and liabilities denominated in foreign currencies are mostly translated into Japanese yen at the market exchange rate prevailing at the fiscal year end.

(f) Allowance for loan losses

JBIC's allowance for loan losses is maintained in accordance with internally established standards.

The allowance for claims on debtors who are legally bankrupt ("Bankrupt borrowers") or substantially bankrupt ("Substantially bankrupt borrowers") is provided based on the outstanding balance after the write-offs described *as below* and the deductions of the amount expected to be collected through the disposal of collateral and the execution of guarantees. The allowance for claims on debtors who are not legally bankrupt but are likely to become bankrupt

("Potentially bankrupt borrowers") is provided based on an assessment of the overall solvency of the debtors after deducting the amount expected to be collected through the disposal of collateral and the execution of guarantees.

The allowance for claims on debtors other than Bankrupt borrowers, Substantially bankrupt borrowers and Potentially bankrupt borrowers is provided primarily based on the default rate, which is calculated based on the actual defaults during a certain period in the past. The allowance for possible losses on specific overseas loans is provided based on the expected loss amount taking into consideration the political and economic situations of these countries.

All claims are assessed initially by the operational departments and subsequently by risk evaluation departments based on internal rules for self-assessment of asset quality. The risk evaluation departments, which is independent from the operational departments, review these self-assessments, and the allowance is provided based on the results of the assessments.

With respect to claims with collateral or guarantees on debtors who are legally or substantially bankrupt ("Bankrupt borrowers and substantially bankrupt borrowers"), the residual booked amount of the claims after deduction of the amount which is deemed collectable through the disposal of collateral or the execution of guarantees is written off. There are no accumulated write-offs as of March 31, 2014 (the amount as of March 31, 2013 was ¥8,232 million ($80 million)).

(g) Provision for bonuses

The "provision for bonuses" is calculated and provided for based on the estimated amounts of future payments attributable to the services that have been rendered by employees to the date of the balance sheets.

(h) Provision for directors' bonuses

The "provision for directors' bonuses" is calculated and provided for based on the estimated amounts of future payments attributable to the services that have been rendered by directors to the date of the balance sheets.

(i) Provision for retirement benefits

The "provision for retirement benefits" represents the future payment for pension and retirement benefits to employees, and is accrued based on the projected benefit obligations and the estimated pension plan assets at the fiscal year end.

① Method of attributing the projected benefits to periods of services
In calculating the projected benefit obligation, the estimated amount of retirement benefit payments are attributed to the period up to the end of the fiscal year by straight line basis.

② Accounting for actuarial gains or losses and prior service costs
Actuarial gains or losses and prior service costs are expensed as they are incurred.

(Additional Information)

On April 1, 2013, JBIC obtained an approval from the Minister of Health, Labour and Welfare for an exemption from the obligation to pay benefits for future employee services related to the substitutional portion of the Japan Finance Corporation Employee's pension fund which resulted in the transfer of the obligations and related assets to the government. The estimated plan assets to be returned to the government, as of March 31, 2014 amounted to: ¥2,868 million ($28 million). If the estimated plan assets had been returned to the government on March 31, 2014, the effect on extraordinary income arising from the application of Paragraph 46 of "Guidance on the Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25) is ¥6,054 million ($59 million).

(j) Provision for directors' retirement benefits

The "provision for directors' retirement benefits," which provides for future retirement pension payment to directors, corporate auditors and executive officers, is recognized at the amount accrued at the end of the respective fiscal year.

(k) Accounting for hedges of interest rate risk

(i) Hedge accounting
JBIC applies the deferral method to derivatives used for interest risk hedging purposes

(ii) Hedging instruments and hedged items
Hedging instruments: interest rate swaps
Hedged items: loans, borrowings, bonds and notes

(iii) Hedging policy
JBIC enters into hedging transactions up to the amount of the underlying hedged assets and liabilities

(iv) Assessment of hedge effectiveness
JBIC assesses the effectiveness of designated hedges by measuring and comparing the change of fair value or

cumulative change of cash flows of both hedging instruments and corresponding hedged items from the date of inception of the hedges to the assessment date.

(l) Accounting for hedges of foreign exchange risks

Hedging instruments used to hedge foreign exchange risks associated with JBIC's foreign currency denominated monetary assets and liabilities are accounted for using the deferral method, in accordance with the standard treatment of The Japanese Institute of Certified Public Accountants (JICPA) Industry Audit Committee Report No. 25.

The effectiveness of the hedges described above is assessed by comparing the foreign currency position of the hedged loans and bills discounted, borrowings, and bonds payable denominated in foreign currencies with that of the hedging instruments, such as currency swaps and forward foreign exchange contracts which are used for hedging the foreign exchange risks of loans and bills discounted, borrowings, and bonds payable denominated in foreign currencies.

(m) Consumption and other taxes

Consumption taxes and local consumption taxes ("consumption taxes") are excluded from transaction amounts. Non-deductible consumption taxes related to property, plant and equipment are expensed as incurred.

(n) Scope of cash and cash equivalents in the statements of cash flows

Cash and cash equivalents as stated in the Statement of Cash Flow consists of cash on hand and Deposit with the Bank of Japan in "Cash and due from banks" in the balance sheets.

3. Standards issued but not yet effective

- "Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012)
- "Guidance on the Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, May 17, 2012)

(a) Overview

From the viewpoint of improvements to financial reporting and international convergence, the accounting standard and the related guidance have been revised mainly focusing on (a) how retirement benefit obligations and current service costs should be determined and (b) enhancement of disclosures.

(b) Effective date

The amendments related to the determination of retirement benefit obligations and service cost will be applied effective from the beginning of the fiscal year beginning on April 1, 2014.

(c) Effect of the application of the Accounting Standard

As a result of the application of an Accounting Standards, retained earnings as of April 1, 2014 will increase by ¥1,182 million ($11 million).

4. Changes in methods of presentation

(a) Balance Sheets

The balance of "Cash collateral paid for financial instruments" included in "Other" under "Other assets" and that of "Cash collateral received for financial instruments" included in "Other" under "Other liabilities" in the fiscal year ended March 31, 2013 are separately presented as of the fiscal year ended 2013 based on the application of attachment forms provided in "Ordinance Concerning the Accounting of Japan Bank for International Cooperation" (Ministry of Finance Ordinance No. 15 of 2012), which was amended in accordance with the Ordinance to Amend the Ordinance Concerning the Accounting of Japan Bank of International Cooperation (Ministry of Finance Ordinance No. 57 of 2013). In order to reflect this change in the method of presentation, reclassifications have been made to the financial statements for the fiscal year ended March 31, 2013.

Consequently, as it pertains to the balance sheets for the fiscal year ended March 31, 2014, ¥39,070 million ($380 million) has been reclassified from "Other assets" to "Cash collateral paid for financial instruments" while ¥105,240 million ($1,023 million) has been reclassified from "Other liabilities" to "Cash collateral received for financial instruments".

(b) Retirement benefits

"Accounting Standard for Retirement Benefits" (ASBJ Statement No. 26, May 17, 2012) and "Guidance on the Accounting Standard for Retirement Benefits" (ASBJ Guidance No. 25, May 17, 2012) have been applied effective this fiscal year except for certain provisions described in the main clause of section 35 of the standard and in the main clause of section 67 of the guidance and the method of presentation for Notes on retirement benefits has been changed.

Accounting Standard for Retirement Benefits and others have been applied pursuant to the transitional requirement

in Paragraph 37 of the Accounting Standard for Retirement Benefits, and no reclassification for Notes on retirement benefits has been made.

5. Equities securities of or investment in affiliates:

	March 31, 2013 (In millions of yen)	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
Equities securities	¥ —	¥ 1,499	$ 15
Investments in affiliates	70,822	81,167	789

6. Receivables under resale agreement:

Among the securities acquired under resale agreements, these securities which can be sold or pledged without restrictions amount to:

	March 31, 2013 (In millions of yen)	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
Receivables under resale agreement	¥ 284,902	¥ 202,733	$ 1,970

7. Loans

(a) Bankrupt loans and non-accrual loans included in loans and bills discounted:

	March 31, 2013 (In millions of yen)	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
Bankrupt loans	¥ —	¥ —	$ —
Non-accrual loans	96,140	96,366	936

"Bankrupt loans" are loans, defined in Article 96, Paragraph 1, Item (iii), a. through e. and Item (iv) of the Corporate Tax Law Enforcement Ordinance (Government Ordinance No. 97, 1965), on which accrued interest income is not recognized as there is substantial uncertainty over the ultimate collectability of either principal or interest because they have been in arrears for a considerable period of time or for other reasons.

(b) "Non-accrual loans" are loans on which accrued interest income is not recognized, although this excludes Bankrupt loans and the loans on which interest payments are deferred in order to support the borrowers' recovery from financial difficulties.

(b) Loans with interest or principal repayments three months or more in arrears included in loans and bills discounted:

	March 31, 2013 (In millions of yen)	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
Loans with interest or principal repayments three months or more in arrears	¥ 69,065	¥ 75,579	$ 735

"Loans with interest or principal repayments three months or more in arrears" are loans whose principal or interest payment is three months or more in arrears, and which do not fall under the category of "Bankrupt loans" and "Non-accrual loans."

(c) Restructured loans included in loans and bills discounted:

	March 31, 2013 (In millions of yen)	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
Restructured loans	¥ 79,976	¥ 77,386	$ 752

"Restructured loans" are loans whose repayment terms and conditions have been amended in favor of the borrowers (e.g. reduction of or exemption from the stated interest rate, the deferral of interest payments, the extension of principal repayments or renunciation of claims) in order to support the borrowers' recovery from financial difficulties, and which do not fall under the category of "Bankrupt loans," "Non-accrual loans," or "Loans with interest or principal repayments three months or more in arrears."

(d) The total amount of bankrupt loans, non-accrual loans, loans with interest or principal repayments three months or more in arrears, and restructured loans:

	March 31, 2013 (In millions of yen)	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
Total amount	¥ 245,183	¥ 249,332	$ 2,423

The amounts of loans indicated in table 3 through 6 above are the gross amounts prior to the deduction of allowance for possible loan losses.

(e) JBIC, as a policy, does not pay down loans in part or in full immediately after the execution of the loan agreements, but instead makes disbursement, in accordance with the progress of the underlying projects. These undisbursed amounts are not included in the loans on deed in the balance sheets. The balance of unpaid amounts is as follows:

	March 31, 2013 (In millions of yen)	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
Balance of unpaid loans	¥ 2,615,921	¥ 2,232,353	$ 21,690

8. Assets pledged as collateral

Pursuant to Article 34 of the Japan Bank for International Cooperation Act ("JBIC Act"), all JBIC assets are pledged as general collateral for bonds:

	March 31, 2013 (In millions of yen)	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
Bonds payable	¥ 2,215,962	¥ 2,711,377	$ 26,345

9. Accumulated depreciation of fixed assets

	March 31, 2013 (In millions of yen)	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
Accumulated depreciation	¥ 308	¥ 698	$ 7

10. Contingent liabilities

Contingent liabilities related to debt assumption agreements for bonds payable are as follows:

	March 31, 2013 (In millions of yen)	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
15th FILP Agency Bonds (former JBIC)	¥ 50,000	¥ 50,000	$ 486
31st FILP Agency Bonds (former JBIC)	20,000	—	—

In addition, Japan Finance Corporation ("JFC") assumed the obligations of the JFC bonds on April 1, 2012, and JBIC is jointly responsible for the obligations of these bonds. In accordance with Article 17 (2) of the Supplementary Provisions of the JBIC Act, all of JBIC's assets are pledged as general collateral for these joint obligations as follows.

	March 31, 2013 (In millions of yen)	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
	¥ 1,085,000	¥ 780,000	$ 7,579

11. Restriction on dividend distribution

JBIC is subject to restriction on its dividends distribution pursuant to Article 31 of the JBIC Act.

JBIC shall accumulate, as a reserve, an amount calculated in accordance with the standards prescribed by the Cabinet Order until it reaches a certain amount stipulated by the Cabinet Order; and if there still is a surplus, JBIC shall pay such surplus into the national treasury within 3 months after the annual closing date.

In the event that the amount of retained earnings brought forward falls below zero, a reserve shall be transferred to the retained earnings brought forward to the extent that its amount of retained earnings brought forward becomes zero.

12. Income on transactions with affiliates

Income on transactions with affiliates is as follows:

	March 31, 2013 (In millions of yen)	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
Gain on investments in partnerships	¥ 11,780	¥ 3,565	$ 35

13. Changes in Net Assets

(a) Issued shares and treasury stocks

For the fiscal year ended March 31, 2013, type and number of issued shares and treasury stocks are as follows;

(unit: thousands of shares)

Types	The number of stocks at the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	The number of stocks at the end of the fiscal year	Remarks
Issued shares					
Common stocks	1,291,000,000	69,000,000	—	1,360,000,000	(Note)
Classified stock	—	—	—	—	
Total	1,291,000,000	69,000,000	—	1,360,000,000	(Note)
Treasury stock					
Common stocks	—	—	—	—	
Classified stock	—	—	—	—	
Total	—	—	—	—	

(Note) The increase is due to the issuance of 69,000,000 thousand shares.

(b) The figures determined by the asset evaluation committee on July 6, 2012, as the opening balance sheet as of the inception of JBIC are used as the balance at the beginning balances (April 1, 2012).

(c) "Valuation difference on available-for-sale securities" and "Deferred gains or losses on hedges" were presented under "Assets" and "Liabilities," respectively, in the opening balance sheet as of the inception of JBIC. For this reason, they are transferred to "Net assets" during the fiscal year ended March 31, 2014 and included in Changes of items during the fiscal year.

For the fiscal year ended March 31, 2014, type and number of issued shares and treasury stocks are as follows;

(unit: thousands of shares)

Types	The number of stocks at the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	The number of stocks at the end of the fiscal year	Remarks
Issued shares					
Common stocks	1,360,000,000	—	—	1,360,000,000	
Classified stock	—	—	—	—	
Total	1,360,000,000	—	—	1,360,000,000	
Treasury stock					
Common stocks	—	—	—	—	
Classified stock	—	—	—	—	
Total	—	—	—	—	

14. Cash Flows

"Cash and cash equivalents" in the statement of cash flows as of March 31, 2013 and 2014 reconciles to cash and due from banks in the balance sheets as follows:

	March 31, 2013 (In millions of yen)	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
Cash and due from banks	¥ 837,986	¥ 723,189	$ 7,027
Time deposits and others	(814,832)	(680,822)	(6,615)
Cash and cash equivalents	¥ 23,154	¥ 42,367	$ 412

15. Lease Transactions

(a) Finance lease transactions

Finance lease transactions that do not involve the transfer of ownership to the lessee

(i) Description of lease assets

① Property, plant and equipment: Equipment and property

② Intangible assets: Software

(ii) Depreciation of lease assets

Depreciation of lease assets is calculated under the method as set forth in Note 2 (c).

(b) Operating lease transactions

Future minimum lease payments for noncancelable operating lease transactions are as follows:

	March 31, 2013 (In millions of yen)	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
Due within one year	¥ 2	¥ 0	$ 0
Due after one year	0	—	—
Total	¥ 2	¥ 0	$ 0

16. Financial instruments and related disclosure

(a) Status of financial instruments

(i) Initiatives for financial instruments

Based on the JBIC Act, JBIC is a policy-based financial institution wholly owned by the Japanese government, which has the purpose of contributing to the sound development of Japan and the international economy and society, by performing the financial function to promote the overseas development and securement of resources which are important for Japan; maintaining and improving the international competitiveness of Japanese industries; promoting the overseas business having the purpose of preserving the global environment, such as preventing global warming, as well as preventing disruptions to international financial order or taking appropriate measures with respect to damages caused by such disruption.

JBIC's principal operations consist of providing export loans, import loans, investment financing, financing for business development (including guarantees) and capital investment. To conduct these operations, funds are raised through borrowing from the fiscal investment and loans and the foreign exchange fund special account, and the issuing of bonds. An ALM (asset and liability management) function has been established in respect of our financial assets and liabilities that are subject to interest rate and currency fluctuations to assist in ensuring that such fluctuations do not have an adverse effect on our operations. In addition, derivative transactions are entered into for the purpose of mitigating risk inherent in foreign currency denominated transactions. Financial instruments that can be used for the management of surplus funds are limited to safe instruments such as Japanese government bonds, etc., as stipulated in the JBIC Act.

The budget required for governmental financial operations is decided upon by the Diet of Japan, and business plans and financial plans (borrowing from fiscal investment and loans, bonds, general accounting investment, and loans, etc.) are appended to the budget and submitted to the Diet of Japan.

(ii) Types of financial instruments and risks

The assets that JBIC holds mainly include loans to borrowers in Japan and overseas, and securities and liabilities mainly include borrowings and bonds. The associated risks are described below.

① Credit risk

Credit risk is the risk that JBIC will suffer losses if the financial condition of the borrower deteriorates and the value of assets (including off-balance sheet assets) decrease or disappear.

The credit risks associated with JBIC include sovereign risk, country risk, corporate risk, and project risk. Because of the characteristic of supports for overseas economic transactions conducted by JBIC, much financing is provided to overseas governments, governmental institutions, and overseas corporations; the credit risk associated with the credit provided typically consists of sovereign or country risk.

As a result, if the financial condition of the individual borrower significantly deteriorates due to political and economic trends in the borrower's country or region, JBIC's performance and financial condition can be adversely affected.

(Note) Sovereign risk refers to risk associated with credit supplied to foreign governments, country risk refers to risk associated with the country in which the corporation or project is located (risk, in addition to corporate risk or project risk, associated with the country in which the corporation or the project is located) and corporate risk refers to the risk associated with credit to corporations and project risk refers to the risk that the cash flow of an underlying project will not perform as planned, in the case of project finance, where the repayment of the borrowing is primarily secured by the cash flow of the project to which credit is supplied.

② Market risk

Market risk is the risk that the value of assets and liabilities (including off-balance sheet assets) will fluctuate and losses will be incurred, or profits derived from assets and liabilities (including off-balance sheet assets) will fluctuate and losses will be incurred due to the fluctuation of various market risk factors such as interest rates, exchange rates, etc.

The market risk associated with JBIC mainly consists of foreign exchange risk and interest rate risk, and

losses could be suffered from these risks from market fluctuations. However, in principle, these risks are hedged through interest rate swaps, currency swaps, and forward foreign exchange contracts.

JBIC uses hedge accounting for interest rate hedges, where the hedging instrument is interest rate swaps to hedge the market fluctuation risk associated with loans, borrowed money and bonds. The effectiveness of the hedges is assessed by measuring and comparing the change in fair value or cumulative change in cash flows of both hedging instruments and corresponding hedged items from the date of inception of the hedges to the assessment date.

JBIC uses hedge accounting for foreign exchange hedges, where currency swaps and forward foreign exchange contracts are used to hedge items such as loans, borrowings, and bonds for foreign exchange risk. The effectiveness of the hedging currency-swaps and forward foreign exchange contracts, hedging the foreign exchange risks of monetary assets and liabilities denominated in foreign currencies, is assessed by comparing the foreign currency position of the hedged monetary assets and liabilities with that of the hedging instruments.

