



## 4.

## Business Foundation for Value Creation

1. Energy and Natural Resources Finance Group .....	086
2. Infrastructure and Environment Finance Group .....	090
3. Industry Finance Group .....	096
4. Equity Finance Group .....	102

# 1. Energy and Natural Resources Finance Group



## II Group Outline

We contribute to ensuring a stable supply of the energy and natural resources that are essential for the sound development of the Japanese economy. We do this by supporting Japanese companies engaged in the acquisition of overseas interests, as well as the development and importing of energy and natural resources. Our role is to do the following.

- Ensure a stable supply of energy and natural resources essential for Japan
- Balance energy security, supply chain resilience with green transformation, resolve social issues, and implement innovative technologies
- Provide cumulative commitments for energy and natural resource projects: approx. ¥2,335.8 billion (41 projects over the past five years)

## || Message

### Aiming to be the most trusted entity in the energy and natural resources sectors

In accordance with its mission to ensure a stable supply of energy and natural resources that are important for Japan, the Energy and Natural Resources Finance Group has provided financing for projects that contribute to energy security and stronger supply chain resilience. Moreover, from the perspective of carbon neutrality, in recent years we have focused efforts on realizing a green transformation (GX) and implementing innovative technologies, among other issues. We also work to resolve social issues in the Global South, in countries of Africa, Central and South America, and the Middle East, as well as in former Soviet republics in Central Asia and the Caucasus.

The Japanese government is targeting the attaining of carbon neutrality by 2050, but this cannot be achieved unless the requisite social costs are affordable and sustainable. However, Russia's protracted invasion of Ukraine, together with the Israel–Gaza conflict, have brought great uncertainty to energy supply and demand. Furthermore, over the long term, decarbonization is expected to lead to higher demand for critical minerals such as copper, nickel, and lithium. But over the short term, due to the sluggish recovery of the Chinese economy, the environment is not one in which we can be optimistic about expanding supplies. Further, as demonstrated by China's export restrictions on gallium, germanium, and graphite, strengthening supply chain resilience has never been more important.

Given the uncertain conditions, the theme of our Medium-Term Business Plan is navigation and co-creation. We believe navigation and co-creation are only possible if there is trust on the part of our clients and partners.

A particular strength of our division is the long, deep relationships of trust we have built in the energy and natural resources sector, with Japanese government and companies as well as resource majors, host countries, international organizations, and private financial institutions. We will fully utilize our strengths to balance energy security and supply chain resilience efforts, which have played a major role thus far. We will continue our efforts in resolving GX-related and social issues, while implementing innovative technologies that will become ever more important.

SHIBUSAWA Eiichi, whose face began appearing on banknotes in 2024, said, "Trust is capital." The relationship of trust we have with our customers and partners is the fundamental capital that results in JBIC's value creation. We aim to become the most reliable entity in the energy and natural resources sector by tackling difficult challenges head on, and working with our clients and partners to form projects and to secure financing, thereby further strengthening our relationships of trust.

**AMANO Tatsushi**

Managing Executive Officer

Global Head of Energy and Natural Resources Finance Group

## II Business Environment: Risks and Opportunities

The Japanese government aims to achieve carbon neutrality by 2050 by making renewable energy sources such as wind, the sun, and biomass the primary sources of electricity in its Strategic Energy Plan. In addition, decarbonization will be achieved through innovations in thermal power generation incorporating CO<sub>2</sub> emission reduction measures, such as power generated using hydrogen and its derivatives including ammonia, and CCUS\* and carbon recycling.

Meanwhile, geopolitical risks have arisen in natural resource-supplying countries and regions. Some of the risks derive from Russia's invasion of Ukraine and the Israel–Gaza conflict. At the same time, energy security is becoming increasingly important.

At the G7 Hiroshima Summit of May 2023, and the 28th Conference of the Parties to the United

Nations Framework Convention on Climate Change (COP28) held in the United Arab Emirates in November that year, the Japanese government stressed the importance of achieving energy transition by following various paths to the common goal of net zero emissions.

Another urgent issue for Japan is the need to enhance the resilience of supply chains for low-carbon iron resources and critical minerals. As the global energy situation undergoes major changes, Japan, which relies on overseas procurement for many of its natural resources, must take steps toward a realistic energy transition, while being mindful of energy security and supply chain resilience.

\* Carbon dioxide capture, utilization and storage (CCUS) is the process of utilization of separated and stored carbon dioxide.

## II Group Strategy

### I. Realize a sustainable future

We will steadily undertake projects related to renewable energy, decarbonization, and energy transition, and provide financing for hydrogen projects. In addition, we plan to proactively formulate undertakings to utilize the price differential support system; formulate and realize metallic resource schemes (such as those using direct reduced iron, base metals, and battery metals) essential for achieving a low-carbon society; develop projects such as SAF,<sup>1</sup> CCUS, methanation,<sup>2</sup> carbon recycling and hydrogen-related businesses, and contribute to the formation of global standards through specific projects using all our products, including loans, equity investments, and guarantees.

