

## 4. Message from the Governor



**Addressing common international challenges  
as a navigator in an uncertain world**

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## **JBIC's Role Continues to Evolve, while Our Mission to Live Up to the Trust Placed in Us Remains Unwavering**

On behalf of the Japan Bank for International Cooperation (JBIC), I would like to express my sincerest appreciation for your support and understanding.

The world around us has changed significantly since we prepared our Fourth Medium-Term Business Plan (FY2021–2023). Russia's invasion of Ukraine, armed conflicts involving Israel and Hamas since 2023, and frequent abnormal weather events around the world have served to increase global uncertainty.

Moreover, the geopolitical conflict between the U.S. and China, the challenges facing the Global South, and multipolarization are ongoing. We are living in an era in which the liberal international order and concepts of globalization that we have believed in are being shaken and existing values are being called into question.

In order for the Japanese economy to achieve sustainable growth against this backdrop, the nation must take on a global perspective. It needs to ensure Japan's economic security and strengthen supply chain resilience; contribute solutions to global issues such as climate change; and take on the challenge of transformation through the use of digital technology. It is precisely in these areas that, I believe, JBIC has a significant role to play as Japan's only policy-based financial institution that conducts cross-border financial operations.



Looking back, since I first joined JBIC's management as the Executive Managing Director in 2016, I have felt the joy of contributing to Japan's external economic policies through specific projects, such as developing vital resources overseas, as well as improving industrial competitiveness.

I have negotiated with various governments, international organizations, and global companies to formulate specific projects and, as a result, I have seen firsthand new jobs being created locally and local environments truly improving. In fact, I believe that one of our distinctive strengths is the ability to carry out work in line with Japan's government policies and contribute to policy-making based on our on-the-ground experience. Thus, reflecting the government's energy policy, we have provided support for projects related to hydrogen and ammonia, which are expected to be the next-generation energy sources.

One of the universal principles that MATSUO Basho\* (1644–1694) advocated from his journey along the narrow roads through Japan's hinterlands is the principle of immutability and fluidity. The idea is that something which long has remained unchanged (that is immutable or timeless) will not be in opposition to something new that changes day by day (that is fluid or a trend); each has its own importance. Similarly, I feel that timelessness and trends have value.

But Basho's brilliance lies in his insight that these two things are fundamentally the same. And JBIC's operations are truly both immutable and fluid: timeless and ever evolving.

Since its predecessor was established in 1950, JBIC has earned the trust of its clients by conducting business based on its expertise in international finance. It is a policy-based financial institution that contributes to Japan's external economic policies through specific projects. I believe that the pillars of public interest, international perspective, and expertise, passed down through the years, represent the critical values that are the core components on which JBIC is built and operates.

\* He was Japan's most famous *haiku* poet.



At the same time, JBIC has constantly updated its operations and roles to adapt to ever-changing social situations and global circumstances. Having transformed its risk-taking activities and financial functions, JBIC has enabled Japanese companies to play an active role on the global frontlines.

We have also collaborated with overseas organizations in the spearhead of international business, working with a wide range of stakeholders to tackle new challenges at the forefront of international business. Despite the uncertain times, JBIC will endeavor to remain a frontrunner in taking on the challenges of finding solutions to the problems facing the global community.

## II Supporting Green Transformation, Supply Chain Resilience

During FY2023, the final year of its Fourth Medium-Term Business Plan, JBIC committed a total of ¥2,037.9 billion to loans, equity investment, and guarantees. Its total three-year commitment to these areas was ¥6,418.7 billion. While the figure exceeds the results of our Third Medium-Term Business Plan, our progress in achieving the quantitative targets we have set for each key focus area has generally been favorable. In projects that help support green transformation and collaboration with the Global South, JBIC has provided loans and guarantees for renewable energy and energy-saving projects that have contributed to reconstruction efforts in Türkiye following the February 2023 earthquake. Further, JBIC has invested in a Japan–India fund, and provided loans to a biomass fuel production and sales business being operated by a Japanese company in Vietnam.

