02

FOUNDATION SUPPORTING VALUE CREATION

Identifying the Core of Issues and Delivering Solutions

≫ Key message

This section presents the management foundation that supports sustainable value creation, with a focus on sustainability initiatives. It also features messages from the Chairman of the Board of Directors and the Outside Directors, sharing their views on governance.

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1 Sustainability-Related Policy

As a Japan's policy-based financial institution, which connects Japan and the world, as well as public and private sectors, JBIC leverages the knowledge and relationships it has cultivated to help address global challenges and promote the sustainable development of the global economy and society. We will continue cooperating with various stakeholders to fulfill our role of contributing to global sustainability.

ESG Policy

Policy on Initiatives Toward Realizing Sustainability

The world's economies are facing shared challenges that include 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, based on the "Policies towards the realization of sustainability" set out in the JBIC ESG Policy (which was released in October 2021), JBIC is working with stakeholders to foster global sustainable development and resolve global challenges, as well as realize a world that embraces diversity among countries and people.

As a 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.

E

- **Respond to energy transformation toward the realization of a decarbonized society by financing projects**
  Support efforts to reduce greenhouse gas(GHG) emissions and popularize green innovation
  Provide support for initiatives toward global energy transition while working to engage host countries
- **Environmentally conscious financing and investments under Environmental and Social Guidelines***
- **Green bonds issuance**

S

- **Support projects that contribute toward resolving social issues**
  Provide support for projects that assist in resolving social issues to realize sustainable growth
- **Socially conscious financing and investment under Environmental and Social Guidelines**
- **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
  Support autonomous career development and capacity development
  Improve the working environment to enable employees to continue working with vitality

G

- **Strengthen its sustainability governance and management systems**
- **Strengthen the effectiveness of the compliance system**
- **Participate in external initiatives**

Disclosures (e.g., the TCFD Recommendations) → **Stakeholders**

* Refers to the Japan Bank for International Cooperation Guidelines for Confirmation of Environmental and Social Considerations.

For details of the ESG Policy, please refer to:▶ https://www.jbic.go.jp/en/information/press/press-2021/image/1028-015365_2.pdf

Sustainability in Fifth Medium-Term Business Plan

In June 2024, JBIC established the Fifth Medium-Term Business Plan (FY2024–2026), which identified "Realize a Sustainable Future" as one of the key focus areas. Under this key focus area, we have identified the following three action plans : (1) contribute toward realizing both carbon neutrality and economic growth, (2) contribute toward solving social issues in collaboration with host countries, and (3) implement responsible sustainability management.

JBIC will cooperate with various stakeholders to contribute to the realization of a sustainable future by achieving carbon neutrality, a global common challenge, and solving social issues of host countries.

For details on the Fifth Medium-Term Business Plan, see p.25

Sustainability Governance and Management Systems

At JBIC, important matters related to sustainability, including items concerning climate change, are discussed at the Executive Committee, the Sustainability Committee, and the Corporate Risk Management and ALM Committee under the supervision of the Board of Directors.

JBIC has implemented initiatives to promote sustainability, including efforts for climate change, through the Sustainability Advisory Committee, the Sustainability Committee, and the Sustainability Management Department, established in June 2022, as a part of its efforts toward "strengthening its sustainability governance and management systems" as set out in its ESG Policy.

Under such sustainability governance and management systems, JBIC will contribute actively to the realization of global sustainability, including sustainable development of the global economy and society, and the resolution of global challenges. To that end, JBIC will provide proactive support for initiatives by Japanese corporations to promote the SDGs and realize the decarbonization of the global economy and society, and will ensure the appropriate disclosure and announcement of the outcomes of such initiatives to stakeholders.

Sustainability Governance and Management Systems

Supervisory and Advisory Function

Board of Directors

Passes resolutions on basic matters and changes thereof related to policies for advancing initiatives toward the realization of sustainability, including its ESG policy.

Members: all directors

Major matters deliberated on, decided, and reported: Reporting on policies to address TCFD and TNFD disclosures, disclosure policies for GHG emissions and avoided emissions, plans for pursuing net-zero GHG emissions in the JBIC's finance portfolio, and holding of the Sustainability Advisory Committee; and decisions on matters for consultation with the Committee

Inquiry and Advice

Sustainability Advisory Committee

Provides advice on the matters inquired by the Board of Directors related to policies for advancing initiatives toward the realization of sustainability.

Members: Prof. TAKAMURA Yukari (Professor, Institute for Future Initiatives, University of Tokyo); Prof. Rachel Kyte (Dean Emerita, Fletcher School, Tufts University; Professor, Blavatnik School of Government, University of Oxford; UK Special Representative for Climate); Prof. Tim Benton (Distinguished Visiting Fellow, Environment and Society Centre, Royal Institute of International Affairs, Chatham House) (as of the end of March 2026)

Major advice given up: A holistic approach to sustainable finance to accommodate inter-relationships among various sustainability issues (e.g. climate change, natural capital, food, human rights); a strategy to take into account the influences that international affairs and geopolitics have on measures toward various sustainability issues; and how to respond to future global sustainability-related investment demand

Deliberation and Reporting

Executive Function

Executive Committee

Deliberates and makes decisions on matters of managerial importance that relate to policies for advancing initiatives toward the realization of sustainability based on the authorization by the Board of Directors.

Members: Governor, Deputy Governors, and directors (except for Managing Director, Chairman of the Board of Directors and Outside Directors) as well as all the Senior Executive Managing Officers

Major matters deliberated on, decided and reported: Decisions on policies to address TCFD and TNFD disclosures, and policies related to calculating avoided emissions; and reporting on policies to achieve net-zero GHG emissions from JBIC's own operations, disclosure policies for GHG emissions and avoided emissions, plans to pursue net-zero GHG emissions in JBIC's finance portfolio, and the results of climate change scenario analysis

Sustainability Committees (Deliberation body)

Deliberates on policies to promote initiatives for realizing sustainability and other important matters based on the authorization by the Executive Committee.

Chairperson: Senior Managing Director Responsible for the Corporate Planning Group (Sustainability Management Department)

Major matters deliberated on and reported: Deliberation on policies to address TCFD and TNFD disclosures, calculate GHG emissions and avoided emissions, achieve net-zero GHG emissions from JBIC's own operations, disclose GHG emissions and avoided emissions, and plans to pursue net-zero GHG emissions in JBIC's finance portfolio; and reporting on sustainability-related developments in Japan and abroad, and initiatives related to human rights

Deliberation and Reporting

Corporate Risk Management and ALM Committee (Decision-making body)

Deliberates and makes decisions on important matters pertaining to corporate risk management (including climate risks) and asset-liability management (ALM) based on the authorization by the Executive Committee.

Chairperson: Senior Managing Director Responsible for the Credit, Assessment and Risk Management Group

Major matters deliberated on, decided, and reported: Decisions on policies for climate change scenario analysis and reporting on monitoring of top risks related to climate change

Roles of Board of Directors and Sustainability Advisory Committee

The Board of Directors supervises the basic policies on sustainability promotion and its progress in JBIC. Matters concerning sustainability promotion are addressed as important managerial matters and are discussed by the Board of Directors. The outcomes are reflected in the management strategies and risk management policies.

In addition, the status of climate finance is regularly reported to and properly supervised by the Board of Directors. The Sustainability Advisory Committee, comprising external experts, was founded in June 2022 as an advisory body of the Board of Directors. It provides advice on matters such as JBIC's policies for advancing sustainability promotion, including initiatives for climate change.

Roles of Executive, Sustainability,and Corporate Risk Management and ALM Committees

The Executive Committee is responsible for the implementation of climate change-related operations based on the authorization by the Board of Directors.

The Sustainability Committee, based on the authorization by the Executive Committee, deliberates on important matters related to the promotion of sustainability and reports the progress of sustainability promotions by JBIC and related general updates in Japan and abroad. Matters deliberated on are reported to the Executive Committee and are submitted to the Board of Directors if necessary, following the discussions and decisions by the Committee.

The Corporate Risk Management and ALM Committee deliberates and decides on the important matters related to the management of corporate and credit risks (including climate risks), and asset-liability management (ALM), based on the basic policies determined by the Board of Directors, the Executive Committee, and others. When necessary, the Committee reports matters to the Board of Directors and the Executive Committee.

Environmental and Social Guidelines

Amid growing global interest in the environment and human rights, there are more than a few cases, particularly in overseas business operations,where inadequate risk management regarding environmental and social impacts has significantly affected business operations and exposed social reputational risks.

Under these circumstances, in conducting its operations, JBIC performs environmental and social due diligence. JBIC confirms that all projects subject to JBIC's loans, equity investments, and guarantees (collectively, "funding") are carried out with due consideration for their impacts on local communities and the natural environment, in accordance with the Japan Bank for International Cooperation Guidelines for Confirmation of Environmental and Social Considerations (Environmental and Social Guidelines). The Environmental and Social Guidelines set out the criteria, requirements, and procedures for JBIC's confirmation of environmental and social considerations in projects subject to JBIC's funding. When JBIC judges that a project's proponents have not given appropriate consideration to environmental and social impacts, it will encourage the proponents to take remedial measures. If appropriate environmental and social measures are still not taken, JBIC may withhold loans, investments, or guarantees, or request that the borrower repay the loan before the due date.

For nuclear sector projects, in December 2017 JBIC established and made public the Japan Bank for International Cooperation Guidelines for Confirmation of Information Disclosure Considerations for Nuclear Sector Projects (Information Disclosure Guidelines). Based on the Information Disclosure Guidelines, JBIC confirms that appropriate measures are carried out by project proponents and other relevant parties. This is designed to ensure that information about issues specific to each project is disclosed and that there is public participation in projects.

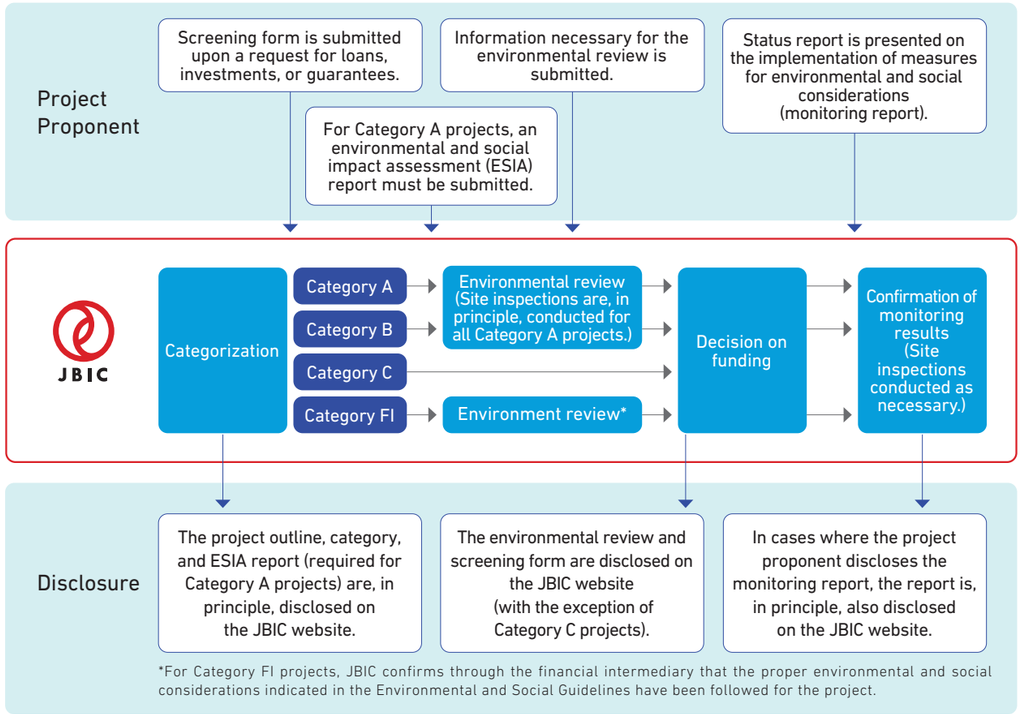
Every five years after their enforcement, the Environmental and Social Guidelines are subject to a comprehensive review. It is based on verification of the Environmental and Social Guidelines' implementation during the previous five years. Revisions are carried out as necessary based on review results. In 2020, five years after their enforcement, JBIC initiated a revision of the Environmental and Social Guidelines and widely disclosed the revision process to the public. The revision was completed in May 2022, and its stipulations took effect in July of that year. In order to ensure that the process of revision was open and transparent, JBIC held 10 consultation forums between February 2021 and February 2022, and solicited public comment on the draft revision. In keeping with this revision, JBIC also revised its Summary of Procedures to Submit Objections concerning JBIC Guidelines for Confirmation of Environmental and Social Considerations and Information Disclosure Considerations for Nuclear Sector Projects (Procedures) in May 2022. The current summary of the Procedures came into force in July 2022.

JBIC Guidelines for Confirmation of Environmental and Social Considerations, please refer to: ▶
https://www.jbic.go.jp/en/business-areas/environment/image/Environemtal_Guidelines_2022.pdf

Procedures for Confirmation of Environmental and Social Considerations

JBIC conducts environmental and social due diligence through its procedures for confirmation of environmental and social considerations. Prospective projects are screened prior to a decision on funding and classified into categories according to the degree of potential environmental impact. Following that, an environmental review is conducted to verify that the environmental and social considerations have been appropriately addressed. Afterwards, confirmation of monitoring results is carried out to assess the actual impacts of projects following the decision on funding.

Projects are classified into one of the following four categories shown in the table below, in relation to the degree of environmental impact, based on the information provided by the project proponent during the screening process. For projects with the potential for a significant adverse impact on the environment, the department specializing in environmental and social due diligence in Credit, Assessment and Risk Management Group conducts an environmental review. For Category A projects, JBIC carries out a more extensive confirmation of environmental and social considerations, including, in principle, an on-site inspection.



Category A	Projects with the potential for a serious and adverse impact on the environment The determination is made by taking into account such factors as: the sector and scale of the project, the substance, degree and uncertainty of its potential environmental impact, and the environmental and social context of the proposed project site and surrounding areas. The same applies to the other categories *Examples of sectors with the potential for environmental and social impacts; mining, oil and natural gas development; pipelines; iron and steel (projects that include large furnaces); non-ferrous metals smelting and refining; petrochemicals (manufacture of raw materials; including complexes); petroleum refining; oil, gas, and chemical terminals; paper and pulp; cement plants (including a greenfield quarry); thermal power; nuclear power; hydropower and dams; power transmission and distribution lines involving large-scale involuntary resettlement, large-scale logging, or submarine electrical cables; roads and railways; ports and harbors; and waste management and disposal.
Category B	Projects with the potential for an adverse impact on the environment, but less than that of Category A projects
Category C	Projects with the potential for minimal or no adverse impact on the environment
Category FI	Projects 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 the acceptance and where such subprojects are anticipated to have an impact on the environment

Participation in Various Initiatives

JBIC participates in both domestic and international initiatives to promote efforts to achieve sustainability in collaboration with various stakeholders.

In FY2025, JBIC newly joined the Partnership for Carbon Accounting Financials (PCAF) and the MIDORI GX Overseas Deployment Consortium. It also joined the GX Future Consortium, the successor organization to the TCFD Consortium.

In addition, as host of the Hydrogen for Development Partnership (H4D) Partners' Meeting, JBIC convened the meeting at its head office and exchanged views on Japan's efforts to introduce hydrogen and ammonia, as well as challenges associated with building international value chains. In addition, JBIC spoke at an international symposium organized by the Clean Fuel Ammonia Association, where it presented the initiatives being undertaken by JBIC and the Government of Japan.

