

3.

Financial Instruments

1. Financial Instruments	70
2. Prominent Initiatives in Recent Years	79
3. Framework for Supporting Globalization Efforts of Mid-tier Enterprises and SMEs	81

1. Financial Instruments

Export Loans

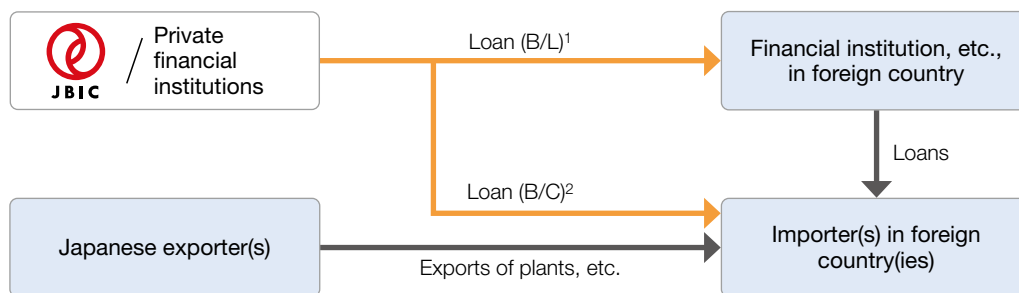
Export loans are provided to overseas importers and financial institutions to support finance exports of Japanese machinery, equipment, and technology mainly to developing countries. In particular, products such as marine vessels, power generation facilities, etc., incorporate a significant amount of advanced technology, and their export is instrumental in enhancing the technological base of Japanese industries. Furthermore, Japanese shipbuilding and plant facilities industries have a broad range of supporting industries, including mid-tier enterprises and SMEs producing parts and components, and thus the loans are expected to positively contribute to the business of these Japanese companies. Export loans in specific sectors are also available to developed countries (see note).

Terms and conditions of export loans are determined based on the Arrangement on Officially Supported Export Credits (OECD Arrangement). In principle, the loan amount should not exceed the value of an export contract or technical service contract, and excludes the down payment. Local costs may be covered provided that

the amount is within the scope prescribed by the OECD Arrangement.

Note: Eligible Sectors for Export Loans in Developed Countries (as of August 31, 2022)

Ships, satellites, aircraft, medical equipment, equipments that contribute to reducing greenhouse gas (GHG) emissions, railways (high-speed, inter-city projects and projects in major cities), road business, airports, ports, water business, biomass fuel production, renewable energy power generation, nuclear power generation, hydrogen, fuel ammonia, power transformation, transmission and distribution, highly efficient coal-fired power generation, coal gasification, carbon capture and storage (CCS), highly efficient gas-fired power generation, smart grid, electricity storage, development of telecommunications network, biopharmaceuticals, manufacture of chemicals that use organic substances derived from animals and plants, electric vehicles, semiconductors, waste incineration and waste to energy, development of goods and technologies irreplaceable for a stable supply of raw materials of products, etc., business using new technology, business models, etc.



1. Loan to foreign financial institutions (bank-to-bank loan or "B/L")
2. Loan to foreign importers (buyer's credit or "B/C")

■ Import Loans

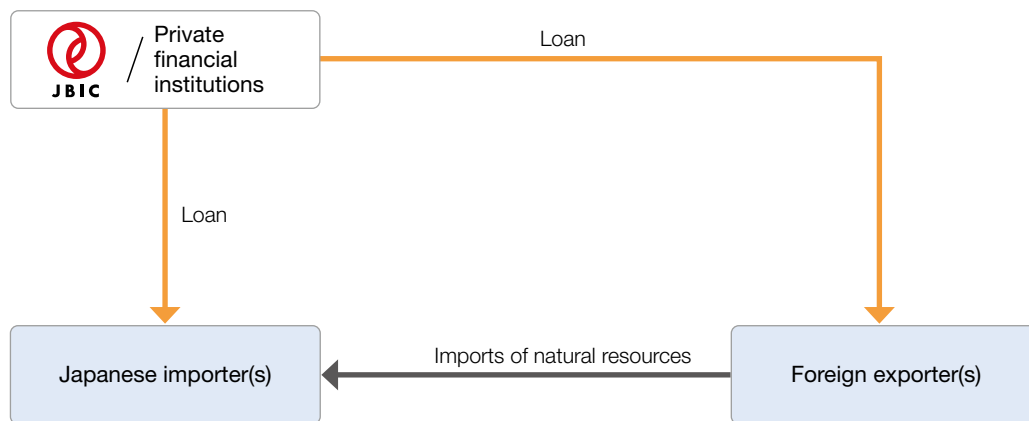
Import loans support imports of strategically important goods including natural resources. They are extended to Japanese importers or foreign exporters. Since Japan is poorly endowed with natural resources, stable imports of these over the long term are one of the key factors underpinning domestic economic activity. Import loans finance the development and import of energy resources, including oil and LNG, and mineral resources, including iron ore, copper, and other rare materials.

In addition to natural resources, JBIC provides a guarantee facility for goods and services essential to the

sound development of the Japanese economy, such as import of aircraft. (See page 75 for the guarantee schemes for importing manufactured products.)

Products Eligible for Import Loans (Natural Resources)

Oil, petroleum gas, LNG, coal, uranium, metallic ore, metals, mineral phosphate, fluorite, biomass fuel, hydrogen, ammonia used as fuel, salt, lumber, wood chips, pulp, and other materials



Securing Long-term Supply of Crude Oil and Strengthening Strategic Partnership with a Focus on Energy Transition



JBIC concluded a facility agreement and memorandum of understanding (MOU) with Abu Dhabi National Oil Company (ADNOC) in the Emirate of Abu Dhabi in the UAE to provide necessary support to ADNOC in ensuring long-term, stable imports of crude oil by Japanese companies.

Abu Dhabi has been a stable and important supply source of crude oil to Japan for more than 40 years, and at the same time, has high potential in the decarbonization sector as it has terrain suitable for capturing and storing GHGs

with its weather being a good source of renewable energy. This MOU focuses on sectors including decarbonization, energy transition, and energy efficiency to address global challenges. It aims to promote collaboration between ADNOC and Japanese companies in these sectors.

JBIC will continue to further strengthen its close relationship with ADNOC and contribute to stable energy supply for Japan by supporting Japanese companies in developing and acquiring energy resources.

Overseas Investment Loans

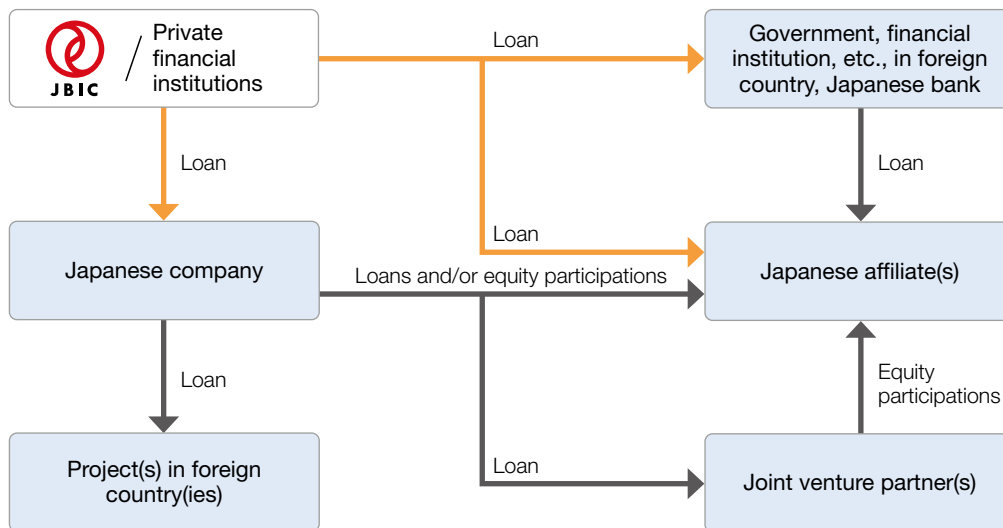
Overseas investment loans support Japanese foreign direct investments. The loans can be provided to Japanese companies (investors), overseas Japanese affiliates (including joint ventures), and foreign governments or financial institutions that have equity participations in or provide loans to such overseas affiliates.

