

# 1. Profile of JBIC

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# 1. Profile

## The Purpose of JBIC

Japan Bank for International Cooperation (JBIC) is a policy-based financial institution wholly owned by the Japanese government, which has the objective of contributing to the sound development of Japan and the international economy and society, by conducting financial operations in the following four fields:

**Promoting 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**

**Preventing disruptions to international financial order or taking appropriate measures with respect to damages caused by such disruptions**

## Corporate Slogan

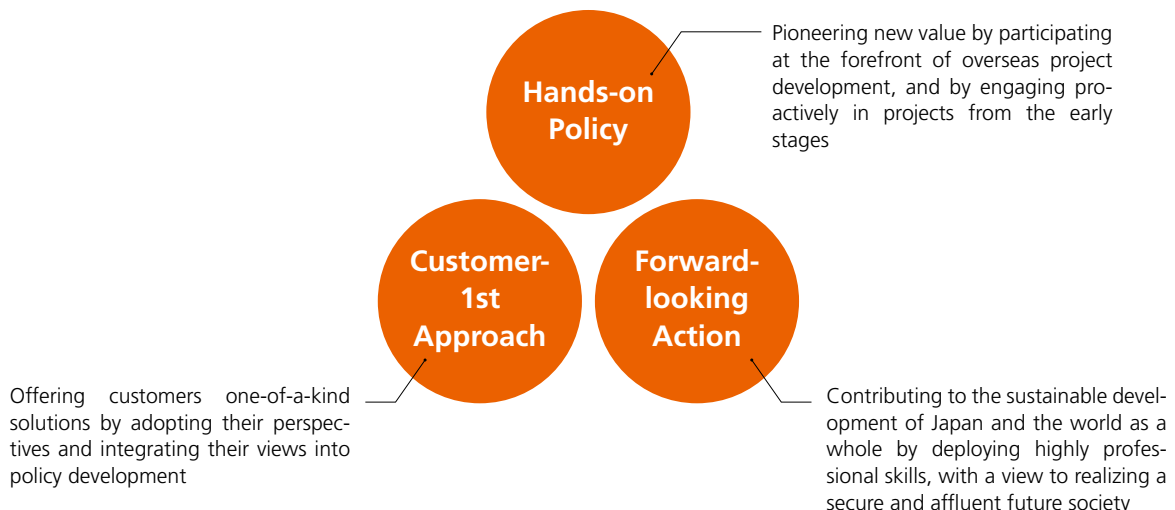
日本の力を、世界のために。

Supporting Your Global Challenges

## Corporate Philosophy

The objective of JBIC, as set forth in its statutory law, is to “contribute to the sound development of Japan and the international economy and society” by executing a variety of financial functions. To pursue this objective, we have set out the following corporate philosophy, which espouses three core values: “Hands-on Policy,” “Customer-1st Approach,” and “Forward-looking Action.”

Positioned at the crossroads of global business opportunities, JBIC is opening new venues to the future for the Japanese and global economy.



## Operational Principles

JBIC, as a policy-based financial institution and in accordance with the following principles, conducts speedy and well-focused operations based on policy needs in response to economic and financial situations in Japan and abroad.

### 1 Supplementing the financial transactions implemented by private-sector financial institutions

To effectively perform the functions required for policy-based financing, JBIC shall take account of situations where private-sector financial institutions are placed in their international finance activities and supplement their operations.

### 2 Ensuring financial soundness and certainty of repayment

Pursuant to the JBIC Act, JBIC shall make efforts to maintain the financial soundness of its operations, and when making financial decisions, to conduct adequate screening regarding the outlook for the recovery of funds.

### 3 Maintaining and improving international creditworthiness and confidence

In order to conduct adequate operations and effective overseas funding operations, JBIC shall maintain and improve the international creditworthiness and confidence gained by JBIC over the years.

### 4 Conducting business operations by drawing on its expertise and initiatives

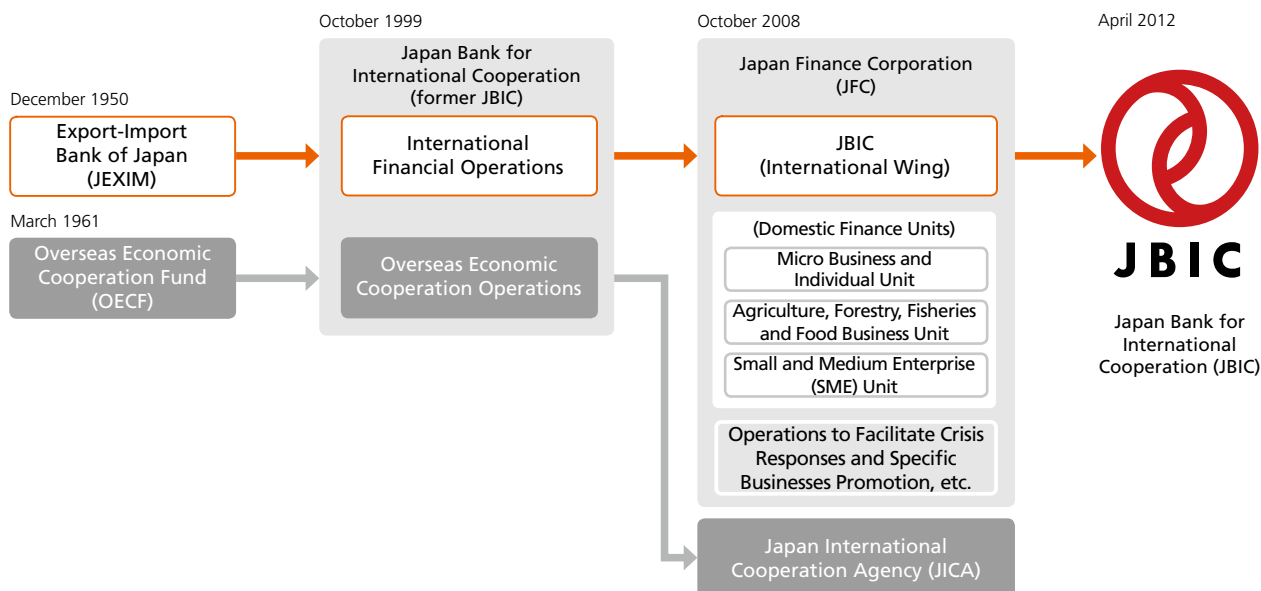
JBIC shall conduct operations by drawing on its own expertise and initiatives on international finance.

## JBIC Code of Conduct

- Act consistently in the public interest. Contribute to Japan and the international community by pursuing our Mission.
- Prioritize client satisfaction. Deliberate, decide, and act from the client's perspective.
- Accept responsibility as a professional. Perform every task based on your own initiative.
- Undertake challenges daringly. Create new value without fear of failure.
- Work quickly and cost-effectively. Enhance your work quality with an eye to efficiency.
- Focus on teamwork. Share unified objectives with your colleagues to achieve significant successes.
- Maintain high ethical standards and a law-abiding spirit. Observe our moral code as a JBIC member at all times.

## History

JBIC was established on April 1, 2012 in accordance with the Japan Bank for International Cooperation Act (JBIC Act), which was promulgated and came into effect on May 2, 2011.



## Profile

Name	Japan Bank for International Cooperation (JBIC)
Office	4-1, Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-8144, Japan
Capital*	¥1,883.8 billion (wholly owned by the Japanese government)
Outstanding Loans and Equity Participations*	¥13,537.0 billion
Outstanding Guarantees*	¥2,120.9 billion