Major External Initiatives

Category	Name	Overview
Climate Change	Asia GX (Green Transformation) Consortium	The Asia GX Consortium is an initiative to promote transition finance in the Asian region by enabling Japanese and ASEAN financial authorities as well as public and private financial institutions to discuss transition finance based on case studies in Asia with the aim of forming specific methodologies and real cases of transition finance.
	GX Future Consortium	This framework is intended to strongly drive the implementation of GX across society and create a virtuous cycle of decarbonization and economic growth.
	Partnership for Carbon Accounting Financials (PCAF)	PCAF is a global initiative of financial institutions committed to measuring and disclosing GHG emissions associated with financial activities, and promoting appropriate disclosure and actions to reduce GHG emissions across the financial sector.
	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)	The forum aims to contribute to the achievement of carbon neutrality and the development of a hydrogen value chain in the U.S.
	Clean Fuel Ammonia Association	This association aims to establish a value chain from the production to the use of CO2-free ammonia and for its social implementation, thereby helping to realize a low-carbon society.
	The Hydrogen for Development Partnership(H4D)	This is a global initiative launched by the World Bank, which aims to promote financing from both the public and private sectors for hydrogen development, among other objectives.
Nature	TNFD Forum	The Taskforce on Nature-related Financial Disclosures (TNFD) Forum is a forum of stakeholders that supports the work and mission of the TNFD.
	Keidanren Nature Conservation Council	The objective of this council is to support biodiversity conservation activities both in developing countries and Japan as well as to promote such activities of businesses through the Keidanren Nature Conservation Fund.
	MIDORI GX Overseas Deployment Consortium	This framework aims to support the overseas deployment of Japan's GX technologies that contribute to food security and to promote market expansion for Japanese agriculture and food-related companies.
	ESG Finance High-Level Panel	This is a forum organized by Japan's Ministry of the Environment to discuss, take action to raise awareness about, and initiate efforts regarding ESG finance between the financial and investment industries and the government.
Social	2X Challenge / 2X Global	This is an initiative aimed at mobilizing US$20 billion in gender lens investments by 2027 to promote women's social empowerment.
	African Clean Cities Platform	This framework aims to support the achievement of the SDGs by realizing clean and healthy cities, sharing knowledge on waste management, and promoting relevant investment in African countries.
	Japan's Impact Consortium	This framework supports a variety of economic and financial initiatives that aim to achieve environmental and social impacts, and serves as a platform for discussion and collaboration with a wide range of stakeholders.

*For details of each initiative, please visit the following JBIC's webpages.
Climate change / Nature▶https://www.jbic.go.jp/en/sustainability/environment.html
Social▶https://www.jbic.go.jp/en/sustainability/social.html

2 Environment

In addition to providing financial support and pursuing engagement aimed at achieving carbon neutrality and resolving issues faced by host countries, JBIC has expressed its intention to advance initiatives that include disclosing sustainability information. We are promoting various initiatives in line with this commitment.

JBIC's Journey on Environmental Issues

Since the 1990s, JBIC has been working to create a new finance menu and develop governance and management systems, while reflecting Japanese government policy and recognizing the need for global efforts to address environmental issues. As we put to good use the distinctive functions of a policy-based financial institution, we aim to accelerate the transition to sustainable sources of energy in emerging and developing countries. We plan to continue offering a variety of options for financing, engagement, and multilateral collaboration, thereby contributing to the achievement of worldwide carbon neutrality.

JBIC continues to be proactive in providing financial support for efforts to tackle climate change and other issues. This reflects international agreements and Japanese government policies based on those agreements.

External Environment
- International development
- Japanese government's response

1980s and 1990s
- Growing international interest in climate issues

1992
- Adoption of UNFCCC

1997
- Adoption of Kyoto Protocol

2005
- Kyoto Protocol enters into force.

2008
- G8 Hokkaido Toyako Summit

2009
- Hatoyama initiative

2013
- Announcement of Actions for Cool Earth (ACE)

2015
- Adoption of Paris Agreement and SDGs
- Announcement of ACE 2.0

Support Through Financing and Guarantees

1990s
Support for projects that mitigate environmental impacts

2000s
Support for projects under Clean Development Mechanism (CDM)

Establishment of Kyoto credit fund

2008
Establishment of JBIC Facility for Asia Cooperation and Environment (FACE)

2010
Start of GREEN operations

Establishment of J-MRV Guidelines
Support for Joint Crediting Mechanism (JCM)

2018 Establishment of Global Facility to Promote Quality Infrastructure Investment for Environmental Preservation and Sustainable Growth (QI-ESG)

2020 Establishment of Growth Investment Facility and its QI-ESG Window

2021 Establishment of Post-COVID-19 Growth Facility and its Decarbonization Promotion Window

2022 Establishment of Global Investment Enhancement Facility and its Sustainability Window

Confirmation of Environmental and Social Considerations

1988
Assign dedicated staff for environment assessment

1992
Establish Environment Office

1999
Establish Environmental and Social Guidelines

2003
Environmental and Social Guidelines go into force
Objection procedures introduced

2009
First revision of Environmental and Social Guidelines

2015
Second revision of Environmental and Social Guidelines

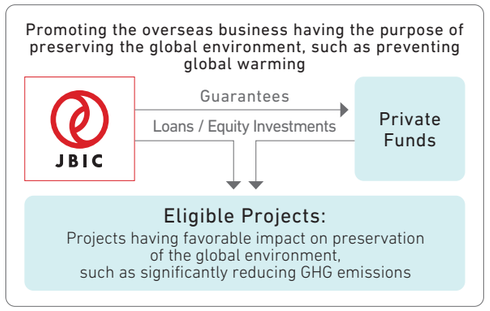
2022
Third revision of Environmental and Social Guidelines

Climate Change-Related Finance

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 major effect in terms of global environmental conservation. The support is given in the form of loans, guarantees, and equity investments, while private sector funds are mobilized. The projects undertaken include those to construct solar power generation plants or high energy efficiency power plants as well as those to introduce energy-saving equipment that utilizes 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 GHG emissions, while paying attention to the potential use of advanced Japanese technologies that are highly regarded around the world.

GREEN Operations Initiatives



Examples of Initiatives Concerning Climate Change-Related Finance and Engagement

For initiatives concerning climate change-related finance, please refer to:
- Project Financing for Two Solar Power Generation and Storage Projects in Uzbekistan (on p. 29);
- Loan for a Biofuel Production and Power Generation Project in India (on p.30); and
- Equity Investment in TeraWatt Technology in the U.S. (on p. 36 and 63).

Please refer to the JBIC official website to learn about:
- Credit Line to Support Environmental Preservation Projects in Cote d'Ivoire*1; and
- Credit Line to Support Environmental Preservation Projects in Benin*2.

For initiatives concerning engagement, please refer to:
- Initiatives Toward the Promotion of AZEC (on p. 38); and
- Strengthening Relations with African Countries and Regional Financial Institutions on the Occasion of TICAD 9 (on p. 39).

*1 https://www.jbic.go.jp/en/information/press/press-2025/press_00026.html
*2 https://www.jbic.go.jp/en/information/press/press-2025/press_00054.html

Green Bonds

JBIC aims to contribute to realizing a sustainable society and environment through climate change-related finance. To raise the necessary funds, in January 2022, JBIC first issued green bonds as international bonds, which were guaranteed by the Japanese government. Later, JBIC continued issuing government-guaranteed foreign currency bonds, including euro-denominated government-guaranteed foreign currency bonds and domestic bonds (non-guaranteed). We also issued U.S. dollar-denominated government-guaranteed foreign currency bonds in January 2026. The funds raised through these issues will be allocated to eligible projects, including those related to renewable energy and clean transportation.

Green bonds have been issued based on a stringent framework that has received a second-party opinion from Sustainalytics Japan Inc., a company that holds a major market share and is well recognized in the market.

Green Bond Issues

	JBIC50	JBIC55	JBIC60	JBIC64	JBIC67	JBIC4
Issue date	Jan 2022	Oct 2022	Oct 2023	Oct 2024	Jan 2026	May 2024
Type	Government-guaranteed foreign currency bonds					Non-guaranteed domestic bonds
Currency	USD			EUR	USD	JPY
Maturity	5 years			6 years	5 years	5 years
Coupon Rate	1.625%	4.375%	4.875%	2.625%	3.875%	0.639%
Amount	$500 million			€500 million	$500 million	¥10,000 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)

JBIC64 / Global Euro-Denominated Bonds

CO_2 Emission Reduction per Year Due to Financed Projects (Estimated)*1

Eligible Project Category	Sub-Category	Power Generation Capacity*3 (MW)	Transmission Capacity*2,3 (MW)	Annual Estimated Reduction in CO_2 Emissions*3 (tCO_2)
Renewable Energy	Solar and Solar Thermal	13		9,725.2
	Wind (offshore and onshore)	621	379	405,747.8
	Total	**634**		**415,473.0**

*1 Emissions from renewable energy are assumed as zero. CO_2 emission factors are quoted from the International Energy Agency (IEA) "CO_2 Emissions Factors 2024."
*2 This figure indicates the impact of the project in the electricity transmission sector, which will contribute to reductions in CO_2 emissions, although it is not reflected in the figures for emission reduction. The bond allocation to the project is approximately EUR 147 million (GBP 1 = EUR 1.20), which accounts for 30% of the whole wind category.
*3 Figures for "Power Generation Capacity," "Annual Estimated Reduction in CO_2 Emissions" and "Transmission Capacity," are calculated based upon JBIC's financing portion only. The percentage of JBIC's financing portion varies for each project.

Financed Project Examples

Noirmoutier Offshore Wind Farm Project in France

Project Finance (PF)
- **Financing Amount (JBIC): Approx. €1,100 million**
- Co-financed with private financial institutions.

This project involves the construction, ownership, and operation of an offshore wind farm with a total generation capacity of approximately 500 MW to be located 16.5 km off the coast of the Noirmoutier island in the Bay of Biscay, western France. Upon commencement of the wind farm's commercial operation, the electricity generated by the project will be sold to the French electric utility company Electricite de France for a duration of 20 years.



Credit Line to the Government of Benin

Sovereign Finance
- **Financing Amount (JBIC): Approx. €15 million**
- Co-financed with private financial institutions.

As part of its GREEN operations, JBIC provided financing for the following two projects. The first project involves the construction of a new solar power generation facility. The second project involves installing solar panels on the roofs of elementary schools and using clean power to provide electricity to households in areas with no electricity access. By allowing students to take home solar-charged lanterns, the project is expected not only to contribute to the expansion of primary education by helping students establish regular school attendance, but also to reduce GHG emissions.



Details concerning the issuance, results, etc., please refer to: ▶https://www.jbic.go.jp/en/ir/greenbond.html

Climate-Related Financial Disclosures Based on TCFD Recommendations

Recognizing the importance of the climate-related financial disclosures in its ESG policy, JBIC has declared its intention to promote information disclosures based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). JBIC has been disclosing information in line with the TCFD recommendations since 2022 and will continue to provide appropriate disclosures going forward.

Governance

Sustainability Governance and Management Systems

At JBIC, important matters related to sustainability, including items concerning climate change, are discussed at the Executive Committee, the Sustainability Committee, and the Corporate Risk Management and ALM Committee under the supervision of the Board of Directors. For details, please refer to Sustainability Governance and Management Systems (p.69).

Strategy

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 concretely address climate change has further accelerated. As a result, new business opportunities are expanding, driven by green transformation (GX) that is essential for achieving carbon neutrality, the business and technological transformations required for the transition to a decarbonized society, and the innovations to establish new technologies.

JBIC regards the growing need for financing such decarbonization efforts as opportunities. Taking into account the Paris Agreement and the policies of the government of Japan, JBIC, as a policy-based financial institution, is committed to "navigating" green finance, transitional supports, and financing for innovative technologies and new businesses, through various financial support and our long-term, strategic risk-assuming function, in order to redirect and apply the flow of funds toward decarbonization, including through the mobilization of private finance.

Furthermore, addressing the global challenge of climate change entails collaborations across borders and industries. Achieving carbon neutrality on a global scale, in particular, requires energy transitions via various paths, taking into account regional and industrial characteristics, the balance between decarbonization and economic growth, and energy security. In order to "co-create" such decarbonization pathways, JBIC will provide concrete solutions and proactively contribute to resolving global challenges, leveraging the global networks that it has long cultivated as a policy-based financial institution, through continuous engagement with host countries' governments and authorities, and collaborations with overseas governmental and international organizations.

Through such "navigation" and "co-creation," JBIC strives to achieve its mission, including "promoting the overseas business having the purpose of preserving the global environment" and the key focus area in its Fifth Medium-Term Business Plan, "the realization of both carbon neutrality and economic growth."

Awareness of Climate-Related Opportunities and JBIC's Approach

Policy Targets Based on Climate-Change Related Operations	Increased Opportunities for JBIC	× JBIC Support Functions	Contribution Toward the Creation or Expansion of Business Opportunities for Japanese Companies and the World	Policy Results
Paris Agreement (adopted in December 2015) Keep the rise in global average temperatures below 1.5°C from pre-industrial levels **Japan's Basic Policy for the Realization of GX** (Cabinet decision in February 2023) Simultaneously achieve the following three goals through GX : decarbonization, the stable energy supply, and economic growth	◆ Growth and development of green energy fields for achieving carbon neutrality ◆ Business and technological transformation necessary to transition to a decarbonized society ◆ Innovation related to the establishment of new technologies ⇈ Increased funding needs due to the above, etc.	◆ Risk-assuming functions as a policy-based financial institution (long-term credit, special operations, etc.) ◆ Climate-change related finance and transition support ◆ Engagement with host countries' governments ◆ Cooperation with overseas government and international agencies	◆ Renewable energy ◆ Energy-efficient projects ◆ Hydrogen and ammonia ◆ Carbon-recycling fuel ◆ Rechargeable batteries ◆ Resource recycling (circular economy) ◆ Next-generation mobility ◆ Energy-saving buildings ◆ Energy transition ◆ CCS/CCUS, etc.	Realization of Both Carbon Neutrality and Economic Growth

ESG Policy (Climate Change Policy)

In October 2021, JBIC released its ESG policy, which sets out its Climate Change Policy. Under this policy, as a Japan's policy-based financial institution that contributes to the sound development of the Japanese and international economic community, we proactively provide financial support through climate change-related finance and other measures in accordance with the policies of the Japanese government. In addition, as a contribution to the international implementation 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.

Climate Change Policy

- Contributing to the global implementation 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 of net zero emissions in its finance portfolio by 2050.
- Strengthening climate change-related finance
- Enhanced climate-related financial disclosures pursuant to the TCFD recommendations
- Environmentally and socially conscious financings and investments

Approach to Transitioning Toward the Realization of Carbon Neutrality

Achieving carbon neutrality at the global scale is an issue to be tackled in tandem with the pursuit of sustainable economic growth. Moreover, amid the growing uncertainties of recent events internationally, it is also necessary to take into account regional and industrial characteristics as well as energy security and geopolitical risks in order to promote steady decarbonization across various areas and sectors around the world.

JBIC has been pursuing net zero GHG emissions in its finance portfolio by the year 2050 to align with the objectives of the Paris Agreement. In order to ensure that this initiative contributes to the steady decarbonization of the real economy, it is crucial for JBIC to support various paths to a sustainable decarbonized society while considering the above-mentioned viewpoints and the Japanese government's policies, as a Japan's policy-based financial institution. It is vital for JBIC to provide proactive support to projects that contribute to the decarbonization of the real economy in the course of achieving net zero emissions in the medium and long term.

