



## 2.

## Value Creation Story

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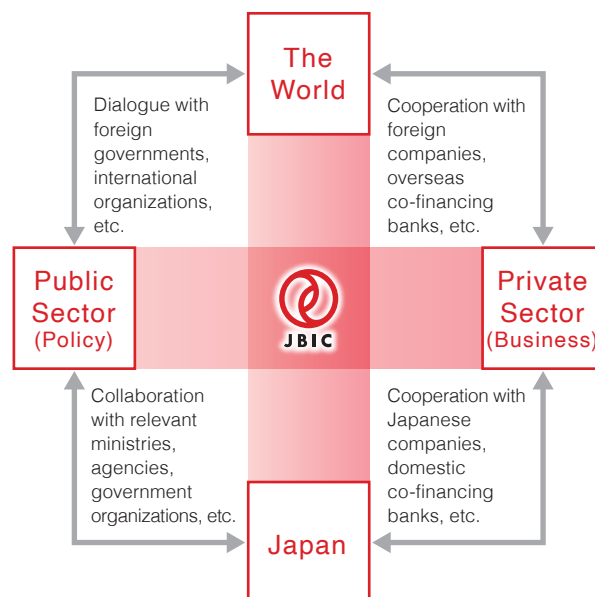
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# 1. JBIC's Unique Strengths

## A One-of-a-kind Financial Institution That Connects Japan and the World, Public and Private Sectors

JBIC is well positioned to support overseas projects that connect the needs of countries by means of financial schemes and advanced expertise. In fact, JBIC is a one-of-a-kind financial institution that connects Japan with the world, while also connecting private and public sectors.

JBIC's operations are conducted against a backdrop well suited to the support it offers. As countries work to balance economic growth with energy transition, and restructure supply chains to achieve decarbonization, Japan is seeking to achieve carbon neutrality, promote digital transformation (DX), strengthen the resilience of its industries, while maintaining and improving its international competitiveness. At the same time, the Japanese government together with foreign governments are tackling social issues, while Japanese companies seek to expand their businesses by taking advantage of overseas growth.



## Addressing Domestic and Global Social Issues

JBIC uses its unique financial functions to contribute solutions to social issues in Japan and around the world. Our financial abilities include:

1. The financial power we have cultivated over many years in the arena of international finance.
2. The ability to share singular, strategic information and knowledge.
3. The ability to proactively engage right from a project's formative stage, by leveraging our robust relationships and networks with host countries.

By combining these capabilities, we contribute to solving social issues not only in Japan, but around the world.

**Financial power** × **Information & knowledge** × **Engagement**

## Ability to Take Risks, Promote Pioneering Initiatives

JBIC has played a leading role in a variety of situations by leveraging its global network, diverse financial tools, and international financial insight. When formulating projects, we prevent and mitigate political risks through structuring the undertakings, cooperate and collaborate with international organizations and government agencies of other countries, and take on technical risks by utilizing our Special Operations.

We will continue to use our knowledge of international finance to promote the mobilization of private capital, and so contribute to the sound development of Japan and the international economy.



Every year, JBIC receives numerous awards from international project finance industry publications for its loan, investment, and guarantee transactions across a wide range of regions and sectors. The awards include Deal of the Year and Global Multilateral of the Year.

JBIC will continue to actively support the export of plant equipment and the overseas business expansion of Japanese companies by drawing on its financial facilities and schemes for structuring projects, as well as by performing its risk-assuming function.

## 2. Business Capital

Since its establishment, JBIC has flexibly enhanced and transformed its operational portfolio in response to the international political and economic environment surrounding Japan, as well changes in the overseas business strategies of Japanese companies.

In doing so, it has played an integral role in the Japanese government's foreign economic policy and has consistently contributed to the sound development of the international economy and that of Japan. Such value creation derives from our four types of business capital, which we will enhance and combine in order to continue addressing social issues.

Business Capital	Capital Overview
<b>Financial capital</b> <ul style="list-style-type: none"> <li>• Stable financial base</li> <li>• Government credit/self-financing</li> <li>• Total assets, net income</li> </ul> <p>▶ For details, see p. 80 Financial Strategy.</p>	<b>Autonomous and stable financial base</b> <p>Since it was established, JBIC has set up and maintained an autonomous earnings structure by, for example, maintaining profitability, and has paid its profits into the national treasury.</p> <p>JBIC also has long been active at the forefront of international finance, and has been able to reduce market risks by using the knowledge it has gained.</p> <p>Because of its unity with the Japanese government, JBIC has been able to raise foreign currency funds efficiently and stably, and has a sturdy financial base that enables it to provide large amounts of funding over the long term.</p> <p>Leveraging this financial base, we are able to make commitments to high-risk projects that private financial institutions are not able to handle.</p>
<b>Human capital</b> <ul style="list-style-type: none"> <li>• Human resources with expertise, public spirit, and international perspectives</li> </ul> <p>▶ For details, see p. 58 Human Capital Management.</p>	<b>JBIC's value creation</b> <p>"Positioned at the crossroads of global business opportunities, JBIC is opening new venues to the future for the Japanese and global economy." Under this corporate philosophy, JBIC is having to respond to increasingly diverse, sophisticated societal needs. This requires that our staff have expertise in international finance, be public spirited, and have an international perspective—all characteristics they possess and which are JBIC's bedrock. With their skills, staff can help support the development of the economies of Japan and world nations, despite progressively more complex international relations.</p> <hr/> <b>Human resource development</b> <p>JBIC is working to strengthen our human capital so as to further enhance the three skills that form the foundation of JBIC's value creation: expertise, public spirit, and international perspective.</p> <p>Our human resource development and training policy focuses on the strengths and aptitude of each employee and, with an eye to their future career paths, we aim to continuously develop and strengthen their multifaceted skills through our training program, JBIC Academia, study at graduate schools overseas, and secondments to international organizations.</p>