Direct loans to Japanese companies are intended for mid-tier enterprises and SMEs, as well as for projects aimed at developing or securing interests in overseas resources that are strategically important to Japan, and projects that support merger and acquisition (M&A) activities (these projects include those of large companies). Moreover, JBIC provides two-step loans (TSL) to support the overseas business of Japanese companies, including mid-tier enterprises and SMEs, as well as TSL intended to support M&A activities by Japanese companies. JBIC is also able to provide short-term loans for overseas business operations when bridge loans are required to

fill the financing gaps before it offers long-term loans. Moreover, JBIC is empowered to provide investment loans for projects in developed countries for specific sectors¹.

¹: Eligible Sectors for Overseas Investment Loans in Developed Countries (as of August 31, 2022).

Railways (high-speed, inter-city projects and projects in major cities), road business, airports, ports, water business, biomass fuel production, renewable energy power generation, nuclear power generation, hydrogen, fuel ammonia, power transformation, transmission and distribution, highly efficient coal-fired power generation, coal gasification, CCS, highly efficient gas-fired power generation, smart grid, electricity storage, development of telecommunications network, shipbuilding and marine transportation, satellite launching and operation, aircraft maintenance and sales, medical business, biopharmaceuticals, manufacture of chemicals that use organic substances derived from animals and plants, electric vehicles, semiconductors, waste incineration and waste to energy, development of goods and technologies irreplaceable for a stable supply of raw materials of products, etc., businesses using new technology, business models, etc., businesses that contribute to reducing GHG emissions, M&A activities, etc.



Supporting Overseas Business Expansion of Japanese Company to Realize Decarbonized Society



JBIC set up an investment credit line and concluded a loan agreement based on the credit line with Thang Long Industrial Park II Corporation (TLIP2), a Vietnamese subsidiary of Sumitomo Corporation. The loan is intended to finance the funds necessary for TLIP2 to install and operate rooftop solar power generation systems in Thang Long Industrial Park II, which is in the Hung Yen province in the north of Vietnam, and sell the generated electricity to the park's tenant companies.

Given the increasing focus on ESG on the back of climate change issues, the demand for green electricity has been growing globally in recent years in many sectors, particularly the manufacturing industry, which consumes large quantities

of electricity. Sumitomo Corporation has been supporting Japanese manufacturers to start operating in the industrial park it has opened in Vietnam for 25 years. This project aims to contribute to the Vietnamese government's efforts toward decarbonization by introducing solar power generation systems and selling the resulting electricity.

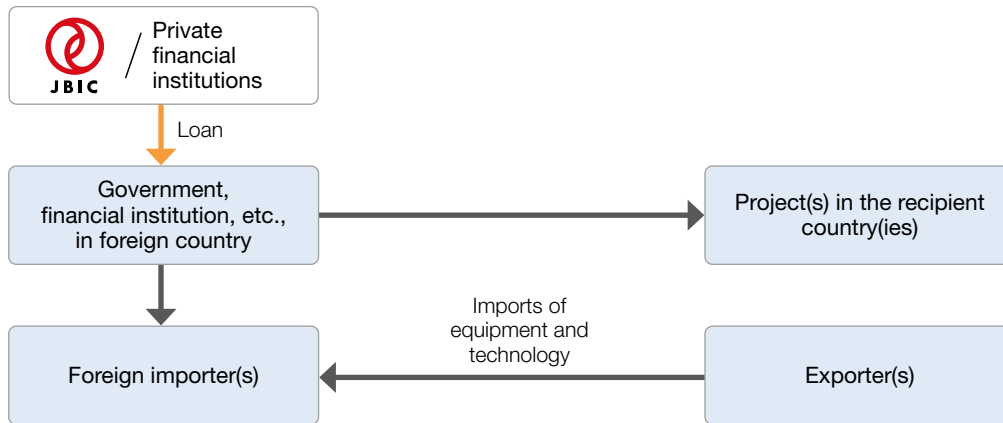
The loan will support the overseas business, in which the Japanese company has made investment and is participating, thereby contributing toward maintaining and improving the international competitiveness of Japanese industry and realizing a decarbonized society globally.

Untied Loans

Untied loans are intended to finance projects and the import of goods by foreign countries, or for such countries to achieve equilibrium in their international balance of payments, or to stabilize their currencies. Loans are not conditional on investments or procurement of equipment and materials from Japan.

Capital procured from untied loans is used to: secure

stable supplies of energy and mineral resources for Japan; promote business activities of Japanese companies; maintain and expand trade with and direct investment from Japan; finance projects having significant effects on global environmental preservation; and finance projects maintaining order in international financing.

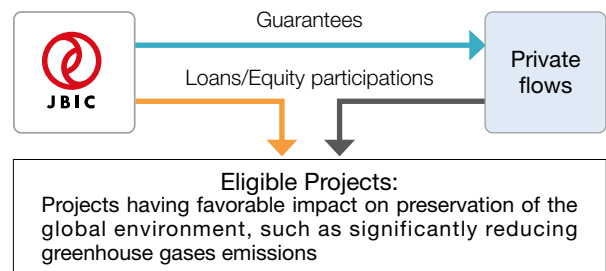


GREEN Operations

JBIC conducts environmental operations under Global action for Reconciling Economic growth and ENvironmental preservation (“GREEN”). Under GREEN operations, JBIC provides support for projects that have a high global environmental conservation effect in the form of loans, guarantees and equity participations, while mobilizing private sector funds. Such projects include a project to construct a solar power generation plant or a power plant with high energy efficiency and a project to introduce energy-saving equipment, each utilizing advanced environmental technologies. GREEN's main focus has been providing support for preserving the global environment, mainly for projects that are expected to significantly reduce greenhouse gases emissions, while paying attention to potential use of Japanese advanced technologies that are highly regarded around the world.

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

Promoting the overseas business having the purpose of preserving the global environment, such as preventing global warming



Supporting Renewable Energy and Energy Efficiency Projects in Türkiye



JBIC set up a credit line with Türkiye Sinai Kalkınma Bankası A.Ş. (TSKB), the Industrial Development Bank of Türkiye. This credit line is extended as part of JBIC's GREEN operations and is intended to provide funding through TSKB for renewable energy projects and energy efficiency projects in Türkiye .

The Government of Türkiye has set forth improvement of the energy self-sufficiency rate as an important policy issue and ratified the Paris Agreement, which is an international framework of

measures against global warming, in October 2021. TSKB is performing the role of policy-based financing that aims for the sustainable development of Türkiye, and it has been actively supporting the energy efficiency improvement in the industrial sector and the promotion of adopting renewable energy.

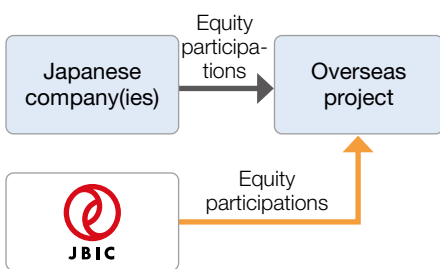
This credit line is in line with the energy policy of the Government of Türkiye and is expected to help disseminate Japan's advanced environmental technologies.