In particular, to achieve the energy transition for decarbonization, it is important to identify projects that provide sustainable decarbonization and to give them comprehensive support, such as green finance and transition finance, which use various energy sources and innovations related to next-generation technologies and energies.

With such recognition, JBIC is committed to supporting energy transition-related projects from their initial phases and to boosting decarbonization initiatives through various types of financial support while considering the Japanese government's policies. For this purpose, we will utilize our long-term strategic risk-assuming function as a policy-based financial institution as well as our continuous engagement with host countries' governments and authorities, and collaborations with overseas governmental organizations and international organizations.

Risk Management

JBIC recognizes the importance of managing risks related to climate change (collectively, "climate-related risks"), and it decided on the climate risk management policy in 2023. Based on this policy, JBIC has prepared a framework to identify, assess, and manage climate-related risks.

Risk Management Frameworks

JBIC recognizes climate-related risks as forward-looking risks that may materialize in different patterns and magnitudes, subject to future environmental and social circumstances, and which therefore need to be addressed through long-term, comprehensive perspectives, and as risks that may materialize over a variety of time horizons, both short and long term, and through a wide range of channels and touchpoints. JBIC has designated climate-related risks as one of the Top Risks (risk events that will significantly impact JBIC when they become apparent and require particular attention) in its enterprise risk management framework, and it comprehensively manages these risks by monitoring the social and regulatory trends related to climate issues and changes in situations regarding fossil fuel projects.

We also conducted a qualitative assessment of the significance of climate-related risk events, taking into account the characteristics of JBIC's business activities and portfolios. This assessment shows that JBIC's credit risks (e.g., increases in credit-related costs due to a deterioration in a borrower's business performance) are of high significance, so JBIC has been prioritizing the development of climate-related risk assessments and management frameworks.

One of the climate-related credit-risk assessment measures that JBIC implements is scenario analysis regarding the transition and physical risks of borrowers. JBIC has designated the four sectors of electricity, energy, transportation, and iron and steel as High-Priority Sectors, where climate-related risks are captured intensively in light of JBIC's relatively large credit exposure and their carbon-intensive nature. Through scenario analysis, JBIC understands the crucial factors for business transformations in each sector that enable transitions to a decarbonized society. We provide support through individual project monitoring and dialogues with clients, and we work to measure and reduce GHG emissions in our portfolio.

● Climate-Related Risk Events and Timeframe Assumed for Each Risk Category

		Examples of Risk Events	Climate Risk	Timeframe
Credit Risk		Increasing credit costs along with the deterioration of a borrower's business performance resulting from declining revenue and increasing carbon-related burdens, mainly in carbon-related industries	Transition risk	Medium- to long-term risks
		Increasing credit costs along with the deterioration of a borrower's business performance and collateral impairment due to extreme weather	Physical (acute) risk	Short-term risks
		Increasing credit costs resulting from the deterioration of a borrower's business performance and collateral impairment resulting from long-term climate change	Physical (chronic) risk	Medium- to long-term risks
Market/Liquidity Risk		Disruption to financial and commodity markets and accompanying price fluctuations of financial products and commodities due to hasty transitions or natural disasters	Transition and physical (acute) risk	Short- to medium-term risks
		Increasing funding costs due to a deterioration in reputation resulting from a delayed response to transition risks	Transition risk	Short- to long-term risks
Operational Risk	Tangible Asset Risk	Damage to the head office, branch, etc. due to natural disasters	Physical (acute) risk	Short-term risks
	Reputation Risk	Deterioration in reputation resulting from an inadequate response to climate change issues and delayed responses to disclosures	Transition risk	Short-term risks

Scenario Analysis

In order to evaluate the impacts that climate change will have on our portfolio in the future, we conduct scenario analysis for transition risk and physical risk.

Approach to Scenario Analysis and Preconditions for Analysis

To conduct its scenario analysis, JBIC mainly used the Network for Greening the Financial System (NGFS) climate scenarios in accordance with the TCFD recommendations.

There exist some constraints in obtaining necessary data from the NGFS's scenarios. Data for certain regions and sectors were not detailed enough to analyze those regions and sectors in light of the characteristics of JBIC's credit portfolio, and some data were not available, such as the costs of implementation and management or carbon emission reduction effects of decarbonization technologies that are currently expected to be introduced in each sector. Therefore, JBIC conducted the analysis with external experts, and supplemented the available related data and estimations from climate scenarios issued by international organizations, such as the IEA and the Intergovernmental Panel on Climate Change (IPCC), industry reports, and the Technology Roadmap for Transition Finance by the Ministry of Economy, Trade and Industry (METI), and it aligned the transition risks scenario with the Net Zero 2050 scenario and the physical risks scenario with the Current Policies scenario to the maximum extent possible.

The scenario analysis of transition and physical risks simulated the impacts of each climate scenario on borrowers' financial conditions and credit ratings and on JBIC's credit costs on the assumption that JBIC's portfolio and risk profile composition will remain unchanged until 2050. It is difficult to predict the future exposure balance and risk profile composition at this point in time. Therefore, we have adopted a method that assumes that the portfolio at the end of the fiscal year being analyzed will remain the same in the future and which evaluates the impact of climate change on that portfolio at each point in the future under climate change scenarios (the static method).

● Summary of NGFS's Scenarios

		Net Zero 2050	Current Policies
Narrative		Limits global warming to 1.5 °C through stringent climate policies and innovation, reaching net zero CO2 emission around 2050	Assumes that only currently implemented policies are preserved, leading to high physical risks
Major Premises	Rising Mean Temperatures	Below 1.5° C by 2100	3.0°C by 2100
	Carbon Emissions	Net zero by 2050	Net zero goal not met by 2050
	Carbon Prices	Continued rise from present to 2050	Virtually no rise
	Companies' Efforts for Decarbonization	Progress in changing business from present	Virtually no progress

Notes on Scenarios Applied by JBIC and Its Analysis

The scenarios JBIC applied are those developed by the NGFS and other organizations, but this does not mean that these scenarios are our outlook. The scenario analysis includes data that entails the following uncertainties:

- Assumptions in the scenarios contain a number of uncertain factors, including who will bear the carbon costs. The actual society in the future or the pathway for GHG emission reductions may differ from the assumptions and scenarios. The objective of our analysis is to evaluate and comprehend what impacts the assumptions and scenarios will have, how those impacts will be channeled, and how significant they will be.
- The scenario analysis of transition risks estimated the impact on borrowers' financial conditions by considering the costs of implementing and managing decarbonization technologies that are currently expected to be introduced, and their emission reduction effects and by referring to technical reports issued by organizations, such as the IEA, and receiving advice from external experts. The following is to be noted: we have not assessed the feasibility of decarbonization technologies. The outlook for the future technologies may be relatively less reliable than the outlook for other parameters, and we have not considered the possibility that future policy changes may affect the timing of the deployment or competitiveness of individual technologies.
- Regarding the scenario analysis of physical risks, it should be noted that disaster prediction data entail uncertainty and that the current or future disaster prevention measures in place are not considered.

The actual portfolio composition in the future is expected to differ from the current one as JBIC follows its principle of providing loans to projects that are in line with the business areas and policy objectives stipulated in the Japan Bank for International Cooperation Act.

Additionally, JBIC addresses fossil fuel projects in accordance with the G7 Leaders' Communiqué in 2022 and the Japanese government's policy and has discontinued its financing of unabated international coal-fired power generation projects. Since it is evident that our exposure to such projects will be phased down, we conducted the analysis assuming that the exposure will decline over time rather than remain unchanged until 2050. For the other entities and projects in the scope, the scenario analysis takes a conservative stance, and it applies the assumption that the exposure and risk profile will be the same until 2050.

Summary of Scenario

The table below shows the summary of the transition-risk and physical-risk scenario analyses conducted by JBIC.

● Summary of Climate Scenario Analysis

	Transition Risk	Physical Risk
Scenario	NGFS Net Zero 2050	NGFS Current Policies
Sectors in Scope	Borrowers with large credit exposure to JBIC, including: ・Sovereign entities*1 ・Domestic and overseas corporations in electricity, energy, iron and steel, automobile, air transportation, and general trading company sectors ・Overseas PF projects in electricity and energy sectors, etc.	Borrowers with large credit exposure to JBIC, including: ・Sovereign entities*2 and overseas corporations*3 ・Overseas PF projects*4
Analysis Method	・Analyze with the bottom-up approach at the borrower level ・Analyze the impact on credit ratings, and estimate the increase in the cumulative credit costs	・Analyze with a combination of the top-down approach, which assesses the ripple effects on borrowers from the impact at the sovereign level within the country, and the bottom-up approach at the borrower level*5 ・Analyze the impact on credit ratings, and estimate the increase in the cumulative credit costs
Analysis Period	The analysis covers through 2050, assuming the fiscal year ending March 31, 2025, as the baseline	
Analysis Result	Cumulative Rise in Credit Costs Estimated up to ¥507.5 billion	Cumulative Rise in Credit Costs Estimated up to ¥20.7 billion

*1 Countries with large sums of fossil fuel exports and imports
*2 Countries highly affected by climate change
*3 Borrowers in the analyzed countries
*4 Borrowers highly affected by climate change
*5 Key borrowers for risk management

Transition Risk Analysis Approach

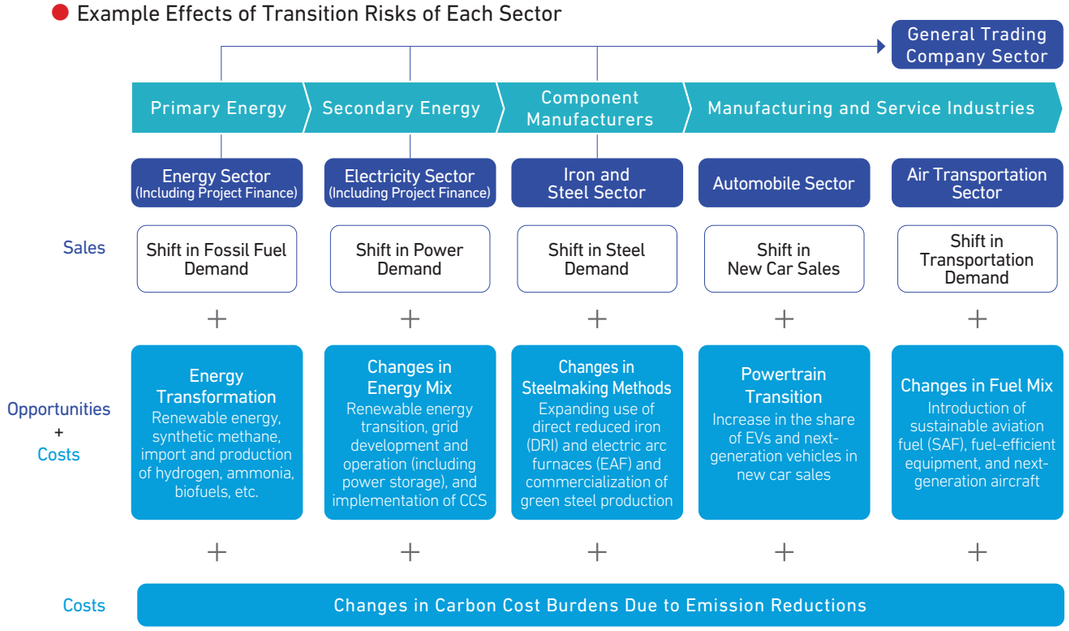
(1) Scenario Analysis Approach

JBIC's portfolio consists mainly of long-term and large-scale loans because it operates in accordance with the principle of supplementing the private financial sector as a policy-based financial institution, so it is characterized as vulnerable to the credit strength of certain regions, sectors, or borrowers. Based on these characteristics, we apply the bottom-up approach, which simulates the financial conditions of each borrower when we estimate the risks and opportunities related to climate change. The following are factors that were assumed to have an impact on the specific corporation earnings structure of each sector in the scenario analysis of transition risks.

(2) Results of Scenario Analysis

According to the results of the scenario analysis of transition risks, based on the NGFS's Net Zero 2050 scenario, the cumulative rise in credit costs up to the year of 2050 is estimated to be ¥507.5 billion. It is suggested that this may impose a reasonable cost burden on JBIC in the medium to long term, but the short-term impact on JBIC's financial soundness is limited. In addition to the analysis above, we identified short-term stress events and their features by using our own developed scenarios to measure the short-term impacts of rapidly and acutely accelerating the Net Zero 2050 scenario on a global scale.

● Example Effects of Transition Risks of Each Sector



Physical Risk Analysis Approach

(1) Scenario Analysis Approach

Considering the characteristics of JBIC's portfolio, which consists mainly of financing for projects, governments, authorities, and companies abroad, we analyze physical risks with the combination of the top-down approach, which assesses the ripple effects on borrowers from impacts at the sovereign level, and the bottom-up approach at the borrower level.

(2) Results of Scenario Analysis

According to the scenario analysis of the physical risks for sovereign entities, overseas corporations, and project finance, based on the NGFS's Current Policies scenario, the cumulative credit costs up to 2050 are estimated to be a maximum of ¥20.7 billion, which means they have a limited impact on JBIC's financial soundness.

The bottom-up analysis has identified the following trends for damage to individual borrowers.

❶ Project Finance (PF)

PF projects in our portfolio are globally dispersed; however, it has been confirmed that the risks are concentrated in North America, South Asia, Southeast Asia, and Oceania, and the projects could be particularly susceptible to hazards such as storms, river floods, and wildfires.

The analysis also confirmed the high probability that the impact on project profitability and credit costs would be minimized in the event of damage, given that each project is properly insured and secured to ensure that financial losses will be compensated.

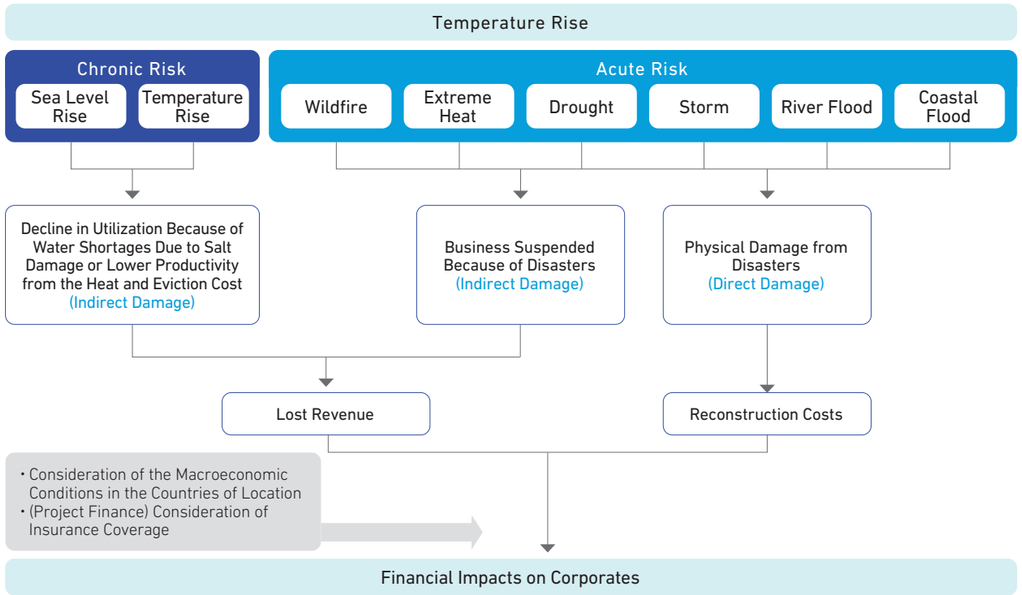
❷ Corporate Entities

The analysis revealed that in Asian countries, where many of our borrowers are located, not only their offices and factories but also the country's key infrastructure in the supply chains, such as ports, airports, and access roads, have a high risk of being affected by disasters. These indirect risks could also have a significant impact on the business operations of our borrowers.