### II. Strengthen resilience of Japanese industry and support creative innovation

We will support energy transitions (including LNG) that contribute to energy security, mineral projects that help supply chain resilience, and strategically formulate projects through supply chain analysis and customer dialogue related to critical minerals.

### III. Provide JBIC's own unique solutions by strategically functioning as an international financial institution

In addition to providing support for Ukraine, we will strengthen relations with the Global South through events, such as the 10th Pacific Islands Leaders Meeting (PALM10), the G20 Summit on Financial Markets and the World Economy, and the 9th Tokyo International Conference on African Development (TICAD9).

Notes:

1. Sustainable Aviation Fuel (SAF) is produced from raw materials derived from biomass, such as plants and waste cooking oil from restaurants and other businesses.
2. Methanation is a technology that converts carbon dioxide to methane (the main component of natural gas) through hydrogenation. E-methane is a synthetic gas produced from renewable hydrogen and recycled carbon dioxide.

## Project Highlights

### Loan for biomass fuel manufacturing and sales business in Vietnam —Contributing to the long-term securing of biomass fuel for a decarbonized society—

JBIC provided erex Co., Ltd., a Japanese renewable energy company, with a loan to fund the production and sale of biomass fuel (wood pellets) through its subsidiaries in Vietnam. Biomass fuel is a renewable energy source, and biomass power generation is becoming increasingly important as we move towards a decarbonized society.

In supporting the overseas business of erex, the loan will help ensure the long-term securing of biomass fuel, an important energy resource for

Japan, which is seeking to help realize a decarbonized society.



### Project finance to expand Centinela copper mine in Chile —Supporting Japan's long-term, stable procurement of copper concentrate—

JBIC provided part of the funds required by the mining concern Centinela, in which Antofagasta plc of the U.K. and Marubeni Corporation of Japan have invested. The enterprise plans to develop a new mining area at the Centinela copper mine in Antofagasta, Chile's second-largest region. It will then build and operate concentrator plants and related facilities. Japanese companies plan to purchase part of the increased copper concentrate output.

Given the current trend to decarbonization, demand for copper is expected to increase globally, since the metal is indispensable for electric vehicles, as are renewable energy facilities and equipment. Since Japan relies solely on imports for copper concentrates, securing a long-term, stable supply of copper resources is a major challenge.

It will support the enhancement of the resilience of the entire copper product supply chain through the additional development of a copper mine in which Japanese companies hold interests and the securing of a long-term, stable supply of copper resources.



### Loan to Vale S.A. in Brazil for stable import of pellets and pellet feed\* —Supporting Japanese supply of mineral resources and decarbonization—

JBIC signed a loan agreement with Vale S.A. to fund Japanese companies' stable import of pellets and pellet feed\* from Vale. As the international trend toward decarbonization accelerates, low-carbonization and decarbonization of the steelmaking process have become urgent issues. And to support decarbonization among Japanese steel manufacturers, it is essential to ensure that supplies of steelmaking raw materials are stable.

By providing financial support to enable Japanese companies to secure a long-term and stable supply of pellets and pellet feed, the loan will help ensure a stable supply of those mineral resources critical for the Japanese steel industry.

In addition, through future sales to the overseas businesses of Japanese companies, the loan will enhance natural resource supply chain resilience, while helping to realize a sustainable society.



Tubarao Maritime Terminal  
Vitória, Espírito Santo (ES), Brasil, 1994 - Pilha de pelotas em pátio de estocagem de pelotas do Complexo Portuário de Tubarão. Foto: Beto Felício

\* Pellet feed is processed iron ore that has been crushed into pieces 0.05mm or less in diameter. The feed is agglomerated at a pellet plant and fed into a blast furnace or direct-reduction furnace.

For details, please visit <https://www.jbic.go.jp/en/information/press/resources.html>.

## 2. Infrastructure and Environment Finance Group



### II Group Outline

We strive to maintain and improve the international competitiveness of Japanese companies by promoting the use overseas of quality infrastructure based on Japan's advanced technologies. We provide:

- Support for overseas expansion in the areas of infrastructure and the environment, to maintain and improve the international competitiveness of Japanese industry
- Support for overseas projects aimed at protecting the global environment
- Infrastructure and Environment Finance Group loans, equity investment, and guarantees, on the basis that, over the past five years, we have been involved in 80 projects valued at approximately ¥2.5 trillion

## || Message

### Engagement-based path, unique answers solve global issues

Many in the international community are working tirelessly to advance technological innovations and establish a sustainable society. The efforts are expected to accelerate digitalization, decarbonization, and other social transformations, resulting in a growing global need for flexible responses to new infrastructure needs that differ from those of the past. Moreover, it is essential that members of the international community work together to ensure a future-oriented, peaceful, stable, and better international environment. This is on top of dealing with such current issues as the need for social adaptation to climate change and assistance for reconstruction following damage caused by war, conflict, and natural disasters.

