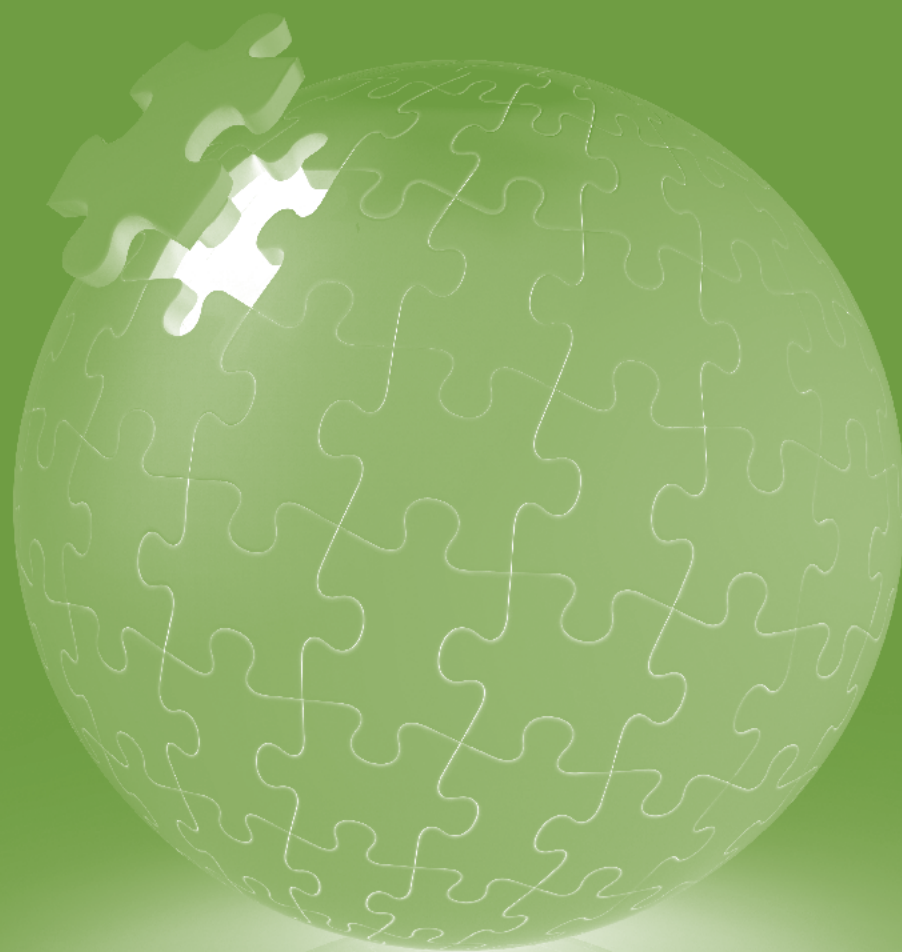


2. The Environment Surrounding JBIC and Its Challenges

1. Energy and Natural Resources Finance Group.....	54
2. Infrastructure and Environment Finance Group	60
3. Industry Finance Group.....	66
4. Equity Finance Group.....	72



1. Energy and Natural Resources Finance Group



Message from the Global Head of the Group

The years 2022 and 2023 will be memorized as a turning point in the history. Russian invasion of Ukraine made us realize a harsh reality that resources are vulnerable to geopolitical issues. In addition, the hottest summer in 120,000 years showed us the threat of climate change.

Amid these turbulent times, countries including Japan have changed their policies to enhance the resilience of resource and energy sectors and promote decarbonization. However, no policy can turn the world upside down overnight, and there are uncertainties about the future. Also, if we only thought of our own benefits, the rift with the global south countries would be even wider.

The Analects of Confucius says: “A wise man looks after the fundamentals. When the fundamentals are firmly established, a moral way will grow.” It is important to return to the fundamentals when an environment drastically changes. The fundamentals of our group are the long trustful relationship with customers. In July 2022, the Oil and Gas Finance Department was renamed as the Energy Solutions Finance Department and the Energy Transformation

Strategy Office was established. This represents our intention to commit ourselves to customers.

The Energy and Natural Resources Finance Group will value the roots and further focus on solving social issues of emerging countries in Africa and other areas by providing support to secure stable resources and energy supplies, promote decarbonization, and enhance supply chain resilience going forward. Also, we aim to provide long-term funding to supplement private-sector funds and further enhance risk taking ability.

AMANO Tatsushi

Managing Executive Officer

Global Head of Energy and Natural Resources Finance Group

Business Environment and Key Challenges

The 1.5°C target was agreed on after the Paris Agreement and the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26), and countries around the world are pushing forward climate change initiatives. However, in order to curb global warming, further acceleration of such initiatives is required. In its Strategic Energy Plan, the Government of Japan aims to utilize renewables, such as wind, solar and biomass, as major sources of power and to achieve decarbonization through power generation using hydrogen and ammonia and innovative thermal power generation with CO₂ emission reduction measures, such as CCUS and carbon recycling. At the same time, amid the rising energy price since the Russian invasion of Ukraine, the importance of energy security has been increasing. At the G7 Ministers' Meeting on Climate, Energy and Environment in Sapporo in May 2023, it was agreed to address not only climate change but energy security

in an integrated manner. In addition to securing stable energy supply, diversifying suppliers has become a significant challenge. As the world's energy situation is undergoing a significant shift, Japan, a large importer of natural resources, is required to achieve both energy security and energy transition.

In these global circumstances and market conditions, the roles that JBIC is required to play diversity to encompass, amongst other things, proposing energy solutions to secure strategically important resources and address climate change in a balanced manner, helping the development of zero emission energy from hydrogen and fuel ammonia, and supporting the security of the strategic resources, such as semiconductors and battery minerals, while strengthening the resilience of the entire supply chain. To address these issues, flexible and proactive financial support of JBIC is essential.

JBIC's Activities

JBIC is endeavoring to identify and form new projects and cultivate relations with government-related organizations and entities of each country. By supporting stable supplies of strategically important resources, JBIC aims to secure next-generation energy

and establish a value chain toward the realization of a decarbonized society and address global issues including social ones. Below are the major achievements of the Energy and Natural Resources Finance Group in FY2022.

■ Initiatives for securing stable supply of strategically important resources and maintaining and improving the international competitiveness

Loan to JERA to Support LNG Imports

Supporting Japanese Energy Company for Stable Procurement of LNG

JBIC concluded a loan agreement with JERA Co., Inc. (JERA). The loan is to finance JERA's importing of liquefied natural gas (LNG).

As resource prices rise and a stable supply of electricity is recognized as an urgent issue for the lives of the Japanese people and national economic activities, it has become more important than ever to ensure stable procurement of LNG to be used as fuel for gas-fired power generation. Financing JERA with this loan is intended to support a stable supply of electricity by securing a stable supply of energy to Japan.

Loan for Building Pellet Feed Plant of CSN Mineração S.A. of Brazil

Contributing toward Long-term Securing of Mineral Resource by Japanese Company

JBIC concluded a loan agreement with CSN Mineração S.A. (CM) of Brazil. The loan is intended to finance the funds necessary for CM, of which ITOCHU Corporation (Itochu), JFE Steel Corporation, and Kobe Steel, Ltd. are shareholders among others, to build a new pellet feed production plant. Pellet feed is processed iron ore crushed into particles. It is an essential raw material for low-carbon steelmaking and plays a vital role in reducing CO₂ emissions in the process. Itochu will secure its long-term offtake right of the pellet feed produced by the plant.

The loan will financially support Itochu's long-term securing of pellet feed, thereby contributing toward a stable supply of the critical mineral resource for the Japanese steel industry and toward supply chain resilience and the realization of a sustainable society.



Construction site for a pellet feed plant in Brazil

Loan for Joint Steelmaking Business between Nippon Steel Corporation and ArcelorMittal S.A. of Luxembourg through ArcelorMittal Nippon Steel India Limited of India

Supporting Steel Business of Japanese Company in India

JBIC concluded a loan agreement with AMNS Luxembourg Holding S.A. (AMLH) of Luxembourg, a joint venture between Nippon Steel Corporation (Nippon Steel) and ArcelorMittal S.A. (AM) of Luxembourg. The loan is intended to finance part of the funds necessary for Nippon Steel to make capital investment in an integrated steel mill in western India belonging to ArcelorMittal Nippon Steel India Limited (AM/NS India), an Indian subsidiary of AMLH, as part of their joint steelmaking business through AM/NS India.

The loan will capture growing steel demand in the mid to long term in the steel market of India, which is expected to make steady growth and support Nippon Steel's overseas business expansion, thereby contributing toward maintaining and improving the international competitiveness of Japanese industry.



