

### **3** Examples of Business Outcomes in FY2018

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# Overview of Business Outcomes by Region

## Geographical Distribution of Loan and Equity Participation Commitments

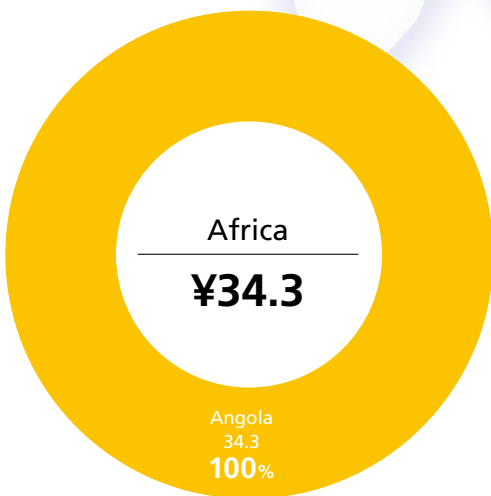
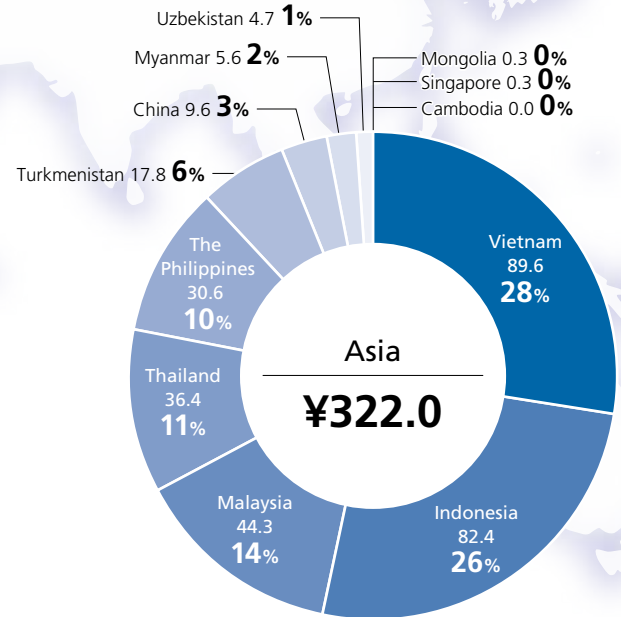
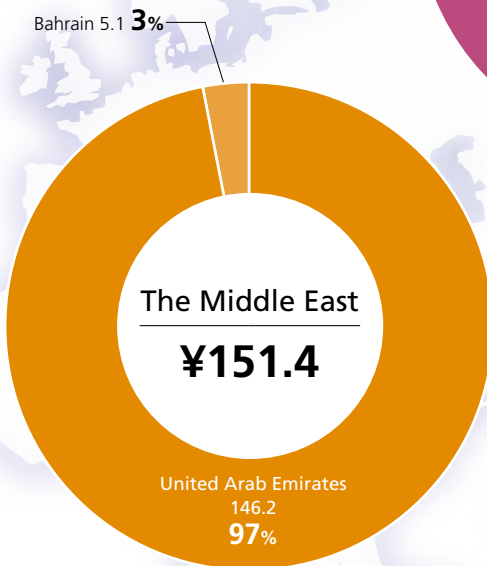
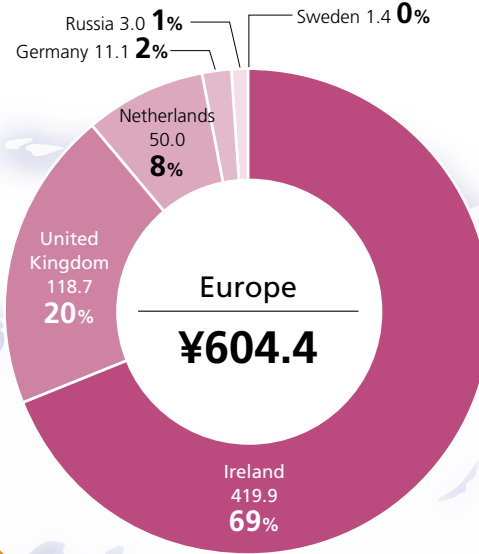
(FY2018; unit: billions of yen)

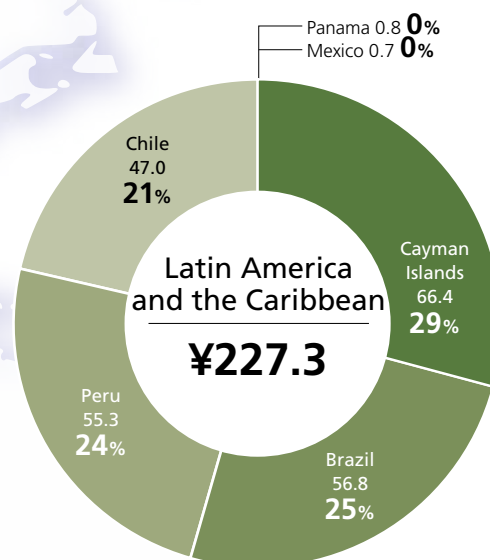
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Examples of Business Outcomes in FY2018

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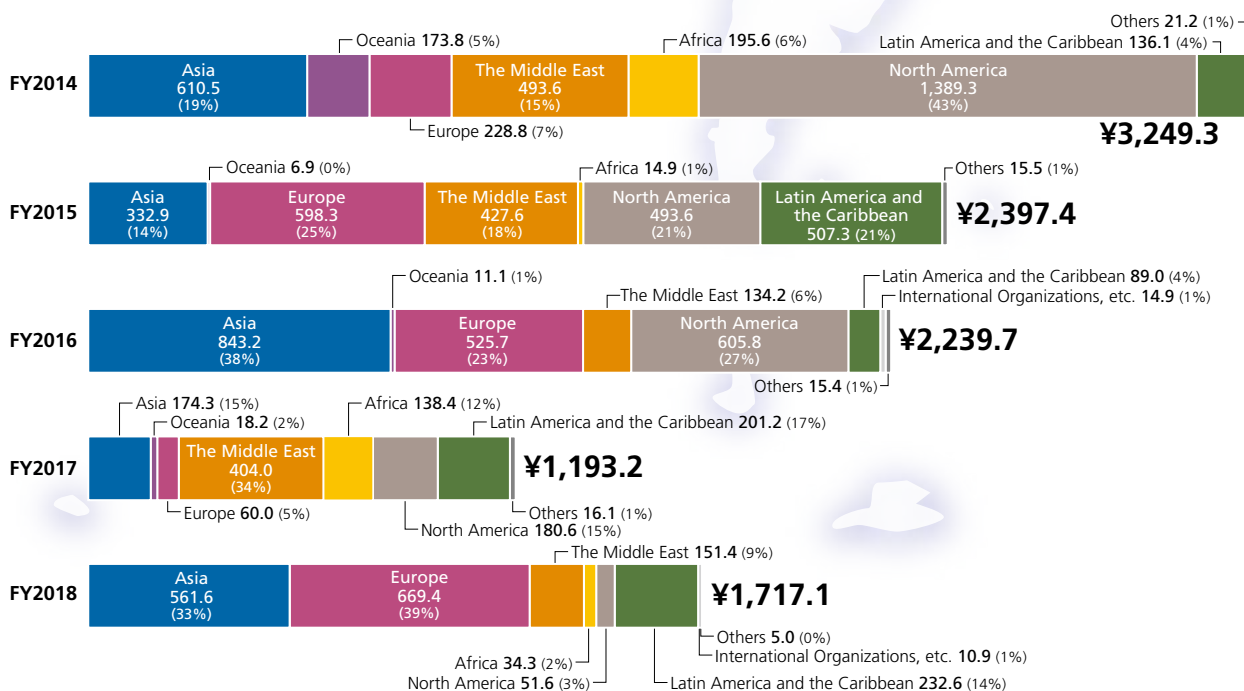
Overview of Business Outcomes by Region





### Transition in Composition of Commitments by Region (Loans, Equity Participations, and Guarantees) over the Last 5 Years

(Unit: billions of yen)



## Asia



## Mongolia

### Financing for Silica Mining and Melt-Processing

Supporting the overseas business development of Japanese mid-tier Enterprises and SMEs

JBIC concluded a loan agreement with Megatech Corporation, a small and medium-sized enterprises that repairs and maintains steel plants. The company's subsidiary, Megatech Manufacturing Mongolia LLC (MMM), needs funds for mining and melt-processing of silica in Mongolia's Dornogovi Province. The financing will be used to construct a processing plant.