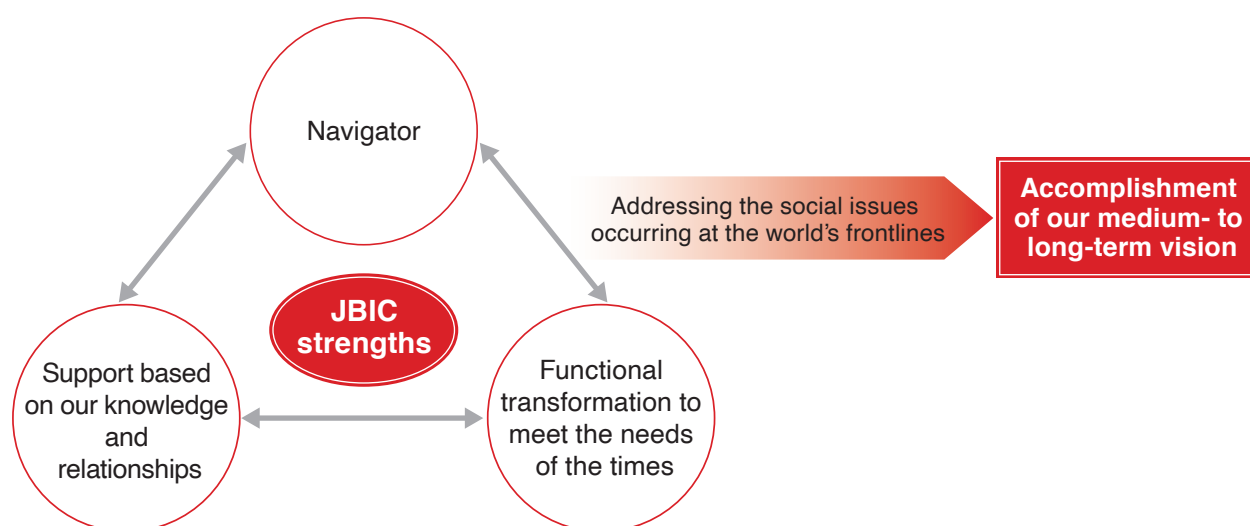
Business Capital	Capital Overview
<p><b>Intellectual capital</b></p> <ul style="list-style-type: none"> <li>• Unique financial solutions</li> <li>• History/experience and knowledge inherited in building and implementing Japan's foreign policy from post-war reconstruction to the post-COVID era</li> </ul>	<p><b>Unique financial solutions</b></p> <p>JBIC has a wide range of financial instruments, including sovereign, corporate, project, and structured finance, together with equity investments. In addition, it has unique information and knowledge cultivated at the forefront of international finance, including macroeconomic analysis, environment- and sustainability-related know-how, and international legal affairs. These are the strengths that support JBIC's business activities and the foundation of its non-financial capital.</p> <p>Taking a long-term perspective, JBIC uses pioneering financial methods to support numerous projects, including resource and infrastructure projects on a global scale.</p> <p>In recent years, JBIC has been stepping up equity investments and encouraging further risk taking.</p> <p>In addition, regarding research and surveys related to overseas investment and international finance, we interact with overseas government agencies, domestic and international research institutes, and experts to collect and analyze information and share knowledge in a wide range of fields.</p> <hr/> <p><b>A history of supporting the Japanese government's foreign policy</b></p> <p>Since its establishment in 1950 to promote postwar economic recovery through export promotion, JBIC has provided financial support for important Japanese foreign policies, and responded appropriately to various policy issues of individual eras, such as securing energy resources, correcting external imbalances, and promoting overseas direct investment by Japanese industries.</p> <p>We will continue to pass on this experience and knowledge to future generations, and further develop and accomplish Japan's foreign policy strategies.</p>
<p><b>Social capital</b></p> <p>This comprises long-standing partnerships and networks with governments and organizations around the world. They are unique to this financial institution that plays an integral part in the Japanese government's foreign economic policy.</p>	<p><b>Worldwide network</b></p> <p>As a financial institution that plays an important role in the Japanese government's foreign policy, JBIC has been steadily working throughout the postwar years to connect Japan and the world as well as public and private sectors. Leveraging these roles and the unique network we have cultivated through our 18 overseas representative offices, our current outstanding loans, equity participations, and guarantees balance stand at approximately ¥18,355.1 billion.</p> <p>JBIC has built up partnerships with governments and international organizations over the years by structuring projects related to solving social issues. JBIC will continue to contribute to solutions to social issues in Japan and around the world by utilizing the strength of its global network.</p>



### 3. The JBIC Business Model

All JBIC employees are aware of the world's main problems, can identify them, and are able to suggest solutions. This is because JBIC's business model is to anticipate the needs of the times, transform JBIC's functions to meet them, flexibly support projects, and lead the way in addressing global issues.

JBIC utilizes its strengths to the fullest, while leveraging the three key elements of its business model to contribute solutions to the world's principle social issues.



#### Three Elements of Our Business Model

<b>Navigator</b>	<p>JBIC's medium- to long-term vision is to serve as a navigator to build a brighter future with Japanese power in an uncharted global situation; our Fifth Medium-Term Business Plan takes up the goal of navigating toward and co-creating a valuable future. We believe that being a pioneer of the times and helping develop the future of Japan and the world is the role that JBIC has played up until now, as well as the role we must play from now on.</p>
<b>Functional transformation to meet the needs of the times</b>	<p>Since its establishment in 2012, JBIC has reinvented itself by amending laws and strengthening its functions as needed to respond flexibly to changes in the external environment and the demands and needs of the times.</p> <p>As we look to the future, we will continue to resourcefully reshape our functions to suit the times.</p> <p>Recent legislative reforms</p> <ul style="list-style-type: none"> <li>• 2016: Start of Special Operations</li> <li>• 2022: Expansion of loans to developed countries</li> <li>• 2023: Amendment of the JBIC Act</li> </ul>
<b>Support utilizing unique knowledge and relationships</b>	<p>When it comes to the need to strengthen supply chain resilience and help provide solutions to global issues, JBIC partners with Japanese industry and other parties to achieve goals.</p> <p>We believe it is important for JBIC to not only provide financial support, but also to leverage international knowledge and relationships that JBIC has cultivated up till now.</p> <p>It is also important that we propose specific solutions so as to deliver support for projects that manifest our contribution to the sound development of Japanese and international economies and society.</p> <p>That is why we provide support that goes beyond mere financing.</p>

Our support menu is available here: <https://www.jbic.go.jp/en/support-menu/index.html>

## 4. The Value Creation Process

### || The External Environment

- Achievement of both carbon neutrality and economic growth; significance of energy security
- Supply chain disruption; increased importance of de-risking
- Changes in relationships between developed countries and Global South countries; evolving multipolar world
- New challenges such as spread of DX, development/implementation of innovative technologies, and securement of clean power
- Changes in global financial environment due to inflation and increasing debt costs
- Shift to investment in human capital based on changing labor market and falling population in Japan

### || Inputs/Business Capital (→ P. 19)

#### Financial capital

- Stable financial base
- Government credit/self-financing
- Total assets, net income

#### Human capital

- Human resources with expertise, public spirit, and international perspective

#### Intellectual capital

- Unique financial solutions
- History/experience and knowledge inherited in building and implementing Japan's foreign policy from post-war reconstruction to the post-COVID era

#### Social capital

- Long-standing partnerships and networks with governments and organizations around the world, unique to a financial institution that plays an integral part in the Japanese government's foreign economic policy

### || Business Model (→ P. 21)

#### Materiality

(→P. 26)