As examples of projects that contribute to multilateral collaboration, JBIC provided loans and guarantees, as well as equity investment in an offshore wind farm project in Taiwan, and guaranteed samurai bonds issued by the Polish Development Bank in a project supporting Ukraine.

As part of our efforts to contribute solutions to social issues, we have provided loans and guarantees for a lantern electrification project in Benin, and loans to a Japanese startup manufacturer to sell its small-scale decentralized water circulation systems in the Caribbean islands of Antigua and Barbuda.

As for projects directly related to securing resources, JBIC has provided support through loans to a copper mine expansion project in Chile, and to a Brazilian company to ensure the stable procurement of steelmaking raw materials for Japanese companies. JBIC also has provided financing for capital investment in the transportation and storage of chemicals and other products required for semiconductor manufacturing by a U.S. subsidiary of a Japanese company.

Via a local Indian financial institution, we have supported the supply chain of a Japanese agricultural machinery manufacturer that is expanding into India. In addition, amid growing demand for data centers around the world, we are providing loans to a data center project being undertaken by a Japanese telecommunications company in India, as well as investing in a fund in Central and Eastern Europe.

## II Navigating Global Solutions, Co-creating a Valuable Future

JBIC recently formulated its Fifth Medium-Term Business Plan (FY2024–2026), which seeks to address historical and structural changes and challenges in the international situation; rebuild supply chains to address economic security; and develop and disseminate new technologies that will help solve the problem of climate change.

During the planning process, our management team made its discussions open, and solicited opinions from our employees. The opinions were incorporated into our planning. As a result, we decided that the theme for our latest management plan should be: Navigate toward and Co-create a Valuable Future.

Navigating implies that we take the lead and show the way which, in turn, means co-creating with our clients, co-creating by involving various stakeholders and, of course, co-creating within our organization.

Since the future is valuable, the important question is where we can generate value and, indeed, added value. The term “valuable future” represents our commitment to do work that creates value, be it for our clients, our projects, our host countries, or colleagues within our organization. If we are to achieve this, we must have an enterprise in which employees can work in the most proactive and positive manner possible.

As outlined below, our plan involves four key focus areas that JBIC aims to prioritize over the coming three years.

### I

#### Realize a Sustainable Future

- Contribute toward realizing both carbon neutrality and economic growth
- Contribute toward solving social issues in collaboration with host countries
- Implement responsible sustainability management

### II

#### Strengthen Resilience of Japanese Industry and Support Creative Innovation

- Support securement of Japan's energy security, strategic enhancement of the resilience of supply chains that contribute to national interest, and development of infrastructure in frontier industries
- Support development of innovative technologies and businesses
- Support overseas expansion of mid-tier enterprises and small and medium-sized enterprises (SMEs) that play active roles in global business

### III

#### Provide JBIC's Own Unique Solutions by Strategically Functioning as an International Financial Institution

- Support projects which contribute toward developing and realizing Japan's foreign economic policies
- Provide own unique solutions through strategic information analysis

### IV

#### Reinforce and Reform Organizational Base toward Value Creation

- Exercise human capital management
- Streamline operations through digital transformation and develop business promotion infrastructure
- Build a highly engaged organization, reinforce and stabilize organizational base, and achieve efficient management

Rather than being independent goals, however, we consider focus areas I to IV to be linked. Thus, in order to achieve carbon neutrality and economic development, as outlined in I, it is essential to support innovative technologies and new businesses as mentioned in II.

In order to diffuse and commercialize innovative technologies throughout society, JBIC should take risks by using its diverse financial functions and providing the solutions mentioned in III. To do so, we must steadily reinforce, reform, and create value, as stated in IV. This will enable us to build an organization in which each employee can work with a more positive mindset.

One specific example of support we have extended occurred in April 2024. JBIC then assisted a geothermal power generation project in Germany. The Japanese electric power company involved applied innovative technology: closed-loop geothermal energy utilization technology, owned by a Canadian company. The pioneering solution is unlike that used for conventional geothermal power generation. It can extract heat efficiently, even when there is not enough hot water or steam underground, making it possible to develop geothermal energy in areas where development had hitherto been abandoned at the exploratory stage.

