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## (1) Commitments

## A. Commitments by Purpose of Financing

(Unit: billions of yen, %)

	FY2011			FY2012			FY2013			FY2014			FY2015		
	Number	Total	Share	Number	Total	Share	Number	Total	Share	Number	Total	Share	Number	Total	Share
<b>Loans</b>															
Export Loans	40	207.9	13	40	126.6	3	33	126.2	6	49	406.4	13	22	141.0	6
Shipping	20	62.6	4	15	23.0	1	15	34.7	2	24	24.3	1	9	33.6	1
Plant	20	145.3	9	25	103.6	2	18	91.5	4	24	381.8	12	13	107.3	4
Technical Services	—	—	—	—	—	—	—	—	—	1	0.2	0	—	—	—
Import Loans	3	172.6	11	4	304.3	7	5	56.2	3	—	—	—	1	252.3	11
Natural Resources	3	172.6	11	4	304.3	7	5	56.2	3	—	—	—	1	252.3	11
Overseas Investment Loans	84	962.0	60	157	3,138.5	74	167	1,671.0	76	197	2,451.0	75	260	1,858.1	78
Natural Resources	26	607.9	38	39	1,784.2	42	18	594.7	27	20	1,059.1	33	11	236.9	10
Others	58	354.0	22	118	1,354.3	32	149	1,076.2	49	177	1,391.9	43	249	1,621.1	68
Untied Loans	3	23.2	1	10	210.5	5	7	46.0	2	5	46.7	1	4	24.8	1
Bridge Loans	—	—	—	2	83.2	2	—	—	—	—	—	—	—	—	—
Sub Total	130	1,365.7	86	213	3,863.3	91	212	1,899.6	86	251	2,904.2	89	287	2,276.3	95
Guarantees	15	228.5	14	21	303.2	7	20	2,09.1	9	15	312.3	10	7	106.6	4
Equity Participations	1	1.5	0	8	74.3	2	7	97.4	4	5	32.8	1	4	14.3	1
<b>Total</b>	<b>146</b>	<b>1,595.9</b>	<b>100</b>	<b>242</b>	<b>4,240.9</b>	<b>100</b>	<b>239</b>	<b>2,206.1</b>	<b>100</b>	<b>271</b>	<b>3,249.3</b>	<b>100</b>	<b>298</b>	<b>2,397.4</b>	<b>100</b>

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

(Unit: billions of yen, %)

	FY2011			FY2012			FY2013			FY2014			FY2015		
	Number	Total	Share	Number	Total	Share	Number	Total	Share	Number	Total	Share	Number	Total	Share
Asia	65	269.9	17	86	513.6	12	108	472.7	21	162	610.5	19	150	332.9	14
Oceania	12	170.4	11	17	1,005.7	24	12	292.9	13	6	173.8	5	2	6.9	0
Europe	15	216.6	14	33	660.6	16	21	350.3	16	17	228.8	7	57	598.3	25
The Middle East	8	232.4	15	12	305.9	7	9	104.8	5	14	493.6	15	9	427.6	18
Africa	3	3.3	0	7	84.3	2	5	81.1	4	7	195.6	6	2	14.9	1
North America	11	113.6	7	35	710.8	17	43	654.0	30	45	1,389.3	43	38	493.6	21
Latin America and the Caribbean	26	415.5	26	43	805.5	19	36	209.1	9	18	136.1	4	37	507.3	21
International Organizations, etc.	3	12.3	1	—	—	—	—	—	—	—	—	—	—	—	—
Others	3	161.5	10	9	154.2	4	5	40.8	2	2	21.2	1	3	15.5	1
<b>Total</b>	<b>146</b>	<b>1,595.9</b>	<b>100</b>	<b>242</b>	<b>4,240.9</b>	<b>100</b>	<b>239</b>	<b>2,206.1</b>	<b>100</b>	<b>271</b>	<b>3,249.3</b>	<b>100</b>	<b>298</b>	<b>2,397.4</b>	<b>100</b>

## (2) Disbursements

(Unit: billions of yen, %)

	FY2011		FY2012		FY2013		FY2014		FY2015	
	Total	Share	Total	Share	Total	Share	Total	Share	Total	Share
Loans										
Export Loans	73.9	5	143.1	5	112.5	4	112.0	4	148.8	7
Import Loans	212.2	15	162.7	6	234.5	9	21.8	1	27.6	1
Overseas Investment Loans	700.7	50	21,44.6	75	1,928.0	73	2,049.4	79	1,840.3	82
Untied Loans	103.2	7	52.2	2	88.5	3	64.3	2	44.5	2
Bridge Loans	—	—	79.7	3	—	—	—	—	—	—
Sub Total	1,090.2	77	2,582.5	90	2,363.6	90	2,247.6	87	2,061.3	92
Guarantees	310.8	22	270.6	9	178.7	7	303.2	12	134.3	6
Equity Participations	7.3	1	17.2	1	85.4	3	30.9	1	42.4	2
Total	1,408.4	100	2,870.4	100	2,627.8	100	2,581.8	100	2,238.2	100

## (3) Repayments

(Unit: billions of yen, %)

	FY2011		FY2012		FY2013		FY2014		FY2015	
	Total	Share	Total	Share	Total	Share	Total	Share	Total	Share
Loans										
Export Loans	125.3	8	112.4	7	106.3	8	104.8	4	95.5	4
Import Loans	252.4	15	147.4	10	170.1	13	138.4	6	154.3	6
Overseas Investment Loans	711.7	43	707.1	46	668.1	50	1,795.6	73	1,760.7	72
Untied Loans	192.4	12	161.6	11	173.5	13	158.2	6	151.7	6
Bridge Loans	—	—	79.7	5	—	—	—	—	—	—
Governmental Loans	3.1	0	2.9	0	2.9	0	2.6	0	2.5	0
Sub Total	1,285.2	78	1,211.3	79	1,121.1	84	2,199.8	90	2,164.9	89
Guarantees	362.6	22	318.1	21	204.9	15	238.2	10	205.5	8
Equity Participations	6.1	0	3.0	0	5.0	0	12.4	1	64.5	3
Total	1,653.9	100	1,532.4	100	1,331.1	100	2,450.6	100	2,435.0	100

(Note) Prepayments in FY2014 and 2015 amounted to ¥247.0 billion and ¥385.1 billion, respectively.

## (4) Outstandings

(Unit: billions of yen, %)

	FY2011		FY2012		FY2013		FY2014		FY2015	
	Total	Share	Total	Share	Total	Share	Total	Share	Total	Share
Loans										
Export Loans	642.9	6	710.3	5	740.6	5	812.4	5	844.7	5
Import Loans	584.4	6	630.2	5	731.6	5	661.6	4	525.7	3
Overseas Investment Loans	5,762.9	55	8,165.9	62	10,183.9	67	11,970.5	69	11,342.0	70
Untied Loans	1,086.3	10	1,035.8	8	998.8	7	988.8	6	901.8	6
Governmental Loans	45.6	0	42.6	0	39.7	0	37.1	0	34.6	0
Sub Total	8,122.3	77	10,585.1	81	12,694.9	83	14,470.6	84	13,649.0	84
Guarantees	2,378.3	22	2,400.6	18	2,422.6	16	2,572.3	15	2,464.7	15
Equity Participations	70.3	1	100.1	1	187.0	1	222.3	1	194.9	1
Total	10,571.0	100	13,086.0	100	15,304.6	100	17,265.3	100	16,308.6	100

## 2 Commitments

### (1) Export Loans by Industry

(Unit: billions of yen, %)

	FY2014			FY2015		
	Number	Total	Share	Number	Total	Share
Shipping	24	24.3	6	9	33.6	24
Electrical Machinery	8	102.9	25	6	45.7	32
Telecommunication Equipment	1	4.4	1	1	7.3	5
Other Industrial Machinery and Equipment, etc.	14	272.2	67	6	54.3	38
Civil Engineering and Contractors	1	3.0	1	5	12.7	9
Chemical Facilities	3	122.5	30	1	41.5	29
Oil and Natural Gas Facilities	5	143.4	35	—	—	—
Iron and Non-ferrous Metals Manufacturing Facilities	4	1.6	0	—	—	—
Others	1	1.5	0	—	—	—
Technical Services	1	0.2	0	—	—	—
Others	1	2.1	1	—	—	—
<b>Total</b>	<b>49</b>	<b>406.4</b>	<b>100</b>	<b>22</b>	<b>141.0</b>	<b>100</b>

### (2) Natural Resource Loans by Item

(Unit: billions of yen, %)

	FY2014			FY2015		
	Number	Total	Share	Number	Total	Share
<b>Energy Resources</b>	<b>16</b>	<b>992.7</b>	<b>94</b>	<b>11</b>	<b>486.5</b>	<b>99</b>
Petroleum	6	155.8	15	3	332.7	68
Natural Gas	10	836.9	79	8	153.7	31
<b>Other Resources</b>	<b>4</b>	<b>66.3</b>	<b>6</b>	—	—	—
Iron Ore	1	26.4	2	—	—	—
Copper Ore and Concentrate	1	39.7	4	—	—	—
Wood, Wood Chips and Pulp	2	0.1	0	—	—	—
Others	—	—	—	1	2.7	1
<b>Total</b>	<b>20</b>	<b>1,059.1</b>	<b>100</b>	<b>12</b>	<b>489.2</b>	<b>100</b>

### (3) Overseas Investment Loans by Industry (Excluding Natural Resource Loans)

(Unit: billions of yen, %)

	FY2014			FY2015		
	Number	Total	Share	Number	Total	Share
<b>Manufacturing Industry</b>	<b>101</b>	<b>372.3</b>	<b>27</b>	<b>124</b>	<b>60.8</b>	<b>4</b>
Food	5	0.6	0	1	0.0	0
Textiles	3	4.0	0	6	3.7	0
Lumber and Pulp	—	—	—	2	0.2	0
Chemicals	4	59.3	4	4	1.7	0
Petroleum and Coal Products	2	238.0	17	—	—	—
Ceramics, Stone and Clay	—	—	—	1	0.2	0
Iron and Non-ferrous Metal Products	24	25.5	2	29	27.7	2
Machinery	1	0.2	0	—	—	—
Electrical Machinery	2	0.1	0	3	1.0	0
Transport Equipment	42	39.0	3	47	21.3	1
Other Manufacturing Industries	18	5.1	0	31	4.6	0
<b>Construction</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1</b>	<b>0.1</b>	<b>0</b>
<b>Electric, Gas and Heat Supply and Water Service</b>	<b>7</b>	<b>164.8</b>	<b>12</b>	<b>2</b>	<b>182.5</b>	<b>11</b>
<b>Telecommunications</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1</b>	<b>7.1</b>	<b>0</b>
<b>Transport and Postal Services</b>	<b>1</b>	<b>147.9</b>	<b>11</b>	<b>1</b>	<b>1.0</b>	<b>0</b>
<b>Commerce</b>	<b>2</b>	<b>0.5</b>	<b>0</b>	<b>2</b>	<b>0.5</b>	<b>0</b>
<b>Service Industry</b>	<b>2</b>	<b>3.0</b>	<b>0</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Others<sup>(Note)</sup></b>	<b>64</b>	<b>703.2</b>	<b>51</b>	<b>118</b>	<b>1,368.8</b>	<b>84</b>
<b>Total</b>	<b>177</b>	<b>1,391.9</b>	<b>100</b>	<b>249</b>	<b>1,621.1</b>	<b>100</b>

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

### (4) Commitments to Mid-tier Enterprises and SMEs to Support their Overseas Business Activities

(Unit: billions of yen)

	FY2014		FY2015	
	Number of Projects	Amount	Number of Projects	Amount
<b>Loans to SMEs and Mid-tier Enterprises</b>	<b>109</b>	<b>111.7</b>	<b>133</b>	<b>42.9</b>

(Notes) 1. In making loans to mid-tier enterprises and SMEs, JBIC applies favorable loan terms, such as interest rates.  
 2. In this table, an SME is defined to be, in principle, an incorporated firm or individual with capital of ¥300 million or less, or having permanent employees of 300 or less. A mid-tier enterprise is defined to be an incorporated firm with capital of less than ¥1 billion (and excludes an SME).

### (5) Guarantee Commitments by Purpose

(Unit: billions of yen, %)

	FY2014			FY2015		
	Number	Total	Share	Number	Total	Share
<b>Guarantee for Samurai Bonds</b>	<b>3</b>	<b>170.0</b>	<b>54</b>	<b>1</b>	<b>55.0</b>	<b>52</b>
<b>Guarantee for Import of Aircrafts</b>	<b>6</b>	<b>88.5</b>	<b>28</b>	<b>3</b>	<b>38.3</b>	<b>36</b>
<b>Guarantee for Others</b>	<b>6</b>	<b>53.7</b>	<b>17</b>	<b>3</b>	<b>13.3</b>	<b>13</b>
<b>Total</b>	<b>15</b>	<b>312.3</b>	<b>100</b>	<b>7</b>	<b>106.6</b>	<b>100</b>

## (6) Loan and Guarantee Commitments by Region

## A. Export Loan Commitments by Region

(Unit: billions of yen, %)

	FY2014			FY2015		
	Number	Total	Share	Number	Total	Share
<b>Asia</b>	<b>37</b>	<b>342.2</b>	<b>84</b>	<b>9</b>	<b>89.3</b>	<b>63</b>
East Asia	16	15.5	4	1	0.2	0
Southeast Asia	7	76.0	19	6	29.0	21
South Asia	8	45.3	11	1	18.5	13
Central Asia and the Caucasus	6	205.1	50	1	41.5	29
<b>Europe</b>	<b>3</b>	<b>3.7</b>	<b>1</b>	<b>5</b>	<b>15.6</b>	<b>11</b>
Central and Eastern Europe and Russia	1	1.3	0	—	—	—
Western Europe	2	2.3	1	5	15.6	11
<b>The Middle East</b>	<b>2</b>	<b>32.9</b>	<b>8</b>	<b>4</b>	<b>6.0</b>	<b>4</b>
<b>Africa</b>	<b>2</b>	<b>22.4</b>	<b>6</b>	<b>2</b>	<b>14.9</b>	<b>11</b>
Northern Africa	1	1.5	0	—	—	—
Sub-Saharan Africa	1	20.8	5	2	14.9	11
<b>Latin America and the Caribbean</b>	<b>5</b>	<b>5.1</b>	<b>1</b>	<b>2</b>	<b>15.1</b>	<b>11</b>
<b>Total</b>	<b>49</b>	<b>406.4</b>	<b>100</b>	<b>22</b>	<b>141.0</b>	<b>100</b>

## B. Import Loan Commitments by Region

(Unit: billions of yen, %)

	FY2014			FY2015		
	Number	Total	Share	Number	Total	Share
<b>The Middle East</b>	—	—	—	<b>1</b>	<b>252.3</b>	<b>100</b>
<b>Total</b>	—	—	—	<b>1</b>	<b>252.3</b>	<b>100</b>

## C. Overseas Investment Loan Commitments by Region

(Unit: billions of yen, %)

	FY2014			FY2015		
	Number	Total	Share	Number	Total	Share
<b>Asia</b>	<b>121</b>	<b>234.8</b>	<b>10</b>	<b>135</b>	<b>166.7</b>	<b>9</b>
East Asia	19	28.4	1	15	11.0	1
Southeast Asia	91	182.1	7	114	153.2	8
South Asia	11	24.2	1	6	2.4	0
<b>Oceania</b>	<b>6</b>	<b>173.8</b>	<b>7</b>	<b>2</b>	<b>6.9</b>	<b>0</b>
<b>Europe</b>	<b>14</b>	<b>225.0</b>	<b>9</b>	<b>52</b>	<b>582.7</b>	<b>31</b>
Central and Eastern Europe and Russia	—	—	—	1	50.3	3
Western Europe	14	225.0	9	51	532.3	29
<b>The Middle East</b>	<b>7</b>	<b>326.8</b>	<b>13</b>	<b>4</b>	<b>169.2</b>	<b>9</b>
<b>Africa</b>	<b>2</b>	<b>95.0</b>	<b>4</b>	—	—	—
Northern Africa	2	95.0	4	—	—	—
<b>North America</b>	<b>38</b>	<b>1,291.0</b>	<b>53</b>	<b>35</b>	<b>455.3</b>	<b>25</b>
<b>Latin America and the Caribbean</b>	<b>9</b>	<b>104.4</b>	<b>4</b>	<b>31</b>	<b>469.9</b>	<b>25</b>
<b>Others</b>	—	—	—	<b>1</b>	<b>7.1</b>	<b>0</b>
<b>Total</b>	<b>197</b>	<b>2,451.0</b>	<b>100</b>	<b>260</b>	<b>1,858.1</b>	<b>100</b>

## D. Untied Loan Commitments by Region

(Unit: billions of yen, %)

	FY2014			FY2015		
	Number	Total	Share	Number	Total	Share
<b>Asia</b>	—	—	—	<b>2</b>	<b>13.1</b>	<b>53</b>
Southeast Asia	—	—	—	2	13.1	53
<b>The Middle East</b>	<b>2</b>	<b>17.8</b>	<b>38</b>	—	—	—
<b>Africa</b>	<b>1</b>	<b>14.8</b>	<b>32</b>	—	—	—
Sub-Saharan Africa	1	14.8	32	—	—	—
<b>Latin America and the Caribbean</b>	<b>2</b>	<b>14.0</b>	<b>30</b>	<b>2</b>	<b>11.7</b>	<b>47</b>
<b>Total</b>	<b>5</b>	<b>46.7</b>	<b>100</b>	<b>4</b>	<b>24.8</b>	<b>100</b>

## E. Guarantee Commitments by Region

(Unit: billions of yen, %)

	FY2014			FY2015		
	Number	Total	Share	Number	Total	Share
<b>Asia</b>	<b>2</b>	<b>31.6</b>	<b>10</b>	<b>2</b>	<b>57.7</b>	<b>54</b>
East Asia	—	—	—	1	2.7	3
Southeast Asia	1	11.6	4	1	55.0	52
South Asia	1	20.0	6	—	—	—
<b>The Middle East</b>	<b>3</b>	<b>116.0</b>	<b>37</b>	—	—	—
<b>Africa</b>	<b>2</b>	<b>63.3</b>	<b>20</b>	—	—	—
Northern Africa	1	50.0	16	—	—	—
Sub-Saharan Africa	1	13.3	4	—	—	—
<b>North America</b>	<b>6</b>	<b>88.5</b>	<b>28</b>	<b>3</b>	<b>38.3</b>	<b>36</b>
<b>Latin America and the Caribbean</b>	<b>2</b>	<b>12.6</b>	<b>4</b>	<b>2</b>	<b>10.5</b>	<b>10</b>
<b>Total</b>	<b>15</b>	<b>312.3</b>	<b>100</b>	<b>7</b>	<b>106.6</b>	<b>100</b>

## F. Equity Participations by Region

(Unit: billions of yen, %)

	FY2014			FY2015		
	Number	Total	Share	Number	Total	Share
<b>Asia</b>	<b>2</b>	<b>1.8</b>	<b>6</b>	<b>2</b>	<b>5.9</b>	<b>42</b>
East Asia	—	—	—	1	5.9	41
Southeast Asia	1	0.7	2	1	0.0	0
South Asia	1	1.1	3	—	—	—
<b>North America</b>	<b>1</b>	<b>9.7</b>	<b>30</b>	—	—	—
<b>Others</b>	<b>2</b>	<b>21.2</b>	<b>65</b>	<b>2</b>	<b>8.3</b>	<b>58</b>
<b>Total</b>	<b>5</b>	<b>32.8</b>	<b>100</b>	<b>4</b>	<b>14.3</b>	<b>100</b>

## (7) Geographical Distribution of Loan and Equity Participation Commitments

(Unit: billions of yen)

Region / Country			FY2014		FY2015		Accumulated	
			Number	Total	Number	Total	Number	Total
Asia	East Asia	China	13	25.6	12	4.0	1,550	3,901.1
		Hong Kong	21	18.1	2	1.0	295	318.1
		Republic of Korea					699	1,285.4
		Mongolia			1	0.2	2	4.4
		Others	1	0.2	2	11.9	1,029	516.4
		<b>Sub Total</b>	<b>35</b>	<b>43.9</b>	<b>17</b>	<b>17.2</b>	<b>3,575</b>	<b>6,025.6</b>
	Southeast Asia	Brunei Darussalam					4	45.1
		Cambodia			2	0.2	2	0.2
		Indonesia	28	137.9	38	53.4	1,553	5,714.1
		Laos	4	24.1	1	0.2	5	24.3
		Malaysia	3	1.7	1	0.2	598	1,317.9
		Myanmar	1	0.7	3	40.6	60	185.8
		the Philippines	3	1.1	5	0.8	821	1,755.3
		Singapore	4	4.4	10	76.9	481	856.7
		Thailand	31	15.0	40	18.2	2,542	2,759.0
		Vietnam	25	73.6	23	4.5	178	470.6
		Others					36	213.9
		<b>Sub Total</b>	<b>99</b>	<b>258.9</b>	<b>123</b>	<b>195.4</b>	<b>6,280</b>	<b>13,343.4</b>
	South Asia	Bangladesh			1	18.5	8	41.5
		India	18	67.7	6	2.4	856	1,291.6
		Pakistan					290	298.3
		Sri Lanka	2	3.0			61	67.9
		Others					17	3.6
		<b>Sub Total</b>	<b>20</b>	<b>70.7</b>	<b>7</b>	<b>21.0</b>	<b>1,232</b>	<b>1,703.1</b>
	Central Asia and the Caucasus	Kazakhstan					25	301.8
		Turkmenistan	5	200.7			13	284.9
		Uzbekistan	1	4.4	1	41.5	14	106.6
		Others					8	195.0
		<b>Sub Total</b>	<b>6</b>	<b>205.1</b>	<b>1</b>	<b>41.5</b>	<b>60</b>	<b>888.4</b>
	<b>Total</b>		<b>160</b>	<b>578.8</b>	<b>148</b>	<b>275.1</b>	<b>11,147</b>	<b>21,960.6</b>
Oceania		Australia	4	138.1	2	6.9	871	3,204.1
		New Zealand	2	35.6			147	176.8
		Papua New Guinea					56	267.2
		Others					52	27.0
		<b>Total</b>	<b>6</b>	<b>173.8</b>	<b>2</b>	<b>6.9</b>	<b>1,126</b>	<b>3,675.2</b>



(Unit: billions of yen)

Region / Country			FY2014		FY2015		Accumulated	
			Number	Total	Number	Total	Number	Total
Europe	Central and Eastern Europe and Russia	Belarus					3	5.6
		Bulgaria					117	134.4
		Moldova					1	5.3
		Romania					142	95.2
		Russia	1	1.3	1	50.3	118	1,602.3
		Ukraine					11	41.3
		Others					879	2,134.9
		<b>Sub Total</b>	<b>1</b>	<b>1.3</b>	<b>1</b>	<b>50.3</b>	<b>1,271</b>	<b>4,019.2</b>
	Western Europe	Cyprus					18	17.4
		Denmark					57	78.9
		Finland			7	7.0	22	24.2
		France			1	0.6	310	642.3
		Germany	7	13.1	11	90.0	283	367.5
		United Kingdom	3	178.7	16	283.1	543	2,018.5
		Iceland			1	4.1	5	8.2
		Ireland	6	35.5	1	0.3	47	338.6
		Italy			3	8.1	48	174.3
		Luxembourg			5	85.6	9	120.5
		Malta					3	11.9
		Netherlands			5	41.5	100	438.0
		Norway					248	456.2
		Portugal					46	37.5
		Spain			5	23.3	66	129.0
		Sweden					58	144.8
		Isle of Man					5	5.9
		Switzerland			1	3.8	86	105.0
		Others					607	657.7
		<b>Sub Total</b>	<b>16</b>	<b>227.4</b>	<b>56</b>	<b>547.9</b>	<b>2,561</b>	<b>5,777.4</b>
		<b>Total</b>	<b>17</b>	<b>228.8</b>	<b>57</b>	<b>598.3</b>	<b>3,832</b>	<b>9,796.6</b>
The Middle East		Bahrain					6	110.4
		Iran					199	1,026.8
		Iraq					21	219.9
		Jordan	1	9.2			29	89.1
		Kuwait					23	203.9
		Oman					28	296.4
		Qatar			1	152.4	37	891.1
		Saudi Arabia	3	295.8	1	2.7	81	1,001.8
		Turkey	7	72.5	5	7.0	194	700.6
		United Arab Emirates			2	265.4	68	1,726.7
		Yemen					11	35.8
		Others					106	212.0
		<b>Total</b>	<b>11</b>	<b>377.6</b>	<b>9</b>	<b>427.6</b>	<b>803</b>	<b>6,515.0</b>

(Unit: billions of yen)

Region / Country			FY2014		FY2015		Accumulated		
			Number	Total	Number	Total	Number	Total	
Africa	Northern Africa	Algeria					345	971.8	
		Egypt					183	240.5	
		Morocco	3	96.5			10	145.0	
		Others					22	108.1	
		Sub Total	3	96.5			560	1,465.5	
	Sub-Saharan Africa	Angola			1	7.3	30	100.8	
		Equatorial Guinea					2	17.1	
		Gabon					20	33.5	
		Kenya					30	19.3	
		Liberia					1,202	1,475.0	
		Madagascar					9	102.5	
		Mozambique					17	25.3	
		Niger					117	105.1	
		Nigeria					51	266.5	
		Seychelles					2	1.2	
		South Africa	1	14.8			115	328.5	
		Tanzania	1	20.8			21	32.2	
		Uganda			1	7.5	7	8.7	
		Others					183	162.4	
		Sub Total	2	35.7	2	14.9	1,806	2,678.8	
		Total	5	132.3	2	14.9	2,366	4,144.4	
		North America	Canada	2	50.6			327	763.2
			United States	37	1,250.1	35	455.3	2,663	8,262.0
	Total		39	1,300.8	35	455.3	2,990	9,025.2	
	Latin America and the Caribbean	Argentina					272	564.0	
		the Bahamas			1	15.0	22	67.7	
		Bolivia					32	65.9	
		Brazil	2	66.4	12	67.5	1,955	3,265.3	
		British Virgin Islands			1	333.6	4	345.0	
Cayman Islands						5	97.3		
Chile				1	0.3	160	1,334.6		
Colombia						122	276.2		
Ecuador						32	79.1		
El Salvador						35	15.0		
Jamaica						2	3.5		
Panama		2	1.9			288	418.8		
Paraguay		1	2.3			16	12.8		
Peru		1	39.7			113	487.5		
Trinidad and Tobago				1	57.7	8	83.9		
Mexico		10	13.0	19	22.4	836	2,231.9		
Venezuela						81	661.8		
Others						181	212.0		
Total		16	123.5	35	496.8	4,164	10,223.1		
International Organizations, etc.		Total				56	1,208.0		
Others <sup>(Note)</sup>		Total	2	21.2	3	15.5	111	1,951.9	
Grand Total			256	2,937.0	291	2,290.7	26,595	68,500.5	

(Note) Others: Two-step loans to regional financial institutions in Japan and loans for crossborder projects, etc.