\* As of March 31, 2020

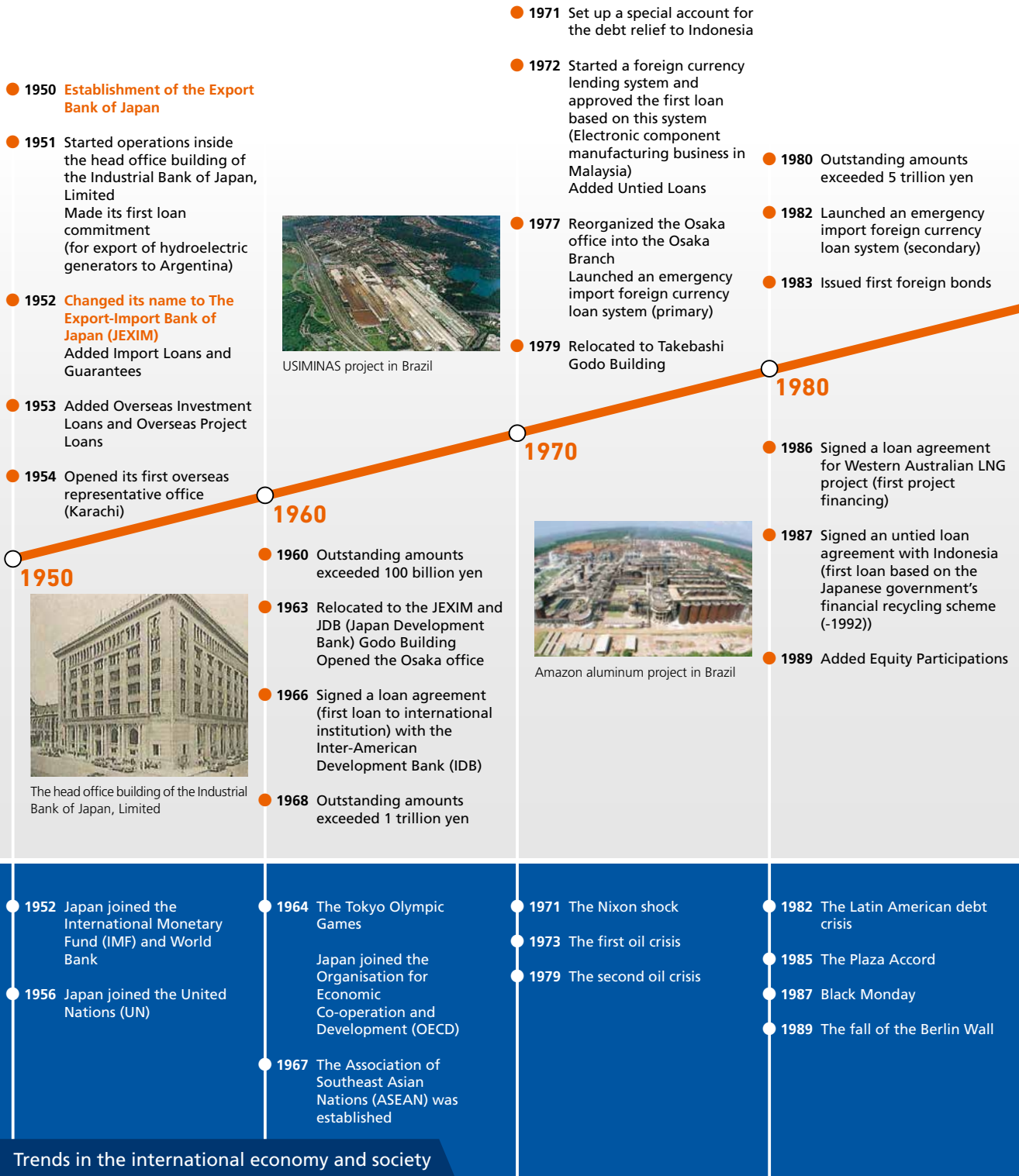


# 2. History of JBIC

The Japan Bank for International Cooperation (JBIC) was established in 1950 as the Export Bank of Japan to promote exports of various types of heavy machineries.

Since then, JBIC has fulfilled this responsibility by enhancing and transforming its functions in response to the demands in each era, affected by the international political and economic environment surrounding Japan, and changes in the overseas business strategies of Japanese companies.

With the objective of supplementing the financial transactions implemented by private financial institutions, JBIC will continue to contribute to the sound development of the Japanese and international economic and society.





Panama Canal Expansion Project

- 1992 Added Bridge Loans
- 1993 Signed untied loan agreement with Bulgaria (first loan based on the Japanese government's "Fund for Development initiative" (-1997))

1990

- 1998 Implemented the assistance measures for Asia based on the Japanese government's "New Miyazawa Initiative" Outstanding amounts exceeded 10 trillion yen
- 1999 Established the Environmental guidelines **Established the Japan Bank for International Cooperation** by merging the Export-Import Bank of Japan and the Overseas Economic Cooperation Fund



Sakhalin-II oil and gas field development project

- 2001 The Reorganization and Rationalization Plan for Special Public Institutions decided by the Cabinet
- 2003 Established the JBIC Guidelines for Confirmation of Environmental and Social Considerations (Revised in 2009 and in 2015)

2000

- 2008 **Establishment of Japan Finance Corporation** merging JBIC and three domestic policy-based financial institutions Implemented emergency measures in response to global financial turmoil (-March 2011)



Intercity Express Programme in the UK



Esperanza copper mine development project in Chile

- 2010 Launched the Global action for Reconciling Economic growth and ENvironmental preservation (GREEN) Established the Guidelines for Measurement, Reporting and Verification of greenhouse gas Emission Reductions in JBIC's GREEN (J-MRV Guidelines)
- 2011 Reconstitutes organization structure (mission/sector-oriented business group structure)
- 2012 **Japan Bank for International Cooperation (JBIC)** was spun off from the Japan Finance Corporation and made a new start as the new JBIC. Formulated the First Medium-term Business Plan

2010

- 2015 Formulated the Second Medium-term Business Plan
- 2016 Established the Equity Finance Group Added the Special Operations
- 2017 Established JBIC IG Partners in collaboration with Industrial Growth Platform, Inc.
- 2018 Formulated the Third Medium-term Business Plan Launched the Global Facility to Promote Quality Infrastructure Investment for Environmental Preservation and Sustainable Growth (QI-ESG)



Moray East offshore wind power generation project in the UK

2020

- 2020 Launched the Growth Investment Facility

- 1991 The collapse of Japan's bubble economy The dissolution of the Soviet Union
- 1992 Adoption of the United Nations Framework Convention on Climate Change (UNFCCC)
- 1993 Establishment of the European Union (EU)
- 1994 The Mexican peso crisis (Tequila Effect)
- 1997 The Asian Currency Crisis
- 1999 Launch of the Euro currency

- 2001 The September 11 terrorist attacks
- 2005 The Kyoto Protocol entered into force
- 2008 The Bankruptcy of Lehman Brothers

- 2010 The European debt crisis The Arab Spring
- 2011 The Great East Japan Earthquake
- 2015 Adoption of "Paris Agreement" at the COP21 (The 21st Conference of the Parties)
- 2016 The Paris Agreement entered into force

- 2020 Brexit COVID-19 pandemic

# 3. Top Message



## Global Paradigm Shift Accelerated by the Spread of COVID-19

### JBIC's Strategy Raises the Presence of Japan and Japanese Companies

On behalf of the Japan Bank for International Cooperation (JBIC), I would like to express my sincerest appreciation for your support for and understanding of JBIC.

The world economy is reaching a dramatic inflection point as underscored by such developments as worsening frictions that include U.S.-China trade issues in addition to the United Kingdom's withdrawal from the EU and the rise of a regional system centered on Germany in Europe. Particularly noteworthy, China seems to be promoting a diplomatic strategy aimed at reconfiguring the post-war regime and its discordance with the international community is further intensifying.

Meanwhile, the transformation of the industrial structure and the restructuring of supply chains are rapidly gaining momentum amid the advance of innovation spurred by the Fourth Industrial Revolution as exemplified by the Internet of Things (IoT) and Artificial Intelligence (AI) and the trend toward emphasis on Environment, Social, Governance (ESG) criteria.

As we approach this major turning point, JBIC will provide proactive and prompt support as a policy-based financial institution that will enable Japan to continue playing a key role throughout the world.

In the JBIC Third Medium-term Business Plan (FY2018–FY2020), our key priority is to provide support that contributes to "Growth areas, new fields," "Overseas infrastructure development," "Global environmental preservation," and "M&As." In January 2020, JBIC revised and incorporated the Global Facility to Promote Quality Infrastructure Investment for Environmental Preservation and Sustainable Growth (QI-ESG) (instituted in July 2018) into the Growth Investment Facility. Together with subsidiary JBIC IG Partners, JBIC will further support high-quality infrastructure development that encompasses assisting Japanese companies with overseas M&As and global value chain restructuring while providing wide-ranging support for the overseas business expansion of Japanese companies that include mid-tier enterprises and small and medium-sized enterprises (SMEs) and start-up companies.

Since the start of 2020, the spread of COVID-19 has caused the global economy to stagnate significantly and has also dealt a devastating blow to the Japanese economy. To support the overseas business of Japanese companies amid this challenging environment, JBIC established on April 30, 2020 the Emergency Window for Overcoming the COVID-19 Crisis (COVID-19 Emergency Window) under the Growth Investment Facility.

At present, it is still uncertain when COVID-19 will subside. Looking ahead to the era of "coexisting with COVID-19 in a post-pandemic world," JBIC will work to strengthen ties with Japanese and foreign public and private financial institutions, government agencies of each country and international organizations; sophisticate its organizations and operations; strengthen governance; and improve human resources, information, and policy proposal capabilities. In doing so, JBIC will continue to meet the expectations of Japanese industrial and financial communities.

As we work toward these goals, I look forward to your continued support.

**MAEDA Tadashi** Governor Japan Bank for International Cooperation (JBIC)

## Growth Investment Facility That Supports the Next Stage of Development

At the G20 Osaka Summit in June 2019, the G20 Principles for Quality Infrastructure Investment were adopted. (These principles consist of maximizing the impact to achieve sustainable growth and development, raising economic efficiency in view of life-cycle cost, integrating environmental considerations, building resilience against natural disasters and other risks, integrating social considerations, and strengthening infrastructure governance.)

In light of these G20 Principles as well, in January 2020 JBIC revised and incorporated QI-ESG into the Growth Investment Facility. This facility originally consists of two windows: (1) the Facility Window for the Development of Quality Infrastructure for Environmental Preservation and Sustainable Growth (QI-ESG Window) for reducing greenhouse gases emissions, preventing air pollution, supplying water and preventing and water pollution, and undertaking waste disposal and (2) the Facility Window for Supporting Japanese Companies' Overseas Business Expansion (Overseas Business Expansion Window) for further strengthening support targeting overseas M&As, energy and natural resource finance, and global value chain restructuring.

