

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

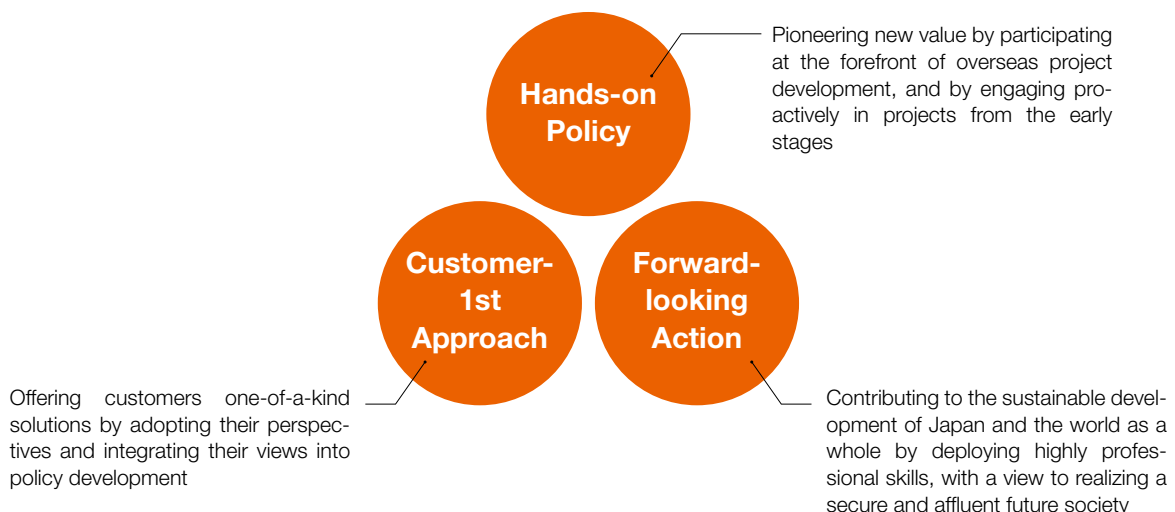
日本の力を、世界のために。

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.

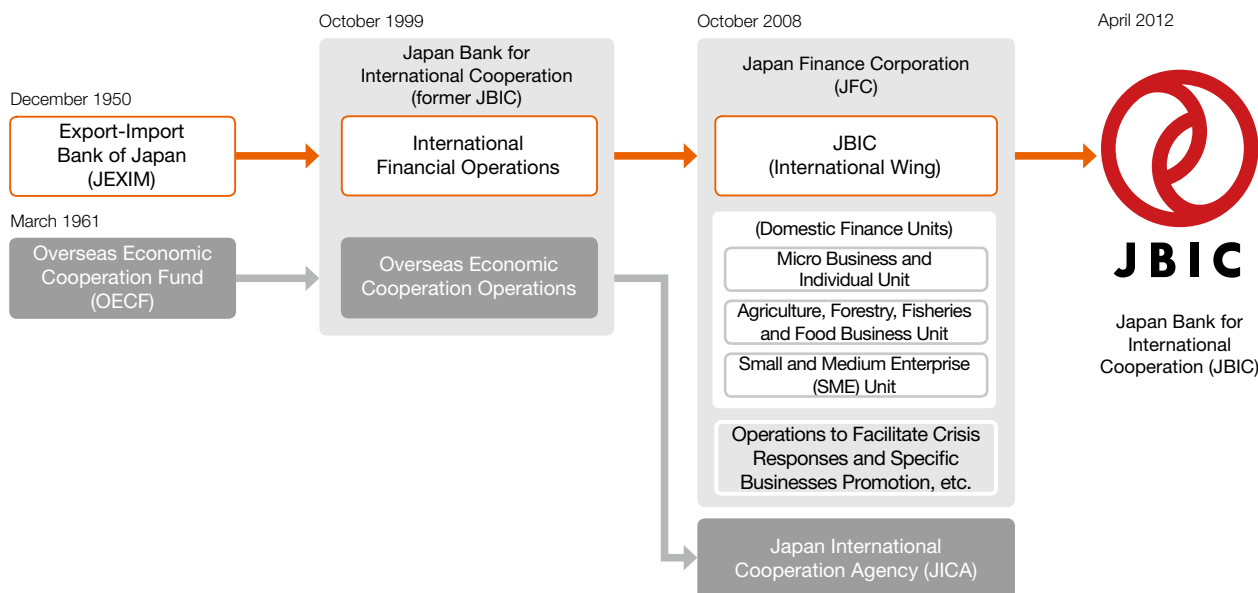
- 1 Supplementing the financial transactions implemented by private-sector financial institutions**
To effectively perform the functions required for policy-based financing, JBIC shall take account of situations where private-sector financial institutions are placed in their international finance activities 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* | ¥1,963.8 billion (wholly owned by the Japanese government) |
| Outstanding Loans and Equity Participations* | ¥13,906.5 billion |
| Outstanding Guarantees* | ¥1,838.3 billion |

* As of March 31, 2021

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.

- **1950** **Establishment of the Export Bank of Japan**
- **1951** Started operations inside the head office building of the Industrial Bank of Japan, Limited
Made its first loan commitment (for export of hydroelectric generators to Argentina)
- **1952** **Changed its name to The Export-Import Bank of Japan (JEXIM)**
Added Import Loans and Guarantees
- **1953** Added Overseas Investment Loans and Overseas Project Loans
- **1954** Opened its first overseas representative office (Karachi)
- **1955** Set up a special account for the debt relief to Indonesia
- **1956** Started a foreign currency lending system and approved the first loan based on this system (Electronic component manufacturing business in Malaysia)
Added Untied Loans
- **1957** Reorganized the Osaka office into the Osaka Branch
Launched an emergency import foreign currency loan system (primary)
- **1958** Relocated to Takebashi Godo Building
- **1959** Outstanding amounts exceeded 5 trillion yen
- **1960** Outstanding amounts exceeded 100 billion yen
- **1961** Launched an emergency import foreign currency loan system (secondary)
- **1962** Issued first foreign bonds
- **1963** Relocated to the JEXIM and JDB (Japan Development Bank) Godo Building
Opened the Osaka office
- **1964** Signed a loan agreement (first loan to international institution) with the Inter-American Development Bank (IDB)
- **1965** Relocated to Takebashi Godo Building
- **1966** Signed a loan agreement (first loan to international institution) with the Inter-American Development Bank (IDB)
- **1967** Outstanding amounts exceeded 1 trillion yen
- **1968** Outstanding amounts exceeded 1 trillion yen
- **1969** Outstanding amounts exceeded 1 trillion yen
- **1970** Outstanding amounts exceeded 1 trillion yen
- **1971** The Nixon shock
- **1972** Outstanding amounts exceeded 1 trillion yen
- **1973** The first oil crisis
- **1974** Outstanding amounts exceeded 1 trillion yen
- **1975** Outstanding amounts exceeded 1 trillion yen
- **1976** Outstanding amounts exceeded 1 trillion yen
- **1977** Outstanding amounts exceeded 1 trillion yen
- **1978** Outstanding amounts exceeded 1 trillion yen
- **1979** The second oil crisis
- **1980** Outstanding amounts exceeded 1 trillion yen
- **1981** Outstanding amounts exceeded 1 trillion yen
- **1982** The Latin American debt crisis
- **1983** Outstanding amounts exceeded 1 trillion yen
- **1984** Outstanding amounts exceeded 1 trillion yen
- **1985** The Plaza Accord
- **1986** Signed a loan agreement for Western Australian LNG project (first project financing)
- **1987** Black Monday
- **1988** Signed an untied loan agreement with Indonesia (first loan based on the Japanese government's financial recycling scheme (-1992))
- **1989** The fall of the Berlin Wall
- **1990** Added Equity Participations



USIMINAS project in Brazil



Amazon aluminum project in Brazil



The head office building of the Industrial Bank of Japan, Limited

| | | | |
|---|--|--|---|
| <ul style="list-style-type: none"> ● 1952 Japan joined the International Monetary Fund (IMF) and World Bank ● 1956 Japan joined the United Nations (UN) | <ul style="list-style-type: none"> ● 1964 Tokyo Olympics and Paralympics Japan joined the Organisation for Economic Co-operation and Development (OECD) ● 1967 The Association of Southeast Asian Nations (ASEAN) was established | <ul style="list-style-type: none"> ● 1971 The Nixon shock ● 1973 The first oil crisis ● 1979 The second oil crisis | <ul style="list-style-type: none"> ● 1982 The Latin American debt crisis ● 1985 The Plaza Accord ● 1987 Black Monday ● 1989 The fall of the Berlin Wall |
|---|--|--|---|

Trends in the international economy 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

● **2021** Launched the Post-COVID-19 Growth Facility Formulated the Fourth Medium-term Business Plan

● **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

● **2021** Tokyo Olympics and Paralympics

3. Top Message

Serving as a ‘Navigator’ to Build a Brighter Future with Japanese Power

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 global economy has declined sharply due to constraints on economic and social activities triggered by the spread of COVID-19, and the outlook for a recovery remains uncertain.