Expansion of Hazira Steel Mill of AM/NS India

Initiatives for Energy Transition

JBIC Concludes MOUs on Strategic Cooperation with YARA International ASA of Norway and Sembcorp Industries Ltd. of Singapore

Strengthening Cooperation in Sector of Hydrogen and Ammonia as Fuel Source

JBIC concluded a memorandum of understanding (MOU) on strategic cooperation with YARA International ASA (YARA), a Norwegian company to promote cooperation in the sector of using ammonia as a fuel source, and one with Sembcorp Industries Ltd. (Sembcorp), a Singaporean company to promote cooperation in sectors that use hydrogen and ammonia as a fuel source. Both companies aim to deepen collaboration with Japanese companies regarding hydrogen and ammonia supply chain projects, in order to achieve the goal of realizing a decarbonized society. Also, in its Fourth Medium-term Business Plan, released in June 2021, JBIC aims to respond to energy transformation, toward the realization of a decarbonized society. By developing a framework for collaboration with these entities, JBIC aims to accelerate the structuring of projects for developing the supply chain of hydrogen and ammonia as a fuel source.

JBIC Concludes MOU for Comprehensive Strategic Partnership with Woodside Energy Group Ltd. of Australia and MOU with Petroliam Nasional Berhad (PETRONAS) of Malaysia

Promoting Collaboration for Supply of Energy and Creating Decarbonization Opportunities

JBIC concluded an MOU for a comprehensive strategic partnership with Australian company Woodside Energy Group Ltd. (Woodside) to secure a stable supply of energy and strengthen collaboration and promote cooperation in the field of decarbonization, and an MOU with Petroliam Nasional Berhad (PETRONAS) to support collaboration between PETRONAS and Japanese companies in clean energy sectors.

Amid the rising importance of energy security, JBIC will continuously work to secure stable supply of energy and aims to strengthen collaboration in new energy fields and low carbon services and promote to form projects in such fields for the realization of decarbonized society.



The 2nd Asia Green Growth Partnership Ministerial Meeting

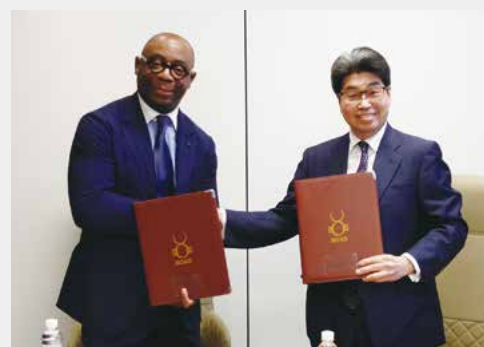
■ Addressing Social Issues

JBIC Concludes MOUs with Ministry of Finance, Planning and Economic Development of Uganda, Ministry of Economy and Finance of Côte d'Ivoire, and West African Development Bank

Creating Business Opportunities for Supporting Environmental Preservation Efforts of Japanese Companies in Africa

JBIC concluded MOUs with the Ministry of Finance, Planning and Economic Development of Uganda, the Ministry of Economy and Finance of Côte d'Ivoire, and the West African Development Bank (BOAD) on the sidelines of the eighth Tokyo International Conference on African Development (TICAD 8) held in Tunisia in August 2022. The objective of the MOUs is to create and promote business opportunities for Japanese companies, which contribute toward the environmental preservation in Africa.

Africa has vast reserves of critical minerals and other natural resources. It is also an area where economic growth and market expansion are expected on the back of high population growth rate. On the other hand, there are many issues to be addressed in Africa, such as development of infrastructure including electricity, diversification of industries, and improvement of medical services. In addition, the issue of food security needs to be addressed. JBIC focuses on Africa in the Action Plan "Undertake strategic initiatives for countries/regions of great importance from the policy perspective." in the Fourth Medium-term Business Plan (FY2021–FY2023). To this end, we will support Japanese companies to expand their business in Africa in cooperation with the governmental organizations and others in the region in order to promote establishing basic infrastructure and taking climate change measures.



BOAD President EKUE and JBIC Governor HAYASHI after concluding the MOU

■ Future Business Strategy

As the energy situation and market conditions have undergone significant changes, energy security has become more important and securing strategically important resources and diversifying suppliers have become urgent issues. While we are required to accelerate the actions for climate change, energy-related challenges have entered a more difficult phase. JBIC will promote efforts toward these global agendas by proactively supporting Japanese companies' activities to acquire interests in and develop resources overseas and to develop next-generation energy, as well as by enhancing the resilience of supply chains of such commodities as energy resources and mineral resources, while developing fossil fuel and addressing climate change simultaneously.

(1) Addressing Global Issues

As a response to the energy transformation for the realization of a decarbonized society, JBIC will focus on green innovation initiatives, such as the construction of a hydrogen value chain spanning manufacturing, transportation, and supply to utilization, and green mobility (green finance).

Moreover, JBIC will support initiatives for co-combustion of ammonia and hydrogen, CCS/CCUS¹, and the natural gas business (natural gas conversion, expansion of use, etc.) in emerging countries centered around Asia, and will also continuously support projects for reducing CO₂ emission in the steel and smelting industries, in order to contribute toward the expansion of businesses that help reduce the environmental impact while actively participating in the sustainable energy transition by host countries (transition finance).

Also, JBIC will actively support projects that contribute toward solving such social issues as access to basic infrastructure, including medical services and food supplies, in emerging countries including African nations for sustainable growth of host countries. Additionally, with TICAD9 to be held in Japan in 2025 in mind, JBIC will support Japanese companies to expand their business in Africa (social impact finance).

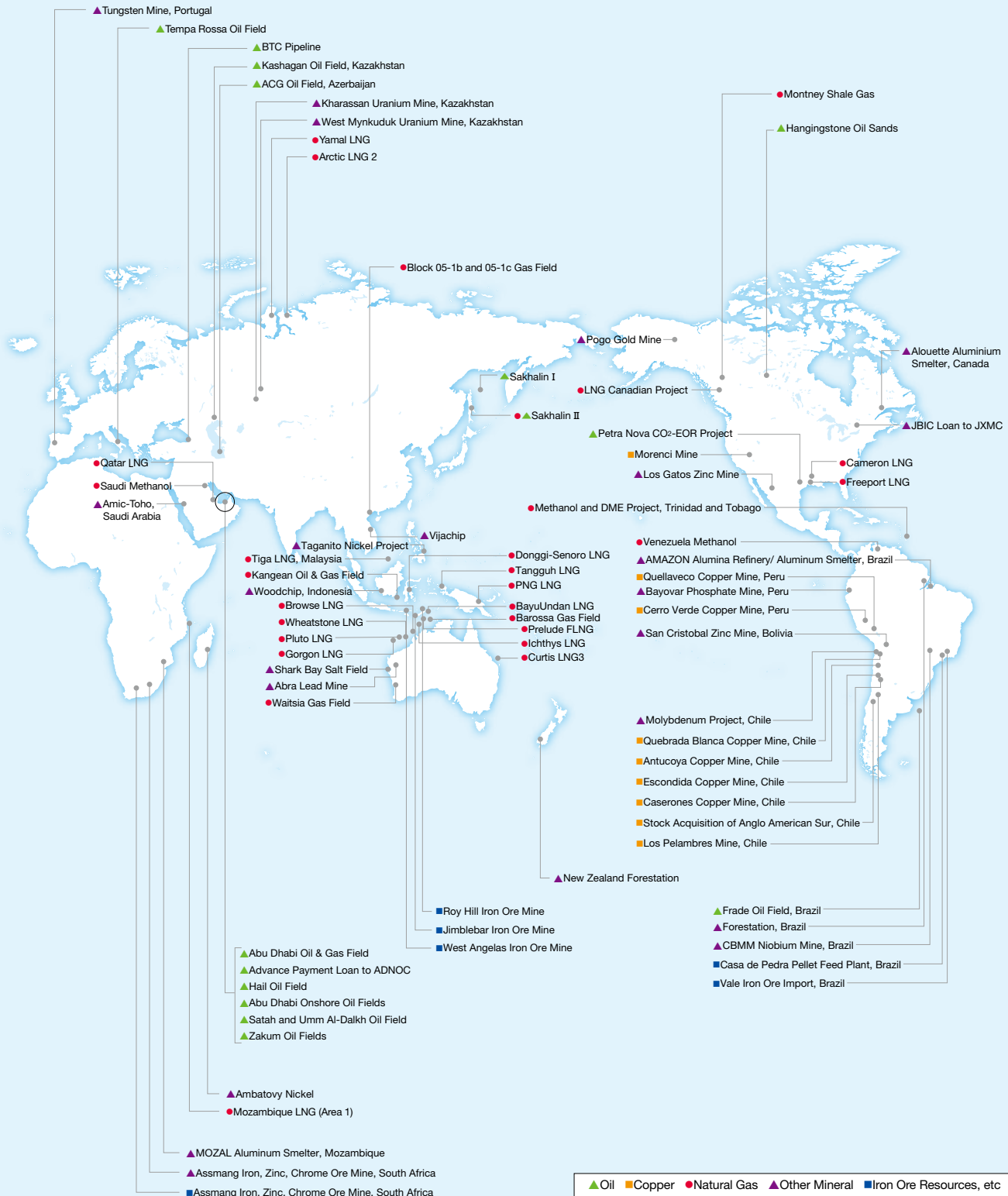
(2) Responses for Building an International Supply Chain for Critical Minerals

JBIC will strengthen its initiatives for building an international supply chain by securing the important minerals known as critical minerals, including rare metals, such as nickel and lithium, as well as copper, which is essential for realizing a decarbonized society.

