

# 2023 Annual Report



日本の力を、世界のために。

Supporting Your Global Challenges



**JAPAN BANK FOR  
INTERNATIONAL COOPERATION**

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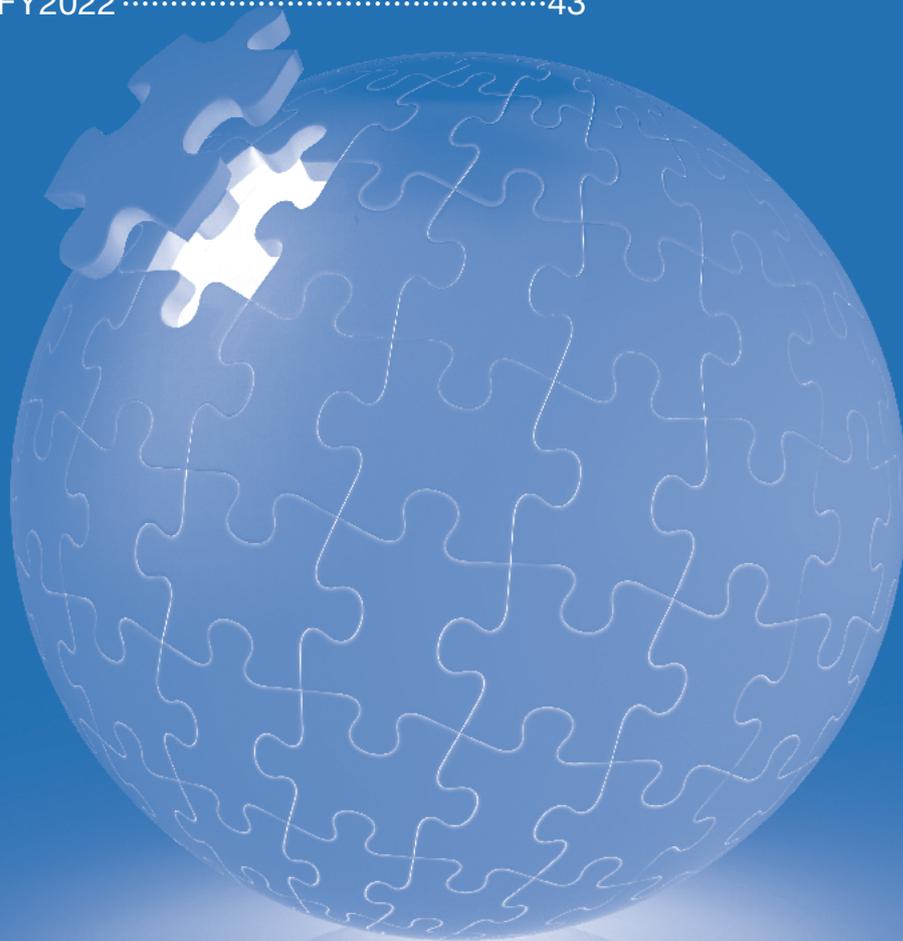
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### Numerical figures in this report

- 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.
- Numerical figures less than the specified units are denoted by "0"; "—" denotes that data is not available.
- 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.

# 1. Profile of JBIC

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# 1. Profile

## The Purpose of JBIC

Japan Bank for International Cooperation (JBIC) is a policy-based financial institution wholly owned by the Japanese government, which has the objective of contributing to the sound development of Japan and the international economy and society, by conducting financial operations in the following four fields:

**Promoting the overseas development and securement of resources which are important for Japan**

**Maintaining and improving the international competitiveness of Japanese industries**

**Promoting the overseas business having the purpose of preserving the global environment, such as preventing global warming**

**Preventing disruptions to international financial order or taking appropriate measures with respect to damages caused by such disruptions**

## Corporate Slogan

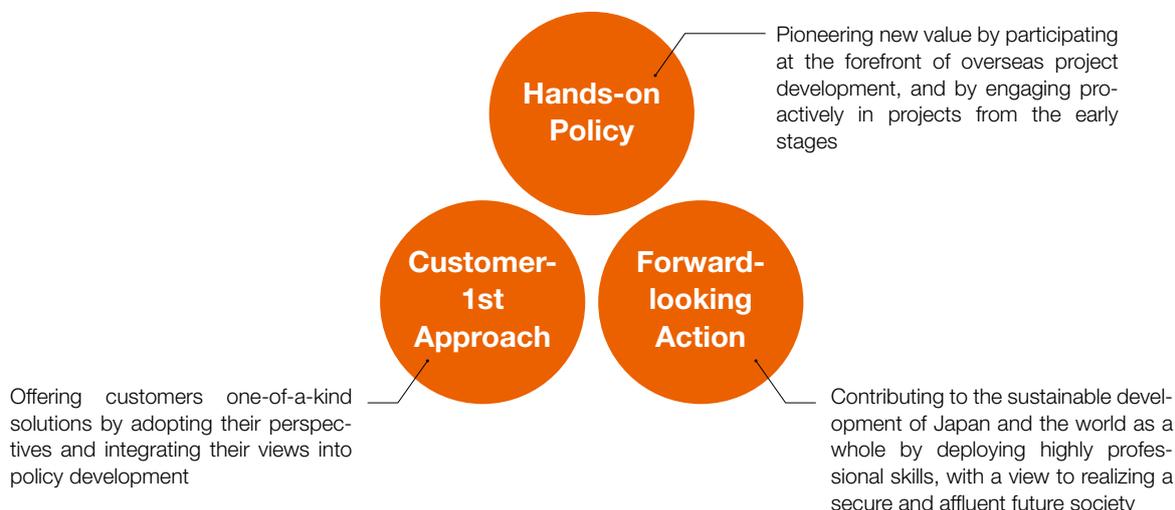
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## Corporate Philosophy

The objective of JBIC, as set forth in its statutory law, is to “contribute to the sound development of Japan and the international economy and society” by executing a variety of financial functions. To pursue this objective, we have set out the following corporate philosophy, which espouses three core values: “Hands-on Policy,” “Customer-1st Approach,” and “Forward-looking Action.”

Positioned at the crossroads of global business opportunities, JBIC is opening new venues to the future for the Japanese and global economy.



## Operational Principles

JBIC, as a policy-based financial institution and in accordance with the following principles, conducts speedy and well-focused operations based on policy needs in response to economic and financial situations in Japan and abroad.

### 1 Supplementing the financial transactions implemented by private-sector financial institutions

To effectively perform the functions required for policy-based financing, JBIC shall take account of situations where private-sector financial institutions are placed in their international finance activities and supplement their operations.

### 2 Ensuring financial soundness and certainty of repayment

Pursuant to the JBIC Act, JBIC shall make efforts to maintain the financial soundness of its operations, and when making financial decisions, to conduct adequate screening regarding the outlook for the recovery of funds.

### 3 Maintaining and improving international creditworthiness and confidence

In order to conduct adequate operations and effective overseas funding operations, JBIC shall maintain and improve the international creditworthiness and confidence gained by JBIC over the years.

### 4 Conducting business operations by drawing on its expertise and initiatives

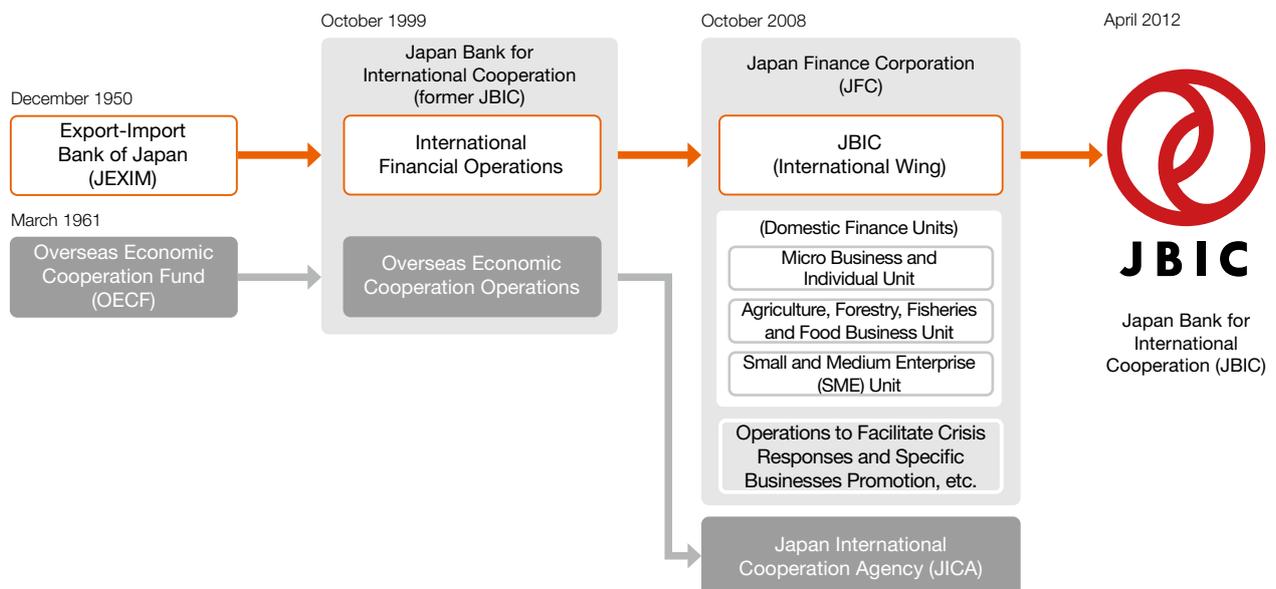
JBIC shall conduct operations by drawing on its own expertise and initiatives on international finance.

## JBIC Code of Conduct

- Act consistently in the public interest. Contribute to Japan and the international community by pursuing our Mission.
- Prioritize client satisfaction. Deliberate, decide, and act from the client's perspective.
- Accept responsibility as a professional. Perform every task based on your own initiative.
- Undertake challenges daringly. Create new value without fear of failure.
- Work quickly and cost-effectively. Enhance your work quality with an eye to efficiency.
- Focus on teamwork. Share unified objectives with your colleagues to achieve significant successes.
- Maintain high ethical standards and a law-abiding spirit. Observe our moral code as a JBIC member at all times.

## History

JBIC was established on April 1, 2012 in accordance with the Japan Bank for International Cooperation Act (JBIC Act), which was promulgated and came into effect on May 2, 2011.



## Profile

|                                              |                                                            |
|----------------------------------------------|------------------------------------------------------------|
| Name                                         | Japan Bank for International Cooperation (JBIC)            |
| Office                                       | 4-1, Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-8144, Japan  |
| Capital*                                     | ¥2,108.8 billion (wholly owned by the Japanese government) |
| Outstanding Loans and Equity Participations* | ¥15,998.6 billion                                          |
| Outstanding Guarantees*                      | ¥1,537.6 billion                                           |

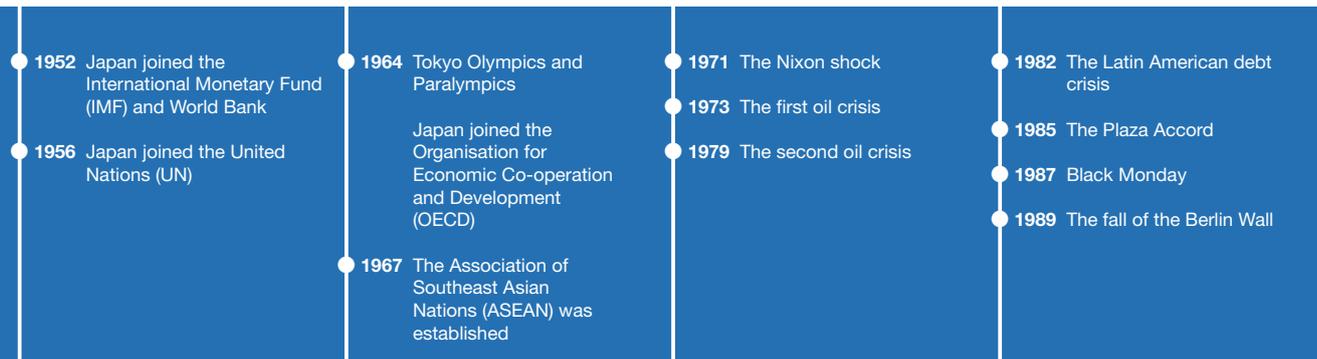
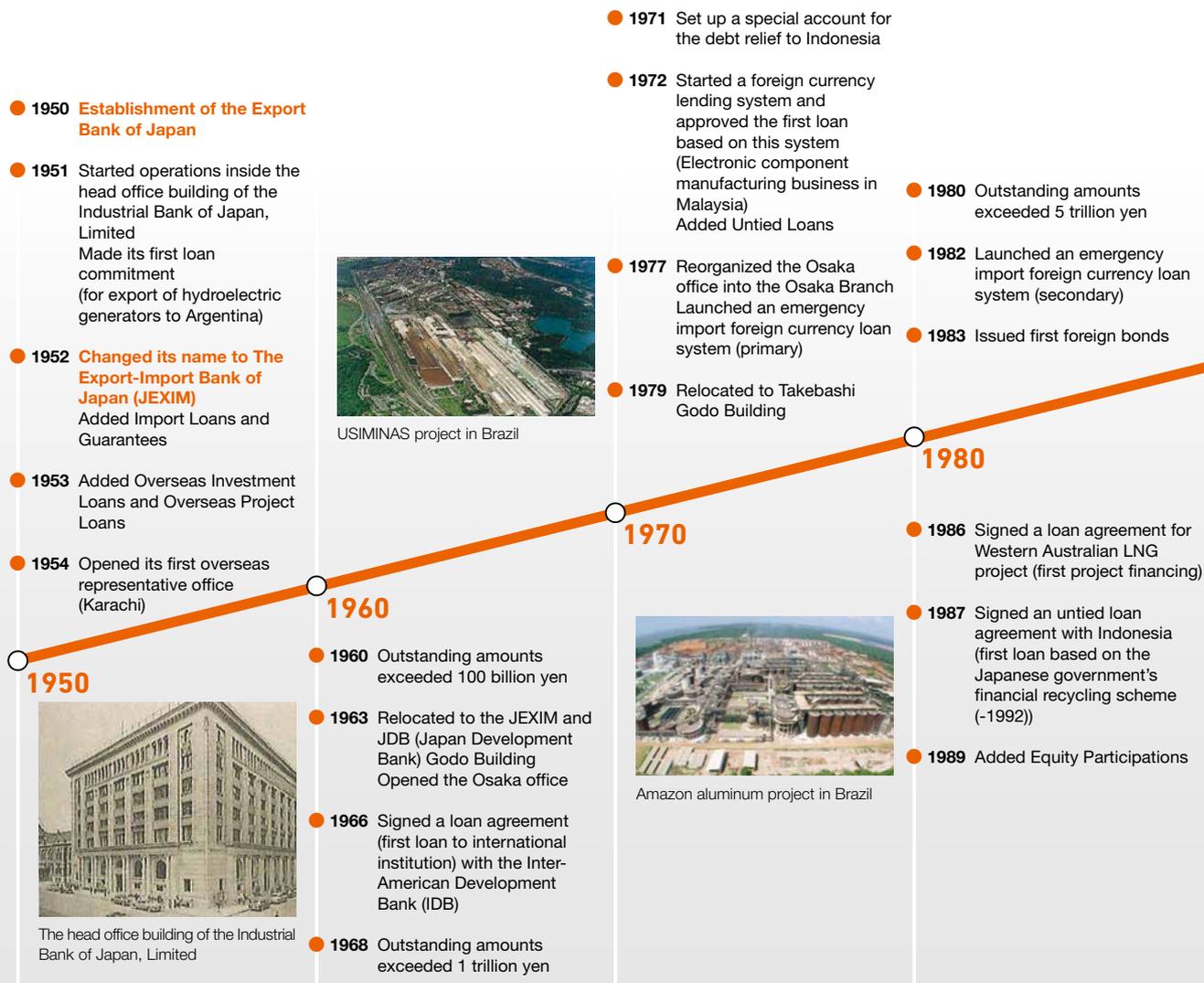
\* As of March 31, 2023

# 2. History of JBIC

The Japan Bank for International Cooperation (JBIC) was established in 1950 as the Export Bank of Japan to promote exports of various types of heavy machineries.

Since then, JBIC has fulfilled this responsibility by enhancing and transforming its functions in response to the demands in each era, affected by the international political and economic environment surrounding Japan, and changes in the overseas business strategies of Japanese companies.

With the objective of supplementing the financial transactions implemented by private financial institutions, JBIC will continue to contribute to the sound development of the Japanese and international economy and society.



Trends in the international economy and society



Panama Canal Expansion Project

● **1992** Added Bridge Loans

● **1993** Signed untied loan agreement with Bulgaria (first loan based on the Japanese government's "Fund for Development initiative" (-1997))

**1990**

● **1998** Implemented the assistance measures for Asia based on the Japanese government's "New Miyazawa Initiative" Outstanding amounts exceeded 10 trillion yen

● **1999** Established the Environmental guidelines **Established the Japan Bank for International Cooperation** by merging the Export-Import Bank of Japan and the Overseas Economic Cooperation Fund



Sakhalin-II oil and gas field development project

● **2001** The Reorganization and Rationalization Plan for Special Public Institutions decided by the Cabinet

● **2003** Established the JBIC Guidelines for Confirmation of Environmental and Social Considerations (Revised in 2009 and in 2015)

**2000**

● **2008** **Establishment of Japan Finance Corporation** merging JBIC and three domestic policy-based financial institutions Implemented emergency measures in response to global financial turmoil (-March 2011)



Intercity Express Programme in the UK



Esperanza copper mine development project in Chile

● **2010** Launched the Global action for Reconciling Economic growth and ENvironmental preservation (GREEN) Established the Guidelines for Measurement, Reporting and Verification of greenhouse gas Emission Reductions in JBIC's GREEN (J-MRV Guidelines)

● **2011** Reconstitutes organization structure (mission/sector-oriented business group structure)

● **2012** **Japan Bank for International Cooperation (JBIC)** was spun off from the Japan Finance Corporation and made a new start as the new JBIC. Formulated the First Medium-term Business Plan

**2010**

● **2015** Formulated the Second Medium-term Business Plan

● **2016** Established the Equity Finance Group Added the Special Operations

● **2017** Established JBIC IG Partners in collaboration with Industrial Growth Platform, Inc.

● **2018** Formulated the Third Medium-term Business Plan Launched the Global Facility to Promote Quality Infrastructure Investment for Environmental Preservation and Sustainable Growth (QI-ESG)



Moray East offshore wind power generation project in the UK

**2020**

● **2020** Launched the Growth Investment Facility

● **2021** Launched the Post-COVID-19 Growth Facility Formulated the Fourth Medium-term Business Plan

● **2022** Establishment of Sustainability Management Department Launched the Global Investment Enhancement Facility

● **2023** Appointed Sustainability Advisory Committee members Enactment of the Act for Partial Amendment of the Japan Bank for International Cooperation Act

● **1991** The collapse of Japan's bubble economy The dissolution of the Soviet Union

● **1992** Adoption of the United Nations Framework Convention on Climate Change (UNFCCC)

● **1993** Establishment of the European Union (EU)

● **1994** The Mexican peso crisis (Tequila Effect)

● **1997** The Asian Currency Crisis

● **1999** Launch of the Euro currency

● **2001** The September 11 terrorist attacks

● **2005** The Kyoto Protocol entered into force

● **2008** The Bankruptcy of Lehman Brothers

● **2010** The European debt crisis The Arab Spring

● **2011** The Great East Japan Earthquake

● **2015** Adoption of "Paris Agreement" at the COP21 (The 21st Conference of the Parties)

● **2016** The Paris Agreement entered into force

● **2020** Brexit

COVID-19 pandemic

● **2021** Tokyo Olympics and Paralympics

● **2022** Russia's invasion of Ukraine

# 3. Top Message

## Supporting the Energy Transformation and Digital Transformation of Japanese Companies Contributing to Achieving Sustainable Growth of the Japanese Economy and Solving Global Issues

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

In the global economy, although restrictions on movements due to the COVID-19 pandemic have been lifted, Russia's unjustified invasion of Ukraine has made it difficult to secure stable supplies of energy, food, and other goods. Along with inflation and rising interest rates, geopolitical risks are severely affecting the international economic community and increasing the uncertainty. On top of this, we are entering a new era in which any one country alone cannot attain prosperity without contributing toward the Sustainable Development Goals (SDGs) that include realizing a decarbonized society and eradicating poverty and hunger.

Amid these circumstances, to ensure sustainable growth of the Japanese economy, we are required to address such challenges as a shrinking population, a declining birthrate, and an aging population, and concurrently to work on issues from a global perspective such as assuring economic security, enhancing supply chain resilience, and solving climate change problems as well as taking on challenges for digital transformation.

Regarding the realization of green transformation and digital transformation, the Government of Japan is emphasizing investments in human resources and innovation and is accelerating the transition toward a decarbonized society and promoting partnerships based on a free and open Indo-Pacific. In doing so, the active involvement of and support from public financial institutions is expected.

In response, based on the Fourth Medium-term Business Plan (FY2021–FY2023), JBIC has supported the overseas business deployment of Japanese companies, placing priority on contributing to innovation, energy transformation, digital transformation, and contribution toward achieving the SDGs to realize a decarbonized society. In April 2023, the Act for Partial Amendment of the Japan Bank for International Cooperation Act was established to further strengthen JBIC's functions in terms of enhancing supply chain resilience and aiding Japanese startups.

It is precisely in times like today characterized by unclear prospects that a reliable partner is crucial. JBIC aspires to be an organization that can move with agility, take risks proactively and solve problems while leveraging its relationships of trust with customers and long-standing partnerships with governments and institutions around the world.

As a platform for the overseas expansion of Japanese companies, JBIC will continue to meet your expectations and contribute to the sustainable development of Japan and the world.

I ask for your ongoing support.



**HAYASHI Nobumitsu**

Governor  
Japan Bank for International Cooperation

## Looking Back on My First Year as Governor

In FY2022, societies and economies began normalizing after stagnating during the COVID-19 pandemic. On the other hand, energy and food crises as well as the disruption of supply chains arising from Russia's invasion of Ukraine had huge negative impacts, as underscored by inflation and rising interest rates in developed countries and hunger and excessive debt in developing and emerging nations. Values that we have long taken for granted, such as liberal democracy and globalization rooted in the market economy, are now under threat.

Amid these circumstances, for Japan to attain economic growth and increase its presence in the world, the role that JBIC must fulfill is becoming even more important.

In June 2022, the Cabinet Order for Partial Revision to the Enforcement Order of the Japan Bank for International Cooperation Act was enacted, allowing JBIC to expand the scope of eligible support for export loans and overseas investment loans for projects in developed countries.

Additionally, in April 2023, the Japan Bank for International Cooperation Act was amended to further strengthen JBIC's functions. As a result, JBIC is able to provide additional support in three fields: (1) enhancement of supply chain resilience to contribute toward maintaining and improving the international competitiveness of Japanese industries, (2) assistance to Japanese companies, including startups, in further taking risks amid growing expectations for such sectors as digitalization and green initiatives, and (3) participation in the international support for the recovery of Ukraine.

## Large Growth in Business Results in FY2022

Utilizing the Global Investment Enhancement Facility established in July 2022, JBIC proactively undertook new projects and assumed new risks related to decarbonization and supply chain resilience enhancement with an eye to the post-pandemic world. By doing so, JBIC provided a wide range of support for the overseas expansion of Japanese companies and made financial commitments totaling approximately ¥2,315.2 billion in loans, equity participation and guarantees, an increase of 12.1% from FY2021.

As initiatives to contribute to Japan's energy and resource security, JBIC provided financing for the funds necessary for Japanese companies to secure stable procurement of liquefied natural gas (LNG) as well as to acquire interests in a business for electrical and electronic waste, a recyclable resource, in Canada.

JBIC also supported a business in which a Brazilian company invested in by a Japanese company exports iron ore materials, which emit little carbon, to Japan. Steel manufacturing is an industry that emits particularly large amounts of CO<sub>2</sub> and JBIC's support in supplying iron ore with little carbon emission will thus contribute to decarbonization.

As initiatives to maintain and improve the international competitiveness of Japanese industry, JBIC provided support for the business deployment of Japanese companies in a wide range of fields. In the infrastructure field, JBIC provided loans for a subway construction and operation project in Canada. In overseas M&A, JBIC provided loans for the acquisition of a U.S. corporation that designs, develops, and manufactures photoresists, which are indispensable for semiconductor manufacturing, and for the acquisition of a U.S. animation distributor.

## Initiatives to Address Global Challenges through Green Finance, Transition Finance, and Social Impact Finance

JBIC has placed particular emphasis on financing support for the sustainable development of the international economy and society, including green finance, transition finance, and social impact finance.

In green finance, JBIC supported renewable energy projects such as an offshore wind farm project in France and two onshore wind farm projects in Egypt, but also JBIC extended support to

power grid projects that manage power transmission and distribution and supported the UK-Germany interconnector project and the High Voltage Direct Offshore Electricity Transmission Project in the United Arab Emirates, in which Japanese companies participate. The strengthening of grids is important for enabling those countries promoting decarbonization to enhance their renewable energy such as solar, wind, and geothermal energy. I believe that the accumulation of experience and know-how in renewable energy and grid-related projects by Japanese companies through overseas operations will lead to development of renewable energy and power grid business in Japan.

In 2023, JBIC supported the Government of Indonesia's issuance of Samurai bonds (Blue bonds) aimed at preserving the marine environment. This marks the first time that an overseas issuing body has issued blue bonds in the Samurai bond market. The bonds will support initiatives to ensure the diversity of ecosystems through the maintenance and preservation of coastal mangrove forests. In the same manner as with this project, I hope we will contribute to preserving the marine environment by providing support for developing and manufacturing degradable plastics, preventing marine pollution, and improving water quality.

To procure the funds needed for green finance, JBIC issued green bonds in January and October 2022. Green bonds restrict the use of funds to projects aimed at combating climate change and promoting environmental conservation such as for renewable energy, clean transportation, and green buildings. JBIC will continue to respond to investor needs and contribute to the expansion of green finance.

As for transition finance, in developing and emerging countries that aim to balance decarbonization with economic growth, JBIC will support the conversion to cleaner and energy-saving power generation facilities in conjunction with introducing renewable energy and strengthening grids while confirming the partner country's roadmap for carbon neutrality.

In social impact finance, JBIC is also undertaking initiatives in Africa, where further economic growth is expected. As an example, one of the projects that JBIC is placing particular focus on is a solar power project in Benin. As Sub-Saharan countries face difficult political, economic, and social conditions, and investing in these countries is difficult in terms of country risk, ODA (Official Development Assistance) thus plays a central role. Despite such circumstances, JBIC supported the power generation project that involved installing solar panels on the roof of elementary schools in Benin. Children can charge their lanterns during class from the solar system and then take these home to provide lighting for their studies. Because they need to attend school to charge lantern batteries, this initiative helps to solve social issues by increasing school attendance and reducing child labor. JBIC will focus on providing vigorous support for these projects with social impacts.

In non-African regions, in May 2022, JBIC provided support through the Export-Import Bank of India to India's healthcare sector encompassing vaccine manufacturers and therapeutic drug manufacturers to respond to the COVID-19 pandemic. In September, JBIC supported the Government of Mexico's issuance of Samurai bonds (SDG bonds) aimed at improving the living environment in impoverished regions of the country. This marks the first time that the Government of Mexico has issued SDG bonds in the Samurai bond market and will support initiatives to improve the social infrastructure, including education and healthcare.

As seen above, JBIC will continue to utilize a variety of financing methods to contribute to solving global and social issues, including measures to combat climate change.

## Enhancing Supply Chain Resilience and Supporting Mid-tier Enterprises and Small and Medium-Sized Enterprises

With the aim of enhancing supply chain resilience, JBIC is supporting the development of an industrial park in Vietnam. Vietnam has high investment needs from Japanese companies that look to diversify their supply chains. Furthermore, the Government of Vietnam has set a goal of attaining carbon neutrality by 2050 and JBIC is supporting solar power projects through regional banks in Vietnam.

In supporting mid-tier enterprises and small and medium-sized enterprises (SMEs). JBIC provided a

Taking advantage of the strengthened functions resulting from the amendment of the Japan Bank for International Cooperation Act, JBIC is actively working to support growth fields such as innovation, energy transformation, enhancement of supply chain resilience of Japanese industry, and digital green.



loan to a company in Kyoto Prefecture that operates a project in Vietnam for manufacturing and selling garbage bags and toys utilizing the bioplastic rice resin made from discarded rice. JBIC also supported a company in Shiga Prefecture that operates a project in Thailand for manufacturing and selling blue food coloring derived from butterfly pea. Through such loans, JBIC is contributing to local job creation and industrial development.

JBIC also financed a PET bottle recycling project being undertaken by a Japanese company in Malaysia. In Japan, 80% to 90% of PET bottles are recycled but in Malaysia the recycling rate remains at about 16%. Not only PET bottle recycling presents business opportunities, but also is meaningful as an initiative to raise local people's awareness of recycling and change their behavior.

## Organizational and Work Style Reforms Tailored to a New Age

JBIC is proactively undertaking its own organizational and system reforms with an eye toward innovation, energy transformation, and digital transformation to realize a decarbonized society, and contribution to the SDGs, which are key themes of the Fourth Medium-term Business Plan.

In June 2022, JBIC established the Sustainability Advisory Committee as an advisory body to the Board of Directors and the Sustainability Committee as a deliberating body delegated by the Executive Committee. Important matters related to sustainability are discussed at the Executive Committee, Sustainability Committee, and Corporate Risk Management Committee under the supervision of the Board of Directors. JBIC also established the Sustainability Management Department as a department to centrally promote and publicize the initiatives aimed at achieving sustainability. In July, the Energy Transformation Strategy Office was established as a finance department that integrally handles next-generation energy sources including hydrogen and ammonia, from upstream to downstream.

In October 2022, JBIC for the first time made a disclosure in line with international standards based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). With the disclosure, JBIC made it public that it recognizes the crucial role of business in tackling climate change

and will proactively promote innovation while appropriately managing the risks associated with climate change. JBIC intends to further upgrade this disclosure in the future. Additionally, in April 2023, JBIC released its Human Rights Policy that expresses JBIC's commitment to respecting human rights as an organization. JBIC will continue to respect human rights and promote the realization of sustainability.

For work style reforms, JBIC aims to create working environments that enable employees to work in pleasant, comfortable and productive ways. Besides developing hardware aspects of work, such as digitizing tasks and establishing a hybrid work environment for continuing remote working system which started in response to the COVID-19 pandemic, JBIC is working to design systems that support flexible life including working hours and enable balancing between work and childcare and nursing care. I hope to create a "value-oriented" organization where the employees can respect the individuality of each person and realize how their work is beneficial not only to customers but also to the society as a whole.

To ensure such transformation, in June 2023, I compiled a list of executives' commitments and made it available to employees. The commitments intend to create a corporate climate where the diversity of employees is respected and people are treated equally regardless of their position and where everyone feels free to voice their opinions in any circumstances, and to develop a corporate culture that promotes growth of employees by encouraging them to try something new without being bound by old values. By presenting our vision as executives, we aim to strengthen our leadership.

In addition to these commitments, I am working to share information with employees and promote their understanding, for example, by directly sending a message to all employees regarding the Act amended in April 2023.

One of my favorite self-discipline quotes is Julius Caesar's words, "Men willingly believe what they wish to believe." This is a warning against understanding matters to your advantage without judging



situations calmly, and accepting only the information you desire. The world economy is changing rapidly, and industries are being reborn every day. Consequently, we must maintain constant communication with our customers, observe and experience what is happening on site, and achieve personal growth. For this reason, being agile, proactive, and resourceful is crucial. This means we will maximize our problem-solving abilities by being ahead of changes in the environment and taking risks with nimble footwork rather than reacting after changes occur. I would like to make JBIC an organization where employees can provide services as a matter of course, such as proposing and providing new ideas and finance to customers, connecting customers and related parties and acting as a bridge with the governments and authorities of partner countries.

## Toward the Completion of the Fourth Medium-term Business Plan

As a result of the previously mentioned amendment to the Japan Bank for International Cooperation Act, JBIC is now able to provide financial support that is more suited to the needs of Japanese companies, such as by supporting foreign companies partnering with Japanese companies through packages, offering import loans to overseas subsidiaries of Japanese companies when they receive overseas resources, and including overseas funds for enhancing supply chain resilience in domestic loans. In addition, investing in and acquiring corporate bonds of startup companies and mid-tier enterprises and SMEs will now be possible. Moreover, fields in which JBIC takes risks to provide support have been expanded to include resource development, commercialization of new technologies and business models, and investments in startup companies.

Also, JBIC is now able to support loans by international financial institutions with the aim of supporting the reconstruction of Ukraine. Until now, JBIC has supported Japanese companies' projects in Ukraine. Based on the policy of the Government of Japan, JBIC will now provide guarantees for loans in cooperation with international organizations that play a major role in Ukraine's economic activities.

Following the G7 Finance Ministers and Central Bank Governors' Meeting held in Niigata before the G7 Hiroshima Summit in May 2023, JBIC, European Bank for Reconstruction and Development (EBRD), and European and U.S. development finance institutions participating in the Ukraine Investment Platform signed a memorandum of understanding in June. JBIC also provided support to Poland, which accepts a large number of Ukrainian refugees, through the provision of guarantees for the fund raised by a Polish policy-based financial institution in the samurai bond market with the aim of allocating the proceeds to the Aid Fund for Ukraine. Ukrainian President Zelenskiy expressed his gratitude to Japan for this JBIC's support at the G7 Hiroshima Summit.

Besides the ongoing multilateral cooperation to support the reconstruction of Ukraine, JBIC has been engaged in Japan-U.S. -Australian and Japan-U.S. -Australia-India collaborative projects. Recently, when an Australian company acquired a telecommunications carrier which has a mobile network in the South Pacific Islands region, JBIC, together with the U.S. International Development Finance Corporation (DFC) supported Export Finance Australia (EFA), the primary provider of financial support.

Toward the completion of the Fourth Medium-term Business Plan, JBIC will utilize its strengthened functions resulting from the legal amendment and make further efforts to realize energy resource security, respond to global issues, enhance supply chain resilience, deploy high-quality infrastructure overseas, and support the creation of new markets by startups.

In consideration of current advanced economic activities, JBIC, as a policy-based financial institution wholly owned by the Japanese government, will contribute to overseas business deployment of Japanese companies through comprehensive financial support without being constrained by precedents. This support includes fulfilling financing and investing functions, guarantee functions, and risk-taking functions, as well as promoting multilateral collaboration and collaboration with foreign business partners of Japanese companies.

# 4. Act for Partial Amendment of the Japan Bank for International Cooperation Act

Given multiple factors, including changes in the international situation surrounding Japan's economy, the Act for Partial Amendment of the Japan Bank for International Cooperation Act was enacted in April 2023 to further strengthen JBIC's functions. This Act allows JBIC to provide support in three fields: (1) enhancement of supply chain resilience to contribute

toward maintaining and improving the international competitiveness of Japanese industries, (2) assistance to Japanese companies, including startups, in further taking risks amid growing expectations for such sectors as digitalization and green initiatives, and (3) participation in international support for the recovery of Ukraine.

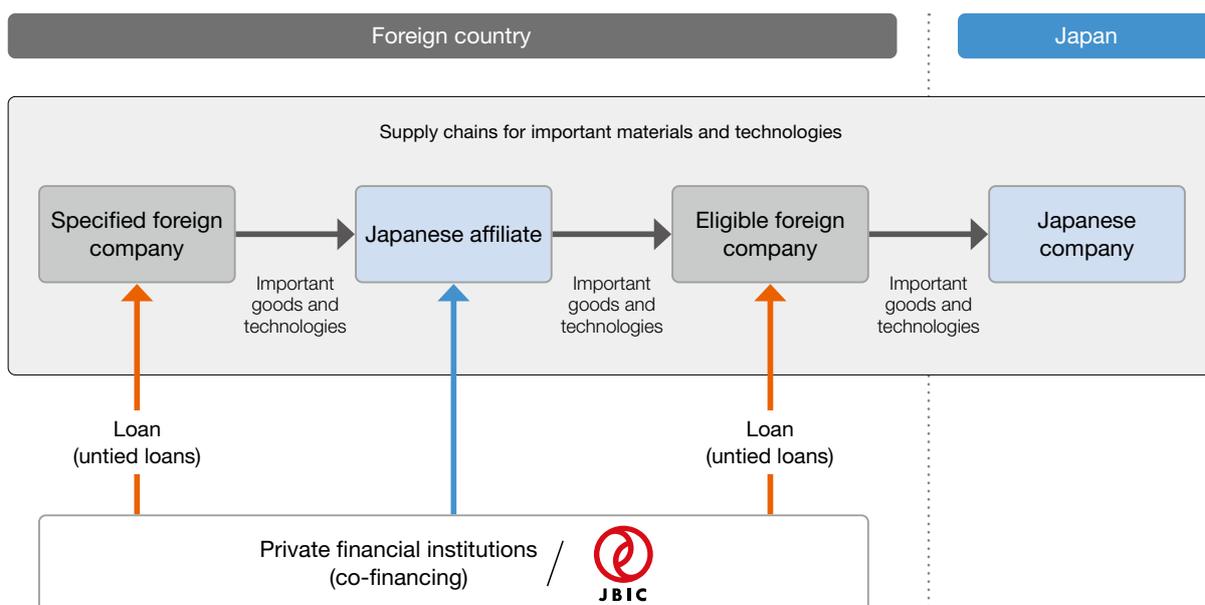
## Enhancement of supply chain resilience to contribute toward maintaining and improving the international competitiveness of Japanese industries

- Untied loans are newly available to foreign companies that support the supply chain for important materials and technologies in maintaining and improving the international competitiveness of Japanese industries and the necessary infrastructure for the overseas business of Japanese companies.
- Support through import loans is now available not only when importing overseas resources into Japan but also when Japanese companies receive these resources overseas.
- Direct loans to Japanese companies (overseas investment loans) are newly available for overseas business operations which are intended to enhance Japanese companies' supply chain resilience.

### (1) Untied loans for eligible foreign corporations (overview)

#### Enhancement of supply chain resilience

- Given the fact that the supply chains and the industry bases for important materials and technologies essential to Japan's economic activities and people's lives are multi-layered and that the international division of labor is progressing, untied loans are now available to foreign companies integrated into these chains and bases (eligible foreign companies).
- Materials and technologies that are important in maintaining and improving the international competitiveness of Japanese industries as well as the bases necessary for Japanese companies' overseas business are designated by the Ministry of Finance Ordinance.



- Newly available support
- Currently available support

The assistance is available to eligible foreign companies, which are engaged in the following operations (as of October 1, 2023).

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>(i) Operations related to “important goods”</b></p> <p>Of the following operations, those necessary for enhancing the resilience of the supply chain for goods procured by Japanese or Japanese-affiliated companies</p> <ul style="list-style-type: none"> <li>• Development of important resources for Japan</li> <li>• Manufacturing of equipment and other items necessary to generate electricity from renewable energy</li> <li>• Manufacturing of rechargeable batteries</li> <li>• Manufacturing of components and accessories of ships and aircraft</li> <li>• Development and manufacturing of medical devices</li> <li>• Development and manufacturing of pharmaceuticals</li> <li>• Manufacturing of motors</li> <li>• Manufacturing of semiconductors, including the raw materials and equipment necessary for the manufacturing</li> <li>• Development and manufacturing of fertilizers, agricultural instruments, and other goods necessary for food production, including agriculture</li> <li>• Manufacturing of low-carbon materials</li> </ul> |
| <p><b>(ii) Operations related to “important technologies”</b></p> <p>Of the following operations, those necessary for facilitating the provision of technologies utilized by Japanese and Japanese-affiliated companies</p> <ul style="list-style-type: none"> <li>• Development of artificial intelligence-related technologies</li> <li>• Development of technologies related to quantum computers and other equipment that harness the quantum property</li> <li>• Development of biotechnology</li> <li>• Development of blockchain technology</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <p><b>(iii) Operation related to “bases necessary for global business operations”</b></p> <p>Of the following operations, those necessary for global business activities by Japanese and Japanese-affiliated companies</p> <ul style="list-style-type: none"> <li>• Development of bases for power generation, transmission, etc., necessary to provide electricity from renewable energy</li> <li>• Development of bases for utilizing information and communication technology (including launching, tracking, and controlling of communication satellites)</li> <li>• Medical care</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

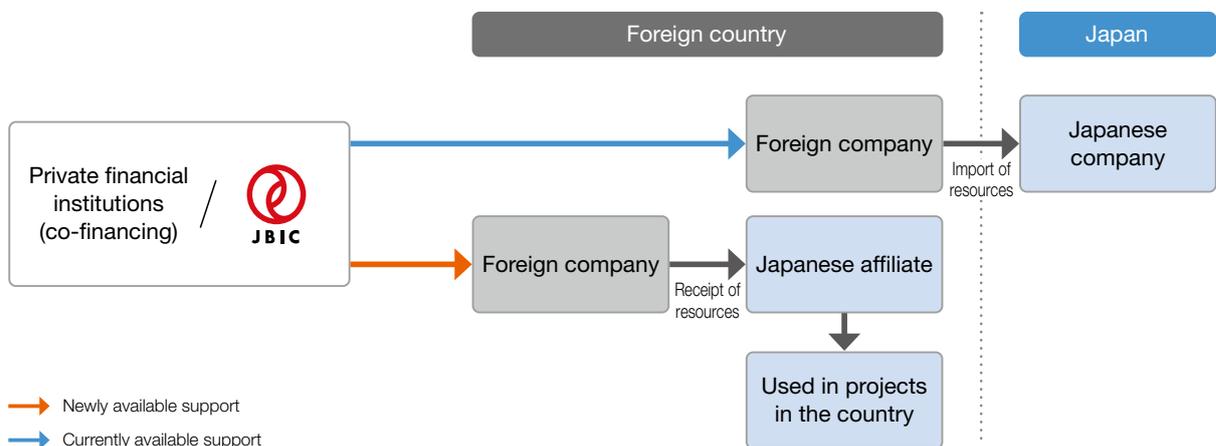
In providing a loan, etc. to an eligible foreign company, JBIC conducts screening for the applicant, from the viewpoint of contributing toward maintaining and strengthening the international competitiveness of Japanese industry, including economic security.

**(2) Import loans for receiving resources overseas**

**Enhancement of supply chain resilience**

■ As the supply chains of Japanese companies are also being developed outside of Japan, support through import loan is available not only when importing resources into Japan, but also when Japanese companies and Japanese-affiliated companies receive resources overseas.