After mining and melt-processing, silica is used in a wide range of products such as semiconductors, glass items, and tires. Since Megatech uses processed silica for repairing steel furnaces and other purposes, it established MMM in 2015 in anticipation of growing demand for processed silica. The loan supports Megatech's overseas business deployment.



## Indonesia

QI-ESG<sup>1</sup> project

### Project Financing for Jawa1 Gas-to-Power Project

First project financing to support Japanese companies participating in gas-to-power project in Asia

PT. Jawa Satu Power (JSP) is an Indonesian joint venture owned by Marubeni Corporation, Sojitz Corporation and PT. Pertamina (Persero), the Indonesian state-owned oil company, while PT. Jawa Satu Regas (JSR) is an Indonesian joint venture owned by Marubeni Corporation, Sojitz Corporation, Mitsui O.S.K. Lines, Ltd., PT, Pertamina, and others. JBIC concluded loan agreements for project finance<sup>2</sup> with JSP and JSR to fund a Jawa1 gas-to-power project in Indonesia.

In this project, electric generation and gas-related facilities will be developed in an integrated manner in West Java, Indonesia. JSP will build, own, and operate the gas-fired combined-cycle thermal power plant, while JSR will build, own, and operate an offshore floating LNG storage and regasification unit to supply gas to the power plant on shore. This project plans to sell the produced electricity to the state-owned power utility in Indonesia.

This is the first project financing provided for gas-to-power projects to be implemented in Asia as well as the first time for JBIC to finance such a project.



## Malaysia

### Financing for Acquisition of IHH Healthcare Berhad Shares in Malaysia

Supporting overseas M&A of Japanese company in the healthcare field

JBIC concluded a loan agreement with Mitsui & Co., Ltd. (Mitsui), providing partial funding for it to acquire additional shares of IHH Healthcare Berhad (IHH), Asia's largest private hospital group. As a result of this acquisition, Mitsui became the largest shareholder of IHH.

IHH is engaged in healthcare businesses such as hospital management and outsourced operation as well as management of medical education facilities in Asia, central and eastern Europe, and the Middle East. It provides medical services mainly for advanced treatment. Mitsui will increase involvement in IHH management through additional share acquisition. It will also create new businesses such as telemedicine by utilizing innovative technology and construction of hospital-related businesses with potential of high market growth. The aim is to build-out and expand Asia's largest healthcare ecosystem.

The financing supports new business expansion and overseas business deployment by a Japanese company, by providing the capital for overseas M&A activities.

1. QI-ESG is an abbreviation for "Global Facility to Promote Quality Infrastructure Investment for Environmental Preservation and Sustainable Growth" (see page 57)

2. Project finance is a financing scheme in which repayments for a loan are made solely from the cash flows generated by the project.



## Myanmar

QI-ESG project

### Loan for Development and Operation of Multifunctional Real Estate Complex Project

Supporting overseas business deployment of Japanese companies

JBIC concluded a loan agreement with Yangon Museum Development Pte. Ltd. (YMD), a company established in Singapore by Tokyo Tatemono Co., Ltd., Fujita Corporation, and the Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (JOIN). This loan is intended to finance the company's development and operation of multifunctional real estate complex to be built in Yangon, Myanmar, consisting of a hotel, serviced apartments, offices, and commercial facilities.

Through this project, Tokyo Tatemono and Fujita will provide services such as Japanese quality office and living spaces for customers, including Japanese companies expanding to Myanmar. The companies plan to gain their know-how in the overseas real estate business in addition to increasing their earnings. This project will install the building energy management system (BEMS) as in the latest style buildings in Japan. This project will thus contribute to global environment preservation through the efficient use of energy throughout buildings.



## The Philippines

### Partial Acquisition of Publicly Offered Samurai Bonds Issued by the Government of the Philippines and Signing of MOU

Supporting vitalization of the Samurai bond market and strengthening cooperation with the Government of the Philippines

JBIC partially acquired publicly offered yen-denominated foreign bonds (Samurai bonds)<sup>3</sup> issued by the government of the Philippines in the Tokyo bond market, through JBIC's financing facility, the Guarantee and Acquisition toward Tokyo market Enhancement (GATE)<sup>4</sup>. JBIC partially acquired such Samurai bonds issuance by the government of the Philippines, following its support with a guarantee in March 2010. Through such phased issuance of the Samurai bonds, the government of the Philippines maintains and increases its presence as the issuer in the Tokyo bond market. Such foreign issuers' active participation in the Tokyo market is expected to provide broader investment opportunities for Japanese investors and stimulate the Samurai bond market.

In addition, JBIC signed a memorandum of understanding (MOU) with the government of Philippines to enhance strategic cooperation for infrastructure development in the Philippines. This MOU aims to further strengthen close cooperation and partnership that has been fostered between the government of the Philippines and JBIC, with the objective of encouraging Japanese companies to participate in infrastructure development in the Philippines.



## Vietnam

### Equity Participation in a Vietnamese Company to Secure Strategic Mineral Resources

Supporting overseas business development and securing stable supplies of mineral resources for Japanese companies

JBIC concluded a shareholders' agreement with Daiichi Kigenso Kagaku Kogyo Co., Ltd. (DKKK) and other shareholders for an investment in Vietnam Rare Elements Chemical Joint Stock Company (VREC).

With a background of technological strength in refining and manufacturing zirconium compounds, DKKK holds the world's top class share in production output of these compounds<sup>5</sup>. This transaction is intended to support, through JBIC's investment, the provision of funds necessary for DKKK's consolidated subsidiary, VREC, to manufacture zirconium oxychloride, which is used as a raw material of zirconium compounds and export it to Japan.

Zirconium is listed as one of the Strategic Mineral Resources marked for prioritized effort in the Japanese government's Strategy for Securing Natural Resources, as it is essential to ensuring the competitiveness of the chemical industry. This transaction contributes to DKKK's overseas business development as well as the stable supply of zirconium, a strategic mineral resource.



3. Samurai bonds are yen-denominated bonds issued by foreign governments or companies in the Tokyo bond market.

4. The Guarantee and Acquisition toward Tokyo market Enhancement (GATE) facility supports the issuance of Samurai bonds through partial guarantees or partial acquisition by JBIC.

5. Zirconium compounds used for various industrial products such as industrial catalysts and automobile catalytic converters, electronic materials and oxygen sensors, refractory and brake materials, fine ceramics, and solid electrolytes for fuel cells.