Amid these conditions, under the Fifth Medium-Term Business Plan (FY2024–2026) announced in June 2024, the Infrastructure and Environment Finance Group aims to contribute to resolving climate change-related issues. It will co-create a realistic path to decarbonization, tailored to each country's circumstances. The balancing of decarbonization with economic growth and enhancing of energy security will be prioritized, while concrete solutions will be put forward.

Additionally, we will focus on adapting to climate change, presenting solutions to a wide range of social issues, such as the securing of water and addressing waste problems, as well as the promotion of specific projects. With the digital age approaching, we will also promote the development of highly reliable infrastructure to help realize a safe and secure digitalized society.

To achieve these goals, JBIC will leverage its unique strengths and employ three approaches. First, we will conduct dialogues with various countries to identify the wide range of social issues facing each. Second, we will utilize JBIC's global network and demonstrate its coordination capabilities within multilateral cooperation to address issues that would be difficult to tackle alone. Third, we will monitor technological innovation trends that contribute to resolving various issues and, through the daily accumulation of knowledge outside the boundaries of finance, we will propose custom-made solutions. These three approaches will enable us to maintain an awareness of challenges facing countries around the world amid constantly changing international conditions. At the same time, we will play a leading role as a navigator, in the development of global infrastructure by Japanese companies.

**SEKINE Hiroki**

Managing Executive Officer

Global Head of Infrastructure and Environment Finance Group

## **Business Environment: Risks and Opportunities**

Under the Paris Agreement, international efforts and collaboration targeting decarbonization are accelerating. Particularly high are the expectations of the leadership of countries with economic power and advanced technologies. There is a growing recognition that individual companies have a duty to responsibly tackle the international challenge of decarbonization, and this will be a major factor in corporate investment decisions.

Given these changes in the environment, in addition to domestic initiatives, the Japanese government aims to realize borderless decarbonization efforts by engaging with energy policies, especially those of Asian nations, to realize an energy transition. As part of this policy, the Japanese government has proposed, and is promoting, the Asia Zero Emission Community (AZEC) initiative.

Further, as the world responded to the global spread of COVID-19 infections, supply chain vulnerabilities became apparent. There is a growing need to take a fresh look at the global flow of production, transportation, and delivery, as also for a flexible response to infrastructure needs from perspectives that differ from those of the past.

To respond to these new issues and deal with environmental changes, JBIC is supporting Japanese companies with strengths in proprietary technological capabilities, such as cutting-edge environmental, digital, and communications technologies, for Japanese companies' overseas expansion and supply chain enhancements. Our support is critical for maintaining and improving the

international competitiveness of Japanese companies in the new post-COVID world, as well as for linking Japanese solutions to the resolution of global issues.

Looking at the international political and economic situation, Russia's invasion of Ukraine is having a significant impact and poses a major threat. The international community continues to provide support to Ukraine and neighboring countries, and the Japanese government is also taking concrete action, such as holding the Japan–Ukraine Conference for Promotion of Economic Growth and Reconstruction in February 2024. Multilateral cooperation, together with cooperation with international organizations supporting Ukraine and neighboring countries, is becoming increasingly important.

The concept of a Free and Open Indo-Pacific (FOIP), advocated by the government of Japan in 2016, is rooted in the idea of ensuring peace and prosperity for the entire region and, by extension, the whole world, through a free and open rules-based international order.

In March 2023, multi-layered connectivity was set forth as the fourth pillar of cooperation for FOIP. It also sees as important the development of quality infrastructure that can help improve connectivity among regions. We believe that Japan and JBIC will play increasingly important roles in the formation of projects involving the complex intersection of various stakeholders and the realization of large-scale projects.

## II Group Strategy

### I. Realize a sustainable future

We will proactively implement engagement-based approaches through the AZEC framework and policy dialogues with governments, relevant organizations, and councils. We will co-create a realistic decarbonization process that takes into account the specific circumstances of the host country, and places importance on a balance between decarbonization and economic growth, as well as on energy security. In addition, we will mobilize all JBIC's resources to present specific solutions and promote the achievement of projects. By pursuing practical solutions that differ in each country, in conjunction with decarbonization and problem-solving efforts by Japanese companies expanding overseas, we hope to build on our achievements and expand international support for the flexibility and usefulness of AZEC initiatives.

In discussions with host countries, we will identify a wide range of social issues beyond energy transition, and present solutions utilizing the technologies of Japanese companies to address them. As an example, we are formulating projects in areas such as water supply, sewage treatment, waste disposal, and waste-to-energy.

### II. Strengthen resilience of Japanese industry and support creative innovation

We will utilize discussions with host countries and leverage Japanese company know-how and technologies to structure projects related to telecommunications infrastructure, logistics infrastructure, and other areas.

In addition to formulating projects that utilize innovative technologies, we will spread technical knowledge to other countries. This, in turn, will lead to new projects.