In the future, we will broaden the scope of our support targeting sectors ranging from the manufacturing industry to start-up companies to support the promotion of investment opportunities for Japanese companies, the development of growth fields and new areas, and the restructuring of supply chains.

## COVID-19 Emergency Window

Since the start of 2020, COVID-19 has spread across the globe and restricted the movement of people, causing a sudden drop of overseas economic activities. In Japan as well, a "state of emergency declaration" was issued in April and this had an enormous adverse impact on the domestic economy.

Should this situation become prolonged, companies undertaking business in Japan and overseas will frequently encounter financing difficulties, raising concerns that this crisis could also spread to related domestic and overseas industries and companies. In a worst-case scenario, the adverse impact on the Japanese economy could even exceed that of the bankruptcy of Lehman Brothers in 2008.

In view of this situation, JBIC has worked to establish a safety net in keeping with its mission and role of "ensuring stability of the international financial order." Specifically, under the Growth Investment Facility, JBIC established on April 30 the COVID-19 Emergency Window as a provisional measure until June 30, 2021. In fact, JBIC has received applications from numerous Japanese companies that are developing their overseas business, from large companies to SMEs, and JBIC is providing prompt financing.

## Support in Various Fields from Energy and Natural Resource Security to Start-up Companies

In FY2019, JBIC made 139 financial commitments totaling approximately ¥1,678.7 billion in loans, equity participation, and guarantees.

During the second year of the JBIC Third Medium-term Business Plan, JBIC focused on supporting businesses and projects that contribute to the growth of Japan and Japanese companies.

In the energy and natural resource-field, JBIC provided a loan for a copper mine development project in Chile in which Sumitomo Metal Mining Co., Ltd. and Sumitomo Corporation have an interest. Copper is used extensively for various products, including electric cables, electronic equipment, and vehicles and its demand is expected to continue rising globally along with increasing sales







of hybrid and electric vehicles. JBIC will continue to provide support for securing long-term stable supplies of energy and natural resources including copper that are important for Japan.

JBIC also provided a loan to acquire an interest in a Russian gas field development project (Arctic LNG 2) invested in by Mitsui & Co., Ltd. (Mitsui) and Japan Oil, Gas and Metals National Corporation (JOGMEC). This project involves the integrated development of onshore gas fields, liquefied natural gas (LNG) plants, and floating storage units (FSUs) for transshipping LNG cargoes from ice-breaking LNG carrier from the Arctic Ocean. The Japanese side acquired an interest for 1.98 million tons annually, which is equivalent to 10% of the LNG produced.

Turning to infrastructure-related projects, JBIC provided a loan for a project for the construction and operation of a car logistics terminal in Turkey that is invested in by Nippon Yusen Kabushiki Kaisha (NYK LINE). This project helps establish a logistics base for automobiles for the EU. Also, JBIC provided a loan that supports a freight railway project in Brazil that is invested in by Mitsui. The loan contributes to increasing transportation capacity in the central and northern regions of Brazil while strengthening ties with Brazil's Vale S.A., a co-investor and a global natural resource major. For the renewable energy sector, JBIC provided a loan for an onshore wind power generation project in Morocco, in which Mitsui has invested. This is the first QI-ESG project for Africa, and in the future JBIC will continue to support renewable energy projects in Africa.

For M&As, JBIC provided a loan under the Growth Investment Facility to a joint venture by Nippon Steel Corporation and ArcelorMittal S.A., the world's largest steel company, for the acquisition of the fourth largest steel company in India. JBIC also provided a loan to CK Holdings<sup>1</sup>, which owns Calsonic Kansei Corporation (Calsonic Kansei)<sup>2</sup>, a comprehensive automobile components manufacturer, to finance the acquisition of Italian comprehensive automobile components manufacturer Magneti Marelli S.p.A., which possesses advanced technologies including advanced sensor technologies required for autonomous driving. This acquisition enables Calsonic Kansei to become a global supplier of auto parts and is expected to help the company attain significant results in the field of next-generation automobiles referred to as CASE (Connected, Autonomous, Sharing, Electric) vehicles. JBIC will continue to strengthen support for such M&A deals by Japanese companies.

In equity financing-related projects, JBIC together with Osaka Gas Co., Ltd. (Osaka Gas) made a joint equity investment in an engineering and construction company in Singapore. This project utilizes the know-how of Osaka Gas to undertake the city gas and LNG businesses mainly in India.

JBIC is also strategically investing in venture businesses and start-up companies to support the cultivation of growth areas and new fields. JBIC IG Partners, an asset management company established in 2017 by JBIC in collaboration with Industrial Growth Platform, Inc. (IGPI), has established the JB Nordic Fund to finance venture companies jointly with regional fund managers and is investing in start-up companies, including in fields such as MaaS. In December 2019, JBIC made an equity investment as an LP together with Marubeni Corporation and Sumitomo Mitsui Banking Corporation in Vertex Master Fund (SG) II, a Singapore-based fund of funds that invests in venture companies in regions and countries worldwide, including Israel, the U.S., China, and Southeast Asia.

1. With the completion of this acquisition on May 2, 2019, CK Holdings Co., Ltd. changed its trade name to Magneti Marelli CK Holdings Co., Ltd. on the same date. Subsequently, it changed its trade name to Marelli Holdings Co., Ltd. on April 1, 2020.

2. Calsonic Kansei Corporation changed its trade name to Marelli Corporation on October 1, 2019.



The global paradigm shift is accelerated further by COVID-19. To actively support Japan in continuing to play a key role, JBIC is willing to go beyond the conventional framework.



### Responding to the Age of Coexisting with COVID-19 in a Post-Pandemic World

Due to the spread of COVID-19, supply chains have been disrupted worldwide owing to the suspension of operations at production plants, and the global economy is now facing a period of major stagnation. Furthermore, uncertainty about when the pandemic will subside is eliciting concerns that prolonged economic stagnation will aggravate the economic slump in oil-producing countries and the public debt problems of the world's least developed countries such as those in Africa.

Above all, a major problem is the risk associated with a mass production and global distribution-type business model realized through geographic overconcentration that emphasizes economic efficiency. Such a model is symbolized by the concentration of face mask production in China, which ultimately led to a global shortage of masks during the pandemic. Due also to efforts to avoid the impact of U.S.-China conflicts, there are already visible moves by U.S. and European companies to shift production from China to Southeast Asian countries as supply chain restructuring has begun on a global scale.

In the age of coexisting with COVID-19 in a post-pandemic world, businesses that combine virtual space and reality utilizing ICT and AI are expected to fully emerge as new industries. Prime examples include autonomous driving, telemedicine, and highly information-intensive logistics systems. In addition, the trend toward ESG investment will likely be irreversible and initiatives toward decarbonization are expected to become even more conspicuous. Actively incorporating these new businesses and new needs will be the key to future growth.

In this sense, Japanese companies are in an excellent position. By promoting free and fair business for long years, Japanese companies have forged solid bonds of trust not only with Europe and the U.S. but also with emerging countries such as various Asian countries. Japanese companies are also accumulating cutting-edge elemental technologies, material technologies, and basic technologies that will be essential in the next era. By deploying these competitive advantages, Japanese companies should be able to achieve new growth and significant advances.





JBIC dynamically supports projects important in terms of the social implementation of advanced technologies and know-how possessed by Japanese companies as well as projects important geopolitically and geoeconomically.

That said, there are risks involved with these fields. JBIC supports the initiatives of Japanese companies by taking on as much risk as possible during the process of practicalizing and commercializing technologies. In the age of coexisting with COVID-19 in a post-pandemic world, JBIC hopes to dynamically support projects important in terms of the social implementation of advanced technologies and know-how possessed by Japanese companies as well as projects important geopolitically and geoeconomically.

In addition, to ensure that Japanese companies can undertake business smoothly, JBIC will also proactively work to fortify ties with the governments and related organizations of partner countries, financial institutions, and international organizations. For example, JBIC will support the introduction of the latest technologies suitable for each partner country by encouraging governments and related organizations to promote energy conversion based on the actual circumstances of partner countries.



As part of efforts to promote high-quality infrastructure development through international cooperation, JBIC is also focusing on collaboration with related organizations for Japan-U.S.-Australia Trilateral Infrastructure Partnership in line with the Free and Open Indo-Pacific vision. To this end, JBIC signed a memorandum of understanding (MOU) with the Overseas Private Investment Corporation (OPIC, currently the U.S. International Development Finance Corporation (USDFC)) of the U.S., and with the Department of Foreign Affairs and Trade (DFAT) and the Export Finance and Insurance Corporation (Efic, currently Export Finance Australia (EFA)), both of Australia, and has commenced initiatives to support new projects in the infrastructure and energy and natural resource sectors in Asia, the Indo-Pacific region, the Middle East, and Africa and will also provide support for South Pacific island nations. In Europe as well, JBIC signed an MOU with the European Bank for Reconstruction and Development (EBRD) and is strengthening cooperation in fields such as global environmental preservation that includes low carbonization as well as in fields to promote innovation.

JBIC also signed an MOU with the China Development Bank (CDB) of China and held the Japan-China Third Country Market Financing Cooperation Forum

jointly with CDB as it continues initiatives to carry out exchanges of opinions between private-sector corporations as well as financial institutions of both Japan and China and promote business matching.