#### Fifth Medium-Term Business Plan

(→P. 27)

#### Navigator

#### The strengths of JBIC

- A one-of-a-kind financial institution that connects Japan and the world, public and private sectors
- Unique international financial functions to address social issues in Japan and abroad
- Risk taking abilities that promote pioneering initiatives

Support utilizing  
unique knowledge  
and relationships

Functional  
transforming  
to meet needs  
of the times

#### Value creation foundation

#### Governance

(→P. 64)

#### Risk management

(→P. 72)



## Outputs

### Realize a sustainable future\*

- Contribute toward realizing both carbon neutrality and economic growth

	Three-year Targets	FY2024 Targets
No. of commitments	104	33
No. of initiatives	39	12

- Contribute toward solving social issues in collaboration with host countries

	Three-year Targets	FY2024 Targets
No. of commitments	39	12
No. of initiatives	16	5

- Implement responsible sustainability management

### 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 frontier industries

	Three-year Targets	FY2024 Targets
No. of commitments	79	24
No. of initiatives	29	11

- Support development of innovative technologies and businesses

	Three-year Targets	FY2024 Targets
No. of commitments	40	11
No. of initiatives	19	7

- Support overseas expansion of globally active mid-tier enterprises and SMEs

	Three-year Targets	FY2024 Targets
No. of commitments	180	60
No. of initiatives	90	30

### 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

	Three-year Targets	FY2024 Targets
No. of commitments	53	22
No. of initiatives	54	18

- Provide own unique solutions through strategic information analysis

### Reinforce and reform organizational base toward value creation\*

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

\* The key focus areas, action plans, and three-year targets for the fifth Medium-Term Business Plan.

## Outcomes

- 1 Achievement of a sustainable future
- 2 Contribution to the resilience of Japan's industries and creative transformation
- 3 Contribution to the formation and implementation of foreign economic policies through unique solutions leveraging strategic international financial functions
- 4 Fortification and reform of organizational foundation to create value

## 5. Examples of JBIC Initiatives

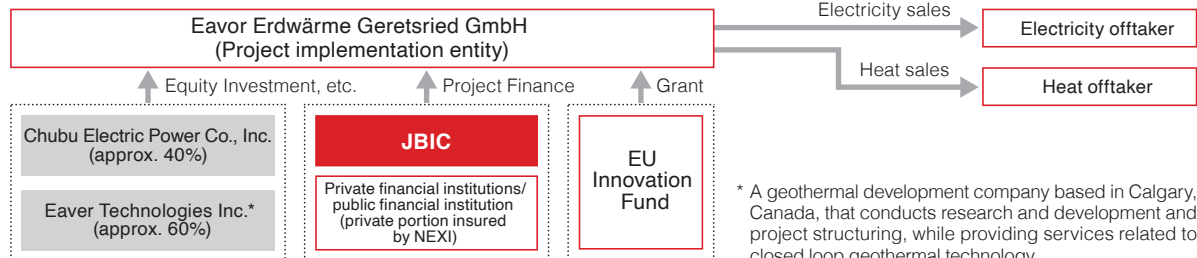
### Project Financing for Geothermal Power Generation and District Heat Supply Project by Eavor Erdwärme Geretsried GmbH in Germany (April 2024)

- This is the first commercial project with closed loop geothermal technology. Unlike conventional geothermal power generation, this technology can efficiently extract underground heat even in areas where sufficient underground hot water or steam is not available, making it possible to be applied in a wide range of areas
- The technology has the potential to be a game changer in the geothermal industry. The project has also obtained support from the EU Innovation Fund, since it will contribute to the stable supply of renewable energy-derived power and heat in Europe. The technology is expected to be commercialized in countries around the world
- By financially supporting an overseas infrastructure project in which Chubu Electric Power Co., Inc. is involved in its operation and management for the long term, JBIC will contribute to maintaining and improving the international competitiveness of Japanese industry
- The project involves technology risks, as it uses innovative technology from a company with technological advantages. This is the first project financing in which JBIC has taken technical risks under the Special Operations Account
- The loan is in line with the Memorandum of Understanding concluded between JBIC and the European Investment Bank (EIB)



Source: Chubu Electric Power Co., Inc. press release.

#### Project Structure



\* A geothermal development company based in Calgary, Canada, that conducts research and development and project structuring, while providing services related to closed loop geothermal technology.

### Loans (Project Financing), Guarantees, and Equity Investment (September and October 2023) for Hai Long Offshore Wind Farm Project in Taiwan

- Support for 1,022 MW offshore wind farm project to be implemented off the coast of Changhua County, Taiwan (JBIC's first wind power plant project in Asia)
- In Taiwan, thermal power generation accounts for approximately 80% of the country's energy supply, and in March 2022, the country announced its Pathway to Net-zero Emissions in 2050, according to which Taiwan's policy is to increase the proportion of renewable energy in its power supply to between 60% and 70% by 2050, reflecting the nation's renewable energy transition policy
- Mitsui & Co., Ltd. will be involved in the construction, ownership, and operation of the project, and will sell electricity to the state-run Taiwan Power Company and local private companies for at least 20 years
- In addition to private financial institutions, a total of seven development finance institutions and export credit agencies from six like-minded countries,\* are coordinating support for the project that is important to Taiwan's decarbonization policy

\* Japan, Australia, Canada, the U.K., Belgium, and Norway.





## Third Credit Line for Türkiye Sınai Kalkınma Bankası A.Ş. (TSKB) under GREEN Operations (December 2023)

- A framework was set up to provide financial support under the Global action for Reconciling Economic growth and ENvironmental preservation (GREEN) operation that contributes to sustainable recovery (a first for JBIC). Through TSKB, it was applied to a project helping Türkiye recover from the February 2023 earthquake, by such means as the restoration of high-efficiency power transmission lines in affected areas
- JBIC signed a credit line of \$200 million with TSKB to provide financing for renewable energy projects, energy efficiency projects, and water and waste-related projects that will contribute to the reconstruction efforts in Türkiye following the earthquake disaster (\$120 million of which is to be provided by JBIC)
- TSKB, as Türkiye's policy financing institution, is playing a leading role in the nation's post-earthquake sustainable reconstruction



Signing ceremony with TSKB

## Fund Investments and Support through Fund Scheme

JBIC has been supporting Japanese companies' green transformation (GX) and DX by incorporating new innovations through support for overseas startups in tandem with Japanese companies.

As an example, in January 2019, JBIC IG Partners (JBIC IG), JBIC's subsidiary, set up a venture capital fund JB Nordic (also known as "NordicNinja") investing in startups in the Nordic and Baltic regions.

