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**JAPAN BANK FOR
INTERNATIONAL COOPERATION**

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Numerical figures in this report

1. Numerical figures, other than percentages, in this report are truncated to the nearest whole number. (Figures prior to FY2008 were rounded off.) Percentage figures are rounded off. Thus numerical and percentage figures may not add up to the totals given. Amounts denominated in foreign currencies are treated as follows. Commitments are converted into yen at the Basic Rate of Exchange (revised semi-annually by the Minister of Finance, based on the prevailing market rates during the preceding six months) at the time financing contracts are concluded. Disbursements, repayments, and outstanding balances are calculated based on book value.
2. Numerical figures less than the specified units are denoted by "0"; "—" denotes that data is not available.
3. Due to the launch of the newly established Special Operations, JBIC started to perform separate accounting procedures for the Ordinary Operations and the Special Operations on October 1, 2016. Data for JBIC operations during the period until the day before October 1, 2016 was recorded in the Ordinary Operations Account. In this annual report, financial data after October 1, 2016 is presented separately in the Ordinary Operations Account and the Special Operations Account. For financial reporting in FY2016, data from the Ordinary Operations Account covers the period from April 1, 2016 to March 31, 2017, while that from the Special Operations Account covers the period from October 1, 2016 to March 31, 2017. In the supplementary document "Appendix 1: Statistics," which can be found later in this annual report, JBIC's business data is presented without separating the Ordinary Operations Account and the Special Operations Account.

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1. Overview

1 Commitments

A. Commitments by Purpose of Financing

(Unit: billions of yen, %)

	FY2016			FY2017			FY2018			FY2019			FY2020		
	Number	Total	Share	Number	Total	Share	Number	Total	Share	Number	Total	Share	Number	Total	Share
Loans															
Export Loans	20	175.0	8	14	34.7	3	13	102.7	6	18	189.0	11	2	1.0	0
Shipping	3	10.5	0	4	5.1	0	1	0.8	0	8	15.0	1	—	—	—
Plant	17	164.5	7	10	29.6	2	12	101.8	6	10	173.9	10	2	1.0	0
Import Loans	—	—	—	1	238.0	20	—	—	—	—	—	—	1	50.6	2
Natural Resources	—	—	—	1	238.0	20	—	—	—	—	—	—	1	50.6	2
Overseas Investment Loans	222	1,721.0	77	101	764.4	64	83	1,178.0	69	107	1,382.1	82	181	2,024.1	78
Natural Resources	4	250.5	11	8	256.5	21	6	239.3	14	7	263.3	16	8	457.1	18
Others	218	1,470.5	66	93	507.9	43	77	938.7	55	100	1,118.8	67	173	1,566.9	60
Untied Loans	4	33.7	2	1	30.0	3	3	41.7	2	2	22.0	1	6	183.8	7
Sub Total	246	1,929.9	86	117	1,067.3	89	99	1,322.5	77	127	1,593.2	95	190	2,259.6	87
Guarantees	8	293.5	13	8	48.1	4	13	350.7	20	9	75.8	5	14	324.6	12
Equity Participations	3	16.2	1	5	77.7	7	5	43.7	3	3	9.6	1	3	15.0	1
Total	257	2,239.7	100	130	1,193.2	100	117	1,717.1	100	139	1,678.7	100	207	2,599.3	100

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

(Unit: billions of yen, %)

	FY2016			FY2017			FY2018			FY2019			FY2020		
	Number	Total	Share	Number	Total	Share	Number	Total	Share	Number	Total	Share	Number	Total	Share
Asia	125	843.2	38	87	174.3	15	80	561.6	33	100	792.8	47	126	490.2	19
Oceania	4	11.1	1	4	18.2	2	—	—	—	1	2.5	0	4	68.1	3
Europe	56	525.7	23	3	60.0	5	8	669.4	39	14	415.1	25	21	651.0	25
The Middle East	8	134.2	6	6	404.0	34	6	151.4	9	4	76.4	5	10	215.2	8
Africa	—	—	—	5	138.4	12	4	34.3	2	1	5.3	0	7	388.3	15
North America	48	605.8	27	11	180.6	15	5	51.6	3	6	172.5	10	21	536.0	21
Latin America and the Caribbean	11	89.0	4	13	201.2	17	11	232.6	14	9	187.0	11	16	240.9	9
International Organizations, etc.	3	14.9	1	—	—	—	2	10.9	1	2	21.6	1	2	9.2	0
Others	2	15.4	1	1	16.1	1	1	5.0	0	2	5.3	0	—	—	—
Total	257	2,239.7	100	130	1,193.2	100	117	1,717.1	100	139	1,678.7	100	207	2,599.3	100

2 Disbursements

(Unit: billions of yen, %)

	FY2016		FY2017		FY2018		FY2019		FY2020	
	Total	Share	Total	Share	Total	Share	Total	Share	Total	Share
Loans										
Export Loans	227.2	10	279.4	15	100.0	6	174.1	10	71.2	3
Import Loans	230.9	10	0.7	0	230.0	13	—	—	—	—
Overseas Investment Loans	1,691.5	72	1,356.4	75	1,039.6	57	1,490.0	82	1,699.5	79
Untied Loans	32.2	1	50.3	3	39.2	2	9.7	1	76.6	4
Sub Total	2,181.9	93	1,687.1	93	1,408.9	77	1,673.9	93	1,847.4	86
Guarantees	152.6	6	78.5	4	367.3	20	104.8	6	286.9	13
Equity Participations	18.5	1	39.8	2	42.4	2	30.2	2	12.7	1
Total	2,353.1	100	1,805.4	100	1,818.6	100	1,809.0	100	2,147.1	100

3 Repayments

(Unit: billions of yen, %)

	FY2016		FY2017		FY2018		FY2019		FY2020	
	Total	Share	Total	Share	Total	Share	Total	Share	Total	Share
Loans										
Export Loans	97.1	6	104.3	5	117.5	6	111.4	5	121.1	5
Import Loans	151.6	9	178.8	9	201.5	10	140.9	6	143.5	6
Overseas Investment Loans	961.6	59	1,413.2	69	1,401.6	69	1,391.4	59	1,424.7	59
Untied Loans	186.3	11	140.3	7	152.4	7	239.8	10	79.9	3
Governmental Loans	2.4	0	3.2	0	2.4	0	1.8	0	1.1	0
Sub Total	1,399.1	86	1,839.9	90	1,875.6	92	1,885.5	79	1,770.4	74
Guarantees	228.2	14	183.4	9	150.1	7	470.0	20	577.7	24
Equity Participations	4.5	0	17.9	1	14.6	1	16.7	1	53.2	2
Total	1,631.9	100	2,041.3	100	2,040.3	100	2,372.3	100	2,401.5	100

(Note) Prepayments in FY2019 and 2020 amounted to ¥328.2 billion and ¥194.7 billion, respectively.

4 Outstandings

(Unit: billions of yen, %)

	FY2016		FY2017		FY2018		FY2019		FY2020	
	Total	Share	Total	Share	Total	Share	Total	Share	Total	Share
Loans										
Export Loans	976.7	6	1,111.1	7	1,133.5	7	1,178.8	8	1,144.9	7
Import Loans	609.7	4	421.1	3	460.8	3	313.8	2	169.2	1
Overseas Investment Loans	12,080.8	71	11,463.0	71	11,569.3	70	11,416.1	73	11,984.0	76
Untied Loans	741.9	4	632.2	4	534.3	3	298.6	2	303.4	2
Governmental Loans	32.2	0	28.9	0	26.5	0	24.6	0	23.5	0
Sub Total	14,441.5	85	13,656.7	84	13,724.6	83	13,232.1	85	13,625.2	87
Guarantees	2,385.0	14	2,260.2	14	2,493.3	15	2,120.9	14	1,838.3	12
Equity Participations	215.8	1	262.7	2	292.6	2	304.8	2	281.2	2
Total	17,042.4	100	16,179.6	100	16,510.6	100	15,657.9	100	15,744.8	100

2. Commitments

1 Export Loans by Industry

(Unit: billions of yen, %)

	FY2019			FY2020		
	Number	Total	Share	Number	Total	Share
Shipping	8	15.0	8	—	—	—
Telecommunication Equipment	—	—	—	1	0.4	38
Other Industrial Machinery and Equipment, etc.	10	173.9	92	1	0.6	62
Mining Equipment	4	0.9	1	1	0.6	62
Chemical Facilities	1	66.1	35	—	—	—
Iron and Non-ferrous Metals Manufacturing Facilities	1	3.2	2	—	—	—
Oil and Natural Gas Facilities	1	99.8	53	—	—	—
Others	3	3.6	2	—	—	—
Total	18	189.0	100	2	1.0	100

2 Natural Resource Loans by Item

(Unit: billions of yen, %)

	FY2019			FY2020		
	Number	Total	Share	Number	Total	Share
Energy Resources	3	79.0	30	8	457.1	90
Petroleum	—	—	—	3	68.7	14
Natural Gas	3	79.0	30	3	376.8	74
Coal	—	—	—	2	11.5	2
Other Resources	4	184.2	70	1	50.6	10
Iron ore	—	—	—	1	50.6	10
Copper Ore and Concentrate	3	181.7	69	—	—	—
Lead and Zinc	1	2.5	1	—	—	—
Total	7	263.3	100	9	507.7	100

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

(Unit: billions of yen, %)

	FY2019			FY2020		
	Number	Total	Share	Number	Total	Share
Manufacturing Industry	80	480.5	43	114	375.0	24
Food	5	1.4	0	6	0.8	0
Textiles	1	0.4	0	3	1.1	0
Lumber and Pulp	3	10.1	1	2	50.1	3
Chemicals	5	12.7	1	5	49.4	3
Petroleum and Coal Products	—	—	—	1	0.0	0
Ceramics, Stone and Clay	4	17.2	2	3	0.6	0
Iron and Non-ferrous Metal Products	13	343.6	31	24	77.6	5
Machinery	1	0.0	0	5	5.0	0
Electrical Machinery	2	0.3	0	4	117.0	7
Transport Equipment	35	89.6	8	39	42.2	3
Other Manufacturing Industries	11	4.9	0	22	30.6	2
Construction	1	30.6	3	1	0.2	0
Electric, Gas and Heat Supply and Water Service	4	182.1	16	6	253.9	16
Transport and Postal Services	2	8.0	1	1	1.2	0
Commerce	3	5.9	1	5	1.3	0
Service Industry	3	109.4	10	10	176.7	11
Others (Note)	7	302.1	27	36	758.4	48
Total	100	1,118.8	100	173	1,566.9	100

(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, %)

	FY2019		FY2020	
	Number of Projects	Amount	Number of Projects	Amount
Loans to Mid-tier Enterprises and SMEs	78	14.9	108	25.3

(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 SMEs 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 SMEs).

5 Guarantee Commitments by Purpose

(Unit: billions of yen, %)

	FY2019			FY2020		
	Number	Total	Share	Number	Total	Share
Guarantee for Import of Aircrafts	3	53.6	71	3	199.5	61
Guarantee for Others	6	22.2	29	11	125.0	39
Total	9	75.8	100	14	324.6	100

6 Loan and Guarantee Commitments by Region

A. Export Loan Commitments by Region

(Unit: billions of yen, %)

	FY2019			FY2020		
	Number	Total	Share	Number	Total	Share
Asia	11	184.3	98	1	0.6	62
East Asia	—	—	—	1	0.6	62
Southeast Asia	9	114.9	61	—	—	—
South Asia	2	69.4	37	—	—	—
Oceania	—	—	—	1	0.4	38
Europe	6	1.1	1	—	—	—
Central and Eastern Europe and Russia	6	1.1	1	—	—	—
The Middle East	1	3.5	2	—	—	—
Total	18	189.0	100	2	1.0	100

B. Import Loan Commitments by Region

(Unit: billions of yen, %)

	FY2019			FY2020		
	Number	Total	Share	Number	Total	Share
Latin America and the Caribbean	—	—	—	1	50.6	100
Total	—	—	—	1	50.6	100

C. Overseas Investment Loan Commitments by Region

(Unit: billions of yen, %)

	FY2019			FY2020		
	Number	Total	Share	Number	Total	Share
Asia	82	581.4	42	114	228.3	11
East Asia	5	6.7	0	22	33.9	2
Southeast Asia	74	231.6	17	89	165.4	8
South Asia	3	343.0	25	3	29.0	1
Oceania	1	2.5	0	2	55.6	3
Europe	7	402.0	29	18	539.5	27
Central and Eastern Europe and Russia	1	15.2	1	2	1.7	0
Western Europe	6	386.7	28	16	537.8	27
The Middle East	3	72.9	5	8	197.3	10
Africa	1	5.3	0	7	388.3	19
Northern Africa	1	5.3	0	1	0.3	0
Sub-Saharan Africa	—	—	—	6	387.9	19
North America	4	130.9	9	19	445.0	22
Latin America and the Caribbean	9	187.0	14	13	169.8	8
Total	107	1,382.1	100	181	2,024.1	100

D. Untied Loan Commitments by Region

(Unit: billions of yen, %)

	FY2019			FY2020		
	Number	Total	Share	Number	Total	Share
Asia	1	10.9	50	3	156.7	85
Southeast Asia	1	10.9	50	—	—	—
South Asia	—	—	—	3	156.7	85
The Middle East	—	—	—	1	10.7	6
Latin America and the Caribbean	—	—	—	1	11.5	6
International Organizations, etc.	1	11.0	50	1	4.7	3
Total	2	22.0	100	6	183.8	100

E. Guarantee Commitments by Region

(Unit: billions of yen, %)

	FY2019			FY2020		
	Number	Total	Share	Number	Total	Share
Asia	5	11.7	15	8	104.4	32
Southeast Asia	5	11.7	15	5	0.9	0
South Asia	—	—	—	3	103.5	32
Europe	1	12.0	16	2	111.0	34
Western Europe	1	12.0	16	2	111.0	34
The Middle East	—	—	—	1	7.1	2
North America	2	41.6	55	1	88.4	27
Latin America and the Caribbean	—	—	—	1	8.9	3
International Organizations, etc.	1	10.5	14	1	4.5	1
Total	9	75.8	100	14	324.6	100

F. Equity Participations by Region

(Unit: billions of yen, %)

	FY2019			FY2020		
	Number	Total	Share	Number	Total	Share
Asia	1	4.2	45	—	—	—
Southeast Asia	1	4.2	45	—	—	—
Oceania	—	—	—	1	12.0	80
Europe	—	—	—	1	0.4	3
Western Europe	—	—	—	1	0.4	3
North America	—	—	—	1	2.4	16
Others	2	5.3	55	—	—	—
Total	3	9.6	100	3	15.0	100

7 Geographical Distribution of Loan and Equity Participation Commitments

(Unit: billions of yen)

Region / Country			FY2019		FY2020		Accumulated	
			Number	Total	Number	Total	Number	Total
Asia	East Asia	China	5	6.7	10	10.5	1,578	3,930.9
		Hong Kong			3	1.6	298	319.8
		Japan					1	0.2
		Republic of Korea			7	20.0	707	1,306.2
		Mongolia			1	0.6	8	7.2
		Others			2	1.6	1,031	518.0
		Sub Total	5	6.7	23	34.6	3,623	6,082.6
	Southeast Asia	Brunei Darussalam					4	45.1
		Cambodia			1	0.0	6	0.4
		Indonesia	14	12.0	13	20.9	1,626	6,582.1
		Laos	1	0.2			9	25.0
		Malaysia	1	99.8	1	0.1	605	1,463.7
		Myanmar	1	30.6	2	0.3	75	225.2
		The Philippines	1	0.0	5	12.6	840	1,801.2
		Singapore	10	19.6			500	889.1
		Thailand	42	28.5	44	60.7	2,715	2,906.7
		Vietnam	15	170.7	23	70.5	277	827.5
		Others					36	213.9
		Sub Total	85	361.8	89	165.4	6,693	14,980.5
	South Asia	Bangladesh	1	66.1	1	28.3	11	136.3
		India	4	346.2	5	157.4	879	1,835.9
		Pakistan					290	298.3
		Sri Lanka					61	67.9
		Others					17	3.6
		Sub Total	5	412.4	6	185.7	1,258	2,342.2
	Central Asia and the Caucasus	Kazakhstan					25	301.8
		Turkmenistan					15	302.8
		Uzbekistan					15	111.3
		Others					8	195.0
		Sub Total					63	911.0
	Total		95	781.1	118	385.8	11,637	24,316.4
Oceania		Australia	1	2.5	2	55.6	881	3,290.2
		Fiji			1	12.0	8	14.2
		Marshall Islands					1	1.4
		New Zealand					147	176.8
		Palau			1	0.4	2	1.7
		Papua New Guinea					56	267.2
		Others					44	23.4
		Total	1	2.5	4	68.1	1,139	3,775.2

(Unit: billions of yen)

Region / Country			FY2019		FY2020		Accumulated	
			Number	Total	Number	Total	Number	Total
Europe	Central and Eastern Europe and Russia	Moldova					1	5.3
		Russia	7	16.4	2	1.7	135	1,716.1
		Others					1,152	2,411.6
		Sub Total	7	16.4	2	1.7	1,288	4,133.1
	Western Europe	Belgium					29	159.9
		Finland					22	24.2
		France					311	648.3
		Germany	1	10.0	2	19.4	299	502.1
		United Kingdom			7	235.1	575	2,437.2
		Iceland					5	8.2
		Ireland	1	108.8	1	0.4	50	867.9
		Italy	1	85.6			53	337.7
		Luxembourg					9	120.5
		Malta					4	18.7
		Netherlands			1	1.0	109	669.5
		Norway					249	462.4
		Portugal					48	40.3
		Spain	3	182.3	1	17.0	70	328.3
		Sweden			1	11.2	60	157.4
		Isle of Man					9	9.6
		Switzerland			4	253.9	92	415.9
		Others					652	591.6
		Sub Total	6	386.7	17	538.2	2,646	7,800.6
		Total	13	403.1	19	540.0	3,934	11,933.7
	The Middle East	Bahrain					8	115.6
		Iraq					23	252.2
		Jordan					29	89.1
		Kuwait	1	3.5			25	264.1
		Oman					28	296.4
		Qatar	1	21.1	1	18.0	39	930.3
		Saudi Arabia	1	47.0	1	8.2	83	1,057.1
		Turkey	1	4.7	2	13.8	204	836.3
		United Arab Emirates			5	167.9	80	2,356.6
		Yemen					11	35.8
		Others					305	1,238.9
		Total	4	76.4	9	208.1	835	7,472.8

(Unit: billions of yen)

Region / Country			FY2019		FY2020		Accumulated	
			Number	Total	Number	Total	Number	Total
Africa	Northern Africa	Egypt			1	0.3	185	262.3
		Morocco	1	5.3			11	150.3
		Others					367	1,079.9
		Sub Total	1	5.3	1	0.3	563	1,492.6
	Sub-Saharan Africa	Angola					34	135.1
		Ghana					25	59.7
		Madagascar					9	102.5
		Malawi					6	40.2
		Mozambique			3	376.8	22	481.1
		Seychelles					2	1.2
		South Africa			3	11.1	118	339.6
		Tanzania					21	32.2
		Uganda					7	8.7
		Others					1,576	2,017.2
		Sub Total			6	387.9	1,820	3,218.1
		Total	1	5.3	7	388.3	2,383	4,710.7
	North America	Canada					329	764.1
		United States	4	130.9	20	447.5	2,742	9,555.7
		Total	4	130.9	20	447.5	3,071	10,319.9
	Latin America and the Caribbean	Argentina					273	567.4
		the Bahamas					22	67.7
		Bermuda Islands					26	142.2
		Bolivia					32	65.9
		Brazil	2	3.3	5	151.9	1,967	3,532.7
		British Virgin Islands					4	345.0
		Cayman Islands					6	163.8
		Chile	3	181.7			165	1,597.0
		Colombia					122	276.2
		Ecuador					33	81.9
		Panama					286	418.2
		Peru					114	542.9
		Trinidad and Tobago					8	83.9
		Mexico	4	1.9	10	80.0	867	2,333.3
		Venezuela					81	661.8
		Others					194	192.6
		Total	9	187.0	15	231.9	4,216	11,073.3
	International Organizations, etc.	Total	1	11.0	1	4.7	61	1,239.3
	Others ^(Note)	Total	2	5.3			117	1,993.8
	Grand Total		130	1,602.8	193	2,274.7	27,393	76,835.8

(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)

	FY2019		FY2020	
	Total	Share	Total	Share
Loans				
Export Loans	1,178.8	8	1,144.9	7
Shipping	151.4	1	141.1	1
Plant	1,027.1	7	1,003.5	6
Technical Service	0.2	0	0.1	0
Import Loans	313.8	2	169.2	1
Natural Resources	313.8	2	169.2	1
Overseas Investment Loans	11,416.1	73	11,984.0	76
Natural Resources	4,533.7	29	4,198.8	27
Others	6,882.3	44	7,785.2	49
Untied Loans	298.6	2	303.4	2
Governmental Loans	24.6	0	23.5	0
Sub Total	13,232.1	85	13,625.2	87
Guarantees	2,120.9	14	1,838.3	12
Equity Participations	304.8	2	281.2	2
Total	15,657.9	100	15,744.8	100

2 Guarantee Outstandings by Purpose

(Unit: billions of yen)

	FY2019		FY2020	
	Total	Share	Total	Share
Guarantee for Samurai Bonds	1,373.9	65	922.4	50
Guarantee for Import of Aircrafts	366.4	17	489.8	27
Guarantee for Others	380.6	18	426.0	23
Total	2,120.9	100	1,838.3	100

3 Geographical Distribution of Loan and Equity Participation Outstandings

(As of March 31, 2021; billions of yen)

Region / Country			Number	Total
Asia	East Asia	China	54	64.4
		Hong Kong	31	19.4
		Japan	1	0.2
		Republic of Korea	8	21.4
		Mongolia	4	1.3
		Others	3	1.8
		Sub Total	101	108.7
	Southeast Asia	Brunei Darussalam	1	3.9
		Cambodia	4	0.2
		Indonesia	114	901.3
		Laos	9	25.1
		Malaysia	9	144.3
		Myanmar	18	43.1
		The Philippines	26	136.8
		Singapore	39	121.7
		Thailand	200	167.0
		Vietnam	133	357.4
		Sub Total	553	1,901.3
	South Asia	Bangladesh	4	38.0
		India	58	533.3
		Pakistan	3	41.5
		Sri Lanka	2	2.4
		Sub Total	67	615.4
	Central Asia and the Caucasus	Kazakhstan	5	97.9
		Turkmenistan	9	211.6
		Uzbekistan	3	33.0
		Sub Total	17	342.6
	Total		738	2,968.2
Oceania		Australia	43	1,145.9
		Marshall Islands	1	0.8
		New Zealand	2	33.2
		Papua New Guinea	6	171.3
		Total	52	1,351.4
Europe	Central and Eastern Europe and Russia	Serbia	2	2.3
		Moldova	1	0.3
		Russia	16	134.5
		Sub Total	19	137.3
	Western Europe	Belgium	1	0.2
		Finland	7	2.9
		France	7	52.7
		Germany	16	83.6
		United Kingdom	50	795.1
		Iceland	1	2.8
		Ireland	10	683.8
		Italy	10	290.2
		Luxembourg	8	80.2
		Malta	1	5.4
		Netherlands	15	191.6
		Norway	3	8.6
		Portugal	2	1.7
		Spain	10	206.2
		Sweden	4	26.1
		Isle of Man	9	6.4
		Switzerland	6	297.0
		Sub Total	160	2,735.2
		Total	179	2,872.5

(As of March 31, 2021; billions of yen)

Region / Country		Number	Total		
The Middle East	Bahrain	3	31.2		
	Iraq	3	36.0		
	Jordan	2	12.2		
	Kuwait	2	97.1		
	Oman	3	56.0		
	Qatar	6	384.2		
	Saudi Arabia	8	322.6		
	Turkey	28	159.5		
	United Arab Emirates	16	544.6		
	Yemen	2	11.4		
	Total	73	1,655.1		
Africa	Northern Africa	Egypt	2	74.0	
		Morocco	4	94.6	
		Sub Total	6	168.7	
	Sub-Saharan Africa	Angola	6	54.8	
		Ghana	1	36.1	
		Madagascar	2	85.6	
		Malawi	2	33.4	
		Mozambique	4	100.8	
		Seychelles	1	0.3	
		South Africa	4	10.6	
		Tanzania	1	18.6	
		Uganda	1	7.5	
		Sub Total	22	348.1	
		Total	28	516.9	
		North America	Canada	9	172.0
			United States	149	2,316.6
			Total	158	2,488.6
Latin America and the Caribbean	Argentina	3	41.2		
	the Bahamas	6	30.4		
	Bermuda Islands	2	27.1		
	Bolivia	1	6.6		
	Brazil	33	278.0		
	British Virgin Islands	1	308.4		
	Cayman Islands	1	66.4		
	Chile	22	587.4		
	Colombia	1	8.5		
	Ecuador	5	3.7		
	Panama	7	42.6		
	Peru	3	97.3		
	Trinidad and Tobago	1	47.7		
	Mexico	55	138.8		
	Venezuela	5	177.9		
	Total	146	1,862.8		
	International Organizations, etc.	Total	4	7.1	
	Others ^(Note)	Total	28	183.4	
	Grand Total		1,406	13,906.5	