## Asia



### Turkmenistan

#### Buyer's Credit for Government of Turkmenistan

##### Supporting export of gas-fired power plant facilities by Japanese companies

JBIC concluded loan agreements on buyer's credit (export loans) with the government of Turkmenistan. These loans are intended to provide financing for Turkmenenergo, Turkmen State Power Corporation, to purchase a full set of facilities from Sumitomo Corporation and construct a gas-fired power plant in Lebap Region, Turkmenistan. The gas turbine and generator to be installed at the power plant as the main equipment are manufactured by Mitsubishi Hitachi Power Systems, Ltd.

During Japan-Turkmenistan Summit Meeting in October 2015, the Japanese Government declared its cooperation towards the realization of the efficient utilization of Turkmenistan's energy and resources in the "Japan-Turkmenistan Joint Statement". The loans provided by JBIC to support the export of Japanese-made gas-fired power generation plant equipment are therefore in line with this initiative of the Japanese and Turkmenistan governments. Furthermore, this financial support will create business opportunities for Japanese companies in the infrastructure sector of Turkmenistan, thus contributing to maintaining and strengthening the international competitiveness of Japanese industries.



### Uzbekistan

#### Export Credit Line for the National Bank for Foreign Economic Activity of the Republic of Uzbekistan

##### Supporting export of equipment related to Uzbekistan's backbone telecommunication network system by Japanese companies

JBIC concluded an export credit line agreement with the National Bank for Foreign Economic Activity of the Republic of Uzbekistan (NBU). This credit line is intended to provide funds, through NBU, to Uzbektelecom JSC, a state-operated telecommunications company, for the purchase of a complete backbone telecommunication network system manufactured by NEC Corporation etc. from Toyota Tsusho Corporation.

Uzbekistan has been promoting high-speed, high-capacity telecommunications by updating the backbone telecommunication network system, responding to the progress of information technology and the growing popularity of smartphones. Through offering support by financing the export of high quality telecommunications equipment from Japan, this credit line will contribute to the capacity upgrade of Uzbekistan's backbone telecommunication network system.

## Europe

### Nordic and Baltic Region

#### Equity Participation in Fund that Invests in Deep-Tech Companies in Nordic and Baltic Region

Supporting Japanese companies in strengthening international competitiveness through investments in venture capital fund

JBIC concluded an agreement for equity participation in JB Nordic Fund I SCSp (the Fund). The fund is jointly established as a venture capital fund and managed by AS BaltCap, a leading fund manager in the Baltic States based in Estonia, and JBIC IG Partners<sup>1</sup>. The fund intends to invest in deep-tech startups in the Nordic and Baltic region<sup>2</sup>.

The Nordic and Baltic region has been establishing itself as a leading hub for deep-tech startups. OMRON Corporation, Panasonic Corporation<sup>3</sup> and Honda Motor Co., Ltd. have also committed to the fund as strategic investors. The fund will invest in deep-tech startups in the Nordic and Baltic region, while promoting business partnership opportunities between the startups and Japanese companies and investors. In this way, JBIC is supporting the overseas business strategies of Japanese companies.



Fund launching event in Helsinki



### United Kingdom

#### Equity Participation in DAZN Group Limited

Supporting Japanese companies' overseas business expansion

JBIC concluded a shareholders' agreement with Dentsu Inc. (Dentsu) for a joint investment in DAZN Group Limited (DAZN, former Perform Group Limited).

DAZN is a global market leader in the commercialization of sports content across multiple digital and broadcast platforms. With this investment, Dentsu plans to strengthen their international advertisement business using digital technology, as well as their sports business.

Changes in the business environment surrounding Japan are growing ever more rapid and disruptive, following worldwide trends such as the fourth industrial revolution. In Japan's industrial sector, efforts to improve productivity that go beyond the borders of existing industries, as well as the pursuit of leading-edge technology and innovation, have become urgent issues. In this project, JBIC supports Dentsu's efforts to strengthen their international advertisement business using digital technology, thereby contributing to maintaining and strengthening the international competitiveness of the Japanese industry.



### Ireland

#### Loan for Acquisition of Shire plc by Takeda Pharmaceutical Company Limited

Supporting overseas M&A of Japanese companies in the pharmaceutical industry

JBIC concluded a loan agreement with Takeda Pharmaceutical Company Limited (Takeda), to finance part of the funds required for acquiring Shire plc (Shire) in Ireland.

Shire has strength in pharmaceuticals for rare diseases and plasma-derived therapies<sup>4</sup>, the demand for which is expected to grow. This biopharmaceutical company also has multiple leading brands and new drug pipelines in the gastroenterology (GI) and neuroscience areas. Through the acquisition, Takeda has five focus areas: gastroenterology (GI), rare diseases, plasma-derived therapies, oncology (cancer), and neuroscience. In addition, Shire has a sizable sales share in the U.S. market, which is the largest market in the world and expected to continue to grow at a high rate. The acquisition makes it possible to gain further driving force for growth overseas.

The loan helps a Japanese company to promote new and existing business development overseas by providing it with long-term foreign currency funding necessary for M&A activities outside Japan.



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1. JBIC IG partners established in June 2017 by JBIC and Industrial Growth Platform, Inc. for the purpose of providing advice to overseas investment funds.  
 2. The region comprises eight countries: Finland, Sweden, Denmark, Norway, and Iceland (the Nordic countries) and Estonia, Latvia, and Lithuania (the Baltic countries).  
 3. Panasonic Corporation commits to the Fund through a subsidiary.  
 4. Products manufactured by separating and refining from human blood plasma various types of plasma protein necessary for treatment.

## Middle East



### Bahrain

#### Export Credit Line for Aluminium Bahrain B.S.C. (Alba) in Bahrain Providing Support for Export of Aluminium Smelting Equipment from Japan

JBIC concluded a general agreement offering an export credit line<sup>1</sup> with Aluminium Bahrain B.S.C. (Alba) of Bahrain. Alba is one of the largest aluminium smelters in the Middle East. The loan was extended to Alba to finance the purchase of a full set of equipment necessary for its brownfield Line 6 Expansion Project. In this project, Fuji Electric Co., Ltd. supplied the world's largest rectifiers and ancillary equipment while Sumitomo Corporation delivered carbon cathodes manufactured by SEC Carbon Limited, which are used in the electrolysis of alumina to produce aluminium.

In pursuit of the vision of building a nation that does not depend on oil resources, Bahrain is aiming to grow its economy by developing non-petroleum sectors through industrial diversification. This loan is in line with the policies of the government of Bahrain and will contribute to the Japanese industry in maintaining and enhancing its international competitiveness by further facilitating machinery and equipment exports from Japan.



### United Arab Emirates

QI- ESG project

#### Buyer's Credit and Project Finance for the Power Sector in Sharjah, UAE Supporting Overseas Infrastructure project under the QI-ESG

JBIC concluded a buyer's credit loan agreement with Sharjah Electricity and Water Authority (SEWA) of the Emirate of Sharjah. This loan provides financing for the purchase of a complete set of power generation equipment, including the gas turbine, manufactured by Mitsubishi Hitachi Power Systems, Ltd. This is JBIC's first loan provided to Sharjah.

JBIC also concluded a loan agreement with Sharjah Hamriyah Independent Power Company PJSC (SHIPCO) in the UAE, in which Sumitomo Corporation and Shikoku Electric Power Company, Incorporated hold an equity stake. JBIC provides project financing for the Hamriyah Gas-fired Combined Cycle Power Plant located in the Emirate of Sharjah. Under this project, SHIPCO will build, own, and operate the gas-fired combined cycle power plant and sell electricity to SEWA once the plant becomes operational. It is the first Sharjah's independent power producer (IPP)<sup>2</sup> project.

