

2024 | Data Book

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Supporting Your Global Challenges



**JAPAN BANK FOR
INTERNATIONAL COOPERATION**

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Numerical figures in this report

1. Numerical figures, other than percentages, in this report are truncated to the nearest whole number. Percentage figures are rounded off. Thus numerical and percentage figures may not add up to the totals given. Amounts denominated in foreign currencies are treated as follows. Commitments are converted into yen at the Basic Rate of Exchange at the time financing contracts are concluded. Disbursements, repayments, and outstanding balances are calculated based on book value.
2. Numerical figures less than the specified units are denoted by "0"; "—" denotes that data is not available.
3. Due to the launch of the newly established Special Operations, JBIC started to perform separate accounting procedures for the Ordinary Operations and the Special Operations on October 1, 2016. In this data book, financial data after October 1, 2016 is presented separately in the Ordinary Operations Account and the Special Operations Account, and Statistics data is presented without separating the Ordinary Operations Account and the Special Operations Account.

1.

Statistics

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1. Overview

1. Commitments

A. Commitments by Purpose of Financing

(Unit: billions of yen, %)

| | FY2019 | | | FY2020 | | | FY2021 | | | FY2022 | | | FY2023 | | |
|---------------------------|--------|---------|-------|--------|---------|-------|--------|---------|-------|--------|---------|-------|--------|---------|-------|
| | Number | Total | Share | Number | Total | Share | Number | Total | Share | Number | Total | Share | Number | Total | Share |
| Loans | | | | | | | | | | | | | | | |
| Export Loans | 18 | 189.0 | 11 | 2 | 1.0 | 0 | 3 | 60.8 | 3 | 15 | 42.9 | 2 | 10 | 55.3 | 3 |
| Shipping | 8 | 15.0 | 1 | — | — | — | — | — | — | 13 | 29.5 | 1 | 8 | 16.2 | 1 |
| Plant | 10 | 173.9 | 10 | 2 | 1.0 | 0 | 3 | 60.8 | 3 | 2 | 13.4 | 1 | 2 | 39.1 | 2 |
| Import Loans | — | — | — | 1 | 50.6 | 2 | 1 | 239.0 | 12 | 2 | 230.0 | 10 | 3 | 210.8 | 10 |
| Natural Resources | — | — | — | 1 | 50.6 | 2 | 1 | 239.0 | 12 | 2 | 230.0 | 10 | 3 | 210.8 | 10 |
| Overseas Investment Loans | 107 | 1,382.1 | 82 | 181 | 2,024.1 | 78 | 185 | 1,593.4 | 77 | 104 | 1,847.4 | 80 | 102 | 1,362.2 | 67 |
| Natural Resources | 7 | 263.3 | 16 | 8 | 457.1 | 18 | 8 | 414.5 | 20 | 4 | 199.7 | 9 | 7 | 270.5 | 13 |
| Others | 100 | 1,118.8 | 67 | 173 | 1,566.9 | 60 | 177 | 1,178.9 | 57 | 100 | 1,647.7 | 71 | 95 | 1,091.6 | 54 |
| Untied Loans | 2 | 22.0 | 1 | 6 | 183.8 | 7 | 6 | 47.8 | 2 | 10 | 76.2 | 3 | 12 | 91.9 | 5 |
| Sub Total | 127 | 1,593.2 | 95 | 190 | 2,259.6 | 87 | 195 | 1,941.1 | 94 | 131 | 2,196.6 | 95 | 127 | 1,720.3 | 84 |
| Guarantees | 9 | 75.8 | 5 | 14 | 324.6 | 12 | 9 | 89.1 | 4 | 12 | 95.2 | 4 | 25 | 230.3 | 11 |
| Equity Investments | 3 | 9.6 | 1 | 3 | 15.0 | 1 | 5 | 35.2 | 2 | 3 | 23.3 | 1 | 3 | 87.2 | 4 |
| Total | 139 | 1,678.7 | 100 | 207 | 2,599.3 | 100 | 209 | 2,065.5 | 100 | 146 | 2,315.2 | 100 | 155 | 2,037.9 | 100 |

B. Commitments by Region (Loans, Equity Investments and Guarantees)

(Unit: billions of yen, %)

| | FY2019 | | | FY2020 | | | FY2021 | | | FY2022 | | | FY2023 | | |
|-----------------------------------|--------|---------|-------|--------|---------|-------|--------|---------|-------|--------|---------|-------|--------|---------|-------|
| | Number | Total | Share | Number | Total | Share | Number | Total | Share | Number | Total | Share | Number | Total | Share |
| Asia | 100 | 792.8 | 47 | 126 | 490.2 | 19 | 122 | 186.4 | 9 | 93 | 638.2 | 28 | 116 | 567.8 | 28 |
| Oceania | 1 | 2.5 | 0 | 4 | 68.1 | 3 | 5 | 66.2 | 3 | 2 | 13.7 | 1 | 2 | 154.9 | 8 |
| Europe | 14 | 415.1 | 25 | 21 | 651.0 | 25 | 24 | 593.6 | 29 | 13 | 456.5 | 20 | 5 | 577.5 | 28 |
| The Middle East | 4 | 76.4 | 5 | 10 | 215.2 | 8 | 5 | 318.1 | 15 | 6 | 204.5 | 9 | 4 | 59.8 | 3 |
| Africa | 1 | 5.3 | 0 | 7 | 388.3 | 15 | — | — | — | 3 | 79.6 | 3 | 4 | 4.4 | 0 |
| North America | 6 | 172.5 | 10 | 21 | 536.0 | 21 | 32 | 820.2 | 40 | 15 | 473.0 | 20 | 10 | 159.6 | 8 |
| Latin America and the Caribbean | 9 | 187.0 | 11 | 16 | 240.9 | 9 | 19 | 64.3 | 3 | 11 | 211.6 | 9 | 10 | 415.9 | 20 |
| International Organizations, etc. | 2 | 21.6 | 1 | 2 | 9.2 | 0 | — | — | — | — | — | — | 2 | 14.6 | 1 |
| Others | 2 | 5.3 | 0 | — | — | — | 2 | 16.3 | 1 | 3 | 237.9 | 10 | 2 | 82.8 | 4 |
| Total | 139 | 1,678.7 | 100 | 207 | 2,599.3 | 100 | 209 | 2,065.5 | 100 | 146 | 2,315.2 | 100 | 155 | 2,037.9 | 100 |

2. Disbursements

(Unit: billions of yen, %)

| | FY2019 | | FY2020 | | FY2021 | | FY2022 | | FY2023 | |
|---------------------------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|
| | Total | Share | Total | Share | Total | Share | Total | Share | Total | Share |
| Loans | | | | | | | | | | |
| Export Loans | 174.1 | 10 | 71.2 | 3 | 71.2 | 3 | 45.9 | 2 | 58.0 | 4 |
| Import Loans | — | — | — | — | 112.6 | 5 | 467.1 | 24 | 134.1 | 9 |
| Overseas Investment Loans | 1,490.0 | 82 | 1,699.5 | 79 | 1,785.8 | 81 | 1,163.8 | 60 | 1,016.6 | 70 |
| Untied Loans | 9.7 | 1 | 76.6 | 4 | 68.6 | 3 | 115.7 | 6 | 48.7 | 3 |
| Sub Total | 1,673.9 | 93 | 1,847.4 | 86 | 2,038.4 | 93 | 1,792.6 | 92 | 1,257.5 | 87 |
| Guarantees | 104.8 | 6 | 286.9 | 13 | 119.1 | 5 | 136.9 | 7 | 174.6 | 12 |
| Equity Investments | 30.2 | 2 | 12.7 | 1 | 37.3 | 2 | 18.6 | 1 | 16.7 | 1 |
| Total | 1,809.0 | 100 | 2,147.1 | 100 | 2,194.9 | 100 | 1,948.3 | 100 | 1,448.9 | 100 |

3. Repayments

(Unit: billions of yen, %)

| | FY2019 | | FY2020 | | FY2021 | | FY2022 | | FY2023 | |
|---------------------------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|
| | Total | Share | Total | Share | Total | Share | Total | Share | Total | Share |
| Loans | | | | | | | | | | |
| Export Loans | 111.4 | 5 | 121.1 | 5 | 120.3 | 5 | 201.3 | 8 | 250.1 | 10 |
| Import Loans | 140.9 | 6 | 143.5 | 6 | 67.4 | 3 | 183.0 | 7 | 191.6 | 7 |
| Overseas Investment Loans | 1,391.4 | 59 | 1,424.7 | 59 | 1,864.0 | 77 | 1,675.1 | 67 | 1,831.5 | 70 |
| Untied Loans | 239.8 | 10 | 79.9 | 3 | 45.6 | 2 | 42.9 | 2 | 57.6 | 2 |
| Governmental Loans | 1.8 | 0 | 1.1 | 0 | 1.1 | 0 | 2.1 | 0 | 2.2 | 0 |
| Sub Total | 1,885.5 | 79 | 1,770.4 | 74 | 2,098.6 | 87 | 2,104.6 | 85 | 2,333.1 | 89 |
| Guarantees | 470.0 | 20 | 577.7 | 24 | 271.6 | 11 | 367.3 | 15 | 241.6 | 9 |
| Equity Investments | 16.7 | 1 | 53.2 | 2 | 41.1 | 2 | 16.7 | 1 | 44.4 | 2 |
| Total | 2,372.3 | 100 | 2,401.5 | 100 | 2,411.4 | 100 | 2,488.6 | 100 | 2,619.2 | 100 |

Note: Prepayments in FY2022 and 2023 amounted to ¥234.3 billion and ¥286.0 billion, respectively.

4. Outstandings

(Unit: billions of yen, %)

| | FY2019 | | FY2020 | | FY2021 | | FY2022 | | FY2023 | |
|---------------------------|----------|-------|----------|-------|----------|-------|----------|-------|----------|-------|
| | Total | Share | Total | Share | Total | Share | Total | Share | Total | Share |
| Loans | | | | | | | | | | |
| Export Loans | 1,178.8 | 8 | 1,144.9 | 7 | 1,186.0 | 7 | 1,119.5 | 6 | 1,035.3 | 6 |
| Import Loans | 313.8 | 2 | 169.2 | 1 | 229.6 | 1 | 509.8 | 3 | 495.4 | 3 |
| Overseas Investment Loans | 11,416.1 | 73 | 11,984.0 | 76 | 13,046.4 | 77 | 13,581.6 | 77 | 14,485.8 | 79 |
| Untied Loans | 298.6 | 2 | 303.4 | 2 | 349.8 | 2 | 442.5 | 3 | 472.4 | 3 |
| Governmental Loans | 24.6 | 0 | 23.5 | 0 | 22.4 | 0 | 20.3 | 0 | 18.1 | 0 |
| Sub Total | 13,232.1 | 85 | 13,625.2 | 87 | 14,834.4 | 88 | 15,673.9 | 89 | 16,507.1 | 90 |
| Guarantees | 2,120.9 | 14 | 1,838.3 | 12 | 1,724.8 | 10 | 1,537.6 | 9 | 1,526.4 | 8 |
| Equity Investments | 304.8 | 2 | 281.2 | 2 | 312.0 | 2 | 324.7 | 2 | 321.5 | 2 |
| Total | 15,657.9 | 100 | 15,744.8 | 100 | 16,871.3 | 100 | 17,536.2 | 100 | 18,355.1 | 100 |

2. Commitments

1. Export Loans by Industry

(Unit: billions of yen, %)

| | FY2022 | | | FY2023 | | |
|--|--------|-------|-------|--------|-------|-------|
| | Number | Total | Share | Number | Total | Share |
| Shipping | 13 | 29.5 | 69 | 8 | 16.2 | 29 |
| Electrical Machinery | — | — | — | 2 | 39.1 | 71 |
| Telecommunication Equipment | 1 | 11.6 | 27 | — | — | — |
| Other Industrial Machinery and Equipment, etc. | 1 | 1.8 | 4 | — | — | — |
| Loading Machinery | 1 | 1.8 | 4 | — | — | — |
| Total | 15 | 42.9 | 100 | 10 | 55.3 | 100 |

2. Natural Resource Loans by Item

(Unit: billions of yen, %)

| | FY2022 | | | FY2023 | | |
|----------------------------|--------|-------|-------|--------|-------|-------|
| | Number | Total | Share | Number | Total | Share |
| Energy Resources | 2 | 230.0 | 54 | 7 | 266.0 | 55 |
| Natural Gas | 2 | 230.0 | 54 | 5 | 264.2 | 55 |
| Biomass Fuels | — | — | — | 2 | 1.7 | 0 |
| Other Resources | 4 | 199.7 | 46 | 3 | 215.2 | 45 |
| Iron Ore | 1 | 132.2 | 31 | 1 | 72.1 | 15 |
| Copper Ore and Concentrate | 2 | 60.7 | 14 | 2 | 143.1 | 30 |
| Other Metals | 1 | 6.8 | 2 | — | — | — |
| Total | 6 | 429.7 | 100 | 10 | 481.3 | 100 |

3. Overseas Investment Loans by Industry

(Unit: billions of yen, %)

| | FY2022 | | | FY2023 | | |
|---|--------|---------|-------|--------|---------|-------|
| | Number | Total | Share | Number | Total | Share |
| Manufacturing Industry | 64 | 531.9 | 32 | 70 | 272.9 | 25 |
| Food | 3 | 0.4 | 0 | 3 | 30.9 | 3 |
| Textiles | 2 | 0.3 | 0 | — | — | — |
| Lumber and Pulp | 2 | 2.7 | 0 | — | — | — |
| Chemicals | 2 | 22.2 | 1 | 3 | 78.9 | 7 |
| Petroleum and Coal Products | 1 | 0.0 | 0 | — | — | — |
| Ceramics, Stone and Clay | 1 | 19.0 | 1 | — | — | — |
| Iron and Non-ferrous Metal Products | 15 | 435.7 | 26 | 13 | 2.5 | 0 |
| Machinery | 3 | 0.0 | 0 | 8 | 2.4 | 0 |
| Electrical Machinery | 1 | 0.0 | 0 | 3 | 9.6 | 1 |
| Transport Equipment | 14 | 26.1 | 2 | 20 | 24.8 | 2 |
| Other Manufacturing Industries | 20 | 25.1 | 2 | 20 | 123.5 | 11 |
| Construction | 2 | 32.0 | 2 | — | — | — |
| Electric, Gas and Heat Supply and Water Service | 8 | 364.6 | 22 | 6 | 493.9 | 45 |
| Telecommunications | — | — | — | 1 | 18.5 | 2 |
| Transport and Postal Services | — | — | — | 4 | 26.3 | 2 |
| Commerce | 4 | 0.2 | 0 | 5 | 4.4 | 0 |
| Service Industry | 12 | 586.9 | 36 | 4 | 58.9 | 5 |
| Others* | 10 | 131.8 | 8 | 5 | 216.3 | 20 |
| Total | 100 | 1,647.7 | 100 | 95 | 1,091.6 | 100 |

* "Others" includes two-step loans to regional financial institutions in Japan. JBIC supports the overseas operations of Japanese enterprises (especially SMEs) engaged in a diverse range of manufacturing and services, such as motor vehicles and parts, electrical and electronic equipment, machinery and metals, chemicals, and wholesale and retail businesses.

4. Commitments to Mid-tier Enterprises and SMEs to Support their Overseas Business Activities

(Unit: billions of yen)

| | FY2022 | | FY2023 | |
|--|--------------------|--------|--------------------|--------|
| | Number of Projects | Amount | Number of Projects | Amount |
| Loans to Mid-tier Enterprises and SMEs | 64 | 9.8 | 70 | 14.7 |

Notes: 1. In making loans to mid-tier enterprises and SMEs, JBIC applies favorable loan terms, such as interest rates.

2. In this table, an SMEs is defined to be, in principle, an incorporated firm or individual with capital of ¥300 million or less, or having permanent employees of 300 or less. A mid-tier enterprise is defined to be an incorporated firm with capital of less than ¥1 billion (and excludes an SMEs).

5. Guarantee Commitments by Purpose

(Unit: billions of yen, %)

| | FY2022 | | | FY2023 | | |
|-----------------------------------|--------|-------|-------|--------|-------|-------|
| | Number | Total | Share | Number | Total | Share |
| Guarantee for Samurai Bonds | — | — | — | 1 | 93.0 | 40 |
| Guarantee for Import of Aircrafts | 2 | 38.2 | 40 | 1 | 11.2 | 5 |
| Guarantee for Others | 10 | 56.9 | 60 | 23 | 126.1 | 55 |
| Total | 12 | 95.2 | 100 | 25 | 230.3 | 100 |

6. Loan and Guarantee Commitments by Region

A. Export Loan Commitments by Region

(Unit: billions of yen, %)

| | FY2022 | | | FY2023 | | |
|---------------------------------|--------|-------|-------|--------|-------|-------|
| | Number | Total | Share | Number | Total | Share |
| Asia | 13 | 39.2 | 91 | 8 | 16.2 | 29 |
| Southeast Asia | 12 | 27.6 | 64 | 8 | 16.2 | 29 |
| Central Asia and the Caucasus | 1 | 11.6 | 27 | — | — | — |
| The Middle East | 2 | 3.7 | 9 | — | — | — |
| Latin America and the Caribbean | — | — | — | 2 | 39.1 | 71 |
| Total | 15 | 42.9 | 100 | 10 | 55.3 | 100 |

B. Import Loan Commitments by Region

(Unit: billions of yen, %)

| | FY2022 | | | FY2023 | | |
|---------------------------------|--------|-------|-------|--------|-------|-------|
| | Number | Total | Share | Number | Total | Share |
| Asia | — | — | — | 1 | 58.6 | 28 |
| Southeast Asia | — | — | — | 1 | 58.6 | 28 |
| Latin America and the Caribbean | — | — | — | 1 | 72.1 | 34 |
| Others | 2 | 230.0 | 100 | 1 | 80.0 | 38 |
| Total | 2 | 230.0 | 100 | 3 | 210.8 | 100 |

C. Overseas Investment Loan Commitments by Region

(Unit: billions of yen, %)

| | FY2022 | | | FY2023 | | |
|---------------------------------------|--------|---------|-------|--------|---------|-------|
| | Number | Total | Share | Number | Total | Share |
| Asia | 65 | 506.4 | 27 | 80 | 269.5 | 20 |
| East Asia | 12 | 1.7 | 0 | 8 | 102.4 | 8 |
| Southeast Asia | 50 | 46.5 | 3 | 66 | 138.7 | 10 |
| South Asia | 2 | 405.1 | 22 | 6 | 28.3 | 2 |
| Central Asia and the Caucasus | 1 | 53.0 | 3 | — | — | — |
| Oceania | 1 | 7.0 | 0 | 2 | 154.9 | 11 |
| Europe | 12 | 429.9 | 23 | 4 | 484.5 | 36 |
| Central and Eastern Europe and Russia | 3 | 5.6 | 0 | — | — | — |
| Western Europe | 9 | 424.3 | 23 | 4 | 484.5 | 36 |
| The Middle East | 2 | 174.7 | 9 | — | — | — |
| Africa | 3 | 79.6 | 4 | — | — | — |
| Northern Africa | 2 | 74.6 | 4 | — | — | — |
| Sub-Saharan Africa | 1 | 4.9 | 0 | — | — | — |
| North America | 13 | 448.0 | 24 | 9 | 148.4 | 11 |
| Latin America and the Caribbean | 8 | 201.6 | 11 | 7 | 304.6 | 22 |
| Total | 104 | 1,847.4 | 100 | 102 | 1,362.2 | 100 |

D. Untied Loan Commitments by Region

(Unit: billions of yen, %)

| | FY2022 | | | FY2023 | | |
|-----------------------------------|--------|-------|-------|--------|-------|-------|
| | Number | Total | Share | Number | Total | Share |
| Asia | 6 | 52.8 | 69 | 7 | 46.3 | 50 |
| Southeast Asia | 2 | 26.4 | 35 | 2 | 6.2 | 7 |
| South Asia | 4 | 26.4 | 35 | 5 | 40.1 | 44 |
| The Middle East | 1 | 13.3 | 18 | 2 | 35.8 | 39 |
| Africa | — | — | — | 2 | 2.2 | 2 |
| Sub-Saharan Africa | — | — | — | 2 | 2.2 | 2 |
| Latin America and the Caribbean | 3 | 10.0 | 13 | — | — | — |
| International Organizations, etc. | — | — | — | 1 | 7.5 | 8 |
| Total | 10 | 76.2 | 100 | 12 | 91.9 | 100 |

E. Guarantee Commitments by Region

(Unit: billions of yen, %)

| | FY2022 | | | FY2023 | | |
|---------------------------------------|--------|-------|-------|--------|-------|-------|
| | Number | Total | Share | Number | Total | Share |
| Asia | 8 | 37.5 | 39 | 18 | 92.7 | 40 |
| East Asia | — | — | — | 5 | 60.6 | 26 |
| Southeast Asia | 4 | 20.3 | 21 | 7 | 1.1 | 0 |
| South Asia | 4 | 17.2 | 18 | 6 | 31.0 | 13 |
| Oceania | 1 | 6.7 | 7 | — | — | — |
| Europe | 1 | 26.5 | 28 | 1 | 93.0 | 40 |
| Central and Eastern Europe and Russia | — | — | — | 1 | 93.0 | 40 |
| Western Europe | 1 | 26.5 | 28 | — | — | — |
| The Middle East | 1 | 12.7 | 13 | 2 | 23.9 | 10 |
| Africa | — | — | — | 2 | 2.2 | 1 |
| Sub-Saharan Africa | — | — | — | 2 | 2.2 | 1 |
| North America | 1 | 11.7 | 12 | 1 | 11.2 | 5 |
| Latin America and the Caribbean | — | — | — | — | — | — |
| International Organizations, etc. | — | — | — | 1 | 7.1 | 3 |
| Total | 12 | 95.2 | 100 | 25 | 230.3 | 100 |

F. Equity Investment Commitments by Region

(Unit: billions of yen, %)

| | FY2022 | | | FY2023 | | |
|----------------|--------|-------|-------|--------|-------|-------|
| | Number | Total | Share | Number | Total | Share |
| Asia | 1 | 2.0 | 9 | 2 | 84.3 | 97 |
| East Asia | — | — | — | 1 | 41.1 | 47 |
| Southeast Asia | 1 | 2.0 | 9 | — | — | — |
| South Asia | — | — | — | 1 | 43.2 | 50 |
| North America | 1 | 13.3 | 57 | — | — | — |
| Others | 1 | 7.9 | 34 | 1 | 2.8 | 3 |
| Total | 3 | 23.3 | 100 | 3 | 87.2 | 100 |

7. Geographical Distribution of Loan and Equity Investment Commitments

(Unit: billions of yen)

| Region / Country | | | FY2022 | | FY2023 | | Accumulated | |
|------------------|-------------------------------|-------------------|--------|-------|--------|-------|-------------|----------|
| | | | Number | Total | Number | Total | Number | Total |
| Asia | East Asia | China | 7 | 1.3 | 3 | 0.4 | 1,596 | 3,940.6 |
| | | Hong Kong | 2 | 0.2 | 2 | 0.2 | 310 | 322.8 |
| | | Japan | | | | | 1 | 0.2 |
| | | Republic of Korea | 1 | 0.0 | | | 709 | 1,306.3 |
| | | Mongolia | | | | | 8 | 7.2 |
| | | Others | 2 | 0.0 | 4 | 142.8 | 1,040 | 661.1 |
| | | Sub Total | 12 | 1.7 | 9 | 143.5 | 3,664 | 6,238.5 |
| | Southeast Asia | Cambodia | 1 | 0.1 | | | 7 | 0.6 |
| | | Indonesia | 9 | 22.1 | 13 | 13.2 | 1,658 | 6,623.6 |
| | | Laos | | | 1 | 0.4 | 10 | 25.4 |
| | | Malaysia | 4 | 0.6 | 1 | 0.2 | 613 | 1,464.9 |
| | | Myanmar | | | | | 75 | 225.2 |
| | | The Philippines | 3 | 0.1 | 7 | 1.0 | 862 | 1,907.5 |
| | | Singapore | 14 | 49.5 | 11 | 99.5 | 526 | 1,038.3 |
| | | Thailand | 20 | 2.2 | 28 | 92.8 | 2,802 | 3,028.0 |
| | | Vietnam | 14 | 27.8 | 16 | 12.4 | 334 | 883.0 |
| | | Others | | | | | 40 | 259.0 |
| | | Sub Total | 65 | 102.7 | 77 | 219.8 | 6,927 | 15,456.1 |
| | South Asia | Bangladesh | | | 2 | 0.0 | 13 | 136.4 |
| | | India | 6 | 431.5 | 9 | 110.6 | 899 | 2,400.2 |
| | | Pakistan | | | | | 290 | 298.3 |
| | | Sri Lanka | | | 1 | 0.9 | 62 | 68.8 |
| | | Others | | | | | 17 | 3.6 |
| | | Sub Total | 6 | 431.5 | 12 | 111.6 | 1,281 | 2,907.5 |
| | Central Asia and the Caucasus | Kazakhstan | | | | | 25 | 301.8 |
| | | Turkmenistan | | | | | 15 | 302.8 |
| | | Uzbekistan | 2 | 64.6 | | | 17 | 176.0 |
| | | Others | | | | | 8 | 195.0 |
| | | Sub Total | 2 | 64.6 | — | — | 65 | 975.7 |
| | Total | | 85 | 600.7 | 98 | 475.0 | 11,937 | 25,578.0 |
| Oceania | | Australia | 1 | 7.0 | 2 | 154.9 | 889 | 3,518.4 |
| | | Fiji | | | | | 8 | 14.2 |
| | | Marshall Islands | | | | | 1 | 1.4 |
| | | New Zealand | | | | | 147 | 176.8 |
| | | Palau | | | | | 2 | 1.7 |
| | | Papua New Guinea | | | | | 56 | 267.2 |
| | | Others | | | | | 44 | 23.4 |
| | Total | | 1 | 7.0 | 2 | 154.9 | 1,147 | 4,003.5 |

1. Statistics

(Unit: billions of yen)

| Region / Country | | | FY2022 | | FY2023 | | Accumulated | |
|------------------|---------------------------------------|----------------|--------|-------|--------|-------|-------------|---------|
| | | | Number | Total | Number | Total | Number | Total |
| Europe | Central and Eastern Europe and Russia | Hungary | 1 | 2.7 | | | 37 | 156.8 |
| | | Romania | 1 | 2.0 | | | 143 | 97.3 |
| | | Russia | | | | | 140 | 2,005.6 |
| | | Ukraine | 1 | 0.9 | | | 12 | 42.2 |
| | | Others | | | | | 964 | 2,126.1 |
| | | Sub Total | 3 | 5.6 | — | — | 1,296 | 4,428.2 |
| | Western Europe | Belgium | | | | | 30 | 161.5 |
| | | France | 1 | 0.0 | 2 | 337.4 | 314 | 985.8 |
| | | Germany | 2 | 16.9 | | | 304 | 521.2 |
| | | United Kingdom | 1 | 45.1 | 1 | 47.1 | 585 | 2,727.4 |
| | | Iceland | | | | | 5 | 8.2 |
| | | Ireland | 4 | 355.7 | | | 54 | 1,223.7 |
| | | Italy | | | | | 55 | 357.8 |
| | | Luxembourg | | | | | 9 | 120.5 |
| | | Malta | | | | | 4 | 18.7 |
| | | Netherlands | 1 | 6.4 | | | 112 | 720.3 |
| | | Norway | | | | | 249 | 462.4 |
| | | Spain | | | | | 70 | 328.3 |
| | | Sweden | | | 1 | 100.0 | 62 | 269.2 |
| | | Isle of Man | | | | | 9 | 9.6 |
| | | Switzerland | | | | | 93 | 416.0 |
| | | Others | | | | | 722 | 656.2 |
| | | Sub Total | 9 | 424.3 | 4 | 484.5 | 2,677 | 8,987.5 |
| | | Total | | 12 | 429.9 | 4 | 484.5 | 3,973 |
| The Middle East | Bahrain | | | | | 8 | 115.6 | |
| | Iraq | | | | | 23 | 252.2 | |
| | Jordan | | | | | 29 | 89.1 | |
| | Kuwait | | | | | 25 | 264.1 | |
| | Oman | | | | | 28 | 296.4 | |
| | Qatar | | | | | 39 | 930.3 | |
| | Saudi Arabia | 1 | 13.3 | | | 85 | 1,098.2 | |
| | Türkiye | 3 | 14.2 | 2 | 35.8 | 210 | 900.1 | |
| | United Arab Emirates | 1 | 164.1 | | | 82 | 2,759.8 | |
| | Yemen | | | | | 11 | 35.8 | |
| | Others | | | | | 305 | 1,238.9 | |
| Total | | 5 | 191.8 | 2 | 35.8 | 845 | 7,981.0 | |

(Unit: billions of yen)

| Region / Country | | | FY2022 | | FY2023 | | Accumulated | |
|-----------------------------------|------------------------|--------------|--------|---------|--------|---------|-------------|----------|
| | | | Number | Total | Number | Total | Number | Total |
| Africa | Northern Africa | Egypt | 2 | 74.6 | | | 187 | 336.9 |
| | | Morocco | | | | | 11 | 150.3 |
| | | Others | | | | | 367 | 1,079.9 |
| | Sub-Saharan Africa | Sub Total | 2 | 74.6 | — | — | 565 | 1,567.3 |
| | | Angola | | | | | 34 | 135.1 |
| | | Ghana | | | | | 25 | 59.7 |
| | | Madagascar | | | | | 9 | 102.5 |
| | | Mozambique | | | | | 22 | 481.1 |
| | | Senegal | 1 | 4.9 | | | 2 | 5.2 |
| | | Seychelles | | | | | 2 | 1.2 |
| | | South Africa | | | | | 118 | 339.6 |
| | | Tanzania | | | | | 21 | 32.2 |
| | | Uganda | | | | | 7 | 8.7 |
| | | Benin | | | 2 | 2.2 | 2 | 2.2 |
| | | Others | | | | | 1,581 | 2,057.2 |
| | | Sub Total | 1 | 4.9 | 2 | 2.2 | 1,823 | 3,225.3 |
| | Total | | 3 | 79.6 | 2 | 2.2 | 2,388 | 4,792.6 |
| North America | Canada | | 3 | 59.8 | | | 336 | 964.2 |
| | United States | | 11 | 401.5 | 9 | 148.4 | 2,789 | 10,761.3 |
| | Total | | 14 | 461.3 | 9 | 148.4 | 3,125 | 11,725.5 |
| Latin America and the Caribbean | Antigua and Barbuda | | | | 1 | 0.0 | 2 | 2.9 |
| | Argentina | | | | | | 273 | 567.4 |
| | The Bahamas | | | | | | 22 | 67.7 |
| | Brazil | | 2 | 132.3 | 2 | 94.7 | 1,979 | 3,801.9 |
| | British Virgin Islands | | | | | | 4 | 345.0 |
| | Cayman Islands | | | | | | 6 | 163.8 |
| | Chile | | 2 | 60.7 | 2 | 143.1 | 169 | 1,800.8 |
| | Ecuador | | | | | | 33 | 81.9 |
| | Panama | | | | | | 286 | 418.2 |
| | Peru | | | | | | 115 | 546.3 |
| | Trinidad and Tobago | | | | | | 8 | 83.9 |
| | Mexico | | 7 | 18.5 | 5 | 178.0 | 885 | 2,542.4 |
| | Uruguay | | | | | | 17 | 21.8 |
| | Venezuela | | | | | | 81 | 661.8 |
| | Others | | | | | | 376 | 658.8 |
| | Total | | 11 | 211.6 | 10 | 415.9 | 4,256 | 11,765.3 |
| International Organizations, etc. | | Total | — | — | 1 | 7.5 | 62 | 1,246.9 |
| Others* | | Total | 3 | 237.9 | 2 | 82.8 | 124 | 2,330.9 |
| Grand Total | | | 134 | 2,220.0 | 130 | 1,807.5 | 27,857 | 82,839.8 |

*Others: Loans for cross-border projects, etc.

3. Outstandings

1. Outstandings by Purpose of Financing

(Unit: billions of yen, %)

| | FY2022 | | FY2023 | |
|---------------------------|----------|-------|----------|-------|
| | Total | Share | Total | Share |
| Loans | | | | |
| Export Loans | 1,119.5 | 6 | 1,035.3 | 6 |
| Shipping | 131.6 | 1 | 133.6 | 1 |
| Plant | 987.8 | 6 | 901.5 | 5 |
| Technical Service | 0.1 | 0 | 0.0 | 0 |
| Import Loans | 509.8 | 3 | 495.4 | 3 |
| Natural Resources | 509.8 | 3 | 495.4 | 3 |
| Overseas Investment Loans | 13,581.6 | 77 | 14,485.8 | 79 |
| Natural Resources | 4,033.9 | 23 | 4,054.5 | 22 |
| Others | 9,547.6 | 54 | 10,431.2 | 57 |
| Untied Loans | 442.5 | 3 | 472.4 | 3 |
| Governmental Loans | 20.3 | 0 | 18.1 | 0 |
| Sub Total | 15,673.9 | 89 | 16,507.1 | 90 |
| Guarantees | 1,537.6 | 9 | 1,526.4 | 8 |
| Equity Investments | 324.7 | 2 | 321.5 | 2 |
| Total | 17,536.2 | 100 | 18,355.1 | 100 |

2. Guarantee Outstandings by Purpose

(Unit: billions of yen, %)

| | FY2022 | | FY2023 | |
|-----------------------------------|---------|-------|---------|-------|
| | Total | Share | Total | Share |
| Guarantee for Samurai Bonds | 622.4 | 40 | 663.0 | 43 |
| Guarantee for Import of Aircrafts | 439.6 | 29 | 383.8 | 25 |
| Guarantee for Others | 475.6 | 31 | 479.6 | 32 |
| Total | 1,537.6 | 100 | 1,526.4 | 100 |

3. Geographical Distribution of Loan and Equity Investment Outstandings

(As of March 31, 2024; billions of yen)

| Region / Country | | | Number | Total |
|------------------|---------------------------------------|-------------------|---------|---------|
| Asia | East Asia | China | 42 | 40.0 |
| | | Hong Kong | 38 | 16.1 |
| | | Japan | 1 | 0.2 |
| | | Republic of Korea | 9 | 28.3 |
| | | Mongolia | 4 | 0.9 |
| | | Others | 7 | 0.2 |
| | | Sub Total | 101 | 85.9 |
| | Southeast Asia | Cambodia | 3 | 0.3 |
| | | Indonesia | 90 | 1,110.4 |
| | | Laos | 7 | 29.2 |
| | | Malaysia | 14 | 166.3 |
| | | Myanmar | 11 | 8.8 |
| | | The Philippines | 33 | 178.2 |
| | | Singapore | 33 | 135.8 |
| | | Thailand | 197 | 202.6 |
| | | Vietnam | 137 | 613.4 |
| | | Sub Total | 525 | 2,445.3 |
| | South Asia | Bangladesh | 6 | 117.5 |
| | | India | 57 | 860.6 |
| | | Pakistan | 15 | 24.1 |
| | | Sri Lanka | 2 | 1.9 |
| | | Sub Total | 80 | 1,004.2 |
| | Central Asia and the Caucasus | Kazakhstan | 3 | 51.4 |
| | | Turkmenistan | 7 | 178.1 |
| | | Uzbekistan | 5 | 50.9 |
| | | Sub Total | 15 | 280.6 |
| Total | | 721 | 3,816.1 | |
| Oceania | Australia | 37 | 927.7 | |
| | Fiji | 1 | 13.3 | |
| | Marshall Islands | 2 | 0.6 | |
| | New Zealand | 2 | 45.4 | |
| | Palau | 1 | 0.5 | |
| | Papua New Guinea | 5 | 127.9 | |
| Total | | 48 | 1,115.5 | |
| Europe | Central and Eastern Europe and Russia | Hungary | 1 | 2.5 |
| | | Serbia | 1 | 1.8 |
| | | Romania | 1 | 1.8 |
| | | Russia | 9 | 203.5 |
| | | Ukraine | 1 | 0.5 |
| | | Sub Total | 13 | 210.2 |
| | Western Europe | Belgium | 1 | 1.8 |
| | | France | 3 | 45.8 |
| | | Germany | 11 | 50.1 |
| | | United Kingdom | 45 | 939.1 |
| | | Iceland | 1 | 3.8 |
| | | Ireland | 8 | 660.6 |
| | | Italy | 14 | 324.4 |
| | | Luxembourg | 4 | 81.9 |
| | | Malta | 1 | 4.9 |
| | | Netherlands | 10 | 169.4 |
| | | Norway | 4 | 18.3 |
| | | Spain | 6 | 169.1 |
| | | Sweden | 4 | 128.6 |
| | | Isle of Man | 9 | 4.2 |
| | | Switzerland | 5 | 363.4 |
| | | Sub Total | 126 | 2,966.2 |
| Total | | 139 | 3,176.5 | |

(As of March 31, 2024; billions of yen)

| Region / Country | | | Number | Total | |
|-----------------------------------|------------------------|----------------------|----------|-------|-------|
| The Middle East | | Bahrain | 1 | 18.5 | |
| | | Iraq | 3 | 27.3 | |
| | | Jordan | 2 | 11.3 | |
| | | Kuwait | 3 | 99.7 | |
| | | Oman | 2 | 50.0 | |
| | | Qatar | 6 | 453.7 | |
| | | Saudi Arabia | 10 | 310.7 | |
| | | Türkiye | 19 | 140.8 | |
| | | United Arab Emirates | 18 | 969.0 | |
| | | Yemen | 1 | 8.7 | |
| | Total | 65 | 2,090.4 | | |
| Africa | Northern Africa | Egypt | 5 | 85.6 | |
| | | Morocco | 3 | 86.0 | |
| | | Sub Total | 8 | 171.7 | |
| | Sub-Saharan Africa | Angola | 45 | 48.1 | |
| | | Ghana | 1 | 21.7 | |
| | | Madagascar | 2 | 58.5 | |
| | | Mozambique | 2 | 81.1 | |
| | | Senegal | 1 | 4.8 | |
| | | Seychelles | 1 | 0.2 | |
| | | South Africa | 4 | 13.8 | |
| | | Tanzania | 7 | 14.8 | |
| | | Uganda | 1 | 3.7 | |
| | | Sub Total | 64 | 247.2 | |
| | | | Total | 72 | 418.9 |
| | | North America | Canada | 8 | 253.5 |
| United States | 126 | | 3,390.6 | | |
| Total | 134 | | 3,644.1 | | |
| Latin America and the Caribbean | Argentina | 2 | 30.4 | | |
| | The Bahamas | 1 | 0.3 | | |
| | Brazil | 28 | 646.1 | | |
| | British Virgin Islands | 1 | 273.8 | | |
| | Cayman Islands | 1 | 90.8 | | |
| | Chile | 17 | 648.5 | | |
| | Ecuador | 2 | 3.8 | | |
| | Panama | 3 | 15.9 | | |
| | Peru | 4 | 101.4 | | |
| | Trinidad and Tobago | 1 | 50.1 | | |
| | Mexico | 47 | 208.2 | | |
| | Uruguay | 4 | 6.4 | | |
| | Venezuela | 5 | 239.5 | | |
| | Total | 116 | 2,315.9 | | |
| International Organizations, etc. | Total | 4 | 15.8 | | |
| Others* | Total | 24 | 235.1 | | |
| | Grand Total | 1,323 | 16,828.7 | | |

*Others: Loans for cross-border projects, etc.

4. Others

1. Major Buyer's Credit* Commitments (FY2023)

| Region/Country | Project/Transaction | Borrower | Amount |
|----------------|---|----------------|------------------|
| Mexico | Export of natural gas-fired combined cycle power generation equipment | FPGC NUM.10673 | US\$ 167 million |
| Mexico | Export of natural gas-fired combined cycle power generation equipment | FPGC NUM.10673 | US\$ 93 million |

* A buyer's credit is a direct loan to a foreign importer to finance the import of machinery and equipment from Japanese firms.

2. Untied Loan Commitments (FY2023)

| Region/Country | Project/Transaction | Borrower | Amount |
|----------------|--|--|-------------------|
| Indonesia | Partial acquisition of publicly offered Samurai Blue Bonds | Government of Indonesia | — |
| India | Waste-to-Energy Projects | POWER FINANCE CORPORATION LIMITED | ¥ 1.1 billion* |
| India | Manufacturing and sales business of the local suppliers and dealers of Japanese agricultural machinery manufacturers and also for the local sales finance businesses to sell Japanese farm equipment | IndusInd Bank Limited | US\$ 60 million* |
| India | Environmental equipment installation projects | NTPC Limited | ¥ 9 billion* |
| India | Renewable energy generation projects | NHPC Limited | ¥ 12 billion* |
| India | Renewable energy generation projects | NTPC RENEWABLE ENERGY LIMITED | ¥ 9 billion* |
| Türkiye | Renewable energy projects and energy efficiency projects | Türkiye Kalkınma ve Yatırım Bankası A.Ş. | US\$ 120 million* |
| Türkiye | Renewable energy projects, energy efficiency projects, and water and waste related projects | Türkiye Sınai Kalkınma Bankası A.Ş. | US\$ 120 million* |
| Benin | Solar PV projects | Government of the Republic of Benin | € 14 million* |
| Benin | Electrified lantern project | Government of the Republic of Benin | € 500 thousand* |
| CAF | Environment-related projects | Corporación Andina de Fomento (CAF) | US\$ 50 million* |

* The figures denote loan commitments made by JBIC. Apart from them, JBIC has provided guarantees to the portion co-financed by private financial institutions.