### III. Provide JBIC's own unique solutions by strategically functioning as an international financial institution

We have formulated projects involving support for Ukraine and surrounding countries through coordination with multilateral and international organizations. JBIC will formulate projects related to the development of quality infrastructure in areas such as energy transition, connectivity, and digitalization. This we will do through multilateral cooperation frameworks involving Japan, the U.S., Australia, and India, such as in the Quad Alliance; involving Japan, the U.S., and Australia; and involving Japan, the U.S., South Korea, and cooperation with international organizations.

## Project Highlights

### Financing for Hai Long offshore wind farm project in Taiwan

—JBIC's first wind power generation project in Asia under multilateral cooperation—

JBIC signed loan agreements with two Taiwanese companies, in which Mitsui & Co., Ltd. and others have invested. The loans will finance an offshore wind power generation project in Taiwan. In addition to private financial institutions, a total of seven development finance institutions and export credit agencies, including Export Finance Australia (EFA), from six countries (Japan, Australia, Canada, the U.K., Belgium, and Norway) have cooperated to support the project, which is important for Taiwan's decarbonization policy.

For this project, a business company in which Mitsui holds equity shares will construct, own, and operate an offshore wind farm with a generating capacity of 1,022 MW in the waters off the coast of Changhua County, Taiwan. Taiwan announced its policy of increasing the proportion of renewable energy in its power supply to 60–70% by 2050, and this project is in line with Taiwan's renewable energy transition policy. By supporting the

overseas business development of Japanese companies in this way, JBIC is helping maintain and improve the international competitiveness of Japanese industry.



### Untied loan to IndusInd Bank Limited of India

—Supporting enhancement of supply chain resilience of Japanese agricultural machinery manufacturers in India—

JBIC signed a loan agreement with IndusInd Bank Limited to provide the funds needed by the manufacturing and sales businesses of local suppliers, by dealers of Japanese agricultural machinery manufacturers, and by the local sales finance businesses that sell Japanese agricultural machinery. India is one of the world's largest agricultural machinery markets by units sold, and with India having become the world's most populous country in 2023, the market is expected to expand in line with the rapid increase in the nation's demand for food.

Given its high potential for growth, Japanese agricultural machinery manufacturers position India as an important market, as well as an export hub for countries in the Global South. The loan will financially support the general manufacturing and sales activities of Japanese agricultural machinery

manufacturers in India. In this way, it will support the enhancement of local supply chain resilience and contribute to maintaining and improving the international competitiveness of Japanese industry.



## Fourth credit line for CAF under GREEN operations

—Supporting environment-related projects in Latin American and Caribbean countries—

JBIC set up a credit line for the 21-member Corporación Andina de Fomento (CAF) multilateral development bank to provide, through CAF, the necessary funds for environment-related projects in the bank's Latin American and Caribbean member nations. This is part of JBIC's Global action for Reconciling Economic growth and ENvironmental preservation (GREEN) operations.

The objectives of CAF are to achieve economic integration, as well as to promote economic development and trade finance in the region. CAF also focuses on climate change and environment initiatives in the region, and has announced its commitment to allocating \$25 billion to green finance over five years from 2022. JBIC has built a strong cooperative relationship with CAF over more than 40 years, through JBIC loans for infrastructure projects, exports of machinery and equipment to the

Latin American and Caribbean region, as well as for industrial investment and export promotion in the region. The loan will further support efforts to achieve decarbonization of the region.



## Guarantee for Samurai bonds issued by Bank Gospodarstwa Krajowego of Poland

—Supporting humanitarian aid to Ukrainian refugees following the Russian invasion—

JBIC provided a guarantee for the issuance of Samurai bonds by the Polish development bank, Bank Gospodarstwa Krajowego (BGK). It is a policy-based, wholly government-owned financial institution that provides financial services with a view to realizing the sustainable economic and social development of Poland.

In September 2022, JBIC concluded a memorandum of understanding with BGK and has been engaged in ongoing discussions aimed at strengthening cooperation in various fields, including support for Ukraine. In this context, BGK established a Ukraine Aid Fund in Poland, the largest recipient of refugees in Central and Eastern Europe, and is helping fund Ukrainian refugees' humanitarian aid, including medical care, education,

and housing. Fund procured by the Samurai bonds will be utilized through the Ukraine Aid Fund.



For details, please visit

<https://www.jbic.go.jp/en/information/press/infrastructure.html>

<https://www.jbic.go.jp/en/information/press/environment.html>

## 3. Industry Finance Group



### || Group Outline

The Industry Finance Group comprises the Corporate Finance Department, the Finance Office for SMEs, the Marine and Aviation Finance Department, and the Osaka Branch. We use a variety of financing methods to support the strategies and needs of Japanese companies expanding overseas, and are engaged in the following efforts to maintain and improve the international competitiveness of Japanese industries.