The Emirate of Sharjah is expected to enjoy stable economic growth. On the other hand, the response to increasing demand for electricity due to growing economy becomes an issue to be addressed in the emirate. JBIC will contribute to a stable power supply to the emirate through financing for the export of power generation equipment by Japanese companies and projects where they participate.



1. An export credit line is a form of export credit in which JBIC offers credit lines up to a certain amount for foreign banks or corporations which plan to purchase equipment and associated services from Japan.

2. An IPP (Independent Power Producer) is an independent producer of electric power who builds and operates power facilities, and generates electric power available for sale.





## United Arab Emirates

### Loan for Acquiring Interests in Offshore Oil Field in Abu Dhabi

Contributing to stable supply of energy resources for Japan

JBIC concluded a loan agreement with Inpex Corporation (INPEX) to provide necessary funds for it to acquire interests in the Lower Zakum offshore oil field in the Emirate of Abu Dhabi. JBIC also concluded a loan agreement with Japan Oil Development Co., Ltd. (JODCO), a subsidiary of INPEX, to finance the extension of interests held by JODCO in the Satah and Umm Al-Dalkh offshore oil fields located in the emirate.

In the Fifth Strategic Energy Plan, the Japanese government maintains the goal of increasing its self-development ratio<sup>3</sup> of oil and natural gas to 40% or more by 2030. According to the Plan, Abu Dhabi is vital to Japan's resource strategy as the emirate allows the entry of foreign companies on the basis of concession agreements. JBIC has indirectly supported Japanese companies' interest acquisitions in Abu Dhabi through its activities such as signing of a memorandum of understanding with Abu Dhabi National Oil Company (ADNOC) which manages Abu Dhabi's oil and gas businesses. In line with these efforts, this loan contributes to enhancing its self-development ratio.



## Africa



## Angola

### Export Credit Line for the Government of Angola

Supporting export of equipment and services related to the harbor Sector by Japanese companies

JBIC concluded a general agreement with the government of Angola to provide an export credit line. Based on this agreement, two loan contracts were also concluded.

The credit line is intended to provide funds for the Angolan government to import machinery and equipment from Toyota Tsusho Corporation and TOA Corporation services for use in relation to the Namibe Comprehensive Development Project, which includes two projects being carried out by Angola's Ministry of Transport: the Namibe Port Expansion for New Container Terminal Project and the Sacomar Iron Ore Export Terminal Rehabilitation Project.

In Angola, the optimization of logistics through establishing logistics bases in the southern part of the country and the acquisition of foreign currencies by promoting mineral resource exports are important issues. Therefore, these two projects are recognized among the highest-priority projects in Angola's public investment plan. In addition to contributing to the development of the ports of Angola, these projects will contribute to maintaining and enhancing the international competitiveness of Japanese industry by promoting the export of port-related equipment to the country by Japanese companies.



3. The ratio of the value of oil and natural gas transactions pertaining to the stake owned by Japanese companies to the total value of oil and natural gas imported into or produced in the country.

## Latin America



### Brazil

#### Project Financing for FPSO Operation Project

Supporting offshore resource development business and strengthening international competitiveness of Japanese companies

JBIC concluded a loan agreement with Dutch company Libra MV31 B.V. (LMV31) incorporated by MODEC, Inc. (MODEC), Mitsui & Co., Ltd., Mitsui O.S.K. Lines, Ltd., and Marubeni Corporation. The loan is in the form of project finance to finance long-term FPSO<sup>1</sup> vessel chartering services, to be provided to Petróleo Brasileiro S.A. (Petrobras), a state-owned oil company in Brazil for developing the Mero oil field<sup>2</sup> in the Libra Block located off the coast of Brazil.

This loan will strengthen the international competitiveness of Japanese companies in offshore resource development by helping them acquire and improve technologies, management practices, and know-how regarding the operation of FPSO systems.



An FPSO vessel of the same type used in the project. (provided by MODEC, Inc.)



### Chile

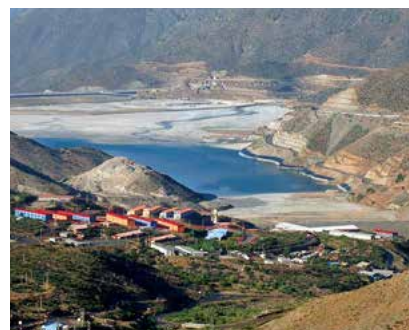
#### Loan for Los Pelambres Copper Mine Expansion in Chile

Supporting Japanese Companies' Long-term, Stable Supplies of Copper Concentrate

JBIC concluded a loan agreement with the Chilean corporation Minera Los Pelambres (MLP) to finance the expansion of the Los Pelambres copper mine.

This loan is intended to provide long-term financing for the capital investment required to build an additional concentrator and desalinated water supply facilities to reinforce the ore processing capacity at the Los Pelambres copper mine, located in the Coquimbo Region in Chile. The project will be undertaken by MLP, which is owned by UK-listed Antofagasta PLC, JX Nippon Mining & Metals Corporation, Mitsubishi Materials Corporation, Marubeni Corporation and Mitsubishi Corporation.

Copper is an essential metal for Japanese industries. Since Japan relies solely on imports for copper concentrates, it is an urgent challenge to secure a long-term, stable supply of copper resources. JBIC will continue to actively support Japanese companies' development and procurement of minerals and other natural resources and provide financing to ensure a stable mineral resources supply to Japan by drawing on its various financial facilities and schemes.



### Peru

#### Loan for Quellaveco Copper Mine Development Project in Peru

Contributing to Stable Supplies of Copper Resources by Supporting Japanese Company's Large-Scale Copper Mine Development Project

JBIC concluded a loan agreement with Mitsubishi Corporation for its Quellaveco Copper Mine Development Project. This loan is intended to provide part of the funds which Mitsubishi will provide for the project. The project is undertaken by Anglo American Quellaveco S.A., a Peruvian subsidiary of Mitsubishi and British company Anglo American plc, one of the leading mining companies. Mitsubishi owns 40% interest in the Quellaveco Copper Mine, and will offtake the equivalent proportion of the copper ore produced, which it plans to supply to smelters including Japanese ones.

Since Japan relies solely on imports for copper concentrates, it is an urgent challenge to secure a long-term, stable supply of copper resources. The Strategic Energy Plan set the goal of achieving at least 80% self-sufficiency for base metals by 2030. This project supports the additional development of a copper mine in which Japanese companies hold interests and, as such, is in line with the Japanese government's policies.



1. A floating production, storage and offloading (FPSO) system is a floating vessel for the first-stage processing of crude oil produced at the oil well. It separates associated gas and water, stores, and offloads the oil.  
2. This oil field is located in the pre-salt layer of the Santos Basin, which is approximately 180 kilometers off the southeast coast of the state of Rio de Janeiro.



## Mexico

### MOU with Petróleos Mexicanos

Supporting Japanese companies' participation in oil and gas development and energy-related infrastructure business

JBIC concluded an MOU to strengthen the institutional cooperation in the oil and natural gas, energy-related infrastructure, and environment fields with Petróleos Mexicanos (PEMEX), the Mexican state-owned petroleum company, at the seventh annual meeting on policy dialogue with the Mexican Government.

This MOU aims to hold periodic discussions between JBIC and PEMEX and further enhance cooperation. The MOU also intends to promote Japanese companies' participation in upstream development and oil refinery upgrading business run by PEMEX in Mexico.