As a significant growth of demand is anticipated for such metals as copper and lithium, highly innovative initiatives, including advanced recycling, will be needed in securing important minerals in order to realize carbon neutrality in 2050. Securing important minerals, however, involves challenges. For example, for a lot of minerals, the mining, refining, and smelting technologies are yet to be established and reserves are unevenly distributed, making certain countries and regions the center of production and processing. In its Green Growth Strategy, the government of Japan stated that it would muster all possible and necessary policies. From a medium- to long-term perspective, JBIC will actively support efforts toward decarbonization in this field to play a part in the initiatives.

1. Carbon dioxide Capture and Storage (CCS) is a technology that separates and captures carbon dioxide that would become a greenhouse gas and stores it in deep waterbeds or geological formations. Carbon dioxide Capture, Usage and Storage (CCUS) is a technology that utilizes carbon dioxide separated and stored.

JBIC's Major Projects of Energy and Natural Resources (Cumulative commitment amount for energy and natural resources projects over the last 10 years: Approximately JPY 5 trillion)



Note: Including projects that were approved for funding by JBIC more than 10 years ago.

As of March 31, 2023

2. Infrastructure and Environment Finance Group



Message from the Global Head of the Group

COVID-19 has not only affected people's everyday lives and business environment but has created a trend in which the global economic society has strengthened efforts for climate change issues, as typified by green recovery. In addition, as Russian invasion of Ukraine is significantly affecting and threatening the world politics and economy, the importance of multilateral collaboration and cooperation with international organizations through the support for Ukraine and its neighboring countries has been growing. Against this backdrop, JBIC has actively promoted green finance, transition finance and social impact finance under the Fourth Medium-term Business Plan (FY2021-FY2023), formulated and released in June 2021 and ESG Policy. Also, in line with the partial amendment of the Japan Bank for International Cooperation Act in April 2023, JBIC has strengthened its function so that it can support the enhancement of the supply chain resilience in accordance with the changes in the international situation, support Japanese companies including startups to take further risks, and smoothly support the reconstruction of Ukraine.

The Infrastructure and Environment Finance Group will focus especially on supporting projects that contribute toward solving global issues such as realizing a globally decarbonized society and providing support for Ukraine and its neighboring countries as well as projects that help the enhancement of the resilience of Japanese companies' supply chains. For realizing a decarbonized society, we believe the engagement-based approach is crucial, which encourages countries to take initiatives proactively in accordance with their own circumstances. To support this process, JBIC will leverage the strong relationships and dialogue channels it has cultivated with other countries. Also, for infrastructure projects with high project costs or risks and assistance projects for Ukraine and its neighboring countries, JBIC, as a policy-based financial institution, will support the business of Japanese companies through multilateral collaboration and cooperation with international organizations.

SEKINE Hiroki

Managing Executive Officer
Global Head of Infrastructure and Environment Finance Group

Business Environment and Key Challenges

Based on the Fourth Medium-term Business Plan (FY2021–FY2023), the Infrastructure and Environment Finance Group considers the following fields to be its key challenges. The Group will focus on projects that contribute toward addressing global issues such as realizing a decarbonized society and supporting Ukraine and its neighboring countries and projects such as those for rebuilding and strengthening the resilience of supply chains that will support Japanese companies in the era of rapid industrial and social transformation.

(1) Address Global Issues

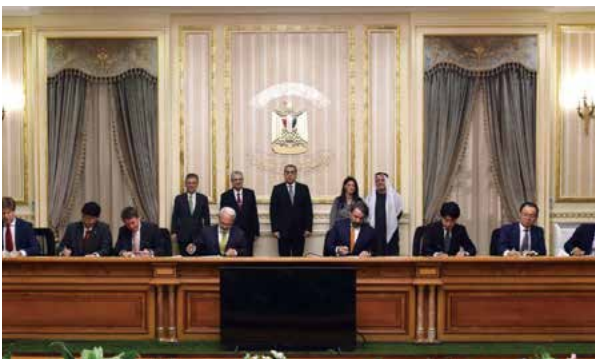
Without even having to examine specific cases, the major trend toward decarbonization is advancing.

At the G7 Cornwall Summit in June 2021, the G7 countries made the commitment to achieve net zero by 2050, and at COP27 in November 2022, countries confirmed the importance of the 1.5°C target, which is more challenging than the Paris Agreement goal, and determined to strengthen their nationally determined contributions (NDCs) for 2030, which are consistent with the Paris Agreement goal.

There is a diverse assortment of measures and approaches for realizing this goal of decarbonization. The government of Japan has adopted a policy of deep engagement with the energy policies of developing countries to realize energy transitions together with these nations. This is based on the belief that adopting realistic measures suited to actual environments and

circumstances in each individual country is instead the best means of efforts for realizing a decarbonized society. Regarding Asia, Prime Minister KISHIDA Fumio advocated the framework of Asia Zero Emission Community in his policy speech in January 2022. The purpose is that Asian nations share the philosophy of achieving a decarbonized society and cooperate to promote energy transitions. As Japan's policy-based financial institution, JBIC will utilize the strong relationships it has cultivated with countries worldwide and support the realization of projects that contribute toward solving social issues such as decarbonization and energy transitions through engagement promoted by the government of Japan as well as waste-to-energy projects and projects for distributed power supply.

In addition, Russian invasion of Ukraine is significantly affecting and threatening the world politics and economy. Amid this, in May 2022, the G7 development ministers' meeting announced the policy to support Ukraine's neighboring countries including Poland and Romania. In June 2022, the Cabinet approved Basic Policy on Economic and Fiscal Management and Reform 2022, which states that Japan will respond resolutely to Russia's invasion as the G7 chair and strengthen its support to Ukraine and other countries. Furthermore, G7 Foreign Ministers' Statement on Energy Security released in August 2022 confirmed the policy that aims at reinforcing the energy security and resilience. Thus, multilateral collaboration and cooperation with international organizations through the support for Ukraine and its neighboring countries have become more important. In line with the partial amendment of the Japan Bank for International Cooperation Act in April 2023, JBIC has strengthened its function so that it can smoothly support the reconstruction of Ukraine. JBIC will support Ukraine and its neighboring countries through multilateral collaboration and cooperation with international organizations.



Signing ceremony of Amunet Onshore Wind Farm Project

(2) Support the Strengthening of the International Competitiveness of Japanese Companies in the Era of Industrial and Social Transformation

Worldwide economic and mobility constraints caused by COVID-19 also exerted a tremendous impact on business, one of the most notable being disruptions to supply chains. As pointed out in the Infrastructure System Overseas Promotion Strategy 2025 (June 2023 Supplemented Edition), the social transformation such as digitalization and decarbonization is expected to accelerate globally with responses to the pandemic.

Accordingly, it will be more necessary than before to flexibly addressing novel needs for infrastructure, while continuing both the infection prevention measures and the initiatives for economic development and environmental preservation. We believe that supporting Japanese companies with proprietary technologies such as cutting-edge technologies beneficial for the environment, digitalization, or telecommunication in expanding overseas and supporting the enhancement of Japanese companies' supply chain resilience during this trend will have important implications for maintaining and improving the international competitiveness of Japanese companies in the new post-pandemic world.

Starting with a loan to support the enhancement of the resilience of supply chains of Japanese companies in India in FY2020 (a loan to the State Bank of India), JBIC moved to further support projects that contribute toward enhancing the resilience of supply chains of Japanese companies by establishing the Global Value Chain Resilience Window within the Global Investment Enhancement Facility commenced in July 2022. JBIC will utilize this window to actively support the strengthening of overseas supply chains of Japanese companies.

(3) Propel Strategic Initiatives to Promote Quality Infrastructure Projects Overseas

The Free and Open Indo-Pacific (FOIP) advocated by the government of Japan in 2016 is rooted in the concept of ensuring peace and prosperity for the entire region, and by extension for the whole world, by realizing a free and open rules-based international order. In March 2023, "multi-layered connectivity" was set forth as the fourth pillar of cooperation for FOIP and the development of "quality infrastructure" that can contribute toward improving connectivity among regions is also important from the perspective of FOIP.

These types of quality infrastructures inevitably involve a multitude of stakeholders and there is a tendency for both scale and risks to increase, which often makes it difficult for Japan and JBIC to execute these projects alone.

Deeply aware of this problem, JBIC has traditionally emphasized collaboration with multilateral and international financial institutions. Specifically, JBIC has

continued its efforts to fortify collaboration with policy-based financial institutions in Japan, the U.S., and Australia and with public financial institutions, such as the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD).

In the Ontario Line subway project in Canada in November 2022, JBIC supported Hitachi's business activities in the Canadian railroad market through



Signing ceremony of an MOU with the EIB

co-financing with Korean and Canadian public financial institutions. In order to back up the initiatives of Japanese companies, JBIC will make efforts as a policy-based financial institution to support the overseas expansion of quality infrastructure, including infrastructure in the health and medical fields, which were once again recognized as being crucial sectors during the COVID-19 pandemic.