- Providing support for the overseas expansion of Japanese companies, including mid-tier enterprises and SMEs, and the export of marine vessel and plant equipment, to maintain and improve the international competitiveness of Japanese industries
- Lending support to strengthen and rebuild Japanese companies' global supply chains and cross-border M&A aimed at acquiring next-generation technologies
- Supporting projects that contribute to helping provide a sustainable future through green finance and other methods

## || Message

### Boosting Japan's economic security through enhanced supply chain resilience

The environment surrounding Japan and the wider world, is experiencing uncertainty and difficulty, due to a number of factors including: the emergence of geopolitical risks such as U.S.–China friction, Russia's invasion of Ukraine, and the Israel–Gaza conflict; global climate change and resulting food shortages and soaring raw material prices; and rising financial costs brought about by persistently high interest rates, and ongoing global inflation. Amid these difficulties, Japanese companies are facing extremely tough challenges. They need to rebuild robust supply chains for essential industries like semiconductors, as well as work to realize a decarbonized society that simultaneously prevents global warming and achieves corporate profits. We believe that the role of the financial community, including JBIC, is becoming increasingly important in overcoming these challenges.

The Industry Finance Group will contribute to Japan's economic security by supporting Japanese companies in strengthening and rebuilding their global supply chains through understanding their needs and proactive risk-taking. We are also making efforts to maintain and improve the international competitiveness of Japanese industries by strengthening supporting measures for: overseas M&A aimed at acquiring next-generation technologies; projects that contribute to the prevention of global warming through green finance; and the development of cutting-edge and innovative key technologies.

Further, JBIC is utilizing its global network to collect and analyze information around the world pertaining to efforts being made to strengthen industrial supply chains and to achieve carbon neutrality.

By providing information to our clients accurately and in a timely manner, we hope to support their dynamic global expansion under the rapid changes in industrial and social structures.

As a platform for the overseas expansion of Japanese companies, JBIC aims to meet stakeholder expectations and become a presence that supports economic security and the creative innovation of Japanese industry.

**SASAKI Satoshi**

Managing Executive Director

Global Head of Industry Finance Group

## Business Environment: Risks and Opportunities

### Uncertain business environment

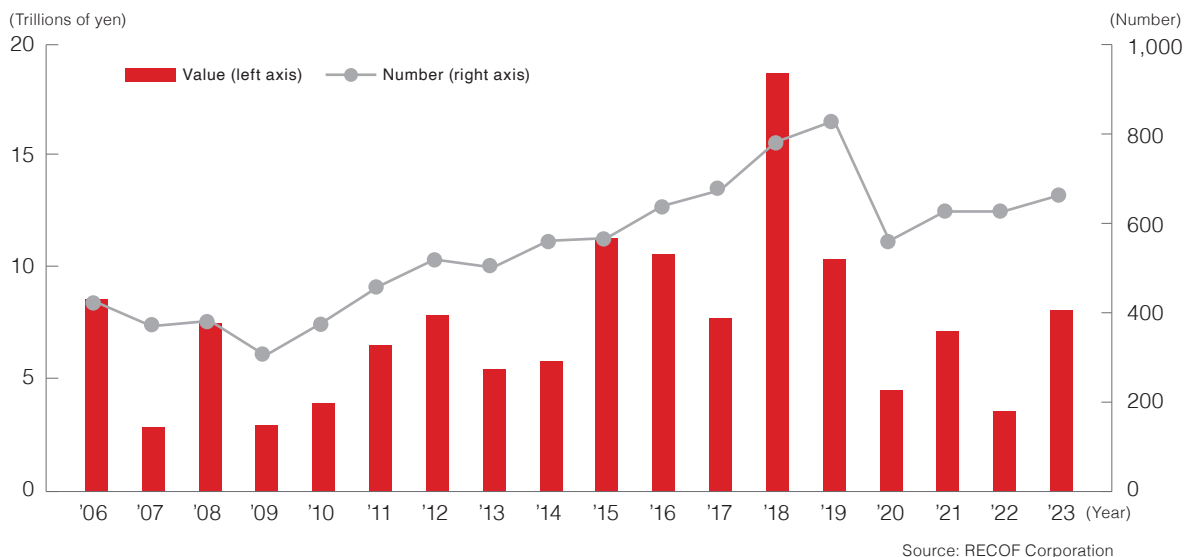
Japanese companies continue to operate in a highly uncertain business environment. In the *Survey Report on Overseas Business Operations by Japanese Manufacturing Companies* released by JBIC in December 2023, approximately 90% of companies polled responded that, regardless of the country or region where they operate, soaring global energy, raw material, parts, and other costs are forcing them to take measures such as curbing energy use and cutting expenses. This reaffirms our belief that rising prices are an important factor affecting the overseas business expansion of Japanese companies. Furthermore, we are also seeing a move to reassess raw material procurement sources, particularly among major corporations. This comes in response to the rise in geopolitical risk associated with the Russian invasion of Ukraine, prolonged U.S.–China friction, and the Israel–Gaza conflict that began in 2023.