As Japan's policy-based financial institution, JBIC will continue to support the overseas development and acquisition of natural resources by Japanese companies and contribute to the creation of business opportunities for Japanese companies to participate in and to further deepen and develop the economic relationship of Japan and Mexico.



## Mexico

### Loan for Manufacturing and Sales of Automobile Parts

Supporting overseas business deployment of Japanese automobile component manufacturers through local currency financing

JBIC concluded a loan agreement with Molitec Steel Mexico, S.A. de C.V. (MSM), a Mexican subsidiary of MOLITEC STEEL CO., LTD. (MOLITEC). This loan is intended to finance for MSM's manufacturing and sales of automobile components, in particular continuously variable transmission parts, in the state of Aguascalientes in West-Central Mexico.

Mexico is a major automobile manufacturer and exporter for North America. Japanese and foreign-affiliated manufacturers of automobile-related products are developing their business in the market, and further increases in demand for automotive components are expected. Amidst this environment, MOLITEC founded MSM in 2013, and is now increasing its production capacity in order to expand its sales of automotive components in Mexico. This local currency loan is intended to support the company in expanding its overseas business.



## Argentina

### Export Credit Line for Banco de la Nación Argentina

Supporting export of infrastructure-related equipment to Argentina by Japanese companies

JBIC concluded a general agreement with Banco de la Nación Argentina (BNA), the largest commercial bank in Argentina, regarding the provision of an export credit line.

This credit line is intended to provide financial support to local companies in Argentina that require funding to purchase infrastructure-related equipment from Japanese companies and their overseas affiliates. Financing will be carried out through BNA, which will extend medium/long-term loans denominated in Japanese yen or U.S. dollars. This credit line will facilitate the expansion of business transactions between Argentina and Japanese companies, and the expansion of exports to Argentina from Japan.

In Argentina, there are prospects for enlarging business opportunities, mainly in the field of infrastructure and energy. The credit line is expected to boost the exports of Japanese companies to Argentina.



# Examples of Business Outcomes Relating to Support for Mid-tier Enterprises and SMEs

JBIC supports mid-tier enterprises and SMEs in a wide range of industries with their overseas business deployment.

3

Examples of Business Outcomes in FY2018

3

Examples of Business Outcomes Relating to Support for Mid-tier Enterprises and SMEs

## China

### Tsujitomi & Co., Ltd. (Shiga Prefecture)

#### Nonwoven Fabric Manufacturing and Sales Business

Tsujitomi is engaged in the manufacture and sale of nonwoven fabrics such as automotive materials as well as civil engineering and construction materials. In 2002, it established JIAXING HUALI NON-WOVEN FABRIC CO., LTD. (JHN) in Zhejiang Province, China, to manufacture and sell nonwoven fabrics for automobile interiors and etc. By expanding JHN's production capacity, Tsujitomi seeks to increase its market share in China, where the nonwoven fabrics market is expected to expand on the back of a growing automotive market. JBIC provided JHN with the funds necessary to expand its production capacity.



## Cambodia Vietnam

### NAKAZAWA GROUP (Shiga Prefecture)

#### Wristwatch Sales and Repair Business

NAKAZAWA GROUP is engaged in the sale and repair of wristwatches. By establishing NAKAZAWA VIETNAM CO., LTD. (NKV) in Vietnam in 2013 and NAKAZAWA (CAMBODIA) CO., LTD. (NCC) in Cambodia in 2014, NAKAZAWA GROUP started business in both countries where consumer spending is expected to rise with a growing middle class. NAKAZAWA GROUP seeks to expand its sales share by opening new stores. JBIC provided the funds necessary for NKV to open its fourth store in Vietnam, and for NCC to open its second store in Cambodia.



Cambodia



Vietnam

## Indonesia

### NIKKATSU ELECTRIC WIRE WORKS, LTD. (Aichi Prefecture)

#### Electric Wire and Cable Manufacturing and Sales Business

NIKKATSU ELECTRIC WIRE WORKS (NIKKATSU) is engaged in the manufacture and sale of electric wire, cable and etc. In 1995, it established PT. SURYAMULYA BANGUN INDO (SMBI), which conducts manufacture and sale of electric wire and cable for elevators in Indonesia. With demand for elevators expected to expand, on the back of economic growth in ASEAN countries, NIKKATSU seeks to expand its overseas production through SMBI. JBIC supports NIKKATSU's globalization effort by guaranteeing a cross-border loan from the Aichi Bank, Ltd. to SMBI, and providing loan to the Aichi Bank based on its preset credit line\*.

\*In March 2019, JBIC concluded a credit line with the Aichi Bank to support the overseas business deployment of Japanese mid-tier enterprises and SMEs as well as M&A transactions involving Japanese companies.



## Indonesia

### Hanken Works Ltd. (Nara Prefecture)

#### Manufacture and Sales of Tanks for Construction Machines

Hanken Works is engaged in the manufacture and sale of tanks for construction machines. In 1995, it established PT HANKEN INDONESIA (HKI) in Indonesia. With demand for construction machines is expanding on the back of economic growth in Indonesia and neighboring countries, Hanken Works seeks to expand its overseas production through HKI. JBIC supports HKI's cross-border borrowing by concluding a loan agreement\* and a guarantee agreement with the Hokkoku Bank, Ltd. for the funds necessary to purchase additional facilities.

\*An agreement concluded with the Hokkoku Bank in February 2019, based on an investment credit line to support the overseas business deployment of Japanese mid-tier enterprises and SMEs as well as M&A transactions involving Japanese companies.



**Myanmar**

**SUNTECH Co., Ltd. (Kagawa Prefecture)**

Plant Machinery and Equipment Manufacturing and Sales Business

**TAKAHATA Inc. (Kagawa Prefecture)**

Switchboard and Power Controller Manufacturing and Sales Business

SUNTECH, which manufactures and sells a wide range of plant machineries and equipment mainly made of stainless steel, and TAKAHATA, which manufactures and sells switchboards, power controllers and etc., established the joint venture Mooz & Company Myanmar Limited (MCM) in Myanmar. Development of transportation and electricity infrastructure is expected to grow in Myanmar, and MCM seeks to enter and capture a market share of the gasoline stand gas tanks and electrical distribution systems. JBIC provided SUNTECH and TAKAHATA with the funds necessary to establish MCM.



**The Philippines**

**MJK Ltd. (Aichi Prefecture)**

Plastic Molded Parts Manufacturing and Sales Business

MJK is engaged in the manufacture and sale of plastic molded parts and wire harnesses, mainly for automobiles. In the Philippines, the market for automotive parts is expected to expand on the back of economic growth in Asian countries. MJK established MJA MOLD PHILS. INC. (MJAM) to expand its business. JBIC provided MJAM with funds necessary in its business of manufacturing and selling plastic injection-molded pieces for automotive parts. The funds were used to increase production equipment.



**Thailand**

**JET8 Co., Ltd. (Tokyo)**

International Freight Transport Business

JET8's main business area is international logistics hang on advantage of temperature-controlled transport. In 2009, it established JET8 (Thailand) Co., Ltd. (J8TH) in Thailand and has engaged in many transportation projects for cargo such as medical products, vaccines, and medical samples. In addition to expanding its capacity and upgrading its temperature-controlled logistics services, J8TH seeks to expand its business into logistics service supporting import and export of refrigerated cargo as well as temperature-controlled supply chains among third-countries and within Thailand. JBIC provided J8TH with Thai baht-denominated funds necessary to expand its capacity.