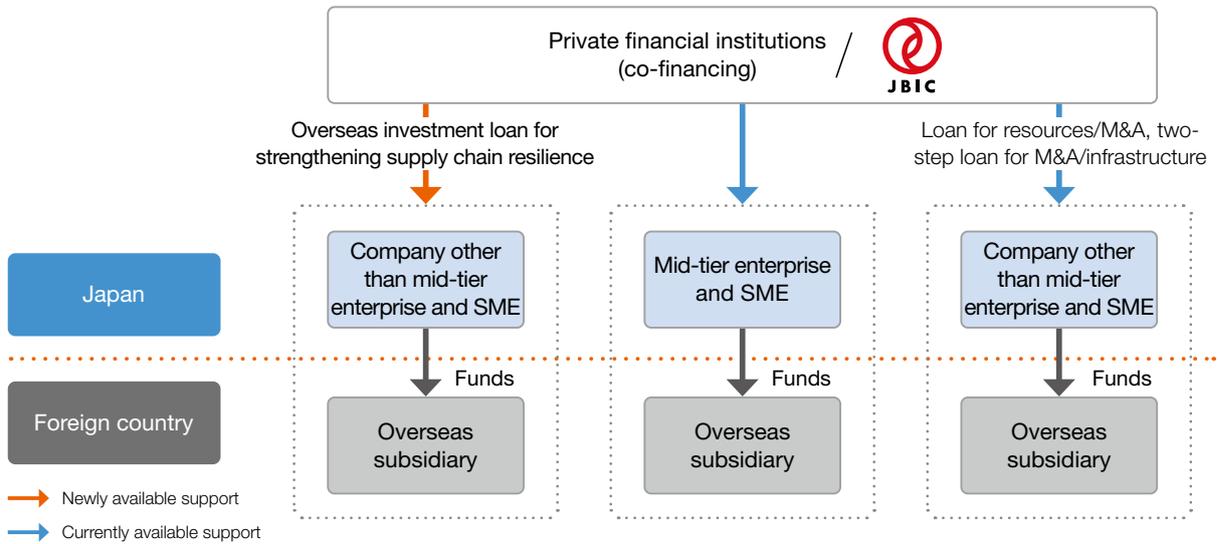
\* **Resources important to Japan:** oil, petroleum gas, LNG, coal, uranium, metallic ore, metals, mineral phosphate, fluorite, salt, wood, wood chips, pulp, fuels derived from biomass (organic matter derived from animals and plants that can be used as an energy source, excluding crude oil, petroleum gas, flammable natural gas and coal as well as products manufactured from these), hydrogen, fuel ammonia, and other resources important to Japan.



**(3) Overseas investment loans to Japanese companies for overseas business operations to strengthen supply chain resilience**

Enhancement of supply chain resilience

- Given the fact that the supply chains of Japanese companies have extended across borders, direct loans to Japanese companies (overseas investment loans) are newly available for overseas business operations which are intended to enhance Japanese companies' supply chain resilience, in addition to the current loans for resources and M&A, two-step loans, etc.
- JBIC supports the overseas supply chains of Japanese companies from upstream to downstream operations, ranging from manufacturing, development, transportation, and procurement of raw materials to processing, assembly, transportation, and sales of products.



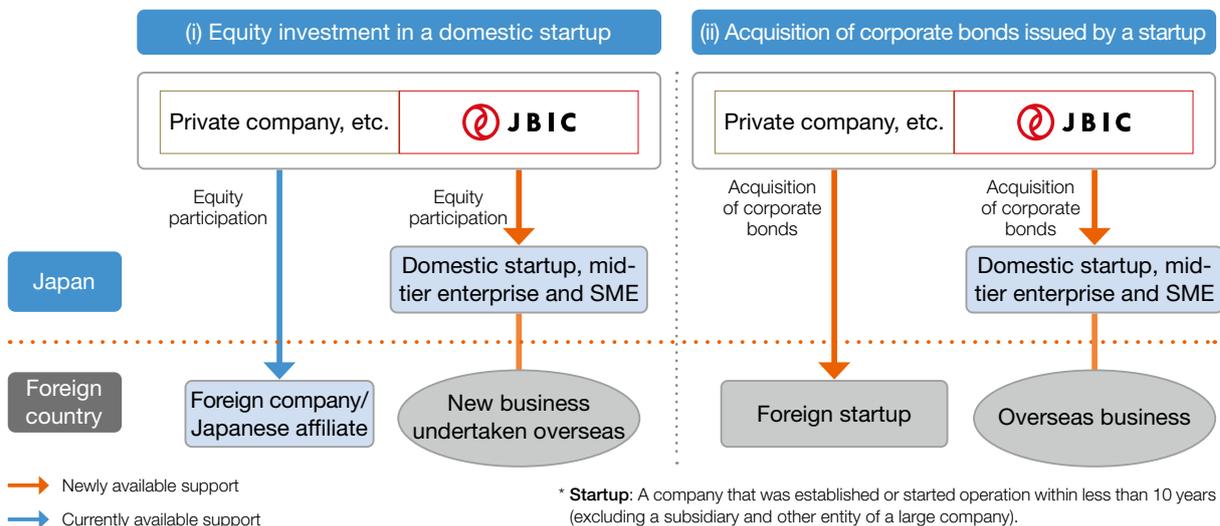
**Assistance to Japanese companies, including startups, in further taking risks**

- The assistance is newly available for equity investments or acquisition of corporate bonds of Japanese startups (which were established or started operation within less than 10 years), mid-tier enterprises, and SMEs engaged in overseas business operations.
- Development of energy and natural resources, commercialization of new technology and business models, and equity investments in or acquisition of corporate bonds of startups are newly included in Special Operations.

**(1) Equity investment in, acquisition of corporate bonds and assisting in risk taking of domestic startups**

Assistance for risk taking

- As measures to support overseas business financing for promising startups as well as mid-tier enterprises and SMEs that aim to expand overseas after gaining experience in Japan, (i) equity investments in and (ii) acquisition of corporate bonds issued by startups or mid-tier enterprises and SMEs are now included in the operations.

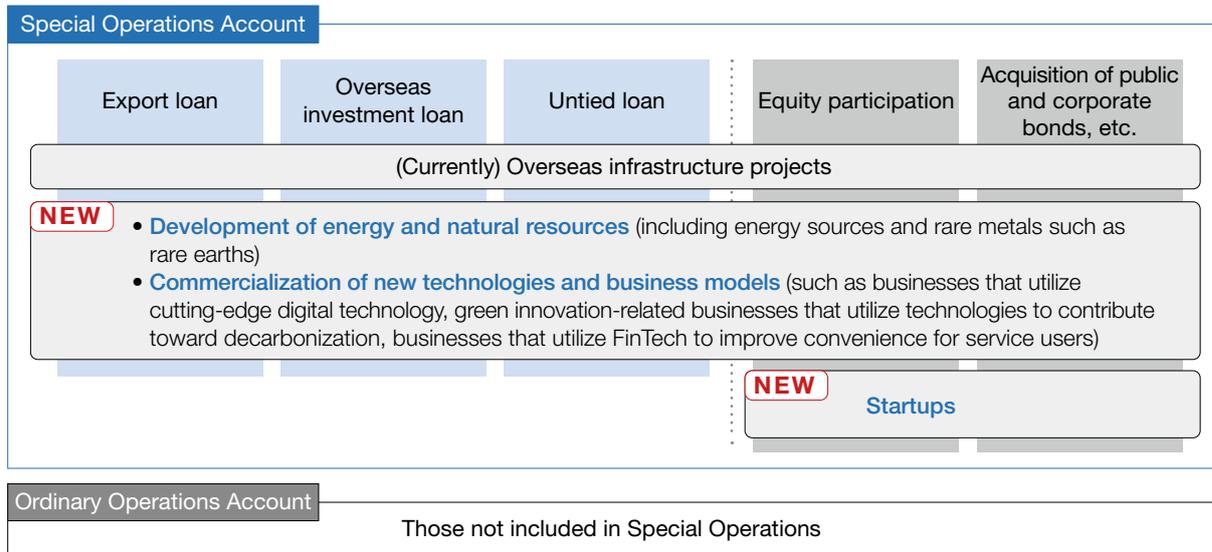


\* Startup: A company that was established or started operation within less than 10 years (excluding a subsidiary and other entity of a large company).

**(2) Expanded coverage of Special Operations**

Assistance for risk taking

- JBIC began Special Operations in October 2016 to enable further risk-taking for overseas infrastructure projects. Projects are classified as Ordinary Operations or Special Operations and are accounted for under the respective “principle of mutual compensation.” However, the “certainty of repayment principle” does not apply to individual projects in Special Operations, from the perspective of strengthening risk-taking functions.
- Development of energy and natural resources, commercialization of new technology and business models, and equity investments in startups are newly included in Special Operations to promote further risk-taking by Japanese companies.



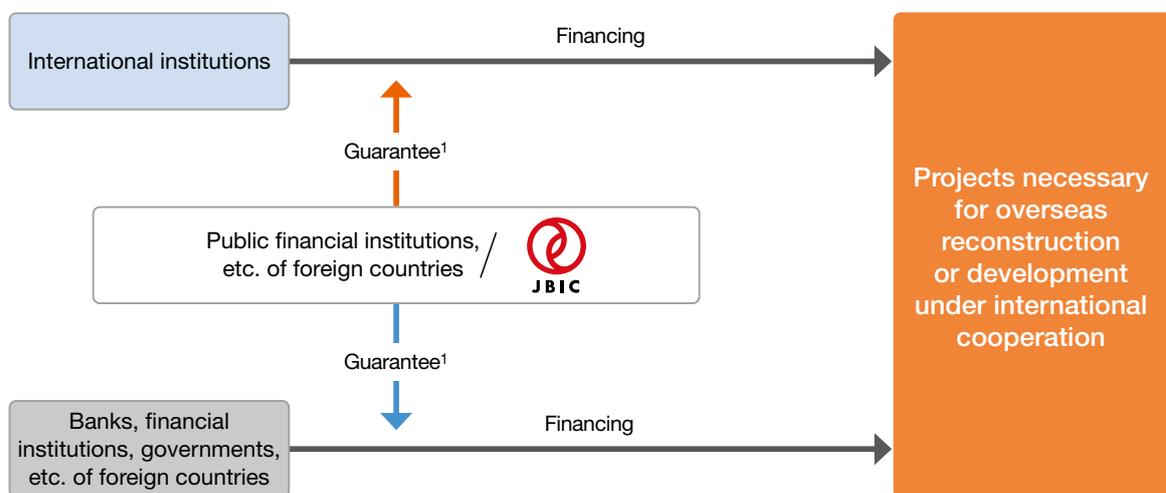
**Participate in international support for the recovery of Ukraine**

- JBIC is now able to provide guarantees for loans for the recovery of Ukraine by international financial institutions.

**Guarantees for loans by international institutions**

Participation in support for recovery of Ukraine

- JBIC has expanded support tools by enabling to provide guarantees to “loans by international institutions” with an eye to supporting reconstruction of Ukraine under international cooperation.
- The guarantees mentioned above are provided under the mission “Preventing disruptions to international financial order or taking appropriate measures with respect to damages caused by such disruptions (Ordinary Operations Account).”



→ Newly available support  
→ Currently available support

1. The mission “Preventing disruptions to international financial order or taking appropriate measures with respect to damages caused by such disruptions (Ordinary Operations Account).”

# 5. Directors, Managing Executive Officers and Corporate Auditors (As of September 1, 2023)

## Directors



Governor  
HAYASHI Nobumitsu



Deputy Governor  
AMAKAWA Kazuhiko



Executive Managing Director  
HASHIYAMA Shigeto



Senior Managing Director  
OISHI Ichiro



Senior Managing Director  
TANAKA Kazuhiko



Senior Managing Director  
TANIMOTO Masayuki

## Managing Executive Officers

|                            |                                                             |                |
|----------------------------|-------------------------------------------------------------|----------------|
| Managing Executive Officer | Global Head of Corporate Planning Group                     | KIKUCHI Yo     |
| Managing Executive Officer | Global Head of Credit, Assessment and Risk Management Group | TANAKA Eiji    |
| Managing Executive Officer | Global Head of Treasury and Systems Group                   | OGAWA Kazunori |
| Managing Executive Officer | Global Head of Energy and Natural Resources Finance Group   | AMANO Tatsushi |
| Managing Executive Officer | Global Head of Infrastructure and Environment Finance Group | SEKINE Hiroki  |
| Managing Executive Officer | Global Head of Industry Finance Group                       | SASAKI Satoshi |
| Managing Executive Officer | Global Head of Equity Finance Group                         | UCHIDA Makoto  |

## Non-Executive Directors



Managing Director, Chairman  
of the Board of Directors  
MAEDA Tadashi



Managing Director  
(Outside Director)  
KOIZUMI Shinichi



Managing Director  
(Outside Director)  
KAWAMURA Yoshinori

## Corporate Auditors



Corporate Auditor  
(Full-Time Corporate Auditor)  
NASU Noriko



Corporate Auditor  
(Outside Corporate Auditor)  
TSUCHIYA Mitsuaki



Corporate Auditor  
(Outside Corporate Auditor)  
MOTOMURA Aya



# 6. Medium-term Business Plan (FY2021- FY2023)

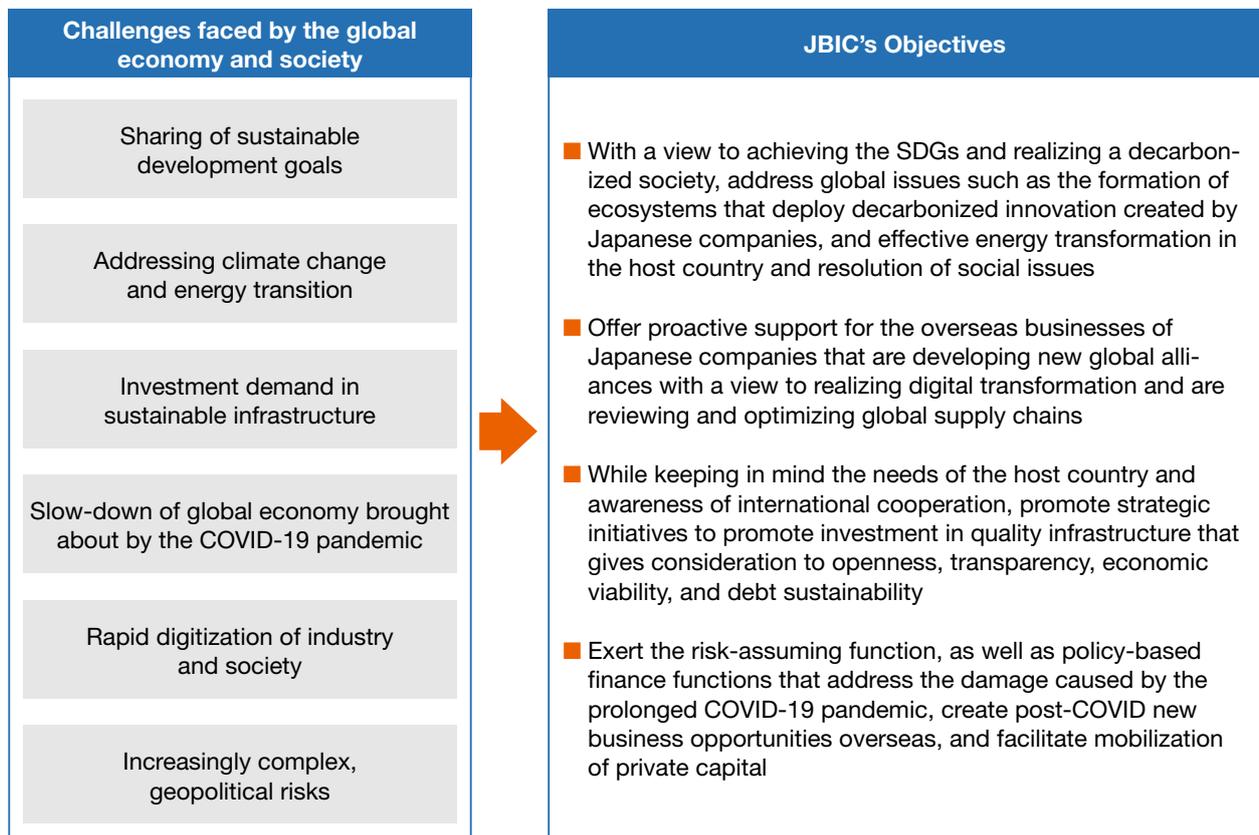
COVID-19 is currently having a tremendous impact on numerous countries and regions, and Japan is no exception. At the same time, the need for structural changes in industry and society has become clearly evident for proceeding with global rebuilding with an eye toward the post-pandemic world. In the international community, there is an urgent need for ambitious efforts to realize a smooth energy transition to respond to climate change problems and to attain inclusive and sustainable development and growth. Furthermore, in industry there are ongoing moves to re-evaluate and optimize global supply chains in view of consumer needs and rising geopolitical risks in the age of the so-called new normal, while efforts are also being made to pursue international collaboration for adapting to the rapid advances of digitization and innovation.

To address these issues, JBIC formulated its Fourth Medium-term Business Plan (FY2021- FY2023) in June 2021. This business plan sets out six Key Focus Areas and 17 Action Plans under the focus areas and JBIC is working to attain these goals. In FY2022, which marked the second year of the plan, the two-year efforts in relation to Key Focus Areas began to bear fruit, with the corresponding indicators that had fallen far below the targets in FY2021 showing a steady improvement. Additionally, after the Act for Partial Amendment of the Japan Bank for International Cooperation Act was passed and enacted in April 2023, JBIC added a new target, “Engage proactively toward the execution of policy-based finance functions based on the amendment of JBIC Act”, to Action Plan (4) in Key Focus Area 4.

## Direction of the Business in the Fourth Medium-term Business Plan

In FY2020, economic activities faced an unprecedented degree of restrictions due to the COVID-19 pandemic. Amidst expectations of strong recovery of the global economy after such a year, the international community is confronted by these common challenges: (1) exploring the way toward sustainable growth and development that achieves balance between the economy, society, and the environment; (2) acceleration of energy transition toward the realization of a

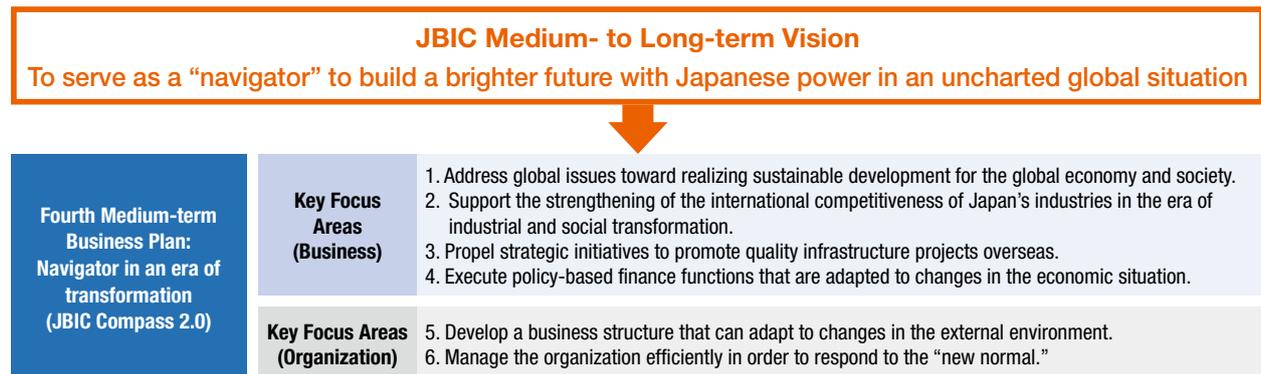
decarbonized society; (3) responding to industrial and social transformation due to advancement in digitization. Taking these challenges into consideration, JBIC has set out the following objectives, from the perspective of policy-based finance. These objectives have been incorporated as action plans into the Fourth Medium-term Business Plan. JBIC is fully committed to the achievement of the plan.



## ■ Key Focus Areas

JBIC's corporate philosophy is, "Positioned at the crossroads of global business opportunities, JBIC is opening new venues to the future for the Japanese and global economy." Under this philosophy, it has established the medium- to long-term vision, "To serve as a 'navigator' to build a brighter future with Japanese power in an uncharted global situation," which defines what JBIC wishes to become over the next 10 years. Based on this vision, the Fourth Medium-term

Business Plan sets out six key focus areas based on the theme "navigator in an era of transformation," in the context of objectives such as the realization of the SDGs and a decarbonized society, and the irreversible advancements in energy transformation and digital transformation. Seventeen action plans have been positioned under these six key focus areas, and JBIC is committed to achieving these action plans in coming years.



## ■ Action Plans

|                     | Key Focus Areas                                                                                                                                   | Action Plans                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Business</b>     | <b>1 Address global issues toward realizing sustainable development for the global economy and society.</b>                                       | (1) Respond to energy transformation toward the realization of a decarbonized society.<br>(2) Support projects that contribute toward resolving social issues.                                                                                                                                                                                                                                                                                                                                  |
|                     | <b>2 Support the strengthening of the international competitiveness of Japan's industries in the era of industrial and social transformation.</b> | (1) Address the strengthening of resilience and rebuilding of international supply chains.<br>(2) Support M&A and technology acquisition by Japanese companies toward digital transformation, etc.                                                                                                                                                                                                                                                                                              |
|                     | <b>3 Propel strategic initiatives to promote quality infrastructure projects overseas.</b>                                                        | (1) Support participation in overseas infrastructure projects that harness the strengths of Japanese companies.<br>(2) Promote multilateral cooperation and cooperation with multilateral financial institutions, etc.                                                                                                                                                                                                                                                                          |
|                     | <b>4 Execute policy-based finance functions that are adapted to changes in the economic situation.</b>                                            | (1) Respond swiftly to overseas businesses that have been impacted by the COVID-19 pandemic.<br>(2) Undertake strategic initiatives for countries/regions of great importance from a policy perspective.<br>(3) Execute-business steadily as a policy-based financial institution, including support for small and medium-sized enterprises.<br>(4) Strengthen the risk-assuming functions as a policy-based financial institution.<br>(5) Further promote the mobilization of private capital. |
| <b>Organization</b> | <b>5 Develop a business structure that can adapt to changes in the external environment.</b>                                                      | (1) Develop a business structure that is adapted to changes in the business environment and customer needs.<br>(2) Respond appropriately to interest rate benchmark reforms.<br>(3) Conduct appropriate and efficient credit analysis and credit management during and after the COVID-19 pandemic.                                                                                                                                                                                             |
|                     | <b>6 Manage the organization efficiently in order to respond to the "new normal."</b>                                                             | (1) Digitalize the working environment that can adapt to the "new normal."<br>(2) Promote human resource development and work style reforms that can maximize performance and draw out vitality of diverse employees.<br>(3) Strengthen the effectiveness of the compliance system.                                                                                                                                                                                                             |

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## ■ Action Plans (Business)

### **Key Focus Area: 1 Address global issues toward realizing sustainable development for the global economy and society.**

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#### **Action Plan (1) Respond to energy transformation toward the realization of a decarbonized society.**

- To contribute toward the creation of a new ecosystem, with a view to reducing greenhouse gases worldwide and realizing decarbonization in Japan, support efforts to reduce greenhouse gases and popularize green innovation by financing projects in fields such as renewable energy and energy savings, smart energy (power storage technology, etc.), green mobility, smart cities, and promotion of the production, transportation, and utilization of hydrogen (Green finance)
- While working to engage host countries to make the shift toward sustainable energy, provide support for initiatives toward global energy transition by financing projects in areas such as energy conversion, CCUS/carbon recycling, ammonia and hydrogen co-combustion, in order to contribute toward expanding businesses that help to reduce environmental burden (Transition finance)

#### **Action Plan (2) Support projects that contribute toward resolving social issues.**

- To contribute toward efforts aimed at resolving social issues in host countries and realize sustainable growth, such as efforts to improve health, welfare and hygiene, create employment, and develop sustainable cities and living spaces, provide support for projects that assist resolving social issues in the host countries. These include the development and enhancement of the medical care environment (infectious disease countermeasures, hospital and medical equipment), access to basic infrastructure (water and sewage services, rural electrification and distributed power systems, information communications), development of the living environment (urban development and disaster prevention, public transport), improvement in the hygiene environment (waste disposal, reuse and recycling, countermeasures for marine plastic waste), and food safety and sustainable food systems (food value chains) (Social impact finance)

### **Key Focus Area: 2 Support the strengthening of the international competitiveness of Japan's industries in the era of industrial and social transformation.**

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#### **Action Plan (1) Address the strengthening of resilience and rebuilding of international supply chains.**

- To contribute toward efforts aimed at the restructuring of global supply chains by Japanese companies and the building of local supply chains in order to cultivate new markets, support Japanese companies to rebuild and strengthen the resilience of global supply chains. These efforts include new capital investment overseas by Japanese companies (investments related to the relocation, establishment, and expansion of business bases), and infrastructure development for local supporting industries and industrial cluster overseas

#### **Action Plan (2) Support M&A and technology acquisition by Japanese companies toward digital transformation, etc.**

- To cope with the rapid progress of digital transformation, and to support initiatives by Japanese companies to rebuild their business models as well as develop and acquire state-of-the-art technology, provide support to strengthen the international competitiveness of Japanese companies during the period of digital transformation by financing efforts for the acquisition of advanced technologies and knowhow from overseas, including digital technology

## Key Focus Area: ③ Propel strategic initiatives to promote quality infrastructure projects overseas.

### Action Plan (1) Support participation in overseas infrastructure projects that harness the strengths of Japanese companies.

- To secure debt sustainability in host countries and economic viability that reflects the life cycle costs of a project, and to contribute toward the promotion of quality infrastructure overseas that takes environmental and social impact into consideration, provide support for the quality infrastructure projects overseas through means such as the utilization of core technologies by Japanese companies and continued involvement in O&M

### Action Plan (2) Promote multilateral cooperation and cooperation with multilateral financial institutions, etc.

- To meet global infrastructure needs through coordination and cooperation with diverse funding sources, promote initiatives toward deal-sourcing and structuring of projects through multilateral cooperation, including Japan-U.S.-Australia-India cooperation, and coordination with multilateral financial institutions, etc.

## Key Focus Area: ④ Execute policy-based finance functions that are adapted to changes in the economic situation.

### Action Plan (1) Respond swiftly to overseas businesses that have been impacted by the COVID-19 pandemic.

- Implement emergency measures steadily (financing based on the Emergency Window)
- Respond flexibly to changes in the global financial environment (including appropriate credit management)

### Action Plan (2) Undertake strategic initiatives for countries/regions of great importance from the policy perspective.

- Undertake strategic initiatives toward the formation of loan, equity participation, and guarantee projects in countries and regions of great importance from policy perspectives (including enhancing support for projects in Africa and initiatives based on multilateral cooperation)

### Action Plan (3) Execute business steadily as a policy-based financial institution, including support for mid-tier enterprises and small and medium-sized enterprises.

- Implement policy-based finance steadily, including securing important resources and supporting overseas expansion by Japanese industries
- Support overseas expansion by small and medium-sized enterprises through efforts such as strengthening cooperation with private financial institutions, including regional financial institutions, and knowledge sharing

### Action Plan (4) Strengthen the risk-assuming functions as a policy-based financial institution.

- Strengthen the risk-assuming function through means such as the utilization of special operations, and diversify financing products by utilizing local currency-denominated financing, etc.
- Strengthen external presence and negotiation leverage as a policy-based financial institution
- Endeavor to fulfill the functions as a policy-based financial institution based on its enhanced functionality (new settings for FY2023)

### Action Plan (5) Further promote the mobilization of private capital.

- Actively promote the mobilization of private capital, including private investment and financing by private financial institutions, through our loan, equity participation, and guarantee operations and the securitization of loan assets

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## ■ Action Plans (Organization)

### **Key Focus Area: 5 Develop a business structure that can adapt to changes in the external environment.**

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#### **Action Plan (1) Develop a business structure that is adapted to changes in the business environment and customer needs.**

- Develop a business process and structure that takes the external environment into consideration, such as changes in the business environment and customer needs, response to SDGs and climate change issues, and global trends related to ESG investments

#### **Action Plan (2) Respond appropriately to interest rate benchmark reforms.**

- Respond appropriately to interest rate benchmark reforms (LIBOR cessation), including the smooth transition to an alternative interest rate benchmark in loans, equity participation, and guarantee operation, and system modification and the review of credit analysis processes

#### **Action Plan (3) Conduct appropriate and efficient analysis and credit management during and after the COVID-19 pandemic.**

- Conduct appropriate and efficient credit analysis and credit management under the constraints of a remote work environment
- Adjust risk-management framework to changes in the international situation and social environment, such as the prolonged COVID-19 pandemic and interest rate benchmark reforms

### **Key Focus Area: 6 Manage the organization efficiently in order to respond to the “new normal.”**

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#### **Action Plan (1) Digitalize a working environment that can adapt to the “new normal.”**

- Agilely review, improve, and digitize work processes, and utilize RPA
- Strengthen functions toward improving user experience for information systems, in anticipation of the normalization of remote work, and secure stability and safety of information systems

#### **Action Plan (2) Promote human resource development and work style reforms that can maximize performance and draw out vitality of diverse employees.**

- Foster an organizational culture that harnesses the diversity of employees as a source of vitality, and support autonomous career development and capacity development
- Undertake initiatives toward improving the working environment to enable employees to continue working with vitality

#### **Action Plan (3) Strengthen the effectiveness of the compliance system.**

- Develop a compliance system that strikes a balance between effectiveness and efficiency

# 7. Sustainability

## Policies toward the Realization of Sustainability

The world's economies are facing the shared challenges of dealing with climate change and pursuing sustainable growth and development while seeking to achieve a balance between the economy, society, and the environment. In response to these challenges, JBIC promotes initiatives under its Fourth Medium-term Business Plan and work with stakeholders toward fostering global sustainable development and resolving global challenges, to ensure the realization of sustainable societies, as well as realizing “the colorful world” that embraces diversified spectrum and gradation of countries and people.

JBIC released its ESG Policy on October 28, 2021, in advance of the 26th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26). JBIC is committed to pursuing ambitious and accelerated efforts to achieve net zero emissions in its finance portfolio by 2050.

JBIC contributes toward realizing global carbon neutrality by supporting and accelerating the energy transition of emerging and developing countries through continued engagement with the relevant national governments and authorities.

In the meantime, we made our first information disclosures based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in October 2022.

In April 2023, we released the JBIC Human Rights Policy, which expresses our commitment to respecting human rights and also states our expectations on clients and suppliers to respect human rights.

As Japan's policy-based financial institution, JBIC promotes the realization of sustainability through efforts to resolve global challenges, including responses to climate change issues and respect for human rights.



## JBIC ESG Policy

### 1. Policies towards the Realization of Sustainability

- The world's economies are facing the shared challenge of dealing with climate change whilst pursuing sustainable growth and development, and all the while seeking to achieve a balance between the economy, society, and the environment. In light of these challenges, JBIC's Fourth Medium-term Business Plan (announced in June 2021), identified the addressing of "global issues toward realizing sustainable development for the global economy and society" as its first key focus area. Accordingly, JBIC is actively working to support this global agenda through the provision of green finance, transition finance, and social impact finance. In addition, as an organization, under the Fourth Medium-term Business Plan and the Second Plan for Work Style Reform, JBIC strives to foster a culture that harnesses the diversity of its employees, support individual career development and knowledge development, and continue to improve the working environment for its employees.
- JBIC continues to review its organizational structure, systems and processes with a view to strengthening its sustainability governance and management systems, so that JBIC can actively support Japanese companies and the global economic community in their efforts to achieve decarbonization and SDG goals, and as appropriate, disclose the results of the provision of such support to its stakeholders.
- With a view to fulfilling JBIC's role as "a navigator to build a brighter future with Japanese power" (as stated in JBIC's Fourth Medium-term Business Plan), JBIC, through its risk-assuming function as a policy-based financial institution and long-standing relationships with its stakeholders and overseas networks, proactively contributes to fostering global sustainable development and resolving global challenges, to ensure the realization of sustainable societies.

### 2. Climate Change Policy

- Climate change is one of the most urgent challenges facing the world's economies. Following the adoption of the Paris Agreement in December 2015, the global effort to address climate change has accelerated. In October 2020, the Japanese government made a declaration to aim for carbon neutrality by 2050 (i.e., to achieve net zero greenhouse gas emissions). In order to achieve the objectives of the Paris Agreement, global collective action is urgently required through not only efforts led by developed countries, but also through coordinated action taken by developing and emerging countries to ensure the energy

transition towards a decarbonized society.

- In recognition of the urgency to accelerate global concerted efforts to combat climate change, and in alignment with Japanese government policy, JBIC set out its plans to address climate change in paragraphs (1) to (4) below, in advance of the United Nations Climate Change Conference (COP26) starting on October 31, 2021. As Japan's policy-based financial institution, JBIC continues to be proactive in providing financial support for efforts to tackle climate change, based on Japanese government policy.

#### (1) Contributing toward the Global Implementation of the Paris Agreement

- In order to align with the international goals to achieve the objectives of the Paris Agreement, JBIC is committed to pursuing ambitious and accelerated efforts to reduce its operational emissions to net zero by 2030, and to achieve net zero emissions in its finance portfolio by 2050. Moreover, through continued engagement with the relevant national governments and authorities, JBIC will contribute in realizing global carbon neutrality by supporting and accelerating the energy transition towards a decarbonized society of emerging and developing countries.

#### (2) Strengthening Climate Change-related Finance

- Achieving the objectives of the Paris Agreement requires substantial investment. As such, the flow of funds, including those through the mobilization of private finance, needs to be redirected and applied to pathways towards decarbonization. JBIC harnesses its risk-assuming function as a policy-based financial institution as well as its negotiation leverage, to promote green innovation and accelerate the energy transition of emerging and developing countries through engagement with the relevant national governments and authorities, and through multinational coordination. JBIC thereby takes the lead in global decarbonization through such actions and the provision of finance, in addition to disseminating climate-related information, and issuing green bonds, among other things.
- In addition to ending the provision of financing for unabated international thermal coal power generation as agreed at the G7 Summit in June 2021, JBIC also backs efforts leading to the transition to clean energy generation by harnessing new technologies.

#### (3) Enhanced Climate-related Financial Disclosures Pursuant to the TCFD Recommendations

- In recognition of the importance of reporting

on climate-related financial information, JBIC announced in October 2019 of its endorsement of the Task Force on Climate-related Financial Disclosures (TCFD) that was established by the Financial Stability Board (FSB). JBIC also engages in the TCFD Consortium, which was set up as a forum for institutions who support the TCFD recommendations to exchanges ideas. JBIC will proceed in disclosing relevant information based on the TCFD framework.

#### (4) Environmentally and Socially Conscious Financings and Investments

- Since the formulation and publication of the JBIC Guidelines for Confirmation of Environmental and Social Considerations in 1999, JBIC has

ensured that the financing of its relevant projects have been subject to the environmental and social impact considerations required under such guidelines. JBIC will be at the forefront of such environmental and social considerations by reviewing, as appropriate, the guidelines and taking into consideration, among other things, the international frameworks that are in place with respect to environmental and social considerations, the discussions taking place at the Organisation for Economic Co-operation and Development (OECD) regarding the Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence, and a wide public consultation process.

## JBIC Human Rights Policy

### Commitment to Respect Human Rights

The Japan Bank for International Cooperation (hereinafter, “JBIC”) stipulates, as its corporate philosophy, that “positioned at the crossroads of global business opportunities, JBIC is opening new venues to the future for the Japanese and global economy,” with the aim of contributing to the sound development of Japan and the international economy and society. In recognition of the importance of respect for human rights, JBIC has developed this Human Rights Policy (hereinafter, the “Human Rights Policy”) and is committed to endeavoring to respect human rights.

JBIC recognizes the Universal Declaration of Human Rights, International Covenants on Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, and Guiding Principles on Business and Human Rights as international standards on human rights. Laws and regulations may vary by country or region. Nonetheless, JBIC will pursue methods to respect international human rights standards whilst also complying with local laws and regulations.

### Scope of Application

Executives and employees (executive officers and staff members) of JBIC will respect human rights in line with the Human Rights Policy. JBIC will share the philosophy behind the Human Rights Policy with its goods and services suppliers (hereinafter, the “Suppliers”) and clients, and expects such Suppliers and clients to endeavor to respect human rights.

### Executives and Employees

JBIC’s executives and employees are required to act in accordance with the spirit of fundamental human rights protection. When dealing with clients and Suppliers, JBIC will respect their human rights and conduct business in a fair manner.

JBIC prohibits discrimination of any kind, including

on the basis of race, nationality, place of birth, gender, age, religion, belief, and disabilities. JBIC does not tolerate human rights violations, including sexual harassment, power harassment, maternity-related harassment, or any other type of harassment, forced labor, child labor, or human trafficking. JBIC also respects the freedom of association and collective bargaining rights of its staff members.

### Cooperation with Suppliers

JBIC will respect human rights in its relationships with its Suppliers. For example, JBIC will handle Suppliers’ personal information appropriately based on its Privacy Policy and will strive to ensure that Suppliers do not receive discriminatory treatment.

In addition, JBIC will share the philosophy behind the Human Rights Policy with its Suppliers and expects them to respect human rights.

### Cooperation with Clients

JBIC will respect human rights in its relationship with clients. In relation to products and services provided to clients. For example, JBIC will handle the clients’ personal information appropriately based on its Privacy Policy and will strive to ensure that clients are free from discriminatory treatment.

In addition, JBIC will share the philosophy behind the Human Rights Policy with its clients and expects them to respect human rights.

JBIC has established the Japan Bank for International Cooperation Guidelines for Confirmation of Environmental and Social Considerations (hereinafter, the “Guidelines”) for transactions with clients. Pursuant to the Guidelines, JBIC will confirm that appropriate environmental and social considerations, including human rights considerations, have been undertaken by project proponents and that outcomes are taken into account in decision-making on lending, equity

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participation, and guarantees (hereinafter, "Funding"). Following Funding decisions, JBIC will, if necessary, monitor or take steps to encourage to ensure that appropriate environmental and social considerations are undertaken.

### Access to Remedies

In the event that products or services provided by JBIC are found to have caused or contributed to adverse impacts on human rights, JBIC will take appropriate measures to remedy the situation.

JBIC has set up a whistle-blowing hotline (compliance helpline) to provide relief for those who have been negatively affected within JBIC. JBIC has also established a harassment hotline for JBIC's executives and employees, and an exclusive compliance hotline for local staff members of Representative Offices outside Japan.

Suppliers and clients can bring to JBIC's attention their concerns and complaints through a complaint counter (to the Legal Affairs and Compliance Office) as well as through members of JBIC's relevant groups, departments, and offices.

Furthermore, in the Guidelines, it is recommended that project proponents establish a point of contact for complaints in order to receive complaints from stakeholders such as local residents at an early stage and to promote their resolution.

### Governance and Management

The Human Rights Policy is approved by the Board of Directors of JBIC and will be amended as necessary.

### Education and Development

JBIC will ensure that all its executives and employees are familiar with the Human Rights Policy and will strive to share a correct understanding and appreciation of human rights issues through means such as conducting training on human rights.

### Stakeholder Engagement

JBIC will disclose its human rights related activities appropriately and will strive to gain the understanding of its stakeholders.

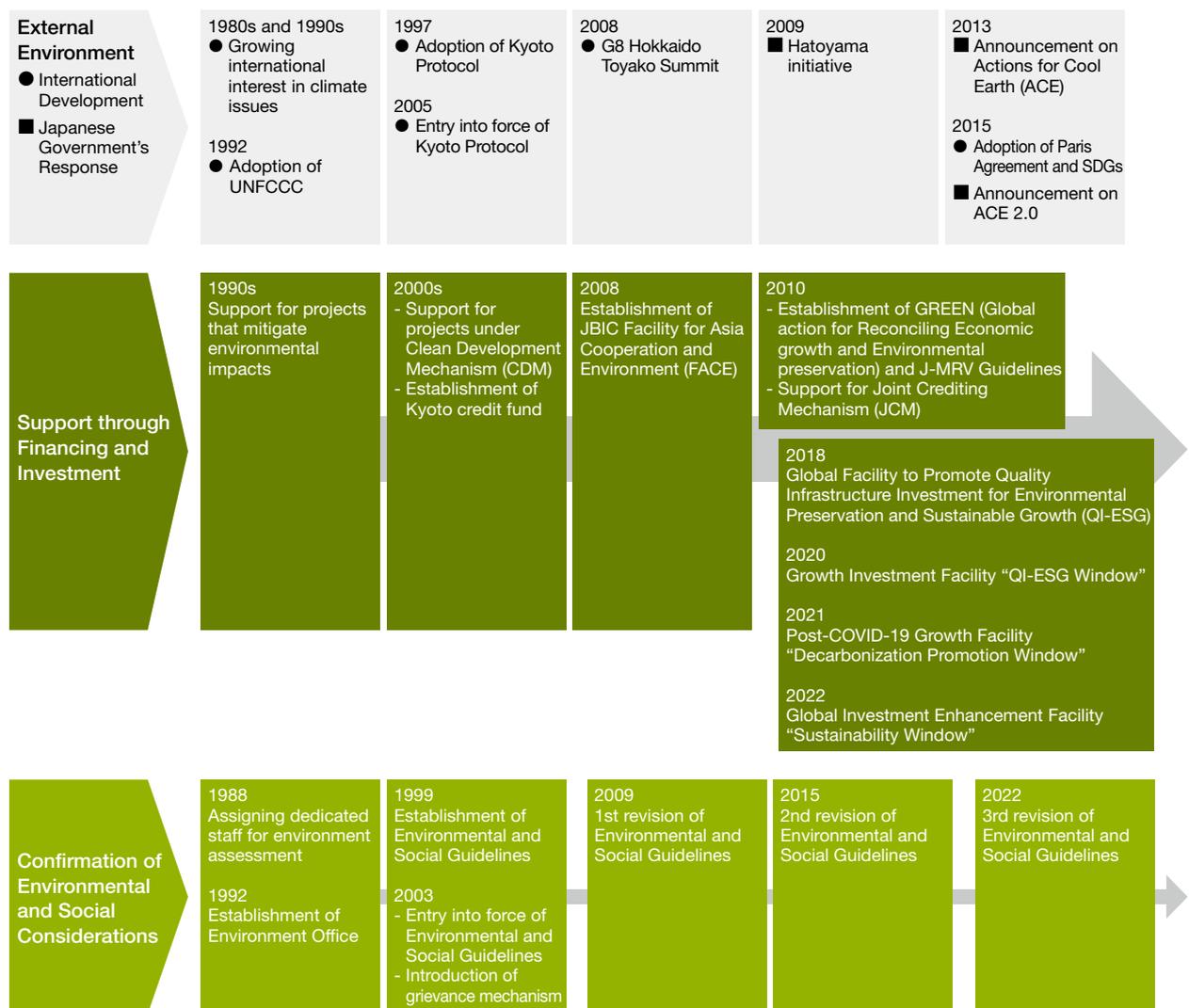
In addition, JBIC has adopted objection procedures concerning the Guidelines and has established Examiners for Environmental Guidelines, which act as an organ independent of JBIC's Funding departments. The Examiners for Environmental Guidelines will encourage dialogues between the parties concerned based on their consent, in order to assist early resolution of disputes concerning specific environmental and/or social problems caused by the JBIC-funded project, which arose due to JBIC's non-compliance with the Guidelines.