# 3 Outstandings

## (1) Outstandings by Purpose of Financing

(Unit: billions of yen, %)

	FY2014		FY2015	
	Total	Share	Total	Share
<b>Loans</b>				
<b>Export Loans</b>	<b>812.4</b>	<b>5</b>	<b>844.7</b>	<b>5</b>
Shipping	152.9	1	157.9	1
Plant	659.4	4	686.5	4
Technical Service	0.1	0	0.2	0
<b>Import Loans</b>	<b>661.6</b>	<b>4</b>	<b>525.7</b>	<b>3</b>
Natural Resources	654.7	4	521.5	3
Manufactured Goods & Technologies	6.8	0	4.1	0
<b>Overseas Investment Loans</b>	<b>11,970.5</b>	<b>69</b>	<b>11,342.0</b>	<b>70</b>
Natural Resources	5,837.3	34	5,353.6	33
Others	6,133.1	36	5,988.4	37
<b>Untied Loans</b>	<b>988.8</b>	<b>6</b>	<b>901.8</b>	<b>6</b>
<b>Governmental Loans</b>	<b>37.1</b>	<b>0</b>	<b>34.6</b>	<b>0</b>
<b>Sub Total</b>	<b>14,470.6</b>	<b>84</b>	<b>13,649.0</b>	<b>84</b>
<b>Guarantees</b>	<b>2,572.3</b>	<b>15</b>	<b>2,464.7</b>	<b>15</b>
<b>Equity Participations</b>	<b>222.3</b>	<b>1</b>	<b>194.9</b>	<b>1</b>
<b>Total</b>	<b>17,265.3</b>	<b>100</b>	<b>16,308.6</b>	<b>100</b>

## (2) Guarantee Outstandings by Purpose

(Unit: billions of yen, %)

	FY2014		FY2015	
	Total	Share	Total	Share
<b>Guarantee for Samurai Bonds</b>	<b>1,368.9</b>	<b>53</b>	<b>1,423.9</b>	<b>58</b>
<b>Guarantee for Import of Aircrafts</b>	<b>465.2</b>	<b>18</b>	<b>428.2</b>	<b>17</b>
<b>Guarantee for Others</b>	<b>738.1</b>	<b>29</b>	<b>612.5</b>	<b>25</b>
<b>Total</b>	<b>2,572.3</b>	<b>100</b>	<b>2,464.7</b>	<b>100</b>

## (3) Geographical Distribution of Loan and Equity Participation Outstandings

(As of March 31, 2016; billions of yen)

Region / Country			Number	Total
Asia	East Asia	China	106	112.5
		Hong Kong	19	14.6
		Republic of Korea	9	21.9
		Mongolia	1	0.2
		Others	8	47.6
		<b>Sub Total</b>	<b>143</b>	<b>196.9</b>
	Southeast Asia	Brunei Darussalam	1	14.5
		Cambodia	2	0.1
		Indonesia	144	646.7
		Laos	5	14.7
		Malaysia	20	65.6
		Myanmar	2	37.8
		the Philippines	19	237.3
		Singapore	33	171.1
		Thailand	124	182.3
		Vietnam	82	214.0
		<b>Sub Total</b>	<b>432</b>	<b>1,584.6</b>
	South Asia	India	91	222.3
		Pakistan	3	55.6
		Sri Lanka	4	3.8
		<b>Sub Total</b>	<b>98</b>	<b>281.8</b>
	Central Asia and the Caucasus	Kazakhstan	10	194.0
		Turkmenistan	7	42.3
		<b>Sub Total</b>	<b>17</b>	<b>236.3</b>
	<b>Total</b>		<b>690</b>	<b>2,299.8</b>
Oceania	Australia		70	1,804.9
	New Zealand		4	34.4
	Papua New Guinea		6	278.2
	<b>Total</b>		<b>80</b>	<b>2,117.6</b>
Europe	Central and Eastern Europe and Russia	Bulgaria	5	8.6
		Serbia	2	2.9
		Moldova	1	0.9
		Romania	1	0.1
		Russia	24	436.3
		<b>Sub Total</b>	<b>33</b>	<b>449.0</b>
	Western Europe	Cyprus	4	5.7
		Denmark	1	15.3
		France	5	163.3
		Germany	28	122.3
		United Kingdom	31	479.0
		Ireland	9	339.8
		Italy	4	83.1
		Luxembourg	8	107.3
		Malta	3	16.1
		Netherlands	6	103.3
		Norway	2	7.4
		Spain	6	54.2
		Sweden	4	59.3
		Isle of Man	5	6.5
		Switzerland	5	50.7
		<b>Sub Total</b>	<b>121</b>	<b>1,614.1</b>
	<b>Total</b>		<b>154</b>	<b>2,063.2</b>

(As of March 31, 2016; billions of yen)

Region / Country		Number	Total
The Middle East	Bahrain	1	46.4
	Iran	8	58.3
	Iraq	1	13.4
	Jordan	2	12.5
	Kuwait	1	62.8
	Oman	10	146.7
	Qatar	5	358.9
	Saudi Arabia	10	496.2
	Turkey	30	64.8
	United Arab Emirates	6	458.8
	Yemen	2	15.1
	<b>Total</b>	<b>76</b>	<b>1,734.2</b>
Africa	Northern Africa	Algeria	19.3
		Egypt	56.9
		Morocco	30.8
		<b>Sub Total</b>	<b>107.1</b>
	Sub-Saharan Africa	Angola	58.6
		Equatorial Guinea	5.7
		Gabon	0.3
		Kenya	0.2
		Liberia	1.7
		Madagascar	87.1
		Niger	1.1
		Nigeria	16.9
		Seychelles	0.5
		South Africa	41.2
		Uganda	0.0
		<b>Sub Total</b>	<b>213.8</b>
		<b>Total</b>	<b>320.9</b>
	North America	Canada	268.5
		United States	2,060.3
		<b>Total</b>	<b>2,328.9</b>
Latin America and the Caribbean	Argentina	135.3	
	the Bahamas	27.0	
	Bolivia	19.3	
	Brazil	636.8	
	Cayman Islands	25.9	
	Chile	877.3	
	Colombia	56.0	
	Ecuador	0.2	
	Panama	68.4	
	Paraguay	2.2	
	Peru	68.0	
	Mexico	243.1	
	Venezuela	245.3	
	<b>Total</b>	<b>187</b>	<b>2,405.5</b>
International Organizations, etc.		<b>Total</b>	<b>41.0</b>
Others <sup>(Note)</sup>		<b>Total</b>	<b>532.4</b>
<b>Grand Total</b>		<b>1,414</b>	<b>13,843.9</b>

(Note) Others: Two-step loans to regional financial institutions in Japan and loans for crossborder projects, etc.

# 4 Others

## (1) Major Buyer's Credit and Bank-to-bank Loan Commitments (FY2015)

Country	Project/Transaction	Borrower	Amount
Uganda	Export of road construction machinery	Government of Uganda	¥ 7.5 billion
Uzbekistan	Export of fertilizer plant facility	Joint-Stock Commercial Bank ASAKA	¥ 41.5 billion
Bangladesh	Export of facilities for gas-fired combined cycle power plant	Bangladesh Power Development Board	¥ 18.5 billion
Indonesia	Export of facilities for ultra-supercritical coal-fired power plant	PT PLN (Persero)	¥ 9.8 billion
Indonesia	Export of facilities for ultra-supercritical coal-fired power plant	PT PLN (Persero)	US\$ 107 million
Angola	Export of optical submarine cable system	Banco de Desenvolvimento de Angola	US\$ 65.8 million

(Note) A buyer's credit and bank loan are loan facilities directly extended to a foreign importer (buyer) or financial institution to finance imports of equipment and technologies from Japan. A buyer's credit is extended to an importer, while a bank loan is extended to a financial institution.

## (2) Untied Loan Commitments (FY2015)

Country	Project/Transaction	Borrower	Amount
Brazil	Renewable energy projects (GREEN)	Banco Nacional de Desenvolvimento Econômico e Social	US\$ 50 million <sup>(Note)</sup>
Mexico	Renewable energy and energy efficiency projects (GREEN)	Banco Nacional de Comercio Exterior, S.N.C.	US\$ 50 million <sup>(Note)</sup>
Indonesia	Partial acquisition of privately placed Samurai bonds (GATE)	Government of Indonesia	—
Indonesia	Partial acquisition of privately placed Samurai bonds (GATE)	Government of Indonesia	—

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

## (3) Debt Rescheduling Based on Paris Club Agreements (FY2015)

Country	Date of Paris Club Agreement	Date JBIC signed Rescheduling Agreement	Rescheduled Amount
Argentina	2014.5.29	2015.9.16	¥ 153.5 billion

(Note) The Paris Club is an informal group of official creditors whose role is to find coordinated and sustainable solutions to the payment difficulties experienced by debtor nations. Since the first meeting took place in 1956 to resolve the debt problem of Argentina, the meeting has been held in Paris, with the French Treasury acting as its secretariat. Hence, it has come to be called the Paris Club. This table lists all the debt rescheduling agreements JBIC signed with debtor countries during FY2015 based on inter-governmental agreements at the Paris Club.

Standard loan conditions are shown below. Loan Interest rates are linked to the funding cost of JBIC, including the rate on borrowings from the Fiscal Loan Fund Special Account, and thus they are subject to changes in conditions of the financial market. A loan applicant should make an inquiry at the relevant loan department for specific loan conditions.<sup>(1)</sup>

## 1— Standard Interest Rates

(As of August 15, 2016)

Type of Loans	Type of Loans <sup>(2)</sup>	Percentage of Loan Provided by JBIC
Export Loans	<ul style="list-style-type: none"> <li>■ Fixed at commitment (Yen CIRR)<sup>(3)</sup> <ul style="list-style-type: none"> <li>• 0.66% (Repayment period 5yrs or less)</li> <li>• 0.66% (Repayment period over 5yrs to 8.5yrs)</li> <li>• 0.63% (Repayment period over 8.5yrs)</li> </ul> </li> <li>■ Fixed at tenders<sup>(3)(8)</sup> <ul style="list-style-type: none"> <li>• above rate + 0.2%</li> </ul> </li> </ul>	60% limit
Import Loans / Overseas Investment Loans / Untied Loans / (Natural Resources / International Competitiveness) <sup>(1)</sup>	<ul style="list-style-type: none"> <li>■ Japanese yen<sup>(4)</sup> <ul style="list-style-type: none"> <li>• 0.425%<sup>(6)(7)</sup></li> </ul> </li> <li>■ Foreign Currency<sup>(5)</sup> <ul style="list-style-type: none"> <li>• LIBOR+0.500%<sup>(6)(7)</sup></li> </ul> </li> </ul>	60% limit <sup>(7)</sup>

(Notes) 1. SMEs are eligible for preferential interest rates and other favorable loan conditions.  
 2. Premium is added based on the type of financing such as collateral /guarantee and loan schemes.  
 3. Synthetic rate based on interest rates charged by JBIC and cofinancing institutions.  
 4. Interest rates on loans in Japanese yen are determined based on specific loan periods and the amortization schedule.  
 The interest rate shown in the table is a reference rate for a 10-year loan with lump-sum repayment upon maturity. Please make an inquiry at the relevant department for interest rate on specific conditions.  
 5. Interest rates on loans in foreign currencies are linked to 6-month LIBOR for US dollars.  
 6. Special interest rates will be applied based on policy implication such as contribution to "Promoting overseas development and acquisition of strategically important natural resources to Japan" or "Maintaining and improving the International competitiveness of Japanese industries."  
 7. Risk premium is added based on the OECD Arrangement.  
 8. 70% limit for resource-related (import and overseas investment) loans.

## 2— Loan Maturity

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

## 3— Collateral, Guarantee

Collaterals and guarantees are determined in consultation with the clients.

(As of July 1, 2016)

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



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The balance sheets, statements of operations, statements of changes in net assets, and notes to the non-consolidated financial statements of JBIC were prepared in accordance with the regulations concerning terminology, forms, and preparation methods of financial statements set in the ordinance of the Ministry of Finance No.59 of 1963. Assets and liabilities, revenue and expenses were classified in accordance with the ordinance of the Ministry of Finance regarding Japan Bank for International Cooperation Act No. 15 of 2012.

FY 2015 financial statements for the period of April 1, 2015, to March 31, 2016, were audited by Ernst & Young ShinNihon LLC in accordance with Article 193 Paragraph 2 Item 1 of Financial Instruments and Exchange Act.

No consolidated financial statements were prepared as JBIC has no consolidating subsidiaries.

## Balance Sheets

	March 31, 2015 (In millions of yen)	March 31, 2016 (In millions of yen)	March 31, 2016 (In millions of U.S. dollars)
<b>Assets:</b>			
<b>Cash and due from banks</b>	¥ 850,496	¥ 1,220,187	\$ 10,829
Cash	0	0	0
Due from banks	850,496	1,220,187	10,829
<b>Securities</b> <span style="float: right;">Note 3</span>	<b>261,786</b>	<b>236,602</b>	<b>2,100</b>
Other securities	261,786	236,602	2,100
<b>Loans and bills discounted</b> <span style="float: right;">Notes 4</span>	<b>14,432,949</b>	<b>13,540,661</b>	<b>120,169</b>
Loans on deeds	14,432,949	13,540,661	120,169
<b>Other assets</b>	<b>430,297</b>	<b>256,188</b>	<b>2,274</b>
Prepaid expenses	520	521	5
Accrued income	45,331	49,807	442
Derivatives other than for trading-assets	18,913	43,357	385
Cash collateral paid for financial instruments	365,250	162,230	1,440
Other	282	273	2
<b>Property, plant and equipment</b> <span style="float: right;">Note 6</span>	<b>28,295</b>	<b>27,804</b>	<b>247</b>
Buildings	3,040	2,882	26
Land	24,664	24,427	217
Lease assets	22	13	0
Construction in progress	—	34	0
Other	567	446	4
<b>Intangible assets</b>	<b>3,154</b>	<b>2,737</b>	<b>24</b>
Software	3,154	2,737	24
<b>Customers' liabilities for acceptances and guarantees</b>	<b>2,572,328</b>	<b>2,464,703</b>	<b>21,873</b>
<b>Allowance for loan losses</b>	<b>(115,492)</b>	<b>(168,262)</b>	<b>(1,493)</b>
<b>Total assets</b>	<b>¥ 18,463,816</b>	<b>¥ 17,580,622</b>	<b>\$ 156,023</b>

	March 31, 2015 (In millions of yen)	March 31, 2016 (In millions of yen)	March 31, 2016 (In millions of U.S. dollars)
<b>Liabilities:</b>			
<b>Borrowed money</b>	¥ 9,425,316	¥ 9,438,450	\$ 83,763
Borrowings	9,425,316	9,438,450	83,763
<b>Bonds payable</b>	Note 5 3,049,490	2,668,558	23,683
<b>Other liabilities</b>	949,227	528,890	4,694
Accrued expenses	27,645	31,815	282
Unearned revenue	63,934	57,888	514
Derivatives other than for trading-assets	833,744	375,363	3,331
Cash collateral received for financial instruments	12,750	63,380	562
Lease obligations	31	16	0
Other	11,121	426	5
<b>Provision for bonuses</b>	500	516	5
<b>Provision for directors' bonuses</b>	6	6	0
<b>Provision for retirement benefits</b>	6,395	7,090	63
<b>Provision for directors' retirement benefits</b>	30	39	0
<b>Acceptances and guarantees</b>	2,572,328	2,464,703	21,873
<b>Total liabilities</b>	¥ 16,003,296	¥ 15,108,255	\$ 134,081
<b>Net assets:</b>			
<b>Capital stock</b>	¥ 1,391,000	¥ 1,391,000	\$ 12,345
<b>Retained earnings</b>	993,053	972,140	8,628
Legal retained earnings	865,683	929,368	8,248
Other retained earnings	127,369	42,772	380
Retained earnings brought forward	127,369	42,772	380
<b>Total shareholders' equity</b>	2,384,053	2,363,140	20,973
<b>Valuation difference on available-for-sale securities</b>	12,786	4,303	38
<b>Deferred gains or losses on hedges</b>	63,681	104,923	931
<b>Total valuation and translation adjustments</b>	76,467	109,226	969
<b>Total net assets</b>	¥ 2,460,520	¥ 2,472,367	\$ 21,942
<b>Total liabilities and net assets</b>	¥ 18,463,816	¥ 17,580,622	\$ 156,023

## Statements of Operations

	March 31, 2015 (In millions of yen)	March 31, 2016 (In millions of yen)	March 31, 2016 (In millions of U.S. dollars)
<b>Ordinary income:</b>	<b>¥ 257,252</b>	<b>¥ 240,005</b>	<b>\$ 2,130</b>
Interest income	192,973	213,806	1,897
Interest on loans and discounts	166,130	196,859	1,747
Interest and dividends on securities	2,030	2,682	24
Interest on receivables under resale agreements	59	7	0
Interest on deposits with banks	1,479	2,787	25
Interest on interest swaps	23,116	11,250	100
Other interest income	156	219	1
Fees and Commissions	35,901	22,091	196
Other fees and commissions	35,901	22,091	196
Other ordinary income	4,100	141	1
Gain on foreign exchange transactions	3,856	117	1
Other	244	23	0
Other income	24,276	3,965	36
Reversal of allowance for loan losses	13,392	—	—
Recoveries of written-off claims	101	0	0
Gain on sales of stocks and other securities	0	1,890	17
Gain on investments in partnerships	10,633	1,914	17
Other	148	160	2
<b>Ordinary expenses:</b>	<b>136,755</b>	<b>197,276</b>	<b>1,751</b>
Interest expenses	116,076	123,779	1,099
Interest on borrowings and rediscounts	50,488	57,339	509
Interest on bonds	65,567	66,429	590
Other interest expenses	20	10	0
Fees and commissions payments	2,088	1,653	15
Other fees and commissions	2,088	1,653	15
Other ordinary expenses	1,585	1,310	12
Amortization of bond issuance cost	659	729	6
Expenses on derivatives other than for trading or hedging	520	145	1
Other	405	434	5
General and administrative expenses	17,004	17,631	156
Other expenses	—	52,901	469
Provision of allowance for loan losses	—	52,770	468
Loss on sales of stocks and other securities	—	130	1
<b>Ordinary profit</b>	<b>120,496</b>	<b>42,728</b>	<b>379</b>
<b>Extraordinary income</b>	<b>5,707</b>	<b>43</b>	<b>1</b>
Gain on disposal of noncurrent assets	9	43	1
Gain on transfer of benefit obligation relating to welfare pension fund	5,698	—	—
<b>Extraordinary loss</b>	<b>16</b>	<b>—</b>	<b>—</b>
Loss on disposal of noncurrent assets	16	—	—
<b>Net income</b>	<b>¥ 126,187</b>	<b>¥ 42,772</b>	<b>\$ 380</b>

## Statements of Changes in Net Assets

From April 1, 2014 to March 31, 2015

(In millions of yen)

	Shareholders' equity				
	Capital stock	Retained earnings			Total shareholders' equity
		Legal retained earnings	Other retained earnings	Total retained earnings	
			Retained earnings brought forward		
Balance at the beginning of current period	¥ 1,360,000	¥ 820,000	¥ 91,366	¥ 911,366	¥ 2,271,366
Cumulative effects of changes in accounting policies			1,182	1,182	1,182
Restated balance	1,360,000	820,000	92,549	912,549	2,272,549
Changes of items during the period					
Issuance of new shares	31,000				31,000
Provision of legal retained earnings		45,683	(45,683)	—	—
Payment to national treasury			(45,683)	(45,683)	(45,683)
Net income			126,187	126,187	126,187
Net changes of items other than shareholders' equity					
Total changes of items during the period	31,000	45,683	34,820	80,504	111,504
Balance at the end of current period	¥ 1,391,000	¥ 865,683	¥ 127,369	¥ 993,053	¥ 2,384,053

(In millions of yen)

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of current period	¥ 5,472	¥ 64,472	¥ 69,945	¥ 2,341,312
Cumulative effects of changes in accounting policies				1,182
Restated balance	5,472	64,472	69,945	2,342,494
Changes of items during the period				
Issuance of new shares				31,000
Provision of legal retained earnings				—
Payment to national treasury				(45,683)
Net income				126,187
Net changes of items other than shareholders' equity	7,313	(791)	6,521	6,521
Total changes of items during the period	7,313	(791)	6,521	118,026
Balance at the end of current period	¥ 12,786	¥ 63,681	¥ 76,467	¥ 2,460,520

From April 1, 2015 to March 31, 2016

(In millions of yen)

	Shareholders' equity				
	Capital stock	Retained earnings			Total shareholders' equity
		Legal retained earnings	Other retained earnings	Total retained earnings	
			Retained earnings brought forward		
Balance at the beginning of current period	¥ 1,391,000	¥ 865,683	¥ 127,369	¥ 993,053	¥ 2,384,053
Changes of items during the period					
Provision of legal retained earnings		63,684	(63,684)	—	—
Payment to national treasury			(63,684)	(63,684)	(63,684)
Net income			42,772	42,772	42,772
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	63,684	(84,597)	(20,912)	(20,912)
Balance at the end of current period	¥ 1,391,000	¥ 929,368	¥ 42,772	¥ 972,140	¥ 2,363,140

(In millions of yen)

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of current period	¥ 12,786	¥ 63,681	¥ 76,467	¥ 2,460,520
Changes of items during the period				
Provision of legal retained earnings				—
Payment to national treasury				(63,684)
Net income				42,772
Net changes of items other than shareholders' equity	(8,482)	41,242	32,759	32,759
Total changes of items during the period	(8,482)	41,242	32,759	11,846
Balance at the end of current period	¥ 4,303	¥ 104,923	¥ 109,226	¥ 2,472,367

From April 1, 2015 to March 31, 2016

(In millions of U.S. dollars)

(in millions of U.S. dollars)

	Shareholders' equity				
	Capital stock	Retained earnings			Total shareholders' equity
		Legal retained earnings	Other retained earnings	Total retained earnings	
			Retained earnings brought forward		
Balance at the beginning of current period	\$ 12,345	\$ 7,683	\$ 1,130	\$ 8,813	\$ 21,158
Changes of items during the period					
Provision of legal retained earnings		565	(565)	—	—
Payment to national treasury			(565)	(565)	(565)
Net income			380	380	380
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	565	(750)	(185)	(185)
Balance at the end of current period	\$ 12,345	\$ 8,248	\$ 380	\$ 8,628	\$ 20,973

(In millions of U.S. dollars)

	Valuation and translation adjustments			Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of current period	\$ 113	\$ 565	\$ 678	\$ 21,836
Changes of items during the period				
Provision of legal retained earnings				—
Payment to national treasury				(565)
Net income				380
Net changes of items other than shareholders' equity	(75)	366	291	291
Total changes of items during the period	(75)	366	291	106
Balance at the end of current period	\$ 38	\$ 931	\$ 969	\$ 21,942

## Statements of Cash Flows

	March 31, 2015 (In millions of yen)	March 31, 2016 (In millions of yen)	March 31, 2016 (In millions of U.S. dollars)
<b>Cash flow from operating activities</b>			
Net income	¥ 126,187	¥ 42,772	\$ 380
Depreciation and amortization	1,356	1,302	12
Increase (decrease) in allowance for loan losses	(13,392)	52,770	468
Increase (decrease) in provision for bonuses	17	15	0
Increase (decrease) in provision for directors' bonuses	0	0	0
Increase (decrease) in provision for retirement benefits	(6,673)	695	6
Increase (decrease) in provision for directors' retirement benefits	9	8	0
Gain on fund management	(192,973)	(213,806)	(1,897)
Financing expenses	116,076	123,779	1,099
Loss (gain) related to securities	(10,633)	(3,674)	(33)
Loss (gain) on disposal of noncurrent assets	7	(43)	(0)
Net decrease (increase) in loans and bills discounted	(1,777,548)	892,288	7,919
Net increase (decrease) in borrowed money	1,017,608	13,134	117
Net decrease (increase) in deposit (excluding deposit paid to Bank of Japan)	(129,022)	305,251	2,709
Net decrease (increase) in receivables under resale agreements	202,733	—	—
Increase (decrease) in straight bonds-issuance and redemption	336,800	(382,533)	(3,395)
Proceeds from fund management	186,808	206,938	1,837
Payments for finance	(116,172)	(118,022)	(1,047)
Other	291,148	(204,123)	(1,814)
Subtotal	32,337	716,752	6,361
Net cash provided by (used in) operating activities	32,337	716,752	6,361
<b>Cash flow from investing activities</b>			
Purchase of securities	(30,927)	(55,554)	(493)
Proceeds from sales of securities	12,472	67,401	598
Proceeds from redemption of securities	1,816	10,409	92
Purchase of property, plant and equipment	(244)	(183)	(2)
Proceeds from sales of property, plant and equipment	51	332	3
Purchase of intangible assets	(2,525)	(516)	(4)
Net cash provided by (used in) investing activities	(19,356)	21,888	194
<b>Cash flow from financing activities</b>			
Proceeds from issuance of common stock	31,000	—	—
Repayments of lease obligations	(12)	(13)	(0)
Payment to national treasury	(45,683)	(63,684)	(565)
Net cash provided by (used in) financing activities	(14,695)	(63,698)	(565)
<b>Effect of exchange rate change on cash and cash equivalents</b>	—	—	—
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,715)</b>	<b>674,942</b>	<b>5,990</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>42,367</b>	<b>40,651</b>	<b>361</b>
<b>Cash and cash equivalents at end of period</b> <span>Note 11</span>	<b>¥ 40,651</b>	<b>¥ 715,594</b>	<b>\$ 6,351</b>



## ■ Notes to Financial Statements

### 1. Basis of presentation

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

Consolidated financial statements are not prepared since JBIC has no subsidiaries.