Subway project in Ontario

JBIC's Activities

Business opportunities are growing in the field of carbon neutrality such as promoting investment in decarbonized and low-carbon industries (green recovery) as the economy recovers from the COVID-19 pandemic, and it is important to contribute to global decarbonization and sustainable economic growth by utilizing Japan's exceptional technologies. JBIC provides support for projects that contribute to low-

carbonization and environmental preservation in each country toward the realization of a global decarbonized society. JBIC is also supporting projects that contribute toward rebuilding and strengthening the resilience of Japan's supply chains and assisting Ukraine and its neighboring countries. The main achievements of the Group in FY2022 are as follows.

Initiatives for Low-carbonization and Global Environmental Preservation

Financing for Onshore Wind Farm Project by Toyota Tsusho Corporation and Eurus Energy Holdings Corporation

Supporting Renewable Energy Project toward Realizing Decarbonized Society

JBIC concluded a loan agreement with RED SEA WIND ENERGY S.A.E. (RED SEA), invested in by, inter alia, Toyota Tsusho Corporation and Eurus Energy Holdings Corporation, which operates onshore wind farm power generation business in Egypt. The Government of Egypt aims to increase renewable energy in the energy mix to 35% by 2030 and 42% by 2035 in order to reduce its dependence on thermal power.

In this project, RED SEA will build, own, and operate a 500 MW onshore wind farm in Ras Ghareb within the Red Sea Governorate along the shore of the Gulf of Suez, and sell the electricity generated to Egyptian Electricity Transmission Company. JBIC will support overseas business expansion of Japanese companies, thereby contributing toward maintaining and improving the international competitiveness of Japanese industry.



Signing ceremony of Ras Ghareb 2 Onshore Wind Farm Project

Loans to Indonesia, Vietnam, India, and others under GREEN Operations

Financially contributing toward global environmental preservation through utilization of financing tools under GREEN Operations

Global action for Reconciling Economic growth and ENvironmental preservation (GREEN) refers to loans, guarantees, and investments in projects that are expected to contribute to both the environment and economy on a global scale through global environmental preservation operations. As part of GREEN Operations, JBIC provided PT Pertamina (Persero) (Pertamina) with the necessary funds for renewable energy projects in Indonesia.

In Vietnam, JBIC set up a credit line for Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) to support renewable energy projects in Vietnam under the Vietnam Climate Finance Framework (VCOFF), which was announced under the Australia-Japan-United States Trilateral Infrastructure Partnership (TIP) in January 2023.

These projects align with the Just Energy Transition Partnership (JETP), which was agreed on in December 2022 by the governments of Vietnam and Indonesia respectively and their partner countries, including Japan and the United States, as well as the Asia Zero Emissions Community (AZEC) concept.

Also in India, JBIC provided SJVN Limited (SJVN), India's state-owned company with the necessary funds for solar power generation projects.

As Japan's policy-based financial institution, JBIC will financially contribute toward global environmental preservation by considering each country's energy policy and environmental policy and utilizing financial tools under GREEN Operations.



Signing ceremony of the GREEN to Pertamina

■ Initiatives for Building and Restructuring Japanese Companies' Supply Chains

Loan for Industrial Park Expansion Project by Vietnamese Subsidiary of Sumitomo Corporation

Supporting Overseas Business Expansion of Japanese Company

JBIC supported Thang Long Industrial Park II Corporation (TLIP2), a Vietnamese subsidiary of Sumitomo Corporation, through overseas investment loan. The finance is intended to provide the necessary funds for the expansion project of Thang Long Industrial Park II to be conducted by TLIP2 in the Hung Yen province in the north of Vietnam. The government of Vietnam has set forth a goal of attracting new foreign investment of \$30 billion to \$40 billion per year by 2025. With this goal and the trend of supply chain reorganization due to the COVID-19 pandemic, Japanese companies' appetite for entering the Vietnamese market is growing.

Through the finance, JBIC will assist Japanese companies in entering overseas markets and will also facilitate the strengthening of supply chains.



Expansion project of Thang Long Industrial Park II

■ Initiatives for Supporting Ukraine and Its Neighboring Countries

Guarantee for Samurai Bonds Issued by Bank Gospodarstwa Krajowego of Poland

Supporting Humanitarian Aid for Refugees from Ukraine amid Russia's Aggression

JBIC provided a guarantee for yen-denominated foreign bonds in the Japanese bond market (Samurai bonds) issued by Bank Gospodarstwa Krajowego (BGK) of Poland. In the wake of Russia's aggression against Ukraine, the Government of Japan has endeavored to enhance its relationship with Ukraine and Poland. Prime Minister KISHIDA Fumio conveying Japan's solidarity and unwavering support for Ukraine during his visit to these two countries in March 2023 is a case in point. Poland has been one of the main destinations for refugees from Ukraine since the Russia's aggression had started. In order to raise and channel funds for assistance to Ukraine and its citizens affected by the war, including for medical care, education, and housing for refugees, the Aid Fund was established in BGK. The Samurai bonds are intended to contribute to the Aid Fund to support its tasks in connection with the armed conflict on the territory of Ukraine.



Japan-Ukraine Summit Meeting (photo provided by Prime Minister's Office of Japan.)

■ Collaboration with Other Countries and Institutions

JBIC is working to reduce risks for seeking investments and realizing and accelerating infrastructure projects by building relationships with governments of other countries and collaborating with other institutions. In addition, with various discussions more frequently taking place worldwide toward decarbonization and carbon neutrality, JBIC will utilize the relationships it has built to the present with each country and get close to the actual circumstances and policies of each country and value its efforts for engagement to pursue a correct path while engaging in dialogue.

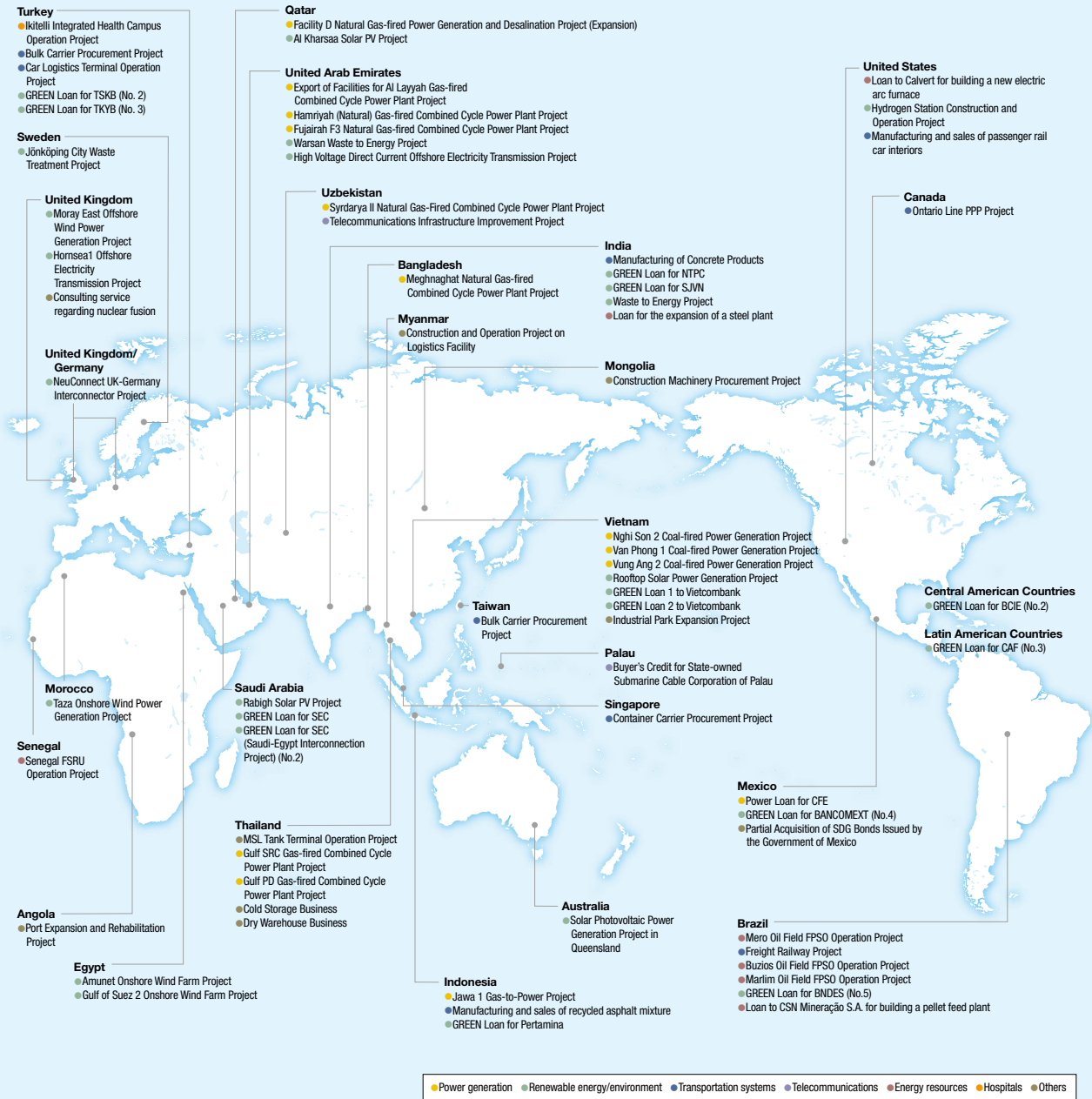
Regarding cooperation with other countries, JBIC signed memorandums of understanding (MOUs) with National Power Company of Indonesia (PLN), National Oil Company of Indonesia, Pertamina, and PT Sarana Multi Infrastruktur (Persero), to enhance cooperation for the promotion of energy transition in Indonesia. In addition, JBIC signed an MOU with the National Investment and Infrastructure Fund Limited (NIIFL) of India for the establishment and promotion of the India-Japan Clean and Growth Platform. This MOU intends to promote environmental preservation and growth of the Indian economy and enhance the cooperative relationship between Indian and Japanese companies.