③ Liquidity risk

Liquidity risk is the risk that losses will be incurred as a result of funding challenges due to a maturity mismatch between financing and funding or unexpected outflow of funds, or being forced to fund at an interest rate significantly higher than in normal circumstances (funding risk), as well as the risk that losses will be incurred from a failure to ingenerate transactions in the market due to market disruption or from being forced to make transactions at a significantly disadvantageous price than in normal circumstances (market liquidity risk).

Long-term and stable funds, such as fiscal loan funds, government-guaranteed bonds, and FILP agency bonds, are secured to finance JBIC and deposits are not accepted, with the result that it considers liquidity risk to be limited. However, financing costs could increase due to market disruption and unexpected events.

(iii) Risk management structure for financial instruments

The risk management structure of JBIC is described below.

① Credit risk management

The basis of credit risk management is centered on individual credit management based on the creditworthiness of the borrower during the credit approval process.

When a new credit application is processed, the relevant finance departments (sales promotion department) and credit departments collect and analyze information on the borrower. The overseas representative offices also play a part in collecting information on foreign governments and corporations. Credit appraisal takes place based on the information that has been gathered and analyzed, with the different departments ensuring appropriate checks throughout the process, leading to the final decision by the management.

For lending to foreign governments and corporations, JBIC makes most use of its position as a public institution and exchanges views and information with governments and other authorities in recipient countries, international institutions such as the IMF and the World Bank, other regional development banks and official export credit agencies as well as private financial institutions in the industrial countries. Using all these channels, JBIC evaluates sovereign or country risk (risk in addition to corporate risk associated with the country in which the corporation is located) based on a broad range of information on government and government agency borrowers as well as political and economic conditions in their countries.

The relevant finance departments and credit departments conduct proper credit risk management based on the credit risk rating system for segmented risk categories and the asset self assessment system based on the Financial Inspection Manual of the Japanese Financial Services Agency. In addition, an Integrated Risk Management Committee is held regularly to report the status of credit management to the management. In addition, an Integrated Risk Management Committee is held regularly to report the status of credit management to the management. The credit management situation is also checked by an independent auditing department.

In addition, a claims protection mechanism exists based on an international framework unique to official creditors, that is not contained in private sector financial institutions, for official claims on foreign governments. This mechanism consists of international financial assistance upon international approval by the Paris Club, an international group focusing on debt, to allow the debtor country to continue debt repayment when the debtor country becomes temporarily unable to service its debt due to economic conditions. As part of this international financial assistance, the debtor country conducts an economic reform program upon agreement with the IMF in order to secure the ability to sustainably service its debt. In view of JBIC's position as a public financial institution, it will use the framework of the Paris Club to preserve its official claims on foreign governments.

Besides the individual credit management outlined above, JBIC quantifies credit risks to assess the overall risk of the portfolio in these operations. To quantify credit risks, it is important to take into account the characteristic of the loan portfolio, namely, that there are a significant proportion of long-term loans and loans involving sovereign risk or country risk. Also to be taken into account is the mechanism of securing assets, such as the

framework of international financial assistance to debtor countries through the Paris Club, which is unique to official creditors. JBIC uses a unique model to quantify the credit risk taking account of the above explained elements and measures amount of credit risk, which are utilized for credit risk management.

② Market risk management

ALM is used to manage foreign exchange risk and interest rate risk for these operations. Market risk management protocols contain detailed stipulations of risk management methods and procedures, which are used by the ALM Committee to assess and confirm the execution of ALM, and for discussions concerning future responses. In addition, monitoring is conducted through gap analysis and interest rate sensitivity analysis as well as Value at Risk ("VaR") to comprehensively assess the interest and terms of financial assets and liabilities. The results are regularly reported to the ALM Committee.

The basic policy for managing foreign exchange risk and interest rate risk at JBIC is described below.

1) Foreign exchange risk

Foreign currency-denominated loans conducted in JBIC involve risks related to exchange rate fluctuations. We have a consistent policy of managing this risk by fully hedging this risk exposure through the use of currency swaps and forward foreign exchange contracts.

2) Interest rate risk

Interest rate risk arises from exposure to market interest rate fluctuations for yen-denominated loan and foreign currency-denominated loan operations and the policy for managing interest rate risk is described below.

a. Yen-denominated loan operations

Funding for yen-denominated loans is mainly managed at fixed-rate interest. However, swaps are used to hedge interest rate risk for portions of loans that are thought to have high exposures to interest rate fluctuation. Interest rate risk for denominated loans is limited.

b. Foreign currency-denominated loan operations

For foreign currency-denominated loan operations, interest rate risk is hedged through the application of a consistent policy of using interest rate swaps and managing the funds with floating interest rates for both loans and related funding arrangements.

3) Status of market risk

JBIC only maintains a banking account and does not have financial instruments in a trading account. While JBIC is managed by hedging operation in principle, as already stated previously, market risk is measured in order to assess fair value and potential risks. The following represents an overview of VaR in the current fiscal year.

a. VaR (end of this fiscal year)

	March 31, 2014 (In billions of yen)	March 31, 2014 (In billions of U.S. dollars)
1) Interest rate VaR	¥ 63.6	$ 0.6
2) Exchange rate VaR	56.0	0.5

b. VaR measurement model

1) Interest rate VaR: Historical model
2) Exchange rate VaR: Variance-covariance model

Quantitative standards:

1) Confidence Interval: 99%
2) Holding period: 1 year
3) Observation period: 5 years

c. Risk management using VaR

VaR is a market risk measure that assesses the maximum possible profits or losses that could be incurred based on historical market movements of interest rates or exchange rates, etc., over a specific period in the past (or observation period) within a certain period of time (or holding period) under a certain probability (or confidence interval), that is derived statistically by employing the theory of possibility distribution.

This measurement assumes actual market trends and the theory of probability distribution. Based on the possibility that future market trends could deviate from these assumptions, a back-test is performed to cross-check the model-measured interest rate VaR with actual profits or losses, in order to confirm the effectiveness of market risk measurements using VaR. In addition, a stress test, which goes beyond the probability distribution of historical market movements is conducted in order to capture risks from multifaceted perspectives.

The following points should generally be noted for VaR model measurement.

- VaR will differ depending on the confidence interval, holding period or observation period.
- VaR indicates the maximum amount of unrealized profits or losses at the time of measurement. However, calculated VaR may not always be realized in the future with a certain probability because the assumptions, such as market movements, could vary during the holding period.
- VaR indicates the maximum value based on specific assumption. As such, it is imperative to keep in mind that VaR may underestimate the potential losses when utilizing VaR as a risk management measure.

③ Liquidity risk management related to fund procurement

Long-term and stable funds such as fiscal loan funds, government-backed bonds, and FILP agency bonds are used to finance these operations and deposits are not accepted.

Cash flows are assessed and proper measures including establishing overdraft facility accounts with multiple private sector financial institutions are taken to maintain daily cash flows for proper risk management.

④ Derivative transactions

A protocol of internal checks with separate divisions executing transactions, assessing the effectiveness of hedges, and conducting office management has been established for derivative transactions, and these transactions are conducted according to derivatives-related regulations.

(iv) Supplementary explanation concerning fair value of financial instruments

The fair value of financial instruments includes amounts based on market value and amounts that have been reasonably estimated when no market value is available. Set valuation inputs are used for the calculation of this amount, and if different valuation inputs are used the resulting amount could vary.

(b) Fair value of financial instruments

The carrying amount in the balance sheets as of March 31, 2013 and March 31, 2014 and the related fair value, and difference is as follows. Note that unlisted securities whose fair value is extremely difficult to be determined are not included in the following chart (refer to Note 2).

As of March 31, 2013 (In millions of yen)

	Amount on balance sheet	Fair value	Difference
(1) Cash and due from banks	¥ 837,986	¥ 837,986	¥ —
(2) Receivables under resale agreements	284,902	284,902	—
(3) Securities			
Available-for-sale securities	22,002	22,002	—
(4) Loans and bills discounted	10,555,128		
Allowance for loan losses (*1)	(133,585)		
	10,421,542	10,475,935	54,392
(5) Cash collateral paid for financial instruments	39,070	39,070	—
Total assets	11,605,503	11,659,896	54,392
(1) Borrowings	7,234,598	7,336,897	102,299
(2) Bonds payable	2,215,962	2,312,996	97,034
(3) Cash collateral received for financial instruments	105,240	105,240	—
Total liabilities	9,555,800	9,755,134	199,334
Derivative transactions (*2)			
Derivative transactions not qualifying for hedge accounting	—	—	—
Derivative transactions qualifying for hedge accounting	231,577	231,577	—
Total derivative transactions	¥ 231,577	¥ 231,577	¥ —

As of March 31, 2014 (In millions of yen)

	Amount on balance sheet	Fair value	Difference
(1) Cash and due from banks	¥ 723,189	¥ 723,189	¥ —
(2) Receivables under resale agreements	202,733	202,733	—
(3) Securities			
Available-for-sale securities	40,129	40,129	—
(4) Loans and bills discounted	12,655,401		
Allowance for loan losses (*1)	(126,709)		
	12,528,691	12,558,905	30,214
(5) Cash collateral paid for financial instruments	102,890	102,890	—
Total assets	13,597,633	13,627,848	30,214
(1) Borrowings	8,407,707	8,488,478	80,770
(2) Bonds payable	2,711,377	2,770,588	59,210
(3) Cash collateral received for financial instruments	63,140	63,140	—
Total liabilities	11,182,225	11,322,207	139,981
Derivative transactions (*2)			
Derivative transactions not qualifying for hedge accounting	—	—	—
Derivative transactions qualifying for hedge accounting	(230,505)	(230,505)	—
Total derivative transactions	¥ (230,505)	¥ (230,505)	¥ —

As of March 31, 2014 (In millions of U.S. dollars)

	Amount on balance sheet	Fair value	Difference
(1) Cash and due from banks	$ 7,027	$ 7,027	$ —
(2) Receivables under resale agreements	1,970	1,970	—
(3) Securities			
Available-for-sale securities	389	389	—
(4) Loans and bills discounted	122,963		
Allowance for loan losses (*1)	(1,231)		
	121,732	122,026	294
(5) Cash collateral paid for financial instruments	1,000	1,000	—
Total assets	132,118	132,412	294
(1) Borrowings	81,692	82,477	785
(2) Bonds payable	26,345	26,920	575
(3) Cash collateral received for financial instruments	613	613	—
Total liabilities	108,650	110,010	1,360
Derivative transactions (*2)			
Derivative transactions not qualifying for hedge accounting	—	—	—
Derivative transactions qualifying for hedge accounting	(2,240)	(2,240)	—
Total derivative transactions	$ (2,240)	$ (2,240)	$ —

(*1) General allowance for loan losses and allowance for loan losses, and the allowance for possible loan losses on specific overseas loans have been deducted from loans.
(*2) Derivatives recorded in "other assets and other liabilities" are collectively displayed. The net values of assets and liabilities arising from derivative transactions are displayed. The figures in parenthesis indicate net liabilities.

(Note 1) Valuation methodologies used for estimating fair values for financial instruments

Assets

(1) Cash and due from banks
For Due from banks that do not mature or have a maturity under 3 months, the carrying amounts are used as fair value because the carrying amount approximates the fair value.

(2) Receivables under resale agreements
For securities acquired under resale agreements, the carrying amounts are used as fair value because the contractual terms are short (within 3 months) and the carrying amount approximates the fair value.

(3) Securities
The fair value of "Available-for-sale securities" is based upon the prices that are indicated from the financial institutions that JBIC transacts with.

(4) Loans and bills discounted
For loans with variable interest rates an amount calculated by the floating rate note method to reflect market interest rates over the short term is used for fair value.

For loans with fixed interest, the total principal and interest is discounted by a risk free rate that incorporates the default ratio and coverage ratio to calculate fair value. However for obligations on bankrupt borrowers, substantially bankrupt borrowers, and potentially bankrupt borrowers a provision for bad debt is calculated based on the expected collectable amount from the collateral or guarantee. Fair value approximates the amount on the balance sheets on the closing date after a deduction has been made for the allowance for loan losses, so this amount is used for fair value.

(5) Cash collateral paid for financial instruments

For cash collateral paid for financial instruments, the carrying amount is used as fair value because the carrying amount approximates the fair value.

Liabilities

(1) Borrowings

Borrowings with variable interest rates reflect short-term market interest rates and the credit conditions of JBIC have not changed significantly since borrowing. Therefore, the carrying amount is used as fair value because it is considered that the carrying amount approximates the fair value. For borrowings with a fixed interest rate, in principle, fair value is calculated by discounting the principal and interest of the borrowings by the risk free rate (the standard Japanese government bond rate) based on the set period of loan.

(2) Bonds payable

Market value is used as fair value of bonds.

(3) Cash collateral received for financial instruments

For cash collateral received for financial instruments, the carrying amount is used as fair value because the carrying amount approximates the fair value.

Derivative transactions

Derivative transactions are discussed under "Derivative transactions."

(Note 2) Financial instruments for which fair values are considered to be extremely difficult to be determined are as follows. They are not included in "Assets, (3) Securities."

Classification

	March 31, 2013 (In millions of yen)	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
1) Unlisted stocks (subsidiaries and affiliates) (*1)	¥ —	¥ 1,499	$ 15
2) Unlisted stocks (other than subsidiaries and affiliates) (*1)	22,596	86,527	841
3) Partnership investments (subsidiaries and affiliates) (*2)	70,822	81,167	789
4) Partnership investments (other than subsidiaries and affiliates) (*2)	6,760	17,878	173
Total	¥ 100,178	¥ 187,072	$ 1,818

(*1) Since unlisted stocks do not have quoted market prices available and their fair value is extremely difficult to be determined, fair values are not stated.
(*2) For partnership investments composed of unlisted stocks that do not have quoted market prices available and for which fair value is extremely difficult to be determined, fair values are not stated.

(Note 3) Redemption schedule for receivables and redeemable securities with future redemption dates

March 31, 2013 (In millions of yen)

	Due within one year	Due after one year but within three years	Due after three years but within five years	Due after five years but within seven years	Due after seven years but within ten years	Due after ten years
Due from banks (*1)	¥ 837,986	¥ —	¥ —	¥ —	¥ —	¥ —
Receivables under resale agreements	284,902	—	—	—	—	—
Securities (*2)						
Available-for-sale securities	1,620	7,279	12,900	—	—	—
Loans and bills discounted (*2)	939,299	2,931,552	1,724,192	1,517,443	1,704,365	1,569,549
Total	¥ 2,063,809	¥ 2,938,832	¥ 1,737,092	¥ 1,517,443	¥ 1,704,365	¥ 1,569,549

(*1) Demand deposits contained within due from banks are stated as "Due within one year."
(*2) Within loans, the figure for claims against bankrupt borrowers, substantially bankrupt borrowers, and potentially bankrupt borrowers contains an amount of ¥168,725 million that is not expected to be redeemed and not included in the table above.

March 31, 2014 (In millions of yen)

	Due within one year	Due after one year but within three years	Due after three years but within five years	Due after five years but within seven years	Due after seven years but within ten years	Due after ten years
Due from banks (*1)	¥ 723,189	¥ —	¥ —	¥ —	¥ —	¥ —
Receivables under resale agreements	202,733	—	—	—	—	—
Securities (*2)						
Available-for-sale securities	1,781	11,092	18,800	8,000	2	—
Loans and bills discounted (*2)	1,801,513	2,551,912	2,267,384	1,989,365	2,020,247	1,853,015
Total	¥ 2,729,217	¥ 2,563,004	¥ 2,286,184	¥ 1,997,365	¥ 2,020,250	¥ 1,853,015

March 31, 2014 (In millions of U.S. dollars)

	Due within one year	Due after one year but within three years	Due after three years but within five years	Due after five years but within seven years	Due after seven years but within ten years	Due after ten years
Due from banks (*1)	$ 7,027	$ —	$ —	$ —	$ —	$ —
Receivables under resale agreements	1,970	—	—	—	—	—
Securities (*2)						
Available-for-sale securities	17	108	182	78	0	—
Loans and bills discounted (*2)	17,504	24,795	22,031	19,329	19,629	18,004
Total	$ 26,518	$ 24,903	$ 22,213	$ 19,407	$ 19,629	$ 18,004

(*1) Demand deposits contained within due from banks are stated as "Due within one year."
(*2) Within loans, the figure for claims against bankrupt borrowers, substantially bankrupt borrowers, and potentially bankrupt borrowers contains an amount of ¥171,962 million ($1,671 million) that is not expected to be redeemed and not included in the tables above.
(*3) The information about cash collateral paid for financial instruments is omitted since there is no fixed maturity date for repayments.

(Note 4) Redemption schedule for borrowings, bonds and other interest-bearing liabilities with future redemption dates

March 31, 2013 (In millions of yen)

	Due within one year	Due after one year but within three years	Due after three years but within five years	Due after five years but within seven years	Due after seven years but within ten years	Due after ten years
Borrowings	¥ 829,816	¥ 2,289,560	¥ 3,561,380	¥ 349,142	¥ 204,700	¥ —
Bond payable	321,440	898,417	760,590	197,562	20,000	20,000
Total	¥ 1,151,256	¥ 3,187,977	¥ 4,321,970	¥ 546,704	¥ 224,700	¥ 20,000

March 31, 2014 (In millions of yen)

	Due within one year	Due after one year but within three years	Due after three years but within five years	Due after five years but within seven years	Due after seven years but within ten years	Due after ten years
Borrowings	¥ 966,128	¥ 1,708,232	¥ 5,024,647	¥ 28,900	¥ 679,800	¥ —
Bond payable	386,347	1,037,338	1,015,675	152,806	102,920	20,000
Total	¥ 1,352,475	¥ 2,745,570	¥ 6,040,322	¥ 181,706	¥ 782,720	¥ 20,000

March 31, 2014 (In millions of U.S. dollars)

	Due within one year	Due after one year but within three years	Due after three years but within five years	Due after five years but within seven years	Due after seven years but within ten years	Due after ten years
Borrowings	$ 9,387	$ 16,598	$ 48,821	$ 281	$ 6,605	$ —
Bond payable	3,754	10,079	9,868	1,485	1,000	194
Total	$ 13,141	$ 26,677	$ 58,689	$ 1,766	$ 7,605	$ 194

(*1) The information about cash collateral received for financial instruments is omitted since there is no fixed maturity date for repayments.

17. Market Value of Securities

The following tables contain information relating to negotiable certificates of deposit as well as "Other securities" that are presented in the balance sheets.