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

4. Others

1 Untied Loan Commitments (FY2020)

Region / Country	Project / Transaction	Borrower	Amount
India	Supporting Domestic Production and Sales business of Japanese Automobile Manufacturers	State Bank of India	US\$ 600 million*
India	Solar Power Generation Projects and Environmental Equipment Installation Projects	NTPC Limited	¥ 30 billion*
India	Supporting Domestic Production and Sales business of Japanese Automobile Manufacturers	State Bank of India	US\$ 600 million*
Turkey	Renewable Energy and Energy Efficiency Projects	Türkiye Kalkınma ve Yatırım Bankası A.Ş.	US\$ 102 million*
Mexico	Environment-related Projects	Banco Nacional de Comercio Exterior, S.N.C., Institución de Banca de Desarrollo	US\$ 110 million*
CAF	Supporting Efforts to Overcome Public Health Emergency Due to Spread of COVID-19	Corporación Andina de Fomento	US\$ 45 million*

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

2 Special Operations (FY2020)

Region / Country	Purpose of Financing	Project / Transaction	Borrower	Amount
Palau	Export	Export of Submarine Cable-related Equipment	Belau Submarine Cable Corporation	US\$ 4 million
U.S.	Equity Participations	Operating Hydrogen Stations Business	Firstelement Fuel Inc.	Approx. US\$ 23 million
Ireland	Equity Participations	Electric Power Adjustment Service Business	Exergy Power Systems Europe Limited	Up to 4 million €

5. Standard Loan Conditions

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.⁽¹⁾

1 – Standard Interest Rates

(As of September 1, 2021)

Type of Loans	Standard Interest Rate ⁽²⁾	Percentage of Loan Provided by JBIC
Export Loans	<ul style="list-style-type: none"> ■ Fixed at commitment (Yen CIRR) ^{(3) (8)} <ul style="list-style-type: none"> • 0.86% (Repayment period 5 yrs or less) • 0.88% (Repayment period over 5 yrs to 8.5 yrs) • 0.88% (Repayment period over 8.5 yrs) ■ Fixed at tenders ^{(3) (8)} <ul style="list-style-type: none"> • above rate + 0.2% 	60% limit
Import Loans / Overseas Investment Loans / Untied Loans / (Natural Resources / International Competitiveness) ⁽¹⁾	<ul style="list-style-type: none"> ■ Japanese yen ⁽⁴⁾ <ul style="list-style-type: none"> • 0.1955%^{(6) (7)} ■ Foreign Currency⁽⁵⁾ <ul style="list-style-type: none"> • LIBOR+0.5875%^{(6) (7)} • SOFR compound in arrears + 1.0075%^{(6) (7)} 	60% limit ⁽⁹⁾

- (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, SOFR compound in arrears. Please contact the relevant loan department for loans in foreign currencies other than 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. For loans in both Japanese yen and foreign currencies, premiums commensurate with the risk will be added based on the customer's creditworthiness, collateral/guarantees and the financing scheme etc. Also, adjustment of the premium may be required based on financial market conditions.
8. Risk premium is added based on the OECD Arrangement.
9. 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.

6. Breakdown of Countries and Regions

(As of July 1, 2021)

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 (TDB), 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.

2. Financial Statements

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1. Statutory Financial Statements

Overview of Accounting

1. The consolidated financial statements of the Bank are prepared based on the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 28 of 1976). Moreover, its assets and liabilities are classified, also on a consolidated basis, pursuant to the Ordinance on the Accounting Practices to Be Observed by Japan Bank for International Cooperation (Ordinance of the Ministry of Finance No. 15 of 2012), while revenues and expenditures are reported on the same basis, in compliance with the latter Ordinance.
2. The non-consolidated financial statements of the Bank are prepared based on the Ordinance on Terminology, Forms and Preparation Methods of Consolidated Financial Statements (Ordinance of the Ministry of Finance No. 59 of 1963). Furthermore, its assets and liabilities basis are classified, on a stand-alone basis, pursuant to the Ordinance on the Accounting Practices to Be Observed by Japan Bank for International Cooperation (Ordinance of the Ministry of Finance No. 15 of 2012) while non-consolidated revenues and expenditures are reported in compliance with the latter Ordinance.
3. Pursuant to provisions of Article 193-2, paragraph (1) of the Financial Instruments and Exchange Act, audit certification has been made by Ernst & Young ShinNihon LLC for the Bank's consolidated financial statements for the fiscal year under review (from April 1, 2020, to March 31, 2021) as well as non-consolidated financial statements for the business year under review (from April 1, 2020, to March 31, 2021).

1. Consolidated Financial Statements

■ Consolidated Balance Sheets

	As of March 31, 2020 (In millions of yen)	As of March 31, 2021 (In millions of yen)	As of March 31, 2021 (In millions of U.S. dollars)
Assets:			
Cash and due from banks	¥ 1,544,838	¥ 1,233,919	\$ 11,146
Securities Note 7	358,748	272,359	2,460
Loans and bills discounted Note 8	13,133,980	13,556,815	122,453
Other assets Note 9	434,040	281,625	2,544
Property, plant and equipment Note 10	28,146	29,110	263
Buildings	3,051	3,706	33
Land	24,311	24,311	220
Construction in progress	0	31	0
Other	782	1,059	10
Intangible assets	5,227	4,210	38
Software	5,227	4,210	38
Customers' liabilities for acceptances and guarantees	2,118,383	1,835,123	16,576
Allowance for loan losses	(285,855)	(339,841)	(3,070)
Total assets	¥ 17,337,510	¥ 16,873,323	\$ 152,410

	As of March 31, 2020 (In millions of yen)	As of March 31, 2021 (In millions of yen)	As of March 31, 2021 (In millions of U.S. dollars)
Liabilities:			
Borrowed money	¥ 6,786,499	¥ 6,651,321	\$ 60,079
Bonds payable Note 9	4,886,646	4,964,965	44,847
Other liabilities	424,572	374,034	3,379
Provision for bonuses	586	585	5
Provision for directors' bonuses	10	10	0
Net defined benefit liability	6,715	6,338	57
Provision for directors' retirement benefits	44	47	0
Acceptances and guarantees	2,118,383	1,835,123	16,576
Total liabilities	¥ 14,223,458	¥ 13,832,426	\$ 124,943
Net assets:			
Capital stock	¥ 1,883,800	¥ 1,963,800	\$ 17,738
Retained earnings	995,688	981,523	8,866
Total shareholder's equity	2,879,488	2,945,323	26,604
Valuation difference on available-for-sale securities	(3,486)	2,088	19
Deferred gains or losses on hedges	231,303	95,238	860
Foreign currency translation adjustment	6,475	(2,072)	(19)
Total accumulated other comprehensive income	234,291	95,254	860
Non-controlling interests	271	318	3
Total net assets	¥ 3,114,051	¥ 3,040,896	\$ 27,467
Total liabilities and net assets	¥ 17,337,510	¥ 16,873,323	\$ 152,410

■ Consolidated Statements of Operations

	For the year ended March 31, 2020 (In millions of yen)	For the year ended March 31, 2021 (In millions of yen)	For the year ended March 31, 2021 (In millions of U.S. dollars)
Ordinary income:	¥ 485,856	¥ 284,742	\$ 2,572
Interest income	417,832	234,073	2,114
Interest on loans and discounts	399,375	213,473	1,928
Interest and dividends on securities	1,536	2,171	20
Interest on deposits with banks	16,860	2,257	20
Interest on interest swaps	—	16,086	145
Other interest income	60	84	1
Fees and commissions	25,595	26,708	241
Other ordinary income	—	8,733	79
Other income	42,428	15,226	138
Reversal of allowance for loan losses	7,215	—	—
Recoveries of written-off claims	29,308	2	0
Other	5,905	15,224	138
Ordinary expenses:	369,071	240,369	2,171
Interest expense	329,800	150,276	1,357
Interest on borrowed money and rediscounts	126,812	41,163	372
Interest on bonds	118,280	108,967	984
Interest on interest swaps	84,686	—	—
Other interest expense	19	145	1
Fees and commissions payments	3,253	3,040	28
Other ordinary expenses	8,924	5,991	54
General and administrative expenses	21,365	20,129	182
Other expenses	5,728	60,932	550
Provision of allowance for loan losses	—	53,986	488
Other	5,728	6,946	62
Ordinary profit	116,784	44,372	401
Extraordinary income	16	10	0
Gain on disposal of noncurrent assets	16	10	0
Extraordinary loss	0	—	—
Loss on disposal of noncurrent assets	0	—	—
Net income before income taxes	116,801	44,382	401
Income taxes – current	25	45	0
Total income taxes	25	45	0
Net income	116,775	44,337	401
Net income attributable to non-controlling interests	35	46	1
Net income attributable to owner of parent	¥ 116,740	¥ 44,290	\$ 400

■ Consolidated Statements of Comprehensive Income

	For the year ended March 31, 2020 (In millions of yen)	For the year ended March 31, 2021 (In millions of yen)	For the year ended March 31, 2021 (In millions of U.S. dollars)
Net income	¥ 116,775	¥ 44,337	\$ 401
Other comprehensive income (loss)	238,637	(139,036)	(1,256)
Valuation difference on available-for-sale securities	(2,929)	5,575	50
Deferred gains or losses on hedges	242,351	(136,064)	(1,229)
Foreign currency translation adjustment	1,391	(3,389)	(30)
Share of other comprehensive income (loss) of equity method investments	(2,176)	(5,157)	(47)
Comprehensive income (loss)	¥ 355,413	¥ (94,699)	\$ (855)
(Comprehensive income (loss) attributable to)			
Owner of parent	355,377	(94,746)	(856)
Non-controlling interests	35	46	1

■ Consolidated Statements of Changes in Net Assets

From April 1, 2019 to March 31, 2020

(In millions of yen)

	Shareholder's equity		
	Capital stock	Retained earnings	Total shareholder's equity
Balance at the beginning of current period	¥ 1,785,300	¥ 905,474	¥ 2,690,774
Changes of items during the period			
Issuance of new shares	98,500		98,500
Payment to National Treasury		(26,525)	(26,525)
Net income attributable to owner of parent		116,740	116,740
Net changes of items other than shareholder's equity			
Total changes of items during the period	98,500	90,214	188,714
Balance at the end of current period	¥ 1,883,800	¥ 995,688	¥ 2,879,488

(In millions of yen)

	Accumulated other comprehensive income (loss)				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income (loss)		
Balance at the beginning of current period	¥ (557)	¥ (11,048)	¥ 7,260	¥ (4,345)	¥ 235	¥ 2,686,664
Changes of items during the period						
Issuance of new shares						98,500
Payment to National Treasury						(26,525)
Net income attributable to owner of parent						116,740
Net changes of items other than shareholder's equity	(2,929)	242,351	(785)	238,637	35	238,673
Total changes of items during the period	(2,929)	242,351	(785)	238,637	35	427,387
Balance at the end of current period	¥ (3,486)	¥ 231,303	¥ 6,475	¥ 234,291	¥ 271	¥ 3,114,051

From April 1, 2020 to March 31, 2021

(In millions of yen)

	Shareholder's equity		
	Capital stock	Retained earnings	Total shareholder's equity
Balance at the beginning of current period	¥ 1,883,800	¥ 995,688	¥ 2,879,488
Changes of items during the period			
Issuance of new shares	80,000		80,000
Payment to National Treasury		(58,455)	(58,455)
Net income attributable to owner of parent		44,290	44,290
Net changes of items other than shareholder's equity			
Total changes of items during the period	80,000	(14,164)	65,835
Balance at the end of current period	¥ 1,963,800	¥ 981,523	¥ 2,945,323

(In millions of yen)

	Accumulated other comprehensive income (loss)				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income (loss)		
Balance at the beginning of current period	¥ (3,486)	¥ 231,303	¥ 6,475	¥ 234,291	¥ 271	¥ 3,114,051
Changes of items during the period						
Issuance of new shares						80,000
Payment to National Treasury						(58,455)
Net income attributable to owner of parent						44,290
Net changes of items other than shareholder's equity	5,575	(136,064)	(8,547)	(139,036)	46	(138,990)
Total changes of items during the period	5,575	(136,064)	(8,547)	(139,036)	46	(73,155)
Balance at the end of current period	¥ 2,088	¥ 95,238	¥ (2,072)	¥ 95,254	¥ 318	¥ 3,040,896

From April 1, 2020 to March 31, 2021

(In millions of U.S. dollars)

	Shareholder's equity		
	Capital stock	Retained earnings	Total shareholder's equity
Balance at the beginning of current period	\$ 17,015	\$ 8,994	\$ 26,009
Changes of items during the period			
Issuance of new shares	723		723
Payment to National Treasury		(528)	(528)
Net income attributable to owner of parent		400	400
Net changes of items other than shareholder's equity			
Total changes of items during the period	723	(128)	595
Balance at the end of current period	\$ 17,738	\$ 8,866	\$ 26,604

(In millions of U.S. dollars)

	Accumulated other comprehensive income (loss)				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Total accumulated other comprehensive income (loss)		
Balance at the beginning of current period	\$ (31)	\$ 2,089	\$ 58	\$ 2,116	\$ 2	\$ 28,127
Changes of items during the period						
Issuance of new shares						723
Payment to National Treasury						(528)
Net income attributable to owner of parent						400
Net changes of items other than shareholder's equity	50	(1,229)	(77)	(1,256)	1	(1,255)
Total changes of items during the period	50	(1,229)	(77)	(1,256)	1	(660)
Balance at the end of current period	\$ 19	\$ 860	\$ (19)	\$ 860	\$ 3	\$ 27,467

■ Consolidated Statements of Cash Flows

	For the year ended March 31, 2020 (In millions of yen)	For the year ended March 31, 2021 (In millions of yen)	For the year ended March 31, 2021 (In millions of U.S. dollars)
Cash flows from operating activities			
Net income before income taxes	¥ 116,801	¥ 44,382	\$ 401
Depreciation and amortization	2,740	2,107	19
Losses (profits) of equity method investments	2,828	(375)	(3)
Increase (decrease) in allowance for loan losses	(7,270)	53,986	488
Increase (decrease) in provision for bonuses	20	(0)	(0)
Increase (decrease) in provision for directors' bonuses	0	(0)	(0)
Increase (decrease) in net defined benefit liability	(273)	(376)	(3)
Increase (decrease) in provision for directors' retirement benefits	13	2	0
Interest income	(417,832)	(234,073)	(2,114)
Interest expense	329,800	150,276	1,357
Loss (gain) related to securities	(5,639)	(7,731)	(70)
Foreign exchange losses (gains)	(1,589)	(2,076)	(19)
Losses (gains) on disposal of noncurrent assets	(16)	(10)	(0)
Net decrease (increase) in loans and bills discounted	442,581	(422,834)	(3,819)
Net increase (decrease) in borrowed money	(788,214)	(135,177)	(1,221)
Net decrease (increase) in deposits (excluding deposits paid to Bank of Japan)	(48,062)	52,865	478
Increase (decrease) in straight bonds-issuance and redemption	300,887	75,992	686
Interest received	449,048	267,557	2,417
Interest paid	(338,465)	(165,793)	(1,498)
Other	188,455	(33,668)	(305)
Subtotal	225,814	(354,949)	(3,206)
Income taxes paid	(6)	(45)	(1)
Net cash provided by (used in) operating activities	225,807	(354,995)	(3,207)
Cash flows from investing activities			
Purchase of securities	(32,310)	(11,313)	(102)
Proceeds from sales of securities	17,727	58,500	528
Proceeds from redemption of securities	23,500	30,000	271
Purchase of property, plant and equipment	(773)	(1,583)	(14)
Proceeds from sales of property, plant and equipment	22	15	0
Purchase of intangible assets	(653)	(477)	(4)
Net cash provided by (used in) investing activities	7,512	75,141	679
Cash flows from financing activities			
Proceeds from issuance of new shares	98,500	80,000	723
Payment to national treasury	(26,525)	(58,455)	(528)
Net cash provided by (used in) financing activities	71,974	21,544	195
Effect of exchange rate change on cash and cash equivalents	—	—	—
Net increase (decrease) in cash and cash equivalents	305,294	(258,309)	(2,333)
Cash and cash equivalents at beginning of period	734,292	1,039,586	9,390
Cash and cash equivalents at end of period	¥ 1,039,586	¥ 781,277	\$ 7,057

Note 16

■ Notes to Consolidated Financial Statements

1. Basis of presentation

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

The amounts indicated in millions of yen are rounded down by omitting figures less than one million. As a result, the totals in yen do not necessarily agree with the sum of the individual amounts. Items less than 1 million yen are presented as "0," which are presented as "-" in the consolidated financial statements prepared in accordance with IFRS (Exhibit 7).

Amounts in U.S. dollars are presented solely for the convenience of readers outside Japan. The rate of ¥110.71=\$1.00, the foreign exchange rate on March 31, 2021, 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 rate or any other rates.

2. Scope of consolidation

(a) Consolidated subsidiaries

The number of consolidated subsidiaries is two.

Company names: JBIC IG Partners

Russia-Japan Investment Fund, L.P.

(b) Unconsolidated subsidiaries

There are no applicable subsidiaries.

(c) Other company whose majority of voting rights is owned by JBIC on its own account but which is not determined to be its subsidiary

Company name: RJIF Management Limited

(Reason for determining not to be a subsidiary)

JBIC has determined that RJIF Management Limited is not its subsidiary because, while JBIC indirectly owns a majority of voting rights of RJIF Management Limited through JBIC IG Partners, which is its consolidated subsidiary, JBIC needs to obtain agreement from other JV company for making decisions on significant financial and business policies.

3. Application of the equity method

(a) Unconsolidated subsidiaries accounted for using the equity method

There are no applicable subsidiaries.

(b) Affiliates accounted for using the equity method

The number of affiliates accounted for using the equity method is two.

Company names: IFC Capitalization (Equity) Fund, L.P.

IFC Capitalization (Subordinated Debt) Fund, L.P.

(c) Unconsolidated subsidiaries that are not accounted for using the equity method

There are no applicable subsidiaries.

(d) Affiliates that are not accounted for using the equity method

Major company names: Credit Guarantee and Investment Facility

RJIF Management Limited

These companies were not included in the scope of the equity method primarily because they do not have significant impacts on the consolidated financial statements in respect of any of the following items: Net income (the amount proportionate to the share of net income of such companies), Retained earnings (the amount proportionate to the share of retained earnings of such companies) and Accumulated other comprehensive income (loss) (the amount proportionate to the share of other comprehensive income (loss) of such companies).

4. Balance sheet dates of consolidated subsidiaries

The financial statements of the consolidated subsidiaries are used in preparing the consolidated financial statements.

The balance sheet dates of the consolidated subsidiaries are as follows:

March 31	2021
December 31	1
March 31	1

Appropriate adjustments are made for significant transactions that occurred during the period between the consolidated closing date and the subsidiary's balance sheet date above.

5. Significant accounting policies

(a) Securities

Held-to-maturity securities are carried at amortized cost based on the moving average method. Investments in affiliates that are not accounted for by the equity method 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. Securities held by the consolidated foreign subsidiary (including investments in affiliates) are classified as financial assets designated as fair value through profit or loss based on IFRS. These securities are recognized as trading securities in JBIC's consolidated financial statements and are measured at fair value.

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

(b) Valuation method for derivative financial instruments

Derivative financial instruments are measured at fair value.

Financial assets and financial liabilities arising from derivatives transactions that are executed with the same counterparties and are measured at fair value are offset on a counterparty-by-counterparty basis if a valid ISDA Master Netting Agreement is entered into. The resulting amount is recognized in the consolidated balance sheets.

(c) Depreciation and amortization basis for fixed assets

(i) Property, plant and equipment

Property, plant and equipment of JBIC are depreciated by the declining balance method over their useful economic lives except for buildings excluding installed facilities as well as installed facilities and structures acquired on or after April 1, 2016, which are depreciated 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

Property, plant and equipment of consolidated subsidiaries are depreciated primarily by the straight-line method based on the estimated useful lives of the assets.

(ii) Intangible assets

Amortization of intangible assets is computed by the straight-line method. Software used by JBIC and its consolidated subsidiaries is amortized over its useful life (5 years or less) at JBIC and its consolidated subsidiaries.

(d) Allowance for loan losses

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

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

Of Potentially bankrupt borrowers with restructured loans and others, (excluding foreign governments and other governmental entities) whose loan exceeds a threshold amount, if it is possible to reasonably estimate cash flows from the collection of principal and the receipt of interest, the allowance for claims on such debtors is provided based on an approach whereby the difference between the amount of cash flows discounted by the original contractual interest rates and the carrying amount of the claims is determined to be the allowance for loan losses ("cash flow estimation approach").

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

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

With respect to claims with collateral or guarantees on debtors who are legally or substantially bankrupt, the residual book value of the claims, after deducting the amount which is deemed collectible through the disposal of collateral or the execution of guarantees, is written off. There were no accumulated write-offs as of March 31, 2021 (the accumulated write-offs as of March 31, 2020 were ¥2,897 million).

(e) Provision for bonuses

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

(f) Provision for directors' bonuses

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

(g) Provision for directors' retirement benefits

The Provision for directors' retirement benefits which provides for future retirement pension payments to directors, is recognized at the amount accrued at the end of the current fiscal year.

(h) Accounting for retirement benefits

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

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

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

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

(i) Foreign currency translation and revaluation method

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

Assets and liabilities denominated in foreign currencies and held by consolidated subsidiaries are translated at the market exchange rate prevailing at respective balance sheet dates and other base dates.

(j) Accounting for hedges of interest rate risk

(i) Hedge accounting

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

(ii) Hedging instruments and hedged items

Hedging instruments: interest rate swaps

Hedged items: loans, borrowed money, 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 in fair value or cumulative change of cash flows of both hedging instruments and corresponding hedged items from the date of inception of the hedges to the assessment date.

(k) Accounting for hedges of foreign exchange risks

Hedging instruments used to hedge foreign exchange risks associated with foreign currency denominated monetary assets and liabilities are accounted for primarily using the deferral method under "Accounting and Auditing Treatment Relating to Adoption of Accounting Standard for Foreign Currency Transactions for Banks" (The Japanese Institute of Certified Public Accountants (JICPA) Industry-specific Committee Practical Guideline No. 25 of October 8, 2020).

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

Furthermore, deferral hedge accounting is applied to some forward exchange contracts as hedging instruments used to hedge the foreign exchange risk arising from individual investments in affiliates denominated in foreign currencies.

(l) **Scope of cash and cash equivalents in the consolidated statements of cash flows**

"Cash and cash equivalents" as stated in the consolidated statements of cash flows consists of cash on hand and deposits with the Bank of Japan in Cash and due from banks in the consolidated balance sheets.

(m) **Consumption and other taxes**

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

(n) **Standards and Guidance issued but not yet applied**

- "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, issued on July 4, 2019)
- "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, issued on July 4, 2019)
- "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, issued on July 4, 2019)
- "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19, issued on March 31, 2020)

(i) **Overview**

In order to enhance comparability with international accounting standards, the "Accounting Standard for Fair Value Measurement" and the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (collectively, the "Accounting Standards for Fair Value Measurement") were developed to provide guidance, on fair value measurement approaches. The "Accounting Standards for Fair Value Measurement" apply to fair value measurement of the following:

- Financial instruments under the "Accounting Standard for Financial Instruments"

Furthermore, the "Implementation Guidance on Disclosures about Fair Value of Financial Instruments" has been revised to require additional notes on items including the breakdown of financial instruments based on the levels of fair value.

(ii) **Expected date of application**

JBIC plans to apply the accounting standards and implementation guidance above from the beginning of the fiscal year ending March 31, 2022.

(iii) **Effects of application of the accounting standards and implementation guidance**

The effects of the application of the accounting standards and implementation guidance above on the consolidated financial statements are immaterial.

6. Significant accounting estimates

The following item in the consolidated financial statements for the current fiscal year is based on accounting estimates that may have a significant effect on the consolidated financial statements for the next fiscal year.