The amounts indicated in millions of yen are rounded down by omitting figures less than one million. Totals may therefore not add up exactly because of this rounding.

Amounts in U.S. dollars are presented solely for the convenience of readers outside Japan. The rate of ¥112.68=\$1.00, the foreign exchange rate on March 31, 2016, has been used in translations. The presentation of such amounts is not intended to imply that Japanese yen have been or could be readily converted, realized, or settled in U.S. dollars at the aforementioned rates or any other rate.

### 2. Significant accounting policies

#### (a) Securities

Held-to-maturity securities are carried at amortized cost based on the moving average method. Investments in affiliates are carried at cost based on the moving average method. Available-for-sale securities are in principle stated at fair value with changes in net unrealized gains or losses included directly in Net assets. However, available-for-sale securities whose fair value cannot be readily determined are carried at cost based on the moving average method.

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

#### (b) Valuation method for derivative financial instruments

Derivative financial instruments are carried at fair value.

#### (c) Depreciation basis for fixed assets

##### (i) Property, plant and equipment (except for lease assets)

Tangible fixed assets are depreciated by the declining balance method over their useful economic lives except for buildings (excluding installed facilities) which are depreciated by the straight-line method.

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

Buildings: 3 years to 50 years

Other: 2 years to 35 years

##### (ii) Intangible assets (except for lease assets)

Depreciation of intangible fixed assets is computed by the straight-line method. Software used by JBIC is depreciated over its useful life (5 years or less) at JBIC.

##### (iii) Lease assets

Lease assets in "property, plant and equipment" or "intangible assets," under finance leases that do not involve transfer of ownership to the lessee are depreciated by the straight-line method over the lease term. Depreciation for lease assets is calculated with zero residual value being assigned to the asset.

#### (d) Method of amortization for deferred charges

Bond issuance cost is expensed as incurred.

#### (e) Foreign currency translation and revaluation method

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

## (f) Allowance for loan losses

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

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

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

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

With respect to claims with collateral or guarantees on debtors who are legally or substantially bankrupt ("Bankrupt borrowers and substantially bankrupt borrowers"), the residual booked amount of the claims after deduction of the amount which is deemed collectable through the disposal of collateral or the execution of guarantees is written off. There are no accumulated write-offs as of March 31, 2016. (There were no accumulated write-offs as of March 31, 2015.)

## (g) Provision for bonuses

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

## (h) Provision for directors' bonuses

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

## (i) Provision for retirement benefits

The "provision for retirement benefits" represents the future payment for pension and retirement benefits to employees, and is accrued based on the projected benefit obligations and the estimated pension plan assets at the fiscal year end.

## (i) Method of attributing the projected benefits to periods of services

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

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

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

## (j) Provision for directors' retirement benefits

The "provision for directors' retirement benefits," which provides for future retirement pension payment to directors, corporate auditors and executive officers, is recognized at the amount accrued at the end of the respective fiscal year.

## (k) Accounting for hedges of interest rate risk

## (i) Hedge accounting

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

## (ii) Hedging instruments and hedged items

Hedging instruments: interest rate swaps

Hedged items: loans, borrowings, bonds and notes

## (iii) Hedging policy

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

(iv) Assessment of hedge effectiveness

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

(l) Accounting for hedges of foreign exchange risks

Hedging instruments used to hedge foreign exchange risks associated with foreign currency denominated monetary assets and liabilities are accounted for using the deferral method, in accordance with the standard treatment of The Japanese Institute of Certified Public Accountants (JICPA) Industry Audit Committee Report No. 25 of July 29, 2002.

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

(m) Consumption and other taxes

Consumption taxes and local consumption taxes ("consumption taxes") are excluded from transaction amounts. Non-deductible consumption taxes related to property, plant and equipment are expensed as incurred.

(n) Scope of cash and cash equivalents in the statements of cash flows

Cash and cash equivalents as stated in the Statements of Cash Flows consists of cash on hand and Deposit with the Bank of Japan in "Cash and due from banks" in the balance sheets.

### 3. Equities securities of or investments in affiliates

	March 31, 2015 (In millions of yen)	March 31, 2016 (In millions of yen)	March 31, 2016 (In millions of U.S. dollars)
Equities securities	¥ 2,061	¥ 2,061	\$ 18
Investments in affiliates	83,251	82,439	732

### 4. Loans

(a) Bankrupt loans and non-accrual loans included in loans and bills discounted:

	March 31, 2015 (In millions of yen)	March 31, 2016 (In millions of yen)	March 31, 2016 (In millions of U.S. dollars)
Bankrupt loans	¥ —	¥ —	\$ —
Non-accrual loans	120,482	111,407	989

"Bankrupt loans" are loans, defined in Article 96, Paragraph 1, Item (iii), a. through e. and Item (iv) of the Corporate Tax Law Enforcement Ordinance (Government Ordinance No. 97, 1965), on which accrued interest income is not recognized as there is substantial uncertainty over the ultimate collectability of either principal or interest because they have been in arrears for a considerable period of time or for other reasons.

"Non-accrual loans" are loans on which accrued interest income is not recognized, although this excludes Bankrupt loans and the loans on which interest payments are deferred in order to support the borrowers' recovery from financial difficulties.

(b) Loans with interest or principal repayments three months or more in arrears included in loans and bills discounted:

	March 31, 2015 (In millions of yen)	March 31, 2016 (In millions of yen)	March 31, 2016 (In millions of U.S. dollars)
Loans with interest or principal repayments three months or more in arrears	¥ 35,945	¥ 44,719	\$ 397

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

- (c) Restructured loans included in loans and bills discounted:

	March 31, 2015 (In millions of yen)	March 31, 2016 (In millions of yen)	March 31, 2016 (In millions of U.S. dollars)
Restructured loans	¥ 73,770	¥ 98,714	\$ 876

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

- (d) The total amount of bankrupt loans, non-accrual loans, loans with interest or principal repayments three months or more in arrears, and restructured loans:

	March 31, 2015 (In millions of yen)	March 31, 2016 (In millions of yen)	March 31, 2016 (In millions of U.S. dollars)
Total amount	¥ 230,198	¥ 254,840	\$ 2,262

The amounts of loans indicated in table (a) through (d) above are the gross amounts prior to the deduction of allowance for possible loan losses.

- (e) JBIC, as a policy, does not pay down loans in part or in full immediately after the execution of the loan agreements, but instead makes disbursement, in accordance with the progress of the underlying projects. These undisbursed amounts are not included in the loans on deed in the balance sheets. The balance of unpaid amounts is as follows:

	March 31, 2015 (In millions of yen)	March 31, 2016 (In millions of yen)	March 31, 2016 (In millions of U.S. dollars)
Balance of unpaid loans	¥ 3,126,981	¥ 2,884,178	\$ 25,596

## 5. Assets pledged as collateral

Pursuant to Article 34 of the Japan Bank for International Cooperation Act ("JBIC Act"), all JBIC assets are pledged as general collateral for bonds:

	March 31, 2015 (In millions of yen)	March 31, 2016 (In millions of yen)	March 31, 2016 (In millions of U.S. dollars)
Bonds payable	¥ 3,049,490	¥ 2,668,558	\$ 23,683

## 6. Accumulated depreciation of fixed assets

	March 31, 2015 (In millions of yen)	March 31, 2016 (In millions of yen)	March 31, 2016 (In millions of U.S. dollars)
Accumulated depreciation	¥ 1,140	¥ 1,507	\$ 13

## 7. Contingent liabilities

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

	March 31, 2015 (In millions of yen)	March 31, 2016 (In millions of yen)	March 31, 2016 (In millions of U.S. dollars)
	¥ 710,000	¥ 450,000	\$ 3,994

## 8. Appropriation of retained earnings

JBIC is subject to restrictions on its appropriation of retained earnings pursuant to Article 31 of the JBIC Act.

JBIC shall accumulate, as a reserve, an amount calculated in accordance with the standards prescribed by the Cabinet Order until it reaches a certain amount stipulated by the Cabinet Order; and if there still is a surplus, JBIC shall pay such surplus into the national treasury within 3 months after the annual closing date.

In the event that the amount of retained earnings brought forward falls below zero, a reserve shall be transferred to the retained earnings brought forward to the extent that the amount of retained earnings brought forward becomes zero.

## 9. Income on transactions with affiliates

Income on transactions with affiliates is as follows:

	March 31, 2015 (In millions of yen)	March 31, 2016 (In millions of yen)	March 31, 2016 (In millions of U.S. dollars)
Gain on investments in partnerships	¥ 13,405	¥ 436	\$ 4

## 10. Changes in Net Assets

### (a) Issued shares and treasury stocks

For the fiscal year ended March 31, 2015, type and number of issued shares and treasury stocks are as follows;

(unit: thousands of shares)

Types	The number of shares at the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	The number of shares at the end of the fiscal year	Remarks
Issued shares					
Common stocks	1,360,000,000	31,000,000	—	1,391,000,000	(Note)
Classified stock	—	—	—	—	
Total	1,360,000,000	31,000,000	—	1,391,000,000	(Note)
Treasury stock					
Common stocks	—	—	—	—	
Classified stock	—	—	—	—	
Total	—	—	—	—	

(Note) The increase is due to the issuance of 31,000,000 thousand common shares.

For the fiscal year ended March 31, 2016, type and number of issued shares and treasury stocks are as follows;

(unit: thousands of shares)

Types	The number of shares at the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	The number of shares at the end of the fiscal year	Remarks
Issued shares					
Common stocks	1,391,000,000	—	—	1,391,000,000	
Classified stock	—	—	—	—	
Total	1,391,000,000	—	—	1,391,000,000	
Treasury stock					
Common stocks	—	—	—	—	
Classified stock	—	—	—	—	
Total	—	—	—	—	

## 11. Cash Flows

"Cash and cash equivalents" in the Statements of Cash Flows as of March 31, 2015 and 2016 reconciles to cash and due from banks in the balance sheets as follows:

	March 31, 2015 (In millions of yen)	March 31, 2016 (In millions of yen)	March 31, 2016 (In millions of U.S. dollars)
Cash and due from banks	¥ 850,496	¥ 1,220,187	\$ 10,829
Time deposits and others	(809,845)	(504,593)	(4,478)
Cash and cash equivalents	¥ 40,651	¥ 715,594	\$ 6,351

## 12. Lease Transactions

Finance lease transactions

Finance lease transactions that do not involve the transfer of ownership to the lessee

### (i) Description of lease assets

- ① Property, plant and equipment: Equipment and property
- ② Intangible assets: Not applicable

### (ii) Depreciation of lease assets

Depreciation of lease assets is calculated under the method as set forth in Note 2 (c).

### 13. Financial instruments and related disclosure

#### (a) Status of financial instruments

##### (i) Initiatives for financial instruments

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

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

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

##### (ii) Types of financial instruments and risks

The assets that JBIC holds mainly include loans to borrowers in Japan and overseas, and securities and liabilities mainly include borrowings and bonds. The associated risks are described below.

##### ① Credit risk

Credit risk is the risk that JBIC will suffer losses if the financial condition of the borrower deteriorates and the value of assets (including off-balance sheet assets) decrease or disappear.

The credit risks associated with JBIC include sovereign risk, country risk, corporate risk, and project risk. Because of the characteristic of supports for overseas economic transactions conducted by JBIC, much financing is provided to overseas governments, governmental institutions, and overseas corporations; the credit risk associated with the credit provided primarily consists of sovereign or country risk.

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

(Note) Sovereign risk refers to risk associated with credit supplied to foreign governments, country risk refers to risk associated with the country in which the corporation or project is located (risk, in addition to corporate risk or project risk, associated with the country in which the corporation or the project is located) and corporate risk refers to the risk associated with credit to corporations and project risk refers to the risk that the cash flow of an underlying project will not perform as planned, in the case of project finance, where the repayment of the borrowing is primarily secured by the cash flow of the project to which credit is supplied.

##### ② Market risk

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

The market risk associated with JBIC mainly consists of foreign exchange risk and interest rate risk, and losses could be suffered from these risks from market fluctuations. However, in principle, these risks are hedged through interest rate swaps, currency swaps, and forward foreign exchange contracts.

JBIC uses hedge accounting for interest rate hedges, where the hedging instrument is interest

rate swaps to hedge the market fluctuation risk associated with loans, borrowed money and bonds. The effectiveness of the hedges is assessed by measuring and comparing the change in fair value or cumulative change in cash flows of both hedging instruments and corresponding hedged items from the date of inception of the hedges to the assessment date.

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

③ Liquidity risk

Liquidity risk is the risk that losses will be incurred as a result of funding challenges due to a maturity mismatch between financing and funding or unexpected outflow of funds, or being forced to fund at an interest rate significantly higher than in normal circumstances (funding risk), as well as the risk that losses will be incurred from a failure to ingenerate transactions in the market due to market disruption or from being forced to make transactions at a significantly disadvantageous price than in normal circumstances (market liquidity risk).

Long-term and stable funds, such as fiscal loan funds, government-guaranteed bonds, and FILP agency bonds, are secured to finance JBIC and deposits are not accepted, with the result that it considers liquidity risk to be limited. However, financing costs could increase due to market disruption and unexpected events.

(iii) Risk management structure for financial instruments

The risk management structure of JBIC is described below.

① Credit risk management

The basis of credit risk management is centered on individual credit management based on the creditworthiness of the borrower during the credit approval process.

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

For lending to foreign governments and corporations, JBIC makes most use of its position as a public institution and exchanges views and information with governments and other authorities in recipient countries, international institutions such as the IMF and the World Bank, other regional development banks and official export credit agencies as well as private financial institutions in the industrial countries. Using all these channels, JBIC evaluates sovereign or country risk (risk in addition to corporate risk associated with the country in which the corporation is located) based on a broad range of information on government and government agency borrowers as well as political and economic conditions in their countries.

The relevant finance departments and credit departments conduct proper credit risk management based on the credit risk rating system for segmented risk categories and the asset self assessment system based on the Financial Inspection Manual of the Japanese Financial Services Agency. In addition, an Integrated Risk Management Committee is held regularly to report the status of credit management to the management. In addition, an Integrated Risk Management Committee is held regularly to report the status of credit management to the management. The credit management situation is also checked by an independent auditing department.

In addition, a claims protection mechanism exists based on an international framework unique to official creditors, that is not contained in private sector financial institutions, for official claims on foreign governments. This mechanism consists of international financial assistance upon international approval by the Paris Club, an international group focusing on debt, to allow the debtor country to continue debt repayment when the debtor country becomes temporarily unable to service its debt due to economic conditions. As part of this international financial assistance, the debtor country conducts an economic reform program upon agreement with the IMF in order to secure the ability to



sustainably service its debt. In view of JBIC's position as a public financial institution, it will use the framework of the Paris Club to preserve its official claims on foreign governments.

Besides the individual credit management outlined above, JBIC quantifies credit risks to assess the overall risk of the portfolio in these operations. To quantify credit risks, it is important to take into account the characteristic of the loan portfolio, namely, that there are a significant proportion of long-term loans and loans involving sovereign risk or country risk. Also to be taken into account is the mechanism of securing assets, such as the framework of international financial assistance to debtor countries through the Paris Club, which is unique to official creditors. JBIC uses a unique model to quantify the credit risk taking account of the above explained elements and measures amount of credit risk, which are utilized for credit risk management.

② Market risk management

ALM is used to manage foreign exchange risk and interest rate risk for these operations. Market risk management protocols contain detailed stipulations of risk management methods and procedures, which are used by the ALM Committee to assess and confirm the execution of ALM, and for discussions concerning future responses. In addition, monitoring is conducted through gap analysis and interest rate sensitivity analysis as well as Value at Risk ("VaR") to comprehensively assess the interest and terms of financial assets and liabilities. The results are regularly reported to the ALM Committee.

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

1) Foreign exchange risk

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

2) Interest rate risk

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

a. Yen-denominated loan operations

Funding for yen-denominated loans is mainly managed by using fixed-rate loans. However, swaps are used to hedge interest rate risk for portions of loans that are thought to have high exposures to interest rate fluctuations. Interest rate risk for denominated loans is limited.

b. Foreign currency-denominated loan operations

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

3) Status of market risk

JBIC only maintains a banking book and does not have financial instruments in a trading book. While in principle JBIC holds derivatives only for hedging purposes, stated previously, market risk is measured in order to, including but not limited to, assess potential risks. The following represents an overview of the market risk exposure in the current fiscal year. Conventionally, JBIC had measured market risk (value at risk, or "VaR") by simply aggregating interest rate VaR and exchange rate VaR. In conjunction with further refinements of risk measurement methods, effective as of the year ended March 31, 2016, JBIC measures market risk (VaR) by taking into account the diversified effects of interest rate risk and foreign exchange risk.

a. Market risk (VaR) (end of this fiscal year)

	March 31, 2016 (In billions of yen)	March 31, 2016 (In billions of U.S. dollars)
¥	144.6	\$ 1.3

b. Market risk (VaR) measurement model

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

c. Risk management using VaR

VaR is a market risk measure that assesses the maximum possible profits or losses that could be incurred based on historical market movements of interest rates or exchange rates, etc., over a specific period in the past (or observation period) within a certain period of time (or holding period) under a certain probability (or confidence interval), that is derived



statistically by employing the theory of possibility distribution.

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

The following points should generally be noted for VaR model measurement.

- VaR will differ depending on the confidence interval, holding period or observation period.
- VaR indicates the maximum amount of unrealized profits or losses at the time of measurement. However, calculated VaR may not always be realized in the future with a certain probability because the assumptions, such as market movements, could vary during the holding period.
- VaR indicates the maximum value based on specific assumption. As such, it is imperative to keep in mind that VaR may underestimate the potential losses when utilizing VaR as a risk management measure.

③ Liquidity risk management related to fund procurement

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

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

④ Derivative transactions

A protocol of internal checks with separate divisions executing transactions, assessing the effectiveness of hedges, and conducting office management has been established for derivative transactions, and these transactions are conducted according to derivatives-related regulations.

(iv) Supplementary explanation concerning fair value of financial instruments

The fair value of financial instruments includes amounts based on market value and amounts that have been reasonably estimated when no market value is available. Set valuation inputs are used for the calculation of this amount, and if different valuation inputs are used the resulting amount could vary.

(b) Fair value of financial instruments

The carrying amount in the balance sheets as of March 31, 2015 and March 31, 2016 and the related fair value, and difference is as follows. Note that unlisted securities whose fair value is extremely difficult to be determined are not included in the following chart (refer to Note 2).

**As of March 31, 2015**

(In millions of yen)

	Amount on balance sheet		Fair value		Difference
(1) Cash and due from banks	¥	850,496	¥	850,496	¥ —
(2) Securities					
Available-for-sale securities		39,393		39,393	—
(3) Loans and bills discounted		14,432,949			
Allowance for loan losses (*1)		(113,503)			
		14,319,445		14,383,432	63,986
(4) Cash collateral paid for financial instruments		365,250		365,250	—
Total assets		15,574,586		15,638,572	63,986
(1) Borrowings		9,425,316		9,502,290	76,974
(2) Bonds payable		3,049,490		3,128,010	78,520
(3) Cash collateral received for financial instruments		12,750		12,750	—
Total liabilities		12,487,556		12,643,050	155,494
Derivative transactions (*2)					
Derivative transactions not qualifying for hedge accounting		—		—	—
Derivative transactions qualifying for hedge accounting		(814,830)		(814,830)	—
Total derivative transactions	¥	(814,830)	¥	(814,830)	¥ —

(\*1) General allowance for loan losses and allowance for loan losses, and the allowance for possible loan losses on specific overseas loans have been deducted from loans.

(\*2) Derivatives recorded in "other assets and other liabilities" are collectively displayed. The net values of assets and liabilities arising from derivative transactions are displayed. The figures in parenthesis indicate net liabilities.

## As of March 31, 2016

(In millions of yen)

	Amount on balance sheet	Fair value	Difference
(1) Cash and due from banks	¥ 1,220,187	¥ 1,220,187	¥ —
(2) Securities			
Available-for-sale securities	41,697	41,697	—
(3) Loans and bills discounted	13,540,661		
Allowance for loan losses (*1)	(160,868)		
	13,379,792	13,483,425	103,633
(4) Cash collateral paid for financial instruments	162,230	162,230	—
Total assets	14,803,907	14,907,541	103,633
(1) Borrowings	9,438,450	9,536,939	98,488
(2) Bonds payable	2,668,558	2,721,958	53,399
(3) Cash collateral received for financial instruments	63,380	63,380	—
Total liabilities	12,170,388	12,322,277	151,888
Derivative transactions (*2)			
Derivative transactions not qualifying for hedge accounting	—	—	—
Derivative transactions qualifying for hedge accounting	(332,006)	(332,006)	—
Total derivative transactions	¥ (332,006)	¥ (332,006)	¥ —

## As of March 31, 2016

(In millions of U.S. dollars)

	Amount on balance sheet	Fair value	Difference
(1) Cash and due from banks	\$ 10,829	\$ 10,829	\$ —
(2) Securities			
Available-for-sale securities	370	370	—
(3) Loans and bills discounted	120,169		
Allowance for loan losses (*1)	(1,428)		
	118,741	119,661	920
(4) Cash collateral paid for financial instruments	1,440	1,440	—
Total assets	131,380	132,300	920
(1) Borrowings	83,763	84,637	874
(2) Bonds payable	23,683	24,157	474
(3) Cash collateral received for financial instruments	562	562	—
Total liabilities	108,008	109,356	1,348
Derivative transactions (*2)			
Derivative transactions not qualifying for hedge accounting	—	—	—
Derivative transactions qualifying for hedge accounting	(2,946)	(2,946)	—
Total derivative transactions	\$ (2,946)	\$ (2,946)	\$ —

(\*1) General allowance for loan losses and allowance for loan losses, and the allowance for possible loan losses on specific overseas loans have been deducted from loans.

(\*2) Derivatives recorded in "other assets and other liabilities" are collectively displayed. The net values of assets and liabilities arising from derivative transactions are displayed. The figures in parenthesis indicate net liabilities.

## (Note 1) Valuation methodologies used for estimating fair values for financial instruments

## Assets

- (1) Cash and due from banks  
For Due from banks that do not mature or have a maturity under 3 months, the carrying amounts are used as fair value because the carrying amount approximates the fair value.
- (2) Securities  
The fair value of "Available-for-sale securities" is based upon the prices that are indicated from the financial institutions that JBIC transacts with.
- (3) Loans and bills discounted  
For loans with variable interest rates an amount calculated by the floating rate note method to reflect market interest rates over the short term is used for fair value.  
For loans with fixed interest, the total principal and interest is discounted by a risk free rate that incorporates the default ratio and coverage ratio to calculate fair value.  
However for obligations on bankrupt borrowers, substantially bankrupt borrowers, and potentially

bankrupt borrowers a provision for bad debt is calculated based on the expected collectable amount from the collateral or guarantee. Fair value approximates the amount on the balance sheets on the closing date after a deduction has been made for the allowance for loan losses, so this amount is used for fair value.

(4) Cash collateral paid for financial instruments

For cash collateral paid for financial instruments, the carrying amount is used as fair value because the carrying amount approximates the fair value.

### Liabilities

(1) Borrowings

Borrowings with variable interest rates reflect short-term market interest rates and the credit conditions of JBIC have not changed significantly since borrowing. Therefore, the carrying amount is used as fair value because it is considered that the carrying amount approximates the fair value. For borrowings with a fixed interest rate, in principle, fair value is calculated by discounting the principal and interest of the borrowings by the risk free rate (the standard Japanese government bond rate) based on the set period of loan.

(2) Bonds payable

Market value is used as fair value of bonds.

(3) Cash collateral received for financial instruments

For cash collateral received for financial instruments, the carrying amount is used as fair value because the carrying amount approximates the fair value.

### Derivative transactions

Derivative transactions are discussed under "Derivative transactions."

(Note 2) Financial instruments for which fair values are considered to be extremely difficult to be determined are as follows. They are not included in "Assets, (2) Securities."

### Classification

	March 31, 2015 (In millions of yen)	March 31, 2016 (In millions of yen)	March 31, 2016 (In millions of U.S. dollars)
1) Unlisted stocks (subsidiaries and affiliates) (*1)	¥ 2,061	¥ 2,061	\$ 18
2) Unlisted stocks (other than subsidiaries and affiliates) (*1)	114,893	68,998	612
3) Partnership investments (subsidiaries and affiliates) (*2)	83,251	82,439	732
4) Partnership investments (other than subsidiaries and affiliates) (*2)	22,186	41,404	368
Total	¥ 222,392	¥ 194,904	\$ 1,730

(\*1) Since unlisted stocks do not have quoted market prices available and their fair value is extremely difficult to be determined, fair values are not stated.

(\*2) For partnership investments composed of unlisted stocks that do not have quoted market prices available and for which fair value is extremely difficult to be determined, fair values are not stated.

(Note 3) Redemption schedule for receivables and redeemable securities with future redemption dates

### March 31, 2015

(In millions of yen)

	Due within one year	Due after one year but within three years	Due after three years but within five years	Due after five years but within seven years	Due after seven years but within ten years	Due after ten years
Due from banks (*1)	¥ 850,496	¥ —	¥ —	¥ —	¥ —	¥ —
Securities						
Available-for-sale securities	10,417	14,401	13,900	—	2	—
Loans and bills discounted (*2)	1,740,690	2,654,313	2,737,387	2,307,041	2,788,346	2,048,300
Total	¥ 2,601,604	¥ 2,668,715	¥ 2,751,287	¥ 2,307,041	¥ 2,788,349	¥ 2,048,300

(\*1) Demand deposits contained within due from banks are stated as "Due within one year."