3. Debt Rescheduling Based on Paris Club Agreements* (FY2023)

| Country | Date of Paris Club Agreement | Date JBIC signed Rescheduling Agreement | Rescheduled Amount |
|-----------|------------------------------|---|----------------------|
| Angola | 2021. 7 .27 | 2023. 5 .16 | ¥ 2,208 million |
| Angola | 2021. 7 .27 | 2023. 5 .16 | US\$ 40,288 thousand |
| Tanzania | 2021.12.13 | 2023. 6 .12 | US\$ 18,138 thousand |
| Argentina | 2022.10.28 | 2023. 9 . 7 | ¥ 41,396 million |

* The Paris Club is an informal group of official creditors whose role is to find coordinated and sustainable solutions to the payment difficulties experienced by debtor nations. Since the first meeting took place in 1956 to resolve the debt problem of Argentina, the meeting has been held in Paris, with the French Treasury acting as its secretariat. Hence, it has come to be called the Paris Club. This table lists all the debt rescheduling agreements JBIC signed with debtor countries during FY2023 based on intergovernmental agreements at the Paris Club.

5. Standard Loan Conditions

Standard loan conditions are shown below. Loan Interest rates are subject to changes in conditions of the financial market. A loan applicant should make an inquiry at the relevant loan department for specific loan conditions.

1. Standard Interest Rates

(As of July 15, 2024)

| Type of Loans | Standard Interest Rate ² | Percentage of Loan Provided by JBIC |
|--|---|-------------------------------------|
| Export Loans | <ul style="list-style-type: none"> ■ Japanese yen ■ Fixed at commitment (Yen CIRR)^{2,7} <ul style="list-style-type: none"> ● Three-year CIRR: 1.38% ● Four-year CIRR: 1.47% ● Five-year CIRR: 1.55% ● Six-year CIRR: 1.60% ● Seven-year CIRR: 1.69% ● Eight-year CIRR: 1.79% ● Nine-year CIRR: 1.89% ● Ten-year CIRR: 2.00% ■ Fixed at tenders^{2,7} <ul style="list-style-type: none"> ● Add cost based on interest rate fixed term | 60% limit |
| Import Loans / Overseas Investment Loans / Untied Loans / (Natural Resources / International Competitiveness) ¹ | <ul style="list-style-type: none"> ■ Japanese yen³ <ul style="list-style-type: none"> ● 0.9875%^{5,6} ■ Foreign Currency⁴ <ul style="list-style-type: none"> ● SOFR compound in arrears + 0.7875%^{5,6} ● Term SOFR + 0.7875%^{5,6} | 60% limit ⁸ |

Notes: 1. SMEs are eligible for preferential interest rates and other favorable loan conditions.

2. Synthetic rate based on interest rates charged by JBIC and cofinancing institutions.

3. Interest rates on loans in Japanese yen are determined based on specific loan periods and the amortization schedule.

The interest rate shown in the table is a reference rate for a 10-year loan with lump-sum repayment upon maturity. Please make an inquiry at the relevant department for interest rate on specific conditions.

4. Interest rates on loans in foreign currencies are linked to SOFR compound in arrears, 6-month Term SOFR. Please contact the relevant loan department for loans in foreign currencies other than US dollars.

5. Special interest rates will be applied based on policy implication such as contribution to "Promoting overseas development and acquisition of strategically important natural resources to Japan" or "Maintaining and improving the International competitiveness of Japanese industries."

6. For loans in both Japanese yen and foreign currencies, premiums commensurate with the risk will be added based on the customer's creditworthiness, collateral/guarantees and the financing scheme etc. Also, adjustment of the premium may be required based on financial market conditions.

7. The applicable CIRR years is determined based on the OECD Official Export Credit Arrangement. An OECD buyer's premium based on the OECD Official Export Credit Arrangement is added to such CIRR. For more information on foreign currency loans, please contact JBIC for details.

8. 70% limit for resource-related (import and overseas investment) loans.

2. Loan Maturity

The loan maturity for each loan will be determined by taking account of cash flows generated by each project.

3. Collateral, Guarantee

Collaterals and guarantees are determined in consultation with the clients.

6. Breakdown of Countries and Regions

(As of July 1, 2024)

| Regions | | Countries |
|-----------------------------------|---------------------------------------|--|
| Asia | East Asia | Republic of Korea, China, Mongolia, Democratic People's Republic of Korea, Taiwan, Hong Kong, Macao |
| | Southeast Asia | Indonesia, Cambodia, Singapore, Thailand, East Timor, The Philippines, Brunei Darussalam, Vietnam, Malaysia, Myanmar, Laos |
| | South Asia | Afghanistan, India, Sri Lanka, Nepal, Pakistan, Bangladesh, Bhutan, Maldives |
| | Central Asia and the Caucasus | Azerbaijan, Armenia, Uzbekistan, Kazakhstan, Kyrgyz, Georgia, Tajikistan, Turkmenistan |
| Oceania | | Australia, Kiribati, Cook Islands, Samoa, Solomon Islands, Tuvalu, Tonga, Nauru, Niue, New Zealand, Vanuatu, Papua New Guinea, Palau, Fiji, Marshall Islands, Micronesia, North Mariana Islands, New Caledonia |
| Europe | Central and Eastern Europe and Russia | Albania, Ukraine, Estonia, Croatia, Kosovo, Slovakia, Slovenia, Serbia, Czech Republic, Hungary, Bulgaria, Belarus, Bosnia and Herzegovina, Poland, North Macedonia, Moldova, Montenegro, Latvia, Lithuania, Romania, Russia |
| | Western Europe | Iceland, Ireland, Andorra, Italy, United Kingdom (U.K.), Austria, Netherlands, Cyprus, Greece, San Marino, Switzerland, Sweden, Spain, Denmark, Germany, Norway, Vatican, Finland, France, Belgium, Portugal, Malta, Monaco, Liechtenstein, Luxembourg, Guernsey, Jersey |
| The Middle East | | United Arab Emirates (UAE), Yemen, Iraq, Iran, Israel, Oman, Qatar, Kuwait, Saudi Arabia, Syria, Türkiye, Bahrain, Jordan, Lebanon, West Bank and Gaza Strip |
| Africa | Northern Africa | Algeria, Egypt, Tunisia, Morocco, Libya |
| | Sub-Saharan Africa | Angola, Uganda, Eswatini, Ethiopia, Eritrea, Ghana, Cape Verde, Gabon, Cameroon, Gambia, Guinea-Bissau, Guinea, Kenya, Cote d'Ivoire, Comoros, Congo, Democratic Republic of the Congo, Sao Tome and Principe, Zambia, Sierra Leone, Djibouti, Zimbabwe, Sudan, Seychelles, Equatorial Guinea, Senegal, Somalia, Tanzania, Chad, Central African Republic, Togo, Nigeria, Namibia, Niger, Burkina Faso, Burundi, Benin, Botswana, Madagascar, Malawi, Mali, South Africa, South Sudan, Mauritius, Mauritania, Mozambique, Liberia, Rwanda, Lesotho |
| North America | | United States (U.S.), Canada |
| Latin America and the Caribbean | | Argentina, Antigua and Barbuda, Uruguay, Ecuador, El Salvador, Guyana, Cuba, Guatemala, Grenada, Costa Rica, Colombia, Jamaica, Suriname, Saint Christopher and Nevis, St. Vincent and the Grenadines, Saint Lucia, Chile, Commonwealth of Dominica, Dominican Republic, Trinidad and Tobago, Nicaragua, Haiti, Panama, The Bahamas, Bermuda Islands, Paraguay, Barbados, Brazil, Venezuela, Belize, Peru, Bolivia, Honduras, Mexico, British Virgin Islands, Curacao, Cayman Islands, Puerto Rico, United States Virgin Islands |
| International Organizations, etc. | | Asian Development Bank (ADB), African Development Bank (AfDB), East African Development Bank (EADB), Eastern and Southern African Trade and Development Bank (TDB), African Export-Import Bank (Afreximbank), Corporación Andina de Fomento (CAF), Islamic Development Bank (IsDB), European Investment Bank (EIB), European Bank for Reconstruction and Development (EBRD), Caribbean Development Bank (CDB), Organisation for Economic Co-operation and Development (OECD), International Monetary Fund (IMF), International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), Multilateral Investment Guarantee Agency (MIGA), International Development Association (IDA), Banco Centroamericano de Integración Económica (BCIE), Inter-American Development Bank (IDB), etc. |
| Others | | Two-step loans to regional financial institutions in Japan and loans for cross-border projects, etc. |

2.

Financial Statements

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1. Statutory Financial Statements

Overview of Accounting

1. The consolidated financial statements of the Bank are prepared based on the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976). Moreover, its assets and liabilities are classified, also on a consolidated basis, pursuant to the Ordinance on the Accounting Practices to Be Observed by Japan Bank for International Cooperation (Ordinance of the Ministry of Finance No. 15 of 2012), while revenues and expenditures are reported on the same basis, in compliance with the latter Ordinance.
2. The non-consolidated financial statements of the Bank are prepared based on the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No.59 of 1963). Furthermore, its assets and liabilities basis are classified, on a stand-alone basis, pursuant to the Ordinance on the Accounting Practices to Be Observed by Japan Bank for International Cooperation (Ordinance of the Ministry of Finance No. 15 of 2012) while non-consolidated revenues and expenditures are reported in compliance with the latter Ordinance.
3. Pursuant to provisions of Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act, audit certification has been made by Ernst & Young ShinNihon LLC for the Bank's consolidated financial statements for the fiscal year under review (from April 1, 2023, to March 31, 2024) as well as non-consolidated financial statements for the business year under review (from April 1, 2023, to March 31, 2024).

1. Consolidated Financial Statements

■ Consolidated Balance Sheets

| | | As of March 31, 2023 (In millions of yen) | As of March 31, 2024 (In millions of yen) | As of March 31, 2024 (In millions of U.S. dollars) |
|---|---------|---|---|--|
| Assets: | | | | |
| Cash and due from banks | | ¥ 2,193,775 | ¥ 2,565,369 | \$ 16,943 |
| Securities | Note 7 | 347,087 | 340,203 | 2,247 |
| Loans and bills discounted | Note 8 | 15,587,788 | 16,423,476 | 108,470 |
| Other assets | Note 8 | 866,306 | 1,297,682 | 8,571 |
| Derivative financial instruments | | 31,287 | 38,107 | 252 |
| Cash collateral paid for financial instruments | | 651,110 | 1,033,820 | 6,828 |
| Other | | 183,908 | 225,755 | 1,491 |
| Property, plant and equipment | Note 10 | 30,730 | 32,796 | 217 |
| Buildings | | 3,682 | 5,616 | 37 |
| Land | | 24,311 | 24,311 | 161 |
| Construction in progress | | 1,869 | 1,114 | 7 |
| Other | | 866 | 1,753 | 12 |
| Intangible assets | | 8,461 | 11,462 | 75 |
| Software | | 8,461 | 11,462 | 75 |
| Customers' liabilities for acceptances and guarantees | Note 8 | 1,534,258 | 1,522,529 | 10,056 |
| Allowance for loan losses | | (410,526) | (536,412) | (3,543) |
| Total assets | | ¥ 20,157,883 | ¥ 21,657,108 | \$ 143,036 |

| | As of March 31, 2023 (In millions of yen) | As of March 31, 2024 (In millions of yen) | As of March 31, 2024 (In millions of U.S. dollars) |
|---|---|---|--|
| Liabilities: | | | |
| Borrowed money | ¥ 8,513,677 | ¥ 9,193,988 | \$ 60,722 |
| Bonds payable | Note 9 6,191,755 | 6,636,856 | 43,834 |
| Other liabilities | 962,446 | 1,313,353 | 8,674 |
| Derivative financial instruments | 719,364 | 1,032,900 | 6,822 |
| Cash collateral received for financial instruments | 30,860 | 37,350 | 246 |
| Other | 212,221 | 243,102 | 1,606 |
| Provision for bonuses | 614 | 660 | 4 |
| Provision for directors' bonuses | 10 | 10 | 0 |
| Net defined benefit liability | 5,690 | 4,631 | 31 |
| Provision for directors' retirement benefits | 37 | 52 | 0 |
| Acceptances and guarantees | 1,534,258 | 1,522,529 | 10,056 |
| Total liabilities | ¥ 17,208,488 | ¥ 18,672,083 | \$ 123,321 |
| Net assets: | | | |
| Capital stock | ¥ 2,108,800 | ¥ 2,211,800 | \$ 14,608 |
| Retained earnings | 1,126,210 | 1,108,607 | 7,322 |
| Total shareholder's equity | 3,235,010 | 3,320,407 | 21,930 |
| Valuation difference on available-for-sale securities | 25,300 | 41,226 | 272 |
| Deferred gains (losses) on hedges | (323,123) | (382,907) | (2,529) |
| Foreign currency translation adjustment | 11,923 | 6,040 | 40 |
| Total accumulated other comprehensive income (loss) | (285,899) | (335,640) | (2,217) |
| Non-controlling interests | 283 | 258 | 2 |
| Total net assets | ¥ 2,949,394 | ¥ 2,985,025 | \$ 19,715 |
| Total liabilities and net assets | ¥ 20,157,883 | ¥ 21,657,108 | \$ 143,036 |

■ Consolidated Statements of Operations

| | For the year ended March 31, 2023 (In millions of yen) | For the year ended March 31, 2024 (In millions of yen) | For the year ended March 31, 2024 (In millions of U.S. dollars) |
|---|--|--|---|
| Ordinary income | ¥ 659,923 | ¥ 1,133,061 | \$ 7,483 |
| Interest income | 570,567 | 1,022,058 | 6,750 |
| Interest on loans and discounts | 552,609 | 972,232 | 6,421 |
| Interest and dividends on securities | 1,613 | 7,703 | 51 |
| Interest on deposits with banks | 16,332 | 42,088 | 278 |
| Other interest income | 11 | 34 | 0 |
| Fees and commissions | 22,746 | 29,625 | 196 |
| Other ordinary income | 44,744 | 53,663 | 354 |
| Gain on foreign exchange transactions | 38,062 | 53,484 | 353 |
| Other | 6,682 | 178 | 1 |
| Other income | 21,865 | 27,714 | 183 |
| Reversal of allowance for loan losses | 19,352 | — | — |
| Recoveries of written-off claims | — | 11,591 | 77 |
| Other | 2,512 | 16,122 | 106 |
| Ordinary expenses | 503,404 | 1,069,795 | 7,065 |
| Interest expense | 460,022 | 902,748 | 5,962 |
| Interest on borrowed money and rediscounts | 186,866 | 362,856 | 2,397 |
| Interest on bonds | 143,229 | 175,095 | 1,156 |
| Interest on interest rate swaps | 127,876 | 360,427 | 2,380 |
| Other interest expense | 2,048 | 4,369 | 29 |
| Fees and commissions payments | 3,799 | 4,319 | 29 |
| Other ordinary expenses | 2,111 | 1,991 | 13 |
| General and administrative expenses | 24,382 | 25,925 | 171 |
| Other expenses | 13,088 | 134,811 | 890 |
| Provision of allowance for loan losses | — | 125,886 | 831 |
| Other | 13,088 | 8,924 | 59 |
| Ordinary profit | 156,518 | 63,265 | 418 |
| Extraordinary income | 13 | 5 | 0 |
| Gain on disposal of noncurrent assets | 13 | 5 | 0 |
| Extraordinary loss | 0 | 899 | 6 |
| Loss on disposal of noncurrent assets | 0 | — | — |
| Impairment losses | — | 899 | 6 |
| Net income before income taxes | 156,532 | 62,371 | 412 |
| Income taxes – current | 13 | 54 | 0 |
| Total income taxes | 13 | 54 | 0 |
| Net income | 156,518 | 62,316 | 412 |
| Net loss attributable to non-controlling interests | (66) | (25) | (0) |
| Net income attributable to owner of parent | ¥ 156,585 | ¥ 62,342 | \$ 412 |

■ Consolidated Statements of Comprehensive Income

| | For the year ended March 31, 2023 (In millions of yen) | For the year ended March 31, 2024 (In millions of yen) | For the year ended March 31, 2024 (In millions of U.S. dollars) |
|---|--|--|---|
| Net income | ¥ 156,518 | ¥ 62,316 | \$ 412 |
| Other comprehensive income (loss) | (187,762) | (49,741) | (329) |
| Valuation difference on available-for-sale securities | 9,215 | 15,926 | 105 |
| Deferred gains (losses) on hedges | (206,393) | (59,784) | (395) |
| Foreign currency translation adjustment | 4,656 | (3,309) | (22) |
| Share of other comprehensive income (loss) of equity method investments | 4,758 | (2,573) | (17) |
| Comprehensive income (loss) | ¥ (31,243) | ¥ 12,575 | \$ 83 |
| (Comprehensive income (loss) attributable to) | | | |
| Owner of parent | (31,177) | 12,601 | 83 |
| Non-controlling interests | (66) | (25) | (0) |

■ Consolidated Statements of Changes in Net Assets

From April 1, 2022 to March 31, 2023

(In millions of yen)

| | Shareholder's equity | | |
|--|----------------------|-------------------|----------------------------|
| | Capital stock | Retained earnings | Total shareholder's equity |
| Balance at April 1, 2022 | ¥ 2,023,800 | ¥ 976,953 | ¥ 3,000,753 |
| Changes during period | | | |
| Issuance of new shares | 85,000 | | 85,000 |
| Payment to National Treasury | | (7,329) | (7,329) |
| Net income attributable to owner of parent | | 156,585 | 156,585 |
| Change in scope of equity method | | | — |
| Net changes of items other than shareholder's equity | | | |
| Total changes during period | 85,000 | 149,256 | 234,256 |
| Balance at March 31, 2023 | ¥ 2,108,800 | ¥ 1,126,210 | ¥ 3,235,010 |

(In millions of yen)

| | Accumulated other comprehensive income (loss) | | | | Non-controlling interests | |
|--|---|-----------------------------------|---|---|---------------------------|-------------|
| | Valuation difference on available-for-sale securities | Deferred gains (losses) on hedges | Foreign currency translation adjustment | Total accumulated other comprehensive income (loss) | | |
| Balance at April 1, 2022 | ¥ 16,084 | ¥ (116,730) | ¥ 2,508 | ¥ (98,136) | ¥ 350 | ¥ 2,902,967 |
| Changes during period | | | | | | |
| Issuance of new shares | | | | | | 85,000 |
| Payment to National Treasury | | | | | | (7,329) |
| Net income attributable to owner of parent | | | | | | 156,585 |
| Change in scope of equity method | | | 111 | 111 | | 111 |
| Net changes of items other than shareholder's equity | 9,215 | (206,393) | 9,303 | (187,874) | (66) | (187,940) |
| Total changes during period | 9,215 | (206,393) | 9,415 | (187,762) | (66) | 46,427 |
| Balance at March 31, 2023 | ¥ 25,300 | ¥ (323,123) | ¥ 11,923 | ¥ (285,899) | ¥ 283 | ¥ 2,949,394 |

From April 1, 2023 to March 31, 2024

(In millions of yen)

| | Shareholder's equity | | |
|--|----------------------|-------------------|----------------------------|
| | Capital stock | Retained earnings | Total shareholder's equity |
| Balance at April 1, 2023 | ¥ 2,108,800 | ¥ 1,126,210 | ¥ 3,235,010 |
| Changes during period | | | |
| Issuance of new shares | 103,000 | | 103,000 |
| Payment to National Treasury | | (79,945) | (79,945) |
| Net income attributable to owner of parent | | 62,342 | 62,342 |
| Net changes of items other than shareholder's equity | | | |
| Total changes during period | 103,000 | (17,602) | 85,397 |
| Balance at March 31, 2024 | ¥ 2,211,800 | ¥ 1,108,607 | ¥ 3,320,407 |

(In millions of yen)

| | Accumulated other comprehensive income (loss) | | | | | |
|--|---|-----------------------------------|---|---|-------|-------------|
| | Valuation difference on available-for-sale securities | Deferred gains (losses) on hedges | Foreign currency translation adjustment | Total accumulated other comprehensive income (loss) | | |
| Balance at April 1, 2023 | ¥ 25,300 | ¥ (323,123) | ¥ 11,923 | ¥ (285,899) | ¥ 283 | ¥ 2,949,394 |
| Changes during period | | | | | | |
| Issuance of new shares | | | | | | 103,000 |
| Payment to National Treasury | | | | | | (79,945) |
| Net income attributable to owner of parent | | | | | | 62,342 |
| Net changes of items other than shareholder's equity | 15,926 | (59,784) | (5,883) | (49,741) | (25) | (49,766) |
| Total changes during period | 15,926 | (59,784) | (5,883) | (49,741) | (25) | 35,630 |
| Balance at March 31, 2024 | ¥ 41,226 | ¥ (382,907) | ¥ 6,040 | ¥ (335,640) | ¥ 258 | ¥ 2,985,025 |

From April 1, 2023 to March 31, 2024

(In millions of U.S. dollars)

| | Shareholder's equity | | |
|--|----------------------|-------------------|----------------------------|
| | Capital stock | Retained earnings | Total shareholder's equity |
| Balance at April 1, 2023 | \$ 13,928 | \$ 7,438 | \$ 21,366 |
| Changes during period | | | |
| Issuance of new shares | 680 | | 680 |
| Payment to National Treasury | | (528) | (528) |
| Net income attributable to owner of parent | | 412 | 412 |
| Net changes of items other than shareholder's equity | | | |
| Total changes during period | 680 | (116) | 564 |
| Balance at March 31, 2024 | \$ 14,608 | \$ 7,322 | \$ 21,930 |

(In millions of U.S. dollars)

| | Accumulated other comprehensive income (loss) | | | | | |
|--|---|-----------------------------------|---|---|------|-----------|
| | Valuation difference on available-for-sale securities | Deferred gains (losses) on hedges | Foreign currency translation adjustment | Total accumulated other comprehensive income (loss) | | |
| Balance at April 1, 2023 | \$ 167 | \$ (2,134) | \$ 79 | \$ (1,888) | \$ 2 | \$ 19,480 |
| Changes during period | | | | | | |
| Issuance of new shares | | | | | | 680 |
| Payment to National Treasury | | | | | | (528) |
| Net income attributable to owner of parent | | | | | | 412 |
| Net changes of items other than shareholder's equity | 105 | (395) | (39) | (329) | (0) | (329) |
| Total changes during period | 105 | (395) | (39) | (329) | (0) | 235 |
| Balance at March 31, 2024 | \$ 272 | \$ (2,529) | \$ 40 | \$ (2,217) | \$ 2 | \$ 19,715 |

■ Consolidated Statements of Cash Flows

| | For the year ended March 31, 2023 (In millions of yen) | For the year ended March 31, 2024 (In millions of yen) | For the year ended March 31, 2024 (In millions of U.S. dollars) |
|--|--|--|---|
| Cash flows from operating activities | | | |
| Net income before income taxes | ¥ 156,532 | ¥ 62,371 | \$ 412 |
| Depreciation and amortization | 3,445 | 3,637 | 24 |
| Impairment losses | — | 899 | 6 |
| Losses (profits) of equity method investments | (2,058) | 95 | 1 |
| Increase (decrease) in allowance for loan losses | (60,308) | 125,886 | 831 |
| Increase (decrease) in provision for bonuses | 16 | 46 | 0 |
| Increase (decrease) in provision for directors' bonuses | 0 | 0 | 0 |
| Increase (decrease) in net defined benefit liability | (366) | (1,059) | (7) |
| Increase (decrease) in provision for directors' retirement benefits | (14) | 14 | 0 |
| Interest income | (570,567) | (1,022,058) | (6,750) |
| Interest expense | 460,022 | 902,748 | 5,962 |
| Losses (gains) related to securities | 12,902 | (7,323) | (48) |
| Foreign exchange losses (gains) | (4,567) | (9,716) | (64) |
| Losses (gains) on disposal of noncurrent assets | (13) | (5) | (0) |
| Net decrease (increase) in derivative financial instruments (assets) | (11,017) | (6,819) | (45) |
| Net increase (decrease) in derivative financial instruments (liabilities) | 236,815 | 313,535 | 2,071 |
| Net decrease (increase) in loans and bills discounted | (828,614) | (835,687) | (5,519) |
| Net increase (decrease) in borrowed money | 959,468 | 680,311 | 4,493 |
| Net decrease (increase) in deposits (excluding deposits paid to Bank of Japan) | (264,654) | (630,920) | (4,167) |
| Net decrease (increase) in cash collateral paid for financial instruments | (124,010) | (382,710) | (2,528) |
| Net increase (decrease) in cash collateral received for financial instruments | 12,250 | 6,490 | 43 |
| Increase (decrease) in straight bonds-issuance and redemption | 553,742 | 441,961 | 2,919 |
| Interest received | 441,625 | 983,227 | 6,494 |
| Interest paid | (388,716) | (855,782) | (5,652) |
| Other | (170,482) | (75,917) | (502) |
| Subtotal | 411,430 | (306,772) | (2,026) |
| Income taxes (paid) refund | (49) | 2 | 0 |
| Net cash provided by (used in) operating activities | 411,380 | (306,770) | (2,026) |
| Cash flows from investing activities | | | |
| Purchase of securities | (28,629) | (22,953) | (152) |
| Proceeds from sales of securities | 21,785 | 57,021 | 377 |
| Purchase of property, plant and equipment | (2,192) | (3,090) | (20) |
| Proceeds from sales of property, plant and equipment | 16 | 8 | 0 |
| Purchase of intangible assets | (2,045) | (6,502) | (43) |
| Net cash provided by (used in) investing activities | (11,064) | 24,483 | 162 |
| Cash flows from financing activities | | | |
| Proceeds from issuance of new shares | 85,000 | 103,000 | 680 |
| Payment to National Treasury | (7,329) | (79,945) | (528) |
| Other | — | (1) | (0) |
| Net cash provided by (used in) financing activities | 77,670 | 23,053 | 152 |
| Effect of exchange rate change on cash and cash equivalents | — | — | — |
| Net increase (decrease) in cash and cash equivalents | 477,986 | (259,233) | (1,712) |
| Cash and cash equivalents at beginning of period | 727,871 | 1,205,858 | 7,964 |
| Cash and cash equivalents at end of period Note 16 | ¥ 1,205,858 | ¥ 946,624 | \$ 6,252 |

■ Notes to Consolidated Financial Statements

1. Basis of presentation

The accompanying consolidated financial statements have been prepared from the accounting records maintained by Japan Bank for International Cooperation ("JBIC") and its subsidiaries (the "JBIC Group") in accordance with the accounting principles and practices generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards ("IFRS").

The amounts indicated in millions of yen are rounded down by omitting figures less than one million. As a result, the totals in yen do not necessarily agree with the sum of the individual amounts. Items less than 1 million yen are presented as "0" and items whose balance is nil is presented as "-".

Amounts in U.S. dollars are presented solely for the convenience of readers outside Japan. The rate of ¥151.41=\$1.00, the foreign exchange rate on March 31, 2024, has been used in translations. The presentation of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized, or settled in U.S. dollars at the aforementioned rate or any other rates.

2. Scope of consolidation

(a) Consolidated subsidiaries

The number of consolidated subsidiaries is two.

Company names: JBIC IG Partners

Russia-Japan Investment Fund, L.P.

(b) Unconsolidated subsidiaries

There are no applicable subsidiaries.

(c) Other company whose majority of voting rights is owned by JBIC on its own account but which is not determined to be its subsidiary

Company name: RJIF GP2 Limited

(Reason for determining not to be a subsidiary)

JBIC has determined that RJIF GP2 Limited is not a subsidiary because, while JBIC indirectly owns a majority of voting rights of RJIF Management Limited through JBIC IG Partners, which is its consolidated subsidiary, JBIC needs to obtain agreement from the other JV company for making decisions on significant financial and business policies.

3. Application of the equity method

(a) Unconsolidated subsidiaries accounted for using the equity method

There are no applicable subsidiaries.

(b) Affiliates accounted for using the equity method

The number of affiliates accounted for using the equity method is three.

Company names: IFC Capitalization (Equity) Fund, L.P.

IFC Capitalization (Subordinated Debt) Fund, L.P.

JB Nordic Fund I SCSp

(c) Unconsolidated subsidiaries that are not accounted for using the equity method

There are no applicable subsidiaries.

(d) Affiliates that are not accounted for using the equity method

Major company names: Credit Guarantee and Investment Facility

RJIF GP2 Limited

These companies were not included in the scope of the equity method primarily because they do not have significant impacts on the consolidated financial statements in respect of any of the following items: Net income (the amount proportionate to the share of net income of such companies), Retained earnings (the amount proportionate to the share of retained earnings of such companies) and Accumulated other comprehensive income (loss) (the amount proportionate to the share of other comprehensive income (loss) of such companies).

4. Balance sheet dates of consolidated subsidiaries

The financial statements of the consolidated subsidiaries are used in preparing the consolidated financial statements. The balance sheet dates of the consolidated subsidiaries are as follows:

| March 31 | 2024 |
|-------------|------|
| December 31 | 1 |
| March 31 | 1 |

Appropriate adjustments are made for significant transactions that occurred during the period between the consolidated closing date and the subsidiary's balance sheet date above.

5. Significant accounting policies

(a) Securities

Held-to-maturity securities are carried at amortized cost based on the moving average method. Investments in affiliates that are not accounted for using the equity method are carried at cost based on the moving average method. Available-for-sale securities are stated at fair value with changes in net unrealized gains or losses included directly in net assets. However, equity and other securities whose market prices are not available are carried at cost based on the moving average method. Securities held by the consolidated foreign subsidiary (including investments in affiliates) are classified as financial assets designated as fair value through profit or loss based on IFRS. These securities are recognized as securities classified as trading in JBIC's consolidated financial statements and are measured at fair value.

Investments in partnerships for investment and other similar partnerships, which are regarded as securities under Article 2, Paragraph 2 of the Japanese Financial Instruments and Exchange Act (Act No. 25 of 1948), are recognized at an amount equivalent to JBIC's percentage share of the net assets of such partnerships, based upon the most recent financial statements available depending on the reporting date stipulated in the partnership agreement.

(b) Valuation method for derivative financial instruments

Derivative financial instruments are measured at fair value.

With respect to specific credit risk, fair value is calculated for a group of financial assets and liabilities on a basis of a net amount after offsetting the amounts of the assets and the liabilities in the group.

Financial assets and financial liabilities arising from derivatives transactions that are executed with the same counterparties and are measured at fair value are offset on a counterparty-by-counterparty basis if a valid ISDA Master Netting Agreement is entered into. The resulting amount is recognized in the consolidated balance sheets.

(c) Depreciation and amortization basis for fixed assets

(i) Property, plant and equipment

Property, plant and equipment of JBIC are depreciated using the declining balance method over their useful economic lives except for buildings excluding installed facilities as well as installed facilities and structures acquired on or after April 1, 2016, which are depreciated using the straight-line method.

Depreciation is based on the following range of estimated useful lives:

| | |
|------------|---------------------|
| Buildings: | 3 years to 50 years |
| Other: | 2 years to 75 years |

Property, plant and equipment of consolidated subsidiaries are depreciated primarily using the straight-line method based on the estimated useful lives of the assets.

(ii) Intangible assets

Amortization of intangible assets is computed using the straight-line method. Software used by JBIC and its consolidated subsidiaries is amortized over its useful life (5 years or less) at JBIC and its consolidated subsidiaries.

(d) Allowance for loan losses

Allowance for loan losses is recognized in accordance with internally established standards.

The allowance for claims on debtors who are legally bankrupt ("Bankrupt borrowers") or substantially bankrupt ("Substantially bankrupt borrowers") is provided based on the outstanding balance after the write-offs described as below and the deductions of the amount expected to be collected through the disposal of collateral and the execution of guarantees. The allowance for claims on debtors who are not legally bankrupt but are likely to become bankrupt ("Potentially bankrupt borrowers") is provided based on an assessment of the overall solvency of the debtors after deducting the amount expected to be collected through the disposal of collateral and the execution of guarantees.

For Potentially bankrupt borrowers with restructured loans and others, (excluding foreign governments and other governmental entities) whose loan exceeds a threshold amount, if it is possible to reasonably estimate cash flows from the collection of principal and the receipt of interest, the allowance for claims on such debtors is provided based on an approach whereby the difference between the amount of cash flows discounted by the original contractual interest rates and the carrying amount of the claims is determined to be the allowance for loan losses ("cash flow estimation approach").

The allowance for claims on debtors other than Bankrupt borrowers, Substantially bankrupt borrowers and Potentially bankrupt borrowers is provided primarily in consideration of the expected loss amount over the average remaining periods of loans, and the expected loss amount is calculated primarily based on the probability of default which is based on the actual bankruptcies during a certain period in the past. The allowance for possible losses on specific overseas loans is provided based on the expected loss amount taking into consideration the political and economic situations of these countries.

All claims are assessed initially by the operational departments and subsequently by risk evaluation departments based on internal rules for self-assessment of asset quality. The risk evaluation departments, which are independent from the operational departments, review these self-assessments, and the allowance is provided based on the results of the assessments.

With respect to claims with collateral or guarantees on debtors who are legally or substantially bankrupt, the residual book value of the claims, after deducting the amount which is deemed collectible through the disposal of collateral or the execution of guarantees, is written off. There were no accumulated write-offs as of March 31, 2023 and 2024.

(e) Provision for bonuses

The Provision for bonuses is calculated and provided for based on the estimated amounts of future payments attributable to the services that have been rendered by employees to the date of the consolidated balance sheet.

(f) Provision for directors' bonuses

The Provision for directors' bonuses is calculated and provided for based on the estimated amounts of future payments attributable to the services that have been rendered by directors to the date of the consolidated balance sheet.

(g) Provision for directors' retirement benefits

The Provision for directors' retirement benefits which provides for future retirement pension payments to directors, is recognized at the amount accrued at the end of the current fiscal year.

(h) Accounting for retirement benefits**(i) Method of attributing the projected benefits to periods of services**

In calculating the projected benefit obligation, the estimated amount of retirement benefit payments is attributed to the period up to the end of the fiscal year based on the benefit formula.

(ii) Accounting for actuarial gains or losses and prior service costs

Actuarial gains or losses and prior service costs are expensed as they are incurred.

(i) Foreign currency translation and revaluation method

JBIC maintains its accounting records in Japanese yen. Assets and liabilities denominated in foreign currencies and held by JBIC are translated into Japanese yen at the market exchange rate prevailing at the fiscal year end.

Assets and liabilities denominated in foreign currencies and held by consolidated subsidiaries are translated at the market exchange rate prevailing at respective balance sheet dates and other base dates..

(j) **Accounting for hedges of interest rate risk**

(i) **Hedge accounting**

The deferral method is applied to derivatives used for interest risk hedging purposes.

(ii) **Hedging instruments and hedged items**

Hedging instruments: interest rate swaps

Hedged items: loans and bills discounted, and bonds payable

(iii) **Hedging policy**

JBIC enters into hedging transactions up to the amount of the underlying hedged assets and liabilities.

(iv) **Assessment of hedge effectiveness**

JBIC assesses the effectiveness of designated hedges by measuring and comparing the change in fair value or cumulative change of cash flows of both hedging instruments and corresponding hedged items from the date of inception of the hedges to the assessment date.

(k) **Accounting for hedges of foreign exchange risks**

Hedging instruments used to hedge foreign exchange risks associated with foreign currency denominated financial assets and liabilities are accounted for primarily using the deferral method under "Accounting and Auditing Treatment Relating to Adoption of Accounting Standard for Foreign Currency Transactions for Banks" (The Japanese Institute of Certified Public Accountants (JICPA) Industry-specific Committee Practical Guideline No. 25 of October 8, 2020 ("Industry-specific Committee Practical Guideline No. 25")).

The effectiveness of the hedges described above is assessed by comparing the foreign currency position of the hedged loans and bills discounted and bonds payable denominated in foreign currencies with that of the hedging instruments, such as currency swaps and forward foreign exchange contracts which are used for hedging the foreign exchange risks of loans and bills discounted and bonds payable denominated in foreign currencies.

(l) **Scope of cash and cash equivalents in the consolidated statements of cash flows**

"Cash and cash equivalents" as stated in the consolidated statements of cash flows consists of cash on hand and deposits with the Bank of Japan in Cash and due from banks in the consolidated balance sheets.

6. Significant accounting estimates

The following item in the consolidated financial statements for the respective fiscal year is based on accounting estimates that may have a significant effect on the consolidated financial statements for the next fiscal year.

- Allowance for loan losses

(i) Amount recognized in the consolidated financial statements for the current fiscal year

| | As of March 31, 2023 (In millions of yen) | As of March 31, 2024 (In millions of yen) | As of March 31, 2024 (In millions of U.S. dollars) |
|---------------------------|---|---|--|
| Allowance for loan losses | ¥ 410,526 | ¥ 536,412 | \$ 3,543 |

(ii) Information on significant accounting estimates related to the identified item

① Calculation method

The calculation method of allowance for loan losses is described in "5. Significant accounting policies, (d) Allowance for loan losses" in the notes to the consolidated financial statements.

JBIC engages in financing activities to realize its policy objectives as a policy-based financial institution and may incur loss from being impossible or difficult to recover its loans due to, among other factors, a deterioration in borrowers' creditworthiness. To address such a risk of JBIC incurring loss arising from a reduction in, or diminishment of, asset value attributable to a deterioration in borrowers' financial condition and for other reasons, JBIC calculates an expected loss amount and recognizes it as allowance for loan losses. JBIC engages in significant financing activities with overseas governments, governmental institutions, and overseas corporations as part of its support of overseas economic transactions. Because of the characteristics of these activities, sovereign or country risk is a relatively significant part of the credit risk JBIC is exposed to in connection with these activities.

Allowance for loan losses is calculated in accordance with JBIC's internal rules for self-assessment of asset quality and internally established standards. The calculation process includes the determination of the borrowers' category based on the evaluation of borrowers' solvency in consideration of their repayment status, financial condition, performance, future prospects and other relevant factors, and the estimation of future cash flows under the cash flow estimation approach.

Note: For the details of the credit risk JBIC is exposed to in connection with its financing activities, see the descriptions in “17. Financial instruments and related disclosure, (a) Status of financial instruments, (ii) Types of financial instruments and risks, ① Credit risk” in the note to the consolidated financial statements.

② Major assumptions

Major assumptions are the future prospects for borrowers and other applicable items used in the borrowers' category determination, and future cash flows of individual claims used under the cash flow estimation approach.

These assumptions are affected by relevant factors such as changes in borrowers' business environment and whether their business strategy is successful. Therefore, JBIC's estimation and judgment are reassessed and modified whenever the economic environment changes or new information becomes available.

Given the above, such estimation and judgment related to the major assumptions may have a significant effect on the amount of allowance for loan losses.

③ Effects on the consolidated financial statements for the next fiscal year

With respect to the international situation related to Russia and Ukraine, while the national governments have taken various measures, such as economic sanctions, against Russia, the effects of the international situation related to Russia and Ukraine are reflected in the allowance for loan losses in the fiscal year ended March 31, 2024 by assessing in detail the effects of such measures on the business of, or the performance of obligations by, Russia-related borrowers in the process of the borrowers' category determination and assessing the effects on credit risk individually. In the future, the expansion of the scope, or extension, of economic sanctions may have direct and indirect effects on the borrowers' category.

In addition, the impact of COVID-19 is being carefully examined and reflected in the allowance for loan losses in the process of determining the borrowers' category for affected individual borrowers.

As the future outlook of these events is uncertain, if the developments in the international situation related to Russia and Ukraine and the situation of COVID-19 differ significantly from the assumptions, the allowance for loan losses as of the end of the fiscal year ending March 31, 2025 may change.

The allowance for loan losses as of March 31, 2024 is the current best estimate. However, given a high estimation uncertainty related to other factors in addition to the international situation related to Russia and Ukraine and the effects of COVID-19, there is a risk that the borrowers' results of operations, financial position or other items may change more than what was assumed at the time of estimation and such changes, if occurred, may have a significant effect on the consolidated financial statements for the next fiscal year.

7. Equity and other securities or investments in unconsolidated subsidiaries and affiliates

| | As of March 31, 2023 (In millions of yen) | As of March 31, 2024 (In millions of yen) | As of March 31, 2024 (In millions of U.S. dollars) |
|-----------------------------|---|---|--|
| Equity and other securities | ¥ 35,289 | ¥ 24,702 | \$ 163 |
| Investments | 78,253 | 65,743 | 434 |

8. Loans

- (a) Loans issued under the Japan Bank for International Cooperation Act ("JBIC Act") are as follows. Loans represent those items presented in the following accounts in the consolidated balance sheets: Loans and bills discounted, accrued interest income and suspense payments included in Other assets, and Customers' liabilities for acceptances and guarantees.

| | As of March 31, 2023 (In millions of yen) | As of March 31, 2024 (In millions of yen) | As of March 31, 2024 (In millions of U.S. dollars) |
|---|---|---|--|
| Bankrupt and Quasi-bankrupt Assets | ¥ — | ¥ — | \$ — |
| Doubtful Assets | 291,008 | 342,460 | 2,262 |
| Loans with interest or principal repayments three months or more in arrears | 58 | 123,852 | 818 |
| Restructured loans | 196,908 | 177,995 | 1,176 |
| Total amount | 487,975 | 644,308 | 4,255 |

Bankrupt and Quasi-bankrupt Assets are loans and other credits to borrowers who have begun proceedings under the Bankruptcy Act, the Corporate Reorganization Act, the Civil Rehabilitation Act and other similar laws of Japan and have financially failed.