This is the very first project to commercialize the technology. Generally, private financial institutions struggle to provide loans for uncommercialized technology, but JBIC took the lead in assuming the technological risk by undertaking what we term Special Operations. Furthermore, through our strong connections with the EU, we have worked to assemble this project with such international organizations as the European Innovation Fund and the European Investment Bank. By taking on risks that private financial institutions cannot tackle on their own, while using our knowledge and relationships to make projects a reality, JBIC intends to play a leading role in bringing new business models to fruition.

## **II Expanding Human Capital to Create a Highly Engaged Organization**

We have advanced the key focus area IV in stages, primarily through the development of internal systems and working environments, and we plan to make further progress over the coming three years.

In order to contribute to the sound development of Japan and the international economy in accordance with JBIC's Corporate Philosophy and Code of Conduct, it is essential that all employees engaged in core operations be highly public spirited, while having international awareness and financial expertise.

To that end, we have implemented work style reforms that attract and develop outstanding human resources and support their active participation. In terms of our achievements over the past two years, first, we have established a network infrastructure that enables hybrid work. This combines office work and remote working carried out over a secure environment. Concurrently, we distributed tablets to all managerial track positions in addition to PCs and smartphones, thereby taking a major step toward a paperless system and streamlining work operations.

Second, in April 2023, we launched a new training system, JBIC Academia. The system provides a wide range of training programs to support autonomous careers and proficiency development, allowing employees to acquire a wide range of skills, including overseas work experience, knowledge of finance and languages, and business and management skills.

Third, in the interests of promoting work-life balance, we have put in place various systems aimed at supporting employees as they juggle their work, childcare, and elderly care responsibilities. Our support of childcare includes expanding paternity leave for male employees, and making work arrangements more flexible.

Even more than the numerical data suggest, it appears that a growing number of our employees feel that their workplace offers more flexible working styles. Under our Fifth Medium-Term Business Plan, we will continue to develop environments and design systems that will lead to the enhancement of human capital, and further promote the creation of a diversified organization where people with diverse ideas can work comfortably and with a sense of satisfaction.

I would like to create an organization where each employee can truly understand how their work is beneficial not just to those involved in a project, but to society as a whole. In order to create such an organization, we have compiled a list of executive commitments on which our senior managers will focus, and have communicated within the Bank that these executives will brainstorm with other managers and employees at early stages concerning interviews, projects, and issues. Meanwhile, executives will provide constructive instruction in areas of overall orientation and make any necessary adjustments.

We need to respect the diversity of employees, treat them equally regardless of their position, and create an organizational culture where all people can speak up under any circumstances. We also need to further instill an organizational culture that is not constrained by traditional values, takes on new challenges, tries new ways of doing things, and promotes employee growth.

The goal is for executives to present a vision and build up momentum. If the workplace is not cheerful, it's boring; and if work is not enjoyable, it's not work. I believe that work should never disappoint. I want to take the lead and make JBIC a cheerful and fun place at which to work, and an organization capable of providing a valuable future.



## || Meeting Greater Expectations despite Constraints

Given the growing international uncertainty, I see the world as becoming increasingly full of constraints. Japanese companies that, until now, have benefited from globalization, inevitably will come to face more difficult challenges, such as how to find locations where they can grow, how to secure the energy Japan needs, and how to strengthen supply chain resilience.

As they seek to solve these issues, our clients' expectations of JBIC will continue to expand. That means we must be more creative, take more risks, and constantly innovate our operations. I am convinced that our navigation and co-creation will result in the growing importance of our contribution to the sound development of Japan, the international economy, and society in general. Our contribution is based on the pillars of public interest, international perspective, and expertise.

We need to be quick on our feet and constantly communicate with clients, while seeing and experiencing what is happening on-site with our own eyes, and continuing to grow as individuals. Rather than simply reacting to change in the environment, we must anticipate change, take risks, and maximize our problem-solving abilities.

We want to make JBIC an organization in which staff not only propose and provide new ideas and financing for our clients, but also become more active in connecting clients and stakeholders, while bridging the gap between governments and relevant authorities of host countries.