(\*2) Within loans, the figure for claims against bankrupt borrowers, substantially bankrupt borrowers, and potentially bankrupt borrowers contains an amount of ¥156,869 million that is not expected to be redeemed and not included in the tables above.

(\*3) The information about cash collateral paid for financial instruments is omitted since there is no fixed maturity date for repayments.

## March 31, 2016

(In millions of yen)

	Due within one year	Due after one year but within three years	Due after three years but within five years	Due after five years but within seven years	Due after seven years but within ten years	Due after ten years
Due from banks (*1)	¥ 1,220,187	¥ —	¥ —	¥ —	¥ —	—
Securities						
Available-for-sale securities	1,408	25,400	14,500	2	—	—
Loans and bills discounted (*2)	1,197,980	2,762,518	2,923,967	2,241,679	2,405,068	1,827,328
Total	¥ 2,419,576	¥ 2,787,918	¥ 2,938,467	¥ 2,241,682	¥ 2,405,068	¥ 1,827,328

## March 31, 2016

(In millions of U.S. dollars)

	Due within one year	Due after one year but within three years	Due after three years but within five years	Due after five years but within seven years	Due after seven years but within ten years	Due after ten years
Due from banks (*1)	\$ 10,829	\$ —	\$ —	\$ —	\$ —	—
Securities						
Available-for-sale securities	12	225	129	0	—	—
Loans and bills discounted (*2)	10,632	24,517	25,949	19,894	21,344	16,217
Total	\$ 21,473	\$ 24,742	\$ 26,078	\$ 19,894	\$ 21,344	\$ 16,217

(\*1) Demand deposits contained within due from banks are stated as "Due within one year."

(\*2) Within loans, the figure for claims against bankrupt borrowers, substantially bankrupt borrowers, and potentially bankrupt borrowers contains an amount of ¥182,118 million (\$1.616 million) that is not expected to be redeemed and not included in the tables above.

(\*3) The information about cash collateral paid for financial instruments is omitted since there is no fixed maturity date for repayments.

(Note 4) Redemption schedule for borrowings, bonds and other interest-bearing liabilities with future redemption dates

## March 31, 2015

(In millions of yen)

	Due within one year	Due after one year but within three years	Due after three years but within five years	Due after five years but within seven years	Due after seven years but within ten years	Due after ten years
Borrowings	¥ 1,075,048	¥ 1,773,123	¥ 5,647,744	¥ 138,800	¥ 790,600	—
Bond payable	638,620	918,410	1,021,317	95,679	360,510	20,000
Total	¥ 1,713,669	¥ 2,691,533	¥ 6,669,061	¥ 234,479	¥ 1,151,110	¥ 20,000

(\*1) The information about cash collateral received for financial instruments is omitted since there is no fixed maturity date for repayments.

## March 31, 2016

(In millions of yen)

	Due within one year	Due after one year but within three years	Due after three years but within five years	Due after five years but within seven years	Due after seven years but within ten years	Due after ten years
Borrowings	¥ 681,156	¥ 5,129,598	¥ 2,487,995	¥ 430,800	¥ 708,900	—
Bond payable	500,720	1,093,005	440,516	—	639,740	—
Total	¥ 1,181,876	¥ 6,222,603	¥ 2,928,511	¥ 430,800	¥ 1,348,640	—

## March 31, 2016

(In millions of U.S. dollars)

	Due within one year	Due after one year but within three years	Due after three years but within five years	Due after five years but within seven years	Due after seven years but within ten years	Due after ten years
Borrowings	\$ 6,045	\$ 45,524	\$ 22,080	\$ 3,823	\$ 6,291	—
Bond payable	4,444	9,700	3,910	—	5,678	—
Total	\$ 10,489	\$ 55,224	\$ 25,990	\$ 3,823	\$ 11,969	—

(\*1) The information about cash collateral received for financial instruments is omitted since there is no fixed maturity date for repayments.

## 14. Market Value of Securities

The following tables contain information relating to negotiable certificates of deposit as well as "Other securities" that are presented in the balance sheets.

- (a) Trading securities
  - Not applicable
- (b) Held-to-maturity debt securities with market value
  - Not applicable

## (c) Available-for-sale securities

## March 31, 2015

(In millions of yen)

	Type	Carrying Amount	Acquisition cost	Difference
Securities whose carrying amount exceeds their acquisition cost	Stocks	¥ —	¥ —	¥ —
	Debt securities	—	—	—
	Japanese government bonds	—	—	—
	Corporate bonds	—	—	—
	Other	38,582	36,881	1,701
Subtotal		38,582	36,881	1,701
Securities whose carrying amount does not exceed their acquisition cost	Stocks	—	—	—
	Debt securities	—	—	—
	Japanese government bonds	—	—	—
	Corporate bonds	—	—	—
	Other	243,560	243,561	(0)
Subtotal		243,560	243,561	(0)
Total		¥ 282,143	¥ 280,442	¥ 1,701

## March 31, 2016

(In millions of yen)

	Type	Carrying Amount	Acquisition cost	Difference
Securities whose carrying amount exceeds their acquisition cost	Stocks	¥ —	¥ —	¥ —
	Debt securities	—	—	—
	Japanese government bonds	—	—	—
	Corporate bonds	—	—	—
	Other	28,771	28,045	726
Subtotal		28,771	28,045	726
Securities whose carrying amount does not exceed their acquisition cost	Stocks	—	—	—
	Debt securities	—	—	—
	Japanese government bonds	—	—	—
	Corporate bonds	—	—	—
	Other	52,925	53,100	(174)
Subtotal		52,925	53,100	(174)
Total		¥ 81,697	¥ 81,145	¥ 552

## March 31, 2016

(In millions of U.S. dollars)

	Type	Carrying Amount	Acquisition cost	Difference
Securities whose carrying amount exceeds their acquisition cost	Stocks	\$ —	\$ —	\$ —
	Debt securities	—	—	—
	Japanese government bonds	—	—	—
	Corporate bonds	—	—	—
	Other	255	249	6
Subtotal		255	249	6
Securities whose carrying amount does not exceed their acquisition cost	Stocks	—	—	—
	Debt securities	—	—	—
	Japanese government bonds	—	—	—
	Corporate bonds	—	—	—
	Other	470	471	(1)
Subtotal		470	471	(1)
Total		\$ 725	\$ 720	\$ 5

## (d) Held-to-maturity debt securities sold during the fiscal years ended March 31, 2015 and March 31, 2016

Not applicable

- (e) Available-for-sale securities sold  
Fiscal year ended March 31, 2015  
Description omitted due to immateriality

**Fiscal year ended March 31, 2016**

(In millions of yen)

	Amount of sales	Total gain on sales	Total loss on sales
Stocks	—	—	—
Debt securities	—	—	—
Japanese government bonds	—	—	—
Corporate bonds	—	—	—
Other	¥ 62,577	¥ 1,890	¥ 130
Total	¥ 62,577	¥ 1,890	¥ 130

**Fiscal year ended March 31, 2016**

(In millions of U.S. dollars)

	Amount of sales	Total gain on sales	Total loss on sales
Stocks	—	—	—
Debt securities	—	—	—
Japanese government bonds	—	—	—
Corporate bonds	—	—	—
Other	\$ 555	\$ 17	\$ 1
Total	\$ 555	\$ 17	\$ 1

- (f) Change in classification of securities  
Not applicable
- (g) Impairment of securities  
Not applicable
- (h) Money held in trust
- (i) Money held in trust for trading purposes  
Not applicable
  - (ii) Money held in trust for holding-to-maturity purposes  
Not applicable
  - (iii) Other money held in trust (other than investment and holding-to-maturity purposes)  
Not applicable
- (i) Net unrealized gains (losses) on available-for-sale securities are as follows;

**Fiscal year ended March 31, 2015**

(In millions of yen)

Valuation difference	¥ 12,786
Available-for-sale securities (*)	12,786
Other money held in trust	—
Valuation difference on available-for-sale securities	12,786

(\*) "Available-for-sale securities" includes foreign exchange translation differences in respect of available-for-sale securities whose fair value cannot be readily determined.

**Fiscal year ended March 31, 2016**

(In millions of yen)

Valuation difference	¥ 4,303
Available-for-sale securities (*)	4,303
Other money held in trust	—
Valuation difference on available-for-sale securities	4,303

**Fiscal year ended March 31, 2016**

(In millions of U.S. dollars)

Valuation difference	\$ 38
Available-for-sale securities (*)	38
Other money held in trust	—
Valuation difference on available-for-sale securities	38

(\*) "Available-for-sale securities" includes foreign exchange translation differences in respect of available-for-sale securities whose fair value cannot be readily determined.

## 15. Derivative transactions

Notes to derivative transactions in the fiscal years ended March 31, 2015 and March 31, 2016 are as follows;

(a) Derivative transactions not qualifying for hedge accounting

- (i) Interest rate-related transactions  
Not applicable
- (ii) Currency-related transactions  
Not applicable
- (iii) Equity-related transactions  
Not applicable
- (iv) Bond-related transactions  
Not applicable
- (v) Commodity-related transactions  
Not applicable
- (vi) Credit derivative transactions  
Not applicable

(b) Derivative transactions qualifying for hedge accounting

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

(i) Interest rate-related transactions

### Fiscal year ended March 31, 2015

(In millions of yen)

Hedge accounting method	Type	Major hedged items	Contract value	Contract value (Maturing after one year)	Fair value
Basic accounting method	Interest rate swap	Loans and bills discounted			
		Borrowings			
		Corporate bonds			
	Receive/fixed and pay/floating		¥ 2,738,401	¥ 2,149,781	¥ 59,672
	Receive/floating and pay/fixed		618,553	612,141	(51,748)
	Receive/floating and pay/floating		28,098	15,374	17
Total			¥ —	¥ —	¥ 7,941

(Note) Calculation of fair value is based on the discounted cash flows.

### Fiscal year ended March 31, 2016

(In millions of yen)

Hedge accounting method	Type	Major hedged items	Contract value	Contract value (Maturing after one year)	Fair value
Basic accounting method	Interest rate swap	Loans and bills discounted			
		Borrowings			
		Corporate bonds			
	Receive/fixed and pay/floating		¥ 2,413,837	¥ 1,963,117	¥ 71,551
	Receive/floating and pay/fixed		660,583	655,321	(68,132)
	Receive/floating and pay/floating		8,450	8,450	9
Total			¥ —	¥ —	¥ 3,428

### Fiscal year ended March 31, 2016

(In millions of U.S. dollars)

Hedge accounting method	Type	Major hedged items	Contract value	Contract value (Maturing after one year)	Fair value
Basic accounting method	Interest rate swap	Loans and bills discounted			
		Borrowings			
		Corporate bonds			
	Receive/fixed and pay/floating		\$ 21,422	\$ 17,422	\$ 635
	Receive/floating and pay/fixed		5,862	5,816	(605)
	Receive/floating and pay/floating		75	75	0
Total			\$ —	\$ —	\$ 30

(Note) Calculation of fair value is based on the discounted cash flows.

## (ii) Currency-related transactions

**Fiscal year ended March 31, 2015**

(In millions of yen)

Hedge accounting	Type	Major hedged items	Contract value	Contract value (Maturing after one year)	Fair value
Basic accounting method	Currency swap	Loans and bills discounted	¥ 5,122,066	¥ 4,085,292	¥ (822,773)
		Borrowings			
		Corporate bonds			
	Forward foreign exchange contracts	Loans and bills discounted			
	Sell		1	—	0
	Buy		178	—	1
	Total		¥ —	¥ —	¥ (822,772)

Note 1. These are mainly accounted for using the deferred method of hedge accounting under “Accounting and Auditing Treatment Relating to Adoption of Accounting Standard for Foreign Currency Transactions for Banks” (JICPA Industry Audit Committee Report No. 25 of July 29, 2002).

Note 2. Calculation of fair value is based on the discounted cash flows.

**Fiscal year ended March 31, 2016**

(In millions of yen)

Hedge accounting	Type	Major hedged items	Contract value	Contract value (Maturing after one year)	Fair value
Basic accounting method	Currency swap	Loans and bills discounted	¥ 4,082,376	¥ 3,206,901	¥ (335,430)
		Borrowings			
		Corporate bonds			
	Forward foreign exchange contracts	Loans and bills discounted			
	Sell		40	—	0
	Buy		312	—	(3)
	Total		¥ —	¥ —	¥ (335,434)

**Fiscal year ended March 31, 2016**

(In millions of U.S. dollars)

Hedge accounting	Type	Major hedged items	Contract value	Contract value (Maturing after one year)	Fair value
Basic accounting method	Currency swap	Loans and bills discounted	\$ 36,230	\$ 28,460	\$ (2,977)
		Borrowings			
		Corporate bonds			
	Forward foreign exchange contracts	Loans and bills discounted			
	Sell		0	—	0
	Buy		3	—	(0)
	Total		\$ —	\$ —	\$ (2,977)

Note 1. These are mainly accounted for using the deferred method of hedge accounting under “Accounting and Auditing Treatment Relating to Adoption of Accounting Standard for Foreign Currency Transactions for Banks” (JICPA Industry Audit Committee Report No. 25 of July 29, 2002).

Note 2. Calculation of fair value is based on the discounted cash flows.

## (iii) Equity-related transactions

Not applicable

## (iv) Bond-related transactions

Not applicable

**16. Retirement benefits**

## (a) Overview of retirement benefit plans

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

JBIC has a defined benefit pension plan comprised of a corporate pension plan (transferred from a welfare



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

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

Effective April 1, 2013, JBIC has been authorized by the Minister of Health, Labour and Welfare to be exempt from the obligations to pay future amounts in respect of the part of the welfare pension fund it manages for the government. Subsequently on October 1, 2014, JBIC has been authorized to transfer to the government the past substitutional portion of the aforesaid fund.

(b) Defined benefit pension plan

(i) The changes in the projected benefit obligation are as follows:

	March 31, 2015 (In millions of yen)	March 31, 2016 (In millions of yen)	March 31, 2016 (In millions of U.S. dollars)
Projected benefit obligation at the beginning of the fiscal year	¥ 19,483	¥ 13,327	\$ 118
Cumulative effects of changes in accounting policy	(1,202)	—	—
Restated balance	18,281	—	—
Service cost (Note)	433	458	4
Interest cost	195	74	1
Actuarial losses	985	1,008	9
Retirement benefit paid	(631)	(821)	(7)
Prior service costs	(271)	—	—
Decrease associated with the transfer of the amount of welfare pension fund previously managed for the government	(5,678)	—	—
Other	13	—	—
Projected benefit obligation at the end of the fiscal year	¥ 13,327	¥ 14,046	\$ 125

(Note) Employee contributions to the welfare pension fund and corporation pension fund plans have been deducted from the service costs.

(ii) The changes in the plan assets are as follows:

	March 31, 2015 (In millions of yen)	March 31, 2016 (In millions of yen)	March 31, 2016 (In millions of U.S. dollars)
Pension assets at the beginning of the fiscal year	¥ 5,231	¥ 6,932	\$ 62
Cumulative effects of changes in accounting policy	(19)	—	—
Restated balance	5,211	—	—
Expected return on plans assets	97	105	1
Actuarial gains	373	17	0
Contribution by the company	1,576	117	1
Retirement benefit paid	(340)	(216)	(2)
Other	13	—	—
Pension assets at the end of the fiscal year	¥ 6,932	¥ 6,956	\$ 62

(iii) Reconciliation of the projected benefit obligation and plan assets and provision for retirement benefits in the balance sheets

	March 31, 2015 (In millions of yen)	March 31, 2016 (In millions of yen)	March 31, 2016 (In millions of U.S. dollars)
Funded projected obligation	¥ 8,329	¥ 9,013	\$ 80
Fair value of plans assets	(6,932)	(6,956)	(62)
	1,396	2,057	18
Unfunded Projected benefit obligation	4,998	5033	45
Unfunded pension obligation	6,395	7090	63
Unrecognized Actuarial gains or losses	—	—	—
Unrecognized prior service costs	—	—	—
Net amount of assets and liabilities in the balance sheets	6,395	7,090	63
Provision for retirement benefits	6,395	7,090	63
Net amount of assets and liabilities in the balance sheets	¥ 6,395	¥ 7,090	\$ 63

## (iv) Component of retirement benefit expense

	March 31, 2015 (In millions of yen)	March 31, 2016 (In millions of yen)	March 31, 2016 (In millions of U.S. dollars)
Service cost (Note 1)	¥ 433	¥ 458	\$ 4
Interest cost	195	74	1
Expected return on plans assets	(97)	(105)	(1)
Realized Actuarial loss	631	991	9
Amortization of prior service cost (Note 2)	(271)	—	—
Retirement benefit expense	891	1,418	13
Decrease associated with the transfer of the amount of welfare pension fund previously managed for the government (Note 3)	¥ (5,698)	¥ —	\$ —

Note 1. Employee contributions to the welfare pension fund and corporation pension fund plans have been deducted from the service cost.

2. Due to the abolishment of the welfare pension fund plan and the establishment of the defined benefit corporate pension plan effective October 1, 2014, prior service costs of ¥271 million have been recognized as credit to expenses during the fiscal year ended March 31, 2015.

3. Recorded as a component of extraordinary income.

## (v) Plan assets

## ① Major components of Plan assets

Percentages of components to the total are as follows;

	March 31, 2015	March 31, 2016
Debt securities	38%	39%
Stocks	13%	12%
General account of life insurance company	8%	8%
Cash and due from banks	41%	41%
Total	100%	100%

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

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

## (vi) Principal assumptions used

Principal assumptions used in actuarial calculations

	March 31, 2015	March 31, 2016
Discount rate	0.70%	0.16%
Expected rate of return on plan assets	2.50%	2.50%
Expected rate of increase in salary	3.91%	3.91%

## (c) Defined contribution plan

JBIC established a defined contribution-type retirement benefit plan effective October 1, 2014. The amount of contribution required to be made to the defined contribution plan was ¥12 million for the fiscal year ended March 31, 2015 and ¥24 million (\$0 million) for the fiscal year ended March 31, 2016.

**17. Deferred tax accounting**

JBIC does not apply deferred tax accounting since JBIC is a nontaxable entity classified in the Article 2, Paragraph 5 of the Corporation Tax Act (Act No. 34 of 1965).

**18. Segment Information**

## (a) Segment summary

Segment information has been omitted as JBIC has a single reportable segment comprised of loan, guarantee and equity participation operations.

## (b) Related information

Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)

## (i) Information about services

Information about services has been omitted as ordinary income from outside customers in relation to loan, guarantee and equity participation operations comprises more than 90% of the ordinary income on the Statements of Operations.

## (ii) Information about geographical areas

## ① Ordinary income:

(In millions of yen)

Japan		Asia/Oceania Australia (excluding Australia)		Europe/ Middle East/Africa		North America/ Latin America		Total			
¥	42,978	¥	29,635	¥	55,768	¥	65,714	¥	63,154	¥	257,252

Note 1. Ordinary income is disclosed in place of Sales for non-financial companies.

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

## ② Property, plant and equipment

The information about property, plant and equipment is omitted since more than 90% of property, plant equipment on the balance sheets are located in Japan.

## (iii) Information about major customers

The information about major customers is omitted since there are no transactions with a certain customer which result in more than 10% of the ordinary income on the Statements of Operations.

Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)

## (i) Information about services

The information about services is omitted since ordinary income from outside customers in relation to the loan, guarantee and equity participation operations is more than 90% of ordinary income on the Statements of Operations.

## (ii) Information about geographical areas

## ① Ordinary income:

(In millions of yen)

Japan			Asia/Oceania (excluding Australia)			Europe/ Middle East/Africa		North America/ Latin America		Total	
¥	42,283	¥	27,456	¥	54,737	¥	59,768	¥	55,760	¥	240,005

(In millions of U.S. dollars)

Japan		Australia (excluding Australia)		Asia/Oceania		Europe/Middle East/Africa		North America/Latin America		Total	
\$	375	\$	244	\$	486	\$	530	\$	495	\$	2,130

Note 1. Ordinary income is disclosed in place of Sales for non-financial companies.

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

## ② Property, plant and equipment

The information about property, plant and equipment is omitted since more than 90% of property, plant equipment on the balance sheets are located in Japan.

## (iii) Information about major customers

The information about major customers is omitted since there are no transactions with a certain customer which result in more than 10% of ordinary income on the Statements of Operations.

## (c) Information about impairment losses of property, plant and equipment in Reportable Segments

Not applicable

## (d) Information about the amortization and balance of goodwill in Reportable Segments

Not applicable

## (e) Information about gains from the recognition of negative goodwill in Reportable Segments

Not applicable

## 19. Profit and loss on equity method

### (a) Affiliates

	March 31, 2015 (In millions of yen)	March 31, 2016 (In millions of yen)	March 31, 2016 (In millions of U.S. dollars)
Investment in affiliates	¥ 83,251	¥ 82,439	\$ 732
Investment in affiliates (equity method)	83,251	82,439	732
Profit of Investment in affiliates (equity method)	—	—	—

Note: Affiliates that are not significant in terms of profit/loss, retained earnings and other items have been excluded.

### (b) Special purpose entities

Not applicable

## 20. Related-party transactions

Related party transactions in the fiscal years ended March 31, 2015 and March 31, 2016 are as follows;

### (a) Transactions with parent company and major shareholder companies

#### Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)

(In millions of yen)

	Corporate name	Location	Capital	Business	Ratio to Total Voting Rights (%)	Relation with related parties	Transactions	Amounts of transactions (Note 4)	Items	Balance as of March 31, 2015 (Note 4)
Principal shareholder	Ministry of Finance (Minister of Finance)	Chiyoda-ku, Tokyo	—	Administration for policy based financing	100 (Direct)	Receipt of funds, etc.	Underwriting of capital increase (Note 1)	¥ 31,000	—	—
							Receipt of funds (Note 2)	1,512,991	Borrowings	9,425,316
							Repayment of borrowing	1,321,639		
							Payment of interest on borrowings	50,488	Accrued expenses	14,981
							Guarantee for corporate bonds (Note 3)	2,569,535	—	—

Note1. Ministry of Finance underwrote JBIC's issuance of new shares through shareholder allocation for ¥1 (\$0) per share.

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

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

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

#### Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)

(In millions of yen)

	Corporate name	Location	Capital	Business	Ratio to Total Voting Rights (%)	Relation with related parties	Transactions	Amounts of transactions (Note 3)	Items	Balance as of March 31, 2016 (Note 3)
Principal shareholder	Ministry of Finance (Minister of Finance)	Chiyoda-ku, Tokyo	—	Administration for policy based financing	100 (Direct)	Receipt of funds, etc.	Receipt of funds (Note 1)	1,840,778	Borrowings	9,438,450
							Repayment of borrowing	1,403,938		
							Payment of interest on borrowings	57,339	Accrued expenses	18,240
							Guarantee for corporate bonds (Note 2)	2,388,589	—	—

(In millions of U.S. dollars)

	Corporate name	Location	Capital	Business	Ratio to Total Voting Rights (%)	Relation with related parties	Transactions	Amounts of transactions (Note 3)	Items	Balance as of March 31, 2016 (Note 3)
Principal shareholder	Ministry of Finance (Minister of Finance)	Chiyoda-ku, Tokyo	—	Administration for policy based financing	100 (Direct)	Receipt of funds, etc.	Receipt of funds (Note 1)	16,336	Borrowings	83,763
							Repayment of borrowing	12,460		
							Payment of interest on borrowings	509	Accrued expenses	162
							Guarantee for corporate bonds (Note 2)	21,198	—	—

Note 1. Receipt of funds represents borrowings from the FILP special account and foreign exchange funds special account. FILP interest rates are applied in accordance with the FILP agreement, while the interest rates under the respective agreements related to foreign exchange funds special account are applied to borrowings from foreign exchange funds.

2. No guarantee fee has been paid for the guarantee of bonds.
3. Figures in the table above do not include consumption taxes.

(b) Transactions with fellow subsidiaries and affiliates' subsidiaries

**Fiscal year ended March 31, 2015 (From April 1, 2014 to March 31, 2015)**

(In millions of yen)

	Corporate name	Location	Capital	Business	Ratio to Total Voting Rights (%)	Relation with related parties	Transactions	Amounts of transactions (Note 1, 4)	Items	Balance as of March 31, 2015
Companies that had the majority of their voting rights held by principal shareholders	Japan International Cooperation Agency	Chiyoda-ku, Tokyo	¥7,877,115	Official development assistance	None	Joint obligor	Joint obligations	¥ 428,110 (Note 1, 4)	—	—
	Japan Finance Corporation	Chiyoda-ku, Tokyo	3,855,086	Finance	None	Joint obligor	Joint obligations	1,111,402 (Note 2, 4)	—	—
								710,000 (Note 3, 4)	—	—

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

2. JBIC assumed the obligations of the JFC bonds in accordance with Article 12 (1) of Supplementary Provisions of the JBIC Act, and JFC is jointly responsible for the obligations of these bonds in accordance with Article 46-2 (1) of Supplementary Provisions of the JFC Act (Act No. 57 of 2007). Pursuant to Article 46-2 (2) hereof, all of JFC's assets are pledged as general collateral for these joint obligations.
3. JBIC is jointly responsible for the obligations of JFC bonds in accordance with Article 17 (1) (ii) of Supplementary Provisions of the JBIC Act. In accordance with Article 17 (2) hereof, all of JBIC's assets are all pledged as general collateral for these joint obligations.
4. In relation to these joint obligations, no transactions are recognized in the Statements of Operations.