Doubtful Assets are loans and other credits to borrowers who have not financially failed but whose financial and operational conditions have deteriorated and who have a possibility that payment of principal and/or interest will not be made on a contractual basis, and which do not fall under the category of Bankrupt and Quasi-bankrupt Assets.

Loans with interest or principal repayments three months or more in arrears are loans whose principal or interest payment is three months or more in arrears, and which do not fall under the category of Bankrupt and Quasi-bankrupt Assets and Doubtful Assets.

Restructured loans are loans whose repayment terms and conditions have been amended in favor of the borrowers (e.g. reduction of or exemption from the stated interest rate, deferral of interest payments, extension of principal repayments or waiver of claims) in order to support the borrowers' recovery from financial difficulties, and which do not fall under the category of Bankrupt and Quasi-bankrupt Assets, Doubtful Assets, or loans with interest or principal repayments three months or more in arrears.

The amounts of loans indicated in the table above are the gross amounts before the deduction of allowance for loan losses.

- (b) JBIC, as a policy, does not issue loans to borrowers in part or in full immediately after the execution of the loan agreements, but instead executes loans, in accordance with the progress of the underlying projects. These undrawn amounts are not included in the loans recognized in the consolidated balance sheets. The balance of undrawn amounts is as follows:

| | As of March 31, 2023 (In millions of yen) | As of March 31, 2024 (In millions of yen) | As of March 31, 2024 (In millions of U.S. dollars) |
|--------------------------|---|---|--|
| Balance of undrawn loans | ¥ 2,347,605 | ¥ 3,096,208 | \$ 20,449 |

9. Assets pledged as collateral

Pursuant to Article 34 of the JBIC Act, all JBIC assets are pledged as general collateral for all bonds issued by JBIC:

| | As of March 31, 2023 (In millions of yen) | As of March 31, 2024 (In millions of yen) | As of March 31, 2024 (In millions of U.S. dollars) |
|---------------|---|---|--|
| Bonds payable | ¥ 6,191,755 | ¥ 6,636,856 | \$ 43,834 |

10. Accumulated depreciation of Property, plant and equipment

| | As of March 31, 2023 (In millions of yen) | As of March 31, 2024 (In millions of yen) | As of March 31, 2024 (In millions of U.S. dollars) |
|--------------------------|---|---|--|
| Accumulated depreciation | ¥ 4,412 | ¥ 5,076 | \$ 34 |

11. Contingent liabilities

Japan Finance Corporation ("JFC") assumed the obligations of the JFC bonds on April 1, 2012, and JBIC is jointly responsible for the obligations of these bonds. In accordance with Article 17 (2) of the Supplementary Provisions of the JBIC Act, all of JBIC's assets are pledged as general collateral for these joint obligations as follows.

| | As of March 31, 2023 (In millions of yen) | As of March 31, 2024 (In millions of yen) | As of March 31, 2024 (In millions of U.S. dollars) |
|-------------------|---|---|--|
| Joint obligations | ¥ 60,000 | ¥ 60,000 | \$ 396 |

12. Items included in Other under Other income

Other under Other income includes the following:

| | For the year ended March 31, 2023 (In millions of yen) | For the year ended March 31, 2024 (In millions of yen) | For the year ended March 31, 2024 (In millions of U.S. dollars) |
|---|--|--|---|
| Gains on sales of equity and other securities | ¥ 97 | ¥ 3,150 | \$ 21 |
| Gains on investments in partnerships | — | 12,749 | 84 |
| Profits of equity method investments | 2,058 | — | — |

13. Items included in Other under Other expenses

Other under Other expenses includes the following:

| | For the year ended March 31, 2023 (In millions of yen) | For the year ended March 31, 2024 (In millions of yen) | For the year ended March 31, 2024 (In millions of U.S. dollars) |
|--|--|--|---|
| Losses on sales of equity and other securities | ¥ 3,384 | ¥ 8,576 | \$ 57 |
| Impairment losses on equity and other securities | 3,486 | — | — |
| Losses on investments in partnerships | 6,129 | — | — |
| Losses of equity method investments | — | 95 | 1 |

14. Reclassification adjustments and tax effects of other comprehensive income (loss)

| | For the year ended March 31, 2023 (In millions of yen) | For the year ended March 31, 2024 (In millions of yen) | For the year ended March 31, 2024 (In millions of U.S. dollars) |
|--|--|--|---|
| Valuation difference on available-for-sale securities: | | | |
| Amount recognized during the fiscal year | ¥ 12,014 | ¥ 22,862 | \$ 151 |
| Reclassification adjustments | (2,798) | (6,936) | (46) |
| Before tax effect adjustment | 9,215 | 15,926 | 105 |
| Tax effect | — | — | — |
| Valuation difference on available-for-sale securities | 9,215 | 15,926 | 105 |
| Deferred gains (losses) on hedges: | | | |
| Amount recognized during the fiscal year | (333,282) | (422,764) | (2,792) |
| Reclassification adjustments | 126,889 | 362,980 | 2,397 |
| Before tax effect adjustment | (206,393) | (59,784) | (395) |
| Tax effect | — | — | — |
| Deferred gains (losses) on hedges | (206,393) | (59,784) | (395) |
| Foreign currency translation adjustment: | | | |
| Amount recognized during the fiscal year | 4,656 | (3,309) | (22) |
| Reclassification adjustments | — | — | — |
| Before tax effect adjustment | 4,656 | (3,309) | (22) |
| Tax effect | — | — | — |
| Foreign currency translation adjustment | 4,656 | (3,309) | (22) |
| Share of other comprehensive income (loss) of equity method investments: | | | |
| Amount recognized during the fiscal year | 6,567 | 2,871 | 19 |
| Reclassification adjustments | (1,809) | (5,445) | (36) |
| Before tax effect adjustment | 4,758 | (2,573) | (17) |
| Tax effect | — | — | — |
| Share of other comprehensive income (loss) of equity method investments | 4,758 | (2,573) | (17) |
| Total other comprehensive income (loss) | ¥ (187,762) | ¥ (49,741) | \$ (329) |

15. Changes in Net assets

(a) Issued shares and treasury stock

For the fiscal year ended March 31, 2023, the type and the number of issued shares and treasury stock are as follows:

(Unit: thousands of shares)

| Types | The number of shares at the beginning of the fiscal year | Increase during the fiscal year | Decrease during the fiscal year | The number of shares at the end of the fiscal year | Remarks |
|------------------|--|---------------------------------|---------------------------------|--|---------|
| Issued shares | | | | | |
| Common stock | 1,873,800,000 | 85,000,000 | — | 1,958,800,000 | Note |
| Classified stock | — | — | — | — | |
| Total | 1,873,800,000 | 85,000,000 | — | 1,958,800,000 | Note |
| Treasury stock | | | | | |
| Common stock | — | — | — | — | |
| Classified stock | — | — | — | — | |
| Total | — | — | — | — | |

Note: The reason for an increase in shares is the issuance of 85,000,000 thousand new shares.

For the fiscal year ended March 31, 2024, the type and the number of issued shares and treasury stock are as follows:

(Unit: thousands of shares)

| Types | The number of shares at the beginning of the fiscal year | Increase during the fiscal year | Decrease during the fiscal year | The number of shares at the end of the fiscal year | Remarks |
|------------------|--|---------------------------------|---------------------------------|--|---------|
| Issued shares | | | | | |
| Common stock | 1,958,800,000 | 103,000,000 | — | 2,061,800,000 | Note |
| Classified stock | — | — | — | — | |
| Total | 1,958,800,000 | 103,000,000 | — | 2,061,800,000 | Note |
| Treasury stock | | | | | |
| Common stock | — | — | — | — | |
| Classified stock | — | — | — | — | |
| Total | — | — | — | — | |

Note: The reason for an increase in shares is the issuance of 103,000,000 thousand new shares

16. Cash flows

A reconciliation of Cash and cash equivalents in the consolidated statements of cash flows as of March 31, 2023 and 2024 to Cash and due from banks in the consolidated balance sheets is as follows:

| | For the year ended March 31, 2023 (In millions of yen) | For the year ended March 31, 2024 (In millions of yen) | For the year ended March 31, 2024 (In millions of U.S. dollars) |
|---------------------------|--|--|---|
| Cash and due from banks | ¥ 2,193,775 | ¥2,565,369 | \$ 16,943 |
| Time deposits and others | (987,917) | (1,618,744) | (10,691) |
| Cash and cash equivalents | ¥ 1,205,858 | ¥ 946,624 | \$ 6,252 |

17. Financial instruments and related disclosure

(a) Status of financial instruments

(i) Policies for financial instruments

Based on the JBIC Act, JBIC is a policy-based financial institution wholly owned by the Japanese government, which has the purpose of contributing to the sound development of Japan and the international economy and society while supplementing the financial transactions implemented by private-sector financial institutions, by performing the financial function to promote the overseas development and securement of resources which are important for Japan; maintaining and improving the international competitiveness of Japanese industries; promoting the overseas business having the purpose of preserving the global environment, such as preventing global warming, as well as preventing disruptions to international financial order or taking appropriate measures with respect to damages caused by such disruption.

JBIC's principal operations consist of providing "export loans," "import loans," "investment financing," "financing for business development" (including guarantees) and "capital investment." To conduct these operations, funds are raised through borrowings from the fiscal investment and loans and the foreign exchange fund special account, and the issuing of bonds. An ALM (asset and liability management) function has been established in respect of JBIC's financial assets and liabilities that are subject to interest rate and currency fluctuations to assist in ensuring that such fluctuations do not have an adverse effect on JBIC's operations. In addition, derivative transactions are entered into for the purpose of mitigating risk inherent in foreign currency denominated transactions. Financial instruments that can be used for the management of surplus funds are limited to safe instruments such as Japanese government bonds according to in the JBIC Act.

The budget required for governmental financial operations is decided upon by the Diet of Japan, and business plans and financial plans (borrowings from fiscal investment and loans, bonds, general accounting investment, and loans and other investments) are appended to the budget and submitted to the Diet of Japan.

The consolidated foreign subsidiary of JBIC engages in investments and other related activities as its principal operation.

(ii) Types of financial instruments and risks

The assets that JBIC holds mainly include loans to borrowers in Japan and overseas, and securities and liabilities mainly include borrowed money and bonds. The consolidated foreign subsidiary of JBIC holds securities subject to price fluctuations.

The associated risks of financial assets and financial liabilities held by JBIC are described below.

① Credit risk

Credit risk is the risk that JBIC will suffer losses if the financial conditions of the borrower deteriorate and the value of assets (including off-balance sheet assets) declines or is impaired.

The credit risks associated with JBIC include sovereign risk, country risk, corporate risk, and project risk. JBIC engages in significant financing activities with overseas governments, governmental institutions, and overseas corporations as part of its support to overseas economic transactions. Because of the characteristics of these activities, sovereign or country risk is a relatively significant part of the credit risk JBIC is exposed to in connection with these activities.

As a result, if the financial conditions of the individual borrower significantly deteriorate due to political and economic trends in the borrower's country or region, JBIC's performance and financial conditions can be adversely affected.

Note: Sovereign risk refers to risk associated with credit extended to foreign governments. Country risk refers to risk associated with the country in which the corporation or project is located (risk, in addition to corporate risk or project risk, associated with the country in which the corporation or the project is located). Corporate risk refers to the risk associated with credit to corporations and project risk refers to the risk that the cash flows generated from the project fail to generate the planned cash flows, in the case of project finance, where the repayment of the borrowing is primarily secured by the cash flow of the project to which credit is extended.

② Market risk

Market risk is the risk that the value of assets and liabilities (including off-balance sheet items) will fluctuate and losses will be incurred, or profits derived from assets and liabilities (including off-balance sheet items) will fluctuate and losses will be incurred due to changes in various market risk factors, such as interest rates and exchange rates.

The market risk borne by JBIC mainly consists of foreign exchange risk and interest rate risk, and JBIC may suffer losses from these risks due to fluctuations in the markets such as market turmoil. However, in principle, these risks are hedged through interest rate swaps, currency swaps, and forward foreign exchange contracts.

JBIC uses hedge accounting for interest rate hedges, where the hedging instrument is interest rate swaps to hedge the risk of changes in interest rates associated with loans, borrowed money and bonds. The effectiveness of the hedges is assessed by measuring and comparing the change in fair value or cumulative change in cash flows of both hedging instruments and corresponding hedged items from the date of inception of the hedges to the assessment date.

JBIC uses hedge accounting for foreign exchange hedges, where currency swaps and forward foreign exchange contracts are used to hedge items such as loans and bonds for foreign exchange risk. The effectiveness of the hedging with currency swaps and forward foreign exchange contracts is assessed by comparing the foreign currency position of the hedged financial assets and liabilities with that of the hedging instruments.

③ Liquidity risk

Liquidity risk is the risk that losses will be incurred as a result of difficulties in obtaining the funds necessary due to a maturity mismatch between financing and funding or unexpected outflow of funds, or being forced to fund at an interest rate significantly higher than that under normal circumstances (funding risk). It is also the risk that losses will be incurred from being unable to conduct market transactions due to market turmoil or being forced to transact at far more unfavorable prices than those under normal circumstances (market liquidity risk).

Long-term and stable funds, such as fiscal loan funds, government-guaranteed bonds and the fiscal investment and loan program ("FILP") agency bonds, are secured to finance JBIC and deposits are not accepted. Therefore, JBIC considers liquidity risk to be limited. However, financing costs could increase due to market turmoil and unexpected events.

(iii) Risk management structure for financial instruments

The risk management structure of JBIC is described below.

① Credit risk management

The cornerstone of credit risk management at JBIC is the evaluation of an individual borrower's creditworthiness in advance of credit approval.

When a new credit application is processed, the relevant finance departments (sales promotion departments) and credit departments collect and analyze information on the borrower. JBIC's overseas representative offices also play a part in collecting information on foreign governments and companies. Credit appraisal takes place based on the information that has been gathered and analyzed with the different departments ensuring appropriate checks throughout the process, leading to the final decision by management.

In providing credit to foreign governments and companies, JBIC takes maximum advantage of its unique position as a public financial institution. This includes exchanging views and information with governments and relevant authorities in the recipient countries, multilateral international institutions such as the International Monetary Fund (IMF) and the World Bank, other regional development banks such as export credit agencies, and private financial institutions in developed countries. Using all these channels to exchange views and information, JBIC evaluates sovereign and country risks (risk in addition to corporate risk associated with the country in which the corporation is located) based on the broad range of information collected on the borrowing governments, the government agencies and the political and economic conditions in their countries.

The relevant finance departments and credit departments conduct proper credit risk management based on the credit risk rating system for segmented risk categories and the asset self-assessment system. In addition, an Integrated Risk Management Committee is held regularly to report the status of credit management to JBIC's management. The credit management is also checked by an independent auditing department.

In addition, a claims protection mechanism exists based on an international framework unique to official creditors, that is not applied to private sector financial institutions, for public claims on foreign governments. This mechanism consists of international financial assistance upon international approval by the Paris Club, an international group focusing on debt, to allow the debtor country to continue debt repayment when the debtor country becomes temporarily unable to service its debt due to economic conditions. As part of this international financial assistance, the debtor country conducts an economic reform program agreed by the IMF in order to secure the ability to sustainably service its debt. In view of JBIC's position as a public financial institution, it will use the framework of the Paris Club to preserve its public claims on foreign governments.

In addition to the above credit risk management related to individual borrowers, JBIC quantifies credit risk with a view to evaluating the risk of the overall loan portfolio. To quantify credit risks, it is important to take into account the characteristics of JBIC's loan portfolio, which are not typically seen in other private financial institutions, namely that JBIC holds a significant proportion of long-term loans that entail sovereign and country risks. Also to be taken into account are mechanisms for securing assets under an international supporting framework, such as the Paris Club, which is unique to official creditors. JBIC uses a unique model to quantify the credit risk taking account of the above factors and measures the amount of credit risk, which are utilized for credit risk management.

② Market risk management

JBIC manages foreign exchange risk and interest rate risk through its ALM. Market risk management protocols contain detailed stipulations in respect of risk management methods and procedures, and JBIC has established the ALM Committee to assess and confirm the execution of ALM, and to discuss future responses to market risk. In addition, JBIC assesses and monitors the interest rate and terms of financial assets and liabilities in detail through a gap analysis and an interest rate sensitivity analysis as well as market risk measurement using Value at Risk ("VaR"). The results are reported to the ALM Committee on a regular basis.

The basic policy for managing foreign exchange risk and interest rate risk at JBIC is described below.

1) Foreign exchange risk

Foreign currency-denominated loans conducted in JBIC involve risks related to exchange rate fluctuations. JBIC has a consistent policy of managing this risk by fully hedging this risk exposure through the use of currency swaps and forward foreign exchange contracts.

2) Interest rate risk

Interest rate risk arises from exposure to market interest rate fluctuations for yen-denominated loan and foreign currencydenominated loan operations and the policy for managing interest rate risk is described below.

a. Yen-denominated loan operations

Yen-denominated loan operations are mainly managed by using fixed-rate loans. However, swaps are used to hedge interest rate risk for the portion of loans that are deemed to have high exposures to interest rate fluctuations and therefore interest rate risk is limited.

b. Foreign currency-denominated loan operations

For foreign currency-denominated loan operations, interest rate risk is hedged through the application of a consistent policy of using interest rate swaps and managing the funds with floating interest rates for both loans and related funding arrangements.

3) Status of market risk

JBIC only maintains a banking book and does not have financial instruments in a trading book. While, in principle, JBIC holds derivatives only for hedging purposes, as stated previously, market risk (VaR) that takes into account the correlation between interest rate risk and foreign exchange risk is measured in order to assess potential risk exposures. The following represents the market risk (VaR) exposure in the current fiscal year.

a. Market risk (VaR)

| As of March 31, 2024 (In billions of yen) | As of March 31, 2024 (In billions of U.S. dollars) |
|---|--|
| ¥ 197.7 | \$ 1.3 |

b. Market risk (VaR) measurement model

Historical model (Confidence interval: 99%, Holding period: 1 year, Observation period: 5 years)

c. Risk management using market risk (VaR)

VaR is a market risk measure that assesses the maximum possible fluctuation of gains or losses in fair values that could be incurred after a certain period of time ("Holding period") based on historical market movements of interest rates or exchange rates and other market indices over a specific period in the past ("Observation period") within a given probability ("Confidence interval"), that is derived statistically by employing the theory of probability distribution.

The measurement assumes historical market trends and the theory of probability distribution. Based on the possibility that future market trends could deviate from these assumptions, a back-test is performed to cross-check the model-measured VaR with actual profits or losses, in order to confirm the effectiveness of market risk measurements using VaR. In addition, a stress

test, which goes beyond historical market movements, is carried out in order to capture risks from various perspectives

The following points should generally be noted in measuring VaR:

- VaR will differ depending on the choice of confidence interval, holding period or observation period;
- VaR indicates the maximum fluctuation of gains or losses in fair values at the time of measurement. In practice, the actual results at a point in the future may differ from the VaR calculation due to changes in the assumptions caused by market movements during the holding period; and
- VaR indicates the maximum value based on specific assumption. As such, when utilizing VaR as a risk management measure, it is imperative to keep in mind that VaR may underestimate the potential losses.

③ Liquidity risk management related to funding

Long-term and stable funds, such as fiscal loan funds, government-guaranteed bonds and FILP agency bonds, are used to finance the operations and deposits are not accepted.

Cash flows are assessed and proper measures, including establishing overdraft facility accounts with multiple private sector financial institutions, are taken to maintain daily cash flows for proper risk management.

④ Derivative transactions

For derivative transactions, the internal checks and balances are established by assigning the execution of transactions, the assessment of hedge effectiveness and the management of administrative work to separate divisions. In addition, derivative transactions are carried out in accordance with the derivatives related protocol.

(iv) Supplementary explanation concerning fair value of financial instruments

Fair values of financial instruments have been calculated using certain assumptions, and may differ depending on the assumptions.

(b) Fair value of financial instruments

The carrying amount on the consolidated balance sheets as of March 31, 2023 and 2024 and the related fair value, and difference are as follows. Note that equity and other securities and partnership investments (excluding those held by a certain consolidated foreign subsidiary) whose market prices are not available are not included in the following tables (refer to Note 1). Further, Cash and due from banks, Cash collateral paid for financial instruments and Cash collateral received for financial instruments are excluded from the note because they are settled in a short period and thus their fair value approximates their carrying amount.

As of March 31, 2023

(In millions of yen)

| | Amount on consolidated balance sheet | Fair value | Difference |
|--|---|--------------|-------------|
| (1) Securities | | | |
| Securities classified as trading | ¥ 17,939 | ¥ 17,939 | ¥ — |
| Available-for-sale securities | 45,621 | 45,621 | — |
| (2) Loans and bills discounted | 15,587,788 | | |
| Allowance for loan losses ¹ | (383,842) | | |
| | 15,203,946 | 15,294,983 | 91,037 |
| Total | ¥ 15,267,507 | ¥ 15,358,545 | ¥ 91,037 |
| (1) Borrowed money | 8,513,677 | 8,490,362 | (23,314) |
| (2) Bonds payable | 6,191,755 | 5,881,695 | (310,059) |
| Total | ¥ 14,705,432 | ¥ 14,372,058 | ¥ (333,374) |
| Derivative transactions ² | | | |
| Derivative transactions not qualifying for hedge accounting | — | — | — |
| Derivative transactions qualifying for hedge accounting ³ | (688,076) | (688,076) | — |
| Total | ¥ (688,076) | ¥ (688,076) | ¥ — |

Notes: 1. General allowance for loan losses and specific allowance for loan losses, and the allowance for possible loan losses on specific overseas loans have been deducted from Loans and bills discounted.

2. Derivatives recorded in Other assets and Other liabilities are collectively presented. Assets and liabilities arising from derivative transactions are presented on a net basis. The figures in parenthesis indicate net liabilities.

3. This represents interest rate swaps and other instruments designated as the hedging instrument to offset the market fluctuation of hedged loans and other items. The "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (PITF No. 40 of March 17, 2022) is applied to these hedging relationships.

As of March 31, 2024

(In millions of yen)

| | Amount on consolidated balance sheet | Fair value | Difference |
|--|--------------------------------------|--------------|-------------|
| (1) Securities | | | |
| Securities classified as trading | ¥ 6,251 | ¥ 6,251 | ¥ — |
| Available-for-sale securities ¹ | 53,880 | 53,880 | — |
| (2) Loans and bills discounted | 16,423,476 | | |
| Allowance for loan losses ² | (505,419) | | |
| | 15,918,056 | 16,039,193 | 121,136 |
| Total | ¥ 15,978,189 | ¥ 16,099,325 | ¥ 121,136 |
| (1) Borrowed money | 9,193,988 | 9,138,561 | (55,427) |
| (2) Bonds payable | 6,636,856 | 6,311,260 | (325,596) |
| Total | ¥ 15,830,845 | ¥ 15,449,821 | ¥ (381,024) |
| Derivative transactions ³ | | | |
| Derivative transactions not qualifying for hedge accounting | — | — | — |
| Derivative transactions qualifying for hedge accounting ⁴ | (994,792) | (994,792) | — |
| Total | ¥ (994,792) | ¥ (994,792) | ¥ — |

As of March 31, 2024

(In millions of U.S. dollars)

| | Amount on consolidated balance sheet | Fair value | Difference |
|--|--------------------------------------|------------|------------|
| (1) Securities | | | |
| Securities classified as trading | \$ 41 | \$ 41 | \$ — |
| Available-for-sale securities ¹ | 356 | 356 | — |
| (2) Loans and bills discounted | 108,470 | | |
| Allowance for loan losses ² | (3,338) | | |
| | 105,132 | 105,932 | 800 |
| Total | \$ 105,529 | \$ 106,329 | \$ 800 |
| (1) Borrowed money | 60,722 | 60,356 | (366) |
| (2) Bonds payable | 43,834 | 41,683 | (2,151) |
| Total | \$ 104,556 | \$ 102,039 | \$ (2,517) |
| Derivative transactions ³ | | | |
| Derivative transactions not qualifying for hedge accounting | — | — | — |
| Derivative transactions qualifying for hedge accounting ⁴ | (6,570) | (6,570) | — |
| Total | \$ (6,570) | \$ (6,570) | \$ — |

Notes: 1. Available-for-sale securities include investment trusts whose net asset value is deemed as fair value based on paragraph 24-3 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31 issued on June 17, 2021).
2. General allowance for loan losses and specific allowance for loan losses, and the allowance for possible loan losses on specific overseas loans have been deducted from Loans and bills discounted.
3. Derivatives recorded in Other assets and Other liabilities are collectively presented. Assets and liabilities arising from derivative transactions are presented on a net basis. The figures in parenthesis indicate net liabilities.
4. This represents interest rate swaps and other instruments designated as the hedging instrument to offset the market fluctuation of hedged loans and other items. The "Practical Solution on the Treatment of Hedge Accounting for Financial Instruments that Reference LIBOR" (PITF No. 40 of March 17, 2022) is applied to these hedging relationships.

(Note 1) Equity and other securities and partnership investments (excluding those held by a certain consolidated foreign subsidiary) whose market prices are not available are as follows. They are not included in "Assets, (1) Securities."

Classification

| | As of March 31, 2023 (In millions of yen) | As of March 31, 2024 (In millions of yen) | As of March 31, 2024 (In millions of U.S. dollars) |
|---|--|--|---|
| 1) Unlisted stocks (unconsolidated subsidiaries and affiliates) ^{1,2} | ¥ 32,313 | ¥ 24,099 | \$ 159 |
| 2) Unlisted stocks (other than unconsolidated subsidiaries and affiliates) ¹ | 84,397 | 85,931 | 568 |
| 3) Partnership investments (unconsolidated subsidiaries and affiliates) ³ | 78,253 | 65,743 | 434 |
| 4) Partnership investments (other than unconsolidated subsidiaries and affiliates) ³ | 88,561 | 104,296 | 689 |
| Total | ¥ 283,525 | ¥ 280,071 | \$ 1,850 |

Notes: 1. Based on paragraph 5 of the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19 issued on March 31, 2020), fair values are not presented for unlisted stocks.
2. Impairment loss of ¥3,486 million is recognized for unlisted stocks (unconsolidated subsidiaries and affiliates) for the fiscal year ended March 31, 2023. Impairment loss is not recognized for unlisted stocks (unconsolidated subsidiaries and affiliates) for the fiscal year ended March 31, 2024.
3. Based on paragraph 24-16 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31 issued on June 17, 2021), fair values are not presented for partnership investments.

(Note 2) Redemption schedule for receivables and redeemable securities with future redemption dates

As of March 31, 2023

(In millions of yen)

| | Due within one year | Due after one year but within three years | Due after three years but within five years | Due after five years but within seven years | Due after seven years but within ten years | Due after ten years |
|-------------------------------|------------------------|---|---|---|--|------------------------|
| Securities | | | | | | |
| Available-for-sale securities | ¥ — | ¥ — | ¥ 200 | ¥ 30,900 | ¥ 6,600 | ¥ 9,300 |
| Loans and bills discounted* | 1,886,585 | 4,020,539 | 3,152,268 | 2,571,749 | 2,174,889 | 1,490,747 |
| Total | ¥ 1,886,585 | ¥ 4,020,539 | ¥ 3,152,468 | ¥ 2,602,649 | ¥ 2,181,489 | ¥ 1,500,047 |

* Loans and bills discounted of ¥291,008 million whose redemption is not estimable, such as claims against Bankrupt borrowers, Substantially bankrupt borrowers, and Potentially bankrupt borrowers, are not included in the table above.

As of March 31, 2024

(In millions of yen)

| | Due within one year | Due after one year but within three years | Due after three years but within five years | Due after five years but within seven years | Due after seven years but within ten years | Due after ten years |
|-------------------------------|------------------------|---|---|---|--|------------------------|
| Securities | | | | | | |
| Available-for-sale securities | ¥ — | ¥ 200 | ¥ 30,900 | ¥ 3,200 | ¥ 9,600 | ¥ 9,300 |
| Loans and bills discounted* | 2,128,755 | 4,468,732 | 3,328,272 | 2,734,366 | 1,898,720 | 1,534,152 |
| Total | ¥ 2,128,755 | ¥ 4,468,932 | ¥ 3,359,172 | ¥ 2,737,566 | ¥ 1,908,320 | ¥ 1,543,452 |

As of March 31, 2024

(In millions of U.S. dollars)

| | Due within one year | Due after one year but within three years | Due after three years but within five years | Due after five years but within seven years | Due after seven years but within ten years | Due after ten years |
|-------------------------------|------------------------|---|---|---|--|------------------------|
| Securities | | | | | | |
| Available-for-sale securities | \$ — | \$ 1 | \$ 204 | \$ 21 | \$ 64 | \$ 62 |
| Loans and bills discounted* | 14,060 | 29,514 | 21,982 | 18,059 | 12,540 | 10,132 |
| Total | \$ 14,060 | \$ 29,515 | \$ 22,186 | \$ 18,080 | \$ 12,604 | \$ 10,194 |

* Loans and bills discounted of ¥330,476 million (\$2,183 million) whose redemption is not estimable, such as claims against Bankrupt borrowers, Substantially bankrupt borrowers, and Potentially bankrupt borrowers, are not included in the table above.

(Note 3) Redemption schedule for Borrowed money and Bonds payable with future redemption dates

As of March 31, 2023

(In millions of yen)

| | Due within one year | Due after one year but within three years | Due after three years but within five years | Due after five years but within seven years | Due after seven years but within ten years | Due after ten years |
|----------------|------------------------|---|---|---|--|------------------------|
| Borrowed money | ¥ 800,832 | ¥ 2,617,441 | ¥ 3,841,703 | ¥ 412,300 | ¥ 617,200 | ¥ 224,200 |
| Bonds payable | 1,068,240 | 2,290,010 | 1,529,086 | 713,222 | 600,885 | — |
| Total | ¥ 1,869,072 | ¥ 4,907,451 | ¥ 5,370,789 | ¥ 1,125,522 | ¥ 1,218,085 | ¥ 224,200 |

As of March 31, 2024

(In millions of yen)

| | Due within one year | Due after one year but within three years | Due after three years but within five years | Due after five years but within seven years | Due after seven years but within ten years | Due after ten years |
|----------------|------------------------|---|---|---|--|------------------------|
| Borrowed money | ¥ 423,380 | ¥ 569,666 | ¥ 6,398,941 | ¥ 826,300 | ¥ 751,500 | ¥ 224,200 |
| Bonds payable | 984,165 | 2,838,608 | 1,677,340 | 693,175 | 454,230 | — |
| Total | ¥ 1,407,545 | ¥ 3,408,274 | ¥ 8,076,281 | ¥ 1,519,475 | ¥ 1,205,730 | ¥ 224,200 |

As of March 31, 2024

(In millions of U.S. dollars)

| | Due within one year | Due after one year but within three years | Due after three years but within five years | Due after five years but within seven years | Due after seven years but within ten years | Due after ten years |
|----------------|------------------------|---|---|---|--|------------------------|
| Borrowed money | \$ 2,796 | \$ 3,762 | \$ 42,262 | \$ 5,457 | \$ 4,963 | \$ 1,482 |
| Bonds payable | 6,500 | 18,748 | 11,078 | 4,578 | 3,000 | — |
| Total | \$ 9,296 | \$ 22,510 | \$ 53,340 | \$ 10,035 | \$ 7,963 | \$ 1,482 |

(c) Breakdown of the fair value of financial instruments by level and other relevant matters

The fair value of financial instruments is classified into the following three levels in accordance with the observability and significance of inputs used for determining the fair value.

Level 1 fair value: Of observable inputs for the fair value determination, this fair value is determined based on a quoted price formed in an active market for assets or liabilities that are subject to the fair value determination.

Level 2 fair value: Of observable inputs for the fair value, this fair value is determined based on inputs for the fair value determination other than those used to determine the Level 1 fair value.

Level 3 fair value: This fair value is determined using unobservable inputs for the fair value determination.

Where more than one input that has a significant impact on the fair value determination are used, of the levels respective inputs belong to, the fair value is classified into the level with the lowest priority in the fair value determination.

(i) Financial instruments recognized in the consolidated balance sheets at fair value

As of March 31, 2023

(In millions of yen)

| | Fair value | | | |
|----------------------------------|------------|-------------|----------|-------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Securities | | | | |
| Securities classified as trading | | | | |
| Equity and other securities | ¥ — | ¥ — | ¥ 17,939 | ¥ 17,939 |
| Available-for-sale securities | | | | |
| Samurai bonds | — | 45,621 | — | 45,621 |
| Total | ¥ — | ¥ 45,621 | ¥ 17,939 | ¥ 63,561 |
| Derivative transactions* | | | | |
| Interest rate-related | — | (348,890) | — | (348,890) |
| Currency-related | — | (339,186) | — | (339,186) |
| Total | ¥ — | ¥ (688,076) | ¥ — | ¥ (688,076) |

* Derivatives recorded in Other assets and Other liabilities are collectively presented. Assets and liabilities arising from derivative transactions are presented on a net basis. The figures in parenthesis indicate net liabilities.

As of March 31, 2024

(In millions of yen)

| | Fair value | | | |
|--|------------|-------------|---------|-------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Securities | | | | |
| Securities classified as trading | | | | |
| Equity and other securities | ¥ — | ¥ — | ¥ 6,251 | ¥ 6,251 |
| Available-for-sale securities ¹ | | | | |
| Samurai bonds | — | 51,476 | — | 51,476 |
| Total | ¥ — | ¥ 51,476 | ¥ 6,251 | ¥ 57,728 |
| Derivative transactions ² | | | | |
| Interest rate-related | — | (381,153) | — | (381,153) |
| Currency-related | — | (613,639) | — | (613,639) |
| Total | ¥ — | ¥ (994,792) | ¥ — | ¥ (994,792) |

As of March 31, 2024

(In millions of U.S. dollars)

| | Fair value | | | |
|--|------------|------------|---------|------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Securities | | | | |
| Securities classified as trading | | | | |
| Equity and other securities | \$ — | \$ — | \$ 41 | \$ 41 |
| Available-for-sale securities ¹ | | | | |
| Samurai bonds | — | 340 | — | 340 |
| Total | \$ — | \$ 340 | \$ 41 | \$ 381 |
| Derivative transactions ² | | | | |
| Interest rate-related | — | (2,517) | — | (2,517) |
| Currency-related | — | (4,053) | — | (4,053) |
| Total | \$ — | \$ (6,570) | \$ — | \$ (6,570) |

Notes: 1. Available-for-sale securities do not include investment trusts whose net asset value is deemed as fair value based on paragraph 24-3 of the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31 issued on June 17, 2021). The investment trust is ¥2,404 million (\$16 million) for the fiscal year ended March 31, 2024.

2. Derivatives recorded in Other assets and Other liabilities are collectively presented. Assets and liabilities arising from derivative transactions are presented on a net basis. The figures in parenthesis indicate net liabilities.

- 1) Reconciliation between the beginning balance and the ending balance of the investment trusts subject to the treatment under paragraph 24-3

(In millions of yen)

| Balance as of April 1, 2023 | Profit or loss or other comprehensive income during the fiscal year | | Purchase, sale and redemption (Net) | Investment trusts subject to the treatment under paragraph 24-3 | Investment trusts not subject to the treatment under paragraph 24-3 | Balance as of March 31, 2024 | Of the amount recognized in profit or loss during the fiscal year, valuation gain (loss) on the investment trust held as of the date of the consolidated balance sheet |
|-----------------------------|---|---|-------------------------------------|---|---|------------------------------|--|
| | Recognized in profit or loss | Recognized in other comprehensive income* | | | | | |
| ¥ — | ¥ — | ¥ 35 | ¥ 2,368 | ¥ — | ¥ — | ¥ 2,404 | ¥ — |

(In millions of U.S. dollars)

| Balance as of April 1, 2023 | Profit or loss or other comprehensive income during the fiscal year | | Purchase, sale and redemption (Net) | Investment trusts subject to the treatment under paragraph 24-3 | Investment trusts not subject to the treatment under paragraph 24-3 | Balance as of March 31, 2024 | Of the amount recognized in profit or loss during the fiscal year, valuation gain (loss) on the investment trust held as of the date of the consolidated balance sheet |
|-----------------------------|---|---|-------------------------------------|---|---|------------------------------|--|
| | Recognized in profit or loss | Recognized in other comprehensive income* | | | | | |
| \$ — | \$ — | \$ 0 | \$ 16 | \$ — | \$ — | \$ 16 | \$ — |

* Included in Valuation difference on available-for-sale securities under Other comprehensive income (loss) in the consolidated statements of comprehensive income.

- 2) Breakdown of restriction on cancellation or repurchase rights as of March 31, 2024

(In millions of yen)

| Nature of restriction on cancellation or repurchase rights | Carrying amount on the consolidated balance sheet |
|--|---|
| Cancellation or repurchase rights are not granted, and consent from the investment management company is required for transfer | ¥ 2,404 |

(In millions of U.S. dollars)

| Nature of restriction on cancellation or repurchase rights | Carrying amount on the consolidated balance sheet |
|--|---|
| Cancellation or repurchase rights are not granted, and consent from the investment management company is required for transfer | \$ 16 |

- (ii) Financial instruments other than those recognized in the consolidated balance sheets at fair value

As of March 31, 2023

(In millions of yen)

| | Fair value | | | |
|----------------------------|------------|--------------|--------------|--------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Loans and bills discounted | ¥ — | ¥ — | ¥ 15,294,983 | ¥ 15,294,983 |
| Total | ¥ — | ¥ — | ¥ 15,294,983 | ¥ 15,294,983 |
| Borrowed money | — | 8,490,362 | — | 8,490,362 |
| Bonds payable | — | 5,881,695 | — | 5,881,695 |
| Total | ¥ — | ¥ 14,372,058 | ¥ — | ¥ 14,372,058 |

As of March 31, 2024

(In millions of yen)

| | Fair value | | | |
|----------------------------|------------|--------------|--------------|--------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Loans and bills discounted | ¥ — | ¥ — | ¥ 16,039,193 | ¥ 16,039,193 |
| Total | ¥ — | ¥ — | ¥ 16,039,193 | ¥ 16,039,193 |
| Borrowed money | — | 9,138,561 | — | 9,138,561 |
| Bonds payable | — | 6,311,260 | — | 6,311,260 |
| Total | ¥ — | ¥ 15,449,821 | ¥ — | ¥ 15,449,821 |

As of March 31, 2024

(In millions of U.S. dollars)

| | Fair value | | | |
|----------------------------|------------|------------|------------|------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Loans and bills discounted | \$ — | \$ — | \$ 105,932 | \$ 105,932 |
| Total | \$ — | \$ — | \$ 105,932 | \$ 105,932 |
| Borrowed money | — | 60,356 | — | 60,356 |
| Bonds payable | — | 41,683 | — | 41,683 |
| Total | \$ — | \$ 102,039 | \$ — | \$ 102,039 |

(Note 1) Valuation methodologies and inputs used for determining fair value

Assets

Securities

When the market is not active even if a quoted price is used, or when quoted prices are not available but the Reference Statistical Prices [Yields] for OTC Bond Transactions are available, the fair value of securities is classified into Level 2. Such securities primarily include Samurai bonds and listed stocks. The fair value of certain Samurai bonds is based on prices obtained from, among others, information vendors. In consideration of the results of assessment using a fair valuation model that does not use unobservable inputs, such fair value is also classified into Level 2.

When quoted prices are not available, the fair value is determined by using valuation methodologies, such as the one using the present value of future cash flows. Observable inputs are used as much as practicable in valuation and inputs include a discount rate based on the weighted average cost of capital. If any significant unobservable inputs are used in the calculation, the fair value of securities is classified into Level 3. Such securities primarily include equity and other securities.

Loans and bills discounted

The fair value of loans and bills discounted is determined by discounting at a risk-free rate the sum of principal and interest after adjusting for credit risk and other elements according to the classifications based on the type of loans and bills discounted, internal ratings and periods. Of which, the fair value of those loans with variable interest rates is their carrying amount as such loans reflect market interest rates over the short term and approximates the carrying amount if the borrower's credit conditions have not changed significantly since the issuance of loans.

For claims on Bankrupt borrowers, Substantially bankrupt borrowers, and Potentially bankrupt borrowers, credit losses estimated on such claims are calculated based on the discounted present value of estimated future cash flows or the expected collectible amount from the collateral or guarantee. Since fair value approximates the amount on the consolidated balance sheets at the fiscal year end after deducting the allowance for loan losses, this amount is used for fair value. This fair value is classified into Level 3 because the effects of unobservable inputs on the fair value are considered to be material.

Liabilities

Borrowed money

As for borrowed money, the present value is calculated by discounting the sum of principal and interest of the borrowed money classified by certain periods at a rate adjusted by the remaining period and credit risk of borrowed money. Of which, borrowed money with variable interest rates reflect short-term market interest rates and the credit conditions of JBIC and its consolidated subsidiaries have not changed significantly since the execution of borrowings. Therefore, the carrying amount is used as fair value because it is considered that the carrying amount approximates the fair value. Since unobservable inputs are not used, this fair value is classified into Level 2.