In African countries as well, based on the seventh Tokyo International Conference on African Development (TICAD7), JBIC is undertaking such initiatives as setting up export credit lines for the Eastern and Southern African Trade and Development Bank (TDB) and the African Export-Import Bank to promote business by Japanese companies. Additionally, JBIC is promoting support networks and project formation for Africa in collaboration with international organizations and other countries.

## Organizational Strengthening, Work Style Reforms, and Human Resource Development That Responds to a New Era

JBIC is further strengthening its organizational and operational structure to respond quickly to new operations in the age of coexisting with COVID-19 in a post-pandemic world.

As part of these efforts, JBIC newly established the Strategic Research Department in 2018 to strengthen intelligence functions utilizing JBIC's global network while bolstering cooperation and collaboration with private financial institutions.

For JBIC to play an active role on the world stage, it is essential to promote work style reforms and develop human resources. As a response to COVID-19, we continually make efforts to improve the working environment to ensure we can fully utilize telework.

Also, based on the Plan for Work Style Reform formulated in 2018, we introduced a new personnel system in 2020 to focus on developing professional human resources who can demonstrate their advanced knowledge and expertise and play active roles so that they can select diverse career paths in accordance with their personal aspirations and characteristics. In addition, we are working to develop human resources who can play active roles internationally, such as for seconding to international organizations utilizing in-house recruitment, for dispatching to overseas think tanks and for studying overseas.



## JBIC Aims to Take the Lead toward a New Era

The international political and economic situation paints a dramatic picture of a paradigm shift.

JBIC will continue to enhance financial support that will assist Japanese companies with their overseas business strategies.

Concurrently, JBIC will demonstrate its presence to partner private financial institutions to create an environment that enhances the ease of lending and will strengthen cooperation with governments and organizations in each country to establish a business environment for a new era in cooperation with partner countries.

In addition to this, JBIC would like to contribute to enhancing Japan's economic growth and presence by raising the sophistication of organizations and operations, strengthening governance and enhancing human resources, financial capabilities, information capabilities, and policy proposal capabilities.

I ask for your continued understanding and support.



# 4. Directors, Managing Executive Officers and Corporate Auditors (As of October 1, 2020)



(Back row, from left)	Managing Director <b>KOIZUMI Shinichi</b>	Senior Managing Director <b>TANAKA Kazuhiko</b>	Senior Managing Director <b>OYA Toshio</b>	Senior Managing Director <b>KUROISHI Kuninori</b>	Managing Director <b>KAWAMURA Yoshinori</b>
(Front row, from left)	Deputy Governor <b>HAYASHI Nobumitsu</b>	Governor <b>MAEDA Tadashi</b>	Executive Managing Director <b>AMAKAWA Kazuhiko</b>		



Corporate Auditor <b>TSUCHIYA Mitsuaki</b>	Corporate Auditor <b>SUMIYA Koji</b>	Corporate Auditor <b>TAMAI Yuko</b>
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## Directors

Governor	<b>MAEDA Tadashi</b>
Deputy Governor	<b>HAYASHI Nobumitsu</b>
Executive Managing Director	<b>AMAKAWA Kazuhiko</b>
Senior Managing Director (Global Head of Credit, Assessment and Risk Management Group)	<b>OYA Toshio</b>
Senior Managing Director (Global Head of Treasury and Systems Group)	<b>TANAKA Kazuhiko</b>
Senior Managing Director	<b>KUROISHI Kuninori</b>
Managing Director (Outside Director)	<b>KOIZUMI Shinichi</b>
Managing Director (Outside Director)	<b>KAWAMURA Yoshinori</b>

## Corporate Auditors

Corporate Auditor (Full-Time Corporate Auditor)	<b>SUMIYA Koji</b>
Corporate Auditor (Outside Corporate Auditor)	<b>TSUCHIYA Mitsuaki</b>
Corporate Auditor (Outside Corporate Auditor)	<b>TAMAI Yuko</b>

## Managing Executive Officers

Managing Executive Officer, Global Head of Corporate Planning Group	<b>HASHIYAMA Shigeto</b>
Managing Executive Officer, Global Head of Energy and Natural Resources Finance Group	<b>NISHITANI Tsuyoshi</b>
Managing Executive Officer, Global Head of Infrastructure and Environment Finance Group	<b>TANIMOTO Masayuki</b>
Managing Executive Officer, Global Head of Industry Finance Group	<b>ISOBE Koichi</b>
Managing Executive Officer, Global Head of Equity Finance Group	<b>FUJINO Shinji</b>

# 5. Medium-term Business Plan (FY2018–FY2020)

Since its establishment in April 2012, JBIC has provided proactive support for the projects such as natural resources and infrastructure development projects overseas, M&A transactions involving Japanese companies and the overseas businesses of Japanese SMEs. The Bank participates from the early stages of projects, and provides funds for projects with relatively high risk profiles through various financial instruments.

The environment surrounding Japan is changing significantly. In addition to progress in the Fourth Industrial Revolution, increasing geo-political risks and international efforts to address global environmental problems, there are structural issues, such as a declining workforce and a fast-aging population with a low birthrate in the domestic market. These factors further increase the uncertainty in the surrounding environment. Under such circumstances, Japanese industries are facing urgent tasks, such as collaboration across different sectors to boost productivity

and pursuing new technological development through innovation. Japanese industries are also continuing and strengthening their efforts to benefit from the growth of overseas markets, while managing increasing business risks in a proper manner.

JBIC's third medium-term business plan for FY2018–FY2020 identifies eight key focus areas and sets out 21 action plans. Accomplishing these will allow the Bank to accurately navigate increasingly uncertain domestic and international situations and to provide support in response to the new tasks and challenges faced by Japanese industries.

JBIC will create new additional value and contribute to the sound development of Japan and the international economy and society under its third medium-term business plan by capitalizing on its relationships with stakeholders and its overseas networking and information-gathering abilities.

## Mid- to Long-term Vision Setting

In its third medium-term business plan, JBIC sets out a “mid- to long-term vision” that provides a picture of where or what JBIC wishes to be or become in 10 years, in light of the environment surrounding JBIC and its view of the

future environment. The mid- to long-term vision bridges the corporate philosophy. (Positioned at the crossroads of global business opportunities, JBIC is opening new venues to the future for the Japanese and global economy.)

**JBIC's mid- to long-term vision**  
**To serve as a “navigator” for Japanese companies to expand overseas business in an uncertain world**

### JBIC's view of the international environment

There are growing uncertainties in the international environment, such as complex international relations and the emergence of anti-globalization and protectionism, which will bring the world amplified risks and challenges.

### Changes in the environment surrounding JBIC

1. As a result of global population and economic growth,
  - i) Increasing demand for energy, water, food and healthcare services raises the need to increase global supplies and establish and improve supply chains;
  - ii) Increasing global demand for infrastructure raises the need to supply funds to fill the gap in financial demand and supply;
  - iii) An ongoing global effort for environmental issues, including greenhouse gas reductions, is required to achieve the international commitment for the environment.
2. A fast-aging population with a low birthrate and declining labor force, which are issues specific to Japan, raise the need to boost the productivity of domestic industries and benefit from overseas economic growth.
3. The progress in the Fourth Industrial Revolution requires Japanese industries to collaborate across different sectors to generate new products and businesses, or pursue new technological development through innovation.



## Principles, Key Focus Areas and Action Plans

JBIC's medium-term business plan identifies eight key focus areas and 21 action plans to be pursued following the three principles.

### Principles

1. Enhance JBIC's risk-taking capability by capitalizing on its strength and attributes as a policy-based financial institution
2. Respond to changing social situations and clients' needs in a flexible manner, while having the objective of supplementing the financial transactions implemented by private-sector financial institutions
3. Strengthen organizational competency

Key Focus Areas		Action Plans
<b>Business area I</b>	<b>Growth areas, new fields</b>	<ol style="list-style-type: none"> <li>1. To take strategic actions to promote innovation</li> <li>2. To support Japanese companies in expanding into frontier markets</li> <li>3. To promote energy and natural resource projects in response to the new market environment</li> </ol>
<b>Business area II</b>	<b>Overseas infrastructure development</b>	<ol style="list-style-type: none"> <li>1. To support infrastructure projects that are highly important on the policy front</li> <li>2. To help geo-economically important countries to establish frameworks for promoting infrastructure development</li> </ol>
<b>Business area III</b>	<b>Global environmental preservation</b>	<ol style="list-style-type: none"> <li>1. To contribute to global efforts for the transition to a low-carbon society</li> <li>2. To further promote global environmental preservation</li> </ol>
<b>Business area IV</b>	<b>M&amp;As</b>	<ol style="list-style-type: none"> <li>1. To support overseas M&amp;As that are important on the policy front</li> <li>2. To support overseas M&amp;As in collaboration with private financial institutions</li> </ol>
<b>Business area V</b>	<b>Consistent implementation of policy-based finance and restructuring of operations</b>	<ol style="list-style-type: none"> <li>1. To implement policy-based finance in a consistent manner</li> <li>2. To restructure operations in response to the changing external environment</li> <li>3. To support Japanese SMEs in expanding overseas</li> </ol>
<b>Organizational area I</b>	<b>Enhancement of operational functions</b>	<ol style="list-style-type: none"> <li>1. To promote formation of projects that are geo-economically important</li> <li>2. To improve operational functions to quickly respond to the changing business environment</li> <li>3. To further mobilize private funds amid the changing business model of the financial sector</li> </ol>
<b>Organizational area II</b>	<b>Enhancement of management capabilities</b>	<ol style="list-style-type: none"> <li>1. To ensure an executive management system that facilitates speedy and decisive operation</li> <li>2. To further enhance the financial and risk management systems to support top management decisions</li> </ol>
<b>Organizational area III</b>	<b>Strengthening of organizational foundation</b>	<ol style="list-style-type: none"> <li>1. To promote work-style reform</li> <li>2. To streamline operational workflow</li> <li>3. To ensure stability and safety while performing operations</li> <li>4. To enhance human capital</li> </ol>

## Details of Action Plans for Business Performance

Performance indicators are set under each action plan, and three-year targets (partially undisclosed) are identified according to the content of each performance indicator.