# E Environment

## JBIC's Journey on Environmental Issues

In recognition of the importance of global efforts to address environmental issues, and in alignment with Japanese government policy, JBIC has been working since the 1990s to create a new finance menu and develop a governance and management systems.

JBIC continues to be proactive in providing financial support for efforts to tackle climate change and other issues, based on the Japanese government policy.



## Examples of Business Outcomes Relating to Green Finance

Through green finance and transition finance, we are responding to energy transformation toward the realization of a decarbonized society.

### Supporting Solar Power Generation Projects by an Indian State-Owned Company

**Point** JBIC concluded in March 2023 a loan agreement amounting to up to ¥9 billion with SJVN Limited (SJVN), an Indian state-owned company, for its solar power generation project. The loan is co-financed with MUFG Bank, Ltd. and the San-in Godo Bank, Ltd., bringing the total co-financing amount to ¥15 billion. JBIC will also provide a guarantee for the portion co-financed by the private financial institution.

Along with its continuous economic growth, India aims to develop power generation facilities to meet its rapidly increasing demand for electricity. At the same time, India, which is the world's third largest emitter of CO<sub>2</sub>, also faces an urgent need for measures to combat climate change such as by reducing CO<sub>2</sub> emissions. The Government of India has declared it will achieve "energy-independence" by 2047 and will realize carbon neutrality by 2070. As part of these efforts, India has set the goal of achieving 50% electric power installed capacity from non-fossil fuel-based energy resources by 2030 and is promoting the introduction of renewable energy and the spread of EVs (electric vehicles).

To achieve the goal of carbon neutrality, SJVN is strengthening its renewable energy projects, including solar power generation projects. The loan provides SJVN and its subsidiaries with the funds necessary for solar power generation projects in India.

This loan not only supports the Government of India's and SJVN's initiatives that contribute toward global environmental preservation but also contributes to improving the bilateral relationship between Japan and India.



Signing ceremony with SJVN

### Project Financing for Onshore Wind Farm Project in Egypt

**Point** JBIC concluded in November 2022 a loan agreement in project financing amounting to up to approximately \$281 million with AMUNET WIND POWER COMPANY S.A.E. (AMUNET) of Egypt, invested in by Sumitomo Corporation and others for an onshore wind farm project. The loan is co-financed with public and private banks such as International Finance Corporation (IFC), Sumitomo Mitsui Banking Corporation, and Sumitomo Mitsui Trust Bank, Limited, bringing the total co-financing amount to approximately USD 518 million.

In this project, AMUNET will build, own, and operate an approximately 500 MW onshore wind farm within the Red Sea Governorate along the shore of the Gulf of Suez. AMUNET will also sell the electricity generated by the wind farm to Egyptian Electricity Transmission Company for a duration of 25 years.

The Government of Egypt aims for a 30% reduction in GHG emissions by 2030 by increasing renewable energy. The project is expected to contribute toward the energy transition of the Government of Egypt. In 2020, JBIC signed a memorandum of understanding (MOU) with IFC to enhance cooperation between the two organizations. This is the first co-financing with IFC since the signing of the MOU.

Additionally, this loan is in line with the Government of Japan's policy of providing support for quality energy and electricity infrastructure in a way that is compatible with the host country's energy policy. The loan also financially supports an overseas infrastructure project where a Japanese company participates. Furthermore, the loan is compatible with the promotion of Japan's Green Growth Initiative with Africa (GGA), which encompasses collaboration with multilateral development financial institutions, that was released by the Government of Japan at the Eighth Tokyo International Conference on African Development (TICAD 8) in August 2022.



Signing ceremony with AMUNET



Planned project site

## Supporting Renewable Energy Project by Indonesian National Oil Company

**Point** JBIC concluded in December 2022 a loan agreement amounting to up to \$30 million with PT Pertamina (Persero) (Pertamina), Indonesia's state-owned oil company, for its renewable energy projects. The loan is co-financed with MUFG Bank, Ltd. and the Chiba Bank, Ltd., bringing the total amount of co-financing to \$50 million. JBIC will also provide a guarantee for the portion co-financed by the private financial institutions.

The Government of Indonesia has expressed its national goal of reducing GHGs by at least around 32% by 2030 and achieving net-zero emissions by 2060. Pertamina is responding by focusing on new businesses in cleaner energy fields in conjunction with decarbonization of existing business.

The loan aligns with the Just Energy Transition Partnership (JETP), which was agreed on by the Government of Indonesia and its partner countries, including Japan and the US., in November 2022. In addition, the loan is in line with the concept of the Asia Zero Emission Community (AZEC) released by the Governments of Japan and Indonesia in November 2022. Furthermore, the loan aligns with the MOU that JBIC signed with Pertamina in November 2022 to strengthen a partnership between the two organizations for the clean energy sector. In the future as well, JBIC will support the Government of Indonesia's and Pertamina's initiatives that contribute toward preserving the global environment.



Signing ceremony

## Project Financing for Ultra-High Voltage Direct Current Offshore Electricity Transmission Project in UAE

**Point** JBIC concluded in September 2022 a loan agreement for project financing to up to approximately \$1,201 million with ABU DHABI OFFSHORE POWER TRANSMISSION COMPANY LIMITED L.L.C., a UAE incorporated company, invested in by Kyushu Electric Power Company and other companies, for an ultra-high voltage direct current offshore electricity transmission project. The loan is co-financed with the Export-Import Bank of Korea, Mizuho Bank, Ltd., Sumitomo Mitsui Banking Corporation, and others, bringing the total co-financing amount to approximately \$3,201 million.

This project involves the construction, ownership, and operation of an ultra-high voltage direct current offshore power transmission system linking two offshore production facilities owned by the Abu Dhabi National Oil Company (ADNOC), the national oil company, wholly owned by the Emirate of Abu Dhabi (Abu Dhabi), with the Abu Dhabi onshore power grid. The project will receive payment of power transmission charges from ADNOC for 35 years after the construction has been completed.

ADNOC and the UAE Government have committed to reducing CO<sub>2</sub> emissions to zero by 2045 and 2050, each. This project will contribute toward reducing the emission of GHGs in Abu Dhabi by supplying clean power generated more efficiently on the UAE mainland to ADNOC's offshore production facilities. In November 2021, ADNOC and JBIC signed an MOU on business cooperation to promote cooperation between ADNOC and Japanese companies in the fields of decarbonization and energy transmission, as well as energy efficiency, and the project is in line with the objectives of this MOU.

The Government of Japan established the policy of providing financial support for quality energy and electricity infrastructure to help host countries achieve energy transition and decarbonization. The loan is in line with these policies and will financially support the overseas infrastructure project, where the Japanese company has invested, thereby contributing toward maintaining and improving the international competitiveness of Japanese industry.



Oil and gas field production facilities



High Voltage Direct Current Offshore Electricity Transmission System

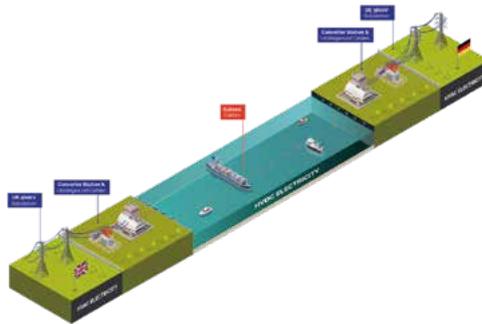
## Project Financing for U.K.-Germany Interconnector Project

**Point** JBIC in July 2022 concluded loan agreements in project financing amounting to up to approximately £270 million and €156 million with three companies in the U.K., Germany, and the Netherlands, respectively, in which Kansai Electric Power Co., Inc. has invested, for an interconnector project that will link between the U.K. and Germany. The loans are co-financed with the European Investment Bank (EIB), Sumitomo Mitsui Banking Corporation, and Mizuho Bank, Ltd., etc., bringing the total co-financing amounts to approximately £1,069 million and €910 million.

The project will construct a high voltage direct current transmission system that will link the eastern region of the U.K. and Northern Germany with a cable of total length of approximately 720 km and a capacity of 1,400 MW. The system will be operated for a duration of 25 years. Kansai Electric Power is participating in the project based on its track record in submarine high-voltage DC power transmission in Japan and plans to accumulate even-more advanced technologies and know-how to utilize in future business.

Also, in the Strategic Energy Plan, the Government of Japan stated it would promote innovations in the energy and environmental technology fields and support efforts toward decarbonization by working toward realizing carbon neutrality in collaboration with developed countries. The loans are in line with these policies and will financially support an overseas infrastructure project, where a Japanese company will invest and will be involved in its operation and management for the long term, thereby contributing toward maintaining and improving the international competitiveness of Japanese industry.

The EIB and JBIC signed in October 2021 an MOU to further strengthen cooperation between the two policy-based public financial institutions in areas such as climate and environmental change measures in which Japan and the EU will play a leading role. This is the first project which EIB and JBIC have cooperated in since the signing of the MOU.

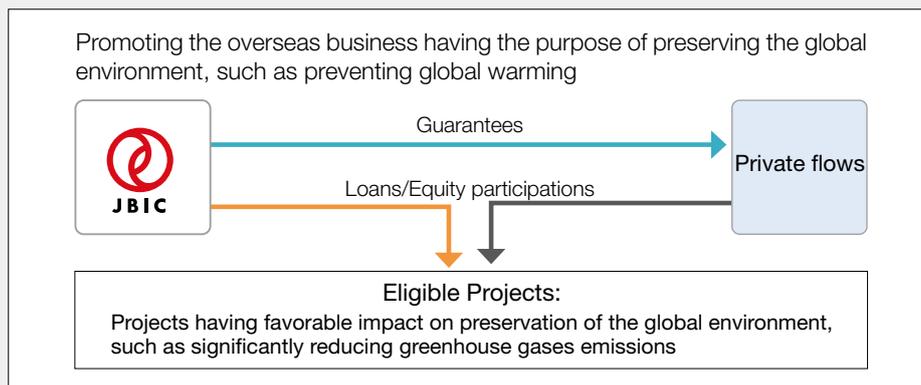


## GREEN Operations

JBIC conducts environmental operations under Global action for Reconciling Economic growth and ENvironmental preservation (“GREEN”). Under GREEN operations, JBIC provides support for projects that have a high global environmental conservation effect in the form of loans, guarantees and equity participations, while mobilizing private sector funds. Such projects include a project to construct a solar power generation plant or a power plant with high energy efficiency and a project to introduce energy-saving equipment, each utilizing

advanced environmental technologies. GREEN’s main focus has been providing support for preserving the global environment, mainly for projects that are expected to significantly reduce greenhouse gases emissions, while paying attention to potential use of Japanese advanced technologies that are highly regarded around the world.

JBIC will promote overseas infrastructure development that contributes to preserving the global environment while widely utilizing the know-how and technologies of Japanese companies.



## ■ Japan Bank for International Cooperation Guidelines for Confirmation of Environmental and Social Considerations

As global concern over the environment and human rights heightens, there are more than a few cases, in which insufficient risk management of possible environmental and social impacts has seriously affected project implementation or undermined its social reputation.

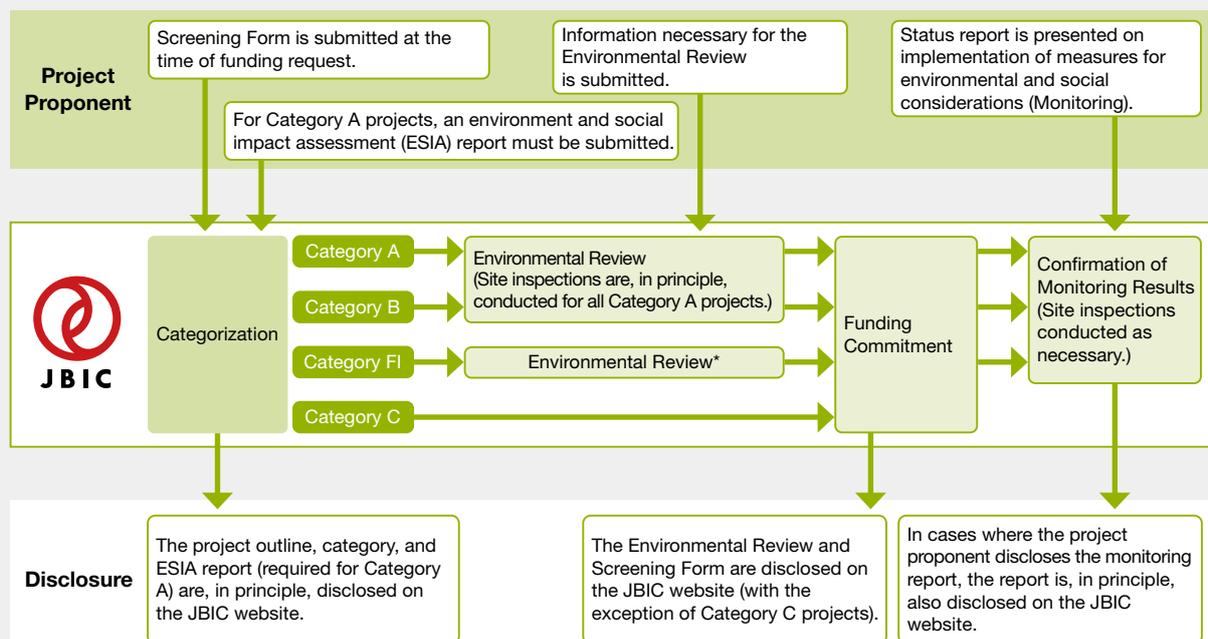
In conducting its operations, JBIC confirms whether appropriate consideration for local communities and the natural environment has been made in all the JBIC-financed projects based on the “Japan Bank for International Cooperation Guidelines for Confirmation of Environmental and Social Considerations” (Environmental Guidelines).

The Environmental Guidelines set out the procedures, criteria, and requirements that JBIC-financed projects must meet in confirming environmental and social considerations. When JBIC judges that the project proponents have not made appropriate environmental and social considerations, it will encourage them to take remedial measures. If appropriate environmental and social considerations have not been taken, JBIC may decide not to extend funding or may request to the borrower to prepay the loan.

As for nuclear sector projects, JBIC also established and made public the “Japan Bank for International Cooperation Guidelines for Confirmation of Information

### ■ Procedure for Confirmation of Environmental and Social Considerations

Prospective projects are screened prior to funding and classified into categories according to the degree of potential environmental impact. An Environmental Review is then conducted to verify that the environmental and social impacts have been considered in a proper manner. After funding has been approved, projects are monitored to assess the actual impact.



\* For Category FI projects, JBIC confirms through the financial intermediary that the proper environmental and social considerations indicated in the Environment Guidelines have been followed for the project.

Projects are classified into one of the following four categories in relation to the degree of environmental impact, based on the information provided by the project proponent during the screening process.

|             |                                                                                                                                                                                                                                                                                                                                                                      |
|-------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Category A  | Project with the potential for a serious and adverse impact on the environment                                                                                                                                                                                                                                                                                       |
| Category B  | Project with the potential for an adverse impact on the environment, but less than that of Category A projects                                                                                                                                                                                                                                                       |
| Category C  | Project with the potential for minimal or no adverse impact on the environment                                                                                                                                                                                                                                                                                       |
| Category FI | Project for which JBIC provides funding to a financial intermediary, and after acceptance of JBIC funding, the financial intermediary selects and conducts screenings for specific subprojects, in cases where subprojects cannot be determined prior to acceptance of JBIC funding, and where such subprojects are anticipated to have an impact on the environment |

Disclosure Considerations for Nuclear Sector Projects” (Information Disclosure Guidelines) in December 2017. Based on the Information Disclosure Guidelines, JBIC confirms that appropriate measures are carried out by project proponents and other relevant parties to ensure information disclosure and public participation for issues specific to each project.

Also, every five years after the enforcement, the Environmental Guidelines are subject to a comprehensive review based on a verification of the implementation status during the period, in order to make revisions as necessary according to the review result. In 2020, five years after the enforcement, JBIC

initiated the revision process, disseminating it broadly to the public, and revised the Environmental Guidelines in May 2022, which became effective in July 2022. In order to ensure an open and transparent process in making the revision, JBIC held a consultation forum for a total of 10 times between February 2021 to February 2022 and solicited public comments on the draft revision. In keeping with the revision of the Environmental Guidelines, JBIC also revised its “Summary of Procedures to Submit Objections concerning JBIC Guidelines for Confirmation of Environmental and Social Considerations” (Procedures) in May 2022. The current Procedures were also enforced in July 2022.

## Green Bonds

JBIC aims to contribute to realizing a sustainable society and environment through green finance. To raise the necessary funds for green finance, JBIC issued green bonds for the first time as international bonds guaranteed by the Japanese government in January 2022 and the second green bonds in October 2022. The funds raised through the issuance of green bonds will be allocated to eligible projects, including

those related to renewable energy and clean transportation.

The issuance of green bonds has been conducted based on a stringent framework that has received a second-party opinion from Sustainalytics Japan Inc, a company holding a major share and highly recognized in the market.

### Description of Issuance

|             | First (JBIC50)      | Second (JBIC55) |
|-------------|---------------------|-----------------|
| Guarantor   | Japanese government |                 |
| Currency    | US dollar           |                 |
| Maturity    | 5 years             |                 |
| Coupon rate | 1.625%              | 4.375%          |
| Amount      | USD500 million      |                 |

### Eligible Projects

- Renewable energy (e.g. wind power projects in Africa, geothermal power projects in Southeast Asia)
- Clean transportation (e.g. high-speed railway projects in Europe)

### Sales by Region

#### • First green bonds (JBIC50)

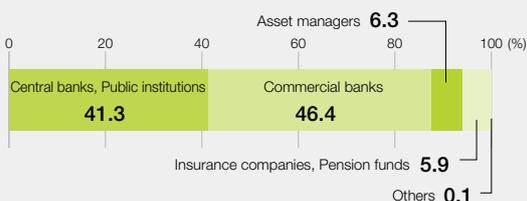


#### • Second green bonds (JBIC55)



### Sales by Sector

#### • First green bonds (JBIC50)



#### • Second green bonds (JBIC55)



## S

## Social

## ■ Examples of Business Outcomes Relating to Social Impact Finance

Through social impact finance, we are providing support for projects that assist resolving social issues.

Reuse and Recycling of Resources/Improving the Hygiene Environment

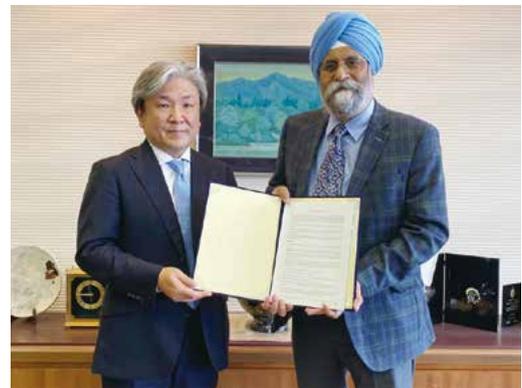
### Loan for Indian Company Engaging in Waste-to-energy Project Based on Credit Line

**Point** JBIC signed in March 2023 a loan agreement amounting up to approximately ¥1.5 billion, with Power Finance Corporation Limited (PFC), a government financial institution in India. The loan is based on the credit line that JBIC signed with PFC in July 2022 for renewable energy projects and energy efficient power generation and heat supply projects. The loan (amounting to approximately ¥2.6 billion in total) is co-financed with Sumitomo Mitsui Banking Corporation. JBIC will also provide a guarantee for the portion co-financed by the private financial institution.

The loan is intended to provide Indian company Antony Lara Renewable Energy Pvt. Ltd., through PFC, with the funds necessary for a waste-to-energy project in the state of Maharashtra, India.

India is relying heavily on coal for power generation sources, with nearly 80% of its energy demand being met by fossil fuels. Given such circumstances, Prime Minister Modi has pledged that India would become “energy-independent” by 2047, the year marking the centenary of the country’s independence, and committed to boosting the non-fossil energy capacity to 500GW by 2030. On another front, issues of mounting untreated wastes resulting from the growing urban population are escalating in India, as a large proportion of waste is unused and discarded in landfills. The Government of India continues to address hygiene problems in the country and is promoting the establishment of waste processing facilities such as waste-to-energy plants under its Clean India Mission.

JBIC supports the Government of India’s initiatives that contribute toward global environmental preservation and resolution of social issues with the loan to PFC.



Signing ceremony for the loan to PFC

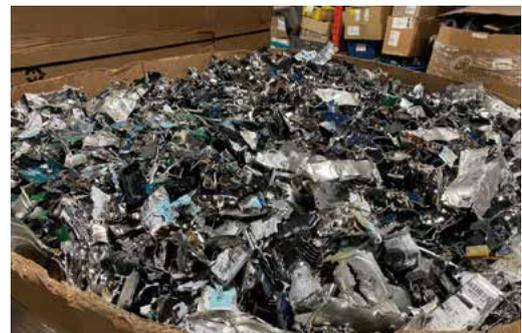
Reuse and Recycling of Resources

### Loan for Acquisition of Stake in Discarded Household Appliances and Electronic Devices in Canada

**Point** JBIC concluded in February 2023 a loan agreement in Canadian dollars with JX Metals Canada Inc. (JXMC), a Canadian subsidiary of JX Nippon Mining & Metals Corporation (JXNMM). The loan is intended to finance part of the funds necessary for JXNMM to acquire shares in a recycler of electric and electronic waste company. The loan is co-financed with Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation.

The loan by JBIC is intended to finance part of the funds necessary for JXNMM to acquire, through JXMC, shares in eCycle Solutions Inc., the largest recycler of electric and electronic waste in Canada. Acquiring a stake in such waste with the share purchase, JXNMM is to reuse collected waste as raw materials for copper smelting.

Copper is used in many products, such as electric vehicle motors, and is a critical resource for the realization of a decarbonized society. As the growing copper demand cannot be fulfilled solely by ore raw materials from mines, it is considered to be essential to recycle resources from such wastes as electric and electronic waste. Amid the intensifying global competition to acquire recycled resources, the loan will financially support JXNMM in securing and utilizing recycled resources, thereby contributing toward securing a stable supply of resources to Japan and strengthening resilience of the Japanese company’s supply chain.



Electric and electronic waste collected by JXNMM

## Equity Participation in Healthcare Company in Singapore

**Point** Jointly with Mitsui & Co., Ltd. (Mitsui), JBIC concluded in March 2023 a shareholders' agreement to acquire shares and convertible bonds of Wellesta Holdings Pte. Ltd. (Wellesta) of Singapore (of which JBIC's contribution is up to approximately SGD 20 million) through a special purpose company (SPC) established by Mitsui.

Wellesta is a startup founded in 2019 and engages in the sales and marketing business of pharmaceuticals and medical devices mainly in Asia.

Meanwhile, Mitsui has focused on the healthcare business in Asia. Mitsui has been the majority shareholder in IHH Healthcare Berhad (IHH), which is Asia's largest private hospital group and is positioned as Mitsui's core asset in the healthcare sector. Against this backdrop, Mitsui aims to expand its healthcare business value chain by securing pharmaceutical market access through the investment in Wellesta.

Wellesta's business also contributes to solving social problems in Asia; the "drug lag" or "device lag," the delay in making a drug or a medical device available in a particular market by facilitating the sales and marketing of pharmaceuticals and medical devices.

JBIC's equity participation in Wellesta will support Mitsui in expanding its overseas business and resolving the social issue, thereby contributing toward maintaining and improving the international competitiveness of Japanese industry.

## Loan for Manufacturing and Sales Business of Recycled PET Resin in Malaysia

**Point** JBIC concluded in July 2022 a loan agreement amounting up to €2.56 million with Hiroyuki Industries (M) Sdn. Bhd. (HISB), a Malaysian subsidiary of HIROYUKI CO., LTD. (HIROYUKI), for its recycled PET resin business. The loan is co-financed with Resona Bank, Limited.

HIROYUKI is an SME based in Saitama Prefecture and is engaged in wholesale of packaging and other products. It established HISB in Malaysia in 2000 and has been exporting packaging products mainly to Southeast Asia, Europe, North America, and Africa. In response to the growing environmental consciousness, HISB is promoting the business to collect used plastic bottles, which are mostly discarded in Malaysia, and produce recycled PET resin for packaging foodstuffs as an effort to contribute to the realization of a recycling-based society.

In order to support the efforts of HISB, JBIC provided a loan in November 2015 for HISB's manufacturing and sales business of recycled PET resin in Johor, Malaysia. This time, JBIC provided another loan to finance the funds necessary for HISB to expand its production facilities.

JBIC will continue to contribute toward maintaining and improving the international competitiveness of Japanese industry by providing support to the overseas business expansion of mid-tier enterprises and SMEs.



Recycling line



## Initiatives Related to Human Capital and Diversity

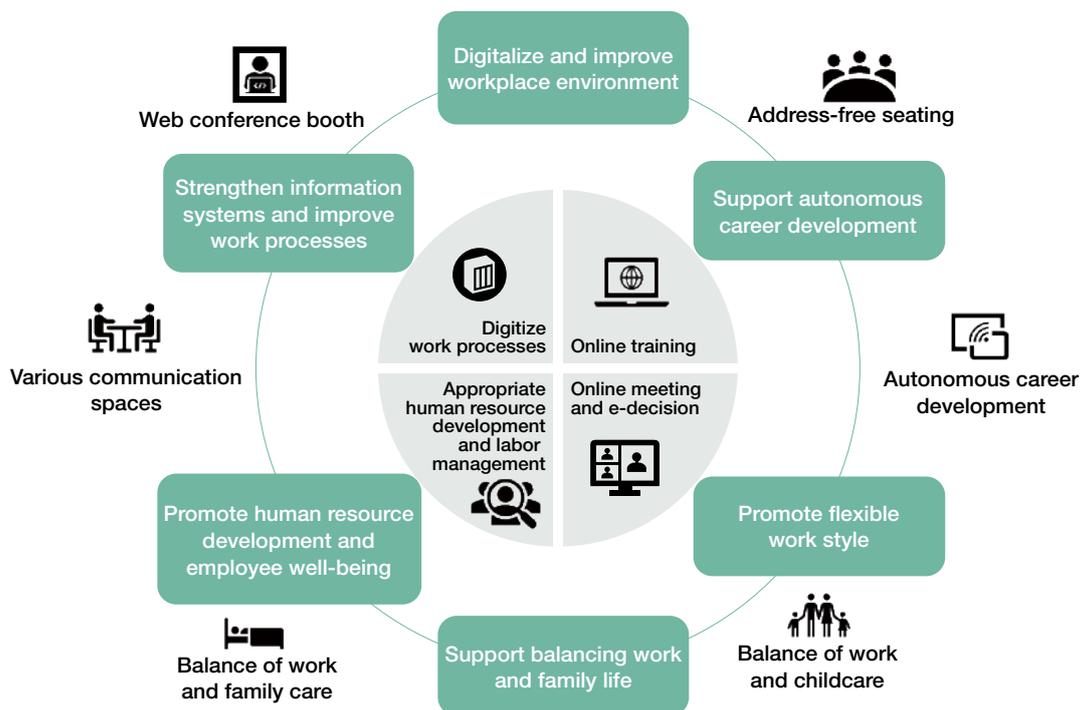
JBIC's corporate philosophy is "Positioned at the crossroads of global business opportunities, JBIC is opening new venues to the future for the Japanese and global economy." Under this philosophy, in its Fourth Medium-term Business Plan JBIC has established the medium- to long-term vision, "To serve as a 'navigator' to build a brighter future with Japanese power in an uncharted global situation." This defines what JBIC wishes to become over the next 10 years. JBIC's role is to realize this Philosophy and Vision in the global business context by means of finance. This requires the active engagement of human resources that possess high levels of specialized skills in finance as well as public awareness and an international perspective needed to look ahead for the development of Japan and the international economy and society amid complex international relations. As such, we have included "Promoting human resource development and work style reforms to draw out the abilities and the vitality of diverse employees" as one of the action plans in our Fourth Medium-term Business Plan and have been conducting initiatives to recruit and develop excellent human resources and support their active engagement.

Based on this action plan, we formulated The Second Plan for Work Style Reform (FY2021–FY2023) with the aim of creating organizations where all employees can work sustainably and with vitality, in work

styles that suit their own values, and strengthen the resilience of organizational foundations under the "new normal." We placed focus on strengthening our organizational foundations to contribute toward the sound development of Japan and the international economy and society by simultaneously enabling work styles that match more to the individual values of employees, while going a step beyond the previous plan and capturing the behavior change resulting from the COVID-19 pandemic, and by turning JBIC into an organization where employees can fully demonstrate their respective capabilities for more active engagement by strengthening human resource development based on a remote work environment and supporting autonomous career development and skill development. We continuously promote hybrid work that combines office work and telework while implementing various measures such as strengthening information systems and improving work processes mainly through digitization, enhancing office and telework environments, strengthening human resource development in a remote work environment, supporting autonomous career development and skill development, improving the mental and physical health of employees, supporting the balancing of work and childcare/nursing care, and making work systems more flexible.

### Objectives of the Plan

Creating organizations where all employees can work sustainably and with vitality, in work styles that suit their own values, and strengthening the resilience of organizational foundations under the "new normal"



## Human Resource Development Policy that Draws Out the Abilities and Vitality of Diverse Employees

As an organization that contributes to the advancement of Japan and the international economic community, JBIC aims to create added value and respond to needs that are becoming increasingly diverse and sophisticated amid the progression of globalization. To do so, JBIC implements human resource development and training policies that focus on the strengths and aptitudes of individual employees rather than training generalists in a homogeneous manner, consciously cultivating hard and soft skills from an early stage and continually strengthening these with an eye to future career paths.

For managerial track, in FY2020 we began operating a “business field certification” system from the perspective of further sophisticating specialization and clarifying the career path of individual employees. Also, with the aim of expanding the range of career path choices and developing staff with high levels of expertise, in FY2020 we established the Professional Talent Ladder in addition to the Management Talent Ladder, which handles the responsibilities of organizational management. To put this policy into practice, we are introducing systems to encourage the career development of each individual. For example, we strive for meaningful dialogue with employees at forums such as the Human Resources Development Council, which formulates medium- to long-term career development plans for employees and the Skills Development Discussion for annual discussions on skills development policies among superiors. We also implement Human Resource Development Policy Discussion between the Human Resources Office and former and new superiors whenever there is a job rotation.

For administrative track, we introduced the Career Development Plan (CDP) to strengthen specialization and develop human resources over the medium- to long-term since administrative track aims to become highly specialized administrative professionals and take life stages into consideration as well. This is a rolling plan that involves creating a career development sheet and discussing this with managers on a yearly cycle. As these are not positions with relatively frequent transfers, we emphasize human resources development from a medium- to long-term perspective in the department/office with which the employee is affiliated and within a system based on dialogue between the employee and the immediate superior. The superior ascertains the intentions of the employee and promotes development and provides guidance, and when there is a job transfer the Human Resources Development Council is convened between the Human Resources Office and the new and former superiors to discuss medium- to long-term career plans.

## Training Program - Developing Financial Expertise and Public Awareness and an International Perspective

Under the Fourth Medium-term Business Plan's goal to “Promote human resource development and work style reforms that can maximize performance and draw out the vitality of diverse employees,” JBIC is progressing with the establishment of a training program. In line with these efforts, in April 2023 we established JBIC Academia, as a new training program. JBIC Academia is a training program, that fosters learning, teaching, and communication among employees and was established based on the concept “Be your own compass.” This concept encapsulates our desire for all employees to learn what they wish to learn and mutually teach each other through JBIC Academia and for them to serve as “a navigator” to build a brighter future for Japan while building a career, playing active roles, and achieving growth at JBIC.

At JBIC Academia, we have reorganized our training program into three faculties. These faculties handle training in human/conceptual skills, technical skills, and global skills and provide a variety of training opportunities to enable employees ranging from new employees to executives to acquire a wide range of skills and knowledge that includes overseas work experience, finance and languages as well as business management skills. Furthermore, JBIC Academia includes in-house study sessions in a variety of fields, including geoeconomics, macroeconomics, environmental and social issues, and individual cases of loans and investments. In April 2023, we also introduced Learning Management System (LMS) to support autonomous career development toward the realization of “Digitalize a working environment that can adapt to the ‘new normal’,” which is an action plan under the Fourth Medium-term Business Plan, and “Cultivate appropriate human resources development under a remote work environment” and “Support autonomous career development” as prescribed in the Second Plan for Work Style Reform.

## A Support System that Encourages Active Roles of Diverse and Talented Human Resources

Besides OFF-JT (Off the Job Training) that utilizes the above-mentioned JBIC Academia, JBIC provides OJT (On the Job Training) at the actual workplace to establish career paths that reflect each employee's specialized skills through work experience. We ensure that both new graduate employees who begin their careers at JBIC and mid-career employees who JBIC focuses on enhancing recruitment as described below, can quickly become familiar with our organization and can work autonomously. Specifically, during OJT we provide support by assigning trainers (instructors for work-related development) to our new graduate employees and mentors to mid-career employees. Additionally, we are strengthening support for employee development

through one-on-one meetings, which provide regular opportunities for dialogue with managers for the purpose of employee development.

### Promoting Diverse Work Styles

With a view to enabling work styles matched to the diverse values of employees, we have established leave and other personnel systems and a range of support programs for employees who balance work with childcare/nursing care. We distribute childcare/nursing care handbooks, hold childcare/nursing care interviews with managers, and regularly communicate information about work-life balance support systems to all employees. Through these initiatives, JBIC has received “Kurumin” certification as a company supporting child-rearing and has obtained “Tomonin” certification as a company striving to create a workplace environment that helps employees to balance work with nursing care.

Under the Second Plan for Work Style Reform, we created an environment in which all employees can perform childcare and return to work without anxiety, held work-life balance support seminars and roundtable discussions, and provided training for managers to promote an understanding of childcare and nursing care. Additionally, we have expanded our support system for employees with children in school as well as systems to encourage male employees to take childcare leave. (In FY2022, the percentage of men taking childcare leave was 40.0% and the percentage of men taking childcare leave and leave for childcare purposes was 93.3%.) We are also expanding our comeback system, which allows employees who left the company for reasons such as childbirth, childcare, nursing care, or the transfer of a spouse to return to work.



### Creating Environments that Enable Flexible Working Styles

We implement a highly flexible staggered work system, a telework system, and a summer vacation (five days) that is separate from paid vacation. We have set a target of 80% paid leave usage rate for JBIC employees (2022 result: 65.1%) and encourage employees to steadily take paid leave, including encouraging them to take consecutive holidays, while making efforts to create work environments conducive to easily taking leave such as by making employees aware of the state of their unused paid leave.

Besides improving networks for employee teleworking, we are working to improve the office environment so that employees can be more productive in a more comfortable environment when they begin work each day. We are also making efforts to revitalize

communication between employees under hybrid work conditions by implementing team building training and roundtable discussions on a variety of topics.

### Active Participation of Diverse Human Resources

In our action plan based on the Act on Promotion of Women’s Participation and Advancement in the Workplace, we have set a goal of increasing the proportion of female employees in management positions at JBIC to 10% or more by the end of July 2024 (8.2% as of the end of March 2023). To do so, we will expand support for balancing work with childcare/nursing care and create an environment that enables flexible work styles. Concurrently, we are making efforts to foster career development awareness among female employees such as by sending them to external training programs. Under this plan, we are actively recruiting women with the aim of increasing the proportion of recent-graduate females to 50% each year among new graduates hired for managerial track positions at JBIC (57% in 2022, 45% in 2023). We are also increasing the number of female employees at overseas representative offices and seconding locations (as of the end of March 2023, the percentage of managerial track employees posted overseas was 15% for men and 14% for women).

We are also focusing on mid-career recruitment, including specialist personnel. As of the end of March 2023, mid-career hires accounted for approximately 20% of managerial positions and approximately 30% of non-managerial positions among managerial track employees, while the mid-career hiring ratio for regular employees in 2022 was 48%.

### Creating a Work Environment that Promotes Physical and Mental Health

To provide mental health care to our employees, besides implementing stress check tests, we distribute regular newsletters, set up external consultation desks, and provide self-care and line-care training.

Furthermore, we absolutely prohibit sexual harassment, power harassment, maternity harassment, and other forms of harassment as these violate human rights and harm the workplace environment. Along with internal and external consultation desks, we have set up external consultation desks specializing in harassment issues. When a problem occurs, we promptly investigate and take decisive measures to help victims and prevent such an incident from reoccurring. As an initiative to prevent harassment, we implement annual training and e-learning for all executives and employees.

## ■ Corporate Governance

JBIC's Fourth Medium-term Business Plan identified "Develop a business structure that can adapt to changes in the external environment" and "Manage the organization efficiently in order to respond to the 'new normal.'" as its key focus areas.

We are developing a business process and structure that takes the external environment into

consideration, such as changes in the business environment and customer needs, response to the SDGs and climate change issues, and global trends related to ESG investments.

For details of JBIC's corporate governance, please refer to Section 1 "Corporate Governance" in Chapter 4 (page 98) of this report.

## ■ Establishment of the Sustainability Committee and Sustainability Advisory Committee

As part of its efforts toward "strengthening its sustainability governance and management systems" as set out in the ESG Policy, JBIC newly established the Sustainability Advisory Committee and Sustainability Committee in June 2022. In FY2022, in the Sustainability Committee we deliberated on policies regarding climate change-related information disclosures and establishment of the human rights policy. In the Sustainability Advisory Committee, consisting of external experts, the Board of Directors consulted and received advice on our responses to climate change issues. We are accelerating sustainability management throughout the entire organization toward the realization of global sustainability, including sustainable

development of the global economy and society and resolution of global issues.

### Sustainability Advisory Committee

As an advisory body to the Board of Directors, comprising external experts, it provides advice on matters such as JBIC's policies for advancing initiatives toward the realization of sustainability.

### Sustainability Committee

This committee deliberates on JBIC's policies for promoting sustainability and other important matters, based on the mandate of the Executive Committee.

## ■ Establishment of the Sustainability Management Department

As another effort to strengthen our sustainability governance and management systems, we established the Sustainability Management Department under the Corporate Planning Group in June 2022. By

centralizing the knowledge and functions related to sustainability, JBIC further promotes its initiatives toward the realization of sustainability.



## ■ Participation in International Initiatives

### TCFD Consortium

In October 2019, JBIC expressed its support for the objectives of the Task Force on Climate-related Financial Disclosures (TCFD) and joined the TCFD Consortium.



### TNFD Forum

In December 2022, JBIC became a member of the Taskforce on Nature-related Financial Disclosures (TNFD) Forum, which supports the work and mission of the TNFD.

### Japan Hydrogen Association

The Japan Hydrogen Association is a forum for various stakeholders in the public and private sectors to discuss the direction of strategies for realizing a hydrogen-based society.



### Japan Hydrogen Forum (JH2F)

Established by 15 Japanese companies engaging in hydrogen-related businesses in the U.S., JH2F aims to contribute toward the achievement of the country's decarbonization goal. JBIC joined JH2F in April 2022 and has since been participating in monthly general and other meetings.

### Clean Fuel Ammonia Association

The Clean Fuel Ammonia Association was established in April 2019 as a general incorporated association (formerly known as the Green Ammonia Consortium) to establish a value chain from the production to the use of CO<sub>2</sub>-free ammonia and for its social implementation, thereby realizing a low-carbon society.



### Sustainability Leaders Council

The Sustainability Leaders Council was jointly established by the Eurasia Group, GZERO Media, and Suntory Holdings Limited in October 2021 to advance sustainability agenda in Asia. JBIC is contributing toward the activities of this council as a sponsoring partner.

### Keidanren Committee on Nature Conservation

The objective of the Keidanren Committee on Nature Conservation is to support nature conservation activities both in developing countries and Japan, as well as to promote such activities of companies. It supports projects through the Keidanren Nature Conservation Fund, makes policy recommendations, conducts awareness-raising activities and provides relevant information to companies. JBIC joined the committee in June 2023.

### 2X Challenge / 2X Global

JBIC announced in June 2018 at the G7 summit in Charlevoix, Canada, its participation in The G7 2X Challenge: Financing for Women (the 2X Challenge), an initiative to promote women's social empowerment.

2X Challenge is currently operating as part of 2X Global.



### African Clean Cities Platform

In July 2022, JBIC became an associate member of the African Clean Cities Platform, which was established to support achieving the SDGs by realizing clean and healthy cities, sharing knowledge on waste management, and promoting relevant investment in African countries.

## JBIC's Initiatives Related to Climate Change – Overview of Information Disclosures Made in October 2022 Based on the TCFD Recommendations

In its ESG Policy formulated in October 2021, JBIC recognizes the importance of disclosing climate-related financial information and has declared to promote information disclosures based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). JBIC has been

making disclosures based on these recommendations since 2022 and will continue to make appropriate information disclosures in the future as well.