It has been confirmed that each project is likely to receive financial support in the event of damage, including credit enhancement from its parent company, thereby minimizing the impact on credit costs.

Meanwhile, in order to more accurately assess the impacts on these projects and borrowers, it is necessary to analyze detailed weather data, each project's measures for mitigation and adaptation, and the insurance conditions. It should be noted that trends in natural disasters related to climate change may affect insurance market trends.

● Cascade Channel of Acute and Chronic Risks



Future Actions

Regarding transition risks, given the assumptions and other parameters in the NGFS's scenarios, the scenario analysis confirmed the high probability that borrowers in the analyzed portfolio are expected to bear a certain amount of the investment burdens that are associated with business transformations toward a decarbonized society or the carbon-related burdens according to their GHG emission reduction status in the medium to long term.

In terms of physical risks, their credit costs have only a limited impact on JBIC's financial soundness. However, it was found that the borrowers analyzed had a risk of having not only their business bases but also their surrounding infrastructure affected by disasters.

Regarding transition risks, the results also confirmed the importance of continuing dialogues and engagements with host countries' governments and borrowers as well as providing support through green finance to ensure that initiatives toward decarbonization will be implemented as planned. Regarding physical risks, the results affirmed the provision of support to enhance the resilience of the supply chains against the risks of natural disasters, and to improve the investment environment, including infrastructure development, from the perspectives of disaster preparedness, prevention, and early recovery.

JBIC acknowledges scenario analysis as a tool to assess the future impact of climate change on its portfolio and will continue to utilize this analysis to enhance the flexibility and resilience of its risk management for various future climate-related conditions. We will advance our relentless efforts to improve analysis and data utilization methods for more effective use.

Initiatives Related to Coal-Fired Power Generation Projects

In order to achieve carbon neutrality, it is crucial to support various transition pathways while taking into account regional and industrial characteristics, energy security, and geopolitics. JBIC addresses fossil fuel projects appropriately in line with the Japanese government's policies (e.g., consistency with the 1.5℃ target and goals of the Paris Agreement), we continuously engage with host countries' governments, cooperate with overseas government organizations, international organizations, and have discontinued financing for unabated international coal-fired power generation projects.

Outstanding credit* of project financing to the coal-fired power generation projects as of March 31, 2026, stood at ¥1,230.3 billion (which accounts for approximately 7% of the total outstanding loans, guarantees and equity investments of JBIC), and we expect to reduce it to zero in the early 2040s.

*The amount includes loans and guarantees.

≫Metrics and Targets

Climate Change-Related Finance

In order to promote initiatives to achieve both decarbonization and sustainable economic growth, JBIC has set forth the realization of a sustainable future as one of the key focus areas in its Fifth Medium-Term Business Plan, and it has set the number of committed or structured projects that contribute toward realizing both carbon neutrality and economic growth as its metric. For this metric, we have defined quantitative targets for each fiscal year and have been monitoring the status of achievement at the Executive Committee. The status of climate change-related finance projects is regularly reported to the Board of Directors, and the progress of strategies, such as the Medium-Term Business Plan, is overseen.

Climate Change-Related Finance* Results in FY2025

Number of Projects Structured (Target)	Number of Projects Committed (Target)	Co-Financing Amount
24 (19)	31 (38)	¥3,632.5 billion

* The details of the climate change-related finance are based on the Fifth Medium-Term Business Plan, key focus area I: realize a sustainable future, action plan 1—contribute toward realizing both carbon neutrality and economic growth.

For details on the Fifth Medium-Term Business Plan, please refer to:
▶ https://www.jbic.go.jp/en/about/plan.html

GHG Emissions

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

Initiatives Toward Reduction of GHG Emissions from Our Operations

We are committed to pursuing efforts to reduce GHG emissions from our operations to net zero by 2030 under the ESG policy established in October 2021. The table below shows the amounts of GHG emissions from our operations for FY2025.

We will continuously consider and execute emission reduction measures in Scope 1 (direct GHG emissions from our own operations) and Scope 2 (indirect GHG emissions from purchased electricity, heat, or steam consumed by JBIC).

In FY2025, JBIC's major emission source in Scope 1 and 2 was power consumed at our offices, including the Head Office. To reduce our GHG emissions from power consumed, we continue to contract with an electricity provider that generates renewable energy to be the main power source for the Head Office. Going forward, we will work to procure power derived from renewable energy.

Since FY2022, we have been discussing the calculations for the categories in Scope 3 (including business trips).

GHG Emission Results in FY2025

Items Measured	FY2025 (t-CO_2)	[Reference] FY2024 (t-CO_2)*2	Target
GHG Emissions*1	512.0	902.1	Net zero by 2030
Scope1	386.7	338.3	
Scope2	125.3	563.8	

*1 The scope of data collection includes the Head Office, the Osaka Branch, the Keidanren Kaikan office, a training center, a system backup center, and overseas representative offices. Scope 1 includes gasoline, diesel fuel, and city gas. Scope 2 includes electricity (market based). GHG emissions in Scope 1 are calculated according to emissions factors based on the Act on the Promotion of Global Warming Countermeasures. The calculation for Scope 2 applies the emission factors of electric power utilities, as listed by the Ministry of the Environment and the METI, and the emission factors by countries specified by IEA.
*2 The figures have been revised from those presented in the Integrated Report 2025 following refinements to the calculation methodology.

GHG Emissions from JBIC Finance Portfolio

JBIC recognizes the substantial role that financial institutions can play in climate change initiatives and, under its ESG Policy, is committed to pursuing ambitious and accelerated efforts to achieve net zero GHG emissions in its finance portfolio by 2050, toward the global implementation of the Paris Agreement.

Energy transitions toward a decarbonized society are especially important not only in developed countries but also in emerging and developing countries. However, there is no single pathway, and it is vital to provide comprehensive support for transitions with consideration for regional and industrial features, energy security, and geopolitics. While pursuing efforts to achieve net zero GHG emissions in its finance portfolio, JBIC will accelerate the energy transition to a decarbonized society in emerging and developing countries through continued engagement with host countries' governments and collaboration with overseas government agencies and international organizations, and will contribute toward realizing carbon neutrality on a global basis.

Among indirect GHG emissions across the value chain (Scope 3), JBIC considers financed emissions (Category 15) associated with its finance portfolio to be material and discloses them. The table below shows the actual GHG emissions from JBIC's finance portfolio in FY2024 (Mt-CO_2e).

Actual GHG Emissions from JBIC's Finance Portfolio in FY2024 (Mt-CO_2e)

Sector	Outstanding (¥ 100 million)	Financed Emissions		Data Quality Score (DQS)		Measurement Coverage
		Scope 1+2 (Mt-CO_2e)	Scope 3 (Mt-CO_2e)	Scope 1+2	Scope 3	
Oil and Gas	38,682	14.8	118.6	2.4	2.4	100%
Coal	0	0.0	0.0	—	—	—
Electric Utilities	35,705	51.2	6.0	1.9	3.4	100%
Air Freight	435	0.0	0.0	4.1	4.1	100%
Passenger Air Transportation	9,240	0.1	3.2	1.9	1.9	100%
Maritime Transportation	1,107	0.5	0.2	1.4	1.5	100%
Rail Transportation	2,883	0.1	0.0	1.9	1.9	100%
Trucking Services	0	0.0	0.0	—	—	—
Automobiles and Components	10,030	0.1	9.9	2.1	2.1	100%
Metals and Mining	16,034	10.0	11.3	2.7	2.6	100%
Chemicals	3,624	0.9	0.9	4.5	4.5	100%
Construction Materials	299	0.0	0.1	4.0	4.0	100%
Capital Goods	3,040	0.0	0.4	4.1	4.1	100%
Real Estate Management and Development	110	0.0	0.0	4.5	4.5	100%
Beverages	300	0.0	0.1	4.0	4.0	100%
Agriculture	181	0.2	0.1	5.0	5.0	100%
Packaged Foods and Meats	709	0.6	0.3	4.0	4.0	100%
Paper and Forest Products	637	0.1	0.1	4.0	4.0	100%
Other	33,880	2.1	4.5	4.4	4.4	100%
Total	**156,894**	**80.8**	**155.7**	**2.8**	**3.1**	**100%**

* The DQS is calculated as a weighted average based on the outstanding of loan and investment for each project, company, business, etc., according to the quality of GHG emissions data under the PCAF methodology. The measurement coverage ratio indicates the percentage of the relevant outstanding in each sector for which financed emissions were measured.

Calculation Overview

- Covered Assets:
  Loan (Corporate Finance and Project Finance) and Equity Investment
- Sectors:
  The 18 Sectors Identified Based on the Disclosure Recommendations of the TCFD, As Well As Other Sectors
- Formula:
  - Project Finance (*1)

$$\text{GHG emissions of each project (*2)} \times \frac{\text{JBIC's outstanding loan and investment}}{\text{[Total equity] + [Debt] of each project}}$$

  - Corporate Finance (*1)

$$\text{GHG emissions of each company (*2)} \times \frac{\text{JBIC's outstanding loan and investment}}{\text{[Total equity] + [Debt] of each company (EVIC for listed companies)}}$$

*1 Equity investments are classified as either project finance or corporate finance based on the use of proceeds.
*2 To the extent possible, GHG emissions include Scope 1, Scope 2, and Scope 3 emissions. Where GHG emissions data is difficult to obtain, emissions are estimated (for the principal data sources used in the estimates, see "GHG Emissions Data Sources").

- Fiscal Year:
  - JBIC's Outstanding Loan and Investment: As of the end of March 2025
  - GHG Emissions and Financial Data for Financed Projects and Companies: Data for the most recent fiscal period available at the time of calculation
- GHG Emissions Data Sources (*3):
  - Disclosed Data: Data disclosed by companies, data obtained through interviews with companies, etc. (DQS 1–2)
  - Estimated Data: Production data obtained through interviews with companies and statistical data from the IEA, etc. (DQS 3); emission factors from the PCAF database (DQS 4–5), etc.

*3 The scores in parentheses indicate the corresponding DQS under the PCAF methodology.

Notes

- Potential Changes in Calculation Results
  Calculation results may change significantly in the future due to various factors, including revisions to figures obtained from GHG emissions data sources, revisions to the PCAF Standard, and changes or improvements in definitions and measurement practices.
- Double Counting
  By definition, Scope 1, Scope 2, and Scope 3 emissions may result in the same GHG emissions being counted multiple times across different sectors and companies. For example, Scope 3 emissions from the Oil and Gas sector overlap with Scope 1 emissions from the Electric Utilities sector. In turn, Scope 1 emissions from the Electric Utilities sector overlap with Scope 2 emissions from all sectors that consume electricity. When a financial institution provides loans and investments across multiple sectors, these overlaps are not offset and may therefore result in multiple counting.

JBIC is formulating a plan for pursuing to achieve net-zero GHG emissions in its finance portfolio by 2050. Going forward, JBIC will continue its analysis through calculation and monitoring while further considering the formulation and implementation of this plan.

Avoided Emissions from the Finance Portfolio

Recently, "avoided emissions" have attracted attention as a complementary metric for assessing decarbonization potential. Avoided emissions quantify the emissions-reduction impact of a product or service by comparing actual emissions with those that would have occurred in the absence of that product or service. This metric seeks to address the concern that financed emissions, which measure actual GHG emissions, do not adequately reflect the contribution made by supporting the deployment of low-carbon products and services.

On the other hand, avoided emissions remain an evolving concept, and no globally accepted calculation standard has yet been established. Because the concept involves calculating the difference between GHG emissions with and without a particular product or service, demonstrating the validity of the underlying assumptions can be difficult. Other challenges include limited data availability and double counting, such as when multiple companies calculate avoided emissions for the same product or service.

JBIC provides comprehensive transition support that takes into account regional and industrial features characteristics, energy security, and geopolitical considerations. While fully recognizing the limitations of avoided emissions as a metric, JBIC views them as an important indicator of how its initiatives contribute to the energy transition toward a decarbonized society.

In FY2025, JBIC began trial calculations of avoided emissions from its finance portfolio. JBIC calculated the annual avoided emissions attributable to renewable energy generation projects, projects involving the introduction of energy-saving or high-efficiency equipment, and low-carbon hydrogen production projects. It should be noted that, in light of data availability and other factors, the calculation of avoided emissions covers only part of JBIC's finance portfolio and does not necessarily capture all relevant projects in the sectors included in the scope of calculation. The calculations draw on the Year-on-year approach in the World Business Council for Sustainable Development (WBCSD) guidance and the concept of financed avoided emissions in the PCAF guidance, among other references. As avoided emissions and financed emissions are different metrics, the figures are not intended to be compared with or offset against each other. Furthermore, the calculation results have not been subject to third-party verification or assurance.

The table below shows the avoided emissions (t-CO_2e) from JBIC's finance portfolio in FY2024.

● FY2024 Avoided Emissions from JBIC's Finance Portfolio (t-CO_2e).

Calculation Approach	Sector	FY2024 (t-CO_2e)
Year-on-year	Renewable Energy Generation	2,376,815
Year-on-year	Introduction of Energy-Saving and High-Efficiency Equipment	139,470
Year-on-year	Low-Carbon Hydrogen Production	112

Renewable Energy Generation

- Scope: Renewable energy generation projects in operation during the calculation year (Project finance only)
- Approach: Based on the assumption that electricity generated from renewable energy through JBIC's financing displaces electricity generated by existing power plants.
- Formula:

(Annual electricity generation × operating margin emission factor (*1)) × JBIC's loan and investment share (*2)

Energy-Saving/High-Efficiency Equipment Introduction

- Scope: Energy-saving/high-efficiency equipment introduction projects committed during the calculation year for which data is available
- Approach: Based on the assumption that energy-saving /high-efficiency equipment introduced through JBIC's financing reduces the GHG emissions that would otherwise have resulted from the use of conventional equipment and technologies.
- Formula:

(Annual electricity savings or annual fuel savings × Average emission factor for all power sources (*3)) × JBIC's loan and investment share (*2)

Low-Carbon Hydrogen Production

- Scope: Low-carbon hydrogen production projects in operation during the calculation year
- Approach: Based on the assumption that low-carbon hydrogen produced through JBIC's financing replaces conventional fossil fuel-based hydrogen.
- Formula:

(Difference in life-cycle emissions between fossil fuel-based hydrogen and low-carbon hydrogen (*4) × annual low-carbon hydrogen production) × JBIC's loan and investment share (*2)

*1 Refers to the emission factor of existing power plants whose electricity generation is reduced by the commissioning of renewable energy power plants. In accordance with the PCAF guidance, JBIC uses country-specific emission factors published by International Financial Institutions.
*2 As with financed emissions, JBIC calculates its loan and investment share in accordance with the PCAF methodology. However, due to data availability, simplified calculation methods may be used in some cases.
*3 Country-specific emission factors published by the IEA are used.
*4 Where project-specific data are unavailable, data published by the IEA are used, including CH_4 and CO_2 emissions from upstream and midstream activities and direct emissions.

Going forward, JBIC will continue to take a pioneering approach to the use of metrics such as avoided emissions, while taking into account discussions and developments in Japan and overseas, with a view to achieving carbon neutrality worldwide.