(a) Trading securities
Not applicable

(b) Held-to-maturity debt securities with market value
Not applicable

(c) Available-for-sale securities

March 31, 2013 (In millions of yen)

Type		Carrying Amount	Acquisition cost	Difference
Securities whose carrying amount exceeds their acquisition cost	Stocks	¥ —	¥ —	¥ —
	Debt securities	—	—	—
	Japanese government bonds	—	—	—
	Corporate bonds	—	—	—
	Other	18,205	18,000	205
Subtotal		18,205	18,000	205
Securities whose carrying amount does not exceed their acquisition cost	Stocks	—	—	—
	Debt securities	—	—	—
	Japanese government bonds	—	—	—
	Corporate bonds	—	—	—
	Other	273,797	273,800	(2)
Subtotal		273,797	273,800	(2)
Total		¥ 292,002	¥ 291,800	¥ 202

March 31, 2014 (In millions of yen)

Type		Carrying Amount	Acquisition cost	Difference
Securities whose carrying amount exceeds their acquisition cost	Stocks	¥ —	¥ —	¥ —
	Debt securities	—	—	—
	Japanese government bonds	—	—	—
	Corporate bonds	—	—	—
	Other	37,502	36,881	620
Subtotal		37,502	36,881	620
Securities whose carrying amount does not exceed their acquisition cost	Stocks	—	—	—
	Debt securities	—	—	—
	Japanese government bonds	—	—	—
	Corporate bonds	—	—	—
	Other	182,627	182,628	(0)
Subtotal		182,627	182,628	(0)
Total		¥ 220,129	¥ 219,509	¥ 619

March 31, 2014 (In millions of U.S. dollars)

Type		Carrying Amount	Acquisition cost	Difference
Securities whose carrying amount exceeds their acquisition cost	Stocks	$ —	$ —	$ —
	Debt securities	—	—	—
	Japanese government bonds	—	—	—
	Corporate bonds	—	—	—
	Other	365	359	6
Subtotal		365	359	6
Securities whose carrying amount does not exceed their acquisition cost	Stocks	—	—	—
	Debt securities	—	—	—
	Japanese government bonds	—	—	—
	Corporate bonds	—	—	—
	Other	1,774	1,774	(0)
Subtotal		1,774	1,774	(0)
Total		$ 2,139	$ 2,133	$ 6

(d) Held-to-maturity debt securities sold during the fiscal years ended March 31, 2013 and March 31, 2014
Not applicable

(e) Available-for-sale securities sold during the fiscal years ended March 31, 2013 and March 31, 2014
Not applicable

(f) Change in classification of securities
Not applicable

(g) Impairment of securities
Not applicable

(h) Money held in trust

(i) Money held in trust for trading purposes

Not applicable

(ii) Money held in trust for holding-to-maturity purposes

Not applicable

(iii) Other money held in trust (other than investment and holding-to-maturity purposes)

Not applicable

(i) Net unrealized gains (losses) on available-for-sale securities are as follows;

Fiscal year ended March 31, 2013		(In millions of yen)
Valuation difference	¥	2,221
Available-for-sale securities (*)		2,221
Other money held in trust		—
Valuation difference on available-for-sale securities		2,221

(*) "Available-for-sale securities" includes foreign exchange translation differences in respect of available-for-sale securities whose fair value cannot be readily determined.

Fiscal year ended March 31, 2014		(In millions of yen)
Valuation difference	¥	5,472
Available-for-sale securities (*)		5,472
Other money held in trust		—
Valuation difference on available-for-sale securities		5,472

(*) "Available-for-sale securities" includes foreign exchange translation differences in respect of available-for-sale securities whose fair value cannot be readily determined.

Fiscal year ended March 31, 2014		(In millions of U.S. dollars)
Valuation difference	$	53
Available-for-sale securities (*)		53
Other money held in trust		—
Valuation difference on available-for-sale securities		53

(*) "Available-for-sale securities" includes foreign exchange translation differences in respect of available-for-sale securities whose fair value cannot be readily determined.

18. Derivative transactions

Notes to derivative transactions in the fiscal years ended March 31, 2013 and March 31, 2014 are as follows;

(a) Derivative transactions not qualifying for hedge accounting

(i) Interest rate-related transactions

Not applicable

(ii) Currency-related transactions

Not applicable

(iii) Equity-related transactions

Not applicable

(iv) Bond-related transactions

Not applicable

(v) Commodity-related transactions

Not applicable

(vi) Credit derivative transactions

Not applicable

(b) Derivative transactions qualifying for hedge accounting

For derivative transactions qualifying for hedge accounting, contract value as of the settlement date or notional amount defined in agreements, and fair value and its calculation method, by hedged item and by hedge accounting method, are as follows. Contract value does not indicate the market risk of the derivative transactions.

(i) Interest rate-related transactions

Fiscal year ended March 31, 2013 (In millions of yen)

Hedge accounting	Type	Major hedged items	Contract value	Contract value (Maturing after one year)	Fair value
Basic accounting method	Interest rate swap	Loans and bills discounted Borrowings Corporate bonds			
	Receive/fixed and pay/floating		¥ 1,705,469	¥ 1,556,724	¥ 69,240
	Receive/floating and pay/fixed		592,416	590,036	(47,370)
	Receive/floating and pay/floating		58,504	58,504	69
	Total		¥ —	¥ —	¥ 21,940

Fiscal year ended March 31, 2014 (In millions of yen)

Hedge accounting	Type	Major hedged items	Contract value	Contract value (Maturing after one year)	Fair value
Basic accounting method	Interest rate swap	Loans and bills discounted Borrowings Corporate bonds			
	Receive/fixed and pay/floating		¥ 2,270,081	¥ 2,036,403	¥ 42,953
	Receive/floating and pay/fixed		606,933	600,508	(29,642)
	Receive/floating and pay/floating		44,043	44,043	6
	Total		¥ —	¥ —	¥ 13,316

Fiscal year ended March 31, 2014 (In millions of U.S. dollars)

Hedge accounting	Type	Major hedged items	Contract value	Contract value (Maturing after one year)	Fair value
Basic accounting method	Interest rate swap	Loans and bills discounted Borrowings Corporate bonds			
	Receive/fixed and pay/floating		$ 22,057	$ 19,786	$ 417
	Receive/floating and pay/fixed		5,897	5,835	(288)
	Receive/floating and pay/floating		428	428	0
	Total		$ —	$ —	$ 129

(Note) Calculation of fair value is based on the discounted cash flows.

(ii) Currency-related transactions

Fiscal year ended March 31, 2013 (In millions of yen)

Hedge accounting	Type	Major hedged items	Contract value	Contract value (Maturing after one year)	Fair value
Basic accounting method	Currency swap	Loans and bills discounted Borrowings Corporate bonds	¥ 4,149,728	¥ 3,754,303	¥ 209,632
	Forward foreign exchange contracts	Loans and bills discounted			
	Sell		29	—	0
	Buy		84	—	4
	Total		¥ —	¥ —	¥ 209,636

Fiscal year ended March 31, 2014 (In millions of yen)

Hedge accounting	Type	Major hedged items	Contract value	Contract value (Maturing after one year)	Fair value
Basic accounting method	Currency swap	Loans and bills discounted Borrowings Corporate bonds	¥ 4,866,517	¥ 4,217,463	¥ (243,820)
	Forward foreign exchange contracts	Loans and bills discounted			
	Sell		1,635	—	(2)
	Buy		79	—	0
	Total		¥ —	¥ —	¥ (243,821)

Fiscal year ended March 31, 2014 (In millions of U.S. dollars)

Hedge accounting	Type	Major hedged items	Contract value	Contract value (Maturing after one year)	Fair value
Basic accounting method	Currency swap	Loans and bills discounted Borrowings Corporate bonds	$ 47,284	$ 40,978	$ (2,369)
	Forward foreign exchange contracts	Loans and bills discounted			
	Sell		16	—	(0)
	Buy		1	—	0
	Total		$ —	$ —	$ (2,369)

Note 1. These are mainly accounted for using the deferred method of hedge accounting under "Accounting and Auditing Treatment Relating to Adoption of Accounting Standard for Foreign Currency Transactions for Banks" (JICPA Industry Audit Committee Report No.25).

Note 2. Calculation of fair value is based on the discounted cash flows.

(iii) Equity-related transactions
Not applicable

(iv) Bond-related transactions
Not applicable

19. Retirement benefits

Fiscal year ended March 31, 2013

JBIC has a defined benefit pension plan comprising a welfare pension fund plan and a lump-sum severance indemnity plan.

(a) The funded status of the pension plans

Disposition		March 31, 2013 (In millions of yen)
Projected benefit obligation	(A)	¥ (20,375)
Fair value of plan assets	(B)	4,780
Unfunded pension obligation	(C) = (A) + (B)	(15,595)
Unrecognized prior service costs	(D)	—
Actuarial unrecognized difference	(E)	—
Net amount recognized on the balance sheets	(F) = (C) + (D) + (E)	(15,595)
Prepaid pension cost	(G)	—
Provision for retirement benefits	(H) = (F) – (G)	(15,595)

(b) Component of pension cost

Disposition	March 31, 2013 (In millions of yen)
Service cost	¥ 554
Interest cost	192
Expected return on plan assets	(83)
Amortization of prior service cost accounted for as expense	—
Actuarial differences accounted for as expense	2,388
Other costs	—
Net pension cost	3,051

(Note) Employee contributions to pension funds have been deducted from the service cost.

(c) Principal assumptions made

(i) Discount rate

	March 31, 2013
Discount rate	1.1%

(ii) Expected rate of return on plan assets

	March 31, 2013
Expected rate of return on plan assets	2.0%

(iii) Method of attributing the projected benefits to periods of services
Straight-line basis

(iv) Terms to amortize unrecognized prior service costs
Charged to expenses in the fiscal year of occurrence.
(v) Terms to amortize actuarial unrecognized differences
Charged to expenses in the fiscal year of occurrence.

Fiscal year ended March 31, 2014

(a) Overview of retirement benefit plans

JBIC has a defined benefit pension plan comprising a welfare pension fund plan and a lump-sum severance indemnity plan. Although JBIC's welfare pension is a multi-employer plan, the amount of the pension assets can be reasonably calculated based on the ratio of the projected benefit obligations, and the related notes are included in the notes for the defined benefit pension plan.

Under the welfare pension fund plan (funded type), pension or lump-sum payments are provided based on salary and service period. Under the lump-sum severance indemnity plan (unfunded type), lump-sum payments are provided as retirement benefit based on salary and service period.

Effective April 1, 2013, JBIC has been authorized by the Minister of Health, Labour and Welfare to be exempt from the obligations to pay future portions amounts in respect of the part of the employees' pension fund it manages for the government.

(b) Defined benefit pension plan

(i) The changes in the projected benefit obligation during the fiscal year ended March 31, 2014 are as follows:

		March 31, 2014 (In millions of yen)		March 31, 2014 (In millions of U.S. dollars)
Projected benefit obligation at the beginning of the fiscal year	¥	20,375	$	198
Service cost		461		4
Interest cost		213		2
Actuarial losses		917		9
Retirement benefit paid		(828)		(8)
Prior service costs		(1,680)		(16)
Other		25		0
Projected benefit obligation at the end of the fiscal year		19,483		189

(Note) Employee contributions to pension funds have been deducted from the service cost.

(ii) The changes in the plan assets during the fiscal year ended March 31, 2014 are as follows:

		March 31, 2014 (In millions of yen)		March 31, 2014 (In millions of U.S. dollars)
Pension assets at the beginning of the fiscal year	¥	4,780	$	46
Expected return on plan assets		95		1
Actuarial gains		561		5
Contribution by the company		166		2
Retirement benefit paid		(396)		(4)
Other		25		1
Pension assets at the end of the fiscal year		5,231		51

(iii) Reconciliation between projected benefit obligation and plan assets as of March 31, 2014 and provision for retirement benefits in the balance sheets

		March 31, 2014 (In millions of yen)		March 31, 2014 (In millions of U.S. dollars)
Funded projected obligation	¥	14,438	$	140
Fair value of plan assets		(5,231)		(51)
		9,206		89
Unfunded Projected benefit obligation		5,044		49
Unfunded pension obligation		14,251		138
Unrecognized Actuarial gains or losses		—		—
Unrecognized prior service costs		—		—
Net amount of assets and liabilities in the balance sheets		14,251		138
Provision for retirement benefits		14,251		138
Net amount of assets and liabilities in the balance sheets		14,251		138

(iv) Component of retirement benefit expense

	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
Service cost	¥ 461	$ 4
Interest cost	213	2
Expected return on plans assets	(95)	(0)
Realized Actuarial loss	355	3
Amortization of prior service cost	(1,680)	(16)
Retirement benefit expense	(745)	(7)

Note 1. Employee contributions to pension funds have been deducted from the service cost.
2. As a result of having an approval on April 1, 2013 from the Minister of Health, Labour and Welfare for an exemption from the obligations to pay benefits for future employee services related to the substitutional portion of the pension fund, prior service costs of ¥927 million ($9 million) have been recognized as expenses in the fiscal year ended March 31, 2014. In addition, due to the amendment to the regulations on retirement allowance made effective December 20, 2013, prior service costs of ¥753 million ($7 million) have been recognized as expenses during the fiscal year ended March 31, 2014.

(v) Plan assets

① Major components of Plan assets

Percentages of components to the total are as follows;

Debt securities	40%
Stocks	45%
General account of life insurance company	11%
Cash and due from banks	4%
Total	100%

② Method of determining the long-term expected rate of return on plan assets

The long-term expected rate of return on plan assets is determined based on the current and projected pension asset allocations as well as on the current and future rates of return expected from various assets that are components of plan assets.

(vi) Principal assumptions used

Principal assumptions used in actuarial calculations for the fiscal year ended March 31, 2014

	March 31, 2014
Discount rate	1.1%

	March 31, 2014
Expected rate of return on plan assets	2.0%

(c) Defined contribution plan

JBIC does not have a defined contribution plan.

20. Deferred tax accounting

JBIC does not apply deferred tax accounting since JBIC is a nontaxable entity classified in the Article 2, Paragraph 5 of the Corporation Tax Act (Act No. 34, 1965).

21. Segment Information

(a) Segment summary

The Reportable Segments of JBIC are components for which discrete financial information is available and whose operating results are regularly reviewed by CEO and Board of Directors to assess performance.

JBIC conducts its operations by creating relevant accounts for each of the operations set forth in the JBIC Act and other laws and regulations and had defined its Reportable Segments to be JBIC Operations and Financial Operations for Facilitating the Realignment of the United States Forces in Japan. However, as of September 30, 2012, JBIC terminated the Financial Operations for Facilitating the Realignment of the United States Forces in Japan.

Therefore, JBIC has changed to a single reportable segment comprised of loan, guarantee and equity participation operations.

(b) Basis of calculation for segment information by reportable segments

The accounting policies of segment are substantially the same as those described in “Significant accounting policies.”

Segment profit is based on net income.

(c) Segment information by reportable segments.
Fiscal year ended March 31, 2013 (From April 1, 2012 to March 31, 2013)

(In millions of yen)

	JBIC operations	Financial operations for facilitating realignment of United States Forces in Japan	Reportable Segment (Subtotal)	Adjustments and eliminations	TOTAL
Ordinary income					
Ordinary income from outside customers	¥ 217,035	¥ 256	¥ 217,291	¥ —	¥ 217,291
Inter-segment ordinary income	4	1	5	(5)	—
Total	¥ 217,040	¥ 257	¥ 217,297	¥ (5)	¥ 217,291
Segment profit	¥ 63,370	¥ 214	¥ 63,585	¥ —	¥ 63,585
Segment assets	14,430,245	—	14,430,245	—	14,430,245
Segment liabilities	12,083,506	—	12,083,506	—	12,083,506
Other items					
Depreciation and amortization	1,018	0	1,018	—	1,018
Interest income	167,947	—	167,947	—	167,947
Interest expenses	119,510	—	119,510	—	119,510
Extraordinary income	1	—	1	—	1
Extraordinary loss	—	—	—	—	—
Increase in property, plant and equipment, and intangible assets	803	—	803	—	803

Note 1. Ordinary income is shown in place of sales for non-financial companies.
2. Adjustments for segment profits include ¥5 million of elimination of inter-segment transactions.

Fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)
Information has been omitted as JBIC has a single reportable segment comprised of loan, guarantee and equity participation operations.

(d) Related information
Fiscal year ended March 31, 2013 (From April 1, 2012 to March 31, 2013)
(i) Information about services
JBIC classifies its operation into two operation accounts for financial reporting purposes. Refer to "21 (c). Segment information by reportable segments" for information about Services.
(ii) Information about geographical areas
① Ordinary income:

(In millions of yen)

Japan	Asia/Oceania	Europe/ Middle East/Africa	North America/ Latin America	Total
¥ 40,852	¥ 70,528	¥ 54,300	¥ 51,610	¥ 217,291

Note 1. Ordinary income is shown in place of Sales for non-financial companies.
2. Ordinary income is classified into "Japan", "Asia/ Oceania", "Europe/ Middle East/ Africa" and "North America/ Latin America" depending on the customers' location.

② Property, plant and equipment
The information about property, plant and equipment is omitted since more than 90% of property, plant equipment on the balance sheets are located in Japan.
(iii) Information about major customers
The information about major customers is omitted since there are no transactions with a certain customer which result in more than 10% of ordinary income on the Statement of Operation.

Fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014)
(i) Information about services
The information about services is omitted since ordinary income from outside customers in relation to the loan, guarantee and equity participation operations is more than 90% of ordinary income on the Statement of Operation.

(ii) Information about geographical areas

① Ordinary income:

(In millions of yen)

Japan	Asia/Oceania	Europe/ Middle East/Africa	North America/ Latin America	Total
¥ 42,639	¥ 74,722	¥ 61,188	¥ 47,549	¥ 226,100

(In millions of U.S. dollars)

Japan	Asia/Oceania	Europe/ Middle East/Africa	North America/ Latin America	Total
$ 414	$ 726	$ 595	$ 462	$ 2,197

Note 1. Ordinary income is shown in place of Sales for non-financial companies.
2. Ordinary income is classified into "Japan", "Asia/ Oceania", "Europe/ Middle East/ Africa" and "North America/ Latin America" depending on the customers' location.

② Property, plant and equipment
The information about property, plant and equipment is omitted since more than 90% of property, plant equipment on the balance sheets are located in Japan.

(iii) Information about major customers
The information about major customers is omitted since there are no transactions with a certain customer which result in more than 10% of ordinary income on the Statement of Operation.

(i) Information about impairment loss of property, plant and equipment in Reportable Segments
Not applicable

(ii) Information about the amortization and balance of goodwill in Reportable Segments
Not applicable

(e) Information about the gains from recognition of negative goodwill in Reportable Segments
Not applicable

22. Profit and loss on equity method

(a) Affiliates

	March 31, 2013 (In millions of yen)	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
Investment in affiliates	¥ 70,822	¥ 82,666	$ 803
Investment in affiliates (equity method)	70,822	82,666	803
Profit of Investment in affiliates (equity method)	—	—	—

(b) Special purpose entities
Not applicable

23. Related-party transactions

Related party transactions in the fiscal years ended March 31, 2013 and March 31, 2014 are as follows;

(a) Transactions with parent company and major shareholder companies

Fiscal year ended March 31, 2013 (From April 1, 2012 to March 31, 2013) (In millions of yen)

	Corporate name	Location	Capital	Business	Ratio to Total Voting Rights (%)	Relation with related parties	Transactions	Amounts of transactions (Note 5)	Items	Balance as of March 31, 2013 (Note 5)
Principal shareholder	Ministry of Finance (Minister of Finance) (Note 1)	Chiyoda-ku, Tokyo	—	Administration for policy based financing	100 (Direct)	Receipt of funds, etc.	Underwriting of capital increase (Note 2)	¥ 69,000	—	¥ —
							Receipt of funds (Note 3)	2,144,992	Borrowings	7,234,598
							Repayment of borrowing	645,564		
							Payment of interest on borrowings	63,723	Accrued expenses	14,675
							Guarantee for corporate bonds (Note 4)	1,526,051	—	—

Note 1. Transactions with ministries and agencies other than the Ministry of Finance are as follows;
Ministry of Defense: Receipts from the national budget (subsidy from the government) ¥ 256 million

2. The underwriting of capital increase represents the increase in capital through shareholder allocation by JBIC at an allocation amount of ¥1 per share.
3. Receipt of funds represents borrowings from the FILP special account and foreign exchange funds special account. FILP interest rates are applied under the FILP agreement, while the interest rate under the respective agreements with foreign exchange funds special account is applied to the borrowing from foreign exchange funds.
4. No guarantee fee has been paid for the guarantee of bonds.
5. Figures in the table above do not include consumption taxes.

Fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014) (In millions of yen)

	Corporate name	Location	Capital	Business	Ratio to Total Voting Rights (%)	Relation with related parties	Transactions	Amounts of transactions (Note 3)	Items	Balance as of March 31, 2014 (Note 3)
Principal shareholder	Ministry of Finance (Minister of Finance)	Chiyoda-ku, Tokyo	—	Administration for policy based financing	100 (Direct)	Receipt of funds, etc.	Receipt of funds (Note 1)	¥ 4,999,140	Borrowings	¥ 8,407,707
							Repayment of borrowing	4,226,036	—	—
							Payment of interest on borrowings	57,187	Accrued expenses	15,546
							Guarantee for corporate bonds (Note 2)	2,141,442	—	—

Fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014) (In millions of U.S. dollars)

	Corporate name	Location	Capital	Business	Ratio to Total Voting Rights (%)	Relation with related parties	Transactions	Amounts of transactions (Note 3)	Items	Balance as of March 31, 2014 (Note 3)
Principal shareholder	Ministry of Finance (Minister of Finance)	Chiyoda-ku, Tokyo	—	Administration for policy based financing	100 (Direct)	Receipt of funds, etc.	Receipt of funds (Note 1)	$ 48,573	Borrowings	$ 81,692
							Repayment of borrowing	41,061	—	—
							Payment of interest on borrowings	556	Accrued expenses	151
							Guarantee for corporate bonds (Note 2)	20,807	—	—

Note 1. Receipt of funds represents borrowings from the FILP special account and foreign exchange funds special account. FILP interest rates are applied under the FILP agreement, while the interest rate under the respective agreements with foreign exchange funds special account is applied to the borrowing from foreign exchange funds.
2. No guarantee fee has been paid for the guarantee of bonds.
3. Figures in the table above do not include consumption taxes.

(b) Transactions with fellow subsidiaries and affiliates' subsidiaries

Fiscal year ended March 31, 2013 (From April 1, 2012 to March 31, 2013) (In millions of yen)

	Corporate name	Location	Capital	Business	Ratio to Total Voting Rights (%)	Relation with related parties	Transactions	Amounts of transactions	Items	Balance as of March 31, 2013
Companies that had the majority of their voting rights held by principal shareholders	Japan International Cooperation Agency	Chiyoda-ku, Tokyo	¥ 7,782,076	Official development assistance	None	Joint obligor	Joint obligations	¥ 990,145 (Note 1, 4)	—	—
	Japan Finance Corporation (Note 3)	Chiyoda-ku, Tokyo	3,455,015	Finance	None	Joint obligor	Joint obligations	1,063,475 (Note 2, 4)	—	—

Note 1. JBIC assumed the obligations of the JBIC bonds in accordance with Article 12 (1) of the Supplementary Provisions of the JBIC Act, and the Japan International Cooperation Agency ("JICA") is jointly responsible for the obligations of these bonds in accordance with Article 4 (1) of Supplementary Provisions of the Japan International Cooperation Agency Act. Pursuant to Article 4 (2) hereof, all of JICA assets are pledged as general collateral for these joint obligations.
2. JBIC assumed the obligations of the JFC bonds in accordance with Article 12 (1) of Supplementary Provisions of the JBIC Act, and JFC is jointly responsible for the obligations of these bonds in accordance with Article 46-2 (1) of Supplementary Provisions of the JFC Act. Pursuant to Article 46-2 (2) hereof, all of JFC's assets are pledged as general collateral for these joint obligations.
3. JBIC is jointly responsible for the obligations of the JFC bonds of ¥ 1,085,000 million in accordance with Article 17 (1) (ii) of Supplementary Provisions of the JBIC Act. In accordance with Article 17 (2) hereof, all of JBIC's assets are all pledged as general collateral for these joint obligations.
4. In relation to these joint obligations, no transactions are recognized in the statement of operations.

Fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014) (In millions of yen)

	Corporate name	Location	Capital	Business	Ratio to Total Voting Rights (%)	Relation with related parties	Transactions	Amounts of transactions	Items	Balance as of March 31, 2014
Companies that had the majority of their voting rights held by principal shareholders	Japan International Cooperation Agency	Chiyoda-ku, Tokyo	¥ 7,832,098	Official development assistance	None	Joint obligor	Joint obligations	¥ 674,595 (Note 1, 4)	—	—
	Japan Finance Corporation (Note 3)	Chiyoda-ku, Tokyo	3,709,538	Finance	None	Joint obligor	Joint obligations	1,147,740 (Note 2, 4)	—	—

Fiscal year ended March 31, 2014 (From April 1, 2013 to March 31, 2014) (In millions of U.S. dollars)

	Corporate name	Location	Capital	Business	Business Ratio to Total Voting Rights (%)	Relation with related parties	Transactions	Amounts of transactions	Items	Balance as of March 31, 2014
Companies that had the majority of their voting rights held by principal shareholders	Japan International Cooperation Agency	Chiyoda-ku, Tokyo	$ 76,099	Official development assistance	None	Joint obligor	Joint obligations	$ 6,555 (Note 1, 4)	—	—
	Japan Finance Corporation (Note 3)	Chiyoda-ku, Tokyo	36,043	Finance	None	Joint obligor	Joint obligations	11,152 (Note 2, 4)	—	—

Note 1. JBIC assumed the obligations of the JBIC bonds in accordance with Article 12 (1) of the Supplementary Provisions of the JBIC Act, and the Japan International Cooperation Agency ("JICA") is jointly responsible for the obligations of these bonds in accordance with Article 4 (1) of Supplementary Provisions of the Japan International Cooperation Agency Act. Pursuant to Article 4 (2) hereof, all of JICA assets are pledged as general collateral for these joint obligations.

2. JBIC assumed the obligations of the JFC bonds in accordance with Article 12 (1) of Supplementary Provisions of the JBIC Act, and JFC is jointly responsible for the obligations of these bonds in accordance with Article 46-2 (1) of Supplementary Provisions of the JFC Act. Pursuant to Article 46-2 (2) hereof, all of JFC's assets are pledged as general collateral for these joint obligations.
3. JBIC is jointly responsible for the obligations of the JFC bonds of ¥780,000 million ($7,579 million) in accordance with Article 17 (1) (ii) of Supplementary Provisions of the JBIC Act. In accordance with Article 17 (2) hereof, all of JBIC's assets are all pledged as general collateral for these joint obligations.
4. In relation to these joint obligations, no transactions are recognized in the statement of operations.

24. Amounts per share

Amounts per share as of the fiscal years ended March 31, 2013 and March 31, 2014 are calculated as follows:

	March 31, 2013 (In yen)	March 31, 2014 (In yen)	March 31, 2014 (In U.S. dollars)
Net Assets per share of common stock	¥ 1.72	¥ 1.72	$ 0.02
Net income per share of common stock	0.04	0.06	0.00

Note 1. Net income per share of common stock is based on the following information.
Diluted net profit per share of common stock is not presented since there are no diluted stocks.

	March 31, 2013 (In millions of yen)	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
Net income	¥ 63,585	¥ 91,366	$ 888
Amount not attribute to common stock	—	—	—
Net income related to common stock	63,585	91,366	888
Average outstanding shares of common stock (during the period)	1,291,756,164 thousands of shares	1,360,000,000 thousands of shares	

Note 2. Net assets per share of common stock is based on the following information.

	March 31, 2013 (In millions of yen)	March 31, 2014 (In millions of yen)	March 31, 2014 (In millions of U.S. dollars)
Net Assets	¥ 2,346,738	¥ 2,341,312	$ 22,749
Deductions from net assets	—	—	—
Net Assets related to common stock	2,346,738	2,341,312	22,749
Year-end outstanding shares of common stock on which net assets per share was calculated	1,360,000,000 thousands of shares	1,360,000,000 thousands of shares	

25. Subsequent Events

JBIC resolved at the Board of Director's meeting held on June 3, 2014 to issue new share on June 27, 2014 through an allotment to the Ministry of Finance (Minister of Finance), who is the underwriter.

Overview of issuance of new shares:

Type and number of shares to be issued	31,000,000,000 shares of common stock
Issuing price	¥1 per share ($0)
Total amount of issuance	¥31,000,000,000 ($301 million)
Issue price to be transferred to capital	¥1 per share ($0)
Issue price to be transferred to regal capital surplus	¥0 per share ($0)
Total issue amount to be transferred to capital	¥31,000,000,000 ($301 million)
Total issue amount to be transferred to regal capital surplus	¥0 ($0)
Payment due date	June 27, 2014
Purpose	Funds to fully deploy the facility for promoting trades with Africa

26. Fixed assets

Fixed assets as of March 31, 2014 are as follows;

(In millions of yen)

Class of asset	Balance at the beginning of current period	Increase during the current period	Decrease during the current period	Balance at the end of current period	Accumulated depreciation	Depreciation	Net fixed assets
Property, plant and equipment							
Buildings	¥ 3,356	¥ 207	¥ 9	¥ 3,554	¥ 377	¥ 197	¥ 3,176
Land	24,694	—	—	24,694	—	—	24,694
Lease assets	54	4	14	44	13	11	31
Construction in progress	5	296	302	—	—	—	—
Other	403	562	3	962	307	206	655
Total property, plant and equipment	¥ 28,515	¥ 1,071	¥ 329	¥ 29,256	¥ 698	¥ 414	¥ 28,558
Intangible assets							
Software	¥ 1,954	¥ 1,039	¥ 15	¥ 2,978	¥ 1,416	¥ 818	¥ 1,561
Lease assets	107	—	107	—	—	11	—
Total intangible assets	¥ 2,061	¥ 1,039	¥ 122	¥ 2,978	¥ 1,416	¥ 830	¥ 1,561

(In millions of U.S. dollars)

Class of asset	Balance at the beginning of current period	Increase during the current period	Decrease during the current period	Balance at the end of current period	Accumulated depreciation	Depreciation	Net fixed assets
Property, plant and equipment							
Buildings	$ 33	$ 2	$ 0	$ 35	$ 4	$ 2	$ 31
Land	240	—	—	240	—	—	240
Lease assets	0	0	0	0	0	0	0
Construction in progress	0	3	3	—	—	—	—
Other	4	5	0	9	3	2	6
Total property, plant and equipment	$ 277	$ 10	$ 3	$ 284	$ 7	$ 4	$ 277
Intangible assets							
Software	$ 19	$ 10	$ 0	$ 29	$ 14	$ 8	$ 15
Lease assets	1	—	1	—	—	0	—
Total intangible assets	$ 20	$ 10	$ 1	$ 29	$ 14	$ 8	$ 15

27. Bonds payable

Major components of bonds payable as of March 31, 2014 are as follows;

(In millions of yen)

Description of bonds payable	Date of issuance	Balance at the beginning of current period	Balance at the end of current period	Interest rate (%)	Collateral	Maturity date	Remarks
Government guaranteed JBIC bonds 6th–8th, 13th, 17th	December 2, 2003 – June 18, 2008	¥ 399,928 (USD 2,648,972,000) (EUR 1,249,006,000)	¥ 224,533 [157,671] (USD 1,149,576,000) [USD 499,920,000] (EUR 749,871,000) [EUR 749,871,000]	4.250~ 5.250	General collateral	June 18, 2013 – March 23, 2016	*1
Government guaranteed JFC (JBIC) foreign bonds 3rd, 5–9th	June 2, 2010 – February 7, 2012	892,323 (USD 9,487,752,000)	976,878 [128,591] (USD 9,491,631,000) [USD 1,249,435,000]	1.875~ 2.875	General collateral	February 2, 2015 – February 7, 2019	*2
Government guaranteed JBIC foreign bonds 1st–7th	July 19, 2012 – March 6, 2014	233,799 (USD 1,993,929,000) (CAD 499,791,000)	940,029 (USD 7,975,922,000) (CAD 499,833,000) (GBP 423,666,000)	0.596~ 3.375	General collateral	July 19, 2017 – July 31, 2023	
JBIC FILP Agency Bonds 10th, 12th, 13th, 16th, 18th, 19th, 21st–23rd, 25th, 27th, 29th, 30th	February 6, 2004 – May 29, 2008	519,920	399,943 [49,997]	1.340~ 2.090	General collateral	December 20, 2013 – December 19, 2025	*1
JFC FILP Agency Bonds 3rd, 7th, 12th, 17th	October 29, 2009 – May 9, 2011	169,990	169,992 [50,000]	0.421~ 1.430	General collateral	December 19, 2014 – September 20, 2019	*2
Total	—	¥ 2,215,962	¥ 2,711,377	—	—	—	—

(In millions of U.S. dollars)

Description of bonds payable	Date of issuance	Balance at the beginning of current period	Balance at the end of current period	Interest rate (%)	Collateral	Maturity date	Remarks
Government guaranteed JBIC bonds 6th–8th, 13th, 17th	December 2, 2003 – June 18, 2008	$ 3,886 (USD 2,648,972,000) (EUR 1,249,006,000)	$ 2,182 [1,532] (USD 1,149,576,000) [USD 499,920,000] (EUR 749,871,000) [EUR 749,871,000]	4.250~ 5.250	General collateral	June 18, 2013 – March 23, 2016	*1
Government guaranteed JFC (JBIC) foreign bonds 3rd, 5–9th	June 2, 2010 – February 7, 2012	8,670 (USD 9,487,752,000)	9,492 [1,249] (USD 9,491,631,000) [USD 1,249,435,000]	1.875~ 2.875	General collateral	February 2, 2015 – February 7, 2019	*2
Government guaranteed JBIC foreign bonds 1st–7th	July 19, 2012 – March 6, 2014	2,272 (USD 1,993,929,000) (CAD 499,791,000)	9,134 (USD 7,975,922,000) (CAD 499,833,000) (GBP 423,666,000)	0.596~ 3.375	General collateral	July 19, 2017 – July 31, 2023	
JBIC bonds 10th, 12th, 13th, 16th, 18th, 19th, 21st–23rd, 25th, 27th, 29th, 30th	February 6, 2004 – May 29, 2008	5,052	3,886 [486]	1.340~ 2.090	General collateral	December 20, 2013 – December 19, 2025	*1
JFC corporate bonds 3rd, 7th, 12th, 17th	October 29, 2009 – May 9, 2011	1,651	1,651 [486]	0.421~ 1.430	General collateral	December 19, 2014 – September 20, 2019	*2
Total	—	$ 21,531	$ 26,345	—	—	—	—

Note 1. The amounts of foreign currency-denominated bonds are shown in original currencies in parentheses ( ).

2. Figures indicated in brackets [ ] represent the amounts to be redeemed within one year.

3. JBIC assumed the obligations in respect of the government guaranteed JBIC bonds and the JBIC bonds (Note 1) which had been issued by JBIC before JFC was established, and JBIC and JICA are jointly responsible for these obligations in accordance with the JBIC Act.

JBIC also assumed from JFC the obligations concerning the government guaranteed JFC (JBIC) foreign bonds and the JFC corporate bonds (Note 2), and JBIC and JFC are now jointly responsible for these obligations pursuant to the JBIC Act.

4. The redemption schedule of bond payable for each of the next five years as of March 31, 2014 is as follows:

(In millions of yen)

	Within 1 year	After 1 year but within 2 years	After 2 year but within 3 years	After 3 year but within 4 years	After 4 year but within 5 years
Amount	¥ 386,347	¥ 575,658	¥ 461,680	¥ 352,425	¥ 663,250

(In millions of U.S. dollars)

	Within 1 year	After 1 year but within 2 years	After 2 year but within 3 years	After 3 year but within 4 years	After 4 year but within 5 years
Amount	$ 3,754	$ 5,593	$ 4,486	$ 3,424	$ 6,444

28. Borrowings

Borrowings as of March 31, 2014 are as follows;

	Balance at the beginning of current period (In millions of yen)	Balance at the end of current period (In millions of yen)	Balance at the end of current period (In millions of U.S. dollars)	Average interest rate (%)	Due date of payment
Borrowed money	¥ 7,234,598	¥ 8,407,707	$ 81,692	0.62	—
Borrowings	7,234,598	8,407,707	81,692	0.62	April 2014 – November 2023
Lease obligation (Due within one year)	23	10	0	—	—
Lease obligation (Due after one year)	35	27	0	—	March 2018
Other interest-bearing liabilities	105,240	63,140	613	0.04	—
Cash collateral received for financial instruments	105,240	63,140	613	0.04	—

Note 1. Average interest rates represent the weighted-average interest rates of debts calculated from the interest rates and balances of debt outstanding as at the end of the current period.