### Governance

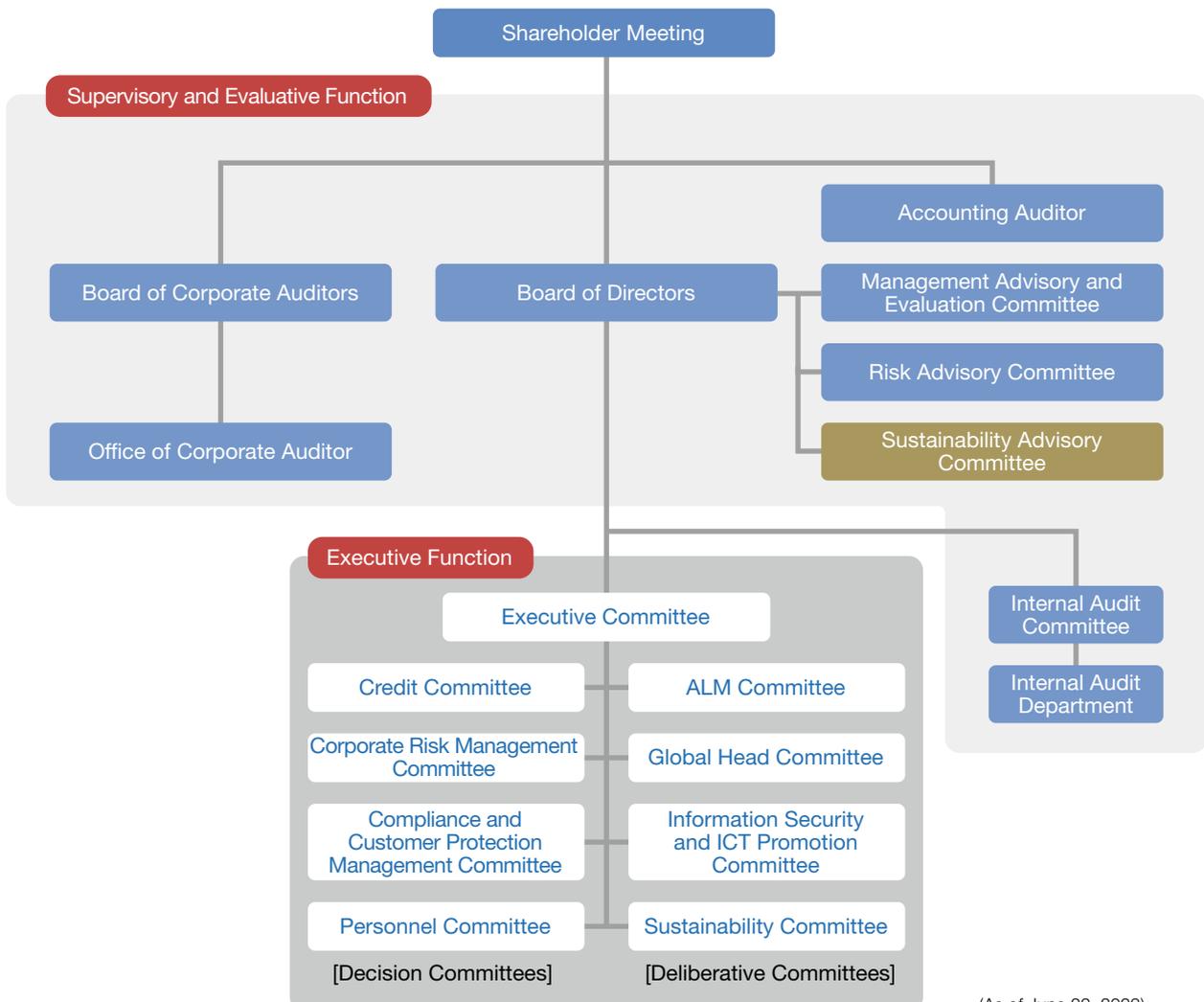
#### Sustainability Management Systems

In June 2022, JBIC newly established the Sustainability Advisory Committee, Sustainability Committee, and Sustainability Management Department as part of its efforts toward “strengthening its sustainability management systems,” as set out in the ESG Policy. Under the supervision of multiple organs including the Board of Directors, important matters related to

sustainability, including those concerning climate change, will be discussed at the Executive Committee, Sustainability Committee, and Corporate Risk Management Committee.

In FY2022, in the Sustainability Advisory Committee the Board of Directors consulted and received advice on our responses to climate change issues.

#### Governance for Sustainability Management Systems



(As of June 22, 2023)

## Roles of Each Organ Concerning Sustainability-related Matters, Including Climate Change

| Board and Committees                |                                     | Role                                                                                                                                                                                              |
|-------------------------------------|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Supervisory and Evaluative Function | Board of Directors                  | Passes resolutions on fundamental matters and changes thereof related to policies toward the realization of sustainability, including the ESG Policy                                              |
|                                     | Sustainability Advisory Committee   | Provides advice on matters inquired by the Board of Directors related to policies for advancing initiatives toward the realization of sustainability                                              |
| Executive Function                  | Executive Committee                 | Determines and deliberates on matters of managerial importance that relate to policies for advancing initiatives toward the realization of sustainability, as delegated by the Board of Directors |
|                                     | Sustainability Committee            | Deliberates on policies for advancing initiatives toward the realization of sustainability and other important matters, as delegated by the Executive Committee                                   |
|                                     | Corporate Risk Management Committee | Determines and deliberates on important matters related to management of corporate risks (including climate change-related risks), as delegated by the Executive Committee                        |

### ■ Strategies

In its Fourth Medium-term Business Plan announced in June 2021, JBIC identified the addressing of “global issues toward realizing sustainable development for the global economy and society” as its first key focus area. Accordingly, we regard climate change as an opportunity to accelerate energy transition toward a decarbonized society and actively work to support this global agenda through the proactive provision of green finance, transition finance, and social impact finance, and through reinforcement of its organizational structure.

We believe that engagement with stakeholders represents our important responsibility as a policy-based financial institution for accelerating energy

transition in emerging and developing countries toward the realization of a decarbonized society and for ultimately achieving global carbon neutrality. Moreover, as achieving the objectives of the Paris Agreement requires substantial investment, it is essential that the flow of funds, including those through the mobilization of private finance, needs to be redirected and applied to pathways toward decarbonization. As Japan's policy-based financial institution, JBIC continues to be proactive in providing financial support for efforts to tackle climate change through the reinforcement of collaboration with overseas governmental organizations and international organizations.

### ■ Risk Management

Recognizing the importance of managing risks related to climate change (collectively, “climate-related risks”), JBIC has designated climate-related risks as one of the Top Risks and has been monitoring them. Moreover, we use scenario analysis on transition risks of climate change in order to identify and assess the impact of climate change on our portfolio over time.

We also recognize that JBIC's engagement-related activities described in the “Strategies” section are important not only from the perspective of realizing a decarbonized society but also in terms of mitigating the climate-related risks in the future.

#### Top Risk Management

At JBIC, risk events that will significantly impact JBIC when they become apparent and require particular

attention are designated as Top Risks. Recognizing the importance of responding to the climate-related risks, we have specified this risk as one of the Top Risks.

Under this framework, we periodically monitor the social and regulatory trends related to climate issues, and at the same time, are advancing the use of scenario analysis to capture the potential impacts of the climate-related risks on JBIC's portfolio and developing climate-related risk management process.

#### Scenario Analysis

JBIC analyzes and identifies the medium- to long-term impacts of climate change on JBIC's portfolio and examines future policies and actions for managing the climate-related risks using the Net Zero 2050 Scenario assuming the achievement of global carbon neutrality

by 2050 (1.5°C scenario) and other scenarios provided by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS).

The uncertainties and complexities associated with climate-related risks in general make it difficult to identify specific channels, touchpoints and time frames in which climate change may affect an organization. Moreover, the use of climate-related risk scenario analysis to assess potential business implication and risks of climate change is still at an early stage throughout the world. There are also challenges on access to data sets and tools for organizations to conduct scenario analysis more effectively. As such, JBIC continues to develop and refine methods to conduct analysis and identify impacts in a way to fit the characteristic of

business and portfolio of Japan's policy-based financial institution, while taking into consideration progress in international practices in scenario analysis and climate-related risk management.

### Initiatives Related to Thermal Coal Power Generation Projects

JBIC has discontinued its financing to unabated international thermal coal power generation projects as agreed at the G7 summit in June 2021. The outstanding of project financing to the thermal coal power generation projects as of March 31, 2022 stood at JPY826 billion, and we expect to reduce it to zero in the early 2040s.

## Metrics and Targets

### Number of Climate Change-related Finance Projects Committed and Structured

JBIC has set targets for green finance and transition finance under one of the action plans, "Respond to energy transformation toward the realization of a decarbonized society," of its Fourth Medium-

term Business Plan. Using the numbers of projects committed and structured as our metrics, we have defined targets for each fiscal year and have been monitoring the status of achievement at the Executive Committee.

| Evaluation Metrics                               | Three-year*<br>Targets | FY2022<br>Targets | FY2022<br>Results | FY2023<br>Targets |
|--------------------------------------------------|------------------------|-------------------|-------------------|-------------------|
| Number of green finance projects committed       | 64                     | 23                | 15                | 33                |
| Number of green finance projects structured      | 66                     | 23                | 42                | 21                |
| Number of transition finance projects committed  | 19                     | 10                | 6                 | 9                 |
| Number of transition finance projects structured | 45                     | 12                | 15                | 7                 |

\* From FY2021 to FY2023

### Greenhouse Gas (GHG) Emissions

JBIC is conducting analysis and examination on the measurement of its GHG emissions as a metric to evaluate and manage climate-related risks and opportunities.

We are committed to pursuing such efforts as climate change-related finance and engagement to

reduce GHG emissions from our operations to net zero by 2030 and to achieve net zero GHG emissions in our finance portfolio by 2050, toward the global implementation of the Paris Agreement.



Please see the JBIC website for the full text of information disclosed based on the TCFD recommendations.

<https://www.jbic.go.jp/en/sustainability.html>

# 8. Outline of Operations in FY2022

## Operational Highlights

The total amount of commitments JBIC made during FY2022 in loans, equity participations, and guarantees was approximately ¥2,315.2 billion, which is an increase of 12.1% from FY2021. As of March 31, 2023, the outstanding amount of loans and equity participations was approximately ¥15,998.6 billion and the outstanding amount of guarantees was approximately ¥1,537.6 billion, for a total of approximately ¥17,536.2 billion.

Through the Global Investment Enhancement Facility established in July 2022, JBIC supported Japanese companies in contributing to preserve the global environment, including decarbonization; enhancing supply chain resilience; expanding high-quality infrastructure; and creating new overseas markets. In response to global issues, JBIC strived to strengthen its relationships with overseas governments and government institutions for the realization of a decarbonized society and promotion of next-generation energy, such as hydrogen and ammonia.

JBIC's major operations in each sector during FY2022 are as follows.

### Supporting Strategic Overseas Business Activities by Japanese Companies

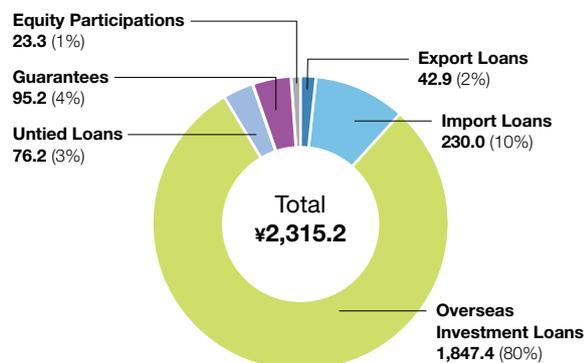
JBIC supported M&A transactions by Japanese companies, including startups, in a wide range of industries. This support includes loans for the acquisition of an animation distributor and a semiconductor-related company in the U.S., and a joint investment for a fintech startup to acquire a payment processing service company in the U.S. To support the enhancement of Japanese companies' supply chains, JBIC provided loans for numerous Japanese companies, including one to manufacturing and sales business of sputtering targets in the U.S. and another to manufacturing and sales business of carboxymethyl cellulose for lithium-ion batteries in Hungary.

### Supporting Overseas Business Deployment of Japanese Mid-tier Enterprises and SMEs

To assist Japanese mid-tier enterprises and small- and medium-sized enterprises (SMEs) in expanding overseas, JBIC made a total of 64 financial

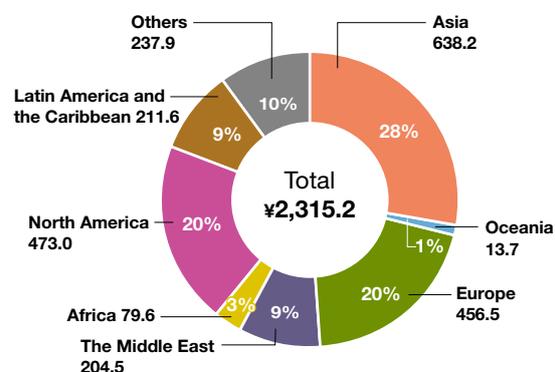
#### Commitments by Purpose of Financing

(FY2022; unit: billions of yen)



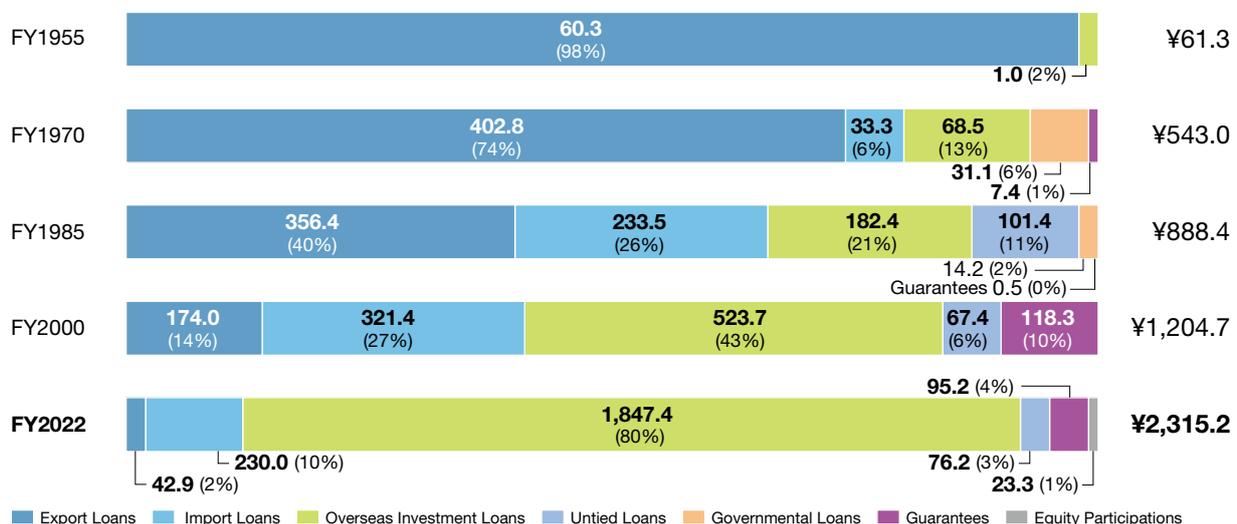
#### Commitments by Region

(FY2022; unit: billions of yen)



#### Changing Composition of Loans, Equity Participations, and Guarantees (Commitments)

(Unit: billions of yen)



Legend: Export Loans (blue), Import Loans (light blue), Overseas Investment Loans (green), Untied Loans (light green), Governmental Loans (orange), Guarantees (purple), Equity Participations (grey)

commitments, aggregating approximately ¥9.8 billion in loans and guarantees in co-financing with Japanese regional financial institutions. This support included loans for food processing equipment in Thailand and the manufacturing and sales of recycled PET resin in Malaysia. JBIC, in cooperation with Japanese regional financial institutions, hosted various seminars and events to provide information that would help Japanese companies expand overseas.

### **Supporting Projects Contributing toward Preservation of Global Environment**

Under its Global action for Reconciling Economic growth and ENvironmental preservation (GREEN) Operations (for details refer to page 86), JBIC provided loans for multiple projects, including an electricity interconnection project that will link Saudi Arabia and Egypt and a waste-to-energy project in India. In this business field, JBIC made a total of 12 financial commitments amounting to approximately ¥302.8 billion in loans and guarantees in FY2022.

### **Support for Energy Transition in Asia**

In line with the Asia Zero Emissions Community (AZEC) Concept of the Government of Japan, JBIC strengthened its support for decarbonization efforts in Asia through the engagement with the governments of host countries and others and through the structuring of multiple projects, including renewable energy projects in Indonesia, Vietnam, etc.

### **Supporting Project Structuring in Next-generation Energy Sector**

To boost the efforts in the sector of next-generation energy, such as hydrogen and ammonia, which is the potential key to the realization of a decarbonized society, JBIC signed memorandums of understanding (MOU) with overseas governments, government institutions, etc.

### **Promoting Overseas Development and Acquisition of Important Resources for Japan**

As Japan depends on imports from overseas for most of its resources, it is an important task for the country to secure a stable supply of energy and mineral resources in the medium to long term by increasing its self-development ratio of those resources. JBIC contributes toward securing a long-term stable supply of resources through financial support for the acquisition of upstream interests in resource development, diversification of supply sources and strengthening of relationships with resource-rich countries. In FY2022, JBIC made a total of six financial commitments in the resources sector, amounting to approximately ¥429.7 billion in loans. These commitments include a loan for the acquisition of a stake in discarded household appliances and electronic devices for recycling in Canada.

### **Multilateral Cooperation**

Based on an agreement reached by the leaders of Japan, Australia, India, and the U.S. (Quad Partners), JBIC provided a loan for a healthcare project in India to address the COVID-19 pandemic. JBIC also guaranteed financing for the acquisition of a telecommunications operator of an island country in the South Pacific under a partnership between Japan, the U.S. and Australia.

### **Other Financing Support**

To support countries neighboring Ukraine, JBIC signed an MOU with a policy-based financial institution of Poland for multiple purposes, including the enhancement of energy security, and another MOU with an international institution with the aims of energy transformation, digital transformation, etc. in Central and Eastern Europe.

In FY2022, JBIC made a total of 25 financial commitments under the Post-COVID-19 Growth Facility (ended on June 30, 2022), amounting to approximately ¥42.4 billion in loans and guarantees, and 91 financial commitments under the Global Investment Enhancement Facility, amounting to approximately ¥2,138.4 billion in loans and guarantees.

## **■ Examples of Business Outcomes Relating to Research and Studies and Collaboration with Overseas Governmental Organizations and International Organizations**

JBIC conducts research and surveys related to overseas investment and international finance. These efforts include collection and analysis of a wide range of information, as well as knowledge sharing, while interacting with overseas government organizations, foreign and domestic research institutes, and experts in various fields.

### **Survey Report on Overseas Business Operations by Japanese Manufacturing Companies**

JBIC conducted the 34th Survey Report on Overseas

Business Operations by Japanese Manufacturing Companies. Conducted since 1989, this survey attempts to identify the strategies and challenges of Japanese manufacturing companies expanding overseas, and appeals to a broad audience for its originality and continuity.

In the FY2022 survey, along with the regular themes of “overseas business performance,” “business prospects,” and “promising countries/regions,” JBIC also surveyed Japanese manufacturers’ perceptions regarding the individual themes of “impact of the

invasion of Ukraine,” “supply chain and geopolitical risks,” and “sustainability initiatives.” The survey found that there are signs of recovery in overseas business operations of Japanese manufacturers from the pandemic-induced slowdown and stagnation that was observed until the previous fiscal year. In the “Ranking of Promising Countries,” India has returned as the top promising country after three years, as it is seen by a wide range of industries to be the most promising country, while China has lost a large number of votes.

Nearly 90% of companies answered that Russia’s invasion of Ukraine had a negative impact in response to the question of “impact of the invasion of Ukraine.” The number of companies answering that their decarbonization efforts would “accelerate” significantly surpassed companies responding these would “slow down,” as the high price of fossil fuels induced by the invasion of Ukraine seems to have heightened expectations of widespread investments in and utilization of renewable energy.

JBIC published the survey results externally and widely provided information by holding seminars in FY2022. In addition, JBIC held briefing sessions overseas for Japanese chambers of commerce and industry and foreign governments, and the results of this survey are effectively used to make policy recommendations to foreign governments.



### Collaboration with Overseas Governmental Organizations and International Organizations

Ahead of Quad Leaders’ Meeting convened in Tokyo, in May 2022 JBIC hosted a roundtable with the heads of various development finance institutions and agencies that include Export Finance Australia (EFA), the Australian Infrastructure Financing Facility for the Pacific (AIFFP), India Export-Import Bank (India Exim Bank) and US International Development Finance Corporation (US DFC) to discuss enhanced collaboration to better connect the Indo-Pacific region. The participants also agreed to work together to overcome the infrastructure development challenges Indo-Pacific region faces. They agreed to make concerted efforts to promote innovation to provide secure and reliable technology, such as telecommunication network projects, including 5G rollout, and green transition technology, including clean hydrogen. On supply chain resilience, participant institutions and agencies will continue discussions to identify supply chain vulnerabilities and explore appropriate measures to diversify sources of critical

goods and related supply chains through cooperation with wider stakeholders including the private sector.



In front of the monitor of the Japan-U.S.-Australia-India Roundtable

In July 2022, MATSUDA Noriyasu, Resident Executive Officer and Regional Head for Asia and Pacific of JBIC (at the time), participated as a panelist in the “High-Level Seminar on Quality Infrastructure Investment in Asia” co-hosted by the Organization for Economic Co-operation and Development (OECD) and the Asian Development Bank Institute (ADBI). This event was held in conjunction with the G20 Finance Ministers and Central Bank Governors Meeting held in Bali, Indonesia, and featured opinion exchanges on the sound development of policies for high-quality, sustainable infrastructure investment in the Asia-Pacific region and recommendations for such investment. In the panel discussion based on the theme of “Addressing what sustainability means for infrastructure investment in Asia”, Resident Executive Officer MATSUDA presented the roles and issues of ESG-related information in decision-making on infrastructure investment, and JBIC’s ESG policy, which proclaims that JBIC discloses its ESG information in an appropriate manner based on recommendations such as the Task Force on Climate-related Financial Disclosures (TCFD). The presentation also showcased JBIC’s opportunities of engagement with governments and other parties of project countries for high-quality, sustainable infrastructure investment.

In October 2022, JBIC held a meeting with the Inter-American Development Bank (IDB) and Inter-American Investment Corporation (IDB Invest) aimed at promoting collaboration in the Latin American region. At



High-Level Seminar on Quality Infrastructure Investment in Asia

this meeting, each organization presented its key areas of focus, and the attendees discussed the potential of collaborative projects in the Latin American region, exchanging views on the potential of collaboration on, inter alia, the promotion of sustainability in the energy sector and the development of infrastructures, in a lively and open manner. JBIC, the IDB, and IDB Invest agreed to further strengthen the cooperation among the three organizations for future collaboration.

JBIC is also strengthening its cooperation with Vietnam. At the invitation of the Committee for External Affairs of the Vietnamese National Assembly, Chief Representative AGUIN Toru of the JBIC Representative Office in Hanoi spoke at the “International Experience in Energy Development for National Sustainable Development Goals” workshop hosted by the Committee in September 2022. This workshop was held for the purpose of enabling Vietnamese participants to (1) learn from such entities as foreign governments and companies, and international organizations in Hanoi about energy development projects in other countries that will contribute toward sustainable development, (2) learn from international experiences shared by such entities that could contribute toward the energy transition of Vietnam and adapt the experience to support this, and (3) employ the knowledge gained in the workshop to develop the Vietnamese legal system in the National Assembly. Chief Representative AGUIN spoke on the theme of both JBIC’s and Japan’s support for a realistic energy transition and realization of carbon neutrality for Vietnam. Under the Vietnam-Japan Joint Initiative<sup>1</sup> in which JBIC is participating as a team leader in the power sector, Japanese parties and the Ministry of Industry and Trade of Vietnam (MOIT) held Workshop on Vietnam-Japan Cooperation for the Development of the Vietnamese Power Sector in December 2022. This workshop was planned and took place with the aim of sharing up-to-date information on Vietnamese energy policy trends, Japanese supportive measures, technology, and knowledge, and issues pertaining to private capital mobilization.

### Cooperation with Regional Financial Institutions

In November 2022, JBIC and Japanese regional banks (Ogaki Kyoritsu Bank, the 77 Bank, the Bank of Fukuoka, the Shiga Bank, the Yamagata Bank, the Juyo Bank, the Ashikaga Bank) visited Vietnam’s Ha Nam Province, which lies to the south of Hanoi, on a joint mission that JBIC had planned with the regional banks. Many Japanese mid-tier enterprises and SMEs are already operating in Ha Nam Province. Among the Northern provinces in Vietnam, Ha Nam Province holds the second largest number of projects JBIC has supported, after Hanoi. The representatives on the joint mission exchanged views with the Chairman of the People’s Committee of Ha Nam Province and visited Thai Ha Industrial Park, which has an exclusive area for Japanese companies. Vietnam is promoting

the formation of industrial clusters to accelerate its economic development, and there are high expectations for the involvement of Japanese mid-tier enterprises and SMEs. JBIC’s Representative Office in Hanoi will contribute toward the interaction between Japanese and Vietnamese regions by leveraging its personal network.

In March 2023, JBIC participated as a lecturer in the Decarbonization/EV Seminar held in Hanoi, Vietnam, and Bangkok, Thailand. This seminar was co-sponsored by The Bank of Yokohama, Ltd., The Bank of Kyoto, Ltd., and The Hiroshima Bank, Ltd. Targeting Japanese companies expanding into Vietnam and Thailand, the seminar aimed at providing information and opportunities for interaction regarding changes in the industrial structure due to the shift to EVs in the automobile industry and the building of sustainable businesses. Chief Representative AGUIN and MIYAGUCHI Tomoyuki, chief representative in Bangkok, gave lectures titled “Towards the Realization of Sustainability - Introducing Trends in Vietnam/Thailand and JBIC’s Initiatives.” Asian countries have announced policies to decarbonize their economies by increasing the proportion of renewable energy in their total energy mix in addition to shifting to EVs. Under these circumstances, JBIC introduced diverse examples of projects that contribute to the decarbonization of host countries and industries. The speakers also mentioned that Japan will support a realistic energy transition based on the actual circumstances in each Asian country under the Asian Zero Emission Community (AZEC) initiative, a multilateral framework launched in March 2023 at the initiative of the Japanese government.

As Japan’s policy-based financial institution, JBIC will continue to work with local governments and regional financial institutions and actively share relevant information to help Japanese companies expand their business overseas in order to achieve sustainable growth, including in the energy sector.



1. The Vietnam-Japan Joint Initiative is a framework agreed on by the prime ministers of Japan and Vietnam in April 2003. The initiative aims to strengthen Vietnam’s industrial competitiveness by improving the investment environment in Vietnam and increasing foreign investment.

## ■ Operation Results

JBIC made total disbursements of ¥1,811.3 billion in FY2022

### Planned and Actual Lending and Investments

(Unit: billions of yen)

|                                            | FY2019  |         | FY2020  |         | FY2021  |         | FY2022  |         |
|--------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
|                                            | Planned | Actual  | Planned | Actual  | Planned | Actual  | Planned | Actual  |
| Export Loans                               | 345.3   | 174.1   | 308.0   | 71.2    | 308.0   | 71.2    | 338.0   | 45.9    |
| Import Loans and Overseas Investment Loans | 1,681.3 | 1,490.0 | 1,900.0 | 1,699.5 | 1,700.0 | 1,898.5 | 1,505.0 | 1,631.0 |
| Untied Loans                               | 80.0    | 9.7     | 87.0    | 76.6    | 587.0   | 68.6    | 302.0   | 115.7   |
| Equity Participations                      | 115.0   | 30.2    | 105.0   | 12.7    | 105.0   | 37.3    | 155.0   | 18.6    |
| Total                                      | 2,221.6 | 1,704.1 | 2,400.0 | 1,860.2 | 2,700.0 | 2,075.7 | 2,300.0 | 1,811.3 |

## ■ Financial Results

### Principles of Accounting

#### (1) Separate Accounting

Pursuant to Article 26-2 of the Japan Bank for International Cooperation Act, JBIC shall apply separate accounting to Operations other than the Special Operations (Ordinary Operations) and Special Operations.

#### (2) Preparation of Financial Statements

Pursuant to the Companies Act and Article 26 of the Japan Bank for International Cooperation Act, JBIC prepares financial statements and submits them to the Minister of Finance. The report on the final settlement of accounts is submitted to the government of Japan, together with the financial statements and, after examination by the Board of Audit of Japan, to the Diet.

Pursuant to the Companies Act, JBIC prepares consolidated financial statements and pursuant to Article 5 of the Ordinance of the Ministry of Finance regarding Japan Bank for International Cooperation, JBIC submits the consolidated balance sheet and the consolidated statement of operations to the Minister of Finance.

### Ordinary Operations

#### (1) Statement of Operations

In FY2022, JBIC recorded ¥567.9 billion in Interest Income and ¥655.0 billion in Ordinary Income. This was for various reasons including support for promoting the acquisition of interest, and the development of natural resources, and the overseas operations of Japanese companies such as infrastructure projects and efforts to facilitate business overseas to preserve the global environment. On the other hand, JBIC recorded ¥496.1 billion in Ordinary Expenses as a result of posting ¥459.2 billion in Interest Expenses, such as Interest on borrowed money. As a result, Ordinary Profit and Net Income both amounted to ¥158.9 billion.

#### (2) Balance Sheet

Total Assets amounted to ¥19,814.6 billion. This was due primarily to an increase in Loans and Bills Discounted (increased by ¥833.5 billion to ¥15,556.6 billion compared with FY2021). Total Liabilities amounted to ¥17,202.3 billion. This was mainly due to an increase in Borrowing from FILP Fiscal Loan (increased by ¥959.4 billion to ¥8,509.4 billion from the end of FY 2021). Total Net Assets was ¥2,612.3 billion. This was due mainly to the capital increase and Net Income of ¥158.9 billion, despite the payment to the national treasury through appropriation of retained earnings in FY2021.

### Special Operations

#### (1) Statement of Operations

In FY2022, Ordinary Income was ¥2.2 billion. This was due mainly to Interest Income of ¥2.0 billion. On the other hand, JBIC recorded ¥1.2 billion in Ordinary Expenses as a result of posting ¥0.7 billion in Interest Expenses, such as Interest on Interest Swaps. As a result, Ordinary Profit and Net Income both amounted to ¥0.9 billion.

#### (2) Balance Sheet

Total Assets amounted to ¥331.3 billion. This was due mainly to an increase in Securities due to new investments (increased by ¥0.2 billion to ¥16.1 billion compared with the end of FY2021). Total Liabilities was ¥5.9 billion. Total Net Assets was ¥325.4 billion. This was due mainly to a Net Income of ¥0.9 billion.

## The Eleventh Term for JBIC (FY2022)

### [Consolidated Financial Statements] Consolidated Statement of Operations

(April 1, 2022–March 31, 2023; unit: millions of yen)

| Accounts                                                  | Amounts        |
|-----------------------------------------------------------|----------------|
| <b>Ordinary Income</b>                                    | <b>659,923</b> |
| Interest Income                                           | 570,567        |
| Fees and Commissions                                      | 22,746         |
| Other Ordinary Income                                     | 44,744         |
| Other Income                                              | 21,865         |
| <b>Ordinary Expenses</b>                                  | <b>503,404</b> |
| Interest Expenses                                         | 460,022        |
| Fees and Commissions Payments                             | 3,799          |
| Other Ordinary Expenses                                   | 2,111          |
| General and Administrative Expenses                       | 24,382         |
| Other Expenses                                            | 13,088         |
| <b>Ordinary Profit</b>                                    | <b>156,518</b> |
| <b>Extraordinary Income</b>                               | <b>13</b>      |
| <b>Extraordinary Loss</b>                                 | <b>0</b>       |
| <b>Net Income Before Income Taxes</b>                     | <b>156,532</b> |
| <b>Income Taxes – Current</b>                             | <b>13</b>      |
| <b>Total Income Taxes</b>                                 | <b>13</b>      |
| <b>Net Income</b>                                         | <b>156,518</b> |
| <b>Net Loss Attributable to Non-controlling Interests</b> | <b>(66)</b>    |
| <b>Net Income Attributable to Owner of Parent</b>         | <b>156,585</b> |

### [Non-consolidated (JBIC only)] Statement of Operations

(April 1, 2022–March 31, 2023; unit: millions of yen)

| Accounts                            | Amounts        |
|-------------------------------------|----------------|
| <b>Ordinary Income</b>              | <b>657,216</b> |
| Interest Income                     | 570,011        |
| Fees and Commissions                | 22,648         |
| Other Ordinary Income               | 44,805         |
| Other Income                        | 19,751         |
| <b>Ordinary Expenses</b>            | <b>497,339</b> |
| Interest Expenses                   | 460,022        |
| Fees and Commissions Payments       | 3,111          |
| Other Ordinary Expenses             | 2,111          |
| General and Administrative Expenses | 24,083         |
| Other Expenses                      | 8,011          |
| <b>Ordinary Profit</b>              | <b>159,877</b> |
| <b>Extraordinary Income</b>         | <b>13</b>      |
| <b>Net Income</b>                   | <b>159,890</b> |

### Consolidated Balance Sheet

(As of March 31, 2023; unit: millions of yen)

| Assets                                                       |                   | Liabilities and Net Assets                            |                   |
|--------------------------------------------------------------|-------------------|-------------------------------------------------------|-------------------|
| Accounts                                                     | Amounts           | Accounts                                              | Amounts           |
| Cash and Due from Banks                                      | 2,193,775         | Borrowed Money                                        | 8,513,677         |
| Securities Note 7                                            | 347,087           | Bonds Payable Note 9                                  | 6,191,755         |
| Loans and Bills Discounted Note 8                            | 15,587,788        | Other Liabilities                                     | 962,446           |
| Other Assets Note 8                                          | 866,306           | Provision for Bonuses                                 | 614               |
| Property, Plant and Equipment Note 10                        | 30,730            | Provision for Directors' Bonuses                      | 10                |
| Intangible Assets                                            | 8,461             | Net Defined Benefit Liability                         | 5,690             |
| Customers' Liabilities for Acceptances and Guarantees Note 8 | 1,534,258         | Provision for Directors' Retirement Benefits          | 37                |
| Allowance for Loan Losses                                    | (410,526)         | Acceptances and Guarantees                            | 1,534,258         |
|                                                              |                   | <b>Total Liabilities</b>                              | <b>17,208,488</b> |
|                                                              |                   | Capital Stock                                         | 2,108,800         |
|                                                              |                   | Retained Earnings                                     | 1,126,210         |
|                                                              |                   | Total Shareholder's Equity                            | 3,235,010         |
|                                                              |                   | Valuation Difference on Available-for-sale Securities | 25,300            |
|                                                              |                   | Deferred Gains or Losses on Hedges                    | (323,123)         |
|                                                              |                   | Foreign Currency Translation Adjustment               | 11,923            |
|                                                              |                   | Total Accumulated Other Comprehensive Income (Loss)   | (285,899)         |
|                                                              |                   | Non-controlling Interests                             | 283               |
|                                                              |                   | <b>Total Net Assets</b>                               | <b>2,949,394</b>  |
| <b>Total Assets</b>                                          | <b>20,157,883</b> | <b>Total Liabilities and Net Assets</b>               | <b>20,157,883</b> |

Note: See Notes 7 to 10 on pages 30 to 31 of Appendix for details.

### Balance Sheet

(As of March 31, 2023; unit: millions of yen)

| Assets                                                |                   | Liabilities and Net Assets                            |                   |
|-------------------------------------------------------|-------------------|-------------------------------------------------------|-------------------|
| Accounts                                              | Amounts           | Accounts                                              | Amounts           |
| Cash and Due from Banks                               | 2,192,966         | Borrowed Money                                        | 8,513,677         |
| Securities                                            | 336,939           | Bonds Payable                                         | 6,191,755         |
| Loans and Bills Discounted                            | 15,587,788        | Other Liabilities                                     | 962,159           |
| Other Assets                                          | 865,400           | Provision for Bonuses                                 | 614               |
| Property, Plant and Equipment                         | 30,710            | Provision for Directors' Bonuses                      | 10                |
| Intangible Assets                                     | 8,461             | Provision for Retirement Benefits                     | 5,690             |
| Customers' Liabilities for Acceptances and Guarantees | 1,534,258         | Provision for Directors' Retirement Benefits          | 37                |
| Allowance for Loan Losses                             | (410,526)         | Acceptances and Guarantees                            | 1,534,258         |
|                                                       |                   | <b>Total Liabilities</b>                              | <b>17,208,202</b> |
|                                                       |                   | Capital Stock                                         | 2,108,800         |
|                                                       |                   | Retained Earnings                                     | 1,126,821         |
|                                                       |                   | Total Shareholder's Equity                            | 3,235,621         |
|                                                       |                   | Valuation Difference on Available-for-sale Securities | 25,300            |
|                                                       |                   | Deferred Gains or Losses on Hedges                    | (323,123)         |
|                                                       |                   | Total Valuation and Translation Adjustments           | (297,823)         |
|                                                       |                   | <b>Total Net Assets</b>                               | <b>2,937,797</b>  |
| <b>Total Assets</b>                                   | <b>20,146,000</b> | <b>Total Liabilities and Net Assets</b>               | <b>20,146,000</b> |

[Ordinary Operations Account]  
Statement of Operations

(April 1, 2022–March 31, 2023; unit: millions of yen)

| Accounts                            | Amounts        |
|-------------------------------------|----------------|
| <b>Ordinary Income</b>              | <b>655,075</b> |
| Interest Income                     | 567,939        |
| Fees and Commissions                | 22,648         |
| Other Ordinary Income               | 44,835         |
| Other Income                        | 19,651         |
| <b>Ordinary Expenses</b>            | <b>496,162</b> |
| Interest Expenses                   | 459,290        |
| Fees and Commissions Payments       | 3,055          |
| Other Ordinary Expenses             | 2,111          |
| General and Administrative Expenses | 23,693         |
| Other Expenses                      | 8,011          |
| <b>Ordinary Profit</b>              | <b>158,912</b> |
| <b>Extraordinary Income</b>         | <b>13</b>      |
| <b>Net Income</b>                   | <b>158,926</b> |

[Special Operations Account]  
Statement of Operations

(April 1, 2022–March 31, 2023; unit: millions of yen)

| Accounts                            | Amounts      |
|-------------------------------------|--------------|
| <b>Ordinary Income</b>              | <b>2,234</b> |
| Interest Income                     | 2,071        |
| Other Income                        | 163          |
| <b>Ordinary Expenses</b>            | <b>1,270</b> |
| Interest Expenses                   | 731          |
| Fees and Commissions Payments       | 56           |
| Other Ordinary Expenses             | 30           |
| General and Administrative Expenses | 452          |
| <b>Ordinary Profit</b>              | <b>964</b>   |
| <b>Net Income</b>                   | <b>964</b>   |

Balance Sheet

(As of March 31, 2023; unit: millions of yen)

| Assets                                                |                   | Liabilities and Net Assets                            |                   |
|-------------------------------------------------------|-------------------|-------------------------------------------------------|-------------------|
| Accounts                                              | Amounts           | Accounts                                              | Amounts           |
| Cash and Due from Banks                               | 1,910,138         | Borrowed Money                                        | 8,509,477         |
| Securities                                            | 320,801           | Bonds Payable                                         | 6,191,755         |
| Loans and Bills Discounted                            | 15,556,651        | Other Liabilities                                     | 960,530           |
| Other Assets                                          | 863,958           | Provision for Bonuses                                 | 602               |
| Property, Plant and Equipment                         | 30,710            | Provision for Directors' Bonuses                      | 9                 |
| Intangible Assets                                     | 8,461             | Provision for Retirement Benefits                     | 5,651             |
| Customers' Liabilities for Acceptances and Guarantees | 1,534,258         | Provision for Directors' Retirement Benefits          | 37                |
| Allowance for Loan Losses                             | (410,342)         | Acceptances and Guarantees                            | 1,534,258         |
|                                                       |                   | <b>Total Liabilities</b>                              | <b>17,202,322</b> |
|                                                       |                   | Capital Stock                                         | 1,785,500         |
|                                                       |                   | Retained Earnings                                     | 1,125,842         |
|                                                       |                   | Total Shareholder's Equity                            | 2,911,342         |
|                                                       |                   | Valuation Difference on Available-for-sale Securities | 24,707            |
|                                                       |                   | Deferred Gains or Losses on Hedges                    | (323,734)         |
|                                                       |                   | Total Valuation and Translation Adjustments           | (299,026)         |
|                                                       |                   | <b>Total Net Assets</b>                               | <b>2,612,316</b>  |
| <b>Total Assets</b>                                   | <b>19,814,638</b> | <b>Total Liabilities and Net Assets</b>               | <b>19,814,638</b> |

Balance Sheet

(As of March 31, 2023; unit: millions of yen)

| Assets                     |                | Liabilities and Net Assets                            |                |
|----------------------------|----------------|-------------------------------------------------------|----------------|
| Accounts                   | Amounts        | Accounts                                              | Amounts        |
| Cash and Due from Banks    | 282,827        | Borrowed Money                                        | 4,200          |
| Securities                 | 16,138         | Other Liabilities                                     | 1,666          |
| Loans and Bills Discounted | 31,137         | Provision for Bonuses                                 | 11             |
| Other Assets               | 1,478          | Provision for Directors' Bonuses                      | 0              |
| Allowance for Loan Losses  | (183)          | Provision for Retirement Benefits                     | 39             |
|                            |                | Provision for Directors' Retirement Benefits          | 0              |
|                            |                | <b>Total Liabilities</b>                              | <b>5,917</b>   |
|                            |                | Capital Stock                                         | 323,300        |
|                            |                | Retained Earnings                                     | 978            |
|                            |                | Total Shareholder's Equity                            | 324,278        |
|                            |                | Valuation Difference on Available-for-sale Securities | 592            |
|                            |                | Deferred Gains or Losses on Hedges                    | 610            |
|                            |                | Total Valuation and Translation Adjustments           | 1,202          |
|                            |                | <b>Total Net Assets</b>                               | <b>325,481</b> |
| <b>Total Assets</b>        | <b>331,398</b> | <b>Total Liabilities and Net Assets</b>               | <b>331,398</b> |

## Funding Sources

JBIC finances its operations through various sources, including borrowings from the Fiscal Investment and Loan Program (FILP) Fiscal Loan, Government-guaranteed Foreign Bond issuance, Government-guaranteed Long-term Loans in Foreign Currency, FILP Agency Bond issuance, Capital Contributions from FILP Industrial Investment, and borrowings from the Foreign Exchange Fund Special Account.

As JBIC provides long-term financing, its operations are financed by long-term funds to match maturities between funding and lending instruments.

Borrowings from FILP Fiscal Loan, Government-guaranteed Foreign Bond issuance, Government-guaranteed Long-term Loans in Foreign Currency, and Capital Contributions from FILP Industrial Investment, etc., are included in the national budget (either as an item in the General Account budget or the Special Account budget), and requests for them are submitted to the Diet for approval along the operating budget of JBIC. Recent funding results and plans for FY2023 are shown in the table below.