Introduction to Trial Calculations

JBIC is also working to expand the scope of its avoided emissions calculations. While recognizing issues such as limitations in data availability and the need to ensure the quality of estimates, JBIC conducted trial calculations as shown in the table below. In doing so, we referred to the Forward-looking approach set out in the WBCSD guidance and expected avoided emissions in the PCAF guidance. Going forward, while fully recognizing the challenges associated with using avoided emissions as an indicator, JBIC will continue to examine them as one indicator of our efforts to support the energy transition toward a decarbonized society.

● Trial Calculation Results for Avoided Emissions from JBIC's Finance Portfolio in FY2024 (t-CO_2e)

Calculation Approach	Sector	FY2024 (t-CO_2e)
Year-on-year	High-Efficiency Gas-Fired Power Generation	1,628,049
Forward-looking*	Expansion of Low-Carbon Power Sources Through the Development of Grid Infrastructure	1,483,580
Forward-looking*	Mineral Development (for EV batteries)	352,337
Forward-looking*	EV Manufacturing	177,171

* For projects subject to the forward-looking approach, cumulative avoided emissions over the useful life or project period are annualized and recognized each year over the financing period, starting from the fiscal year of commitment with reference to the PCAF guidance.

High-Efficiency Gas-Fired Power Generation

- Scope: High-efficiency gas-fired power generation projects in operation during the calculation year
- Approach: Based on the assumption that electricity generated from high-efficiency gas-fired power plants through JBIC's financing displaces electricity generated by existing power plants.
- Formula:

{Annual electricity generation × (operating margin emission factor (*1) − fuel-specific emission factor (*2))} × JBIC's loan and investment share (*3)

Expansion of Low-Carbon Power Sources Through the Development of Grid Infrastructure

- Scope: Grid infrastructure projects committed during the calculation year
- Approach: Based on the assumption that electricity generated from renewable energy and nuclear power and delivered through grid infrastructure financed by JBIC displaces electricity generated by existing power plants. Decarbonization of the power sector is advancing in many countries, and electricity emission factors are expected to decline in the future. Accordingly, the baseline is reduced at a constant rate over the useful life or project period.
- Formula:

$$\sum_{t=1}^{n}\left(\text{Capacity of newly connected low-carbon power sources in year t following the development of grid infrastructure} \times \text{Capacity factor}^{(*4)} \times \text{Transmission efficiency}^{(*5)} \times \frac{\text{Operating margin emission factor}}{(1+r)^{t-1}}\right) \times \text{JBIC loan and investment share}^{(*6)}$$

n = useful life or project period
r = discount rate based on the IEA Stated Policies Scenario, etc.

Mineral Development (for EV batteries)

- Scope: Mineral development projects committed during the calculation year
- Approach: Based on the assumption that minerals extracted through JBIC's financing are used to manufacture EV batteries at a certain rate, thereby contributing to EV manufacturing and replacing gasoline-powered vehicles. The appropriateness of using gasoline-powered vehicles as the baseline will be reviewed periodically.
- Formula:

$$\sum_{t=1}^{n}\left(\text{Difference in life-cycle emissions between ICEVs and EVs}^{(*7)} \times \text{Number of EVs manufactured}^{(*8)} \times \text{Mineral weight share per battery}^{(*4)}\right) \times \text{JBIC loan and investment share}^{(*6)}$$

EV Manufacturing

- Scope: EV manufacturing projects committed during the calculation year (including manufacture of major components)
- Approach: Based on the assumption that EVs (or key components financed by JBIC contributing to EV production) manufactured through JBIC's financing displace gasoline-powered vehicles. The appropriateness of using gasoline-powered vehicles as the baseline will be reviewed periodically.
- Formula:

$$\sum_{t=1}^{n}\left(\text{Difference in life-cycle emissions between ICEVs and EVs}^{(*7)} \times \text{Number of EVs manufactured in year t}\right) \times \text{JBIC loan and investment share}^{(*6)}$$

*1 Refers to the emission factor of existing power plants whose electricity generation is reduced by the commissioning of renewable energy power plants. In accordance with the PCAF guidance, JBIC uses country-specific emission factors published by International Financial Institutions.
*2 Fuel-specific emission factors published by the IEA are used.
*3 As with financed emissions, JBIC calculates its loan and investment share in accordance with the PCAF methodology. However, due to data availability, simplified calculation methods may be used in some cases.
*4 Where project-specific data are unavailable, data from comparable projects or data on generally applicable product specifications are used, as a general rule.
*5 Where project-specific data are unavailable, country-specific data published by the World Bank Group are used, as a general rule.
*6 For projects subject to the forward-looking approach, JBIC's loan and investment share is assumed, for convenience, to be based on the full disbursement in the fiscal year of commitment and held constant throughout the calculation period.
*7 As a general rule, data published by the IEA are used, including emissions from vehicle body, battery, and energy production, as well as emissions from fuel combustion.
*8 The number of EVs manufactured is calculated as follows: annual mineral production in year t after the commencement of JBIC financing × ore grade × share allocated to EVs ÷ mineral content per EV. Where project-specific data on ore grade, the share used for EVs, or mineral content per EV are unavailable, data published by the IEA, data from comparable projects, or other relevant sources are used, as a general rule.

Nature-Related Financial Disclosures Based on TNFD Recommendations

Based on recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD), published in September 2023, JBIC discloses nature-related information as outlined below.

JBIC's Approach to Natural Capital

Approach to Natural Capital

JBIC has established "promoting the overseas business having the purpose of preserving the global environment, such as preventing global warming," as one of its four key missions. In addition, under the ESG Policy released in October 2021, JBIC expressed the intention to proactively contribute to fostering global sustainable development and resolving global challenges, to ensure the realization of sustainable societies.

In addition, JBIC has designated "Realize a Sustainable Future" as one of the key focus areas of its Fifth Medium-Term Business Plan. Under this key focus area, JBIC will support projects that contribute to addressing social issues in host countries for sustainable growth, including the preservation and restoration of natural capital, while implementing responsible sustainability management by upgrading efforts including sustainability-related disclosures.

Relationship Between JBIC and Natural Capital

Corporate activities both depend on and affect natural capital. JBIC likewise depends on and affects natural capital through its own operations and through the activities of its borrowers and investees. In advancing initiatives to realize a sustainable future, JBIC recognizes the importance of understanding these dependencies and impacts, appropriately identifying and managing related risks, and pursuing opportunities.

Governance

Sustainability Governance and Management Systems

At JBIC, important matters related to sustainability, including items concerning natural capital, are discussed by the Executive Committee, the Sustainability Committee, etc. under the supervision of the Board of Directors, etc. For details, please refer to Sustainability Governance and Management Systems (p.69).

Human Rights Policy and Engagement Activities Related to Natural Capital

In the course of addressing its nature-related dependencies, impacts, risks, and opportunities, JBIC is engaged in considering stakeholders affected by its investment and loan operations, including indigenous peoples and local communities. For details, please refer to Human Rights Initiatives (p.88) and the Environmental and Social Guidelines (p.70).

Strategy

Initiatives Aimed at Achieving Nature-Positive Economy

Natural capital, including forests, soil, water, air and biological resources, is the foundation of humanity's economic activities, and many industries both depend on and impact natural capital. However, in recent years, natural capital has been damaged and depleted around the world, and this loss is posing serious risks to companies, financial systems, economies, and society.

In response, the Kunming-Montreal Global Biodiversity Framework (GBF) was adopted in December 2022. Around 200 governments, including Japan, made a commitment to take urgent action to halt and reverse biodiversity loss to put nature on a path to recovery by 2030.

The GBF includes targets related to the role of finance, such as 'mobilizing $200 billion per year from all sources and increasing international financial resources from developed to developing countries to $20 billion per year by 2025 and to $30 billion per year by 2030 (Target 19). Under the GBF, financial institutions are expected to promote initiatives for nature positive economy, protect natural capital that underpins the international economy and society, and support long-term economic and social stability and sustainable growth.

With such recognition, JBIC encourages initiatives for nature-positive economy, including through the mobilization of private finance as a policy-based financial institution, various financial supports and its long-term, strategic risk-assuming function, while considering the Japanese government's policies. Furthermore, addressing the global challenge of nature entails collaboration across borders and industries. JBIC will proactively contribute to resolving global challenges, leveraging the global networks that it has long cultivated as a public financial institution, through continuous engagement with host countries' governments and authorities, and collaborations with overseas governmental and international organizations.

For examples of JBIC's nature-related financing and engagement activities, see "Loan for a Project Involving the Manufacture and Sale of Small-scale, Decentralized Water Recycling Systems in Antigua and Barbuda" (p.35) and "Loan to ETC Group for an LPG Business in Sub-Saharan Africa" (p.39) .

Analysis Based on the LEAP Approach

In addition to its business activities, JBIC both depends on and impacts natural capital through its investment and loan operations. Therefore, JBIC recognizes the importance of identifying the dependence and impact of its investment and loan recipients on natural capital, appropriately managing associated risks, and exploring potential opportunities.

Based on the LEAP approach, JBIC assessed its finance portfolio from the perspective of nature and also analyzed nature-related dependencies, impacts, risks, and opportunities for individual projects within the portfolio in sectors recognized as having significant interactions with nature.

The analysis confirmed that, through the screening, environmental review, and monitoring conducted in accordance with the Environmental and Social Guidelines, as well as feasibility assessment processes, appropriate countermeasures including the avoidance and mitigation of natural capital-related risks, were implemented while also engaging with investees and borrowers.

JBIC will continue to take appropriate actions based on the Environmental and Social Guidelines, which have been confirmed to be useful for recognizing dependencies, impacts, and risks, taking into account geographical characteristics, considering value chains as necessary, and verifying countermeasures—all as recommended by the TNFD.

Risk Management

Risk Management in Investment and Loan Operations

To achieve sustainability, JBIC established the ESG Policy and, in accordance with the Environmental and Social Guidelines, it confirms for all projects financed or supported through its loans, equity investments, and guarantees that borrowers and project proponents take the best available measures to avoid or minimize environmental and social impacts, including impacts on natural capital and biodiversity, and that appropriate environmental and social considerations are duly incorporated into these projects. In addition, based on factors such as the magnitude of potential environmental impacts, JBIC identifies projects requiring an environmental review and uses sector-specific environmental checklists established under the Environmental and Social Guidelines to identify, assess, and manage nature-related risks on a project-by-project basis.

JBIC reviews these nature-related risks from the perspective of whether appropriate consideration has been given in light of the nature of each project. Specifically, JBIC confirms whether appropriate measures are in place, including measures to prevent pollution of water, air, and soil, as well as measures to avoid or mitigate significant conversion or degradation of ecosystems and biota. JBIC also assesses impacts on local communities and indigenous peoples in the vicinity of the project and confirms whether appropriate measures are being taken. These reviews have long been conducted in accordance with the JBIC Environmental and Social Guidelines, in a manner consistent with the approach to nature-related risk management set out in the recommendations of TNFD.

Metrics and Targets

Finance Related to Realizing a Sustainable Future

In its Fifth Medium-Term Business Plan, JBIC has set forth "Realize a Sustainable Future" as one of its key focus areas, and it has set the number of commitments and initiatives as its metric. For this metric, JBIC has defined target numbers for each fiscal year and has been monitoring its progress at the Executive Committee. It is also regularly reported to the Board of Directors, and the progress of strategies, such as the Medium-Term Business Plan, is overseen. For details, please refer to FY2026 Business Operation Plan: Key Focus Area I (p.26).

Future Initiatives

JBIC undertakes efforts to deepen its internal understanding of natural capital as a foundation for promoting nature-related initiatives. JBIC also utilizes its existing frameworks, including the Environmental and Social Guidelines, to enhance its understanding of how its operations depend on and impact nature. In addition, leveraging the relationships with various stakeholders and the global networks that it has long cultivated as a policy-based financial institution, as well as its various financial instruments and long-term, strategic risk-assuming function, JBIC will support nature-positive initiatives undertaken by its investees and borrowers. Furthermore, JBIC will continue to consider appropriate approaches to information disclosure.



3 Social

JBIC supports projects that contribute toward resolving social issues in host countries to realize sustainable growth through its financing. As Japan' s policy-based financial institution, JBIC places importance on respect for human rights. Furthermore, to fulfill its mission "to contribute to the sound development of Japan and the international economy and society," it promotes human resources development and work style reforms in order to bring out the capabilities and vitality of diverse employees equipped with expertise, public spirit, and an international perspective.

Support Examples

Under the Fifth Medium-Term Business Plan, JBIC supports the resolution of social issues in host countries toward sustainable growth through its financing. Specifically, JBIC provides financing for projects related to the development of medical environment, resilient basic infrastructure such as water supply and sewerage, disaster prevention, and distributed power supply; improvements of hygienic environment including waste treatment and recycling; and the securement of food security. For examples of projects that contribute to resolving social issues, please refer to "Equity Investment in Metagen Therapeutics in Japan" (p.36), "Loan for Manufacturing and Sales Business of 3D-Printed Prosthetic Legs in Nigeria" (p.39), and "Acquisition of Samurai Bonds Issued by Bank Gospodarstwa Krajowego of Poland (For Ukrainian Refugee Support)" (p.41).

Human Rights Initiatives

Fundamental Approach

As Japan's policy-based financial institution, with the aim of contributing to the sound development of Japan and the international economy and society, JBIC recognizes that respect for human rights is a critical issue that is required to be addressed proactively. In April 2023, JBIC released its Human Rights Policy. It expresses JBIC's commitment to human rights, and states that JBIC expects its clients and suppliers to respect human rights. JBIC will continue to respect human rights and promote the realization of sustainability in line with this policy.

Commitment to Respect Human Rights

JBIC respects international human rights standards, while endeavoring to respect these rights. JBIC shares the philosophy behind the Human Rights Policy and expects its executives, employees, suppliers, and clients to respect human rights.
[Philosophy]
- Prohibit discrimination of any kind
- Zero tolerance of human rights violations, including harassment, forced labor, child labor, and human trafficking

International Human Rights Standards
- The Universal Declaration of Human Rights
- International Covenants on Human Rights
- ILO Declaration on Fundamental Principles and Rights at Work
- Guiding Principles on Business and Human Rights

The full text of the Human Rights Policy can be found here ▶ https://www.jbic.go.jp/en/sustainability/image/0414-017692_1.pdf

Initiatives for Human Rights Due Diligence

JBIC respects international norms on human rights, including the United Nations' Guiding Principles on Business and Human Rights. JBIC carries out human rights due diligence initiatives that include the identification and assessment of human rights risks, while considering and implementing measures to prevent and mitigate adverse impacts.

Based on the identification and assessment of human rights risks surrounding JBIC's operations conducted in collaboration with external experts, JBIC recognizes the particular importance of addressing human rights issues related to loan and equity investments, and guarantees ("financing").

When conducting transactions with clients, JBIC confirms that project proponents undertake appropriate environmental and social considerations, including respect for human rights, in accordance with Environmental and Social Guidelines, which will be reflected in our financing decision-making. Moreover, even after decision-making on financing, it continues to monitor and engage with the projects to ensure environmental and social considerations are being undertaken properly.

In addition, since June 2025, JBIC has required suppliers to submit bids after understanding the Japanese government's "Guidelines on Respecting Human Rights in Responsible Supply Chains", and JBIC Human Rights Policy.

Access to Remedies

Suppliers and clients can bring to JBIC's attention their concerns and complaints through a complaint hotline.

Further, the Environmental and Social Guidelines recommend 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.