Bonds payable

Of bonds issued by JBIC, the Reference Statistical Prices [Yields] for OTC Bond Transactions is used as fair value for the FILP agency bonds and that fair value is classified into Level 2. As for government-guaranteed foreign currency bonds, the prices obtained from, among others, information vendors are used as fair value and that fair value is classified into Level 2 in consideration of the result of assessment using a fair valuation model that does not use unobservable inputs.

Derivative transactions

As derivative transactions by JBIC are OTC transactions whose quoted prices are not available, their fair value is determined by using the present value method and other valuation methodologies according to the transaction type and the term to maturity. Price adjustments are made based on the counterparty's credit risk and JBIC's credit risk. Main inputs used in these valuation methodologies include interest rates, exchange rates, and credit spreads. Since unobservable inputs are not used, this fair value is classified into Level 2. Such transactions include plain vanilla interest rate swaps, currency swaps, and forward foreign exchange contracts.

(Note 2) Information on Level 3 fair value of financial instruments recognized in the consolidated balance sheets at fair value

(1) Quantitative information on significant unobservable inputs

As of March 31, 2023

| Category | Valuation methodologies | Significant unobservable inputs | Range of inputs | Weighted average of inputs |
|----------------------------------|-------------------------|---------------------------------|-----------------|----------------------------|
| Securities | | | | |
| Securities classified as trading | Present value method | Discount rate | 4.3%-21.5% | 12.1 % |
| Equity and other securities | | | | |

As of March 31, 2024

| Category | Valuation methodologies | Significant unobservable inputs | Range of inputs | Weighted average of inputs |
|----------------------------------|-------------------------|---------------------------------|-----------------|----------------------------|
| Securities | | | | |
| Securities classified as trading | Present value method | Discount rate | 4.3%-24.4% | 15.3 % |
| Equity and other securities | | | | |

(2) Reconciliation between the opening balance and the closing balance, and valuation gain (loss) recognized in profit or loss during the fiscal year

As of March 31, 2023

| (In millions of yen) | | | | | | | | |
|----------------------------------|-----------------------------|---|---|---|---|---|------------------------------|---|
| | Balance as of April 1, 2022 | Profit or loss or other comprehensive income during the fiscal year | | Purchase, sale, issuance and settlement (Net) | Transfer to Level 3 fair value ³ | Transfer from Level 3 fair value ⁴ | Balance as of March 31, 2023 | Of the amount recognized in profit or loss during the fiscal year, valuation gain (loss) on financial assets and liabilities held as of the date of the consolidated balance sheet ¹ |
| | | Recognized in profit or loss ¹ | Recognized in other comprehensive income ² | | | | | |
| Securities | | | | | | | | |
| Securities classified as trading | | | | | | | | |
| Equity and other securities | ¥ 16,951 | ¥ (3,416) | ¥ 4,404 | ¥ — | ¥ — | ¥ — | ¥ 17,939 | ¥ (3,416) |

Notes: 1. Included in Other under Other expenses in the consolidated statements of operations.

2. Included in Foreign currency translation adjustment under Other comprehensive income (loss) in the consolidated statements of comprehensive income.

3. This represents a transfer from Level 2 fair value to Level 3 fair value and did not occur during the fiscal year ended March 2023.

4. This represents a transfer from Level 3 fair value to Level 2 fair value and did not occur during the fiscal year ended March 2023.

As of March 31, 2024

| (In millions of yen) | | | | | | | | |
|----------------------------------|-----------------------------|---|---|---|---|---|------------------------------|---|
| | Balance as of April 1, 2023 | Profit or loss or other comprehensive income during the fiscal year | | Purchase, sale, issuance and settlement (Net) | Transfer to Level 3 fair value ³ | Transfer from Level 3 fair value ⁴ | Balance as of March 31, 2024 | Of the amount recognized in profit or loss during the fiscal year, valuation gain (loss) on financial assets and liabilities held as of the date of the consolidated balance sheet ¹ |
| | | Recognized in profit or loss ¹ | Recognized in other comprehensive income ² | | | | | |
| Securities | | | | | | | | |
| Securities classified as trading | | | | | | | | |
| Equity and other securities | ¥ 17,939 | ¥ (8,576) | ¥ (3,111) | ¥ — | ¥ — | ¥ — | ¥ 6,251 | ¥ (8,576) |

As of March 31, 2024

(In millions of U.S. dollars)

| | Balance as of April 1, 2023 | Profit or loss or other comprehensive income during the fiscal year | | Purchase, sale, issuance and settlement (Net) | Transfer to Level 3 fair value ³ | Transfer from Level 3 fair value ⁴ | Balance as of March 31, 2024 | Of the amount recognized in profit or loss during the fiscal year, valuation gain (loss) on financial assets and liabilities held as of the date of the consolidated balance sheet ¹ |
|----------------------------------|-----------------------------|---|---|---|---|---|------------------------------|---|
| | | Recognized in profit or loss ¹ | Recognized in other comprehensive income ² | | | | | |
| Securities | | | | | | | | |
| Securities classified as trading | | | | | | | | |
| Equity and other securities | \$ 118 | \$ (57) | \$ (20) | \$ — | \$ — | \$ — | \$ 41 | \$ (57) |

Notes: 1. Included in Other under Other expenses in the consolidated statements of operations.

2. Included in Foreign currency translation adjustment under Other comprehensive income (loss) in the consolidated statements of comprehensive income.

3. This represents a transfer from Level 2 fair value to Level 3 fair value and did not occur during the fiscal year ended March 2024.

4. This represents a transfer from Level 3 fair value to Level 2 fair value and did not occur during the fiscal year ended March 2024.

(3) Fair valuation process

The JBIC Group has in place the policies and procedures for the fair value determination and each trading department determines fair value in line with these policies and procedures. With respect to the fair value determined, an independent department, verifies the appropriateness of the valuation methodologies, and the reasonableness of inputs, that are used in determining fair value and the appropriateness of the classification of fair value by level. The verification results are escalated to management every fiscal year to ensure the appropriateness of the policies and procedures for the fair value determination.

In determining fair value, a valuation model that best reflects the nature, characteristics, and risks of individual assets is used. When using quoted prices obtained from third parties, JBIC verifies the reasonableness of such prices by reviewing the valuation methodologies and inputs used or by other appropriate methods.

(4) Effects on fair value arising from changes in significant unobservable inputs

The significant unobservable input used for determining the fair value of equity and other securities is the discount rate. The weighted average cost of capital is primarily used as the discount rate. Generally, a significant increase (decrease) in the discount rate gives rise to a significant decrease (increase) in the fair value.

18. Market value of securities

Information relating to "Equity securities of and other investments in subsidiaries and affiliates" is presented in the notes to the consolidated financial statements.

(a) Securities classified as trading

| | Fiscal year ended March 31, 2023 (In millions of yen) | Fiscal year ended March 31, 2024 (In millions of yen) | Fiscal year ended March 31, 2024 (In millions of U.S. dollars) |
|---|--|--|---|
| Unrealized gains or losses included in profit or loss for the fiscal year | ¥ (3,416) | ¥ (8,576) | \$ (57) |

(b) Held-to-maturity debt securities

Fiscal year ended March 31, 2023

Not applicable.

Fiscal year ended March 31, 2024

Not applicable.

(c) Available-for-sale securities

As of March 31, 2023

(In millions of yen)

| | Type | Carrying amount | Acquisition cost | Difference |
|---|---------------------------|-----------------|------------------|------------|
| Securities whose carrying amount exceeds their acquisition cost | Stocks | ¥ — | ¥ — | ¥ — |
| | Debt securities | — | — | — |
| | Japanese government bonds | — | — | — |
| | Corporate bonds | — | — | — |
| | Other | — | — | — |
| Subtotal | | — | — | — |
| Securities whose carrying amount does not exceed their acquisition cost | Stocks | — | — | — |
| | Debt securities | — | — | — |
| | Japanese government bonds | — | — | — |
| | Corporate bonds | — | — | — |
| | Other | 45,621 | 47,000 | (1,378) |
| Subtotal | | 45,621 | 47,000 | (1,378) |
| Total | | ¥ 45,621 | ¥ 47,000 | ¥ (1,378) |

As of March 31, 2024

(In millions of yen)

| | Type | Carrying amount | Acquisition cost | Difference |
|---|---------------------------|-----------------|------------------|------------|
| Securities whose carrying amount exceeds their acquisition cost | Stocks | ¥ — | ¥ — | ¥ — |
| | Debt securities | — | — | — |
| | Japanese government bonds | — | — | — |
| | Corporate bonds | — | — | — |
| | Other | 2,404 | 2,368 | 35 |
| Subtotal | | 2,404 | 2,368 | 35 |
| Securities whose carrying amount does not exceed their acquisition cost | Stocks | — | — | — |
| | Debt securities | — | — | — |
| | Japanese government bonds | — | — | — |
| | Corporate bonds | — | — | — |
| | Other | 51,476 | 53,200 | (1,723) |
| Subtotal | | 51,476 | 53,200 | (1,723) |
| Total | | ¥ 53,880 | ¥ 55,568 | ¥ (1,688) |

As of March 31, 2024

(In millions of U.S. dollars)

| | Type | Carrying amount | Acquisition cost | Difference |
|---|---------------------------|-----------------|------------------|------------|
| Securities whose carrying amount exceeds their acquisition cost | Stocks | \$ — | \$ — | \$ — |
| | Debt securities | — | — | — |
| | Japanese government bonds | — | — | — |
| | Corporate bonds | — | — | — |
| | Other | 16 | 16 | 0 |
| Subtotal | | 16 | 16 | 0 |
| Securities whose carrying amount does not exceed their acquisition cost | Stocks | — | — | — |
| | Debt securities | — | — | — |
| | Japanese government bonds | — | — | — |
| | Corporate bonds | — | — | — |
| | Other | 340 | 351 | (11) |
| Subtotal | | 340 | 351 | (11) |
| Total | | \$ 356 | \$ 367 | \$ (11) |

(d) Held-to-maturity debt securities sold

Fiscal year ended March 31, 2023

Not applicable.

Fiscal year ended March 31, 2024

Not applicable.

(e) **Available-for-sale securities sold**

Fiscal year ended March 31, 2023

(In millions of yen)

| | Amount of sales | Total gain on sales | Total loss on sales |
|---------------------------|-----------------|---------------------|---------------------|
| Stocks | ¥ — | ¥ — | ¥ — |
| Debt securities | — | — | — |
| Japanese government bonds | — | — | — |
| Corporate bonds | — | — | — |
| Other | 734 | 97 | — |
| Total | ¥ 734 | ¥ 97 | ¥ — |

Fiscal year ended March 31, 2024

(In millions of yen)

| | Amount of sales | Total gain on sales | Total loss on sales |
|---------------------------|-----------------|---------------------|---------------------|
| Stocks | ¥ — | ¥ — | ¥ — |
| Debt securities | — | — | — |
| Japanese government bonds | — | — | — |
| Corporate bonds | — | — | — |
| Other | 18,917 | 3,150 | — |
| Total | ¥ 18,917 | ¥ 3,150 | ¥ — |

Fiscal year ended March 31, 2024

(In millions of U.S. dollars)

| | Amount of sales | Total gain on sales | Total loss on sales |
|---------------------------|-----------------|---------------------|---------------------|
| Stocks | \$ — | \$ — | \$ — |
| Debt securities | — | — | — |
| Japanese government bonds | — | — | — |
| Corporate bonds | — | — | — |
| Other | 125 | 21 | — |
| Total | \$ 125 | \$ 21 | \$ — |

(f) **Change in classification of securities**

Fiscal year ended March 31, 2023

Not applicable.

Fiscal year ended March 31, 2024

Not applicable.

(g) **Impairment of securities**

Fiscal year ended March 31, 2023

Not applicable.

Fiscal year ended March 31, 2024

Not applicable.

(h) **Money held in trust**

(i) Money held in trust for trading purposes

Fiscal year ended March 31, 2023

Not applicable.

Fiscal year ended March 31, 2024

Not applicable.

(ii) Money held in trust for holding-to-maturity purposes

Fiscal year ended March 31, 2023

Not applicable.

Fiscal year ended March 31, 2024

Not applicable.

(iii) Other money held in trust (other than trading and holding-to-maturity purposes)

Fiscal year ended March 31, 2023

Not applicable.

Fiscal year ended March 31, 2024

Not applicable.

(i) Net unrealized gains (losses) on available-for-sale securities are as follows:

Fiscal year ended March 31, 2023

(In millions of yen)

| | |
|---|----------|
| Valuation difference | ¥ 25,300 |
| Available-for-sale securities* | 25,300 |
| Other money held in trust | — |
| (+) Deferred tax assets (or (-) Deferred tax liabilities) | — |
| Valuation difference on available-for-sale securities (before following adjustments) | ¥ 25,300 |
| (-) Non-controlling interests | — |
| (+) JBIC's interest in valuation difference on available-for-sale securities held by affiliates accounted for using the equity method | — |
| Valuation difference on available-for-sale securities | ¥ 25,300 |

* Foreign exchange translation differences and other related items for equity and other securities and partnership investments that are denominated in foreign currencies and whose market prices are not available are included in, and presented as, "Available-for-sale securities" under "Valuation difference."

Fiscal year ended March 31, 2024

(In millions of yen)

| | |
|---|----------|
| Valuation difference | ¥ 41,226 |
| Available-for-sale securities* | 41,226 |
| Other money held in trust | — |
| (+) Deferred tax assets (or (-) Deferred tax liabilities) | — |
| Valuation difference on available-for-sale securities (before following adjustments) | ¥ 41,226 |
| (-) Non-controlling interests | — |
| (+) JBIC's interest in valuation difference on available-for-sale securities held by affiliates accounted for using the equity method | — |
| Valuation difference on available-for-sale securities | ¥ 41,226 |

Fiscal year ended March 31, 2024

(In millions of U.S. dollars)

| | |
|---|--------|
| Valuation difference | \$ 272 |
| Available-for-sale securities* | 272 |
| Other money held in trust | — |
| (+) Deferred tax assets (or (-) Deferred tax liabilities) | — |
| Valuation difference on available-for-sale securities (before following adjustments) | \$ 272 |
| (-) Non-controlling interests | — |
| (+) JBIC's interest in valuation difference on available-for-sale securities held by affiliates accounted for using the equity method | — |
| Valuation difference on available-for-sale securities | \$ 272 |

* Foreign exchange translation differences and other related items for equity and other securities and partnership investments that are denominated in foreign currencies and whose market prices are not available are included in, and presented as, "Available-for-sale securities" under "Valuation difference."

19. Derivative transactions

Notes to derivative transactions for the fiscal years ended March 31, 2023 and 2024 are as follows:

(a) Derivative transactions not qualifying for hedge accounting

For derivative transactions not qualifying for hedge accounting, the contract value at the fiscal year end or notional amount defined in agreements, and fair value and valuation gain (loss) and the fair value calculation method are as follows. The contract value does not indicate the market risk of the derivative transactions.

(i) Interest rate-related transactions

Fiscal year ended March 31, 2023

Not applicable.

Fiscal year ended March 31, 2024

Not applicable.

(ii) Currency-related transactions

Fiscal year ended March 31, 2023

Not applicable.

Fiscal year ended March 31, 2024

Not applicable.

(iii) Equity-related transactions

Fiscal year ended March 31, 2023

Not applicable.

Fiscal year ended March 31, 2024

Not applicable.

- (iv) Bond-related transactions
Fiscal year ended March 31, 2023
Not applicable.
Fiscal year ended March 31, 2024
Not applicable.
- (v) Commodity-related transactions
Fiscal year ended March 31, 2023
Not applicable.
Fiscal year ended March 31, 2024
Not applicable.
- (vi) Credit derivative transactions
Fiscal year ended March 31, 2023
Not applicable.
Fiscal year ended March 31, 2024
Not applicable.

(b) Derivative transactions qualifying for hedge accounting

For derivative transactions qualifying for hedge accounting, the contract value at the fiscal year end or notional amount defined in agreements, and fair value and its calculation method, by hedged item and by hedge accounting method, are as follows. The contract value does not indicate the market risk of the derivative transactions.

(i) Interest rate-related transactions

Fiscal year ended March 31, 2023

(In millions of yen)

| Hedge accounting | Type | Major hedged items | Contract value | Contract value (Maturing after one year) | Fair value |
|-------------------------|--------------------------------|----------------------------|----------------|--|-------------|
| Basic accounting method | Interest rate swap | Loans and bills discounted | | | |
| | | Bonds payable | | | |
| | Receive/fixed and pay/floating | | ¥ 5,956,158 | ¥ 4,914,624 | ¥ (374,275) |
| | Receive/floating and pay/fixed | | 592,441 | 567,460 | 25,385 |
| | Total | | ¥ — | ¥ — | ¥ (348,890) |

Fiscal year ended March 31, 2024

(In millions of yen)

| Hedge accounting | Type | Major hedged items | Contract value | Contract value (Maturing after one year) | Fair value |
|-------------------------|--------------------------------|----------------------------|----------------|--|-------------|
| Basic accounting method | Interest rate swap | Loans and bills discounted | | | |
| | | Bonds payable | | | |
| | Receive/fixed and pay/floating | | ¥ 6,402,658 | ¥ 5,418,493 | ¥ (410,412) |
| | Receive/floating and pay/fixed | | 563,873 | 548,665 | 29,259 |
| | Total | | ¥ — | ¥ — | ¥ (381,153) |

Fiscal year ended March 31, 2024

(In millions of U.S. dollars)

| Hedge accounting | Type | Major hedged items | Contract value | Contract value (Maturing after one year) | Fair value |
|-------------------------|--------------------------------|----------------------------|----------------|--|------------|
| Basic accounting method | Interest rate swap | Loans and bills discounted | | | |
| | | Bonds payable | | | |
| | Receive/fixed and pay/floating | | \$ 42,287 | \$ 35,787 | \$ (2,711) |
| | Receive/floating and pay/fixed | | 3,724 | 3,624 | 194 |
| | Total | | \$ — | \$ — | \$ (2,517) |

(ii) Currency-related transactions

Fiscal year ended March 31, 2023

(In millions of yen)

| Hedge accounting | Type | Major hedged items | Contract value | Contract value (Maturing after one year) | Fair value |
|-------------------------|------------------------------------|--|----------------|--|-------------|
| Basic accounting method | Currency swap | Loans and bills discounted | ¥ 4,329,610 | ¥ 3,601,970 | ¥ (339,198) |
| | Forward foreign exchange contracts | Investments in capital and other items | | | |
| | Sell | | 5,541 | — | 12 |
| | Buy | | — | — | — |
| Total | | | ¥ — | ¥ — | ¥ (339,186) |

Note: These are mainly accounted for using the deferral method of hedge accounting under the Industry-specific Committee Practical Guideline No. 25.

Fiscal year ended March 31, 2024

(In millions of yen)

| Hedge accounting | Type | Major hedged items | Contract value | Contract value (Maturing after one year) | Fair value |
|-------------------------|------------------------------------|--|----------------|--|-------------|
| Basic accounting method | Currency swap | Loans and bills discounted | ¥ 5,076,131 | ¥ 4,799,311 | ¥ (613,628) |
| | Forward foreign exchange contracts | Investments in capital and other items | | | |
| | Sell | | 22,983 | — | (11) |
| | Buy | | — | — | — |
| Total | | | ¥ — | ¥ — | ¥ (613,639) |

Fiscal year ended March 31, 2024

(In millions of U.S. dollars)

| Hedge accounting | Type | Major hedged items | Contract value | Contract value (Maturing after one year) | Fair value |
|-------------------------|------------------------------------|--|----------------|--|------------|
| Basic accounting method | Currency swap | Loans and bills discounted | \$ 33,526 | \$ 31,697 | \$ (4,053) |
| | Forward foreign exchange contracts | Investments in capital and other items | | | |
| | Sell | | 152 | — | (0) |
| | Buy | | — | — | — |
| Total | | | \$ — | \$ — | \$ (4,053) |

Note: These are mainly accounted for using the deferral method of hedge accounting under the Industry-specific Committee Practical Guideline No. 25.

(iii) Equity-related transactions

Fiscal year ended March 31, 2023

Not applicable.

Fiscal year ended March 31, 2024

Not applicable.

(iv) Bond-related transactions

Fiscal year ended March 31, 2023

Not applicable.

Fiscal year ended March 31, 2024

Not applicable.

20. Retirement benefits

(a) Overview of retirement benefit plans

JBIC abolished the welfare pension fund plan effective October 1, 2014 and has established a defined benefit corporate pension plan and a defined contribution pension plan.

JBIC has a defined benefit pension plan comprised of a corporate pension plan (transferred from a welfare pension fund plan effective October 1, 2014) and a lump-sum severance indemnity plan. Although JBIC's corporate pension plan is a multi-employer plan, the amount of the pension assets corresponding to its own contribution can be reasonably calculated based on the ratio of the projected benefit obligations, and therefore notes are included in the following notes related to the defined pension plan.

Under the corporate pension plan (funded type), pension or lump-sum payments are provided based on salary and service period. Under the lump-sum severance indemnity plan (unfunded type), lump-sum payments are provided as retirement benefits based on salary and service period. In addition, JBIC has established a defined contribution-type retirement benefit plan effective October 1, 2014.

(b) Defined benefit pension plan

(i) Changes in the projected benefit obligation

| Category | For the year ended March 31, 2023 (In millions of yen) | For the year ended March 31, 2024 (In millions of yen) | For the year ended March 31, 2024 (In millions of U.S. dollars) |
|--|--|--|---|
| Projected benefit obligation at the beginning of the fiscal year | ¥ 10,971 | ¥ 10,564 | \$ 70 |
| Service cost | 452 | 439 | 3 |
| Interest cost | 46 | 72 | 0 |
| Actuarial gains (losses) | (193) | (334) | (2) |
| Retirement benefit paid | (711) | (765) | (5) |
| Projected benefit obligation at the end of the fiscal year | ¥ 10,564 | ¥ 9,976 | \$ 66 |

(ii) Changes in the plan assets

| Category | For the year ended March 31, 2023 (In millions of yen) | For the year ended March 31, 2024 (In millions of yen) | For the year ended March 31, 2024 (In millions of U.S. dollars) |
|--|--|--|---|
| Pension assets at the beginning of the fiscal year | ¥ 4,914 | ¥ 4,873 | \$ 32 |
| Expected return on plan assets | 98 | 97 | 1 |
| Actuarial gains (losses) | (44) | 458 | 3 |
| Contributions by the employer | 134 | 138 | 1 |
| Retirement benefit paid | (228) | (223) | (2) |
| Pension assets at the end of the fiscal year | ¥ 4,873 | ¥ 5,345 | \$ 35 |

(iii) Reconciliation of the projected benefit obligation and plan assets and net defined benefit liability and net defined benefit asset in the consolidated balance sheets

| Category | As of March 31, 2022 (In millions of yen) | As of March 31, 2023 (In millions of yen) | As of March 31, 2023 (In millions of U.S. dollars) |
|---|---|---|--|
| Funded projected benefit obligation | ¥ 5,737 | ¥ 5,429 | \$ 36 |
| Fair value of plan assets | (4,873) | (5,345) | (35) |
| | 863 | 83 | 1 |
| Unfunded projected benefit obligation | 4,826 | 4,547 | 30 |
| Net amount of assets and liabilities in the consolidated balance sheets | ¥ 5,690 | ¥ 4,631 | \$ 31 |
| Defined benefit liability | 5,690 | 4,631 | 31 |
| Defined benefit asset | — | — | — |
| Net amount of assets and liabilities in the consolidated balance sheets | ¥ 5,690 | ¥ 4,631 | \$ 31 |

(iv) Components of retirement benefit expense

| Category | For the year ended March 31, 2023 (In millions of yen) | For the year ended March 31, 2024 (In millions of yen) | For the year ended March 31, 2024 (In millions of U.S. dollars) |
|--------------------------------|--|--|---|
| Service cost | ¥ 452 | ¥ 439 | \$ 3 |
| Interest cost | 46 | 72 | 0 |
| Expected return on plan assets | (98) | (97) | (1) |
| Realized actuarial loss | (149) | (792) | (5) |
| Retirement benefit expense | ¥ 251 | ¥ (377) | \$ (3) |

(v) Plan assets

① Major components of plan assets

Percentages of components to the total are as follows:

| Category | As of March 31, 2023 | As of March 31, 2024 |
|--|-------------------------|-------------------------|
| Debt securities | 62 % | 62 % |
| Stocks | 26 % | 27 % |
| General accounts of life insurance companies | 11 % | 10 % |
| Cash and due from banks | 1 % | 0 % |
| Other | 0 % | 1 % |
| Total | 100 % | 100 % |

② Method of determining the long-term expected rate of return on plan assets

The long-term expected rate of return on plan assets is determined based on the current and projected pension asset allocations as well as on the current and future rates of return expected from various assets that are components of plan assets.

(vi) Principal assumptions used

Principal assumptions used in actuarial calculations

| Category | For the year ended March 31, 2023 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Discount rate | 0.69 % | 1.00 % |
| Expected rate of return on plan assets | 2.00 % | 2.00 % |
| Expected rate of salary increase | 4.05 % | 4.05 % |

(c) Defined contribution plan

Fiscal year ended March 31, 2023

The amount of contribution required to be made to the defined contribution plan was ¥28 million.

Fiscal year ended March 31, 2024

The amount of contribution required to be made to the defined contribution plan was ¥28 million (\$0 million).

21. Deferred tax accounting

(a) Breakdown of deferred tax assets and deferred tax liabilities

| | As of March 31, 2023 (In millions of yen) | As of March 31, 2024 (In millions of yen) | As of March 31, 2024 (In millions of U.S. dollars) |
|---|---|---|--|
| Deferred tax assets | | | |
| Leasehold deposits (Asset retirement obligations) | ¥ 3 | ¥ — | \$ — |
| Accrued income recognized for tax purposes | 49 | 106 | 1 |
| Bad debt expenses not deducted for tax purposes | 1 | 1 | 0 |
| Other | 0 | 3 | 0 |
| Sub total | 55 | 111 | 1 |
| Valuation allowance | (54) | (108) | (1) |
| Total deferred tax assets | ¥ 0 | ¥ 3 | \$ 0 |

Deferred tax assets are included in, and presented as, Other assets in the consolidated balance sheets. Income taxes — deferred is included in, and presented as “Income taxes — current” in the consolidated statements of operations.

(b) Breakdown of major items resulting in a significant difference between the effective statutory tax rate and the rate of income tax and other taxes after applying deferred tax accounting

This information is not presented since JBIC is a nontaxable entity defined in the Article 2, Item 5 of the Corporation Tax Act (Act No. 34 of 1965) and therefore there is no significant difference between the effective statutory tax rate and the rate of income tax and other taxes after applying deferred tax accounting.

22. Revenue recognition

Information on the breakdown of revenue from contracts with customers is as follows:

| Category | For the year ended March 31, 2023 (In millions of yen) | For the year ended March 31, 2024 (In millions of yen) | For the year ended March 31, 2024 (In millions of U.S. dollars) |
|--|--|--|---|
| Ordinary income | ¥ 659,923 | ¥ 1,133,061 | \$ 7,483 |
| Of which, Fees and commissions | 22,746 | 29,625 | 196 |
| Financing and other similar activities | 22,648 | 29,384 | 194 |
| Investments and other similar activities | 98 | 240 | 2 |

Notes: 1. Revenue presented in the above table has arisen from “Ordinary Operations.”

2. The above table includes revenue that is based on “Accounting Standard for Financial Instruments” (ASBJ Statement No. 10).

23. Segment information

(a) Segment summary

The JBIC Group's operating segments are those for which discrete financial information is available, and whose operating results are regularly reviewed by JBIC's management.

The JBIC Group is a policy-based financial institution wholly owned by the Japanese government, which has the purpose of contributing to the sound development of Japan and the international economy and society, while supplementing the financial transactions implemented by private-sector financial institutions by performing financial operations from four viewpoints: i.e., "promotion of the overseas development and securement of resources which are important for Japan"; "maintenance and improvement of the international competitiveness of Japanese industries"; "promotion of the overseas business having the purpose of preserving the global environment, such as preventing global warming"; and "prevention of disruptions to international financial order or implementation of appropriate measures with respect to damages caused by such disruption." To achieve these purposes, for business operations defined under the Act on Japan Bank for International Cooperation and other acts, JBIC has two reporting segments: "Ordinary Operations" account and "Special Operations" account. Accounting operations are separately carried out for respective accounts.

The "Ordinary Operations" account covers the businesses which are not included in the "Special Operations" account of the JBIC Group. The Ordinary Operations account also includes the investment business of the consolidated subsidiaries.

The "Special Operations" account includes the businesses that offer financing services such as lending to overseas infrastructure business projects that has risks but generate a sufficient level of expected return.

(b) Method of calculating ordinary income, profit or loss, assets, liabilities and other items by reportable segment

Accounting treatments applied to business segments reported are the same as those disclosed in "Notes to Consolidated Financial Statements." The amount of profit (or loss) of reportable segments is based on Net income attributable to owner of parent.

(c) Information about the amount of ordinary income, profit or loss, assets, liabilities and other items by reportable segment

Fiscal year ended March 31, 2023

(In millions of yen)

| | Ordinary Operations | Special Operations | Sub-total for reportable segments | Adjustments | Amount reported in the consolidated financial statements |
|---|------------------------|-----------------------|---|-------------|--|
| Ordinary income | | | | | |
| (1) Ordinary income from customers | ¥ 657,719 | ¥ 2,234 | ¥ 659,954 | ¥ (30) | ¥ 659,923 |
| (2) Intersegment ordinary income | 62 | — | 62 | (62) | — |
| Total | ¥ 657,782 | ¥ 2,234 | ¥ 660,016 | ¥ (93) | ¥ 659,923 |
| Segment profit | 155,621 | 964 | 156,585 | — | 156,585 |
| Segment assets | 19,826,521 | 331,398 | 20,157,920 | (37) | 20,157,883 |
| Segment liabilities | 17,202,608 | 5,917 | 17,208,526 | (37) | 17,208,488 |
| Other items | | | | | |
| Depreciation and amortization | 3,445 | — | 3,445 | — | 3,445 |
| Interest income | 568,495 | 2,071 | 570,567 | — | 570,567 |
| Interest expense | 459,290 | 731 | 460,022 | — | 460,022 |
| Profits of equity method investments | 2,058 | — | 2,058 | — | 2,058 |
| Impairment losses on equity and other securities | 3,486 | — | 3,486 | — | 3,486 |
| Extraordinary income | 13 | — | 13 | — | 13 |
| Gain on disposal of noncurrent assets | 13 | — | 13 | — | 13 |
| Extraordinary loss | 0 | — | 0 | — | 0 |
| Loss on disposal of noncurrent assets | 0 | — | 0 | — | 0 |
| Income tax expenses | 13 | — | 13 | — | 13 |
| Equity method investments | 44,298 | — | 44,298 | — | 44,298 |
| Increase in Property, plant and equipment and Intangible assets | 4,240 | — | 4,240 | — | 4,240 |
| Reversal of allowance for loan losses | 19,194 | 158 | 19,352 | — | 19,352 |

Notes: 1. Ordinary income is disclosed in place of sales for non-financial companies. Adjustments for the difference represent adjustments related to the difference between ordinary income and Ordinary income disclosed in the consolidated statements of operations.

2. Adjustments above are as described below.

(1) Adjustments to ordinary income from customers, which were ¥30 million, represent reclassification of accounts.

(2) Other adjustments represent elimination of intersegment transactions.

Fiscal year ended March 31, 2024

(In millions of yen)

| | Ordinary Operations | Special Operations | Sub-total for reportable segments | Adjustments | Amount reported in the consolidated financial statements |
|---|------------------------|-----------------------|---|-------------|--|
| Ordinary income | | | | | |
| (1) Ordinary income from customers | ¥ 1,131,310 | ¥ 1,796 | ¥ 1,133,107 | ¥ (45) | ¥ 1,133,061 |
| (2) Intersegment ordinary income | 55 | — | 55 | (55) | — |
| Total | ¥ 1,131,366 | ¥ 1,796 | ¥ 1,133,162 | ¥ (100) | ¥ 1,133,061 |
| Segment profit | 62,139 | 203 | 62,342 | — | 62,342 |
| Segment assets | 21,320,106 | 337,035 | 21,657,142 | (34) | 21,657,108 |
| Segment liabilities | 18,665,506 | 6,611 | 18,672,117 | (34) | 18,672,083 |
| Other items | | | | | |
| Depreciation and amortization | 3,637 | — | 3,637 | — | 3,637 |
| Interest income | 1,020,410 | 1,648 | 1,022,058 | — | 1,022,058 |
| Interest expense | 901,853 | 895 | 902,748 | — | 902,748 |
| Losses of equity method investments | 95 | — | 95 | — | 95 |
| Extraordinary income | 5 | — | 5 | — | 5 |
| Gain on disposal of noncurrent assets | 5 | — | 5 | — | 5 |
| Extraordinary loss | 899 | — | 899 | — | 899 |
| Impairment losses | 899 | — | 899 | — | 899 |
| Income tax expenses | 54 | — | 54 | — | 54 |
| Equity method investments | 27,167 | — | 27,167 | — | 27,167 |
| Increase in Property, plant and equipment and Intangible assets | 9,596 | — | 9,596 | — | 9,596 |
| Reversal of allowance for loan losses | — | 45 | 45 | (45) | — |
| Provision of allowance for loan losses | 125,931 | — | 125,931 | (45) | 125,886 |

Fiscal year ended March 31, 2024

(In millions of U.S. dollars)

| | Ordinary Operations | Special Operations | Sub-total for reportable segments | Adjustments | Amount reported in the consolidated financial statements |
|---|------------------------|-----------------------|---|-------------|--|
| Ordinary income | | | | | |
| (1) Ordinary income from customers | \$ 7,471 | \$ 12 | \$ 7,483 | \$ (0) | \$ 7,483 |
| (2) Intersegment ordinary income | 1 | — | 1 | (1) | — |
| Total | \$ 7,472 | \$ 12 | \$ 7,484 | \$ (1) | \$ 7,483 |
| Segment profit | 410 | 2 | 412 | — | 412 |
| Segment assets | 140,810 | 2,226 | 143,036 | (0) | 143,036 |
| Segment liabilities | 123,277 | 44 | 123,321 | (0) | 123,321 |
| Other items | | | | | |
| Depreciation and amortization | 24 | — | 24 | — | 24 |
| Interest income | 6,739 | 11 | 6,750 | — | 6,750 |
| Interest expense | 5,956 | 6 | 5,962 | — | 5,962 |
| Losses of equity method investments | 1 | — | 1 | — | 1 |
| Extraordinary income | 0 | — | 0 | — | 0 |
| Gain on disposal of noncurrent assets | 0 | — | 0 | — | 0 |
| Extraordinary loss | 6 | — | 6 | — | 6 |
| Impairment losses | 6 | — | 6 | — | 6 |
| Income tax expenses | 0 | — | 0 | — | 0 |
| Equity method investments | 179 | — | 179 | — | 179 |
| Increase in Property, plant and equipment and Intangible assets | 63 | — | 63 | — | 63 |
| Reversal of allowance for loan losses | — | 0 | 0 | (0) | — |
| Provision of allowance for loan losses | 831 | — | 831 | (0) | 831 |

Notes: 1. Ordinary income is disclosed in place of sales for non-financial companies. Adjustments for the difference represent adjustments related to the difference between ordinary income and Ordinary income disclosed in the consolidated statements of operations.

2. Adjustments above are as described below.

(1) Adjustments to ordinary income from customers, which were ¥45 million (\$0 million), represent reclassification of accounts.

(2) Other adjustments represent elimination of intersegment transactions.

(d) Related information

Fiscal year ended March 31, 2023

(i) Information about services

The information about services is not presented since ordinary income from outside customers in relation to the loan, guarantee and equity participation operations is more than 90% of Ordinary income on the consolidated statements of operations.

(ii) Information about geographical areas

① Ordinary income:

(In millions of yen)

| Japan | United States | Asia/Oceania | Europe/Middle East /Africa | North America/ Latin America (excluding United States) | Total |
|-----------|---------------|--------------|----------------------------|--|-----------|
| ¥ 189,758 | ¥ 63,160 | ¥ 191,701 | ¥ 158,509 | ¥ 56,794 | ¥ 659,923 |

Notes: 1. Ordinary income is disclosed in place of sales for non-financial companies.

2. Ordinary income is disclosed based on the location of the customers and is classified by country or region.

② Property, plant and equipment

The information about property, plant and equipment is not presented since more than 90% of Property, plant equipment on the consolidated balance sheets is located in Japan.

(iii) Information about major customers

The information about major customers is not presented since there are no transactions with a certain customer which result in more than 10% of Ordinary income on the consolidated statements of operations.

Fiscal year ended March 31, 2024

(i) Information about services

The information about services is not presented since ordinary income from outside customers in relation to the loan, guarantee and equity participation operations is more than 90% of Ordinary income on the consolidated statements of operations.

(ii) Information about geographical areas

① Ordinary income:

(In millions of yen)

| Japan | United States | Asia/Oceania | Europe/Middle East /Africa | North America/ Latin America (excluding United States) | Total |
|-----------|---------------|--------------|----------------------------|--|-------------|
| ¥ 371,979 | ¥ 117,337 | ¥ 292,847 | ¥ 251,914 | ¥ 98,982 | ¥ 1,133,061 |

(In millions of U.S. dollars)

| Japan | United States | Asia/Oceania | Europe/Middle East /Africa | North America/ Latin America (excluding United States) | Total |
|----------|---------------|--------------|----------------------------|--|----------|
| \$ 2,457 | \$ 775 | \$ 1,934 | \$ 1,664 | \$ 653 | \$ 7,483 |

Notes: 1. Ordinary income is disclosed in place of sales for non-financial companies.

2. Ordinary income is disclosed based on the location of the customers and is classified by country or region.

(Change in presentation)

Ordinary income attributable to "United States", which was included in "North America/ Latin America" for the fiscal year ended March 31, 2023 is separately presented for the fiscal year ended March 31, 2024 since the amount is more than 10% of Ordinary income reported in the consolidated statements of operations.

Therefore, "(ii) Information about geographical areas, ① Ordinary income" for the fiscal year ended March 31, 2023 is reclassified, and as a result, of the ¥119,954 million, which was presented in "North America/ Latin America" for the fiscal year ended March 31, 2023, ¥63,160 million and ¥56,794 million are reclassified to "United States" and "North America/ Latin America (excluding United States)", respectively.

② Property, plant and equipment

The information about property, plant and equipment is not presented since more than 90% of Property, plant equipment on the consolidated balance sheets is located in Japan.

(iii) Information about major customers

The information about major customers is not presented since there are no transactions with a certain customer which result in more than 10% of Ordinary income on the consolidated statements of operations.

(e) Information about impairment losses of property, plant and equipment in reportable segments

Fiscal year ended March 31, 2023

Not applicable.

Fiscal year ended March 31, 2024

The information about impairment losses is omitted because the amount is immaterial.

(f) Information about the amortization and balance of goodwill in reportable segments

Fiscal year ended March 31, 2023

Not applicable.

Fiscal year ended March 31, 2024

Not applicable.

(g) Information about gains from the recognition of negative goodwill in reportable segments

Fiscal year ended March 31, 2023

Not applicable.

Fiscal year ended March 31, 2024

Not applicable.

24. Related-party information**1. Related party transactions****(1) Related party transactions with JBIC****(a) Transactions with major shareholder**

Fiscal year ended March 31, 2023

(In millions of yen)

| | Related party name | Location | Capital | Business | Ratio to total voting rights (%) | Relationship with related parties | Transactions | Amounts of transactions ⁴ | items | Balance as of March 31, 2023 ⁴ |
|-----------------------|---|-------------------|---------|---|----------------------------------|-----------------------------------|--|--------------------------------------|-----------------|---|
| Principal shareholder | Ministry of Finance (Minister of Finance) | Chiyoda-ku, Tokyo | — | Administration for policy based financing | 100 (Direct) | Receipt of funds | Capital subscription ¹ | ¥ 85,000 | — | ¥ — |
| | | | | | | | Receipt of funds ² | 3,433,096 | Borrowed money | 8,513,677 |
| | | | | | | | Repayment of borrowed money | 2,999,052 | | |
| | | | | | | | Payment of interest on borrowed money ² | 186,843 | Accrued expense | 68,641 |
| | | | | | | | Guarantee for corporate bonds ³ | 6,171,755 | — | — |

Notes: 1. Ministry of Finance subscribed new shares issued by JBIC through an allotment to the shareholder for ¥1 per share.

2. Receipt of funds represents borrowings from the FILP special account and Foreign Exchange Funds Special Account ("FEFSA"). FILP interest rates are applied in accordance with the FILP agreement, while the interest rates under the respective agreements related to the FEFSA are applied to borrowings from foreign exchange funds.