## Fiscal year ended March 31, 2016 (From April 1, 2015 to March 31, 2016)

(In millions of yen)

	Corporate name	Location	Capital	Business	Ratio to Total Voting Rights (%)	Relation with related parties	Transactions	Amounts of transactions	Items	Balance as of March 31, 2016
Companies that had the majority of their voting rights held by principal shareholders	Japan International Cooperation Agency	Chiyoda-ku, Tokyo	¥7,925,375	Official development assistance	None	Joint obligor	Joint obligations	¥ 250,000 (Note 1, 4)	—	—
	Japan Finance Corporation	Chiyoda-ku, Tokyo	3,904,645	Finance	None	Joint obligor	Joint obligations	611,570 (Note 2, 4)	—	—
								450,000 (Note 3, 4)	—	—

(In millions of U.S. dollars)

	Corporate name	Location	Capital	Business	Ratio to Total Voting Rights (%)	Relation with related parties	Transactions	Amounts of transactions	Items	Balance as of March 31, 2016
Companies that had the majority of their voting rights held by principal shareholders	Japan International Cooperation Agency	Chiyoda-ku, Tokyo	\$ 70,335	Official development assistance	None	Joint obligor	Joint obligations	\$ 2,219 (Note 1, 4)	—	—
	Japan Finance Corporation	Chiyoda-ku, Tokyo	34,653	Finance	None	Joint obligor	Joint obligations	5,427 (Note 2, 4)	—	—
								3,994 (Note 3, 4)	—	—

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

- JBIC assumed the obligations of the JFC bonds in accordance with Article 12 (1) of Supplementary Provisions of the JBIC Act, and JFC is jointly responsible for the obligations of these bonds in accordance with Article 46-2 (1) of Supplementary Provisions of the JFC Act (Act No. 57 of 2007). Pursuant to Article 46-2 (2) hereof, all of JFC's assets are pledged as general collateral for these joint obligations.
- JBIC is jointly responsible for the obligations of JFC bonds in accordance with Article 17 (1) (ii) of Supplementary Provisions of the JBIC Act. In accordance with Article 17 (2) hereof, all of JBIC's assets are all pledged as general collateral for these joint obligations.
- In relation to these joint obligations, no transactions are recognized in the Statements of Operations.

## 21. Amounts per share

Amounts per share as of the fiscal years ended March 31, 2015 and March 31, 2016 are calculated as follows:

	March 31, 2015 (In yen)	March 31, 2016 (In yen)	March 31, 2016 (In U.S. dollars)
Net Assets per share of common stock	¥ 1.76	¥ 1.77	\$ 0.02
Net income per share of common stock	0.09	0.03	0.00

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

Diluted net profit per share of common stock is not presented since there are no diluted stocks.

	March 31, 2015 (in millions of yen)	March 31, 2016 (in millions of yen)	March 31, 2016 (in millions of U.S. dollars)
Net income	¥ 126,187	¥ 42,772	\$ 380
Amount not attribute to common stock	—	—	—
Net income related to common stock	126,187	42,772	380
Average outstanding shares of common stock (during the period)	1,383,610,958 thousands of shares	1,391,000,000 thousands of shares	

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

	March 31, 2015 (in millions of yen)	March 31, 2016 (in millions of yen)	March 31, 2016 (in millions of U.S. dollars)
Net Assets	¥ 2,460,520	¥ 2,472,367	\$ 21,941
Deductions from net assets	—	—	—
Net Assets related to common stock	2,460,520	2,472,367	21,941
Year-end outstanding shares of common stock on which net assets per share was calculated	1,391,000,000 thousands of shares	1,391,000,000 thousands of shares	

## 22. Subsequent Events

Establishment of the “Special Operations” account

The Act for Partial Amendment of the Act on Japan Bank for International Cooperation (Act No. 41 of 2016) was approved and enacted at the 190th ordinary session of the diet on May 11, 2016. Consequently, as a means of further risk-taking by JBIC, a new “Special Operations” account will be established from which JBIC can finance overseas infrastructure projects that offer a sufficient level of expected return commensurate with their risk profile. Activities for this account are accounted for separately from those of the Ordinary Operations account. The date from which the aforementioned “Special Operations” account will become established is the date noted in the government ordinance.

## 23. Fixed assets

Fixed assets as of March 31, 2016 are as follows;

(In millions of yen)

Class of asset	Balance at the beginning of current period	Increase during the current period	Decrease during the current period	Balance at the end of current period	Accumulated depreciation	Depreciation	Net fixed assets
Property, plant and equipment							
Buildings	¥ 3,593	¥ 62	¥ 58	¥ 3,597	¥ 714	¥ 168	¥ 2,882
Land	24,664	—	237	24,427	—	—	24,427
Lease assets	44	—	0	44	30	8	13
Construction in progress	—	255	221	34	—	—	34
Other	1,132	86	9	1,208	762	207	446
Total property, plant and equipment	¥ 29,435	¥ 404	¥ 527	¥ 29,312	¥ 1,507	¥ 384	¥ 27,804
Intangible assets							
Software	¥ 4,952	¥ 500	¥ —	¥ 5,452	¥ 2,715	¥ 918	¥ 2,737
Total intangible assets	¥ 4,952	¥ 500	¥ —	¥ 5,452	¥ 2,715	¥ 918	¥ 2,737

(In millions of U.S. dollars)

Class of asset	Balance at the beginning of current period	Increase during the current period	Decrease during the current period	Balance at the end of current period	Accumulated depreciation	Depreciation	Net fixed assets
Property, plant and equipment							
Buildings	\$ 32	\$ 1	\$ 1	\$ 32	\$ 6	\$ 1	\$ 26
Land	219	—	2	217	—	—	217
Lease assets	0	—	0	0	0	0	0
Construction in progress	—	2	2	0	—	—	0
Other	10	1	0	11	7	3	4
Total property, plant and equipment	\$ 261	\$ 4	\$ 5	\$ 260	\$ 13	\$ 4	\$ 247
Intangible assets							
Software	\$ 44	\$ 4	\$ —	\$ 48	\$ 24	\$ 8	\$ 24
Total intangible assets	\$ 44	\$ 4	\$ —	\$ 48	\$ 24	\$ 8	\$ 24



## 24. Bonds payable

Major components of bonds payable as of March 31, 2016 are as follows:

(In millions of yen)

Description of bonds payable	Date of issuance	Balance at the beginning of current period	Balance at the end of current period	Interest rate (%)	Collateral	Maturity date	Remarks
Government guaranteed JBIC bonds 13th	March 23, 2006	¥ 78,090 (USD 649,829,000)	¥ —	5.250	General collateral	March 23, 2016	*1
Government guaranteed JFC (JBIC) foreign bonds 5-9th	September 22, 2010 – February 7, 2012	990,850 (USD 8,245,406,000)	591,367 [450,676] (USD 5,248,199,000) [USD 3,999,616,000]	1.875~ 2.500	General collateral	September 24, 2015 – February 7, 2019	*2
Government guaranteed JBIC foreign bonds 1st-13th	July 19, 2012 – January 21, 2016	1,500,595 (USD 11,464,919,000) (GBP 423,865,000) (CAD 499,875,000)	1,797,222 (USD 14,955,359,000) (GBP 424,064,000) (CAD 499,917,000)	0.978~ 3.375	General collateral	July 19, 2017 – January 21, 2026	
JBIC bonds 13th, 16th, 19th, 21st-23rd, 25th, 27th, 29th, 30th	May 28, 2004 – May 29, 2008	349,960	249,974 [49,998]	1.580~ 2.090	General collateral	September 18, 2015 – December 19, 2025	*1
JFC corporate bonds 3rd, 12th, 17th	October 29, 2009 – May 9, 2011	119,993	19,995	0.421~ 1.430	General collateral	June 19, 2015 – September 20, 2019	*2
Non-guaranteed JBIC domestic bond 1st	January 27, 2015	10,000	10,000	0.120	General collateral	December 20, 2019	
Total	—	¥ 3,049,490	¥ 2,668,558	—	—	—	—

(In millions of U.S. dollars)

Description of bonds payable	Date of issuance	Balance at the beginning of current period	Balance at the end of current period	Interest rate (%)	Collateral	Maturity date	Remarks
Government guaranteed JBIC bonds 13th	March 23, 2006	\$ 693 (USD 649,829,000)	\$ —	5.250	General collateral	March 23, 2016	*1
Government guaranteed JFC (JBIC) foreign bonds 5-9th	September 22, 2010 – February 7, 2012	8,793 (USD 8,245,406,000)	5,248 [4,000] (USD 5,248,199,000) [USD 3,999,616,000]	1.875~ 2.500	General collateral	September 24, 2015 – February 7, 2019	*2
Government guaranteed JBIC foreign bonds 1st-13th	July 19, 2012 – January 21, 2016	13,317 (USD 11,464,919,000) (GBP 423,865,000) (CAD 499,875,000)	15,950 (USD 14,955,359,000) (GBP 424,064,000) (CAD 499,917,000)	0.978~ 3.375	General collateral	July 19, 2017 – January 21, 2026	
JBIC bonds 13th, 16th, 19th, 21st-23rd, 25th, 27th, 29th, 30th	May 28, 2004 – May 29, 2008	3,106	2,218 [444]	1.580~ 2.090	General collateral	September 18, 2015 – December 19, 2025	*1
JFC corporate bonds 3rd, 12th, 17th	October 29, 2009 – May 9, 2011	1,065	177	0.421~ 1.430	General collateral	June 19, 2015 – September 20, 2019	*2
Non-guaranteed JBIC domestic bond 1st	January 27, 2015	89	90	0.120	General collateral	December 20, 2019	
Total	—	\$ 27,063	\$ 23,683	—	—	—	—

Note1. The amounts of foreign currency-denominated bonds are shown in original currencies in parentheses ( ).

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

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

(\*2) JBIC also assumed from JFC the obligations concerning the government guaranteed JFC (JBIC) foreign bonds and the JFC corporate bonds, and JBIC and JFC are now jointly responsible for these obligations pursuant to the JBIC Act.

4. The redemption schedule of bond payable for each of the next five years as of March 31, 2016 is as follows:

(In millions of yen)

	Within 1 year	After 1 year but within 2 years	After 2 years but within 3 years	After 3 years but within 4 years	After 4 years but within 5 years
Amount	¥ 500,720	¥ 368,755	¥ 724,250	¥ 239,020	¥ 201,496



(In millions of U.S. dollars)

		Within 1 year	After 1 year but within 2 years	After 2 year but within 3 years	After 3 year but within 4 years	After 4 year but within 5 years
Amount	\$	4,444	\$ 3,273	\$ 6,427	\$ 2,121	\$ 1,788

## 25. Borrowings

Borrowings as of March 31, 2016 are as follows;

	Balance at the beginning of current period (In millions of yen)	Balance at the end of current period (In millions of yen)	Balance at the end of current period (In millions of U.S. dollars)	Average interest rate (%)	Due date of payment
Borrowed money	¥ 9,425,316	¥ 9,438,450	\$ 83,763	0.76	—
Borrowings	9,425,316	9,438,450	83,763	0.76	May 2016 – January 2026
Lease obligation (Due within one year)	12	10	0	—	—
Lease obligation (Due after one year)	19	5	0	—	March 18
Other interest-bearing liabilities	12,750	63,380	562	0.00	—
Cash collateral received for financial instruments	12,750	63,380	562	0.00	—

Note 1. Average interest rates represent the weighted-average interest rates of debts calculated from the interest rates and balances of debt outstanding as at the end of the current period.

- As for the lease obligation, there is no average lease rate since the short-cut method is applied for these transactions.
- There is no fixed maturity date for the repayment of cash collateral received for financial instruments.
- Borrowed money and lease obligation maturities for the next five years as of March 31, 2016 are as follows;

(In millions of yen)

	Within 1 year	After 1 year but within 2 years	After 2 year but within 3 years	After 3 year but within 4 years	After 4 year but within 5 years
Borrowings	¥ 681,156	¥ 1,044,892	¥ 4,084,705	¥ 1,385,687	¥ 1,102,307
Lease obligations	10	5	—	—	—

(In millions of U.S. dollars)

	Within 1 year	After 1 year but within 2 years	After 2 year but within 3 years	After 3 year but within 4 years	After 4 year but within 5 years
Borrowings	\$ 6,045	\$ 9,273	\$ 36,250	\$ 12,298	\$ 9,783
Lease obligations	0	0	—	—	—

## 26. Reserves

Reserves as of March 31, 2016 are as follows;

(In millions of yen)

	Balance at the beginning of current period	Increase during the fiscal year	Decrease during the fiscal year (use for purpose)	Decrease during the fiscal year (others)	Balance at the end of current period
Allowance for loan losses	¥ 115,492	¥ 100,180	¥ —	¥ 47,410	¥ 168,262
General allowance for loan losses	36,828	96,353	—	36,828	96,353
Specific allowance for loan losses	76,003	129	—	7,921	68,211
Allowance for possible losses on specific overseas loans	2,660	3,697	—	2,660	3,697
Provision for bonuses	500	516	500	—	516
Provision for directors' bonuses	6	6	6	—	6
Provision for directors' retirement benefits	30	11	2	—	39
Total	¥ 116,030	¥ 100,714	¥ 509	¥ 47,410	¥ 168,824

(In millions of U.S. dollars)

	Balance at the beginning of current period	Increase during the fiscal year	Decrease during the fiscal year (use for purpose)	Decrease during the fiscal year (others)	Balance at the end of current period
Allowance for loan losses	\$ 1,025	\$ 889	\$ —	\$ 421	\$ 1,493
General allowance for loan losses	327	855	—	327	855
Specific allowance for loan losses	674	1	—	70	605
Allowance for possible losses on specific overseas loans	24	33	—	24	33
Provision for bonuses	5	5	5	—	5
Provision for directors' bonuses	0	0	0	—	0
Provision for directors' retirement benefits	0	0	0	—	0
Total	\$ 1,030	\$ 894	\$ 5	\$ 421	\$ 1,498

Note. The main factors in the decrease during the fiscal year in each of the following reserves is as follows:

General allowance for possible loan losses: Decrease is due to reversal

Specific allowance for possible loan losses: Decrease is due to collection, etc.

Allowance for possible losses on specific overseas loans: Decrease is due to reversal

## 27. Asset Retirement Obligation

Not applicable

## 28. Components of major assets and liabilities

Components of major assets and liabilities as of March 31, 2016 are as follows:

### (a) Assets:

- (i) Due from banks:  
Deposits with Bank of Japan (¥715,594 million (\$6,351 million)) and other banks (¥504,593 million (\$4,478 million))
- (ii) Other securities:  
Foreign securities (¥236,602 million (\$2,100 million))
- (iii) Prepaid expenses:  
General and administrative expenses (¥494 million (\$4 million))
- (iv) Accrued income:  
Accrued interest on loans (¥47,395 million (\$421 million)), and others
- (v) Other:  
Guarantees and others (¥140 million (\$1 million)), suspense payments (¥124 million (\$1 million)), and others

### (b) Liabilities

- (i) Accrued expenses:  
Accrued interest on borrowings and rediscounts (¥18,240 million (\$162 million)), accrued interest on bonds (¥13,224 million (\$117 million)), and others
- (ii) Unearned revenue:  
Guarantee commission (¥57,845 million (\$513 million)), and others
- (iii) Other liabilities  
Suspense receipts (¥414 million (\$4 million)), and others

(Unit: millions of yen, %)

	March 31, 2015		March 31, 2016	
	Amount	% (Note)	Amount	% (Note)
Liabilities	16,003,296	86.7	15,108,255	85.9
Borrowed Money	9,425,316	51.0	9,438,450	53.7
Bonds Payable	3,049,490	16.5	2,668,558	15.2
Acceptances and Guarantees	2,572,328	13.9	2,464,703	14.0
Other	956,160	5.2	536,543	3.1
Net Assets	2,460,520	13.3	2,472,367	14.1
Capital Stock	1,391,000	7.5	1,391,000	7.9
Retained Earnings	993,053	5.4	972,140	5.5
Valuation Difference on Available-for-sale Securities	12,786	0.1	4,303	0.0
Deferred Gains or Losses on Hedges	63,681	0.3	104,923	0.6
<b>Total Liabilities and Net Assets</b>	<b>18,463,816</b>	<b>100</b>	<b>17,580,622</b>	<b>100</b>

(Note) Ratio to Liabilities and Net Assets added.

**(Information on the Capital Adequacy Ratios)**

Although JBIC is not subject to Article 14-2 of the Banking Act of Japan, capital adequacy ratios have been calculated in accordance with "Criteria for Judging Whether a Financial Institution's Own Capital Is Sufficient in Light of the Assets Held, etc. under the Provision of Article 14-2 of the Banking Act" (2006, Financial Services Agency Notification No. 19). In addition to the application of uniform international standards, credit risk assets were calculated using the standardized approach.

(Unit: %, billions of yen)

Total risk-weighted capital ratio	16.04
Tier 1 risk-weighted capital ratio	15.40
Common Equity Tier 1 risk-weighted capital ratio	15.40
Total capital (Common Equity Tier 1 capital + Additional Tier 1 capital + Tier 2 capital)	2,439
Tier 1 capital (Common Equity Tier 1 capital + Additional Tier 1 capital)	2,342
Common Equity Tier 1 capital	2,342
Risk-weighted assets	15,203
The amount of minimum capital requirements	1,216

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

(Unit: millions of yen, %)

	Fiscal Year Ended March 31, 2015			Fiscal Year Ended March 31, 2016		
	Average Balance	Interest	Earning Yields	Average Balance	Interest	Earning Yields
Interest-earning Assets	14,616,678	192,973	1.32	15,924,136	213,806	1.34
Loans and Bills Discounted	13,415,041	166,130	1.24	14,369,087	196,859	1.37
Due from Banks	628,700	1,479	0.24	948,271	2,787	0.29
Interest-bearing Liabilities	11,760,700	116,076	0.99	12,732,206	123,779	0.97
Borrowed Money	8,793,333	50,488	0.57	9,585,267	57,339	0.60
Bonds Payable	2,936,834	65,567	2.23	3,124,115	66,429	2.13

## 4

## Breakdown of Operating Expenses

(Unit: millions of yen)

	Fiscal Year Ended March 31, 2015	Fiscal Year Ended March 31, 2016
Salaries and Other Compensations	5,181	5,259
Expenses for Retirement Benefits	891	1,442
Welfare Benefits	675	729
Amortization of Property and Equipment	1,356	1,302
Leasing on Land, Buildings and Machinery	147	142
Building Maintenance	124	182
Supplies	213	243
Utilities	108	93
Traveling Expenses	1,351	1,390
Communications	119	127
Advertising Expenses	4	3
Fees, Donations and Social Expenses	12	13
Taxes	359	317
Other	6,457	6,380
<b>Total</b>	<b>17,004</b>	<b>17,631</b>

## 5

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

(Unit: millions of yen)

	March 31, 2015	March 31, 2016
Due from Banks in Japanese Yen	242,750	90,000
Due from Banks in Foreign Currencies	553,057	399,030
Receivables under Resale Agreements	—	—
Securities	—	—

**(1) Basic Policy for Derivative Transactions**

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

**(2) Transactions**

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

**(3) Risks Involved in Derivatives Transactions**

Derivatives transactions involve the following risks.

**Counterparty Credit Risk**

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

**Market Risk**

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

**(4) Measures to Address These Risks****Counterparty Credit Risk**

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

**Market Risk**

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

(As of March 31, 2016; 100 millions of yen)

	Contract Amounts / Notional Amounts	Credit Risk Amounts	Market Value
Interest Rate Swaps	33,339	1,012	34
Currency Swaps	40,823	3,881	(3,354)
Forward Exchange Contracts	3	0	0
Other Derivatives	—	—	—
Credit Risk Reductions through Netting		(3,312)	
<b>Total</b>	<b>74,166</b>	<b>1,580</b>	<b>(3,320)</b>

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

(Unit: %)

	Fiscal Year Ended March 31, 2015	Fiscal Year Ended March 31, 2016
(A) - (B)	0.33	0.37
Yields on Interest-earning Assets (A)	1.32	1.34
Costs of Interest-bearing Liabilities (B)	0.99	0.97

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

Costs of Interest-bearing Liabilities = Interest Expenses / Average Balance of Interest-bearing Liabilities

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

Average Balance of Interest-earning Assets = Loans and Bills Discounted + Securities + Receivables under Resale Agreements

+ Cash Equivalents (excluding current account deposit) + Cash collateral paid for financial instruments

Interest Expenses = Interest on Borrowings and Rediscounts + Interest on Bonds + Interest on interest swaps + Other interest expenses

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

## 8

## Loans Outstanding per Employee

(Unit: millions of yen)

March 31, 2015	March 31, 2016
27,180	25,404

## 9

## Loans Outstanding by Industry

(Unit: millions of yen)

Industry	March 31, 2015		March 31, 2016	
	Number of Loans	Balance	Number of Loans	Balance
Manufacturing	103	640,475	114	446,781
Mining and Quarrying of Stone and Gravel	9	344,879	8	296,038
Construction	1	1,285	1	1,071
Electricity, Gas, Heat Supply, and Water	6	375,019	6	334,239
Information and Communications	2	212,261	2	195,184
Transport and Postal Services	4	27,887	5	23,968
Wholesale Trade	17	917,080	20	804,770
Finance and Insurance	19	2,142,810	19	2,286,878
Goods Rental and Leasing	3	199,203	3	170,617
Overseas Yen Loan and Domestic Loans Transferred Overseas	497	9,572,046	526	9,048,331
<b>Total, Including Others</b>	<b>661</b>	<b>14,432,949</b>	<b>704</b>	<b>13,607,883</b>
Loans Outstanding to Small and Medium-sized Enterprises	158	35,276	214	47,909
Loans Outstanding to Mid-tier Enterprises	95	137,939	151	140,841

(Note) In this table, small and medium-sized enterprises are defined as domestic corporations with the capital of ¥300 million or less or corporations and individuals having 300 or less employees on the regular pay roll.

Mid-tier enterprises are defined as domestic corporations with the capital of ¥1 billion or less (excluding small and medium-sized enterprises).

# 10 Write-off of Loans

(Unit: millions of yen)

Fiscal Year Ended March 31, 2015	Fiscal Year Ended March 31, 2016
—	—

# 11 Assets in Major Foreign Currencies

(Unit: thousands of regarding currency unit)

	March 31, 2015	March 31, 2016
Cash Equivalents in Foreign Currency (USD)	4,441,790	3,472,424
Cash Equivalents in Foreign Currency (GBP)	106,396	44,616
Cash Equivalents in Foreign Currency (EUR)	5,644	24,828
Cash Equivalents in Foreign Currency (ZAR)	—	0
Cash Equivalents in Foreign Currency (THB)	0	0
Cash Equivalents in Foreign Currency (CAD)	5,298	7,385
Cash Equivalents in Foreign Currency (INR)	—	1,000
Investments in Foreign Currency (USD)	1,117,023	1,289,197
Equity Investments in Foreign Currency (USD)	217,516	344,111
Equity Investments in Foreign Currency (EUR)	100,000	120,000
Equity Investments in Foreign Currency (CNY)	99,791	99,791
Equity Investments in Foreign Currency (INR)	890,000	890,000
Equity Investments in Foreign Currency (SGD)	165,999	165,999
Loans in Foreign Currency (USD)	99,331,849	101,327,608
Loans in Foreign Currency (GBP)	172,503	237,416
Loans in Foreign Currency (EUR)	1,115,647	1,285,028
Loans in Foreign Currency (ZAR)	752,900	749,400
Loans in Foreign Currency (AUD)	3,193,147	3,159,897
Loans in Foreign Currency (THB)	6,011,116	5,227,149
Loans in Foreign Currency (SDR)	320,208	208,133
Loans in Foreign Currency (CAD)	1,276,597	1,263,302
Loans in Foreign Currency (CNY)	174,980	148,320
Loans in Foreign Currency (INR)	—	341,600
Loans in Foreign Currency (MXN)	237,500	680,700
Loans in Foreign Currency (IDR)	384,600,000	288,000,000

(Units: %)

	Fiscal Year Ended March 31, 2015	Fiscal Year Ended March 31, 2016
Administrative Expense Ratio	0.11	0.10

(Note) Administrative Expense Ratio = General and Administrative Expenses / (Average Balance of Loans and Bills Discounted + Average Balance of Securities + Average Balance of Customers' Liabilities for Acceptances and Guarantees)

## Balance of Loans / Borrowings, Bonds and Notes by Maturity

### Maturity Structure of Loans as of March 31, 2016

(Unit: 100 millions of yen)

Maturity	Collection from Loans
1 Year or Less	11,979
1-2 Years	13,859
2-3 Years	13,766
3-4 Years	14,518
4-5 Years	14,721
5-6 Years	11,258
6-7 Years	11,158
7-8 Years	8,191
8-9 Years	9,099
9-10 Years	6,759
11-15 Years	15,306
16-20 Years	2,804
21-25 Years	154
26-30 Years	7
31-35 Years	—
36-40 Years	—
Over 40 Years	—
<b>Total</b>	<b>133,585</b>

(Note) The figures exclude: ¥182,118 million, the amount of loans and other credits to debtors who are legally or substantially bankrupt, as well as those who are likely to become bankrupt, since they have no prospect for redemption.

### Maturity Structure of Borrowings from FILP Fiscal Loan and Foreign Exchange Fund Special Account in total as of March 31, 2016

(Unit: 100 millions of yen)

Maturity	Repayment of Borrowings
1 Year or Less	6,811
1-2 Years	10,448
2-3 Years	40,847
3-4 Years	13,856
4-5 Years	11,023
5-6 Years	1,289
6-7 Years	3,019
7-8 Years	4,751
8-9 Years	1,108
9-10 Years	1,230
Over 10 Years	—
<b>Total</b>	<b>94,384</b>

### Maturity Structure of Bonds and Notes as of March 31, 2016

(Unit: 100 millions of yen)

Maturity	Redemption of Bonds and Notes
1 Year or Less	5,007
1-2 Years	3,687
2-3 Years	7,242
3-4 Years	2,390
4-5 Years	2,014
5-6 Years	—
6-7 Years	—
7-8 Years	1,126
8-9 Years	2,253
9-10 Years	3,017
Over 10 Years	—
<b>Total</b>	<b>26,739</b>



Although the Banking Act and Act on Emergency Measures for the Revitalization of the Financial Functions of 1998 (the “Financial Revitalization Act”) do not apply to JBIC, JBIC has made a self-assessment of the quality of its assets since the fiscal year ended March 31, 2001, in accordance with the standards set forth in the *Inspection Manual for Deposit-Taking Institutions* of the Financial Services Agency of Japan. This was aimed at increasing disclosure on its asset quality and improving the internal management of credit risks.

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

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

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

### (1) Risk-Monitored Loans

The following table shows the classification of risk-monitored loans based on the self-assessment of asset quality in accordance with the disclosure standard of risk-monitored loans applied to commercial financial institutions (under the Banking Act).