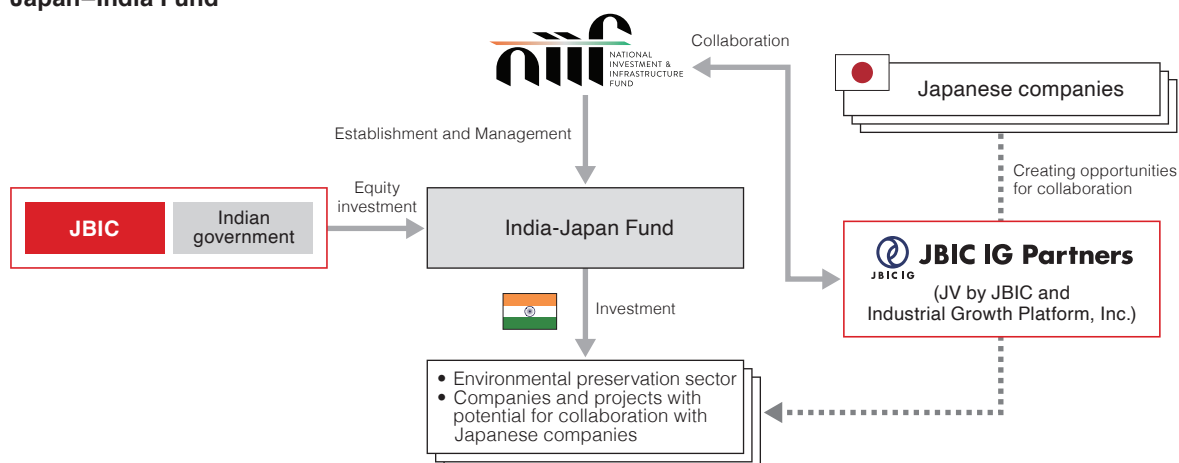
Then, in March 2023, JBIC IG set up a successor fund, NordicNinja II, and is expanding the investment target areas to cover the whole of Northern Europe (adding the U.K., Ireland and Benelux countries to the Nordics and Baltics).

In addition, in May 2023, JBIC IG collaborated with ff Venture Capital, a U.S.-based VC company with a proven track record in the U.S. and Poland, to launch the venture capital fund ff Red & White, investing in startups in central and eastern Europe.

In connection with the JBIC act amendment in 2023, JBIC aims to contribute to the creative transformation of Japanese industry through directly supporting Japanese domestic startups based on the Fifth Medium-Term Business Plan.

Furthermore, JBIC has invested in the India–Japan Fund, which contributes to environmental preservation in India and promotes collaboration between Japanese and Indian companies. The fund was set up and is managed by the National Investment and Infrastructure Fund Limited, an Indian government-affiliated fund management company. The fund is managed in cooperation with JBIC IG.

### Japan–India Fund



## 6. Materiality (Crucial Management Issues)

In conjunction with the formulation of its Fifth Medium-Term Business Plan, JBIC has identified the Company's materiality, namely, crucial management issues.

### Mission

JBIC's mission is to contribute to the sound development of Japan, as well as the international economy and society, through the following four activities: promoting 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; and preventing disruptions to international financial order or taking appropriate measures with respect to damages caused by such disruptions.

### Our understanding of the current situation

We see the current international situation becoming ever more uncertain as the world faces historical and structural changes and challenges. These include Russia's invasion of Ukraine; changes in the relationship between developed and Global South countries; destabilization of the global financial environment, due to inflation and increasing debt costs; the need to rebuild supply chains to ensure economic security in such areas as energy and food; and the spread of DX as symbolized by generative AI as well as the

development and implementation of innovative technologies.

Meanwhile, climate change remains an urgent issue for international society. It is crucial that a breakthrough be made using innovative technology to achieve both decarbonization and sustainable economic growth.

Based on recognition of the current situation, and as we determine the key focus areas to be tackled by our Fifth Medium-Term Management Plan, we are focusing on materiality as a crucial management issue.

### Materiality

In light of the current situation, in order to achieve our mission to contribute to the sound development of Japan, as well as to the international economy and society, JBIC believes it should:

- Contribute to maintaining and improving Japan's energy security and the international competitiveness of the nation's industries through the development and acquisition of vital resources overseas, as well as by pioneering and developing technologies
- Contribute to strengthening Japan's industries and creative transformation by ensuring economic security through the restructuring of supply chains and supporting the development of innovative technologies and new businesses
- Contribute to achievement of a sustainable world by helping attain carbon neutrality and solve social issues of host countries in cooperation with various stakeholders
- Support the implementation of Japan's foreign economic policy through such JBIC solutions as the promotion of multilateral cooperation as a policy-based financial institution with a global perspective

In order to overcome the challenges, and create value in response to the times and the circumstances, JBIC must strengthen and reform its organizational foundations, which include human resources and governance. JBIC's human capital will, thus, combine expertise, public spirit, and international perspective, while the resulting workplace environment will be cheerful, enjoyable, and positive.

For these reasons, we have identified our materiality components, which we plan to review as necessary as follows.



## 7. Medium-Term Business Plan

### Overview of the Fifth Medium-Term Business Plan (FY2024–2026)

In the Fourth Medium-term Business Plan (FY2021–2023), JBIC set agenda to facilitate innovation toward the realization of a decarbonized society and to address the irreversible advancements in energy transformation and digital transformation (DX). Total financial commitments amounted to ¥6,418.7 billion in the three years.