**Thailand**

**TATSUMI SHOKAI Co., Ltd. (Osaka Prefecture)**

General Logistics Business

TATSUMI SHOKAI is engaged in marine transportation, warehousing, harbor transportation, land transportation, and air freight forwarding. It has established a global logistics network with local subsidiaries in Southeast Asia as well as in Europe and the U.S. In light of growing demand for logistics in Thailand, it established a local subsidiary in 2017 to conduct warehouse operations. It mainly stores and transports components and finished products for Japanese companies. Through its local subsidiary in Thailand, it has also acquired shares in a tank terminal operator to acquire a customer base and to expand its logistics business in Thailand. JBIC provided TATSUMI SHOKAI with the funds to establish the local subsidiary, and also provided the local subsidiary in Thailand with funds for acquiring shares in a Thai corporation.



**Thailand**

**MARUESU Corporation  
(Osaka Prefecture)**

**Food Processing and Sales Business**

MARUESU is engaged in the manufacture and sale of snacks such as fried squid. With firm economic development driving growth in demand for luxury grocery items in Southeast Asia, it established MARUESU FACTORY (THAILAND) CO., LTD. (MFT) in Thailand and seeks to expand the market, through Japanese retailers, for products adapted to local tastes. JBIC provided MFT with Thai baht-denominated funds necessary for its food processing and sale business.



**Thailand**

**VS Technology Corporation (Tokyo)**

**Industrial Lenses and Lighting Manufacturing and Sales Business**

VS Technology is engaged in the manufacture and sale of industrial lenses and inspection lighting for factory production lines in a wide range of manufacturing industries. As the automation of operational processes progresses in manufacturing industries, including the automobile industry, demand for these products is anticipated to expand in the future. VS Technology therefore established VS Technology (Thailand) Co., Ltd. (VSTT) to expand its business abroad. JBIC provided VSTT with funds necessary for expanding production in its industrial lenses and lighting manufacturing and sale business.



**Vietnam**

**Atago and Co., Ltd. (Fukui Prefecture)**

**Knitted Apparel Manufacturing and Sales**

Atago is engaged in the manufacture and sale of knitted apparel. It has been expanding its business abroad since 1996, when it ventured into China. It decided to newly establish Atago Garment Vietnam Co., Ltd. (AGV) in Vietnam to expand its production capacity abroad and to lower manufacturing costs. AGV mainly manufactures and sells knitted apparel for well-known sports brands and seeks to expand its business further. JBIC provided Atago with funds necessary for AGV's new manufacturing base.



**Vietnam**

**FUJISLATE CO., LTD.  
(Tokushima Prefecture)**

**Lightweight Roof Tile Manufacturing and Sales Business**

FUJISLATE is mainly engaged in the manufacture and sale of lightweight roof tiles. After entering into Vietnam in 2011, it decided to establish the local subsidiary FUJI STAR ROOF CO., LTD. (FSR) in light of expansion of the Vietnamese market and seeks to enter and capture a share of the Southeast Asian market, including in Vietnam. JBIC provided FUJISLATE with funds necessary for it to establish FSR and conduct the business.



**Vietnam****HASHIMOTO-CLOTH Co., Ltd.  
(Shiga Prefecture)****Nonwoven Goods Manufacturing and Sales Business**

HASHIMOTO-CLOTH is engaged in the manufacture and sale of nonwoven goods in a wide range of industries, especially industrial items such as control panel filters, cloth, and oil adsorbents. In 2018, it established HASHIMOTO CLOTH VIETNAM CO., LTD. (HACV) as a manufacturing base in Vietnam. With demand for nonwoven goods anticipated to expand in the future, especially in Asia, HASHIMOTO-CLOTH seeks to lower manufacturing costs and expand sales through capital investment into HACV. JBIC provided HACV with funds to establish a new manufacturing plant for nonwoven goods.



Conceptual image of  
Vietnamese plant



Head office building

**Mexico****Beyonz Co., Ltd. (Shizuoka Prefecture)****Automotive Parts Manufacturing and Sales Business**

Beyonz is engaged in the manufacture and sale of automotive parts. Driven by steadily growing automobile demand in North America, Mexico, as a production base for automotive parts, is anticipated to see an increase in trade for North American export. Beyonz established BEYONZ MEXICANA, S.A. DE C.V. (BM) in 2013 and aims to expand its business in Mexico. JBIC concluded an individual loan under a preset credit line\* with the Shizuoka Bank, Ltd. and provided, through the Shizuoka Bank, BM with the funds necessary for its automotive parts manufacturing and sale business.

\*JBIC concluded an investment credit line with the Shizuoka Bank in December 2016 to support the overseas business deployment of Japanese mid-tier enterprises and SMEs.



# Examples of Business Outcomes Relating to Environment

## Supporting Environmental Conservation and Improvement Projects

Achieving both environmental preservation and economic development is at present universally recognized as a common challenge for developed and developing countries alike. Given this awareness, there are growing expectations across the world on implementing projects which lead to environmental conservation and improvement.

Various efforts in this field are underway throughout the world, including energy-saving projects to increase energy efficiency; renewable energy projects such as solar and wind power generation; projects involving highly efficient, high performance coal-fired power generation

and natural gas-fired combined-cycle power generation that reduce carbon dioxide (CO<sub>2</sub>) emissions; urban transportation projects such as railroads that help alleviate traffic jams and air pollution; smart grid projects that supply electricity efficiently using IT; and eco-city projects that aim to realize environmentally sustainable cities.

Amid such developments, JBIC not only takes into consideration the environmental and social aspects of individual projects, but is also committed to support environmental conservation and improvement projects, such as measures against global warming.

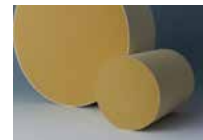
### Supporting Manufacturing and Sales Ceramic Products for Purifying Automobile Exhaust in Thailand

QI-ESG project

In recent years, economic growth and population increases have driven rising automobile demand in Asian countries, particularly in China and the ASEAN region. In response to this growth, emission regulations have been tightened. Under such circumstances, an increase in demand is expected for the ceramics that purify harmful automobile emissions such as hydrocarbon (HC), carbon monoxide (CO), and nitrogen oxide (NO<sub>x</sub>).

NGK CERAMICS (THAILAND) CO., LTD. (ACTH), a Thai subsidiary of NGK INSULATORS, LTD., aims to expand its business in Asia by increasing its manufacturing capabilities for automobile exhaust purifying ceramics for large commercial vehicles. The new manufacturing facilities are to be built in Samut Prakarn Province, Thailand.

JBIC concluded a loan agreement with ACTH to support the expansion of their manufacturing capabilities. This loan is also provided under JBIC's "Global Facility to Promote Quality Infrastructure Investment for Environmental Preservation and Sustainable Growth" (QI-ESG).



### Supporting Offshore Wind Power Generation Project in the United Kingdom

QI-ESG project

JBIC concluded a loan agreement in project financing with British company Moray Offshore Windfarm (East) Limited (MOWEL), invested in by Mitsubishi Corporation, Kansai Electric Power Co., Inc., Mitsubishi UFJ Lease & Finance Company Limited and others, for the Moray East offshore wind power generation project in the United Kingdom (U.K.). For this project, MOWEL builds, owns and operates an offshore wind farm to be located off the coast of Moray, Scotland, in northern Great Britain. Under the Contracts for Difference (CfD)<sup>1</sup>, a U.K. renewable energy subsidy scheme, MOWEL will sell electricity to power retailers for 15 years after the start of commercial operations.