Each category of risk-monitored loans is defined as follows:

#### i. Bankrupt Loans

Among loans that are placed in non-accrual status (except the portion deducted as allowance for loan losses), when collection of either principal or interest becomes doubtful for the reason that principal or interest is past due for a considerable period of time or for other reasons, those loans for which there is filing of reorganization procedures under the Corporate Reorganization Act rehabilitation procedures under the Civil Rehabilitation Act, bankruptcy procedures under the Bankruptcy Act, special liquidation procedures under the Companies Act or other relevant laws, or there is suspension of transactions in promissory notes issued by the debtors in the clearing house.

#### ii. Non-accrual Loans

Loans that are placed in non-accrual status except those classified as “Bankrupt Loans” or those whose interest payments are deferred in order to expedite the debtors’ business restructuring or support their business operations.

#### iii. Past Due Loans (3 months or more)

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

#### iv. Restructured Loans

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

(Unit: millions of yen)

	Fiscal Year Ended March 31, 2015	Fiscal Year Ended March 31, 2016
Bankrupt Loans	—	—
Non-accrual Loans	120,482	111,407
Past Due Loans (3 months or more)	35,945	44,719
Restructured Loans	73,770	98,714
Total (1)	230,198	254,840
Total Amounts of Loans (2)	14,432,949	13,540,661
(1) / (2) (%)	1.59	1.88

## (2) Loan Assets to Be Disclosed under the Financial Revitalization Act

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

### i. Bankrupt and Quasi-bankrupt Assets

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

### ii. Doubtful Assets

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

### iii. Substandard Loans

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

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

### iv. Normal Assets

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

(Unit: millions of yen)

		Fiscal Year Ended March 31, 2015	Fiscal Year Ended March 31, 2016
Loans	Bankrupt and Quasi-bankrupt Assets	—	—
	Doubtful Assets	120,482	111,415
	Substandard Loans	109,716	143,433
	Subtotal (1)	230,198	254,849
	Normal Assets	16,819,545	15,799,431
	Total (2)	17,049,743	16,054,280
	(1) / (2) (%)	1.35	1.59

#### Note

In the event that a debtor country encounters temporary repayment difficulties in respect of external public debt (sovereign debt, trade insurance institutions and export credit institutions, etc.) due to the deteriorating balance of payments, meetings of creditor countries (the "Paris Club") will be held to mutually agree on debt relief measures (rescheduling), and implementing of temporary support for overcoming the liquidity problem (balance of payment support under an international cooperative framework). With this temporary liquidity support, debtors carry out IMF-agreed economic restructuring programs and continue to make debt repayments. The principal amount of loans for which JBIC has agreed to provide debt relief pursuant to the Paris Club agreements is ¥212,872 million as of the end of the fiscal year ended March 31, 2016.

Loans to debtors classified under the self-assessment as "Needs Attention" (but not "Past Due Loans (3 months or more)") that were rescheduled under the Paris Club as "Restructured loans". The amount of such loans, included in "Restructured loans" in the above table is ¥70,353 million, of which ¥70,353 million represents the original principal.

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

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

The financial statements have been prepared in accordance with IFRS as adopted by the International Accounting Standards Board. Unless otherwise stated, all amounts in the financial statements are rounded down and stated in millions of yen.

Ernst & Young ShinNihon LLC has audited the financial statements of JBIC, which comprise the statements of financial position as of March 31, 2016 and 2015, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information, in accordance with International Standards on Auditing.

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

## Statement of Financial Position

(Millions of yen)

	March 31, 2016	March 31, 2015
<b>Assets</b>		
Cash and due from banks	1,220,187	850,496
Derivative financial instrument assets	237,274	174,946
Securities	154,976	173,758
Loans and other receivables	13,460,347	14,357,186
Equity method investments	106,618	115,358
Property and equipment	27,804	28,295
Other assets	166,661	370,073
<b>Total assets</b>	<b>15,373,870</b>	<b>16,070,115</b>
<b>Liabilities</b>		
Derivative financial instrument liabilities	570,245	991,161
Borrowings	9,438,450	9,425,316
Bonds payable	2,668,872	3,058,499
Financial guarantee contracts	76,710	84,708
Other liabilities	127,941	86,208
<b>Total liabilities</b>	<b>12,882,220</b>	<b>13,645,893</b>
<b>Equity</b>		
Capital stock	1,391,000	1,391,000
Retained earnings	1,066,533	985,166
Other reserves	34,116	48,055
<b>Total equity</b>	<b>2,491,649</b>	<b>2,424,222</b>
<b>Total liabilities and equity</b>	<b>15,373,870</b>	<b>16,070,115</b>

## Income Statement

(Millions of yen)

	March 31, 2016	March 31, 2015
Interest income	216,592	173,110
Interest expense	116,024	103,876
Net interest income	100,567	69,234
Fee and commission income	14,523	13,512
Fee and commission expense	1,653	2,088
Net income from derivative financial instruments	56,227	25,760
Net investment income	3,708	1,505
Other income	1,718	1,060
Income other than interest income	74,524	39,749
<b>Total operating income *1</b>	<b>175,091</b>	<b>108,984</b>
Impairment losses (reversals) on financial assets	12,320	(13,176)
<b>Net operating income *2</b>	<b>162,771</b>	<b>122,160</b>
Operating expenses	16,734	9,985
Other expenses	883	419
Total operating expenses	17,618	10,404
Profits of equity method investments	436	13,405
<b>Net profit</b>	<b>145,589</b>	<b>125,161</b>

\*1 Aggregate of "Net interest income" and "Income other than interest income"

\*2 "Total operating income" less "Impairment losses (reversals) on financial assets"

## Statement of Comprehensive Income

(Millions of yen)

	March 31, 2016	March 31, 2015
<b>Net profit</b>	<b>145,589</b>	<b>125,161</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss:</b>		
Remeasurement of defined benefit plans:		
Remeasurement arising during the year	(537)	(642)
Total of items that will not be reclassified to profit or loss	(537)	(642)
<b>Items that may be reclassified to profit or loss:</b>		
Available -for-sale financial assets:		
Net gains arising during the year	176	815
Reclassification adjustments	(2,726)	(793)
Deferred gains (losses) on hedges:		
Reclassification adjustments	(3,461)	(3,992)
Exchange differences on translation of foreign operations:		
Net gains (losses) arising during the year	(7,927)	14,829
Total of items that may be reclassified to profit or loss	(13,938)	10,859
<b>Other comprehensive income</b>	<b>(14,476)</b>	<b>10,217</b>
<b>Total comprehensive income</b>	<b>131,112</b>	<b>135,378</b>

## Statement of Changes in Equity

(Millions of yen)

	Attributable to equity holders of Japan Bank for International Cooperation							
	Capital stock	Retained earnings	Other reserves					Total equity
			Remeasurement of defined benefit plans	Available-for-sale financial assets	Deferred gains (losses) on hedges	Exchange differences on translation of foreign operations	Total	
<b>April 1, 2014</b>	<b>1,360,000</b>	<b>906,331</b>	<b>—</b>	<b>5,315</b>	<b>16,664</b>	<b>15,216</b>	<b>37,195</b>	<b>2,303,527</b>
Net profit	—	125,161	—	—	—	—	—	125,161
Other comprehensive income	—	—	(642)	22	(3,992)	14,829	10,217	10,217
Total comprehensive income	—	125,161	(642)	22	(3,992)	14,829	10,217	135,378
Issuance of new shares	31,000	—	—	—	—	—	—	31,000
Payment to national treasury	—	(45,683)	—	—	—	—	—	(45,683)
Other	—	(642)	642	—	—	—	642	—
<b>March 31, 2015</b>	<b>1,391,000</b>	<b>985,166</b>	<b>—</b>	<b>5,338</b>	<b>12,671</b>	<b>30,045</b>	<b>48,055</b>	<b>2,424,222</b>
Net profit	—	145,589	—	—	—	—	—	145,589
Other comprehensive income	—	—	(537)	(2,550)	(3,461)	(7,927)	(14,476)	(14,476)
Total comprehensive income	—	145,589	(537)	(2,550)	(3,461)	(7,927)	(14,476)	131,112
Issuance of new shares	—	—	—	—	—	—	—	—
Payment to national treasury	—	(63,684)	—	—	—	—	—	(63,684)
Other	—	(537)	537	—	—	—	537	—
<b>March 31, 2016</b>	<b>1,391,000</b>	<b>1,066,533</b>	<b>—</b>	<b>2,787</b>	<b>9,210</b>	<b>22,117</b>	<b>34,116</b>	<b>2,491,649</b>

## Statement of Cash Flows

(Millions of yen)

	March 31, 2016	March 31, 2015
<b>Cash flows from operating activities</b>		
Net profit	145,589	125,161
Depreciation and amortization	1,302	1,356
Increase (decrease) in liability for retirement benefits	344	(7,342)
Profits of equity method investments	(436)	(13,405)
Net decrease (increase) in loans and other receivables	896,839	(1,783,913)
Net increase (decrease) in borrowings	13,134	1,017,608
Net decrease (increase) in deposits (excluding demand deposits)	171,193	230,543
Net decrease (increase) in receivables under resale agreements	—	202,733
Net change of derivative financial instrument assets and liabilities	(483,244)	584,362
Net increase (decrease) in financial guarantee contracts	(7,997)	12,807
Net increase (decrease) in bonds payable	(389,626)	324,609
Other	258,744	(353,332)
<b>Net cash provided by (used in) operating activities</b>	<b>605,843</b>	<b>341,187</b>
<b>Cash flows from investing activities</b>		
Purchase of securities	(55,373)	(29,768)
Proceeds from sales or redemption of securities	75,960	2,372
Purchase of equity method investments	(181)	(1,158)
Proceeds from return of equity method investments	1,850	11,917
Other	(367)	(2,718)
<b>Net cash provided by (used in) investing activities</b>	<b>21,888</b>	<b>(19,356)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of new shares	—	31,000
Payment to national treasury	(63,684)	(45,683)
Other	(13)	(12)
<b>Net cash provided by (used in) financing activities</b>	<b>(63,698)</b>	<b>(14,695)</b>
<b>Exchange difference on cash and cash equivalents</b>	<b>(23,150)</b>	<b>50,715</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>540,884</b>	<b>357,850</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>571,695</b>	<b>213,845</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>1,112,579</b>	<b>571,695</b>
Net cash provided by (used in) operating activities includes the following:		
Interest received	194,052	162,226
Interest paid	(118,022)	(116,172)

**2. Reconciliation of assets, liabilities, and equity as of March 31, 2016 and 2015, and reconciliation of net profit for the fiscal years ended March 31, 2016 and 2015, between accounting principles generally accepted in Japan (Japanese GAAP) and IFRS as adopted by the International Accounting Standards Board, and non-GAAP financial information calculated and presented on the basis of methodologies other than in accordance with generally accepted accounting principles.\***

\* JBIC has adopted Japanese GAAP for reporting purposes. Audited financial statements of JBIC for the fiscal year ended March 31, 2016 and 2015 prepared on a basis consistent with IFRS are being disclosed for reference purposes in order to improve comparability with other issuers outside of Japan.

**Reconciliation of assets, liabilities, and equity as of March 31, 2016**

(Millions of yen)

Accounts under Japanese GAAP	Japanese GAAP	Reclassifications	Differences in recognition and measurement	IFRS	Notes	Accounts under IFRS
<b>Assets</b>						<b>Assets</b>
Cash and due from banks	1,220,187	—	—	1,220,187		Cash and due from banks
	—	237,336	(62)	237,274	A	Derivative financial instrument assets
Securities	236,602	(84,500)	2,874	154,976	B, F	Securities
Loans	13,540,661	(119,355)	39,041	13,460,347	C, E	Loans and other receivables
	—	84,500	22,117	106,618	F	Equity method investments
Property and equipment	27,804	—	—	27,804		Property and equipment
Intangible assets	2,737	(2,737)	—	—		
Other assets	256,188	(89,527)	—	166,661	A, C	Other assets
Customers' liabilities for acceptances and guarantees	2,464,703	—	(2,464,703)	—	E	
Allowance for loan losses	(168,262)	168,262	—	—	C	
<b>Total assets</b>	<b>17,580,622</b>	<b>193,979</b>	<b>(2,400,731)</b>	<b>15,373,870</b>		<b>Total assets</b>
<b>Liabilities</b>						<b>Liabilities</b>
	—	569,343	902	570,245	A	Derivative financial instrument liabilities
Borrowed money	9,438,450	—	—	9,438,450		Borrowings
Bonds payable	2,668,558	—	314	2,668,872	D	Bonds payable
	—	—	76,710	76,710	E	Financial guarantee contracts
Provision for retirement benefits	7,090	(7,090)	—	—	G	
Provision for directors' retirement benefits	39	(39)	—	—	G	
Other liabilities	528,890	(367,710)	(33,238)	127,941	A, G	Other liabilities
Provision for bonuses	516	(516)	—	—		
Provision for directors' bonuses	6	(6)	—	—		
Acceptances and guarantees	2,464,703	—	(2,464,703)	—	E	
<b>Total liabilities</b>	<b>15,108,255</b>	<b>193,979</b>	<b>(2,420,014)</b>	<b>12,882,220</b>		<b>Total liabilities</b>
<b>Equity</b>						<b>Equity</b>
Capital stock	1,391,000	—	—	1,391,000		Capital stock
Retained earnings	972,140	—	94,392	1,066,533		Retained earnings
	—	109,226	(75,110)	34,116	A	Other reserves
Valuation difference on available-for-sale securities	4,303	(4,303)	—	—		
Deferred gains or losses on hedges	104,923	(104,923)	—	—		
<b>Total equity</b>	<b>2,472,367</b>	<b>—</b>	<b>19,282</b>	<b>2,491,649</b>		<b>Total equity</b>
<b>Total liabilities and equity</b>	<b>17,580,622</b>	<b>193,979</b>	<b>(2,400,731)</b>	<b>15,373,870</b>		<b>Total liabilities and equity</b>

# Reconciliation of assets, liabilities, and equity as of March 31, 2015

(Millions of yen)

Accounts under Japanese GAAP	Japanese GAAP	Reclassifications	Differences in recognition and measurement	IFRS	Notes	Accounts under IFRS
<b>Assets</b>						<b>Assets</b>
Cash and due from banks	850,496	—	—	850,496		Cash and due from banks
	—	174,967	(20)	174,946	A	Derivative financial instrument assets
Securities	261,786	(85,313)	(2,715)	173,758	B, F	Securities
Loans	14,432,949	(71,027)	(4,735)	14,357,186	C, E	Loans and other receivables
	—	85,313	30,045	115,358	F	Equity method investments
Property and equipment	28,295	—	—	28,295		Property and equipment
Intangible assets	3,154	(3,154)	—	—		
Other assets	430,297	(60,223)	—	370,073	A, C	Other assets
Customers' liabilities for acceptances and guarantees	2,572,328	—	(2,572,328)	—	E	
Allowance for loan losses	(115,492)	115,492	—	—	C	
<b>Total assets</b>	<b>18,463,816</b>	<b>156,053</b>	<b>(2,549,754)</b>	<b>16,070,115</b>		<b>Total assets</b>
<b>Liabilities</b>						<b>Liabilities</b>
	—	989,798	1,363	991,161	A	Derivative financial instrument liabilities
Borrowed money	9,425,316	—	—	9,425,316		Borrowings
Bonds payable	3,049,490	—	9,009	3,058,499	D	Bonds payable
	—	—	84,708	84,708	E	Financial guarantee contracts
Provision for retirement benefits	6,395	(6,395)	—	—	G	
Provision for directors' retirement benefits	30	(30)	—	—	G	
Other liabilities	949,227	(826,810)	(36,208)	86,208	A, G	Other liabilities
Provision for bonuses	500	(500)	—	—		
Provision for directors' bonuses	6	(6)	—	—		
Acceptances and guarantees	2,572,328	—	(2,572,328)	—	E	
<b>Total liabilities</b>	<b>16,003,296</b>	<b>156,053</b>	<b>(2,513,456)</b>	<b>13,645,893</b>		<b>Total liabilities</b>
<b>Equity</b>						<b>Equity</b>
Capital stock	1,391,000	—	—	1,391,000		Capital stock
Retained earnings	993,053	—	(7,886)	985,166		Retained earnings
	—	76,467	(28,412)	48,055	A	Other reserves
Valuation difference on available-for-sale securities	12,786	(12,786)	—	—		
Deferred gains or losses on hedges	63,681	(63,681)	—	—		
<b>Total equity</b>	<b>2,460,520</b>	<b>—</b>	<b>(36,298)</b>	<b>2,424,222</b>		<b>Total equity</b>
<b>Total liabilities and equity</b>	<b>18,463,816</b>	<b>156,053</b>	<b>(2,549,754)</b>	<b>16,070,115</b>		<b>Total liabilities and equity</b>



## Reconciliation of net profit for the year ended March 31, 2016

(Millions of yen)

Accounts under Japanese GAAP	Japanese GAAP	Reclassifications	Differences in recognition and measurement	IFRS	Notes	Accounts under IFRS
Interest income	213,806	(13,355)	16,141	216,592	C	Interest income
Interest expenses	123,779	—	(7,755)	116,024	D	Interest expense
				100,567		Net interest income
Fees and commissions	22,091	—	(7,567)	14,523	C	Fee and commission income
Fees and commissions payments	1,653	—	—	1,653		Fee and commission expense
	—	11,104	45,123	56,227	A	Net income from derivative financial instruments
	—	3,865	(157)	3,708		Net investment income
Gains on sales of stocks and other securities* <sup>1</sup>	1,890	(1,890)	—	—		
	—	1,823	(105)	1,718		Other income
Other ordinary income	141	(141)	—	—		
Other (income)* <sup>1</sup>	160	(160)	—	—		
Extraordinary income	43	(43)	—	—		
				74,524		Income other than interest income
				175,091		<b>Total operating income</b>
	—	52,770	(40,450)	12,320	B, C	Impairment losses on financial assets
Recoveries of written-off claims* <sup>1</sup>	0	(0)	—	—	C	
Provision of allowance for loan losses * <sup>2</sup>	52,770	(52,770)	—	—	C	
				162,771		<b>Net operating income</b>
General and administrative expenses	17,631	—	(897)	16,734	G	Operating expenses
	—	1,164	(280)	883	D	Other expenses
Other ordinary expenses	1,310	(1,310)	—	—		
Losses on sales of stocks and other securities * <sup>2</sup>	130	(130)	—	—		
				17,618		Total operating expenses
	—	436	—	436	F	Profits of equity method investments
Gain on investments in partnerships* <sup>1</sup>	1,914	(1,914)	—	—		
<b>Net income</b>	<b>42,772</b>	<b>—</b>	<b>102,817</b>	<b>145,589</b>		<b>Net profit</b>

\*1 The sum of these amounts is included in "Other income" in the income statement prepared under Japanese GAAP.

\*2 The sum of these amounts is included in "Other expenses" in the income statement prepared under Japanese GAAP.

# Reconciliation of net profit for the year ended March 31, 2015

(Millions of yen)

Accounts under Japanese GAAP	Japanese GAAP	Reclassifications	Differences in recognition and measurement	IFRS	Notes	Accounts under IFRS
Interest income	192,973	(24,581)	4,718	173,110	C	Interest income
Interest expenses	116,076	—	(12,200)	103,876	D	Interest expense
				69,234		Net interest income
Fees and commissions	35,901	—	(22,389)	13,512	C	Fee and commission income
Fees and commissions payments	2,088	—	—	2,088		Fee and commission expense
	—	22,596	3,164	25,760	A	Net income from derivative financial instruments
	—	1,465	39	1,505		Net investment income
Gains on sales of stocks and other securities*	0	(0)	—	—		
	—	7,286	(6,225)	1,060		Other income
Other ordinary income	4,100	(4,100)	—	—		
Other (income)*	148	(148)	—	—		
Extraordinary income	5,707	(5,707)	—	—		
				39,749		Income other than interest income
				108,984		<b>Total operating income</b>
	—	(13,392)	216	(13,176)	B, C	Impairment losses (reversals) on financial assets
Recoveries of written-off claims*	101	(101)	—	—	C	
Reversal of allowance for loan losses *	13,392	(13,392)	—	—	C	
				122,160		<b>Net operating income</b>
General and administrative expenses	17,004	—	(7,019)	9,985	G	Operating expenses
	—	1,081	(662)	419	D	Other expenses
Other ordinary expenses	1,585	(1,585)	—	—		
Extraordinary loss	16	(16)	—	—		
				10,404		Total operating expenses
	—	13,405	—	13,405	F	Profits of equity method investments
Gain on investments in partnerships*	10,633	(10,633)	—	—		
<b>Net income</b>	<b>126,187</b>	<b>—</b>	<b>(1,026)</b>	<b>125,161</b>		<b>Net profit</b>

\* The sum of these amounts is included in "Other income" in the income statement prepared under Japanese GAAP.

## Notes to the reconciliation of assets, liabilities, and equity as of March 31, 2016 and 2015, and the reconciliation of net profit for the fiscal years ended March 31, 2016 and 2015

### A. Derivative financial instrument assets and liabilities

Under Japanese GAAP, derivative financial instrument assets are included in "Other assets" and derivative financial instrument liabilities are included in "Other liabilities." Under IFRS, they are presented in a separate line item. In addition, derivative financial instrument assets and liabilities offset Japanese GAAP do not meet the offsetting criteria under IFRS; accordingly, they are presented on a gross basis in the statement of financial position.

Under IFRS, the fair value of derivative financial instrument assets and liabilities is determined using observable market data considering the counterparty's and JBIC's credit risk.

JBIC applies hedge accounting under Japanese GAAP but it is not applied under IFRS. For hedges in hedging relationships of types that qualify for hedge accounting under Japanese GAAP but that do not qualify under International Accounting Standards ("IAS") 39 *Financial Instruments: Recognition and Measurement*, deferred gains or losses on hedges under Japanese GAAP have been transferred to retained earnings at the date of transition. Further, in respect of hedges that qualify for hedge accounting under Japanese GAAP but that do not meet the conditions for hedge accounting under IAS 39, JBIC discontinued hedge accounting in accordance with the following method for each hedge category:

#### i. Cash flow hedges

Deferred gains or losses on hedges are recognized in profit or loss based on cash flows arising from the hedged transactions.

#### ii. Fair value hedges

Deferred gains or losses on hedges under Japanese GAAP are transferred to retained earnings at the transition date, and the carrying amount of the hedged item is adjusted to the lower of the following. Such adjustments are recorded in retained earnings and then amortized using the effective interest method and recognized in profit or loss.

- the portion of the cumulative change in the fair value of the hedged item that reflects the designated hedged risk and was not recognized under Japanese GAAP; or
- the portion of the cumulative change in the fair value of the hedging instrument that reflects the designated risk and was either not recognized or deferred in the statement of financial position as an asset or a liability under Japanese GAAP.

### B. Securities

Under Japanese GAAP, investments in equity securities of affiliates are included in "Securities" but they are presented separately as "Equity method investments" under IFRS. See F. "Equity method investments" for differences in measurement methods.

Unlisted stocks included in securities are carried at cost under Japanese GAAP, but under IFRS, they are categorized as available-for-sale financial assets and measured, in principle, at fair value and the changes in fair value are recognized in other comprehensive income. Impairment losses are also recognized, as necessary.

Under Japanese GAAP, investments in partnerships included in securities are recognized at an amount equivalent to JBIC's share of the net assets of the partnership, which is determined based on the most recent financial statements of the partnership available as of the reporting date as defined in the partnership agreement. Under IFRS, they are measured, in principle, at fair value and the changes in fair value are recognized in other comprehensive income. Impairment losses are also recognized, as necessary.

### C. Loans and other receivables

Under Japanese GAAP, accrued interest income on loans is included in "Other assets." Under IFRS, it is presented in a separate line item under "Loans and other receivables." Under IFRS, loans and other receivables are measured at fair value plus directly attributable transaction costs at initial recognition and subsequently measured at amortized cost using the effective interest method. Loan origination fees are amortized as part of the effective interest method when they are considered an integral part of originating the related loans.

Under Japanese GAAP, a general allowance for loan losses is recorded, in addition to a specific allowance for loan losses.

On the other hand, IFRS uses an incurred loss model and an impairment loss is recognized if, and only if, JBIC assesses at the reporting date that there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event), and that loss event (or events) has an impact on the estimated cash flows of the financial asset or a group of financial assets that can be reliably estimated. Impairment losses in respect of a group of loans and other receivables that are collectively evaluated for impairment, such as impairment losses for incurred but not reported losses, are recognized on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. The carrying amount of loans and other receivables is reduced by the impairment loss through an allowance for loan losses account.

For loans in hedging relationships designated as fair value hedges under Japanese GAAP but which no longer meet the conditions for hedge accounting under IAS 39, the carrying amounts are adjusted at the transition date in accordance with IFRS 1 in light of the discontinuance of hedge accounting.

"Loans and other receivables" include financial assets associated with financial guarantee contracts as described in "E. Financial guarantee contracts."

### D. Borrowings and Bonds payable

Under Japanese GAAP, bond issuance costs are expensed as incurred. Under IFRS, bonds payable are initially measured at fair value less the transaction costs that are directly attributable to bond issuance, such as fees paid to underwriters and discounts at issuance, and subsequently measured at amortized cost using the effective interest method. In addition, borrowings and bonds payable are amortized, after considering adjustments to their carrying amounts related to discontinuing associated fair value hedges.

**E. Financial guarantee contracts**

Under Japanese GAAP, the contractual amounts of financial guarantee obligations are recorded as assets in “Customers’ liabilities for acceptances and guarantees” and liabilities in “Acceptances and guarantees” on the statement of financial position in the same amount. Under IFRS, both financial assets and financial liabilities associated with financial guarantee contracts are initially measured at fair value and are subsequently measured at the higher of (a) the amount initially recognized less cumulative amortization recognized and (b) the amount of estimated expenditure required to settle the guarantee obligation at the reporting date.

**F. Equity method investments**

JBIC’s investments in associates and joint ventures primarily comprise investments in partnerships. Under Japanese GAAP, JBIC does not use the equity method in its separate financial statements as it does not prepare any consolidated financial statements and, therefore, such investments are recognized at an amount equivalent to JBIC’s share of the net assets of the partnership, which is determined based on the most recent financial statements of the partnership available as of the reporting date as defined in the partnership agreement.