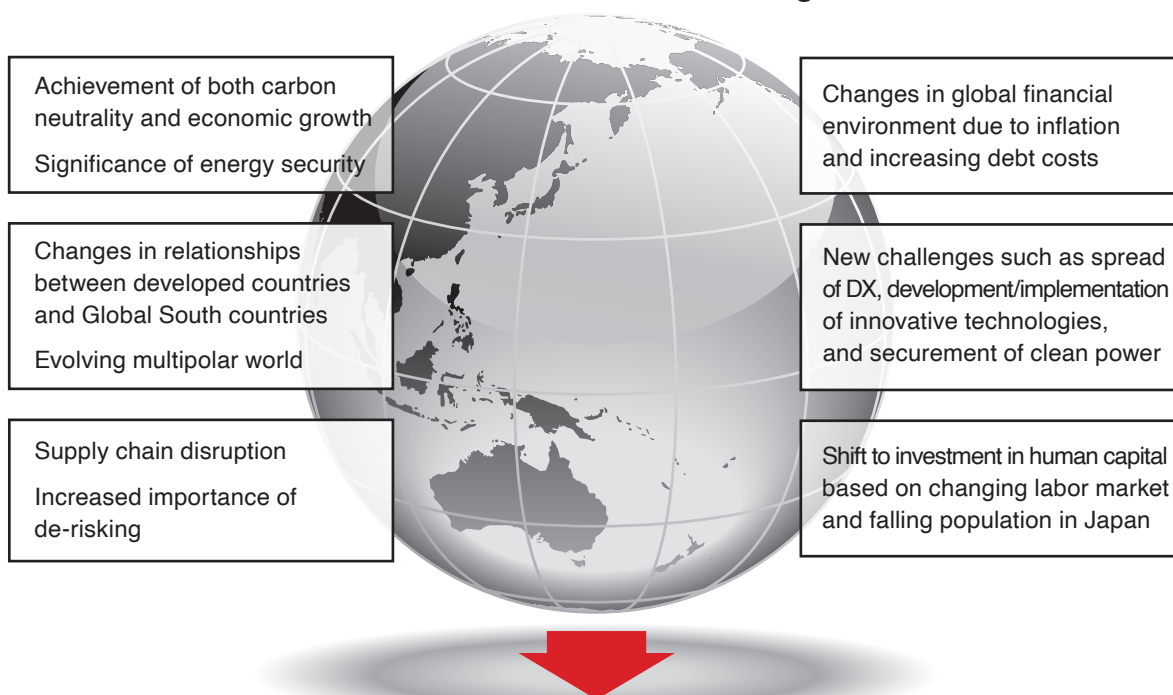
The current international situation is becoming even more uncertain as the world faces historical and structural changes and challenges, including Russia's invasion of Ukraine, changes in relationship between developed countries and Global South countries, destabilization of the global financial environment due to inflation and increasing debt costs, and rebuilding of supply chains to ensure economic security in such areas as energy and foods. On the other hand, climate change remains an urgent issue for the international society, and it is crucial to make a breakthrough with innovative technology to achieve both decarbonization and sustainable economic growth.

JBIC has developed the Fifth Medium-Term Business Plan (FY2024–2026) toward solving these issues. The plan sets one of the key focus areas as the realization of a sustainable future through

achieving carbon neutrality, a global common challenge, and solving social issues of host countries in cooperation with various stakeholders. In addition, through the amendment to the Japan Bank for International Cooperation Act (JBIC Act) in April 2023 to bolster its functions, JBIC will encourage creative innovation of Japanese industry by proactively supporting the efforts to ensure energy security, strengthen resilient supply chains, and develop innovative technologies and new businesses, including startups. Furthermore, JBIC will offer its own unique solutions by promoting multilateral cooperation and performing its risk-assuming functions, such as the Special Operations, thereby contributing toward the development and implementation of Japan's foreign economic policies.

With the global community becoming multipolar and complex, JBIC is committed to the sound development of Japan and the international economy and society while addressing initiatives based on this Medium-Term Business Plan by mobilizing more private capital than ever through leveraging the global networks and various financial tools which are uniquely available to JBIC.

#### Historical and Structural Changes



#### Initiatives for four key focus areas of the Fifth Medium-Term Business Plan

## Theme of the Fifth Medium-Term Business Plan

### Navigate toward and Co-create a Valuable Future

As Japan's policy based financial institution, which connects Japan and the world as well as public and private sectors, JBIC will serve as a navigator to solve global issues and will create futures with stakeholders, by mobilizing private capital and using its own risk-taking function, such as Special Operations, and its expertise in international finance.

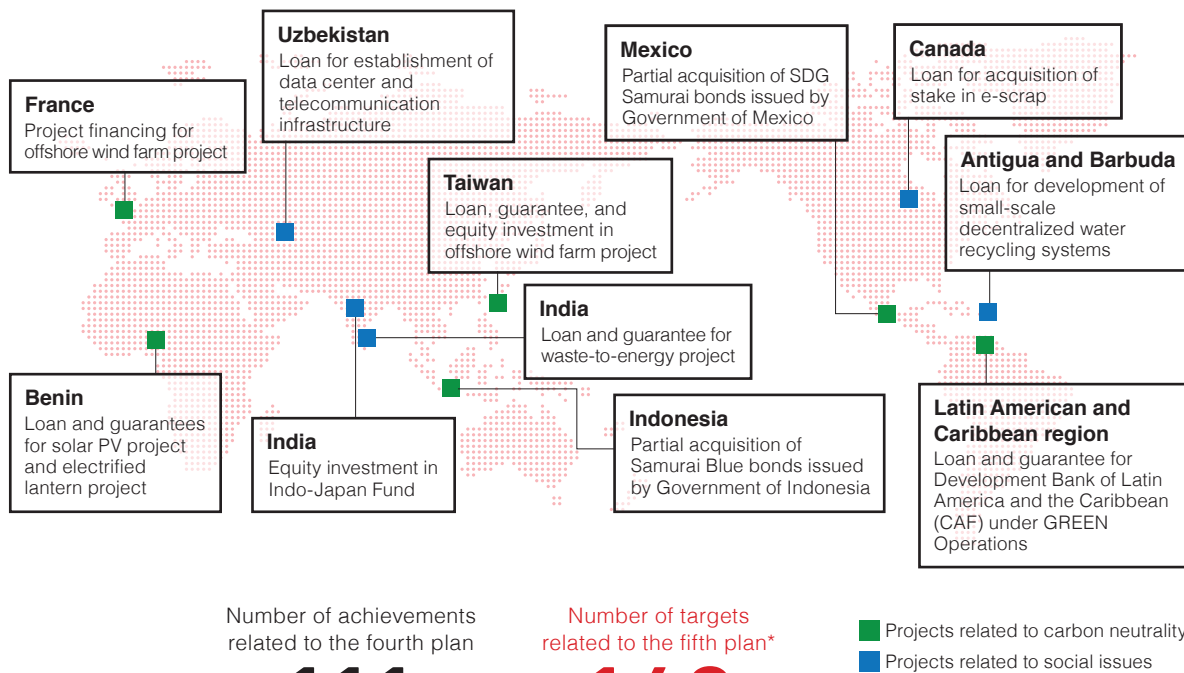
## Key Focus Areas

### Key Focus Area 1: Realize a Sustainable Future ..... Overseas

Realize a sustainable future by achieving carbon neutrality and solving social issues of host countries in cooperation with various stakeholders.