For FY2020, focus is also made on mobilizing funds under the Emergency Window for Overcoming the

COVID-19 Crisis (COVID-19 Emergency Window) under the Growth Investment Facility. This change is made as the COVID-19 pandemic was not anticipated at the formulation of the Medium-term Business Plan.

### I Growth areas, new fields

#### Action plan I-1. To take strategic actions to promote innovation

##### (1) Taking up innovation, Creating new business and rolling them out worldwide

Amid the progress in the Fourth Industrial Revolution, where industrial society is transforming into “Connected Industries” which are connecting humans, machines and technologies across firms and borders to create new value, JBIC will support Japanese companies in taking in innovation from overseas, creating new business through innovation and rolling them out worldwide.

##### (2) Building relationships with key entities/organizations

JBIC will promote relationships with new entities/organizations, such as start-up companies, venture companies established within universities as well as foreign companies and funds that engage in generating and developing new products and businesses through innovation, while re-building relationships with Japanese companies with a focus on advancing innovation.

#### Action plan I-2. To support Japanese companies in expanding into frontier markets

##### (1) Creating business opportunities for Japanese companies through support for identification and formation of projects

JBIC will support Japanese companies in expanding to regions which are expected to further strengthen relationships with Japan—such as Africa, the Mekong Region and South Asia—by enhancing its risk-taking capability and collaborations with international organizations and state financial institutions around the world.

##### (2) Strengthening efforts to facilitate business in Africa towards TICAD VII

JBIC will promote the formation of projects by formulating strategies to encourage Japanese companies to find business opportunities in Africa.

#### Action plan I-3. To promote energy and natural resource projects in response to the new market environment

##### (1) Structuring financing schemes to respond to changing markets

JBIC will provide financial support in response to more diversified pricing formulas and contracts in the LNG market, which is at a turning point in its supply and demand balance.

##### (2) Supporting projects that are expected to help to establish an energy value chain

JBIC will support infrastructure projects, such as projects for Gas-to-Power and LNG receiving terminals, aiming to contribute to Japan's energy security.

##### (3) Ensuring new resources and energy sources

JBIC will provide support to secure strategic natural resources to be used for innovation, as well as support to secure new energy sources and establish supply chains to facilitate the transition to a low-carbon society.

### II Overseas infrastructure development

#### Action plan II-1. To support infrastructure projects that are highly important on the policy front

JBIC, in collaboration with the Japanese government and its agencies, will proactively lead project formation to support Japanese companies in participating in overseas infrastructure projects that are highly important on the policy front (e.g. high-speed railways and ports).

## **Action plan II-2. To help geo-economically important countries to establish frameworks for promoting infrastructure development**

JBIC will help geo-economically important countries with high potential as destinations for infrastructure exports to establish a public-private partnership (PPP) framework, through policy dialogue with the governments of those countries and workshops to share knowledge of PPP.

## **III Global environmental preservation**

### **Action plan III-1. To contribute to global efforts for the transition to a low-carbon society**

Taking account of the policies of host governments and their needs, JBIC will support the transition toward low-carbonization of thermal power generation and encourage Japanese companies to develop low-carbon infrastructure projects such as renewable energy projects.

### **Action plan III-2. To further promote global environmental preservation**

To respond to social demand for clean air and water, and waste disposal considering environmental impact, JBIC will contribute to sustainable economic growth by promoting the use of Japanese companies' superb environmental technology and expertise such as desulfurization and denitration equipment, waste water treatment equipment and waste-to-energy generation technology.

## **IV M&As**

### **Action plan IV-1. To support overseas M&As that are important on the policy front**

JBIC will support overseas M&As by Japanese companies, while considering the importance of their business strategies and Japanese government policy.

### **Action plan IV-2. To support overseas M&As in collaboration with private financial institutions**

JBIC will provide financing for overseas M&A transactions in the form of two-step loans, in collaboration with Japanese private financial institutions which have broad customer bases.

## **V Consistent implementation of policy-based finance and restructuring of operations**

### **Action plan V-1. To implement policy-based finance in a consistent manner**

#### **(1) Fulfilling JBIC's mission by enhancing its risk-taking capability**

Amid a changing environment surrounding Japan in terms of geo-economic aspects such as the emergence of new entities/organizations, JBIC will support the business activities of Japanese companies particularly in the areas of developing and acquiring interests in strategically important energy and natural resources overseas as well as of maintaining and increasing the international competitiveness of Japanese industries. JBIC will carry out its mission by enhancing its risk-taking capability and utilizing its various financial tools, while considering the needs of host countries' governments.

#### **(2) Responding to the changing international financial environment**

JBIC will take measures in a proactive and flexible manner to prevent global financial disorder or respond to financial turmoil by monitoring the international financial environment and corporate funding activities.

### **Action plan V-2. To restructure operations in response to the changing external environment**

JBIC will restructure its existing operations for increased efficiency, in order to quickly respond to the changes in international situations, the financial environment as well as in the Japanese government's policies and clients' expectations for policy-based finance.

### **Action plan V-3. To support Japanese SMEs in expanding overseas**

JBIC will provide its unique support to Japanese SMEs which plan to expand overseas, in close cooperation with Japanese private-sector financial institutions such as regional banks and Shinkin (credit) banks.



## Details of Action Plans for Organizational Competency

### I Enhancement of operational functions

#### Action plan I-1. To promote formation of projects that are geo-economically important

(1) Promoting projects that are geo-economically important, through JBIC's strategic research capability  
JBIC will offer strategic information to the Japanese government and other stakeholders and help to structure financing schemes for projects that are geo-economically important by utilizing its strategic research capability.

(2) Collaborating with bilateral and international organizations

JBIC will materialize strategic project formation and appropriate risk sharing with bilateral and international organizations, while contributing to rulemaking for the financing of public agencies.

(3) Strengthening relationships with foreign governments and companies

JBIC will enhance relationships with governments and companies in host countries in order to form projects taking into account the Japanese government's foreign policy and the importance of geo-economic aspects.

#### Action plan I-2. To improve operational functions to quickly respond to the changing business environment

JBIC will improve operational flows, launch new financial instruments and prepare operational conditions in order to deliver services in response to the changing business environment.

#### Action plan I-3. To further mobilize private funds amid the changing business model of the financial sector

Considering a changing financial environment due to factors such as the Basel requirements, JBIC will supplement the financial transactions implemented by private financial institutions through various means including co-financing, two-step loans and loan guarantees. JBIC will also strive to create new investment opportunities for private financial institutions by offering opportunities to purchase receivables related to the loans granted by JBIC or by other measures such as investment information sharing through seminars.

### II Enhancement of management capabilities

#### Action plan II-1. To ensure an executive management system that facilitates speedy and decisive operation

(1) Strengthening capability to execute corporate strategy

JBIC will enhance its capability to address organizational issues in an effective manner by establishing a structure under which Group-wide planning agendas are integrated.

(2) Reviewing decision-making processes

JBIC will eliminate/consolidate internal committees, increase/decrease the number of committee members depending on the purpose of the committees, as well as review decision-making processes.

#### Action plan II-2. To further enhance the financial and risk management systems to support top management decisions

(1) Enhancing capital adequacy to strengthen risk-taking capability

JBIC will enhance its capital adequacy to exert its risk-taking capability in large projects.

(2) Improving capacity to raise funds in a diversified and stable manner, and preparing a more effective financial reporting system

JBIC will diversify the means to raise funds over the long term, such as borrowing foreign currencies, and establish its accounting and financial reporting system in response to the changes in its operations and market regulations.

(3) Strengthening the risk management system

To increase risk tolerance, JBIC will improve its overall risk management process and risk analysis ability by, for example, strengthening its risk monitoring practices, increasing its analytical capabilities for asset-liability management and profitability, improving its credit risk management system used for evaluating the creditworthiness of its clients, and collecting data for credit analysis.

## III Strengthening of organizational foundation

### Action plan III-1. To promote work-style reform

JBIC will develop and implement its “Plan for Work Style Reform.”

### Action plan III-2. To streamline operational workflow

#### (1) Ensuring implementation of operational procedures without errors or omissions

JBIC will streamline its operations by using IT technologies and promote other streamlining measures to implement operations in a more accurate and flexible manner.

#### (2) Ensuring safe and stable operation of IT system

JBIC will renovate its core IT system and upgrade existing IT infrastructure.

### Action plan III-3. To ensure stability and safety while performing operations

JBIC will ensure the effectiveness of its business continuity plan (BCP) and strengthen its responsiveness to information security incidents.