Certain of JBIC’s share of the “Gain on investments in partnerships” under Japanese GAAP are accounted for using the equity method under IFRS. Such gains or losses are presented as “Profits of equity method investments.” Exchange differences on translation of foreign operations resulting from the application of the equity method are recognized in other comprehensive income.

**G. Liability for retirement benefits**

Under Japanese GAAP, actuarial gains and losses in respect of defined benefit plans are expensed and included in profit or loss in the period in which they arise. However, under IFRS, remeasurement of defined benefit plans is recognized directly in other comprehensive income as incurred and immediately transferred to retained earnings. Retirement benefit obligations are remeasured in accordance with applicable IFRS, and gains and losses arising from the application of the period allocation method are recognized as adjustments to retained earnings. Liabilities for retirement benefits are included in “Other liabilities” in the statement of financial position.

### Adjusted net profit in accordance with IFRS before IFRS adjustments for hedge accounting (Non-GAAP information calculated and presented on the basis of methodologies other than in accordance with generally accepted accounting principles)

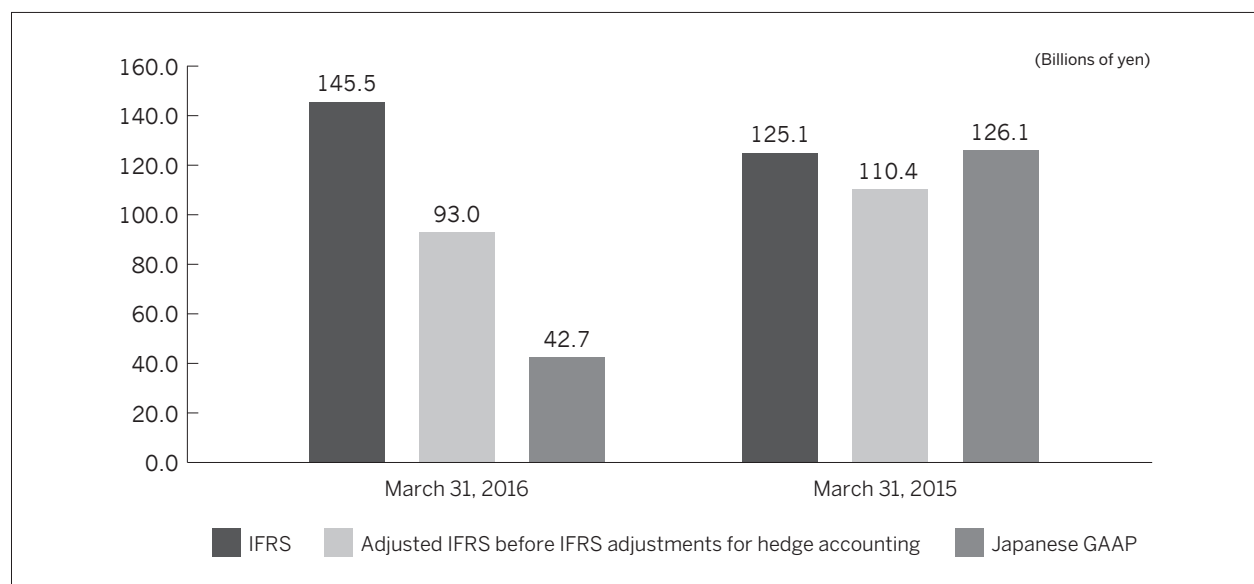
JBIC undertakes derivative financial instruments exclusively to hedge interest rate risks and foreign exchange risks. Under Japanese GAAP, hedge accounting is applied in the financial statements and net gains or losses from the valuation of derivative financial instruments are not recognized in net profit. In the financial statements under IFRS disclosed for reference purposes, JBIC does not apply hedge accounting under IAS39. Accordingly, net gains or losses from the valuation of derivative financial instruments and net gains or losses from the amortization of deferred gains or losses on hedges from discontinued hedge accounting at the date of transition are recognized in net profit in accordance with IFRS\*.

As these derivative financial instruments are entered into for hedging purposes, they are not cancelled before the maturity dates. Although the net gains or losses arising from the valuation of derivative financial instruments are temporal and not yet realized, such temporary net gains or losses arising from the valuation of such derivative financial instruments have a substantial impact on net profit in accordance with IFRS when there is a significant change in the relevant market factors. In order to enhance the understanding of the results of operations of JBIC, "adjusted net profit in accordance with IFRS before IFRS adjustments for hedge accounting" is calculated by excluding the temporary net gains or losses from the valuation under IFRS as a non-GAAP financial measure in order to supplement the reconciliation between Japanese GAAP and IFRS.

Adjusted net profit in accordance with IFRS before IFRS adjustments for hedge accounting is reconciled from net profit in accordance with IFRS by excluding the temporary gains or losses from the valuation of derivative financial instruments as follows:

	March 31, 2016	March 31, 2015
Net profit in accordance with IFRS (A)	145.5	125.1
Net gains (losses) from the valuation of derivative financial instruments	41.6	(0.8)
Net gains from the amortization of deferred gains or losses on hedges from discontinued hedge accounting at the date of transition	10.8	15.4
Sub-total (B)	52.5	14.7
Adjusted net profit in accordance with IFRS before IFRS adjustments for hedge accounting (A) – (B)	93.0	110.4

### Net profit in accordance with IFRS, adjusted net profit in accordance with IFRS before IFRS adjustments for hedge accounting and net profit in accordance with Japanese GAAP for the fiscal years ended March 31, 2016 and 2015



\* See "A. Derivative financial instrument assets and liabilities" for the difference between Japanese GAAP and IFRS about the accounting policies for derivative financial instruments.



# Corporate Data

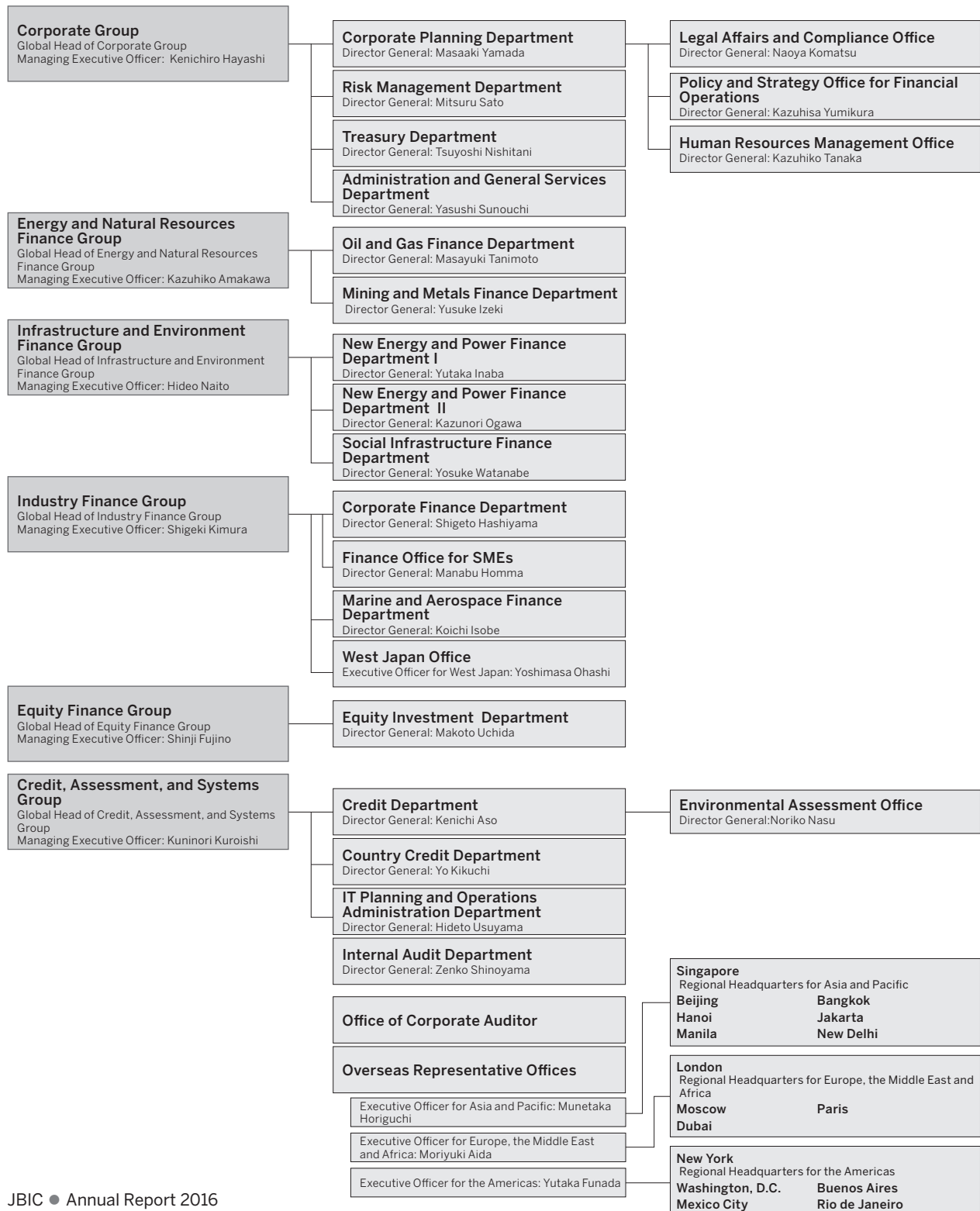
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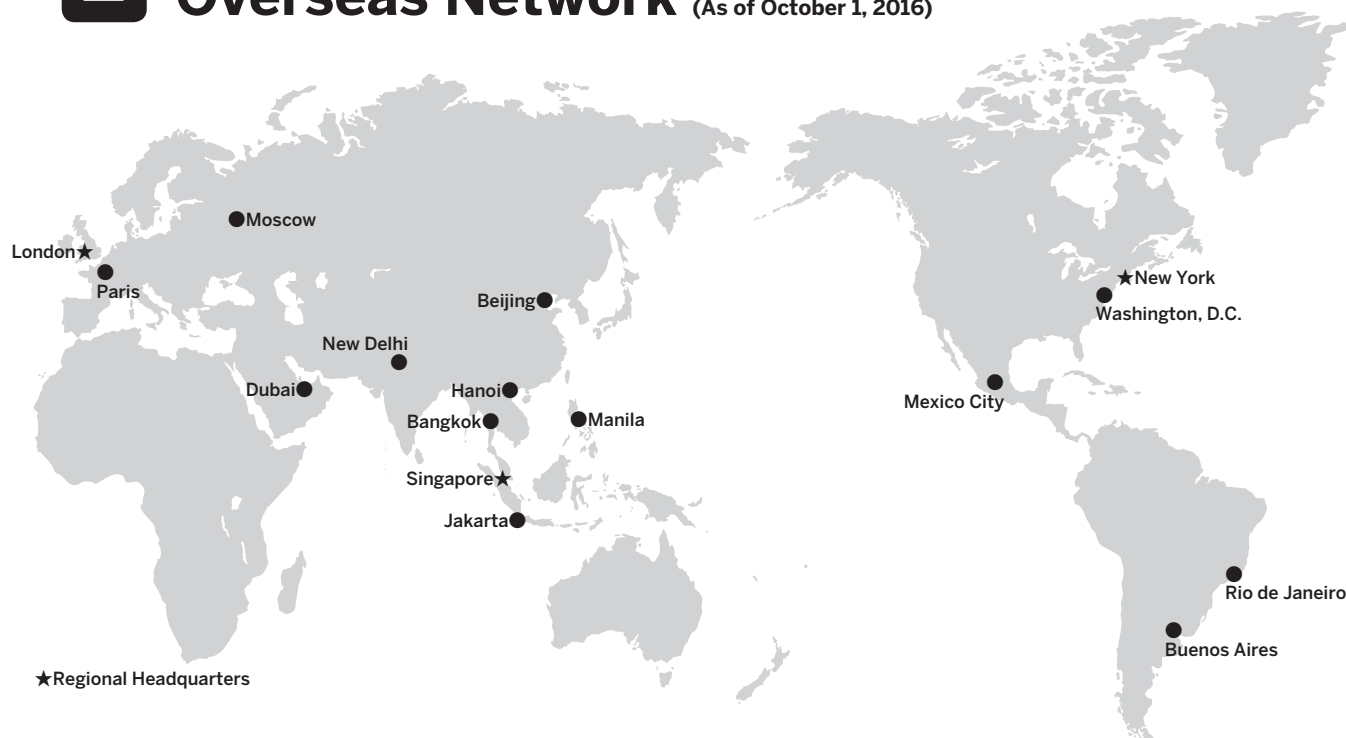
JBIC is constituted by six business groups: four mission/sector-specific finance groups (Energy and Natural Resources Finance Group; Infrastructure and Environment Finance Group; Industry Finance Group; and Equity Finance Group) and the Corporate Group and the Credit, Assessment, and Systems Group which support these finance groups.

This organizational structure was intended to strengthen the capacity to formulate projects by bringing together know-how and expertise in each sector and

area, thereby creating an institution that can execute the functions in its mission more flexibly and strategically: the mission directly linked to Japan's economic policy. In the network of overseas representative offices, Singapore, London and New York are assigned as core regional headquarters to supervise business and administrative activities as well as support project formulation in Asia and Pacific; Europe, the Middle East and Africa, and the Americas respectively.







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# 3 History

	Events related to The Export-Import Bank of Japan (JEXIM)
December 1950	The Japan Export Bank Act promulgated and enforced; The Japan Export Bank established
April 1952	The Japan Export Bank changed its name to The Export-Import Bank of Japan
	Events related to the Japan Bank for International Cooperation (former JBIC)
April 1999	The Japan Bank for International Cooperation Act promulgated and enforced
September 1999	Order for the Japan Bank for International Cooperation Act promulgated and enforced
October 1999	The Japan Bank for International Cooperation (former JBIC) established (taking over operations of the Export-Import Bank of Japan and those of the Overseas Economic Cooperation Fund)
	Events related to the Japan Finance Corporation
June 2006	The Act on Promotion of Administrative Reform for Realization of Small and Efficient Government promulgated and enforced
May 2007	The Japan Finance Corporation Act promulgated and enforced
April 2008	Order for the Japan Finance Cooperation Act promulgated and enforced
October 2008	The Japan Finance Corporation established
March 2010	The Revision of Japan Finance Corporation Act enforced (Promoting the overseas business having the purpose of preserving the global environment, such as preventing global warming was added to JBIC mission)
April 2010	The Account for Facilitating Realignment of United States Forces in Japan created
	Events related to the Japan Bank for International Cooperation (new JBIC)
May 2011	The Japan Bank for International Cooperation Act promulgated and partially enforced
July 2011	Order for Enforcement of the Japan Bank for International Corporation Act and Cabinet Order for Revising Part of the Japan Finance Corporation Act promulgated and enforced (The scope of operations was expanded, including the rule on export financing to developed countries)
April 2012	The Japan Bank for International Cooperation (JBIC) established
November 2012	The Account for Facilitating Realignment of United States Forces in Japan closed
May 2016	The Act for Partial Amendment of the Japan Bank for International Cooperation Act promulgated and partially enforced The Cabinet Order for Revising Part of the Order for Enforcement of the JBIC Act promulgated and enforced
October 2016	The account for the Special Operations created

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

### Article 1: Purpose

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

### Article 3: Holding of Shares by Government

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

### Article 4: Government's Contribution

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

### Article 5: Limitation, etc. on Use of Name

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

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

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

### Article 11: Scope of Operations

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

- (1) The loan of funds necessary for the Export of Equipment, etc., the acquisition by assignment of loan receivables related to such funds, the Guarantee, etc. of Liabilities related to such funds, in the case where the Foreign Financial Institutions,

etc. or the Foreign Governments, etc. provide the Guarantee, etc. of Liabilities with respect to such funds, the Guarantee, etc. of Liabilities related to such Guarantee, etc. of Liabilities, or the acquisition of the Public/Corporate Bonds, etc. issued in order to procure such funds by certain measures, such as acquisition through subscription;

- (2) The loan of funds necessary to ensure the reliable and timely Import of Important Goods, etc., the acquisition by assignment of loan receivables related to such funds, the Guarantee, etc. of Liabilities related to such funds or the acquisition of the Public/Corporate Bonds, etc. to be issued in order to procure such funds by certain measures, such as acquisition through subscription;
- (3) The loan of funds to be used directly or indirectly for the business which the Juridical Persons, etc. of Japan, Foreign Governments, etc. or Foreign Juridical Persons, etc. Invested in conduct outside Japan, the acquisition by assignment of loan receivables related to such funds, the Guarantee, etc. of Liabilities related to such funds, in the case where the Juridical Persons, etc. of Japan, Foreign Juridical Persons, etc. Invested in, Foreign Financial Institutions, etc. or Foreign Governments, etc. provide the Guarantee, etc. of Liabilities to the Juridical Persons, etc. of foreign countries with respect to such funds, the Guarantee, etc. of Liabilities related to such Guarantee, etc. of Liabilities, or the acquisition of the Public/Corporate Bonds, etc. to be issued in order to procure such funds by certain measures, such as acquisition through subscription;
- (4) (i) The loan to the Foreign Governments, etc., Foreign Financial Institutions, etc. or international organizations, such as the International Monetary Fund, of long-term funds (meaning the funds required to be provided for more than one (1) year) required for their overseas business or the import of goods or introduction of technologies by the foreign country concerned, or funds required to attain the international balance of payments or achieve the stability of the currency of the foreign country concerned, (ii) the acquisition by assignment of loan receivables related to such funds or the Guarantee, etc. of Liabilities related to such funds or (iii) the acquisition of the Public/Corporate Bonds, etc. issued in order to procure such funds by certain measures, such as acquisition through subscription;
- (5) When it is found remarkably difficult for a foreign government or foreign resident to conduct overseas transactions, such as import by reason of the international balance of payments of the foreign country concerned, and it is found urgently necessary, the loan to the governments, governmental agencies or banks of the foreign country concerned, of the short-term funds (meaning the funds required necessary to be provided for one (1) year or less than one (1) year; the same shall apply hereinafter) necessary to facilitate overseas transactions, such as import, until the International Monetary Fund, etc. (meaning international organizations, such as the International Monetary Fund, or governments, governmental agencies or banks of more than two (2) countries other than that foreign country concerned; the same shall apply hereinafter) provides funds to assist the development of the economy of the foreign country concerned (hereinafter referred to as the "Funds for Economic Assistance");
- (6) The provision of contributions to persons who are carrying on business outside Japan (including those Juridical Persons,

etc. of Japan whose sole purpose is to make overseas investments and who make contributions to those carrying on the aforesaid business) to contribute funds required for their business;

- (7) The carrying out of the necessary studies related to the operations listed in each of the preceding Items;
- (8) The provision of information to the users of operations provided by JBIC that pertains to such operations; and
- (9) Any other operations incidental to those listed in each of the preceding Items (excluding those listed in Item (7)).

#### Article 12:

1. Among the operations listed in Item (1) of the preceding Article, those which are related to the Export of Equipment, etc. destined for any area other than developing overseas areas (hereinafter referred to as the "Developing Areas") may be conducted only in the cases listed below:
  - (1) when necessary countermeasures are taken in accordance with multilateral arrangements in the case where the Foreign Governments, etc., in which exporters conduct the export destined for the said area, grant credit, underwrite insurance or provide an interest (including those prescribed by the Ordinance of the Ministry of Finance as having an economic nature similar to an interest; the same shall apply hereinafter in Paragraph 2 of Article 16) support with more favorable conditions than usual in order to promote the export from such foreign countries; or
  - (2) when it is prescribed by a Cabinet Order as being a case recognized especially necessary in order to promote the policies of the Government concerning the maintenance or improvement of the international competitiveness of Japanese industries.
2. Among the operations listed in Item (1) of the preceding Article, those relating to the funds provided to the Juridical Persons, etc. of Japan may be conducted only in the cases listed below:
  - (1) where Banks, etc. provide Foreign Juridical Persons, etc. with the loan of funds with respect to the Export of Equipment, etc. necessary for the business with respect to the development of infrastructure and other foundation for socioeconomic activities overseas, and JBIC provides the loan of necessary funds for such loan to the Banks, etc.; or
  - (2) where the execution of the export by the Juridical Persons, etc. of Japan has become remarkably difficult due to disruptions to international financial order and the Minister of Finance determines that the exceptions of operations of JBIC are necessary in order to deal therewith.
3. Among the operations listed in Item (2) of the preceding Article, other than those conducted in order to promote overseas development and securement of resources important for Japan, only those relating to the funds listed below that are the Guarantee, etc. of Liabilities may be conducted:
  - (1) funds necessary to import the products, such as aircraft, specified by the Minister of Finance, with respect to which the products made in Japan are not sufficient to replace and the import to Japan is essential; or
  - (2) funds necessary to introduce such technologies specified by the Minister of Finance, with respect to which the technologies of Japan are not sufficient to replace and the introduction to Japan is essential.
4. Among the operations listed in Item (3) of the preceding Article, those relating to the short-term loans may be conducted only in the case where JBIC has agreed to make loan of funds (excluding short-term funds) set forth in the same Item for the execution of business conducted by the Juridical Persons, etc. of Japan and the Foreign Juridical Persons, etc. Invested in and such

loan of funds is recognized especially necessary in order to execute such business.

5. Among the operations listed in Item (3) of the preceding Article, the loan of funds necessary for the overseas business to be conducted by the Juridical Persons, etc. of Japan, other than those listed in Item (2) of the following Paragraph, may be conducted only if such loan is provided directly to such Juridical Persons, etc.
6. Among the operations listed in Item (3) of the preceding Article (excluding those conducted in order to promote overseas development and securement of resources important for Japan), loans to the Juridical Persons, etc. of Japan, other than the loans to the Small and Medium Enterprises, etc. (meaning the Small and Medium Enterprises or medium enterprises specified by the Minister of Finance; hereinafter the same shall apply) may be conducted only in the cases listed below.
  - (1) When the Juridical Persons, etc. of Japan begin or expand overseas business, or improve the efficiency thereof by contributing to the foreign juridical persons or accepting the assignment of all or part of the business of the foreign juridical persons (hereinafter referred to as "Contributions, etc." in this Item), in the case where the loan of funds necessary for such Contributions, etc. is provided (only when it is prescribed by a Cabinet Order as being a case recognized especially necessary in order to promote the policies of the Government concerning the maintenance or improvement of the international competitiveness of Japanese industries).
  - (2) When the Banks, etc. provide the loan of funds listed below, in the case where the loan of funds necessary for such loan by such Banks, etc. is provided to such Banks, etc.:
    - a. loan of funds set forth in Item (3) of the preceding Article to the Small and Medium Enterprises, etc. or the Foreign Juridical Persons, etc. Invested in related to the contribution of the Small and Medium Enterprises, etc.;
    - b. loan of funds set forth in the preceding Item to the Juridical Persons, etc. of Japan (limited to those prescribed by the Cabinet Order set forth in the same Item); or
    - c. loan of funds set forth in Item (3) of the preceding Article to the Juridical Persons, etc. of Japan, Foreign Governments, etc., or Foreign Juridical Persons, etc. Invested in (limited to those related to the business with respect to the development of infrastructure and other foundation for socioeconomic activities overseas).
  - (3) When the loan of necessary funds is provided to the Juridical Persons, etc. of Japan for such Juridical Persons, etc. to conduct a business of leasing equipment made in Japan to overseas market (limited to those prescribed by a Cabinet Order as being a case recognized especially necessary in order to promote the policies of the Government concerning the maintenance or improvement of the international competitiveness of Japanese industries).
  - (4) When the execution of overseas business of the Juridical Persons, etc. of Japan has become remarkably difficult due to disruptions to international financial order, in the case where the Minister of Finance determines that the exceptions of operations of JBIC are necessary in order to deal therewith.
7. Among the operations listed in Item (3) of the preceding Article (excluding those conducted in order to promote overseas development and securement of resources important for Japan), with respect to the business in any area other than the Developing Areas may be conducted only when it is prescribed by a Cabinet Order as being a case recognized especially necessary in order to promote the policies of the Government concerning the maintenance or improvement of the international competitiveness of Japanese industries.
8. The loan to the governments, governmental agencies or banks

of foreign countries listed in Item (5) of the preceding Article may be conducted by obtaining the authorization of the Minister of Finance only when the provision of the Funds for Economic Assistance from the International Monetary Fund, etc. is expected to be certain and only in the cases listed below:

- (1) where, by appropriating all or part of the Funds for Economic Assistance from the International Monetary Fund, etc. (excluding JBIC) for the redemption of the funds related to the loan, the redemption is expected to be secured; or
  - (2) where adequate underlying assets are secured for the loan.
9. Among the operations listed in Items (1) through (4) of the preceding Article, the Guarantee, etc. of Liabilities related to the liabilities of any person other than the Juridical Persons, etc. of Japan (excluding those related to the Public/Corporate Bonds, etc.) may be provided only in the cases listed below:
- (1) When the Banks, etc., Foreign Financial Institutions, etc. or Foreign Governments, etc. provide the loan of such funds set forth in Items (1) through (4) of the preceding Article, in the case where the Guarantee, etc. of Liabilities related to such loan is provided (including the case in which the loan receivables related to such loan are assigned to the persons specified by the Minister of Finance);
  - (2) In the case where the Guarantee, etc. of Liabilities related to the Guarantee, etc. of Liabilities set forth in Items (1) and (3) of the preceding Article is provided;
  - (3) When, among the Guarantee, etc. of Liabilities related to the funds set forth in Item (3) of the preceding Article, the Juridical Persons, etc. of Japan or the Foreign Juridical Persons, etc. Invested in assign the monetary claims related to the overseas business to be conducted by the Juridical Persons, etc. of Japan or the Foreign Juridical Persons, etc. Invested in to the Banks, etc. or Foreign Financial Institutions, etc. and use the proceeds from the assignment for such business, in the case where the Guarantee, etc. of Liabilities related to such monetary claims is provided; or
  - (4) When the Banks, etc. or Foreign Financial Institutions, etc. provide the loan of funds set forth in Item (3) of the preceding Article in foreign currency, in the case where the Guarantee, etc. of Liabilities related to swap transactions (transactions listed in Item 5 of Paragraph 22 of Article 2 of the Financial Instruments and Exchange Act (Act No. 25 of 1948)) related to such funds conducted by such Banks, etc. or Foreign Financial Institutions, etc., is provided.
10. Among the operations listed in Items (1) through (4) of the preceding Article, the Guarantee, etc. of Liabilities (limited to those related to the Public/Corporate Bonds, etc.) and the acquisition of the Public/Corporate Bonds, etc. may be conducted only in the cases listed below (with respect to the operations listed in Items (1) through (3) of the same Article, the cases listed in Items (2) through (7) below shall apply):
- (1) where part of the Public/Corporate Bonds, etc. (limited to those with a redemption period of more than one (1) year; the same shall apply in the following Item and Item (3) below) that were issued by the Foreign Financial Institutions, etc., the Foreign Governments, etc. or international organizations, such as the International Monetary Fund, are acquired;
  - (2) where the Public/Corporate Bonds, etc. are acquired and then such Public/Corporate Bonds, etc. are assigned to the Specific Purpose Company, etc. within the period specified by the Minister of Finance or where the Specific Trust is established, the Public/Corporate Bonds, etc. are entrusted to the Trust Company, etc. as assets of such Specific Trust, and then all or part of beneficial interests in such Specific Trust is assigned;
  - (3) where the Public/Corporate Bonds, etc. to be issued by the