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

#### Examples of Initiatives (During the Fourth Medium-Term Business Plan)



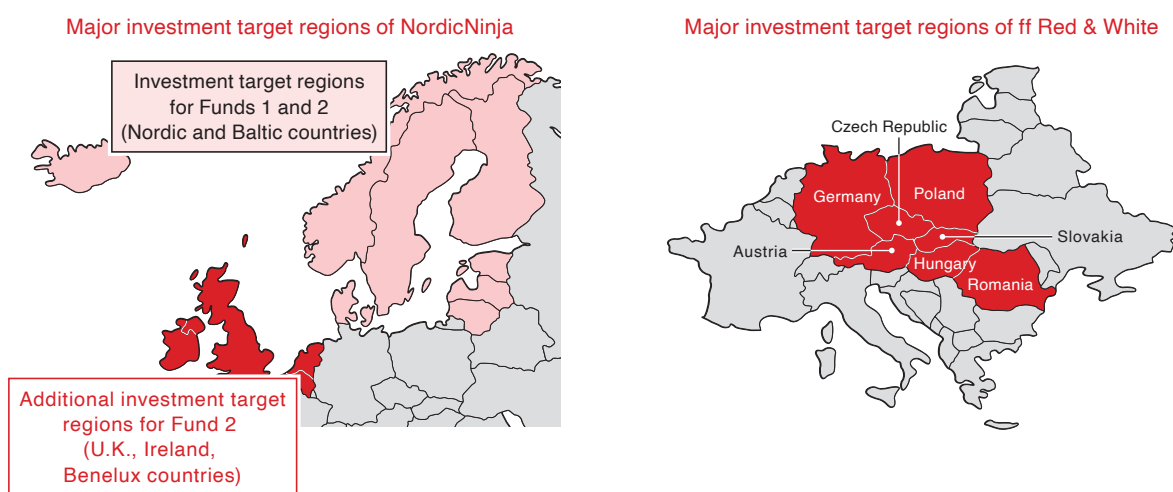
\* Please refer to the targets in the Fifth Medium-Term Business Plan starting on p. 32.

## Key Focus Area 2: Strengthen Resilience of Japanese Industry and Support Creative Innovation ..... Japan

Contribute toward strengthening resilience of Japanese industry and facilitating creative innovation by ensuring economic security through strengthening energy security and rebuilding supply chains, developing innovative technologies and new businesses, including startups, and supporting mid-tier enterprises and small and medium-sized enterprises (SMEs) in their overseas expansion.

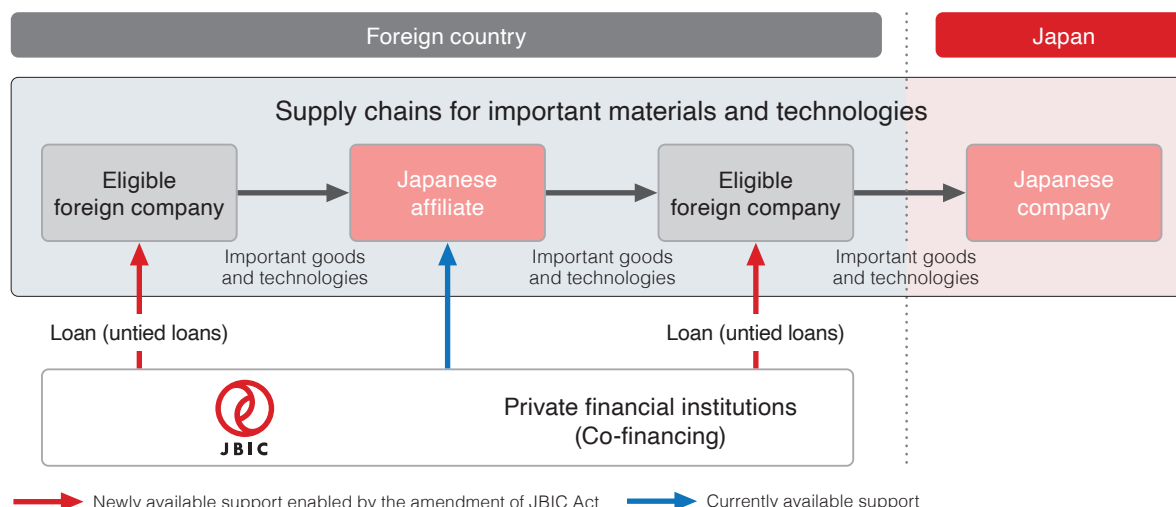
- Support securement of Japan's energy security, strategic enhancement of the resilience of supply chains that contribute to national interest, and development of infrastructure in frontier industries
- Support development of innovative technologies and businesses
- Support overseas expansion of mid-tier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

### Support for Startups



- To date, JBIC has supported the green transformation and DX of Japanese companies by incorporating new local innovations through support for overseas startups in tandem with Japanese companies
- In light of the Act for Partial Amendment of the JBIC Act, the Fifth Medium-Term Business Plan will contribute to the creative transformation of Japan's industry by directly supporting domestic startups


### Supply Chain Resilience to Contributing toward Maintaining and Improving the International Competitiveness of Japanese Industries



- As the international community becomes more multi-polar and supply chains undergo revision, we will re-examine Japan's global cutting-edge industrial trends, including semiconductors, EVs, and storage batteries
- Rather than focusing solely on the business of Japanese companies, we will contribute to Japan's economy by strengthening the entire global supply chain in which Japanese companies play a part



## Key Focus Area 3: Provide JBIC's Own Unique Solutions by Strategically Functioning as an International Financial Institution

.....  >>> Unique solutions

Support the implementation of Japan's foreign economic policy through JBIC's own unique solutions, such as promoting multilateral cooperation and performing its risk-assuming functions, including the Special Operations.

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

### Poland: Guarantee for Samurai Bonds Issued by BGK



JBIC's project team visits a Ukrainian refugee facility near Warsaw.

### Major Projects in India for FY2023

Project	Project Overview
India–Japan Fund	JBIC and the Indian government made an LP investment in the fund, which contributes to environmental preservation in India and promotes collaboration between Japanese and Indian companies.
Loans under GREEN Operations	JBIC provides loans under GREEN Operations to state-owned power generation companies (NTPC, NTPC RE, and NHPC) and a government bank (PFC).
Support for IndusInd's farm machinery-related business	JBIC provides support for local dealers, suppliers, and sales finance companies of the Japanese construction equipment manufacturers Kubota and Yanmar.
Support for NTT GDCI's data center project	JBIC provides the funds necessary for NTT GDCI's data center business.



Renewable energy business



Waste and water treatment business



Electric vehicle-related business



Business involving Japanese companies



Number of achievements related to the Fourth Medium-Term Business Plan

30

In FY2021

2

In FY2022

14

In FY2023

14



Number of targets related to the fifth plan\*

53

Number of related achievements in FY2024

22

\* Please refer to the targets in the Fifth Medium-Term Business Plan starting on p. 32.