Meanwhile, there are mounting concerns that the free trade system will be shaken by the shifting balance of power in the international community, as evidenced by US-China conflicts, as well as by the spread of protectionism and economic nationalism.

In working toward a decarbonized society and the attainment of the Sustainable Development Goals (SDGs) targets, there has been growing emphasis on sharing the SDGs and realizing development and growth that strikes a balance among the economy, society and the environment as well as calls for initiatives that address climate change and energy transformation. With the advance of innovations in technology, as symbolized by digital transformation (DX) in industry and society, responding to the transformation of the industrial structure and the restructuring of supply chains on a global-wide basis are also primary issues.

Within such an evolving environment, Japan must address an assortment of challenges that include its shrinking population, declining birthrates and an aging population as well as the Fourth Industrial Revolution, emerging trade issues and protectionism, and decarbonization.

As a policy-based financial institution, in keeping with its Third Medium-term Business Plan (FY2018—FY2020), JBIC has accurately pinpointed rising uncertainties in Japan and overseas and has provided prompt and agile support giving consideration to new initiatives and changes in industry.

In FY2020, the final year of the Third Medium-term Business Plan, JBIC added the Emergency Window for Overcoming the COVID-19 Crisis (COVID-19 Emergency Window) to its Growth Investment Facility to provide support as a measure against COVID-19 in addition to expanding its loan operations for projects in developed countries and for domestic companies in a time-bound manner. JBIC also provided widespread support for the overseas M&A of Japanese companies and for restructuring global value chains.

In 2021, JBIC created the Post-COVID-19 Growth Facility as we restructured and strengthened the Growth Investment Facility. This was part of our active efforts to support Japanese companies in the overseas expansion of high-quality infrastructure toward a decarbonized society and the enhancement of supply chain resilience, with the overarching aim of transforming the economic structure and realizing a virtuous cycle for the post-COVID-19 era.

In June 2021, JBIC created the Fourth Medium-term Business Plan (FY2021—FY2023), under which we will focus on the SDGs, decarbonization, energy transformation, and digital transformation. In doing so, JBIC will strive to meet the expectations of the Japanese industrial and financial communities in the post-COVID-19 pandemic world.

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



MAEDA Tadashi

Governor

Japan Bank for International Cooperation (JBIC)

Strategic Support for Realizing a Decarbonized Society

In FY2020 economic and social activities were constrained by the spread of COVID-19 while the Japanese economy posted large negative real growth owing to the stagnation of the world economy.

Under these conditions, JBIC created the COVID-19 Emergency Window to support the overseas business of Japanese companies affected by the spread of COVID-19 and provided loans needed for business continuity and the pandemic prevention.

The rapid acceleration of moves toward decarbonization marks another significant change. Japan's Prime Minister (at that time) SUGA Yoshihide declared that Japan would aim for carbon neutrality by 2050 as efforts toward realizing a decarbonized society in conjunction with the SDGs are becoming a common theme of the international community.

To achieve carbon neutrality, it is essential to strategically work on creating a roadmap detailing what needs to be accomplished by calculating backward starting from 2050 instead of using the conventional approach of moving ahead incrementally. For example, in promoting green hydrogen, besides reducing costs through technological innovation, it is also essential to build a "hydrogen value chain" that extends to manufacturing, transportation, storage, and utilization. To do so, government and industry must work in unison.

As a policy-based financial institution, since the 1980s JBIC has supported LNG related projects such as the acquisition of interests, the development and production, and construction of storage and shipping terminals as well as the construction of LNG carriers to build an "LNG value chain" for liquefying natural gas overseas and transporting this gas to Japan. In realizing a decarbonized society, JBIC looks 30 years into the future and will strive to support initiatives toward the global energy transition through financing for projects related to renewable energy, the hydrogen value chain, next-generation storage battery systems, energy conversion, CCUS/ carbon recycling, and ammonia and hydrogen co-combustion. In line with these efforts, JBIC created the Decarbonization Promotion Window within the Post-COVID-19 Growth Facility. Through this window, besides such renewable energy-related projects as solar power generation and wind power generation by Japanese companies, JBIC is expanding the targets of its support to cover projects related to manufacturing, sales, and imports of hydrogen and biomass fuel.

Supporting the Resilience of Japanese Companies' Supply Chains

Within the Post-COVID-19 Growth Facility, JBIC created a Supply Chain Resilience Enhancement Window and the Decarbonization Promotion Window. The COVID-19 pandemic has exposed the vulnerabilities of supply chains of Japanese companies. This can be seen by the disruptions of supplies of products and components for which production bases are highly concentrated overseas. In view of this situation, JBIC is supporting the diversification of overseas production bases of Japanese companies while also providing broad-ranging support for local suppliers and sales agents.

In DX, regarded as the cornerstone of the Fourth Industrial Revolution, JBIC will support the rebuilding of business models and the development and acquisition of cutting-edge technologies that will pave the way for a digital transformation.

Promote Japan-U.S.-Australia-India Cooperation to Strengthen the Free Trade System

Strengthening Japan-U.S.-Australia cooperation is also a prominent theme. The balance of power in the international community is markedly shifting as underscored by US-China conflicts and the spread of protectionism. In the future, however, with the addition of India, multilateral cooperation that also encompasses Japan, the U.S., Australia, and India under the QUAD framework and cooperation with international financial institutions will become increasingly crucial.

JBIC is making its utmost efforts to build cooperative relationships among allied countries under the free trade system to contribute toward the overseas development of Japanese companies. Specifically, JBIC has built a platform for high-quality infrastructure development through international collaboration with the U.S. International Development Finance Corporation (USDFC) and the Department of Foreign Affairs and Trade (DFAT) of Australia and Export Finance Australia (EFA). In January 2021, JBIC concluded a new Memorandum of Understanding with USDFC that adds electric power, hydrogen, digital and telecommunications, and supply chain fields to the existing areas of infrastructure, energy, and natural resources. At the same time, target regions have been broadened to include the Western Hemisphere and Central and Eastern Europe in addition to the existing Indo-Pacific, Middle East and Africa regions.

In the future, JBIC will promote the sound development of the international economy and society through the Japan-U.S.-Australia-India framework that will include collaboration with third countries possessing the same values for each individual project.

FY2020 Results: Wide-Ranging Deployment of Loans, Equity Participation, and Guarantees

In FY2020, JBIC made 207 financial commitments totaling ¥2,599.3 billion in loans, equity participation, and guarantees.

As initiatives toward a decarbonized society, JBIC financed Qatar's first large-scale solar PV project. Although JBIC has previously supported numerous LNG projects in Qatar, this marks that country's first large-scale renewable energy project. JBIC is also financing a waste to energy project that utilizes municipal waste in Dubai, the United Arab Emirates. In addition, JBIC also provided financing for an offshore electricity transmission project for offshore wind power generation in the United Kingdom and for a gas-fired combined cycle power plant project in Bangladesh.

In India, JBIC supported the automobile supply chain by financing suppliers and dealers of Japanese-affiliated automakers with loans needed for sales financing for Japanese automobiles through the State Bank of India, a state-owned commercial bank.

In overseas M&A, JBIC provided a loan for the funds needed by a Japanese company for the acquisition of a Swiss power grid business. In promoting the spread of such renewable energy as offshore wind power and solar power, DC high-voltage power transmission technologies and digital control systems are essential for low-loss transmission of power to demand areas. This acquisition is expected to contribute toward innovation not only overseas but also in the domestic power transmission business.

For the overseas business development of mid-tier enterprises and small and medium-sized enterprises (SMEs), we actively provided support utilizing local currency-denominated loans in a number of countries including ASEAN countries, China, and Mexico.