Globally, government-led digital transformation (DX) investments are proceeding apace, particularly in Europe and the U.S., and the semiconductor industry, which is at the core of industrial DX, is becoming increasingly important. As supply chains are being restructured in light of rising geopolitical

risks, and the trend toward DX and green transformation creates new investment opportunities, Japanese companies are continuing to expand their overseas businesses through M&A among other capital investments. There were 661 M&A transactions undertaken by Japanese companies overseas in 2023, which is more than in 2022, with an increase in large-scale transactions of ¥100 billion or more indicating a recovery in cross-border M&A investments, partly due to easing concerns about a global economic recession.

The shipping, shipbuilding, and aviation industries are also working to help realize a decarbonized society. Specifically, they are using state-of-the-art marine vessels that comply with environmental regulations, and promoting developments aimed at the introduction both of ships powered by new fuel, and aircraft with high fuel-efficient performance. As efforts to realize a decarbonized society accelerate in various countries, the promotion of these efforts has become an urgent issue in order to maintain and improve the international competitiveness of Japanese companies.

### Changes in the Value and Number of Overseas M&A by Japanese Companies



## Mid-tier enterprise and SME business environment awareness

Compared with large enterprises, mid-tier enterprises and SMEs have limited human resources and capital. When expanding overseas, they are under great pressure to respond to the impact of rising financing costs. They seek to overcome the higher costs, due to high, mainly dollar-based interest rates by, for example,

borrowing in local Asian currencies such as the Thai baht. They are also forced to take measures to counter supply chain disruptions and breakdowns resulting from growing geopolitical risks. Remedial action taken might be pulling out of China and relocating to other countries, such as Vietnam or India.

## II Group Strategy

### I. Realize a sustainable future

We will support projects that contribute to resolving global issues related to renewable energy, electric vehicles and fuel cell vehicles, environmentally friendly marine vessels and aircraft, food, medical care, and other areas.

### II. Strengthen resilience of Japanese industry and support creative innovation

We will support projects that help eliminate bottlenecks in the supply chains of Japanese industries (semiconductors, electric vehicles, aircraft parts, etc.). Further, with regard to mid-tier enterprises and SMEs, we will expand, strengthen, and deepen cooperative ties and partnerships mainly with regional financial institutions, and support the overseas expansion of enterprises that are important for stabilizing the supply chain and possess technological capabilities expected to be useful in the future.

### III. Provide JBIC's own unique solutions by strategically functioning as an international financial institution

In countries surrounding Ukraine, we will back investment projects by Japanese companies that are supporting energy transition there.

## Project Highlights

### Loan for manufacture, sale of semiconductors chemicals by U.S. subsidiary of Mitsubishi Gas Chemical Company, Inc.

—Supporting supply chain resilience—

JBIC signed a loan agreement with MGC Pure Chemicals America, Inc. (MPCA), a U.S. subsidiary of Mitsubishi Gas Chemical Company, Inc. The loan will fund the expansion of MPCA facilities producing the chemicals used in semiconductors: super-pure hydrogen peroxide and super-pure ammonium hydroxide.\*

Mitsubishi Gas Chemical manufactures and sells chemicals for semiconductors in the U.S., and is planning to increase MPCA production capacity in anticipation of rising demand for semiconductor chemicals, reflecting long-term growth in the semiconductor market. The loan will support Mitsubishi Gas Chemical's overseas business

deployment, thereby helping maintain and improve the international competitiveness of Japanese industries.



MGC Pure Chemicals America, Inc. Texas Plant  
(Source: Mitsubishi Gas Chemical.)

\*Chemicals are essential in semiconductor manufacturing. They are used for the cleaning, etching, and photoresist stripping of silicon wafers.

### Loans to acquire Fairfield Chemical Carriers of Singapore by MOL Chemical Tankers under auspices of Mitsui O.S.K. Lines

—Supporting overseas M&A—

JBIC signed loan agreements with Mitsui O.S.K. Lines, Ltd. (MOL), and Singapore-based MOL Treasury Management Pte. Ltd., to provide a portion of the funds necessary for Singapore-based MOL Chemical Tankers Pte. Ltd. (MOLCT) to acquire Fairfield Chemical Carriers Pte. Ltd. (FCC). FCC is a Singapore-based company specializing in the operation of chemical tankers with global sea routes.

In acquiring FCC as a wholly-owned subsidiary, MOLCT will significantly increase its fleet of chemical tankers, and aims to further expand its business and capture additional earning opportunities by acquiring a new customer base. The loans provide financial support for MOL Group companies' overseas M&A activities, and contribute

to maintaining and improving the international competitiveness of the Japanese shipping industry.



A chemical tanker operated by the acquired Fairfield Chemical Carriers  
(Source: Mitsui O.S.K. Lines.)

## Loans to set up FUJIX subsidiary in Vietnam

—Supporting Japanese electrical and electronic component companies to strengthen their supply chains—

JBIC, in cooperation with MUFG Bank, Ltd., signed a loan agreement with FUJIX CO., LTD., to provide the funds necessary to establish a subsidiary, FUJIX ELECTRONIC VIETNAM COMPANY LIMITED (FEV).