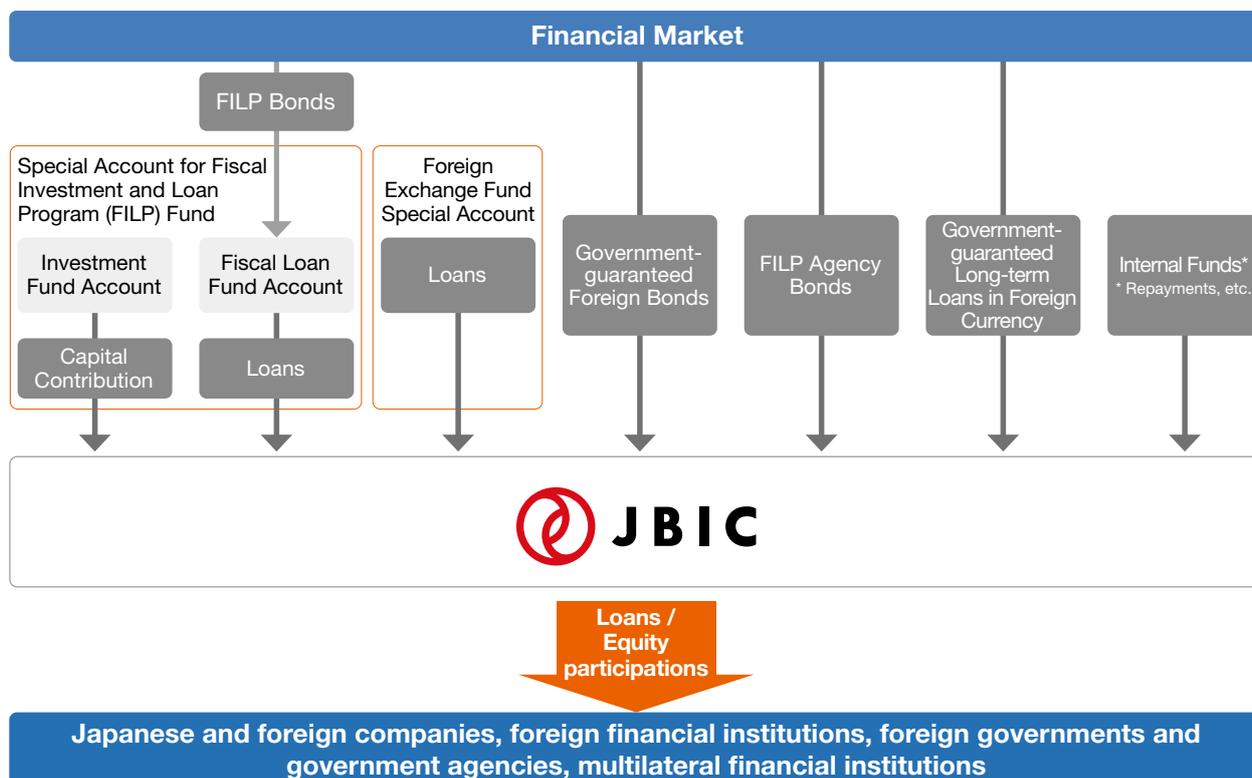
Funding Sources: Actual and Planned

(Unit: billions of yen)

|                                                           | FY2019 Actual | FY2020 Actual | FY2021 Actual | FY2022 Actual | FY2023 Planned |
|-----------------------------------------------------------|---------------|---------------|---------------|---------------|----------------|
| Capital Contribution from FILP Industrial Investment      | 98.5          | 80.0          | 60.0          | 85.0          | 90.0           |
| Borrowing from FILP Fiscal Loan                           | 43.7          | 14.9          | 11.5          | 909.2         | 981.0          |
| Borrowing from Foreign Exchange Fund Special Account      | 422.9         | 2,051.1       | 1,299.1       | 2,523.8       | —              |
| Government-guaranteed Long-term Loans in Foreign Currency | —             | —             | —             | —             | 40.0           |
| Government-guaranteed Foreign Bonds*                      | 849.4         | 833.4         | 642.3         | 1,071.8       | 1,845.0        |
| FILP Agency Bonds*                                        | —             | —             | —             | —             | 20.0           |
| Other Sources of Funds, Including Repayments              | 289.5         | (1,119.2)     | 62.7          | (2,778.5)     | (326.0)        |
| Total                                                     | 1,704.1       | 1,860.2       | 2,075.7       | 1,811.3       | 2,650.0        |

\* Figures for bonds are indicated at face value.

## Funding Sources



### Government-guaranteed Foreign Bonds

JBIC raises part of its funds by issuing Government-guaranteed foreign bonds in international capital markets. Outstanding Government-guaranteed foreign bonds at the end of FY2022 amounted to ¥6,181.4 billion at face value, which accounts for 42.01% of the total outstanding borrowings and bonds. JBIC provides foreign currency loans when necessary to effectively implement policy, and funds raised by issuing Government-guaranteed foreign bonds are used as a source of those loans.

In October 2021, JBIC developed the JBIC Green Bond Framework aligned with the Green Bond Principles 2021 published by the International Capital Market Association (ICMA) and in January 2022 JBIC issued its first Green Bond. This Green Bond is also the first initiative for a Government-guaranteed foreign green bond. JBIC also issued a second green bond in October 2022. The proceeds from the issuance of these Green Bonds will be used based on the JBIC Green Bond Framework as funds needed for renewable energy projects toward a decarbonized society and green finance toward green mobility.

In the FY2023 budget, JBIC plans to issue in the total amount of up to ¥1,845.0 billion in Government-guaranteed foreign bonds.

JBIC's Government-guaranteed foreign bonds receive the same ratings as the Government of Japan from the rating agencies (A1 from Moody's Japan K.K. (Moody's) and A+ from S&P Global Ratings Japan Inc. (S&P) as of September 6, 2023). Since they are treated as assets for which the Bank for International Settlements (BIS) assigns zero risk weight in calculating the capital adequacy ratio for depository institutions, these bonds provide a quality investment opportunity for investors in international capital markets.

### FILP Agency Bonds

In compliance with the government policy to reform FILP, JBIC has issued bonds without government guarantees (FILP agency bonds) in the Japan's capital market since FY2001, thereby raising funds based on its own creditworthiness. JBIC plans to issue up to ¥20.0 billion in FY2023.

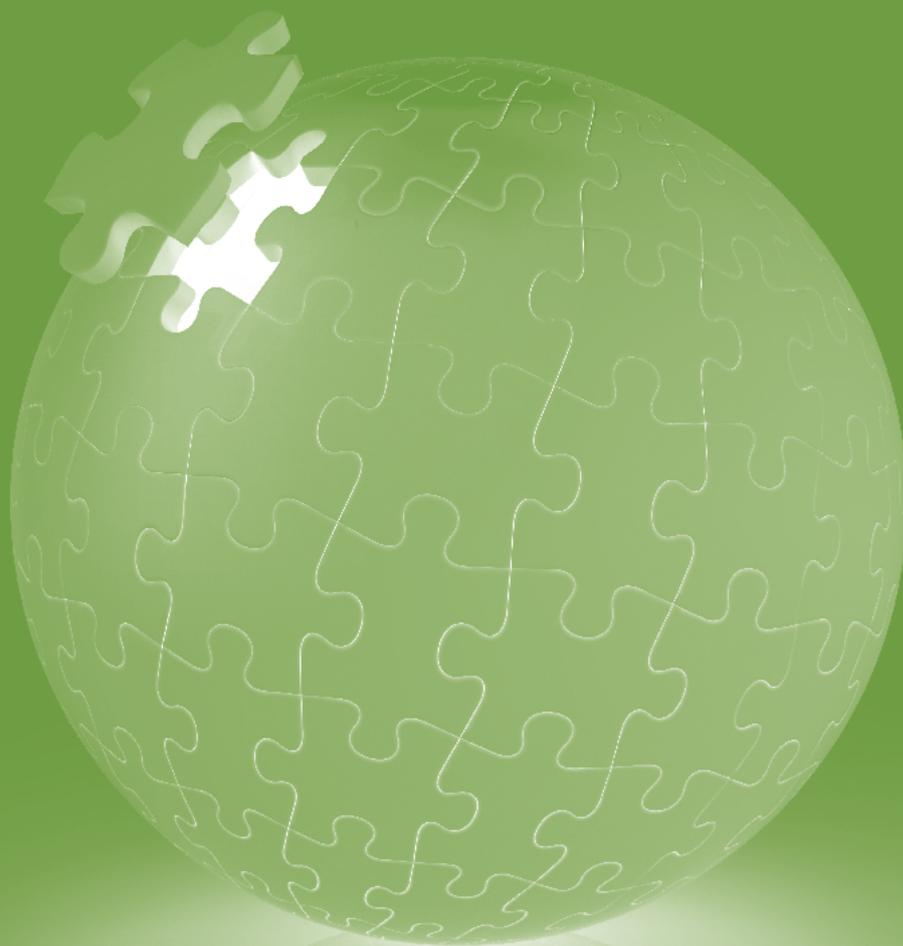
FILP agency bonds that JBIC has already issued received the same ratings as the Government of Japan (as of September 6, 2023) as shown below. They are treated as assets for which BIS assigns 10% risk weight in calculating the capital adequacy ratio for depository financial institutions.

|                                             |          |
|---------------------------------------------|----------|
| Rating & Investment Information, Inc. (R&I) | .....AA+ |
| Japan Credit Rating Agency, Ltd. (JCR)      | .....AAA |
| Moody's                                     | .....A1  |
| S&P                                         | .....A+  |



## 2. The Environment Surrounding JBIC and Its Challenges

|                                                 |    |
|-------------------------------------------------|----|
| 1. Energy and Natural Resources Finance Group   | 54 |
| 2. Infrastructure and Environment Finance Group | 60 |
| 3. Industry Finance Group                       | 66 |
| 4. Equity Finance Group                         | 72 |



# 1. Energy and Natural Resources Finance Group



## Message from the Global Head of the Group

The years 2022 and 2023 will be memorized as a turning point in the history. Russian invasion of Ukraine made us realize a harsh reality that resources are vulnerable to geopolitical issues. In addition, the hottest summer in 120,000 years showed us the threat of climate change.

Amid these turbulent times, countries including Japan have changed their policies to enhance the resilience of resource and energy sectors and promote decarbonization. However, no policy can turn the world upside down overnight, and there are uncertainties about the future. Also, if we only thought of our own benefits, the rift with the global south countries would be even wider.

The Analects of Confucius says: “A wise man looks after the fundamentals. When the fundamentals are firmly established, a moral way will grow.” It is important to return to the fundamentals when an environment drastically changes. The fundamentals of our group are the long trustful relationship with customers. In July 2022, the Oil and Gas Finance Department was renamed as the Energy Solutions Finance Department and the Energy Transformation

Strategy Office was established. This represents our intention to commit ourselves to customers.

The Energy and Natural Resources Finance Group will value the roots and further focus on solving social issues of emerging countries in Africa and other areas by providing support to secure stable resources and energy supplies, promote decarbonization, and enhance supply chain resilience going forward. Also, we aim to provide long-term funding to supplement private-sector funds and further enhance risk taking ability.

### AMANO Tatsushi

Managing Executive Officer

Global Head of Energy and Natural Resources Finance Group

## Business Environment and Key Challenges

The 1.5°C target was agreed on after the Paris Agreement and the 26<sup>th</sup> Conference of the Parties to the United Nations Framework Convention on Climate Change (COP26), and countries around the world are pushing forward climate change initiatives. However, in order to curb global warming, further acceleration of such initiatives is required. In its Strategic Energy Plan, the Government of Japan aims to utilize renewables, such as wind, solar and biomass, as major sources of power and to achieve decarbonization through power generation using hydrogen and ammonia and innovative thermal power generation with CO<sub>2</sub> emission reduction measures, such as CCUS and carbon recycling. At the same time, amid the rising energy price since the Russian invasion of Ukraine, the importance of energy security has been increasing. At the G7 Ministers' Meeting on Climate, Energy and Environment in Sapporo in May 2023, it was agreed to address not only climate change but energy security

in an integrated manner. In addition to securing stable energy supply, diversifying suppliers has become a significant challenge. As the world's energy situation is undergoing a significant shift, Japan, a large importer of natural resources, is required to achieve both energy security and energy transition.

In these global circumstances and market conditions, the roles that JBIC is required to play diversity to encompass, amongst other things, proposing energy solutions to secure strategically important resources and address climate change in a balanced manner, helping the development of zero emission energy from hydrogen and fuel ammonia, and supporting the security of the strategic resources, such as semiconductors and battery minerals, while strengthening the resilience of the entire supply chain. To address these issues, flexible and proactive financial support of JBIC is essential.

## JBIC's Activities

JBIC is endeavoring to identify and form new projects and cultivate relations with government-related organizations and entities of each country. By supporting stable supplies of strategically important resources, JBIC aims to secure next-generation energy

and establish a value chain toward the realization of a decarbonized society and address global issues including social ones. Below are the major achievements of the Energy and Natural Resources Finance Group in FY2022.

### ■ Initiatives for securing stable supply of strategically important resources and maintaining and improving the international competitiveness

#### Loan to JERA to Support LNG Imports

##### Supporting Japanese Energy Company for Stable Procurement of LNG

JBIC concluded a loan agreement with JERA Co., Inc. (JERA). The loan is to finance JERA's importing of liquefied natural gas (LNG).

As resource prices rise and a stable supply of electricity is recognized as an urgent issue for the lives of the Japanese people and national economic activities, it has become more important than ever to ensure stable procurement of LNG to be used as fuel for gas-fired power generation. Financing JERA with this loan is intended to support a stable supply of electricity by securing a stable supply of energy to Japan.

#### Loan for Building Pellet Feed Plant of CSN Mineração S.A. of Brazil

##### Contributing toward Long-term Securing of Mineral Resource by Japanese Company

JBIC concluded a loan agreement with CSN Mineração S.A. (CM) of Brazil. The loan is intended to finance the funds necessary for CM, of which ITOCHU Corporation (Itochu), JFE Steel Corporation, and Kobe Steel, Ltd. are shareholders among others, to build a new pellet feed production plant. Pellet feed is processed iron ore crushed into particles. It is an essential raw material for low-carbon steelmaking and plays a vital role in reducing CO<sub>2</sub> emissions in the process. Itochu will secure its long-term offtake right of the pellet feed produced by the plant.

The loan will financially support Itochu's long-term securing of pellet feed, thereby contributing toward a stable supply of the critical mineral resource for the Japanese steel industry and toward supply chain resilience and the realization of a sustainable society.



Construction site for a pellet feed plant in Brazil

## Loan for Joint Steelmaking Business between Nippon Steel Corporation and ArcelorMittal S.A. of Luxembourg through ArcelorMittal Nippon Steel India Limited of India

### Supporting Steel Business of Japanese Company in India

JBIC concluded a loan agreement with AMNS Luxembourg Holding S.A. (AMLH) of Luxembourg, a joint venture between Nippon Steel Corporation (Nippon Steel) and ArcelorMittal S.A. (AM) of Luxembourg. The loan is intended to finance part of the funds necessary for Nippon Steel to make capital investment in an integrated steel mill in western India belonging to ArcelorMittal Nippon Steel India Limited (AM/NS India), an Indian subsidiary of AMLH, as part of their joint steelmaking business through AM/NS India.

The loan will capture growing steel demand in the mid to long term in the steel market of India, which is expected to make steady growth and support Nippon Steel's overseas business expansion, thereby contributing toward maintaining and improving the international competitiveness of Japanese industry.



Expansion of Hazira Steel Mill of AM/NS India

## Initiatives for Energy Transition

### JBIC Concludes MOUs on Strategic Cooperation with YARA International ASA of Norway and Sembcorp Industries Ltd. of Singapore

#### Strengthening Cooperation in Sector of Hydrogen and Ammonia as Fuel Source

JBIC concluded a memorandum of understanding (MOU) on strategic cooperation with YARA International ASA (YARA), a Norwegian company to promote cooperation in the sector of using ammonia as a fuel source, and one with Sembcorp Industries Ltd. (Sembcorp), a Singaporean company to promote cooperation in sectors that use hydrogen and ammonia as a fuel source. Both companies aim to deepen collaboration with Japanese companies regarding hydrogen and ammonia supply chain projects, in order to achieve the goal of realizing a decarbonized society. Also, in its Fourth Medium-term Business Plan, released in June 2021, JBIC aims to respond to energy transformation, toward the realization of a decarbonized society. By developing a framework for collaboration with these entities, JBIC aims to accelerate the structuring of projects for developing the supply chain of hydrogen and ammonia as a fuel source.

## JBIC Concludes MOU for Comprehensive Strategic Partnership with Woodside Energy Group Ltd. of Australia and MOU with Petroliam Nasional Berhad (PETRONAS) of Malaysia

### Promoting Collaboration for Supply of Energy and Creating Decarbonization Opportunities

JBIC concluded an MOU for a comprehensive strategic partnership with Australian company Woodside Energy Group Ltd. (Woodside) to secure a stable supply of energy and strengthen collaboration and promote cooperation in the field of decarbonization, and an MOU with Petroliam Nasional Berhad (PETRONAS) to support collaboration between PETRONAS and Japanese companies in clean energy sectors.

Amid the rising importance of energy security, JBIC will continuously work to secure stable supply of energy and aims to strengthen collaboration in new energy fields and low carbon services and promote to form projects in such fields for the realization of decarbonized society.



The 2nd Asia Green Growth Partnership Ministerial Meeting

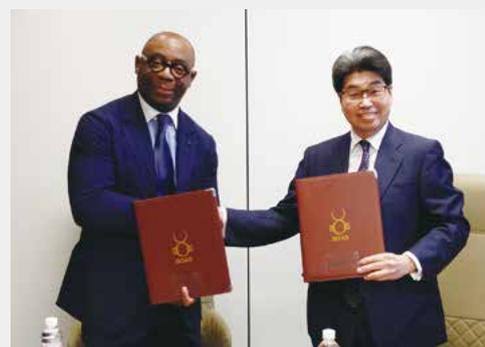
## ■ Addressing Social Issues

## JBIC Concludes MOUs with Ministry of Finance, Planning and Economic Development of Uganda, Ministry of Economy and Finance of Côte d'Ivoire, and West African Development Bank

### Creating Business Opportunities for Supporting Environmental Preservation Efforts of Japanese Companies in Africa

JBIC concluded MOUs with the Ministry of Finance, Planning and Economic Development of Uganda, the Ministry of Economy and Finance of Côte d'Ivoire, and the West African Development Bank (BOAD) on the sidelines of the eighth Tokyo International Conference on African Development (TICAD 8) held in Tunisia in August 2022. The objective of the MOUs is to create and promote business opportunities for Japanese companies, which contribute toward the environmental preservation in Africa.

Africa has vast reserves of critical minerals and other natural resources. It is also an area where economic growth and market expansion are expected on the back of high population growth rate. On the other hand, there are many issues to be addressed in Africa, such as development of infrastructure including electricity, diversification of industries, and improvement of medical services. In addition, the issue of food security needs to be addressed. JBIC focuses on Africa in the Action Plan "Undertake strategic initiatives for countries/regions of great importance from the policy perspective." in the Fourth Medium-term Business Plan (FY2021–FY2023). To this end, we will support Japanese companies to expand their business in Africa in cooperation with the governmental organizations and others in the region in order to promote establishing basic infrastructure and taking climate change measures.



BOAD President EKUE and JBIC Governor HAYASHI after concluding the MOU

## ■ Future Business Strategy

As the energy situation and market conditions have undergone significant changes, energy security has become more important and securing strategically important resources and diversifying suppliers have become urgent issues. While we are required to accelerate the actions for climate change, energy-related challenges have entered a more difficult phase. JBIC will promote efforts toward these global agendas by proactively supporting Japanese companies' activities to acquire interests in and develop resources overseas and to develop next-generation energy, as well as by enhancing the resilience of supply chains of such commodities as energy resources and mineral resources, while developing fossil fuel and addressing climate change simultaneously.

### (1) Addressing Global Issues

As a response to the energy transformation for the realization of a decarbonized society, JBIC will focus on green innovation initiatives, such as the construction of a hydrogen value chain spanning manufacturing, transportation, and supply to utilization, and green mobility (green finance).

Moreover, JBIC will support initiatives for co-combustion of ammonia and hydrogen, CCS/CCUS<sup>1</sup>, and the natural gas business (natural gas conversion, expansion of use, etc.) in emerging countries centered around Asia, and will also continuously support projects for reducing CO<sub>2</sub> emission in the steel and smelting industries, in order to contribute toward the expansion of businesses that help reduce the environmental impact while actively participating in the sustainable energy transition by host countries (transition finance).

Also, JBIC will actively support projects that contribute toward solving such social issues as access to basic infrastructure, including medical services and food supplies, in emerging countries including African nations for sustainable growth of host countries. Additionally, with TICAD9 to be held in Japan in 2025 in mind, JBIC will support Japanese companies to expand their business in Africa (social impact finance).

### (2) Responses for Building an International Supply Chain for Critical Minerals

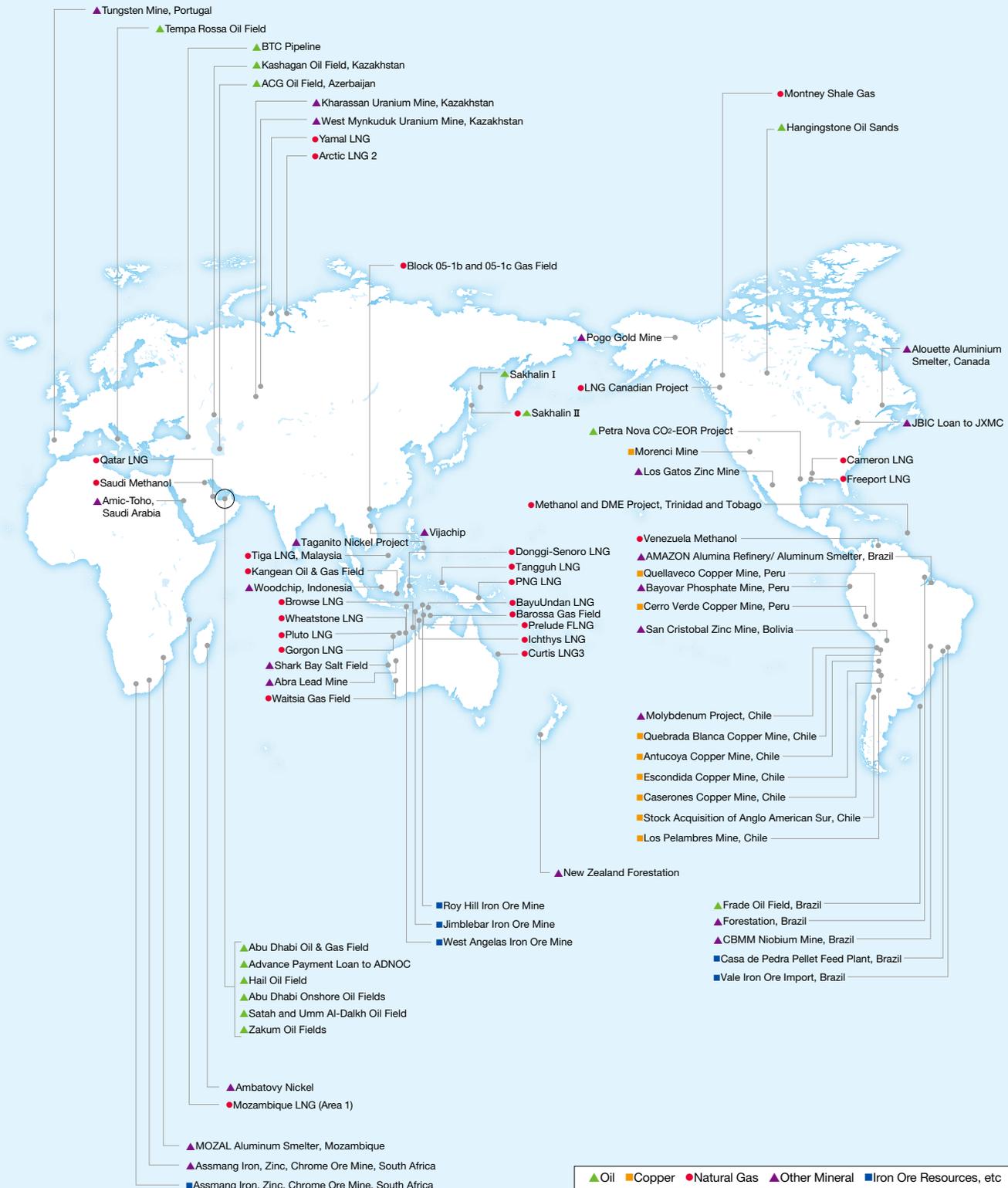
JBIC will strengthen its initiatives for building an international supply chain by securing the important minerals known as critical minerals, including rare metals, such as nickel and lithium, as well as copper, which is essential for realizing a decarbonized society.

As a significant growth of demand is anticipated for such metals as copper and lithium, highly innovative initiatives, including advanced recycling, will be needed in securing important minerals in order to realize carbon neutrality in 2050. Securing important minerals, however, involves challenges. For example, for a lot of minerals, the mining, refining, and smelting technologies are yet to be established and reserves are unevenly distributed, making certain countries and regions the center of production and processing. In its Green Growth Strategy, the government of Japan stated that it would muster all possible and necessary policies. From a medium- to long-term perspective, JBIC will actively support efforts toward decarbonization in this field to play a part in the initiatives.

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1. Carbon dioxide Capture and Storage (CCS) is a technology that separates and captures carbon dioxide that would become a greenhouse gas and stores it in deep waterbeds or geological formations. Carbon dioxide Capture, Usage and Storage (CCUS) is a technology that utilizes carbon dioxide separated and stored.

### JBIC's Major Projects of Energy and Natural Resources (Cumulative commitment amount for energy and natural resources projects over the last 10 years: Approximately JPY 5 trillion)



Note: Including projects that were approved for funding by JBIC more than 10 years ago.

As of March 31, 2023

## 2. Infrastructure and Environment Finance Group



### Message from the Global Head of the Group

COVID-19 has not only affected people's everyday lives and business environment but has created a trend in which the global economic society has strengthened efforts for climate change issues, as typified by green recovery. In addition, as Russian invasion of Ukraine is significantly affecting and threatening the world politics and economy, the importance of multilateral collaboration and cooperation with international organizations through the support for Ukraine and its neighboring countries has been growing. Against this backdrop, JBIC has actively promoted green finance, transition finance and social impact finance under the Fourth Medium-term Business Plan (FY2021-FY2023), formulated and released in June 2021 and ESG Policy. Also, in line with the partial amendment of the Japan Bank for International Cooperation Act in April 2023, JBIC has strengthened its function so that it can support the enhancement of the supply chain resilience in accordance with the changes in the international situation, support Japanese companies including startups to take further risks, and smoothly support the reconstruction of Ukraine.

The Infrastructure and Environment Finance Group will focus especially on supporting projects that contribute toward solving global issues such as realizing a globally decarbonized society and providing support for Ukraine and its neighboring countries as well as projects that help the enhancement of the resilience of Japanese companies' supply chains. For realizing a decarbonized society, we believe the engagement-based approach is crucial, which encourages countries to take initiatives proactively in accordance with their own circumstances. To support this process, JBIC will leverage the strong relationships and dialogue channels it has cultivated with other countries. Also, for infrastructure projects with high project costs or risks and assistance projects for Ukraine and its neighboring countries, JBIC, as a policy-based financial institution, will support the business of Japanese companies through multilateral collaboration and cooperation with international organizations.

### SEKINE Hiroki

Managing Executive Officer

Global Head of Infrastructure and Environment Finance Group

## Business Environment and Key Challenges

Based on the Fourth Medium-term Business Plan (FY2021–FY2023), the Infrastructure and Environment Finance Group considers the following fields to be its key challenges. The Group will focus on projects that contribute toward addressing global issues such as realizing a decarbonized society and supporting Ukraine and its neighboring countries and projects such as those for rebuilding and strengthening the resilience of supply chains that will support Japanese companies in the era of rapid industrial and social transformation.

### (1) Address Global Issues

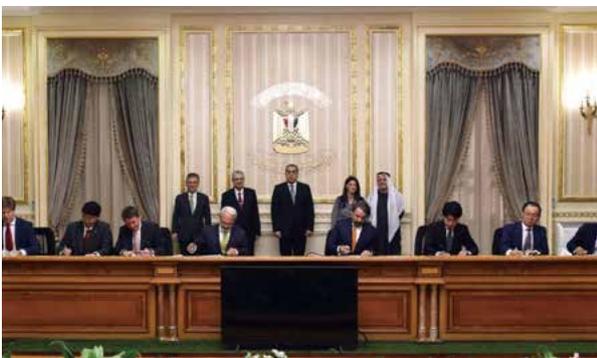
Without even having to examine specific cases, the major trend toward decarbonization is advancing.

At the G7 Cornwall Summit in June 2021, the G7 countries made the commitment to achieve net zero by 2050, and at COP27 in November 2022, countries confirmed the importance of the 1.5°C target, which is more challenging than the Paris Agreement goal, and determined to strengthen their nationally determined contributions (NDCs) for 2030, which are consistent with the Paris Agreement goal.

There is a diverse assortment of measures and approaches for realizing this goal of decarbonization. The government of Japan has adopted a policy of deep engagement with the energy policies of developing countries to realize energy transitions together with these nations. This is based on the belief that adopting realistic measures suited to actual environments and

circumstances in each individual country is instead the best means of efforts for realizing a decarbonized society. Regarding Asia, Prime Minister KISHIDA Fumio advocated the framework of Asia Zero Emission Community in his policy speech in January 2022. The purpose is that Asian nations share the philosophy of achieving a decarbonized society and cooperate to promote energy transitions. As Japan's policy-based financial institution, JBIC will utilize the strong relationships it has cultivated with countries worldwide and support the realization of projects that contribute toward solving social issues such as decarbonization and energy transitions through engagement promoted by the government of Japan as well as waste-to-energy projects and projects for distributed power supply.

In addition, Russian invasion of Ukraine is significantly affecting and threatening the world politics and economy. Amid this, in May 2022, the G7 development ministers' meeting announced the policy to support Ukraine's neighboring countries including Poland and Romania. In June 2022, the Cabinet approved Basic Policy on Economic and Fiscal Management and Reform 2022, which states that Japan will respond resolutely to Russia's invasion as the G7 chair and strengthen its support to Ukraine and other countries. Furthermore, G7 Foreign Ministers' Statement on Energy Security released in August 2022 confirmed the policy that aims at reinforcing the energy security and resilience. Thus, multilateral collaboration and cooperation with international organizations through the support for Ukraine and its neighboring countries have become more important. In line with the partial amendment of the Japan Bank for International Cooperation Act in April 2023, JBIC has strengthened its function so that it can smoothly support the reconstruction of Ukraine. JBIC will support Ukraine and its neighboring countries through multilateral collaboration and cooperation with international organizations.



Signing ceremony of Amunet Onshore Wind Farm Project

## (2) Support the Strengthening of the International Competitiveness of Japanese Companies in the Era of Industrial and Social Transformation

Worldwide economic and mobility constraints caused by COVID-19 also exerted a tremendous impact on business, one of the most notable being disruptions to supply chains. As pointed out in the Infrastructure System Overseas Promotion Strategy 2025 (June 2023 Supplemented Edition), the social transformation such as digitalization and decarbonization is expected to accelerate globally with responses to the pandemic.

Accordingly, it will be more necessary than before to flexibly addressing novel needs for infrastructure, while continuing both the infection prevention measures and the initiatives for economic development and environmental preservation. We believe that supporting Japanese companies with proprietary technologies such as cutting-edge technologies beneficial for the environment, digitalization, or telecommunication in expanding overseas and supporting the enhancement of Japanese companies' supply chain resilience during this trend will have important implications for maintaining and improving the international competitiveness of Japanese companies in the new post-pandemic world.

Starting with a loan to support the enhancement of the resilience of supply chains of Japanese companies in India in FY2020 (a loan to the State Bank of India), JBIC moved to further support projects that contribute toward enhancing the resilience of supply chains of Japanese companies by establishing the Global Value Chain Resilience Window within the Global Investment Enhancement Facility commenced in July 2022. JBIC will utilize this window to actively support the strengthening of overseas supply chains of Japanese companies.

## (3) Propel Strategic Initiatives to Promote Quality Infrastructure Projects Overseas

The Free and Open Indo-Pacific (FOIP) advocated by the government of Japan in 2016 is rooted in the concept of ensuring peace and prosperity for the entire region, and by extension for the whole world, by realizing a free and open rules-based international order. In March 2023, "multi-layered connectivity" was set forth as the fourth pillar of cooperation for FOIP and the development of "quality infrastructure" that can contribute toward improving connectivity among regions is also important from the perspective of FOIP.

These types of quality infrastructures inevitably involve a multitude of stakeholders and there is a tendency for both scale and risks to increase, which often makes it difficult for Japan and JBIC to execute these projects alone.

Deeply aware of this problem, JBIC has traditionally emphasized collaboration with multilateral and international financial institutions. Specifically, JBIC has

continued its efforts to fortify collaboration with policy-based financial institutions in Japan, the U.S., and Australia and with public financial institutions, such as the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD).

In the Ontario Line subway project in Canada in November 2022, JBIC supported Hitachi's business activities in the Canadian railroad market through



Signing ceremony of an MOU with the EIB

co-financing with Korean and Canadian public financial institutions. In order to back up the initiatives of Japanese companies, JBIC will make efforts as a policy-based financial institution to support the overseas expansion of quality infrastructure, including infrastructure in the health and medical fields, which were once again recognized as being crucial sectors during the COVID-19 pandemic.



Subway project in Ontario

## JBIC's Activities

Business opportunities are growing in the field of carbon neutrality such as promoting investment in decarbonized and low-carbon industries (green recovery) as the economy recovers from the COVID-19 pandemic, and it is important to contribute to global decarbonization and sustainable economic growth by utilizing Japan's exceptional technologies. JBIC provides support for projects that contribute to low-

carbonization and environmental preservation in each country toward the realization of a global decarbonized society. JBIC is also supporting projects that contribute toward rebuilding and strengthening the resilience of Japan's supply chains and assisting Ukraine and its neighboring countries. The main achievements of the Group in FY2022 are as follows.

### ■ Initiatives for Low-carbonization and Global Environmental Preservation

#### Financing for Onshore Wind Farm Project by Toyota Tsusho Corporation and Eurus Energy Holdings Corporation

##### Supporting Renewable Energy Project toward Realizing Decarbonized Society

JBIC concluded a loan agreement with RED SEA WIND ENERGY S.A.E. (RED SEA), invested in by, inter alia, Toyota Tsusho Corporation and Eurus Energy Holdings Corporation, which operates onshore wind farm power generation business in Egypt. The Government of Egypt aims to increase renewable energy in the energy mix to 35% by 2030 and 42% by 2035 in order to reduce its dependence on thermal power.

In this project, RED SEA will build, own, and operate a 500 MW onshore wind farm in Ras Ghareb within the Red Sea Governorate along the shore of the Gulf of Suez, and sell the electricity generated to Egyptian Electricity Transmission Company. JBIC will support overseas business expansion of Japanese companies, thereby contributing toward maintaining and improving the international competitiveness of Japanese industry.



Signing ceremony of Ras Ghareb 2 Onshore Wind Farm Project

## Loans to Indonesia, Vietnam, India, and others under GREEN Operations

### Financially contributing toward global environmental preservation through utilization of financing tools under GREEN Operations

Global action for Reconciling Economic growth and ENvironmental preservation (GREEN) refers to loans, guarantees, and investments in projects that are expected to contribute to both the environment and economy on a global scale through global environmental preservation operations. As part of GREEN Operations, JBIC provided PT Pertamina (Persero) (Pertamina) with the necessary funds for renewable energy projects in Indonesia.

In Vietnam, JBIC set up a credit line for Joint Stock Commercial Bank for Foreign Trade of Vietnam (Vietcombank) to support renewable energy projects in Vietnam under the Vietnam Climate Finance Framework (VCOFF), which was announced under the Australia-Japan-United States Trilateral Infrastructure Partnership (TIP) in January 2023.

These projects align with the Just Energy Transition Partnership (JETP), which was agreed on in December 2022 by the governments of Vietnam and Indonesia respectively and their partner countries, including Japan and the United States, as well as the Asia Zero Emissions Community (AZEC) concept.

Also in India, JBIC provided SJVN Limited (SJVN), India's state-owned company with the necessary funds for solar power generation projects.

As Japan's policy-based financial institution, JBIC will financially contribute toward global environmental preservation by considering each country's energy policy and environmental policy and utilizing financial tools under GREEN Operations.



Signing ceremony of the GREEN to Pertamina

## ■ Initiatives for Building and Restructuring Japanese Companies' Supply Chains

### Loan for Industrial Park Expansion Project by Vietnamese Subsidiary of Sumitomo Corporation

#### Supporting Overseas Business Expansion of Japanese Company

JBIC supported Thang Long Industrial Park II Corporation (TLIP2), a Vietnamese subsidiary of Sumitomo Corporation, through overseas investment loan. The finance is intended to provide the necessary funds for the expansion project of Thang Long Industrial Park II to be conducted by TLIP2 in the Hung Yen province in the north of Vietnam. The government of Vietnam has set forth a goal of attracting new foreign investment of \$30 billion to \$40 billion per year by 2025. With this goal and the trend of supply chain reorganization due to the COVID-19 pandemic, Japanese companies' appetite for entering the Vietnamese market is growing.

Through the finance, JBIC will assist Japanese companies in entering overseas markets and will also facilitate the strengthening of supply chains.



Expansion project of Thang Long Industrial Park II

## ■ Initiatives for Supporting Ukraine and Its Neighboring Countries

### Guarantee for Samurai Bonds Issued by Bank Gospodarstwa Krajowego of Poland

#### Supporting Humanitarian Aid for Refugees from Ukraine amid Russia's Aggression

JBIC provided a guarantee for yen-denominated foreign bonds in the Japanese bond market (Samurai bonds) issued by Bank Gospodarstwa Krajowego (BGK) of Poland. In the wake of Russia's aggression against Ukraine, the Government of Japan has endeavored to enhance its relationship with Ukraine and Poland. Prime Minister KISHIDA Fumio conveying Japan's solidarity and unwavering support for Ukraine during his visit to these two countries in March 2023 is a case in point. Poland has been one of the main destinations for refugees from Ukraine since the Russia's aggression had started. In order to raise and channel funds for assistance to Ukraine and its citizens affected by the war, including for medical care, education, and housing for refugees, the Aid Fund was established in BGK. The Samurai bonds are intended to contribute to the Aid Fund to support its tasks in connection with the armed conflict on the territory of Ukraine.



Japan-Ukraine Summit Meeting (photo provided by Prime Minister's Office of Japan.)

## ■ Collaboration with Other Countries and Institutions

JBIC is working to reduce risks for seeking investments and realizing and accelerating infrastructure projects by building relationships with governments of other countries and collaborating with other institutions. In addition, with various discussions more frequently taking place worldwide toward decarbonization and carbon neutrality, JBIC will utilize the relationships it has built to the present with each country and get close to the actual circumstances and policies of each country and value its efforts for engagement to pursue a correct path while engaging in dialogue.

Regarding cooperation with other countries, JBIC signed memorandums of understanding (MOUs) with National Power Company of Indonesia (PLN), National Oil Company of Indonesia, Pertamina, and PT Sarana Multi Infrastruktur (Persero), to enhance cooperation for the promotion of energy transition in Indonesia. In addition, JBIC signed an MOU with the National Investment and Infrastructure Fund Limited (NIIFL) of India for the establishment and promotion of the India-Japan Clean and Growth Platform. This MOU intends to promote environmental preservation and growth of the Indian economy and enhance the cooperative relationship between Indian and Japanese companies.

JBIC will consider establishing a fund with NIIFL and providing debt financing to investee companies of funds managed by NIIFL by utilizing JBIC's loan functions.

Regarding cooperation with other institutions, JBIC has been working on cooperation among the three countries of Japan, the U.S., and Australia, which are strengthening relations toward the realization of a "Free and Open Indo-Pacific" promoted by the government of Japan. Also, in May 2022, JBIC signed an MOU with the U.S. Trade and Development Agency (USTDA). This MOU is intended to strengthen the cooperation between JBIC and USTDA, and to support projects in certain sectors including but not limited to infrastructure, renewable energy, telecommunication, and digital connectivity, mainly in the Indo-Pacific, together with the Middle East, Africa, Latin America, the Caribbean, and Eastern Europe.

Additionally, in October 2022, JBIC signed an MOU with the U.S. International Development Finance Corporation (DFC), the Department of Foreign Affairs and Trade (DFAT), and Export Finance Australia (EFA). The MOU is intended to further strengthen the cooperation that Japan, the U.S.,

### Recent Major Overseas Infrastructure Projects (Loans, equity participations, and guarantees in the last five years)



Note: "Renewable energy/environment" includes solar power, wind power, geothermal power, hydro power, waste for energy, energy efficiency, and other projects related to global environmental conservation.

As of the ended March 2023

and Australia have developed under the previous MOU to further cooperate on telecommunications, digital and ICT, ports, airports, banking and financial services, critical minerals, resilient supply chains, and pandemic response as well as the sectors they mutually determined in the previous MOU, including infrastructure, energy, and natural resources. In May

2023, JBIC, together with DFC, provided a guarantee for part of EFA's financing, which was provided to the Telstra group to support the acquisition of Digicel Pacific Limited (Digicel Pacific) by the Telstra group, Australia's leading telecommunications company. Digicel Pacific is a telecommunications operator in the Pacific.

# 3. Industry Finance Group



## Message from the Global Head of the Group

Japan and the world are in an uncertain and difficult situation due to problems such as the world divided by emerging geopolitical risks, including the U.S.-China confrontation and the Russian Invasion of Ukraine, as well as climate change, food shortages, semiconductor shortages, raw material price surges and accelerated inflation on a global basis. In a complicated world like this, Japanese companies face extremely difficult challenges, for example, to rebuild stable supply chains including securing semiconductors that are indispensable in many industries and to realize a decarbonized society where companies can earn profits while preventing global warming. In order to overcome such challenges, the role of the financial sector including JBIC has become increasingly important.

Based on this awareness, the Industry Finance Group works to maintain and improve the international competitiveness of Japanese industry. To this end, we discern the needs of Japanese industry, and by actively taking risks, strengthen support for enhancing the resilience and rebuilding of global supply chains of Japanese

companies, support for overseas M&As to acquire next-generation technology, and support for projects that contribute toward global warming prevention through green finance. I would like to find the optimal solutions to these challenges together with Japanese companies.

### SASAKI Satoshi

Managing Executive Director  
Global Head of Industry Finance Group

## Business Environment and Key Challenges

### Highly Uncertain Business Environment

The Japanese economy has been on a gradual recovery path from the slump due to the influence of COVID-19 after 2020. On the other hand, there are growing uncertainties and downward risks to the global economy, because of rising raw material prices and soaring worldwide inflation in addition to geopolitical risks, such as Russian invasion of Ukraine and the U.S.-China confrontation. Under these circumstances, Japanese companies continuously face highly uncertain business environment due to factors such as rising financing costs driven by higher interest rates, especially in the U.S., and a slowdown in demand due to weaker yen.

The Survey Report on Overseas Business Operations by Japanese Manufacturing Companies JBIC released in December 2022 revealed that global inflation has a widespread impact on business activity. When asked about shock factors affecting production activities, the most common response was “increased production and transportation costs.” With regard to the importance of geopolitical risk in business strategy,

a total of 85% of responding companies answered that geopolitical risk was either ‘very significant’ or ‘significant,’ regardless of which country or region the companies have their production bases in. Thus, the survey results shows that the rising prices and geopolitical risk are the significant factors that affect the overseas business expansion by Japanese companies.

### Rebuilding Supply Chains and Creating New Business Opportunities Overseas through DX and GX

We are facing a growing risk of supply chain breakdown due to increasing geopolitical risks in addition to infectious diseases and natural disasters. Against this backdrop, companies need to rebuild supply chains for stable procurement of raw materials, by taking measures such as diversifying suppliers and bringing production bases back to Japan.