In equity investments, JBIC together with the Chugoku Electric Power Company, acquired a 44% stake in Fiji's state-owned electric power company as a project that contributes toward a decarbonized society. JBIC provides the necessary support for Fiji's transition to power generation centered on renewable energy based on that nation's goal of "renewable energy for all power generation by 2036" set by the Fijian government under its National Development Plan. JBIC also invested in a project of ancillary services using next-generation batteries to adjust electric power supply in the island of Ireland and a project for constructing and operating hydrogen filling stations in the U.S. state of California.

Regarding guarantees, JBIC achieved a more than three-fold increase in results compared with the previous year thanks to an increase in aircraft import guarantees. In addition, as the first Japan-U.S.-Australia collaboration project, JBIC provided support for a submarine cable project undertaken by the Belau Submarine Cable Corporation, state-owned public submarine cable corporation of Palau. This project involves laying a branch line to the island of Palau from a large-capacity optical submarine cable connecting the U.S. West Coast and Singapore, which will strengthen the resilience of Palau's communication infrastructure and contribute to improving the stability of international communications.

Summarizing JBIC's Third Medium-term Business Plan

In formulating its Third Medium-term Business Plan, JBIC established a medium- to long-term vision: "To serve as a 'navigator' for Japanese companies to expand overseas business in an uncertain world."

Up to now, JBIC has operated by giving a boost to the businesses of Japanese companies. However, in this age of uncertainty where the future is difficult to read, JBIC has expressed its intention to be a navigator that tries to lead Japanese companies and tries to take the initiative in responding to global issues. We have served as navigator driven by the spirit that this role can only be fulfilled by JBIC, which boasts an extensive track record in forming projects around the globe.

Over the three years from FY2018 to FY2020, JBIC made a total of ¥5,995.2 billion in loans, equity participation, and guarantees directed toward such issues as initiatives in growth areas and new fields as represented by innovation and frontier markets. As new initiatives, JBIC is focusing on creating frameworks such as for Japan-U.S.-Australia cooperation in addition to supporting start-up companies that have not yet received support with JBIC's Special Account.

In the area of organizational reform, during the COVID-19 pandemic JBIC has promoted the shift to online operations and the enhancement of operational efficiency and has created environments that facilitate online discussions with collaboration partners overseas.

JBIC created a Decarbonization Promotion Window and a Supply Chain Resilience Enhancement Window to provide support for business and cutting-edge technologies that facilitate digital transformation.





As a Navigator in an Era of Transformation, JBIC will lead the way in finding solutions to global issues and in innovations for overseas businesses of Japanese companies.

Initiatives such as these were also highly evaluated by third-party management advisory councils and evaluation committees. To further advance these initiatives, JBIC formulated the Fourth Medium-term Business Plan in June 2021.

Fourth Medium-term Business Plan to Raise Our Navigator Functions

Industrial and social structures are now being dramatically reshaped along with smooth energy transitions to address climate change, inclusive and sustainable development and growth, and the rapid advances of digitization and innovation. Against the background, JBIC formulated its Fourth Medium-term Business Plan upon grasping these issues and considering what it needs to focus on from the perspective of policy finance looking 10 years into the future.

To further raise our functions as a navigator, under the title of JBIC Compass 2.0, we revised our medium- to long-term vision as “To serve as a ‘navigator’ to build a brighter future with Japanese power in an uncharted global situation.” Under this new vision, JBIC has set six key focus areas centered on the pillars of innovation, energy transformation, and DX for realizing the SDGs and a decarbonized society.

At the business level, we have set the key focus areas as (1) address global issues toward realizing sustainable development for the global economy and society, (2) support the strengthening of the international competitiveness of Japan’s industries in the era of industrial and social transformation, (3) propel strategic initiatives to promote quality infrastructure projects overseas, and (4) execute policy-based finance functions that are adapted to changes in the economic situation.

At the organizational level, our key focus areas are (5) develop a business structure that can adapt to changes in the external environment and (6) manage the organization efficiently in order to respond to the “new normal.”

As Action Plans at the business level for key focus area (1), JBIC will respond to the energy transformation toward the realization of a decarbonized society and support projects that contribute toward resolving social issues. For key focus area (2), JBIC will concentrate on two important aspects, namely resilience, which is the ability to withstand external influences and

includes addressing the strengthening of resilience and rebuilding of international supply chains, and robustness, which is the ability to prevent changes caused by external influences. In addition, JBIC will support M&A and technology acquisition by Japanese companies toward DX. For (3), JBIC will strongly support participation in overseas infrastructure projects that harness the strengths of Japanese companies and will respond through multilateral cooperation such as among Japan, the U.S., Australia and with QUAD and cooperation with multilateral financial institutions. For (4), JBIC will respond swiftly to overseas businesses that have been impacted by the COVID-19 pandemic, undertake strategic initiatives for countries/regions of great importance from a policy perspective, execute business steadily as a policy-based financial institution, including support for SMEs, strengthen the risk-assuming functions, and further promote the mobilization of private capital.

Organizational Strengthening, Workstyle Reforms, and Human Resources Development That Responds to Change

At the organizational level, for (5) develop a business structure that can adapt to changes in the external environment, JBIC will develop a business structure that is adapted to changes in the business environment and customer needs and a business structure for conducting appropriate and efficient credit analysis and credit management during and after the COVID-19 pandemic, which includes responding appropriately to interest rate benchmark reforms. For (6) manage the organization efficiently in order to adapt to the “new normal,” to respond to employee working environments that have changed significantly due to COVID-19, we will accelerate digitalization at the workplace and promote human resource development and workstyle reforms that can maximize performance and boost the vitality of diverse employees. Beside these, in the Second-phase Plan for Work Style Reform formulated in June 2021, we will implement concrete measures with the same orientation.

As a Navigator in an Era of Transformation

JBIC will also strive to respond flexibly to changes in economic conditions. JBIC has received a wide range of applications from businesses spanning large companies to SMEs for its emergency services that support overseas businesses affected by the COVID-19 pandemic and as part of these efforts we have also procured dollar-denominated funds from the Foreign Exchange Fund Special Account to finance long-term funds. Furthermore, JBIC will contribute toward M&A that will facilitate the transformation of the industrial structure, restructuring of supply chains, and technological innovation on a global scale.

Concurrently JBIC will take the lead in addressing global challenges as a navigator in an era of transformation. For example, by engaging in dialogue and promoting engagement based on the good relationships with the governments and government agencies of each country cultivated to the present, JBIC encourages governments and related organizations to undertake energy transformation in accordance with actual circumstances in partner countries and will support the introduction of cutting-edge technologies suitable for each country. In addition, JBIC seeks to play a leading role at the front lines of Japan-U.S.-Australia cooperation and in the QUAD framework encompassing India. JBIC will realize project formation through multilateral cooperation in today's most critical fields such as semiconductors, rare metals, rare earths, AI as well as in the development of high-quality infrastructure.

I believe that strengthening our risk-assuming functions will continue to be a crucial role as a policy-based financial institution. This includes strengthening risk-assuming functions by utilizing Special Operations as well as diversifying financing methods that utilize local currency-denominated financing.

I ask for your continued understanding and support.

4. Directors, Managing Executive Officers and Corporate Auditors (As of October 1, 2021)



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|------------------------|--|---|--|--|--|
| (Back row, from left) | Managing Director KOIZUMI Shinichi | Senior Managing Director OISHI Ichiro | Senior Managing Director HASHIYAMA Shigeto | Senior Managing Director TANAKA Kazuhiko | Managing Director KAWAMURA Yoshinori |
| (Front row, from left) | Deputy Governor HAYASHI Nobumitsu | Governor MAEDA Tadashi | Executive Managing Director AMAKAWA Kazuhiko | | |



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| Corporate Auditor TSUCHIYA Mitsuki | Corporate Auditor SUMIYA Koji | Corporate Auditor TAMAI Yuko |
|--|---|--|

Directors

| | |
|--------------------------------------|---------------------------|
| Governor | MAEDA Tadashi |
| Deputy Governor | HAYASHI Nobumitsu |
| Executive Managing Director | AMAKAWA Kazuhiko |
| Senior Managing Director | HASHIYAMA Shigeto |
| Senior Managing Director | OISHI Ichiro |
| Senior Managing Director | TANAKA Kazuhiko |
| Managing Director (Outside Director) | KOIZUMI Shinichi |
| Managing Director (Outside Director) | KAWAMURA Yoshinori |