JBIC will consider establishing a fund with NIIFL and providing debt financing to investee companies of funds managed by NIIFL by utilizing JBIC's loan functions.

Regarding cooperation with other institutions, JBIC has been working on cooperation among the three countries of Japan, the U.S., and Australia, which are strengthening relations toward the realization of a "Free and Open Indo-Pacific" promoted by the government of Japan. Also, in May 2022, JBIC signed an MOU with the U.S. Trade and Development Agency (USTDA). This MOU is intended to strengthen the cooperation between JBIC and USTDA, and to support projects in certain sectors including but not limited to infrastructure, renewable energy, telecommunication, and digital connectivity, mainly in the Indo-Pacific, together with the Middle East, Africa, Latin America, the Caribbean, and Eastern Europe.

Additionally, in October 2022, JBIC signed an MOU with the U.S. International Development Finance Corporation (DFC), the Department of Foreign Affairs and Trade (DFAT), and Export Finance Australia (EFA). The MOU is intended to further strengthen the cooperation that Japan, the U.S.,

Recent Major Overseas Infrastructure Projects (Loans, equity participations, and guarantees in the last five years)



Note: "Renewable energy/environment" includes solar power, wind power, geothermal power, hydro power, waste for energy, energy efficiency, and other projects related to global environmental conservation.

As of the ended March 2023

and Australia have developed under the previous MOU to further cooperate on telecommunications, digital and ICT, ports, airports, banking and financial services, critical minerals, resilient supply chains, and pandemic response as well as the sectors they mutually determined in the previous MOU, including infrastructure, energy, and natural resources. In May

2023, JBIC, together with DFC, provided a guarantee for part of EFA's financing, which was provided to the Telstra group to support the acquisition of Digicel Pacific Limited (Digicel Pacific) by the Telstra group, Australia's leading telecommunications company. Digicel Pacific is a telecommunications operator in the Pacific.

3. Industry Finance Group



Message from the Global Head of the Group

Japan and the world are in an uncertain and difficult situation due to problems such as the world divided by emerging geopolitical risks, including the U.S.-China confrontation and the Russian Invasion of Ukraine, as well as climate change, food shortages, semiconductor shortages, raw material price surges and accelerated inflation on a global basis. In a complicated world like this, Japanese companies face extremely difficult challenges, for example, to rebuild stable supply chains including securing semiconductors that are indispensable in many industries and to realize a decarbonized society where companies can earn profits while preventing global warming. In order to overcome such challenges, the role of the financial sector including JBIC has become increasingly important.

Based on this awareness, the Industry Finance Group works to maintain and improve the international competitiveness of Japanese industry. To this end, we discern the needs of Japanese industry, and by actively taking risks, strengthen support for enhancing the resilience and rebuilding of global supply chains of Japanese

companies, support for overseas M&As to acquire next-generation technology, and support for projects that contribute toward global warming prevention through green finance. I would like to find the optimal solutions to these challenges together with Japanese companies.

SASAKI Satoshi

Managing Executive Director
Global Head of Industry Finance Group

Business Environment and Key Challenges

Highly Uncertain Business Environment

The Japanese economy has been on a gradual recovery path from the slump due to the influence of COVID-19 after 2020. On the other hand, there are growing uncertainties and downward risks to the global economy, because of rising raw material prices and soaring worldwide inflation in addition to geopolitical risks, such as Russian invasion of Ukraine and the U.S.-China confrontation. Under these circumstances, Japanese companies continuously face highly uncertain business environment due to factors such as rising financing costs driven by higher interest rates, especially in the U.S., and a slowdown in demand due to weaker yen.

The Survey Report on Overseas Business Operations by Japanese Manufacturing Companies JBIC released in December 2022 revealed that global inflation has a widespread impact on business activity. When asked about shock factors affecting production activities, the most common response was “increased production and transportation costs.” With regard to the importance of geopolitical risk in business strategy,

a total of 85% of responding companies answered that geopolitical risk was either ‘very significant’ or ‘significant,’ regardless of which country or region the companies have their production bases in. Thus, the survey results shows that the rising prices and geopolitical risk are the significant factors that affect the overseas business expansion by Japanese companies.

Rebuilding Supply Chains and Creating New Business Opportunities Overseas through DX and GX

We are facing a growing risk of supply chain breakdown due to increasing geopolitical risks in addition to infectious diseases and natural disasters. Against this backdrop, companies need to rebuild supply chains for stable procurement of raw materials, by taking measures such as diversifying suppliers and bringing production bases back to Japan.

Globally, governments have promoted investments in digital transformation (DX): the U.S. enacted the CHIPS Act¹ in August 2022, while the European region has

taken the move to pass the European CHIPS Act. The semiconductor technology is becoming increasingly important as the core of DX in many sectors. In Japan, too, the government revised the Strategy for Semiconductors and the Digital Industry in June 2023, in order to accelerate the initiatives related to semiconductors and storage batteries and comprehensively promote measures to develop an advanced telecommunication infrastructure, such as building a data processing infrastructure considering the possibility of spread of generative AI as well as dispersing the locations of data centers.

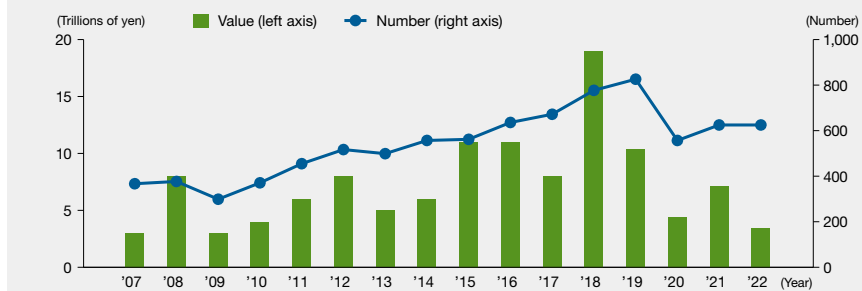
Additionally, as a result of growing awareness of climate change and accelerated initiatives toward realization of a decarbonized society, governments, especially in the U.S. and Europe, have set the green transformation (GX) agenda, which aims to achieve both emission reduction and economic growth. To name a few, the Inflation Reduction Act was enacted in August 2022 in the U.S., and the European Green Deal was enacted and the NextGenerationEU recovery instrument was established in Europe. Under the agenda, government-led investments in GX along with DX have been accelerated in these regions. In Japan, the GX Promotion Act was enacted in June 2023 with the aim of fulfilling the international commitment while simultaneously achieving higher competitiveness and economic growth of Japanese industry. The government also plans to provide support for advance investment by issuing GX Economy Transition Bonds and to implement the growth-oriented carbon pricing scheme.

As new investment opportunities are created on the back of the trend of government-led DX and GX projects mainly in the U.S. and Europe, as well as rebuilding of supply chains, Japanese companies also utilize M&As and capital investments to continuously expand their businesses overseas. For overseas M&A deals by Japanese companies in 2022, the value has dropped from 2021 but the number remained almost unchanged at 625 (Figure 1). This result indicates that Japanese companies have continued expanding business overseas, by making small investments to avoid risks under the uncertain business environment.

Japanese companies are regaining appetite for overseas business expansion. According to FY2022 JBIC Survey Report on Overseas Business Operations by Japanese Manufacturing Companies, the overseas sales ratio estimated for FY2022, and the overseas production ratio estimated in the medium-term plan (as of 2025) are expected to recover to near the pre-Covid

Figure 1. Changes in the Value and Number of Overseas M&A by Japanese Companies

Source: RECOF Corporation



19 pandemic levels. Going forward, it is expected that Japanese companies will expand their businesses through DX and GX investments and maintain overseas business operations by utilizing M&As.

1. CHIPS Act (Creating Helpful Incentives to Produce Semiconductors and Science Act) is intended to support the development and production of semiconductors in the U.S. as well as the investments in advanced technologies such as quantum computing and artificial intelligence (AI).