- Allowance for loan losses

(i) **Amount recognized in the consolidated financial statements for the current fiscal year**

	As of March 31, 2021 (In millions of yen)	As of March 31, 2021 (In millions of U.S. dollars)
Allowance for loan losses	¥ 339,841	\$ 3,070

(ii) **Information on significant accounting estimates related to the identified item**

① **Calculation method**

The calculation method of allowance for loan losses is described in "5. Significant accounting policies, (d) Allowance for loan losses" in the notes to the consolidated financial statements.

JBIC engages in financing activities to realize its policy objectives as a policy-based financial institution and may incur loss from being impossible or difficult to recover its loans due to, among other factors, a deterioration in borrowers' creditworthiness. To address such a risk of JBIC incurring loss arising from a reduction in, or diminishment of, asset value attributable to a deterioration in borrowers' financial condition and for other reasons, JBIC calculates an expected loss amount and recognizes it as allowance for loan losses. JBIC engages in significant financing activities with overseas governments, governmental institutions, and overseas corporations as part of its support of overseas economic transactions. Because of the characteristics of these activities, sovereign or country risk is a relatively significant part of the credit risk JBIC is exposed to in connection with these activities.

Allowance for loan losses is calculated in accordance with JBIC's internal rules for self-assessment of asset quality and internally established standards. The calculation process includes the determination of the borrowers' category based on the evaluation of borrowers' solvency in consideration of their repayment status, financial condition, performance, future prospects and other relevant factors, and the estimation of future cash flows under the cash flow estimation approach.

(Note) For the details of the credit risk JBIC is exposed to in connection with its financing activities, see the descriptions in "17. Financial instruments and related disclosure, (a) Status of financial instruments, (ii) Types of financial instruments and risks, ① Credit risk" in the notes to the consolidated financial statements.

② Major assumptions

Major assumptions are the future prospects for borrowers, etc. used in the borrowers' category determination and future cash flows of individual claims used under the cash flow estimation approach.

The future prospects for borrowers, etc. used in the borrowers' category determination, future cash flows of individual claims used under the cash flow estimation approach and other assumptions are affected by changes in borrowers' business environment and whether their business strategy is successful. Therefore, JBIC's estimation and judgment are reassessed and modified whenever the economic environment changes or new information becomes available.

Given the above, such estimation and judgment may have a significant effect on the amount of allowance for loan losses.

③ Effects on the consolidated financial statements for the next fiscal year

The spread of COVID-19 is causing political and economic impacts on borrowers' countries or regions as well as financial impacts on individual borrowers. The borrowers' category is determined in consideration of currently-available information that has effects on estimates.

While effects of the spread of COVID-19 vary significantly across countries and are subject to significant uncertainty related to the degree of vaccine roll-out and the development in policy-based support, allowance for loan losses is currently provided based on the assumption that the level of the credit risk of outstanding loans and other investments as of March 31, 2021 will be the same as the historical level for the near future, and is calculated based on specific items including the probability of default that incorporates the actual number of bankruptcies during a certain period in the past, on the basis that the global economic growth rate is expected to recover to a certain extent in 2021 from its significant decline in the previous year according to global economic outlooks published by international organizations, etc. and other factors.

As the future outlook is uncertain, the situation of COVID-19 or its economic impacts may differ significantly from the assumption above. In such a case, the allowance for loan losses as of the end of the fiscal year ending March 31, 2022 may change.

The amount of allowance for loan losses as of March 31, 2021 is the current best estimate. However, given a high estimation uncertainty related to other factors in addition to COVID-19, there is a risk that the actual amount of allowance for loan losses may differ from the estimate and, as a result, may have a significant effect on the consolidated financial statements for the next fiscal year.

(Changes in presentation)

"Accounting Standard for Disclosure of Accounting Estimates" (ASBJ Statement No. 31, issued on March 31, 2020) is applied in preparing the consolidated financial statements as of the end of the current fiscal year and significant accounting estimates are described in the notes thereto.

However, in accordance with the transitional treatment set out in the proviso in paragraph 11 of ASBJ Statement No. 31, comparative information for the previous fiscal year is not presented.

7. Equity and other securities of or investments in unconsolidated subsidiaries and affiliates

	As of March 31, 2020 (In millions of yen)	As of March 31, 2021 (In millions of yen)	As of March 31, 2021 (In millions of U.S. dollars)
Equity and other securities	¥ 21,795	¥ 24,229	\$ 219
Investments	107,469	80,187	724

8. Loans

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

	As of March 31, 2020 (In millions of yen)	As of March 31, 2021 (In millions of yen)	As of March 31, 2021 (In millions of U.S. dollars)
Bankrupt loans	¥ —	¥ —	\$ —
Non-accrual loans	185,309	215,417	1,946

Bankrupt loans are loans, defined in Article 96, Paragraph 1, Item (iii), a. through e. and Item (iv) of the Order for Enforcement of the Corporation Tax Act (Cabinet Order 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:

	As of March 31, 2020 (In millions of yen)	As of March 31, 2021 (In millions of yen)	As of March 31, 2021 (In millions of U.S. dollars)
Loans with interest or principal repayments three months or more in arrears	¥ 8,690	¥ 54,839	\$ 495

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:

	As of March 31, 2020 (In millions of yen)	As of March 31, 2021 (In millions of yen)	As of March 31, 2021 (In millions of U.S. dollars)
Restructured loans	¥ 159,118	¥ 218,411	\$ 1,973

Restructured loans are loans whose repayment terms and conditions have been amended in favor of the borrowers (e.g. reduction of or exemption from the stated interest rate, deferral of interest payments, extension of principal repayments or waiver of claims) in order to support the borrowers' recovery from financial difficulties, and which do not fall under the category of bankrupt 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:

	As of March 31, 2020 (In millions of yen)	As of March 31, 2021 (In millions of yen)	As of March 31, 2021 (In millions of U.S. dollars)
Total amount	¥ 353,118	¥ 488,668	\$ 4,414

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

- (e) JBIC, as a policy, does not issue loans to borrowers in part or in full immediately after the execution of the loan agreements, but instead executes loans, in accordance with the progress of the underlying projects. These undrawn amounts are not included in the loans on deeds recognized in the consolidated balance sheets. The balance of undrawn amounts is as follows:

	As of March 31, 2020 (In millions of yen)	As of March 31, 2021 (In millions of yen)	As of March 31, 2021 (In millions of U.S. dollars)
Balance of undrawn loans	¥ 1,373,586	¥ 1,810,200	\$ 16,351

9. 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:

	As of March 31, 2020 (In millions of yen)	As of March 31, 2021 (In millions of yen)	As of March 31, 2021 (In millions of U.S. dollars)
Bonds payable	¥ 4,886,646	¥ 4,964,965	\$ 44,847

Other assets include cash collateral paid for financial instruments as follows:

	As of March 31, 2020 (In millions of yen)	As of March 31, 2021 (In millions of yen)	As of March 31, 2021 (In millions of U.S. dollars)
Cash collateral paid for financial instruments	¥ 56,950	¥ 106,650	\$ 963

10. Accumulated depreciation of Property, plant and equipment

	As of March 31, 2020 (In millions of yen)	As of March 31, 2021 (In millions of yen)	As of March 31, 2021 (In millions of U.S. dollars)
Accumulated depreciation	¥ 2,637	¥ 3,178	\$ 29

11. Contingent liabilities

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

	As of March 31, 2020 (In millions of yen)	As of March 31, 2021 (In millions of yen)	As of March 31, 2021 (In millions of U.S. dollars)
Joint obligations	¥ 90,000	¥ 70,000	\$ 632

12. Items included in Other under Other income

Other under Other income includes the following:

	For the year ended March 31, 2020 (In millions of yen)	For the year ended March 31, 2021 (In millions of yen)	For the year ended March 31, 2021 (In millions of U.S. dollars)
Gains on sales of equity and other securities	¥ 1,228	¥ 4,851	\$ 44
Gains on investments in partnerships	4,411	9,825	89
Profits of equity method investments	—	375	3

13. Items included in Other under Other expenses

Other under Other expenses includes the following:

	For the year ended March 31, 2020 (In millions of yen)	For the year ended March 31, 2021 (In millions of yen)	For the year ended March 31, 2021 (In millions of U.S. dollars)
Losses on written-off of loans	¥ 2,897	¥ —	\$ —
Losses on devaluation of equity and other securities	—	6,945	62
Losses of equity method investments	2,828	—	—

14. Reclassification adjustments and tax effects of other comprehensive income (loss)

	For the year ended March 31, 2020 (In millions of yen)	For the year ended March 31, 2021 (In millions of yen)	For the year ended March 31, 2021 (In millions of U.S. dollars)
Valuation difference on available-for-sale securities:			
Amount recognized in the current fiscal year	¥ (2,892)	¥ 4,447	\$ 40
Reclassification adjustments	(36)	1,127	10
Before tax effect adjustment	(2,929)	5,575	50
Tax effect	—	—	—
Valuation difference on available-for-sale securities	(2,929)	5,575	50
Deferred gains or losses on hedges:			
Amount recognized in the current fiscal year	157,642	(123,031)	(1,111)
Reclassification adjustments	84,709	(13,033)	(118)
Before tax effect adjustment	242,351	(136,064)	(1,229)
Tax effect	—	—	—
Deferred gains or losses on hedges	242,351	(136,064)	(1,229)
Foreign currency translation adjustment:			
Amount recognized in the current fiscal year	1,336	(3,597)	(32)
Reclassification adjustments	55	207	2
Before tax effect adjustment	1,391	(3,389)	(30)
Tax effect	—	—	—
Foreign currency translation adjustment	1,391	(3,389)	(30)
Share of other comprehensive income (loss) of equity method investments:			
Amount recognized in the current fiscal year	(632)	(3,032)	(27)
Reclassification adjustments	(1,544)	(2,125)	(20)
Before tax effect adjustment	(2,176)	(5,157)	(47)
Tax effect	—	—	—
Share of other comprehensive income (loss) of equity method investments	(2,176)	(5,157)	(47)
Total other comprehensive income (loss)	¥ 238,637	¥ (139,036)	\$ (1,256)

15. Changes in Net assets

(a) Issued shares and treasury stock

For the fiscal year ended March 31, 2020, the type and the number of issued shares and treasury stock are as follows:

(Unit: thousands of shares)

Types	The number of shares at the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	The number of shares at the end of the fiscal year	Remarks
Issued shares					
Common stock	1,635,300,000	98,500,000	—	1,733,800,000	Note
Classified stock	—	—	—	—	
Total	1,635,300,000	98,500,000	—	1,733,800,000	Note
Treasury stock					
Common stock	—	—	—	—	
Classified stock	—	—	—	—	
Total	—	—	—	—	

(Note) The reason for an increase in shares is the issuance of 98,500,000 thousand new shares.

For the fiscal year ended March 31, 2021, the type and the number of issued shares and treasury stock are as follows:

(Unit: thousands of shares)

Types	The number of shares at the beginning of the fiscal year	Increase during the fiscal year	Decrease during the fiscal year	The number of shares at the end of the fiscal year	Remarks
Issued shares					
Common stock	1,733,800,000	80,000,000	—	1,813,800,000	Note
Classified stock	—	—	—	—	
Total	1,733,800,000	80,000,000	—	1,813,800,000	Note
Treasury stock					
Common stock	—	—	—	—	
Classified stock	—	—	—	—	
Total	—	—	—	—	

(Note) The reason for an increase in shares is the issuance of 80,000,000 thousand new shares.

16. Cash flows

A reconciliation of Cash and cash equivalents in the consolidated statements of cash flows as of March 31, 2020 and 2021 to Cash and due from banks in the consolidated balance sheets is as follows:

	For the year ended March 31, 2020 (In millions of yen)	For the year ended March 31, 2021 (In millions of yen)	For the year ended March 31, 2021 (In millions of U.S. dollars)
Cash and due from banks	¥ 1,544,838	¥ 1,233,919	\$ 11,146
Time deposits and others	(505,252)	(452,642)	(4,089)
Cash and cash equivalents	¥ 1,039,586	¥ 781,277	\$ 7,057

17. Financial instruments and related disclosure

(a) Status of financial instruments

(i) Policies for financial instruments

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

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

The consolidated foreign subsidiary of JBIC engages in investments and other related activities as its principal operation.

(ii) Types of financial instruments and risks

The assets that JBIC holds mainly include loans to borrowers in Japan and overseas, and securities and liabilities mainly include borrowed money and bonds. The consolidated foreign subsidiary of JBIC holds securities subject to price fluctuations.

The associated risks of financial assets and financial liabilities held by JBIC are described below.

① Credit risk

Credit risk is the risk that JBIC will suffer losses if the financial conditions of the borrower deteriorate and the value of assets (including off-balance sheet assets) declines or is impaired.

The credit risks associated with JBIC include sovereign risk, country risk, corporate risk, and project risk. JBIC engages in significant financing activities with overseas governments, governmental institutions, and overseas corporations as part of its support to overseas economic transactions. Because of the characteristics of these activities, sovereign or country risk is a relatively significant part of the credit risk JBIC is exposed to in connection with these activities.

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

(Note) Sovereign risk refers to risk associated with credit extended to foreign governments. Country risk refers to risk associated with the country in which the corporation or project is located (risk, in addition to corporate risk or project risk, associated with the country in which the corporation or the project is located). Corporate risk refers to the risk associated with credit to corporations and project risk refers to the risk that the cash flows generated from the project fail to generate the planned cash flows, in the case of project finance, where the repayment of the borrowing is primarily secured by the cash flow of the project to which credit is extended.

② Market risk

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

The market risk borne by JBIC mainly consists of foreign exchange risk and interest rate risk, and JBIC may suffer losses from these risks due to fluctuations in the markets such as market turmoil. However, in principle, these risks are hedged through interest rate swaps, currency swaps, and forward foreign exchange contracts.

JBIC uses hedge accounting for interest rate hedges, where the hedging instrument is interest rate swaps to hedge the risk of changes in interest rates associated with loans, borrowed money and bonds. The effectiveness of the hedges is assessed by measuring and comparing the change in fair value or cumulative change in cash flows of both hedging instruments and corresponding hedged items from the date of inception of the hedges to the assessment date.

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

Furthermore, some of the foreign exchange risk arising from investments in affiliates denominated in foreign currencies are individually hedged by forward foreign exchange contracts as hedging instruments.

③ Liquidity risk

Liquidity risk is the risk that losses will be incurred as a result of difficulties in obtaining the funds necessary due to a maturity mismatch between financing and funding or unexpected outflow of funds, or being forced to fund at an interest rate significantly higher than that under normal circumstances (funding risk). It is also the risk that losses will be incurred from being unable to conduct market transactions due to market turmoil or being forced to transact at far more unfavorable prices than those under normal circumstances (market liquidity risk).

Long-term and stable funds, such as fiscal loan funds, government-guaranteed bonds and the fiscal investment and loan program ("FILP") agency bonds, are secured to finance JBIC and deposits are not accepted. Therefore, JBIC considers liquidity risk to be limited. However, financing costs could increase due to market turmoil and unexpected events.

(iii) Risk management structure for financial instruments

The risk management structure of JBIC is described below.

① Credit risk management

The cornerstone of credit risk management at JBIC is the evaluation of an individual borrower's creditworthiness in advance of credit approval.

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

In providing credit to foreign governments and companies, JBIC takes maximum advantage of its unique position as a public financial institution. This includes exchanging views and information with governments and relevant authorities in the recipient countries, multilateral international institutions such as the International Monetary Fund (IMF) and the World Bank, other regional development banks such as export credit agencies, and private financial institutions in developed countries. Using all these channels to exchange views and information, JBIC evaluates sovereign and country risks (risk in addition to corporate risk associated with the country in which the corporation is located) based on the broad range of information collected on the borrowing governments, the government agencies and the political and economic conditions in their countries.

The relevant finance departments and credit departments conduct proper credit risk management based on the credit risk rating system for segmented risk categories and the asset self-assessment system. In addition, an Integrated Risk Management Committee is held regularly to report the status of credit management to JBIC's management. The credit management is also checked by an independent auditing department.

In addition, a claims protection mechanism exists based on an international framework unique to official creditors, that is not applied to private sector financial institutions, for public claims on foreign governments. This mechanism consists of international financial assistance upon international approval by the Paris Club, an international group focusing on debt, to allow the debtor country to continue debt repayment when the debtor country becomes temporarily unable to service its debt due to economic conditions. As part of this international financial assistance, the debtor country conducts an economic reform program agreed by the IMF in order to secure the ability to sustainably service its debt. In view of JBIC's position as a public financial institution, it will use the framework of the Paris Club to preserve its public claims on foreign governments.

In addition to the above credit risk management related to individual borrowers, JBIC quantifies credit risk with a view to evaluating the risk of the overall loan portfolio. To quantify credit risks, it is important to take into account the characteristics of JBIC's loan portfolio, which are not typically seen in other private financial institutions, namely that JBIC holds a significant proportion of long-term loans that entail sovereign and country risks. Also to be taken into account are mechanisms for securing assets under an international supporting framework, such as the Paris Club, which is unique to official creditors. JBIC uses a unique model to quantify the credit risk taking account of the above factors and measures the amount of credit risk, which are utilized for credit risk management.

② Market risk management

JBIC manages foreign exchange risk and interest rate risk through its ALM. Market risk management protocols contain detailed stipulations in respect of risk management methods and procedures, and JBIC has established the ALM Committee to assess and confirm the execution of ALM, and to discuss future responses to market risk. In addition, JBIC assesses and monitors the interest rate and terms of financial assets and liabilities in detail through a gap analysis and an interest rate sensitivity analysis as well as market risk measurement using Value at Risk ("VaR"). The results are reported to the ALM Committee on a regular basis.

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

1) Foreign exchange risk

Foreign currency-denominated loans conducted in JBIC involve risks related to exchange rate fluctuations. JBIC has a consistent policy of managing this risk by fully hedging this risk exposure through the use of currency swaps and forward foreign exchange contracts. Furthermore, some of the foreign exchange risk arising from investments in affiliates denominated in foreign currencies is individually hedged using forward foreign exchange contracts as hedging instruments.

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

Yen-denominated loan operations are mainly managed by using fixed-rate loans. However, swaps are used to hedge interest rate risk for the portion of loans that are deemed to have high exposures to interest rate fluctuations and therefore interest rate risk is limited.

b. Foreign currency-denominated loan operations

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

3) Status of market risk

JBIC only maintains a banking book and does not have financial instruments in a trading book. While, in principle, JBIC holds derivatives only for hedging purposes, as stated previously, market risk (VaR) that takes into account the correlation between interest rate risk and foreign exchange risk is measured in order to assess potential risk exposures. The following represents the market risk (VaR) exposure in the current fiscal year.

a. Market risk (VaR)

As of March 31, 2021 (In billions of yen)	As of March 31, 2021 (In billions of U.S. dollars)
¥ 167.6	\$ 1.5

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 fluctuation of gains or losses in fair values that could be incurred after a certain period of time ("Holding period") based on historical market movements of interest rates or exchange rates and other market indices over a specific period in the past ("Observation period") within a given probability ("Confidence interval"), that is derived statistically by employing the theory of probability distribution.

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

The following points should generally be noted in measuring VaR:

- VaR will differ depending on the choice of confidence interval, holding period or observation period;
- VaR indicates the maximum fluctuation of gains or losses in fair values at the time of measurement. In practice, the actual results at a point in the future may differ from the VaR calculation due to changes in the assumptions caused by market movements during the holding period; and
- VaR indicates the maximum value based on specific assumption. As such, when utilizing VaR as a risk management measure, it is imperative to keep in mind that VaR may underestimate the potential losses.

③ Liquidity risk management related to funding

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

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

④ Derivative transactions

For derivative transactions, the internal checks and balances are established by assigning the execution of transactions, the assessment of hedge effectiveness and the management of administrative work to separate divisions. In addition, derivative transactions are carried out in accordance with the derivatives related protocol.

(iv) Supplementary explanation concerning fair value of financial instruments

Fair values of financial instruments are based on their market prices or, in cases where market prices are not available, on reasonably calculated prices. These prices have been calculated using certain assumptions, and may differ depending on the assumptions.

(b) Fair value of financial instruments

The carrying amount on the consolidated balance sheets as of March 31, 2020 and 2021 and the related fair value, and difference are as follows. Note that unlisted securities whose fair value is extremely difficult to be determined are not included in the following tables (refer to Note 2).

As of March 31, 2020

(In millions of yen)

	Amount on consolidated balance sheet	Fair value	Difference
(1) Cash and due from banks	¥ 1,544,838	¥ 1,544,838	¥ —
(2) Securities			
Trading securities	16,284	16,284	—
Available-for-sale securities	60,603	60,603	—
(3) Loans and bills discounted	13,133,980		
Allowance for loan losses ^(*)	(272,373)		
	12,861,606	12,986,412	124,805
(4) Other assets ^(*)	56,950	56,950	—
Total assets	¥ 14,540,283	¥ 14,665,088	¥ 124,805
(1) Borrowed money	6,786,499	6,831,157	44,658
(2) Bonds payable	4,886,646	5,162,845	276,198
(3) Other liabilities ^(*)	268,460	268,460	—
Total liabilities	¥ 11,941,606	¥ 12,262,463	¥ 320,857
Derivative transactions ^(*)			
Derivative transactions not qualifying for hedge accounting	(20)	(20)	—
Derivative transactions qualifying for hedge accounting	243,795	243,795	—
Total derivative transactions	¥ 243,775	¥ 243,775	¥ —

^(*) General allowance for loan losses and specific allowance for loan losses, and the allowance for possible loan losses on specific overseas loans have been deducted from Loans and bills discounted.

^(*) This does not include derivative transactions, but includes Other assets and Other liabilities that are financial instruments subject to fair value disclosure.

^(*) Derivatives recorded in Other assets and Other liabilities are collectively presented. Assets and liabilities arising from derivative transactions are presented on a net basis. The figures in parenthesis indicate net liabilities.

As of March 31, 2021

(In millions of yen)

	Amount on consolidated balance sheet	Fair value	Difference
(1) Cash and due from banks	¥ 1,233,919	¥ 1,233,919	¥ —
(2) Securities			
Trading securities	13,333	13,333	—
Available-for-sale securities	30,860	30,860	—
(3) Loans and bills discounted	13,556,815		
Allowance for loan losses ^(*)	(324,534)		
	13,232,280	13,250,316	18,036
(4) Other assets ^(*)	106,650	106,650	—
Total assets	¥ 14,617,044	¥ 14,635,080	¥ 18,036
(1) Borrowed money	6,651,321	6,682,059	30,738
(2) Bonds payable	4,964,965	5,166,195	201,229
(3) Other liabilities ^(*)	127,610	127,610	—
Total liabilities	¥ 11,743,897	¥ 11,975,864	¥ 231,967
Derivative transactions ^(*)			
Derivative transactions not qualifying for hedge accounting	0	0	—
Derivative transactions qualifying for hedge accounting	(26,251)	(26,251)	—
Total derivative transactions	¥ (26,250)	¥ (26,250)	¥ —

As of March 31, 2021

(In millions of U.S. dollars)

	Amount on consolidated balance sheet	Fair value	Difference
(1) Cash and due from banks	\$ 11,146	\$ 11,146	\$ —
(2) Securities			
Trading securities	120	120	—
Available-for-sale securities	279	279	—
(3) Loans and bills discounted	122,453		
Allowance for loan losses ^(*)	(2,931)		
	119,522	119,685	163
(4) Other assets ^(*)	963	963	—
Total assets	\$ 132,030	\$ 132,193	\$ 163
(1) Borrowed money	60,079	60,356	277
(2) Bonds payable	44,847	46,665	1,818
(3) Other liabilities ^(*)	1,152	1,152	—
Total liabilities	\$ 106,078	\$ 108,173	\$ 2,095
Derivative transactions ^(*)			
Derivative transactions not qualifying for hedge accounting	0	0	—
Derivative transactions qualifying for hedge accounting	(237)	(237)	—
Total derivative transactions	\$ (237)	\$ (237)	\$ —

^(*) General allowance for loan losses and specific allowance for loan losses, and the allowance for possible loan losses on specific overseas loans have been deducted from Loans and bills discounted.

^(*) This does not include derivative transactions, but includes Other assets and Other liabilities that are financial instruments subject to fair value disclosure.

^(*) Derivatives recorded in Other assets and Other liabilities are collectively presented. Assets and liabilities arising from derivative transactions are presented on a net basis. The figures in parenthesis indicate net liabilities.