Equity Participations

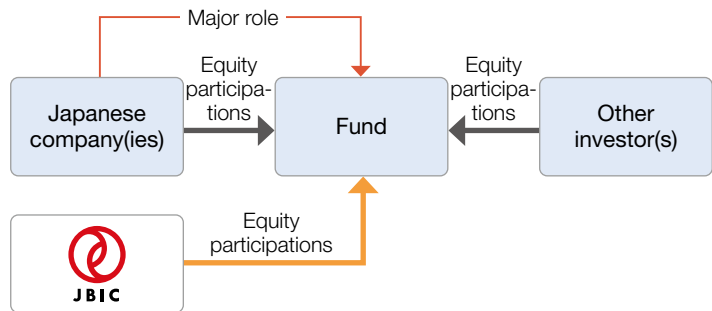
Equity participations are capital contributions to companies where Japanese companies have equity stakes to undertake overseas projects, as well as funds

where Japanese companies perform significant roles. In principle, equity participations take the following forms.

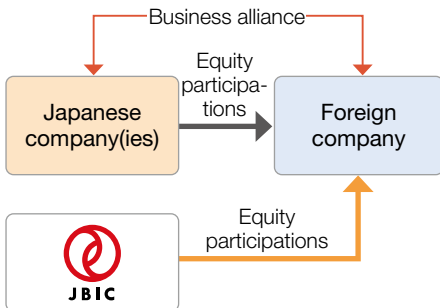
Japanese companies make equity participations in an overseas project



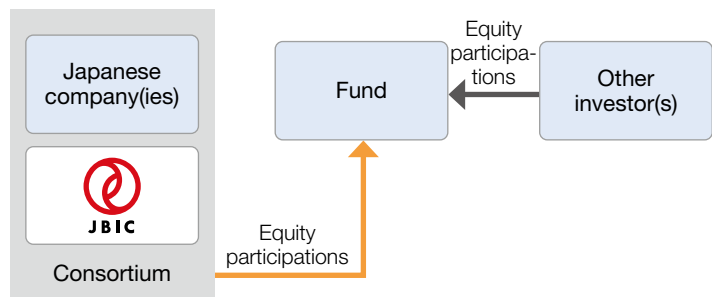
Japanese companies participate in a fund (and perform such a major roles as that of a general partner in their management and investment decisions)



Japanese companies acquire equity interests in a foreign company to form a business alliance



Japanese companies form a consortium and participate in an international fund



Equity Participation in Venture Capital Fund that Helps to Promote Open Innovation



JBIC made equity participation jointly with Sampo Holdings, Inc. and other Japanese companies in the Geodesic Capital Fund II, L.P. (the Fund), a venture capital fund managed by Geodesic Capital Partners II, L.P., established in the Cayman Islands. The Fund invests in advanced technology companies mainly in Silicon Valley, in the U.S., and is also intended to provide Japanese investors with strategic services, such as offering opportunities to form businesses and capital alliances with those companies.

Due to the COVID-19 pandemic, Japanese companies are promoting open innovation to increase the efficiency of existing businesses and to create new added value by combining their internal and external resources, and as part of the effort, are also promoting digital transformation (DX). The participation of JBIC in the Fund is expected to contribute toward maintaining and strengthening the international competitiveness of Japanese companies.

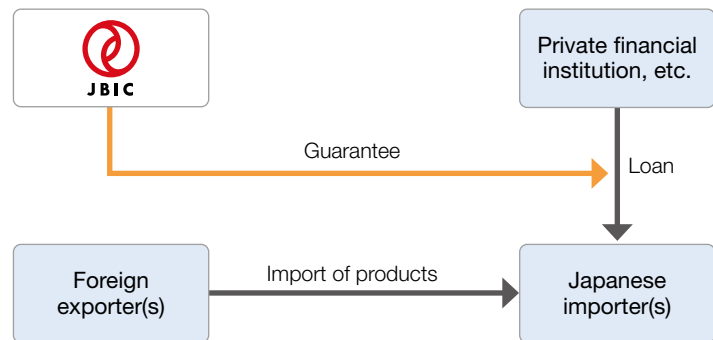
Guarantees

In addition to loans and equity participations, JBIC provides support through its guarantee facility. Guarantees are provided for loans extended by private financial institutions, bonds issued by governments of developing countries or overseas Japanese companies, as well as for

currency swap transactions. JBIC also issues reinsurance for guarantees from export credit agencies in other countries.

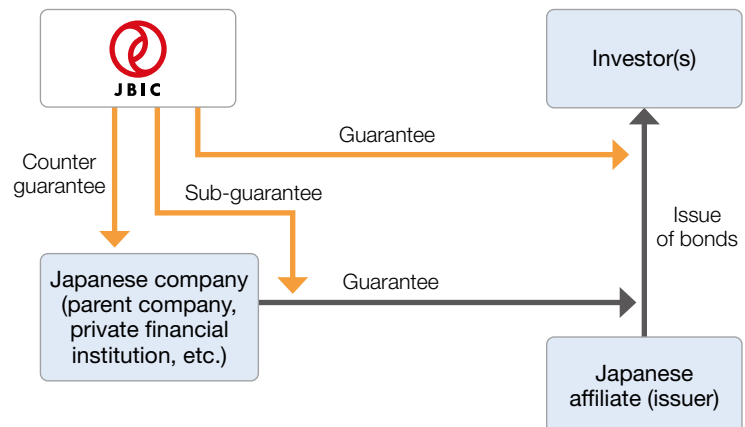
Guarantees for Imports of Manufactured Products

JBIC has a guarantee facility for borrowings by Japanese companies to finance the import of aircraft and other manufactured products that are vital to Japan.



Guarantees for Corporate Bonds Issued by Japanese Affiliates

JBIC supports Japanese affiliates operating overseas by providing guarantees for the bonds they issue in local capital markets.



Contributing to Stable Aircraft Import

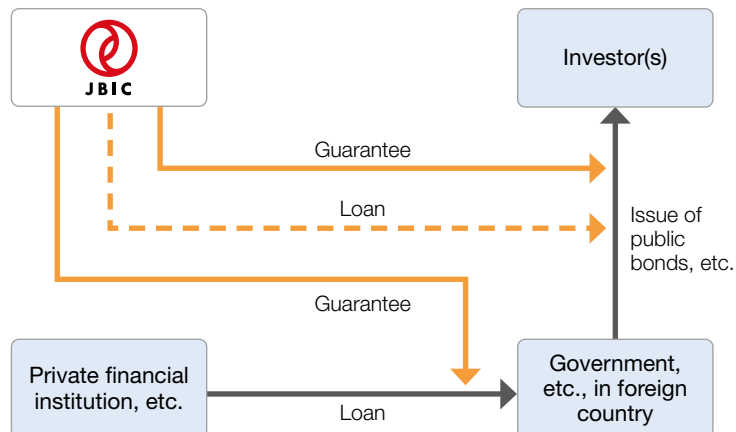


JBIC concluded a guarantee agreement with private financial institutions for the principal and interest of their loans to Japan Airlines Co., Ltd. (JAL). This guarantee is intended to support JAL in obtaining financing from private financial institutions to import aircraft from The Boeing Company in the U.S. and Airbus S.A.S. in France.