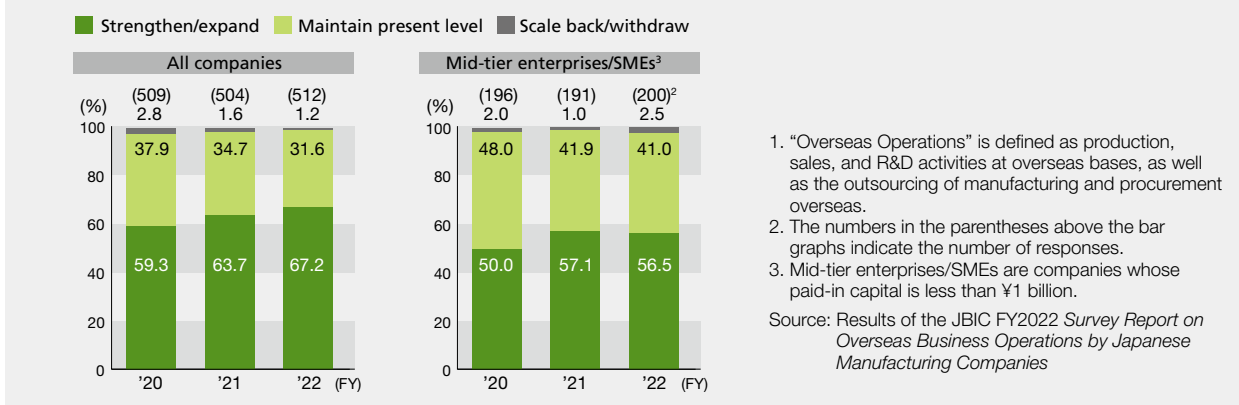
Overseas Business Deployment of Mid-tier Enterprises and SMEs

Japanese mid-tier enterprises and SMEs have limited human resources and funds compared to large companies. Their overseas business deployments are more susceptible to supply chain disruptions and breakdowns against a backdrop of increasing geopolitical risks, as well as rising funding costs due to higher interest rates, especially in the U.S. And therefore, they must take measures to these issues.

With the trend of global supply chain restructuring, mid-tier enterprises and SMEs relocated plants to third countries in Asia, such as Vietnam and India, for the purpose of breaking dependence on China and diversifying supply chains. Also, raising funds denominated in an Asian currency such as Thai baht enabled them to avoid U.S. dollar-denominated loans, as interest rates remain high in the U.S. Also, despite weaker yen, they have increased capital spending on the back of strong demand recovery after the pandemic and have made investments in equipment focusing on the trend of GX in many industry sectors such as investment in photovoltaic power generation for factory.

According to the FY2022 survey, 56.5% of mid-tier enterprises and SMEs chose to “Strengthen/expand” their overseas businesses. This shows they recognize the importance of continued strengthening and expanding their overseas business deployment even under this uncertain global economic environment (Figure 2). As the responses to the pandemic have been settled, Japanese mid-tier enterprises’ and SMEs’ activities pertaining to overseas business operations are expected to be maintained and grow.

Figure 2. Medium-term Prospects (Next Three Years, or So) for Overseas Operations¹



JBIC's Activities

Supporting Japanese Companies' Overseas Business Expansion through Various Methods

In the Fourth Medium-term Business Plan, JBIC designated "Execute policy-based finance functions that are adopted to changes in the economic situation" and "Support the strengthening of the international competitiveness of Japan's industries in the era of industrial and social transformation" as the key focus areas. In January 2021, JBIC established the Post-Covid-19 Growth Facility. With the purpose of transforming the economic structure and realizing a virtuous circle for the post-COVID-19 era, JBIC helped Japanese companies to address the strengthening of resilience and rebuilding global supply chains and supported their overseas M&As. In July 2022, JBIC established the Global Investment Enhancement Facility (Deadline for signing a financing agreement: June 30, 2025) as the successor to the Post-Covid-19 Growth Facility. To help the strengthening of resilience and rebuilding of global supply chains of Japanese companies under the facility, JBIC provided support for such as the manufacturing and sales business of surface processed steel sheets in Turkey, the manufacturing and sales business of car skeleton parts in Canada, the automobile manufacturing business in Indonesia through local currency denominated financing, the automotive parts development, manufacturing, and sales business in Europe, all of which are conducted by Japanese companies. JBIC also provided Japanese companies with funds to acquire companies such as a U.S. anime distribution platform operator and a U.S. innovator of metal oxide photoresist development and manufacturing, in order to support overseas M&A to acquire next-generation technology. In addition, as an initiative for green finance and transition finance, JBIC provided a Japanese company with a loan for manufacturing and sales business of carboxymethyl cellulose for lithium-

ion batteries in Hungary.

JBIC's efforts to contribute toward maintaining and improving the international competitiveness of Japanese companies continued in the maritime and aviation industries as well. These industries are addressing to achieve a decarbonized society and to change their strategies for the recovery from the pandemic. Concretely speaking, some companies are using the most advanced ships in compliance with environmental regulations and promoting development to introduce ships with new fuel systems, some are facilitating efforts to introduce fuel-saving aircraft materials, and others are expanding their businesses by enlarging fleet in line with the recovery of post-pandemic passenger demand. Under these circumstances, JBIC provided guarantees for transition-linked loans for airplanes which a Japanese airline company purchased from overseas. The loans are a financial instrument where variable conditions, such as interest rate, apply depending on the borrower's level of achievement toward a goal of CO₂ emissions reduction, and the first of its kind extended from private financial institutions to a Japanese airline company. Also, by providing a Japanese company with the funds to acquire an aircraft leasing company, JBIC supports it to further expand the aircraft leasing business overseas and obtain profit-earning opportunities.

Supporting Overseas Business Deployment of Mid-tier Enterprises and SMEs

JBIC has enhanced its capability to assist Japanese mid-tier enterprises and SMEs in expanding abroad through its business units dedicated to this purpose at its Head Office and Osaka Branch. In FY2022, companies refrained from overseas investments compared to pre-COVID-19 period, as the geopolitical risks have become apparent such as supply chain

disruptions and Russian invasion of Ukraine. However, in close collaboration with such organizations as regional financial institutions, JBIC made a total of 64 financial commitments to mid-tier enterprises and SMEs in loans and guarantees, for projects of capital investment or relocation which led to supply chain restructuring and environment investment projects in anticipation of GX, such as solar power generation systems.

In addition, JBIC supported mid-tier enterprises and SMEs in expanding business overseas by providing loans in local currencies, such as Thai baht, Indonesia rupiah, Indian rupee, and Chinese yuan to avoid U.S. dollar-denominated loans as interest rates remain high in the U.S.

Furthermore, JBIC will actively support initiatives by startups which shape the future of Japan and the world, in accordance with the agreement on the “Platform for unified support for startups (Plus)” signed by nine incorporated administrative agencies in November 2022.

Compared with larger companies, mid-tier enterprises and SMEs might face greater constraints on various fronts, such as the collection of information about overseas investment. Due to this, JBIC provides further detailed support to mid-tier enterprises and SMEs by offering various information such as on the overseas investment environment and holding seminars utilizing its overseas representative offices and individual consultation meetings, while strengthening partnerships with public institutions, economic organizations, agencies that support SMEs and overseas business deployment as well as regional financial institutions that serve as a major financing source for those companies.

Responding to the Diverse Needs of and Crises Faced by Japanese Companies

Regarding overseas business deployment, fewer Japanese companies emphasize the strengthening of business in China, considering the personnel costs rising along with the economic growth and the business risks increasing due to the U.S.-China confrontation, while more companies have become interested in emerging countries such as Vietnam and India. Moreover, many companies are facing the necessity of reviewing, rebuilding, and optimizing of global supply chains, against a backdrop of global shortage of strategic goods, such as semiconductors. JBIC, while accurately responding to these changes, to trends in the global economy, and to the funding needs of Japanese companies, continues to provide support to maintain and improve the international competitiveness of Japanese industry, utilizing its Global Investment Enhancement Facility.

The Industry Finance Group will continue to provide support in accordance with the issues faced by numerous Japanese companies large and small, including mid-tier enterprises and SMEs. We will accurately grasp issues and needs of Japanese companies and will strive by multiple means including capitalizing on various financial instruments and enhancing our risk-taking capability to contribute toward exploring and creating new business opportunities for Japanese companies that can lead to Japan’s sustainable growth. This includes addressing global issues and providing support for enhancing supply chain resilience and acquiring technology through M&As for the DX of Japanese companies, as prescribed in the Fourth Medium-term Business Plan. By doing so, we will continue to play a role in connecting Japan to the world.

■ Notable Examples of JBIC’s Financial Support

Loan for Acquisition of U.S. Company Inpria Corporation by JSR Corporation

Supporting Overseas M&A by Japanese Company in Semiconductor Sector

JBIC concluded a loan agreement with JSR Corporation (JSR). The loan is intended to finance part of the funds necessary for JSR to acquire U.S. company Inpria Corporation (Inpria). Inpria is an innovator of metal oxide photoresist¹ design, development, and manufacturing for extreme ultraviolet (EUV) lithography². The semiconductor industry is moving to smaller critical dimensions in chip manufacturing, for which next-generation EUV lithography and high-quality photoresist technologies are essential, and Inpria’s metal oxide photoresists have achieved the world’s highest resolution. Through the acquisition of Inpria, JSR aims to become a photoresist manufacturer that is equipped with next-generation semiconductor technology scaling toward “beyond 2 nm.” The loan will support the overseas business expansion of JSR, thereby contributing toward maintaining and improving the international competitiveness of Japanese industry.