In June 2019, the U.K. government legislated to pursue net zero emissions of greenhouse gases (GHGs) by 2050. Also, under the Energy Act 2013, it is striving to expand low carbon energy sources as a replacement for existing power plants through the CfD scheme. This project will contribute to the reduction of GHGs emissions in the country.



1. CfD is a contract between the UK government's wholly owned Low Carbon Contracts Company and power developers, and the scheme ensures long-term income for power developers by adjusting for the difference between the price determined by the UK government and the index price in the power market.



## Supporting a Waste Treatment Project in Sweden

QI-ESG project

JBIC concluded a loan agreement of Swedish krona with HZI Jönköping Biogas AB (HZI Jönköping Biogas), a Swedish subsidiary of Hitachi Zosen Corporation Group (Hitachi Zosen Group). This loan is intended to provide the necessary funds for HZI Jönköping Biogas to build a waste treatment plant using methane fermentation technology located in the city of Jönköping, Sweden, and to treat waste and sell biogas for 20 years.

Hitachi Zosen Group is a leading group which boasts a world-class track record in waste treatment and power generation plants. This project is the first business investment for Hitachi Zosen Group in the waste treatment field in Sweden. It is thus positioned as an important milestone in further developing the group's overseas business. In addition, the biogas sold by HZI Jönköping Biogas is scheduled to be used as fuel for public transport in the city of Jönköping. This loan will also contribute to the preservation of the global environment.



## Credit Line for CABEL to Support Renewable Energy Projects

QI-ESG project

JBIC concluded a loan agreement to set up a credit line with the Central American Bank for Economic Integration (CABEL)<sup>2</sup>. This credit line is intended to finance, through CABEL, smart energy projects such as maintenance and upgrading of transmission and distribution networks in Central America, as part of GREEN operations.

CABEL is a multilateral regional development financial institution whose objective is to promote the economic integration and balanced economic and social development of the Central American region. Advocating "environmental sustainability" as a component of its business strategy, it is enhancing initiatives targeting renewable energy and efficient transmission and distribution networks. JBIC and CABEL have built up close cooperative ties since the late 1960s through loans financing Japanese exports of machinery and equipment to Central American countries and their infrastructure projects. This loan, which finances the environment sector, will further deepen cooperative relations between the two institutions.

## Partnerships and Knowledge Sharing in the Environmental Sector

Amid growing expectations for the implementation of environment-related projects toward global environmental conservation and a low-carbon society in various parts of the world, JBIC supports Japanese overseas business deployment as well as efforts being made by foreign governments in this field, not only through financing but also by sharing information and providing knowledge

through activities such as holding seminars and participating in relevant events. JBIC also simultaneously forms close partnerships with foreign governments and government agencies, domestic prefectural and municipal governments, and other stakeholders both in Japan and abroad.

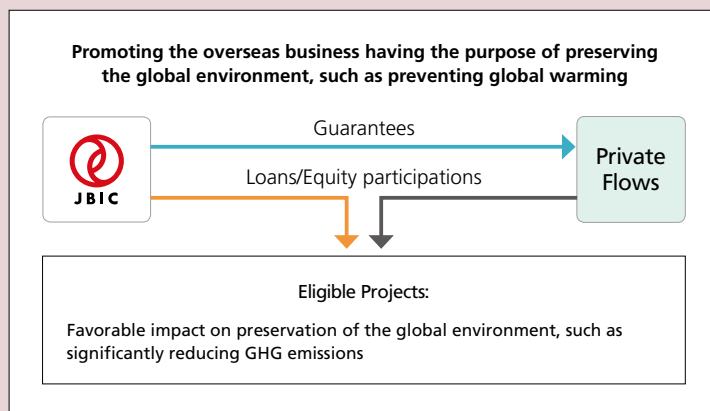
2. Spanish name: Banco Centroamericano de Integración Económica

## GREEN Operations

JBIC conducts environmental operations under Global action for Reconciling Economic growth and Environmental preservation ("GREEN"). Under GREEN operations, JBIC provides support for projects that have a high global environmental conservation effect in the form of loans, guarantees and equity participations, while mobilizing private-sector funds. GREEN's main focus has been providing support for preserving the global environment, mainly for projects that are expected to significantly reduce

GHG emissions, while paying attention to potential use of Japanese advanced technologies that are highly regarded around the world.

JBIC will promote overseas infrastructure development that contributes to preserving the global environment while widely utilizing the know-how and technologies of Japanese companies.



## Global Facility to Promote Quality Infrastructure Investment for Environmental Preservation and Sustainable Growth

JBIC launched on July 1, 2018, its new Global Facility to Promote Quality Infrastructure Investment for Environmental Preservation and Sustainable Growth (QI-ESG). With an increasing global trend for environmental, social and

governance (ESG) investment across the world, this new facility aims to provide a wide range of support for infrastructure development intended to help preserve the global environment.

### Financing Conditions of QI-ESG

Eligible projects	Projects that are expected to reduce GHGs or contribute to protecting the global environment, including those related to renewable energy, energy savings, green mobility solutions (such as a modal shift in transportation, and electric vehicles), air pollution prevention, water supply, water pollution prevention, and waste disposal, etc.
Available currencies	Japanese yen, U.S. dollar, and the Euro (other currencies to be decided separately)
Financing amount available from JBIC	Up to 60% of the total co-financing amount
Deadline for signing a financing agreement	Until the end of June 2021

### Major Features of QI-ESG

#### Expanded scope of eligible projects:

The new facility will provide various financial assistance to infrastructure development projects that are expected to global environmental protection, including those connected with air pollution prevention, water supply, water pollution prevention, and waste disposal, in addition to the projects expected to substantially reduce GHG emissions, which JBIC has supported under its GREEN Operations.

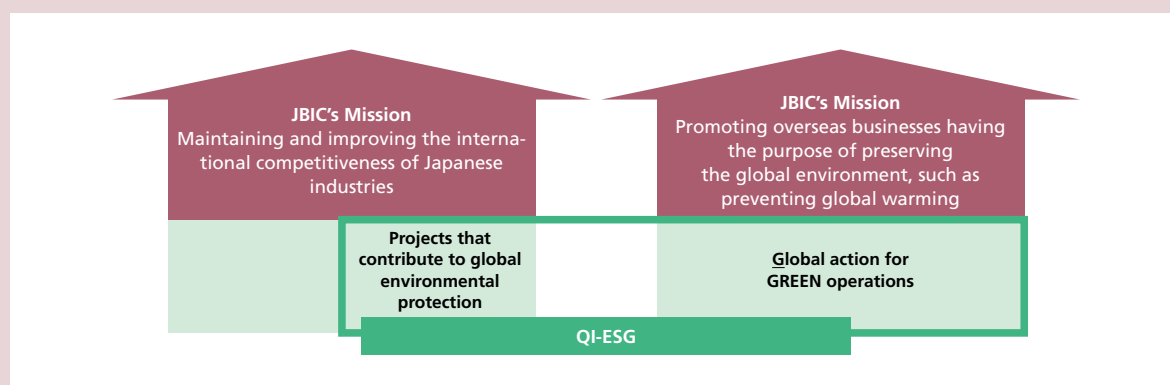
#### More diversified financial support tools:

Previously, JBIC provided financing support only in the form of untied loans and equity participation under its GREEN Operations. Under QI-ESG, to enhance the support for environmental projects through various financial tools, JBIC will offer overseas investment loans under its GREEN Operations, in addition to the above-mentioned financial instruments, for infrastructure projects that are expected to help protect the global environment. The new facility will enable JBIC to consider providing overseas investment loans to projects involving Japanese companies from the perspective of not only

maintaining and increasing the international competitiveness of Japanese industries, but also of contributing to global environmental protection.