2. As for the lease obligation, there is no average lease rate since the short-cut method is applied for these transactions.
3. There is no fixed maturity date for the repayment of cash collateral received for financial instruments.
4. Borrowed money and lease obligation maturities for the next five years as of March 31, 2014 are as follows;

(In millions of yen)

	Within 1 year	After 1 year but within 2 years	After 2 year but within 3 years	After 3 year but within 4 years	After 4 year but within 5 years
Borrowings	¥ 966,128	¥ 1,027,076	¥ 681,156	¥ 1,047,388	¥ 3,977,258
Lease obligations	10	10	10	6	—

(In millions of U.S. dollars)

	Within 1 year	After 1 year but within 2 years	After 2 year but within 3 years	After 3 year but within 4 years	After 4 year but within 5 years
Borrowings	$ 9,387	$ 9,979	$ 6,618	$ 10,177	$ 38,644
Lease obligations	0	0	0	0	—

29. Reserves

Reserves as of March 31, 2014 are as follows;

(In millions of yen)

	Balance at the beginning of current period	Increase during the fiscal year	Decrease during the fiscal year (use for purpose)	Decrease during the fiscal year (others)	Balance at the end of current period
Allowance for loan losses	¥ 138,891	¥ 42,584	¥ —	¥ 52,590	¥ 128,885
General allowance for loan losses	32,612	39,616	—	32,612	39,616
Specific allowance for loan losses	86,387	—	—	86	86,300
Allowance for possible losses on specific overseas loans	19,891	2,968	—	19,891	2,968
Provision for bonuses	445	483	445	—	483
Provision for directors' bonuses	5	5	5	—	5
Provision for directors' retirement benefits	29	6	15	—	20
Total	¥ 139,372	¥ 43,080	¥ 466	¥ 52,590	¥ 129,395

(In millions of U.S. dollars)

	Balance at the beginning of current period	Increase during the fiscal year	Decrease during the fiscal year (use for purpose)	Decrease during the fiscal year (others)	Balance at the end of current period
Allowance for loan losses	$ 1,350	$ 413	$ —	$ 511	$ 1,252
General allowance for loan losses	317	385	—	317	385
Specific allowance for loan losses	839	—	—	0	839
Allowance for possible losses on specific overseas loans	194	28	—	194	28
Provision for bonuses	4	5	4	—	5
Provision for directors' bonuses	0	0	0	—	0
Provision for directors' retirement benefits	0	0	0	—	0
Total	$ 1,354	$ 418	$ 4	$ 511	$ 1,257

Note The main factors in the decrease during the fiscal year in each of the following reserves is as follows:
General allowance for possible loan losses: Decrease is due to reversal
Specific allowance for possible loan losses: Decrease is due to collection, etc.
Allowance for possible losses on specific overseas loans: Decrease is due to reversal

30. Asset Retirement Obligation

Not applicable

31. Components of major assets and liabilities

Components of major assets and liabilities as of March 31, 2014 are as follows:

(a) Assets:
- (i) Due from banks:
  Deposits with Bank of Japan (¥42,366 million ($412 million)) and other banks (¥680,822 million ($6,616 million))
- (ii) Other securities:
  Foreign securities (¥227,201 million ($2,208 million))
- (iii) Prepaid expenses:
  General and administrative expenses (¥317 million ($3 million))
- (iv) Accrued income:
  Accrued interest on loans (¥34,737 million ($338 million)), and others
- (v) Other:
  Guarantees other (¥139 million ($1 million)) and suspense payments (¥131 million ($1 million))

(b) Liabilities
- (i) Accrued expenses:
  Accrued interest on borrowings and rediscounts (¥15,546 million ($151 million)), accrued interest on bonds (¥13,167 million ($128 million)), and others
- (ii) Unearned revenue:
  Guarantee commission (¥51,975 million ($505 million)), and others
- (iii) Other liabilities
  Suspense receipts (¥170 million ($2 million)), and others

2. Composition of Liabilities and Net Assets

(Unit: millions of yen, %)

	March 31, 2013		March 31, 2014	
	Amount	% (Note)	Amount	% (Note)
Liabilities	12,083,506	83.7	14,004,734	85.7
Borrowed Money	7,234,598	50.1	8,407,707	51.4
Bonds Payable	2,215,962	15.4	2,711,377	16.6
Acceptances and Guarantees	2,400,699	16.6	2,422,658	14.8
Other	232,247	1.6	462,990	2.8
Net Assets	2,346,738	16.3	2,341,312	14.3
Capital Stock	1,360,000	9.4	1,360,000	8.3
Retained Earnings	851,685	5.9	911,366	5.6
Valuation Difference on Available-for-sale Securities	2,221	0.0	5,472	0.0
Deferred Gains or Losses on Hedges	132,831	0.9	64,472	0.4
Total Liabilities and Net Assets	**14,430,245**	**100**	**16,346,047**	**100**

(Note) Ratio to Liabilities and Net Assets added.

(Information on the Capital Adequacy Ratios)
Although the Banking Act does not apply to JBIC, the capital adequacy ratios which are calculated in accordance with Basel II framework (the standardized approach/International Financial Reporting Standards) are set in the table below.

(Unit: millions of yen)

Core Capital (Tier I)	(A)	2,231,156
Supplementary Capital (Tier II)	(B)	39,616
Exclusion	(C)	—
Total Capital (A)+(B)−(C)	(D)	2,270,772
Risk Assets, etc.	(E)	12,632,451
Total Capital Ratio (D)/(E)		17.98%

3. The Average Balance of Interest-earning Assets and Interest-bearing Liabilities, Interest and Earning Yields

(Unit: millions of yen, %)

	Fiscal Year Ended March 31, 2013			Fiscal Year Ended March 31, 2014		
	Average Balance	Interest	Earning Yields	Average Balance	Interest	Earning Yields
Interest-earning Assets	9,908,559	167,947	1.69	13,126,752	181,143	1.38
Loans and Bills Discounted	8,630,420	132,408	1.53	11,864,173	149,769	1.26
Due from Banks	461,807	1,232	0.27	640,483	1,623	0.25
Interest-bearing Liabilities	8,384,335	119,510	1.43	10,731,675	115,677	1.08
Borrowed Money	5,874,376	63,797	1.09	8,161,468	57,187	0.70
Bonds Payable	2,222,932	55,476	2.50	2,487,554	58,430	2.35

4. Breakdown of Operating Expenses

(Unit: millions of yen)

	Fiscal Year Ended March 31, 2013	Fiscal Year Ended March 31, 2014
Salaries and Other Compensations	4,685	4,763
Expenses for Retirement Benefits	3,051	(745)
Welfare Benefits	545	639
Amortization of Property and Equipment	1,018	1,245
Leasing on Land, Buildings and Machinery	184	163
Building Maintenance	229	77
Supplies	202	328
Utilities	94	107
Traveling Expenses	1,270	1,297
Communications	92	109
Advertising Expenses	3	2
Fees, Donations and Social Expenses	14	13
Taxes	298	313
Other	5,859	6,636
Total	**17,551**	**14,952**

5. Balance of Due from Banks, Receivables under Resale Agreements and Securities —Application of Surplus Funds

(Unit: millions of yen)

	March 31, 2013	March 31, 2014
Due from Banks in Japanese Yen	310,000	180,000
Due from Banks in Foreign Currencies	425,707	437,086
Receivables under Resale Agreements	284,902	202,733
Securities	—	—

6. Information on Derivative Transactions

(1) Basic Policy for Derivative Transactions

JBIC engages in derivatives transactions exclusively for the purpose of hedging exchange rate and interest rate risks.

(2) Transactions

Derivatives transactions of JBIC include interest rate and currency swaps and forward exchange contracts. The following table gives a summary of these transactions.

(3) Risks Involved in Derivatives Transactions

Derivatives transactions involve the following risks.

Counterparty Credit Risk

The potential loss from the failure of a counterparty to perform its obligations in accordance with the terms and conditions of the contract governing transactions due to bankruptcy or its deteriorating business performance.

Market Risk

The potential loss from changes in the market value of financial products due to fluctuations in interest rates or exchange rates in the market.

(4) Measures to Address These Risks

Counterparty Credit Risk

JBIC constantly monitors the market value of a derivative in making transaction with each counterparty, credit risk exposure to it and its creditworthiness. Such information is then used to assess the appropriateness of making transaction with it.

Market Risk

JBIC utilizes derivatives transactions exclusively for the purpose of hedging. Therefore, the market risk on derivatives transactions and the risk on hedged (lending or funding) transactions, in principle, offset each other.

(As of March 31, 2014; 100 millions of yen)

	Contract Amounts / Notional Amounts	Credit Risk Amounts	Market Value
Interest Rate Swaps	29,621	708	133
Currency Swaps	48,665	4,324	(2,438)
Forward Exchange Contracts	17	0	0
Other Derivatives	—	—	—
Credit Risk Reductions through Netting		(3,026)	
Total	**78,304**	**2,006**	**(2,305)**

(Note) "The credit risk amounts" are calculated under Uniform International Standards in accordance with the Banking Act of Japan and the related regulations.

7. Yield / Interest Rate

(Unit: %)

	Fiscal Year Ended March 31, 2013	Fiscal Year Ended March 31, 2014
(A)−(B)	0.27	0.30
Yields on Interest-earning Assets (A)	1.70	1.38
Costs of Interest-bearing Liabilities (B)	1.43	1.08

(Note) Yields on Interest-earning Assets = Interest / Average Balance of Interest-earning Assets
Costs of Interest-bearing Liabilities = Interest Expenses / Average Balance of Interest-bearing Liabilities
Cf. Interest = Interest on Loans and Discounts + Interest on Securities + Interest on Receivables under Resale Agreements + Interest on Deposits with Banks + Interest on interest swaps + Other interest income
Average Balance of Interest-earning Assets = Loans and Bills Discounted + Securities + Receivables under Resale Agreements + Cash Equivalents (excluding current account deposit) + Cash collateral paid for financial instruments
Interest Expenses = Interest on Borrowings and Rediscounts + Interest on Bonds + Interest on interest swaps + Other interest expenses
Average Balance of Interest-bearing Liabilities = Borrowed Money + Bonds Payable + Cash collateral received for financial instruments

8. Loans Outstanding per Employee

(Unit: millions of yen)

March 31, 2013	March 31, 2014
19,692	23,923

9. Loans Outstanding by Industry

(Unit: millions of yen)

Industry	March 31, 2013		March 31, 2014	
	Number of Loans	Balance	Number of Loans	Balance
Manufacturing	91	297,487	90	324,494
Mining and Quarrying of Stone and Gravel	10	280,876	9	314,828
Construction	2	2,628	2	1,911
Electricity, Gas, Heat Supply, and Water	5	327,458	6	357,931
Information and Communications	1	1,400	2	221,000
Transport and Postal Services	5	41,636	5	32,537
Wholesale Trade	19	857,525	17	877,287
Finance and Insurance	16	1,901,498	20	2,338,289
Goods Rental and Leasing	7	45,300	3	197,512
Overseas Yen Loan and Domestic Loans Transferred Overseas	450	6,807,548	484	7,989,608
Total, Including Others	**606**	**10,563,360**	**638**	**12,655,401**
Loans Outstanding to Small and Medium-sized Enterprises	72	10,447	102	15,847
Loans Outstanding to Mid-tier Enterprises	60	20,524	62	28,876

(Note) In this table, small and medium-sized enterprises are defined as domestic corporations with the capital of ¥300 million or less or corporations and individuals having 300 or less employees on the regular pay roll.
Mid-tier enterprises are defined as domestic corporations with the capital of ¥1 billion or less (excluding small and medium-sized enterprises).

10. Write-off of Loans

(Unit: millions of yen)

Fiscal Year Ended March 31, 2013	Fiscal Year Ended March 31, 2014
—	—

11. Assets in Major Foreign Currencies

(Unit: thousands of regarding currency unit)

	March 31, 2013	March 31, 2014
Cash Equivalents in Foreign Currency (US$)	5,110,297	3,954,743
Cash Equivalents in Foreign Currency (STG£)	17,793	445,717
Cash Equivalents in Foreign Currency (EUR)	10,411	12,824
Cash Equivalents in Foreign Currency (AUD)	0	—
Cash Equivalents in Foreign Currency (THB)	—	0
Cash Equivalents in Foreign Currency (CAD)	192,465	116,897
Investments in Foreign Currency (US$)	900,047	1,104,649
Equity Investments in Foreign Currency (US$)	103,588	125,652
Equity Investments in Foreign Currency (EUR)	0	0
Equity Investments in Foreign Currency (CNY)	18,000	65,580
Equity Investments in Foreign Currency (INR)	—	260,000
Equity Investments in Foreign Currency (SGD)	165,999	165,999
Loans in Foreign Currency (US$)	88,219,328	97,601,044
Loans in Foreign Currency (EUR)	558,771	1,035,388
Loans in Foreign Currency (ZAR)	359,900	756,400
Loans in Foreign Currency (AUD)	330,397	2,930,397
Loans in Foreign Currency (THB)	3,132,900	4,603,900
Loans in Foreign Currency (SDR)	669,180	467,883
Loans in Foreign Currency (CAD)	1,209,770	1,286,635
Loans in Foreign Currency (CNY)	—	75,340
Loans in Foreign Currency (IDR)	230,000,000	386,500,000

12. Administrative Expense Ratio

(Units: %)

	Fiscal Year Ended March 31, 2013	Fiscal Year Ended March 31, 2014
Administrative Expense Ratio	0.16	0.10

(Note) Administrative Expense Ratio = General and Administrative Expenses / (Average Balance of Loans and Bills Discounted + Average Balance of Securities + Average Balance of Customers' Liabilities for Acceptances and Guarantees)

13. Balance of Loans / Borrowings, Bonds and Notes by Maturity

Maturity Structure of Loans as of March 31, 2014

(Unit: 100 millions of yen)

Maturity	Collection from Loans
1 Year or Less	18,015
1–2 Years	15,114
2–3 Years	10,405
3–4 Years	11,713
4–5 Years	10,960
5–6 Years	10,491
6–7 Years	9,402
7–8 Years	8,120
8–9 Years	6,745
9–10 Years	5,336
11-15 Years	14,884
16-20 Years	3,558
21-25 Years	76
26-30 Years	11
31-35 Years	—
36-40 Years	—
Over 40 Years	—
Total	**124,834**

(Note) The figures exclude: ¥171,962 million, the amount of loans and other credits to debtors who are legally or substantially bankrupt, as well as those who are likely to become bankrupt, since they have no prospect for redemption.

Maturity Structure of Long-term Borrowing and Borrowings from the Foreign Exchange Fund Special Account as of March 31, 2014

(Unit: 100 millions of yen)

Maturity	Repayment of Borrowings
1 Year or Less	9,661
1–2 Years	10,270
2–3 Years	6,811
3–4 Years	10,473
4–5 Years	39,772
5–6 Years	190
6–7 Years	99
7–8 Years	—
8–9 Years	2,047
9–10 Years	4,751
Over 10 Years	—
Total	**84,077**

Maturity Structure of Bonds and Notes as of March 31, 2014

(Unit: 100 millions of yen)

Maturity	Redemption of Bonds and Notes
1 Year or Less	3,863
1–2 Years	5,756
2–3 Years	4,616
3–4 Years	3,524
4–5 Years	6,632
5–6 Years	600
6–7 Years	928
7–8 Years	—
8–9 Years	—
9–10 Years	1,029
Over 10 Years	200
Total	**27,150**

14. Information on the Quality of Assets

Although the Banking Act and Act on Emergency Measures for the Revitalization of the Financial Functions of 1998 (the "Financial Revitalization Act") do not apply to JBIC, JBIC has made a self-assessment of the quality of its assets since the fiscal year ended March 31, 2001, in accordance with the standards set forth in the *Inspection Manual for Deposit-Taking Institutions* (last revised in March, 2014) of the Financial Services Agency of Japan. This was aimed at increasing disclosure on its asset quality and improving the internal management of credit risks.

One characteristic of JBIC's operations is that a considerable portion of its loans is official credit for the governments of developing countries. Thus, when an indebted country is temporarily unable to service debt due to economic difficulties, debt rescheduling will sometimes take place—based on an international agreement among the creditor countries in the Paris Club—in order to ensure sustainable debt service. A debtor country receiving such temporary support for overcoming the liquidity problem will implement economic restructuring programs agreed upon with the International Monetary Fund (IMF) to acquire sustainable debt service capacity.

The loans rescheduled under the agreement in the Paris Club have a high probability of repayment, because, unlike loans provided by private financial institutions, their nature as official credit provides an asset-securing mechanism under the above international framework. Nonetheless, to facilitate comparison with private financial institutions, JBIC, in principle, discloses the loans rescheduled in the Paris Club and whose debtor countries are categorized as "Needs Attention" in its self-assessment of asset quality, as loan assets required to be disclosed classifying them either as restructured loans (under the Banking Act) or substandard loans (under the Financial Revitalization Act).

ERNST & YOUNG SHINNIHON LLC audited JBIC's self-assessment regarding the quality of its assets, including the following risk-monitored loans, loans to be disclosed under the Financial Revitalization Act and reserves for possible loan losses, in accordance with the *Practical Guidelines for Evaluation of Internal Control over Valuation of Assets and Audits for Write-Offs and Reserve for Possible Loan Losses of Banks and Similar Institutions* (Report No. 4 of the Ad Hoc Committee for Audits of Banks, the Japanese Institute of Certified Public Accountants (JICPA)).

1. Risk-Monitored Loans

The following table shows the classification of risk-monitored loans based on the self-assessment of asset quality in accordance with the disclosure standard of risk-monitored loans applied to commercial financial institutions (under the Banking Act).

Each category of risk-monitored loans is defined as follows:

1. Bankrupt Loans

Among loans that are placed in non-accrual status (except the portion deduced as allowance for loan losses), when collection of either principal or interest becomes doubtful for the reason that principal or interest is past due for a considerable period of time or for other reasons, those loans for which there is filing of reorganization procedures under the Corporate Reorganization Act rehabilitation procedures under the Civil Rehabilitation Act, bankruptcy procedures under the Bankruptcy Act, special liquidation procedures under the Companies Act or other relevant laws, or there is suspension of transactions in promissory notes issued by the debtors in the clearing house.(Note 1)

2. Non-accrual Loans

Loans that are placed in non-accrual status except those classified as "Bankrupt Loans" or those whose interest payments are deferred in order to expedite the debtors' business restructuring or support their business operations.

3. Past Due Loans (3 months or more)

Loans whose principal or interest is past due 3 months or more from the date following the contractually scheduled payment date and not classified as "Bankrupt Loans" or "Non-accrual Loans".

4. Restructured Loans

Loans whose terms and conditions are modified in favor of the debtors in order to expedite the debtors' business restructuring or support their business operations by, among others, reducing the stated interest rate, deferring interest payments or write-downs, and that are not classified as "Bankrupt Loans", "Non-accrual Loans" and "Past Due Loans (3 months or more)".(Note 2)

(Unit: millions of yen)

	Fiscal Year Ended March 31, 2013	Fiscal Year Ended March 31, 2014
Bankrupt Loans	—	—
Non-accrual Loans	96,140	96,366
Past Due Loans (3 months or more)	69,065	75,579
Restructured Loans	79,976	77,386
Total (1)	245,183	249,332
Total Amounts of Loans (2)	10,555,128	12,655,401
(1) / (2) (%)	2.32	1.97

2. Loan Assets to Be Disclosed under the Financial Revitalization Act

The following table shows the classification of loans based on the self-assessment of asset quality in accordance with the disclosure standard of the Financial Revitalization Act.

(Unit: millions of yen)

		Fiscal Year Ended March 31, 2013	Fiscal Year Ended March 31, 2014
Loans	Bankrupt and Quasi-bankrupt Assets	—	—
	Doubtful Assets	96,140	96,366
	Substandard Loans	149,042	152,965
	Subtotal (1)	245,183	249,332
	Normal Assets	12,744,811	14,865,229
	Total (2)	12,989,995	15,114,562
	(1) / (2) (%)	1.89	1.65

1. Bankrupt and Quasi-bankrupt Assets

"Bankrupt and Quasi-bankrupt Assets" are loans and other credits to debtors who have begun proceedings under the Bankruptcy Act, the Corporate Reorganization Act, the Civil Rehabilitation Act and other similar laws of Japan and have financially failed. In the asset quality self-assessment, these loans are loans to debtors who are legally or substantially bankrupt.

2. Doubtful Assets

"Doubtful Assets" are loans and other credits to debtors whose financial and operational conditions have deteriorated and who have a possibility that payment of principal and / or interest will not be made on a contractual basis. In the asset quality self-assessment, these loans are loans to the debtors who are likely to become bankrupt.

3. Substandard Loans

"Substandard Loans" are loans to debtors who are categorized as "Needs Attention Debtor" in the asset quality self-assessment, and

(i) loans whose principal and / or interest is overdue 3 months or more from the date following the scheduled payment date but which are not categorized as "Bankrupt and Quasi-bankrupt Assets" and "Doubtful Assets" ("Past Due Loans (3 months or more)").