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

Assets

(1) Cash and due from banks

For Due from banks that have no specific maturity or have a maturity under three months, the carrying amounts are used as fair value because the carrying amount approximates the fair value.

(2) Securities

Trading securities (including investments in affiliates) are held by the consolidated foreign subsidiary and are measured at fair value through profit or loss based on IFRS.

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, since such loans reflect market interest rates over the short term, an amount calculated by the floating rate note (FRN) method 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 claims on Bankrupt borrowers, Substantially bankrupt borrowers, and Potentially bankrupt borrowers, expected credit losses on such claims are calculated based on the expected collectible amount from the collateral or guarantee. Since fair value approximates the amount on the consolidated balance sheets at the fiscal year end after deducting the allowance for loan losses, this amount is used for fair value.

(4) Other assets

Of Other assets, 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) Borrowed money

Borrowed money with variable interest rates reflect short-term market interest rates and the credit conditions of JBIC and its consolidated subsidiaries have not changed significantly since the execution of borrowings. Therefore, the carrying amount is used as fair value because it is considered that the carrying amount approximates the fair value. For borrowed money 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).

(2) Bonds payable

Market value is used as fair value of bonds.

(3) Other liabilities

Of Other liabilities, 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 disclosed in "19. Derivative transactions."

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

Classification

	As of March 31, 2020 (In millions of yen)	As of March 31, 2021 (In millions of yen)	As of March 31, 2021 (In millions of U.S. dollars)
1) Unlisted stocks (unconsolidated subsidiaries and affiliates) ^{(*)1}	¥ 19,960	¥ 21,632	\$ 195
2) Unlisted stocks (other than unconsolidated subsidiaries and affiliates) ^{(*)1 (*)2}	77,311	53,843	487
3) Partnership investments (unconsolidated subsidiaries and affiliates) ^{(*)3}	107,469	80,187	724
4) Partnership investments (other than unconsolidated subsidiaries and affiliates) ^{(*)3}	77,119	72,502	655
Total	¥ 281,861	¥ 228,166	\$ 2,061

^{(*)1} Since unlisted stocks do not have quoted market prices available and their fair values are extremely difficult to determine, fair values are not stated.

^{(*)2} No impairment loss is recognized for unlisted stocks (other than unconsolidated subsidiaries and affiliates) for the fiscal year ended March 31, 2020.

Impairment loss of ¥6,945 million (\$62 million) is recognized for unlisted stocks (other than unconsolidated subsidiaries and affiliates) for the fiscal year ended March 31, 2021.

^{(*)3} For Partnership investments comprised 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 presented.

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

As of March 31, 2020

(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}	¥ 1,544,838	¥ —	¥ —	¥ —	¥ —	¥ —
Securities						
Available-for-sale securities	30,000	2	—	—	30,600	—
Loans and bills discounted ^{(*)2}	1,604,627	2,770,810	2,461,688	2,385,042	2,177,642	1,548,859
Total	¥ 3,179,466	¥ 2,770,812	¥ 2,461,688	¥ 2,385,042	¥ 2,208,242	¥ 1,548,859

^{(*)1} Demand deposits in Due from banks are included in "Due within one year."

^{(*)2} Loans and bills discounted of ¥185,309 million whose redemption is not estimable, such as claims against Bankrupt borrowers, Substantially bankrupt borrowers, and Potentially bankrupt borrowers, are not included in the table above.

^{(*)3} Of Other assets, the information about cash collateral paid for financial instruments is not presented since there is no fixed maturity date for repayments.

As of March 31, 2021

(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}	¥ 1,233,919	¥ —	¥ —	¥ —	¥ —	¥ —
Securities						
Available-for-sale securities	—	—	—	—	30,600	—
Loans and bills discounted ^{(*)2}	1,310,149	2,878,267	3,390,199	2,173,999	2,168,294	1,420,487
Total	¥ 2,544,069	¥ 2,878,267	¥ 3,390,199	¥ 2,173,999	¥ 2,198,894	¥ 1,420,487

As of March 31, 2021

(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}	\$ 11,146	\$ —	\$ —	\$ —	\$ —	\$ —
Securities						
Available-for-sale securities	—	—	—	—	277	—
Loans and bills discounted ^{(*)2}	11,834	25,998	30,622	19,637	19,585	12,831
Total	\$ 22,980	\$ 25,998	\$ 30,622	\$ 19,637	\$ 19,862	\$ 12,831

^{(*)1} Demand deposits in Due from banks are included in "Due within one year."

^{(*)2} Loans and bills discounted of ¥215,417 million (\$1,946 million) whose redemption is not estimable, such as claims against Bankrupt borrowers, Substantially bankrupt borrowers, and Potentially bankrupt borrowers, are not included in the table above.

^{(*)3} Of Other assets, the information about cash collateral paid for financial instruments is not presented since there is no fixed maturity date for repayments.

(Note 4) Redemption schedule for Borrowed money and Bonds payable with future redemption dates

As of March 31, 2020

(In millions of yen)

	Due within one year	Due after one year but within three years	Due after three years but within five years	Due after five years but within seven years	Due after seven years but within ten years	Due after ten years
Borrowed money	¥ 1,485,135	¥ 3,198,620	¥ 1,149,343	¥ 510,100	¥ 230,600	¥ 212,700
Bonds payable	858,471	1,345,960	1,088,300	814,459	789,017	—
Total	¥ 2,343,606	¥ 4,544,580	¥ 2,237,643	¥ 1,324,559	¥ 1,019,617	¥ 212,700

(*1) Of Other liabilities, the information about cash collateral received for financial instruments is not presented since there is no fixed maturity date for repayments.

As of March 31, 2021

(In millions of yen)

	Due within one year	Due after one year but within three years	Due after three years but within five years	Due after five years but within seven years	Due after seven years but within ten years	Due after ten years
Borrowed money	¥ 191,800	¥ 3,305,964	¥ 2,312,457	¥ 508,100	¥ 120,300	¥ 212,700
Bonds payable	498,195	1,756,005	1,182,455	1,039,983	498,195	—
Total	¥ 689,995	¥ 5,061,969	¥ 3,494,912	¥ 1,548,083	¥ 618,495	¥ 212,700

As of March 31, 2021

(In millions of U.S. dollars)

	Due within one year	Due after one year but within three years	Due after three years but within five years	Due after five years but within seven years	Due after seven years but within ten years	Due after ten years
Borrowed money	\$ 1,732	\$ 29,862	\$ 20,888	\$ 4,589	\$ 1,087	\$ 1,921
Bonds payable	4,500	15,861	10,680	9,394	4,500	—
Total	\$ 6,232	\$ 45,723	\$ 31,568	\$ 13,983	\$ 5,587	\$ 1,921

(*1) Of Other liabilities, the information about cash collateral received for financial instruments is not presented since there is no fixed maturity date for repayments.

18. Market value of securities

Information relating to “Equity securities of and other investments in subsidiaries and affiliates” is presented in the notes to the consolidated financial statements.

(a) Trading securities

	As of March 31, 2020 (In millions of yen)	As of March 31, 2021 (In millions of yen)	As of March 31, 2021 (In millions of U.S. dollars)
Unrealized gains (losses) included in profit or loss for the fiscal year	¥ 1,228	¥ 674	\$ 6

(b) Held-to-maturity debt securities

Fiscal year ended March 31, 2020

Not applicable.

Fiscal year ended March 31, 2021

Not applicable.

(c) Available-for-sale securities

As of March 31, 2020

(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	30,648	30,600	48
Subtotal	30,648	30,600	48
Securities whose carrying amount does not exceed their acquisition cost			
Stocks	—	—	—
Debt securities	—	—	—
Japanese government bonds	—	—	—
Corporate bonds	—	—	—
Other	29,955	30,000	(45)
Subtotal	29,955	30,000	(45)
Total	¥ 60,603	¥ 60,600	¥ 3

As of March 31, 2021

(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	30,860	30,600	260
Subtotal		30,860	30,600	260
Securities whose carrying amount does not exceed their acquisition cost	Stocks	—	—	—
	Debt securities	—	—	—
	Japanese government bonds	—	—	—
	Corporate bonds	—	—	—
	Other	0	0	—
Subtotal		0	0	—
Total		¥ 30,860	¥ 30,600	¥ 260

As of March 31, 2021

(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	279	276	3
Subtotal		279	276	3
Securities whose carrying amount does not exceed their acquisition cost	Stocks	—	—	—
	Debt securities	—	—	—
	Japanese government bonds	—	—	—
	Corporate bonds	—	—	—
	Other	0	0	—
Subtotal		0	0	—
Total		\$ 279	\$ 276	\$ 3

(d) Held-to-maturity debt securities sold

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

Not applicable.

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

Not applicable.

(e) Available-for-sale securities sold

Fiscal year ended March 31, 2020

Not applicable.

Fiscal year ended March 31, 2021

(In millions of yen)

	Amount of sales	Total gain on sales	Total loss on sales
Stocks	¥ —	¥ —	¥ —
Debt securities	—	—	—
Japanese government bonds	—	—	—
Corporate bonds	—	—	—
Other	42,524	4,176	0
Total	¥ 42,524	¥ 4,176	¥ 0

Fiscal year ended March 31, 2021

(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	384	38	0
Total	\$ 384	\$ 38	\$ 0

(f) **Change in classification of securities**

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

Not applicable.

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

Not applicable.

(g) **Impairment of securities**

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

Not applicable.

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

Not applicable.

(h) **Money held in trust**

(i) Money held in trust for trading purposes

Fiscal year ended March 31, 2020

Not applicable.

Fiscal year ended March 31, 2021

Not applicable.

(ii) Money held in trust for holding-to-maturity purposes

Fiscal year ended March 31, 2020

Not applicable.

Fiscal year ended March 31, 2021

Not applicable.

(iii) Other money held in trust (other than trading and holding-to-maturity purposes)

Fiscal year ended March 31, 2020

Not applicable.

Fiscal year ended March 31, 2021

Not applicable.

(i) **Net unrealized gains (losses) on available-for-sale securities are as follows:**

Fiscal year ended March 31, 2020

(In millions of yen)

Valuation difference	¥	(3,486)
Available-for-sale securities ^(*)		(3,486)
Other money held in trust		—
(+) Deferred tax assets (or (-) Deferred tax liabilities)		—
Valuation difference on available-for-sale securities (before following adjustments)	¥	(3,486)
(-) Non-controlling interests		—
(+) JBIC's interest in valuation difference on available-for-sale securities held by affiliates accounted for using the equity method		—
Valuation difference on available-for-sale securities	¥	(3,486)

(*) 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, 2021

(In millions of yen)

Valuation difference	¥	2,088
Available-for-sale securities ^(*)		2,088
Other money held in trust		—
(+) Deferred tax assets (or (-) Deferred tax liabilities)		—
Valuation difference on available-for-sale securities (before following adjustments)	¥	2,088
(-) Non-controlling interests		—
(+) JBIC's interest in valuation difference on available-for-sale securities held by affiliates accounted for using the equity method		—
Valuation difference on available-for-sale securities	¥	2,088

Fiscal year ended March 31, 2021

(In millions of U.S. dollars)

Valuation difference	\$ 19
Available-for-sale securities (*)	19
Other money held in trust	—
(+) Deferred tax assets (or -) Deferred tax liabilities	—
Valuation difference on available-for-sale securities (before following adjustments)	\$ 19
(-) Non-controlling interests	—
(+) JBIC's interest in valuation difference on available-for-sale securities held by affiliates accounted for using the equity method	—
Valuation difference on available-for-sale securities	\$ 19

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

19. Derivative transactions

Notes to derivative transactions for the fiscal years ended March 31, 2020 and March 31, 2021 are as follows:

(a) Derivative transactions not qualifying for hedge accounting

For derivative transactions not qualifying for hedge accounting, the contract value at the fiscal year end or notional amount defined in agreements, and fair value and valuation gain (loss) and the fair value calculation method are as follows. The contract value does not indicate the market risk of the derivative transactions.

(i) Interest rate-related transactions

Fiscal year ended March 31, 2020

Not applicable.

Fiscal year ended March 31, 2021

Not applicable.

(ii) Currency-related transactions

Fiscal year ended March 31, 2020

(In millions of yen)

Category	Type	Contract value	Contract value (Maturing after one year)	Fair value	Valuation gain (loss)
Over-the-counter	Forward foreign exchange contracts				
	Sell	¥ —	¥ —	¥ —	¥ —
	Buy	5,321	—	(20)	(20)
	Total	¥ —	¥ —	¥ (20)	¥ (20)

(Notes) 1. Transactions above are measured at fair value and valuation gain (loss) is recognized in the consolidated statements of operations.
2. Calculation of fair value is based on the discounted cash flows.

Fiscal year ended March 31, 2021

(In millions of yen)

Category	Type	Contract value	Contract value (Maturing after one year)	Fair value	Valuation gain (loss)
Over-the-counter	Forward foreign exchange contracts				
	Sell	¥ —	¥ —	¥ —	¥ —
	Buy	12,432	—	0	0
	Total	¥ —	¥ —	¥ 0	¥ 0

Fiscal year ended March 31, 2021

(In millions of U.S. dollars)

Category	Type	Contract value	Contract value (Maturing after one year)	Fair value	Valuation gain (loss)
Over-the-counter	Forward foreign exchange contracts				
	Sell	\$ —	\$ —	\$ —	\$ —
	Buy	112	—	0	0
	Total	\$ —	\$ —	\$ 0	\$ 0

(Notes) 1. Transactions above are measured at fair value and valuation gain (loss) is recognized in the consolidated statements of operations.
2. Calculation of fair value is based on the discounted cash flows.

- (iii) Equity-related transactions
Fiscal year ended March 31, 2020
Not applicable.
Fiscal year ended March 31, 2021
Not applicable.
- (iv) Bond-related transactions
Fiscal year ended March 31, 2020
Not applicable.
Fiscal year ended March 31, 2021
Not applicable.
- (v) Commodity-related transactions
Fiscal year ended March 31, 2020
Not applicable.
Fiscal year ended March 31, 2021
Not applicable.
- (vi) Credit derivative transactions
Fiscal year ended March 31, 2020
Not applicable.
Fiscal year ended March 31, 2021
Not applicable.

(b) Derivative transactions qualifying for hedge accounting

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

(i) Interest rate-related transactions

Fiscal year ended March 31, 2020

(In millions of yen)

Hedge accounting	Type	Major hedged items	Contract value	Contract value (Maturing after one year)	Fair value
Basic accounting method	Interest rate swap	Loans and bills discounted			
		Borrowed money			
		Bonds payable			
	Receive/fixed and pay/floating		¥ 4,631,196	¥ 3,975,970	¥ 270,617
	Receive/floating and pay/fixed		662,747	647,837	(60,215)
	Receive/floating and pay/floating		163,245	—	(449)
	Total		¥ —	¥ —	¥ 209,952

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

Fiscal year ended March 31, 2021

(In millions of yen)

Hedge accounting	Type	Major hedged items	Contract value	Contract value (Maturing after one year)	Fair value
Basic accounting method	Interest rate swap	Loans and bills discounted			
		Bonds payable			
	Receive/fixed and pay/floating		¥ 4,912,691	¥ 4,414,496	¥ 171,507
	Receive/floating and pay/fixed		575,659	571,564	(38,017)
	Receive/floating and pay/floating		—	—	—
	Total		¥ —	¥ —	¥ 133,489

Fiscal year ended March 31, 2021

(In millions of U.S. dollars)

Hedge accounting	Type	Major hedged items	Contract value	Contract value (Maturing after one year)	Fair value
Basic accounting method	Interest rate swap	Loans and bills discounted			
		Bonds payable			
	Receive/fixed and pay/floating		\$ 44,374	\$ 39,874	\$ 1,549
	Receive/floating and pay/fixed		5,200	5,163	(343)
	Receive/floating and pay/floating		—	—	—
	Total		\$ —	\$ —	\$ 1,206

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

(ii) Currency-related transactions

Fiscal year ended March 31, 2020

(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	¥ 3,913,914	¥ 3,168,743	¥ 33,753
	Forward foreign exchange contracts	Bonds payable			
	Sell	Loans and bills discounted	58,035	—	90
	Buy	Investments in capital and other items	2	—	(0)
	Total		¥ —	¥ —	¥ 33,843

Note 1. These are mainly accounted for using the deferral 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, 2021

(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	¥ 4,499,143	¥ 3,410,142	¥ (159,382)
	Forward foreign exchange contracts	Investments in capital and other items			
	Sell		36,499	—	(359)
	Buy		4	—	0
	Total		¥ —	¥ —	¥ (159,741)

Fiscal year ended March 31, 2021

(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	\$ 40,639	\$ 30,802	\$ (1,440)
	Forward foreign exchange contracts	Investments in capital and other items			
	Sell		330	—	(3)
	Buy		0	—	0
	Total		\$ —	\$ —	\$ (1,443)

Note 1. These are mainly accounted for using the deferral 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 October 8, 2020).

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

(iii) Equity-related transactions

Fiscal year ended March 31, 2020

Not applicable.

Fiscal year ended March 31, 2021

Not applicable.

(iv) Bond-related transactions

Fiscal year ended March 31, 2020

Not applicable.

Fiscal year ended March 31, 2021

Not applicable.

20. Retirement benefits

(a) Overview of retirement benefit plans

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

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

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

(b) Defined benefit pension plan

(i) Changes in the projected benefit obligation

Category	For the year ended March 31, 2020 (In millions of yen)	For the year ended March 31, 2021 (In millions of yen)	For the year ended March 31, 2021 (In millions of U.S. dollars)
Projected benefit obligation at the beginning of the fiscal year	¥ 11,472	¥ 11,098	\$ 100
Service cost	472	460	4
Interest cost	11	27	1
Actuarial losses	177	355	3
Retirement benefit paid	(837)	(772)	(7)
Prior service costs	(197)	—	—
Projected benefit obligation at the end of the fiscal year	¥ 11,098	¥ 11,168	\$ 101

(ii) Changes in the plan assets

Category	For the year ended March 31, 2020 (In millions of yen)	For the year ended March 31, 2021 (In millions of yen)	For the year ended March 31, 2021 (In millions of U.S. dollars)
Pension assets at the beginning of the fiscal year	¥ 4,483	¥ 4,382	\$ 40
Expected return on plan assets	112	109	1
Actuarial gains (losses)	(106)	428	4
Contributions by the employer	129	130	1
Retirement benefit paid	(235)	(221)	(2)
Pension assets at the end of the fiscal year	¥ 4,382	¥ 4,830	\$ 44

(iii) Reconciliation of the projected benefit obligation and plan assets and net defined benefit liability and net defined benefit asset in the consolidated balance sheets

Category	As of March 31, 2020 (In millions of yen)	As of March 31, 2021 (In millions of yen)	As of March 31, 2021 (In millions of U.S. dollars)
Funded projected benefit obligation	¥ 6,040	¥ 6,179	\$ 56
Fair value of plan assets	(4,382)	(4,830)	(44)
	1,657	1,348	12
Unfunded projected benefit obligation	5,057	4,989	45
Net amount of assets and liabilities in the consolidated balance sheets	¥ 6,715	¥ 6,338	\$ 57
Defined benefit liability	6,715	6,338	57
Defined benefit asset	—	—	—
Net amount of assets and liabilities in the consolidated balance sheets	¥ 6,715	¥ 6,338	\$ 57

(iv) Components of retirement benefit expense

Category	For the year ended March 31, 2020 (In millions of yen)	For the year ended March 31, 2021 (In millions of yen)	For the year ended March 31, 2021 (In millions of U.S. dollars)
Service cost	¥ 472	¥ 460	\$ 4
Interest cost	11	27	1
Expected return on plan assets	(112)	(109)	(1)
Realized actuarial loss	284	(73)	(1)
Prior service costs	(197)	—	—
Retirement benefit expense	¥ 458	¥ 305	\$ 3

(v) Plan assets

① Major components of plan assets

Percentages of components to the total are as follows:

Category	As of March 31, 2020	As of March 31, 2021
Debt securities	64%	65%
Stocks	22%	23%
General accounts of life insurance companies	13%	11%
Cash and due from banks	0%	0%
Other	1%	1%
Total	100%	100%

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

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

(vi) Principal assumptions used

Principal assumptions used in actuarial calculations

Category	For the year ended March 31, 2020	For the year ended March 31, 2021
Discount rate	0.25%	0.28%
Expected rate of return on plan assets	2.50%	2.50%
Expected rate of salary increase	4.33%	4.31%

(c) Defined contribution plan

Fiscal year ended March 31, 2020

The amount of contribution required to be made to the defined contribution plan was ¥27 million.

Fiscal year ended March 31, 2021

The amount of contribution required to be made to the defined contribution plan was ¥27 million (\$0 million).

21. Deferred tax accounting

(a) Breakdown of deferred tax assets and deferred tax liabilities

	As of March 31, 2020 (In millions of yen)	As of March 31, 2021 (In millions of yen)	As of March 31, 2021 (In millions of U.S. dollars)
Deferred tax assets			
Leasehold deposits (Asset retirement obligations)	¥ 1	¥ 2	\$ 0
Other	7	2	0
Sub total	8	4	0
Valuation allowance	(1)	(2)	(0)
Total deferred tax assets	¥ 7	¥ 2	\$ 0

Deferred tax assets are included in, and presented as, Other assets in the consolidated balance sheets. Income taxes—deferred is included in, and presented as “Income taxes—current” in the consolidated statements of operations.

(i) Change in presentation

Leasehold deposits (Asset retirement obligations) included in “Other” of deferred tax assets in the previous fiscal year are separately presented from the current fiscal year as the materiality of the amount has increased relative to the total amount of deferred tax assets. To reflect this change in presentation, the amounts reported in the note for the previous fiscal year were reclassified.

As a result, of ¥8 million (\$0 million) of “Other” presented under “Deferred tax assets” in the previous fiscal year, ¥1 million (\$0 million) was reclassified to “Leasehold deposits (Asset retirement obligations)” and ¥7 million (\$0 million) in “Other.”

(b) Breakdown of major items resulting in a significant difference between the effective statutory tax rate and the rate of income tax and other taxes after applying deferred tax accounting

This information is not presented since JBIC is a nontaxable entity defined in the Article 2, Item 5 of the Corporation Tax Act (Act No. 34 of 1965) and therefore there is no significant difference between the effective statutory tax rate and the rate of income tax and other taxes after applying deferred tax accounting.

22. Segment information

(a) Segment summary

The JBIC Group's operating segments are those for which discrete financial information is available, and whose operating results are regularly reviewed by JBIC's management.

The JBIC Group is a policy-based financial institution wholly owned by the Japanese government, which has the purpose of contributing to the sound development of Japan and the international economy and society, while supplementing the financial transactions implemented by private-sector financial institutions by performing financial operations from four viewpoints: i.e., "promotion of the overseas development and securement of resources which are important for Japan"; "maintenance and improvement of the international competitiveness of Japanese industries"; "promotion of the overseas business having the purpose of preserving the global environment, such as preventing global warming"; and "prevention of disruptions to international financial order or implementation of appropriate measures with respect to damages caused by such disruption." To achieve these purposes, for business operations defined under the Act on Japan Bank for International Cooperation and other acts, JBIC has two reporting segments: "Ordinary Operations" account and "Special Operations" account. Accounting operations are separately carried out for respective accounts.

The "Ordinary Operations" account covers the businesses which are not included in the "Special Operations" account of the JBIC Group. The Ordinary Operations account also includes the investment business of the consolidated subsidiaries.

The "Special Operations" account includes the businesses that offer financing services such as lending to overseas infrastructure business projects that has risks but generate a sufficient level of expected return.

(b) Method of calculating ordinary income, profit or loss, assets, liabilities and other items by reportable segment

Accounting treatments applied to business segments reported are the same as those disclosed in "Notes to Consolidated Financial Statements." The amount of profit (or loss) of reportable segments is based on Net income attributable to owner of parent.