JBIC will continue to contribute to maintaining and improving the international competitiveness of the Japanese aviation industry and provide financial support for the import of aircraft that are indispensable for the lives of people in Japan.

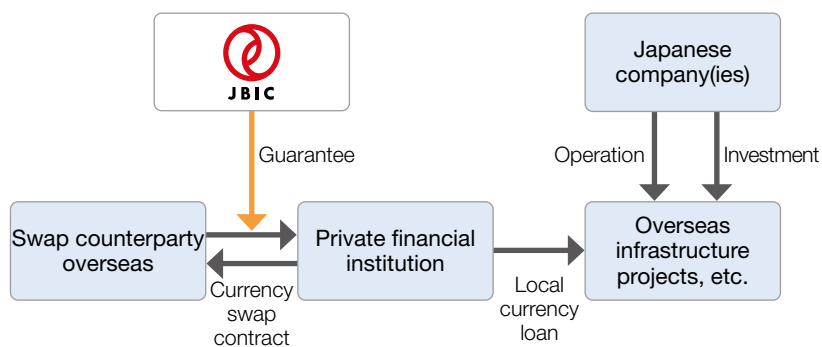
Guarantees for Cofinancing, Overseas Syndicated Loans, and Public Sector Bonds

Loans to developing countries involve, among others, currency conversion and transfer risks, as well as country risks. Guarantees that JBIC issues to cover such risks enable Japanese private financial institutions to provide medium- and long-term financing for developing countries, and contribute to developing countries to bringing in private capital and facilitating private companies to expand international business activities.



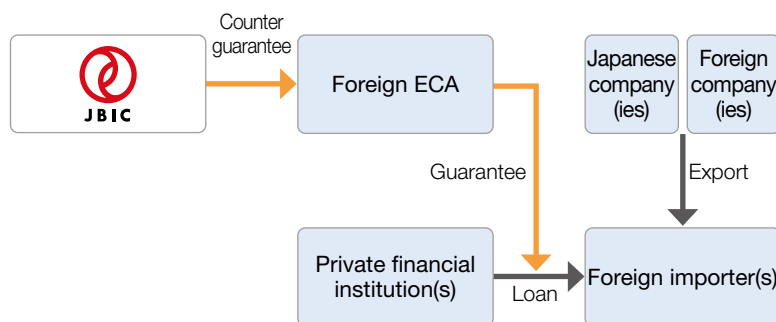
Guarantees for Currency Swaps

JBIC provides guarantees for swap transactions to support the local currency financing of overseas infrastructure projects and other projects undertaken by Japanese companies.



Counter Guarantees for Export Credits

In cases where Japanese companies export machinery and equipment jointly with companies of another country, JBIC provides a counter guarantee for the guarantee provided by that country's export credit agency (ECA). This function enables JBIC to flexibly support export projects by Japanese companies collaborating with foreign companies through multilateral mutual guarantee schemes.

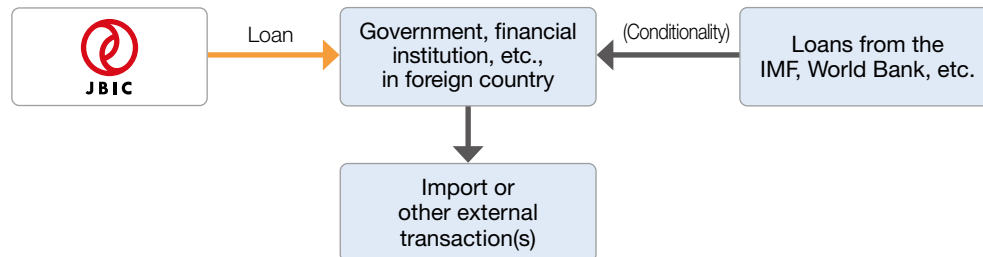


Bridge Loans

JBIC provides short-term financing for governments of developing countries to meet their foreign currency needs for external transactions when they face balance-of-payment difficulties.

JBIC provided bridge loans (short-term bridging loans)

for Myanmar in January 2013 to support the clearance of arrears of past loans from the Asian Development Bank (ADB) and the International Development Association (IDA), a member of the World Bank Group.



Acquisition of Loan Assets and Public and Corporate Bonds

When JBIC provides export loans, import loans, overseas investment loans, and untied loans, JBIC can also provide credits, in addition to providing loans and guarantees, by purchasing loan assets and acquiring public and corporate bonds¹ issued by borrowers for funding. The objective of such operations is to promote private financial institutions'

loans in international finance and Japanese companies' funding in international capital markets.

1. The scope of assets and securities acquired includes public bonds, corporate bonds, debt securities, and trust beneficiary rights.

Research and Studies

JBIC conducts research and studies on individual projects during their initial stage, as well as those focused on specific regions or industry sectors that may be conducive to specific projects. This is an effective means of identifying potentially quality projects, and is expected to lead to increasing exports of materials and services from Japan, as well as expand opportunities to participate in projects by Japanese companies. Research and studies are conducted at each stage necessary for realization of the project, including preparation of a master plan for an individual project, conducting of prefeasibility and feasibility studies (Pre-F/S, F/S), front-end engineering design (FEED), and studies of regions and industry sectors

conductive to specific projects. After the research and studies are completed, follow-up reviews are conducted at least once each year to confirm the progress of the project.

Research and studies are conducted in the following sequence.

1. Selection of a research and study subject
2. Selection of a contractor to conduct research and studies
3. Conduct of a research and studies
4. Completion of a research and study report
5. Follow-up

■ Securitization and Other Financial Instruments

JBIC provides support for securitization and an increase in liquidity in order to complement and encourage the activities of private financial institutions.

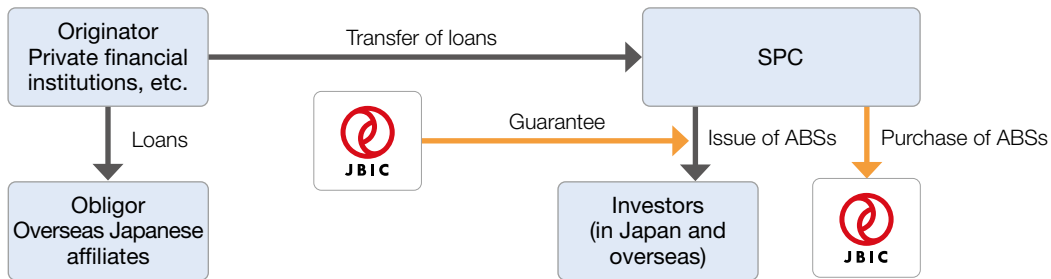
1. Securitization (Guarantees)

In cases where special purpose companies (SPC) or trust companies issue asset-backed securities (ABS) or other financial products with loans or other assets as collateral, JBIC guarantees the payment of such ABSs to reduce country and structure risks, thereby supporting the issuance of bonds in the emerging capital markets.

2. Securitization (Acquisition of Securities)

JBIC supports bond issues by acquiring a portion of the ABS issued by SPC or trust companies with loans or other assets as collateral. JBIC's acquisition supports the securitization needs of the originators¹ and is expected to help invigorate the bond market by circulating the acquired bonds back into the market when market conditions allow.