### Action plan III-4. To enhance human capital

JBIC will secure and develop human resources to correspond to diversified operations.

# 6. Outline of Operations in FY2019

## Operational Highlights

The total amount of commitments JBIC made during FY2019 in loans, equity participations, and guarantees was approximately ¥1,678.7 billion, which is a decrease of approximately 2.2% from FY 2018. The outstanding amount of loans, equity participations and guarantees as of March 31, 2020 was approximately ¥15,657.9 billion.

The following is a report on JBIC's major operations in each sector during FY2019.

### Efforts in the Energy and Natural Resources Sector

As Japan depends on imports from overseas for most of its resources, it is an important challenge that the country secures a stable supply of energy and mineral resources in the medium to long term by increasing its self-development ratio of those resources. JBIC contributes to securing a long-term stable supply of resources through financial support for acquisition of upstream interests in resources development, diversification of supply sources

and strengthening of relationships with resource-rich countries. In FY2019, JBIC made a total of seven financial commitments in the resources sector, amounting to approximately ¥263.3 billion in loans and guarantees.

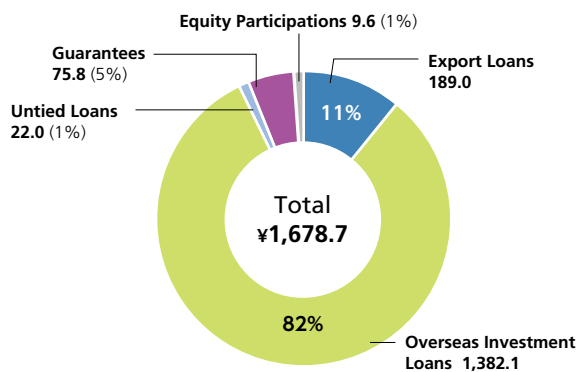
JBIC supported, in the form of project financing<sup>1</sup>, a copper mining development project in Chile in which Japanese companies are participating. In addition, JBIC provided a loan for Japanese companies to acquire an interest in a liquefied natural gas (LNG) production project in Russia.

### Supporting Strategic Overseas Business Activities by Japanese Companies

Amid a growing move by Japanese industries to seek earning opportunities outside Japan due to declining domestic demand, JBIC supports Japanese companies, through its various financial instruments, in implementing their overseas business strategies as well as maintaining and strengthening their global supply chains.

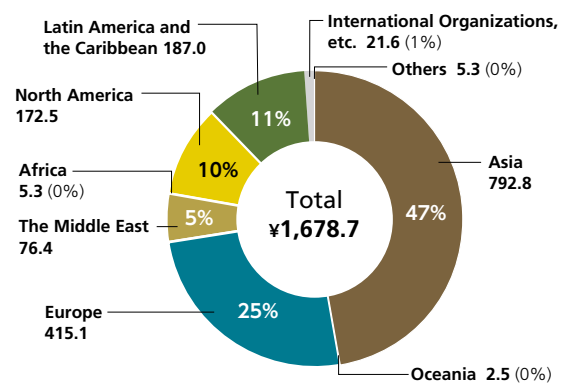
#### Commitments by Purpose of Financing

(FY2019; unit: billions of yen)



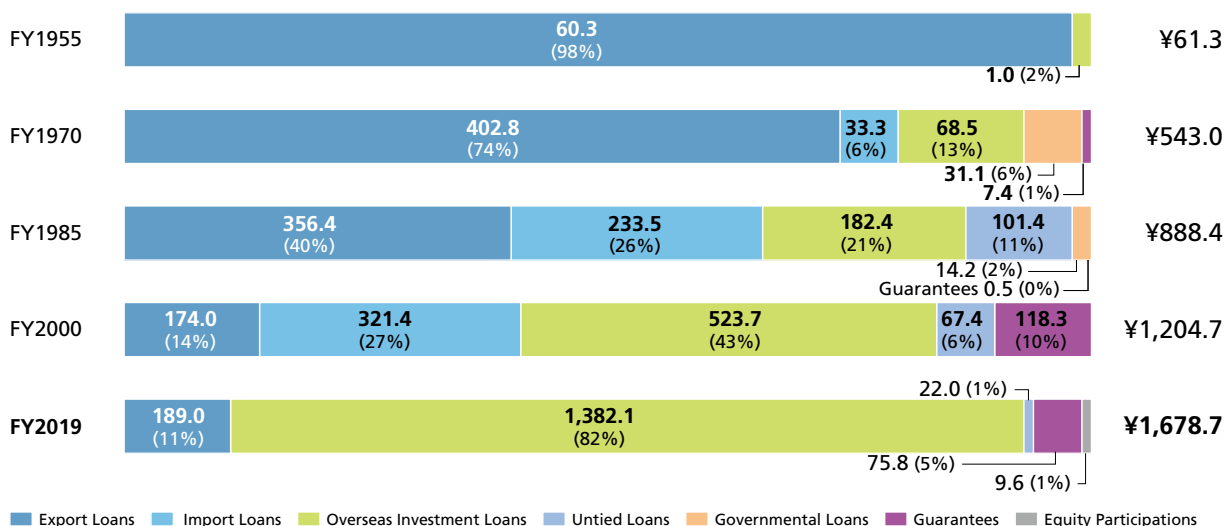
#### Commitments by Region

(FY2019; unit: billions of yen)



#### Changing Composition of Loans, Equity Participations, and Guarantees (Commitments)

(Unit: billions of yen)



■ Export Loans ■ Import Loans ■ Overseas Investment Loans ■ Untied Loans ■ Governmental Loans ■ Guarantees ■ Equity Participations

JBIC supported M&A transactions by Japanese companies through providing loans for the acquisition of an Indian steel manufacturer and an Italian automobile parts manufacturer, as well as a joint investment in an engineering and construction company in Singapore. Furthermore, JBIC provided loans to infrastructure projects involving Japanese companies, such as a natural gas-fired power generation and desalination project in Qatar, a freight railway project in Brazil and a car logistics terminal operation project in Turkey. Other financing support from JBIC includes a loan to a real estate complex development project in Myanmar.

### Supporting Exports by Japanese Companies

JBIC supported Japanese companies in exporting facilities and equipment for an integrated refinery and petrochemical complex in Malaysia and a fertilizer plant in Bangladesh. JBIC signed general agreements with two regional development financial institutions to set up export credit lines to further encourage Japanese companies to export to Africa.

### Supporting Overseas Business Deployment of Japanese Mid-tier Enterprises and SMEs

To assist Japanese mid-tier enterprises (MTEs) and small- and medium-sized enterprises (SMEs) in expanding overseas, JBIC made a total of 82 financial commitments, aggregating approximately ¥16.2 billion, in co-financing with Japanese regional financial institutions and others. The support included loans for the restaurant and meat processing business in Thailand and the manufacturing and sales of packaged rice in the Philippines. JBIC has set up credit lines in Chinese yuan with Japanese regional financial institutions to encourage Japanese MTEs and SMEs to conduct business in China. In addition, JBIC, in cooperation with Japanese regional financial institutions, hosted various seminars and events to provide information that might help Japanese companies expand overseas as well as opportunities for business matching.

### Efforts in the Environment-related Sector

Under its GREEN Operations (for details refer to page 59), JBIC signed loan agreements to set up credit lines with local financial institutions to finance environment-related projects in Latin America and renewable energy projects in Vietnam. JBIC made a total of four financial commitments amounting to approximately ¥42.9 billion in FY2019 under this framework.

In January 2020, JBIC established the “Growth Investment Facility” to provide wide-ranging support for overseas expansion by Japanese companies, including overseas M&A transactions and global value chain restructuring, as well as for the development of quality infrastructure (for details refer to page 74). Under this facility, the “Window for the Development of Quality Infrastructure for Environmental Preservation and Sustainable Growth (QI-ESG Window)” maintains the framework of the “Global

Facility to Promote Quality Infrastructure Investment for Environmental Preservation and Sustainable Growth (QI-ESG)” launched in July 2018. The purpose of the QI-ESG Window is to offer support to infrastructure development projects that contribute to preserving global environment, including those related to renewable energy. Under such financing facilities, JBIC provided project financing for an onshore wind power generation project in Morocco and supported the manufacturing and sales of solar panel sheet glasses.

### Supporting Japanese Companies with Local Currency Loans

JBIC provided 19 local currency denominated loans<sup>2</sup> totaling the equivalent of approximately ¥9.6 billion. The loans included a Chinese yuan loan to fund the manufacturing and sales of plastic compounds in China, and a Thai baht loan to promote the installation of solar power generation systems in Thailand through the ESCO<sup>3</sup> business.

1. Project finance is a financing scheme in which repayments for a loan are made solely from the cash flows generated by the project.
2. Currencies other than JPY, USD and EUR.
3. ESCO: Energy Service Company. A business model in which comprehensive service related to energy saving is provided to the customer, and a portion of the energy saving effect is received as remuneration.



## Operation Results

JBIC made total disbursements of ¥1,704.1 billion in FY2019.