3. No guarantee fee has been paid for the guarantee of bonds.

4. Figures in the table above do not include consumption taxes.

Fiscal year ended March 31, 2024

(In millions of yen)

| | Related party name | Location | Capital | Business | Ratio to total voting rights (%) | Relationship with related parties | Transactions | Amounts of transactions ⁴ | Items | Balance as of March 31, 2024 ⁴ |
|-----------------------|---|-------------------|---------|---|----------------------------------|-----------------------------------|--|--------------------------------------|-----------------|---|
| Principal shareholder | Ministry of Finance (Minister of Finance) | Chiyoda-ku, Tokyo | — | Administration for policy based financing | 100 (Direct) | Receipt of funds | Capital subscription ¹ | ¥ 103,000 | — | ¥ — |
| | | | | | | | Receipt of funds ² | 5,632,677 | Borrowed money | 9,193,988 |
| | | | | | | | Repayment of borrowed money | 5,728,455 | | |
| | | | | | | | Payment of interest on borrowed money ² | 362,856 | Accrued expense | 101,936 |
| | | | | | | | Guarantee for corporate bonds ³ | 6,616,856 | — | — |

Fiscal year ended March 31, 2024

(In millions of U.S. dollars)

| | Related party name | Location | Capital | Business | Ratio to total voting rights (%) | Relationship with related parties | Transactions | Amounts of transactions ⁴ | Items | Balance as of March 31, 2024 ⁴ |
|-----------------------|---|-------------------|---------|---|----------------------------------|-----------------------------------|--|--------------------------------------|-----------------|---|
| Principal shareholder | Ministry of Finance (Minister of Finance) | Chiyoda-ku, Tokyo | — | Administration for policy based financing | 100 (Direct) | Receipt of funds | Capital subscription ¹ | \$ 680 | — | \$ — |
| | | | | | | | Receipt of funds ² | 37,201 | Borrowed money | 60,722 |
| | | | | | | | Repayment of borrowed money | 37,834 | | |
| | | | | | | | Payment of interest on borrowed money ² | 2,397 | Accrued expense | 673 |
| | | | | | | | Guarantee for corporate bonds ³ | 43,702 | — | — |

Notes: 1. Ministry of Finance subscribed new shares issued by JBIC through an allotment to the shareholder for ¥1 (\$0.007) per share.

2. Receipt of funds represents borrowings from the FILP special account and FEFSAs. FILP interest rates are applied in accordance with the FILP agreement, while the interest rates under the respective agreements related to the FEFSAs are applied to borrowings from foreign exchange funds.

3. No guarantee fee has been paid for the guarantee of bonds.

4. Figures in the table above do not include consumption taxes.

(b) Transactions with fellow subsidiaries and subsidiaries of any other associated companies

Fiscal year ended March 31, 2023

(In millions of yen)

| | Corporate name | Location | Capital | Business | Ratio to total voting rights (%) | Relationship with related parties | Transactions | Amounts of transactions | Items | Balance as of March 31, 2023 |
|---|--|-------------------|-------------|---------------------------------|----------------------------------|-----------------------------------|-------------------|-------------------------|-------|------------------------------|
| Entities that had the majority of their voting rights held by principal shareholder | Japan International Cooperation Agency | Chiyoda-ku, Tokyo | ¥ 8,357,429 | Official development assistance | None | Joint obligor | Joint obligations | ¥ 20,000 ^{1,3} | — | ¥ — |
| | Japan Finance Corporation | Chiyoda-ku, Tokyo | 11,696,178 | Finance | None | Joint obligor | Joint obligations | 60,000 ^{2,3} | — | — |

Notes: 1. JBIC assumed the obligations of the JBIC bonds in accordance with Article 12 (1) of the Supplementary Provisions of the JBIC Act, and the Japan International Cooperation Agency ("JICA") is jointly responsible for the obligations of these bonds in accordance with the provision of Article 4 (1) of Supplementary Provisions of the Japan International Cooperation Agency Act (Act No. 136 of 2002). Pursuant to Article 4 (2) hereof, all of JICA's assets are pledged as general collateral for these joint obligations.

2. JBIC is jointly responsible for the obligations of JFC bonds in accordance with Article 17 (1) (ii) of Supplementary Provisions of the JBIC Act. In accordance with Article 17 (2) hereof, all of JBIC's assets are all pledged as general collateral for these joint obligations.

3. In relation to these joint obligations, no transactions are recognized in the consolidated statements of operations.

Fiscal year ended March 31, 2024

(In millions of yen)

| | Corporate name | Location | Capital | Business | Ratio to total voting rights (%) | Relationship with related parties | Transactions | Amounts of transactions | Items | Balance as of March 31, 2024 |
|---|--|-------------------|-------------|---------------------------------|----------------------------------|-----------------------------------|-------------------|-------------------------|-------|------------------------------|
| Entities that had the majority of their voting rights held by principal shareholder | Japan International Cooperation Agency | Chiyoda-ku, Tokyo | ¥ 8,405,269 | Official development assistance | None | Joint obligor | Joint obligations | ¥ 20,000 ^{1,3} | — | ¥ — |
| | Japan Finance Corporation | Chiyoda-ku, Tokyo | 11,768,477 | Finance | None | Joint obligor | Joint obligations | 60,000 ^{2,3} | — | — |

Fiscal year ended March 31, 2024

(In millions of U.S. dollars)

| | Corporate name | Location | Capital | Business | Ratio to total voting rights (%) | Relationship with related parties | Transactions | Amounts of transactions | Items | Balance as of March 31, 2024 |
|---|--|-------------------|-----------|---------------------------------|----------------------------------|-----------------------------------|-------------------|-------------------------|-------|------------------------------|
| Entities that had the majority of their voting rights held by principal shareholder | Japan International Cooperation Agency | Chiyoda-ku, Tokyo | \$ 55,513 | Official development assistance | None | Joint obligor | Joint obligations | \$ 132 ^{1,3} | — | \$ — |
| | Japan Finance Corporation | Chiyoda-ku, Tokyo | 77,726 | Finance | None | Joint obligor | Joint obligations | 396 ^{2,3} | — | — |

Notes: 1. JBIC assumed the obligations of the JBIC bonds in accordance with Article 12 (1) of the Supplementary Provisions of the JBIC Act, and the Japan International Cooperation Agency ("JICA") is jointly responsible for the obligations of these bonds in accordance with the provision of Article 4 (1) of Supplementary Provisions of the Japan International Cooperation Agency Act (Act No. 136 of 2002). Pursuant to Article 4 (2) hereof, all of JICA's assets are pledged as general collateral for these joint obligations.

2. JBIC is jointly responsible for the obligations of JFC bonds in accordance with Article 17 (1) (ii) of Supplementary Provisions of the JBIC Act. In accordance with Article 17 (2) hereof, all of JBIC's assets are all pledged as general collateral for these joint obligations.

3. In relation to these joint obligations, no transactions are recognized in the consolidated statements of operations.

(2) Transactions between consolidated subsidiaries and related parties

Not applicable.

2. Notes to the parent company or significant affiliates

(1) Parent company information

Not applicable.

(2) Condensed financial information of significant affiliates

Significant affiliates of JBIC are IFC Capitalization (Subordinated Debt) Fund, L.P. and IFC Capitalization (Equity) Fund, L.P. in the current fiscal year. Their condensed financial information is as shown below:

| | For the year ended March 31, 2023 (In millions of yen) | For the year ended March 31, 2024 (In millions of yen) | For the year ended March 31, 2024 (In millions of U.S. dollars) |
|--------------------------------|--|--|---|
| Total assets | ¥ 42,325 | ¥ 23,584 | \$ 156 |
| Total liabilities | 111 | 88 | 1 |
| Total net assets | 42,214 | 23,495 | 155 |
| Gain on investment | 2,945 | 2,890 | 19 |
| Net income before income taxes | 1,430 | 2,686 | 18 |
| Net income | 1,430 | 2,686 | 18 |

25. Amounts per share

Amounts per share as of and for the fiscal years ended March 31, 2023 and 2024 are calculated as follows:

| | For the year ended March 31, 2023 (In yen) | For the year ended March 31, 2024 (In yen) | For the year ended March 31, 2024 (In U.S. dollars) |
|--------------------------------------|--|--|---|
| Net assets per share of common stock | ¥ 1.50 | ¥ 1.44 | \$ 0.01 |
| Net income per share of common stock | 0.08 | 0.03 | 0.00 |

Note 1. Net income per share of common stock is based on the following information.

Diluted net income per share of common stock is not presented since there are no dilutive shares.

| | For the year ended March 31, 2023 (In millions of yen) | For the year ended March 31, 2024 (In millions of yen) | For the year ended March 31, 2024 (In millions of U.S. dollars) |
|--|--|--|---|
| Net income attributable to owner of parent | ¥ 156,585 | ¥ 62,342 | \$ 412 |
| Amount not attributable to common stock | — | — | — |
| Net income attributable to owner of parent related to common stock | 156,585 | 62,342 | 412 |
| Average number of outstanding shares of common stock (during the fiscal year) | 1,875,663,013 thousand shares | 1,960,488,524 thousand shares | |

Note 2. Net assets per share of common stock is based on the following information.

| | As of March 31, 2023 (In millions of yen) | As of March 31, 2024 (In millions of yen) | As of March 31, 2024 (In millions of U.S. dollars) |
|---|---|---|--|
| Net assets | ¥ 2,949,394 | ¥ 2,985,025 | \$ 19,715 |
| Deductions from net assets | 283 | 258 | 2 |
| (Non-controlling interests) | 283 | 258 | 2 |
| Net assets related to common stock | 2,949,110 | 2,984,767 | 19,713 |
| Year-end number of outstanding shares of common stock based on which net assets per share was calculated | 1,958,800,000 thousand shares | 2,061,800,000 thousand shares | |

26. Bonds payable

Bonds payable as of March 31, 2024 are as follows:

(In millions of yen)

| Name of company | Description of bonds payable | Date of issuance | Balance at the beginning of the current fiscal year | Balance at the end of the current fiscal year | Interest rate (%) | Collateral | Maturity date | Remarks |
|-----------------|---|----------------------------------|---|---|-------------------|--------------------|-------------------------------|---------|
| JBIC | Government guaranteed JBIC foreign bonds 4 th , 9 th , 10 th , 12 th , 13 th , 15 th , 17 th , 19 th , 25 th , 29 th , 32 nd , 34 th - 38 th , 40 th , 41 st , 43 rd - 61 st | July 31, 2013 – January 24, 2024 | 6,171,755 (USD 43,735,356,000) (GBP 249,907,000) (EUR 1,992,853,000) | 6,616,856 [984,021] (USD 41,236,059,000) (USD 6,499,053,000) (GBP 249,935,000) (EUR 1,994,072,000) | 0.375~ 4.875 | General collateral | May 22, 2023 – April 15, 2031 | |
| | JBIC bonds 23 rd | March 14, 2006 | 20,000 | 20,000 | 2.090 | General collateral | December 19, 2025 | *1 |
| | Total | — | ¥ 6,191,755 | ¥ 6,636,856 | — | — | — | — |

(In millions of U.S. dollars)

| Name of company | Description of bonds payable | Date of issuance | Balance at the beginning of the current fiscal year | Balance at the end of the current fiscal year | Interest rate (%) | Collateral | Maturity date | Remarks |
|-----------------|---|----------------------------------|--|--|-------------------|--------------------|-------------------------------|---------|
| JBIC | Government guaranteed JBIC foreign bonds 4 th , 9 th , 10 th , 12 th , 13 th , 15 th , 17 th , 19 th , 25 th , 29 th , 32 nd , 34 th - 38 th , 40 th , 41 st , 43 rd - 61 st | July 31, 2013 – January 24, 2024 | 40,762 (USD 43,735,356,000) (GBP 249,907,000) (EUR 1,992,853,000) | 43,702 [6,499] (USD 41,236,059,000) (USD 6,499,053,000) (GBP 249,935,000) (EUR 1,994,072,000) | 0.375~ 4.875 | General collateral | May 22, 2023 – April 15, 2031 | |
| | JBIC bonds 23 rd | March 14, 2006 | 132 | 132 | 2.090 | General collateral | December 19, 2025 | *1 |
| | Total | — | \$ 40,894 | \$ 43,834 | — | — | — | — |

Notes: 1. The amounts of foreign currency-denominated bonds are shown with original currencies in parentheses ().

2. Figures indicated in brackets [] represent the amounts to be redeemed within one year.

3. (*1) JBIC assumed the obligations in respect of the JBIC bonds which had been issued by JBIC before JFC was established, and JBIC and JICA are jointly responsible for these obligations in accordance with the JBIC Act.

4. The redemption schedule of bonds payable for each of the next five years as of March 31, 2024 is as follows:

(In millions of yen)

| | Within 1 year | After 1 year but within 2 years | After 2 years but within 3 years | After 3 years but within 4 years | After 4 years but within 5 years |
|---------------|---------------|---------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Bonds payable | ¥ 984,165 | ¥ 1,609,805 | ¥ 1,228,803 | ¥ 882,437 | ¥ 794,902 |

(In millions of U.S. dollars)

| | Within 1 year | After 1 year but within 2 years | After 2 years but within 3 years | After 3 years but within 4 years | After 4 years but within 5 years |
|---------------|---------------|---------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Bonds payable | \$ 6,500 | \$ 10,632 | \$ 8,116 | \$ 5,828 | \$ 5,250 |

27. Borrowings

Borrowings as of March 31, 2024 are as follows:

| | Balance at the beginning of the current fiscal year (In millions of yen) | Balance at the beginning of the current fiscal year (In millions of U.S. dollars) | Balance at the end of the current fiscal year (In millions of yen) | Balance at the end of the current fiscal year (In millions of U.S. dollars) | Average interest rate (%) | Due date of payment |
|---|--|---|--|---|---------------------------------|-----------------------------|
| Borrowed money | ¥ 8,513,677 | \$ 56,229 | ¥ 9,193,988 | \$ 60,722 | 4.04 | — |
| Borrowings | 8,513,677 | 56,229 | 9,193,988 | 60,722 | 4.04 | May 2024 – February 2042 |
| Lease obligation (Due within one year) | — | — | 2 | 0 | — | — |
| Lease obligation (Due after one year) | — | — | 7 | 0 | — | June 2028 |
| Other interest-bearing liabilities | 30,860 | 204 | 37,350 | 247 | 0.07 | — |
| Cash collateral received for financial instruments | 30,860 | 204 | 37,350 | 247 | 0.07 | — |

Notes: 1. "Average interest rate" represents the weighted-average interest rates of debts calculated from "Interest rates" and "Balance at the end of the current fiscal year."

2. As for the lease obligation, there is no average lease rate since the short-cut method is applied for the transaction.

3. There is no fixed maturity date for the repayment of Cash collateral received for financial instruments.

4. Maturities of borrowings and the lease obligation for the next five years as of March 31, 2024 are as follows:

(In millions of yen)

| | Within 1 year | After 1 year but within 2 years | After 2 years but within 3 years | After 3 years but within 4 years | After 4 years but within 5 years |
|------------------|---------------|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Borrowings | ¥ 423,380 | ¥ 182,182 | ¥ 387,484 | ¥ 5,712,044 | ¥ 686,896 |
| Lease obligation | 2 | 2 | 2 | 2 | 0 |

(In millions of U.S. dollars)

| | Within 1 year | After 1 year but within 2 years | After 2 years but within 3 years | After 3 years but within 4 years | After 4 years but within 5 years |
|------------------|---------------|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Borrowings | \$ 2,796 | \$ 1,203 | \$ 2,559 | \$ 37,726 | \$ 4,537 |
| Lease obligation | 0 | 0 | 0 | 0 | 0 |

28. Asset retirement obligations

This information is not presented because the amount of asset retirement obligations as of the beginning and end of the current fiscal year is equal to, or less than, one hundredth of the aggregated amount of Liabilities and Net assets as of the beginning and end of the current fiscal year.

29. Other

Not applicable.

(Supplementary Information) Financial Statements for Each Operation

JBIC is required to maintain separate accounts for the Ordinary Operations and the Special Operations in accordance with Article 26-2 of the Japan Bank for International Cooperation Act (JBIC Act). The separate financial statements for those operations that are prepared pursuant to Article 26-3 of the JBIC Act and Article 435-2 of the Companies Act of Japan have

been subject to audit by Ernst & Young ShinNihon LLC according to Article 26-3 of the JBIC Act and Article 436-2(i) of the Companies Act. Although the balance sheets and statement of operations for each operation, as provided below, have been prepared based on the above-mentioned audited financial statements, the statements of cash flows have not been audited.

■ Balance Sheets

[Ordinary Operations Account]

(In millions of yen)

| | As of March 31, 2023 | As of March 31, 2024 |
|--|-------------------------|-------------------------|
| Assets: | | |
| Cash and due from banks | 1,910,138 | 2,269,968 |
| Cash | 0 | 0 |
| Due from banks | 1,910,138 | 2,269,968 |
| Securities | 320,801 | 319,769 |
| Equity Securities | 255 | 255 |
| Other securities | 320,546 | 319,514 |
| Loans and bills discounted | 15,556,651 | 16,399,984 |
| Loans on deeds | 15,556,651 | 16,399,984 |
| Other assets | 863,958 | 1,294,100 |
| Prepaid expenses | 704 | 1,152 |
| Accrued income | 181,561 | 222,647 |
| Derivatives other than for trading-assets | 31,287 | 38,107 |
| Cash collateral paid for financial instruments | 649,700 | 1,031,450 |
| Other | 704 | 742 |
| Property, plant and equipment | 30,710 | 32,793 |
| Buildings | 3,665 | 5,616 |
| Land | 24,311 | 24,311 |
| Construction in progress | 1,869 | 1,114 |
| Other | 863 | 1,750 |
| Intangible assets | 8,461 | 11,462 |
| Software | 8,461 | 11,462 |
| Customers' liabilities for acceptances and guarantees | 1,534,258 | 1,522,529 |
| Allowance for loan losses | (410,342) | (536,274) |
| Total assets | 19,814,638 | 21,314,335 |

(In millions of yen)

| | As of March 31, 2023 | As of March 31, 2024 |
|---|-------------------------|-------------------------|
| Liabilities: | | |
| Borrowed money | 8,509,477 | 9,189,788 |
| Borrowings | 8,509,477 | 9,189,788 |
| Bonds payable | 6,191,755 | 6,636,856 |
| Other liabilities | 960,530 | 1,310,351 |
| Accrued expenses | 113,531 | 157,414 |
| Unearned revenue | 16,002 | 10,087 |
| Derivatives other than for trading-assets | 717,846 | 1,030,587 |
| Cash collateral received for financial instruments | 30,750 | 37,350 |
| Lease obligations | — | 9 |
| Other | 82,400 | 74,902 |
| Provision for bonuses | 602 | 650 |
| Provision for directors' bonuses | 9 | 10 |
| Provision for retirement benefits | 5,651 | 4,591 |
| Provision for directors' retirement benefits | 37 | 51 |
| Acceptances and guarantees | 1,534,258 | 1,522,529 |
| Total liabilities | 17,202,322 | 18,664,830 |
| Net assets: | | |
| Capital stock | 1,785,500 | 1,883,500 |
| Retained earnings | 1,125,842 | 1,109,109 |
| Legal retained earnings | 966,916 | 1,046,379 |
| Other retained earnings | 158,926 | 62,730 |
| Retained earnings brought forward | 158,926 | 62,730 |
| Total shareholder's equity | 2,911,342 | 2,992,609 |
| Valuation difference on available-for-sale securities | 24,707 | 40,223 |
| Deferred gains or losses on hedges | (323,734) | (383,328) |
| Total valuation and translation adjustments | (299,026) | (343,105) |
| Total net assets | 2,612,316 | 2,649,504 |
| Total liabilities and net assets | 19,814,638 | 21,314,335 |

[Special Operations Account]

(In millions of yen)

| | As of March 31, 2023 | As of March 31, 2024 |
|--|-------------------------|-------------------------|
| Assets: | | |
| Cash and due from banks | 282,827 | 294,685 |
| Due from banks | 282,827 | 294,685 |
| Securities | 16,138 | 16,549 |
| Other securities | 16,138 | 16,549 |
| Loans and bills discounted | 31,137 | 23,492 |
| Loans on deeds | 31,137 | 23,492 |
| Other assets | 1,478 | 2,446 |
| Prepaid expenses | 13 | 17 |
| Accrued income | 50 | 54 |
| Cash collateral paid for financial instruments | 1,410 | 2,370 |
| Other | 5 | 3 |
| Allowance for loan losses | (183) | (138) |
| Total assets | 331,398 | 337,035 |

| | As of March 31, 2023 | As of March 31, 2024 |
|---|-------------------------|-------------------------|
| Liabilities: | | |
| Borrowed money | 4,200 | 4,200 |
| Borrowings | 4,200 | 4,200 |
| Other liabilities | 1,666 | 2,360 |
| Accrued expenses | 6 | 5 |
| Derivatives other than for trading-assets | 1,518 | 2,312 |
| Cash collateral received for financial instruments | 110 | — |
| Other | 31 | 41 |
| Provision for bonuses | 11 | 10 |
| Provision for directors' bonuses | 0 | 0 |
| Provision for retirement benefits | 39 | 39 |
| Provision for directors' retirement benefits | 0 | 0 |
| Total liabilities | 5,917 | 6,611 |
| Net assets: | | |
| Capital stock | 323,300 | 328,300 |
| Retained earnings | 978 | 700 |
| Legal retained earnings | 14 | 496 |
| Other retained earnings | 964 | 203 |
| Retained earnings brought forward | 964 | 203 |
| Total shareholder's equity | 324,278 | 329,000 |
| Valuation difference on available-for-sale securities | 592 | 1,003 |
| Deferred gains or losses on hedges | 610 | 420 |
| Total valuation and translation adjustments | 1,202 | 1,424 |
| Total net assets | 325,481 | 330,424 |
| Total liabilities and net assets | 331,398 | 337,035 |

■ Statements of Operations

[Ordinary Operations Account]

(In millions of yen)

| | For the year ended March 31, 2023 | For the year ended March 31, 2024 |
|---|--------------------------------------|--------------------------------------|
| Ordinary income: | 655,075 | 1,122,254 |
| Interest income | 567,939 | 1,019,637 |
| Interest on loans and discounts | 550,538 | 970,584 |
| Interest and dividends on securities | 1,057 | 6,931 |
| Interest on deposits with banks | 16,332 | 42,088 |
| Other interest income | 11 | 34 |
| Fees and commissions | 22,648 | 29,384 |
| Other fees and commissions | 22,648 | 29,384 |
| Other ordinary income | 44,835 | 53,552 |
| Gain on foreign exchange transactions | 38,153 | 53,374 |
| Income from derivatives other than for trading or hedging | 6,674 | 178 |
| Other | 7 | — |
| Other income | 19,651 | 19,680 |
| Reversal of allowance for loan losses | 19,194 | — |
| Recoveries of written-off claims | — | 11,591 |
| Gain on sales of equity and other securities | 97 | 3,150 |
| Gain on investments in partnerships | — | 4,671 |
| Other | 358 | 266 |
| Ordinary expenses: | 496,162 | 1,058,646 |
| Interest expense | 459,290 | 901,853 |
| Interest on borrowed money and rediscounts | 186,866 | 362,856 |
| Interest on bonds | 143,229 | 175,095 |
| Interest on interest swaps | 127,147 | 359,532 |
| Other interest expense | 2,047 | 4,368 |
| Fees and commissions payments | 3,055 | 3,668 |
| Other fees and commissions | 3,055 | 3,668 |
| Other ordinary expenses | 2,111 | 1,991 |
| Amortization of bond issuance cost | 1,423 | 1,107 |
| Other | 688 | 884 |
| General and administrative expenses | 23,693 | 25,201 |
| Other expenses | 8,011 | 125,932 |
| Provision of allowance for loan losses | — | 125,931 |
| Loss on devaluation of equity and other securities | 3,486 | — |
| Gain on investments in partnerships | 4,524 | — |
| Other | — | 0 |
| Ordinary profit | 158,912 | 63,607 |
| Extraordinary income | 13 | 5 |
| Gain on disposal of noncurrent assets | 13 | 5 |
| Extraordinary loss | — | 882 |
| Loss on disposal of noncurrent assets | — | 882 |
| Net income | 158,926 | 62,730 |

[Special Operations Account]

(In millions of yen)

| | For the year ended March 31, 2023 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Ordinary income: | 2,234 | 1,796 |
| Interest income | 2,071 | 1,648 |
| Interest on loans and discounts | 2,071 | 1,648 |
| Interest on deposits with banks | 0 | 0 |
| Other interest income | 0 | 0 |
| Other ordinary income | — | 99 |
| Gain on foreign exchange transactions | — | 99 |
| Other income | 163 | 48 |
| Reversal of allowance for loan losses | 158 | 45 |
| Other | 4 | 2 |
| Ordinary expenses: | 1,270 | 1,592 |
| Interest expense | 731 | 895 |
| Interest on borrowed money and rediscounts | 0 | 0 |
| Interest on interest swaps | 729 | 894 |
| Other interest expense | 1 | 0 |
| Fees and commissions payments | 56 | 278 |
| Other fees and commissions | 56 | 278 |
| Other ordinary expenses | 30 | — |
| Loss on foreign exchange transactions | 30 | — |
| General and administrative expenses | 452 | 419 |
| Other expenses | — | 0 |
| Other | — | 0 |
| Ordinary profit | 964 | 203 |
| Net income | 964 | 203 |

■ Statements of Cash Flows

[Ordinary Operations Account]

(In millions of yen)

| | For the year ended March 31, 2023 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Cash flows from operating activities | | |
| Net income | 158,926 | 62,730 |
| Depreciation and amortization | 3,441 | 3,636 |
| Impairment losses | — | 882 |
| Increase (decrease) in allowance for loan losses | (60,149) | 125,931 |
| Increase (decrease) in provision for bonuses | 15 | 47 |
| Increase (decrease) in provision for directors' bonuses | 0 | 0 |
| Increase (decrease) in provision for retirement benefits | (372) | (1,060) |
| Increase (decrease) in provision for directors' retirement benefits | (14) | 14 |
| Interest income | (567,939) | (1,019,637) |
| Interest expense | 459,290 | 901,853 |
| Loss (gain) related to securities | 7,913 | (7,822) |
| Foreign exchange losses (gains) | (4,567) | (9,716) |
| Loss (gain) on disposal of noncurrent assets | (13) | (5) |
| Net decrease (increase) in derivatives financial instruments (assets) | (11,020) | (6,819) |
| Net increase (decrease) in derivatives financial instruments (liabilities) | 237,257 | 312,741 |
| Net decrease (increase) in loans and bills discounted | (833,569) | (843,332) |
| Net increase (decrease) in borrowed money | 959,468 | 680,311 |
| Net decrease (increase) in deposits (excluding deposits paid to Bank of Japan) | (260,954) | (615,656) |
| Net decrease (increase) in cash collateral paid for financial instruments | (124,880) | (381,750) |
| Net increase (decrease) in cash collateral received for financial instruments | 12,160 | 6,600 |
| Increase (decrease) in straight bonds-issuance and redemption | 553,742 | 441,961 |
| Interest received | 438,086 | 980,786 |
| Interest paid | (387,984) | (854,886) |
| Other | (171,208) | (75,674) |
| Subtotal | 407,627 | (298,863) |
| Net cash provided by (used in) operating activities | 407,627 | (298,863) |
| Cash flow from investing activities | | |
| Purchase of securities | (28,627) | (22,936) |
| Proceeds from sales of securities | 21,387 | 57,021 |
| Purchase of property, plant and equipment | (2,192) | (3,089) |
| Proceeds from sales of property, plant and equipment | 16 | 8 |
| Purchase of intangible assets | (2,045) | (6,502) |
| Net cash provided by (used in) investing activities | (11,461) | 24,501 |
| Cash flow from financing activities | | |
| Proceeds from issuance of new shares | 75,000 | 98,000 |
| Payment to national treasury | (7,314) | (79,463) |
| Other | — | (1) |
| Net cash provided by (used in) financing activities | 67,685 | 18,535 |
| Effect of exchange rate change on cash and cash equivalents | — | — |
| Net increase (decrease) in cash and cash equivalents | 463,850 | (255,826) |
| Cash and cash equivalents at beginning of period | 463,373 | 927,224 |
| Cash and cash equivalents at end of period | 927,224 | 671,398 |

[Special Operations Account]

(In millions of yen)

| | For the year ended March 31, 2023 | For the year ended March 31, 2024 |
|--|--------------------------------------|--------------------------------------|
| Cash flows from operating activities | | |
| Net income | 964 | 203 |
| Increase (decrease) in allowance for loan losses | (158) | (45) |
| Increase (decrease) in provision for bonuses | 0 | (1) |
| Increase (decrease) in provision for directors' bonuses | 0 | (0) |
| Increase (decrease) in provision for retirement benefits | 6 | 0 |
| Increase (decrease) in provision for directors' retirement benefits | (0) | 0 |
| Interest income | (2,071) | (1,648) |
| Interest expense | 731 | 895 |
| Net decrease (increase) in derivatives financial instruments (assets) | 2 | 794 |
| Net increase (decrease) in derivatives financial instruments (liabilities) | (441) | — |
| Net decrease (increase) in loans and bills discounted | 4,954 | 7,645 |
| Net decrease (increase) in deposits (excluding deposits paid to Bank of Japan) | (3,554) | (15,264) |
| Net decrease (increase) in cash collateral paid for financial instruments | 870 | (960) |
| Net increase (decrease) in cash collateral received for financial instruments | 90 | (110) |
| Interest received | 2,990 | 1,662 |
| Interest paid | (731) | (895) |
| Other | 496 | (201) |
| Subtotal | 4,150 | (7,924) |
| Net cash provided by (used in) operating activities | 4,150 | (7,924) |
| Cash flow from investing activities | | |
| Purchase of securities | — | — |
| Net cash provided by (used in) investing activities | — | — |
| Cash flow from financing activities | | |
| Proceeds from issuance of new shares | 10,000 | 5,000 |
| Payment to national treasury | (14) | (482) |
| Net cash provided by (used in) financing activities | 9,985 | 4,517 |
| Effect of exchange rate change on cash and cash equivalents | — | — |
| Net increase (decrease) in cash and cash equivalents | 14,135 | (3,406) |
| Cash and cash equivalents at beginning of period | 264,497 | 278,633 |
| Cash and cash equivalents at end of period | 278,633 | 275,226 |

2. Composition of Liabilities and Net Assets

[The Bank]

(Unit: millions of yen, %)

| | March 31, 2023 | | March 31, 2024 | |
|---|-------------------|------------|-------------------|------------|
| | Amount | %* | Amount | %* |
| Liabilities | 17,208,202 | 85.4 | 18,671,407 | 86.2 |
| Borrowed Money | 8,513,677 | 42.3 | 9,193,988 | 42.5 |
| Bonds Payable | 6,191,755 | 30.7 | 6,636,856 | 30.7 |
| Acceptances and Guarantees | 1,534,258 | 7.6 | 1,522,529 | 7.0 |
| Other | 968,511 | 4.8 | 1,318,031 | 6.1 |
| Net Assets | 2,937,797 | 14.6 | 2,979,929 | 13.8 |
| Capital Stock | 2,108,800 | 10.5 | 2,211,800 | 10.2 |
| Retained Earnings | 1,126,821 | 5.6 | 1,109,809 | 5.1 |
| Valuation Difference on Available-for-sale Securities | 25,300 | 0.1 | 41,226 | 0.2 |
| Deferred Gains or Losses on Hedges | (323,123) | (1.6) | (382,907) | (1.8) |
| Total Liabilities and Net Assets | 20,146,000 | 100 | 21,651,336 | 100 |

* Ratio to Total Liabilities and Net Assets. (Same formula is applicable for Ordinary Operations Account and Special Operations Account)

(Information on the Capital Adequacy Ratios)

Although JBIC is not subject to Article 14-2 of the Banking Act of Japan, capital adequacy ratios have been calculated in accordance with "Standards for Determining Capital Adequacy of a Financial Institution in Light of Assets Held, etc. under the Provision of Article 14-2 of the Banking Act" (2006, Financial Services Agency Notification No. 19). JBIC applies uniform international standards and calculate credit risk-weighted assets using the standardized approach.

(Unit: %, billions of yen)

| | |
|---|---------|
| Total risk-weighted capital ratio | 18.79 |
| Tier 1 risk-weighted capital ratio | 17.68 |
| Common Equity Tier 1 risk-weighted capital ratio | 17.68 |
| Total capital (Common Equity Tier 1 capital + Additional Tier 1 capital + Tier 2 capital) | 35,284 |
| Tier 1 capital (Common Equity Tier 1 capital + Additional Tier 1 capital) | 33,199 |
| Common Equity Tier 1 capital | 33,199 |
| Risk-weighted assets | 187,778 |
| The amount of minimum capital requirements | 15,022 |

[Ordinary Operations Account]

(Unit: millions of yen, %)

| | March 31, 2023 | | March 31, 2024 | |
|---|-------------------|------------|-------------------|------------|
| | Amount | %* | Amount | %* |
| Liabilities | 17,202,322 | 86.8 | 18,664,830 | 87.6 |
| Borrowed Money | 8,509,477 | 42.9 | 9,189,788 | 43.1 |
| Bonds Payable | 6,191,755 | 31.2 | 6,636,856 | 31.1 |
| Acceptances and Guarantees | 1,534,258 | 7.7 | 1,522,529 | 7.1 |
| Other | 966,831 | 4.9 | 1,315,655 | 6.2 |
| Net Assets | 2,612,316 | 13.2 | 2,649,504 | 12.4 |
| Capital Stock | 1,785,500 | 9.0 | 1,883,500 | 8.8 |
| Retained Earnings | 1,125,842 | 5.7 | 1,109,109 | 5.2 |
| Valuation Difference on Available-for-sale Securities | 24,707 | 0.1 | 40,223 | 0.2 |
| Deferred Gains or Losses on Hedges | (323,734) | (1.6) | (383,328) | (1.8) |
| Total Liabilities and Net Assets | 19,814,638 | 100 | 21,314,335 | 100 |

[Special Operations Account]

(Unit: millions of yen, %)

| | March 31, 2023 | | March 31, 2024 | |
|---|----------------|------------|----------------|------------|
| | Amount | %* | Amount | %* |
| Liabilities | 5,917 | 1.8 | 6,611 | 2.0 |
| Borrowed Money | 4,200 | 1.3 | 4,200 | 1.2 |
| Bonds Payable | — | — | — | — |
| Acceptances and Guarantees | — | — | — | — |
| Other | 1,717 | 0.5 | 2,411 | 0.7 |
| Net Assets | 325,481 | 98.2 | 330,424 | 98.0 |
| Capital Stock | 323,300 | 97.6 | 328,300 | 97.4 |
| Retained Earnings | 978 | 0.3 | 700 | 0.2 |
| Valuation Difference on Available-for-sale Securities | 592 | 0.2 | 1,003 | 0.3 |
| Deferred Gains or Losses on Hedges | 610 | 0.2 | 420 | 0.1 |
| Total Liabilities and Net Assets | 331,398 | 100 | 337,035 | 100 |

3. The Average Balance of Interest-earning Assets and Interest-bearing Liabilities, Interest and Earning Yields

[The Bank]

(Unit: millions of yen, %)

| | Fiscal Year Ended March 31, 2023 | | | Fiscal Year Ended March 31, 2024 | | |
|------------------------------|----------------------------------|----------|----------------|----------------------------------|-----------|----------------|
| | Average Balance | Interest | Earning Yields | Average Balance | Interest | Earning Yields |
| Interest-earning Assets | 17,608,546 | 569,989 | 3.24 | 18,247,443 | 1,021,272 | 5.60 |
| Loans and Bills Discounted | 15,787,118 | 552,609 | 3.50 | 16,230,941 | 972,232 | 5.99 |
| Due from Banks | 850,572 | 16,332 | 1.92 | 950,191 | 42,088 | 4.43 |
| Interest-bearing Liabilities | 14,521,304 | 458,003 | 3.15 | 15,173,839 | 899,051 | 5.93 |
| Borrowed Money | 8,272,350 | 186,866 | 2.26 | 8,655,636 | 362,856 | 4.19 |
| Bonds Payable | 6,215,808 | 143,229 | 2.30 | 6,481,952 | 175,095 | 2.70 |

[Ordinary Operations Account]

(Unit: millions of yen, %)

| | Fiscal Year Ended March 31, 2023 | | | Fiscal Year Ended March 31, 2024 | | |
|------------------------------|----------------------------------|----------|----------------|----------------------------------|-----------|----------------|
| | Average Balance | Interest | Earning Yields | Average Balance | Interest | Earning Yields |
| Interest-earning Assets | 17,550,412 | 567,918 | 3.24 | 18,197,205 | 1,019,623 | 5.60 |
| Loans and Bills Discounted | 15,749,773 | 550,538 | 3.50 | 16,201,184 | 970,584 | 5.99 |
| Due from Banks | 849,463 | 16,332 | 1.92 | 948,154 | 42,088 | 4.44 |
| Interest-bearing Liabilities | 14,516,690 | 457,273 | 3.15 | 15,169,582 | 898,157 | 5.92 |
| Borrowed Money | 8,268,150 | 186,866 | 2.26 | 8,651,436 | 362,856 | 4.19 |
| Bonds Payable | 6,215,808 | 143,229 | 2.30 | 6,481,952 | 175,095 | 2.70 |

[Special Operations Account]

(Unit: millions of yen, %)

| | Fiscal Year Ended March 31, 2023 | | | Fiscal Year Ended March 31, 2024 | | |
|------------------------------|----------------------------------|----------|----------------|----------------------------------|----------|----------------|
| | Average Balance | Interest | Earning Yields | Average Balance | Interest | Earning Yields |
| Interest-earning Assets | 58,134 | 2,071 | 3.56 | 50,238 | 1,648 | 3.28 |
| Loans and Bills Discounted | 37,344 | 2,071 | 5.55 | 29,757 | 1,648 | 5.54 |
| Due from Banks | 1,109 | 0 | 0.01 | 2,036 | 0 | 0.01 |
| Interest-bearing Liabilities | 4,614 | 729 | 15.82 | 4,256 | 894 | 21.01 |
| Borrowed Money | 4,200 | 0 | 0.00 | 4,200 | 0 | 0.00 |
| Bonds Payable | — | — | — | — | — | — |

4. Breakdown of Operating Expenses

[The Bank]

(Unit: millions of yen)

| | Fiscal Year Ended March 31, 2023 | Fiscal Year Ended March 31, 2024 |
|---|----------------------------------|----------------------------------|
| Salaries and Other Compensations | 6,360 | 6,769 |
| Expenses for Retirement Benefits | 279 | (348) |
| Welfare Benefits | 953 | 974 |
| Depreciation of Property, Plant and Equipment | 3,441 | 3,636 |
| Leasing on Land, Buildings and Machinery | 527 | 574 |
| Building Maintenance | 163 | 663 |
| Supplies | 345 | 409 |
| Utilities | 100 | 96 |
| Traveling Expenses | 1,534 | 1,831 |
| Communications | 231 | 227 |
| Advertising Expenses | 5 | 8 |
| Fees, Donations and Social Expenses | 71 | 79 |
| Taxes | 590 | 1,021 |
| Other | 9,476 | 9,623 |
| Total | 24,083 | 25,566 |

[Ordinary Operations Account]

(Unit: millions of yen)

| | Fiscal Year Ended March 31, 2023 | Fiscal Year Ended March 31, 2024 |
|---|----------------------------------|----------------------------------|
| Salaries and Other Compensations | 6,244 | 6,667 |
| Expenses for Retirement Benefits | 267 | (356) |
| Welfare Benefits | 936 | 960 |
| Depreciation of Property, Plant and Equipment | 3,441 | 3,636 |
| Leasing on Land, Buildings and Machinery | 518 | 565 |
| Building Maintenance | 160 | 653 |
| Supplies | 339 | 402 |
| Utilities | 98 | 95 |
| Traveling Expenses | 1,506 | 1,803 |
| Communications | 227 | 224 |
| Advertising Expenses | 5 | 8 |
| Fees, Donations and Social Expenses | 70 | 78 |
| Taxes | 578 | 999 |
| Other | 9,296 | 9,464 |
| Total | 23,693 | 25,201 |

[Special Operations Account]

(Unit: millions of yen)

| | Fiscal Year Ended March 31, 2023 | Fiscal Year Ended March 31, 2024 |
|--|----------------------------------|----------------------------------|
| Salaries and Other Compensations | 115 | 102 |
| Expenses for Retirement Benefits | 12 | 7 |
| Welfare Benefits | 17 | 14 |
| Leasing on Land, Buildings and Machinery | 72 | 63 |
| Building Maintenance | 2 | 10 |
| Supplies | 6 | 6 |
| Utilities | 1 | 1 |
| Traveling Expenses | 27 | 27 |
| Communications | 4 | 3 |
| Advertising Expenses | 0 | 0 |
| Fees, Donations and Social Expenses | 1 | 1 |
| Taxes | 11 | 21 |
| Other | 179 | 158 |
| Total | 452 | 419 |

5. Balance of Due from Banks, Receivables under Resale Agreements and Securities—Application of Surplus Funds

[The Bank]

(Unit: millions of yen)

| | March 31, 2023 | March 31, 2024 |
|--------------------------------------|----------------|----------------|
| Due from Banks in Japanese Yen | — | — |
| Due from Banks in Foreign Currencies | 959,606 | 1,475,762 |
| Receivables under Resale Agreements | — | — |
| Securities | — | — |

[Ordinary Operations Account]

(Unit: millions of yen)

| | March 31, 2023 | March 31, 2024 |
|--------------------------------------|----------------|----------------|
| Due from Banks in Japanese Yen | — | — |
| Due from Banks in Foreign Currencies | 955,606 | 1,471,183 |
| Receivables under Resale Agreements | — | — |
| Securities | — | — |

[Special Operations Account]

(Unit: millions of yen)

| | March 31, 2023 | March 31, 2024 |
|--------------------------------------|----------------|----------------|
| Due from Banks in Japanese Yen | — | — |
| Due from Banks in Foreign Currencies | 4,000 | 4,578 |
| Receivables under Resale Agreements | — | — |
| Securities | — | — |

6. Information on Derivatives Transactions

(1) Basic Policy for Derivatives Transactions

JBIC engages in derivatives transactions exclusively for the purpose of hedging exchange rate and interest rate risks.