1. Among high-quality photoresists for next-generation extreme ultraviolet (EUV) lithography, metal oxide photoresists have achieved the world’s highest resolution.
2. EUV technology uses EUV light, which has a wavelength of 13.5 nm and is essential in chip manufacturing.

Loan to Singaporean Subsidiary of Mitsui Chemicals Inc. for TAFMER™ Manufacturing and Sales Business

Supporting Overseas Business Expansion of Japanese Chemical Manufacturer

JBIC concluded a loan agreement with Mitsui Elastomers Singapore Pte. Ltd. (MELS), a Singaporean subsidiary of Mitsui Chemicals, Inc. (Mitsui Chemicals). The loan is intended to finance the funds necessary for MELS to manufacture and sell TAFMER™¹. TAFMER™ that MELS manufactures and sells is a flexible, light plastic resin. It is used in a wide range of fields, including for automotive parts, packaging materials, sporting goods, and in recent years for clean energy-related parts. As the introduction of clean energy is drawing attention globally for the realization of a decarbonized society, Mitsui Chemicals aims to enhance MELS's production capacity to meet the growing demand. The loan will support such overseas business expansion of Mitsui Chemicals, thereby contributing toward maintaining and improving the international competitiveness of Japanese industry.



TAFMER™ manufacturing plant in Singapore (Photo courtesy of MELS)

1. TAFMER is a registered trademark of Mitsui Chemicals.

Loan for Acquisition of Aircraft Leasing Company by SMBC Aviation Capital Limited under Auspices of Sumitomo Mitsui Finance and Leasing Company, Limited

Supporting Overseas M&A of Japanese Company

JBIC concluded a loan agreement with Sumitomo Mitsui Finance and Leasing Company, Limited (SMFL) to finance part of the funds necessary for SMBC Aviation Capital Limited (SMBCAC) of Ireland, which is under the auspices of SMFL, to acquire Goshawk Management Limited of Ireland.

SMBCAC, an aircraft leasing company, does business extensively with airlines around the world and its aircraft lease portfolio consists mostly of highly liquid and environment-friendly narrowbody aircraft. SMFL sees the aircraft leasing business as an important growth area and aims to expand it in the global market. Through this acquisition, the company aims to achieve a sustainable growth of the business and grasp more profit-earning opportunities, by strengthening the presence of SMBCAC in the industry and capturing the aircraft demand which is expected to grow rapidly in the future.

The loan provides the long-term foreign currency funds necessary for the overseas M&A by the SMFL group company and financially supports the overseas business expansion of the Japanese company.



An artist's rendering of SMBCAC's narrowbody aircraft (Courtesy of SMBCAC)

Loan for Acquisition of Suntory Coffee Australia Limited by UCC Holdings Co., Ltd.

Supporting Overseas M&A of Japanese Company

JBIC concluded a loan agreement with UCC Holdings Co., Ltd. (UCCHD). The loan is intended to finance the funds necessary for UCCHD to acquire Suntory Coffee Australia Limited (SCA) through UCC ANZ MANAGEMENT PTY LTD, an Australian subsidiary of UCCHD.

UCCHD operates coffee business encompassing every aspect of coffee “from cup to seed,” including cultivating seedling on company-operated estates, agricultural research in the countries of production, quality assurance, raw ingredient procurement, R&D, manufacturing, and sales.

With a steady growth of coffee demand expected in Oceania, UCCHD decided to acquire SCA, which has the business foundation for professional-use coffee and specialty coffee in the region.

The loan will support the overseas business expansion of UCCHD, thereby contributing toward maintaining and improving the international competitiveness of Japanese industry.



Preston Factory, a key plant in Australia
(Photo courtesy of UCCHD)

Loan for Acquisition of U.S. Company by AIR WATER INC.

Supporting Overseas M&A of Japanese Company

JBIC concluded a loan agreement with Air Water America Inc. (AWAI), a U.S. subsidiary of AIR WATER INC. The loan is intended to finance, through AWAI, part of the funds necessary for AIR WATER to acquire U.S. company Noble Gas Solutions, LLC (NGS).

AIR WATER founded AWAI as its U.S. headquarters company in 2018, aiming to build an integrated supply chain from upstream to downstream of industrial gas in North America, as the demand for industrial gas is expected to solidly increase in the region, particularly in the electronics sector. Thus, the company decided to acquire NGS, which had a gas distribution network in the State of New York. Through this acquisition, AIR WATER aims to expand its business in North America by using NGS's sales network and infrastructure. The loan will support AIR WATER's overseas business expansion, thereby contributing to maintaining and improving the international competitiveness of Japanese industry.



Noble Gas Solutions, LLC
(Photo courtesy of AIR WATER)

4. Equity Finance Group



Message from the Global Head of the Group

JBIC has strengthened its equity financing operations with the aim of providing new value to the overseas business development of Japanese companies in the era of accelerating energy transformation and digital transformation. Aiming for a new stage in collaboration with JBIC IG Partners Co., Ltd. (JBIC IG), established in June 2017 to provide advisory services to overseas investment funds, the JBIC Group will continue to work on supporting Japanese companies' overseas business development.

Providing equity financing is essential in a variety of situations, including funding for addressing global issues such as attaining the SDGs and realizing a decarbonized society, undertaking M&A for acquiring new technologies and developing new business models, and implementing overseas infrastructure projects. Along with equity investments in individual companies and projects, JBIC believes that providing financing through investment funds is also an effective means and will respond to diverse needs by leveraging the strong relationships and dialogue channels with other countries that have been cultivated

through JBIC's diverse operations.

In FY2023, the final year of the Medium-term Business plan, we will continue to actively support the overseas expansion of Japanese companies through our equity financing operations, in response to the expectations for JBIC and changing circumstances of Japan.

UCHIDA Makoto

Managing Executive Officer
Global Head of Equity Finance Group

Business Environment and Key Challenges

Maintaining and Improving the International Competitiveness of Japanese Industry

"The Basic Policy on Economic and Fiscal Management and Reform 2023" formulated by the Government of Japan in June 2023 calls for multiple actions that include promoting economic security policies and strengthening energy security as well as encouraging Japanese companies to invest in overseas business and contains such initiatives as strengthening supply chain resilience, accelerating green transformation and digital transformation, promoting the support for startups, and transforming to a new industrial structure. Meanwhile, M&A by Japanese companies for capturing overseas markets, and acquiring technologies and know-how is also gaining importance.

JBIC will also provide support for strengthening supply chain resilience and business development toward a decarbonized society through its equity investment operations. To support the acquisition of cutting-edge technologies for digital transformation and sustainability transformation and the business development of Japanese companies in countries and regions important to Japan, the entire JBIC Group, including JBIC IG, will provide funds not only through direct equity financing but also through investment fund schemes.

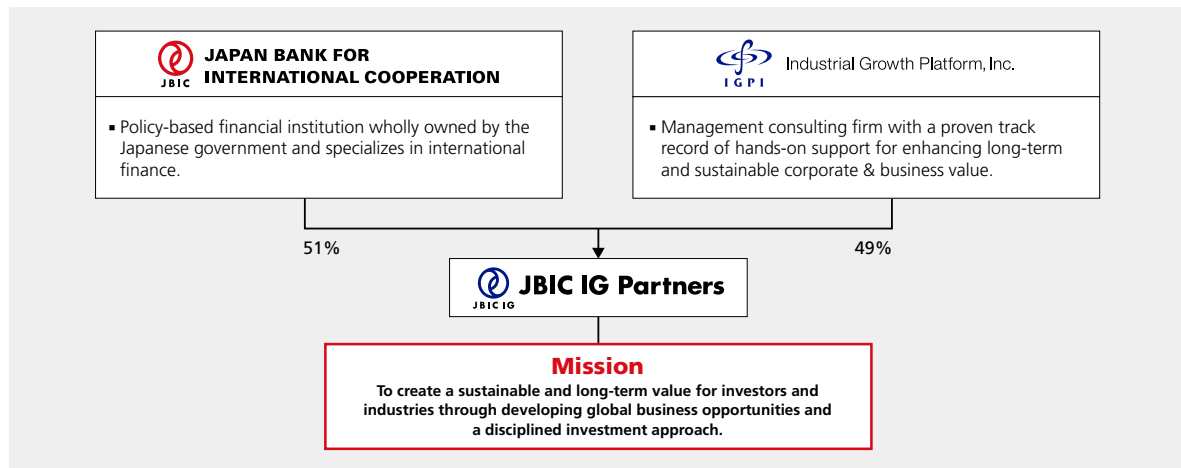
Overview of JBIC IG Partners (JBIC IG)

JBIC IG is an investment advisory firm established in June 2017, by JBIC and Industrial Growth Platform, Inc. (IGPI). JBIC IG applies the respective strengths of JBIC and IGPI as follows: JBIC has knowledge and experience of financing international projects as Japanese policy-based financial institution; IGPI has

the knowledge of investments and broad experience in providing companies with hands-on support for long-term, sustainable growth in corporate and business value. JBIC IG aims to create long-term, sustainable value for Japanese investors and industries through the development of global business opportunities and a disciplined investment approach.