For employees, JBIC has set up an internal and an external hotline to provide relief for those who have been negatively affected within JBIC, as well as an external consultation counter specializing in harassment issues. When an issue arises, JBIC will conduct prompt investigations and take measures to provide relief to the victim and prevent the issue from recurring. As part of our efforts to raise awareness of respect for human rights and prevent harassment, we provide training and e-learning programs for all executives and employees annually.

Human Capital Management in Practice

Human Capital Management in Medium-Term Business Plan

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, 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. The theme for our Fifth Medium-Term Business Plan is "Navigate toward and Co-create a Valuable Future." To achieve these goals, we need talented people with a high level of financial "expertise" in providing loans, equity investments, and other forms of financing for large-scale overseas projects. They must also possess a "public spirit" and an "international perspective," both of which are essential for executing Japan's external economic policy in an increasingly complex international environment, and for contributing to the development of Japan and the international economy and society and addressing global social issues. The performance of each employee at JBIC, which operates with a relatively small workforce, is also reflected in its loans outstanding per employee of $142.7 million in FY2025 (p.16).

Securing and developing such talent is becoming increasingly important for JBIC as it implements initiatives such as the Strategic Investment Initiative based on the agreement between the Governments of Japan and the U.S. and addresses economic security challenges.

Under the Fifth Medium-Term Business Plan, we will work to evolve into a highly engaged organization that can maximize the capabilities of our employees in order to quickly respond to the needs of the times and the environment.

Human Resource Development Policy

As an organization that contributes to the sound development of Japan and the international economy and society, JBIC must develop human resources who 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 take advantage of its characteristic as a smaller organization and focus on the strengths and aptitudes of individual employees rather than training generalists in a homogeneous manner. Specifically, we consciously cultivate hard and soft skills from an early stage. This includes specialized training in international finance provided by internal and external lecturers, as well as language and international negotiation skills developed through English language training and overseas assignments, while continually strengthening these skills with an eye to future career paths.

Human Resource Development

Training System (JBIC Academia)

In order to develop human resources in a way that draws out the capabilities and vitality of its diverse employees, JBIC has been upgrading its training system and, in April 2023, set up JBIC Academia as a new training system for all employees. It fosters learning, teaching, and communication among employees. JBIC is working to strengthen its training through the Learning Management System (LMS), an IT tool that was introduced the same month. 99% of relevant employees accessed the LMS, and the total number of training courses completed and materials, and videos viewed to completion exceeded 27,000 in FY2025.

Encouraging Diverse and Talented Human Resources

Besides OFF-JT (off the job training) that utilizes the JBIC Academia described above, 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 whose recruitment JBIC has been continuously strengthening 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 multifaceted employee development support that reflects the advantages of being a relatively small organization through annual goal-setting meetings, mid-year reviews and year-end evaluation meetings with supervisors, discussions on employee development policies among former and current supervisors and the Human Resources Management Office upon personnel transfers, feedback provided to employees, and one-on-one meetings.

Diversity

Fundamental Approach

JBIC regards the promotion of diversity and inclusion (D&I) as an organizational requirement if we are to see a world that, embracing diversity, enables countries and people to make the most of their individual potential. By respecting the diversity of all employees, each with their own individuality, and providing them with fair and equal opportunities, we seek to create an organization in which all staff can work energetically and sustainably in a way that best suits their respective and diverse values.

Implementation Framework

At JBIC, the Human Resources Management Office takes the lead in promoting D&I through various initiatives. We believe that stimulating communication within the organization is important to promoting D&I, and thus undertake a variety of initiatives, including the implementation of interactive and participatory projects involving management and employees. In addition to these initiatives, JBIC has introduced an Inclusivity Officer system to enable employees to seek advice and help each other regarding concerns and questions they may have in the workplace. In addition, our management team has announced its executives' commitment to fostering a corporate culture that, understanding the importance of D&I, is working to promote it throughout the Company.

Active Participation of Diverse Human Resources

JBIC is expanding support for balancing work with childcare / nursing care and creating an environment that enables flexible work styles. Concurrently, we are fostering career awareness development among female employees through initiatives such as participation in external training programs. Our action plan under the Act on Promotion of Women's Participation and Advancement in the Workplace sets the following targets:

- Increase the proportion of female employees in management positions to 15% or more by the end of July 2027 (11.0% as of the early July 2026)
- Actively recruit women with the aim of maintaining the proportion of women among newly hired managerial-track graduates at approximately 50% each fiscal year

Proportion of Women Among New Graduates Hired for Managerial Track Positions at JBIC

FY2024	FY2025	FY2026
50%	46%	56% (planned)



In addition, a growing number of female employees are taking active roles at JBIC's overseas representative offices and at organizations to which they have been seconded.

Percentage of Managerial-Track Employees Stationed Overseas (As of March 31, 2026)



We are also focusing on mid-career recruitment, including specialist personnel. As of the end of March 2026, mid-career hires accounted for approximately 20% of managerial positions and approximately 30% of non-managerial positions among managerial-track employees, while the proportion of mid-career hires among regular employees in FY2025 was 28%.

Creating Environments that Enable Flexible Work Styles

We implement a highly flexible staggered work system, a split-shift working system, a telework system, and a summer vacation (five days) that is separate from paid leave. We have set a target of 80% paid leave usage rate for employees and in fact achieved the target in FY2025 (2025 result: 80.9%). While encouraging employees to steadily take paid leave, including encouraging them to take consecutive holidays, we are 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 come to the office.

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 the Human Resources Management Office.

Through these initiatives, JBIC has received public certifications, such as "Kurumin" certification from the Minister of Health, Labour and Welfare (certified for the third time in FY2025) as a company supporting child-rearing and "Tomonin" certification as a company striving to create a workplace environment that helps employees to balance work with nursing care.

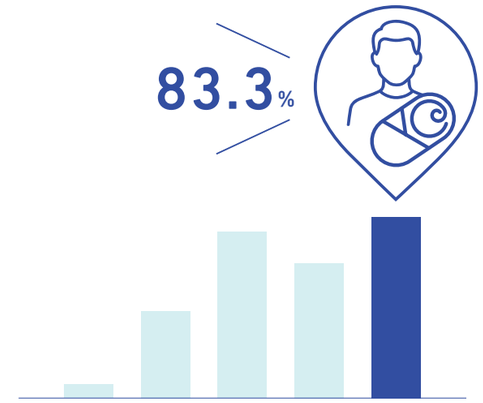
Under the action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace and the Act on Advancement of Measures to Support Raising Next-Generation Children, we created an environment in which all employees can participate in childcare and strike a balance between childcare and work without anxiety; held work-life balance support seminars and roundtable discussions; provided training for managers to promote an understanding of childcare and nursing care; and expanded our support system for employees raising children. Moreover, we have set a target for the percentage of men taking childcare leave to be 80% every fiscal year, and we are enhancing systems that encourage male employees to do so and providing training. In FY2025, the percentage of men taking childcare leave was 83.3%, and the percentage of men taking childcare leave and short-term leave for childcare reasons was 108.3%*.

In addition, JBIC continues to enhance its leave and other programs each year to help employees balance work with childcare and nursing care.

*Calculated as: (1) the number of male employees who took childcare leave and/or leave for childcare purposes during the fiscal year ÷ (2) the number of male employees whose spouses gave birth during the fiscal year. Since (1) includes employees whose spouses gave birth in the previous fiscal year, the percentage may exceed 100% in some fiscal years.

Changes in the Percentage of Men Taking Childcare Leave

FY2021	FY2022	FY2023	FY2024	FY2025
6.2%	40.0%	76.4%	61.9%	83.3%





Special Feature: Employee Interviews on Human Capital Management

Three Skills Demonstrated by JBIC Employees Active in an Increasingly Diverse and Advanced International Business Environment

JBIC implements a range of human resource development initiatives to address increasingly diverse and advanced business needs. Among these initiatives, we believe it is important not only to strengthen each employee's individual strengths and aptitudes, but also to develop three key skills: financial "expertise"; "public spirit," which involves looking ahead to the development of Japan and the international economic community amid increasingly complex international relations; and "internationality." Through interviews, we explore how employees working on the front lines value and demonstrate these three skills in their work.

CASE 01 Enhancing ability to create value through integrated development of "expertise, public spirit, and international perspective"



Director, Human Resources Division, Human Resources Management Office, Corporate Planning Department
MORI Takahiko

Joined JBIC in 2002. After working in the Legal Department, the Energy and Natural Resources Finance Department, at the New York Representative Office, and in the New Energy and Power Finance Department I, among other positions, assumed his current position.

JBIC plays a role in addressing social issues by connecting a wide range of stakeholders, primarily governments and companies in Japan and overseas. For this reason, we believe that human resource development should focus on developing three skills in an integrated manner: expertise, public spirit, and an international perspective. Expertise is deepened as each employee acquires knowledge and skills through diverse work experiences, training, and opportunities overseas. Public spirit is cultivated by approaching our work with an awareness of the value we can provide to Japan and the world. An international perspective is developed through practical experience working internationally and engaging with diverse stakeholders. Furthermore, I believe that the very experience of collaborating with colleagues and stakeholders from diverse backgrounds maximizes opportunities for personal growth and serves as a driving force for mutually reinforcing these three skills.

Leveraging the characteristics of our relatively small organization, and considering the strengths and aptitudes of individual employees, we systematically develop these three skills by combining OJT with training programs, overseas assignments, and other opportunities. By creating an environment in which employees maintain high aspirations and a broad perspective and continuously pursue their own growth, we will enhance our organization's ability to create value.



At JBIC, employees need knowledge not only of finance but also of the political systems of the host countries. In training for new hires, MORI emphasizes the need for these three skills. At times, he draws on his own experience with projects in countries such as Chile and Egypt to provide examples and deepen their understanding.

CASE 02 Expertise gained through work and overseas study helps support startups



Investment Director, Equity Investment Department, Equity Finance Group
TSUCHIYA Tohori

Joined JBIC in 2014. After working in the Credit Department and Corporate Planning Department and studying overseas, assumed his current position.

I am responsible for startup investments in the Equity Investment Department. I believe that supporting startup's growth requires not only expertise in equity investment, but also knowledge in finance, including debt finance, as well as an understanding of organizational management. The expertise I developed through my previous work in overseas credit assessment and financing for the power sector, together with my corporate governance experience in the Corporate Planning Department, has provided a solid foundation for my current role. These experiences have equipped me with the ability to assess businesses' sustainable growth potential from diverse perspectives, an essential skill as a venture capitalist.

Another major source of motivation has been earning an MBA through JBIC's overseas study program at MIT, a university renowned for its vibrant entrepreneurial ecosystem. The many courses I took on entrepreneurship, as well as the network I developed with MIT faculty members who have extensive experience as entrepreneurs and venture capitalists, continue to benefit me in my current work.

The expertise I have gained through these professional experiences and overseas study is a major asset in supporting Japanese entrepreneurs as they commercialize breakthrough technologies and expand their businesses to overseas market.



While studying at MIT, TSUCHIYA served as co-director of an accelerator program in the energy and climate-tech sectors, supporting the commercialization of university startups and their collaboration with large corporates. Drawing on the expertise gained through these experiences, he now supports startups.

CASE 03 Understanding partner countries' policies and local needs through a public-minded perspective cultivated as a team



Director, Division 2, New Energy and Power Finance Department II, Infrastructure and Environment Finance Group
WATANABE Takuya

Joined JBIC in 2009. After working in the Treasury Department and at the Representative Office in Paris, assumed his current position.

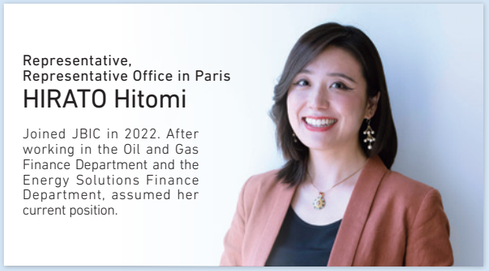
As a policy-based financial institution, it is essential for JBIC to remain mindful of the policy objectives of the Government of Japan. At the same time, when developing projects, we also need to take into account the policy priorities of the host country. A project can only be realized when the needs of both sides align. Given the nature of our work, JBIC employees are expected to maintain an attitude that values public spirit. As Director of the Division 2 in New Energy and Power Finance Department II, I am involved in developing projects in Southeast Asian countries, including Indonesia and Malaysia, under the framework of the Asia Zero Emission Community (AZEC). To turn potential opportunities into concrete projects, we formulate hypotheses about what kinds of proposals are most likely to lead to projects in each country, based on its policy needs. We then test their feasibility through business trips and stakeholder meetings. A perspective grounded in public spirit is crucial to formulating these hypotheses.

JBIC provides an environment in which employees can cultivate this perspective through their day-to-day work and discussions. I myself have developed it through various experiences, including assignments overseas. To ensure that this perspective is shared and put into practice across the entire team, I work particularly closely with less-experienced younger employees, encouraging them to act with an awareness of the objectives and policy significance of their work.



WATANABE was involved in the signing of an MOU with Indonesia' s state-owned electricity company, together with JBIC' s Regional Headquarters for Asia and Pacific, thereby contributing to the advancement of AZEC. A workshop bringing together Japanese companies and Indonesian government officials gave him the opportunity to hear firsthand from both sides and reaffirmed the importance of viewing projects from a perspective grounded in public spirit.

CASE 04 Developing a broad perspective and an international outlook through the synergy between language learning and daily work



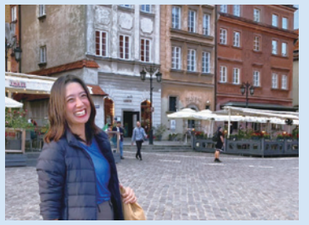
Representative, Representative Office in Paris
HIRATO Hitomi

Joined JBIC in 2022. After working in the Oil and Gas Finance Department and the Energy Solutions Finance Department, assumed her current position.

Having learned French as a student, I joined JBIC because I wanted to put my language skills to use in an international career. After working on financing projects for Africa at JBIC's Head Office in Tokyo, I was assigned to the Paris Representative Office. In addition to covering West African countries, I am currently responsible for Central and Eastern Europe in coordination with the Warsaw Representative Office. By handling multiple regions simultaneously, I can compare their political, economic, and business environments, which has helped me foster a broader perspective and an international outlook.

To build strong relationships with people from different backgrounds in the countries I cover, it is essential to understand their cultures and languages. As Portuguese is also widely spoken in Africa, I am working to improve my Portuguese by taking advantage of JBIC's language training subsidy program. My previous experience of working for about three months at the Rio de Janeiro Representative Office, under JBIC's Overseas Representative Office Trainee Program, also provided a foundation for improving my language skills.

I want to continue working on Africa-related business, drawing on my strengths in French and Portuguese, which enable me to cover a broad range of countries across the continent.



In addition to covering African countries, HIRATO is also responsible for Central and Eastern Europe. During business trips to Warsaw, she meets with local stakeholders and gathers information, deepening her understanding of the political and economic conditions in different regions while working closely with the newly established Warsaw Representative Office.

4 Governance

As a policy-based financial institution connecting Japan and the world as well as public and private sectors, JBIC has established the governance structure below and is addressing governance issues to solve global issues and co-create a valuable future by using its own risk-assuming function and its expertise in international finance.