(2) Transactions

Derivatives transactions of JBIC include interest rate and currency swaps and forward exchange contracts. The following table gives a summary of these transactions.

(3) Risks Involved in Derivatives Transactions

Derivatives transactions involve the following risks.

Counterparty Credit Risk

The potential loss from the failure of a counterparty to perform its obligations in accordance with the terms and conditions of the contract governing transactions due to bankruptcy or its deteriorating business performance.

Market Risk

The potential loss from changes in the market value of financial products due to fluctuations in interest rates or exchange rates in the market.

(4) Measures to Address These Risks

Counterparty Credit Risk

JBIC constantly monitors the fair value of a derivative in conducting transaction with each counterparty, credit risk exposure to it, and its creditworthiness. Such information is then used to assess the eligibility of the counterparty.

Regarding the fair value of a derivative in conducting a transaction and credit risk exposure, JBIC performs detailed management by taking into account collateral transfer based on a collateral contract with the counterparty.

Market Risk

JBIC utilizes derivatives transactions exclusively for the purpose of hedging. Therefore, the market risk on derivatives transactions and the risk on hedged (lending or funding) transactions, in principle, offset each other.

(As of March 31, 2024; 100 millions of yen)

| | Contract Amounts / Notional Amounts | Credit Risk Amounts | Market Value |
|--|--|---------------------|----------------|
| Interest Rate Swaps | 70,118 | 1,148 | (3,811) |
| Currency Swaps | 50,761 | — | (6,136) |
| Forward Exchange Contracts | 229 | — | 0 |
| Credit Risk Mitigation through Netting | — | — | — |
| Total | 121,109 | 1,148 | (9,947) |

Note: "The credit risk amounts" are calculated under Uniform International Standards in accordance with the Banking Act of Japan and the related regulations.

7. Yield / Interest Rate

[The Bank]

(Unit: %)

| | Fiscal Year Ended March 31, 2023 | Fiscal Year Ended March 31, 2024 |
|---|----------------------------------|----------------------------------|
| (A) – (B) | (0.10) | (0.51) |
| Yields on Interest-earning Assets (A) | 3.24 | 5.60 |
| Costs of Interest-bearing Liabilities (B) | 3.33 | 6.11 |

Note: Yields on Interest-earning Assets = Interest / Average Balance of Interest-earning Assets

Costs of Interest-bearing Liabilities = (Interest Expenses + Bonds Payable + Expenses) / Average Balance of Interest-bearing Liabilities

Cf. Interest = Interest on Loans and Discounts + Interest and Dividends on Securities + Interest on Receivables under Resale Agreements + Interest on Deposits with Banks + Interest on interest swaps + Other interest income

Average Balance of Interest-earning Assets = Loans and Bills Discounted + Securities + Receivables under Resale Agreements + Cash Equivalents (excluding current account deposit and others) + Cash collateral paid for financial instruments

Interest Expenses (A) = Interest Expenses (B) + Operating Expenses + Amortization of Bond Issuance Costs + Bond Issuance Expenses

Interest Expenses (B) = Interest on Borrowings and Rediscounts + Interest on Bonds + Interest on interest swaps + Other Interest Expenses

Average Balance of Interest-bearing Liabilities = Borrowed Money + Bonds Payable + Cash collateral received for financial instruments

(Same formula is applicable below.)

[Ordinary Operations Account]

(Unit: %)

| | Fiscal Year Ended March 31, 2023 | Fiscal Year Ended March 31, 2024 |
|---|----------------------------------|----------------------------------|
| (A) – (B) | (0.09) | (0.49) |
| Yields on Interest-earning Assets (A) | 3.24 | 5.60 |
| Costs of Interest-bearing Liabilities (B) | 3.33 | 6.10 |

[Special Operations Account]

(Unit: %)

| | Fiscal Year Ended March 31, 2023 | Fiscal Year Ended March 31, 2024 |
|---|----------------------------------|----------------------------------|
| (A) – (B) | (22.06) | (27.58) |
| Yields on Interest-earning Assets (A) | 3.56 | 3.28 |
| Costs of Interest-bearing Liabilities (B) | 25.62 | 30.86 |

8. Loans Outstanding per Employee

(Unit: millions of yen)

| March 31, 2023 | March 31, 2024 |
|----------------|----------------|
| 23,024 | 23,495 |

9. Loans Outstanding by Industry

(Unit: millions of yen)

| Industry | March 31, 2023 | | March 31, 2024 | |
|---|-----------------|-------------------|-----------------|-------------------|
| | Number of Loans | Balance | Number of Loans | Balance |
| Manufacturing | 99 | 869,495 | 94 | 998,452 |
| Mining and Quarrying of Stone and Gravel | 6 | 255,534 | 6 | 245,388 |
| Construction | 3 | 32,516 | 3 | 36,780 |
| Electricity, Gas, Heat Supply, and Water | 3 | 250,250 | 3 | 177,901 |
| Transport and Postal Services | 2 | 1,374 | 4 | 2,869 |
| Wholesale Trade | 15 | 764,775 | 15 | 810,601 |
| Retail Trade | 3 | 347,534 | 4 | 394,054 |
| Finance and Insurance | 25 | 2,203,191 | 25 | 2,035,629 |
| Real Estate | 3 | 635 | 2 | 521 |
| Goods Rental and Leasing | 4 | 514,656 | 4 | 553,691 |
| Scientific Research, Professional and Technical Service | 4 | 3,716 | 3 | 4,149 |
| Accommodations | 1 | 200 | 1 | 162 |
| Restaurant Business | 1 | 23 | 1 | 11 |
| Living-Related and Personal Services and Amusement Services | 1 | 4,000 | 1 | 4,000 |
| Overseas Yen Loan and Domestic Loans Transferred Overseas | 543 | 10,379,042 | 538 | 11,189,722 |
| Total, Including Others | 713 | 15,626,946 | 704 | 16,453,938 |
| Loans Outstanding to Small and Medium-sized Enterprises, and Mid-tier Enterprises | 562 | 173,415 | 544 | 177,867 |

10. Write-off of Loans

[Ordinary Operations Account]

(Unit: millions of yen)

| Fiscal Year Ended March 31, 2023 | Fiscal Year Ended March 31, 2024 |
|----------------------------------|----------------------------------|
| — | — |

[Special Operations Account]

(Unit: millions of yen)

| Fiscal Year Ended March 31, 2023 | Fiscal Year Ended March 31, 2024 |
|----------------------------------|----------------------------------|
| — | — |

11. Assets in Foreign Currencies (Loans and Equity Investments)

[The Bank]

(Unit: millions of yen)

| | March 31, 2023 | March 31, 2024 |
|--|----------------|----------------|
| Investments in Foreign Currency (USD) | 160,786 | 164,825 |
| Investments in Foreign Currency (EUR) | 9,551 | 11,310 |
| Investments in Foreign Currency (RUB) | 16,843 | 8,861 |
| Equity Investments in Foreign Currency (USD) | 77,710 | 77,616 |
| Equity Investments in Foreign Currency (GBP) | 827 | 956 |
| Equity Investments in Foreign Currency (EUR) | 12,798 | 14,298 |
| Equity Investments in Foreign Currency (THB) | 8 | 8 |
| Equity Investments in Foreign Currency (CNY) | 2,016 | 1,112 |
| Equity Investments in Foreign Currency (INR) | 455 | 455 |
| Equity Investments in Foreign Currency (SGD) | 966 | 1,753 |
| Equity Investments in Foreign Currency (RUB) | 518 | 518 |
| Foreign Investment Trusts (INR) | — | 2,403 |
| Loans in Foreign Currency (USD) | 13,348,621 | 14,108,714 |
| Loans in Foreign Currency (GBP) | 493,195 | 604,592 |
| Loans in Foreign Currency (EUR) | 479,376 | 530,607 |
| Loans in Foreign Currency (ZAR) | 12,882 | 13,103 |
| Loans in Foreign Currency (AUD) | 45,725 | 5,965 |
| Loans in Foreign Currency (THB) | 100,137 | 60,096 |
| Loans in Foreign Currency (CAD) | 101,534 | 108,925 |
| Loans in Foreign Currency (CNY) | 7,371 | 5,967 |
| Loans in Foreign Currency (INR) | 9,553 | 11,146 |
| Loans in Foreign Currency (MXN) | 1,825 | 1,459 |
| Loans in Foreign Currency (IDR) | 7,856 | 15,025 |
| Loans in Foreign Currency (SEK) | 950 | 912 |

[Ordinary Operations Account]

(Unit: millions of yen)

| | March 31, 2023 | March 31, 2024 |
|--|----------------|----------------|
| Investments in Foreign Currency (USD) | 148,043 | 152,083 |
| Investments in Foreign Currency (EUR) | 9,551 | 11,310 |
| Investments in Foreign Currency (RUB) | 16,843 | 8,861 |
| Equity Investments in Foreign Currency (USD) | 74,639 | 74,133 |
| Equity Investments in Foreign Currency (GBP) | 827 | 956 |
| Equity Investments in Foreign Currency (EUR) | 12,473 | 13,973 |
| Equity Investments in Foreign Currency (THB) | 8 | 8 |
| Equity Investments in Foreign Currency (CNY) | 2,016 | 1,112 |
| Equity Investments in Foreign Currency (INR) | 455 | 455 |
| Equity Investments in Foreign Currency (SGD) | 966 | 1,753 |
| Equity Investments in Foreign Currency (RUB) | 518 | 518 |
| Foreign Investment Trusts (INR) | — | 2,403 |
| Loans in Foreign Currency (USD) | 13,326,559 | 14,090,682 |
| Loans in Foreign Currency (GBP) | 493,195 | 604,592 |
| Loans in Foreign Currency (EUR) | 479,376 | 530,607 |
| Loans in Foreign Currency (ZAR) | 12,882 | 13,103 |
| Loans in Foreign Currency (AUD) | 45,725 | 5,965 |
| Loans in Foreign Currency (THB) | 100,137 | 60,096 |
| Loans in Foreign Currency (CAD) | 101,534 | 108,925 |
| Loans in Foreign Currency (CNY) | 7,371 | 5,967 |
| Loans in Foreign Currency (INR) | 9,553 | 11,146 |
| Loans in Foreign Currency (MXN) | 1,825 | 1,459 |
| Loans in Foreign Currency (IDR) | 7,856 | 15,025 |
| Loans in Foreign Currency (SEK) | 950 | 912 |

[Special Operations Account]

(Unit: millions of yen)

| | March 31, 2023 | March 31, 2024 |
|--|----------------|----------------|
| Investments in Foreign Currency (USD) | 12,742 | 12,742 |
| Equity Investments in Foreign Currency (USD) | 3,071 | 3,482 |
| Equity Investments in Foreign Currency (EUR) | 324 | 324 |
| Loans in Foreign Currency (USD) | 22,061 | 18,031 |

12. Administrative Expense Ratio

[The Bank]

(Units: %)

| Fiscal Year Ended March 31, 2023 | Fiscal Year Ended March 31, 2024 |
|----------------------------------|----------------------------------|
| 0.14 | 0.14 |

Note: Administrative Expense Ratio = General and Administrative Expenses / (Average Balance of Loans and Bills Discounted + Average Balance of Securities + Average Balance of Customers' Liabilities for Acceptances and Guarantees)
(Same formula is applicable below.)

[Ordinary Operations Account]

(Units: %)

| Fiscal Year Ended March 31, 2023 | Fiscal Year Ended March 31, 2024 |
|----------------------------------|----------------------------------|
| 0.13 | 0.14 |

[Special Operations Account]

(Units: %)

| Fiscal Year Ended March 31, 2023 | Fiscal Year Ended March 31, 2024 |
|----------------------------------|----------------------------------|
| 0.86 | 0.93 |

13. Balance of Loans / Borrowings, Bonds and Notes by Maturity

Maturity Structure of Loans as of March 31, 2024

(Unit: 100 millions of yen)

| Maturity | Collection from Loans |
|----------------|-----------------------|
| 1 Year or Less | 21,287 |
| 1-2 Years | 24,356 |
| 2-3 Years | 20,330 |
| 3-4 Years | 17,607 |
| 4-5 Years | 15,675 |
| 5-6 Years | 15,996 |
| 6-7 Years | 11,347 |
| 7-8 Years | 7,762 |
| 8-9 Years | 7,434 |
| 9-10 Years | 3,790 |
| 10-15 Years | 10,344 |
| 15-20 Years | 4,344 |
| 20-25 Years | 610 |
| 25-30 Years | 41 |
| 30-35 Years | — |
| 35-40 Years | — |
| Over 40 Years | — |
| Total | 160,929 |

Note: The figures exclude: ¥330.4 billion, the amount of loans and other credits to debtors who are legally or substantially bankrupt, as well as those who are likely to become bankrupt, since they have no prospect for redemption.

Maturity Structure of Borrowings from FILP Fiscal Loan and Foreign Exchange Fund Special Account in total as of March 31, 2024

(Unit: 100 millions of yen)

| Maturity | Repayment of Borrowings |
|----------------|-------------------------|
| 1 Year or Less | 4,233 |
| 1-2 Years | 1,821 |
| 2-3 Years | 3,874 |
| 3-4 Years | 57,120 |
| 4-5 Years | 6,868 |
| 5-6 Years | 3,027 |
| 6-7 Years | 5,236 |
| 7-8 Years | — |
| 8-9 Years | 6,065 |
| 9-10 Years | 1,450 |
| Over 10 Years | 2,242 |
| Total | 91,939 |

Maturity Structure of Bonds and Notes as of March 31, 2024

(Unit: 100 millions of yen)

| Maturity | Redemption of Bonds and Notes |
|----------------|-------------------------------|
| 1 Year or Less | 9,840 |
| 1-2 Years | 16,089 |
| 2-3 Years | 12,271 |
| 3-4 Years | 8,812 |
| 4-5 Years | 7,921 |
| 5-6 Years | 3,138 |
| 6-7 Years | 3,759 |
| 7-8 Years | 4,535 |
| 8-9 Years | — |
| 9-10 Years | — |
| Over 10 Years | — |
| Total | 66,368 |

14. Information on the Quality of Assets

Although the Banking Act and Act on Emergency Measures for the Revitalization of the Financial Functions of 1998 (the “Financial Revitalization Act”) do not apply to JBIC, JBIC has made a self-assessment of the quality of its assets since the fiscal year ended March 31, 2001. This was aimed at increasing disclosure on its asset quality and improving the internal management of credit risks.

One characteristic of JBIC’s operations is that a considerable portion of its loans is official credit for the governments of developing countries. Thus, when an indebted country is temporarily unable to service debt due to economic difficulties, debt rescheduling will sometimes take place—based on an international agreement among the creditor countries in the Paris Club—in order to ensure sustainable debt service. A debtor country receiving such temporary support for overcoming the liquidity problem will implement economic restructuring programs agreed upon with the International Monetary Fund (IMF) to acquire sustainable debt service capacity.

The loans rescheduled under the agreement in the Paris Club have a high probability of repayment, because, unlike loans provided by private financial institutions, their nature as official credit provides an asset-securing mechanism under the above international framework. Nonetheless, to facilitate comparison with private financial institutions, JBIC, in principle, discloses the loans rescheduled in the Paris Club and whose debtor countries are categorized as “Needs Attention” in its self-assessment of asset quality, as loan assets required to be disclosed classifying them either as restructured loans (under the Banking Act) or substandard loans (under the Financial Revitalization Act).

ERNST & YOUNG SHINNIHON LLC audited JBIC’s self-assessment regarding the quality of its assets, including the following loan assets to be disclosed under the Banking Act and the Financial Revitalization Act and reserves for possible loan losses, in accordance with the Practical Guidelines for Evaluation of Internal Control over Valuation of Assets and Audits for Write-Offs and Reserve for Possible Loan Losses of Banks and Similar Institutions (Report No. 4 of the Ad Hoc Committee for Audits of Banks, the Japanese Institute of Certified Public Accountants (JICPA)).

1. Loan Assets to Be Disclosed under the Banking Act and the Financial Revitalization Act

The following table shows the classification of risk-monitored loans based on the self-assessment of asset quality in accordance with the disclosure standard under the Banking Act and the Financial Revitalization Act.

Each category of loans is defined as follows:

i. Bankrupt and Quasi-bankrupt Assets

“Bankrupt and Quasi-bankrupt Assets” are loans and other credits to debtors who have begun proceedings under the Bankruptcy Act, the Corporate Reorganization Act, the Civil Rehabilitation Act and other similar laws of Japan and have financially failed. In the asset quality self-assessment, these loans are loans to debtors who are legally or substantially bankrupt.

ii. Doubtful Assets

“Doubtful Assets” are loans and other credits to debtors whose financial and operational conditions have deteriorated and who have a possibility that payment of principal and / or interest will not be made on a contractual basis. In the asset quality self-assessment, these loans are loans to the debtors who are likely to become bankrupt.

iii. Substandard Loans

“Substandard Loans” are loans to debtors who are categorized as “Needs Attention Debtor” in the asset quality self-assessment, and

- (i) loans whose principal and / or interest is overdue 3 months or more from the date following the scheduled payment date but which are not categorized as “Bankrupt and Quasi-bankrupt Assets” or “Doubtful Assets” (“Past Due Loans (3 months or more)”).
- (ii) loans on which the Bank granted concessions to debtors in financial difficulties through amending terms and conditions of the loans to assist them to recover and eventually be able to pay to creditors, but which are not categorized as “Bankrupt and Quasi-bankrupt Assets”, “Doubtful Assets” or “Past Due Loans (3 months or more)” (“Restructured Loans”).*

iv. Past Due Loans (3 months or more)

Loans whose principal or interest is past due 3 months or more from the date following the contractually scheduled payment date and not classified as “Bankrupt and Quasi-bankrupt Assets” or “Doubtful Assets”.

v. Restructured Loans

Loans whose terms and conditions are modified in favor of the debtors in order to expedite the debtors’ business restructuring or support their business operations by, among others, reducing the stated interest rate, deferring interest payments or write-downs, and that are not classified as “Bankrupt and Quasi-bankrupt Assets”, “Doubtful Assets” or “Past Due Loans (3 months or more)”.*

vi. Normal Assets

“Normal Assets” are loans to debtors with no particular problem in their financial conditions, categorized in the asset quality self-assessment either as “Loans to Normal Debtors” or “Loans to Needs Attention Debtors (excluding substandard loans)”, but which are not categorized as “Bankrupt and Quasi-bankrupt Assets”, “Doubtful Assets” or “Substandard Loans”.

[Ordinary Operations Account]

(Unit: millions of yen)

| | Fiscal Year Ended March 31, 2023 | Fiscal Year Ended March 31, 2024 |
|--------------------------------------|-------------------------------------|-------------------------------------|
| Bankrupt and Quasi-bankrupt Assets | — | — |
| Doubtful Assets | 291,008 | 342,460 |
| Substandard Loans | 196,967 | 301,847 |
| Past Due Loans (3 months or more) | 58 | 123,852 |
| Restructured Loans | 196,908 | 177,995 |
| Total (1) | 487,975 | 644,308 |
| Normal Assets | 16,780,714 | 17,494,737 |
| Total Amounts of Loans (2) | 17,268,689 | 18,139,045 |
| (1) / (2) (%) | 2.83 | 3.55 |

[Special Operations Account]

(Unit: millions of yen)

| | Fiscal Year Ended March 31, 2023 | Fiscal Year Ended March 31, 2024 |
|--------------------------------------|-------------------------------------|-------------------------------------|
| Bankrupt and Quasi-bankrupt Assets | — | — |
| Doubtful Assets | — | — |
| Substandard Loans | — | — |
| Past Due Loans (3 months or more) | — | — |
| Restructured Loans | — | — |
| Total (1) | — | — |
| Normal Assets | 31,173 | 23,514 |
| Total Amounts of Loans (2) | 31,173 | 23,514 |
| (1) / (2) (%) | — | — |

* In the event that a debtor country encounters temporary repayment difficulties in respect of external public debt (sovereign debt, trade insurance institutions and export credit institutions, etc.) due to the deteriorating balance of payments, meetings of creditor countries (the “Paris Club”) will be held to mutually agree on debt relief measures (rescheduling), and implementing of temporary support for overcoming the liquidity problem (balance of payment support under an international cooperative framework). With this temporary liquidity support, debtors carry out IMF-agreed economic restructuring programs and continue to make debt repayments. The principal amount of loans for which JBIC has agreed to provide debt relief pursuant to the Paris Club agreements is ¥79,425 million as of the end of the fiscal year ended March 31, 2024.

Loans to debtors classified under the self-assessment as “Needs Attention” (but not “Past Due Loans (3 months or more)”) that were rescheduled under the Paris Club as “Restructured loans”. The amount of such loans, included in “Restructured loans” in the above table is ¥62,535 million.

Consolidated Financial Statements in Accordance with International Financial Reporting Standards (IFRS) for Reference Only

1. Excerpt from the consolidated financial statements in accordance with IFRS

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) as of March 31, 2024. The consolidated financial statements are presented in yen. Unless otherwise stated, all amounts are rounded down and stated in millions of yen.

Ernst & Young ShinNihon LLC has audited the consolidated financial statements of JBIC and its subsidiaries ("the JBIC Group"), which comprise the consolidated statements of financial position as of March 31, 2024 and 2023, and the consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of

cash flows for the years then ended, and a summary of material accounting policy information and other explanatory information, in accordance with International Standards on Auditing.

This document is an excerpt of the JBIC Group's consolidated financial statements prepared in accordance with IFRS as issued by the IASB that are included in JBIC's annual report on Form 18-K filed with the U.S. Securities and Exchange Commission. This document does not contain all of the information in the Form 18-K that is important to you. You should read the Form 18-K carefully to obtain a comprehensive understanding of the JBIC Group's consolidated financial statements under IFRS and related information.

Consolidated Statements of Financial Position

| | (Millions of yen) | |
|---|----------------------|----------------------|
| | As of March 31, 2024 | As of March 31, 2023 |
| Assets: | | |
| Cash and due from banks | 2,565,369 | 2,193,775 |
| Derivative financial instrument assets | 104,008 | 137,156 |
| Financial assets at fair value through profit or loss | 474,551 | 475,260 |
| Securities | 53,199 | 46,998 |
| Loans and other receivables | 15,949,101 | 15,144,377 |
| Equity method investments | 120,408 | 129,892 |
| Property and equipment | 32,796 | 30,730 |
| Other assets | 1,055,399 | 667,093 |
| Total assets | 20,354,834 | 18,825,285 |
| Liabilities: | | |
| Derivative financial instrument liabilities | 1,098,801 | 825,233 |
| Borrowings | 9,193,988 | 8,513,677 |
| Bonds payable | 6,353,375 | 5,934,320 |
| Financial guarantee contracts | 72,454 | 75,514 |
| Other liabilities | 299,464 | 246,889 |
| Total liabilities | 17,018,084 | 15,595,635 |
| Equity: | | |
| Capital stock | 2,211,800 | 2,108,800 |
| Retained earnings | 1,083,074 | 1,089,888 |
| Other reserves | 41,616 | 30,677 |
| Non-controlling interests | 258 | 283 |
| Total equity | 3,336,749 | 3,229,650 |
| Total liabilities and equity | 20,354,834 | 18,825,285 |

Consolidated Income Statements

(Millions of yen)

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Interest income | 1,029,892 | 576,869 |
| Interest expense | 544,209 | 334,401 |
| Net interest income | 485,683 | 242,467 |
| Fee and commission income | 14,009 | 12,848 |
| Fee and commission expense | 4,319 | 3,799 |
| Net expense from derivative financial instruments | 396,647 | 145,982 |
| Net gain (loss) from financial assets at fair value through profit or loss | 18,915 | (12,160) |
| Net gain on derecognition of financial assets measured at amortized cost | — | 558 |
| Other income | 39,954 | 30,787 |
| Net non-interest expense | 328,087 | 117,748 |
| Total operating income¹ | 157,595 | 124,719 |
| Impairment losses on financial assets | 59,135 | 22,174 |
| Net operating income² | 98,459 | 102,545 |
| Operating expenses | 26,659 | 24,540 |
| Other expenses | 2,112 | 4,315 |
| Total operating expenses | 28,772 | 28,855 |
| Profits (losses) of equity method investments | 2,626 | (1,186) |
| Profit before income tax | 72,313 | 72,503 |
| Income tax expense | 54 | 13 |
| Net profit | 72,258 | 72,490 |
| Attributable to: | | |
| Shareholder of JBIC | 72,284 | 72,557 |
| Non-controlling interests | (25) | (66) |

Notes: 1. Aggregate of "Net interest income" and "Net non-interest expense"

2. "Total operating income" less "Impairment losses on financial assets"

Consolidated Statements of Comprehensive Income

(Millions of yen)

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Net profit | 72,258 | 72,490 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss: | | |
| Remeasurement of defined benefit plans: | | |
| Remeasurement arising during the year | 846 | 411 |
| Total of items that will not be reclassified to profit or loss | 846 | 411 |
| Items that may be reclassified to profit or loss: | | |
| Exchange differences on translation of foreign operations: | | |
| Net gain arising during the year | 18,935 | 16,582 |
| Reclassification adjustments | (7,996) | (362) |
| Total of items that may be reclassified to profit or loss | 10,939 | 16,219 |
| Other comprehensive income | 11,785 | 16,631 |
| Total comprehensive income | 84,044 | 89,121 |
| Attributable to: | | |
| Shareholder of JBIC | 84,070 | 89,188 |
| Non-controlling interests | (25) | (66) |

Consolidated Statements of Changes in Equity

(Millions of yen)

| | Attributable to shareholder of JBIC | | | | | |
|-----------------------------------|-------------------------------------|-------------------|--|---|-----------------------|------------------|
| | Capital stock | Retained earnings | Other reserves | | | Sub Total |
| | | | Remeasurement of defined benefit plans | Exchange differences on translation of foreign operations | Other reserves, Total | |
| April 1, 2022 | 2,023,800 | 1,024,249 | — | 14,458 | 14,458 | 3,062,507 |
| Net profit (loss) | — | 72,557 | — | — | — | 72,557 |
| Other comprehensive income | — | — | 411 | 16,219 | 16,631 | 16,631 |
| Total comprehensive income (loss) | — | 72,557 | 411 | 16,219 | 16,631 | 89,188 |
| Issuance of new shares | 85,000 | — | — | — | — | 85,000 |
| Payment to the National Treasury | — | (7,329) | — | — | — | (7,329) |
| Other | — | 411 | (411) | — | (411) | — |
| March 31, 2023 | 2,108,800 | 1,089,888 | — | 30,677 | 30,677 | 3,229,366 |
| Net profit (loss) | — | 72,284 | — | — | — | 72,284 |
| Other comprehensive income | — | — | 846 | 10,939 | 11,785 | 11,785 |
| Total comprehensive income (loss) | — | 72,284 | 846 | 10,939 | 11,785 | 84,070 |
| Issuance of new shares | 103,000 | — | — | — | — | 103,000 |
| Payment to the National Treasury | — | (79,945) | — | — | — | (79,945) |
| Other | — | 846 | (846) | — | (846) | — |
| March 31, 2024 | 2,211,800 | 1,083,074 | — | 41,616 | 41,616 | 3,336,491 |

(Millions of yen)

| | Non-controlling interests | Total equity |
|-----------------------------------|---------------------------|------------------|
| April 1, 2022 | 350 | 3,062,857 |
| Net profit (loss) | (66) | 72,490 |
| Other comprehensive income | — | 16,631 |
| Total comprehensive income (loss) | (66) | 89,121 |
| Issuance of new shares | — | 85,000 |
| Payment to the National Treasury | — | (7,329) |
| Other | — | — |
| March 31, 2023 | 283 | 3,229,650 |
| Net profit (loss) | (25) | 72,258 |
| Other comprehensive income | — | 11,785 |
| Total comprehensive income (loss) | (25) | 84,044 |
| Issuance of new shares | — | 103,000 |
| Payment to the National Treasury | — | (79,945) |
| Other | — | — |
| March 31, 2024 | 258 | 3,336,749 |

Consolidated Statements of Cash Flows

(Millions of yen)

| | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|--|--------------------------------------|--------------------------------------|
| Cash flows from operating activities | | |
| Profit before income tax | 72,313 | 72,503 |
| Depreciation and amortization | 4,171 | 3,932 |
| Impairment loss on property and equipment | 230 | — |
| Impairment loss on other assets | 668 | — |
| Increase (decrease) in liability for retirement benefits | (1,025) | (553) |
| Net loss (gain) from financial assets at fair value through profit or loss | (18,915) | 12,160 |
| Losses (profits) from equity method investments | (2,626) | 1,186 |
| Net decrease (increase) in loans and other receivables | (804,723) | (978,801) |
| Net increase (decrease) in borrowings | 680,311 | 959,468 |
| Net decrease (increase) in deposits (excluding demand deposits) | (289,695) | (100,185) |
| Net change in derivative financial instrument assets and liabilities | 306,716 | 225,797 |
| Net increase (decrease) in financial guarantee contracts | (3,060) | 10,285 |
| Net increase (decrease) in bonds payable | 419,055 | 374,701 |
| Other | (401,676) | (33,682) |
| Net cash provided by (used in) operating activities | (38,253) | 546,813 |
| Cash flows from investing activities | | |
| Purchase of financial assets at fair value through profit or loss | (13,862) | (16,890) |
| Sale of financial assets at fair value through profit or loss | 27,412 | 14,821 |
| Purchase of securities | (6,200) | (10,000) |
| Purchase of equity method investments | (2,891) | (1,739) |
| Proceeds from return of equity method investments | 29,609 | 6,661 |
| Other | (9,584) | (4,221) |
| Net cash provided by (used in) investing activities | 24,483 | (11,368) |
| Cash flows from financing activities | | |
| Proceeds from issuance of new shares | 103,000 | 85,000 |
| Payment to the National Treasury | (79,945) | (7,329) |
| Other | (582) | (503) |
| Net cash provided by (used in) financing activities | 22,471 | 77,166 |
| Exchange difference on cash and cash equivalents | 73,196 | 29,824 |
| Net increase (decrease) in cash and cash equivalents | 81,898 | 642,437 |
| Cash and cash equivalents at the beginning of the year | 1,726,420 | 1,083,983 |
| Cash and cash equivalents at the end of the year | 1,808,319 | 1,726,420 |
| Net cash provided by (used in) operating activities includes the following: | | |
| Interest received | 977,918 | 438,478 |
| Interest paid | (495,408) | (260,885) |

2. Reconciliation between Japanese GAAP and IFRS

Reconciliation of assets, liabilities, and equity of the JBIC Group as of March 31, 2024 and 2023, and reconciliation of net profit of the JBIC Group for the fiscal years ended March 31, 2024 and 2023, between accounting principles generally accepted in Japan ("Japanese GAAP") and IFRS as issued by the IASB.

* JBIC has applied Japanese GAAP for reporting purposes. Audited consolidated financial statements of the JBIC Group for the fiscal years ended March 31, 2024 and 2023 prepared in accordance with IFRS are disclosed for reference purposes in order to improve comparability with international issuers.

Reconciliation of assets, liabilities, and equity as of March 31, 2024

(Millions of yen)

| Japanese GAAP | | Reclassifications | Adjustments | IFRS | | Notes |
|---|-------------------|-------------------|--------------------|-------------------|---|-------|
| Assets | | | | | Assets | |
| Cash and due from banks | 2,565,369 | — | — | 2,565,369 | Cash and due from banks | |
| | — | 104,008 | — | 104,008 | Derivative financial instrument assets | A |
| | — | 468,416 | 6,135 | 474,551 | Financial assets at fair value through profit or loss | B,C |
| Securities | 340,203 | (306,400) | 19,395 | 53,199 | Securities | B,C |
| Loans and bills discounted | 16,423,476 | (564,566) | 90,191 | 15,949,101 | Loans and other receivables | B,D |
| | — | 83,197 | 37,211 | 120,408 | Equity method investments | C,E |
| Property, plant and equipment | 32,796 | — | — | 32,796 | Property and equipment | |
| Intangible assets | 11,462 | (11,462) | — | — | | |
| Other assets | 1,297,682 | (243,704) | 1,421 | 1,055,399 | Other assets | A,D,F |
| Customers' liabilities for acceptances and guarantees | 1,522,529 | — | (1,522,529) | — | | H |
| Allowance for loan losses | (536,412) | 536,412 | — | — | | D |
| Total assets | 21,657,108 | 65,901 | (1,368,174) | 20,354,834 | Total assets | |
| Liabilities | | | | | Liabilities | |
| | — | 1,098,801 | — | 1,098,801 | Derivative financial instrument liabilities | A |
| Borrowed money | 9,193,988 | — | — | 9,193,988 | Borrowings | |
| Bonds payable | 6,636,856 | — | (283,481) | 6,353,375 | Bonds payable | G |
| | — | — | 72,454 | 72,454 | Financial guarantee contracts | H |
| Net defined benefit liability | 4,631 | (4,631) | — | — | | I |
| Provision for directors' retirement benefits | 52 | (52) | — | — | | |
| Other liabilities | 1,313,353 | (1,027,545) | 13,657 | 299,464 | Other liabilities | A,F,I |
| Provision for bonuses | 660 | (660) | — | — | | |
| Provision for directors' bonuses | 10 | (10) | — | — | | |
| Acceptances and guarantees | 1,522,529 | — | (1,522,529) | — | | H |
| Total liabilities | 18,672,083 | 65,901 | (1,719,899) | 17,018,084 | Total liabilities | |
| Net assets | | | | | Equity | |
| Capital stock | 2,211,800 | — | — | 2,211,800 | Capital stock | |
| Retained earnings | 1,108,607 | — | (25,532) | 1,083,074 | Retained earnings | |
| | — | (335,640) | 377,257 | 41,616 | Other reserves | E,I |
| Valuation difference on available-for-sale securities | 41,226 | (41,226) | — | — | | C |
| Deferred gains (losses) on hedges | (382,907) | 382,907 | — | — | | A |
| Foreign currency translation adjustment | 6,040 | (6,040) | — | — | | E |
| Non-controlling interests | 258 | — | — | 258 | Non-controlling interests | |
| Total net assets | 2,985,025 | — | 351,724 | 3,336,749 | Total equity | |
| Total liabilities and net assets | 21,657,108 | 65,901 | (1,368,174) | 20,354,834 | Total liabilities and equity | |

Reconciliation of assets, liabilities, and equity as of March 31, 2023

(Millions of yen)

| Japanese GAAP | | Reclassifications | Adjustments | IFRS | | Notes |
|---|-------------------|-------------------|--------------------|-------------------|---|-------|
| Assets | | | | | Assets | |
| Cash and due from banks | 2,193,775 | — | — | 2,193,775 | Cash and due from banks | |
| | — | 137,156 | — | 137,156 | Derivative financial instrument assets | A |
| | — | 477,256 | (1,996) | 475,260 | Financial assets at fair value through profit or loss | B,C |
| Securities | 347,087 | (318,933) | 18,845 | 46,998 | Securities | B,C |
| Loans and bills discounted | 15,587,788 | (491,899) | 48,487 | 15,144,377 | Loans and other receivables | B,D |
| | — | 101,346 | 28,546 | 129,892 | Equity method investments | C,E |
| Property, plant and equipment | 30,730 | — | — | 30,730 | Property and equipment | |
| Intangible assets | 8,461 | (8,461) | — | — | | |
| Other assets | 866,306 | (201,122) | 1,908 | 667,093 | Other assets | A,D,F |
| Customers' liabilities for acceptances and guarantees | 1,534,258 | — | (1,534,258) | — | | H |
| Allowance for loan losses | (410,526) | 410,526 | — | — | | D |
| Total assets | 20,157,883 | 105,869 | (1,438,466) | 18,825,285 | Total assets | |
| Liabilities | | | | | Liabilities | |
| | — | 825,233 | — | 825,233 | Derivative financial instrument liabilities | A |
| Borrowed money | 8,513,677 | — | — | 8,513,677 | Borrowings | |
| Bonds payable | 6,191,755 | — | (257,435) | 5,934,320 | Bonds payable | G |
| | — | — | 75,514 | 75,514 | Financial guarantee contracts | H |
| Net defined benefit liability | 5,690 | (5,690) | — | — | | I |
| Provision for directors' retirement benefits | 37 | (37) | — | — | | |
| Other liabilities | 962,446 | (713,012) | (2,544) | 246,889 | Other liabilities | A,F,I |
| Provision for bonuses | 614 | (614) | — | — | | |
| Provision for directors' bonuses | 10 | (10) | — | — | | |
| Acceptances and guarantees | 1,534,258 | — | (1,534,258) | — | | H |
| Total liabilities | 17,208,488 | 105,869 | (1,718,722) | 15,595,635 | Total liabilities | |
| Net assets | | | | | Equity | |
| Capital stock | 2,108,800 | — | — | 2,108,800 | Capital stock | |
| Retained earnings | 1,126,210 | 411 | (36,733) | 1,089,888 | Retained earnings | |
| | — | (286,311) | 316,989 | 30,677 | Other reserves | E,I |
| Valuation difference on available-for-sale securities | 25,300 | (25,300) | — | — | | C |
| Deferred gains (losses) on hedges | (323,123) | 323,123 | — | — | | A |
| Foreign currency translation adjustment | 11,923 | (11,923) | — | — | | E |
| Non-controlling interests | 283 | — | — | 283 | Non-controlling interests | |
| Total net assets | 2,949,394 | — | 280,256 | 3,229,650 | Total equity | |
| Total liabilities and net assets | 20,157,883 | 105,869 | (1,438,466) | 18,825,285 | Total liabilities and equity | |

Reconciliation of net profit for the year ended March 31, 2024

(Millions of yen)

| Japanese GAAP | | Reclassifications | Adjustments | IFRS | | Notes |
|---|---------------|-------------------|--------------|----------------|--|-------|
| Interest income | 1,022,058 | (5,308) | 13,142 | 1,029,892 | Interest income | B,D |
| Interest expense | 902,748 | (360,427) | 1,888 | 544,209 | Interest expense | A,G |
| | | | | 485,683 | Net interest income | |
| Fees and commissions | 29,625 | (60) | (15,555) | 14,009 | Fee and commission income | B |
| Fees and commissions payments | 4,319 | — | — | 4,319 | Fee and commission expense | |
| | — | 360,248 | 36,399 | 396,647 | Net expense from derivative financial instruments | A |
| Gain on investments in partnerships ¹ | 12,749 | (12,749) | — | — | | B |
| | — | 14,858 | 4,056 | 18,915 | Net gain (loss) from financial assets at fair value through profit or loss | B |
| Other ordinary income | 53,663 | (53,663) | — | — | | |
| Other income ¹ | 3,373 | (3,373) | — | — | | B |
| Extraordinary income | 5 | (5) | — | — | | |
| | — | 50,221 | (10,266) | 39,954 | Other income | |
| | | | | 328,087 | Net non-interest expense | |
| | | | | 157,595 | Total operating income | |
| Recoveries of written-off claims ¹ | 11,591 | (11,591) | — | — | | D |
| Provision of allowance for loan losses ² | 125,886 | (125,886) | — | — | | D |
| | — | 115,691 | (56,555) | 59,135 | Impairment losses on financial assets | D |
| | | | | 98,459 | Net operating income | |
| Other ordinary expenses | 1,991 | (1,991) | — | — | | |
| General and administrative expenses | 25,925 | — | 734 | 26,659 | Operating expenses | I |
| Other expenses ² | 8,829 | (8,829) | — | — | | B |
| Extraordinary loss | 899 | (899) | — | — | | |
| | — | 3,143 | (1,030) | 2,112 | Other expenses | |
| | | | | 28,772 | Total operating expenses | |
| Losses on equity method investments ² | 95 | (2,721) | — | (2,626) | Losses (profits) on equity method investments | E |
| | | | | 72,313 | Profit before income tax | |
| Income tax expense | 54 | — | — | 54 | Income tax expense | |
| Net income | 62,316 | — | 9,941 | 72,258 | Net profit | |

Notes: 1. These accounts are included in "Other income" under Japanese GAAP.