(ii) restructured loans on which the Bank granted concessions to debtors in financial difficulties through amending terms and conditions of the loans to assist them to recover and eventually be able to pay to creditors, but which are not categorized as "Bankrupt and Quasi-bankrupt Assets", "Doubtful Assets" or "Overdue Loans (3 months or more)".(Note 2)

4. Normal Assets

"Normal Assets" are loans to debtors with no particular problem in their financial conditions, categorized in the asset quality self-assessment either as "Loans to Normal Debtors" or "Loans to Needs Attention Debtors (excluding substandard loans)", but which are not categorized as "Bankrupt and Quasi-bankrupt Assets", "Doubtful Assets" and "Substandard Loans".

Note 1

According to the Banking Act, which provides the disclosure requirements of "Risk-monitored Loans" adopted by commercial financial institutions in Japan, the loans to overseas public debtors which meet all of the following conditions must be disclosed as "Bankrupt Loans": (1) no payment of principal and its interest 3 years before term-end, (2) no agreement for the extension of the repayment deadlines 3 years before term-end and (3) no concrete plan to conclude an agreement for the extension of the repayment deadline at term-end. In the table shown on the previous page, however, taking into consideration the international cooperation framework on public debt mentioned above, the overseas public debtors who meet the conditions above are classified as "Potentially Bankrupt Debtors" under the asset quality self-assessment criteria and loans to such debtors are classified as "Non-accrual Loans" under the disclosure of "Risk-monitored Loans".

Note 2

In the event that a debtor country encounters temporary repayment difficulties in respect of external public debt (sovereign debt, trade insurance institutions and export credit institutions, etc.) due to the deteriorating balance of payments, meetings of creditor countries (the "Paris Club") will be held to mutually agree on debt relief measures (rescheduling), and implementing of temporary support for overcoming the liquidity problem (balance of payment support under an international cooperative framework). With this temporary liquidity support, debtors carry out IMF-agreed economic restructuring programs and continue to make debt repayments. The principal amount of loans for which JBIC has agreed to provide debt relief pursuant to the Paris Club agreements is ¥215,181 million as of the end of the fiscal year ended March 31, 2014. Loans to debtors classified under the self-assessment as "Needs Attention" (but not "Past Due Loans (3 months or more)") that were rescheduled under the Paris Club as "Restructured loans". The amount of such loans, included in "Restructured loans" in the above table is ¥77,386 million, of which ¥77,386 million represents the original principal.

Data 3

Corporate Data

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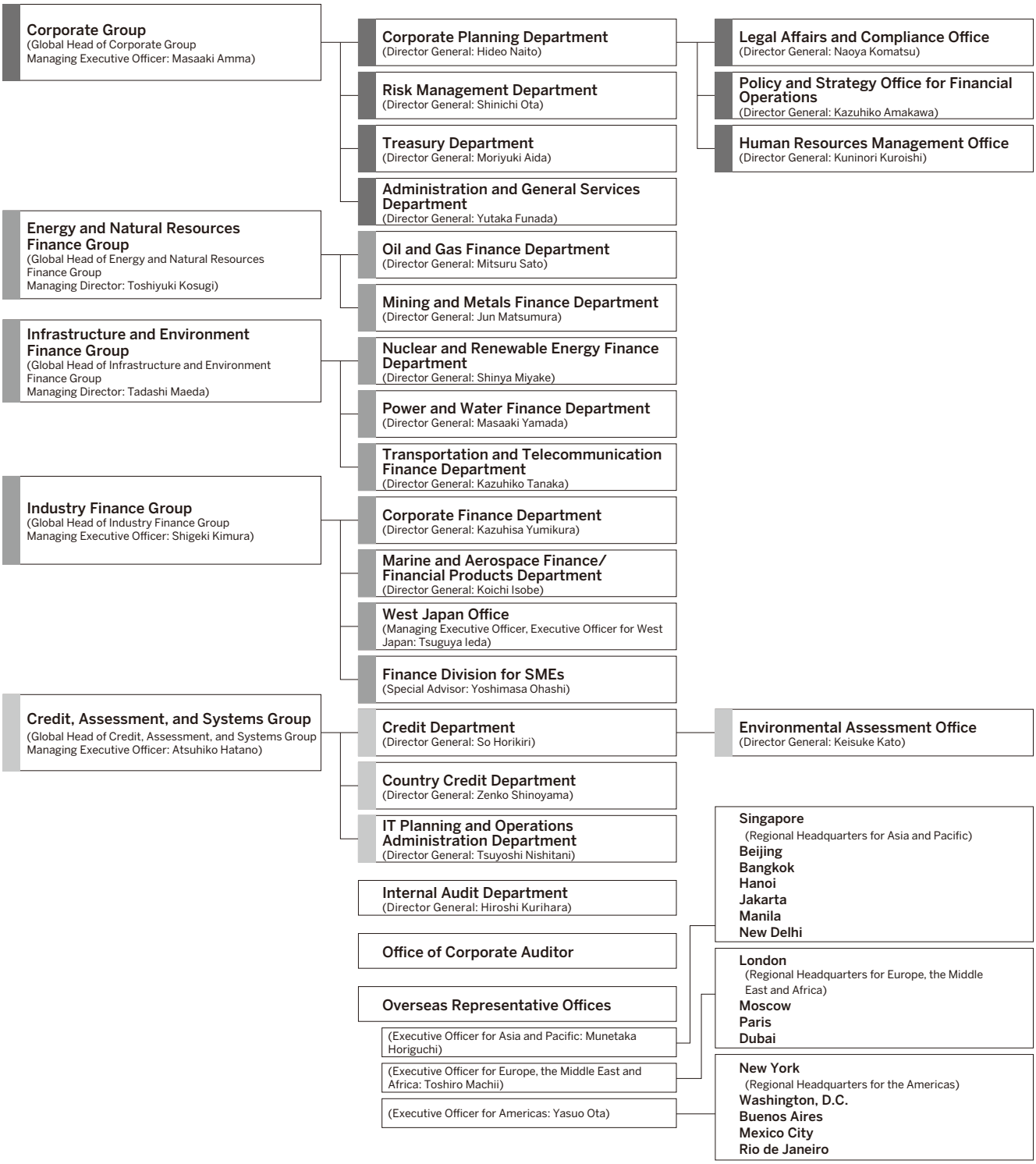
1. Board of Directors and Auditors (As of July 1, 2014)

Governor, CEO	Hiroshi WATANABE
Executive Managing Director, COO	Koichi YAJIMA
Senior Managing Director, Global Head of Infrastructure and Environment Finance Group	Tadashi MAEDA
Managing Director, Global Head of Energy and Natural Resources Finance Group	Toshiyuki KOSUGI
Managing Director (Outside Director)	Akira KONDOH
Corporate Auditor (Full-Time Corporate Auditor)	Hiroshi IMOTO
Corporate Auditor (Outside Corporate Auditor)	Shinji NISHIO
Corporate Auditor (Outside Corporate Auditor)	Tatsuo IGARASHI

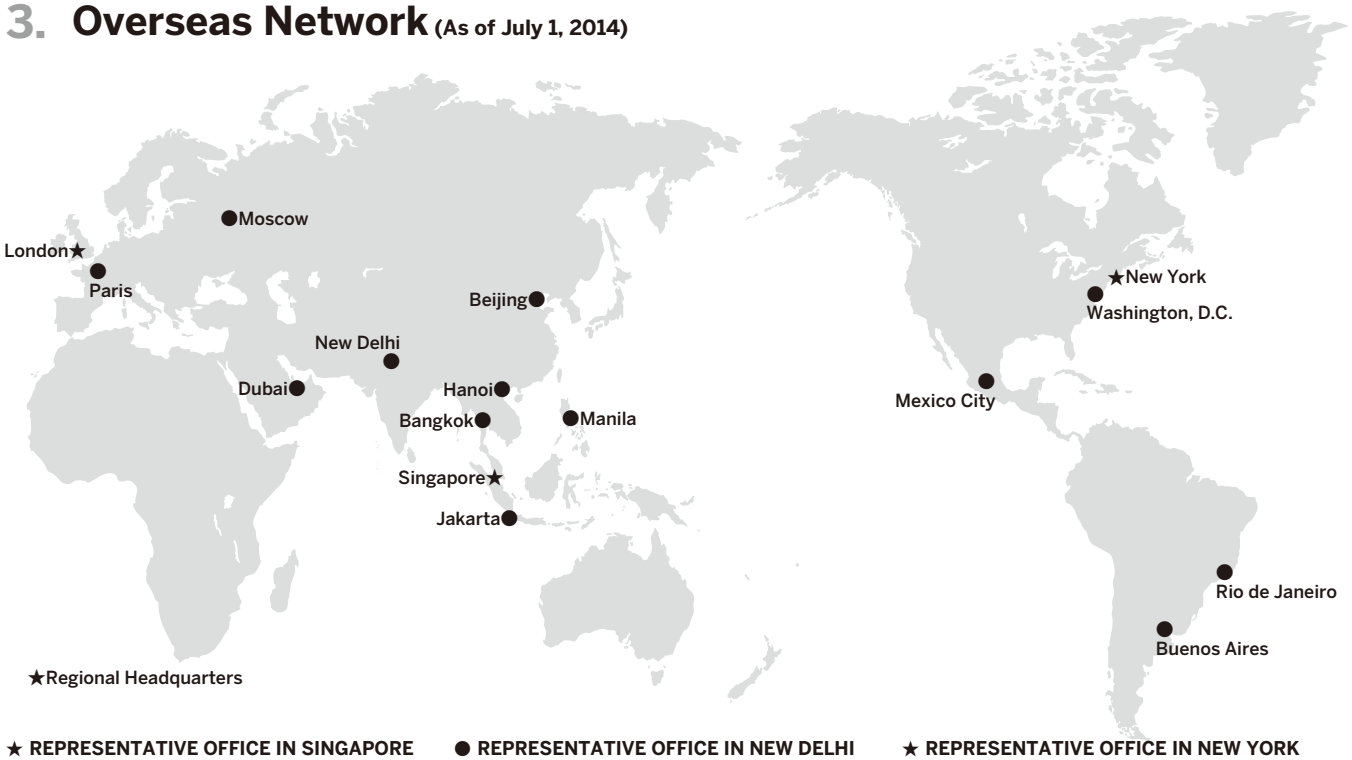
2. Organizational Chart (As of October 1, 2014)

JBIC is constituted by five business groups: three mission/sector-specific finance groups (Energy and Natural Resources Finance Group; Infrastructure and Environment Finance Group; and Industry Finance Group) and the Corporate Group and the Credit, Assessment, and Systems Group which support these finance groups.

This organizational structure was intended to strengthen the capacity to formulate projects by bringing together know-how and expertise in each sector and area, thereby creating an institution that can execute the functions in its mission more flexibly and strategically: the mission directly linked to Japan's economic policy. In the network of overseas representative offices, Singapore, London and New York are assigned as core regional offices to supervise business and administrative activities as well as to support project formulation in Asia and Pacific; Europe, the Middle East and Africa, and the Americas respectively.



3. Overseas Network (As of July 1, 2014)



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4. History

	Events related to The Export-Import Bank of Japan (JEXIM)
December 1950	The Japan Export Bank Act promulgated and enforced; The Japan Export Bank established
April 1952	The Japan Export Bank changed its name to The Export-Import Bank of Japan

	Events related to the Japan Bank for International Cooperation (former JBIC)
April 1999	The Japan Bank for International Cooperation Act promulgated and enforced
September 1999	Order for the Japan Bank for International Cooperation Act promulgated and enforced
October 1999	The Japan Bank for International Cooperation (former JBIC) established (taking over operations of the Export-Import Bank of Japan and those of the Overseas Economic Cooperation Fund)
October 2003	"JBIC Guidelines for Confirmation of Environmental and Social Considerations" and "Procedures to Submit Objections Concerning JBIC Guidelines for Confirmation of Environmental and Social Considerations" enforced

	Events related to the Japan Finance Corporation
June 2006	The Act on Promotion of Administrative Reform for Realization of Small and Efficient Government promulgated and enforced
May 2007	The Japan Finance Corporation Act promulgated and enforced
April 2008	Order for the Japan Finance Cooperation Act promulgated and enforced
October 2008	The Japan Finance Corporation established
March 2010	The Revision of Japan Finance Corporation Act enforced (Promoting the overseas business having the purpose of preserving the global environment, such as preventing global warming was added to JBIC mission)
April 2010	The Account for Facilitating Realignment of United States Forces in Japan created

	Events related to the Japan Bank for International Cooperation (new JBIC)
May 2011	The Japan Bank for International Cooperation Act promulgated and enforced
July 2011	Order for Enforcement of the Japan Bank for International Corporation Act and Cabinet Order for Revising Part of the Japan Finance Corporation Act promulgated and enforced (The scope of operations was expanded, including the rule on export financing to developed countries)
April 2012	The Japan Bank for International Cooperation (JBIC) established
November 2012	The Account for Facilitating Realignment of United States Forces in Japan closed

5. Japan Bank for International Cooperation Act

Excerpt of the Japan Bank for International Cooperation Act (Act No. 39 of 2011)

Article 1: Purpose
Japan Bank for International Cooperation shall be a *Kabushiki-Kaisha*, which has the purpose of contributing to the sound development of Japan and the international economy and society, by taking responsibility for the financial function to promote the overseas development and securement of resources which are important for Japan, to maintain and improve the international competitiveness of Japanese industries and to promote the overseas business having the purpose of preserving the global environment, such as preventing global warming, also providing the financial services that are necessary to prevent disruptions to international financial order or to take appropriate measures with respect to damages caused by such disruption, while having the objective of supplementing the financial transactions implemented by ordinary financial institutions.

Article 3: Holding of Shares by Government
The Government shall, at all times, hold the total number of outstanding shares of JBIC.

Article 4: Government's Contribution
1. The Government may, when it finds it to be necessary, make contributions to JBIC within the amount appropriated in the budget.
2. When a contribution is made by the Government pursuant to the provisions of the preceding Paragraph, JBIC shall, notwithstanding the provisions of Paragraph 2 of Article 445 of the Companies Act (Act No. 86 of 2005), be allowed not to record the amount exceeding half of such contribution amount as the capital. In this case, "this Act" referenced in Paragraph 1 of the same Article shall be deemed to be replaced with "this Act or Japan Bank for International Cooperation Act (Act No. 39 of 2011)."

Article 5: Limitation, etc. on Use of Name
1. No person other than JBIC shall use the words "Japan Bank for International Cooperation" in its name.
2. The provisions of Paragraph 2 of Article 6 of the Banking Act shall not be applied to JBIC.

Article 6: Resolution for Appointment and Removal, etc. of Officers, etc.
1. The resolution for the appointment and removal of the Officers, etc. (meaning Directors, Executive Officers and Auditor(s); the same shall apply hereinafter) of JBIC shall not take effect unless the authorization of the Minister of Finance is granted.
2. The resolution for selection and displacement of a Representative Director or Representative Executive Officer of JBIC shall not take effect unless the authorization of the Minister of Finance is granted.

Article 11: Scope of Operations
JBIC shall, for attaining its purpose, engage in the operations listed below:

(1) The loan of funds necessary for the Export of Equipment, etc., the acquisition by assignment of loan receivables related to such funds, the Guarantee, etc. of Liabilities related to such funds, in the case where the Foreign Financial Institutions, etc. or the Foreign Governments, etc. provide the Guarantee, etc. of Liabilities with respect to such funds, the Guarantee, etc. of Liabilities related to such Guarantee, etc. of Liabilities, or the acquisition of the Public/Corporate Bonds, etc. issued in order to procure such funds by certain measures, such as acquisition through subscription;
(2) The loan of funds necessary to ensure the reliable and timely Import of Important Goods, etc., the acquisition by assignment of loan receivables related to such funds, the Guarantee, etc. of Liabilities related to such funds or the acquisition of the Public/Corporate Bonds, etc. to be issued in order to procure such funds by certain measures, such as acquisition through subscription;
(3) The loan of funds to be used directly or indirectly for the business which the Juridical Persons, etc. of Japan, Foreign Governments, etc. or Foreign Juridical Persons, etc. Invested in conduct outside Japan, the acquisition by assignment of loan receivables related to such funds, the Guarantee, etc. of Liabilities related to such funds, in the case where the Juridical Persons, etc. of Japan, Foreign Juridical Persons, etc. Invested in, Foreign Financial Institutions, etc. or Foreign Governments, etc. provide the Guarantee, etc. of Liabilities to the Juridical Persons, etc. of foreign countries with respect to such funds, the Guarantee, etc. of Liabilities related to such Guarantee, etc. of Liabilities, or the acquisition of the Public/Corporate Bonds, etc. to be issued in order to procure such funds by certain measures, such as acquisition through subscription;
(4) (i) The loan to the Foreign Governments, etc., Foreign Financial Institutions, etc. or international organizations, such as the International Monetary Fund, of long-term funds (meaning the funds required to be provided for more than one (1) year; the same shall apply hereinafter) required for their overseas business or the import of goods or introduction of technologies by the foreign country concerned, or funds required to attain the international balance of payments or achieve the stability of the currency of the foreign country concerned, (ii) the acquisition by assignment of loan receivables related to such funds or the Guarantee, etc. of Liabilities related to such funds or (iii) the acquisition of the Public/Corporate Bonds, etc. issued in order to procure such funds by certain measures, such as acquisition through subscription;
(5) When it is found remarkably difficult for a foreign government or foreign resident to conduct overseas transactions, such as import by reason of the international balance of payments of the foreign country concerned, and it is found urgently necessary, the loan to the governments, governmental agencies or banks of the foreign country concerned, of the short-term funds (meaning the funds required necessary to be provided for one (1) year or less than one (1) year; the same shall apply hereinafter) necessary to facilitate overseas transactions, such as import, until the International Monetary Fund, etc. (meaning international organizations, such as the International Monetary Fund, or governments, governmental agencies or banks of more than two (2) countries other than that foreign country concerned; the same shall apply hereinafter) provides funds to assist the development of the economy of the foreign country concerned (hereinafter referred to as the "Funds for Economic Assistance");
(6) The provision of contributions to persons who are carrying on business outside Japan (including those Juridical Persons, etc. of Japan whose sole purpose is to make overseas investments and who make contributions to those carrying on the aforesaid business) to contribute funds required for their business;
(7) The carrying out of the necessary studies related to the operations listed in each of the preceding Items;
(8) The provision of information to the users of operations provided by JBIC that pertains to such operations; and
(9) Any other operations incidental to those listed in each of the preceding Items (excluding those listed in Item (7)).

Article 12:
1. Among the operations listed in Item (1) of the preceding Article, those which are related to the Export of Equipment, etc. destined for any area other than developing overseas areas (hereinafter referred to as the "Developing Areas") may be conducted only in the cases listed below:
   (1) when necessary countermeasures are taken in accordance with multilateral arrangements in the case where the Foreign Governments, etc., in which exporters conduct the export

destined for the said area, grant credit, underwrite insurance or provide an interest rate support with more favorable conditions than usual in order to promote the export from such foreign countries; or

(2) when it is prescribed by a Cabinet Order as being a case recognized especially necessary in order to promote the policies of the Government concerning the maintenance or improvement of the international competitiveness of Japanese industries.