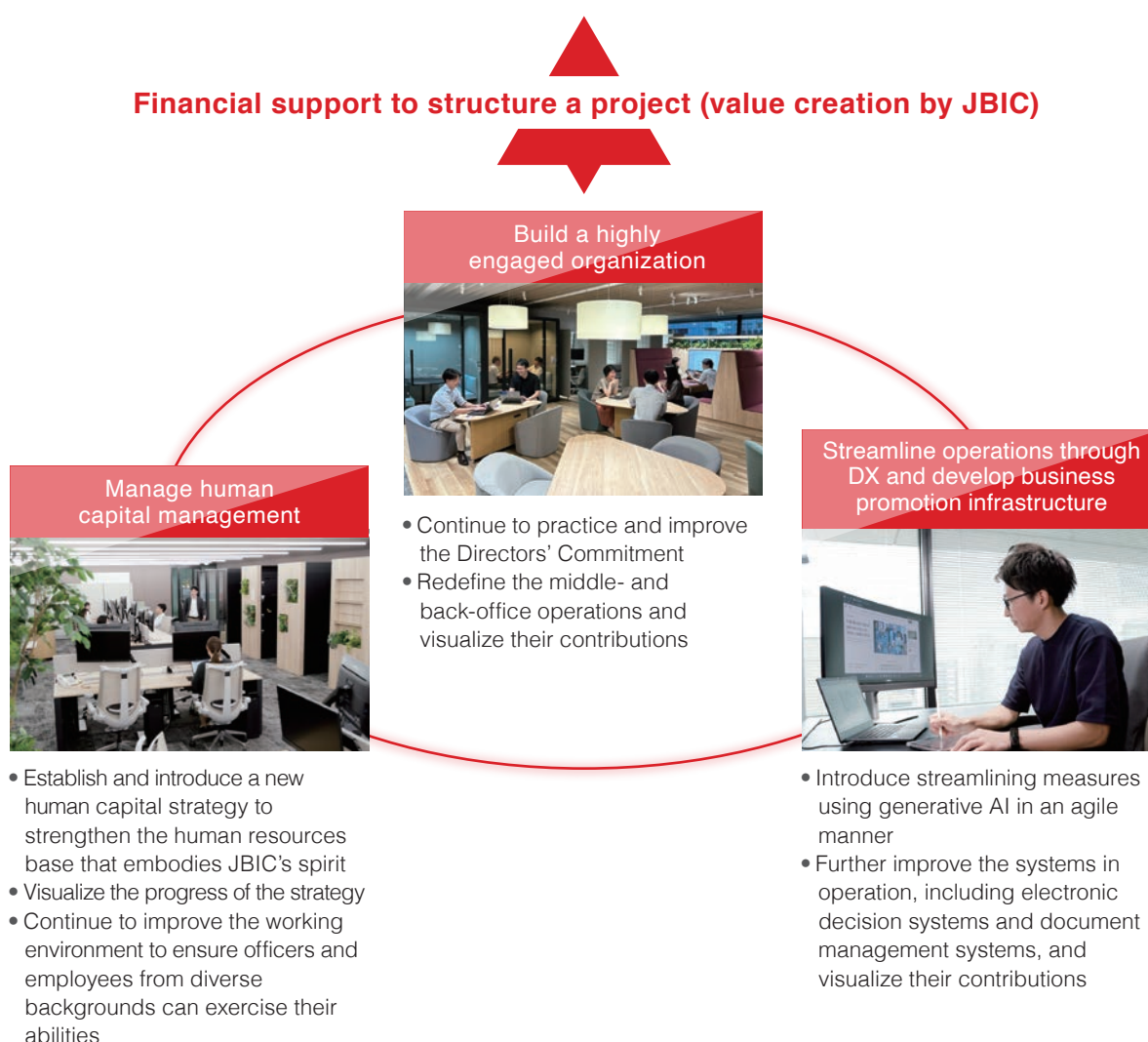
## Key Focus Area 4: Reinforce and Reform Organizational Base toward Value Creation..... >>> Organizational power

Evolve into a highly engaged organization, in which directors and staff members can maximize their abilities, in order to flexibly cope with the changing times and environment.

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

### Navigate toward and Co-create a Valuable Future

Financial support to structure a project (value creation by JBIC)



## II Action Plans

### I Key Focus Area 1: Realize a Sustainable Future

#### Action Plan 1: Contribute toward realizing both carbon neutrality and economic growth

- Support efforts for global green transformation and energy transition via diverse paths to carbon neutrality in host countries, by financing to projects in such areas as renewable energy and energy efficient projects, hydrogen and ammonia, carbon-recycling fuel, rechargeable batteries, resources recycling (circular economy), next-generation mobility, energy-saving building, energy transition, CCS,<sup>1</sup> and CCUS<sup>2</sup>

	Three-year Targets	FY2024 Targets
No. of commitments	104	33
No. of initiatives	39	12

Notes:

1. Carbon dioxide capture and storage

2. Carbon dioxide capture, utilization, and storage

#### Action Plan 2: Contribute toward solving social issues in collaboration with host countries

- Support projects that will contribute toward solving the host country's social issues toward sustainable growth, including development of medical environment (hospitals, medical devices, and medical networks), development of resilient basic infrastructures (water supply and sewerage, transportation, disaster prevention, rural electrification and distributed power supply, and telecommunication), improvement of hygienic environment (waste treatment and recycling), preservation and restoration of natural resources (including management of marine plastic waste), and securement of food security (food value chain)

	Three-year Targets	FY2024 Targets
No. of commitments	39	12
No. of initiatives	16	5

#### Action Plan 3: Implement responsible sustainability management

- Promote pioneering initiatives related to sustainability with a focus on climate change issues
- Research, analyze, and report the advanced trends of wide range of sustainability issues (e.g., natural resources, human rights, and gender)
- Upgrade efforts including disclosure and transmission of information related to climate change risk management (transition risk and physical risk) and sustainability

### I Key Focus Area 2: Strengthen Resilience of Japanese Industry and Support Creative Innovation

#### Action Plan 4: Support securement of Japan's energy security, strategic enhancement of the resilience of supply chains that contribute to national interest, and development of frontier industries

- Support strengthening of Japanese industry through providing assistance to projects that contribute to energy security in Japan, projects that enhance the resilience of global supply chains of Japanese industry, such as those for overseas capital investments and exports, and projects related to securing interests of or importing mineral resources, including base metals and critical minerals

	Three-year Targets	FY2024 Targets
No. of commitments	79	24
No. of initiatives	29	11

**Action Plan 5: Support development of innovative technologies and businesses**

- Support creative innovation of Japanese industry through financing to startups (including effort to add value through engagements), projects in which Japanese companies invest for commercialization, and practical application of innovation, projects that focus on innovation-related risks such as technological risks and commercialization risks, mergers and acquisitions by Japanese companies with an eye on securing advanced technology and business, and projects invested in by a fund structured by JBIC IG Partners

	Three-year Targets	FY2024 Targets
No. of commitments	40	11
No. of initiatives	19	7

**Action Plan 6: Support overseas expansion of globally active mid-tier enterprises and SMEs**

- Support mid-tier enterprises and SMEs that are active in global business through collaboration with private financial institutions such as regional banks, and by information dissemination