(c) Information about the amount of ordinary income, profit or loss, assets, liabilities and other items by reportable segment

Fiscal year ended March 31, 2020

(In millions of yen)

	Ordinary Operations	Special Operations	Sub-total for reportable segments	Adjustments	Amount reported in the consolidated financial statements
Ordinary income					
(1) Ordinary income from customers	¥ 485,529	¥ 579	¥ 486,109	¥ (252)	¥ 485,856
(2) Intersegment ordinary income	37	—	37	(37)	—
Total	¥ 485,566	¥ 579	¥ 486,146	¥ (289)	¥ 485,856
Segment profit (loss)	116,885	(145)	116,740	—	116,740
Segment assets	17,044,626	292,904	17,337,531	(21)	17,337,510
Segment liabilities	14,221,792	1,686	14,223,479	(21)	14,223,458
Other items					
Depreciation and amortization	2,740	—	2,740	—	2,740
Interest income	417,255	577	417,832	—	417,832
Interest expense	329,654	145	329,800	—	329,800
Losses of equity method investments	2,828	—	2,828	—	2,828
Losses on written-off of loans	2,897	—	2,897	—	2,897
Extraordinary income	16	—	16	—	16
Gain on disposal of noncurrent assets	16	—	16	—	16
Extraordinary loss	0	—	0	—	0
Loss on disposal of noncurrent assets	0	—	0	—	0
Income tax expenses	25	—	25	—	25
Equity method investments	70,494	—	70,494	—	70,494
Increase in Property, plant and equipment and Intangible assets	1,428	—	1,428	—	1,428
Reversal of allowance for loan losses	7,467	—	7,467	(252)	7,215
Provision of allowance for loan losses	—	252	252	(252)	—

Notes 1. Ordinary income is disclosed in place of sales for non-financial companies. Adjustments for the difference represent adjustments related to the difference between ordinary income and Ordinary income disclosed in the consolidated statements of operations.

2. Adjustments above are as described below.

(1) Adjustments to ordinary income from customers, reversal of allowance for loan losses and provision of allowance for loan losses, which are ¥252 million respectively, represent reclassification of accounts.

(2) Other adjustments represent elimination of intersegment transactions.

Fiscal year ended March 31, 2021

(In millions of yen)

	Ordinary Operations	Special Operations	Sub-total for reportable segments	Adjustments	Amount reported in the consolidated financial statements
Ordinary income					
(1) Ordinary income from customers	¥ 283,801	¥ 1,373	¥ 285,174	¥ (431)	¥ 284,742
(2) Intersegment ordinary income	30	—	30	(30)	—
Total	¥ 283,831	¥ 1,373	¥ 285,204	¥ (462)	¥ 284,742
Segment profit	43,802	487	44,290	—	44,290
Segment assets	16,564,590	308,754	16,873,345	(21)	16,873,323
Segment liabilities	13,825,797	6,650	13,832,448	(21)	13,832,426
Other items					
Depreciation and amortization	2,107	—	2,107	—	2,107
Interest income	233,145	1,360	234,505	(431)	234,073
Interest expense	150,276	432	150,708	(431)	150,276
Profits of equity method investments	375	—	375	—	375
Losses on devaluation of equity and other securities	6,945	—	6,945	—	6,945
Extraordinary income	10	—	10	—	10
Gain on disposal of noncurrent assets	10	—	10	—	10
Income tax expenses	45	—	45	—	45
Equity method investments	39,847	—	39,847	—	39,847
Increase in Property, plant and equipment and Intangible assets	2,059	—	2,059	—	2,059
Provision of allowance for loan losses	53,900	86	53,986	—	53,986

Fiscal year ended March 31, 2021

(In millions of U.S. dollars)

	Ordinary Operations	Special Operations	Sub-total for reportable segments	Adjustments	Amount reported in the consolidated financial statements
Ordinary income					
(1) Ordinary income from customers	\$ 2,564	\$ 12	\$ 2,576	\$ (4)	\$ 2,572
(2) Intersegment ordinary income	0	—	0	(0)	—
Total	\$ 2,564	\$ 12	\$ 2,576	\$ (4)	\$ 2,572
Segment profit	396	4	400	—	400
Segment assets	149,621	2,789	152,410	(0)	152,410
Segment liabilities	124,883	60	124,943	(0)	124,943
Other items					
Depreciation and amortization	19	—	19	—	19
Interest income	2,106	12	2,118	(4)	2,114
Interest expense	1,357	4	1,361	(4)	1,357
Profits of equity method investments	3	—	3	—	3
Losses on devaluation of equity and other securities	62	—	62	—	62
Extraordinary income	0	—	0	—	0
Gain on disposal of noncurrent assets	0	—	0	—	0
Income tax expenses	0	—	0	—	0
Equity method investments	360	—	360	—	360
Increase in Property, plant and equipment and Intangible assets	19	—	19	—	19
Provision of allowance for loan losses	487	1	488	—	488

Notes 1. Ordinary income is disclosed in place of sales for non-financial companies. Adjustments for the difference represent adjustments related to the difference between ordinary income and Ordinary income disclosed in the consolidated statements of operations.

2. Adjustments above are as described below.

(1) Adjustments to ordinary income from customers, interest income and interest expense, which are ¥431 million (\$4 million) respectively, represent reclassification of accounts.

(2) Other adjustments represent elimination of intersegment transactions.

(d) Related information

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

(i) Information about services

The information about services is not presented since ordinary income from outside customers in relation to the loan, guarantee and equity participation operations is more than 90% of Ordinary income on the consolidated statements of operations.

(ii) Information about geographical areas

① Ordinary income:

(In millions of yen)

Japan	Asia/Oceania	Europe/Middle East /Africa	North America/ Latin America	Total
¥ 140,990	¥ 131,559	¥ 126,361	¥ 86,945	¥ 485,856

Notes 1. Ordinary income is disclosed in place of sales for non-financial companies.

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

② Property, plant and equipment

The information about property, plant and equipment is not presented since more than 90% of Property, plant equipment on the consolidated balance sheets is located in Japan.

(iii) Information about major customers

The information about major customers is not presented since there are no transactions with a certain customer which result in more than 10% of Ordinary income on the consolidated statements of operations.

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(i) Information about services

The information about services is not presented since ordinary income from outside customers in relation to the loan, guarantee and equity participation operations is more than 90% of Ordinary income on the consolidated statements of operations.

(ii) Information about geographical areas

① Ordinary income:

(In millions of yen)

Japan	Asia/Oceania	Europe/Middle East /Africa	North America/ Latin America	Total
¥ 51,157	¥ 97,875	¥ 91,173	¥ 44,535	¥ 284,742

(In millions of U.S. dollars)

Japan	Asia/Oceania	Europe/Middle East /Africa	North America/ Latin America	Total
\$ 462	\$ 884	\$ 824	\$ 402	\$ 2,572

Notes 1. Ordinary income is disclosed in place of sales for non-financial companies.

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

② Property, plant and equipment

The information about property, plant and equipment is not presented since more than 90% of Property, plant equipment on the consolidated balance sheets is located in Japan.

(iii) Information about major customers

The information about major customers is not presented since there are no transactions with a certain customer which result in more than 10% of Ordinary income on the consolidated statements of operations.

(e) Information about impairment losses of property, plant and equipment in reportable segments

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

Not applicable.

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

Not applicable.

(f) Information about the amortization and balance of goodwill in reportable segments

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

Not applicable.

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

Not applicable.

(g) Information about gains from the recognition of negative goodwill in reportable segments

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

Not applicable.

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

Not applicable.

23. Related-party information**1. Related party transactions****(1) Related party transactions with JBIC****(a) Transactions with major shareholder**

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

(In millions of yen)

	Related party name	Location	Capital	Business	Ratio to total voting rights (%)	Relationship with related parties	Transactions	Amounts of transactions (Note 4)	Items	Balance as of March 31, 2020 (Note 4)
Principal shareholder	Ministry of Finance (Minister of Finance)	Chiyoda-ku, Tokyo	—	Administration for policy based financing	100 (Direct)	Receipt of funds	Capital subscription (Note 1)	¥ 98,500	—	¥ —
							Receipt of funds (Note 2)	466,673	Borrowed money	6,786,499
							Repayment of borrowed money	1,147,530		
							Payment of interest on borrowed money	126,812	Accrued expense	21,013
							Guarantee for corporate bonds (Note 3)	4,786,648	—	—

Notes 1. Ministry of Finance subscribed new shares issued by JBIC through an allotment to the shareholder for ¥1 per share.

2. Receipt of funds represents borrowings from the FILP special account and Foreign Exchange Funds Special Account ("FEFSA"). FILP interest rates are applied in accordance with the FILP agreement, while the interest rates under the respective agreements related to the FEFSA are applied to borrowings from foreign exchange funds.

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

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

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(In millions of yen)

	Related party name	Location	Capital	Business	Ratio to total voting rights (%)	Relationship with related parties	Transactions	Amounts of transactions (Note 4)	Items	Balance as of March 31, 2021 (Note 4)
Principal shareholder	Ministry of Finance (Minister of Finance)	Chiyoda-ku, Tokyo	—	Administration for policy based financing	100 (Direct)	Receipt of funds	Capital subscription (Note 1)	¥ 80,000	—	¥ —
							Receipt of funds (Note 2)	2,066,019	Borrowed money	6,651,321
							Repayment of borrowed money	2,272,052		
							Payment of interest on borrowed money	41,163	Accrued expense	6,112
							Guarantee for corporate bonds (Note 3)	4,904,965	—	—

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(In millions of U.S. dollars)

	Related party name	Location	Capital	Business	Ratio to total voting rights (%)	Relationship with related parties	Transactions	Amounts of transactions (Note 4)	Items	Balance as of March 31, 2021 (Note 4)
Principal shareholder	Ministry of Finance (Minister of Finance)	Chiyoda-ku, Tokyo	—	Administration for policy based financing	100 (Direct)	Receipt of funds	Capital subscription (Note 1)	\$ 723	—	\$ —
							Receipt of funds (Note 2)	18,662	Borrowed money	60,079
							Repayment of borrowed money	20,523		
							Payment of interest on borrowed money	372	Accrued expenses	55
							Guarantee for corporate bonds (Note 3)	44,305	—	—

Notes 1. Ministry of Finance subscribed new shares issued by JBIC through an allotment to the shareholder for ¥1 (\$0.009) per share.

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

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

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

(b) Transactions with fellow subsidiaries and subsidiaries of any other associated companies

Fiscal year ended March 31, 2020 (From April 1, 2019 to March 31, 2020)

(In millions of yen)

	Corporate name	Location	Capital	Business	Ratio to total voting rights (%)	Relationship with related parties	Transactions	Amounts of transactions	Items	Balance as of March 31, 2020
Entities that had the majority of their voting rights held by principal shareholder	Japan International Cooperation Agency	Chiyoda-ku, Tokyo	¥8,213,180	Official development assistance	None	Joint obligor	Joint obligations	¥ 40,000 (Notes 1, 3)	—	¥ —
	Japan Finance Corporation	Chiyoda-ku, Tokyo	4,324,220	Finance	None	Joint obligor	Joint obligations	90,000 (Notes 2, 3)	—	—

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

2. JBIC is jointly responsible for the obligations of JFC bonds in accordance with Article 17 (1) (ii) of Supplementary Provisions of the JBIC Act. In accordance with Article 17 (2) hereof, all of JBIC's assets are all pledged as general collateral for these joint obligations.

3. In relation to these joint obligations, no transactions are recognized in the consolidated statements of operations.

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(In millions of yen)

	Corporate name	Location	Capital	Business	Ratio to total voting rights (%)	Relationship with related parties	Transactions	Amounts of transactions	Items	Balance as of March 31, 2021
Entities that had the majority of their voting rights held by principal shareholder	Japan International Cooperation Agency	Chiyoda-ku, Tokyo	¥8,264,620	Official development assistance	None	Joint obligor	Joint obligations	¥ 20,000 (Notes 1, 3)	—	¥ —
	Japan Finance Corporation	Chiyoda-ku, Tokyo	6,990,201	Finance	None	Joint obligor	Joint obligations	70,000 (Notes 2, 3)	—	—

Fiscal year ended March 31, 2021 (From April 1, 2020 to March 31, 2021)

(In millions of U.S. dollars)

	Corporate name	Location	Capital	Business	Ratio to total voting rights (%)	Relationship with related parties	Transactions	Amounts of transactions	Items	Balance as of March 31, 2021
Entities that had the majority of their voting rights held by principal shareholder	Japan International Cooperation Agency	Chiyoda-ku, Tokyo	\$ 74,651	Official development assistance	None	Joint obligor	Joint obligations	\$ 181 (Notes 1, 3)	—	\$ —
	Japan Finance Corporation	Chiyoda-ku, Tokyo	63,140	Finance	None	Joint obligor	Joint obligations	632 (Notes 2, 3)	—	—

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

2. JBIC is jointly responsible for the obligations of JFC bonds in accordance with Article 17 (1) (ii) of Supplementary Provisions of the JBIC Act. In accordance with Article 17 (2) hereof, all of JBIC's assets are all pledged as general collateral for these joint obligations.

3. In relation to these joint obligations, no transactions are recognized in the consolidated statements of operations.

(2) Transactions between consolidated subsidiaries and related parties

Not applicable.

2. Notes to the parent company or significant affiliates

(1) Parent company information

Not applicable.

(2) Condensed financial information of significant affiliates

Significant affiliates of JBIC are IFC Capitalization (Subordinated Debt) Fund, L.P. and IFC Capitalization (Equity) Fund, L.P. in the current fiscal year. Their condensed financial information is as shown below:

	For the year ended March 31, 2020 (In millions of yen)	For the year ended March 31, 2021 (In millions of yen)	For the year ended March 31, 2021 (In millions of U.S. dollars)
Total assets	¥ 105,849	¥ 62,137	\$ 561
Total liabilities	6,592	431	4
Total net assets	99,256	61,705	557
Gain on investment	9,287	4,107	37
Net income (loss) before income taxes	(1,417)	3,102	28
Net income (loss)	(1,417)	3,102	28

24. Amounts per share

Amounts per share as of and for the fiscal years ended March 31, 2020 and 2021 are calculated as follows:

	For the year ended March 31, 2020 (In yen)	For the year ended March 31, 2021 (In yen)	For the year ended March 31, 2021 (In U.S. dollars)
Net assets per share of common stock	¥ 1.79	¥ 1.67	\$ 0.02
Net income per share of common stock	0.07	0.02	0.00

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

Diluted net income per share of common stock is not presented since there are no dilutive shares.

	For the year ended March 31, 2020 (In millions of yen)	For the year ended March 31, 2021 (In millions of yen)	For the year ended March 31, 2021 (In millions of U.S. dollars)
Net income attributable to owner of parent	¥ 116,740	¥ 44,290	\$ 400
Amount not attributable to common stock	—	—	—
Net income attributable to owner of parent related to common stock	116,740	44,290	400
Average number of outstanding shares of common stock (during the fiscal year)	1,638,798,633 thousand shares	1,735,772,602 thousand shares	

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

	As of March 31, 2020 (In millions of yen)	As of March 31, 2021 (In millions of yen)	As of March 31, 2021 (In millions of U.S. dollars)
Net assets	¥ 3,114,051	¥ 3,040,896	\$ 27,467
Deductions from net assets	271	318	3
(Non-controlling interests)	271	318	3
Net assets related to common stock	3,113,780	3,040,578	27,464
Year-end number of outstanding shares of common stock based on which net assets per share was calculated	1,733,800,000 thousand shares	1,813,800,000 thousand shares	

25. Bonds payable

Bonds payable as of March 31, 2021 are as follows:

(In millions of yen)

Name of company	Description of bonds payable	Date of issuance	Balance at the beginning of the current fiscal year	Balance at the end of the current fiscal year	Interest rate (%)	Collateral	Maturity date	Remarks
JBIC	Government guaranteed JBIC foreign bonds 4 th , 7 th , 9 th - 19 th , 22 nd - 47 th	July 31, 2013 - February 9, 2021	4,786,648 (USD 43,462,337,000) (GBP 424,859,000)	4,904,965 [498,142] (USD 43,961,079,000) [USD 4,499,527,000] (GBP 249,851,000)	0.375~ 3.500	General collateral	May 28, 2020 - January 21, 2031	
	JBIC bonds 22 nd and 23 rd	March 14, 2006	39,998	20,000	1.890~ 2.090	General collateral	March 22, 2021 - December 19, 2025	*1
	Non-guaranteed JBIC domestic bonds 2 nd - 3 rd	August 10, 2017	60,000	40,000	0.001~ 0.030	General collateral	June 19, 2020 - June 20, 2022	
	Total	—	¥ 4,886,646	¥ 4,964,965	—	—	—	—

(In millions of U.S. dollars)

Name of company	Description of bonds payable	Date of issuance	Balance at the beginning of the current fiscal year	Balance at the end of the current fiscal year	Interest rate (%)	Collateral	Maturity date	Remarks
JBIC	Government guaranteed JBIC foreign bonds 4 th , 7 th , 9 th - 19 th , 22 nd - 47 th	July 31, 2013 - February 9, 2021	43,236 (USD 43,462,337,000) (GBP 424,859,000)	44,305 [4,500] (USD 43,961,079,000) [USD 4,499,527,000] (GBP 249,851,000)	0.375~ 3.500	General collateral	May 28, 2020 - January 21, 2031	
	JBIC bonds 22 nd and 23 rd	March 14, 2006	361	181	1.890~ 2.090	General collateral	March 22, 2021 - December 19, 2025	*1
	Non-guaranteed JBIC domestic bonds 2 nd - 3 rd	August 10, 2017	542	361	0.001~ 0.030	General collateral	June 19, 2020 - June 20, 2022	
	Total	—	\$ 44,139	\$ 44,847	—	—	—	—

Notes 1. The amounts of foreign currency-denominated bonds are shown with original currencies in parentheses ().

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

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

4. The redemption schedule of bonds payable for each of the next five years as of March 31, 2021 is as follows:

(In millions of yen)

	Within 1 year	After 1 year but within 2 years	After 2 years but within 3 years	After 3 years but within 4 years	After 4 years but within 5 years
Bonds payable	¥ 498,195	¥ 870,325	¥ 885,680	¥ 608,905	¥ 573,550

(In millions of U.S. dollars)

	Within 1 year	After 1 year but within 2 years	After 2 years but within 3 years	After 3 years but within 4 years	After 4 years but within 5 years
Bonds payable	\$ 4,500	\$ 7,861	\$ 8,000	\$ 5,500	\$ 5,181

26. Borrowings

Borrowings as of March 31, 2021 are as follows:

	Balance at the beginning of the current fiscal year (In millions of yen)	Balance at the beginning of the current fiscal year (In millions of U.S. dollars)	Balance at the end of the current fiscal year (In millions of yen)	Balance at the end of the current fiscal year (In millions of U.S. dollars)	Average interest rate (%)	Due date of payment
Borrowed money	¥ 6,786,499	\$ 61,300	¥ 6,651,321	\$ 60,079	0.31	—
Borrowings	6,786,499	61,300	6,651,321	60,079	0.31	July 2021 – November 2037
Other interest-bearing liabilities	268,460	2,425	127,610	1,152	(0.04)	—
Cash collateral received for financial instruments	268,460	2,425	127,610	1,152	(0.04)	—

Notes 1. "Average interest rate" represents the weighted-average interest rates of debts calculated from "Interest rates" and "Balance at the end of the current fiscal year."
 2. There is no fixed maturity date for the repayment of Cash collateral received for financial instruments.
 3. Maturities of borrowings for the next five years as of March 31, 2021 are as follows:

	Within 1 year	After 1 year but within 2 years	After 2 years but within 3 years	After 3 years but within 4 years	After 4 years but within 5 years
Borrowings	¥ 191,800	¥ 2,532,295	¥ 773,668	¥ 895,664	¥ 1,416,793

(In millions of U.S. dollars)

	Within 1 year	After 1 year but within 2 years	After 2 years but within 3 years	After 3 years but within 4 years	After 4 years but within 5 years
Borrowings	\$ 1,732	\$ 22,873	\$ 6,988	\$ 8,090	\$ 12,797

27. Asset retirement obligations

This information is not presented because the amount of asset retirement obligations as of the beginning and end of the current fiscal year is equal to, or less than, one hundredth of the aggregated amount of Liabilities and Net assets as of the beginning and end of the current fiscal year.

28. Other

Not applicable.

(Supplementary Information) Financial Statements for Each Operation

JBIC is required to maintain separate accounts for the Ordinary Operations and the Special Operations in accordance with Article 26-2 of the Japan Bank for International Cooperation Act (JBIC Act). The separate financial statements for those operations that are prepared pursuant to Article 26-3 of the JBIC Act and Article 435-2 of the Companies Act of Japan have been subject to audit

by Ernst & Young ShinNihon LLC according to Article 26-3 of the JBIC Act and Article 436-2(i) of the Companies Act. Although the balance sheets and statement of operations for each operation, as provided below, have been prepared based on the above-mentioned audited financial statements, the statements of cash flows have not been audited.

■ Balance Sheets

[Ordinary Operations Account]

(In millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets:		
Cash and due from banks	1,272,476	961,369
Cash	0	0
Due from banks	1,272,475	961,369
Securities	352,750	273,153
Equity Securities	255	255
Other securities	352,495	272,898
Loans and bills discounted	13,114,594	13,525,185
Loans on deeds	13,114,594	13,525,185
Other assets	431,615	277,352
Prepaid expenses	602	658
Accrued income	81,435	48,506
Derivatives other than for trading-assets	293,535	106,893
Cash collateral paid for financial instruments	55,440	104,420
Other	601	16,873
Property, plant and equipment	28,115	29,084
Buildings	3,030	3,687
Land	24,311	24,311
Construction in progress	0	31
Other	772	1,054
Intangible assets	5,220	4,206
Software	5,220	4,206
Customers' liabilities for acceptances and guarantees	2,118,383	1,835,123
Allowance for loan losses	(285,515)	(339,416)
Total assets	17,037,639	16,566,058

(In millions of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities:		
Borrowed money	6,786,499	6,647,121
Borrowings	6,786,499	6,647,121
Bonds payable	4,886,646	4,964,965
Other liabilities	422,800	371,525
Accrued expenses	57,182	39,403
Unearned revenue	41,920	31,415
Derivatives other than for trading-assets	48,335	130,750
Cash collateral received for financial instruments	268,350	127,610
Other	7,010	42,346
Provision for bonuses	578	577
Provision for directors' bonuses	10	10
Provision for retirement benefits	6,695	6,312
Provision for directors' retirement benefits	44	46
Acceptances and guarantees	2,118,383	1,835,123
Total liabilities	14,221,657	13,825,682
Net assets:		
Capital stock	1,590,500	1,660,500
Retained earnings	996,188	981,470
Legal retained earnings	879,277	937,732
Other retained earnings	116,911	43,737
Retained earnings brought forward	116,911	43,737
Total shareholder's equity	2,586,688	2,641,970
Valuation difference on available-for-sale securities	(3,486)	2,020
Deferred gains or losses on hedges	232,780	96,385
Total valuation and translation adjustments	229,293	98,406
Total net assets	2,815,981	2,740,376
Total liabilities and net assets	17,037,639	16,566,058

[Special Operations Account]

(In millions of yen)

	As of March 31, 2020	As of March 31, 2021
Assets:		
Cash and due from banks	271,847	271,851
Due from banks	271,847	271,851
Securities	—	2,664
Other securities	—	2,664
Loans and bills discounted	19,385	31,629
Loans on deeds	19,385	31,629
Other assets	2,010	3,034
Prepaid expenses	7	8
Accrued income	381	789
Derivatives other than for trading-assets	104	—
Cash collateral paid for financial instruments	1,510	2,230
Other	6	6
Allowance for loan losses	(339)	(425)
Total assets	292,904	308,754

	As of March 31, 2020	As of March 31, 2021
Liabilities:		
Borrowed money	—	4,200
Borrowings	—	4,200
Other liabilities	1,658	2,415
Accrued expenses	4	5
Derivatives other than for trading-assets	1,528	2,394
Cash collateral received for financial instruments	110	—
Other	14	15
Provision for bonuses	7	8
Provision for directors' bonuses	0	0
Provision for retirement benefits	20	25
Provision for directors' retirement benefits	0	0
Total liabilities	1,686	6,650
Net assets:		
Capital stock	293,300	303,300
Retained earnings	(604)	(116)
Other retained earnings	(604)	(116)
Retained earnings brought forward	(604)	(116)
Total shareholder's equity	292,695	303,183
Valuation difference on available-for-sale securities	—	67
Deferred gains or losses on hedges	(1,476)	(1,146)
Total valuation and translation adjustments	(1,476)	(1,078)
Total net assets	291,218	302,104
Total liabilities and net assets	292,904	308,754

■ Statements of Operations

[Ordinary Operations Account]

(In millions of yen)