Corporate Governance

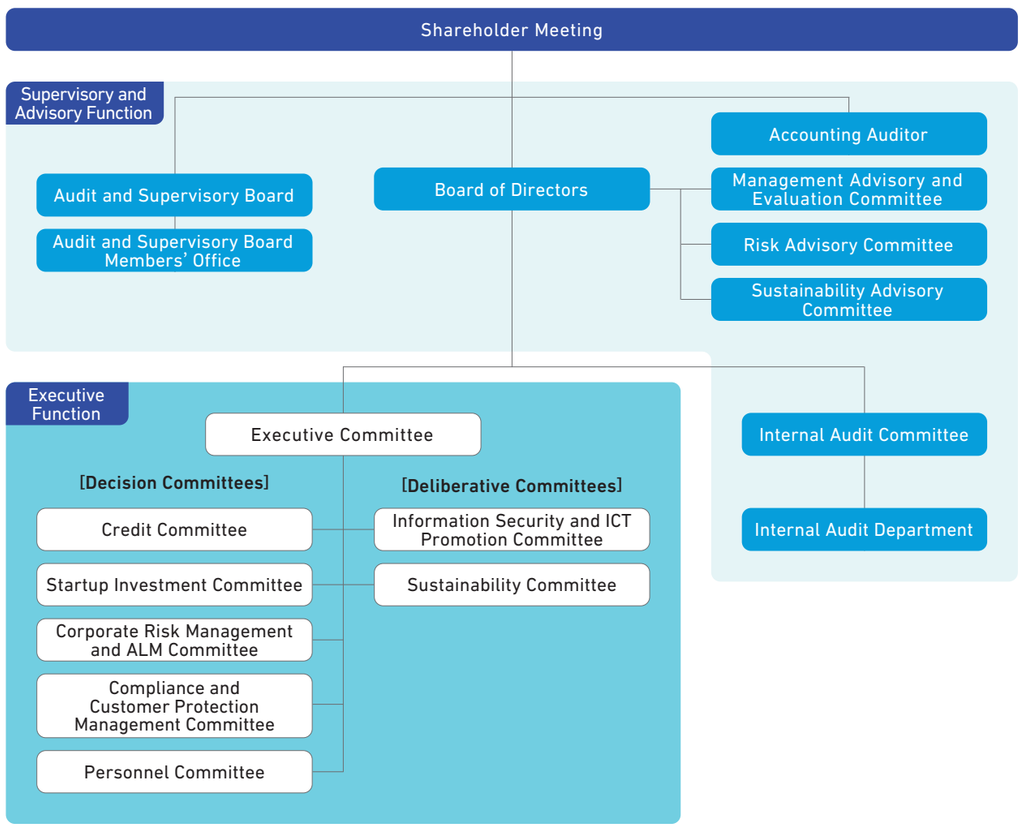
Fundamental Approach

JBIC is making efforts to build a corporate governance structure in conducting operations with particular attention to integrity and efficiency, as it seeks to fulfill the mission set out under the Japan Bank for International Cooperation Act (JBIC Act) (Law No. 39, 2011) and realize its corporate philosophy.

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 supervision by a competent minister, 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.

Governance Framework



Supervisory and Advisory Function and the Conduct of JBIC Operations

To strengthen the Supervisory and Advisory 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 eleven members, of whom 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. The main discussion topics in FY2025 are as follows:

Main Discussion Topics in FY2025

- Establishment of the Representative Office in Warsaw
- Report on the Establishment of the Japan Strategic Investment Facility
- Report on the Implementation Status of JBIC Startup Investment Strategy
- Revision of the Medium-Term IT Plan (FY2024–2026)
- Response to the Nature-Related Financial Disclosures Based on TNFD Recommendations
- Appointment of Risk Advisory Committee Members
- Report on the FY2024 Employee Opinion Survey
- Report on FY2026 Government Budget Proposal, Decision on Funding Plans, and Other Matters

(2) Audit and Supervisory Board

The Audit and Supervisory Board consists of three members, of whom at least half (two members) are Outside Audit and Supervisory Board Members, pursuant to provisions of the Companies Act. Based on audit policies and plans stipulated by the Audit and Supervisory Board, Audit and Supervisory Board Members attend Board of Directors meetings, and other important meetings, conduct hearings of the execution of duties from Directors, review important documents, and perform on-site inspections at the head office and the branch as well as at overseas representative offices, thereby auditing the performance of duties by Directors. JBIC have established the Audit and Supervisory Board Members' Office and appointed staff members to assist in the duties of Audit and Supervisory Board Members, including Outside Audit and Supervisory Board Members.

(3) Management Advisory and Evaluation Committee

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

Members of the Management Advisory and Evaluation Committee

(As of July 1, 2026)

Name	Occupation
URATA Shujiro	Professor Emeritus, Waseda University; Chairman Emeritus and Distinguished Senior Fellow (specially appointed), Research Institute of Economy, Trade and Industry, IAA (RIETI)
ENDO Noriko	Senior Researcher (Professor), Research Council, Waseda University
KAWAMURA Yoshinori	JBIC Managing Director (Outside Director)
SASAKI Mami	JBIC Managing Director (Outside Director)
SATO Yasuhiro	Senior Advisor, Mizuho Financial Group, Inc.
SUZUKI Kazuto	Professor, Graduate School of Public Policy, The University of Tokyo; Director, Institute of Geoeconomics, International House of Japan
SOGO Hiromi	Specially Appointed Professor, Shinshu University
TAKAGI Yuzo	Certified Public Accountant
NIINAMI Takeshi	Former Chairperson, Japan Association of Corporate Executives

Corporate Governance

(4) Risk Advisory Committee

The Risk Advisory Committee consists of external experts, including the outside directors. They offer advice on the matters referred to them by the Board of Directors pertaining to risk management and the assessment framework associated with the large risk exposure to obligors (corporate and project companies).

● Members of the Risk Advisory Committee

(As of July 1, 2026)

Name	Occupation
ABE Shuhei	President, CEO of SPARX Group Co., Ltd.
EHARA Nobuyoshi	Co-founder, Unison Capital, Inc.
OGAWA Eiji	Professor Emeritus, Hitotsubashi University; President, Tokyo Keizai University
KAWAMURA Yoshinori	JBIC Managing Director (Outside Director)
SASAKI Mami	JBIC Managing Director (Outside Director)
MATSUDA Chieko	Professor of Management, Graduate School of Management, Tokyo Metropolitan University
YOKOO Keisuke	Chairman, Tokyo Electric Power Company Holdings, Inc.

(5) Sustainability Advisory Committee

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

● Members of the Sustainability Advisory Committee

(As of the end of March 2026)

Name	Occupation
TAKAMURA Yukari	Professor, Institute for Future Initiatives, The University of Tokyo
Rachel Kyte	Dean Emerita, the Fletcher School, Tufts University; Professor of Practice in Climate Policy, Blavatnik School of Government, University of Oxford; UK Special Representative for Climate
Tim Benton	Distinguished Fellow, Environment and Society Centre, Chatham House

(6) Internal Audit Committee

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

(7) Executive Committee

The Executive Committee consists of representative directors, executive directors, and all the senior executive managing officers. They make decisions and deliberate on important managerial matters, thereby taking responsibility for conducting flexible JBIC operations, as authorized 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 authorized by the Executive Committee.

❶ Credit Committee

The committee makes decisions and deliberates on important matters in connection with loans, equity investments, and guarantees provided by JBIC (excluding those decided and deliberated on in the Startup Investment Committee), based on the Executive Committee's authorization.

❷ Startup Investment Committee

The committee makes decisions and holds deliberations on important matters in connection with equity investments under JBIC's Startup Investment Strategy, based on the Executive Committee's authorization.

❸ Corporate Risk Management and ALM Committee

This committee makes decisions and holds deliberations on important matters pertaining to JBIC's corporate risk management and asset-liability management (ALM), as authorized by the Executive Committee.

❹ Compliance and Customer Protection Management Committee

This committee makes decisions and holds discussions on important matters related to JBIC's compliance and customer protection management, as authorized by the Executive Committee.

❺ Personnel Committee

This committee makes decisions and holds deliberations on important matters related to JBIC personnel, as authorized by the Executive Committee.

❻ Information Security and ICT Promotion Committee

This body discusses the use and management of JBIC's information assets, as well as important matters regarding information security and cross-divisional ICT-related matters, such as measures required for ICT plans and policies which have been determined by the Board of Directors and the Executive Committee, as authorized by the Executive Committee.

❼ Sustainability Committee

This committee holds deliberations on JBIC's sustainability-related policies and other important matters pertaining to the promotion of sustainability, as authorized by the Executive Committee.

≫ Mission/Sector-Specific Group Structure

JBIC adopted a mission/sector-specific group structure in order to strengthen its project formulation capabilities by bringing together know-how and expertise in each sector and area, thereby enabling JBIC to fulfill its mission more flexibly and strategically.

Eight groups were established: the Corporate Planning Group; Credit, Assessment and Risk Management Group; Treasury and Systems Group; Energy and Natural Resources Finance Group; Infrastructure and Environment Finance Group; Industry Finance Group; Equity Finance Group; and Japan-U.S. Strategic Investment Group, each comprising departments with specialized expertise.

For each group, a responsible board member is appointed, and a director or senior executive managing officer serves as the global head of each group. Each group is managed in an integrated manner under the global head of the group in an effort to conduct rapid, flexible, and efficient operations.

● Global Heads of Groups

(as of July 21, 2026)

Global Head of Corporate Planning Group **KOMATSU Masanao** (Senior Executive Managing Officer)	Corporate Planning Group
Global Head of Credit, Assessment and Risk Management Group **ARIMA Nobuaki** (Senior Executive Managing Officer)	Credit, Assessment and Risk Management Group
Global Head of Treasury and Systems Group **SUZUKI Ryuta** (Senior Executive Managing Officer)	Treasury and Systems Group
Global Head of Energy and Natural Resources Finance Group **AMANO Tatsushi** (Senior Executive Managing Officer)	Energy and Natural Resources Finance Group
Global Head of Infrastructure and Environment Finance Group **KAWAKAMI Nao** (Senior Executive Managing Officer)	Infrastructure and Environment Finance Group
Global Head of Industry Finance Group **SATO Takayuki** (Senior Executive Managing Officer)	Industry Finance Group
Global Head of Equity Finance Group **SAKUMA Kazuko** (Senior Executive Managing Officer)	Equity Finance Group
Global Head of Japan-U.S. Strategic Investment Group **KATO Manabu** (Senior Executive Managing Officer)	Japan-U.S. Strategic Investment Group

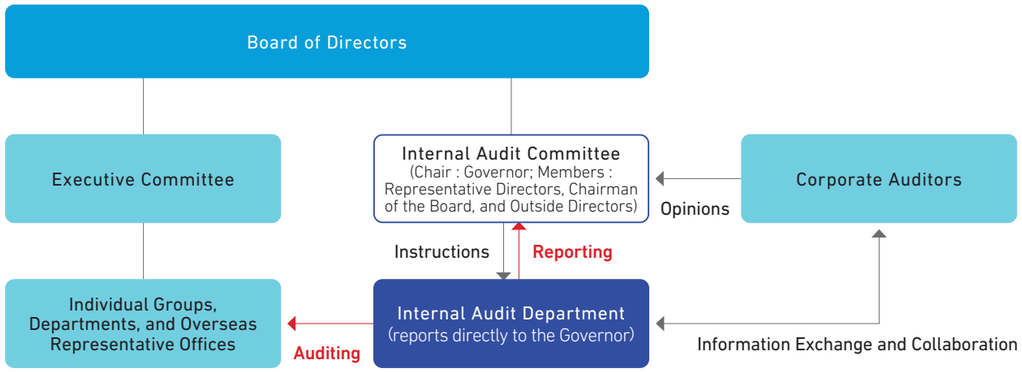
≫ Basic Policy for Internal Control

Pursuant to the Companies Act, JBIC has put in place an institutional structure, including internal regulations, to ensure the propriety of operations of the JBIC Group, including its subsidiaries, based on the Basic Policy for the Internal Control System decided by the Board of Directors.

≫ Internal Audit System

JBIC has developed an appropriate internal audit system to evaluate the appropriateness and effectiveness of its internal control systems for overall operations and to recommend improvements as necessary. To this end, JBIC has established the Internal Audit Committee as an independent decision-making body and an Internal Audit Department that is independent of line departments and reports directly to the Governor. The Internal Audit Committee makes important decisions regarding, for example, annual internal audit plans, and receives the results of internal audits from the Internal Audit Department. In addition, in the interests of conducting efficient internal audits, the Internal Audit Department exchanges relevant information and cooperates with Audit and Supervisory Board Members and an Accounting Auditor.

● Internal Audit System



Directors and Audit and Supervisory Board Members

JBIC seeks to implement Japan's external economic policy and further strengthen corporate governance by bringing together directors with diverse backgrounds and advanced expertise, as well as outside directors and audit and supervisory board members with diverse perspectives and extensive knowledge.

Directors



Governor
AMAKAWA Kazuhiko

[Division of duties / Career history, etc.]
Internal Audit Department

April 1985: Joined the Export-Import Bank of Japan (JEXIM); **June 2017:** Managing Executive Officer, Global Head of Corporate Planning Group, JBIC; **June 2018:** Executive Managing Director; **June 2022:** Deputy Governor; **June 2026:** Governor*



Deputy Governor
OYA Toshio

[Division of duties / Career history, etc.]
Japan-U.S. Strategic Investment Group, Cooperation with International Organizations

April 1986: Joined the Ministry of Finance (MOF); **June 2019:** Senior Managing Director, JBIC; **July 2021:** Head of Global Business Investment Support Office, Cabinet Secretariat; **September 2024:** Chief Economist, DeNA Co., Ltd.; **June 2026:** Deputy Governor, JBIC*



Deputy Governor
HASHIYAMA Shigeto

[Division of duties / Career history, etc.]
Corporate Planning Department, Industry Finance Group

April 1990: Joined the JEXIM; **June 2018:** Managing Executive Officer, Global Head of Corporate Planning Group, JBIC; **June 2021:** Senior Managing Director; **June 2022:** Executive Managing Director; **June 2026:** Deputy Governor*



Executive Managing Director
UCHIDA Makoto

[Division of duties / Career history, etc.]
Legal Affairs and Compliance Office, Equity Finance Group, Promotion of DX

April 1992: Joined Mitsui Trust and Banking Co,. Ltd; **May 2002:** Joined JBIC; **June 2024:** Senior Managing Director; **June 2026:** Executive Managing Director*



Senior Managing Director
KIKUCHI Yo

[Division of duties / Career history, etc.]
Human Resources Management Office, Credit, Assessment and Risk Management Group

April 1991: Joined the JEXIM; **June 2021:** Managing Executive Officer, Global Head of Credit, Assessment and Risk Management Group, JBIC; **June 2022:** Managing Executive Officer, Global Head of Corporate Planning Group; **June 2024:** Senior Managing Director*



Senior Managing Director
KAWANISHI Osamu

[Division of duties / Career history, etc.]
Sustainability Management Department, Treasury and Systems Group

April 1994: Joined the MOF; **July 2021:** Director, Tariff Policy and Legal Division, Customs and Tariff Bureau, MOF; **June 2022:** Director, Planning and Administration Division, Customs and Tariff Bureau, MOF; **January 2024:** Director,Head, Asia External Representation Office, African Development Bank; **June 2026:** Senior Managing Director, JBIC *



Senior Managing Director
NAKASHIMA Hiroyuki

[Division of duties / Career history, etc.]
Strategic Research Department, Energy and Natural Resources Finance Group

April 1994: Joined the JEXIM; **July 2023:** Special Advisor for Global Affairs, Corporate Planning Group, JBIC; **June 2024:** Resident Executive Officer, Regional Head for the Americas; **June 2026:** Senior Managing Director*



Senior Managing Director
SEKINE Hiroki

[Division of duties / Career history, etc.]
Infrastructure and Environment Finance Group, Assistant to the Director in Charge of the Japan-U.S. Strategic Investment Group

April 1995: Joined the JEXIM; **July 2023:** Managing Executive Officer, Global Head of Infrastructure and Environment Finance Group, JBIC; **June 2026:** Senior Managing Director*

* Current position

Non-Executive Directors



Managing Director, Chairman of the Board of Directors
MAEDA Tadashi

[Division of duties / Career history, etc.]
Chairman

April 1982: Joined the JEXIM; **December 2013:** Senior Managing Director, JBIC; **June 2016:** CEO, Executive Managing Director; **June 2018:** Governor; **June 2022:** Managing Director, Chairman of the Board of Directors*; **June 2023:** Chairman, JBIC IG Partners*



Managing Director (Outside Director)
KAWAMURA Yoshinori

[Career history]
June 2018: Managing Director, JBIC*



Managing Director (Outside Director)
SASAKI Mami

[Career history]
June 2025: Managing Director, JBIC*

Audit and Supervisory Board Members



Full-Time Audit and Supervisory Board Member
YANO Hiroko

[Career history]
April 1993: Joined the JEXIM; **June 2022:** Managing Officer, Director General of the Sustainability Management Department, JBIC; **January 2026:** Full-Time Audit and Supervisory Board Member*



Outside Audit and Supervisory Board Member
TSUCHIYA Mitsuaki

[Career history]
June 2017: Outside Audit and Supervisory Board Member, JBIC*



Outside Audit and Supervisory Board Member
MOTOMURA Aya

[Career history]
June 2022: Outside Audit and Supervisory Board Member, JBIC*

DIRECTORS AND AUDIT AND SUPERVISORY BOARD MEMBERS

Strengthening Governance to Enhance JBIC's Value

Message from the Chairman of the Board of Directors

As a policy-based financial institution that contributes to the sustainable development of Japan and the international community, JBIC continuously works to strengthen its corporate governance. Here, MAEDA Tadashi, who led the development of JBIC's current governance framework and now serves as Chairman of the Board of Directors, discusses the effectiveness of JBIC' s governance, how discussions should be conducted at Board meetings, and the role JBIC should play in supporting Japanese companies as they take on new challenges.