Globally, governments have promoted investments in digital transformation (DX): the U.S. enacted the CHIPS Act<sup>1</sup> in August 2022, while the European region has

taken the move to pass the European CHIPS Act. The semiconductor technology is becoming increasingly important as the core of DX in many sectors. In Japan, too, the government revised the Strategy for Semiconductors and the Digital Industry in June 2023, in order to accelerate the initiatives related to semiconductors and storage batteries and comprehensively promote measures to develop an advanced telecommunication infrastructure, such as building a data processing infrastructure considering the possibility of spread of generative AI as well as dispersing the locations of data centers.

Additionally, as a result of growing awareness of climate change and accelerated initiatives toward realization of a decarbonized society, governments, especially in the U.S. and Europe, have set the green transformation (GX) agenda, which aims to achieve both emission reduction and economic growth. To name a few, the Inflation Reduction Act was enacted in August 2022 in the U.S., and the European Green Deal was enacted and the NextGenerationEU recovery instrument was established in Europe. Under the agenda, government-led investments in GX along with DX have been accelerated in these regions. In Japan, the GX Promotion Act was enacted in June 2023 with the aim of fulfilling the international commitment while simultaneously achieving higher competitiveness and economic growth of Japanese industry. The government also plans to provide support for advance investment by issuing GX Economy Transition Bonds and to implement the growth-oriented carbon pricing scheme.

As new investment opportunities are created on the back of the trend of government-led DX and GX projects mainly in the U.S. and Europe, as well as rebuilding of supply chains, Japanese companies also utilize M&As and capital investments to continuously expand their businesses overseas. For overseas M&A deals by Japanese companies in 2022, the value has dropped from 2021 but the number remained almost unchanged at 625 (Figure 1). This result indicates that Japanese companies have continued expanding business overseas, by making small investments to avoid risks under the uncertain business environment.

Japanese companies are regaining appetite for overseas business expansion. According to FY2022 JBIC Survey Report on Overseas Business Operations by Japanese Manufacturing Companies, the overseas sales ratio estimated for FY2022, and the overseas production ratio estimated in the medium-term plan (as of 2025) are expected to recover to near the pre-Covid

**Figure 1. Changes in the Value and Number of Overseas M&A by Japanese Companies**

Source: RECOF Corporation



19 pandemic levels. Going forward, it is expected that Japanese companies will expand their businesses through DX and GX investments and maintain overseas business operations by utilizing M&As.

1. CHIPS Act (Creating Helpful Incentives to Produce Semiconductors and Science Act) is intended to support the development and production of semiconductors in the U.S. as well as the investments in advanced technologies such as quantum computing and artificial intelligence (AI).

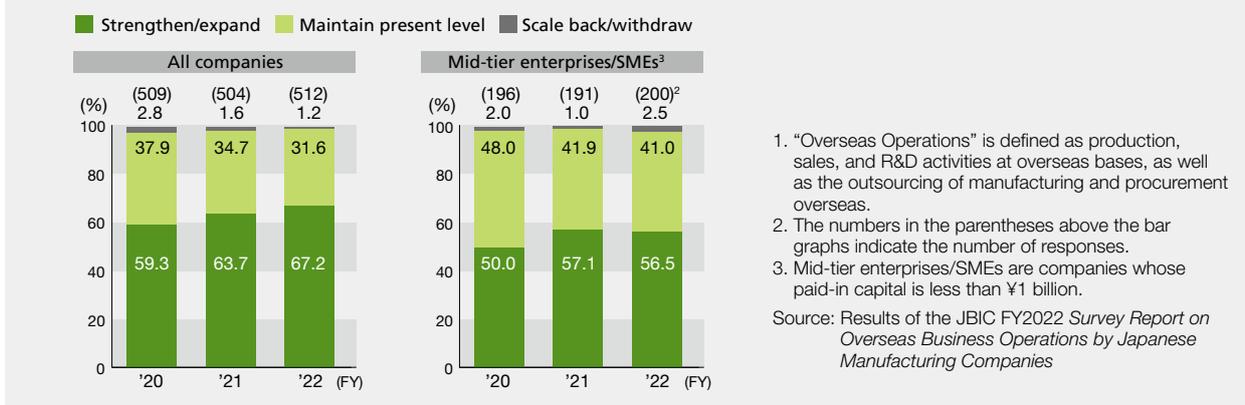
### Overseas Business Deployment of Mid-tier Enterprises and SMEs

Japanese mid-tier enterprises and SMEs have limited human resources and funds compared to large companies. Their overseas business deployments are more susceptible to supply chain disruptions and breakdowns against a backdrop of increasing geopolitical risks, as well as rising funding costs due to higher interest rates, especially in the U.S. And therefore, they must take measures to these issues.

With the trend of global supply chain restructuring, mid-tier enterprises and SMEs relocated plants to third countries in Asia, such as Vietnam and India, for the purpose of breaking dependence on China and diversifying supply chains. Also, raising funds denominated in an Asian currency such as Thai baht enabled them to avoid U.S. dollar-denominated loans, as interest rates remain high in the U.S. Also, despite weaker yen, they have increased capital spending on the back of strong demand recovery after the pandemic and have made investments in equipment focusing on the trend of GX in many industry sectors such as investment in photovoltaic power generation for factory.

According to the FY2022 survey, 56.5% of mid-tier enterprises and SMEs chose to “Strengthen/expand” their overseas businesses. This shows they recognize the importance of continued strengthening and expanding their overseas business deployment even under this uncertain global economic environment (Figure 2). As the responses to the pandemic have been settled, Japanese mid-tier enterprises’ and SMEs’ activities pertaining to overseas business operations are expected to be maintained and grow.

**Figure 2. Medium-term Prospects (Next Three Years, or So) for Overseas Operations<sup>1</sup>**



## JBIC's Activities

### Supporting Japanese Companies' Overseas Business Expansion through Various Methods

In the Fourth Medium-term Business Plan, JBIC designated "Execute policy-based finance functions that are adopted to changes in the economic situation" and "Support the strengthening of the international competitiveness of Japan's industries in the era of industrial and social transformation" as the key focus areas. In January 2021, JBIC established the Post-Covid-19 Growth Facility. With the purpose of transforming the economic structure and realizing a virtuous circle for the post-COVID-19 era, JBIC helped Japanese companies to address the strengthening of resilience and rebuilding global supply chains and supported their overseas M&As. In July 2022, JBIC established the Global Investment Enhancement Facility (Deadline for signing a financing agreement: June 30, 2025) as the successor to the Post-Covid-19 Growth Facility. To help the strengthening of resilience and rebuilding of global supply chains of Japanese companies under the facility, JBIC provided support for such as the manufacturing and sales business of surface processed steel sheets in Turkey, the manufacturing and sales business of car skeleton parts in Canada, the automobile manufacturing business in Indonesia through local currency denominated financing, the automotive parts development, manufacturing, and sales business in Europe, all of which are conducted by Japanese companies. JBIC also provided Japanese companies with funds to acquire companies such as a U.S. anime distribution platform operator and a U.S. innovator of metal oxide photoresist development and manufacturing, in order to support overseas M&A to acquire next-generation technology. In addition, as an initiative for green finance and transition finance, JBIC provided a Japanese company with a loan for manufacturing and sales business of carboxymethyl cellulose for lithium-

ion batteries in Hungary.

JBIC's efforts to contribute toward maintaining and improving the international competitiveness of Japanese companies continued in the maritime and aviation industries as well. These industries are addressing to achieve a decarbonized society and to change their strategies for the recovery from the pandemic. Concretely speaking, some companies are using the most advanced ships in compliance with environmental regulations and promoting development to introduce ships with new fuel systems, some are facilitating efforts to introduce fuel-saving aircraft materials, and others are expanding their businesses by enlarging fleet in line with the recovery of post-pandemic passenger demand. Under these circumstances, JBIC provided guarantees for transition-linked loans for airplanes which a Japanese airline company purchased from overseas. The loans are a financial instrument where variable conditions, such as interest rate, apply depending on the borrower's level of achievement toward a goal of CO<sub>2</sub> emissions reduction, and the first of its kind extended from private financial institutions to a Japanese airline company. Also, by providing a Japanese company with the funds to acquire an aircraft leasing company, JBIC supports it to further expand the aircraft leasing business overseas and obtain profit-earning opportunities.

### Supporting Overseas Business Deployment of Mid-tier Enterprises and SMEs

JBIC has enhanced its capability to assist Japanese mid-tier enterprises and SMEs in expanding abroad through its business units dedicated to this purpose at its Head Office and Osaka Branch. In FY2022, companies refrained from overseas investments compared to pre-COVID-19 period, as the geopolitical risks have become apparent such as supply chain

disruptions and Russian invasion of Ukraine. However, in close collaboration with such organizations as regional financial institutions, JBIC made a total of 64 financial commitments to mid-tier enterprises and SMEs in loans and guarantees, for projects of capital investment or relocation which led to supply chain restructuring and environment investment projects in anticipation of GX, such as solar power generation systems.

In addition, JBIC supported mid-tier enterprises and SMEs in expanding business overseas by providing loans in local currencies, such as Thai baht, Indonesia rupiah, Indian rupee, and Chinese yuan to avoid U.S. dollar-denominated loans as interest rates remain high in the U.S.

Furthermore, JBIC will actively support initiatives by startups which shape the future of Japan and the world, in accordance with the agreement on the “Platform for unified support for startups (Plus)” signed by nine incorporated administrative agencies in November 2022.

Compared with larger companies, mid-tier enterprises and SMEs might face greater constraints on various fronts, such as the collection of information about overseas investment. Due to this, JBIC provides further detailed support to mid-tier enterprises and SMEs by offering various information such as on the overseas investment environment and holding seminars utilizing its overseas representative offices and individual consultation meetings, while strengthening partnerships with public institutions, economic organizations, agencies that support SMEs and overseas business deployment as well as regional financial institutions that serve as a major financing source for those companies.

### Responding to the Diverse Needs of and Crises Faced by Japanese Companies

Regarding overseas business deployment, fewer Japanese companies emphasize the strengthening of business in China, considering the personnel costs rising along with the economic growth and the business risks increasing due to the U.S.-China confrontation, while more companies have become interested in emerging countries such as Vietnam and India. Moreover, many companies are facing the necessity of reviewing, rebuilding, and optimizing of global supply chains, against a backdrop of global shortage of strategic goods, such as semiconductors. JBIC, while accurately responding to these changes, to trends in the global economy, and to the funding needs of Japanese companies, continues to provide support to maintain and improve the international competitiveness of Japanese industry, utilizing its Global Investment Enhancement Facility.

The Industry Finance Group will continue to provide support in accordance with the issues faced by numerous Japanese companies large and small, including mid-tier enterprises and SMEs. We will accurately grasp issues and needs of Japanese companies and will strive by multiple means including capitalizing on various financial instruments and enhancing our risk-taking capability to contribute toward exploring and creating new business opportunities for Japanese companies that can lead to Japan’s sustainable growth. This includes addressing global issues and providing support for enhancing supply chain resilience and acquiring technology through M&As for the DX of Japanese companies, as prescribed in the Fourth Medium-term Business Plan. By doing so, we will continue to play a role in connecting Japan to the world.

## ■ Notable Examples of JBIC’s Financial Support

### Loan for Acquisition of U.S. Company Inpria Corporation by JSR Corporation

#### Supporting Overseas M&A by Japanese Company in Semiconductor Sector

JBIC concluded a loan agreement with JSR Corporation (JSR). The loan is intended to finance part of the funds necessary for JSR to acquire U.S. company Inpria Corporation (Inpria). Inpria is an innovator of metal oxide photoresist<sup>1</sup> design, development, and manufacturing for extreme ultraviolet (EUV) lithography<sup>2</sup>. The semiconductor industry is moving to smaller critical dimensions in chip manufacturing, for which next-generation EUV lithography and high-quality photoresist technologies are essential, and Inpria’s metal oxide photoresists have achieved the world’s highest resolution. Through the acquisition of Inpria, JSR aims to become a photoresist manufacturer that is equipped with next-generation semiconductor technology scaling toward “beyond 2 nm.” The loan will support the overseas business expansion of JSR, thereby contributing toward maintaining and improving the international competitiveness of Japanese industry.

1. Among high-quality photoresists for next-generation extreme ultraviolet (EUV) lithography, metal oxide photoresists have achieved the world’s highest resolution.
2. EUV technology uses EUV light, which has a wavelength of 13.5 nm and is essential in chip manufacturing.

## Loan to Singaporean Subsidiary of Mitsui Chemicals Inc. for TAFMER™ Manufacturing and Sales Business

### Supporting Overseas Business Expansion of Japanese Chemical Manufacturer

JBIC concluded a loan agreement with Mitsui Elastomers Singapore Pte. Ltd. (MELS), a Singaporean subsidiary of Mitsui Chemicals, Inc. (Mitsui Chemicals). The loan is intended to finance the funds necessary for MELS to manufacture and sell TAFMER™<sup>1</sup>. TAFMER™ that MELS manufactures and sells is a flexible, light plastic resin. It is used in a wide range of fields, including for automotive parts, packaging materials, sporting goods, and in recent years for clean energy-related parts. As the introduction of clean energy is drawing attention globally for the realization of a decarbonized society, Mitsui Chemicals aims to enhance MELS's production capacity to meet the growing demand. The loan will support such overseas business expansion of Mitsui Chemicals, thereby contributing toward maintaining and improving the international competitiveness of Japanese industry.



TAFMER™ manufacturing plant in Singapore (Photo courtesy of MELS)

1. TAFMER is a registered trademark of Mitsui Chemicals.

## Loan for Acquisition of Aircraft Leasing Company by SMBC Aviation Capital Limited under Auspices of Sumitomo Mitsui Finance and Leasing Company, Limited

### Supporting Overseas M&A of Japanese Company

JBIC concluded a loan agreement with Sumitomo Mitsui Finance and Leasing Company, Limited (SMFL) to finance part of the funds necessary for SMBC Aviation Capital Limited (SMBCAC) of Ireland, which is under the auspices of SMFL, to acquire Goshawk Management Limited of Ireland.

SMBCAC, an aircraft leasing company, does business extensively with airlines around the world and its aircraft lease portfolio consists mostly of highly liquid and environment-friendly narrowbody aircraft. SMFL sees the aircraft leasing business as an important growth area and aims to expand it in the global market. Through this acquisition, the company aims to achieve a sustainable growth of the business and grasp more profit-earning opportunities, by strengthening the presence of SMBCAC in the industry and capturing the aircraft demand which is expected to grow rapidly in the future.

The loan provides the long-term foreign currency funds necessary for the overseas M&A by the SMFL group company and financially supports the overseas business expansion of the Japanese company.



An artist's rendering of SMBCAC's narrowbody aircraft (Courtesy of SMBCAC)

## Loan for Acquisition of Suntory Coffee Australia Limited by UCC Holdings Co., Ltd.

### Supporting Overseas M&A of Japanese Company

JBIC concluded a loan agreement with UCC Holdings Co., Ltd. (UCCHD). The loan is intended to finance the funds necessary for UCCHD to acquire Suntory Coffee Australia Limited (SCA) through UCC ANZ MANAGEMENT PTY LTD, an Australian subsidiary of UCCHD.

UCCHD operates coffee business encompassing every aspect of coffee “from cup to seed,” including cultivating seedling on company-operated estates, agricultural research in the countries of production, quality assurance, raw ingredient procurement, R&D, manufacturing, and sales.

With a steady growth of coffee demand expected in Oceania, UCCHD decided to acquire SCA, which has the business foundation for professional-use coffee and specialty coffee in the region.

The loan will support the overseas business expansion of UCCHD, thereby contributing toward maintaining and improving the international competitiveness of Japanese industry.



Preston Factory, a key plant in Australia  
(Photo courtesy of UCCHD)

## Loan for Acquisition of U.S. Company by AIR WATER INC.

### Supporting Overseas M&A of Japanese Company

JBIC concluded a loan agreement with Air Water America Inc. (AWAI), a U.S. subsidiary of AIR WATER INC. The loan is intended to finance, through AWAI, part of the funds necessary for AIR WATER to acquire U.S. company Noble Gas Solutions, LLC (NGS).

AIR WATER founded AWAI as its U.S. headquarters company in 2018, aiming to build an integrated supply chain from upstream to downstream of industrial gas in North America, as the demand for industrial gas is expected to solidly increase in the region, particularly in the electronics sector. Thus, the company decided to acquire NGS, which had a gas distribution network in the State of New York. Through this acquisition, AIR WATER aims to expand its business in North America by using NGS's sales network and infrastructure.

The loan will support AIR WATER's overseas business expansion, thereby contributing to maintaining and improving the international competitiveness of Japanese industry.



Noble Gas Solutions, LLC  
(Photo courtesy of AIR WATER)

## 4. Equity Finance Group



### Message from the Global Head of the Group

JBIC has strengthened its equity financing operations with the aim of providing new value to the overseas business development of Japanese companies in the era of accelerating energy transformation and digital transformation. Aiming for a new stage in collaboration with JBIC IG Partners Co., Ltd. (JBIC IG), established in June 2017 to provide advisory services to overseas investment funds, the JBIC Group will continue to work on supporting Japanese companies' overseas business development.

Providing equity financing is essential in a variety of situations, including funding for addressing global issues such as attaining the SDGs and realizing a decarbonized society, undertaking M&A for acquiring new technologies and developing new business models, and implementing overseas infrastructure projects. Along with equity investments in individual companies and projects, JBIC believes that providing financing through investment funds is also an effective means and will respond to diverse needs by leveraging the strong relationships and dialogue channels with other countries that have been cultivated

through JBIC's diverse operations.

In FY2023, the final year of the Medium-term Business plan, we will continue to actively support the overseas expansion of Japanese companies through our equity financing operations, in response to the expectations for JBIC and changing circumstances of Japan.

### UCHIDA Makoto

Managing Executive Officer  
Global Head of Equity Finance Group

## Business Environment and Key Challenges

### Maintaining and Improving the International Competitiveness of Japanese Industry

"The Basic Policy on Economic and Fiscal Management and Reform 2023" formulated by the Government of Japan in June 2023 calls for multiple actions that include promoting economic security policies and strengthening energy security as well as encouraging Japanese companies to invest in overseas business and contains such initiatives as strengthening supply chain resilience, accelerating green transformation and digital transformation, promoting the support for startups, and transforming to a new industrial structure. Meanwhile, M&A by Japanese companies for capturing overseas markets, and acquiring technologies and know-how is also gaining importance.

JBIC will also provide support for strengthening supply chain resilience and business development toward a decarbonized society through its equity investment operations. To support the acquisition of cutting-edge technologies for digital transformation and sustainability transformation and the business development of Japanese companies in countries and regions important to Japan, the entire JBIC Group, including JBIC IG, will provide funds not only through direct equity financing but also through investment fund schemes.

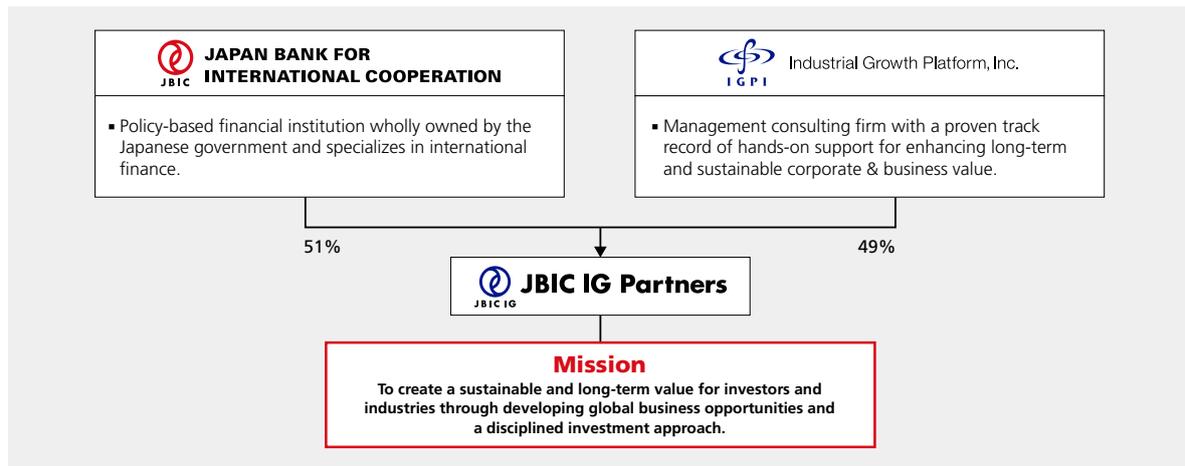
### Overview of JBIC IG Partners (JBIC IG)

JBIC IG is an investment advisory firm established in June 2017, by JBIC and Industrial Growth Platform, Inc. (IGPI). JBIC IG applies the respective strengths of JBIC and IGPI as follows: JBIC has knowledge and experience of financing international projects as Japanese policy-based financial institution; IGPI has

the knowledge of investments and broad experience in providing companies with hands-on support for long-term, sustainable growth in corporate and business value. JBIC IG aims to create long-term, sustainable value for Japanese investors and industries through the development of global business opportunities and a disciplined investment approach.

### About JBIC IG Partners

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



### Business Model of JBIC IG

JBIC IG composes overseas funds by partnering with foreign sovereign wealth funds and international investors, through investment advisory services to overseas funds.

As one noteworthy achievement, in January 2019, JBIC IG established a venture capital fund with AS BaltCap, a fund manager in the Baltic region, to invest in startups in the Nordic and Baltic regions. By the end of March 2023, JBIC IG executed a total of 20 investments. As investments have progressed smoothly, a successor

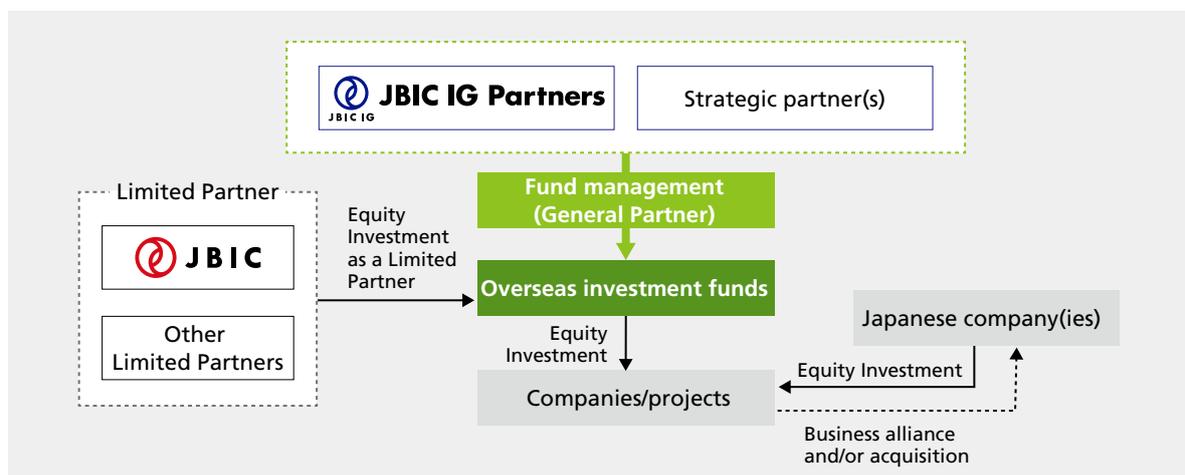
fund was created in March 2023.

In May 2023, JBIC collaborated with ff Venture Capital, which has a proven track record of forming funds in the U.S. and Poland, to establish a new venture capital fund that will invest in startups in Central and Eastern Europe. JBIC IG brings together investee companies from these funds with Japanese companies and engages in activities to promote collaboration.

JBIC IG will continue to provide added value to Japanese industry through the creation of new investment funds.

### Overview of JBIC IG Partners' Investment Structure

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



## JBIC's Activities

JBIC supports the overseas business expansion of Japanese companies through M&A and other means as well as business alliances between Japanese companies and overseas startups through equity investments. By collaborating with JBIC IG

and overseas fund managers, we are also building a framework to support Japanese companies in improving their international competitiveness. The recent major initiatives of the Equity Financing Group are as follows.

### ■ Notable Examples of JBIC's Financial Support

#### Equity Participation in Wellesta Holdings Pte. Ltd

##### Supporting Overseas Business Expansion of Japanese Company in the Healthcare Sector

In March 2023, JBIC made an equity investment in MJ Pharma Pte. Ltd., a Singapore-based special purpose company (SPC) established by Mitsui & Co., Ltd., with the aim of acquiring shares and convertible bonds of Wellesta Holdings Pte. Ltd. (Wellesta) of Singapore through that SPC.

Wellesta is a startup founded in 2019 that primarily engages in the sales and marketing of pharmaceuticals and medical devices in Asia.

Mitsui has focused on the healthcare business in Asia. Against this backdrop, Mitsui has been the majority shareholder in IHH Healthcare Berhad (IHH), which is Asia's largest private hospital group and is positioned as Mitsui's core asset in this domain. Mitsui aims to expand its healthcare business value chain by securing pharmaceutical market access through the investment in Wellesta.

Wellesta's business also contributes to solving social problems in Asia; the "drug lag" or "device lag", the delay in making a drug or a medical device available in a particular market. Wellesta announces "Our endeavor is to provide accessible and right-priced healthcare solutions as we believe that everyone is entitled to good healthcare". Facilitating the sales and marketing of pharmaceuticals and medical devices will contribute to solving the above-mentioned social problem.

JBIC's equity participation in Wellesta will support Mitsui in expanding its overseas business and resolving the social issue, thereby contributing toward maintaining and improving the international competitiveness of Japanese industry.



Examples of products handled by Wellesta

## Equity Participation in Fund Investing in Startups in Northern Europe

### Strengthening the International Competitiveness of Japanese Companies through Investments in Northern Europe as a Frontrunner in Sustainability & Digitalization Sector

In March 2023, JBIC committed to investing in Luxembourg-based NordicNinja Fund II SCSp (NordicNinja II).

NordicNinja II is a venture capital fund established by JBIC IG and others that invests in startups related to the sustainability and digitalization sector, mainly in Northern Europe. It is a successor to JB Nordic Fund I SCSp, established in 2019 with the equity participation of JBIC, investing in startups in the Nordic and Baltic regions.

Along with JBIC, the Fund is invested in by erex Co., Ltd., OMRON Corporation, Kyuden International Corporation, Kiraboshi Bank, Ltd., KOSÉ Corporation, TOKYO GAS CO., LTD (through its subsidiary), JGC HOLDINGS CORPORATION, Hitachi Zosen Corporation, Honda Motor Co., Ltd., KDDI CORPORATION, and SOMPO Light Vortex, Inc.

In Northern Europe, public awareness of SDGs and climate change is high, and the movement toward building a sustainable society and realizing a circular economy is gaining momentum. In recent years, this region has seen the emergence of various world-leading startups in the area of sustainability in a wide variety of industries. In addition, a cycle has been created where experienced entrepreneurs of unicorn startups, pass on their knowledge and capital to next-generation entrepreneurs. This has created a startup ecosystem that produces many up-and-coming startups in this region.

NordicNinja II will support Japanese companies to achieve sustainability transformation by promoting businesses and capital alliances between startups in Northern Europe and Japanese strategic investors. The equity participation of JBIC is expected to contribute toward maintaining and improving the international competitiveness of Japanese companies.

\* Northern Europe comprises 13 countries: the U.K., Ireland, Belgium, the Netherlands, Luxembourg, Finland, Sweden, Denmark, Norway, Iceland, Estonia, Latvia, and Lithuania.



Fund LP general meeting

## Equity Participation in Fund Investing in Startups in Central and Eastern Europe (CEE)

### Strengthening International Competitiveness of Japanese Companies through Investments in CEE, “Next Innovation Hub of Europe”

In May 2023, JBIC made an equity participation in Luxemburg-based ff Red & White.

ff Red & White is a venture capital fund to invest in startups that will contribute toward technologies for automation, remote operation, and labor-saving, mainly in the Central and Eastern Europe (CEE) region. The Fund is jointly established and managed by JBIC IG Partners and ff Venture Capital, which has a proven track record in the U.S. and Poland. At the first closing, besides JBIC, other companies committed to investing in the Fund include Sojitz Corporation, JGC HOLDINGS CORPORATION, DMG MORI CO., LTD., Ltd., KDDI CORPORATION, and SBI Holdings, Inc. (through its subsidiary).

As CEE has numerous highly skilled software engineers who graduated from universities or academic institutions with expertise in mathematics and computer science, leading European and American tech companies have established their R&D centers and promoted the development of cutting-edge technologies. Recently, the engineers who have worked for these tech companies have started their own businesses. In addition, Germany, one of the world's leading manufacturing nations, has developed technologies related to industrial automation. Therefore, promising startups that contribute to digital transformation, such as automation, remote operation, and labor-saving in industry and business activities, are beginning to emerge in the region.

ff Red & White will support Japanese companies in achieving digital transformation by promoting businesses and capital alliances between these startups in CEE and Japanese strategic investors. The equity participation of JBIC is expected to contribute toward maintaining and improving the international competitiveness of Japanese companies.

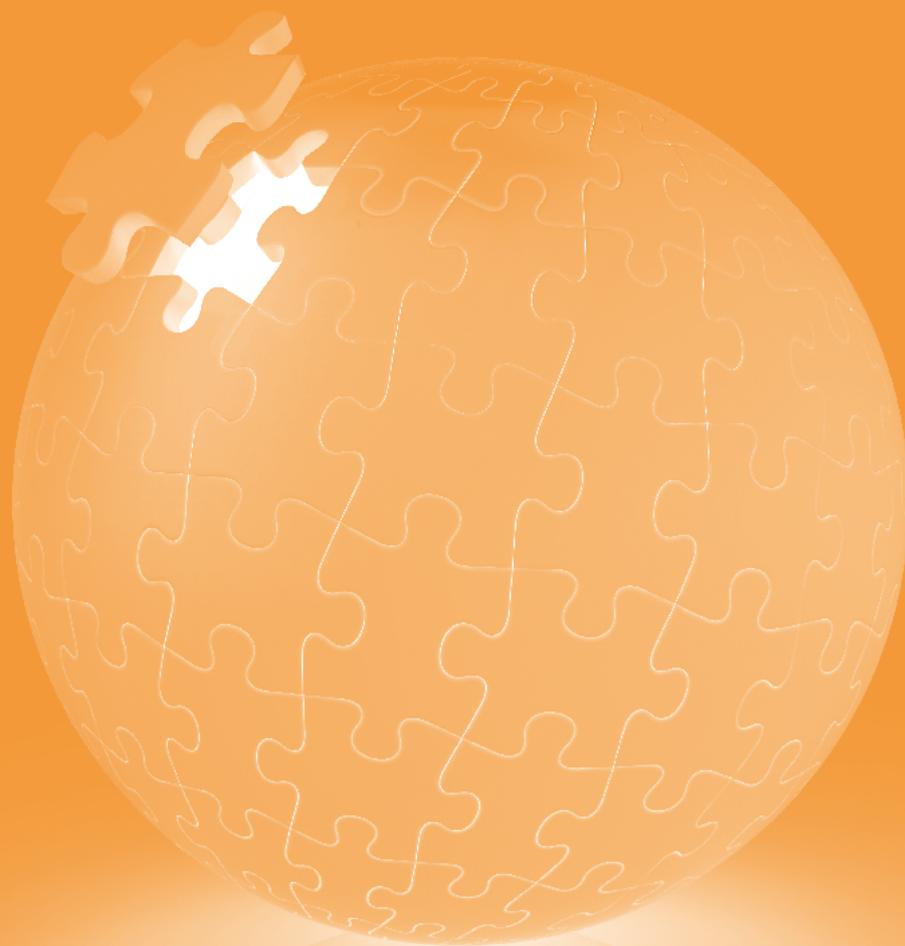
\* CEE region comprises seven countries: Poland, Hungary, the Czech Republic, Slovakia, Romania, Germany, and Austria.



Fund closing event

# 3. Financial Instruments

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# 1. Financial Instruments

## Export Loans

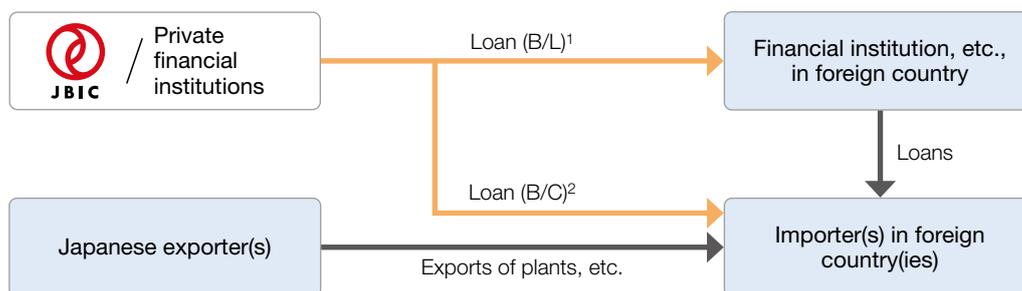
Export loans are provided to overseas importers and financial institutions to support finance exports of Japanese machinery, equipment, and technology mainly to developing countries. In particular, products such as marine vessels, power generation facilities, etc., incorporate a significant amount of advanced technology, and their export is instrumental in enhancing the technological base of Japanese industries. Furthermore, Japanese shipbuilding and plant facilities industries have a broad range of supporting industries, including mid-tier enterprises and SMEs producing parts and components, and thus the loans are expected to positively contribute to the business of these Japanese companies. Export loans in specific sectors are also available to developed countries<sup>1</sup>.

Terms and conditions of export loans are determined based on the Arrangement on Officially Supported Export Credits (OECD Arrangement). In principle, the loan amount should not exceed the value

of an export contract or technical service contract, and excludes the down payment. Local costs may be covered provided that the amount is within the scope prescribed by the OECD Arrangement.

### 1. Eligible Sectors for Export Loans in Developed Countries (as of August 31, 2023)

Ships, satellites, aircraft, medical equipment, equipments that contribute to reducing greenhouse gas (GHG) emissions, railways (high-speed, inter-city projects and projects in major cities), road business, airports, ports, water business, biomass fuel production, renewable energy power generation, nuclear power generation, hydrogen, fuel ammonia, power transformation, transmission and distribution, highly efficient coal-fired power generation, coal gasification, carbon capture and storage (CCS), highly efficient gas-fired power generation, smart grid, electricity storage, development of telecommunications network, biopharmaceuticals, manufacture of chemicals that use organic substances derived from animals and plants, electric vehicles, semiconductors, waste incineration and waste to energy, development of goods and technologies irreplaceable for a stable supply of raw materials of products, etc., business using new technology, business models, etc.



1. Loan to foreign financial institutions (bank-to-bank loan or "B/L")
2. Loan to foreign importers (buyer's credit or "B/C")

## Supporting Export of Japanese Company's Port Container Cranes to Türkiye



JBIC signed a buyer's credit (export loan) agreement with the Turkish financial leasing company Yapı Kredi Finansal Kiralama A.O. (YKL). The loan is intended to provide the necessary funds, through YKL, for Yilport Holding A.Ş., another Turkish company that operates ports in Türkiye, to purchase an additional four port container cranes from Mitsui E&S Machinery Co., Ltd. for the port of Gemlik, Türkiye.

Türkiye, which has long flourished as a center for trade with Asia and Europe, is moving ahead with the development of logistics infrastructure, including railways and ports, as its future growth strategy. The country is also attracting much attention from Japanese companies as a production base targeting the Turkish market as well as markets in the EU and neighboring countries. The loan, which will support the Japanese company's exports, is expected to serve to improve the Turkish port infrastructure and create business opportunities for Japanese companies in the Turkish port industry.

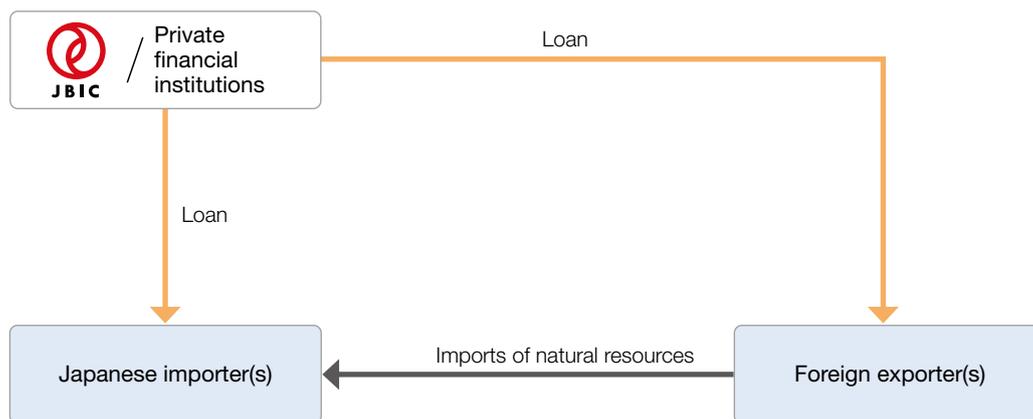
## Import Loans

Import loans support imports of strategically important goods including natural resources by Japanese companies and cases where Japanese companies or Japanese affiliates receive natural resources in countries where they do business. These loans are extended to Japanese importers receiving natural resources, Japanese companies and Japanese affiliates receiving natural resources at their overseas business locations, or foreign exporters. Since Japan is poorly endowed with natural resources, stable imports of these over the long term are one of the key factors underpinning domestic economic activity. Import loans finance the development and import of energy resources, including oil and LNG, and mineral resources, including iron ore, copper, and other rare materials.

In addition to natural resources, JBIC provides a guarantee facility for goods and services essential to the sound development of the Japanese economy, such as import of aircraft. (See page 83 for the guarantee schemes for importing manufactured products.)

### Products Eligible for Import Loans (Natural Resources)

Oil, petroleum gas, LNG, coal, uranium, metallic ore, metals, mineral phosphate, fluorite, biomass fuel, hydrogen, fuel ammonia, salt, lumber, wood chips, pulp, and other materials.



\* Including cases where Japanese companies or Japanese affiliates receive natural resources in countries where they do business

### Supporting Japanese Energy Company for Stable Procurement of LNG



JBIC concluded a loan agreement with JERA Co., Inc. (JERA) to finance JERA's importing of liquefied natural gas (LNG). The loan is co-financed with private financial institutions.

As resource prices continue to rise, stable procurement of LNG to be used as fuel for gas-fired power generation has become more important than ever in ensuring a stable supply of electricity, which is vital for the lives of the Japanese people and national economic activities.

Financing JERA with this loan is intended to contribute to a stable supply of electricity by securing a stable supply of energy to Japan.

## Overseas Investment Loans

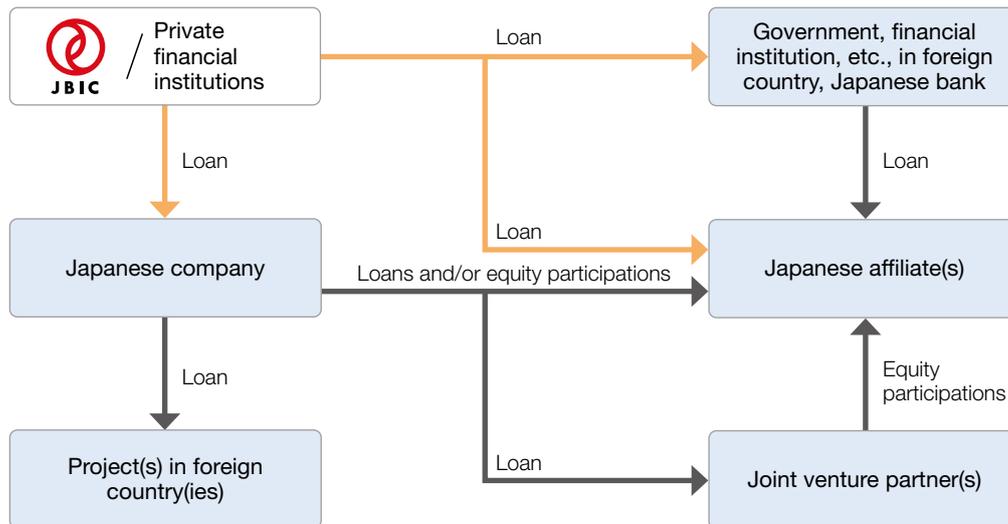
Overseas investment loans support Japanese foreign direct investments. The loans can be provided to Japanese companies (investors), overseas Japanese affiliates (including joint ventures), and foreign governments or financial institutions that have equity participations in or provide loans to such overseas affiliates.

Direct loans to Japanese companies are intended for mid-tier enterprises and SMEs, as well as for projects aimed at developing or securing interests in overseas resources that are strategically important to Japan. Other target projects are projects that support merger and acquisition (M&A) activities and projects to finance overseas businesses for increasing supply chain resilience (both including those of large companies). Moreover, JBIC provides two-step loans (TSL) to support the overseas business of Japanese companies, including mid-tier enterprises and SMEs, as well as TSL intended to support M&A activities by Japanese companies. JBIC is also able to provide

short-term loans for overseas business operations when bridge loans are required to fill the financing gaps before it offers long-term loans. Moreover, JBIC is empowered to provide investment loans for projects in developed countries for specific sectors<sup>1</sup>.

1. Eligible Sectors for Overseas Investment Loans in Developed Countries (as of August 31, 2023).

Railways (high-speed, inter-city projects and projects in major cities), road business, airports, ports, water business, biomass fuel production, renewable energy power generation, nuclear power generation, hydrogen, fuel ammonia, power transformation, transmission and distribution, highly efficient coal-fired power generation, coal gasification, CCS, highly efficient gas-fired power generation, smart grid, electricity storage, development of telecommunications network, shipbuilding and marine transportation, satellite launching and operation, aircraft maintenance and sales, medical business, biopharmaceuticals, manufacture of chemicals that use organic substances derived from animals and plants, electric vehicles, semiconductors, waste incineration and waste to energy, development of goods and technologies irreplaceable for a stable supply of raw materials of products, etc., businesses using new technology, business models, etc., businesses that contribute to reducing GHG emissions, M&A activities, etc.



### Supporting Overseas Business Expansion of Japanese Railway Industry



JBIC concluded a loan agreement in project financing with the Connect 6ix consortium (Connect 6ix). Connect 6ix is invested in by, among others, Hitachi Rail, which is wholly owned by Hitachi, Ltd. Under JBIC's GREEN operations, the loan will provide the funds necessary for Connect 6ix to supply, operate, and maintain subway trains and railway systems in Ontario.

The populations of both the city of Toronto and its neighboring communities have consistently grown year over year, making it an urgent task to expand the transit system to address the rise in transportation demand. As planned, the project will construct components of the 15.6-km subway line in Toronto, Canada, and operate and maintain the system for 30 years. Once completed the project is expected to reduce traffic by 28,000 vehicles per day and lower fuel consumption by 7.2 million liters per year.