	For the year ended March 31, 2020	For the year ended March 31, 2021
Ordinary income:	481,706	282,755
Interest income	416,721	232,622
Interest on loans and discounts	398,798	212,113
Interest and dividends on securities	1,003	1,648
Interest on deposits with banks	16,858	2,256
Interest on interest swaps	—	16,518
Other interest income	60	84
Fees and commissions	25,269	26,391
Other fees and commissions	25,269	26,391
Other ordinary income	—	8,657
Gain on foreign exchange transactions	—	8,657
Other income	39,716	15,083
Reversal of allowance for loan losses	7,467	—
Recoveries of written-off claims	29,308	2
Gain on sales of equity and other securities	—	4,176
Gain on investments in partnerships	2,741	10,708
Other	198	195
Ordinary expenses:	364,812	239,027
Interest expense	329,654	150,276
Interest on borrowed money and rediscounts	126,812	41,163
Interest on bonds	118,280	108,967
Interest on interest swaps	84,541	—
Other interest expense	19	144
Fees and commissions payments	2,567	2,308
Other fees and commissions	2,567	2,308
Other ordinary expenses	8,899	5,991
Loss on foreign exchange transactions	6,464	—
Amortization of bond issuance cost	1,117	1,112
Expenses on derivatives other than for trading or hedging	814	4,104
Other	503	774
General and administrative expenses	20,791	19,605
Other expenses	2,899	60,846
Provision of allowance for loan losses	—	53,900
Loss on sales of equity and other securities	—	0
Loss on devaluation of equity and other securities	—	6,945
Loss on written-off of loans	2,897	—
Other	2	0
Ordinary profit	116,894	43,727
Extraordinary income	16	10
Gain on disposal of noncurrent assets	16	10
Extraordinary loss	0	—
Loss on disposal of noncurrent assets	0	—
Net income	116,911	43,737

[Special Operations Account]

(In millions of yen)

	For the year ended March 31, 2020	For the year ended March 31, 2021
Ordinary income:	579	1,373
Interest income	577	1,360
Interest on loans and discounts	576	1,360
Interest on deposits with banks	0	0
Other interest income	0	0
Other ordinary income	0	10
Gain on foreign exchange transactions	0	10
Other income	2	2
Other	2	2
Ordinary expenses:	725	885
Interest expense	145	432
Interest on borrowed money and rediscounts	—	0
Interest on interest swaps	145	431
Other interest expense	0	0
Fees and commissions payments	38	72
Other fees and commissions	38	72
General and administrative expenses	289	293
Other expenses	252	86
Provision of allowance for loan losses	252	86
Other	0	0
Ordinary profit	145	487
Net income	145	487

■ Statements of Cash Flows

[Ordinary Operations Account]

(In millions of yen)

	For the year ended March 31, 2020	For the year ended March 31, 2021
Cash flows from operating activities		
Net income	116,911	43,737
Depreciation and amortization	2,728	2,098
Increase (decrease) in allowance for loan losses	(7,523)	53,900
Increase (decrease) in provision for bonuses	18	(1)
Increase (decrease) in provision for directors' bonuses	0	(0)
Increase (decrease) in provision for retirement benefits	(279)	(382)
Increase (decrease) in provision for directors' retirement benefits	13	2
Interest income	(416,721)	(232,622)
Interest expense	329,654	150,276
Loss (gain) related to securities	(2,741)	(7,940)
Foreign exchange losses (gains)	(1,533)	(1,944)
Loss (gain) on disposal of noncurrent assets	(16)	(10)
Net decrease (increase) in loans and bills discounted	456,621	(410,590)
Net increase (decrease) in borrowed money	(788,214)	(139,377)
Net decrease (increase) in deposits (excluding deposits paid to Bank of Japan)	(47,989)	52,793
Increase (decrease) in straight bonds-issuance and redemption	300,887	75,992
Interest received	448,210	266,576
Interest paid	(338,319)	(165,792)
Other	186,809	(33,237)
Subtotal	238,516	(346,522)
Net cash provided by (used in) operating activities	238,516	(346,522)
Cash flow from investing activities		
Purchase of securities	(30,201)	(10,094)
Proceeds from sales of securities	18,272	58,803
Proceeds from redemption of securities	23,500	30,000
Purchase of property, plant and equipment	(773)	(1,583)
Proceeds from sales of property, plant and equipment	22	15
Purchase of intangible assets	(653)	(477)
Net cash provided by (used in) investing activities	10,165	76,664
Cash flow from financing activities		
Proceeds from issuance of new shares	56,200	70,000
Payment to national treasury	(26,525)	(58,455)
Net cash provided by (used in) financing activities	29,674	11,544
Effect of exchange rate change on cash and cash equivalents	—	—
Net increase (decrease) in cash and cash equivalents	278,356	(258,313)
Cash and cash equivalents at beginning of period	489,391	767,748
Cash and cash equivalents at end of period	767,748	509,435

[Special Operations Account]

(In millions of yen)

	For the year ended March 31, 2020	For the year ended March 31, 2021
Cash flows from operating activities		
Net income	(145)	487
Increase (decrease) in allowance for loan losses	252	86
Increase (decrease) in provision for bonuses	1	0
Increase (decrease) in provision for directors' bonuses	0	0
Increase (decrease) in provision for retirement benefits	6	5
Increase (decrease) in provision for directors' retirement benefits	0	0
Interest income	(577)	(1,360)
Interest expense	145	432
Net decrease (increase) in loans and bills discounted	(14,040)	(12,244)
Net increase (decrease) in borrowed money	—	4,200
Net decrease (increase) in deposits (excluding deposits paid to Bank of Japan)	(0)	0
Interest received	304	959
Interest paid	(145)	(432)
Other	(1,165)	465
Subtotal	(15,362)	(7,399)
Net cash provided by (used in) operating activities	(15,362)	(7,399)
Cash flow from investing activities		
Purchase of securities	—	(2,596)
Net cash provided by (used in) investing activities	—	(2,596)
Cash flow from financing activities		
Proceeds from issuance of new shares	—	10,000
Net cash provided by (used in) financing activities	42,300	10,000
Effect of exchange rate change on cash and cash equivalents	—	—
Net increase (decrease) in cash and cash equivalents	26,937	4
Cash and cash equivalents at beginning of period	244,900	271,838
Cash and cash equivalents at end of period	271,838	271,842

2. Composition of Liabilities and Net Assets

[The Bank]

(Unit: millions of yen, %)

	March 31, 2020		March 31, 2021	
	Amount	% (Note)	Amount	% (Note)
Liabilities	14,223,323	82.1	13,832,310	82.0
Borrowed Money	6,786,499	39.2	6,651,321	39.4
Bonds Payable	4,886,646	28.2	4,964,965	29.4
Acceptances and Guarantees	2,118,383	12.2	1,835,123	10.9
Other	431,793	2.5	380,900	2.3
Net Assets	3,107,200	17.9	3,042,480	18.0
Capital Stock	1,883,800	10.9	1,963,800	11.6
Retained Earnings	995,583	5.7	981,353	5.8
Valuation Difference on Available-for-sale Securities	(3,486)	(0.0)	2,088	0.0
Deferred Gains or Losses on Hedges	231,303	1.3	95,238	0.6
Total Liabilities and Net Assets	17,330,523	100	16,874,791	100

(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 "Standards for Determining Capital Adequacy of a Financial Institution in Light of Assets Held, etc. under the Provision of Article 14-2 of the Banking Act" (2006, Financial Services Agency Notification No. 19). JBIC applies uniform international standards and calculate credit risk-weighted assets using the standardized approach.

(Unit: %, billions of yen)

Total risk-weighted capital ratio	20.78
Tier 1 risk-weighted capital ratio	19.95
Common Equity Tier 1 risk-weighted capital ratio	19.95
Total capital (Common Equity Tier 1 capital + Additional Tier 1 capital + Tier 2 capital)	3,042.6
Tier 1 capital (Common Equity Tier 1 capital + Additional Tier 1 capital)	2,921.1
Common Equity Tier 1 capital	2,921.1
Risk-weighted assets	14,641.5
The amount of minimum capital requirements	1,171.3

[Ordinary Operations Account]

(Unit: millions of yen, %)

	March 31, 2020		March 31, 2021	
	Amount	% (Note)	Amount	% (Note)
Liabilities	14,221,657	83.5	13,825,682	83.5
Borrowed Money	6,786,499	39.8	6,647,121	40.1
Bonds Payable	4,886,646	28.7	4,964,965	30.0
Acceptances and Guarantees	2,118,383	12.4	1,835,123	11.1
Other	430,128	2.5	378,471	2.3
Net Assets	2,815,981	16.5	2,740,376	16.5
Capital Stock	1,590,500	9.3	1,660,500	10.0
Retained Earnings	996,188	5.8	981,470	5.9
Valuation Difference on Available-for-sale Securities	(3,486)	(0.0)	2,020	0.0
Deferred Gains or Losses on Hedges	232,780	1.4	96,385	0.6
Total Liabilities and Net Assets	17,037,639	100	16,566,058	100

(Note) Ratio to Liabilities and Net Assets added.

[Special Operations Account]

(Unit: millions of yen, %)

	March 31, 2020		March 31, 2021	
	Amount	% (Note)	Amount	% (Note)
Liabilities	1,686	0.6	6,650	2.2
Borrowed Money	—	—	4,200	1.4
Bonds Payable	—	—	—	—
Acceptances and Guarantees	—	—	—	—
Other	1,686	0.6	2,450	0.8
Net Assets	291,218	99.4	302,104	97.8
Capital Stock	293,300	100.1	303,300	98.2
Retained Earnings	(604)	(0.2)	(116)	(0.0)
Valuation Difference on Available-for-sale Securities	—	—	67	0.0
Deferred Gains or Losses on Hedges	(1,476)	(0.5)	(1,146)	(0.4)
Total Liabilities and Net Assets	292,904	100	308,754	100

(Note) Ratio to Liabilities and Net Assets added.

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

[The Bank]

(Unit: millions of yen, %)

	Fiscal Year Ended March 31, 2020			Fiscal Year Ended March 31, 2021		
	Average Balance	Interest	Earning Yields	Average Balance	Interest	Earning Yields
Interest-earning Assets	14,188,919	417,214	2.94	13,669,962	233,469	1.71
Loans and Bills Discounted	13,133,886	399,375	3.04	12,789,817	213,473	1.67
Due from Banks	831,908	16,858	2.03	696,745	2,256	0.32
Interest-bearing Liabilities	12,076,414	329,723	2.73	11,616,445	150,035	1.29
Borrowed Money	7,185,943	126,812	1.76	6,638,279	41,163	0.62
Bonds Payable	4,751,906	118,280	2.49	4,710,869	108,967	2.31

[Ordinary Operations Account]

(Unit: millions of yen, %)

	Fiscal Year Ended March 31, 2020			Fiscal Year Ended March 31, 2021		
	Average Balance	Interest	Earning Yields	Average Balance	Interest	Earning Yields
Interest-earning Assets	14,176,523	416,638	2.94	13,640,139	232,541	1.70
Loans and Bills Discounted	13,122,418	398,798	3.04	12,764,092	212,113	1.66
Due from Banks	831,735	16,858	2.03	696,179	2,256	0.32
Interest-bearing Liabilities	12,076,386	329,577	2.73	11,615,376	150,035	1.29
Borrowed Money	7,185,943	126,812	1.76	6,637,462	41,163	0.62
Bonds Payable	4,751,906	118,280	2.49	4,710,869	108,967	2.31

[Special Operations Account]

(Unit: millions of yen, %)

	Fiscal Year Ended March 31, 2020			Fiscal Year Ended March 31, 2021		
	Average Balance	Interest	Earning Yields	Average Balance	Interest	Earning Yields
Interest-earning Assets	12,396	576	4.65	29,822	1,359	4.56
Loans and Bills Discounted	11,467	576	5.03	25,724	1,360	5.29
Due from Banks	173	0	0.12	565	0	0.01
Interest-bearing Liabilities	28	145	509.57	1,069	431	40.38
Borrowed Money	—	—	—	816	0	0.00
Bonds Payable	—	—	—	—	—	—

4. Breakdown of Operating Expenses

[The Bank]

(Unit: millions of yen)

	Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2021
Salaries and Other Compensations	5,900	6,140
Expenses for Retirement Benefits	485	332
Welfare Benefits	919	942
Depreciation of Property, Plant and Equipment	2,728	2,098
Leasing on Land, Buildings and Machinery	248	468
Building Maintenance	160	355
Supplies	366	387
Utilities	77	74
Traveling Expenses	1,638	401
Communications	176	234
Advertising Expenses	3	2
Fees, Donations and Social Expenses	45	48
Taxes	522	489
Other	7,769	7,892
Total	21,043	19,868

[Ordinary Operations Account]

(Unit: millions of yen)

	Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2021
Salaries and Other Compensations	5,819	6,050
Expenses for Retirement Benefits	475	322
Welfare Benefits	906	928
Depreciation of Property, Plant and Equipment	2,728	2,098
Leasing on Land, Buildings and Machinery	245	461
Building Maintenance	158	350
Supplies	362	382
Utilities	75	73
Traveling Expenses	1,616	396
Communications	173	231
Advertising Expenses	3	2
Fees, Donations and Social Expenses	44	47
Taxes	515	481
Other	7,664	7,778
Total	20,791	19,605

[Special Operations Account]

(Unit: millions of yen)

	Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2021
Salaries and Other Compensations	80	89
Expenses for Retirement Benefits	10	10
Welfare Benefits	12	13
Leasing on Land, Buildings and Machinery	40	37
Building Maintenance	2	5
Supplies	4	5
Utilities	1	1
Traveling Expenses	22	5
Communications	2	3
Advertising Expenses	0	0
Fees, Donations and Social Expenses	0	0
Taxes	7	7
Other	105	114
Total	289	293

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

[The Bank]

(Unit: millions of yen)

	March 31, 2020	March 31, 2021
Due from Banks in Japanese Yen	50,000	—
Due from Banks in Foreign Currencies	445,154	426,603
Receivables under Resale Agreements	—	—
Securities	—	—

[Ordinary Operations Account]

(Unit: millions of yen)

	March 31, 2020	March 31, 2021
Due from Banks in Japanese Yen	50,000	—
Due from Banks in Foreign Currencies	445,154	426,603
Receivables under Resale Agreements	—	—
Securities	—	—

[Special Operations Account]

(Unit: millions of yen)

	March 31, 2020	March 31, 2021
Due from Banks in Japanese Yen	—	—
Due from Banks in Foreign Currencies	0	0
Receivables under Resale Agreements	—	—
Securities	—	—

6. Information on Derivatives Transactions

(1) Basic Policy for Derivatives Transactions

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

(2) Transactions

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

(3) Risks Involved in Derivatives Transactions

Derivatives transactions involve the following risks.

Counterparty Credit Risk

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

Market Risk

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

(4) Measures to Address These Risks

Counterparty Credit Risk

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

Regarding the fair value of a derivative in conducting a transaction and credit risk exposure, JBIC performs detailed management by taking into account collateral transfer based on a collateral contract with the counterparty.

Market Risk

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

(As of March 31, 2021; 100 millions of yen)

	Contract Amounts / Notional Amounts	Credit Risk Amounts	Market Value
Interest Rate Swaps	55,037	2,340	1,334
Currency Swaps	44,991	3,080	(1,593)
Forward Exchange Contracts	489	4	(3)
Credit Risk Mitigation through Netting		(2,907)	
Total	100,518	2,519	(262)

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

7. Yield / Interest Rate

[The Bank]

(Unit: %)

	Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2021
(A) – (B)	0.02	0.23
Yields on Interest-earning Assets (A)	2.94	1.71
Costs of Interest-bearing Liabilities (B)	2.92	1.48

(Note) Yields on Interest-earning Assets = Interest / Average Balance of Interest-earning Assets
 Costs of Interest-bearing Liabilities = (Interest Expenses + Bonds Payable + Expenses) / Average Balance of Interest-bearing Liabilities
 Cf. Interest = Interest on Loans and Discounts + Interest and Dividends on Securities + Interest on Receivables under Resale Agreements + Interest on Deposits with Banks + Interest on interest swaps + Other interest income
 Average Balance of Interest-earning Assets = Loans and Bills Discounted + Securities + Receivables under Resale Agreements + Cash Equivalents (excluding current account deposit and others) + Cash collateral paid for financial instruments
 Interest Expenses = 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

[Ordinary Operations Account]

(Unit: %)

	Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2021
(A) – (B)	0.02	0.23
Yields on Interest-earning Assets (A)	2.94	1.70
Costs of Interest-bearing Liabilities (B)	2.91	1.48

(Note) Yields on Interest-earning Assets = Interest / Average Balance of Interest-earning Assets
 Costs of Interest-bearing Liabilities = (Interest Expenses + Bonds Payable + Expenses) / Average Balance of Interest-bearing Liabilities
 Cf. Interest = Interest on Loans and Discounts + Interest and Dividends on Securities + Interest on Receivables under Resale Agreements + Interest on Deposits with Banks + Interest on interest swaps + Other interest income
 Average Balance of Interest-earning Assets = Loans and Bills Discounted + Securities + Receivables under Resale Agreements + Cash Equivalents (excluding current account deposit and others) + Cash collateral paid for financial instruments
 Interest Expenses = 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

[Special Operations Account]

(Unit: %)

	Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2021
(A) – (B)	(1,521.27)	(63.31)
Yields on Interest-earning Assets (A)	4.65	4.56
Costs of Interest-bearing Liabilities (B)	1,525.93	67.87

(Note) Yields on Interest-earning Assets = Interest / Average Balance of Interest-earning Assets
 Costs of Interest-bearing Liabilities = (Interest Expenses + Bonds Payable + Expenses) / Average Balance of Interest-bearing Liabilities
 Cf. Interest = Interest on Loans and Discounts + Interest and Dividends on Securities + Interest on Receivables under Resale Agreements + Interest on Deposits with Banks + Interest on interest swaps + Other interest income
 Average Balance of Interest-earning Assets = Loans and Bills Discounted + Securities + Receivables under Resale Agreements + Cash Equivalents (excluding current account deposit) + 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, 2020	March 31, 2021
21,321	21,315

9. Loans Outstanding by Industry

(Unit: millions of yen)

Industry	March 31, 2020		March 31, 2021	
	Number of Loans	Balance	Number of Loans	Balance
Manufacturing	114	910,551	114	1,168,579
Mining and Quarrying of Stone and Gravel	8	280,418	7	264,766
Construction	1	300	2	535
Electricity, Gas, Heat Supply, and Water	4	98,350	3	70,224
Transport and Postal Services	3	2,759	2	1,975
Wholesale Trade	18	576,881	14	556,612
Retail Trade	1	195	2	478
Finance and Insurance	24	2,527,327	25	2,443,382
Real Estate	1	606	1	548
Goods Rental and Leasing	3	149,788	4	167,696
Scientific Research, Professional and Technical Service	2	218	2	58
Accommodations	1	304	1	261
Living-Related and Personal Services and Amusement Services	—	—	1	4,000
Overseas Yen Loan and Domestic Loans Transferred Overseas	491	8,623,881	501	8,915,523
Total, Including Others	671	13,171,584	679	13,594,645
Loans Outstanding to Small and Medium-sized Enterprises, and Mid-tier Enterprises	515	147,411	553	171,664

10. Write-off of Loans

[Ordinary Operations Account]

(Unit: millions of yen)

Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2021
2,897	—

[Special Operations Account]

(Unit: millions of yen)

Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2021
—	—

11. Assets in Foreign Currencies (Loans and Equity Participation)

[The Bank]

(Unit: millions of yen)

	March 31, 2020	March 31, 2021
Investments in Foreign Currency (USD)	176,089	148,205
Investments in Foreign Currency (EUR)	1,277	2,683
Investments in Foreign Currency (RUB)	17,011	18,370
Equity Investments in Foreign Currency (USD)	55,399	48,316
Equity Investments in Foreign Currency (EUR)	25,058	11,228
Equity Investments in Foreign Currency (THB)	19	19
Equity Investments in Foreign Currency (CNY)	2,204	2,204
Equity Investments in Foreign Currency (INR)	1,971	1,076
Equity Investments in Foreign Currency (RUB)	518	518
Loans in Foreign Currency (USD)	11,574,303	11,700,564
Loans in Foreign Currency (GBP)	208,660	390,197
Loans in Foreign Currency (EUR)	461,957	467,170
Loans in Foreign Currency (ZAR)	—	8,310
Loans in Foreign Currency (AUD)	81,770	85,965
Loans in Foreign Currency (THB)	19,990	67,261
Loans in Foreign Currency (SDR)	579	—
Loans in Foreign Currency (CAD)	49,790	55,283
Loans in Foreign Currency (CNY)	13,435	13,484
Loans in Foreign Currency (INR)	1,043	776
Loans in Foreign Currency (MXN)	2,511	2,314
Loans in Foreign Currency (IDR)	335	16,346
Loans in Foreign Currency (RUB)	4,932	3,898
Loans in Foreign Currency (SEK)	996	1,169

[Ordinary Operations Account]

(Unit: millions of yen)

	March 31, 2020	March 31, 2021
Investments in Foreign Currency (USD)	176,089	148,205
Investments in Foreign Currency (EUR)	1,277	2,683
Investments in Foreign Currency (RUB)	17,011	18,370
Equity Investments in Foreign Currency (USD)	55,399	45,769
Equity Investments in Foreign Currency (EUR)	25,058	11,110
Equity Investments in Foreign Currency (THB)	19	19
Equity Investments in Foreign Currency (CNY)	2,204	2,204
Equity Investments in Foreign Currency (INR)	1,971	1,076
Equity Investments in Foreign Currency (RUB)	518	518
Loans in Foreign Currency (USD)	11,564,518	11,681,391
Loans in Foreign Currency (GBP)	208,660	390,197
Loans in Foreign Currency (EUR)	461,957	467,170
Loans in Foreign Currency (ZAR)	—	8,310
Loans in Foreign Currency (AUD)	81,770	85,965
Loans in Foreign Currency (THB)	19,990	67,261
Loans in Foreign Currency (SDR)	579	—
Loans in Foreign Currency (CAD)	49,790	55,283
Loans in Foreign Currency (CNY)	13,435	13,484
Loans in Foreign Currency (INR)	1,043	776
Loans in Foreign Currency (MXN)	2,511	2,314
Loans in Foreign Currency (IDR)	335	16,346
Loans in Foreign Currency (RUB)	4,932	3,898
Loans in Foreign Currency (SEK)	996	1,169

[Special Operations Account]

(Unit: millions of yen)

	March 31, 2020	March 31, 2021
Equity Investments in Foreign Currency (USD)	—	2,546
Equity Investments in Foreign Currency (EUR)	—	117
Loans in Foreign Currency (USD)	9,785	19,172

12. Administrative Expense Ratio

[The Bank]

(Units: %)

Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2021
0.13	0.13

(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)

[Ordinary Operations Account]

(Units: %)

Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2021
0.13	0.13

(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)

[Special Operations Account]

(Units: %)

Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2021
2.52	1.06

(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)

13. Balance of Loans / Borrowings, Bonds and Notes by Maturity

Maturity Structure of Loans as of March 31, 2021

(Unit: 100 millions of yen)

Maturity	Collection from Loans
1 Year or Less	13,101
1-2 Years	14,957
2-3 Years	13,825
3-4 Years	13,633
4-5 Years	20,268
5-6 Years	11,384
6-7 Years	10,355
7-8 Years	7,596
8-9 Years	8,218
9-10 Years	5,868
11-15 Years	9,357
16-20 Years	3,660
21-25 Years	1,176
26-30 Years	11
31-35 Years	—
36-40 Years	—
Over 40 Years	—
Total	133,413

(Note) The figures exclude: ¥215.4 billion, the amount of loans and other credits to debtors who are legally or substantially bankrupt, as well as those who are likely to become bankrupt, since they have no prospect for redemption.

Maturity Structure of Borrowings from FILP Fiscal Loan and Foreign Exchange Fund Special Account in total as of March 31, 2021

(Unit: 100 millions of yen)

Maturity	Repayment of Borrowings
1 Year or Less	1,918
1-2 Years	25,322
2-3 Years	7,736
3-4 Years	8,956
4-5 Years	14,167
5-6 Years	3,871
6-7 Years	1,210
7-8 Years	1,096
8-9 Years	—
9-10 Years	107
Over 10 Years	2,127
Total	66,513

Maturity Structure of Bonds and Notes as of March 31, 2021

(Unit: 100 millions of yen)

Maturity	Redemption of Bonds and Notes
1 Year or Less	4,981
1-2 Years	8,703
2-3 Years	8,856
3-4 Years	6,089
4-5 Years	5,735
5-6 Years	5,694
6-7 Years	4,705
7-8 Years	2,214
8-9 Years	1,107
9-10 Years	1,660
Over 10 Years	—
Total	49,748

14. Information on the Quality of Assets

Although the Banking Act and Act on Emergency Measures for the Revitalization of the Financial Functions of 1998 (the "Financial Revitalization Act") do not apply to JBIC, JBIC has made a self-assessment of the quality of its assets since the fiscal year ended March 31, 2001. This was aimed at increasing disclosure on its asset quality and improving the internal management of credit risks.