	Three-year Targets	FY2024 Targets
No. of commitments	180	60
No. of initiatives	90	30

### **Key Focus Area 3: Provide JBIC's Own Unique Solutions by Strategically Functioning as an International Financial Institution**

**Action Plan 7: Support projects which contribute toward developing and realizing Japan's foreign economic policies**

- Support initiatives that contribute toward developing and realizing Japan's foreign economic policies which change with times, including promoting multilateral cooperation such as Japan–United States–Australia partnership and QUAD, supporting Ukraine and its neighboring countries, strengthening collaboration with Global South countries, and promoting the Asia Zero Emission Community (AZEC)

	Three-year Targets	FY2024 Targets
No. of commitments	53	22
No. of initiatives	54	18

**Action Plan 8: Provide own unique solutions through strategic information analysis**

- Strengthen external communication and sophisticate JBIC's operations and strategies through information-gathering and analysis functions

### **Key Focus Area 4: Reinforce and Reform Organizational Base toward Value Creation**

**Action Plan 9: Exercise human capital management**

- Develop and introduce new HR strategy focusing on organizational challenges
- Establish a human capital management system in which directors and staff members can maximize their abilities

**Action Plan 10: Streamline operations through DX and develop business promotion infrastructure**

- Streamline operations and develop an infrastructure for operational promotion by: further strengthening IT infrastructure, constantly reviewing operations, finding the best balance between the continuous review of operations and the utilization of cutting-edge technologies (including generative AI), through the agile utilization of such technologies

**Action Plan 11: Build a highly engaged organization, reinforce and stabilize the organizational base, and achieve efficient management**

- Build an organization with high staff engagement through concrete organizational reforms directed by the management
- Enhancement and stable, efficient operation of the organization's core businesses that underpin value creation

## **Review of Fourth Medium-Term Business Plan (Plan Evaluation)**

### **Report by Management Advisory and Evaluation Committee**

JBIC has established a Management Advisory and Evaluation Committee, comprising external experts and outside directors, to evaluate and advise on matters referred to the Board of Directors regarding the Bank's business operations and management.

The committee bases its evaluation on our Fourth Medium-Term Business Plan and the key focus areas it contains. The overall evaluation follows.

### **Management Advisory and Evaluation Committee's general assessment**

During the period covered by the Fourth Medium-term Business Plan, although the COVID-19 pandemic was finally showing signs of ending, global uncertainty was increasing due to Russia's invasion of Ukraine, rising energy prices, and the growing need to restructure supply chains.

In this context, JBIC supported Japanese companies in rebuilding and strengthening their supply chains, while also helping them make

overseas investments geared to digital innovation. All the while, the Bank was responding to the COVID-19 crisis and addressing the challenges of social issues in host countries.

At the same time, JBIC was putting together a framework that would reflect the revisions made to the JBIC Act. We believe that, taken together, these efforts have produced results that will have a lasting impact.

### **Key Focus Area I: Addressing global issues**

JBIC has supported decarbonization by investing in funds that back hydrogen-related businesses across the globe. Further, it has provided a broad variety of support in such areas as healthcare; food

value chains; urban transportation; waste treatment and reuse; projects in host countries to help solve social issues; renewable energy projects in Africa; and earthquake reconstruction projects in Türkiye.

### **Key Focus Area II: Strengthening the international competitiveness of Japanese industries**

JBIC has supported standout M&A deals that include pharmaceutical and innovation-related projects. In addition, JBIC has backed acquisitions by major semiconductor manufacturers and the overseas business operations of Japanese companies that help strengthen the semiconductor

value chain. It also has promoted initiatives in other important fields, such as those related to EVs and storage batteries. We are hoping to see the projects developed during the Fourth Medium-term Business Plan come to fruition.

### **Key Focus Area III: Overseas infrastructure development**

Amid the growing complexity of political and economic relations among countries and regions, JBIC has been promoting multilateral collaboration with public financial institutions from around the world

in strategically important areas. Among the significant results it has achieved are such structuring and actualizing deals as the renewable energy projects in Taiwan and Germany.

### **Key Focus Area IV: Exercising policy-based financial functions**

JBIC has worked on projects in countries and regions of high importance to Japan's policy interests through Japan-U.S.-Australia and Japan-U.S.-Australia-India collaboration. Yet, issues have remained.

Little progress was made in Special Operations project structuring, while the disbursement of investments and loans remained low, indicating that JBIC should have made better

use of its policy-based finance functions to realize its initiatives.

During the current Medium-Term Management Plan, we expect JBIC to flexibly fulfill the functions required of policy-based finance. By taking into account the expansion of fields covered by our Special Operations following the amendment to the JBIC Act, JBIC will continue addressing issues facing Japan and the international community.



### Key Focus Area V: Business framework establishment

JBIC has been steadily strengthening its sustainability promotion framework in a number of ways. It has published its ESG policy, issued green bonds, established a Sustainability Management Department and related committees, conducted scenario analyses in the context of transition and physical risks, and implemented and expanded TCFD disclosures.

In addition, JBIC has strengthened its functions by the amendment of the JBIC Act, while it also has taken advanced initiatives based on those revisions. The initiatives include the establishment of the Representatives for Supporting Ukraine Recovery and Neighbouring Countries to help support Ukraine's recovery and discussions for building enhanced support mechanisms for startups.

### Key Focus Area VI: Efficient organizational management

JBIC has put forward initiatives, based on the Second Plan for Work Style Reform (FY2021–2023), that include measures such as enhancing its support for balancing childcare and nursing care, enriching its onboarding support for new employees, and introducing new training programs.

JBIC also has improved its working environment by launching an electronic

decision-making and document management system; promoting cloud computing to digitalize various operations; and changing office layouts to enable more diverse working styles even in the face of the COVID-19 pandemic. In terms of human capital, we hope to see JBIC continue and elevate its efforts.

Today, amid the need for worldwide efforts to achieve decarbonization and the rise of global uncertainty, global challenges such as the increasing importance of energy security and economic security are becoming more sophisticated and complex.

In this context, JBIC is expected to take the lead in addressing such crucial issues as supporting the compatibility of carbon neutrality with economic growth, and strengthening the resilience of Japanese industry in the context of energy security and economic security through supply chain reconfiguration.

To that end, JBIC needs to take the lead in addressing issues by offering distinctive solutions that leverage its multilateral collaboration and risk-taking capabilities, while working together with host countries in finding solutions to issues they face.

We hope to see JBIC tackle these important challenges using its own special methods, while pursuing ongoing organizational reforms. These include enhancing efficiency in organizational management and the promotion of human capital, while taking into account the external environment and customer needs.