Specific Purpose Company, etc. or the Trust Company, etc. which are secured by loan receivables or the Public/Corporate Bonds, etc. are acquired;

- (4) where the Guarantee, etc. of Liabilities relating to the Public/Corporate Bonds, etc. to be issued by the Foreign Juridical Persons, etc. Invested in, the Foreign Financial Institutions, etc., the Foreign Governments, etc. or international organizations, such as the International Monetary Fund, is provided;
  - (5) where the Guarantee, etc. of Liabilities related to such loan receivables, Public/Corporate Bonds, etc. or the monetary claims, which constitute such underlying assets, or the Public/Corporate Bonds, etc. to be issued by the Specific Purpose Company, etc. or the Trust Company, etc. is provided (excluding the Guarantee, etc. of Liabilities related to the Public/Corporate Bonds, etc. to be issued by the Banks, etc.) when the Specific Purpose Company, etc. or the Trust Company, etc. issues the Public/Corporate Bonds, etc. which are secured by loan receivables, the Public/Corporate Bonds, etc. or the monetary claims set forth in Item (3) of the preceding Paragraph;
  - (6) where the Guarantee, etc. of Liabilities related to the borrowing of funds by the Specific Purpose Company, etc. for the purpose of acquiring by assignment, or acquiring, such loan receivables or Public/Corporate Bonds, etc., which constitute such underlying assets, is provided when the Specific Purpose Company, etc. issues the Public/Corporate Bonds, etc., which are secured by loan receivables or the Public/Corporate Bonds, etc.; or
  - (7) where corporate bonds, any equivalent bond certificates or beneficial interests in trust (limited to those with a redemption period of more than one (1) year) that were issued by Juridical Persons, etc. in order to procure the funds necessary for the business with respect to the development of infrastructure and other foundation for socioeconomic activities overseas, are acquired.
11. Among the operations listed in Items (1) through (4) of the preceding Article, those listed below shall be conducted only when the loan thereof or the loan related to the loan receivables to be assigned is the Co-financing; provided, however, that this shall not apply, with respect to the operations listed in Item (1) below, in the case where it is recognized that it is remarkably difficult for the Banks, etc. to provide a loan of funds together with JBIC and the loan from JBIC is urgently necessary to attain the purpose of such loan, or if the case falls under any of the cases listed in Item (1) of Paragraph 2 or Item (2) of Paragraph 6 hereof, with respect to the operations listed in Item (2) below, in the case where the loan receivables to the Foreign Juridical Persons, etc. Invested in with a redemption period of more than one (1) year are acquired by assignment within the period specified by the Minister of Finance for the purpose of assigning the same to the Specific Purpose Company, etc. or for the purpose of establishing the Specific Trust, with respect to the same, in the Trust Company, etc. and assigning all or part of the beneficial interest in such Specific Trust:
- (1) loan of funds pursuant to the provisions of Items (1) through (3) of the preceding Article made to the Juridical Persons, etc. of Japan; or
  - (2) acquisition by assignment of the loan receivables pursuant to the provisions of Items (1) through (4) of the preceding Article.
12. The operations listed in Item (7) of the preceding Article may be conducted only if they are the minimum necessary to promote the performance of the operations listed in Items (1) through (6) of the same Article smoothly and effectively.



**Article 13: Practice of the Operation**

1. The loan of funds, the acquisition by assignment of loan receivables, the acquisition of the Corporate/Public Bonds, etc., the Guarantee, etc. of Liabilities or the provision of contributions pursuant to the provisions of Items (1) through (6) of Article 11 hereof may be conducted only in the cases listed below:
  - (1) when the repayment of the funds so loaned, the collection of loan receivables so acquired, the redemption of Corporate/Public Bonds, etc. so acquired, the performance of the liabilities so guaranteed, etc. or the realization of profits that enable the payment of dividends resulting from business so contributed is recognized as being certain; or
  - (2) when the conditions, such as the interest rates (including those prescribed by the Ordinance of the Ministry of Finance as having an economic nature similar to interest rates; the same shall apply hereinafter in the following Paragraph) of loans (including those prescribed by the Ordinance of the Ministry of Finance as having an economic nature similar to a loan; the same shall apply hereinafter in the following Paragraph and Paragraph 2 of Article 16) and yield on loan receivables related to such loan (excluding loan of funds pursuant to the provisions of Items (2) and (5) of Article 11), such acquisition by assignment (excluding acquisition by assignment of loan receivables pursuant to the provisions of Item (2) of the same Article), such acquisition (excluding the acquisition of the Public/Corporate Bonds, etc. pursuant to the provisions of the same Item), such Guarantees, etc. of Liabilities (excluding guarantee, etc. of liabilities pursuant to the provisions of the same Item) or such contribution (for all such operations, limited to those related to the businesses with respect to the development of infrastructure and other foundation for socioeconomic activities overseas), are recognized as being appropriate, in light of the risks, etc. of such loans, such assigned loan receivables and other assets becoming irrecoverable (excluding the cases listed in the preceding Item).
2. The conditions, such as the interest rates of loans and yield on assigned loan receivables related to the operations listed in Items (1) through (6) of Article 11, shall be determined in light of usual conditions for transactions by the Banks, etc. or the trends of financial markets, so that revenue of each of the accounts of the respective operations listed in each of the Items of Article 26-2 will be sufficient to cover the expenses therefor.

**Article 13-2: Special Operations Guidelines**

1. The Minister of Finance shall prescribe and make public the guidelines (hereinafter referred to as the "Special Operations Guidelines" in the following Paragraph and Paragraph 1 of the following Article) that JBIC shall follow upon conducting the operations listed below (hereinafter referred to as the "Special Operations"):
  - (1) Operations listed in Items (1), (3), (4) and (6) of Article 11 that are conducted in the cases listed in Item (2), Paragraph 1 of the preceding Article;
  - (2) Operations listed in Item (7) of Article 11 related to the operations listed in the preceding Item;
  - (3) Operations listed in Item (8) of Article 11 related to the operations listed in the preceding two (2) Items; or
  - (4) Operations listed in Item (9) of Article 11 related to the operations listed in the preceding three (3) Items (excluding operations listed in Item (2)).
2. The Special Operations Guidelines shall set forth the following matters:
  - (1) Standards to follow upon conducting the loan of funds, the acquisition by assignment of loan receivables, acquisition of

- the Public/Corporate Bonds, etc., the Guarantee, etc. of Liabilities or conducting the contributions related to the Special Operations;
- (2) Matters regarding appropriate financial management of the Special Operations;
- (3) Matters regarding supplement of financial transactions implemented by ordinary financial institutions in respect of the Special Operations;
- (4) Matters regarding the system for conducting evaluation and monitoring with respect to the status of the implementation of the Special Operations;
- (5) Matters regarding reports to the Minister of Finance with respect to the status of the implementation of the Special Operations; and
- (6) Other matters necessary to ensure appropriate implementation of the Special Operations.

**Article 13-3: Basic Policy concerning the Special Operations**

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

**Article 15: Business Year**

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

**Article 16: Budget**

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

**Article 26: Submission of Financial Statements**

1. JBIC shall prepare the list of assets every business year.
2. JBIC shall, within three (3) months after the end of every business

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

#### Article 26-2: Separate Accounting

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

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

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

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

to the provision of Article 26-2 of Japan Bank for International Cooperation Act"; the term "the stated capital", referenced in Item 2 of Paragraph 1 of the same Article shall be deemed to be replaced with "the stated capital that shall belong to the account established pursuant to the provision of the same Article"; the term, "and the stated capital", also referenced therein, shall be deemed to be replaced with "and such stated capital"; the term, "the reserves", referenced in Paragraph 3 of the same Article, shall be deemed to be replaced with "the reserves belonging to the account established pursuant to the provision of Article 26-2 of Japan Bank for International Cooperation Act"; and the term, "the reserves", also referenced therein in the same Paragraph, shall be deemed to be replaced with "the reserves belonging to the account established pursuant to the provision of the same Article"; and any other necessary technical replacement of terms shall be specified by a Cabinet Order.

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

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

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

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

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

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

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

**Article 31: Payment to National Treasury**

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

**Article 32: Provision of Loans by Government**

The Government may provide monetary loans to JBIC.

**Article 33: Borrowings and Corporate Bonds**

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

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

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



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

#### Article 34: Statutory Lien

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

#### Article 35: Government Guarantee

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

#### Article 36: Investment of Surplus Funds

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

- (1) Acquisition of national government bonds, local government bonds or government-guaranteed bonds (which mean the bonds for which the redemption of its principal and payment of interest thereon are guaranteed by the Government) and other securities designated by the Minister of Finance;
- (2) Deposit with the Fiscal Loan Fund;
- (3) Deposit with banks or other financial institutions designated by the Minister of Finance;
- (4) Holding of negotiable deposit certificates;
- (5) Money trust to the financial institutions engaging in trust business (which mean the financial institutions that have obtained the authorization set forth in Paragraph 1 of Article 1 of the Act on Provision, etc. of Trust Business by Financial Institutions);
- (6) Lending of call funds; or
- (7) Means prescribed in the Ordinance of the Ministry of Finance as the means equivalent to the means listed in each of the preceding Items.

#### Article 38: Supervision

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

#### Article 39: Report and Inspection

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

#### Article 40: Delegation of Authority

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

#### Article 41: Articles of Incorporation

1. In the Articles of Incorporation of JBIC, in addition to the matters listed in each of the Items of Article 27 of the Companies Act, matters relating to the procedures and requirements for the appointment of a person to assume management responsibility from among the Representative Directors or Representative Executive Officers shall be described or recorded.
2. With respect to the matters related to the requirements for the appointment of a person to assume management responsibility set forth in the preceding Paragraph, the provisions that the requirements listed below be satisfied shall be incorporated:
  - (1) A person who has discernment and the capability recognized

as necessary in light of the purposes set forth in Article 1 hereof and the operations set forth in Article 11 hereof shall be appointed; and

- (2) Due consideration shall be required in order to avoid automatically appointing such persons who have held certain specific governmental positions.
3. The resolution for the amendment of the Articles of Incorporation of JBIC shall not take effect unless the authorization of the Minister of Finance is granted.

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

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

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

1. When JBIC performs the actions listed in each of the Items of Paragraph 8 of Article 2 of the Financial Instruments and Exchange Act pursuant to the provisions of Article 11, the provisions of Article 29 of the same Act shall not apply.
2. In the case set forth in the preceding Paragraph, JBIC shall be deemed as the Financial Instruments Business Operator defined in Paragraph 9 of Article 2 of the Financial Instruments and Exchange Act, and the provisions of Chapter III, Section I, Subsection V and Section II (excluding Article 35, Article 35-2, Articles 36-2 through 36-4, Item (2) of Paragraph 1 of Article 37, Item (2) of Paragraph 1 of Article 37-3, Article 37-7 and Item (7) of Article 38) of the same Act and the provisions of Chapters VIII and VIII-II of the same Act relating to such provisions shall apply.
3. When JBIC performs the actions listed in each of the Items of Paragraph 1 of Article 63 of the Financial Instruments and Exchange Act pursuant to the provisions of Article 11 hereof, the provisions of Paragraph 2 of the said Article 63 shall not apply.
4. In the case set forth in the preceding Paragraph, JBIC shall be deemed as the Financial Instruments Business Operator defined in Paragraph 9 of Article 2 of the Financial Instruments and Exchange Act, and the provisions of Article 38 (limited to the portions relating to Item (1)) and Article 39 of the same Act and the provisions of Chapters VIII and VIII-II of the same Act related to such provisions shall apply.

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

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

1. JBIC shall adopt Corporate Philosophy, Code of Conduct, and internal rules concerning compliance, including Regulations Concerning Compliance with Laws and Regulations, to ensure that the performance of duties by directors and employees, including temporary workers (this definition applies to the remainder of this document), comply with laws, regulations, and the Articles of Incorporation of JBIC (hereinafter referred to as "Laws and Regulations"). Furthermore, JBIC shall make such internal rules known to all directors and employees.
2. Directors and employees shall abide by all such internal rules concerning compliance.
3. JBIC shall appoint persons responsible for compliance and departments that oversee compliance matters so as to establish and reinforce structures relating to compliance with Laws and Regulations.
4. JBIC shall establish a committee with the Governor as its chairman to review key matters relating to compliance and to monitor the status of compliance with the Laws and Regulations.
5. JBIC shall establish effective internal reporting systems and operate them appropriately so that material matters relating to compliance can be discovered promptly and necessary corrective measures can be introduced.
6. JBIC shall not maintain any relationships whatsoever with antisocial forces. It shall maintain an uncompromising attitude throughout the organization toward antisocial forces, and decisively reject all improper demands from such forces.

## Article 2. Systems relating to Retention and Management of Information concerning Performance of Duties by Directors

1. JBIC shall adopt Information Asset Management Regulations and other rules concerning the retention and management of information assets so that information concerning the performance of duties by directors, customer information, and other information handled by JBIC can be appropriately retained and managed.
2. JBIC shall retain and manage the minutes of Board of Directors meetings and other documents concerning the performance of duties by directors in accordance with laws, regulations, and rules relating to the retention and management of information assets.
3. Directors and employees shall appropriately retain and manage information assets in line with laws, regulations, and rules relating to the retention and management of information assets.

## Article 3. Regulations and Other Systems relating to Management of Loss Exposure

1. In recognition of the importance of risk management, JBIC shall adopt Comprehensive Risk Management Regulations and other rules relating to risk management, with respect to risk management specific to different types of risks that should be recognized in the performance of operations, as well as the organizational structure, etc., for comprehensive risk management. JBIC shall apply appropriate risk management tools to control various types of risks.
2. JBIC shall appoint persons responsible and departments that oversee risk management matters for the management of various types of risks and establish a committee with the Governor as its chairman to conduct reviews and examinations to ensure effective risk management.
3. JBIC shall adopt Crisis Management Regulations and other rules relating to crisis management and establish crisis management systems to prepare for the occurrence of disasters and other

critical events.

4. If a critical event occurs that either disrupts or is feared to disrupt normal operations, JBIC shall establish a response headquarters as necessary and take measures for the speedy and efficient restoration of operations in accordance with various rules concerning crisis management.

## Article 4. System to Ensure Efficient Performance of Duties by Directors

1. The Board of Directors shall establish Business Plans and conduct management appropriately.
2. JBIC shall establish the Executive Committee. It shall take on responsibility for certain decisions delegated by the Board of Directors. In addition to making decisions for which it has earned responsibility, it shall deliberate matters prior to the Board of Directors meetings in order to contribute to the decision-making of the Board of Directors. Moreover it shall establish various committees, etc., that take responsibility for certain decisions delegated by it, or as an advisory organization for it.
3. In order to ensure the efficient performance of duties based on the decisions of the Board of Directors, JBIC shall undertake adjustments to internal regulations related to organizational systems, etc., and assign duties appropriately.
4. JBIC shall introduce a mission/sector-specific group structure and a managing executive officer system in order to expedite decision-making processes, and delegate authority based on internal regulations related to organizational systems and authority.

## Article 5. Internal Audit Systems for Ensuring Proper Operations

1. JBIC shall adopt Internal Audit Regulations and other rules relating to internal audits to ensure the appropriateness and soundness of its operations.
2. JBIC shall establish the Internal Audit Committee to make decisions and deliberations concerning important matters relating to internal audits.
3. JBIC shall establish the Internal Audit Department, independent of the departments being audited, to handle matters relating to internal audits.
4. The Internal Audit Department shall undertake internal audits based on internal regulations related to internal audits, and report to the director responsible for internal audits about the results.
5. The Internal Audit Department shall periodically and as necessary, as well as upon request of a director or a corporate auditor, report the results of internal audits to the Board of Directors or other organizations or bodies.
6. The Internal Audit Department shall exchange information as necessary and collaborate with the corporate auditors and accounting auditors, in order to perform internal audits efficiently.

## Article 6. Matters relating to Employees Assigned to Assist Corporate Auditors in Performing their Duties upon Request by Corporate Auditors

1. JBIC shall establish the Office of Corporate Auditor and assign full-time employees to assist the corporate auditors in performing their duties.
2. Those full-time employees shall perform their duties in line with instructions from the corporate auditors.
3. When deemed necessary, the corporate auditors may assign employees other than the full-time employees referred to above to assist in the performance of audits with the approval of the Governor.

**Article 7. Matters relating to Securing the Effectiveness of Instructions to and Independence from Corporate Directors of Employees Assigned to Assist Corporate Auditors**

1. JBIC shall secure prior approval of the full-time corporate auditors on any decision concerning personnel evaluations, transfers, or other personnel matters relating to employees assisting with the performance of duties by the corporate auditors (hereinafter "the auditor's office staff").
2. JBIC shall have the auditor's office staff engage in the duties following only the instructions of the auditor, to secure the effectiveness of auditor's instructions to the auditor's office staff. However, when the auditor's office staff concurrently serves in a position other than the auditor's office, JBIC shall obtain prior approval of the full-time corporate auditors by clearly explaining each of the following points in writing.
  - (1) The rational reason shall be clearly stated that the auditor's office staff need to concurrently serve in that position.
  - (2) In assisting with the duties of the corporate auditors, the auditor's office staff shall follow the instructions of the corporate auditors and not the instructions of the position where the auditor's office staff serve concurrently.
  - (3) The scope of duties of and instructions to the auditor's office staff in the position other than the auditor's office shall be expressly limited.
  - (4) The auditor's office staff shall not share with others the information obtained from performing the duties of the auditor's office while serving in that position.
  - (5) The auditor's office staff shall always give priority to the duties of assisting the corporate auditors more than the duties at the office where the staff serve concurrently in order not to hamper the effectiveness of audits by the corporate auditors.
  - (6) When the full-time corporate auditors deem it necessary, it is possible for them to withdraw the approval that the auditor's office staff may serve concurrently in any other office.

**Article 8. System of Reporting by Directors and Employees to Corporate Auditors and System of Preventing Adverse Treatment of Reporter**

1. The representative director and other directors who perform operational duties shall make accurate reports concerning the status of performance of their duties from time to time at the Board of Directors meetings and other important meetings attended by corporate auditors.
2. In the event that a director or an employee discovers any fact that has the potential of inflicting substantial harm upon JBIC, or improper conduct or serious violations of Laws and Regulations, said director or employee shall promptly report the fact to the corporate auditors.
3. JBIC shall never treat adversely the directors and employees who reported based on the preceding paragraph, on the grounds of such reporting.

**Article 9. System for Ensuring Effective Performance of Audits by Corporate Auditors**

1. The corporate auditors shall be entitled to request reports from directors and employees concerning the status of performance of their duties whenever they determine such reports are necessary for the effective performance of audits. A director or employee who receives such a request shall promptly furnish a report in line with the request.
2. The corporate auditors may attend important meetings, including the Board of Directors meetings and the Executive Committee meetings, to express their opinions as necessary.

Corporate auditors may also request to review minutes and other related documents.

3. The Governor shall hold periodic meetings with the corporate auditors to exchange opinions.
4. The corporate auditors may request the cooperation of the Internal Audit Department and departments that oversee compliance matters.
5. The corporate auditors may seek the advice of attorneys, certified public accountants, and other professionals concerning audits when deemed necessary for the effective performance of audits.

**Article 10. Matters Concerning Policies Relating to Procedures for Advance Payment and Repayment of Costs and Other Treatment of Costs and Liabilities That Arise in the Execution of Auditor's Duties**

JBIC shall bear the costs and liabilities that arise in the execution of auditor's duties, when the corporate auditors seek the advice of attorneys and/or certified public accountants concerning audits, pursuant to the provision of the preceding article.

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

#### **(1) Basic Principles**

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

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

#### **(2) Proper Management of Information Assets**

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

#### **(3) Information Asset Management Structures**

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

#### **(4) Protection of Personal Information**

JBIC shall protect and manage personal information by establishing and making public our Privacy Policy and pursuant to the provisions of the Act on the Protection of Personal Information Held by Independent Administrative Agencies (Law No. 59 of 2003).

#### **(5) Protection of Client Information**

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

#### **(6) Training on Information Asset Management**

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

#### **(7) Outsourcing Work**

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

#### **(8) Responses to Incidents Concerning Information Assets**

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

#### **(9) Evaluation and Review**

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

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

With a view to protecting our clients' personal information, JBIC will conduct our operations in a manner whereby we observe the Act on the Protection of Personal Information Held by Independent Administrative Agencies, etc. (hereinafter "Act"), the Guidance concerning the Measures to Properly Manage the Personal Information held by Independent Administrative Agencies, etc. and so forth.

#### (1) Acquisition of Personal Information

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

#### (2) Use of Personal Information

JBIC will specify the purposes for use in obtaining the necessary personal information of our clients as listed below, and will use it within the scope that is necessary to achieve such purposes:

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

#### (3) Provision of Personal Information to Third Parties

JBIC will not provide the personal information acquired from its clients to third parties except in the following cases:

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

#### (4) Subcontract

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

#### (5) Personal Information Management (PIM)

- A. JBIC will attempt to keep our clients' personal information correct and updated, and take prevention and safety measures against unauthorized access, leakage, loss, damage, and

alteration of personal information.

- B. JBIC will constantly educate its employees about the protection and proper management of our clients' personal information to thoroughly make sure of its proper handling in its daily operations.
- C. JBIC will audit and inspect whether the protection and management of personal information is undertaken properly.

#### (6) Disclosure, Correction, and Disuse

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

#### (7) Inquiries about Personal Information Management (PIM)

For inquiries or complaints about the clients' personal information management (PIM) at JBIC, please contact our Head Office or West Japan Office.

#### (8) Continuous Improvement

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

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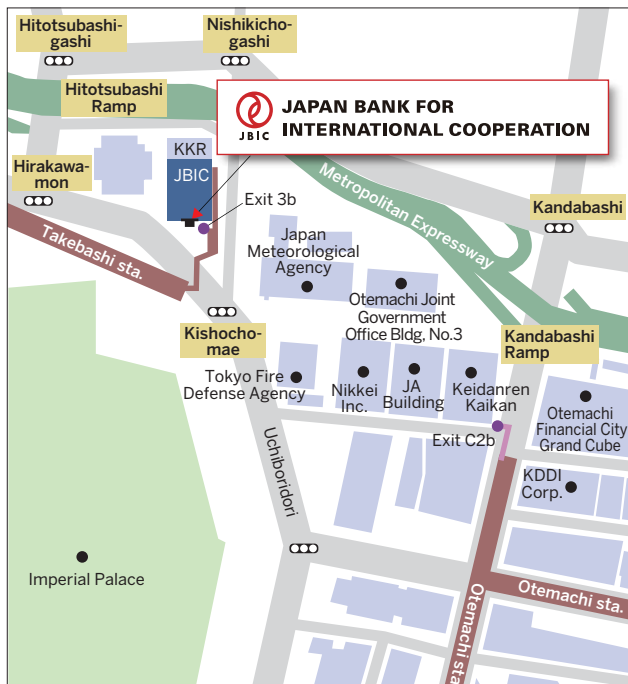
JBIC separately stipulates its basic policy on the safe management of Individual Numbers and Personal Information that includes Individual Numbers (hereinafter "Specific Personal Information"; Individual Number and Specific Personal Information shall hereinafter be collectively referred to as "Specific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



## Access to JBIC Head Office and West Japan Office

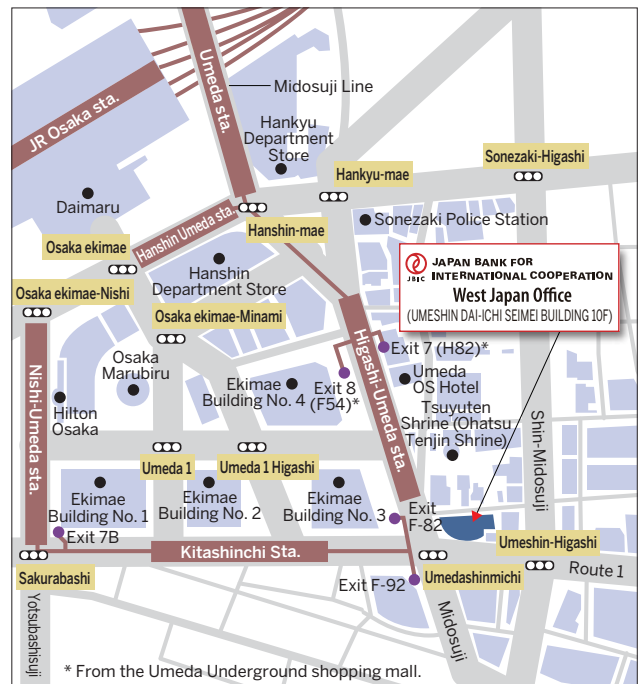
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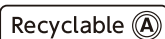
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Annual reports, news releases and bulletins, etc. are available on the JBIC website.

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