

2.

Financial Statements

1. Statutory Financial Statements	018
1. Consolidated Financial Statements	018
Consolidated Balance Sheets	018
Consolidated Statements of Operations	020
Consolidated Statements of Comprehensive Income	020
Consolidated Statements of Changes in Net Assets	021
Consolidated Statements of Cash Flows	024
Notes to Consolidated Financial Statements	025
(Supplementary Information)	
Financial Statements for Each Operation	062
2. Composition of Liabilities and Net Assets	069
3. The Average Balance of Interest-earning Assets and Interest-bearing Liabilities, Interest and Earning Yields	071
4. Breakdown of Operating Expenses	072
5. Balance of Due from Banks, Receivables under Resale Agreements and Securities —Application of Surplus Funds	073
6. Information on Derivatives Transactions	074
7. Yield / Interest Rate	075
8. Loans Outstanding per Employee	075
9. Loans Outstanding by Industry	076
10. Write-off of Loans	076
11. Assets in Foreign Currencies (Loans and Equity Investment)	077
12. Administrative Expense Ratio	078
13. Balance of Loans / Borrowings, Bonds and Notes by Maturity	079
14. Information on the Quality of Assets	080
Consolidated Financial Statements in Accordance with International Financial Reporting Standards (IFRS) for Reference Only	082

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.

2. Financial Statements

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 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.

(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)	—	—		B
	—	367	11,793	12,160	Net loss (gain) from financial assets at fair value through profit or loss	B
	—	558	—	558	Net gain on derecognition of financial assets measured at amortized cost	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.