FUJIX manufactures and sells wire harnesses and aluminum die-cast products used in servo motors and inverters for industrial robots. FEV was established in November 2023, amid growing demand for electrical components required for industrial robots and other applications in line with the expansion of global factory automation demand. The funds provide financial support for FUJIX overseas business developments, and help maintain and improve

the international competitiveness of the Japanese industry.



FUJIX ELECTRONIC VIETNAM COMPANY LIMITED

(Source: FUJIX.)

## Loans for manufacture, sale of shipping container packaging by Shinwa Package's Indonesian subsidiary

—Supporting SME overseas business development through local currency-denominated financing—

JBIC signed a loan agreement with PT. SHINWA PACKAGE INDONESIA (SPI), a subsidiary of SHINWA PACKAGE CO., LTD. The loan provides the funds SPI needs to manufacture and sell shipping container packaging in Karawang Regency, Indonesia. It will be used to expand SPI's manufacturing facilities.

SHINWA PACKAGE is an SME that makes and sells packaging materials for steel containers used to transport automobiles, construction machinery, industrial equipment, and semiconductors. In line with the overseas expansion of major Japanese steel manufacturers and other companies, SHINWA PACKAGE has been developing its overseas business by expanding into Thailand and Indonesia.

These funds are helping to finance SHINWA PACKAGE's overseas business, and are contributing to maintaining and improving the international competitiveness of the Japanese industry.



SHINWA PACKAGE INDONESIA

(Source: SHINWA PACKAGE.)

## 4. Equity Finance Group



### || Group Outline

The Equity Finance Group is engaged in operations related to equity investment and securitization to support Japanese industry by supplying risk capital. We handle the following:

- Operations related to equity investment and securitization
- Equity investments supporting M&A activities by Japanese companies and business alliances with overseas companies
- Equity investments through funds managed by JBIC IG Partners (JBIC IG) under the collaboration with JBIC
- Equity investment commitments over the past five years: approximately ¥170 billion (of which ¥140 billion was in the environment and renewable energy sectors)

## || Message

### Leading the creative transformation of Japanese industry through the promotion of innovation

The international community has entered an age of volatility, uncertainty, complexity, and ambiguity. Coupled with rising geopolitical risks, the environment surrounding companies is changing at an unprecedented pace. Under these circumstances, Japanese companies must promote GX and DX, which are essential for creating innovations leading to sustainable growth.

Accordingly, Japanese companies seeking to acquire advanced technologies or develop new business models are increasingly making use of equity and other forms of risk capital in various scenarios, including M&A and overseas expansion. The Equity Finance Group is striving to enhance its investment operations to meet the needs of Japanese companies.

In collaboration with JBIC IG, established in June 2017, we have launched five funds. JBIC and JBIC IG, as also the JBIC Group, will continue to support structuring projects and Japanese companies' overseas businesses by utilizing our equity investment functions.

Further, the Japan Bank for International Cooperation Act was amended in FY2023 to strengthen our startup support function. We will continue to enhance our efforts to support the innovation.

To further strengthen Japan's economy, it is extremely important to both expand into overseas markets utilizing the technologies and track records of Japanese companies, as well as to incorporate innovative technologies from a global perspective and achieve breakthroughs.

JBIC remains a partner to Japanese companies and contributes to achieving the innovative transformation of Japanese industry. This it does not only through its financing functions, such as providing risk capital, but also by leveraging its know-how, networks, and brand power to support its portfolio companies, overseas joint venture partner companies, and the host countries themselves.

**YONEYAMA Yasuaki**

Managing Executive Director  
Global Head of Equity Finance Group

## **Business Environment: Risks and Opportunities**

The “Basic Policy on Economic and Fiscal Management and Reform 2023,” formulated by the Japanese government in June 2023, calls for the promotion of GX, DX, and startups, as well as for a shift to a new industrial structure and the promotion of economic security policies to make Japan’s economy more resilient.

To this end, the government will strengthen its use of relevant government agencies to promote international economic cooperation, including the realization of the Asia Zero Emission Community initiative. Further, it will also encourage companies that possess both technologies and ambition to pursue overseas expansion.

In line with the Japanese government’s basic policy is recognition of the need to strengthen

support for Japanese companies that aim to acquire new advanced technologies and develop new business models. Meanwhile, if these aims are to be achieved, it is becoming increasingly necessary to provide risk capital.

With regard to startup promotion, the “Startup Development Five-year Plan,” formulated by the Japanese government in November 2022, aims to cultivate a startup ecosystem in Japan. It hopes to make Japan the largest startup hub in Asia and, eventually, one of the world’s leading global locations for startups. JBIC already is developing capabilities to meet these new needs, including the use of Special Operations.

## **Group Strategy**

### **I. Realize a sustainable future**

We will provide risk capital for strategic initiatives by Japanese companies that aim to enter two kinds of business. First, next-generation energy businesses (such as those related to hydrogen and storage batteries) in developed countries where framework development is ahead of schedule; and, second, renewable energy and basic infrastructure businesses in developing countries.