1. An originator is the original owner of assets to be securitized and obtain funding through securitization.

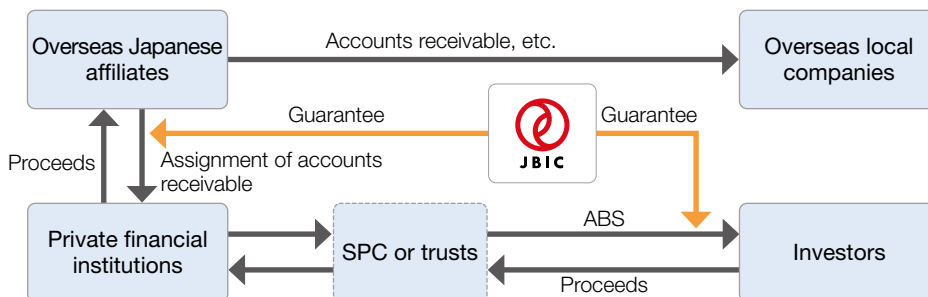


* The above diagram depicts a scheme where SPCs are used, but the clients can also use schemes where trusts are used or JBIC acquires or provides guarantees for assets backed by securitization.

3. Securitization and Liquidation of Receivables

JBIC provides guarantees for the receivables and other monetary claims held by overseas subsidiaries of Japanese companies in order to facilitate the purchase of

such receivables by banks (an increase in their liquidity). JBIC is also able to provide guarantees for securities issued by SPC or trust companies in cases where these securities have monetary claims acquired from overseas Japanese subsidiaries on collateral.



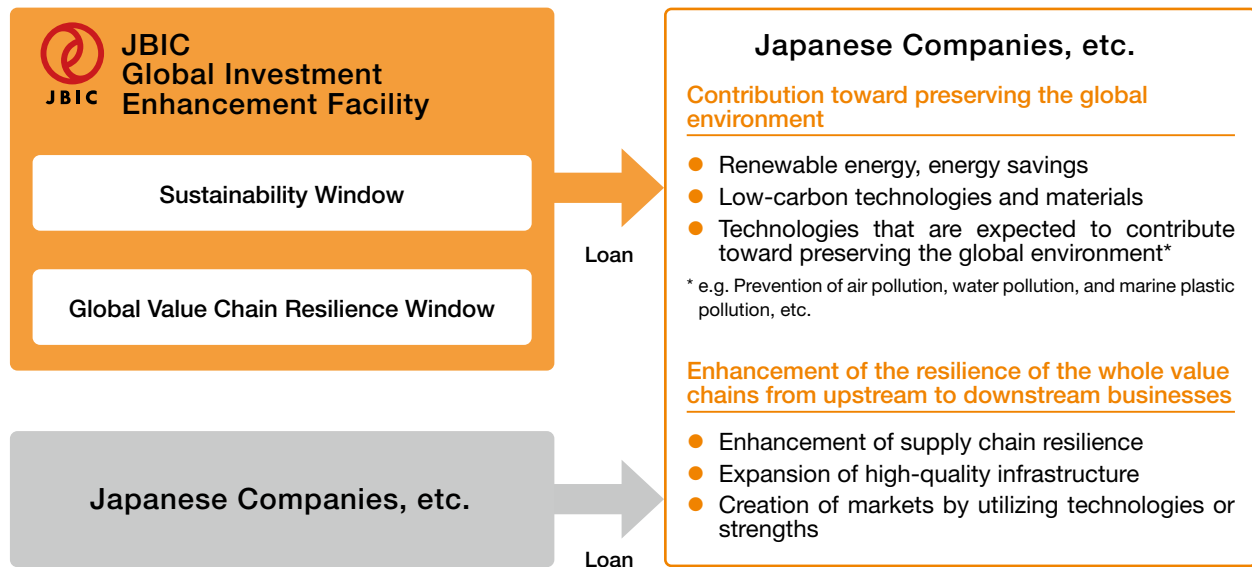
2. Prominent Initiatives in Recent Years

■ Global Investment Enhancement Facility

In July 2022, JBIC established the Global Investment Enhancement Facility in order to support and accelerate overseas expansion of Japanese companies with their cutting-edge technologies for the environment or digitalization or with their unique competitiveness.

The Global Investment Enhancement Facility consists of the Sustainability Window and the Global Value Chain

Resilience Window, is intended to support Japanese companies in: (1) the contribution toward preserving the global environment, including decarbonization and (2) the enhancement of supply chain resilience, the expansion of high-quality infrastructure, and the creation of new overseas markets.



■ Expansion of the Eligible Sectors of JBIC's Support for Developed Countries

The Cabinet Order for Partial Revision to the Enforcement Order of the Japan Bank for International Cooperation Act came into effect in June 2022. This revision has expanded the eligible sectors for JBIC to provide: (1) export loans for

the export of Japanese products to developed countries; and (2) overseas investment loans for projects in developed countries. Sectors newly added to the scope of the Act due to this expansion are shown below.

- Businesses with new technology, business model, etc.
- Businesses that contribute to reducing greenhouse gas emissions
- Development of goods and technologies irreplaceable for a stable supply of raw materials of products, etc.
- Medical equipment (e.g., endoscopes, MRI equipment)
- Biopharmaceuticals
- Fuel ammonia
- Electric vehicles
- Semiconductors

Organizational Changes toward the Realization of a Decarbonized Society

In July 2022, JBIC changed the name of the Oil and Gas Finance Department to the Energy Solutions Finance Department and established the Energy Transformation Strategy Office, with a view to strengthening its support for the development of innovative energy and smooth energy transition toward a decarbonized society.

The new establishment of the Energy Transformation Strategy Office aims at centralizing JBIC's response to matters concerning hydrogen, ammonia, and other forms of innovative energy, which are important for the green transformation process, and the realization of a decarbonized society.

Establishment of Representative Office in Sydney

In March 2022, JBIC opened a Representative Office in Sydney, Australia.

Australia is an important partner for Japan to realize a "Free and Open Indo-Pacific." Under the trilateral partnership among Japan, the U.S., and Australia established in November 2018, JBIC is promoting formation of cooperative projects in the Indo-Pacific region including South Pacific countries jointly with Australia's Department of Foreign Affairs and Trade (DFAT), Export Finance Australia (EFA), and the United States International Development Finance Corporation (USDFC).

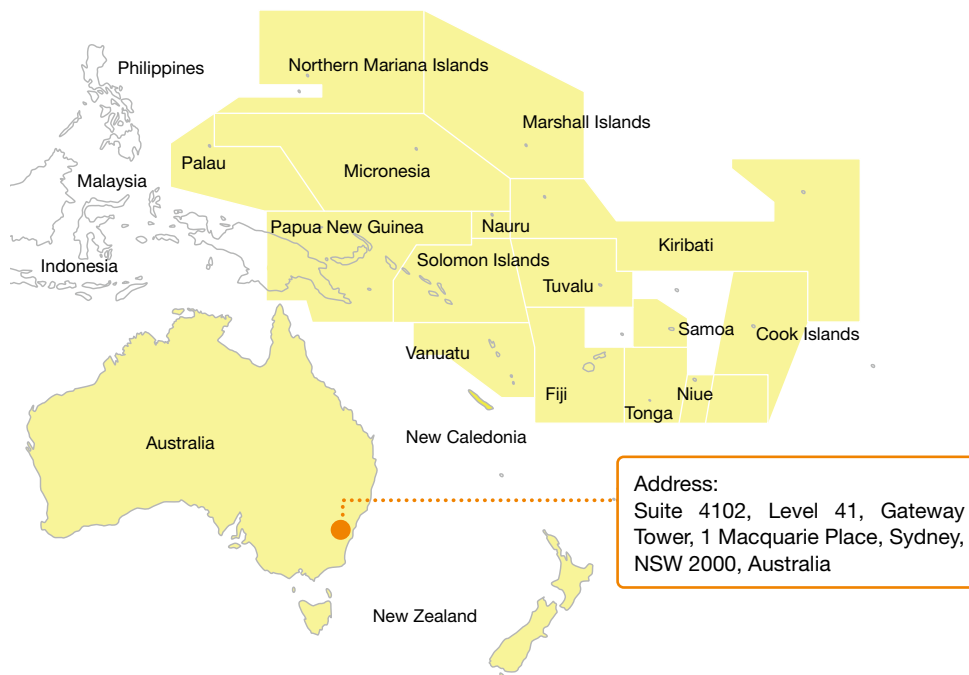
Australia has great business potential for Japanese companies in multiple sectors such as hydrogen, renewable energy, critical minerals, and social infrastructure in addition to its well-known important sectors including iron ore and natural gas.