2. Among the operations listed in Item (1) of the preceding Article, those relating to the funds provided to the Juridical Persons, etc. of Japan may be conducted only in the case where the execution of the export by the Juridical Persons, etc. of Japan has become remarkably difficult due to disruptions to international financial order and the Minister of Finance determines that the exceptions of operations of JBIC are necessary in order to deal therewith.
3. Among the operations listed in Item (2) of the preceding Article, other than those conducted in order to promote overseas development and securement of resources important for Japan, only those relating to the funds listed below that are the Guarantee, etc. of Liabilities may be conducted:
   (1) funds necessary to import the products, such as aircraft, specified by the Minister of Finance, with respect to which the products produced in Japan are not sufficient to replace and the import to Japan is essential; or
   (2) funds necessary to introduce such technologies specified by the Minister of Finance, with respect to which the technologies of Japan are not sufficient to replace and the introduction to Japan is essential.
4. Among the operations listed in Item (3) of the preceding Article, those relating to the short-term loans may be conducted only in the case where JBIC has agreed to make loan of funds (excluding short-term funds) set forth in the same Item for the execution of business conducted by the Juridical Persons, etc. of Japan and the Foreign Juridical Persons, etc. Invested in and such loan of funds is recognized especially necessary in order to execute such business.
5. Among the operations listed in Item (3) of the preceding Article, the operations of provision of the loan of funds necessary for the overseas business to be conducted by the Juridical Persons, etc. of Japan, other than those listed in Item (2) of the following Paragraph, may be conducted only if such loan is provided directly to such Juridical Persons, etc.
6. Among the operations listed in Item (3) of the preceding Article (excluding those conducted in order to promote overseas development and securement of resources important for Japan), loans to the Juridical Persons, etc. of Japan, other than the loans to the Small and Medium Enterprises, etc. (meaning the Small and Medium Enterprises or medium enterprises specified by the Minister of Finance; hereinafter the same shall apply) may be conducted only in the cases listed below.
   (1) When the Juridical Persons, etc. of Japan begin or expand overseas business, or improve the efficiency thereof by contributing to the foreign juridical persons or accepting the assignment of all or part of the business of the foreign juridical persons (hereinafter referred to as "Contributions, etc." in this Item), in the case where the loan of funds necessary for such Contributions, etc. is provided (only when it is prescribed by a Cabinet Order as being a case recognized especially necessary in order to promote the policies of the Government concerning the maintenance or improvement of the international competitiveness of Japanese industries).
   (2) When the Banks, etc. provide the loan of funds listed below, in the case where the loan of funds necessary for such loan by such Banks, etc. is provided to such Banks, etc.:
      a. loan of funds set forth in Item (3) of the preceding Article to the Small and Medium Enterprises, etc. or the Foreign Juridical Persons, etc. Invested in related to the contribution of the Small and Medium Enterprises, etc.; or
      b. loan of funds set forth in the preceding Item to the Juridical Persons, etc. of Japan (limited to those prescribed by the Cabinet Order set forth in the same Item).
   (3) When the execution of overseas business of the Juridical Persons, etc. of Japan has become remarkably difficult due to disruptions to international financial order, in the case where the Minister of Finance determines that the exceptions of operations of JBIC are necessary in order to deal therewith.
7. Among the operations listed in Item (3) of the preceding Article (excluding those conducted in order to promote overseas development and securement of resources important for Japan), with respect to the business in any area other than the Developing Areas may be conducted only when it is prescribed by a Cabinet Order as being a case recognized especially necessary in order to promote the policies of the Government concerning the maintenance or improvement of the international competitiveness of Japanese industries.
8. The loan to the governments, governmental agencies or banks of foreign countries listed in Item (5) of the preceding Article may be conducted by obtaining the authorization of the Minister of Finance only when the provision of the Funds for Economic Assistance from the International Monetary Fund, etc. is expected to be certain and only in the cases listed below:
   (1) where, by appropriating all or part of the Funds for Economic Assistance from the International Monetary Fund, etc. (excluding JBIC) for the redemption of the funds related to the loan, the redemption is expected to be secured; or
   (2) where adequate underlying assets are secured for the loan.
9. Among the operations listed in Items (1) through (4) of the preceding Article, the Guarantee, etc. of Liabilities related to the liabilities of any person other than the Juridical Persons, etc. of Japan (excluding those related to the Public/Corporate Bonds, etc.) may be provided only in the cases listed below:
   (1) When the Banks, etc., Foreign Financial Institutions, etc. or Foreign Governments, etc. provide the loan of such funds set forth in Items (1) through (4) of the preceding Article, in the case where the Guarantee, etc. of Liabilities related to such loan is provided (including the case in which the loan receivables related to such loan are assigned to the persons specified by the Minister of Finance);
   (2) In the case where the Guarantee, etc. of Liabilities related to the Guarantee, etc. of Liabilities set forth in Items (1) and (3) of the preceding Article is provided;
   (3) When, among the Guarantee, etc. of Liabilities related to the funds set forth in Item (3) of the preceding Article, the Juridical Persons, etc. of Japan or the Foreign Juridical Persons, etc. Invested in assign the monetary claims related to the overseas business to be conducted by the Juridical Persons, etc. of Japan or the Foreign Juridical Persons, etc. Invested in to the Banks, etc. or Foreign Financial Institutions, etc. and use the proceeds from the assignment for such business, in the case where the Guarantee, etc. of Liabilities related to such monetary claims is provided; or
   (4) When the Banks, etc. or Foreign Financial Institutions, etc. provide the loan of funds set forth in Item (3) of the preceding Article in foreign currency, in the case where the Guarantee, etc. of Liabilities related to swap transactions (transactions listed in Item 5 of Paragraph 22 of Article 2 of the Financial Instruments and Exchange Act (Act No. 25 of 1948)) related to such funds conducted by such Banks, etc. or Foreign Financial Institutions, etc., is provided.
10. Among the operations listed in Items (1) through (4) of the preceding Article, the Guarantee, etc. of Liabilities (limited to those related to the Public/Corporate Bonds, etc.) and the acquisition of the Public/Corporate Bonds, etc. may be conducted only in the cases listed below (with respect to the operations listed in Items (1) through (3) of the same Article, the cases listed in Items (2) through (6) below shall apply):
   (1) where part of the Public/Corporate Bonds, etc. (limited to those with a redemption period of more than one (1) year; the same shall apply in the following Item and Item (3) below) that were issued by the Foreign Financial Institutions, etc., the Foreign

Governments, etc. or international organizations, such as the International Monetary Fund, are acquired;

(2) where the Public/Corporate Bonds, etc. are acquired and then such Public/Corporate Bonds, etc. are assigned to the Specific Purpose Company, etc. within the period specified by the Minister of Finance or where the Specific Trust is established, the Public/Corporate Bonds, etc. are entrusted to the Trust Company, etc. as assets of such Specific Trust, and then all or part of beneficial interests in such Specific Trust is assigned;

(3) where the Public/Corporate Bonds, etc. to be issued by the Specific Purpose Company, etc. or the Trust Company, etc. which are secured by loan receivables or the Public/Corporate Bonds, etc. are acquired;

(4) where the Guarantee, etc. of Liabilities relating to the Public/Corporate Bonds, etc. to be issued by the Foreign Juridical Persons, etc. Invested in, the Foreign Financial Institutions, etc., the Foreign Governments, etc. or international organizations, such as the International Monetary Fund, is provided;

(5) where the Guarantee, etc. of Liabilities related to such loan receivables, Public/Corporate Bonds, etc. or the monetary claims, which constitute such underlying assets, or the Public/Corporate Bonds, etc. to be issued by the Specific Purpose Company, etc. or the Trust Company, etc. is provided (excluding the Guarantee, etc. of Liabilities related to the Public/Corporate Bonds, etc. to be issued by the Banks, etc.) when the Specific Purpose Company, etc. or the Trust Company, etc. issues the Public/Corporate Bonds, etc. which are secured by loan receivables, the Public/Corporate Bonds, etc. or the monetary claims set forth in Item (3) of the preceding Paragraph; or

(6) where the Guarantee, etc. of Liabilities related to the borrowing of funds by the Specific Purpose Company, etc. for the purpose of acquiring by assignment, or acquiring, such loan receivables or Public/Corporate Bonds, etc., which constitute such underlying assets, is provided when the Specific Purpose Company, etc. issues the Public/Corporate Bonds, etc., which are secured by loan receivables or the Public/Corporate Bonds, etc.

11. Among the operations listed in Items (1) through (4) of the preceding Article, those listed below shall be conducted only when the loan thereof or the loan related to the loan receivables to be assigned is the Co-financing; provided, however, that this shall not apply, with respect to the operations listed in Item (1) below, in the case where it is recognized that it is remarkably difficult for the Banks, etc. to provide a loan of funds together with JBIC and the loan from JBIC is urgently necessary to attain the purpose of such loan, or if the case falls under any of the cases listed in Item (2) of Paragraph 6 hereof, with respect to the operations listed in Item (2) below, in the case where the loan receivables to the Foreign Juridical Persons, etc. Invested in with a redemption period of more than one (1) year are acquired by assignment within the period specified by the Minister of Finance for the purpose of assigning the same to the Specific Purpose Company, etc. or for the purpose of establishing the Specific Trust, with respect to the same, in the Trust Company, etc. and assigning all or part of the beneficial interest in such Specific Trust:
    (1) loan of funds pursuant to the provisions of Items (1) through (3) of the preceding Article made to the Juridical Persons, etc. of Japan; or
    (2) acquisition by assignment of the loan receivables pursuant to the provisions of Items (1) through (4) of the preceding Article.
12. The operations listed in Item (7) of the preceding Article may be conducted only if they are the minimum necessary to promote the performance of the operations listed in Items (1) through (6) of the same Article smoothly and effectively.

Article 13: Practice of the Operation

1. The loan of funds, the acquisition by assignment of loan receivables, the acquisition of the Corporate/Public Bonds, etc., the Guarantee, etc. of Liabilities or the provision of contributions pursuant to the provisions of Items (1) through (6) of Article 11 hereof may be conducted only when the repayment of the funds so loaned, the collection of loan receivables so acquired, the redemption of Corporate/Public Bonds, etc. so acquired, the performance of the liabilities so guaranteed, etc. or the realization of profits that enable the payment of dividends resulting from business so contributed is recognized as being certain.
2. The conditions, such as the interest rates of loans and yield on assigned loan receivables related to the operations listed in Items (1) through (6) of Article 11, shall be determined in light of usual conditions for transactions by the Banks, etc. or the trends of financial markets, so that revenue of JBIC will be sufficient to cover the expenses therefor.

Article 15: Business Year

The business year of JBIC shall begin on April 1 of each year and end on March 31 of the following year.

Article 16: Budget

1. JBIC shall prepare the budget for revenues and expenditures and submit it to the Minister of Finance for each business year.
2. The revenues set forth in the preceding Paragraph mean interest on loans, interest on the Corporate/Public Bonds, etc., dividends on contributions, debt guarantee fees and other incomes related to asset management and miscellaneous incidental income, and the expenditures set forth in the same Paragraph mean expense of operations, business entrustment fees, interest on borrowings, interest on bonds and notes and incidental expenses.
3. Upon receipt of the budget submitted pursuant to the provisions of Paragraph 1 above, the Minister of Finance shall examine such budget and make any necessary adjustments thereto, and obtain the Cabinet's decision thereon.
4. After the Cabinet's decision is made pursuant to the provisions of the preceding Paragraph, the Cabinet shall submit such budget to the Diet together with the national budget.
5. The form and content of the budget and procedures for the preparation and submission thereof shall be specified by the Minister of Finance.

Article 26: Submission of Financial Statements

1. JBIC shall prepare the list of assets every business year.
2. JBIC shall, within three (3) months after the end of every business year, submit to the Minister of Finance the balance sheets, statements of operations and list of assets (hereinafter referred to as the "Balance Sheets, etc.") and business report (including the Electro-Magnetic Record (which means the record specified by the Minister of Finance as a record which is produced by electronic, magnetic, or any other means unrecognizable by human perception and which is used for data-processing by a computer; the same shall apply hereinafter) which has recorded the matters to be described in such Balance Sheets, etc. and its business report) for each business year.

Article 27: Preparation and Submission of Report on Settlement of Accounts

1. After submitting the Balance Sheets, etc. pursuant to the provisions of Paragraph 2 of the preceding Article, JBIC shall, every business year, prepare a report on the settlement of accounts for the relevant business year (including the Electro-Magnetic Record which has recorded the matters to be described in such report on the settlement of accounts; the same shall apply hereinafter) and submit it to the Minister of Finance, without delay, by attaching the opinion of the Auditor(s) or Audit Committee concerning such report on the settlement of accounts, together with such submitted Balance Sheets, etc.
2. Upon receiving the report on the settlement of accounts pursuant to the provisions of the preceding Paragraph, the Minister of Finance shall send it to the Cabinet, together with the Balance Sheets, etc. referenced in the same Paragraph.
3. Upon making the submission pursuant to the provisions of Paragraph 1 of this Article, JBIC shall, without delay, keep the report on the settlement of accounts and the document stating the opinion of the Auditor(s) or Audit Committee at its head office and branch offices and make them available for public inspection during the period prescribed by the Ordinance of the Ministry of Finance.

4. The form and content of the report on the settlement of accounts shall be specified by the Minister of Finance.

Article 28: Sending of Report on Settlement of Accounts to Board of Audit of Japan

Upon receiving JBIC's report on the settlement of accounts pursuant to the provisions of Paragraph 2 of the preceding Article, the Cabinet shall send it, together with the Balance Sheets, etc. set forth in Paragraph 1 of the same Article, to the Board of Audit of Japan no later than November 30 of the following business year.

Article 29: Submission of Report on Settlement of Accounts to Diet

The Cabinet shall submit JBIC's report on the settlement of accounts for which the Board of Audit of Japan has finished its inspection, to the Diet, by attaching the Balance Sheets, etc. set forth in Paragraph 1 of Article 27 hereof, together with the settlement of accounts for national revenues and expenditures.

Article 31: Payment to National Treasury

1. In the event that the amount of the surplus recorded in the settlement of accounts for each business year exceeds zero, JBIC shall accumulate, as a reserve, the amount calculated in accordance with the standards prescribed by a Cabinet Order, among such surplus, until it reaches the amount prescribed by the Cabinet Order, and if there is still a surplus, JBIC shall pay the amount of such surplus into the National Treasury within three (3) months after the end of such business year.
2. In the event that the amount of the surplus recorded in the settlement of accounts for each business year falls below zero, JBIC shall allocate such surplus by drawing down the reserve set forth in the preceding Paragraph until the amount of such surplus becomes zero.
3. The procedures for the payment into the National Treasury pursuant to the provisions of Paragraph 1 of this Article, the account into which such payment is to be made and other necessary matters concerning the payment to the National Treasury shall be prescribed by a Cabinet Order.
4. JBIC shall not be allowed to make any appropriation of its surplus, such as dividend of its surplus, unless such disposition is made pursuant to the provisions of Paragraphs 1 and 2 of this Article.

Article 32: Provision of Loans by Government

The Government may provide monetary loans to JBIC.

Article 33: Borrowings and Corporate Bonds

1. Borrowings of funds made in order to meet JBIC's fund requirements for the performance of its operations shall be limited to the borrowings of short-term loans from financial institutions, such as banks, or the borrowings related to the monetary loans obtained from the Government pursuant to the provisions of the preceding Article.
2. The short-term loans set forth in the preceding Paragraph shall be repaid during the business year in which these borrowings are made; provided, however, that in cases where repayment cannot be made due to shortage of funds, JBIC may reborrow only the amount which cannot be so repaid, with the authorization of the Minister of Finance.
3. Loans reborrowed pursuant to the proviso of the preceding Paragraph shall be repaid within one (1) year.
4. Pursuant to the provisions of a Cabinet Order, JBIC shall, every business year, prepare a basic policy concerning the issuance of corporate bonds made in order to meet fund requirements for the performance of its operations and obtain the authorization of the Minister of Finance. When JBIC intends to make any change to the policy, the same shall apply.
5. When JBIC has issued corporate bonds pursuant to the provisions of preceding Paragraph, it shall, without delay, make a notification of such fact to the Minister of Finance pursuant to the provisions prescribed by a Cabinet Order; provided, however, that this shall not apply if JBIC issues the certificates of corporate bonds, as prescribed by a Cabinet Order, in order to deliver to anyone who has lost such certificates of corporate bonds and, as a result of the issuance of such certificates of corporate bonds, JBIC assumes new liabilities.
6. The total amount of (i) the outstanding amounts of the short-term loans and the borrowings related to the monetary loans obtained from the Government as set forth in Paragraph 1 of this Article and (ii) the outstanding amount of liabilities relating to the principal amount of corporate bonds set forth in Paragraph 4 of this Article shall not exceed the amount (hereinafter referred to as the "Limitation Amount" in this Article) equivalent to ten (10) times the total amount of the capital and reserves of JBIC (hereinafter referred to as the "Base Amount" in this Article).
7. Notwithstanding the provisions of the preceding Paragraph, when the issuance of new bonds is necessary to reborrow the issued corporate bonds with respect to corporate bonds set forth in Paragraph 4 of this Article, the corporate bonds may be issued in excess of the Limitation Amount only within the period necessary to make such reborrowing.
8. The total amount of the outstanding amounts of (i) monetary loans, (ii) acquisition of the receivables related to assignment and the Corporate/Public Bonds, etc., (iii) liabilities relating to the Guarantee, etc. of Liabilities and (iv) contributions, all of which are made pursuant to the provisions of Items (1) through (6) of Article 11 hereof, shall not exceed the aggregate amount of the Base Amount and the Limitation Amount.

Article 34: Statutory Lien

1. A holder of JBIC's corporate bonds shall, with respect to the property of JBIC, have the right to have his/her receivables satisfied in preference to other creditors.
2. The order of the statutory lien set forth in the preceding Paragraph shall be next to the general liens prescribed by the provisions of the Civil Code (Act No. 89 of 1896).

Article 35: Government Guarantee

1. Notwithstanding the provisions of Article 3 of the Act Concerning Restrictions on Financial Assistance by the Government to Corporations (Act No. 24 of 1946), the Government may execute a guarantee agreement with respect to the liabilities related to JBIC's corporate bonds (excluding the liabilities with respect to which the Government may execute a guarantee agreement under Paragraph 2 of Article 2 of the Act on Special Measures Pertaining to the Acceptance of Foreign Capital from the International Bank for Reconstruction and Development, etc. (Act No. 51 of 1953) (referred to as the "Foreign Capital Acceptance Act" in the following Paragraph and Paragraph 1 of Article 16 of the Supplementary Provisions)) within the scope of the amount fixed by the budget.
2. Among the amount fixed by the budget set forth in the preceding Paragraph, the amount of liabilities related to the corporate bonds issued in a foreign country and denominated in Japanese currency may be fixed by adding up to the amount fixed by the budget as set forth in Paragraph 2 of Article 2 of the Foreign Capital Acceptance Act, when it is difficult to fix the said amount of liabilities separately from the said amount fixed by the budget set forth in the same paragraph of the Foreign Capital Acceptance Act.
3. The Government may, in addition to the provisions of Paragraph 1 of this Article, execute a guarantee agreement with respect to the liabilities related to the certificates of corporate bonds or coupons thereof, which are issued by JBIC, pursuant to the provisions prescribed by a Cabinet Order, in order to deliver to a person who has lost the certificates of corporate bonds or coupons thereof.