Corporate Auditors

| | |
|---|--------------------------|
| Corporate Auditor (Full-Time Corporate Auditor) | SUMIYA Koji |
| Corporate Auditor (Outside Corporate Auditor) | TSUCHIYA Mitsuaki |
| Corporate Auditor (Outside Corporate Auditor) | TAMAI Yuko |

Managing Executive Officers

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|---|--------------------------|
| Managing Executive Officer, Global Head of Corporate Planning Group | TANIMOTO Masayuki |
| Managing Executive Officer, Global Head of Credit, Assessment and Risk Management Group | KIKUCHI Yo |
| Managing Executive Officer, Global Head of Treasury and Systems Group | OGAWA Kazunori |
| Managing Executive Officer, Global Head of Energy and Natural Resources Finance Group | INABA Yutaka |
| Managing Executive Officer, Global Head of Infrastructure and Environment Finance Group | UCHIDA Makoto |
| Managing Executive Officer, Global Head of Industry Finance Group | ASO Kenichi |
| Managing Executive Officer, Global Head of Equity Finance Group | MORITA Kentaro |

5. Medium-term Business Plan (FY2021- FY2023)

Since its inception in April 2012, JBIC has drawn on various financial instruments to proactively provide funds for projects with relatively high risk profiles and mobilize private funds for its operations that include support for the overseas business development of Japanese companies, securing resources and preserving the global environment. During the three-year period of its Third Medium-term Business Plan that ran from FY2018 to FY2020, JBIC made a total of ¥5,995.2 billion in loans, equity participation, and guarantees under newly established focus areas encompassing initiatives toward growth areas and new fields as represented by innovation and economic frontiers. Moreover, to address the impact of the COVID-19 pandemic on the overseas businesses of Japanese companies, in 2020 JBIC commenced support based on the Emergency Window for Overcoming the COVID-19 Crisis (COVID-19 Emergency Window) as part of its crisis response efforts.

COVID-19 is currently having a tremendous impact on numerous countries and regions, and Japan is no exception. At the same time, the need for structural changes in industry and society has become clearly evident for proceeding with global rebuilding with an eye toward the post-pandemic world. In the international community, there is an urgent need for ambitious efforts to realize a smooth energy transition to respond to climate change problems and to attain inclusive and sustainable development and growth. Furthermore, in industry there

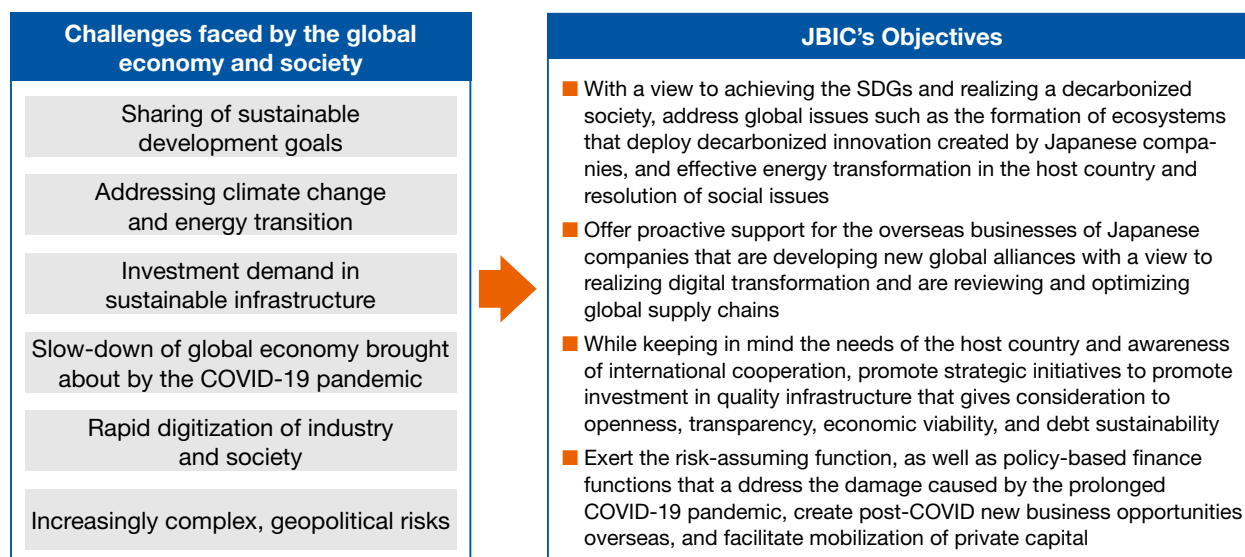
are ongoing moves to re-evaluate and optimize global supply chains in view of consumer needs and rising geopolitical risks in the age of the so-called new normal, while efforts are also being made to pursue international collaboration for adapting to the rapid advances of digitization and innovation.

To address these issues, JBIC recently formulated its Fourth Medium-term Business Plan (FY2021- FY2023). In consideration of the irreversible advancements in energy transformation, one of our key focus areas under the plan will be to promote initiatives that include spreading new innovations by Japanese companies, forming a global ecosystem, ensuring effective energy transitions by host countries, and responding to social issues. In conjunction with the emergency support for responding to the COVID-19 pandemic, our new business plan also includes active support for efforts by Japanese companies to rebuild and enhance the resilience of their global supply chains and overseas investments with a view to realizing a digital transformation. JBIC aims to fulfill the role of a navigator that builds a brighter future with Japanese power to continually contribute to the sound development of Japan and the international economy and society. To attain this objective, JBIC will fully utilize the relationships with stakeholders and overseas networks built to the present through its business operations while drawing on various financial tools and promoting initiatives based on this medium-term business plan.

Direction of the Business in the Fourth Medium-term Business Plan

In FY2020, economic activities faced an unprecedented degree of restrictions due to the COVID-19 pandemic. Amidst expectations of strong recovery of the global economy after such a year, the international community is confronted by these common challenges: (1) exploring the way toward sustainable growth and development that achieves balance between the economy, society, and the environment; (2) acceleration of energy transition toward

the realization of a decarbonized society; (3) responding to industrial and social transformation due to advancement in digitization. Taking these challenges into consideration, JBIC has set out the following objectives, from the perspective of policy-based finance. These objectives have been incorporated as action plans into the Fourth Medium-term Business Plan. JBIC is fully committed to the achievement of the plan.



Key Focus Areas

JBIC's corporate philosophy is, "Positioned at the crossroads of global business opportunities, JBIC is opening new venues to the future for the Japanese and global economy." Under this philosophy, it has established the medium- to long-term vision, "To serve as a 'navigator' to build a brighter future with Japanese power in an uncharted global situation," which defines what JBIC wishes to become over the next 10 years. Based on this vision, the Fourth Medium-term Business Plan sets out six

key focus areas based on the theme "navigator in an era of transformation," in the context of objectives such as the realization of the SDGs and a decarbonized society, and the irreversible advancements in energy transformation and digital transformation. Seventeen action plans have been positioned under these six key focus areas, and JBIC is committed to achieving these action plans in coming years.

JBIC Medium- to Long term Vision

To serve as a "navigator" to build a brighter future with Japanese power in an uncharted global situation

| | | |
|---|---------------------------------------|--|
| Fourth Medium-term Business Plan: Navigator in an era of transformation (JBIC Compass 2.0) | Key Focus Areas (Business) | <ol style="list-style-type: none"> 1. Address global issues toward realizing sustainable development for the global economy and society. 2. Support the strengthening of the international competitiveness of Japan's industries in the era of industrial and social transformation. 3. Propel strategic initiatives to promote quality infrastructure projects overseas. 4. Execute policy-based finance functions that are adapted to changes in the economic situation. |
| | Key Focus Areas (Organization) | <ol style="list-style-type: none"> 5. Develop a business structure that can adapt to changes in the external environment. 6. Manage the organization efficiently in order to respond to the "new normal." |