Through the opening of this office, JBIC will strengthen

its activities in Australia and Pacific island countries, and thus make further contributions to the sound development of Japan and the international economy and society.



Countries and Regions Covered by Representative Office in Sydney



3. Framework for Supporting Globalization Efforts of Mid-tier Enterprises and SMEs

As economies in emerging market countries, especially in Asia, continue to develop, an increasing number of mid-tier enterprises and SMEs seek to expand their business in emerging markets in addition to responding to the overseas advancement of their business partners. As mid-tier enterprises and SMEs have a variety of overseas business, their funding needs have grown more diverse.

Utilizing the know-how and experience of overseas financing that it has accumulated over the years, JBIC

provides the long-term financing to Japanese companies, including mid-tier enterprises and SMEs, that is necessary for overseas investment, the export of products, and M&As of foreign companies that have unique technology or a distinctive customer base.

To respond to financial needs of mid-tier enterprises and SMEs for their overseas expansion, JBIC has further enhanced cooperation not just with major financial institutions but also with private financial institutions,

Characteristics of Support to Overseas Business of Mid-tier Enterprises and SMEs

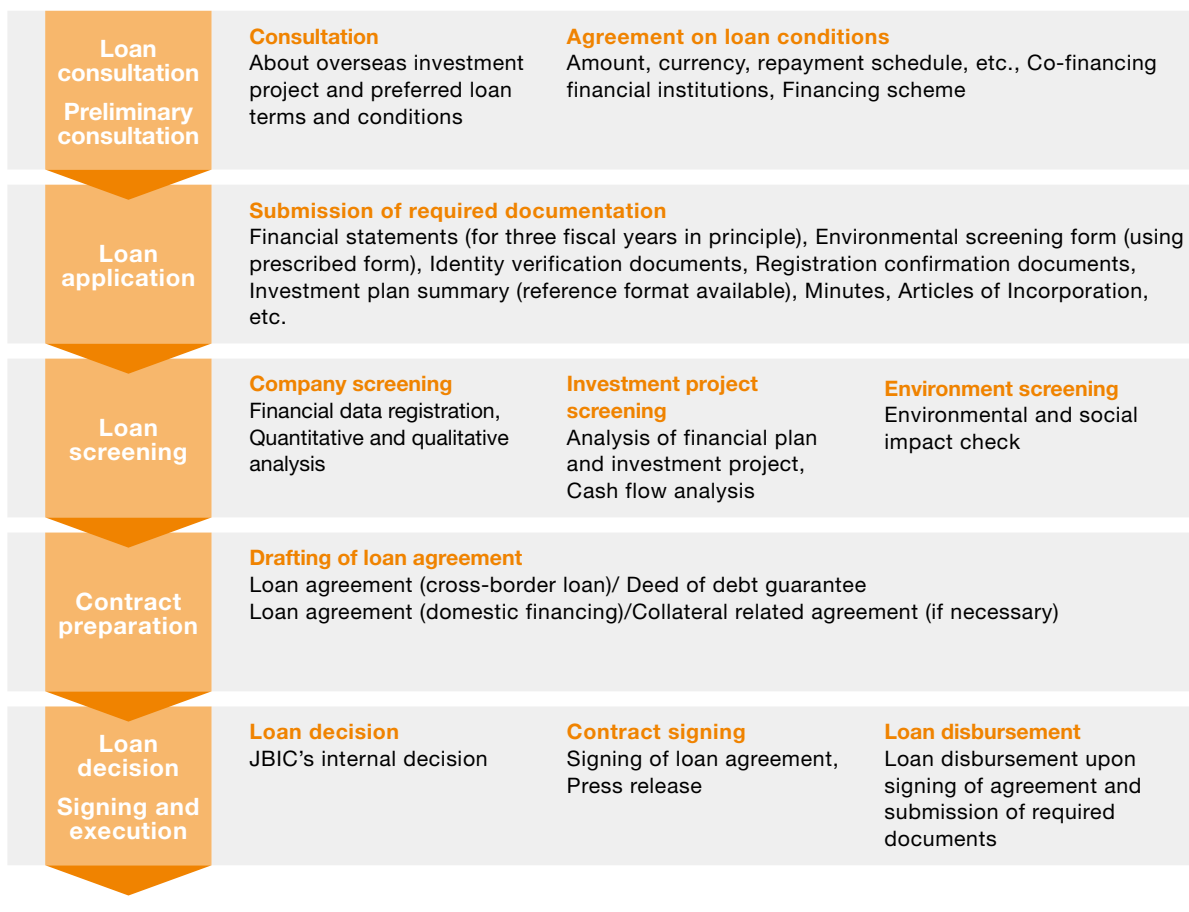
- (1) Prompt and flexible support to respond to funding needs of mid-tier enterprises and SMEs (including loans of a relatively small amount)
- (2) Reducing currency exchange risk through local currency-denominated loans in addition to loans in Japanese Yen, U.S. dollars, and Euro
- (3) Responding to diverse funding needs by utilizing variety of financing tools, including loans for M&As, export loans, and equity participations
- (4) Collaborating with private financial institutions (mega banks, regional banks, Shinkin banks, and local financial institutions) to respond to and support overseas business of mid-tier enterprises and SMEs in Japan
- (5) Utilizing networks of JBIC overseas offices in 18 cities to provide information services on overseas investment environment and assist solving issues with foreign governments

Process leading to loan disbursement

First, JBIC interviews the borrower to gain an overall picture of its overseas project and to understand its preferred loan conditions. JBIC then consults with the private-sector financial institutions with which JBIC will conduct co-financing (generally the financial institutions with which the borrower company regularly does business). The specific steps leading to disbursement of the loan are as follows:

It usually takes around two months until the decision on the loan is made and two to three weeks until the loan is disbursed after that decision.

(*It may take longer depending on the loan processes of the partnering financial institutions and local registration procedures.)



including regional banks and Shinkin (credit) banks, and local financial institutions in countries where they are expanding their business. In addition to individual loan schemes based on co-financing with private financial institutions, JBIC also provides two-step loans (including finance leases) through organizations such as private financial institutions enabling more prompt and flexible response to the diversifying funding needs. Additionally, JBIC is actively providing local currency-denominated loans along with conventional loans in Japanese Yen, U.S. dollars, and Euro.

As the COVID-19 pandemic started to wind down in some parts of the world, there has been a rise in funding needs among overseas affiliates of Japanese mid-tier enterprises and SMEs to meet the recovering demand and respond to the transformation of the economic structure. Strengthened efforts to tackle climate change and for sustainability are expected to boost investment for the

purpose of these affiliates' decarbonization efforts and supply chain resilience. JBIC also supports such funding needs while complementing the roles of private financial institutions.