### Planned and Actual Lending and Investments

(Unit: billions of yen)

	FY2016		FY2017		FY2018		FY2019	
	Planned	Actual	Planned	Actual	Planned	Actual	Planned	Actual
Export Loans	290.0	227.2	315.0	279.4	352.9	100.0	345.3	174.1
Import Loans and Overseas Investment Loans	1,560.0	1,922.4	2,115.0	1,357.2	1,730.0	1,269.6	1,681.3	1,490.0
Untied Loans	90.0	32.2	50.0	50.3	50.0	39.2	80.0	9.7
Equity Participations	120.0	18.5	130.0	39.8	124.0	42.4	115.0	30.2
Total	2,060.0	2,200.4	2,610.0	1,726.9	2,256.9	1,451.3	2,221.6	1,704.1

## Financial Results

### Principles of Accounting

#### (1) Separate Accounting

Pursuant to Article 26-2 of the Japan Bank for International Cooperation Act, JBIC shall apply separate accounting to Operations other than the Special Operations (Ordinary Operations) and Special Operations.

#### (2) Preparation of Financial Statements

Pursuant to the Companies Act and Article 26 of the Japan Bank for International Cooperation Act, JBIC prepares financial statements and submits them to the Minister of Finance. The report on the final settlement of accounts is submitted to the government of Japan, together with the financial statements and, after examination by the Board of Audit of Japan, to the Diet.

Pursuant to the Companies Act, JBIC prepares consolidated financial statements and pursuant to Article 5 of the Ordinance of the Ministry of Finance regarding Japan Bank for International Cooperation, JBIC submits the consolidated balance sheet and the consolidated statement of operations to the Minister of Finance.

### Ordinary Operations

#### (1) Statement of Operations

In FY2019, JBIC recorded ¥416.7 billion in Interest Income and ¥481.7 billion in Ordinary Income. This was for various reasons including support to promote acquisition of interests and development of natural resources, M&A transactions by Japanese companies, and overseas operations of Japanese companies such as infrastructure projects. On the other hand, JBIC recorded ¥364.8 billion in Ordinary Expenses as a result of posting ¥329.6 billion funding costs, such as Interest expenses. As a result, Ordinary Profit amounted to ¥116.8 billion and Net Income totaled ¥116.9 billion, which included Extraordinary Income and others.

#### (2) Balance Sheet

Total Assets amounted to ¥17,037.6 billion. This was due primarily to a decrease in Loans and Bills Discounted (decreased by ¥456.6 billion to ¥13,114.5 billion compared with FY2018). Total Liabilities amounted to ¥14,221.6 billion. This was mainly due to a decrease in Borrowed Money (decreased by ¥788.2 billion to ¥6,786.4 billion compared with FY2018) because of a decrease in borrowing from the Foreign Exchange Fund Special Account. Total Net Assets was ¥2,815.9 billion. This was due mainly to the capital increase and Net Income of ¥116.9 billion, despite the payment to national treasury through appropriation of retained earnings in FY2018.

### Special Operations

#### (1) Statement of Operations

In FY2019, Ordinary Income was ¥579 million. This was due mainly to Interest Income of ¥577 million. On the other hand, Ordinary Expenses of ¥725 million were recorded since ¥289 million in General and Administrative Expenses such as personnel expenses were incurred. As a result, Ordinary Loss and Net Loss amounted to ¥145 million, respectively.

#### (2) Balance Sheet

Total Assets amounted to ¥292.9 billion. This was due mainly to an increase in Loans and Bills Discounted (increased by ¥14.0 billion to ¥19.3 billion compared with FY2018) due to the execution of loans while Cash and Due from Banks increased (increased by ¥26.9 billion to ¥271.8 billion compared with FY2018). Total Liabilities was ¥1.6 billion. Total Net Assets was ¥291.2 billion. This was due mainly to a Net Loss of ¥145 million.

## The Eighth Term for JBIC (FY2019)

### [Consolidated Financial Statements] Consolidated Statement of Operations

(April 1, 2019–March 31, 2020; unit: millions of yen)

Accounts	Amounts
<b>Ordinary Income</b>	<b>485,856</b>
Interest Income	417,832
Fees and Commissions	25,595
Other Income	42,428
<b>Ordinary Expenses</b>	<b>369,071</b>
Interest Expenses	329,800
Fees and Commissions Payments	3,253
Other Ordinary Expenses	8,924
General and Administrative Expenses	21,365
Other Expenses	5,728
<b>Ordinary Profit</b>	<b>116,784</b>
<b>Extraordinary Income</b>	<b>16</b>
<b>Extraordinary Loss</b>	<b>0</b>
<b>Net Income Before Income Taxes</b>	<b>116,801</b>
<b>Income Taxes – Current</b>	<b>25</b>
<b>Total Income Taxes</b>	<b>25</b>
<b>Net Income</b>	<b>116,775</b>
<b>Net Income Attributable to Non-controlling Interests</b>	<b>35</b>
<b>Net Income Attributable to Owner of Parent</b>	<b>116,740</b>

### [Non-consolidated (JBIC only)] Statement of Operations

(April 1, 2019–March 31, 2020; unit: millions of yen)

Accounts	Amounts
<b>Ordinary Income</b>	<b>481,996</b>
Interest Income	417,298
Fees and Commissions	25,269
Other Income	39,429
<b>Ordinary Expenses</b>	<b>365,247</b>
Interest Expenses	329,800
Fees and Commissions Payments	2,605
Other Ordinary Expenses	8,899
General and Administrative Expenses	21,043
Other Expenses	2,899
<b>Ordinary Profit</b>	<b>116,748</b>
<b>Extraordinary Income</b>	<b>16</b>
<b>Extraordinary Loss</b>	<b>0</b>
<b>Net Income</b>	<b>116,765</b>

### Consolidated Balance Sheet

(As of March 31, 2020; unit: millions of yen)

Assets		Liabilities and Net Assets	
Accounts	Amounts	Accounts	Amounts
Cash and Due from Banks	1,544,838	Borrowed Money	6,786,499
Securities Note 6	358,748	Bonds Payable Note 8	4,886,646
Loans and Bills Discounted Note 7	13,133,980	Other Liabilities	424,572
Other Assets Note 8	434,040	Provision for Bonuses	586
Property, Plant and Equipment Note 9	28,146	Provision for Directors' Bonuses	10
Intangible Assets	5,227	Provision for Directors' Retirement Benefits	6,715
Customers' Liabilities for Acceptances and Guarantees	2,118,383	Provision for Directors' Retirement Benefits	44
Allowance for Loan Losses	(285,855)	Acceptances and Guarantees	2,118,383
		<b>Total Liabilities</b>	<b>14,223,458</b>
		Capital Stock	1,883,800
		Retained Earnings	995,688
		Total Shareholder's Equity	2,879,488
		Valuation Difference on Available-for-sale Securities	(3,486)
		Deferred Gains or Losses on Hedges	231,303
		Foreign Currency Translation Adjustment	6,475
		Total Accumulated Other Comprehensive Income (Loss)	234,291
		Non-controlling Interests	271
		<b>Total Net Assets</b>	<b>3,114,051</b>
<b>Total Assets</b>	<b>17,337,510</b>	<b>Total Liabilities and Net Assets</b>	<b>17,337,510</b>

Note: See Notes 6 to 9 on pages 29 to 31 of Appendix for details.

### Balance Sheet

(As of March 31, 2020; unit: millions of yen)

Assets		Liabilities and Net Assets	
Accounts	Amounts	Accounts	Amounts
Cash and Due from Banks	1,544,323	Borrowed Money	6,786,499
Securities	352,750	Bonds Payable	4,886,646
Loans and Bills Discounted	13,133,980	Other Liabilities	424,436
Other Assets	433,604	Provision for Bonuses	586
Property, Plant and Equipment	28,115	Provision for Directors' Bonuses	10
Intangible Assets	5,220	Provision for Retirement Benefits	6,715
Customers' Liabilities for Acceptances and Guarantees	2,118,383	Provision for Directors' Retirement Benefits	44
Allowance for Loan Losses	(285,855)	Acceptances and Guarantees	2,118,383
		<b>Total Liabilities</b>	<b>14,223,323</b>
		Capital Stock	1,883,800
		Retained Earnings	995,583
		Total Shareholder's Equity	2,879,383
		Valuation Difference on Available-for-sale Securities	(3,486)
		Deferred Gains or Losses on Hedges	231,303
		Total Valuation and Translation Adjustments	227,816
		<b>Total Net Assets</b>	<b>3,107,200</b>
<b>Total Assets</b>	<b>17,330,523</b>	<b>Total Liabilities and Net Assets</b>	<b>17,330,523</b>

[Ordinary Operations Account]  
Statement of Operations

(April 1, 2019–March 31, 2020; unit: millions of yen)

Accounts	Amounts
<b>Ordinary Income</b>	<b>481,706</b>
Interest Income	416,721
Fees and Commissions	25,269
Other Income	39,716
<b>Ordinary Expenses</b>	<b>364,812</b>
Interest Expenses	329,654
Fees and Commissions Payments	2,567
Other Ordinary Expenses	8,899
General and Administrative Expenses	20,791
Other Expenses	2,899
<b>Ordinary Profit</b>	<b>116,894</b>
<b>Extraordinary Income</b>	<b>16</b>
<b>Extraordinary Loss</b>	<b>0</b>
<b>Net Income</b>	<b>116,911</b>

Balance Sheet

(As of March 31, 2020; unit: millions of yen)