Action Plans

| | Key Focus Areas | Action Plans |
|--------------|---|---|
| Business | 1 Address global issues toward realizing sustainable development for the global economy and society. | <ol style="list-style-type: none"> (1) Respond to energy transformation toward the realization of a decarbonized society. (2) Support projects that contribute toward resolving social issues. |
| | 2 Support the strengthening of the international competitiveness of Japan's industries in the era of industrial and social transformation. | <ol style="list-style-type: none"> (1) Address the strengthening of resilience and rebuilding of international supply chains. (2) Support M&A and technology acquisition by Japanese companies toward digital transformation, etc. |
| | 3 Propel strategic initiatives to promote quality infrastructure projects overseas. | <ol style="list-style-type: none"> (1) Support participation in overseas infrastructure projects that harness the strengths of Japanese companies. (2) Promote multilateral cooperation and cooperation with multilateral financial institutions, etc. |
| | 4 Execute policy-based finance functions that are adapted to changes in the economic situation. | <ol style="list-style-type: none"> (1) Respond swiftly to overseas businesses that have been impacted by the COVID-19 pandemic. (2) Undertake strategic initiatives for countries/regions of great importance from a policy perspective. (3) Execute-business steadily as a policy-based financial institution, including support for small and medium-sized enterprises. (4) Strengthen the risk-assuming functions as a policy-based financial institution. (5) Further promote the mobilization of private capital. |
| Organization | 5 Develop a business structure that can adapt to changes in the external environment. | <ol style="list-style-type: none"> (1) Develop a business structure that is adapted to changes in the business environment and customer needs. (2) Respond appropriately to interest rate benchmark reforms. (3) Conduct appropriate and efficient credit analysis and credit management during and after the COVID-19 pandemic. |
| | 6 Manage the organization efficiently in order to respond to the "new normal." | <ol style="list-style-type: none"> (1) Digitalize the working environment that can adapt to the "new normal." (2) Promote human resource development and work style reforms that can maximize performance and draw out vitality of diverse employees. (3) Strengthen the effectiveness of the compliance system. |

Action Plans (Business)

Key Focus Area: 1 Address global issues toward realizing sustainable development for the global economy and society.

Action Plan (1) Respond to energy transformation toward the realization of a decarbonized society.

- To contribute toward the creation of a new ecosystem, with a view to reducing greenhouse gases worldwide and realizing decarbonization in Japan, support efforts to reduce greenhouse gases and popularize green innovation by financing projects in fields such as renewable energy and energy savings, smart energy (power storage technology, etc.), green mobility, smart cities, and promotion of the production, transportation, and utilization of hydrogen (Green finance)
- While working to engage host countries to make the shift toward sustainable energy, provide support for initiatives toward global energy transition by financing projects in areas such as energy conversion, CCUS/carbon recycling, ammonia and hydrogen co-combustion, in order to contribute toward expanding businesses that help to reduce environmental burden (Transition finance)

Action Plan (2) Support projects that contribute toward resolving social issues.

- To contribute toward efforts aimed at resolving social issues in host countries and realize sustainable growth, such as efforts to improve health, welfare and hygiene, create employment, and develop sustainable cities and living spaces, provide support for projects that assist resolving social issues in the host countries. These include the development and enhancement of the medical care environment (infectious disease countermeasures, hospital and medical equipment), access to basic infrastructure (water and sewage services, rural electrification and distributed power systems, information communications), development of the living environment (urban development and disaster prevention, public transport), improvement in the hygiene environment (waste disposal, reuse and recycling, countermeasures for marine plastic waste), and food safety and sustainable food systems (food value chains) (Social impact finance)

Key Focus Area: 2 Support the strengthening of the international competitiveness of Japan's industries in the era of industrial and social transformation.

Action Plan (1) Address the strengthening of resilience and rebuilding of international supply chains.

- To contribute toward efforts aimed at the restructuring of global supply chains by Japanese companies and the building of local supply chains in order to cultivate new markets, support Japanese companies to rebuild and strengthen the resilience of global supply chains. These efforts include new capital investment overseas by Japanese companies (investments related to the relocation, establishment, and expansion of business bases), and infrastructure development for local supporting industries and industrial cluster overseas

Action Plan (2) Support M&A and technology acquisition by Japanese companies toward digital transformation, etc.

- To cope with the rapid progress of digital transformation, and to support initiatives by Japanese companies to rebuild their business models as well as develop and acquire state-of-the-art technology, provide support to strengthen the international competitiveness of Japanese companies during the period of digital transformation by financing efforts for the acquisition of advanced technologies and knowhow from overseas, including digital technology

Key Focus Area: ③ Propel strategic initiatives to promote quality infrastructure projects overseas.

Action Plan (1) Support participation in overseas infrastructure projects that harness the strengths of Japanese companies.

- To secure debt sustainability in host countries and economic viability that reflects the life cycle costs of a project, and to contribute toward the promotion of quality infrastructure overseas that takes environmental and social impact into consideration, provide support for the quality infrastructure projects overseas through means such as the utilization of core technologies by Japanese companies and continued involvement in O&M

Action Plan (2) Promote multilateral cooperation and cooperation with multilateral financial institutions, etc.

- To meet global infrastructure needs through coordination and cooperation with diverse funding sources, promote initiatives toward deal-sourcing and structuring of projects through multilateral cooperation, including Japan-U.S.-Australia-India cooperation, and coordination with multilateral financial institutions, etc.

Key Focus Area: ④ Execute policy-based finance functions that are adapted to changes in the economic situation.

Action Plan (1) Respond swiftly to overseas businesses that have been impacted by the COVID-19 pandemic.

- Implement emergency measures steadily (financing based on the Emergency Window)
- Respond flexibly to changes in the global financial environment (including appropriate credit management)

Action Plan (2) Undertake strategic initiatives for countries/regions of great importance from the policy perspective.

- Undertake strategic initiatives toward the formation of loan, equity participation, and guarantee projects in countries and regions of great importance from policy perspectives (including enhancing support for projects in Africa and initiatives based on multilateral cooperation)

Action Plan (3) Execute business steadily as a policy-based financial institution, including support for mid-tier enterprises and small and medium-sized enterprises.

- Implement policy-based finance steadily, including securing important resources and supporting overseas expansion by Japanese industries
- Support overseas expansion by small and medium-sized enterprises through efforts such as strengthening cooperation with private financial institutions, including regional financial institutions, and knowledge sharing

Action Plan (4) Strengthen the risk-assuming functions as a policy-based financial institution.

- Strengthen the risk-assuming function through means such as the utilization of special operations, and diversify financing products by utilizing local currency-denominated financing, etc.
- Strengthen external presence and negotiation leverage as a policy-based financial institution

Action Plan (5) Further promote the mobilization of private capital.

- Actively promote the mobilization of private capital, including private investment and financing by private financial institutions, through our loan, equity participation, and guarantee operations and the securitization of loan assets

Action Plans (Organization)

Key Focus Area: 5 Develop a business structure that can adapt to changes in the external environment.

Action Plan (1) Develop a business structure that is adapted to changes in the business environment and customer needs.

- Develop a business process and structure that takes the external environment into consideration, such as changes in the business environment and customer needs, response to SDGs and climate change issues, and global trends related to ESG investments

Action Plan (2) Respond appropriately to interest rate benchmark reforms.

- Respond appropriately to interest rate benchmark reforms (LIBOR cessation), including the smooth transition to an alternative interest rate benchmark in loans, equity participation, and guarantee operation, and system modification and the review of credit analysis processes

Action Plan (3) Conduct appropriate and efficient analysis and credit management during and after the COVID-19 pandemic.

- Conduct appropriate and efficient credit analysis and credit management under the constraints of a remote work environment
- Adjust risk-management framework to changes in the international situation and social environment, such as the prolonged COVID-19 pandemic and interest rate benchmark reforms

Key Focus Area: 6 Manage the organization efficiently in order to respond to the “new normal.”

Action Plan (1) Digitalize a working environment that can adapt to the “new normal.”

- Agilely review, improve, and digitize work processes, and utilize RPA
- Strengthen functions toward improving user experience for information systems, in anticipation of the normalization of remote work, and secure stability and safety of information systems

Action Plan (2) Promote human resource development and work style reforms that can maximize performance and draw out vitality of diverse employees.

- Foster an organizational culture that harnesses the diversity of employees as a source of vitality, and support autonomous career development and capacity development
- Undertake initiatives toward improving the working environment to enable employees to continue working with vitality

Action Plan (3) Strengthen the effectiveness of the compliance system.