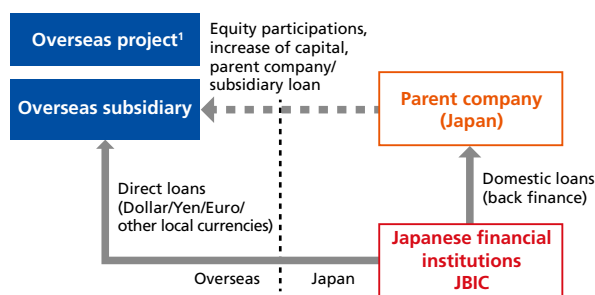
Cooperation with Japanese Private Financial Institutions

Private financial institutions with mid-tier enterprises and SMEs as their client base, play an important role when they seek to develop their business expand overseas. Among private financial institutions, regional banks and Shinkin (credit) banks have especially close ties to mid-tier enterprises and SMEs. In cooperation with such private financial institutions, JBIC broadly supports the overseas expansion of local Japanese companies by not just providing financial services but also co-hosting seminars focused on overseas business development etc.

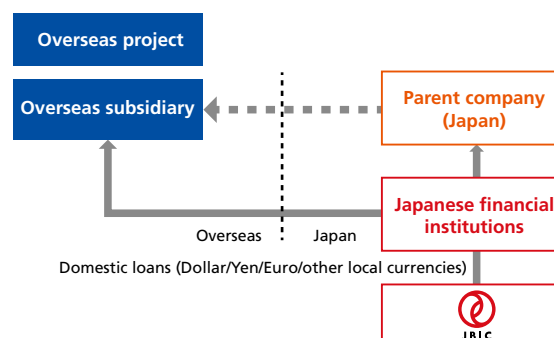
In addition, JBIC has general agreements with a

Example of Mid-tier Enterprises and SMEs Support Schemes

1) Individual loan scheme



2) Two-step loan scheme (via Japanese financial institution)



1. In principle, intended to developing countries

* Definition of mid-tier enterprises and SMEs: Companies capitalized at less than ¥1 billion or with not more than 300 employees. Consolidated subsidiaries of large companies are excluded.

Financial Institutions with an Established Credit Line for Supporting Mid-tier Enterprises and SMEs

Signing date of Agreement	Financial Institutions	Signing date of Agreement	Financial Institutions
October 2015	SUMITOMO MITSUI TRUST LEASING (SINGAPORE) PTE. LTD.	February 2019	The Hokkoku Bank, Ltd.
March 2016	PT. BUMIPUTERA-BOT FINANCE	February 2019	The Chiba Bank, Ltd.
November 2017	PT. SMFL Leasing Indonesia	February 2019	The Nanto Bank, Ltd.
February 2018	P.T. Bank Resona Perdania	March 2019	The Hiroshima Bank, Ltd.
September 2018	PT. RESONA INDONESIA FINANCE	March 2019	The Aichi Bank, Ltd.
December 2018	The Shizuoka Bank, Ltd.	May 2019	The Chugoku Bank, LTD.
December 2018	The Bank of Yokohama, Ltd.	July 2019	The Hokuriku Bank, Ltd.
December 2018	Bangkok Mitsubishi UFJ Lease Co., Ltd.	November 2019	The Bank of Yokohama, Ltd.
December 2018	Saitama Resona Bank, Limited	January 2020	PT. Mitsubishi UFJ Lease & Finance Indonesia
December 2018	The Joyo Bank, Ltd.	January 2020	THE BANK OF NAGOYA, Ltd.
December 2018	The Hachijuni Bank, Ltd.	March 2020	SMFL Leasing (Thailand) Co., Ltd.
January 2019	THE NISHI-NIPPON CITY BANK, LTD.	March 2020	THE SHIGA BANK, LTD.
February 2019	The Toho Bank, Ltd.	March 2022	The 77 Bank, Ltd.

Note: This list is of financial institutions for which the credit line is valid as at the end of March 2022.

number of private financial institutions to establish credit lines as a means to promptly finance the funds necessary for the overseas business development by mid-tier enterprises and SMEs in emerging market countries (see the list on the previous page).

The number of regional financial institutions, with which JBIC partnered to engage in co-financing and other collaborative activities¹ was 27 in FY2021.

1. Besides co-financing, collaboration includes two-step loans and guarantees.

Cooperation with Local Financial Institutions in Emerging Countries

It is essential for mid-tier enterprises and SMEs to obtain support from local financial institutions in countries where they are expanding their business, which are well acquainted with the local area.

Besides supporting Japanese affiliates overseas, JBIC has also strengthened its relationships with local financial institutions in emerging countries, for example, providing two-step loans to them with the objective of fostering and supporting local companies that supply raw materials and parts to Japanese affiliates overseas.

In addition, JBIC has concluded MOUs with local financial institutions in Thailand, Indonesia, India, the Philippines, Vietnam, and Mexico to set up a system to support overseas business expansion of mid-tier enterprises and SMEs. Under these MOUs, JBIC has opened or expanded single contact point for overseas affiliates of Japanese companies (“Japan desk”) in these local financial institutions and has established a framework to discuss cooperation and collaboration that involve Japanese private financial institutions. A total of 535 Japanese regional financial institutions have joined the framework and dispatched personnel to the local financial institutions.

Providing Local Currency-Denominated Loans

JBIC provides loans in various local currencies, including the Thai baht, Indonesian rupiah, and Chinese yuan. Especially for mid-tier enterprises and SMEs running domestic demand-based businesses in respective countries, stable financing of local currency funds is an important issue in their business strategy from the viewpoint of avoiding currency exchange risk. JBIC prepares long-term fixed-rate local currency loans alongside with finance from private financial institutions to their Japanese clients’ affiliates overseas.

In China, there exists a continued need for long-term Chinese yuan-denominated loans from Japanese mid-tier enterprises and SMEs operating in the country to increase production capacities or for other purposes. The country, however, restricts funds raised from outside China. In order to ensure prompt and flexible response to clients’ financial needs under these restrictions, JBIC has signed a general agreement with Japanese regional banks having a branch in China to establish credit lines for yuan-denominated two-step loans.

Information Services and Seminars

In addition to individual consulting services for mid-tier enterprises and SMEs’ overseas expansion of their business, JBIC provides advisory services to business

partners and cooperating regional financial institutions through experts concerning the legal, accounting, and currency regulations related to tax affairs, employment and labor issues, contracts, company establishment, and other issues for China, India, ASEAN, North America, Latin America, Europe, and the Middle East.

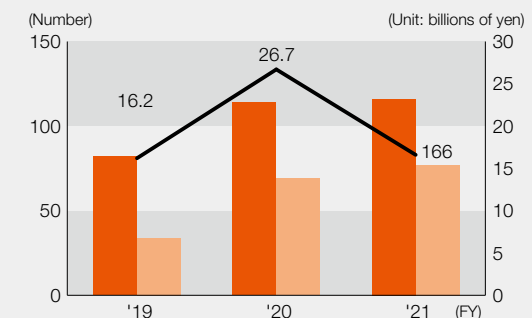
JBIC also organizes seminars and consultations on overseas business deployment in cooperation with organizations such as private financial institutions, prefectural and municipal governments, and local chambers of commerce and industry. In addition, it conducts field studies to assess investment climates in countries where Japanese companies are actively expanding their business. The findings of these studies are compiled into guidebooks, which are available in book form and on JBIC’s website.

In FY2021, JBIC is holding a number of overseas investment and other seminars, including those held online, for mid-tier enterprises and SMEs.

Additionally, JBIC has set up a loan consulting desk in Sendai, Ota (Gunma Prefecture), Tokyo, and Nagoya in collaboration with local governments, chambers of commerce, and other organizations supporting overseas business expansion of local companies and has been providing consultation services on such topics as overseas investment climates and various forms of financing.