Article 36: Investment of Surplus Funds

JBIC shall not invest any surplus funds of its business except by means of:

(1) Acquisition of national government bonds, local government bonds or government-guaranteed bonds (which mean the bonds for which the redemption of its principal and payment of interest thereon are guaranteed by the Government) and other securities designated by the Minister of Finance;
(2) Deposit with the Fiscal Loan Fund;
(3) Deposit with banks or other financial institutions designated by the Minister of Finance;

(4) Holding of negotiable deposit certificates;
(5) Money trust to the financial institutions engaging in trust business (which mean the financial institutions that have obtained the authorization set forth in Paragraph 1 of Article 1 of the Act on Provision, etc. of Trust Business by Financial Institutions);
(6) Lending of call funds; or
(7) Means prescribed in the Ordinance of the Ministry of Finance as the means equivalent to the means listed in each of the preceding Items.

Article 38: Supervision

1. The Minister of Finance shall supervise JBIC in accordance with the provisions of this Act.
2. With respect to the management or administration of JBIC, in the case where the Minister of Finance finds that there is a violation of laws and regulations or the Articles of Incorporation or any grossly unjust matter exists and in other cases where they find it necessary for the enforcement of this Act, the Minister of Finance may issue JBIC orders concerning its operations as are necessary for the supervision.

Article 39: Report and Inspection

1. If the Minister of Finance finds it necessary for the enforcement of this Act, the Minister of Finance may cause JBIC or the Juridical Person Delegated to submit reports or may cause its officials to enter the facilities of JBIC or of the Juridical Person Delegated, such as the offices to inspect the accounting books, documents and other necessary objects; provided, however, that, with respect to the Juridical Person Delegated, such action shall be limited to the scope of operations delegated to it by JBIC.
2. When an official of the Minister of Finance carries out an on-site inspection pursuant to the provisions of the preceding Paragraph, he/she shall carry with him/her identification certifying his/her status and present it to parties concerned.
3. The authority to carry out the on-site inspection pursuant to the provisions of Paragraph 1 above shall not be construed to be that given for the investigation of a criminal offense.

Article 40: Delegation of Authority

1. The Minister of Finance may, as prescribed by a Cabinet Order, delegate part of the authority to carry out an on-site inspection pursuant to the provisions of Paragraph 1 of the preceding Article to the Prime Minister.
2. If the Prime Minister has carried out an on-site inspection pursuant to the provisions of Paragraph 1 of the preceding Article on the basis of the delegation pursuant to the provisions of the preceding Paragraph, he/she shall promptly submit a report of the results of the inspection to the Minister of Finance.
3. The Prime Minister shall delegate both the authority delegated pursuant to the provisions of Paragraph 1 above and the authority set forth in the provisions of the preceding Paragraph to the Commissioner of Financial Services Agency.
4. The Commissioner of Financial Services Agency may, as prescribed by a Cabinet Order, delegate all or part of the authority delegated pursuant to the provisions of the preceding Paragraph, to Director-General of the Local Finance Bureau or the Director-General of the Local Finance Branch Bureau.
5. Part of the authority of the Minister of Finance set forth in this Act (excluding that delegated to the Prime Minister pursuant to the provisions of Paragraph 1 above)may, as prescribed by a Cabinet Order, be delegated to the Director-General of the Local Finance Bureau or the Director-General of the Local Finance Branch Bureau.

Article 41: Articles of Incorporation

1. In the Articles of Incorporation of JBIC, in addition to the matters listed in each of the Items of Article 27 of the Companies Act, matters relating to the procedures and requirements for the appointment of a person to assume management responsibility from among the Representative Directors or Representative Executive Officers shall be described or recorded.
2. With respect to the matters related to the requirements for the appointment of a person to assume management responsibility set forth in the preceding Paragraph, the provisions that the requirements listed below be satisfied shall be incorporated:
   (1) A person who has discernment and the capability recognized as necessary in light of the purposes set forth in Article 1 hereof and the operations set forth in Article 11 hereof shall be appointed; and
   (2) Due consideration shall be required in order to avoid automatically appointing such persons who have held certain specific governmental positions.
3. The resolution for the amendment of the Articles of Incorporation of JBIC shall not take effect unless the authorization of the Minister of Finance is granted.

Article 42: Merger, Company Split, Share Exchange, Assignment and Acceptance of Assignment of Business and Dissolution

Notwithstanding the provisions of Part II, Chapters VII and VIII and Part V, Chapters II, III and IV, Section I of the Companies Act, the merger, company split, share exchange, assignment and acceptance of assignment of all or part of business, to which JBIC becomes a party, and dissolution of JBIC shall be provided for separately by an Act.

Article 43: Exclusion from Application, etc. of Financial Instruments and Exchange Act

1. When JBIC performs the actions listed in each of the Items of Paragraph 8 of Article 2 of the Financial Instruments and Exchange Act pursuant to the provisions of Article 11, the provisions of Article 29 of the same Act shall not apply.
2. In the case set forth in the preceding Paragraph, JBIC shall be deemed as the Financial Instruments Business Operator defined in Paragraph 9 of Article 2 of the Financial Instruments and Exchange Act, and the provisions of Chapter III, Section I, Subsection V and Section II (excluding Article 35, Article 35-2, Articles 36-2 through 36-4, Item (2) of Paragraph 1 of Article 37, Item (2) of Paragraph 1 of Article 37-3 and Article 37-7) of the same Act (including the penal provisions relating to such provisions) shall apply.
3. When JBIC performs the actions listed in each of the Items of Paragraph 1 of Article 63 of the Financial Instruments and Exchange Act pursuant to the provisions of Article 11 hereof, the provisions of Paragraph 2 of the said Article 63 shall not apply.
4. In the case set forth in the preceding Paragraph, JBIC shall be deemed as the Financial Instruments Business Operator defined in Paragraph 9 of Article 2 of the Financial Instruments and Exchange Act, and the provisions of Article 38 (limited to the portions relating to Item (1)) and Article 39 of the same Act (including the penal provisions related to such provisions) shall apply.

6. Fundamental Policy on Internal Control

Article 1. Systems for Ensuring Compliance with Laws, Regulations, and the Articles of Incorporation in the Performance of Duties by Directors and Employees

1. JBIC shall adopt Corporate Philosophy, Code of Conduct, and internal rules concerning compliance, including Regulations Concerning Compliance with Laws and Regulations, to ensure that the performance of duties by directors and employees, including temporary workers (this definition applies to the remainder of this document), comply with laws, regulations, and the Articles of Incorporation of JBIC (hereinafter referred to as "Laws and Regulations"). Furthermore, JBIC shall make such internal rules known to all directors and employees.
2. Directors and employees shall abide by all such internal rules concerning compliance.
3. JBIC shall appoint persons responsible for compliance and departments that oversee compliance matters so as to establish and reinforce structures relating to compliance with Laws and Regulations.
4. JBIC shall establish a committee with the Governor as its chairman to review key matters relating to compliance and to monitor the status of compliance with the Laws and Regulations.
5. JBIC shall establish effective internal reporting systems and operate them appropriately so that material matters relating to compliance can be discovered promptly and necessary corrective measures can be introduced.
6. JBIC shall not maintain any relationships whatsoever with antisocial forces. It shall maintain an uncompromising attitude throughout the organization toward antisocial forces, and decisively reject all improper demands from such forces.

Article 2. Systems relating to Retention and Management of Information concerning Performance of Duties by Directors

1. JBIC shall adopt Information Asset Management Regulations and other rules concerning the retention and management of information assets so that information concerning the performance of duties by directors, customer information, and other information handled by JBIC can be appropriately retained and managed.
2. JBIC shall retain and manage the minutes of Board of Directors meetings and other documents concerning the performance of duties by directors in accordance with laws, regulations, and rules relating to the retention and management of information assets.
3. Directors and employees shall appropriately retain and manage information assets in line with laws, regulations, and rules relating to the retention and management of information assets.

Article 3. Regulations and Other Systems relating to Management of Loss Exposure

1. In recognition of the importance of risk management, JBIC shall adopt Comprehensive Risk Management Regulations and other rules relating to risk management, with respect to risk management specific to different types of risks that should be recognized in the performance of operations, as well as the organizational structure, etc., for comprehensive risk management. JBIC shall apply appropriate risk management tools to control various types of risks.
2. JBIC shall appoint persons responsible and departments that oversee risk management matters for the management of various types of risks and establish a committee with the Governor as its chairman to conduct reviews and examinations to ensure effective risk management.
3. JBIC shall adopt Crisis Management Regulations and other rules relating to crisis management and establish crisis management systems to prepare for the occurrence of disasters and other critical events.
4. If a critical event occurs that either disrupts or is feared to disrupt normal operations, JBIC shall establish a response headquarters as necessary and take measures for the speedy and efficient restoration of operations in accordance with various rules concerning crisis management.

Article 4. System to Ensure Efficient Performance of Duties by Directors

1. The Board of Directors shall establish Business Plans and conduct management appropriately.
2. JBIC shall establish the Executive Committee. It shall take on responsibility for certain decisions delegated by the Board of Directors. In addition to making decisions for which it has earned responsibility, it shall deliberate matters prior to the Board of Directors meetings in order to contribute to the decision-making of the Board of Directors. Moreover it shall establish various committees, etc., that take responsibility for certain decisions delegated by it, or as an advisory organization for it.
3. In order to ensure the efficient performance of duties based on the decisions of the Board of Directors, JBIC shall undertake adjustments to internal regulations related to organizational systems, etc., and assign duties appropriately.
4. JBIC shall introduce a mission/sector-specific group structure and a managing executive officer system in order to expedite decision-making processes, and delegate authority based on internal regulations related to organizational systems and authority.

Article 5. Internal Audit Systems for Ensuring Proper Operations

1. JBIC shall adopt Internal Audit Regulations and other rules relating to internal audits to ensure the appropriateness and soundness of its operations.
2. JBIC shall establish the Internal Audit Committee to make decisions and deliberations concerning important matters relating to internal audits.
3. JBIC shall establish the Internal Audit Department, independent of the departments being audited, to handle matters relating to internal audits.
4. The Internal Audit Department shall undertake internal audits based on internal regulations related to internal audits, and report to the director responsible for internal audits about the results.
5. The Internal Audit Department shall periodically and as necessary, as well as upon request of a director or a corporate auditor, report the results of internal audits to the Board of Directors or other organizations or bodies.
6. The Internal Audit Department shall exchange information as necessary and collaborate with the corporate auditors and accounting auditors, in order to perform internal audits efficiently.

Article 6. Matters relating to Employees Assigned to Assist Corporate Auditors in Performing their Duties upon Request by Corporate Auditors

1. JBIC shall establish the Office of Corporate Auditor and assign full-time employees to assist the corporate auditors in performing their duties.
2. Those full-time employees shall perform their duties in line with instructions from the corporate auditors.
3. When deemed necessary, the corporate auditors may assign employees other than the full-time employees referred to above to assist in the performance of audits with the approval of the Governor.

Article 7. Matters relating to Independence from Directors of Employees Assisting Corporate Auditors

1. JBIC shall secure prior approval of the full-time corporate auditors on any decision concerning personnel evaluations, transfers, or other personnel matters relating to employees assisting with the performance of duties by the corporate auditors (hereinafter "the auditor's office staff").
2. When the auditor's office staff concurrently serve in a position other than the auditor's office, JBIC shall secure prior approval of the full-time corporate auditors by making clear each of the following points in writing.
   (1) The rational reason shall be clearly stated that the auditor's office staff need to concurrently serve in that position.
   (2) In assisting with the duties of the corporate auditors, the auditor's office staff shall follow the instructions of the corporate auditors

and not the instructions of the position where the auditor's office staff serve concurrently.

(3) The scope of duties of and instructions to the auditor's office staff in the position other than the auditor's office shall be expressly limited.

(4) The auditor's office staff shall not share with others the information obtained from performing the duties of the auditor's office while serving in that position.

(5) The auditor's office staff shall always give priority to the duties of assisting the corporate auditors more than the duties at the office where the staff serve concurrently in order not to hamper the effectiveness of audits by the corporate auditors.

(6) When the full-time corporate auditors deem it necessary, it is possible for them to withdraw the approval that the auditor's office staff may serve concurrently in any other office.

Article 8. System of Reporting by Directors and Employees to Corporate Auditors and Other Systems of Reporting to Corporate Auditors

1. The representative director and other directors who perform operational duties shall make accurate reports concerning the status of performance of their duties from time to time at the Board of Directors meetings and other important meetings attended by corporate auditors.
2. In the event that a director or an employee discovers any fact that has the potential of inflicting substantial harm upon JBIC, or improper conduct or serious violations of Laws and Regulations, said director or employee shall promptly report the fact to the corporate auditors.

Article 9. System for Ensuring Effective Performance of Audits by Corporate Auditors

1. The corporate auditors shall be entitled to request reports from directors and employees concerning the status of performance of their duties whenever they determine such reports are necessary for the effective performance of audits. A director or employee who receives such a request shall promptly furnish a report in line with the request.
2. The corporate auditors may attend important meetings, including the Board of Directors meetings and the Executive Committee meetings, to express their opinions as necessary. Corporate auditors may also request to review minutes and other related documents.
3. The Governor shall hold periodic meetings with the corporate auditors to exchange opinions.
4. The corporate auditors may request the cooperation of the Internal Audit Department and departments that oversee compliance matters.
5. The corporate auditors may seek the advice of attorneys, certified public accountants, and other professionals concerning audits when deemed necessary for the effective performance of audits.

7. Security Policy

Japan Bank for International Cooperation (hereinafter "JBIC") adopts the following fundamental policy concerning the use and management of information assets and will properly handle, manage, protect, and maintain information assets to achieve information security that meets the highest standards so as to support its proper and efficient operations.

(1) Basic Principles

JBIC shall use and manage information assets in line with the basic principles set forth hereunder while complying with all applicable laws, regulations, and rules.

A. Information assets shall be used appropriately and only for their intended purposes.
B. Authority concerning the management of information assets shall be granted only after careful consideration of the nature of the work and necessity.
C. When adopting and implementing information security measures, the following matters shall be taken into consideration, based on the nature of the work:
   (a) Clarification of responsibilities and roles within implementation structures
   (b) Timely and prompt implementation of necessary, sufficient, effective, and efficient measures

(2) Proper Management of Information Assets

Information assets refer to information and information systems. JBIC classifies them according to such factors as their degree of confidentiality, completeness, usability, and importance, and manages them appropriately in accordance with their classification.

(3) Information Asset Management Structures

JBIC shall establish a structure for ensuring the security of information assets.

(4) Protection of Personal Information

JBIC shall protect and manage personal information by establishing and making public our Privacy Policy and pursuant to the provisions of the Act on the Protection of Personal Information Held by Independent Administrative Agencies (Law No. 59 of 2003).

(5) Protection of Client Information

JBIC shall establish the basic policy for protecting its clients and increasing their convenience for the purpose of appropriate protection and management of information pertaining to them in accordance with this basic policy.

(6) Training on Information Asset Management

JBIC shall provide necessary training to all officers and employees who handle information assets to ensure that they understand requirements in the applicable laws and regulations, as well as in this policy and other applicable rules, and prevent the occurrence of information security problems.

(7) Outsourcing Work

In the event that JBIC engages persons other than its officers and employees to manage its information assets by outsourcing such work, it shall verify that information security is ensured and that appropriate measures have been taken in accordance with the content of the information assets.

(8) Responses to Incidents Concerning Information Assets

In the event of improper disclosure of personal or client information or other incidents causing a problem on information security, JBIC shall promptly take appropriate measures.

(9) Evaluation and Review

JBIC shall evaluate and review this policy, as necessary, to make flexible responses to changes in the external environment, such as the enactment, amendment, or repeal of applicable laws and regulations, as well as innovations in information security technology, and to changes in the internal environment, including organizational and operational changes and updates to JBIC's information systems.

8. Privacy Policy

Japan Bank for International Cooperation (hereinafter "JBIC") positions the trust of our clients as our first priority, deeply recognizes the importance of our clients' personal information, and believes that it is our duty to our clients to properly manage and protect their personal information.

With a view to protecting our clients' personal information, JBIC will conduct our operations in a manner whereby we observe the Act on the Protection of Personal Information Held by Independent Administrative Agencies, etc. (hereinafter "Act"), the Guidance concerning the Measures to Properly Manage the Personal Information held by Independent Administrative Agencies, etc. and so forth.

(1) Acquisition of Personal Information

JBIC will acquire our clients' personal information through proper and lawful means. When we acquire personal information from our clients directly in writing, we will specify in advance the purposes for its use that are within the necessary scope of JBIC's operations.

(2) Use of Personal Information

JBIC will specify the purposes for use in obtaining the necessary personal information of our clients as listed below, and will use it within the scope that is necessary to achieve such purposes:

A. Loan, equity participation, and guarantee operations, and their related due diligence exercise and research (or their supplementary work)
B. Due diligence and communication on contracts with JBIC (other than 1. above)
C. Confirmation of personal identity as per such laws as Foreign Exchange and Foreign Trade Act (Act No. 228, 1949)
D. Invitation to events (such as seminars) organized by JBIC
E. Delivery of various JBIC-related materials
F. Issuance and collection of surveys and questionnaires, and statistical processing and analysis of such outcomes
G. Operations necessary for responding to questions and inquiries, and for dealing with transactions including queries from JBIC, in a proper and smooth manner

(3) Provision of Personal Information to Third Parties

JBIC will not provide the personal information acquired from its clients to third parties except in the following cases:

A. It is required by law.
B. It is provided within the scope of the purposes for use as prescribed above.
C. Consent is obtained from the clients.
D. There are convincing reasons why executive agencies, independent administrative agencies, local municipal entities or local independent administrative agencies would use it to the necessary extent to carry out the law-stipulated operations.
E. It is used for statistics compilation or academic research.
F. It is clearly beneficial to the clients or there exist special reasons to provide personal information.

(4) Subcontract

JBIC may subcontract the handling of our clients' personal information to conduct such operations more smoothly. In such cases, JBIC will attempt to select a trustworthy subcontractor, enter into a confidentiality agreement, adequately supervise the handling and administering of the personal information, and assure the protection of personal information.

(5) Personal Information Management (PIM)

A. JBIC will attempt to keep our clients' personal information correct and updated, and take prevention and safety measures against unauthorized access, leakage, loss, damage, and alteration of personal information.
B. JBIC will constantly educate its employees about the protection and proper management of our clients' personal information to thoroughly make sure of its proper handling in its daily operations.
C. JBIC will audit and inspect whether the protection and management of personal information is undertaken properly.

(6) Disclosure, Correction, and Disuse

If a client wishes to make a request to disclose, correct or disuse the clients' personal information held by JBIC, we will deal with such a request by following the procedure of disclosure etc. stipulated in the Act. Meanwhile, there are some cases when such disclosure etc. could be made out of the procedure of disclosure etc. stipulated in the Law, for which please contact at our Head Office or West Japan Office.

(7) Inquiries about Personal Information Management (PIM)

For inquiries or complaints about the clients' personal information management (PIM) at JBIC, please contact at our Head Office or West Japan Office.

(8) Continuous Improvement

JBIC will continuously improve the clients' personal information management (PIM) as necessary.