Assets		Liabilities and Net Assets	
Accounts	Amounts	Accounts	Amounts
Cash and Due from Banks	1,272,476	Borrowed Money	6,786,499
Securities	352,750	Bonds Payable	4,886,646
Loans and Bills Discounted	13,114,594	Other Liabilities	422,800
Other Assets	431,615	Provision for Bonuses	578
Property, Plant and Equipment	28,115	Provision for Directors' Bonuses	10
Intangible Assets	5,220	Provision for Retirement Benefits	6,695
Customers' Liabilities for Acceptances and Guarantees	2,118,383	Provision for Directors' Retirement Benefits	44
Allowance for Loan Losses	(285,515)	Acceptances and Guarantees	2,118,383
		<b>Total Liabilities</b>	<b>14,221,657</b>
		Capital Stock	1,590,500
		Retained Earnings	996,188
		Total Shareholder's Equity	2,586,688
		Valuation Difference on Available-for-sale Securities	(3,486)
		Deferred Gains or Losses on Hedges	232,780
		Total Valuation and Translation Adjustments	229,293
		<b>Total Net Assets</b>	<b>2,815,981</b>
<b>Total Assets</b>	<b>17,037,639</b>	<b>Total Liabilities and Net Assets</b>	<b>17,037,639</b>

[Special Operations Account]  
Statement of Operations

(April 1, 2019–March 31, 2020; unit: millions of yen)

Accounts	Amounts
<b>Ordinary Income</b>	<b>579</b>
Interest Income	577
Other Ordinary Income	0
Other Income	2
<b>Ordinary Expenses</b>	<b>725</b>
Interest Expenses	145
Fees and Commissions Payments	38
General and Administrative Expenses	289
Other Expenses	252
<b>Ordinary Loss</b>	<b>145</b>
<b>Net Loss</b>	<b>145</b>

Balance Sheet

(As of March 31, 2020; unit: millions of yen)

Assets		Liabilities and Net Assets	
Accounts	Amounts	Accounts	Amounts
Cash and Due from Banks	271,847	Other Liabilities	1,658
Loans and Bills Discounted	19,385	Provision for Bonuses	7
Other Assets	2,010	Provision for Directors' Bonuses	0
Allowance for Loan Losses	(339)	Provision for Retirement Benefits	20
		Provision for Directors' Retirement Benefits	0
		<b>Total Liabilities</b>	<b>1,686</b>
		Capital Stock	293,300
		Retained Earnings	(604)
		Total Shareholder's Equity	292,695
		Deferred Gains or Losses on Hedges	(1,476)
		Total Valuation and Translation Adjustments	(1,476)
		<b>Total Net Assets</b>	<b>291,218</b>
<b>Total Assets</b>	<b>292,904</b>	<b>Total Liabilities and Net Assets</b>	<b>292,904</b>

## Funding Sources

JBIC finances its operations through various sources, including borrowings from the Fiscal Investment and Loan Program (FILP) Fiscal Loan, Government-guaranteed Foreign Bond issuance, Government-guaranteed Long-term Loans in Foreign Currency, FILP Agency Bond issuance, capital contributions from FILP Industrial Investment, and borrowings from the Foreign Exchange Fund Special Account.

As JBIC provides long-term financing, its operations are financed by long-term funds to match maturities between funding and lending instruments.

Borrowings from FILP Fiscal Loan, Government-guaranteed Foreign Bond issuance, Government-guaranteed Long-term Loans in Foreign Currency, and Capital Contributions from FILP Industrial Investment, etc., are included in the national budget (either as an item in the General Account budget or the Special Account budget), and requests for them are submitted to the Diet for approval along the operating budget of JBIC. Recent funding results and plans for FY2020 are shown in the table below.

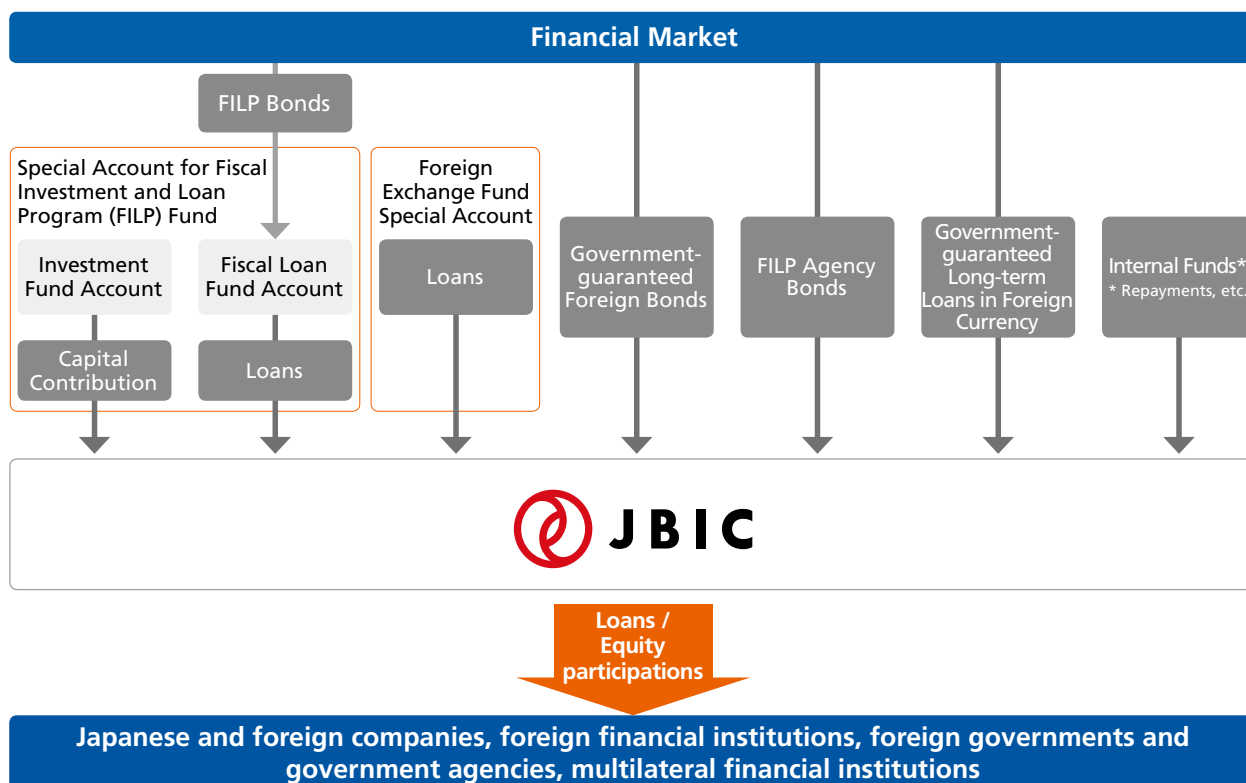
### Funding Sources: Actual and Planned

(Unit: billions of yen)

	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Planned
Capital Contribution from FILP Industrial Investment	142.0	82.2	20.1	98.5	80.0
Borrowing from FILP Fiscal Loan	530.5	209.5	109.6	43.7	281.0
Borrowing from Foreign Exchange Fund Special Account	1,142.7	854.4	654.9	422.9	—
Government-guaranteed Long-term Loans in Foreign Currency	—	—	—	—	40.0
Government-guaranteed Foreign Bonds*	1,106.2	1,629.7	724.2	849.4	2,902.5
FILP Agency Bonds*	—	60.0	—	—	20.0
Other Sources of Funds, Including Repayments	(721.0)	(1,108.9)	(57.4)	289.5	76.5
Total	2,200.4	1,726.9	1,451.3	1,704.1	3,400.0

\* Figures for bonds are indicated at face value.

### Funding Sources





## Government-guaranteed Foreign Bonds

JBIC raises part of its funds by issuing Government-guaranteed foreign bonds in international capital markets. Outstanding Government-guaranteed foreign bonds at the end of FY2019 amounted to ¥4,796.2 billion at face value, which accounts for 41.05% of the total outstanding borrowings and bonds. JBIC provides foreign currency loans when necessary to effectively implement policy, and funds raised by issuing Government-guaranteed foreign bonds are used as a source of those loans.

In the FY2020 budget, JBIC plans to issue in the total amount of up to ¥2,902.5 billion in Government-guaranteed foreign bonds.

JBIC's Government-guaranteed foreign bonds receive the same ratings as the Government of Japan from the rating agencies (A1 from Moody's Japan K.K. (Moody's) and A+ from S&P Global Ratings Japan Inc. (S&P) as of July 31, 2020). Since they are treated as assets for which the Bank for International Settlements (BIS) assigns zero risk weight in calculating the capital adequacy ratio for depository institutions, these bonds provide a quality investment opportunity for investors in international capital markets.

## FILP Agency Bonds

In compliance with the government policy to reform FILP, JBIC has issued bonds without government guarantees (FILP agency bonds) in the Japan's capital market since FY2001, thereby raising funds based on its own creditworthiness. JBIC plans to issue up to ¥20.0 billion in FY2020.

FILP agency bonds that JBIC has already issued received the same ratings as the Government of Japan (as of July 31, 2020 as shown below). They are treated as assets for which BIS assigns 10% risk weight in calculating the capital adequacy ratio for depository financial institutions.

Rating & Investment Information, Inc. (R&I) .....	AA+
Japan Credit Rating Agency, Ltd. (JCR) .....	AAA
Moody's .....	A1
S&P .....	A+