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

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

ERNST & YOUNG SHINNIHON LLC audited JBIC's self-assessment regarding the quality of its assets, including the following 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)".^(Note)

[Ordinary Operations Account]

(Unit: millions of yen)

	Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2021
Bankrupt Loans	—	—
Non-accrual Loans	185,309	215,417
Past Due Loans (3 months or more)	8,690	54,839
Restructured Loans	159,118	218,411
Total (1)	353,118	488,668
Total Amounts of Loans (2)	13,114,594	13,525,185
(1) / (2) (%)	2.69	3.61

[Special Operations Account]

Not applicable.

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”.

[Ordinary Operations Account]

(Unit: millions of yen)

		Fiscal Year Ended March 31, 2020	Fiscal Year Ended March 31, 2021
Loans	Bankrupt and Quasi-bankrupt Assets	—	—
	Doubtful Assets	185,309	215,417
	Substandard Loans	167,808	273,251
	Subtotal (1)	353,118	488,668
	Normal Assets	14,958,843	14,919,222
	Total (2)	15,311,962	15,407,891
	(1) / (2) (%)	2.31	3.17

[Special Operations Account]

Not applicable.

(Note) In the event that a debtor country encounters temporary repayment difficulties in respect of external public debt (debt whose creditors are public institutions such as the governments, trade insurance institutions, export credit agencies, 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 ¥139,933 million as of the end of the fiscal year ended March 31, 2021.

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 ¥104,676 million.

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

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

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB) as of March 31, 2021. The consolidated financial statements are presented in yen. Unless otherwise stated, all amounts are rounded down and stated in millions of yen.

Ernst & Young ShinNihon LLC has audited the consolidated financial statements of JBIC and its subsidiaries (the "JBIC Group"), which comprise the consolidated statements of financial position as of March 31, 2021 and 2020, and the consolidated income statements, consolidated statements

of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information, in accordance with International Standards on Auditing.

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

Consolidated Statements of Financial Position

(Millions of yen)

	As of March 31, 2021	As of March 31, 2020
Assets:		
Cash and due from banks	1,233,919	1,544,838
Derivative financial instrument assets	258,179	420,937
Financial assets at fair value through profit or loss	354,632	374,596
Securities	30,599	60,532
Loans and other receivables	13,133,838	12,759,508
Equity method investments	110,754	131,856
Property and equipment	29,110	28,146
Other assets	132,199	69,141
Total assets	15,283,235	15,389,558
Liabilities:		
Derivative financial instrument liabilities	284,420	178,255
Borrowings	6,651,321	6,786,499
Bonds payable	5,030,000	4,999,024
Financial guarantee contracts	63,962	98,965
Other liabilities	233,935	359,643
Total liabilities	12,263,640	12,422,389
Equity:		
Capital stock	1,963,800	1,883,800
Retained earnings	1,047,301	1,073,661
Other reserves	8,174	9,436
Non-controlling interests	318	271
Total equity	3,019,594	2,967,168
Total liabilities and equity	15,283,235	15,389,558

Consolidated Income Statements

(Millions of yen)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Interest income	225,860	422,286
Interest expense	151,904	246,447
Net interest income	73,956	175,838
Fee and commission income	18,462	16,898
Fee and commission expense	3,040	3,253
Net income (expense) from derivative financial instruments	(76,871)	63,870
Net gain (loss) from financial assets at fair value through profit or loss	(4,121)	16,934
Other income	9,301	279
Net non-interest income (expense)	(56,268)	94,728
Total operating income*1	17,688	270,566
Impairment losses (reversals) on financial assets	(32,652)	92,372
Net operating income*2	50,340	178,194
Operating expenses	20,285	21,284
Other expenses	774	2,833
Total operating expenses	21,060	24,117
Profits (losses) of equity method investments	2,653	(1,736)
Profit before income tax	31,933	152,340
Income tax expense	45	25
Net profit	31,888	152,314
Attributable to:		
Shareholder of JBIC	31,841	152,278
Non-controlling interests	46	35

*1 Aggregate of "Net interest income" and "Net non-interest income (expense)"

*2 "Total operating income" less "Impairment losses on financial assets"

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Net profit	31,888	152,314
Other comprehensive income (loss)		
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plans:		
Remeasurement arising during the year	254	(70)
Total of items that will not be reclassified to profit or loss	254	(70)
Items that may be reclassified to profit or loss:		
Deferred gains (losses) on hedges:		
Reclassification adjustments	(1)	(72)
Exchange differences on translation of foreign operations:		
Net gains (losses) arising during the year	2,103	(4,121)
Reclassification adjustments	(3,363)	(2,705)
Total of items that may be reclassified to profit or loss	(1,261)	(6,899)
Other comprehensive income (loss)	(1,006)	(6,970)
Total comprehensive income	30,881	145,344
Attributable to:		
Shareholder of JBIC	30,834	145,308
Non-controlling interests	46	35

Consolidated Statements of Changes in Equity

(Millions of yen)

	Attributable to shareholder of JBIC						Sub Total
	Capital stock	Retained earnings	Other reserves				
			Remeasurement of defined benefit plans	Deferred gains (losses) on hedges	Exchange differences on translation of foreign operations	Other reserves, Total	
April 1, 2019	1,785,300	947,978	—	73	16,261	16,335	2,749,614
Net profit	—	152,278	—	—	—	—	152,278
Other comprehensive income (loss)	—	—	(70)	(72)	(6,827)	(6,970)	(6,970)
Total comprehensive income (loss)	—	152,278	(70)	(72)	(6,827)	(6,970)	145,308
Issuance of new shares	98,500	—	—	—	—	—	98,500
Payment to the National Treasury	—	(26,525)	—	—	—	—	(26,525)
Other	—	(70)	70	—	—	70	—
March 31, 2020	1,883,800	1,073,661	—	1	9,434	9,436	2,966,897
Net profit	—	31,841	—	—	—	—	31,841
Other comprehensive income (loss)	—	—	254	(1)	(1,260)	(1,006)	(1,006)
Total comprehensive income (loss)	—	31,841	254	(1)	(1,260)	(1,006)	30,834
Issuance of new shares	80,000	—	—	—	—	—	80,000
Payment to the National Treasury	—	(58,455)	—	—	—	—	(58,455)
Other	—	254	(254)	—	—	(254)	—
March 31, 2021	1,963,800	1,047,301	—	—	8,174	8,174	3,019,276

(Millions of yen)

	Non-controlling interests	Total equity
April 1, 2019	235	2,749,850
Net profit	35	152,314
Other comprehensive income (loss)	—	(6,970)
Total comprehensive income (loss)	35	145,344
Issuance of new shares	—	98,500
Payment to the National Treasury	—	(26,525)
Other	—	—
March 31, 2020	271	2,967,168
Net profit	46	31,888
Other comprehensive income (loss)	—	(1,006)
Total comprehensive income (loss)	46	30,881
Issuance of new shares	—	80,000
Payment to the National Treasury	—	(58,455)
Other	—	—
March 31, 2021	318	3,019,594

Consolidated Statements of Cash Flows

(Millions of yen)

	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flows from operating activities		
Profit before income tax	31,933	152,340
Depreciation and amortization	2,550	3,051
Increase (decrease) in liability for retirement benefits	(441)	(344)
Net loss (gain) from financial assets at fair value through profit or loss	4,121	(16,934)
Losses (profits) from equity method investments	(2,653)	1,736
Net decrease (increase) in loans and other receivables	(374,330)	538,638
Net increase (decrease) in borrowings	(135,177)	(788,214)
Net decrease (increase) in deposits (excluding demand deposits)	—	184,287
Net change in derivative financial instrument assets and liabilities	268,922	(340,792)
Net increase (decrease) in financial guarantee contracts	(35,003)	23,619
Net increase (decrease) in bonds payable	30,975	392,142
Other	(207,958)	313,764
Net cash provided by (used in) operating activities	(417,062)	463,294
Cash flows from investing activities		
Purchase of financial assets at fair value through profit or loss	(9,274)	(28,702)
Sale of financial assets at fair value through profit or loss	30,535	4,840
Proceeds from sales or redemptions of securities	30,000	23,500
Purchase of equity method investments	(2,842)	(3,607)
Proceeds from return of equity method investments	28,073	13,009
Other	(2,045)	(1,404)
Net cash provided by (used in) investing activities	74,447	7,635
Cash flows from financing activities		
Proceeds from issuance of new shares	80,000	98,500
Payment to the National Treasury	(58,455)	(26,525)
Other	(435)	(197)
Net cash provided by (used in) financing activities	21,108	71,777
Exchange difference on cash and cash equivalents	10,586	(5,044)
Net increase (decrease) in cash and cash equivalents	(310,919)	537,662
Cash and cash equivalents at the beginning of the year	1,544,838	1,007,176
Cash and cash equivalents at the end of the year	1,233,919	1,544,838
Net cash provided by (used in) operating activities includes the following:		
Interest received	245,193	442,505
Interest paid	(165,832)	(253,823)

2. Reconciliation between Japanese GAAP and IFRS

Reconciliation of assets, liabilities, and equity of the JBIC Group as of March 31, 2021 and 2020, and reconciliation of net profit of the JBIC Group for the fiscal years ended March 31, 2021 and 2020, between accounting principles

generally accepted in Japan ("Japanese GAAP") and IFRS as issued by the IASB.*

* JBIC has adopted Japanese GAAP for reporting purposes. Audited consolidated financial statements of the JBIC Group for the fiscal years ended March 31, 2021 and 2020 prepared in accordance with IFRS are disclosed for reference purposes in order to improve comparability with international issuers.

Reconciliation of assets, liabilities, and equity as of March 31, 2021

(Millions of yen)

Japanese GAAP		Reclassifications	Adjustments	IFRS		Notes
Assets				Assets		
Cash and due from banks	1,233,919	—	—	1,233,919	Cash and due from banks	
	—	258,194	(15)	258,179	Derivative financial instrument assets	A
	—	353,103	1,529	354,632	Financial assets at fair value through profit or loss	B,C
Securities	272,359	(251,114)	9,355	30,599	Securities	B,C
Loans and bills discounted	13,556,815	(493,401)	70,425	13,133,838	Loans and other receivables	B,D
	—	100,042	10,711	110,754	Equity method investments	C,E
Property, plant and equipment	29,110	—	—	29,110	Property and equipment	
Intangible assets	4,210	(4,210)	—	—		
Other assets	281,625	(151,153)	1,727	132,199	Other assets	A,D,F
Customers' liabilities for acceptances and guarantees	1,835,123	—	(1,835,123)	—		H
Allowance for loan losses	(339,841)	339,841	—	—		D
Total assets	16,873,323	151,301	(1,741,389)	15,283,235	Total assets	
Liabilities				Liabilities		
	—	284,445	(25)	284,420	Derivative financial instrument liabilities	A
Borrowed money	6,651,321	—	—	6,651,321	Borrowings	
Bonds payable	4,964,965	—	65,034	5,030,000	Bonds payable	G
	—	—	63,962	63,962	Financial guarantee contracts	H
Net defined benefit liability	6,338	(6,338)	—	—		I
Provision for directors' retirement benefits	47	(47)	—	—		
Other liabilities	374,034	(126,163)	(13,935)	233,935	Other liabilities	A,F,I
Provision for bonuses	585	(585)	—	—		
Provision for directors' bonuses	10	(10)	—	—		
Acceptances and guarantees	1,835,123	—	(1,835,123)	—		H
Total liabilities	13,832,426	151,301	(1,720,087)	12,263,640	Total liabilities	
Net assets				Equity		
Capital stock	1,963,800	—	—	1,963,800	Capital stock	
Retained earnings	981,523	—	65,778	1,047,301	Retained earnings	
	—	95,254	(87,080)	8,174	Other reserves	E,I
Valuation difference on available-for-sale securities	2,088	(2,088)	—	—		C
Deferred gains or losses on hedges	95,238	(95,238)	—	—		A
Foreign currency translation adjustment	(2,072)	2,072	—	—		E
Non-controlling interests	318	—	—	318	Non-controlling interests	
Total net assets	3,040,896	—	(21,301)	3,019,594	Total equity	
Total liabilities and net assets	16,873,323	151,301	(1,741,389)	15,283,235	Total liabilities and equity	

Reconciliation of assets, liabilities, and equity as of March 31, 2020

(Millions of yen)

Japanese GAAP		Reclassifications	Adjustments	IFRS		Notes
Assets					Assets	
Cash and due from banks	1,544,838	—	—	1,544,838	Cash and due from banks	
	—	422,027	(1,090)	420,937	Derivative financial instrument assets	A
	—	377,938	(3,342)	374,596	Financial assets at fair value through profit or loss	B,C
Securities	358,748	(309,033)	10,817	60,532	Securities	B,C
Loans and bills discounted	13,133,980	(395,893)	21,422	12,759,508	Loans and other receivables	B,D
	—	120,494	11,361	131,856	Equity method investments	C,E
Property, plant and equipment	28,146	—	—	28,146	Property and equipment	
Intangible assets	5,227	(5,227)	—	—		
Other assets	434,040	(367,775)	2,875	69,141	Other assets	A,D,F
Customers' liabilities for acceptances and guarantees	2,118,383	—	(2,118,383)	—		H
Allowance for loan losses	(285,855)	285,855	—	—		D
Total assets	17,337,510	128,387	(2,076,339)	15,389,558	Total assets	
Liabilities					Liabilities	
	—	178,252	3	178,255	Derivative financial instrument liabilities	A
Borrowed money	6,786,499	—	—	6,786,499	Borrowings	
Bonds payable	4,886,646	—	112,377	4,999,024	Bonds payable	G
	—	—	98,965	98,965	Financial guarantee contracts	H
Net defined benefit liability	6,715	(6,715)	—	—		I
Provision for directors' retirement benefits	44	(44)	—	—		
Other liabilities	424,572	(42,507)	(22,421)	359,643	Other liabilities	A,F,I
Provision for bonuses	586	(586)	—	—		
Provision for directors' bonuses	10	(10)	—	—		
Acceptances and guarantees	2,118,383	—	(2,118,383)	—		H
Total liabilities	14,223,458	128,387	(1,929,456)	12,422,389	Total liabilities	
Net assets					Equity	
Capital stock	1,883,800	—	—	1,883,800	Capital stock	
Retained earnings	995,688	—	77,972	1,073,661	Retained earnings	
	—	234,291	(224,855)	9,436	Other reserves	E,I
Valuation difference on available-for-sale securities	(3,486)	3,486	—	—		C
Deferred gains or losses on hedges	231,303	(231,303)	—	—		A
Foreign currency translation adjustment	6,475	(6,475)	—	—		E
Non-controlling interests	271	—	—	271	Non-controlling interests	
Total net assets	3,114,051	—	(146,882)	2,967,168	Total equity	
Total liabilities and net assets	17,337,510	128,387	(2,076,339)	15,389,558	Total liabilities and equity	

Reconciliation of net profit for the year ended March 31, 2021

(Millions of yen)

Japanese GAAP		Reclassifications	Adjustments	IFRS		Notes
Interest income	234,073	(22,363)	14,150	225,860	Interest income	B,D
Interest expense	150,276	—	1,627	151,904	Interest expense	G
				73,956	Net interest income	
Fees and commissions	26,708	(350)	(7,894)	18,462	Fee and commission income	B
Fees and commissions payments	3,040	—	—	3,040	Fee and commission expense	
	—	(11,982)	88,853	76,871	Net expense from derivative financial instruments	A
Gain on investments in partnerships*1	9,825	(9,825)	—	—		B
	—	(12,087)	16,208	4,121	Net loss from financial assets at fair value through profit or loss	B
Other ordinary income	8,733	(8,733)	—	—		
Other income*1	5,024	(5,024)	—	—		B
Extraordinary income	10	(10)	—	—		
	—	8,910	390	9,301	Other income	
				56,268	Net non-interest expense	
				17,688	Total operating income	
Recoveries of written-off claims*1	2	(2)	—	—		D
Provision of allowance for loan losses*2	53,986	(53,986)	—	—		
	—	(53,986)	86,638	32,652	Impairment reversals on financial assets	D
				50,340	Net operating income	
Other ordinary expenses	5,991	(5,991)	—	—		
General and administrative expenses	20,129	—	156	20,285	Operating expenses	I
Other expenses*2	6,946	(6,946)	—	—		B
	—	1,887	(1,112)	774	Other expenses	
				21,060	Total operating expenses	
Profits of equity method investments*1	375	2,278	—	2,653	Profits of equity method investments	E
				31,933	Profit before income tax	
Income tax expense	45	—	—	45	Income tax expense	
Net income	44,337	—	(12,449)	31,888	Net profit	

*1 These accounts are included in "Other income" under Japanese GAAP.

*2 These accounts are included in "Other expenses" under Japanese GAAP.

Reconciliation of net profit for the year ended March 31, 2020

(Millions of yen)

Japanese GAAP		Reclassifications	Adjustments	IFRS		Notes
Interest income	417,832	(6,543)	10,997	422,286	Interest income	B,D
Interest expense	329,800	(84,686)	1,334	246,447	Interest expense	G
				175,838	Net interest income	
Fees and commissions	25,595	(471)	(8,225)	16,898	Fee and commission income	B
Fees and commissions payments	3,253	—	—	3,253	Fee and commission expense	
	—	(85,500)	149,370	63,870	Net income from derivative financial instruments	A
Gain on investments in partnerships*1	4,411	(4,411)	—	—		B
	—	8,243	8,690	16,934	Net gain from financial assets at fair value through profit or loss	B
Other income*1	1,493	(1,493)	—	—		B
Extraordinary income	16	(16)	—	—		
	—	3,601	(3,322)	279	Other income	
				94,728	Net non-interest income	
				270,566	Total operating income	
Reveasal of allowance for loan losses*1	7,215	(7,215)	—	—		D
Recoveries of written-off claims*1	29,308	(29,308)	—	—		
	—	(33,625)	125,997	92,372	Impairment losses on financial assets	D
				178,194	Net operating income	
Other ordinary expenses	8,924	(8,924)	—	—		
General and administrative expenses	21,365	—	(80)	21,284	Operating expenses	I
Other expenses*2	2,899	(2,899)	—	—		B
	—	8,112	(5,278)	2,833	Other expenses	
				24,117	Total operating expenses	
Losses of equity method investments*2	2,828	(1,091)	—	1,736	Losses of equity method investments	E
				152,340	Profit before income tax	
Income tax expense	25	—	—	25	Income tax expense	
Net income	116,775	—	35,538	152,314	Net profit	

*1 These accounts are included in "Other income" under Japanese GAAP.

*2 These accounts are included in "Other expenses" under Japanese GAAP.

Notes to the reconciliation of assets, liabilities, and equity as of March 31, 2021 and 2020, and the reconciliation of net profit for the fiscal years ended March 31, 2021 and 2020

A. Derivative financial instrument assets and liabilities

i. Hedge accounting

The JBIC Group uses derivative financial instruments in order to hedge interest rate risk and foreign exchange risk. The JBIC Group has been applying hedge accounting under Japanese GAAP, which mostly follows macro hedge accounting, for 99.9% or more of its derivative transactions on a fair value basis, in order to eliminate accounting mismatches in its consolidated financial statements.

From the adoption of IFRS in 2012 to March 31, 2018, the JBIC Group had not applied hedge accounting under IAS 39 and did not present the effect of its risk management activities involving derivative financial instruments in its consolidated financial statements. Since the adoption of IFRS 9, the JBIC Group has applied hedge accounting mainly to fair value hedges of interest rate risk for bonds payable issued on or after April 1, 2018.

Refer to Notes 3.G and 8 to the consolidated financial statements for details on hedge accounting under IFRS. In addition, refer to Note 26 to the consolidated financial statements for "Net gain (loss) on valuation of derivative financial instruments," which does not reflect profit or loss deferred by hedge accounting under Japanese GAAP, and adjustments to the carrying amounts of hedged items under fair value hedge accounting.

ii. Offsetting derivative financial instrument assets and liabilities

Derivative financial instrument assets and liabilities that meet the offset requirements under Japanese GAAP are presented on a net basis by counterparty and included in "Other assets" or "Other liabilities." Derivative financial instrument assets and liabilities that do not meet the offset requirements under IFRS are presented on a gross basis as "Derivative financial instrument assets" and "Derivative financial instrument liabilities."

iii. Credit risk adjustments

Under IFRS, the JBIC Group determines fair values of derivative financial instrument assets and liabilities in consideration of counterparties or its own credit risks calculated from observable market data.

B. Financial assets at fair value through profit or loss

Under IFRS, if contractual cash flows of financial assets are not solely payments of principal and interest, the JBIC Group measures such financial assets at fair value through profit or loss. If contractual cash flows of financial assets are solely payments of principal and interest, and financial assets are held within a business model whose objective is to hold the assets in order to collect contractual cash flows, financial assets are measured at amortized cost. Whereas, Japanese GAAP sets out the approach to measure financial assets according to their legal form and the entity's intention to hold the financial assets.

Stocks, investments in partnerships and certain loans excluding investments held by the JBIC Group and accounted for using the equity method are measured at fair value and presented as "Financial assets at fair value through profit or loss" under IFRS, whereas they are measured at either cost or fair value according to their legal form and holding intention and presented as "Securities" or "Loans and bills discounted" under Japanese GAAP. Under Japanese GAAP, if the net asset value of shares has declined significantly due to a deterioration in the financial position of an issuer, the carrying amount is written down and such valuation difference is recognized as impairment loss for the current period.

Under IFRS, the JBIC Group presents gains and losses arising from such assets as "Net gain (loss) from financial assets at fair value through profit or loss." Under Japanese GAAP, the JBIC Group presents interest income and dividend income as "Interest income," upfront and commitment fees as "Fee and commissions," and realized gains and losses arising from changes in fair value and sales of such assets as "Other income" (when it is a gain) or "Other expenses" (when it is a loss).

C. Securities

The JBIC Group presents investments in associates and joint ventures as "Securities" under Japanese GAAP and "Equity method investments" under IFRS. For the differences in the measurement method between the accounting standards, see "E. Equity method investments."

Stocks and investments in partnerships other than investments in associates and joint ventures are presented as "Securities" under Japanese GAAP and "Financial assets at fair value through profit or loss" under IFRS. For the differences in the measurement method between the accounting standards, see "B. Financial assets at fair value through profit or loss."

Debt securities included in "Securities" under Japanese GAAP are also presented as "Securities" under IFRS. For the measurement method, debt securities are measured at fair value and valuation gains and losses are recognized as "Valuation difference on available-for-sale securities" under Japanese GAAP, whereas these debt securities are measured at amortized cost under IFRS.

Under IFRS, impairment losses are recognized for securities measured at amortized cost under the expected credit loss model. Impairment losses are estimated at the amount of the expected credit losses expected to occur within the next 12-months from the reporting date or on a lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition of the financial assets. Such impairment losses measured are deducted from securities using an allowance account.

D. Loans and other receivables

"Loans and other receivables" under IFRS include accrued interest income on loans in "Other assets" under Japanese GAAP, and also financial assets associated with financial guarantee contracts described in "H. Financial guarantee contracts," but do not include loans and other receivables measured at fair value through profit or loss.

Under IFRS, the JBIC Group measures loans and other receivables initially at fair value plus transaction costs directly attributable to loan origination, and subsequently at amortized cost using the effective interest method. The JBIC Group amortizes loan origination fees, which are considered integral to the origination using the effective interest method.

Under Japanese GAAP, the JBIC Group recognizes a general allowance as well as a specific allowance for loan losses.

In accordance with the expected credit loss model under IFRS, the JBIC Group recognizes impairment losses, and the carrying amount of loans and other receivables is reduced by the amount of impairment losses measured through the allowance for loan losses. See "C. Securities" for the method for recognizing expected credit losses.

E. Equity method investments

The JBIC Group's investments in associates and joint ventures are comprised mainly of investments in partnerships. Under Japanese GAAP, the JBIC Group applies the equity method to certain investments in partnerships. Under IFRS, the JBIC Group adopts the equity method for all of its investments in partnerships that are determined as investments in associates and joint ventures, except for investments held through a subsidiary of JBIC for which the exemption in IAS 28 to measure such entities at fair value is applied. Gains or losses on investments in partnerships to which the equity method is not applied under Japanese GAAP but applied under IFRS are recognized as "Profits (losses) of equity method investments" under IFRS.

The JBIC Group presents exchange differences on translation of foreign operations from applying the equity method as "Other reserves" under IFRS, whereas they are presented as "Foreign currency translation adjustment" under Japanese GAAP.