- Develop a compliance system that strikes a balance between effectiveness and efficiency

6. Outline of Operations in FY2020

Operational Highlights

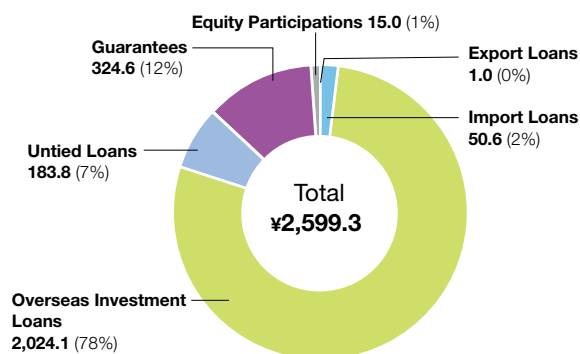
The total amount of commitments JBIC made during FY2020 in loans, equity participations, and guarantees was approximately ¥2,599.3 billion, which is an increase of 54.8% from FY2019. As of March 31, 2021, the outstanding amount of loans and equity participations was approximately ¥13,906.5 billion and the outstanding amount of guarantees was approximately ¥1,838.3 billion, for total of approximately ¥15,744.8 billion.

The spread of COVID-19, which became a pandemic in 2020, raised concerns over economic impact in Japan and overseas. It prompted JBIC to establish a new window named the Emergency Window for Overcoming the COVID-19 Crisis (COVID-19 Emergency Window) in April 2020 under the Growth Investment Facility, which had already been launched in order to provide wide-ranging support in assisting Japanese companies in the overseas expansion of their businesses and development of quality infrastructure.

In January 2021, JBIC restructured the Growth Investment Facility and established an enhanced facility named the Post-COVID-19 Growth Facility as part of the Comprehensive Economic Measures to Secure People's Lives and Livelihoods toward Relief and Hope (December 8, Cabinet decision) and the Green Growth Strategy Through Achieving Carbon Neutrality in 2050 (formulated by the Ministry of Economy, Trade and Industry, and reported at a meeting of the Committee on the Growth Strategy on December 25, 2020). With the purpose of transforming the economic structure and realizing a virtuous circle for the post-COVID-19 era, JBIC supported Japanese companies in the overseas expansion of high-quality infrastructure toward a decarbonized society and the enhancement of supply chain resilience.

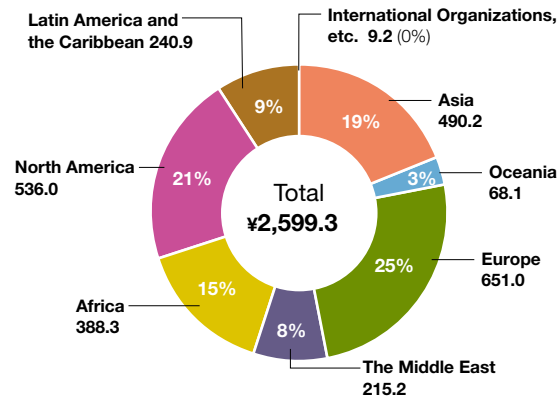
Commitments by Purpose of Financing

(FY2020; unit: billions of yen)



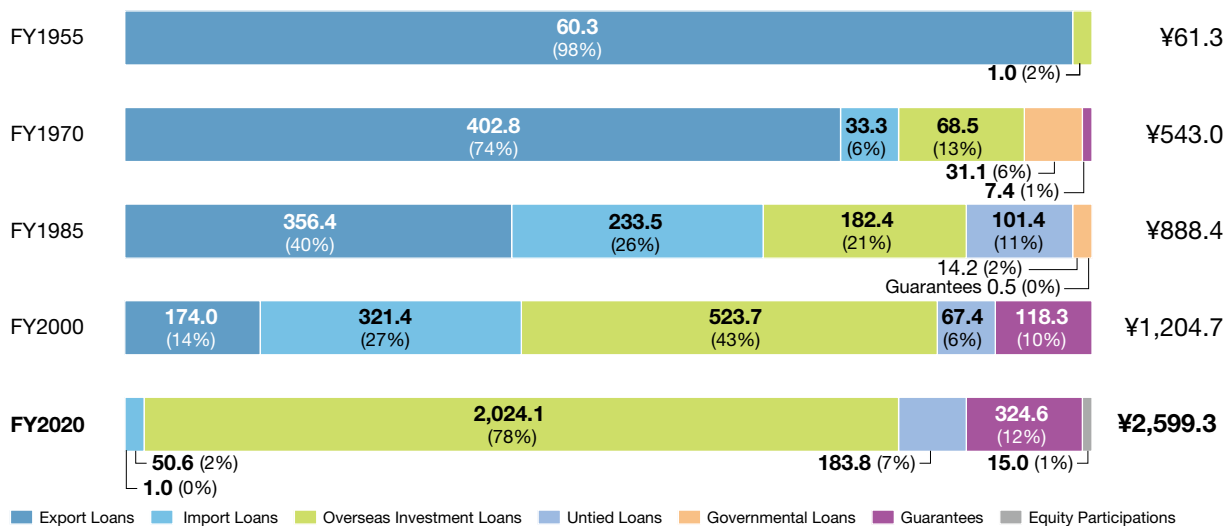
Commitments by Region

(FY2020; unit: billions of yen)



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

(Unit: billions of yen)



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 toward 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 FY2020, JBIC made a total of nine financial commitments in the resources sector, amounting to approximately ¥507.7 billion in loans and guarantees.

Supporting Strategic Overseas Business Activities by Japanese Companies

Amid a growing movement by Japanese industries to seek earnings opportunities outside Japan due to declining domestic demand, JBIC supports Japanese companies, through its various financial instruments, in implementing their overseas business as well as maintaining and strengthening their global supply chains, thereby contributing toward maintaining and increasing the international competitiveness of Japanese industries.

JBIC supported M&A transactions by Japanese companies through providing loans for the acquisition of a Swiss power grids business and an Australian paperboard and fiber based packaging business. JBIC also provided loans for infrastructure projects in which Japanese companies participate, including a natural gas-fired combined cycle power plant project in Bangladesh and an offshore electricity transmission project in the United Kingdom. In addition, JBIC made joint investments with Japanese companies in a business to provide ancillary services to adjust electric power supply in Ireland, a hydrogen station operator in the United States, and an electric utility in Fiji. In terms of supporting the enhancement of supply chain resilience of Japanese companies, JBIC provided, through India's state-owned commercial bank, the funds necessary for suppliers and dealers of Japanese automobile manufacturers and for sales finance of Japanese automobiles in India.

Supporting Exports by Japanese Companies

JBIC supported Japanese companies in exporting submarine cable-related equipment to Palau and construction machinery to Mongolia.

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

To assist Japanese mid-tier enterprises and small- and medium-sized enterprises (SMEs) in expanding overseas, JBIC made a total of 113 financial commitments, aggregating approximately ¥26.2 billion, in co-financing with Japanese regional financial institutions. The support included loans for a packaging materials manufacturing and sales business in Thailand and a heat treatment 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 60), JBIC signed loan agreements to set up credit lines with local financial institutions to finance environmental preservation projects in Benin and renewable energy projects and energy efficiency projects in Turkey. JBIC made a total of seven financial commitments amounting to approximately ¥168.7 billion in FY2020 under this framework.

To support the overseas expansion of high-quality infrastructure and overseas business activities toward a decarbonized society, JBIC provided project financing¹ for a waste to energy project in the Emirate of Dubai, UAE, and a solar PV project in Saudi Arabia, both invested in by Japanese companies.

Supporting Japanese Companies with Local Currency² Loans

JBIC provided 37 local currency denominated loans² totaling the equivalent of approximately ¥171.6 billion. The loans included a South African rand loan to fund a Japanese company's manufacturing and sales business of automotive tires and a Russian ruble loan to fund another Japanese company's automobile logistics business.

Supporting through facilities

In FY2020, JBIC made a total of 186 financial commitments under the Growth Investment Facility³, amounting to approximately ¥1,950.5 billion, and nine financial commitments under the Post-COVID-19 Growth Facility, amounting to approximately ¥318.0 billion, both in loans and guarantees.

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. The financial commitments made under the Growth Investment Facility as of December 2020 are under the facility prior to its restructuring. Prior to the restructuring, the Growth Investment Facility consisted of three windows: the Facility Window for the Development of Quality Infrastructure for Environmental Preservation and Sustainable Growth (the QI-ESG Window), the Facility Window for Supporting Japanese Companies' Overseas Business Expansion (the Overseas Business Expansion Window), and the Emergency Window for Overcoming the COVID-19 Crisis (the COVID-19 Emergency Window).