#### More streamlined and efficient operation procedures:

Projects approved under its GREEN Operations have been required to quantify GHG emission reductions under the Guidelines for Measurement, Reporting and Verification (MRV) of GHG Emission Reductions in JBIC's GREEN. Under QI-ESG, to further promote the implementation of projects, the quantitative measurement process of GHG emission reductions applied to GREEN projects will be simplified by only evaluating an estimate of emission reductions made through projects when JBIC determines commitment of a loan, equity participation, or guarantee. Furthermore, if it is obvious that a project will help to protect the global environment based on a qualitative evaluation, the evaluation process of calculated emission reductions can be omitted for the purpose of implementing more simplified and efficient operation procedures. This will ease the burden of clients applying for JBIC's financing supports.



# Examples of Business Outcomes Relating to Studies and Collaboration with Overseas Governmental Organizations and International Organizations

JBIC conducts research and surveys related to overseas investment and international finance. These efforts include collection and analysis of a wide range of information, as well as knowledge sharing, while interacting with overseas government organizations, foreign and domestic research institutes, and experts in various fields.

## Survey Report on Overseas Business Operations by Japanese Manufacturing Companies

JBIC conducted the 30th Survey Report on Overseas Business Operations by Japanese Manufacturing Companies. Conducted since 1989, this survey attempts to identify the strategies and challenges of Japanese manufacturing companies expanding overseas, and appeals to a broad audience for its originality and continuity.



The FY2018 survey reported on regularly covered topics such as “evaluations of overseas business performance,” “overseas business prospects,” and “promising countries or regions for overseas business operations.” In addition, this survey examined “impact of protectionism” and “views on environmental regulations and development of environment-related business” as individual topics.

In terms of “impact of protectionism,” this survey suggested that protectionism could potentially cause to pause or lower foreign direct investment in the future. As for “views on environmental regulations and development of environment-related business,” with China and the EU tightening regulations, this survey observed that rising environmental awareness presents a good opportunity for business expansion.

JBIC publishes its survey results and widely announces related information, such as by holding seminars in cooperation with local chambers of commerce and regional banks. JBIC also hosts explanatory meetings for Japanese chambers of commerce located overseas, as well as for foreign governments, and the survey's results have been effectively utilized in policy recommendations to foreign governments.



Overseas investment seminar 2019: Overseas Business Operations by Japanese Manufacturing Companies

## Collaboration with Overseas Governmental Organizations and International Organizations

JBIC held a workshop in February 2019, in Manila, the Philippines, to discuss with the country's government and its agencies about issues and improvements related to infrastructure development in the country under public-private partnerships (PPPs). The purpose was to exchange views with the government of the Philippines and its agencies about the risks associated with the hybrid PPPs (a project scheme in which the government finances the construction phase of an infrastructure project while the private sector is involved in the operation and maintenance of the project), as well as to increase business opportunities for Japanese companies to participate in infrastructure development in the Philippines. The most of workshop participants were officials of international organizations such as the Asian Development Bank (ADB) and the International Finance Corporation (IFC), as well as the government of the Philippines and its agencies. The participants showed much interest in hybrid PPP projects for infrastructure development.



PPP workshop for the government of the Philippines

JBIC jointly hosted a seminar with the Ministry of Finance of Indonesia in October 2018. The seminar was titled “How to Mobilize Private Investment for Green Infrastructures Promoting Intraregional Connectivity.” It was held during the 73rd International Monetary Fund–World Bank Group Annual Meeting in Bali to share the potential opportunities of green infrastructure development in Asia, and challenges on the mobilization of private investment for green infrastructure development. There were keynote speeches and presentations by officials from the government of Indonesia, experts from international organizations and major stakeholders of the green infrastructure development. The objective of this seminar is to gain and share common awareness on this theme.

JBIC Governor MAEDA Tadashi, in the keynote speech, presented how JBIC is actively undertaking green infrastructure, which is positioned as one of the key issues in the new Medium-term Business Plan



Keynote speech by JBIC Governor MAEDA

(FY2018-2020). In addition, he introduced the Global Facility to Promote Quality Infrastructure Investment for Environmental Preservation and Sustainable Growth (QI-ESG), which was launched in July 2018, to support the promotion of investments in green infrastructure by the private sector.

In June 2018, JBIC co-hosted a seminar titled "India Industrial Corridor Seminar at Gurugram" with Indian company Delhi Mumbai Industrial Corridor Development Corporation Limited (DMICDC) in Gurugram (formerly Gurgaon).

The Delhi-Mumbai Industrial Corridor (DMIC) is a joint project led by Japan and India to intensively develop industrial parks and other infrastructure along 150 km on both sides of a Dedicated Freight Corridor (DFC) that covers a distance of 1,483 km between Delhi and Mumbai, the two largest cities in India. In 2013, JBIC signed an agreement subscribing to new shares issued by DMICDC, and it has been providing support for the formation of infrastructure development projects in the areas covered by the DMIC.

The development of the DMIC region has materialized mainly through the development of smart cities, including industrial parks. Consequently, in anticipation of the commencement of the DFC operation and clustering of companies, development projects are under way for peripheral infrastructure, such as a multi-functional logistics hub to support the manufacturing industry. Through this seminar, JBIC and DMICDC introduced to Japanese companies in India the efforts undertaken and functions served by both institutions.



India Industrial Corridor Seminar at Gurugram

JBIC held the seventh annual policy dialogue meeting with the government of Mexico in Mexico City in March 2019. This annual policy dialogue meeting was organized based on the framework agreed upon in the Memorandum of Understanding signed on February 22, 2011, with the Ministry of Finance and Public Credit of Mexico. This seventh annual policy dialogue meeting was the first policy dialogue with the new Mexican administration, which is led by President Andrés Manuel López Obrador and started in December 2018.

In this meeting, officials from the government of Mexico explained their policies on economic revitalization through the use of private-sector investments in the large-scale infrastructure and oil sector projects they are focusing on, as well as the significance of the United States-Mexico-

Canada Agreement (USMCA) that reached agreement last year. In addition, the government of Mexico referred to issues faced by the economy of the country, such as economic inequality among regions, while discussing potential areas where they could cooperate with JBIC. During the discussion, JBIC and the government of Mexico affirmed the importance of establishing an appropriate framework for risk allocation among project participants to promote infrastructure projects with private-sector participation. Both parties also shared an understanding of the importance of dialogue with the private sector, particularly in the oil sector in which policies of the new Mexican administration have attracted much attention, and in the trade and commerce field where the USMCA is expected to be ratified.



Members of the seventh-annual policy dialogue meeting

JBIC received, in September 2018, a courtesy call from President Akinwumi Ayodeji Adesina of African Development Bank (AfDB).

First, President Adesina touched upon the Nacala railway and port infrastructure project in Mozambique and Malawi, which JBIC co-financed with AfDB. President Adesina also said that AfDB is looking forward to continuing close cooperation with JBIC. JBIC indicated that it will continue contributing to high-quality infrastructure provision as well as continuous economic development in the African region together with Japanese companies.

President Adesina and JBIC Deputy Governor HAYASHI Nobumitsu agreed to further strengthen the cooperative relationship between AfDB and JBIC, and thus the economic relations between Japan and the African region.



Courtesy call by AfDB President Adesina