F. Leases

Lease transactions entered into by the JBIC Group as a lessee primarily consist of rental offices. Under Japanese GAAP, lease transactions are classified as either finance leases or operating leases based on the risk and economic value approach. The significant lease transactions entered into by the JBIC Group are classified as operating leases and are expensed when lease payments occur. Under IFRS, on the other hand, right-of-use assets and lease liabilities are recognized in "Other assets" and "Other liabilities," respectively, in the consolidated statement of financial position at the commencement date of the lease. Those assets and liabilities are subsequently measured at cost less any accumulated depreciation and any accumulated impairment losses, and amortized cost using the effective interest method, respectively.

The JBIC Group does not enter into lease transactions as a lessor.

G. Bonds payable

Under Japanese GAAP, the JBIC Group expenses bond issuance costs as incurred.

Under IFRS, the JBIC Group measures bonds payable initially at fair value less transaction costs directly attributable to bond issuance, such as fees paid to underwriters and discounts at issuance, and subsequently at amortized cost using the effective interest method. For bonds payable to which hedge accounting is applied in accordance with IFRS 9, their carrying amount is adjusted to reflect changes in fair value arising from the underlying hedged risks.

H. Financial guarantee contracts

Under Japanese GAAP, the JBIC Group records the same contractual amounts of financial guarantee obligations in both "Customers' liabilities for acceptances and guarantees" as assets and in "Acceptances and guarantees" as liabilities.

Under IFRS, the JBIC Group initially measures financial liabilities associated with financial guarantee contracts at fair value as well as financial assets associated with financial guarantee contracts. They are subsequently measured at the higher of (a) the amount of the loss allowance determined in accordance with IFRS 9 and (b) the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of IFRS 15 *Revenue from Contracts with Customers*.

I. Liability for retirement benefits

Under Japanese GAAP, the JBIC Group expenses actuarial gains or losses on defined benefit plans in profit or loss as incurred.

Under IFRS, the JBIC Group recognizes remeasurement of defined benefit plans directly in "Other reserves" as incurred and reclassifies immediately to retained earnings. The JBIC Group remeasures retirement benefit obligations based on IFRS, and charges for differences caused by the period allocation method of retirement benefit obligations, etc. as "Operating expenses." The JBIC Group includes a liability for retirement benefits in "Other liabilities."

J. Difference between the reporting date of consolidated financial statements and of subsidiaries

Under Japanese GAAP, if the difference between the reporting date of consolidated financial statements and of the subsidiary does not exceed three months, only material inter-company transactions made during that period need to be reflected in the financial statements of the subsidiary. Accordingly, the JBIC Group adjusts only material inter-company transactions in the consolidated financial statements under Japanese GAAP.

On the other hand, IFRS requires that financial statements of consolidated subsidiaries be prepared on the reporting date of the parent company, except when it is impracticable. For this reason, the JBIC Group prepares the financial statements of the subsidiaries whose reporting dates are different from JBIC to conform to the reporting date of JBIC.

3. Corporate Data

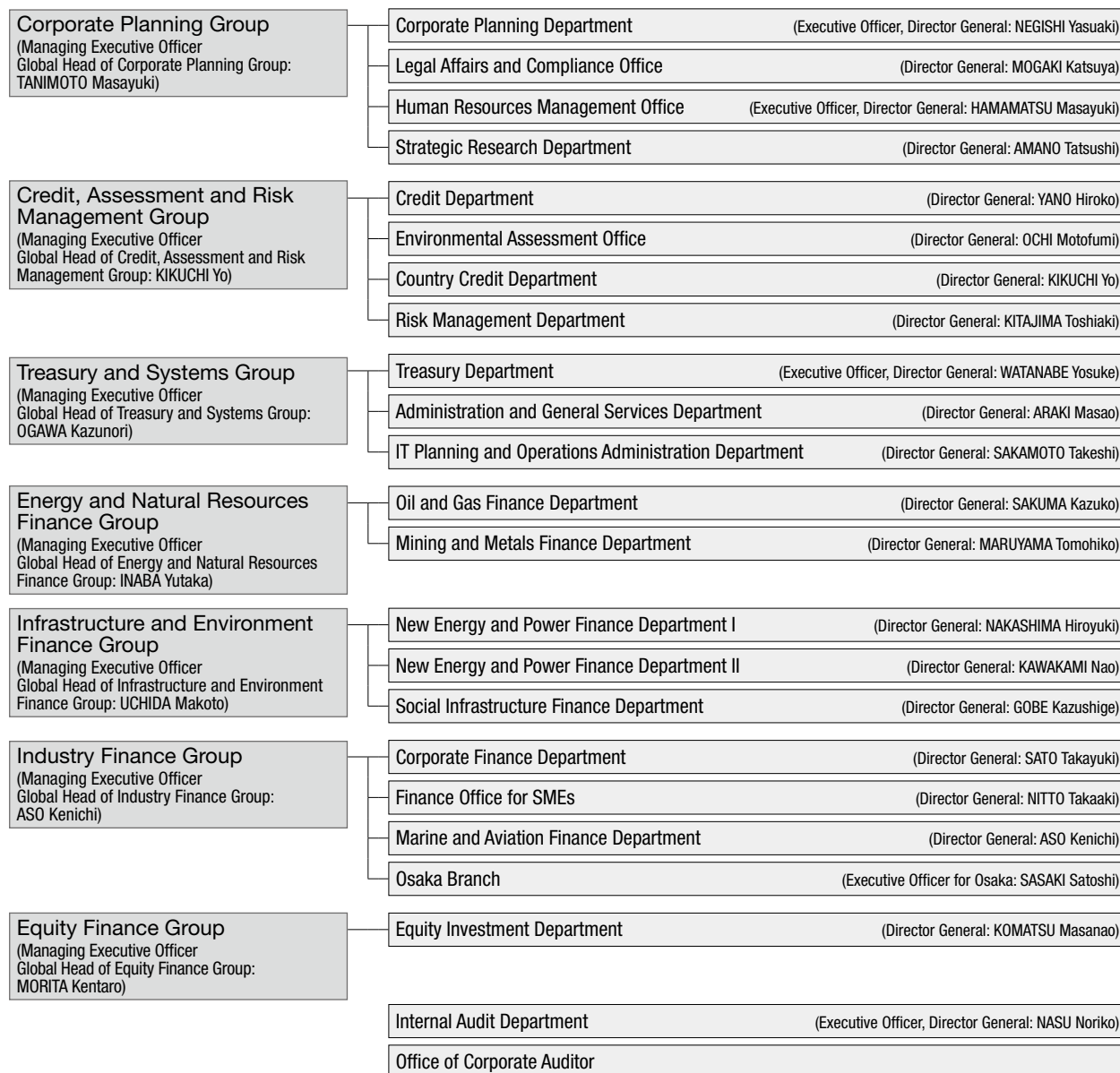
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1. Organizational Chart (As of December 1, 2021)

JBIC is constituted by 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 Planning Group, the Credit, Assessment and Risk Management Group and the Treasury 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.



Overseas Representative Offices

(Resident Executive Officer, Regional Head for Asia and Pacific: MATSUDA Noriyasu)	Singapore* (Regional Headquarters for Asia and Pacific), Beijing, Bangkok, Hanoi, Jakarta, Manila, New Delhi
(Resident Executive Officer, Regional Head for Europe, the Middle East and Africa: ISEKI Yusuke)	London* (Regional Headquarters for Europe, the Middle East and Africa), Moscow, Paris, Istanbul, Dubai
(Resident Executive Officer, Regional Head for the Americas: MOTOKAWA Nagayoshi)	New York* (Regional Headquarters for the Americas), Washington, D.C., Buenos Aires, Mexico City, Rio de Janeiro

* Singapore, London and New York are assigned as core regional headquarters to supervise business and administrative activities and support project formulation in Asia and Pacific; Europe, the Middle East and Africa; and the Americas, respectively.

2. Overseas Network

(As of December 1, 2021)



★Regional Headquarters

★**REPRESENTATIVE OFFICE REGISTERED IN SINGAPORE**
(Regional Headquarters for Asia and Pacific)

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Fax. 55-21-2554-8798

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 Corporation 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 (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 Cooperation 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
January 2020	The Cabinet Order for Revising Part of the Order for Enforcement of the JBIC Act promulgated and enforced
July 2020	The Cabinet Order for Revising Part of the Order for Enforcement of the JBIC Act promulgated and enforced

4. Japan Bank for International Cooperation Act

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 funds, the 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 funds, the 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 Article 26-2 of Japan Bank for International Cooperation Act"; and the term, "the stated capital", also referenced therein, 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, Share Delivery, 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, IV, Section I and IV-II of the Companies Act, the merger, company split, share exchange, share delivery, 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 (excluding the case set forth in the following 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 Chapter III, Section I, Subsection V, Paragraph 1 of Article 36, Article 37 (excluding Item (2) of Paragraph 1), Article 37-3 (excluding Item (2) of Paragraph 1), Article 37-4, Article 38 (limited to the portions related to Items (1), (2) and (9)), Article 39 (excluding Paragraphs 4 and 6), Article 40, Article 40-3, Article 40-3-2, Article 42, Article 42-2, Article 42-4, Article 42-7 and Article 45 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.

5. Basic Policy for the Internal Control System

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

1. The Japan Bank for International Cooperation ("JBIC") and its subsidiaries (both collectively called "JBIC Group") shall establish a corporate philosophy, code of conduct, as well as the policy for compliance with laws and regulations and other internal rules for compliance, and notify directors and employees of those principles and rules, for the purpose of ensuring that directors and employees including temporary workers (this definition is applied throughout this document) perform their duties in compliance with laws, regulations, and the articles of incorporation ("Laws and Regulations").
2. Directors and employees of the JBIC Group shall abide by the internal rules for compliance.
3. JBIC shall set up a department responsible for compliance and appoint a compliance officer in order to establish and reinforce a framework for compliance with Laws and Regulations within the JBIC Group.
4. JBIC shall establish a committee to deliberate important matters related to compliance within the JBIC Group and monitor the status of compliance with Laws and Regulations.
5. JBIC shall establish an effective internal anonymous reporting system and implement it in an appropriate manner so that important facts related to compliance within the JBIC Group can be detected earlier and necessary corrective measures can be taken.
6. The JBIC Group shall not have any connections whatsoever with antisocial forces. It shall adopt an uncompromising attitude, throughout its organization, toward antisocial forces, and decisively reject all improper demands from such forces.

Article 2. Retention and Management of Information concerning Performance of Duties by Directors

1. JBIC shall establish the information asset management regulations and other internal rules for retention and management of information in order 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 relating to the performance of duties by directors, in accordance with laws, regulations, or internal rules for retention and management of information.
3. Directors and employees shall retain and manage information in an appropriate manner according to the internal rules for retention and management of information.

Article 3. Rules and Structures for Managing Risk of Loss

1. In recognition of the importance of risk management practices throughout its entire organization, JBIC and its subsidiaries shall individually control various risks in an appropriate manner by establishing the integrated risk management regulations and other internal rules for risk management, which stipulate the management of various risks that should be recognized in the course of business operations at the JBIC Group as well as the organizational structure that is needed for integrated risk management.
2. JBIC shall set up a department responsible for risk management and appoint a risk management officer. In addition, JBIC shall establish a committee to conduct deliberations and considerations on implementing effective risk management practices.
3. JBIC and its subsidiaries shall strive to create a crisis management structure in preparation for disasters and other crisis situations, by individually establishing the crisis

management regulations and other internal rules for crisis management.

4. In the case where normal business operations of the JBIC Group are disrupted or might be affected by crisis situations, JBIC shall set up an emergency response office as necessary, in accordance with the internal rules for crisis management, to restore operations in a prompt and efficient manner.

Article 4. Ensuring Efficient Execution of Directors' Duties

1. The Board of Directors shall establish business plans and properly manage business of the JBIC Group.
2. JBIC shall establish the Executive Committee to which authority is delegated by the Board of Directors for approval of certain matters. In addition to making decisions on those specific matters by exercising the delegated authority, the Executive Committee shall deliberate matters requiring approval of the Board of Directors prior to Board of Directors meetings, in order to aid decision-making among the Board of Directors. Moreover, JBIC shall establish an advisory body to the Executive Committee or other various committees to which authority is delegated by the Executive Committee for approval of certain matters.
3. JBIC shall establish the internal rules for organizational structure stipulating the roles and responsibilities of the Board of Directors, for the purpose of efficiently executing matters approved by a Board of Directors meeting.
4. To expedite the decision-making process, JBIC shall introduce a function-based organization and an executive officer system in which authority is delegated by management for approval of specific matters in accordance with the organization rules, authority rules and other related internal rules.

Article 4 (2): Structures for Ensuring Proper Operations of JBIC Group's Business

1. JBIC shall take appropriate measures for business management and operations in its subsidiaries, to ensure proper operations of JBIC Group's business.
2. JBIC shall establish a structure where its subsidiaries report to JBIC, in a proper manner, the important matters that their Board of Directors execute.

Article 5. Internal Audit for Ensuring Proper Operations of JBIC's Business

1. JBIC shall establish the internal audit regulations and other internal rules for internal audit to ensure the appropriateness and soundness of its operations.
2. JBIC shall set up the Internal Audit Committee to make decisions or deliberations on important matters related to internal audit for the JBIC Group.
3. JBIC shall set up the Internal Audit Department, separated from the departments subject to audit, to supervise the operations of internal audit.
4. The Internal Audit Department shall conduct an internal audit for JBIC and its subsidiaries as necessary, and report to the director responsible for internal audit on the results, pursuant to the internal rules for internal audit.
5. The Internal Audit Department shall periodically and as necessary, as well as upon request of a director or a corporate auditor of JBIC ("Corporate Auditor"), report the results of internal audits to the Board of Directors, other bodies or committees.
6. The Internal Audit Department shall strive to perform an internal audit in an efficient manner by collaborating and exchanging necessary information with Corporate Auditors and accounting auditors.

Article 6. Assignment of Employees who Assist Corporate Auditors in Performing Their Duties

1. JBIC shall set up the Office of Corporate Auditor and assign employees to assist Corporate Auditors in performing their duties.
2. Those employees shall perform their duties in accordance with the instructions from the Corporate Auditors.
3. When deemed necessary, the Corporate Auditors may assign employees other than those stipulated in the above paragraph 1, on a temporary basis, to assist in conducting audit work, by obtaining prior approval from the Governor.

Article 7. Securing Effectiveness of Instructions to Employees Assisting Audit Work and Independence of Instructions from the Director of Organization where They Concurrently Work

1. JBIC shall obtain prior approval of the full-time Corporate Auditor on the personnel evaluation and transfer of, and other personnel matters relating to employees who assist Corporate Auditors in auditing ("the auditor's office staff"), before making decisions on those matters.
2. JBIC shall make the auditor's office staff engaged in audit work only as per the instructions given by corporate auditors, to secure the effectiveness of their instructions to the auditor's office staff. However, in the case where the auditor's office staff need to concurrently work in another department/office, JBIC shall obtain prior approval of the full-time Corporate Auditor on their duties in another position, by clearly stating the following points in writing:
 - (1) There is a rational reason why the auditor's office staff need to concurrently serve in another organization.
 - (2) In assisting with the duties of the Corporate Auditors, the auditor's office staff shall follow the instructions from the Corporate Auditors and not the instructions from a director in an organization 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 Office of Corporate Auditor shall be expressly limited.
 - (4) The auditor's office staff shall not share, with others in another department/office where he/she concurrently serves, the information obtained from performing their duties at the Office of Corporate Auditor.
 - (5) The auditor's office staff shall always give priority to the duties of assisting the Corporate Auditors ahead of the duties in another organization where the staff serve concurrently, to ensure the effectiveness of audits by the Corporate Auditors.
 - (6) When deemed necessary, the full-time Corporate Auditor may withdraw his/her approval of the auditor's office staff's duties in another position while working at the Office of Corporate Auditor.

Article 8. Internal Reporting by Directors and Employees to Corporate Auditors and Preventing Unfair Treatment of Individuals who Reported to Corporate Auditors

1. Directors and employees of the JBIC Group, as well as corporate auditors of JBIC's subsidiaries shall, directly or indirectly, report the status of performance of their duties to the Corporate Auditors when required, in an accurate manner.
2. In the event that any fact that has the potential to inflict substantial harm upon the JBIC Group, or material facts of wrongdoing or violations of Laws and Regulations are detected, both directors and employees of the JBIC Group, as well as corporate auditors of JBIC's subsidiaries shall, directly or indirectly, report the fact to the Corporate Auditors without any delay.
3. JBIC Group shall ensure that an individual who reports unlawful, improper conduct or activity pursuant to the preceding paragraph shall be protected from being treated unfairly as a result of reporting such information.

Article 9. Securing Effectiveness in Auditing by Corporate Auditors

1. The Corporate Auditors shall be allowed to request directors and employees of the JBIC Group, as well as the corporate auditors of JBIC's subsidiaries, to report the status of performance of their duties, whenever they determine such reports are necessary to conduct audits in an effective manner. A director or employee of the JBIC Group as well as the corporate auditors of JBIC's subsidiaries who receive such a request shall promptly submit a report to the Corporate Auditors.
2. The Corporate Auditors may express their opinions as necessary at the Board of Directors meetings, Executive Committee meetings and other important committee meetings. The Corporate Auditors shall also be allowed to review the minutes of those committee meetings 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 responsible for compliance matters.
5. The Corporate Auditors may seek advice on audits from lawyers and certified public accountants when they consider it necessary for conducting audits in an effective manner.

Article 10. Procedures for Advance Payment and Payment of Fees, and Treatment of Other Fees and Liabilities Incurred by Corporate Auditors in Executing Their Duties

In the case where Corporate Auditors seek advice from lawyers and/or certified public accountants regarding audits pursuant to the provision of the preceding article, JBIC shall pay fees, expenses and liabilities arising from the execution of their duties based on the advice received from those specialists.

6. Security Policy

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.

7. Outline of Conflict of Interest Management Policy

The Japan Bank for International Cooperation (“JBIC”) and its subsidiary financial institutions, etc. (collectively, the “JBIC Group”), in accordance with the Financial Instruments and Exchange Act, have established the Conflict of Interest Management Policy (the “Policy”) and will appropriately manage the transactions that may cause conflicts of interest in order to prevent the interests of our clients from being unjustly impaired. The summary of the Policy is hereby published as provided below.

1. Identification of Transactions That May Cause Conflicts of Interest

(1) Subject Transactions

“Transactions that may cause conflicts of interest”, which are subject to the Policy, mean such transactions conducted by the JBIC Group that may unjustly impair the interests of its clients (“Subject Transactions”) in the following situations: i) when the JBIC Group’s interests conflict or compete with the interests of its clients or ii) when the interests of multiple clients of the JBIC Group conflict or compete with each other.

(2) Scope of the Subject Clients

“Clients” who are subject to this Policy mean any client who is utilizing, had previously been utilizing, or may enter into business relations in relation to, the services provided by the JBIC Group in its “Financial Instruments Related Business”.

The “Financial Instruments Related Business” refers to the business specified in Article 70-3 of the Cabinet Office Order on Financial Instruments Business, etc.

2. Companies Requiring Conflict of Interest Management

As stated in 1 (1) above, the Subject Transactions are transactions conducted by the JBIC Group (i.e. JBIC and its subsidiary financial institutions, etc.). JBIC’s “subsidiary financial institutions, etc.” mean a subsidiary or affiliated company of JBIC which meets the definition of the term “Subsidiary Financial Institution, etc.” specified in Article 36, Paragraph 5 of the Financial Instruments and Exchange Act.

As of March 31, 2021, the companies listed below are the subsidiary financial institutions, etc. of JBIC.

- IFC Capitalization (Equity) Fund, L.P.
- National Industrial Corridor Development Corporation Limited
- JBIC IG Partners
- RJIF Management Limited
- Russian-Japan Investment Fund, L.P.
- JB Nordic General Partner S.à.r.l.
- JB Nordic Ventures Oy
- JB Nordic Fund I SCSp

3. Method of Managing Transactions That May Cause Conflicts of Interest

If the JBIC Group identifies any situations where conflicts of interest may arise in connection with transactions with its clients, the JBIC Group will take measures in accordance with the relevant situation, including, for example, the following methods:

- The method of separating the department conducting the Subject Transaction, from the department conducting the transaction with such client;
- The method of amending the conditions or method of the Subject Transaction or the transaction with such client;
- The method of discontinuing the Subject Transaction or the transaction with such client;
- The method of properly disclosing to such client the possibility that the interests of the client may be unjustly impaired in connection with the Subject Transaction; and/or
- Any other methods to properly manage the Subject Transaction.

4. Conflict of Interest Management System

The JBIC Group will centrally manage the group’s overall conflict of interest by establishing a department which will manage and control conflicts of interest. The JBIC Group will continue to establish and maintain proper internal systems and comply with laws and regulations and other rules concerning the management of conflicts of interest.

8. Privacy Policy / Privacy Notice

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 Osaka Branch.

(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 Osaka Branch.

(8) Continuous Improvement

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

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.

As a part of JBIC’s implementation of data protection laws in each country, JBIC provides our customers, vendors and suppliers with a privacy notice. Please refer to the link below for more details.

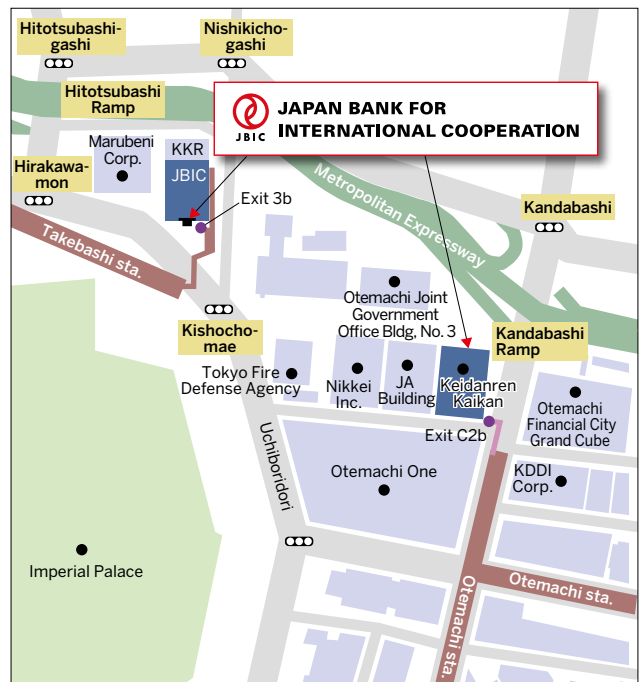
<https://www.jbic.go.jp/en/privacy-notice.html>

Access to JBIC Head Office and Osaka Branch

JBIC Head Office

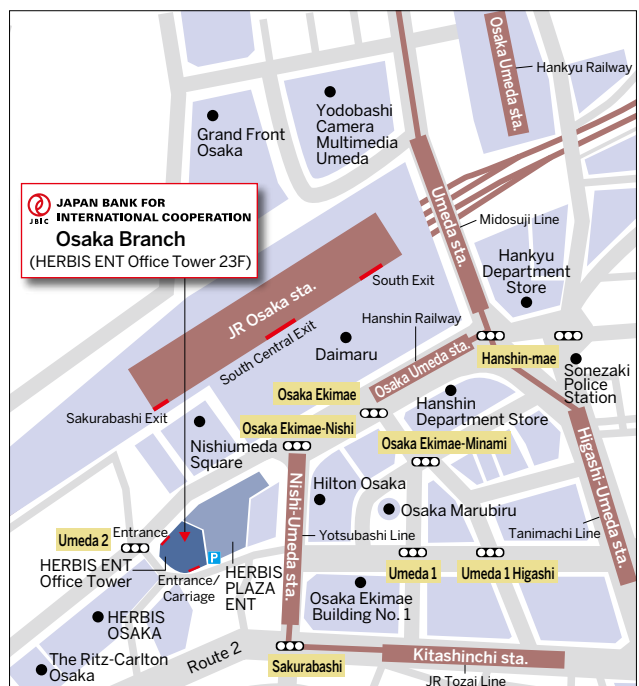
4-1, Ohtemachi 1-chome, Chiyoda-ku,
Tokyo 100-8144, Japan

(Legal Affairs and Compliance Office and IT Planning and
Operations Administration Department: 14th floor,
Keidanren Kaikan 3-2 Ohtemachi 1-chome, Chiyoda-ku,
Tokyo 100-0004, Japan)



JBIC Osaka Branch

23rd floor, HERBIS ENT Office Tower,
2-22, Umeda 2-chome, Kita-ku, Osaka-city,
Osaka 530-0001, Japan



JBIC Head Office

4-1, Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-8144, Japan

For further information, please contact

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

Website (URL) <https://www.jbic.go.jp/en/>