Operation Results

JBIC made total disbursements of ¥1,860.2 billion in FY2020

Planned and Actual Lending and Investments

(Unit: billions of yen)

| | FY2017 | | FY2018 | | FY2019 | | FY2020 | |
|--|---------|---------|---------|---------|---------|---------|---------|---------|
| | Planned | Actual | Planned | Actual | Planned | Actual | Planned | Actual |
| Export Loans | 315.0 | 279.4 | 352.9 | 100.0 | 345.3 | 174.1 | 308.0 | 71.2 |
| Import Loans and Overseas Investment Loans | 2,115.0 | 1,357.2 | 1,730.0 | 1,269.6 | 1,681.3 | 1,490.0 | 1,900.0 | 1,699.5 |
| Untied Loans | 50.0 | 50.3 | 50.0 | 39.2 | 80.0 | 9.7 | 87.0 | 76.6 |
| Equity Participations | 130.0 | 39.8 | 124.0 | 42.4 | 115.0 | 30.2 | 105.0 | 12.7 |
| Total | 2,610.0 | 1,726.9 | 2,256.9 | 1,451.3 | 2,221.6 | 1,704.1 | 2,400.0 | 1,860.2 |

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 FY2020, JBIC recorded ¥232.6 billion in Interest Income and ¥282.7 billion in Ordinary Income. This was for various reasons including support for promoting the acquisition of interest, and the development of natural resources, and the overseas operations of Japanese companies such as infrastructure projects and efforts to facilitate business overseas to preserve the global environment. On the other hand, JBIC recorded ¥239.0 billion in Ordinary Expenses as a result of posting ¥150.2 billion in Interest Expenses, such as Interest on bonds. As a result, Ordinary Profit and Net Income both amounted to ¥43.7 billion.

(2) Balance Sheet

Total Assets amounted to ¥16,566.0 billion. This was due primarily to an increase in Loans and Bills Discounted (increased by ¥410.5 billion to ¥13,525.1 billion compared with FY2019). Total Liabilities amounted to ¥13,825.6 billion. This was mainly due to a decrease in Borrowed Money (decreased by ¥139.3 billion to ¥6,647.1 billion compared with FY2019) due to factors including a decrease in borrowing. Total Net Assets was ¥2,740.3 billion. This was due mainly to the capital increase and Net Income of ¥43.7 billion, despite the payment to national treasury through appropriation of retained earnings in FY2019.

Special Operations

(1) Statement of Operations

In FY2020, Ordinary Income was ¥1.3 billion. This was due mainly to Interest Income of ¥1.3 billion. On the other hand, JBIC recorded ¥0.8 billion in Ordinary Expenses as a result of posting ¥0.4 billion in Interest Expenses, such as Interest on Interest Swaps. As a result, Ordinary Profit and Net Income both amounted to ¥0.4 billion.

(2) Balance Sheet

Total Assets amounted to ¥308.7 billion. This was due mainly to an increase in Loans and Bills Discounted (increased by ¥12.2 billion to ¥31.6 billion compared with FY2019) due to the execution of loans, securities recorded (¥2.6 billion), and other reasons. Total Liabilities was ¥6.6 billion. Total Net Assets was ¥302.1 billion. This was due mainly to a Net Income of ¥0.4 billion.

The Ninth Term for JBIC (FY2020)

[Consolidated Financial Statements]
Consolidated Statement of Operations

(April 1, 2020–March 31, 2021; unit: millions of yen)

| Accounts | Amounts |
|---|----------------|
| Ordinary Income | 284,742 |
| Interest Income | 234,073 |
| Fees and Commissions | 26,708 |
| Other Ordinary Income | 8,733 |
| Other Income | 15,226 |
| Ordinary Expenses | 240,369 |
| Interest Expenses | 150,276 |
| Fees and Commissions Payments | 3,040 |
| Other Ordinary Expenses | 5,991 |
| General and Administrative Expenses | 20,129 |
| Other Expenses | 60,932 |
| Ordinary Profit | 44,372 |
| Extraordinary Income | 10 |
| Net Income Before Income Taxes | 44,382 |
| Income Taxes – Current | 45 |
| Total Income Taxes | 45 |
| Net Income | 44,337 |
| Net Income Attributable to Non-controlling Interests | 46 |
| Net Income Attributable to Owner of Parent | 44,290 |

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

(April 1, 2020–March 31, 2021; unit: millions of yen)

| Accounts | Amounts |
|-------------------------------------|----------------|
| Ordinary Income | 283,665 |
| Interest Income | 233,550 |
| Fees and Commissions | 26,391 |
| Other Ordinary Income | 8,668 |
| Other Income | 15,055 |
| Ordinary Expenses | 239,450 |
| Interest Expenses | 150,276 |
| Fees and Commissions Payments | 2,381 |
| Other Ordinary Expenses | 5,991 |
| General and Administrative Expenses | 19,868 |
| Other Expenses | 60,932 |
| Ordinary Profit | 44,215 |
| Extraordinary Income | 10 |
| Net Income | 44,225 |

Consolidated Balance Sheet

(As of March 31, 2021; unit: millions of yen)

| Assets | | Liabilities and Net Assets | |
|---|-------------------|---|-------------------|
| Accounts | Amounts | Accounts | Amounts |
| Cash and Due from Banks | 1,233,919 | Borrowed Money | 6,651,321 |
| Securities Note 7 | 272,359 | Bonds Payable Note 9 | 4,964,965 |
| Loans and Bills Discounted Note 8 | 13,556,815 | Other Liabilities | 374,034 |
| Other Assets Note 9 | 281,625 | Provision for Bonuses | 585 |
| Property, Plant and Equipment Note 10 | 29,110 | Provision for Directors' Bonuses | 10 |
| Intangible Assets | 4,210 | Net Defined Benefit Liability | 6,338 |
| Customers' Liabilities for Acceptances and Guarantees | 1,835,123 | Provision for Directors' Retirement Benefits | 47 |
| Allowance for Loan Losses | (339,841) | Acceptances and Guarantees | 1,835,123 |
| | | Total Liabilities | 13,832,426 |
| | | Capital Stock | 1,963,800 |
| | | Retained Earnings | 981,523 |
| | | Total Shareholder's Equity | 2,945,323 |
| | | Valuation Difference on Available-for-sale Securities | 2,088 |
| | | Deferred Gains or Losses on Hedges | 95,238 |
| | | Foreign Currency Translation Adjustment | (2,072) |
| | | Total Accumulated Other Comprehensive Income (Loss) | 95,254 |
| | | Non-controlling Interests | 318 |
| | | Total Net Assets | 3,040,896 |
| Total Assets | 16,873,323 | Total Liabilities and Net Assets | 16,873,323 |

Note: See Notes 7 to 10 on pages 30 to 31 of Appendix for details.

Balance Sheet

(As of March 31, 2021; unit: millions of yen)

| Assets | | Liabilities and Net Assets | |
|---|-------------------|---|-------------------|
| Accounts | Amounts | Accounts | Amounts |
| Cash and Due from Banks | 1,233,220 | Borrowed Money | 6,651,321 |
| Securities | 275,817 | Bonds Payable | 4,964,965 |
| Loans and Bills Discounted | 13,556,815 | Other Liabilities | 373,918 |
| Other Assets | 280,365 | Provision for Bonuses | 585 |
| Property, Plant and Equipment | 29,084 | Provision for Directors' Bonuses | 10 |
| Intangible Assets | 4,206 | Provision for Retirement Benefits | 6,338 |
| Customers' Liabilities for Acceptances and Guarantees | 1,835,123 | Provision for Directors' Retirement Benefits | 47 |
| Allowance for Loan Losses | (339,841) | Acceptances and Guarantees | 1,835,123 |
| | | Total Liabilities | 13,832,310 |
| | | Capital Stock | 1,963,800 |
| | | Retained Earnings | 981,353 |
| | | Total Shareholder's Equity | 2,945,153 |
| | | Valuation Difference on Available-for-sale Securities | 2,088 |
| | | Deferred Gains or Losses on Hedges | 95,238 |
| | | Total Valuation and Translation Adjustments | 97,327 |
| | | Total Net Assets | 3,042,480 |
| Total Assets | 16,874,791 | Total Liabilities and Net Assets | 16,874,791 |