Loan Commitments to Mid-tier Enterprises and SMEs

■ Number of loans committed
 ■ Of which, co-financed with regional banks and Shinkin (credit) banks
 — Amount of commitments



Investment environment guidebook published in FY2021

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

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

China

Mitani Shoji Co., Ltd. (Kyoto Prefecture)

Wholesale, Sale and Processing of Nonferrous Metal Materials

Mitani Shoji engages in the wholesaling of nonferrous metal materials such as copper and aluminum. To respond to requests from business partners that advanced into China, Mitani Shoji established Mitani Shoji Electronic Materials (Shanghai) Co., Ltd. (MSEM) in 2006 and is promoting business expansion in China. JBIC provided a loan to MSEM for its nonferrous metal materials sales business in Shanghai. The loan is co-financed with The Bank of Kyoto, Ltd.



Indonesia

Yagiharu Sangyo Co., Ltd. (Osaka Prefecture)

Real Estate Rental Business and Electrolyzed Water Generator Sales Business

Yagiharu Sangyo engages in the real estate rental business and sells electrolyzed water generators. With Indonesian company PT. Harmoni Asri (HAR) serving as its base, Yagiharu Sangyo aims to further expand its facility support integrated service activities that include its laundry business and hygiene management operations within facilities that use electrolyzed water. JBIC provided a loan to HAR for its laundry business. The loan is co-financed with Resona Bank, Limited



Malaysia Thailand

Future Spirits Co., Ltd. (Kyoto Prefecture)

Building, Maintenance and Operation of Servers and Websites as Well as Systems Development Business

Future Spirits engages in building, maintenance, and operation of servers and websites and is also involved in system development. To support the building and operation of IT infrastructure for local Japanese-affiliated companies, Future Spirits established Future Spirits Malaysia Sdn. Bhd. (FSMY) in Malaysia in 2011 and Future Spirits Thailand Co., Ltd. in Thailand in 2013 and is working to expand its business in both countries. JBIC provided loans for the server hosting and so forth business undertaken by FSMY and FSTH. These loans are co-financed with THE SHIGA BANK, LTD.



Thailand**Whitemax Co., Ltd. (Osaka Prefecture)****Manufacture and Sale of Hygiene Products**

Whitemax engages in the manufacture and sale of hygiene products such as gloves and masks. Whitemax established Whitemax (Thailand) Co., Ltd. (WTH) as a sales base in Thailand and is working to expand sales channels to principal customers in Thailand. JBIC provided a Thai baht-denominated loan to WTH for its sanitary product sales business to support Whitemax's overseas business development in Thailand, which is a growing market.

**Thailand****Nissen Chemitec Corporation (Ehime Prefecture)****Manufacture and Sale of Plastic Component**

Nissen Chemical engages in the manufacture and sale of plastic components such as automotive interior materials. In 1994, Nissen Chemical established Nissen Chemitec (Thailand) Limited (NCT) as a Thai subsidiary in response to the advancement into and expansion of production in Thailand by main customers. Subsequently, NCT has been selling high-quality plastic products for use in interior and exterior materials to Japanese companies operating in Thailand. JBIC provided a Thai baht-denominated loan to NCT for its manufacturing and sales business of plastic components such as automotive interior materials in Thailand. The loan is co-financed with The Iyo Bank, Ltd.

**Vietnam****HOLUS Co., Ltd. (Tokyo)****Frozen Vegetable Wholesale Business**

HOLUS mainly engages in the wholesaling of frozen vegetables. HOLUS established AGRIEX CO., LTD (AGRIEX) in 2020 as its first overseas manufacturing base amid the ongoing shift away from dining out to ready-made meals and eating at home due to the spread of COVID-19. The company is working to strengthen its system for producing and supplying high-quality processed foods in Vietnam. JBIC provided a loan to AGRIEX for its frozen food manufacturing and sales business. The loan is co-financing with the Bank of Fukuoka, and the Shoko Chukin Bank.



Vietnam

Yuwa Co., Ltd. (Nagano Prefecture)

Manufacture and Sale of Precision Plastic Molded Products

Yuwa engages in the manufacture and sale of precision plastic molded products such as smartphone connectors and medical devices. Yuwa established YUWA VIETNAM CO., LTD (YVL) as a manufacturing base in Vietnam with the aim of maintaining and expanding its overseas production. Based on a credit line with THE HACHIJUNI BANK, LTD., JBIC provided a loan to YVL for its business of manufacturing and selling micro precision plastic molded products and molds.



Australia

I'rom Group Co., Ltd. (Tokyo)

Pharmaceuticals and Medical Device Development Support Business

The I'rom Group engages mainly in the pharmaceuticals and medical device development support business. It made CMAX CLINICAL RESEARCH PTY LTD (CMAX), an Australian company, part of the Group and aims to expand its clinical trial business through CMAX. JBIC provided an Australian dollar-denominated loan to CMAX for its pharmaceuticals and medical device development support business in Adelaide, South Australia. The loan is co-financed by Kansai Mirai Bank, Limited.

United Kingdom

Asahi Glassplant Inc. (Kumamoto Prefecture)

Manufacture and Sale of Scientific Glassware and Glass-engineered Systems

Asahi Glassplant engages in manufacturing and selling scientific glassware and glass-engineered systems such as reactors and various types of distillation equipment mainly for pharmaceutical and chemical industries. In 2019, Asahi Glassplant established Asahi Glassplant UK Ltd. (AGI UK), a UK subsidiary, to maintain and increase production in Europe to expand its business in the European market. JBIC provided a British pound denominated loan to AGI UK for manufacturing and selling scientific glassware and glass-engineered systems. The loan is co-financed with The Shikoku Bank, Ltd.



Germany**Nasa Corporation (Tokyo)****Sale of Packaging Materials and Packaging Machines for Overseas Markets**

Nasa engages in the sale of packaging materials and packaging machines such as tea bags and coffee filters for overseas markets. Nasa established Nasa Deutschland GmbH (NDGH) in Germany as its first European base and is promoting sales of packaging materials and packaging machines to European drinking water manufacturers and container manufacturers. JBIC provided euro-denominated loan to NDGH for its business of selling packaging materials and machines in Europe. The loan is co-financed with Resona Bank, Ltd.

**Mexico****Nissin Kakou Co., Ltd. (Saitama Prefecture)****Manufacture and Sale of Plastic Molds and Injection Molding Products**

Nissin Kakou engages in the manufacture and sale of plastic molds and injection molding products used for automobile components. Nissin Kakou established NISSINKAKOU MEXICANA, S.A. DE C.V. (NKM) in 2014 with the aim of expanding sales channels for automotive components, mainly for Japanese companies in Mexico. NKM aims to expand its business in the automobile-related market in Mexico. JBIC provided a loan to NKM for its automobile components manufacturing and sales business in Mexico. The loan is co-financed with Saitama Resona Bank, Limited.

**Brazil****SUN ACE Corporation (Kanagawa Prefecture)****Manufacture and Sale of Industrial Chemical Products Such as Polyvinyl Chloride (PVC) Stabilizers**

SUN ACE engages in the manufacture and sale of industrial chemical products, including polyvinyl chloride stabilizer. In 2013, SUN ACE established SUN ACE BRASIL INDUSTRIA QUIMICA E COMERCIO LTDA. (SABI) as a manufacturing and sales base for Brazil and neighboring countries and is working to maintain and expand overseas production. Based on a credit line with The Bank of Yokohama, Ltd., JBIC provided a loan to SABI for its industrial chemical products manufacturing and sales business in Brazil.