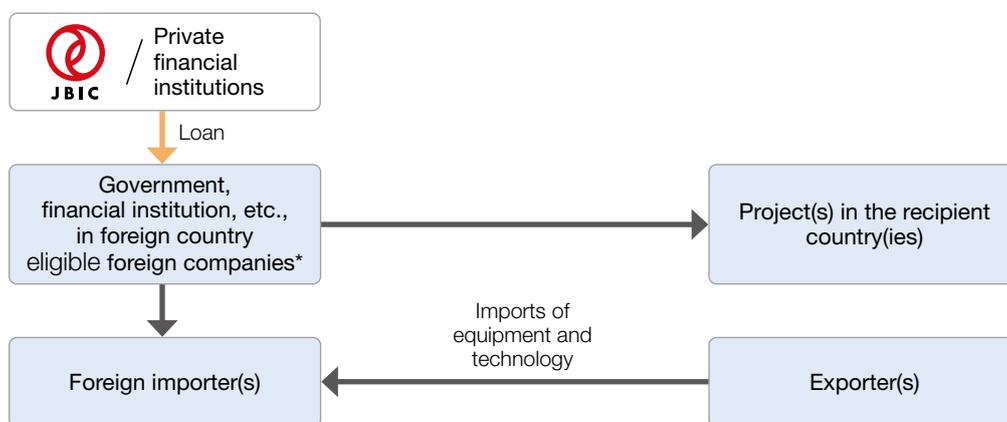
Supporting the efforts of Hitachi Rail through Connect 6ix is in line with measures being implemented under the Infrastructure System Overseas Promotion Strategy 2025 promoted by the Japanese government.

## Untied Loans

Untied loans are intended to finance projects and the import of goods by foreign countries, or for such countries to achieve equilibrium in their international balance of payments, or to stabilize their currencies. They are also intended to finance overseas businesses of foreign companies (“eligible foreign companies”) that have become part of supply chains or industrial platforms of strategically important goods or technologies essential for Japan’s economic activities and the lives of the people of Japan. Loans are

not conditional on investments or procurement of equipment and materials from Japan.

Capital procured from untied loans is used to: maintain and expand trade with and direct investment from Japan; secure stable supplies of energy and mineral resources for Japan; promote business activities of Japanese companies; finance projects having significant effects on global environmental preservation; and finance projects maintaining order in international financing.



\* Refer to foreign companies that have become part of supply chains or industrial platforms of strategically important goods or technologies essential for Japan’s economic activities and the lives of the people of Japan. The fields of applicable goods, technologies, and industrial platforms are specified in the ordinance of Japan’s Ministry of Finance (See page 13).

In providing a loan, etc. to an eligible foreign company, JBIC conducts screening for the applicant, from the viewpoint of contributing toward maintaining and strengthening the international competitiveness of Japanese industry, including economic security.

As with conventional loan projects, JBIC performs a separate check on environmental and social considerations based on the Japan Bank for International Cooperation Guidelines for Confirmation of Environmental and Social Considerations.

## Supporting Enhancement of Supply Chain Resilience of Japanese Construction Equipment Manufacturers in India



JBIC signed a loan agreement with IndusInd Bank Limited (IndusInd) of India. The loan is intended to finance through IndusInd the funds necessary for the manufacturing and sales businesses of the local suppliers and dealers of Japanese construction equipment manufacturers and others. The loan is co-financed with private financial institutions, and JBIC will also provide a guarantee for the co-financed portion.

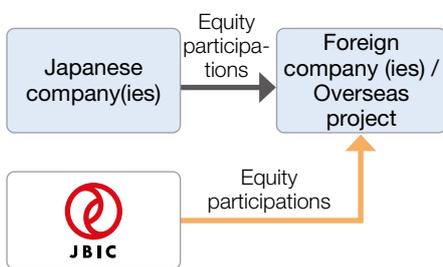
India is the world’s third largest construction equipment market by units sold, and Japanese construction equipment manufacturers have an approximately 60% share in the Indian excavator market. The Government of India is promoting the Make in India campaign to strengthen Indian manufacturing and make India a global investment destination by encouraging foreign investment from all around the world. The loan will promote the supply of construction equipment that is necessary for expanding the development of India’s infrastructure by enhancing the supply chain resilience of Japanese construction equipment manufacturers in India and is in line with the Government of India’s policy.

## Equity Participations

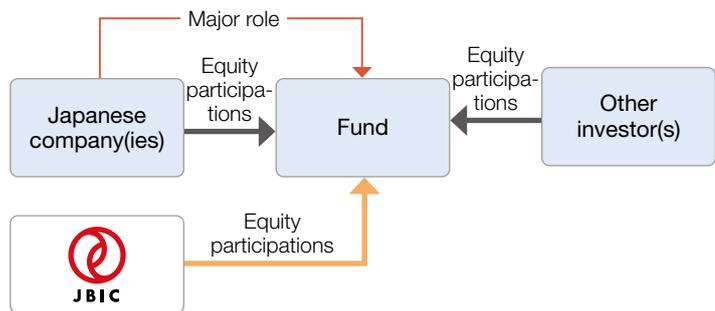
Equity participations are capital contributions to companies where Japanese companies have equity stakes to undertake overseas projects and Japanese start-ups newly launching business overseas, as

well as funds where Japanese companies perform significant roles. In principle, equity participations take the following forms.

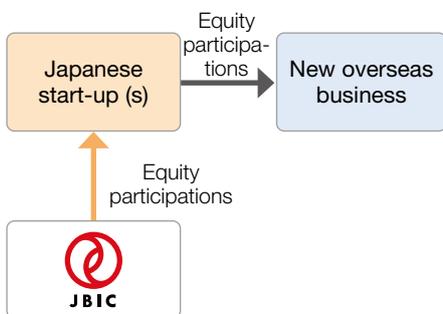
### Japanese companies make equity participations in a foreign company or an overseas project



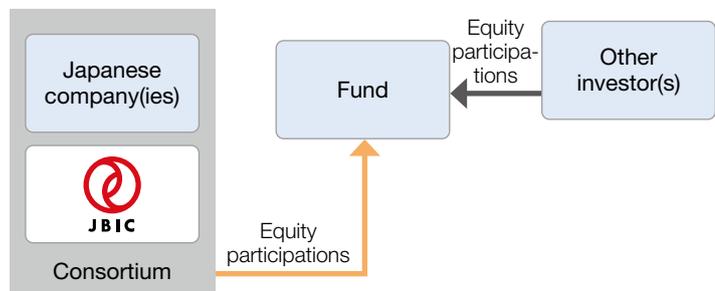
### Japanese companies participate in a fund (and perform such a major roles as that of a general partner in their management and investment decisions)



### Japanese start-ups acquire equity interests in a new overseas



### Japanese companies form a consortium and participate in an international fund



## Equity Participation in Fund Investing in Startups in Central and Eastern Europe (CEE)



Jointly with five Japanese companies, JBIC committed to investing in ff Red & White (the Fund) of Luxembourg. The Fund is a venture capital fund to invest in startups that will contribute toward technologies for automation, remote operation, and labor-saving, etc., in CEE and is jointly established and managed by JBIC IG Partners and ff Venture Capital, which has a proven track record in the U.S. and Poland.

CEE has many highly skilled software engineers who graduated from universities or academic institutions with expertise in mathematics and computer science. In addition, Germany, one of the world's leading manufacturing nations located within CEE, has developed technologies related to factory automation. Therefore, startups that contribute to digital transformation, such as automation, remote operation, and labor-saving in industry and business activities, are beginning to emerge in the region. The Fund will strategically support Japanese companies in achieving digital transformation by promoting business and capital alliance between these startups in CEE and Japanese strategic investors.

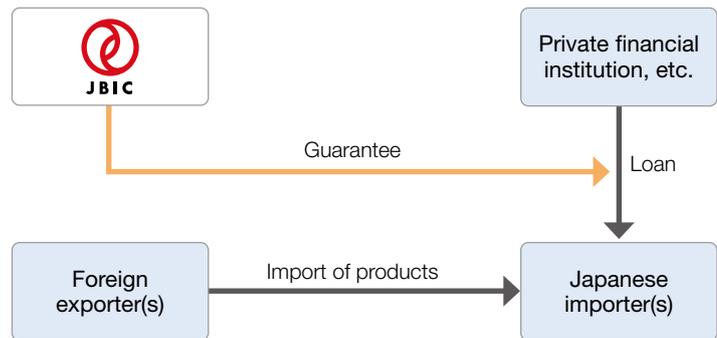
## Guarantees

In addition to loans and equity participations, JBIC provides support through its guarantee facility. Guarantees are provided for loans extended by private financial institutions, bonds issued by governments of

developing countries or overseas Japanese companies, as well as for currency swap transactions. JBIC also issues reinsurance for guarantees from export credit agencies in other countries.

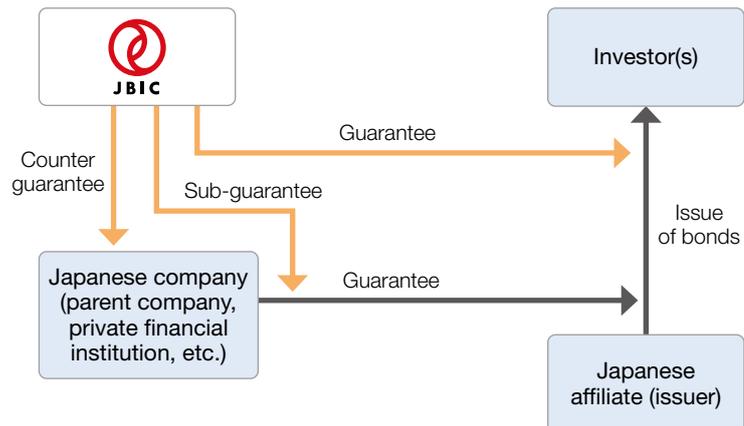
### Guarantees for Imports of Manufactured Products

JBIC has a guarantee facility for borrowings by Japanese companies to finance the import of aircraft and other manufactured products that are vital to Japan.



### Guarantees for Corporate Bonds Issued by Japanese Affiliates

JBIC supports Japanese affiliates operating overseas by providing guarantees for the bonds they issue in local capital markets.



## Contributing toward Stable Import of Aircraft and Decarbonization



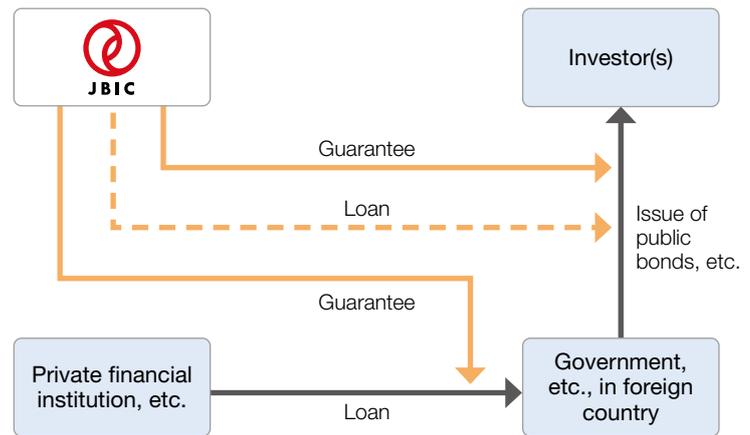
JBIC concluded a guarantee agreement with private financial institutions for the principal and interest of their transition-linked loans to Japan Airlines Co., Ltd. (JAL). This guarantee is intended to support JAL in obtaining financing from private financial institutions to import two aircraft from Airbus S.A.S. in France.

With decarbonization becoming a social issue globally, reducing CO<sub>2</sub> emissions from aircraft is one of the most important issues. Accordingly, JAL is proactive in replacing its aircraft with fuel-efficient ones. In addition, transition-linked loans apply variable conditions, such as interest rate, depending on the borrower's level of achievement toward a goal of CO<sub>2</sub> emissions reduction. Utilizing such loans from private financial institutions is expected to promote JAL's efforts to achieve its goal of CO<sub>2</sub> emissions reduction.

JBIC will continue to contribute to maintaining and improving the international competitiveness of the Japanese aviation industry and provide financial support for the import of aircraft that are indispensable for the lives of people in Japan.

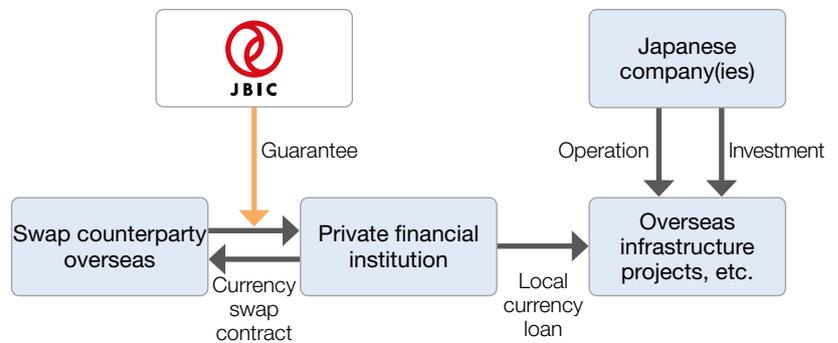
### ■ Guarantees for Cofinancing, Overseas Syndicated Loans, and Public Sector Bonds

Loans to developing countries involve, among others, currency conversion and transfer risks, as well as country risks. Guarantees that JBIC issues to cover such risks enable Japanese private financial institutions to provide medium- and long-term financing for developing countries, and contribute to developing countries to bringing in private capital and facilitating private companies to expand international business activities.



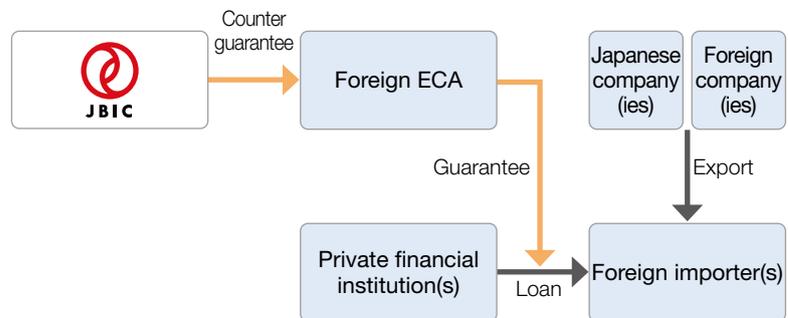
### ■ Guarantees for Currency Swaps

JBIC provides guarantees for swap transactions to support the local currency financing of overseas infrastructure projects and other projects undertaken by Japanese companies.



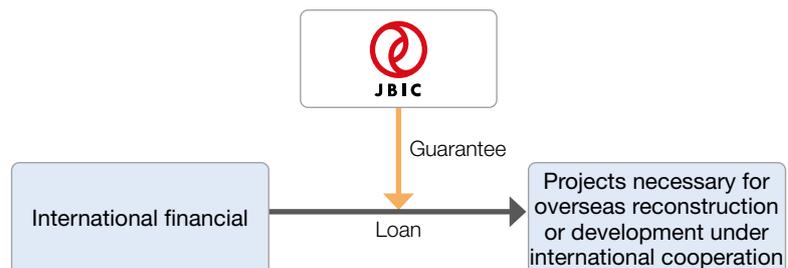
### ■ Counter Guarantees for Export Credits

In cases where Japanese companies export machinery and equipment jointly with companies of another country, JBIC provides a counter guarantee for the guarantee provided by that country's export credit agency (ECA). This function enables JBIC to flexibly support export projects by Japanese companies collaborating with foreign companies through multilateral mutual guarantee schemes.



### ■ International organization loan guarantee

When international financial organizations provide financing for projects necessary for overseas reconstruction or development under international cooperation, JBIC guarantees these liabilities. Through such schemes, JBIC contributes to maintaining the international financial order.

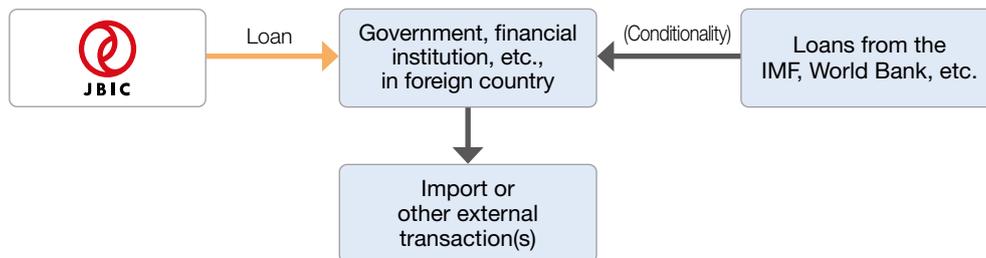


## Bridge Loans

JBIC provides short-term financing for governments of developing countries to meet their foreign currency needs for external transactions when they face balance-of-payment difficulties.

JBIC provided bridge loans (short-term bridging

loans) for Myanmar in January 2013 to support the clearance of arrears of past loans from the Asian Development Bank (ADB) and the International Development Association (IDA), a member of the World Bank Group.



## Acquisition of Loan Assets and Public and Corporate Bonds

When JBIC provides export loans, import loans, overseas investment loans, and untied loans, JBIC can also provide credits, in addition to providing loans and guarantees, by purchasing loan assets and acquiring public and corporate bonds<sup>1</sup> issued by borrowers for funding. The objective of such operations is to promote

private financial institutions' loans in international finance and Japanese companies' funding in international capital markets.

1. The scope of assets and securities acquired includes public bonds, corporate bonds, debt securities, and trust beneficiary rights.

## Research and Studies

JBIC conducts research and studies on individual projects during their initial stage, as well as those focused on specific regions or industry sectors that may be conducive to specific projects. This is an effective means of identifying potentially quality projects, and is expected to lead to increasing exports of materials and services from Japan, as well as expand opportunities to participate in projects by Japanese companies. Research and studies are conducted at each stage necessary for realization of the project, including preparation of a master plan for an individual project, conducting of prefeasibility and feasibility studies (Pre-F/S, F/S), front-end engineering design (FEED), and

studies of regions and industry sectors conducive to specific projects. After the research and studies are completed, follow-up reviews are conducted at least once each year to confirm the progress of the project.

Research and studies are conducted in the following sequence.

1. Selection of a research and study subject
2. Selection of a contractor to conduct research and studies
3. Conduct of a research and studies
4. Completion of a research and study report
5. Follow-up

## Securitization and Other Financial Instruments

JBIC provides support for securitization and an increase in liquidity in order to complement and encourage the activities of private financial institutions.

### Securitization (Guarantees)

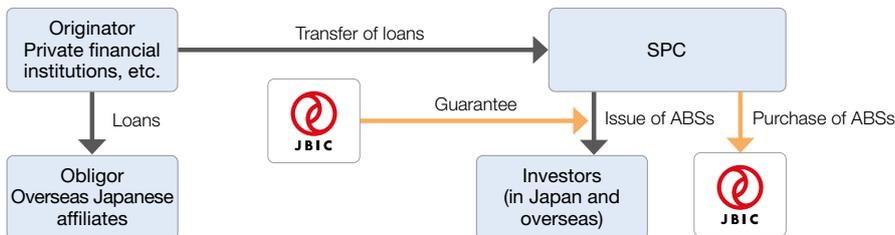
In cases where special purpose companies (SPC) or trust companies issue asset-backed securities (ABS) or other financial products with loans or other assets as collateral, JBIC guarantees the payment of such ABSs to reduce country and structure risks, thereby supporting the issuance of bonds in the emerging capital markets.

### Securitization (Acquisition of Securities)

JBIC supports bond issues by acquiring a portion of the ABS issued by SPC or trust companies with loans or other assets as collateral. JBIC's acquisition supports the securitization needs of the originators<sup>1</sup>

and is expected to help invigorate the bond market by circulating the acquired bonds back into the market when market conditions allow.

1. An originator is the original owner of assets to be securitized and obtain funding through securitization.

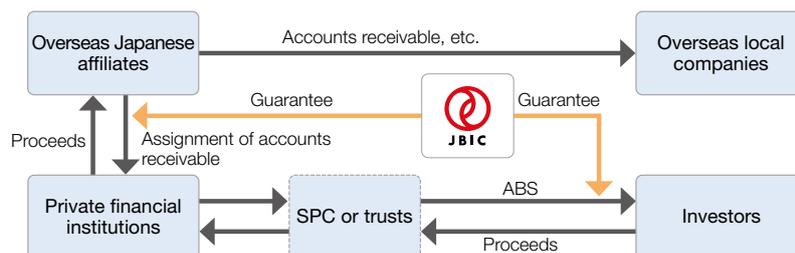


\* The above diagram depicts a scheme where SPCs are used, but the clients can also use schemes where trusts are used or JBIC acquires or provides guarantees for assets backed by securitization.

### Securitization and Liquidation of Receivables

JBIC provides guarantees for the receivables and other monetary claims held by overseas subsidiaries of Japanese companies in order to facilitate the purchase of such receivables by banks (an increase in their

liquidity). JBIC is also able to provide guarantees for securities issued by SPC or trust companies in cases where these securities have monetary claims acquired from overseas Japanese subsidiaries on collateral.



## 2. Prominent Initiatives in Recent Years

### ■ Multilateral Collaboration

JBIC promotes multilateral cooperation and collaboration with international financial institutions, as stated in the Fourth Medium-term Business Plan. In conjunction with the Government of Japan's infrastructure overseas development strategy, JBIC plays a central role in multilateral collaboration, formulating and supporting projects in politically important areas, through initiatives to meet global infrastructure needs by cooperating and collaborating with diverse funding sources.

For instance, JBIC provided a loan for a healthcare project in India to address the COVID-19 pandemic based on an agreement reached by the leaders of Japan, Australia, India, and the U.S. (Quad Partners). JBIC also provided guaranteed financing for the acquisition of a telecommunications operator of an island country in the South Pacific under the partnership among Japan, the U.S. and Australia.

Regarding Ukraine-related initiatives, JBIC signed a memorandum of understanding (MOU) with a policy-based financial institution of Poland for the enhancement of energy security in Poland and countries neighboring Ukraine.

In addition, JBIC Governor HAYASHI Nobumitsu participated in the Ukraine Recovery Conference co-hosted by the governments of the U.K. and Ukraine in London in June 2023. The conference was held to discuss the international community's support and initiatives, looking ahead to Ukraine's recovery from the Russian invasion. At the conference, JBIC signed an MOU and joined multiple sessions, including a panel discussion that introduced the audience to JBIC's initiatives and affirmed its determination to support Ukraine's recovery in collaboration with other countries and international institutions.



Panel discussion participated in by JBIC Governor HAYASHI

### ■ Supporting Innovation of Japanese Companies, Including Startups

JBIC signed in November 2022 an agreement on the "Platform for unified support for startups (Plus)", under which government institutions are to cooperate in supporting startups. The Plus was originally signed in July 2020, by nine national development and research agencies and incorporated administrative agencies<sup>1</sup> for the purpose of contributing toward building a Japanese startup ecosystem and resolving economic and social issues arising in Japan and overseas. The parties to the original Plus have undertaken numerous activities, including holding joint events to foster the cooperation for supporting startups and to disseminate information in an effective manner, establishing a point of contact to offer one-stop services to startups, disseminating the information the agencies were offering to startups, and introducing startups to the right agencies according to their inquiries. With the addition of seven institutions<sup>2</sup>, including government financial institutions such as JBIC, to this agreement, the Plus is equipped with a wider range of capacities for supporting startups.

In its Fourth Medium-term Business Plan, JBIC aims to support M&A and technology acquisition by Japanese companies toward digital transformation and to provide support to strengthen the international competitiveness of Japanese companies during the period of digital transformation by financing efforts for the acquisition of advanced technologies and knowhow from overseas, including digital technology.

In FY2022, JBIC and MITSUI & CO., Ltd. made equity participation in a startup company in Singapore that undertakes sales and marketing of pharmaceuticals and medical devices mainly in Asia (See page 74 for details).

In April 2023, the Act for Partial Amendment of the Japan Bank for International Cooperation Act was enacted, making it possible to provide equity investments in and acquire corporate bonds of domestic startup companies and mid-tier and medium- and small-sized enterprises that undertake overseas business. In addition, commercialization of new technology and business models, and equity investments or acquisition of corporate bonds in startups are newly included in the Special Operations. JBIC will continue to encourage the innovation of Japanese companies, including startups.

1. The New Energy and Industrial Technology Development Organization, the Japan Agency for Medical Research and Development, the Japan International Cooperation Agency, the Japan Science and Technology Agency, the National Agriculture and Food Research Organization, the Japan External Trade Organization, the Information-technology Promotion Agency, Japan, the National Institute of Advanced Industrial Science and Technology, and the Organization for Small & Medium Enterprises and Regional Innovation, Japan
2. JBIC, the National Center for Industrial Property Information and Training, Nippon Export and Investment Insurance, Japan Finance Corporation, the Development Bank of Japan Inc., the Regional Economy Vitalization Corporation of Japan, and the Japan Investment Corporation

## Supporting Energy Transformation Business

In July 2022, JBIC established the Energy Transformation Strategy Office to promote hydrogen, ammonia, and other energy transformation businesses, thereby forming an organizational structure to further strengthen its efforts to realize a decarbonized society. With the creation of the office, JBIC aims to centrally address matters concerning transformative energy such as hydrogen and ammonia, which are important

for the realization of a decarbonized society and the green transformation process.

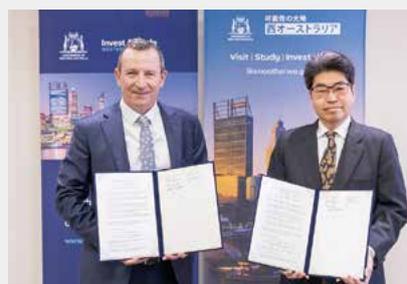
In FY2022, JBIC signed MOUs with Colombia's state-owned oil company, Singapore's utility company, Norway's fertilizer company, and the State of Western Australia, etc., to strengthen cooperative relationships in the fields including hydrogen and ammonia.

### Strengthening Cooperation in Sector of Hydrogen and Ammonia as Fuel Source – Promoting Collaboration with Japanese Companies for Realizing Decarbonized Society

#### MOU on Strategic Cooperation with Sembcorp Industries Ltd. of Singapore

JBIC concluded a Memorandum of Understanding (MOU) on strategic cooperation with Sembcorp Industries Ltd. (Sembcorp), a Singaporean company. The objectives of the MOU include promoting cooperation in sectors that use hydrogen and ammonia as a fuel source.

Sembcorp, which is an international player in the energy sector operating in several Asian countries, seeks to deepen collaboration with Japanese companies regarding hydrogen supply chain projects, in order to achieve the goal of realizing a decarbonized society. With this MOU on strategic cooperation between JBIC and Sembcorp, under which the framework for collaboration between the two organizations is to be developed, JBIC aims to accelerate the structuring of projects for developing the supply chain of hydrogen and ammonia as a fuel source.



#### Strengthening Cooperation for Promoting Japanese Investments in Western Australia

JBIC concluded an MOU with the State of Western Australia to build a comprehensive strategic partnership.

Western Australia is endowed with a wealth of minerals and energy resources such as iron ore and natural gas, and it also has great potential in the fields of renewable energy power generation, critical minerals, hydrogen, ammonia, and CCUS<sup>1</sup>. Given the geographical proximity to Japan, Australia is an important partner for supply chain resilience. The MOU aims to strengthen the cooperation

between JBIC and the State of Western Australia for further promoting Japanese companies' investments in Western Australia.

Both Japan and Australia announced their goals of achieving carbon neutrality by 2050. Also, at the Japan-Australia leaders' meeting in October 2022, the Japanese and Australian Prime Ministers concurred to work more closely by further strengthening the two countries' security and defense cooperation and resources and energy security cooperation for the realization of a "Free and Open Indo-Pacific." Under these circumstances, JBIC's strengthening of cooperation with the State of Western Australia in the fields of hydrogen, ammonia, CCUS, and critical minerals under this MOU as well as in the infrastructure, energy, and resources sectors where the two organizations have already been cooperating, will contribute toward creating business opportunities and promoting business in Western Australia for Japanese companies. It is also expected to further strengthen the "Special Strategic Partnership" between Japan and Australia that the Government of Japan is promoting.

1. Carbon dioxide Capture, Usage and Storage (CCUS) is a technology that separates and captures carbon dioxide that would otherwise become a greenhouse gas and utilizes and stores it.

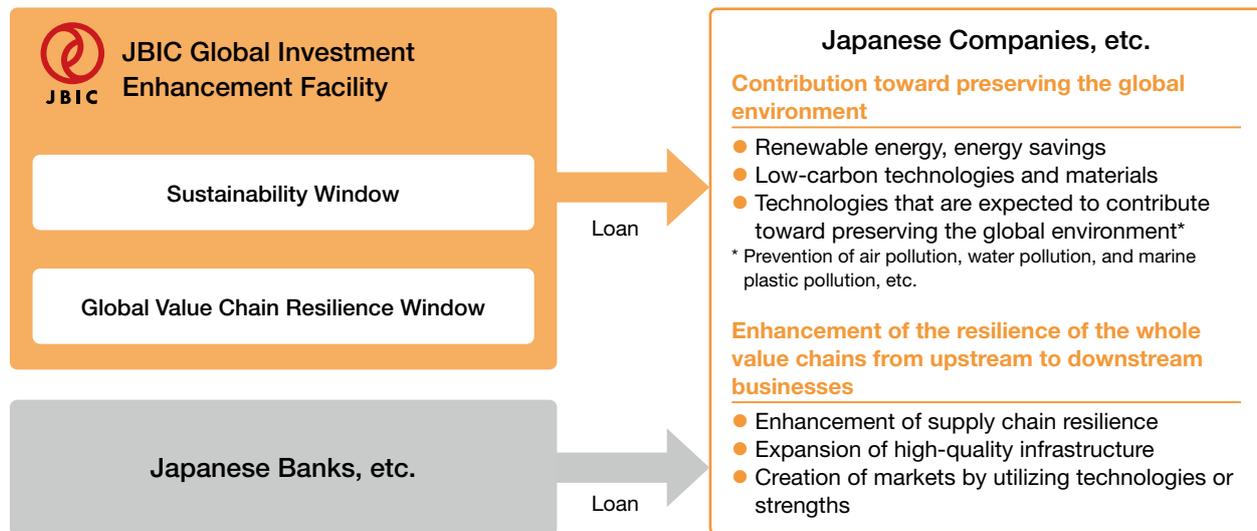
## Global Investment Enhancement Facility

In July 2022, JBIC established the Global Investment Enhancement Facility in order to support and accelerate overseas expansion of Japanese companies with their cutting-edge technologies for the environment or digitalization or with their unique competitiveness.

The Global Investment Enhancement Facility consists of the Sustainability Window and the Global Value Chain Resilience Window and is intended to support Japanese companies in: (1) the contribution toward preserving the global environment, including

decarbonization and (2) the enhancement of supply chain resilience, the expansion of high-quality infrastructure, and the creation of new overseas markets.

In principle, JBIC procures the foreign currency required under the Global Investment Enhancement Facility. However, it can borrow a certain amount from the Foreign Exchange Fund Special Account, if the need arises for smooth securing of foreign currency.



## Amount of Loan/Equity Participation under Global Investment Enhancement Facility

(Unit: billions of yen)

|                                                                                   | FY 2022 Results |
|-----------------------------------------------------------------------------------|-----------------|
| Amount of Loan/ Equity Participation under Global Investment Enhancement Facility | 2,138.4         |

# 3. Framework for Supporting Globalization Efforts of Mid-tier Enterprises and SMEs

As economies in emerging market countries, especially in Asia, continue to develop, an increasing number of mid-tier enterprises and SMEs seek to adapt to diversifying supply chains and expand their business in emerging markets in addition to responding to the overseas advancement of their business partners. In line with these varying purposes of expanding business overseas, their funding needs have grown more diverse.

To respond to such diverse funding needs of mid-tier enterprises and SMEs for their overseas expansion, JBIC has further strengthened cooperation with Japanese private financial institutions and expanded its

support measures from individual loan schemes based on co-financing with private financial institutions to two-step loan schemes through private financial institutions, local currency-denominated loans, and two-step loans to support finance leases.

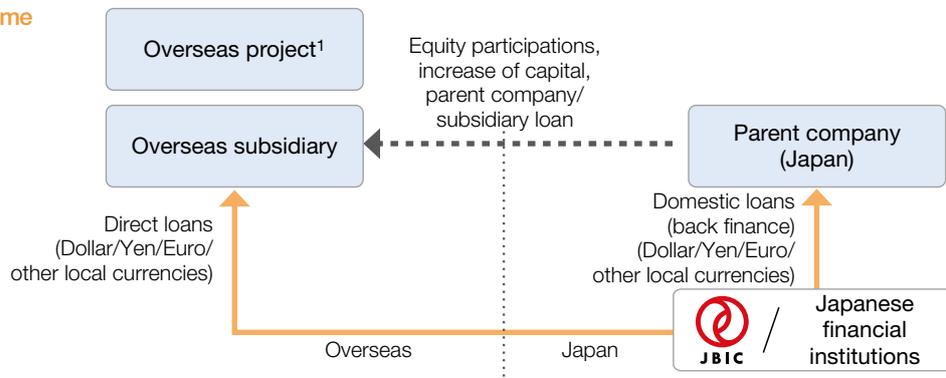
Additionally, JBIC has been further enhancing cooperation not just with major financial institutions but also with private financial institutions, including regional banks and Shinkin (credit) banks, and local financial institutions in countries where mid-tier enterprises and SMEs are expanding their business.

## Characteristics of Support to Overseas Business of Mid-tier Enterprises and SMEs

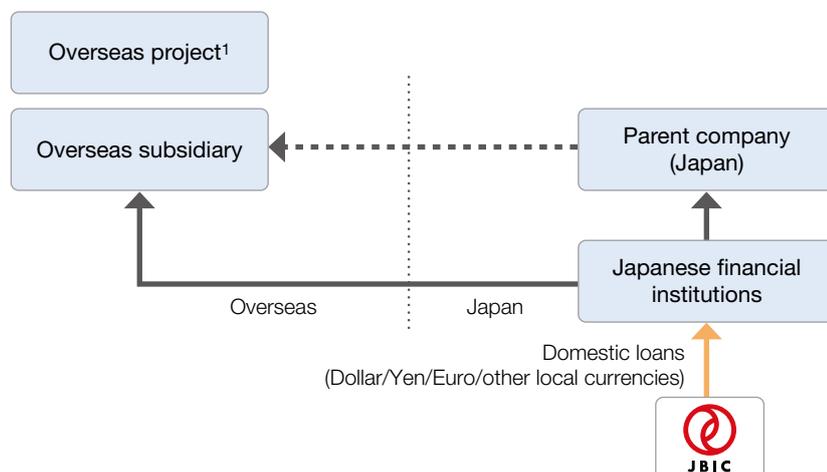
- (1) Prompt and flexible support to respond to funding needs of mid-tier enterprises and SMEs (including loans of a relatively small amount)
- (2) Reducing currency exchange risk through local currency-denominated loans in addition to loans in Japanese Yen, U.S. dollars, and Euro
- (3) Responding to diverse funding needs by utilizing variety of financing tools, including loans for M&As, export loans, and equity participations
- (4) Collaborating with private financial institutions (mega banks, regional banks, Shinkin banks, and local financial institutions) to respond to and support overseas business of mid-tier enterprises and SMEs in Japan
- (5) Utilizing networks of JBIC overseas offices in 18 cities to provide information services on overseas investment environment and assist solving issues with foreign governments

## Example of Mid-tier Enterprises and SMEs Support Schemes

### 1) Individual loan scheme



### 2) Two-step loan scheme (via Japanese financial institution)



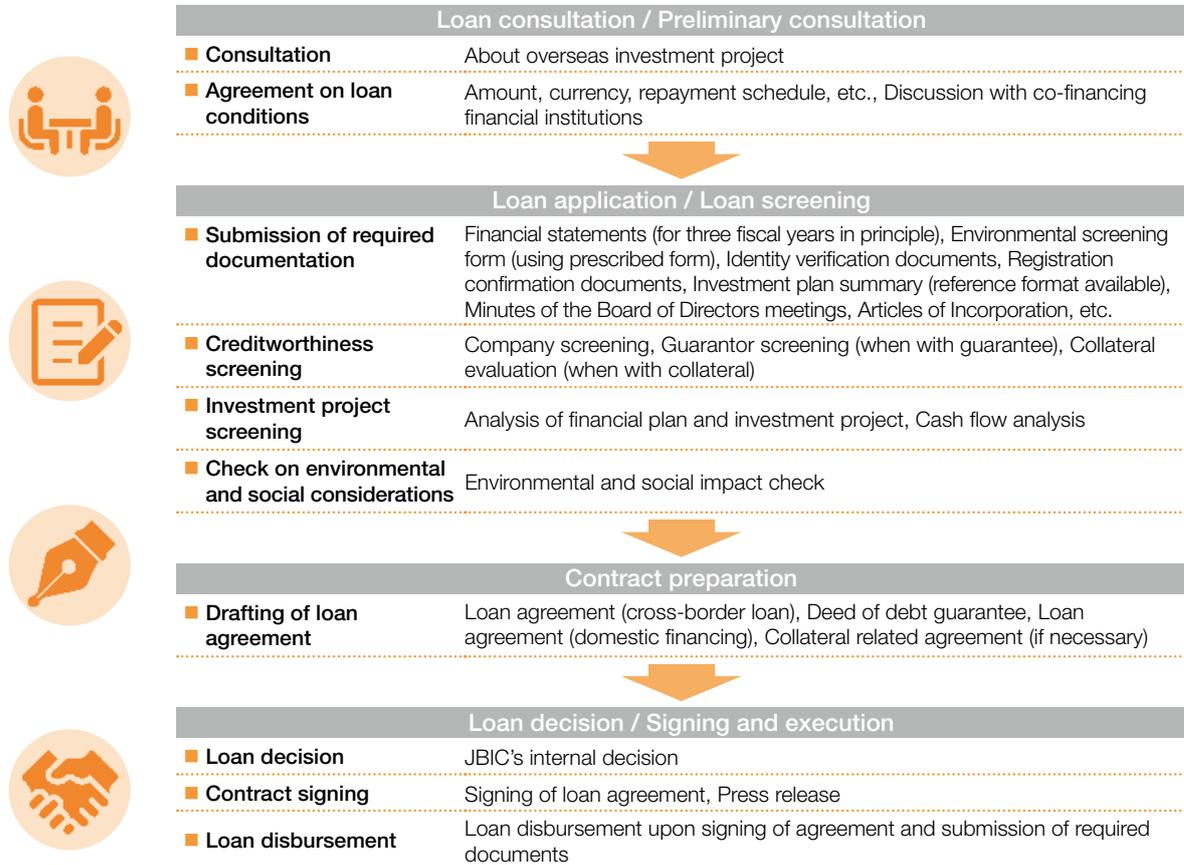
1. In principle, intended to developing countries

\* Definition of mid-tier enterprises and SMEs: Companies capitalized at less than ¥1 billion or with not more than 300 employees. Consolidated subsidiaries of large companies are excluded.

### Loan disbursement flow

First, JBIC interviews the borrower to gain an overall picture of its business and overseas project and to understand its preferred loan conditions. JBIC then consults with the private-sector financial institutions with which JBIC will conduct co-financing (generally the financial institutions with which the borrower company regularly does business).

The process leading to disbursement of the loan is as follows:



### Cooperation with Japanese Private Financial Institutions

Private financial institutions with mid-tier enterprises and SMEs as their client base, play an important role when they seek to develop their business expand overseas. Among private financial institutions, regional banks and Shinkin (credit) banks have especially close ties to mid-tier enterprises and SMEs. In cooperation with such private financial institutions, JBIC broadly supports the overseas expansion of local Japanese companies by not just providing financial services but also co-hosting seminars focused on overseas business development etc.

In addition, JBIC has general agreements with a number of private financial institutions to establish credit lines as a means to promptly finance the funds necessary for the overseas business development by mid-tier enterprises and SMEs in emerging market countries.

### Cooperation with Local Financial Institutions in Emerging Countries

It is essential for mid-tier enterprises and SMEs to obtain support from local financial institutions in countries where they are expanding their business, which are well acquainted with the local area.

Besides supporting Japanese affiliates overseas, JBIC has also strengthened its relationships with local financial institutions in emerging countries, for example, providing two-step loans to them with the objective of fostering and supporting local companies that supply raw materials and parts to Japanese affiliates overseas.

In addition, JBIC has concluded MOUs with local financial institutions in Thailand, Indonesia, India, the Philippines, Vietnam, and Mexico to set up a system to support overseas business expansion of mid-tier enterprises and SMEs. Under these MOUs, JBIC has opened or expanded single contact point for overseas affiliates of Japanese companies ("Japan desk") in these local financial institutions and has established a framework to discuss cooperation and collaboration that involve Japanese private financial institutions.

## Business Support Leveraging JBIC's Position as a Policy-based Financial Institution

### 1 Advice on overseas financing (external borrowing regulations, borrowing procedures, etc.) based on JBIC's experience and expertise

With regard to loans to Japanese affiliates overseas, JBIC can provide advice if they need to register external borrowings (with the foreign exchange control agency, central bank, etc.) in the country they operate. The procedures must be taken by borrowers, but JBIC can also provide indirect support.

### 2 Withholding tax on interest exempted under bilateral tax treaties

A tax treaty is a treaty concluded for the purpose of avoiding dual taxation and preventing tax evasion. JBIC is exempt from withholding tax on interest payments under the bilateral tax treaties it has concluded with multiple countries.

Examples of countries in which withholding tax is exempted on interest for JBIC's loans  
(As of December 2022)

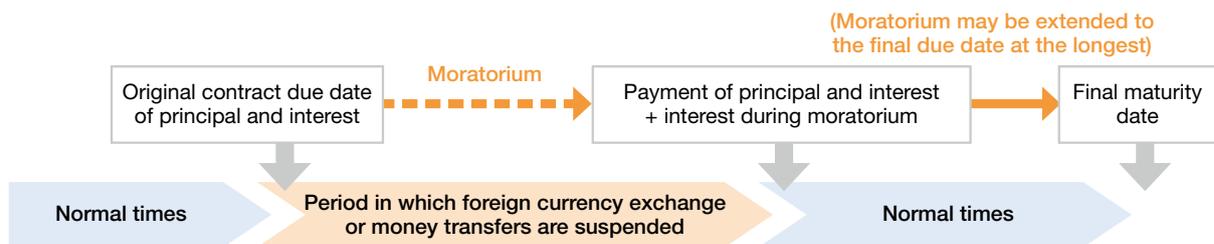


Notes:

- Tax exemption application must be filed by borrowers in the country they operate.
- Chinese value added tax on interest is not exempted and must be incurred by borrowers.