2. These accounts are included in "Other expenses" under Japanese GAAP.

Reconciliation of net profit for the year ended March 31, 2023

(Millions of yen)

| Japanese GAAP | | Reclassifications | Adjustments | IFRS | | Notes |
|--|----------------|-------------------|-----------------|----------------|--|-------|
| Interest income | 570,567 | (3,705) | 10,007 | 576,869 | Interest income | B,D |
| Interest expense | 460,022 | (127,876) | 2,255 | 334,401 | Interest expense | A,G |
| | | | | 242,467 | Net interest income | |
| Fees and commissions | 22,746 | (135) | (9,762) | 12,848 | Fee and commission income | B |
| Fees and commissions payments | 3,799 | — | — | 3,799 | Fee and commission expense | |
| | — | 121,202 | 24,780 | 145,982 | Net expense from derivative financial instruments | A |
| Loss on investments in partnerships ² | 6,129 | (6,129) | — | — | Net loss (gain) from financial assets at fair value through profit or loss | B |
| | — | 367 | 11,793 | 12,160 | Net gain on derecognition of financial assets measured at amortized cost | B |
| | — | 558 | — | 558 | | D |
| Other ordinary income | 44,744 | (44,744) | — | — | | |
| Other income ¹ | 454 | (454) | — | — | | B |
| Extraordinary income | 13 | (13) | — | — | | |
| | — | 35,894 | (5,106) | 30,787 | Other income | |
| | | | | 117,748 | Net non-interest expense | |
| | | | | 124,719 | Total operating income | |
| Reversal of allowance for loan losses ¹ | 19,352 | (19,352) | — | — | | D |
| | — | (19,352) | 41,526 | 22,174 | Impairment losses on financial assets | D |
| | | | | 102,545 | Net operating income | |
| Other ordinary expenses | 2,111 | (2,111) | — | — | | |
| General and administrative expenses | 24,382 | — | 157 | 24,540 | Operating expenses | I |
| Other expenses ² | 6,959 | (6,959) | — | — | | B |
| | — | 5,661 | (1,345) | 4,315 | Other expenses | |
| | | | | 28,855 | Total operating expenses | |
| Profits of equity method investments ¹ | 2,058 | (3,244) | — | (1,186) | Profits (Losses) on equity method investments | E |
| | | | | 72,503 | Profit before income tax | |
| Income tax expense | 13 | — | — | 13 | Income tax expense | |
| Net income | 156,518 | — | (84,028) | 72,490 | Net profit | |

Notes: 1. These accounts are included in "Other income" under Japanese GAAP.

2. These accounts are included in "Other expenses" under Japanese GAAP.

Notes to the reconciliation of assets, liabilities, and equity as of March 31, 2024 and 2023, and the reconciliation of net profit for the fiscal years ended March 31, 2024 and 2023

A. Derivative financial instrument assets and liabilities

i. Hedge accounting

The JBIC Group uses derivative financial instruments in order to hedge interest rate risk and foreign exchange risk. The JBIC Group has been applying hedge accounting under Japanese GAAP, which mostly follows macro hedge accounting, for 99.9% or more of its derivative transactions on a fair value basis, in order to eliminate accounting mismatches in its consolidated financial statements.

From the adoption of IFRS in 2012 to March 31, 2018, the JBIC Group had not applied hedge accounting under IAS 39 and did not present the effect of its risk management activities involving derivative financial instruments in its consolidated financial statements. Since the adoption of IFRS 9, the JBIC Group has applied hedge accounting mainly to fair value hedges of interest rate risk for bonds payable issued on or after April 1, 2018.

Refer to Notes 3.G and 8 to the consolidated financial statements for details on hedge accounting under IFRS. In addition, refer to Note 26 to the consolidated financial statements for “Net Expense from Derivative Financial Instruments,” which does not reflect profit or loss deferred by hedge accounting under Japanese GAAP, and adjustments to the carrying amounts of hedged items under fair value hedge accounting.

ii. Offsetting derivative financial instrument assets and liabilities

Derivative financial instrument assets and liabilities that meet the offset requirements under Japanese GAAP are presented on a net basis by counterparty and included in “Other assets” or “Other liabilities.” Derivative financial instrument assets and liabilities that do not meet the offset requirements under IFRS are presented on a gross basis as “Derivative financial instrument assets” and “Derivative financial instrument liabilities.”

B. Financial assets at fair value through profit or loss

Under IFRS, if contractual cash flows of financial assets are not solely payments of principal and interest, the JBIC Group measures such financial assets at fair value through profit or loss. If contractual cash flows of financial assets are solely payments of principal and interest, and financial assets are held within a business model whose objective is to hold the assets in order to collect contractual cash flows, financial assets are measured at amortized cost. Whereas, Japanese GAAP sets out the approach to measure financial assets according to their legal form and the entity's intention to hold the financial assets.

Stocks, investments in partnerships, an investment trust and certain loans, excluding investments held by the JBIC Group and accounted for using the equity method, are measured at fair value and presented as “Financial assets at fair value through profit or loss” under IFRS, whereas they are measured at either cost or fair value according to their legal form and holding intention and presented as “Securities” or “Loans and bills discounted” under Japanese GAAP. Under Japanese GAAP, if the net asset value of shares has declined significantly due to a deterioration in the financial position of an issuer, the carrying amount is written down and such valuation difference is recognized as impairment loss for the current period.

Under IFRS, the JBIC Group presents gains and losses arising from such assets as “Net gain (loss) from financial assets at fair value through profit or loss.” Under Japanese GAAP, the JBIC Group presents interest income and dividend income as “Interest income,” upfront and commitment fees as “Fee and commissions,” and realized gains and losses arising from changes in fair value and sales of such assets as “Other income” (when it is a gain) or “Other expenses” (when it is a loss).

C. Securities

The JBIC Group presents investments in associates and joint ventures as “Securities” under Japanese GAAP and “Equity method investments” under IFRS. For the differences in the measurement method between the accounting standards, see “E. Equity method investments.”

Stocks, investments in partnerships and an investment trust other than investments in associates and joint ventures are presented as “Securities” under Japanese GAAP and “Financial assets at fair value through profit or loss” under IFRS. For the differences in the measurement method between the accounting standards, see “B. Financial assets at fair value through profit or loss.”

Debt securities included in “Securities” under Japanese GAAP are also presented as “Securities” under IFRS. For the measurement method, debt securities are measured at fair value and valuation gains and losses are recognized as “Valuation difference on available-for-sale securities” under Japanese GAAP, whereas these debt securities are measured at amortized cost under IFRS.

Under IFRS, impairment losses are recognized for securities measured at amortized cost under the expected credit loss model. Impairment losses are estimated at the amount of the expected credit losses expected to occur within the next 12-months from the reporting date or on a lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition of the financial assets. Such impairment losses measured are deducted from securities using an allowance account, which represents such impairment losses and which is deducted from securities, resulting in net presentation.

D. Loans and other receivables

“Loans and other receivables” under IFRS include accrued interest income on loans in “Other assets” under Japanese GAAP, and also financial assets associated with financial guarantee contracts described in “H. Financial guarantee contracts,” but do not include loans and other receivables measured at fair value through profit or loss.

Under IFRS, the JBIC Group measures loans and other receivables initially at fair value plus transaction costs directly attributable to loan origination, and subsequently at amortized cost using the effective interest method. The JBIC Group amortizes loan origination fees, which are considered integral to the origination using the effective interest method. If contractual terms are amended after initial recognition of loans and other receivables, loans and other receivables are derecognized when, and only when, contractual rights to the cash flows from such loans and other receivables expire, or applicable requirements under the related accounting standard are met, and the difference between the carrying amount allocated to the part derecognized and a financial asset newly recognized is recognized in profit or loss.

Under Japanese GAAP, the JBIC Group recognizes a general allowance as well as a specific allowance for loan losses.

In accordance with the expected credit loss model under IFRS, the JBIC Group recognizes impairment losses, and the carrying amount of loans and other receivables is reduced by the amount of impairment losses measured through the allowance for loan losses. See “C. Securities” for the method for recognizing expected credit losses. If certain conditions are met, amendments to contractual terms after initial recognition of loans and other receivables may be determined as not meeting the criteria for derecognizing financial assets.

E. Equity method investments

The JBIC Group's investments in associates and joint ventures are comprised mainly of investments in partnerships. Under Japanese GAAP, the JBIC Group applies the equity method to certain investments in partnerships. Under IFRS, the JBIC Group adopts the equity method for all of its investments in partnerships that are determined as investments in associates and joint ventures, except for investments held through a subsidiary of JBIC for which the exemption in IAS 28 to measure such entities at fair value is applied. Gains or losses on investments in partnerships to which the equity method is not applied under Japanese GAAP but applied under IFRS are recognized as "Profits (losses) of equity method investments" under IFRS.

The JBIC Group presents exchange differences on translation of foreign operations from applying the equity method as "Other reserves" under IFRS, whereas they are presented as "Foreign currency translation adjustment" under Japanese GAAP.

F. Leases

Lease transactions entered into by the JBIC Group as a lessee primarily consist of rental offices. Under Japanese GAAP, lease transactions are classified as either finance leases or operating leases based on the risk and economic value approach. The significant lease transactions entered into by the JBIC Group are classified as operating leases and are expensed when lease payments occur. Under IFRS, on the other hand, right-of-use assets and lease liabilities are presented in "Other assets" and "Other liabilities," respectively, in the consolidated statement of financial position at the commencement date of the lease. Those assets and liabilities are subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses, and amortized cost using the effective interest method, respectively.

The JBIC Group does not enter into lease transactions as a lessor.

G. Bonds payable

Under Japanese GAAP, the JBIC Group expenses bond issuance costs as incurred.

Under IFRS, the JBIC Group measures bonds payable initially at fair value less transaction costs directly attributable to bond issuance, such as fees paid to underwriters and discounts at issuance, and subsequently at amortized cost using the effective interest method. For bonds payable to which hedge accounting is applied in accordance with IFRS 9, their carrying amount is adjusted to reflect changes in fair value arising from the underlying hedged risks.

H. Financial guarantee contracts

Under Japanese GAAP, the JBIC Group records the same contractual amounts of financial guarantee obligations in both "Customers' liabilities for acceptances and guarantees" as assets and in "Acceptances and guarantees" as liabilities.

Under IFRS, the JBIC Group initially measures financial liabilities associated with financial guarantee contracts at fair value as well as financial assets associated with financial guarantee contracts. They are subsequently measured at the higher of (a) the amount of the loss allowance determined in accordance with IFRS 9 and (b) the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of IFRS 15 Revenue from Contracts with Customers.

I. Liability for retirement benefits

Under Japanese GAAP, the JBIC Group expenses actuarial gains or losses on defined benefit plans in profit or loss as incurred.

Under IFRS, the JBIC Group recognizes the remeasurement of defined benefit plans directly in "Other reserves" as incurred and reclassifies them immediately to retained earnings. The JBIC Group remeasures retirement benefit obligations based on IFRS, and charges for differences caused by the period allocation method of retirement benefit obligations, etc. as "Operating expenses." The JBIC Group includes a liability for retirement benefits in "Other liabilities."

J. Difference between the reporting date of consolidated financial statements and of subsidiaries

Under Japanese GAAP, if the difference between the reporting date of consolidated financial statements and of the subsidiary does not exceed three months, only material inter-company transactions made during that period need to be reflected in the financial statements of the subsidiary. Accordingly, the JBIC Group adjusts only material inter-company transactions in the consolidated financial statements under Japanese GAAP.

On the other hand, IFRS requires that financial statements of consolidated subsidiaries be prepared on the reporting date of the parent company, except when it is impracticable. For this reason, the JBIC Group prepares the financial statements of the subsidiaries whose reporting dates are different from JBIC to conform to the reporting date of JBIC.

3.

Corporate Data

| | |
|--|-----|
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1. History

Events related to the Export-Import Bank of Japan (JEXIM)

| | |
|---------------|---|
| December 1950 | The Japan Export Bank Act promulgated and enforced; The Japan Export Bank established |
| April 1952 | The Japan Export Bank changed its name to The Export-Import Bank of Japan |

Events related to the Japan Bank for International Cooperation (former JBIC)

| | |
|----------------|--|
| April 1999 | The Japan Bank for International Cooperation Act promulgated and enforced |
| September 1999 | Order for the Japan Bank for International Cooperation Act promulgated and enforced |
| October 1999 | The Japan Bank for International Cooperation (former JBIC) established (taking over operations of the Export-Import Bank of Japan and those of the Overseas Economic Cooperation Fund) |

Events related to the Japan Finance Corporation

| | |
|--------------|---|
| June 2006 | The Act on Promotion of Administrative Reform for Realization of Small and Efficient Government promulgated and enforced |
| May 2007 | The Japan Finance Corporation Act promulgated and enforced |
| April 2008 | Order for the Japan Finance Corporation Act promulgated and enforced |
| October 2008 | The Japan Finance Corporation established |
| March 2010 | The Revision of Japan Finance Corporation Act enforced (extending the scope of operations by adding the promotion of the overseas business having the purpose of preserving the global environment) |
| April 2010 | The Account for Facilitating Realignment of United States Forces in Japan created |

Events related to the Japan Bank for International Cooperation (JBIC)

| | |
|---------------|--|
| May 2011 | The Japan Bank for International Cooperation Act promulgated and partially enforced |
| July 2011 | Order for Enforcement of the Japan Bank for International Cooperation Act and Cabinet Order for Revising Part of the Japan Finance Corporation Act promulgated and enforced (expanding the scope of operations, including the rule on Export Loans to developed countries) |
| April 2012 | The Japan Bank for International Cooperation (JBIC) established |
| November 2012 | The Account for Facilitating Realignment of United States Forces in Japan closed |
| May 2016 | The Act for Partial Amendment of the Japan Bank for International Cooperation Act promulgated and partially enforced |
| | The Cabinet Order for Revising Part of the Order for Enforcement of the JBIC Act promulgated and enforced |
| October 2016 | The account for the Special Operations created |
| January 2020 | The Cabinet Order for Revising Part of the Order for Enforcement of the JBIC Act promulgated and enforced (expanding the eligible sectors in Export Loans for the export of Japanese products to developed countries and Overseas Investment Loans for projects in developed countries) |
| July 2020 | The Cabinet Order for Revising Part of the Order for Enforcement of the JBIC Act promulgated and enforced (expanding the eligible areas for business conducted in developed countries under the Overseas Investment Loans framework and providing loans to domestic Japanese companies for their overseas business in order to support Japanese companies affected by the COVID-19 pandemic (provisional measure)) |
| June 2022 | The Cabinet Order for Revising Part of the Order for Enforcement of the JBIC Act promulgated and enforced (expanding the eligible sectors in Export Loans for the export of Japanese products to developed countries and Overseas Investment Loans for projects in developed countries) |
| April 2023 | The Act for Partial Amendment of the Japan Bank for International Cooperation Act promulgated and partially enforced |
| October 2023 | The Act for Partial Amendment of the Japan Bank for International Cooperation Act enforced |

2. Japan Bank for International Cooperation Act

Excerpt of the Japan Bank for International Cooperation Act (Act No. 39 of 2011)

Article 1: Purpose

Japan Bank for International Cooperation shall be a Kabushiki-Kaisha, which has the purpose of contributing to the sound development of Japan and the international economy and society, by taking responsibility for the financial function to promote the overseas development and securement of resources which are important for Japan, to maintain and improve the international competitiveness of Japanese industries and to promote the overseas business having the purpose of preserving the global environment, such as preventing global warming, also providing the financial services that are necessary to prevent disruptions to international financial order or to take appropriate measures with respect to damages caused by such disruption, while having the objective of supplementing the financial transactions implemented by ordinary financial institutions.

Article 3: Holding of Shares by Government

The Government shall, at all times, hold the total number of outstanding shares of JBIC.

Article 4: Government's Contribution

1. The Government may, when it finds it to be necessary, make contributions to JBIC within the amount appropriated in the budget.
2. When a contribution is made by the Government pursuant to the provisions of the preceding Paragraph, JBIC shall, notwithstanding the provisions of Paragraph 2 of Article 445 of the Companies Act (Act No. 86 of 2005), be allowed not to record the amount exceeding half of such contribution amount as the capital. In this case, "this Act" referenced in Paragraph 1 of the same Article shall be deemed to be replaced with "this Act or Japan Bank for International Cooperation Act (Act No. 39 of 2011)."
3. When a contribution is made by the Government pursuant to the provisions of Paragraph 1, JBIC shall allocate the capital and reserves increased thereby, to the accounts related to the operations listed in each Item of Article 26-2, in accordance with the separation of accounting set forth in Article 26-2.

Article 5: Limitation, etc. on Use of Name

1. No person other than JBIC shall use the words "Japan Bank for International Cooperation" in its name.
2. The provisions of Paragraph 2 of Article 6 of the Banking Act shall not be applied to JBIC.

Article 6: Resolution for Appointment and Removal, etc. of Officers, etc.

1. The resolution for the appointment and removal of the Officers, etc. (meaning Directors, Executive Officers and Auditor(s); the same shall apply hereinafter) of JBIC shall not take effect unless the authorization of the Minister of Finance is granted.
2. The resolution for selection and displacement of a Representative Director or Representative Executive Officer of JBIC shall not take effect unless the authorization of the Minister of Finance is granted.

Article 11: Scope of Operations

JBIC shall, for attaining its purpose, engage in the operations listed below:

- (1) The loan of funds necessary for the Export of Equipment, etc., the acquisition by assignment of loan receivables related to such funds, the Guarantee, etc. of Liabilities related to such funds, in the case where the Foreign Financial Institutions, etc. or the Foreign Governments, etc. provide the Guarantee, etc. of Liabilities with respect to such funds, the Guarantee, etc. of Liabilities related to such funds, the Guarantee, etc. of Liabilities, or the acquisition of the Public/Corporate Bonds, etc. issued in order to procure such funds by certain measures, such as acquisition through subscription;
- (2) The loan of funds necessary to ensure the reliable and timely Import of Important Goods, etc., the acquisition by assignment of loan receivables related to such funds, the Guarantee, etc. of Liabilities related to such funds or the acquisition of the Public/Corporate Bonds, etc. to be issued in order to procure such funds by certain measures, such as acquisition through subscription;
- (3) The loan of funds to be used directly or indirectly for the business which the Juridical Persons, etc. of Japan, Foreign Governments, etc. or Foreign Juridical Persons, etc. Invested in conduct outside Japan, the acquisition by assignment of loan receivables related to such funds, the Guarantee, etc. of Liabilities related to such funds, in the case where the Juridical Persons, etc. of Japan, Foreign Juridical Persons, etc. Invested in, Foreign Financial Institutions, etc. or Foreign Governments, etc. provide the Guarantee, etc. of Liabilities to the Juridical Persons, etc. of foreign countries with respect to such funds, the Guarantee, etc. of Liabilities related to such Guarantee, etc. of Liabilities, or the acquisition of the Public/Corporate Bonds, etc. to be issued in order to procure such funds by certain measures, such as acquisition through subscription;
- (4) (i) The loan to the Foreign Governments, etc., Foreign Financial Institutions, etc. or international organizations, such as the International Monetary Fund, of long-term funds (meaning the funds required to be provided for more than one (1) year; the same shall apply hereinafter) required for their overseas business or the import of goods or introduction of technologies by the foreign country concerned, or funds required to attain the international balance of payments or achieve the stability of the currency of the foreign country concerned, (ii) the acquisition by assignment of loan receivables related to such funds or the Guarantee, etc. of Liabilities related to such funds or (iii) the acquisition of the Public/Corporate Bonds, etc. issued in order to procure such funds by certain measures, such as acquisition through subscription, or (iv) the loan to the Specific Foreign Juridical Persons of long-term funds required for their overseas business (limited to businesses set forth in a. and b. of Item (10) of Article 2), (v) the acquisition by assignment of loan receivables related to such funds or the Guarantee, etc. of Liabilities related to such funds or (vi) the acquisition of the Public/Corporate Bonds, etc. issued in order to procure such funds by certain measures, such as acquisition through subscription;

- (4-2) When international organizations, such as the International Monetary Fund, loan long-term funds necessary for the business which is required for the overseas recovery or development, such as a business concerning the recovery from damage caused by wars, to foreign Juridical Persons, etc., such as Foreign Governments, etc. which are engaged in such business, the provision of Guarantee, etc. of Liabilities related to such funds (limited to those conducted to prevent disruptions to international financial order or to take appropriate measures with respect to damages caused by such disruption);
- (5) When it is found remarkably difficult for a foreign government or foreign resident to conduct overseas transactions, such as import by reason of the international balance of payments of the foreign country concerned, and it is found urgently necessary, the loan to the governments, governmental agencies or banks of the foreign country concerned, of the short-term funds (meaning the funds required necessary to be provided for one (1) year or less than one (1) year; the same shall apply hereinafter) necessary to facilitate overseas transactions, such as import, until the International Monetary Fund, etc. (meaning international organizations, such as the International Monetary Fund, or governments, governmental agencies or banks of more than two (2) countries other than that foreign country concerned; the same shall apply hereinafter) provides funds to assist the development of the economy of the foreign country concerned (hereinafter referred to as the "Funds for Economic Assistance");
- (6) The provision of contributions to persons listed below who are carrying on business outside Japan of the funds required for their business (limited to funds necessary for business newly carried outside Japan, with respect to those listed in b. below), or the provision of contributions to those Juridical Persons, etc. of Japan whose sole purpose is to make overseas investments and who make contributions to those carrying on business outside Japan of funds required for their business;
- foreign Juridical Persons, etc.; and
 - New Enterprises, etc. of Japan or Small and Medium Enterprises, etc. (meaning the Small and Medium Enterprises or medium enterprises specified by the Minister of Finance; hereinafter the same shall apply) of Japan.
- (7) The carrying out of the necessary studies related to the operations listed in each of the preceding Items;
- (8) The provision of information to the users of operations provided by JBIC that pertains to such operations; and
- (9) Any other operations incidental to those listed in each of the preceding Items (excluding those listed in Item (7)).

Article 12:

- Among the operations listed in Item (1) of the preceding Article, those which are related to the Export of Equipment, etc. destined for any area other than developing overseas areas (hereinafter referred to as the "Developing Areas") may be conducted only in the cases listed below:
 - when necessary countermeasures are taken in accordance with multilateral arrangements in the case where the Foreign Governments, etc., in which exporters conduct the export destined for the said area, grant credit, underwrite insurance or provide an interest (including those prescribed by the Ordinance of the Ministry of Finance as having an economic nature

similar to an interest; the same shall apply hereinafter in Paragraph 2 of Article 16) support with more favorable conditions than usual in order to promote the export from such foreign countries; or

- when it is prescribed by a Cabinet Order as being a case recognized especially necessary in order to promote the policies of the Government concerning the maintenance or improvement of the international competitiveness of Japanese industries.
- Among the operations listed in Item (1) of the preceding Article, those relating to the funds provided to the Juridical Persons, etc. of Japan may be conducted only in the cases listed below:
 - where Banks, etc. provide Foreign Juridical Persons, etc. with the loan of funds with respect to the Export of Equipment, etc. necessary for the business with respect to the development of infrastructure and other foundation for socioeconomic activities overseas, and JBIC provides the loan of necessary funds for such loan to the Banks, etc.; or
 - where the execution of the export by the Juridical Persons, etc. of Japan has become remarkably difficult due to disruptions to international financial order and the Minister of Finance determines that the exceptions of operations of JBIC are necessary in order to deal therewith.
- Among the operations listed in Item (2) of the preceding Article, other than those conducted in order to promote overseas development and securement of resources important for Japan, only those relating to the funds listed below that are the Guarantee, etc. of Liabilities may be conducted:
 - funds necessary to import the products, such as aircraft, specified by the Minister of Finance, with respect to which the products made in Japan are not sufficient to replace and the import to Japan is essential; or
 - funds necessary to introduce such technologies specified by the Minister of Finance, with respect to which the technologies of Japan are not sufficient to replace and the introduction to Japan is essential.
- Among the operations listed in Item (3) of the preceding Article, those relating to the short-term loans may be conducted only in the case where JBIC has agreed to make loan of funds (excluding short-term funds) set forth in the same Item for the execution of business conducted by the Juridical Persons, etc. of Japan and the Foreign Juridical Persons, etc. Invested in and such loan of funds is recognized especially necessary in order to execute such business.
- Among the operations listed in Item (3) of the preceding Article, the loan of funds necessary for the overseas business to be conducted by the Juridical Persons, etc. of Japan, other than those listed in Item (2) of the following Paragraph, may be conducted only if such loan is provided directly to such Juridical Persons, etc.
- Among the operations listed in Item (3) of the preceding Article (excluding those conducted in order to promote overseas development and securement of resources important for Japan), loans to the Juridical Persons, etc. of Japan, other than the loans to the Small and Medium Enterprises, etc. may be conducted only in the cases listed below.
 - When the Juridical Persons, etc. of Japan begin or expand overseas business, or improve the efficiency thereof by contributing to the foreign juridical persons or accepting the assignment of all or part of the

business of the foreign juridical persons (hereinafter referred to as "Contributions, etc." in this Item), in the case where the loan of funds necessary for such Contributions, etc. is provided (only when it is prescribed by a Cabinet Order as being a case recognized especially necessary in order to promote the policies of the Government concerning the maintenance or improvement of the international competitiveness of Japanese industries).

- (2) When the Banks, etc. provide the loan of funds listed below, in the case where the loan of funds necessary for such loan by such Banks, etc. is provided to such Banks, etc.:
 - a. loan of funds set forth in Item (3) of the preceding Article to the Small and Medium Enterprises, etc. or the Foreign Juridical Persons, etc. Invested in related to the contribution of the Small and Medium Enterprises, etc.;
 - b. loan of funds set forth in the preceding Item to the Juridical Persons, etc. of Japan (limited to those prescribed by the Cabinet Order set forth in the same Item); or
 - c. loan of funds set forth in Item (3) of the preceding Article to the Juridical Persons, etc. of Japan, Foreign Governments, etc., or Foreign Juridical Persons, etc. Invested in (limited to those related to the business with respect to the development of infrastructure and other foundation for socioeconomic activities overseas).
- (3) When the loan of necessary funds is provided to the Juridical Persons, etc. of Japan for such Juridical Persons, etc. to conduct a business of leasing equipment made in Japan to overseas market (limited to those prescribed by a Cabinet Order as being a case recognized especially necessary in order to promote the policies of the Government concerning the maintenance or improvement of the international competitiveness of Japanese industries).
- (4) When the Juridical Persons, etc. of Japan provides the Foreign Juridical Persons, etc. Invested in in which such Juridical Persons, etc. directly or indirectly invests with the funds required for the following businesses conducted by such Foreign Juridical Persons, etc. Invested in, in the case where the loan of funds necessary for such provision of funds by such Juridical Persons, etc. is provided to such Juridical Persons, etc.:
 - a. business concerning the development (including production), transportation or procurement of goods, such as raw materials which are essential for Juridical Persons, etc. of Japan or Foreign Juridical Persons, etc. Invested in to make products;
 - b. business concerning the development of the technologies which is essential for Juridical Persons, etc. of Japan or Foreign Juridical Persons, etc. Invested in to make products; and
 - c. business concerning the processing or assembly, or transportation or sales of the products which Juridical Persons, etc. of Japan or Foreign Juridical Persons, etc. Invested in make.
- (5) When the execution of overseas business of the Juridical Persons, etc. of Japan has become remarkably difficult due to disruptions to international financial order, in the case where the Minister of Finance determines that the exceptions of operations of JBIC are necessary in order to deal therewith.
7. Among the operations listed in Item (3) of the preceding

Article (excluding those conducted in order to promote overseas development and securement of resources important for Japan), with respect to the business in any area other than the Developing Areas may be conducted only when it is prescribed by a Cabinet Order as being a case recognized especially necessary in order to promote the policies of the Government concerning the maintenance or improvement of the international competitiveness of Japanese industries.

8. The loan to the governments, governmental agencies or banks of foreign countries listed in Item (5) of the preceding Article may be conducted by obtaining the authorization of the Minister of Finance only when the provision of the Funds for Economic Assistance from the International Monetary Fund, etc. is expected to be certain and only in the cases listed below:
 - (1) where, by appropriating all or part of the Funds for Economic Assistance from the International Monetary Fund, etc. (excluding JBIC) for the redemption of the funds related to the loan, the redemption is expected to be secured; or
 - (2) where adequate underlying assets are secured for the loan.
9. Among the operations listed in Items (1) through (4) of the preceding Article, the Guarantee, etc. of Liabilities related to the liabilities of any person other than the Juridical Persons, etc. of Japan (excluding those related to the Public/Corporate Bonds, etc.) may be provided only in the cases listed below:
 - (1) When the Banks, etc., Foreign Financial Institutions, etc. or Foreign Governments, etc. provide the loan of such funds set forth in Items (1) through (4) of the preceding Article, in the case where the Guarantee, etc. of Liabilities related to such loan is provided (including the case in which the loan receivables related to such loan are assigned to the persons specified by the Minister of Finance);
 - (2) In the case where the Guarantee, etc. of Liabilities related to the Guarantee, etc. of Liabilities set forth in Items (1) and (3) of the preceding Article is provided;
 - (3) When, among the Guarantee, etc. of Liabilities related to the funds set forth in Item (3) of the preceding Article, the Juridical Persons, etc. of Japan or the Foreign Juridical Persons, etc. Invested in assign the monetary claims related to the overseas business to be conducted by the Juridical Persons, etc. of Japan or the Foreign Juridical Persons, etc. Invested in to the Banks, etc. or Foreign Financial Institutions, etc. and use the proceeds from the assignment for such business, in the case where the Guarantee, etc. of Liabilities related to such monetary claims is provided; or
 - (4) When the Banks, etc. or Foreign Financial Institutions, etc. provide the loan of funds set forth in Item (3) of the preceding Article in foreign currency, in the case where the Guarantee, etc. of Liabilities related to swap transactions (transactions listed in Item 5 of Paragraph 22 of Article 2 of the Financial Instruments and Exchange Act (Act No. 25 of 1948)) related to such funds conducted by such Banks, etc. or Foreign Financial Institutions, etc., is provided.
10. Among the operations listed in Items (1) through (4) of the preceding Article, the Guarantee, etc. of Liabilities (limited to those related to the Public/Corporate Bonds, etc.) and the acquisition of the Public/Corporate Bonds, etc. may be conducted only in the cases listed below (with respect to the operations listed in Items (1) through (3) of the same Article, the cases listed in Items (2) through (8) below shall apply):

- (1) where part of the Public/Corporate Bonds, etc. (limited to those with a redemption period of more than one (1) year; the same shall apply in the following Item and Item (3) below) that were issued by the Foreign Financial Institutions, etc., the Foreign Governments, etc. or international organizations, such as the International Monetary Fund, are acquired;
 - (2) where the Public/Corporate Bonds, etc. are acquired and then such Public/Corporate Bonds, etc. are assigned to the Specific Purpose Company, etc. within the period specified by the Minister of Finance or where the Specific Trust is established, the Public/Corporate Bonds, etc. are entrusted to the Trust Company, etc. as assets of such Specific Trust, and then all or part of beneficial interests in such Specific Trust is assigned;
 - (3) where the Public/Corporate Bonds, etc. to be issued by the Specific Purpose Company, etc. or the Trust Company, etc. which are secured by loan receivables or the Public/Corporate Bonds, etc. are acquired;
 - (4) where the Guarantee, etc. of Liabilities relating to the Public/Corporate Bonds, etc. to be issued by the Foreign Juridical Persons, etc. Invested in, the Foreign Financial Institutions, etc., the Foreign Governments, etc. or international organizations, such as the International Monetary Fund, is provided;
 - (5) where the Guarantee, etc. of Liabilities related to such loan receivables, Public/Corporate Bonds, etc. or the monetary claims, which constitute such underlying assets, or the Public/Corporate Bonds, etc. to be issued by the Specific Purpose Company, etc. or the Trust Company, etc. is provided (excluding the Guarantee, etc. of Liabilities related to the Public/Corporate Bonds, etc. to be issued by the Banks, etc.) when the Specific Purpose Company, etc. or the Trust Company, etc. issues the Public/Corporate Bonds, etc. which are secured by loan receivables, the Public/Corporate Bonds, etc. or the monetary claims set forth in Item (3) of the preceding Paragraph;
 - (6) where the Guarantee, etc. of Liabilities related to the borrowing of funds by the Specific Purpose Company, etc. for the purpose of acquiring by assignment, or acquiring, such loan receivables or Public/Corporate Bonds, etc., which constitute such underlying assets, is provided when the Specific Purpose Company, etc. issues the Public/Corporate Bonds, etc., which are secured by loan receivables or the Public/Corporate Bonds, etc.;
 - (7) where corporate bonds, any equivalent bond certificates or beneficial interests in trust (limited to those with a redemption period of more than one (1) year; the same shall apply in the following Item) that were issued by Juridical Persons, etc. in order to procure the funds necessary for the business with respect to the development of infrastructure and other foundation for socioeconomic activities overseas, are acquired; or
 - (8) where corporate bonds, any equivalent bond certificates or beneficial interests in trust that were issued by New Enterprises, etc. or Small and Medium Enterprises, etc. of Japan in order to procure the funds necessary for the business outside Japan, are acquired.
11. Among the operations listed in Items (1) through (4) of the preceding Article, those listed below shall be conducted only when the loan thereof or the loan related to the loan receivables to be assigned is the Co-financing; provided, however, that this shall not apply, with respect to the

operations listed in Item (1) below, in the case where it is recognized that it is remarkably difficult for the Banks, etc. to provide a loan of funds together with JBIC and the loan from JBIC is urgently necessary to attain the purpose of such loan, or if the case falls under any of the cases listed in Item (1) of Paragraph 2 or Item (2) of Paragraph 6 hereof, with respect to the operations listed in Item (2) below, in the case where the loan receivables to the Foreign Juridical Persons, etc. Invested in with a redemption period of more than one (1) year are acquired by assignment within the period specified by the Minister of Finance for the purpose of assigning the same to the Specific Purpose Company, etc. or for the purpose of establishing the Specific Trust, with respect to the same, in the Trust Company, etc. and assigning all or part of the beneficial interest in such Specific Trust:

- (1) loan of funds pursuant to the provisions of Items (1) through (3) of the preceding Article made to the Juridical Persons, etc. of Japan; or
- (2) acquisition by assignment of the loan receivables pursuant to the provisions of Items (1) through (4) of the preceding Article.

12. The operations listed in Item (7) of the preceding Article may be conducted only if they are the minimum necessary to promote the performance of the operations listed in Items (1) through (6) of the same Article smoothly and effectively.

Article 13: Practice of the Operation

1. The loan of funds, the acquisition by assignment of loan receivables, the acquisition of the Corporate/Public Bonds, etc., the Guarantee, etc. of Liabilities or the provision of contributions pursuant to the provisions of Items (1) through (6) of Article 11 hereof may be conducted only in the cases listed below:
 - (1) when the repayment of the funds so loaned, the collection of loan receivables so acquired, the redemption of Corporate/Public Bonds, etc. so acquired, the performance of the liabilities so guaranteed, etc. or the realization of profits that enable the payment of dividends resulting from business so contributed is recognized as being certain; or
 - (2) when the conditions, such as the interest rates (including those prescribed by the Ordinance of the Ministry of Finance as having an economic nature similar to interest rates; the same shall apply hereinafter in the following Paragraph) of loans (including those prescribed by the Ordinance of the Ministry of Finance as having an economic nature similar to a loan; the same shall apply hereinafter in the following Paragraph and Paragraph 2 of Article 16) and yield on loan receivables related to such loan (excluding loan of funds pursuant to the provisions of Items (2) and (5) of Article 11, and limited to those related to the overseas businesses listed below), such acquisition by assignment (excluding acquisition by assignment of loan receivables pursuant to the provisions of Item (2) of the same Article, and limited to those related to the overseas businesses listed below), such acquisition (excluding the acquisition of the Public/Corporate Bonds, etc. pursuant to the provisions of the same Item, and limited to those related to the overseas businesses listed below or the acquisition of corporate bonds, any equivalent bond certificates or beneficial interests in trust that were issued by New Enterprises, etc.), such Guarantee, etc. of Liabilities (excluding Guarantee, etc. of Liabilities pursuant to the provisions of the same Item and Item (4-2) of the same Article, and limited to those

related to the overseas businesses listed below) or such contribution (limited to those related to the overseas businesses listed below or those made to New Enterprises, etc.), are recognized as being appropriate, in light of the risks, etc. of such loans, such assigned loan receivables and other assets becoming irrecoverable (excluding the cases listed in the preceding Item).

- a. business related to the development of infrastructure and other foundation for socioeconomic activities;
 - b. business related to the development of resources; and
 - c. business which utilizes innovative information and communications technologies and other businesses which utilize innovative technologies or methods of implementing its business (meaning the methods of producing or selling goods or providing services), and such utilization enables the upgrading of the business or the enhanced convenience of users.
2. The conditions, such as the interest rates of loans and yield on assigned loan receivables related to the operations listed in Items (1) through (6) of Article 11, shall be determined in light of usual conditions for transactions by the Banks, etc. or the trends of financial markets, so that revenue of each of the accounts of the respective operations listed in each of the Items of Article 26-2 will be sufficient to cover the expenses therefor.

Article 13-2: Special Operations Guidelines

1. The Minister of Finance shall prescribe and make public the guidelines (hereinafter referred to as the "Special Operations Guidelines" in the following Paragraph and Paragraph 1 of the following Article) that JBIC shall follow upon conducting the operations listed below (hereinafter referred to as the "Special Operations"):
- (1) Operations listed in Items (1), (3), (4) and (6) of Article 11 that are conducted in the cases listed in Item (2), Paragraph 1 of the preceding Article;
- (2) Operations listed in Item (7) of Article 11 related to the operations listed in the preceding Item;
- (3) Operations listed in Item (8) of Article 11 related to the operations listed in the preceding two (2) Items; or
- (4) Operations listed in Item (9) of Article 11 related to the operations listed in the preceding three (3) Items (excluding operations listed in Item (2)).
2. The Special Operations Guidelines shall set forth the following matters:
- (1) Standards to follow upon conducting the loan of funds, the acquisition by assignment of loan receivables, acquisition of the Public/Corporate Bonds, etc., the Guarantee, etc. of Liabilities or conducting the contributions related to the Special Operations;
- (2) Matters regarding appropriate financial management of the Special Operations;
- (3) Matters regarding supplement of financial transactions implemented by ordinary financial institutions in respect of the Special Operations;
- (4) Matters regarding the system for conducting evaluation and monitoring with respect to the status of the implementation of the Special Operations;
- (5) Matters regarding reports to the Minister of Finance with respect to the status of the implementation of the Special Operations; and
- (6) Other matters necessary to ensure appropriate implementation of the Special Operations.

Article 13-3: Basic Policy concerning the Special Operations

1. JBIC shall set forth a basic policy concerning the Special Operations (hereinafter referred to as the "Special Operations Basic Policy" in the following Paragraph) with respect to the implementation of matters regarding the Special Operations as prescribed by the Ordinance of the Ministry of Finance, pursuant to the Special Operations Guidelines, and obtain the authorization of the Minister of Finance. The same shall apply if JBIC intends to make any changes thereto.
2. When the Minister of Finance determines that the Special Operations Basic Policy, approved pursuant to the provisions of the preceding Paragraph, has become inappropriate for JBIC to conduct the Special Operations appropriately, the Minister of Finance may order JBIC to change it.

Article 15: Business Year

The business year of JBIC shall begin on April 1 of each year and end on March 31 of the following year.

Article 16: Budget

1. JBIC shall prepare the budget for revenues and expenditures and submit it to the Minister of Finance for each business year.
2. The revenues set forth in the preceding Paragraph mean interest on loans (including those prescribed by the Ordinance of the Ministry of Finance as having an economic nature similar to an interest), interest on the Corporate/Public Bonds, etc., dividends on contributions, debt guarantee fees and other incomes related to asset management and miscellaneous incidental income, and the expenditures set forth in the same Paragraph mean expense of operations, business entrustment fees, interest on borrowings (including those prescribed by the Ordinance of the Ministry of Finance as having an economic nature similar to a borrowing; the same shall apply hereinafter in Paragraphs 1 and 3 of Article 33), interest on bonds and notes and incidental expenses.
3. Upon receipt of the budget submitted pursuant to the provisions of Paragraph 1 above, the Minister of Finance shall examine such budget and make any necessary adjustments thereto, and obtain the Cabinet's decision thereon.
4. After the Cabinet's decision is made pursuant to the provisions of the preceding Paragraph, the Cabinet shall submit such budget to the Diet together with the national budget.
5. The form and content of the budget and procedures for the preparation and submission thereof shall be specified by the Minister of Finance.

Article 26: Submission of Financial Statements

1. JBIC shall prepare the list of assets every business year.
2. JBIC shall, within three (3) months after the end of every business year, submit to the Minister of Finance the balance sheets, statements of operations and list of assets (hereinafter referred to as the "Balance Sheets, etc.") and business report (including the Electro-Magnetic Record (which means the record specified by the Minister of Finance as a record which is produced by electronic, magnetic, or any other means unrecognizable by human perception and which is used for data-processing by a computer; the same shall apply hereinafter) which has recorded the matters to be described in such Balance Sheets, etc. and its business report) for each business year.

Article 26-2: Separate Accounting

JBIC shall separate the accounting for each category of operations listed below and allocate it by establishing the respective accounts for each category:

- (1) Operations other than the Special Operations (referred to in Article 33 as “Ordinary Operations”); and
- (2) Special Operations.