### **II. Strengthen resilience of Japanese industry and support creative innovation**

We will provide risk capital to Japanese companies engaged in projects aimed at strengthening global value and supply chains, as well as to M&A projects targeting innovative technologies and businesses.

With regard to investment in startups, the JBIC Group, including JBIC IG, is working to accumulate specific investment projects designed to help Japan’s startups enter global startup ecosystems. Meanwhile, the Group is globalizing the startup ecosystem in Japan.

### **III. Provide JBIC’s own unique solutions by strategically functioning as an international financial institution**

In working to structure new investment projects related to Key Focus Areas I and II, JBIC will leverage its functions in the areas of multilateral cooperation and collaboration with international organizations. It aims, thereby, to help construct and implement Japan’s foreign economic policies.

## Overview of JBIC IG Partners (JBIC IG)

JBIC IG is an investment advisory firm established in June 2017, by JBIC and Industrial Growth Platform, Inc. (IGPI). JBIC IG applies the respective strengths of JBIC and IGPI as follows: JBIC has knowledge and experience of financing international projects as Japanese policy-based financial institution; IGPI has the knowledge of investments and broad experience in providing companies with hands-on support for long-term, sustainable growth in corporate and business value. JBIC IG aims to create long-term, sustainable value for Japanese investors and industries through the development of global business opportunities and a disciplined investment approach.

### About JBIC IG

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



## JBIC IG business model

Through investment advisory services to overseas funds, JBIC IG invests in overseas projects by partnering with foreign investment managers. The investments aim to promote Japanese companies' joint investments or provide opportunities for Japanese companies to collaborate with overseas companies.

Among several noteworthy achievements, one occurred in January 2019, when JBIC IG established the JB Nordic (also known as NordicNinja) venture capital fund. The fund, designed to invest in startups in the Nordic and Baltic regions, made a total of 20 investments. In March 2023, JBIC IG launched successor fund NordicNinja II, and is expanding its investment target areas to cover all Northern Europe.

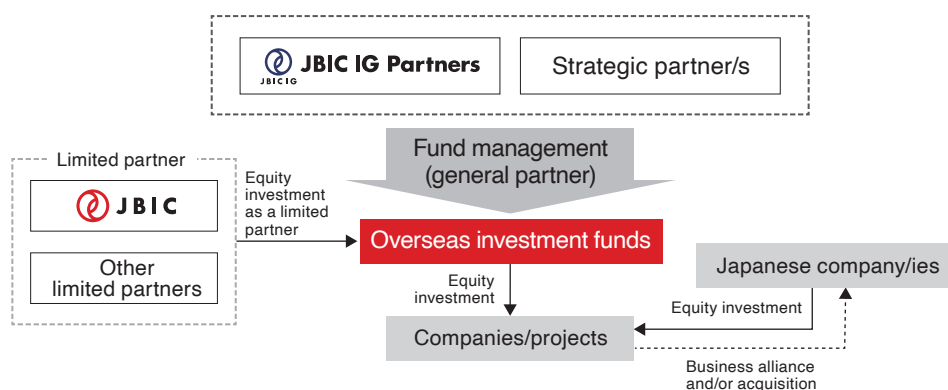
In May 2023, JBIC IG collaborated with New York-based ff Venture Capital, which has a proven track record for forming funds in the U.S. and Poland. Together, the two enterprises have set up ff Red & White, a new venture capital fund that will invest in startups in Central and Eastern Europe.

Then in August 2023, JBIC IG launched the India-Japan Fund in collaboration with the National Investment and Infrastructure Fund Limited, an Indian government-affiliated organization.

JBIC IG has brought together investee companies from the above funds with Japanese companies, and is engaged in activities to promote collaboration. It will continue to provide added value for Japanese industry through the creation of new investment funds.

### Investment structure

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



## Project Highlight

### Investment in the India-Japan Fund

In August 2023, JBIC committed to making an equity investment in the Japan–India Fund, which is managed by the NIIFL, an Indian government-affiliated fund management firm, in collaboration with JBIC IG.

The fund invests in Indian renewable energy, electric vehicles, waste management, water treatment, and other businesses related to environmental conservation. It also invests in local companies and projects that collaborate with Japanese companies, with a view to promoting collaboration between Japanese and Indian enterprises.

At the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26) held in November 2021, the Indian government stated that it plans to achieve carbon neutrality by 2070. It is, thus, promoting measures to

address climate change, including the introduction of renewable energy and the promotion of electric vehicles. Additionally, through initiatives such as Clean India, announced in 2014, the country is working to improve domestic sanitation, including waste disposal and water treatment.

At a time when many Japanese companies are facing disruptions to their supply chains as a result of unstable global conditions, India has been attracting attention. Given its remarkable recent economic growth and its huge market size, it has great appeal as a destination for the relocation of production bases and for new investment.

Through its fund initiatives, JBIC will contribute to environmental conservation in India, as well as to maintaining and improving the international competitiveness of Japanese companies.



Signing ceremony