### 3 Complementing political risks, including restrictions on foreign currency exchange and money transfers

If a non-payment of the principal or interest occurs as a direct result of the local government's restrictions on foreign currency exchange or money transfers, JBIC will not request acceleration of payment until such restrictions are lifted, and will also consider a scheme to give a moratorium to guarantors to perform their obligations. This scheme will mainly apply to loans in yen, U.S. dollars, and euro (basically excluding local currency-denominated loans) and may not be available in certain countries. Please contact us for specific conditions for each case.



### Providing Local Currency-Denominated Loans

JBIC provides loans in various local currencies, including the Thai baht, Indonesian rupiah, and Chinese yuan. Especially for mid-tier enterprises and SMEs running domestic demand-based businesses in respective countries, stable financing of local currency funds is an important issue in their business strategy from the viewpoint of avoiding currency exchange risk. JBIC prepares long-term fixed-rate local currency loans alongside with finance from private financial institutions to their Japanese clients' affiliates overseas.

In China, there exists a continued need for long-term Chinese yuan-denominated loans from Japanese mid-tier enterprises and SMEs operating in the country to increase production capacities or for other purposes. The country, however, restricts funds raised from outside China. In order to ensure prompt and flexible response to clients' financial needs under these restrictions, JBIC has signed a general agreement with Japanese regional banks having a branch in China to establish credit lines for yuan-denominated two-step loans.

### Information Services and Seminars

In addition to individual consulting services for mid-tier enterprises and SMEs' overseas expansion of their business, JBIC provides advisory services to business partners and cooperating regional financial institutions through experts concerning the legal, accounting, and currency regulations related to tax affairs, employment and labor issues, contracts, company establishment, and other issues for China, India, ASEAN, North America, Latin America, Europe, and the Middle East.

JBIC also organizes seminars and consultations on overseas business deployment in cooperation with organizations such as private financial institutions, prefectural and municipal governments, and local chambers of commerce and industry. In addition, it

conducts field studies to assess investment climates in countries where Japanese companies are actively expanding their business. The findings of these studies are compiled into guidebooks, which are available in book form and on JBIC's website.

In FY2022, JBIC is holding a number of overseas investment and other seminars, including those held online, for mid-tier enterprises and SMEs.

Additionally, JBIC has set up a loan consulting desk in Sendai, Ota, Tokyo, and Nagoya in collaboration with local governments, chambers of commerce, and other organizations supporting overseas business expansion of local companies and has been providing consultation services on such topics as overseas investment climates and various forms of financing.

### Examples of Business Outcomes Relating to Support for Mid-tier Enterprises and SMEs

JBIC supports mid-tier enterprises and SMEs in a wide range of industries with their overseas business deployment.

#### Cambodia

#### Morofuji Co., Ltd. (Fukuoka Prefecture)

#### Manufacture and Sale of Plastic and Paper Products

Morofuji engages in the manufacture and sale of packaging materials. In 2011, Morofuji established MOROFUJI (CAMBODIA) CO., LTD. (MCCL) in Cambodia as a new overseas production base and is promoting, through MCCL, the manufacture and sale of packaging materials for Japanese companies. JBIC provided a loan to MCCL for its business of manufacturing and selling packaging materials in Cambodia. The loan is co-financed with The Bank of Fukuoka, Ltd.



#### Malaysia

#### Anaori Carbon Co., Ltd. (Osaka Prefecture)

#### Manufacture and Sale of Carbon Products

Anaori Carbon engages in the manufacture and sale of carbon products. In 2012, Anaori established ANAORI CARBON (M) SDN. BHD. (ACMS) in Malaysia, which is a growth market, to manufacture and sell carbon products for local Japanese and foreign companies and is seeking to expand its business in the ASEAN region. JBIC provided a loan to ACMS mainly for its business of manufacturing and selling carbon products. The loan is co-financed with Kansai Mirai Bank, Limited.



### Indonesia

#### SHINKO KOGYO CO., LTD. (Okayama Prefecture)

##### Manufacture and Sale of Automotive Parts

SHINKO KOGYO engages in the manufacture and sale of cutting and processing parts for automobiles, such as brake parts and wheel hubs. In 2014, SHINKO KOGYO established PT. Shinko Kogyo Indonesia (PT. SKI) to expand its business in Indonesia and is seeking to increase market share by building an additional manufacturing facility. JBIC provided an Indonesian rupiah-denominated loan to PT. SKI for its business of manufacturing and selling automotive parts in Karawang Regency, Indonesia. The loan is co-financed with TOMATO BANK, LTD.



### Philippines

#### GOTO Inc. (Aichi Prefecture)

##### Manufacture and Sale of Industrial Machinery for Automotive Parts Manufacturers

GOTO engages in the manufacture, sale, and maintenance of powder compacting press machines and industrial machinery for automotive parts manufacturers. In 2013, GOTO established JGM PHILIPPINES, INC. (JGMP) in the Philippines to manufacture and sell industrial machinery and robotic automation systems, etc., for local Japanese companies. JBIC provided a loan to JGMP for its business of manufacturing and selling industrial machinery in the Philippines. The loan is co-financed with The Aichi Bank, Ltd.



### Thailand

#### Doshisha Co., Ltd. (Saitama Prefecture)

##### Manufacture and Sale of Picture Frames

Doshisha mainly engages in the manufacture and sale of picture frames. Through Lanna Frame Co., Ltd. (LNF), its only overseas manufacturing base established in Thailand in 1990, Doshisha is promoting an expansion of sales channels to the U.S., Australia, and other overseas markets. JBIC provided a Thai baht-denominated loan to LNF for its business of manufacturing and selling picture frames and other products in Thailand. The loan is co-financed with Saitama Resona Bank, Limited.



**Thailand****Tsujiko Co., Ltd. (Shiga Prefecture)****Manufacture and Sale of Food Coloring**

Tsujiko engages in the manufacture and sale of electric machinery and appliances. Recently, Tsujiko is also focusing on agribusiness, including manufacture of food materials, and in 2022 established Anchan Natural Blue Co., Ltd. (ANB), in Thailand. The aim is to manufacture natural blue food coloring using butterfly pea<sup>1</sup>. and sell it in global markets. JBIC provided a loan to ANB for its business of manufacturing and selling food coloring in Thailand. The loan is co-financed with THE SHIGA BANK, LTD.



1. Butterfly pea is a legume that blooms blue flowers. Blue powder made from its dried, sterilized flowers is used to color food, such as chocolate and ice cream.

**Vietnam****KOBAORI Co., Ltd. (Kyoto Prefecture)****Manufacture and Sale of Biomass Plastics**

KOBAORI engages in the manufacture and sale of accessory materials for apparel brands. HUARI (VIETNAM) PRINTING AND PACKAGING CO., LTD. (HUARI (VIETNAM)), a joint venture established by KOBAORI in 2016, is now manufacturing RiceResin<sup>1</sup> and promoting its sales as an effort for business diversification. JBIC provided a loan to HUARI (VIETNAM) for its business of manufacturing and selling RiceResin and other biomass plastics. The loan is co-financed with Resona Bank, Limited.



1. RiceResin is a biomass plastic developed in Japan, which uses wasted rice.

**France****DRC CO., LTD. (Osaka Prefecture)****Consignment Testing and Evaluation of Cosmetics**

DRC engages in consignment testing and evaluation of the safety and efficacy of cosmetics and other products. In 2020, DRC established SOLA, a laboratory specialized in ex vivo testing, in France to provide tests using skin cells for cosmetics and pharmaceutical manufacturers in Japan. These tests are not available in Japan, and constant demand is anticipated in the future as well. JBIC provided a loan to SOLA for its cosmetics and other consignment testing and evaluation business. The loan is co-financed with Resona Bank, Limited.

### U.S.

#### KOSHII & CO., LTD. (Osaka Prefecture)

##### Manufacture and Sale of Interior Panels of Subway Cars

KOSHII engages in the manufacture of wooden groundsills and pillars for housing, to which its original preservative and termite control technologies are applied. In 1996, KOSHII established KOSHII MAXELUM AMERICA, INC. (KMA) in the U.S. and is working to expand business utilizing its technological capabilities related to wood materials. JBIC provided a loan to KMA for its business of mainly manufacturing and selling interior panels of subway cars in the U.S. The loan is co-financed with Kansai Mirai Bank, Limited.



### Mexico

#### TRIX Co., Ltd. (Mie Prefecture)

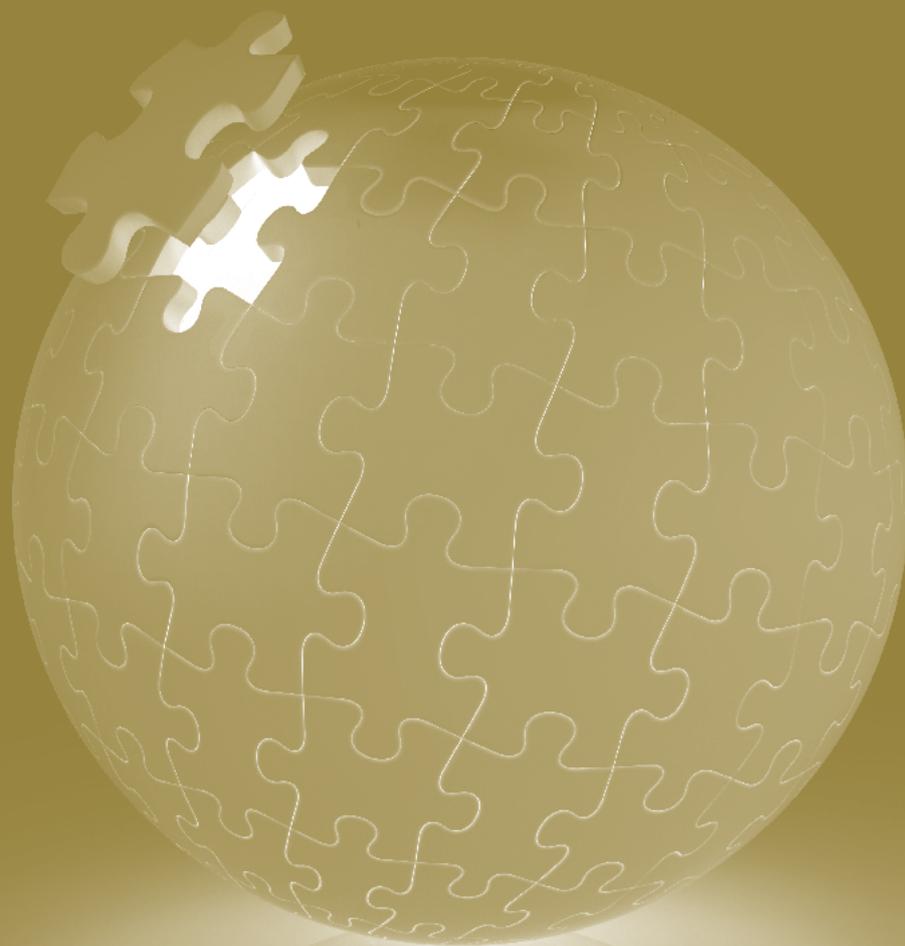
##### Manufacture and Sale of Automotive Parts

TRIX, engaging in the manufacture and sale of automotive parts, has been expanding overseas in response to overseas business development of Japanese automakers. In 2013, TRIX established TRIX INDUSTRIAL DE MÉXICO, S.A. DE C.V. (TIM) in Mexico and is working to expand business in the country. JBIC provided a loan to TIM for its business of manufacturing and selling automotive parts. The loan is co-financed with Mizuho Bank, Ltd.



# 4. Operational and Administrative Policies

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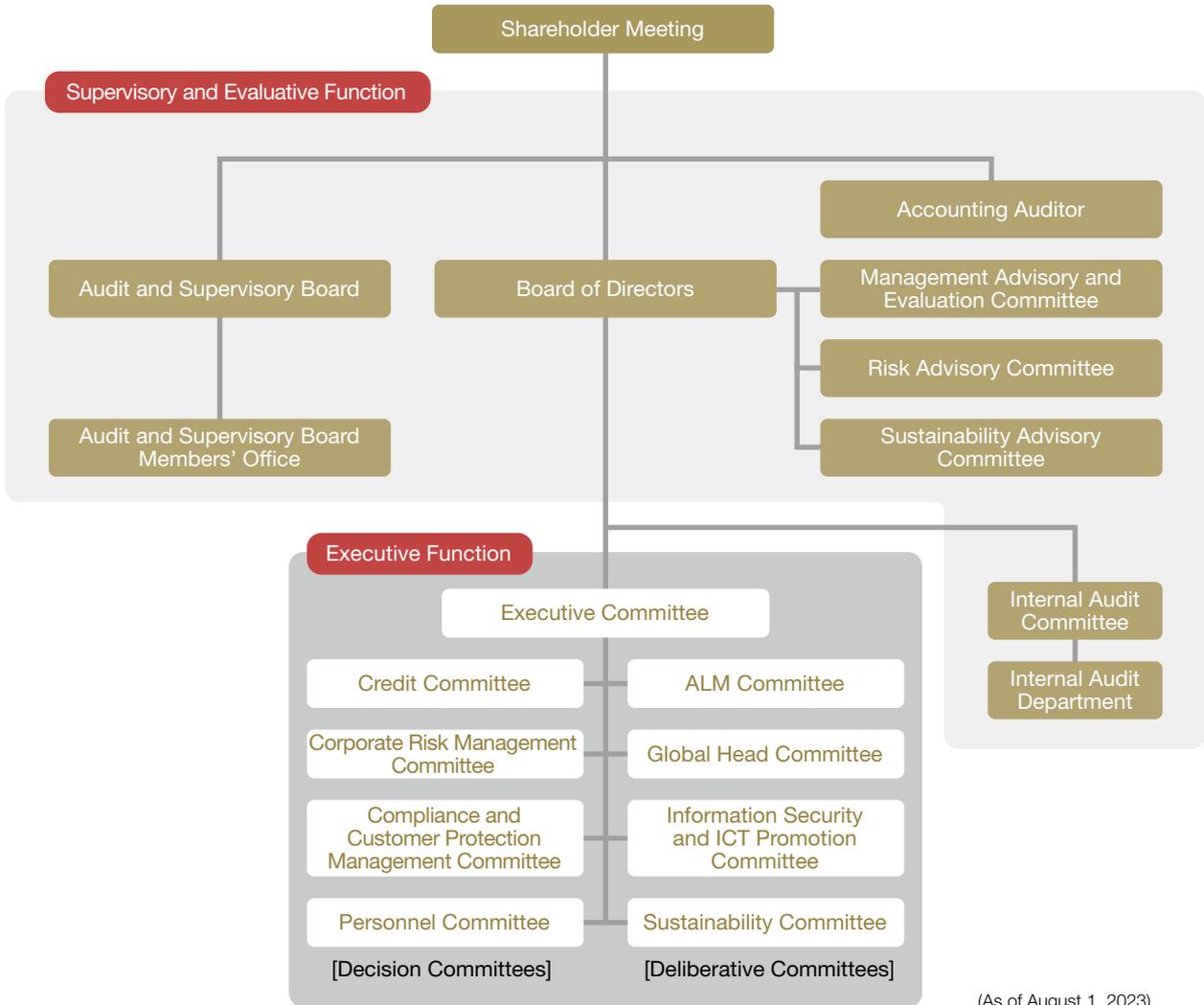


# 1. Corporate Governance

## Fundamental Approach to Corporate Governance

JBIC is making efforts to build corporate governance structure in conducting operations with particular

attention to integrity and efficiency, as it seeks to fulfill the mission set out under the JBIC Act (Law No. 39, 2011) and realize its corporate philosophy.



(As of August 1, 2023)

## Involvement of Japanese Government

As JBIC has its shares wholly owned by the Government of Japan, it is subject to the control of the Japanese government, its sole shareholder. Additionally, it is subject to the budget passed in the Diet, inspections by the Board of Audit of Japan, by the Competent Minister, and by the Financial Services Agency whose inspection is delegated by the Competent Minister.

## Supervisory and Evaluation Function and the Conduct of JBIC Operations

To strengthen the supervisory and evaluative function of the Board of Directors as well as conduct speedy and flexible operations, JBIC has established, in addition to the Board of Directors, the Audit and Supervisory Board and other organs required by the Companies Act, the Management Advisory and Evaluation Committee, the Risk Advisory Committee, Sustainability Advisory

Committee, the Internal Audit Committee, and the Executive Committee. Furthermore, a variety of committees were set up by the Executive Committee that delegates specific tasks to them.

### (1) Board of Directors

The Board of Directors consists of nine members, of which three members are non-executive directors, including two outside directors as set forth in the Companies Act. The non-executive directors supervise the conduct of representative directors and executive directors in JBIC's operations, thereby making a contribution to improving its governance.

### (2) Audit and Supervisory Board

The Audit and Supervisory Board consists of three members, of which two are outside Audit and Supervisory Board Members, as set forth in the

Companies Act. Outside Audit and Supervisory Board Members contribute to improving the governance structure of JBIC, as they cooperate with the full-time Audit and Supervisory Board Member in auditing the conduct of its operations. As a section helping them execute their responsibilities, there is the Audit and Supervisory Board Members' Office.

### (3) Management Advisory and Evaluation Committee

The Management Advisory and Evaluation Committee consists of external experts, including the outside director. They make assessment and offer advice on the matters referred to them by the Board of Directors pertaining to the business operations and management of JBIC.

#### ■ List of Members of the Management Advisory and Evaluation Committee

(As of August 1, 2023)

| Name               | Occupation                                                                                                      |
|--------------------|-----------------------------------------------------------------------------------------------------------------|
| URATA Shujiro      | Professor Emeritus, Waseda University, Chairman, Research Institute of Economy, Trade and Industry, IAA (RIETI) |
| ENDO Noriko        | Project Professor, Research Centers and Institutes, Keio University Global Research Institute                   |
| KAWAMURA Yoshinori | JBIC Managing Director (Outside Director)                                                                       |
| KOIZUMI Shinichi   | JBIC Managing Director (Outside Director)                                                                       |
| SATO Yasuhiro      | Senior Advisor, Mizuho Financial Group, Inc.                                                                    |
| TAKAGI Yuzo        | Certified Public Accountant                                                                                     |
| NIINAMI Takeshi    | President & Chief Executive Officer, Member of the Board, Representative Director, Suntory Holdings Limited     |

(Listed in the order of 50 character kana syllabary, name listed without honorifics)

### (4) Risk Advisory Committee

The Risk Advisory Committee consists of external experts, including the outside director. They offer advice on the matters referred to them by the Board of Directors pertaining to risk management and assessment framework associated with large-lot obligors and risk exposure to large-scale projects.

#### ■ List of Members of the Risk Advisory Committee

(As of August 1, 2023)

| Name               | Occupation                                                                                                                                                                          |
|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| ABE Shuhei         | President, CEO of SPARX Group Co., Ltd.                                                                                                                                             |
| EHARA Nobuyoshi    | Co-founder, Unison Capital, Inc.                                                                                                                                                    |
| OGAWA Eiji         | Professor, Faculty of Economics, Tokyo Keizai University                                                                                                                            |
| KAWAMURA Yoshinori | JBIC Managing Director (Outside Director)                                                                                                                                           |
| KOIZUMI Shinichi   | JBIC Managing Director (Outside Director)                                                                                                                                           |
| SOGO Hiromi        | Editorial Director of Luxury Media Group, Head of Editorial Content of Richesse & Esquire The BBB, and Editor in Chief of Richesse Content Division, Hearst Digital Japan Co., Ltd. |
| MATSUDA Chieko     | Professor of Management, Graduate School of Management, Tokyo Metropolitan University                                                                                               |
| YOKOO Keisuke      | President, Member of the Board, Chief Executive Officer, Japan Investment Corporation                                                                                               |

(Listed in the order of 50 character kana syllabary, name listed without honorifics)

### (5) Sustainability Advisory Committee

The Sustainability Advisory Committee consists of external experts. They offer advice on matters regarding JBIC's policy to advance initiatives toward the realization of sustainability.

#### ■ List of Members of the Sustainability Advisory Committee

(As of August 1, 2023)

| Name            | Occupation                                                           |
|-----------------|----------------------------------------------------------------------|
| TAKAMURA Yukari | Professor, Institute for Future Initiatives, The University of Tokyo |
| Rachel Kyte     | Dean Emerita, the Fletcher School, Tufts University                  |
| Tim Benton      | Director, Environment and Society Programme, Chatham House           |

### (6) Internal Audit Committee

The Internal Audit Committee consists of representative directors and the outside director. They make decisions and deliberations concerning important matters pertaining to internal audit, as delegated by the Board of Directors.

### (7) Executive Committee

The Executive Committee consists of representative directors, executive directors, and all the managing executive officers. They make decisions and deliberations concerning important managerial matters, thereby taking responsibility for conducting flexible JBIC operations, as delegated by the Board of Directors. The committees below have been established as advisory bodies to the Executive Committee or as decision-making bodies on certain matters as delegated by the Executive Committee.

#### (i) Credit Committee

The Credit Committee makes decisions and deliberations concerning important matters on loans, equity participations, and guarantees by JBIC, as delegated by the Executive Committee.

#### (ii) Corporate Risk Management Committee

The Corporate Risk Management Committee makes decisions and deliberations concerning important matters pertaining to the corporate risk management of JBIC, as delegated by the Executive Committee.

#### (iii) Compliance and Customer Protection Management Committee

The Compliance and Customer Protection Management Committee makes decisions and deliberations concerning important matters pertaining to the compliance and customer protection management of JBIC, as delegated by the Executive Committee.

#### (iv) Personnel Committee

The Personnel Committee makes decisions and deliberations concerning important matters pertaining to the personnel of JBIC, as delegated by the Executive Committee.

#### (v) ALM Committee

The ALM Committee makes deliberations concerning important matters pertaining to the asset-liability management (ALM) of JBIC, as delegated by the Executive Committee and the Corporate Risk Management Committee.

#### (vi) Global Head Committee

The Global Head Committee makes deliberations concerning cross-cutting matters among internal groups, including operational policy for each country or region, as delegated by the Executive Committee.

#### (vii) Information Security and ICT Promotion Committee

The Information Security and ICT Promotion Committee makes deliberations concerning the use and management of JBIC's information assets, as well as important matters on information security, and cross-

divisional matters on ICT such as measures required for the ICT plans and policies which had been determined by the Board of Directors and Executive Committee, as delegated by the Executive Committee.

#### (viii) Sustainability Committee

The sustainability Committee makes deliberations concerning sustainability promotion, by discussing JBIC's policies, and other important measures in the field of sustainability.

#### Mission/Sector-Specific Group Structure

JBIC reconstituted its organization and adopted a mission/sector-specific group structure. Its objective is to strengthen the capacity to formulate projects by bringing together know-how and expertise in each sector and area, thereby facilitating JBIC to perform the functions in its mission more flexibly and strategically.

Specifically, the Corporate Planning Group; Credit,

#### Members of Board of Directors

(As of August 1, 2023)

|                                                       |                    |
|-------------------------------------------------------|--------------------|
| Managing Director, Chairman of the Board of Directors | MAEDA Tadashi      |
| Governor                                              | HAYASHI Nobumitsu  |
| Deputy Governor                                       | AMAKAWA Kazuhiko   |
| Executive Managing Director                           | HASHIYAMA Shigeto  |
| Senior Managing Director                              | OISHI Ichiro       |
| Senior Managing Director                              | TANAKA Kazuhiko    |
| Senior Managing Director                              | TANIMOTO Masayuki  |
| Managing Director (Outside Director)                  | KOIZUMI Shinichi   |
| Managing Director (Outside Director)                  | KAWAMURA Yoshinori |

#### Global Heads of the Groups

(As of August 1, 2023)

|                                                             |                                                |                                              |
|-------------------------------------------------------------|------------------------------------------------|----------------------------------------------|
| Global Head of Corporate Planning Group                     | KIKUCHI Yo<br>(Managing Executive Officer)     | Corporate Planning Group                     |
| Global Head of Credit, Assessment and Risk Management Group | TANAKA Eiji<br>(Managing Executive Officer)    | Credit, Assessment and Risk Management Group |
| Global Head of Treasury and Systems Group                   | OGAWA Kazunori<br>(Managing Executive Officer) | Treasury and Systems Group                   |
| Global Head of Energy and Natural Resources Finance Group   | AMANO Tatsushi<br>(Managing Executive Officer) | Energy and Natural Resources Finance Group   |
| Global Head of Infrastructure and Environment Finance Group | SEKINE Hiroki<br>(Managing Executive Officer)  | Infrastructure and Environment Finance Group |
| Global Head of Industry Finance Group                       | SASAKI Satoshi<br>(Managing Executive Officer) | Industry Finance Group                       |
| Global Head of Equity Finance Group                         | UCHIDA Makoto<br>(Managing Executive Officer)  | Equity Finance Group                         |

Member of Board of Directors    Member of Internal Audit Committee    Member of Executive Committee

Assessment and Risk Management Group; Treasury and Systems Group, Energy and Natural Resources Finance Group; Infrastructure and Environment Finance Group; Industry Finance Group; and Equity Finance Group were set up, with each Group having departments with special expertise.

For each Group, the responsible board member is appointed, and a managing executive officer serves as the Global Head of each Group. Each Group is managed in an integral manner under the Global Head of the Group in an effort to conduct rapid, flexible and efficient operations.

### Fundamental Policy on Internal Control

Pursuant to the Companies Act, JBIC has put in place an institutional structure, including internal regulations, to ensure the proper conduct of its operations and activities, based on the Basic Policy for the Internal Control System decided by the Board of Directors.

### Compliance

JBIC has set forth in its Code of Conduct to “Maintain high ethical standards and a law-abiding spirit. Observe our moral code as a JBIC member at all times.” In accordance with this Code of Conduct JBIC has formulated internal regulations concerning compliance and its implementation status under the Basic Policy for the Internal Control System. In addition, the Basic Principles of Compliance is formulated as follows.

- Recognizing JBIC’s role as a policy-based financial institution that undertakes international operations, directors and employees are keenly aware of the public missions and social responsibilities called for in the international community and in civil society. It is also well recognized that any act in violation of laws, regulations, or rules by its directors and employees will lead to denigrating confidence in JBIC as a whole and have a materially adverse effect on its operations. Attentive to these needs, JBIC is constantly pursuing toward compliance and operational integrity.
- Directors and employees recognize that JBIC has accountability to the general public regarding its operations and that it must make efforts to ensure the trust of the general public through appropriate information disclosure.
- JBIC 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. This is essential for maintaining public trust in JBIC as well as for assuring the appropriateness and soundness of JBIC’s operations and it makes appropriate responses in collaboration with police and other relevant authorities.

### Compliance System

In accordance with the above Basic Principles, JBIC thoroughly engages in compliance as detailed below. JBIC makes efforts to improve compliance, primarily through the Compliance and Customer Protection Management Committee and has established the Legal Affairs and Compliance Office as an integrated compliance management unit.

Each Group and Overseas Representative Office serving as a regional headquarter has an Integrated Compliance Officer, while each department and overseas representative office has a Compliance Officer for making efforts in compliance, such as fostering such awareness among JBIC employees.

To foster an in-depth understanding of compliance, JBIC makes good use of its Compliance Manual and provides training sessions for its management and staff members. It also develops a compliance program every fiscal year as a basis for making necessary compliance arrangements and providing relevant training, and follows up on the progress and completion.

In addition to the reporting procedures in its ordinary line of business, JBIC has put in place and is properly operating an internal reporting system such that it is capable of finding significant compliance issues at an early stage and taking appropriate remedial action.

### Internal Audit

As an internal control system for overall operations, JBIC has appropriate internal audit procedures to review as well as evaluate their appropriateness and effectiveness and make recommendations to improve them. For these purposes, JBIC has the Internal Audit Committee, which includes the outside director, as a decision-making body independent of the Executive Committee that is responsible for conducting operations. There is also the Internal Audit Department, independent of the line departments and directly reporting to the Governor.

The Internal Audit Department exchanges relevant information and cooperates with the Audit and Supervisory Board Members and an Accounting Auditor for executing efficient internal audit.

## 2. Risk Management

In general, the operations of financial institutions involve various risks, including credit risk, market risk (such as interest rate and exchange rate risks), liquidity risk, and operational risk. As a policy-based financial institution, JBIC conducts financial operations to achieve policy objectives. Thus, JBIC differs from private financial institutions in its nature as well as the extent of risks involved in its operations and ways to deal with them. Nonetheless, recognizing the importance of appropriate risk management as a financial institution, JBIC has put in place an institutional system for risk management commensurate with different types of risks and for addressing integrated risk management.

More specifically, JBIC defines the objective of risk management as identifying, measuring, and monitoring various risks JBIC is exposed to in the process of conducting operations to ensure the soundness and integrity of operations and increase transparency. For this purpose, JBIC has designated the staff responsible for managing various risks and has a department

working on the overall risk management. In addition, there are the Corporate Risk Management Committee and the ALM Committee which hold discussions and make considerations for the effective functioning of risk management. JBIC has also set up the Risk Advisory Committee, which consists of external experts, to provide the JBIC Board of Directors with advice on the risk management and assessment system with respect to large-lot debtors and on issues referred to by the JBIC Board of Directors with respect to risks associated with large-scale projects.

JBIC has conducted risk management separated into the Ordinary Operations Account and Special Operations Account. The following sections describe how JBIC manages the various risks it faces in conducting operations as a policy-based financial institution.

Note: Please refer to JBIC's Initiatives Related to Climate Change (Information Disclosure Based on TCFD Recommendations) on page 40.

### ■ Enterprise Risk Management

To ensure the soundness and appropriateness of its operations as a policy-based financial institution, JBIC undertakes enterprise risk management that comprehensively ascertains the risks to which JBIC is exposed and utilizes Top Risk management and stress tests as its main methods.

#### Top Risk Management

JBIC defines Top Risks as risk events that will significantly impact JBIC when they become apparent and require particular attention. Top Risks are designated based on risk factors that are assumed in view of current international circumstances and the characteristics of JBIC's portfolio, and JBIC regularly and continuously monitors these risks.

Through Top Risk management, JBIC has established a risk management framework that enables

timely and appropriate ascertaining of risks that are emerging along with changes in the environment as well as the impact of these risks on JBIC's credit portfolio and fund procurement and allows for flexible responses.

#### Stress Tests

JBIC regularly implements stress tests as a forward-looking risk management tool to identify JBIC's financial conditions including capital adequacy and to formulate its business operation plans. Stress scenarios are developed that are suited to the characteristics of JBIC's portfolio. In developing the scenarios, JBIC analyzes historical events and hypothetical future events that take into account macroeconomic changes and emerging risks in the present and the foreseeable future.

### ■ Credit Risk

Credit risk refers to the potential loss from a decline or loss of the value of credit assets due to deterioration in the financial conditions of a debtor. This risk is inherent in JBIC's operations as it primarily engages in lending activities. Credit risk exposure to JBIC may be classified into: sovereign risk, which involves financing foreign governments; corporate risk, which involves financing business firms; project risk, which occurs when a project financed in project financing—a financing structure in which a loan is primarily secured on the cash flow generated from the project—fails

to generate the planned cash flow; and country risk, which involves financing foreign firms as well as projects located in foreign countries (collateral risk arising from political and economic situations of countries where debtor companies are located or projects are under way). Given the very nature of financial support JBIC provides for promotion of overseas development and securement of strategically important resources to Japan, for maintaining and improving the international competitiveness of Japanese industries, and for promoting the overseas business for preserving

the global environment, such as preventing global warming, JBIC frequently extends loans to foreign governments, government agencies, and companies. Therefore, sovereign and country risks account for a considerable share of the credit risks accompanying JBIC's operations. For credit risk, JBIC performs credit risk management for individual borrowers during each credit provision process and undertakes portfolio credit risk management by quantifying credit risks.

### Managing Credit Risk

The cornerstone of credit risk management at JBIC is the evaluation of an individual borrower's creditworthiness in the process leading to credit approval. When a new loan application is being processed, the relevant finance department and the Credit Department collect and analyze information on the borrower. The overseas representative offices also play a part in collecting information on foreign governments and companies. It is based on this information and its analysis that credit appraisal takes place, with checks and balances at work between these different departments throughout this process, leading to the final decision by management.

In providing credit for foreign governments and companies, JBIC makes the most of its unique position as an official financier, as it exchanges views and information with the governments and relevant authorities in the recipient countries, multilateral institutions such as the International Monetary Fund (IMF) and the World Bank, other official export credit agencies and, furthermore, with private financial institutions in developed countries. Using all these channels, JBIC evaluates sovereign and country risks based on a broad range of information collected on borrowing governments, government agencies, and political and economic conditions in their countries.

In providing credit for domestic and foreign companies, there is a need to evaluate their creditworthiness and the appropriateness of the collateral they offer. In particular, for credit provision related to overseas projects, credit evaluation involves checking and examining the certainty of conducting transactions to be financed, feasibility studies of the projects, and the industry in which the borrower operates.

## Market Risk

Market risk refers to the potential loss from changes in the value of assets and liabilities as a result of fluctuations in interest rates and foreign exchange rates. JBIC manages specific market risks as follows.

### Exchange Rate Risk

Foreign currency-denominated loans involve the risk associated with exchange rate fluctuations. JBIC

### Internal Credit Rating

JBIC has established an internal credit rating system which covers, in principle, all the borrowers. Internal credit ratings are the cornerstone of credit risk management, being used for conducting individual credit appraisals and quantifying credit risks.

### Internal Assessment of Asset Portfolio

JBIC is undertaking the internal assessment of its loan portfolio so that the characteristics of its loan assets will be accurately reflected on its assessment. In this process, the first-stage assessment is conducted by the relevant financing departments, while the second-stage assessment is conducted by the Credit Department and the Country Credit Department, which is then inspected by the Audit Department. The results of internal assessment conducted on the portfolio are not only used internally for the continuous reviews of the loan portfolio but are also reflected in the disclosure of asset quality to enhance the transparency of JBIC's financial position.

### Quantifying Credit Risk

In addition to individual credit risk management, JBIC is working on quantifying credit risks with a view to evaluating the risk of the overall loan portfolio.

JBIC quantifies credit risk utilizing its own proprietary credit risk quantification model that takes into account the characteristics of JBIC's loan portfolio, which holds a significant proportion of long-term loans and loans involving sovereign and country risks and mechanisms for securing assets, such as the Paris Club<sup>1</sup>, a unique international support framework for debt management by official creditor countries. JBIC uses this quantified credit risk for credit portfolio analysis encompassing the degree of credit concentration and also for internal control.

1. The Paris Club is an informal group of official creditors whose role is to find coordinated and sustainable solutions to the payment difficulties experienced by debtor nations. Since the first meeting took place in 1956 to resolve the debt problem of Argentina, the meeting has been held in Paris, with the French Treasury acting as its secretariat. Hence, it has come to be called the Paris Club.

has a consistent policy of hedging the full amount of such exposure through currency swaps and forward exchange transactions.

### Interest Rate Risk

Funding for yen-denominated loans is mainly managed at fixed-rate interest. Interest rate risk for yen-denominated loans, however, is limited since

derivative transactions such as interest rate swaps are used to hedge interest rate risk for portions of loans that are thought to have high exposures to interest rate fluctuation risk. Interest rate risks associated with foreign currency-denominated loan operations and relevant fundings are generally hedged by managing the funds with floating interest rates with the use of interest rate swap transactions. In addition, JBIC carefully calculates and analyzes projections of its future asset/liability structure and profits and losses.

## 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 as of March 31, 2023.

#### Credit Risk of Derivatives, etc.

(As of March 31, 2023; unit: 100 million yen)

|                                        | Contract Amounts / Notional Amounts | Credit Risk Amounts | Market Value |
|----------------------------------------|-------------------------------------|---------------------|--------------|
| Interest Rate Swaps                    | 65,485                              | 638                 | (3,488)      |
| Currency Swaps                         | 43,296                              |                     | (3,391)      |
| Forward Exchange Contracts             | 55                                  | —                   | 0            |
| Credit Risk Reductions through Netting | —                                   | —                   | —            |
| Total                                  | 108,837                             | 638                 | (6,880)      |

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

### (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 a 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.

## ■ Liquidity Risk

Liquidity risk refers to the potential loss resulting from difficulties in funding due to a maturity mismatch between financing and funding caused by unexpected cash-outs or from being forced to fund at an interest rate significantly higher than in normal circumstances, as well as the potential loss resulting from a failure to make transactions in the market due to market turmoil or from being forced to make transactions at a significantly disadvantageous price compared to

normal circumstances.

JBIC is minimizing liquidity risk through effective cash flow management and the diversification of its funding sources, including borrowings under the Fiscal Investment and Loan Program (FILP), government-guaranteed bond issues in international capital markets, and FILP agency bond issues in the domestic capital market.

## ■ Operational Risk

Operational risk refers to the potential loss resulting from inadequate or failed internal processes, people, and systems or from external events. Apart from administrative, computer system, and information security risks, JBIC recognizes that its operations involve various direct and indirect risks. JBIC will proactively identify, assess, and manage such risks.

### **Administrative Risk**

Administrative risk refers to the potential loss resulting from the neglect by officers and employees to conduct administrative work properly, accidents caused by them, and violation of laws and regulations caused by them, etc., conducted in the course of the administrative work process.

JBIC has been minimizing this risk by ensuring sound operations through scrupulous checks on work processes, creating operational manuals, improving training programs, and streamlining and adopting systematic procedures.

### **Computer System Risk**

Computer system risk refers to the potential loss from a breakdown or malfunction in computer systems as well as from their misuse. JBIC has been minimizing computer system risk by increasing its readiness to respond effectively to emergency situations. Specifically, (a) measures have been taken to prevent system malfunctions and leakage of client information; and (b) contingency plans have been prepared to respond to system malfunctions caused by accidents and other causes, and disaster-response drills have been conducted.

### **Information Security Risk**

Information security risk refers to the potential loss due to threats to the confidentiality, integrity, and availability of information assets. JBIC has taken all possible measures to maintain information security by establishing information security regulations and a structure encompassing information management as well as by providing comprehensive education to management and staff members.

# 3. Public Information and Disclosure

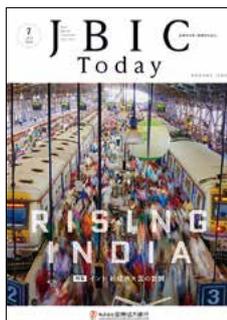
JBIC is providing and disseminating information to a broad range of the domestic and overseas public in an effort to promote further understanding of its operations and activities.

The JBIC Information Center at the Head Office and the Osaka Branch produce various brochures, annual reports, public relations magazines, and other materials available to the general public. In addition, a variety of information about JBIC is provided publicly in Japan and overseas through the JBIC website (<https://www.jbic.go.jp/en/>).

## Publications

JBIC publishes its annual operations and activities as well as its financial conditions in various disclosure materials, including annual reports, business reports, financial statements, and Form 18-K, which is submitted to the U.S. Securities and Exchange Commission.

Other publications available to the public include *JBIC Today*, a public information magazine that reports on JBIC's latest activities and topics on its operations and other relevant issues; *JBIC Profile: Role and Function*, a brochure describing JBIC operations.



*JBIC Today*

## Website

The website provides access to JBIC information, including its financial instruments, press releases, invitations to seminars, reports on various studies, annual reports, various brochures, IR information for investors, and various other types of information.



## Social Media Networks (SNS)

JBIC has established Facebook and Instagram as its official SNS. We ask for your “likes” and “follow.”



<https://www.facebook.com/JBIC.Japan/>



[https://www.instagram.com/jbic\\_official/](https://www.instagram.com/jbic_official/)

## Information Dissemination for the Media

Aside from information disseminated through various publications, the website, and other means, JBIC informs the news media about its operations and activities through press conferences, meetings, etc.

## Disseminating Information from Overseas Representative Offices

JBIC's overseas representative offices are actively contributing reports and articles to the news media to provide information, such as political, economic, and business trends in overseas development, etc.

## Disclosure

JBIC discloses to the public its operational and financial information to promote further understanding of its current activities, as follows.

| Source of Information                                                                                                                                                       | Access                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Report on Settlement of Accounts                                                                                                                                            | <ul style="list-style-type: none"> <li>Available at the Head Office and the Osaka Branch</li> <li>Distributed to the National Diet Library and economic organizations, etc.</li> </ul> |
| Annual Report, Public Relations Magazine, etc.                                                                                                                              | <ul style="list-style-type: none"> <li>Available at the Head Office, the Osaka Branch, and Representative Offices</li> <li>Distributed to interested persons/institutions</li> </ul>   |
| Website: <ul style="list-style-type: none"> <li>Type of Business</li> <li>Operations, Operational Results, Overview of Organization, Financial Composition, etc.</li> </ul> | <ul style="list-style-type: none"> <li>On the internet</li> <li>Address: <a href="https://www.jbic.go.jp/en/">https://www.jbic.go.jp/en/</a></li> </ul>                                |

# Access to JBIC Head Office and Osaka Branch

## JBIC Head Office

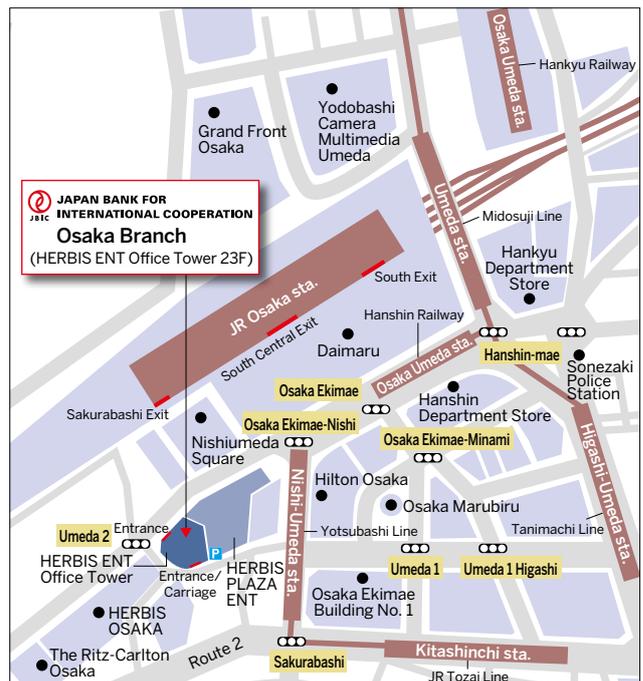
4-1, Ohtemachi 1-chome, Chiyoda-ku,  
Tokyo 100-8144, Japan

(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

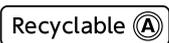
For further information, please contact

Press and External Affairs Division at the JBIC Head Office

Tel: (+81-3) 5218-3100 Fax: (+81-3) 5218-3955

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

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



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This publication only used Recyclable Rank A materials. This means these materials can be recycled to be used for printing paper.

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Printed in Japan