About JBIC IG Partners

JBIC IG Partners is an investment advisory firm established by JBIC and IGPI.



Business Model of JBIC IG

JBIC IG composes overseas funds by partnering with foreign sovereign wealth funds and international investors, through investment advisory services to overseas funds.

As one noteworthy achievement, in January 2019, JBIC IG established a venture capital fund with AS BaltCap, a fund manager in the Baltic region, to invest in startups in the Nordic and Baltic regions. By the end of March 2023, JBIC IG executed a total of 20 investments. As investments have progressed smoothly, a successor

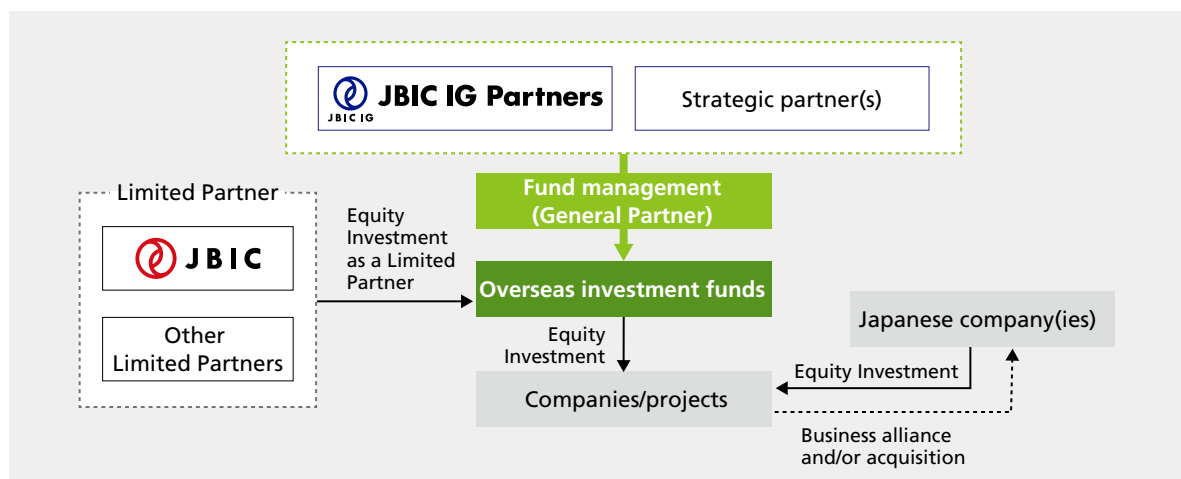
fund was created in March 2023.

In May 2023, JBIC collaborated with ff Venture Capital, which has a proven track record of forming funds in the U.S. and Poland, to establish a new venture capital fund that will invest in startups in Central and Eastern Europe. JBIC IG brings together investee companies from these funds with Japanese companies and engages in activities to promote collaboration.

JBIC IG will continue to provide added value to Japanese industry through the creation of new investment funds.

Overview of JBIC IG Partners' Investment Structure

JBIC makes equity investments in overseas companies through investment in funds that JBIC IG Partners launched in collaboration with overseas partners.



JBIC's Activities

JBIC supports the overseas business expansion of Japanese companies through M&A and other means as well as business alliances between Japanese companies and overseas startups through equity investments. By collaborating with JBIC IG

and overseas fund managers, we are also building a framework to support Japanese companies in improving their international competitiveness. The recent major initiatives of the Equity Financing Group are as follows.

■ Notable Examples of JBIC's Financial Support

Equity Participation in Wellesta Holdings Pte. Ltd

Supporting Overseas Business Expansion of Japanese Company in the Healthcare Sector

In March 2023, JBIC made an equity investment in MJ Pharma Pte. Ltd., a Singapore-based special purpose company (SPC) established by Mitsui & Co., Ltd., with the aim of acquiring shares and convertible bonds of Wellesta Holdings Pte. Ltd. (Wellesta) of Singapore through that SPC.

Wellesta is a startup founded in 2019 that primarily engages in the sales and marketing of pharmaceuticals and medical devices in Asia.

Mitsui has focused on the healthcare business in Asia. Against this backdrop, Mitsui has been the majority shareholder in IHH Healthcare Berhad (IHH), which is Asia's largest private hospital group and is positioned as Mitsui's core asset in this domain. Mitsui aims to expand its healthcare business value chain by securing pharmaceutical market access through the investment in Wellesta.

Wellesta's business also contributes to solving social problems in Asia; the "drug lag" or "device lag", the delay in making a drug or a medical device available in a particular market. Wellesta announces "Our endeavor is to provide accessible and right-priced healthcare solutions as we believe that everyone is entitled to good healthcare". Facilitating the sales and marketing of pharmaceuticals and medical devices will contribute to solving the above-mentioned social problem.

JBIC's equity participation in Wellesta will support Mitsui in expanding its overseas business and resolving the social issue, thereby contributing toward maintaining and improving the international competitiveness of Japanese industry.



Examples of products handled by Wellesta

Equity Participation in Fund Investing in Startups in Northern Europe

Strengthening the International Competitiveness of Japanese Companies through Investments in Northern Europe as a Frontrunner in Sustainability & Digitalization Sector

In March 2023, JBIC committed to investing in Luxembourg-based NordicNinja Fund II SCSp (NordicNinja II).

NordicNinja II is a venture capital fund established by JBIC IG and others that invests in startups related to the sustainability and digitalization sector, mainly in Northern Europe. It is a successor to JB Nordic Fund I SCSp, established in 2019 with the equity participation of JBIC, investing in startups in the Nordic and Baltic regions.

Along with JBIC, the Fund is invested in by erex Co., Ltd., OMRON Corporation, Kyuden International Corporation, Kiraboshi Bank, Ltd., KOSÉ Corporation, TOKYO GAS CO., LTD (through its subsidiary), JGC HOLDINGS CORPORATION, Hitachi Zosen Corporation, Honda Motor Co., Ltd., KDDI CORPORATION, and SOMPO Light Vortex, Inc.

In Northern Europe, public awareness of SDGs and climate change is high, and the movement toward building a sustainable society and realizing a circular economy is gaining momentum. In recent years, this region has seen the emergence of various world-leading startups in the area of sustainability in a wide variety of industries. In addition, a cycle has been created where experienced entrepreneurs of unicorn startups, pass on their knowledge and capital to next-generation entrepreneurs. This has created a startup ecosystem that produces many up-and-coming startups in this region.

NordicNinja II will support Japanese companies to achieve sustainability transformation by promoting businesses and capital alliances between startups in Northern Europe and Japanese strategic investors. The equity participation of JBIC is expected to contribute toward maintaining and improving the international competitiveness of Japanese companies.

* Northern Europe comprises 13 countries: the U.K., Ireland, Belgium, the Netherlands, Luxembourg, Finland, Sweden, Denmark, Norway, Iceland, Estonia, Latvia, and Lithuania.



Fund LP general meeting

Equity Participation in Fund Investing in Startups in Central and Eastern Europe (CEE)

Strengthening International Competitiveness of Japanese Companies through Investments in CEE, “Next Innovation Hub of Europe”

In May 2023, JBIC made an equity participation in Luxemburg-based ff Red & White.

ff Red & White is a venture capital fund to invest in startups that will contribute toward technologies for automation, remote operation, and labor-saving, mainly in the Central and Eastern Europe (CEE) region. The Fund is jointly established and managed by JBIC IG Partners and ff Venture Capital, which has a proven track record in the U.S. and Poland. At the first closing, besides JBIC, other companies committed to investing in the Fund include Sojitz Corporation, JGC HOLDINGS CORPORATION, DMG MORI CO., LTD., Ltd., KDDI CORPORATION, and SBI Holdings, Inc. (through its subsidiary).

As CEE has numerous highly skilled software engineers who graduated from universities or academic institutions with expertise in mathematics and computer science, leading European and American tech companies have established their R&D centers and promoted the development of cutting-edge technologies. Recently, the engineers who have worked for these tech companies have started their own businesses. In addition, Germany, one of the world's leading manufacturing nations, has developed technologies related to industrial automation. Therefore, promising startups that contribute to digital transformation, such as automation, remote operation, and labor-saving in industry and business activities, are beginning to emerge in the region.

ff Red & White will support Japanese companies in achieving digital transformation by promoting businesses and capital alliances between these startups in CEE and Japanese strategic investors. The equity participation of JBIC is expected to contribute toward maintaining and improving the international competitiveness of Japanese companies.

* CEE region comprises seven countries: Poland, Hungary, the Czech Republic, Slovakia, Romania, Germany, and Austria.



Fund closing event