[Ordinary Operations Account]
Statement of Operations

(April 1, 2020–March 31, 2021; unit: millions of yen)

| Accounts | Amounts |
|-------------------------------------|----------------|
| Ordinary Income | 282,755 |
| Interest Income | 232,622 |
| Fees and Commissions | 26,391 |
| Other Ordinary Income | 8,657 |
| Other Income | 15,083 |
| Ordinary Expenses | 239,027 |
| Interest Expenses | 150,276 |
| Fees and Commissions Payments | 2,308 |
| Other Ordinary Expenses | 5,991 |
| General and Administrative Expenses | 19,605 |
| Other Expenses | 60,846 |
| Ordinary Profit | 43,727 |
| Extraordinary Income | 10 |
| Net Income | 43,737 |

[Special Operations Account]
Statement of Operations

(April 1, 2020–March 31, 2021; unit: millions of yen)

| Accounts | Amounts |
|-------------------------------------|--------------|
| Ordinary Income | 1,373 |
| Interest Income | 1,360 |
| Other Ordinary Income | 10 |
| Other Income | 2 |
| Ordinary Expenses | 885 |
| Interest Expenses | 432 |
| Fees and Commissions Payments | 72 |
| General and Administrative Expenses | 293 |
| Other Expenses | 86 |
| Ordinary Profit | 487 |
| Net Income | 487 |

Balance Sheet

(As of March 31, 2021; unit: millions of yen)

| Assets | | Liabilities and Net Assets | |
|---|-------------------|---|-------------------|
| Accounts | Amounts | Accounts | Amounts |
| Cash and Due from Banks | 961,369 | Borrowed Money | 6,647,121 |
| Securities | 273,153 | Bonds Payable | 4,964,965 |
| Loans and Bills Discounted | 13,525,185 | Other Liabilities | 371,525 |
| Other Assets | 277,352 | Provision for Bonuses | 577 |
| Property, Plant and Equipment | 29,084 | Provision for Directors' Bonuses | 10 |
| Intangible Assets | 4,206 | Provision for Retirement Benefits | 6,312 |
| Customers' Liabilities for Acceptances and Guarantees | 1,835,123 | Provision for Directors' Retirement Benefits | 46 |
| Allowance for Loan Losses | (339,416) | Acceptances and Guarantees | 1,835,123 |
| | | Total Liabilities | 13,825,682 |
| | | Capital Stock | 1,660,500 |
| | | Retained Earnings | 981,470 |
| | | Total Shareholder's Equity | 2,641,970 |
| | | Valuation Difference on Available-for-sale Securities | 2,020 |
| | | Deferred Gains or Losses on Hedges | 96,385 |
| | | Total Valuation and Translation Adjustments | 98,406 |
| | | Total Net Assets | 2,740,376 |
| Total Assets | 16,566,058 | Total Liabilities and Net Assets | 16,566,058 |

Balance Sheet

(As of March 31, 2021; unit: millions of yen)

| Assets | | Liabilities and Net Assets | |
|----------------------------|----------------|---|----------------|
| Accounts | Amounts | Accounts | Amounts |
| Cash and Due from Banks | 271,851 | Borrowed Money | 4,200 |
| Securities | 2,664 | Other Liabilities | 2,415 |
| Loans and Bills Discounted | 31,629 | Provision for Bonuses | 8 |
| Other Assets | 3,034 | Provision for Directors' Bonuses | 0 |
| Allowance for Loan Losses | (425) | Provision for Retirement Benefits | 25 |
| | | Provision for Directors' Retirement Benefits | 0 |
| | | Total Liabilities | 6,650 |
| | | Capital Stock | 303,300 |
| | | Retained Earnings | (116) |
| | | Total Shareholder's Equity | 303,183 |
| | | Valuation Difference on Available-for-sale Securities | 67 |
| | | Deferred Gains or Losses on Hedges | (1,146) |
| | | Total Valuation and Translation Adjustments | (1,078) |
| | | Total Net Assets | 302,104 |
| Total Assets | 308,754 | Total Liabilities and Net Assets | 308,754 |

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 FY2021 are shown in the table below.

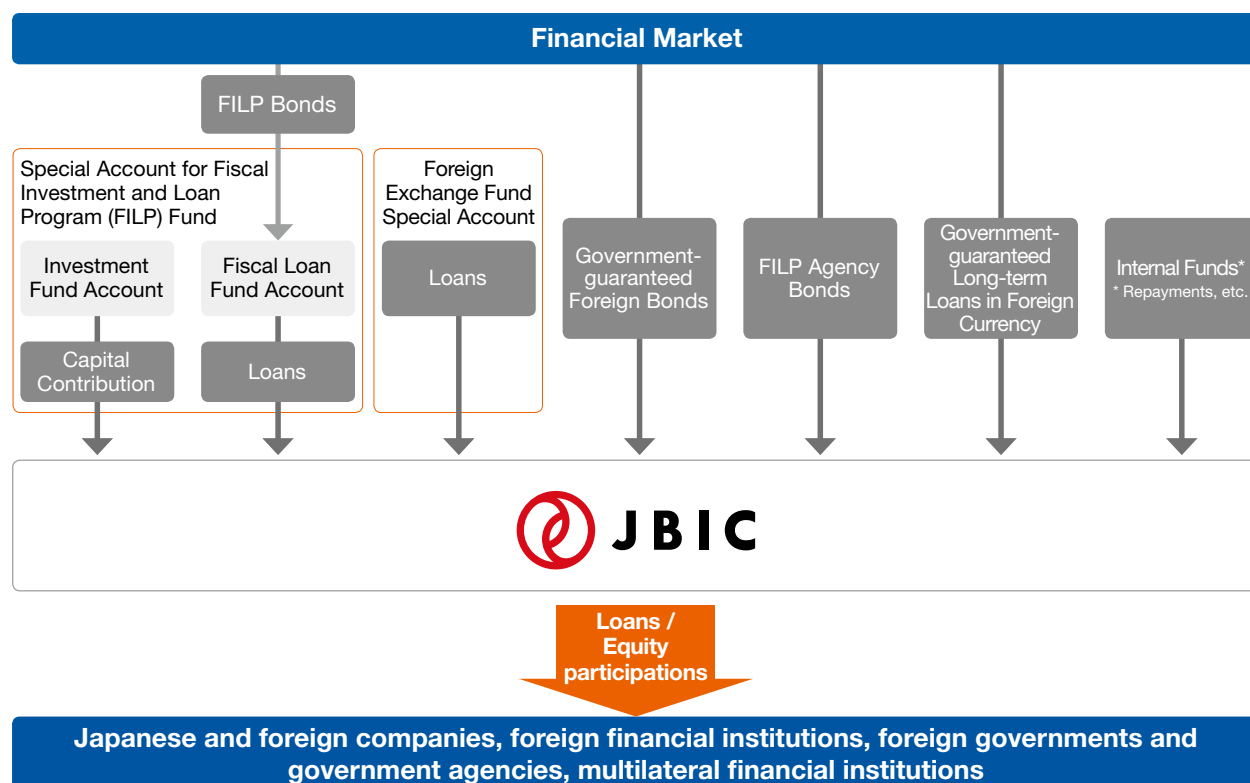
Funding Sources: Actual and Planned

(Unit: billions of yen)

| | FY2017 Actual | FY2018 Actual | FY2019 Actual | FY2020 Actual | FY2021 Planned |
|---|---------------|---------------|---------------|---------------|----------------|
| Capital Contribution from FILP Industrial Investment | 82.2 | 20.1 | 98.5 | 80.0 | 60.0 |
| Borrowing from FILP Fiscal Loan | 209.5 | 109.6 | 43.7 | 14.9 | 215.0 |
| Borrowing from Foreign Exchange Fund Special Account | 854.4 | 654.9 | 422.9 | 2,051.1 | — |
| Government-guaranteed Long-term Loans in Foreign Currency | — | — | — | — | 40.0 |
| Government-guaranteed Foreign Bonds* | 1,629.7 | 724.2 | 849.4 | 833.4 | 1,982.5 |
| FILP Agency Bonds* | 60.0 | — | — | — | 20.0 |
| Other Sources of Funds, Including Repayments | (1,108.9) | (57.4) | 289.5 | (1,119.2) | 382.5 |
| Total | 1,726.9 | 1,451.3 | 1,704.1 | 1,860.2 | 2,700.0 |

* 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 FY2020 amounted to ¥4,914.8 billion at face value, which accounts for 42.27% 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 FY2021 budget, JBIC plans to issue in the total amount of up to ¥1,982.5 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 August 31, 2021). 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 FY2021.

FILP agency bonds that JBIC has already issued received the same ratings as the Government of Japan (as of August 31, 2021 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+ |