Article 26-3: Mutatis Mutandis Application of the Companies Act, etc. in respect of Separate Accounting

1. The provisions of Article 295, 337, 374, 396, Articles 431 through 443, and Articles 446 and 447 of the Companies Act shall apply *mutatis mutandis* to the separate accounting implemented by JBIC pursuant to the provisions of the preceding Paragraph. In such case, the term, “of a Stock Company”, referenced in Article 446 of the same Act, shall be deemed to be replaced with “that belongs to the account established under the provision of Article 26-2 of Japan Bank for International Cooperation Act (Act No. 39 of 2011)”; the term, “the amounts listed in item (v) through (vii) from the sum”, also referenced therein, shall be deemed to be replaced with “the amounts listed in item (v) through (vii), which is recorded in the account to which the said surplus belongs to, from the sum which is recorded in the account to which the said surplus belongs to”; and the term, “stated capital”, referenced in Paragraphs 1 and 2 of Article 447 of the same Act, shall be deemed to be replaced with “stated capital belonging to the account established pursuant to the provision of Article 26-2 of Japan Bank for International Cooperation Act”; the term, “reserves”, referenced in Item 2 of Paragraph 1 of the same Article, shall be deemed to be replaced with “reserves belonging to the account established pursuant to the provision of the same Article”; and the term, “and the reserves”, also referenced therein, shall be deemed to be replaced with “and such reserves”; the term “the stated capital”, referenced in Paragraph 3 of the same Article, shall be deemed to be replaced with “the stated capital belonging to the account established pursuant to the provision of Article 26-2 of Japan Bank for International Cooperation Act”; and the term, “the stated capital”, also referenced therein, shall be deemed to be replaced with “the stated capital belonging to the account established pursuant to the provision of the same Article”; and any other necessary technical replacement of terms shall be specified by a Cabinet Order.
2. The provisions of Article 448, 449, and Paragraphs 1 (limited to the portions related to Item 5 thereof) and 2 (limited to the portions related to Item 5 thereof) of Article 828 of the Companies Act shall apply *mutatis mutandis* to the accounting practices implemented by JBIC by separating it pursuant to the provisions of the preceding Article, except for the case where any surplus is accumulated as a reserve under the provisions of Paragraph 1 of Article 31 hereof and the case where such reserve is drawn down pursuant to the provision of Paragraph 2 of Article 31 hereof. In this case, the term “the reserves”, referenced in Paragraphs 1 and 2 of Article 448 of the same Act, shall be deemed to be replaced with “the reserves belonging to the account established pursuant to the provision of Article 26-2 of Japan Bank for International Cooperation Act”; the term “the stated capital”, referenced in Item 2 of Paragraph 1 of the same Article shall be deemed to be replaced with “the stated capital that shall belong to the account established pursuant to the provision of the same Article”; the term, “and the stated capital”, also referenced therein, shall be deemed to be replaced with “and such stated capital”; the term, “the reserves”,

referenced in Paragraph 3 of the same Article, shall be deemed to be replaced with “the reserves belonging to the account established pursuant to the provision of Article 26-2 of Japan Bank for International Cooperation Act”; and the term, “the reserves”, also referenced therein in the same Paragraph, shall be deemed to be replaced with “the reserves belonging to the account established pursuant to the provision of the same Article”; and any other necessary technical replacement of terms shall be specified by a Cabinet Order.

3. In the case where JBIC increases or reduces the amount of its stated capital belonging to the account established pursuant to the provisions of the preceding Article, an amount of JBIC’s stated capital shall be the sum of the amounts of stated capital belonging to all the accounts of JBIC after the implementation of such increase or reduction; and in the case where JBIC increases or reduces the amount of its reserves belonging to the account established pursuant to the provision of the same Article, the amount of JBIC’s reserves shall be the sum of the amounts of the reserves belonging to all the accounts of JBIC after the implementation of such increase or reduction. In this case, the provisions of Articles 447 through 449, and Paragraphs 1 (limited to the portions related to Item 5) and 2 (limited to the portions related to Item 5) of Article 828 of the Companies Act shall not apply.

Article 27: Preparation and Submission of Report on Settlement of Accounts

1. After submitting the Balance Sheets, etc. pursuant to the provisions of Paragraph 2 of Article 26, JBIC shall, every business year, prepare a report on the settlement of accounts for the relevant business year (including the Electro-Magnetic Record which has recorded the matters to be described in such report on the settlement of accounts; the same shall apply hereinafter) and submit it to the Minister of Finance, without delay, by attaching the opinion of the Auditor(s), Audit and Supervisory Committee or Audit Committee concerning such report on the settlement of accounts, together with such submitted Balance Sheets, etc.
2. Upon receiving the report on the settlement of accounts pursuant to the provisions of the preceding Paragraph, the Minister of Finance shall send it to the Cabinet, together with the Balance Sheets, etc. referenced in the same Paragraph.
3. Upon making the submission pursuant to the provisions of Paragraph 1 of this Article, JBIC shall, without delay, keep the report on the settlement of accounts and the document stating the opinion of the Auditor (s), Audit and Supervisory Committee or Audit Committee at its head office and branch offices and make them available for public inspection during the period prescribed by the Ordinance of the Ministry of Finance.
4. The form and content of the report on the settlement of accounts shall be specified by the Minister of Finance.

Article 28: Sending of Report on Settlement of Accounts to Board of Audit of Japan

Upon receiving JBIC’s report on the settlement of accounts pursuant to the provisions of Paragraph 2 of the preceding Article, the Cabinet shall send it, together with the Balance Sheets, etc. set forth in Paragraph 1 of the same Article, to the Board of Audit of Japan no later than November 30 of the following business year.

Article 29: Submission of Report on Settlement of Accounts to Diet

The Cabinet shall submit JBIC's report on the settlement of accounts for which the Board of Audit of Japan has finished its inspection, to the Diet, by attaching the Balance Sheets, etc. set forth in Paragraph 1 of Article 27 hereof, together with the settlement of accounts for national revenues and expenditures.

Article 31: Payment to National Treasury

1. In each of the accounts related to the operations listed in each Item of Article 26-2, in the event that the amount of the surplus recorded in the settlement of accounts for each business year exceeds zero, JBIC shall accumulate, as a reserve, the amount calculated in accordance with the standards prescribed by a Cabinet Order, among such surplus, until it reaches the amount prescribed by the Cabinet Order, and if there is still a surplus, JBIC shall pay the amount of such surplus into the National Treasury within three (3) months after the end of such business year.
2. In the event that the amount of the surplus recorded in the settlement of accounts for each business year falls below zero in the respective accounts set forth in the preceding Paragraph, JBIC shall allocate such surplus by drawing down the reserve set forth in the same Paragraph until the amount of such surplus becomes zero.
3. The procedures for the payment into the National Treasury pursuant to the provisions of Paragraph 1 of this Article, the account into which such payment is to be made and other necessary matters concerning the payment to the National Treasury shall be prescribed by a Cabinet Order.
4. The reserves set forth in Paragraph 1 shall be allocated for each category of the accounts related to the operations listed in each Item of Article 26-2.
5. JBIC shall not be allowed to make any appropriation of its surplus, such as dividend of its surplus, nor any appropriation of its surplus belonging to the accounts related to the operations listed in each Item of Article 26-2, such as dividends of such surplus, unless such disposition is made pursuant to the provisions of Paragraphs 1 and 2 of this Article.

Article 32: Provision of Loans by Government

The Government may provide monetary loans to JBIC.

Article 33: Borrowings and Corporate Bonds

1. Borrowing of funds (including those prescribed by the Ordinance of the Ministry of Finance as having an economic nature similar to a borrowing; the same shall apply hereinafter in this Article, Paragraph 1 of Article 35 and Item 5 of Article 46) made in order to meet JBIC's fund requirements for the performance of its operations shall be limited to the borrowings of short-term loans (including those prescribed by the Ordinance of the Ministry of Finance as having an economic nature similar to short-term loans; the same shall apply hereinafter in the following Paragraph and Paragraph 6), or long-term loans in foreign currency (meaning a borrowing of an amount in foreign currency with a repayment period of more than one (1) year; the same shall apply hereinafter in this Article and Paragraph 1 of Article 35), from financial institutions, such as banks, or the borrowings related to the monetary loans obtained from the Government pursuant to the provisions of the preceding Article.
2. The short-term loans (excluding those in foreign currency) set forth in the preceding Paragraph shall be repaid during the business year in which these borrowings are made; provided, however, that in cases where repayment cannot be made due to shortage of funds, JBIC may reborrow (including those prescribed by the Ordinance of the

Ministry of Finance as having an economic nature similar to an act of reborrowing; the same shall apply hereinafter in the following Paragraph and Paragraph 7) only the amount which cannot be so repaid, with the authorization of the Minister of Finance.

3. Loans reborrowed pursuant to the proviso of the preceding Paragraph shall be repaid within one (1) year.
4. Pursuant to the provisions of a Cabinet Order, JBIC shall, every business year, prepare a basic policy concerning the issuance of corporate bonds and the borrowing of long-term loans in foreign currency made in order to meet fund requirements for the performance of its operations and obtain the authorization of the Minister of Finance. When JBIC intends to make any change to the policy, the same shall apply.
5. When JBIC has issued corporate bonds or borrowed the long-term loans in foreign currency pursuant to the provisions of preceding Paragraph, it shall, without delay, make a notification of such fact to the Minister of Finance pursuant to the provisions prescribed by a Cabinet Order; provided, however, that this shall not apply if JBIC issues the certificates of corporate bonds, as prescribed by a Cabinet Order, in order to deliver to anyone who has lost such certificates of corporate bonds and, as a result of the issuance of such certificates of corporate bonds, JBIC assumes new liabilities.
6. The total amount of (i) the outstanding amounts of the short-term loans, the long-term loans in foreign currency and the borrowings related to the monetary loans obtained from the Government as set forth in Paragraph 1 of this Article that are made in order to meet JBIC's fund requirements for the performance of its Ordinary Operations, and (ii) the outstanding amount of liabilities relating to the principal amount of corporate bonds set forth in Paragraph 4 of this Article that are issued in order to meet JBIC's fund requirements for the performance of its Ordinary Operations shall not exceed the amount (hereinafter referred to as the "Limitation Amount Related to Ordinary Operations" in this Article) equivalent to ten (10) times the total amount of the capital and reserves belonging to the account related to the Ordinary Operations of JBIC (hereinafter referred to as the "Base Amount Related to Ordinary Operations" in this Article).
7. Notwithstanding the provisions of the preceding Paragraph, when the issuance of new bonds is necessary to reborrow the issued corporate bonds with respect to corporate bonds set forth in Paragraph 4 of this Article that were issued in order to meet JBIC's fund requirements for the performance of its Ordinary Operations, the corporate bonds may be issued in excess of the Limitation Amount Related to Ordinary Operations only within the period necessary to make such reborrowing.
8. Among the Ordinary Operations, the total amount of the outstanding amounts of (i) monetary loans, (ii) acquisition of the receivables related to assignment and the Corporate/Public Bonds, etc., (iii) liabilities relating to the Guarantee, etc. of Liabilities and (iv) contributions, all of which are made pursuant to the provisions of Items (1) through (6) of Article 11 hereof, shall not exceed the aggregate amount of the Base Amount Related to Ordinary Operations and the Limitation Amount Related to Ordinary Operations.
9. The provisions set forth in the preceding three (3) paragraphs shall apply *mutatis mutandis* to the Special Operations. In this case, the term, "Base Amount Related to Ordinary Operations", referenced in Paragraphs 6 and the preceding Paragraph, shall be deemed to be replaced with

"Base Amount Related to Special Operations"; the term, "Limitation Amount Related to Ordinary Operations", referenced in the preceding three (3) paragraphs, shall be deemed to be replaced with "Limitation Amount Related to Special Operations"; and the term, "through (6)", referenced in the preceding Paragraph, shall be deemed to be replaced with", Item (3), (4) and (6)".

10. The monetary funds financed through the borrowing of funds or the issuance of the corporate bonds pursuant to the provisions of this Article shall, in accordance with the separate accounting set forth in Article 26-2 hereof, be allocated to the respective accounts relevant to the operations listed in each Item of the same Article.

Article 34: Statutory Lien

1. A holder of JBIC's corporate bonds shall, with respect to the property of JBIC, have the right to have his/her receivables satisfied in preference to other creditors.
2. The order of the statutory lien set forth in the preceding Paragraph shall be next to the general liens prescribed by the provisions of the Civil Code (Act No. 89 of 1896).

Article 35: Government Guarantee

1. Notwithstanding the provisions of Article 3 of the Act Concerning Restrictions on Financial Assistance by the Government to Corporations (Act No. 24 of 1946), the Government may execute a guarantee agreement with respect to the liabilities related to JBIC's corporate bonds (excluding the liabilities with respect to which the Government may execute a guarantee agreement under Paragraph 2 of Article 2 of the Act on Special Measures Pertaining to the Acceptance of Foreign Capital from the International Bank for Reconstruction and Development, etc. (Act No. 51 of 1953) (referred to as the "Foreign Capital Acceptance Act" in the following Paragraph and Paragraph 1 of Article 16 of the Supplementary Provisions)) or the liabilities related to the long-term loans in foreign currency, within the scope of the amount fixed by the budget.
2. Among the amount fixed by the budget set forth in the preceding Paragraph, the amount of liabilities related to the corporate bonds issued in a foreign country and denominated in Japanese currency may be fixed by adding up to the amount fixed by the budget as set forth in Paragraph 2 of Article 2 of the Foreign Capital Acceptance Act, when it is difficult to fix the said amount of liabilities separately from the said amount fixed by the budget set forth in the same paragraph of the Foreign Capital Acceptance Act.
3. The Government may, in addition to the provisions of Paragraph 1 of this Article, execute a guarantee agreement with respect to the liabilities related to the certificates of corporate bonds or coupons thereof, which are issued by JBIC, pursuant to the provisions prescribed by a Cabinet Order, in order to deliver to a person who has lost the certificates of corporate bonds or coupons thereof.

Article 36: Investment of Surplus Funds

JBIC shall not invest any surplus funds of its business except by means of:

- (1) Acquisition of national government bonds, local government bonds or government-guaranteed bonds (which mean the bonds for which the redemption of its principal and payment of interest thereon are guaranteed by the Government) and other securities designated by the Minister of Finance;
- (2) Deposit with the Fiscal Loan Fund;
- (3) Deposit with banks or other financial institutions

designated by the Minister of Finance;

- (4) Holding of negotiable deposit certificates;
- (5) Money trust to the financial institutions engaging in trust business (which mean the financial institutions that have obtained the authorization set forth in Paragraph 1 of Article 1 of the Act on Provision, etc. of Trust Business by Financial Institutions);
- (6) Lending of call funds; or
- (7) Means prescribed in the Ordinance of the Ministry of Finance as the means equivalent to the means listed in each of the preceding Items.

Article 38: Supervision

1. The Minister of Finance shall supervise JBIC in accordance with the provisions of this Act.
2. With respect to the management or administration of JBIC, in the case where the Minister of Finance finds that there is a violation of laws and regulations or the Articles of Incorporation or any grossly unjust matter exists and in other cases where they find it necessary for the enforcement of this Act, the Minister of Finance may issue JBIC orders concerning its operations as are necessary for the supervision.

Article 39: Report and Inspection

1. If the Minister of Finance finds it necessary for the enforcement of this Act, the Minister of Finance may cause JBIC or the Juridical Person Delegated to submit reports or may cause its officials to enter the facilities of JBIC or of the Juridical Person Delegated, such as the offices to inspect the accounting books, documents and other necessary objects; provided, however, that, with respect to the Juridical Person Delegated, such action shall be limited to the scope of operations delegated to it by JBIC.
2. When an official of the Minister of Finance carries out an onsite inspection pursuant to the provisions of the preceding Paragraph, he/she shall carry with him/her identification certifying his/her status and present it to parties concerned.
3. The authority to carry out the on-site inspection pursuant to the provisions of Paragraph 1 above shall not be construed to be that given for the investigation of a criminal offense.

Article 40: Delegation of Authority

1. The Minister of Finance may, as prescribed by a Cabinet Order, delegate part of the authority to carry out an on-site inspection pursuant to the provisions of Paragraph 1 of the preceding Article to the Prime Minister.
2. If the Prime Minister has carried out an on-site inspection pursuant to the provisions of Paragraph 1 of the preceding Article on the basis of the delegation pursuant to the provisions of the preceding Paragraph, he/she shall promptly submit a report of the results of the inspection to the Minister of Finance.
3. The Prime Minister shall delegate both the authority delegated pursuant to the provisions of Paragraph 1 above and the authority set forth in the provisions of the preceding Paragraph to the Commissioner of Financial Services Agency.
4. The Commissioner of Financial Services Agency may, as prescribed by a Cabinet Order, delegate all or part of the authority delegated pursuant to the provisions of the preceding Paragraph, to Director-General of the Local Finance Bureau or the Director-General of the Local Finance Branch Bureau.
5. Part of the authority of the Minister of Finance set forth in this Act (excluding that delegated to the Prime Minister pursuant

to the provisions of Paragraph 1 above) may, as prescribed by a Cabinet Order, be delegated to the Director-General of the Local Finance Bureau or the Director-General of the Local Finance Branch Bureau.

Article 41: Articles of Incorporation

1. In the Articles of Incorporation of JBIC, in addition to the matters listed in each of the Items of Article 27 of the Companies Act, matters relating to the procedures and requirements for the appointment of a person to assume management responsibility from among the Representative Directors or Representative Executive Officers shall be described or recorded.
2. With respect to the matters related to the requirements for the appointment of a person to assume management responsibility set forth in the preceding Paragraph, the provisions that the requirements listed below be satisfied shall be incorporated:
 - (1) A person who has discernment and the capability recognized as necessary in light of the purposes set forth in Article 1 hereof and the operations set forth in Article 11 hereof shall be appointed; and
 - (2) Due consideration shall be required in order to avoid automatically appointing such persons who have held certain specific governmental positions.
3. The resolution for the amendment of the Articles of Incorporation of JBIC shall not take effect unless the authorization of the Minister of Finance is granted.

Article 42: Merger, Company Split, Share Exchange, Share Delivery, Assignment and Acceptance of Assignment of Business and Dissolution

Notwithstanding the provisions of Part II, Chapters VII and VIII and Part V, Chapters II, III, IV, Section I and IV-II of the Companies Act, the merger, company split, share exchange, share delivery, assignment and acceptance of assignment of all or part of business, to which JBIC becomes a party, and dissolution of JBIC shall be provided for separately by an Act.

Article 43: Exclusion from Application, etc. of Financial Instruments and Exchange Act

1. When JBIC performs the actions listed in each of the Items of Paragraph 8 of Article 2 of the Financial Instruments and Exchange Act pursuant to the provisions of Article 11, the provisions of Article 29 of the same Act shall not apply.
2. In the case set forth in the preceding Paragraph (excluding the case set forth in the following Paragraph and Paragraph 5), JBIC shall be deemed as the Financial Instruments Business Operator defined in Paragraph 9 of Article 2 of the Financial Instruments and Exchange Act, and the provisions of Chapter III, Section I, Subsection V and Section II (excluding Article 35, Article 35-2, Articles 36-2 through 36-4, Item (2) of Paragraph 1 of Article 37, Item (2) of Paragraph 1 of Article 37-3, Article 37-7 and Item (7) of Article 38) of the same Act and the provisions of Chapters VIII and VIII-II of the same Act relating to such provisions shall apply.
3. When JBIC performs the actions listed in each of the Items of Paragraph 1 of Article 63 of the Financial Instruments and Exchange Act pursuant to the provisions of Article 11 hereof, the provisions of Paragraph 2 of the said Article 63 shall not apply.
4. In the case set forth in the preceding Paragraph (excluding the case set forth in the following Paragraph), JBIC shall be deemed as the Financial Instruments Business Operator defined in Paragraph 9 of Article 2 of the Financial Instruments and Exchange Act, and the provisions of

Chapter III, Section I, Subsection V, Paragraph 1 of Article 36, Article 37 (excluding Item (2) of Paragraph 1), Article 37-3 (excluding Item (2) of Paragraph 1), Article 37-4, Article 38 (limited to the portions related to Items (1), (2) and (9)), Article 39 (excluding Paragraphs 4 and 6), Article 40, Article 40-3, Article 40-3-2, Article 42, Article 42-2, Article 42-4, Article 42-7 and Article 45 of the same Act and the provisions of Chapters VIII and VIII-II of the same Act related to such provisions shall apply.

5. When JBIC performs the actions listed in each of the Items of Paragraph 1 of Article 63-8 of the Financial Instruments and Exchange Act pursuant to the provisions of Article 11 hereof, the provisions of Paragraph 1 of Article 63-9 of the same Act shall not apply.
6. In the case set forth in the preceding paragraph, JBIC shall be deemed as the Financial Instruments Business Operator defined in Paragraph 9 of Article 2 of the Financial Instruments and Exchange Act, and the provisions of Chapter III, Section I, Subsection V, Article 35-3, Paragraph 1 of Article 36, Article 37 (excluding Item (2) of Paragraph 1), Article 37-3 ((excluding Item (2) of Paragraph 1), Article 37-4, Article 38 (limited to the portions related to Items (1), (2) and (9)), Article 39 (excluding Paragraphs 4 and 6), Article 40, Article 40-3, Article 40-3-2, Article 42, Article 42-2, Article 42-4, Article 42-7 and Article 45 of the same Act and the provisions of Chapter VIII and VIII-II of the same Act related to such provisions shall apply.

This English version of the Act has been prepared purely for information purpose, and should not be considered as an official translation of the Japan Bank for International Cooperation Act or any authorities of Japanese Government.

3. Basic Policy for the Internal Control System

Article 1. Ensuring Compliance with Laws, Regulations, and Articles of Incorporation in Performance of Duties by Directors and Employees

1. The Japan Bank for International Cooperation ("JBIC") and its subsidiaries (both collectively called "JBIC Group") shall establish a corporate philosophy, code of conduct, as well as the policy for compliance with laws and regulations and other internal rules for compliance, and notify directors and employees of those principles and rules, for the purpose of ensuring that directors and employees including temporary workers (this definition is applied throughout this document) perform their duties in compliance with laws, regulations, and the articles of incorporation ("Laws and Regulations").
2. Directors and employees of the JBIC Group shall abide by the internal rules for compliance.
3. JBIC shall set up a department responsible for compliance and appoint a compliance officer in order to establish and reinforce a framework for compliance with Laws and Regulations within the JBIC Group.
4. JBIC shall establish a committee to deliberate important matters related to compliance within the JBIC Group and monitor the status of compliance with Laws and Regulations.
5. JBIC shall establish an effective internal anonymous reporting system and implement it in an appropriate manner so that important facts related to compliance within the JBIC Group can be detected earlier and necessary corrective measures can be taken.
6. The JBIC Group shall not have any connections whatsoever with antisocial forces. It shall adopt an uncompromising attitude, throughout its organization, toward antisocial forces, and decisively reject all improper demands from such forces.

Article 2. Retention and Management of Information concerning Performance of Duties by Directors

1. JBIC shall establish the information asset management regulations and other internal rules for retention and management of information in order that information concerning the performance of duties by directors, customer information and other information handled by JBIC can be appropriately retained and managed.
2. JBIC shall retain and manage the minutes of Board of Directors meetings and other documents relating to the performance of duties by directors, in accordance with laws, regulations, or internal rules for retention and management of information.
3. Directors and employees shall retain and manage information in an appropriate manner according to the internal rules for retention and management of information.

Article 3. Rules and Structures for Managing Risk of Loss

1. In recognition of the importance of risk management practices throughout its entire organization, JBIC and its subsidiaries shall individually control various risks in an appropriate manner by establishing the integrated risk management regulations and other internal rules for risk management, which stipulate the management of various risks that should be recognized in the course of business operations at the JBIC Group as well as the organizational structure that is needed for integrated risk management.
2. JBIC shall set up a department responsible for risk management and appoint a risk management officer. In addition, JBIC shall establish a committee to conduct deliberations and considerations on implementing effective risk management practices.
3. JBIC and its subsidiaries shall strive to create a crisis

management structure in preparation for disasters and other crisis situations, by individually establishing the crisis management regulations and other internal rules for crisis management.

4. In the case where normal business operations of the JBIC Group are disrupted or might be affected by crisis situations, JBIC shall set up an emergency response office as necessary, in accordance with the internal rules for crisis management, to restore operations in a prompt and efficient manner.

Article 4. Ensuring Efficient Execution of Directors' Duties

1. The Board of Directors shall establish business plans and properly manage business of the JBIC Group.
2. JBIC shall establish the Executive Committee to which authority is delegated by the Board of Directors for approval of certain matters. In addition to making decisions on those specific matters by exercising the delegated authority, the Executive Committee shall deliberate matters requiring approval of the Board of Directors prior to Board of Directors meetings, in order to aid decision-making among the Board of Directors. Moreover, JBIC shall establish an advisory body to the Executive Committee or other various committees to which authority is delegated by the Executive Committee for approval of certain matters.
3. JBIC shall establish the internal rules for organizational structure stipulating the roles and responsibilities of the Board of Directors, for the purpose of efficiently executing matters approved by a Board of Directors meeting.
4. To expedite the decision-making process, JBIC shall introduce a function-based organization and an executive officer system in which authority is delegated by management for approval of specific matters in accordance with the organization rules, authority rules and other related internal rules.

Article 4 (2). Structures for Ensuring Proper Operations of JBIC Group's Business

1. JBIC shall take appropriate measures for business management and operations in its subsidiaries, to ensure proper operations of JBIC Group's business.
2. JBIC shall establish a structure where its subsidiaries report to JBIC, in a proper manner, the important matters that their Board of Directors execute.

Article 5. Internal Audit for Ensuring Proper Operations of JBIC's Business

1. JBIC shall establish the internal audit regulations and other internal rules for internal audit to ensure the appropriateness and soundness of its operations.
2. JBIC shall set up the Internal Audit Committee to make decisions or deliberations on important matters related to internal audit for the JBIC Group.
3. JBIC shall set up the Internal Audit Department, separated from the departments subject to audit, to supervise the operations of internal audit.
4. The Internal Audit Department shall conduct an internal audit for JBIC and its subsidiaries as necessary, and report to the director responsible for internal audit on the results, pursuant to the internal rules for internal audit.
5. The Internal Audit Department shall periodically and as necessary, as well as upon request of a director or a corporate auditor of JBIC ("Corporate Auditor"), report the results of internal audits to the Board of Directors, other bodies or committees.
6. The Internal Audit Department shall strive to perform an internal audit in an efficient manner by collaborating and

exchanging necessary information with Corporate Auditors and accounting auditors.

Article 6. Assignment of Employees who Assist Corporate Auditors in Performing Their Duties

1. JBIC shall set up the Office of Corporate Auditor and assign employees to assist Corporate Auditors in performing their duties.
2. Those employees shall perform their duties in accordance with the instructions from the Corporate Auditors.
3. When deemed necessary, the Corporate Auditors may assign employees other than those stipulated in the above paragraph 1, on a temporary basis, to assist in conducting audit work, by obtaining prior approval from the Governor.

Article 7. Securing Effectiveness of Instructions to Employees Assisting Audit Work and Independence of Instructions from the Director of Organization where They Concurrently Work

1. JBIC shall obtain prior approval of the full-time Corporate Auditor on the personnel evaluation and transfer of, and other personnel matters relating to employees who assist Corporate Auditors in auditing ("the auditor's office staff"), before making decisions on those matters.
2. JBIC shall make the auditor's office staff engaged in audit work only as per the instructions given by corporate auditors, to secure the effectiveness of their instructions to the auditor's office staff. However, in the case where the auditor's office staff need to concurrently works in another department/office, JBIC shall obtain prior approval of the full-time Corporate Auditor on their duties in another position, by clearly stating the following points in writing:
 - (1) There is a rational reason why the auditor's office staff need to concurrently serve in another organization.
 - (2) In assisting with the duties of the Corporate Auditors, the auditor's office staff shall follow the instructions from the Corporate Auditors and not the instructions from a director in an organization where the auditor's office staff serve concurrently.
 - (3) The scope of duties of and instructions to the auditor's office staff in the position other than the Office of Corporate Auditor shall be expressly limited.
 - (4) The auditor's office staff shall not share, with others in another department/office where he/she concurrently serves, the information obtained from performing their duties at the Office of Corporate Auditor.
 - (5) The auditor's office staff shall always give priority to the duties of assisting the Corporate Auditors ahead of the duties in another organization where the staff serve concurrently, to ensure the effectiveness of audits by the Corporate Auditors.
 - (6) When deemed necessary, the full-time Corporate Auditor may withdraw his/her approval of the auditor's office staff's duties in another position while working at the Office of Corporate Auditor.

Article 8. Internal Reporting by Directors and Employees to Corporate Auditors and Preventing Unfair Treatment of Individuals who Reported to Corporate Auditors

1. Directors and employees of the JBIC Group, as well as corporate auditors of JBIC's subsidiaries shall, directly or indirectly, report the status of performance of their duties to the Corporate Auditors when required, in an accurate manner.
2. In the event that any fact that has the potential to inflict substantial harm upon the JBIC Group, or material facts of wrongdoing or violations of Laws and Regulations are

detected, both directors and employees of the JBIC Group, as well as corporate auditors of JBIC's subsidiaries shall, directly or indirectly, report the fact to the Corporate Auditors without any delay.

3. JBIC Group shall ensure that an individual who reports unlawful, improper conduct or activity pursuant to the preceding paragraph shall be protected from being treated unfairly as a result of reporting such information.

Article 9. Securing Effectiveness in Auditing by Corporate Auditors

1. The Corporate Auditors shall be allowed to request directors and employees of the JBIC Group, as well as the corporate auditors of JBIC's subsidiaries, to report the status of performance of their duties, whenever they determine such reports are necessary to conduct audits in an effective manner. A director or employee of the JBIC Group as well as the corporate auditors of JBIC's subsidiaries who receive such a request shall promptly submit a report to the Corporate Auditors.
2. The Corporate Auditors may express their opinions as necessary at the Board of Directors meetings, Executive Committee meetings and other important committee meetings. The Corporate Auditors shall also be allowed to review the minutes of those committee meetings and other related documents.
3. The Governor shall hold periodic meetings with the Corporate Auditors to exchange opinions.
4. The Corporate Auditors may request the cooperation of the Internal Audit Department and departments responsible for compliance matters.
5. The Corporate Auditors may seek advice on audits from lawyers and certified public accountants when they consider it necessary for conducting audits in an effective manner.

Article 10. Procedures for Advance Payment and Payment of Fees, and Treatment of Other Fees and Liabilities Incurred by Corporate Auditors in Executing Their Duties

In the case where Corporate Auditors seek advice from lawyers and/or certified public accountants regarding audits pursuant to the provision of the preceding article, JBIC shall pay fees, expenses and liabilities arising from the execution of their duties based on the advice received from those specialists.

4. Security Policy

Japan Bank for International Cooperation (hereinafter “JBIC”) adopts the following fundamental policy concerning the use and management of information assets and will properly handle, manage, protect, and maintain information assets to achieve information security that meets the highest standards so as to support its proper and efficient operations.

(1) Basic Principles

JBIC shall use and manage information assets in line with the basic principles set forth hereunder while complying with all applicable laws, regulations, and rules.

- A. Information assets shall be used appropriately and only for their intended purposes.
- B. Authority concerning the management of information assets shall be granted only after careful consideration of the nature of the work and necessity.
- C. When adopting and implementing information security measures, the following matters shall be taken into consideration, based on the nature of the work:
 - (a) Clarification of responsibilities and roles within implementation structures
 - (b) Timely and prompt implementation of necessary, sufficient, effective, and efficient measures

(2) Proper Management of Information Assets

Information assets refer to information and information systems. JBIC classifies them according to such factors as their degree of confidentiality, completeness, usability, and importance, and manages them appropriately in accordance with their classification.

(3) Information Asset Management Structures

JBIC shall establish a structure for ensuring the security of information assets.

(4) Protection of Personal Information

JBIC shall protect and manage personal information by establishing and making public our Privacy Policy and pursuant to the provisions of the Act on the Protection of Personal Information.

(5) Protection of Client Information

JBIC shall establish the basic policy for protecting its clients and increasing their convenience for the purpose of appropriate protection and management of information pertaining to them in accordance with this basic policy.

(6) Training on Information Asset Management

JBIC shall provide necessary training to all officers and employees who handle information assets to ensure that they understand requirements in the applicable laws and regulations, as well as in this policy and other applicable rules, and prevent the occurrence of information security problems.

(7) Outsourcing Work

In the event that JBIC engages persons other than its officers and employees to manage its information assets by outsourcing such work, it shall verify that information security is ensured and that appropriate measures have been taken in accordance with the content of the information assets.

(8) Responses to Incidents Concerning Information Assets

In the event of improper disclosure of personal or client information or other incidents causing a problem on information security, JBIC shall promptly take appropriate measures.

(9) Evaluation and Review

JBIC shall evaluate and review this policy, as necessary, to make flexible responses to changes in the external environment, such as the enactment, amendment, or repeal of applicable laws and regulations, as well as innovations in information security technology, and to changes in the internal environment, including organizational and operational changes and updates to JBIC's information systems.

5. Outline of Conflict of Interest Management Policy

The Japan Bank for International Cooperation (“JBIC”) and its subsidiary financial institutions, etc. (collectively, the “JBIC Group”), in accordance with the Financial Instruments and Exchange Act, have established the Conflict of Interest Management Policy (the “Policy”) and will appropriately manage the transactions that may cause conflicts of interest in order to prevent the interests of our clients from being unjustly impaired. The summary of the Policy is hereby published as provided below.

1. Identification of Transactions That May Cause Conflicts of Interest

(1) Subject Transactions

“Transactions that may cause conflicts of interest”, which are subject to the Policy, mean such transactions conducted by the JBIC Group that may unjustly impair the interests of its clients (“Subject Transactions”) in the following situations: i) when the JBIC Group’s interests conflict or compete with the interests of its clients or ii) when the interests of multiple clients of the JBIC Group conflict or compete with each other.

(2) Scope of the Subject Clients

“Clients” who are subject to this Policy mean any client who is utilizing, had previously been utilizing, or may enter into business relations in relation to, the services provided by the JBIC Group in its “Financial Instruments Related Business”.

The “Financial Instruments Related Business” refers to the business specified in Article 70-3 of the Cabinet Office Order on Financial Instruments Business, etc.

2. Companies Requiring Conflict of Interest Management

As stated in 1 (1) above, the Subject Transactions are transactions conducted by the JBIC Group (i.e. JBIC and its subsidiary financial institutions, etc.). JBIC’s “subsidiary financial institutions, etc.” mean a subsidiary or affiliated company of JBIC which meets the definition of the term “Subsidiary Financial Institution, etc.” specified in Article 36, Paragraph 5 of the Financial Instruments and Exchange Act.

As of March 31, 2024, the companies listed below are the subsidiary financial institutions, etc. of JBIC.

- IFC Capitalization (Equity) Fund, L.P.
- National Industrial Corridor Development Corporation Limited
- JBIC IG Partners
- RJIF GP2 Limited
- Russian-Japan Investment Fund, L.P.
- JB Nordic General Partner S.à.r.l.
- JB Nordic Ventures Oy
- JB Nordic Fund I SCSp
- NordicNinja Fund II General Partner S.à.r.l.
- NordicNinja VC Limited
- ff Red & White General Partner S.à.r.l.
- ff Red & White Ventures sp. z.o.o.
- ff Red & White
- NordicNinja Fund II SCSp

3. Method of Managing Transactions That May Cause Conflicts of Interest

If the JBIC Group identifies any situations where conflicts of interest may arise in connection with transactions with its clients, the JBIC Group will take measures in accordance with the relevant situation, including, for example, the following methods:

- The method of separating the department conducting the Subject Transaction, from the department conducting the transaction with such client;
- The method of amending the conditions or method of the Subject Transaction or the transaction with such client;
- The method of discontinuing the Subject Transaction or the transaction with such client;
- The method of properly disclosing to such client the possibility that the interests of the client may be unjustly impaired in connection with the Subject Transaction; and/or
- Any other methods to properly manage the Subject Transaction.

4. Conflict of Interest Management System

The JBIC Group will centrally manage the group’s overall conflict of interest by establishing a department which will manage and control conflicts of interest. The JBIC Group will continue to establish and maintain proper internal systems and comply with laws and regulations and other rules concerning the management of conflicts of interest.

6. Privacy Policy / Privacy Notice

Japan Bank for International Cooperation (hereinafter “JBIC”) positions the trust of our clients as our first priority, deeply recognizes the importance of our clients’ personal information, and believes that it is our duty to our clients to properly manage and protect their personal information.

With a view to protecting our clients’ personal information, JBIC will conduct our operations in a manner whereby we observe the Act on the Protection of Personal Information (hereinafter “Act”) and so forth.

(1) Acquisition of Personal Information

JBIC will acquire our clients’ personal information through proper and lawful means. When we acquire personal information from our clients directly in writing, we will specify in advance the purposes for its use that are within the necessary scope of JBIC’s operations.

(2) Use of Personal Information

JBIC will specify the purposes for use in obtaining the necessary personal information of our clients as listed below, and will use it within the scope that is necessary to achieve such purposes. JBIC will not use personal information in a manner that is likely to promote or induce illegal or unjust acts.

- A. Loan, equity participation, and guarantee operations, and their related due diligence exercise and research (or their supplementary work)
- B. Execution of agreements with JBIC, and exercise of rights and performance of obligations under laws, etc.
- C. Confirmation of personal identity as per such laws as Foreign Exchange and Foreign Trade Act (Act No. 228, 1949)
- D. Invitation to events (such as seminars) organized by JBIC
- E. Delivery of various JBIC-related materials
- F. Issuance and collection of surveys and questionnaires, and statistical processing and analysis of such outcomes
- G. Operations necessary for responding to questions and inquiries, and for dealing with transactions including queries from JBIC, in a proper and smooth manner

(3) Provision of Personal Information to Third Parties

JBIC will not provide the personal information acquired from its clients to third parties except in the following cases. In the case where JBIC provides personal information to a third party in a foreign country, JBIC will, when obtaining consent from the client, provide the client with, in advance, the information specified in the Act.

- A. It is required by law.
- B. It is provided within the scope of the purposes for use as prescribed above.
- C. Consent is obtained from the clients.
- D. There are convincing reasons why executive agencies, independent administrative agencies, local municipal entities or local independent administrative agencies would use it to the necessary extent to carry out the law-stipulated operations.
- E. It is used for statistics compilation or academic research.
- F. It is clearly beneficial to the clients or there exist special reasons to provide personal information.

(4) Subcontract

JBIC may subcontract the handling of our clients’ personal information to conduct such operations more smoothly. In such cases, JBIC will attempt to select a trustworthy subcontractor, enter into a confidentiality agreement, adequately supervise the handling and administering of the personal information, and assure the protection of personal information.

(5) Personal Information Management (PIM)

- A. JBIC will attempt to keep our clients’ personal information correct and updated, and take prevention and safety measures against unauthorized access, leakage, loss, damage, and alteration of personal information.
- B. JBIC will constantly educate its employees about the protection and proper management of our clients’ personal information to thoroughly make sure of its proper handling in its daily operations.
- C. JBIC will audit and inspect whether the protection and management of personal information is undertaken properly.

(6) Disclosure, Correction, and Disuse

If a client wishes to make a request to disclose, correct or disuse the clients’ personal information held by JBIC, we will deal with such a request by following the procedure of disclosure etc. stipulated in the Act. Meanwhile, there are some cases when such disclosure etc. could be made out of the procedure of disclosure etc. stipulated in the Act, for which please contact our Head Office or Osaka Branch.

(7) Inquiries about Personal Information Management (PIM)

For inquiries or complaints about the clients’ personal information management (PIM) at JBIC, please contact our Head Office or Osaka Branch.

(8) Continuous Improvement

JBIC will continuously improve the clients’ personal information management (PIM) as necessary.

JBIC separately stipulates its basic policy on the safe management of Individual Numbers and Personal Information that includes Individual Numbers (hereinafter “Specific Personal Information”; Individual Number and Specific Personal Information shall hereinafter be collectively referred to as “Specific Personal Information, etc.”). “Personal information” as used in this Privacy Policy shall not include Specific Personal Information, and it is not contemplated that JBIC will obtain our clients’ Specific Personal Information, etc.

As a part of JBIC’s implementation of data protection laws in each country, JBIC provides our customers, vendors and suppliers with a privacy notice. Please refer to the link below for more details.

<https://www.jbic.go.jp/en/privacy-notice.html>

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(As of September 1, 2024)



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Access to JBIC Head Office and Osaka Branch

JBIC Head Office

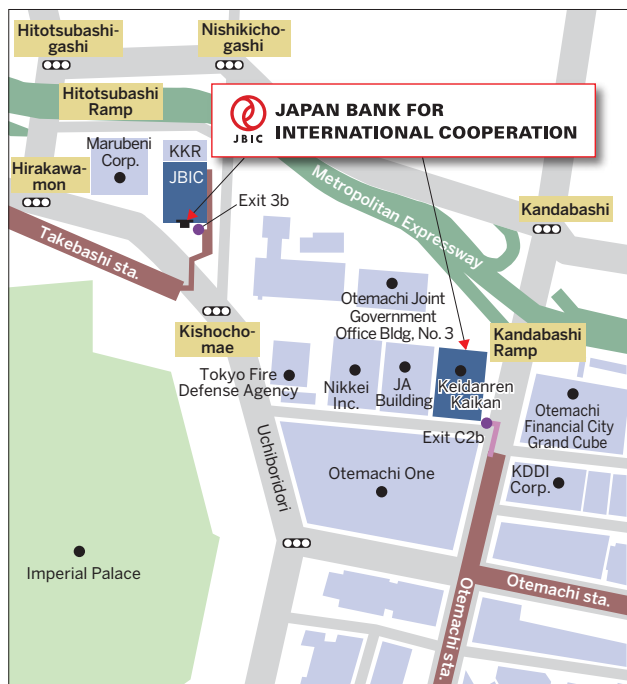
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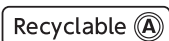


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