Supporting Effective Governance by Drawing on Experience Gained in Both Frontline Operations and Management

For four years from 2018, I was responsible for executive management as JBIC's 19th Governor. In 2022, I became JBIC's first Chairman of the Board of Directors and have since served as chair of the Board. At the press conference when I became Governor, I received many questions about being the first Governor appointed from within the organization. I responded by saying, “No one understands this bank's operations or frontline realities better than I do.” With that confidence, I was strongly committed to leading the organization based on my own judgment and taking responsibility for my decisions. Precisely because I have experience in executive management as Governor, I understand what executive management is thinking and where the difficulties lie. As Chairman of the Board, however, I believe my role is to take a step back from executive-management and, with an understanding of JBIC's capabilities, exercise oversight and provide guidance to executive management from a broader perspective.

When I was Governor, the Governor also chaired the Board of Directors, a legacy of our special public corporation era. In 2022, however, we reorganized and fundamentally transformed our governance framework to separate the supervisory and advisory function from business execution and thereby enhance governance. What matters is that execution and supervision each fulfill their respective roles and function effectively in relation to one another.

JBIC's Board of Directors is not a forum for merely rubber-stamping decisions made by the Executive Committee. At Board meetings, we engage in vigorous debate rather than settling for a predetermined consensus and, when necessary, point out problems and areas requiring corrective action or raise questions for executive management to address. I believe it is precisely this kind of constructive tension that makes governance truly effective.

JBIC is currently engaging in projects under the Japan-U.S. Strategic Investment Initiatives. Under the JBIC Act, we must conduct rigorous due diligence. Undoubtedly, this is an accountability we owe to the Diet and taxpayers. As a policy-based financial institution making important decisions, the Board of Directors must understand and share information on various circumstances in partner countries, including the U.S. At the same time, taking into account the perspectives of Japan, the world, and society as a whole, we must discuss each project on its merits and make decisions about what is necessary for Japan's national interests, what significance it has for the partner country and the international community, and whether it is truly a project that JBIC should undertake.

The Role Expected of JBIC as a “Navigator” for Japanese Companies

The world is undergoing profound change. Geopolitical risks, economic security, energy security, decarbonization, and technological innovation, including AI—none of these can be addressed simply by extrapolating from the past.

What is important is that we cannot simply wait for opportunities to come to us. Of course, it is important to assess and support projects brought to JBIC. However, that alone is not enough to fully support Japanese companies as they take on new challenges. How can we foster the growth industries of the future? How can Japanese companies gain access to new technologies and markets? JBIC needs to be involved in addressing these questions. As part of these efforts, JBIC IG Partners (JBIC IG) established a fund called NordicNinja*. The fund invests in early-stage companies in Europe and supports the growth of its portfolio companies while involving Japanese companies, with some portfolio companies progressing toward IPOs. Since 2024, we have also begun supporting startups originating in Japan. This initiative targets middle- and later-stage companies and supports Japanese startups seeking to expand globally. Through these activities, I believe JBIC needs to contribute to Japan's startup ecosystem.

What supports JBIC's value is its people and networks. Relationships with national governments, international financial institutions, and corporate leaders cannot be built overnight. It is because we have built trust over many years that we can engage with them when it truly matters. Now that I am in a non-executive position, I sometimes share with executive management information and perspectives gained through the networks I have developed over the years and provide guidance on the broader direction JBIC should take. We must not only possess expertise, but also accurately grasp the realities of what is happening overseas right now. I would like younger employees to gain overseas experience as early as possible and develop their own international outlook and personal networks.

I have been with JBIC and its predecessors for more than 40 years, but despite the changes over time, the question I constantly ask myself has remained the same: What kind of financial support does Japan truly need to serve its national interests? JBIC originated as an export credit agency providing officially supported financing under the OECD Arrangement. Since then, however, Japanese companies have expanded their overseas investment, and issues such as energy security, supply chain resilience, and economic security have become increasingly important. As a result, the role we are expected to play has also changed significantly.

I encourage Japanese companies to break free from conventional mindsets and consult JBIC about what they truly wish to achieve. We want to hear from you. JBIC seeks to remain a “navigator” for Japanese companies as they venture into new frontiers.

As Chairman of the Board of Directors, I will continue to foster a Board where members draw on diverse expertise, including that of Outside Directors, and engage in open and vigorous discussion while maintaining an appropriate degree of constructive tension. I will also work to further enhance the effectiveness of JBIC's governance so that JBIC can continue to support Japanese companies as they take on challenges around the world and remain a policy-based financial institution trusted by society.

*Refers to JB Nordic Fund I SCSp and NordicNinja Fund II SCSp.



Supporting JBIC's Value and Mission

Message from Outside Directors

JBIC has appointed outside directors and is working to strengthen the supervisory and advisory function of the Board of Directors to enhance the effectiveness of its corporate governance. Here, two outside directors share their views on the roles they play and on the current state of JBIC from their respective perspectives.



"Contributing to JBIC's important mission by offering views from a Private-Sector Perspective and supporting effective management."

Managing Director (Outside Director)
KAWAMURA Yoshinori

Joined Sumitomo Bank, Ltd. (currently Sumitomo Mitsui Banking Corporation) in 1975. After serving in such positions as Deputy President of Sumitomo Mitsui Banking and President of Sumitomo Mitsui Finance and Leasing Co., Ltd., assumes his current position at JBIC. Also serves as a Director of Hanshin Electric Railway Co., Ltd. and an Outside Auditor of DMG MORI Co., Ltd.

An Environment Where Experts from Diverse Fields Engage in Frank Discussion Enables Management to Be Examined from Multiple Perspectives

Since joining the former Sumitomo Bank (currently Sumitomo Mitsui Banking Corporation), I have spent my entire career in the financial industry. I was involved in management as Deputy President of Sumitomo Mitsui Banking Corporation and as President of Sumitomo Mitsui Finance and Leasing Co., Ltd. I have worked with JBIC on project finance and other transactions, and also served as an expert member of a government committee when Nippon Export and Investment Insurance (NEXI), another government-affiliated financial institution like JBIC, was established. Following these experiences, I became an Outside Director of JBIC in 2018.

I believe that the role expected of me is to bring the perspective of a private financial institution to JBIC's management. As a policy-based financial institution, JBIC has an important mission to support Japan's policy objectives and national interests. At the same time, because JBIC is required to ensure financial soundness, perspectives similar to those of private financial institutions are indispensable when making financing and investment decisions and managing risks. At Board of Directors meetings, therefore, I consistently voice my views, keeping questions in mind such as, "How would a private financial institution assess this?" and "How would the market perceive this?" I believe that bringing diverse perspectives to management is an important role of an Outside Director. One aspect of JBIC's governance that I particularly value is the environment that enables Outside Directors to engage in frank discussions based on sufficient information. Through individual interviews with management, briefings on projects by the departments responsible, and site visits in Japan and overseas, I am able to deepen my understanding of JBIC's operations and activities. There is also close information sharing with Audit Supervisory Board Members, creating a framework that enables management to be examined from a variety of perspectives. In addition to the Board of Directors, I participate in the Internal Audit Committee, the Management Advisory and Evaluation Committee, and the Risk Advisory Committee. I think that a culture in which members with diverse expertise actively exchange views and apply their knowledge to management is one of JBIC's distinctive strengths.

Continuing to Provide a Private-Sector Perspective while Recognizing JBIC's Role in a Changing World

Compared with 2018, when I became an Outside Director, the role expected of JBIC has changed significantly. In recent years in particular, JBIC's mission as a policy-based financial institution has become even more important, encompassing not only the enhancement of the international competitiveness of Japanese companies but also the restructuring of supply chains, support for startups, and investment support in strategic sectors. Due to this, projects have become increasingly complex, requiring difficult decision-making on how to balance policy significance with ensuring financial soundness. This is why I believe that, as an outside director, it is increasingly important for me to continue providing the perspective of "how the private sector would approach the matter." Investment in human resources and improvements in operational efficiency are also important in responding to an increasingly complex environment. Going forward, JBIC must further enhance its working environment and compensation framework to enable talent to fully demonstrate their capabilities, while strengthening its framework for prompt, high-quality decision-making. In terms of operational efficiency, I feel that awareness of the need to streamline business processes is steadily taking root throughout the organization.

By drawing on the knowledge I have accumulated over many years and continuing to express frank views as an outside director, I hope to contribute to further enhancing JBIC's value as it supports the development of Japanese companies and the international community.



"Transparent governance supporting contributions to the international community enhances JBIC's value."

Managing Director (Outside Director)
SASAKI Mami

Joined the Fuji Bank, Ltd. in 1983. After serving in such positions as Managing Director of Morgan Stanley Securities Co., Ltd. and Managing Director of Credit Suisse First Boston Securities (Japan) Ltd, assumes her current position at JBIC. Also serves as an Outside Director of KOKUSAI ELECTRIC CORPORATION.

A Culture That Values Dialogue and Information Sharing Supports Highly Effective Governance

I became an Outside Director of JBIC in June 2025. I accepted the position because I strongly identified with JBIC's corporate slogan, "Supporting Your Global Challenges." JBIC's commitment to pursuing both social significance—serving Japan's national interests and contributing to the international community—and profitability—supporting the competitiveness and management of Japanese companies—represents a distinctive value that only JBIC can provide. I felt that, as the culmination of my career in finance, contributing to an organization with such a mission would be highly meaningful.

I see my role as contributing to JBIC's value enhancement by drawing on the knowledge I have accumulated over many years in the financial industry in Japan and overseas, as well as my experience working to enhance corporate governance as a director of private-sector companies. From an independent standpoint, I offer my views on whether management decision-making processes and risk management systems are functioning appropriately. As an Outside Director in particular, I place importance on considering matters from the perspectives of diverse stakeholders, without being constrained by particular assumptions or the logic of executive management.

JBIC's Board of Directors has a highly effective governance framework, and I believe this effectiveness is supported by both its institutional structure and its operational practices. Having the non-executive Chairman of the Board serve as chair of Board meetings allows the Board to maintain a certain degree of independence from executive management and facilitates open discussion. Communication with Audit Supervisory Board Members is also important for us. At JBIC, I particularly value the well-developed framework for sharing information with Outside Directors, including regular exchanges of views as well as detailed reports and advance briefings from Audit Supervisory Board Members. Furthermore, substantive discussions on JBIC's management, important projects, and other matters take place at the Management Advisory and Evaluation Committee and the Risk Advisory Committee, allowing the perspectives of experts from diverse fields to be reflected in decision-making. I think that JBIC's governance is supported not only by institutional frameworks but also by a culture that values dialogue and information sharing, contributing to its high degree of transparency and effectiveness.

Contributing to an Environment for Human Resource Development as JBIC's Mission Continues to Grow

Amid growing concerns over geopolitical risks and economic security, JBIC's mission is becoming increasingly important. By undertaking large-scale and high-risk projects that private financial institutions alone cannot fully address, JBIC supports the international competitiveness of Japanese companies and Japan's energy security. This makes personnel equipped with advanced expertise, international negotiation skills, and sound judgment all the more important. Such personnel cannot be developed overnight. Long-term development, together with appropriate evaluation and compensation commensurate with their capabilities, is essential. As an Outside Director, I hope to help foster an environment that supports the development of such personnel.

JBIC is an organization with a unique mission that contributes to the development of Japan and the international community while engaging with the world. I am confident that, by attracting people who share this aspiration and continue to take on challenges while developing advanced expertise, JBIC will further demonstrate its value as a policy-based financial institution that earns even greater trust from society.

5 Compliance and Risk Management

JBIC is fully aware of its public missions and responsibilities required by society and the international community. Directors and employees strive to conduct fair business operations by constantly pursuing compliance and operational integrity based on the observance of laws and regulations. It also conducts proper risk management to ensure the soundness and appropriateness of its operations and enhance its transparency as a policy-based financial institution.

Compliance

Fundamental Approach

JBIC has set forth in its Code of Conduct that it will maintain high ethical standards and a law-abiding spirit, while observing its moral code.

In accordance with this Code of Conduct, JBIC has formulated internal regulations concerning compliance and notified its directors and employees of the regulations under the Basic Policy for the Internal Control System, in order to ensure that directors and employees of the JBIC group perform their duties in compliance with laws and regulations. JBIC has also notified its subsidiaries of its corporate philosophy and Code of Conduct and taken appropriate measures regarding compliance with laws and regulations and other compliance matters, according to the scale and characteristics of their operations. Based on this approach, directors and employees behave in line with the Basic Principles of Compliance that are stipulated below and also regulated by our internal regulations concerning compliance.

Basic Principles of Compliance

- 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 compliance and operational integrity.
- Directors and employees recognize that JBIC is accountable to the general public regarding its operations and that it must make efforts to ensure it has the trust of the general public through appropriate information disclosure.
- JBIC shall have no connection with antisocial forces, shall adopt an uncompromising organization-wide attitude to antisocial forces, and decisively reject all improper demands from such forces to maintain public trust and ensure JBIC's operations are appropriate and sound as it responds in collaboration with police and other relevant authorities.
- Based on the Basic Principles, JBIC shall also take necessary measures for its subsidiaries to ensure JBIC's group compliance.

Compliance System

In accordance with the Basic Principles, JBIC adheres to all relevant compliance requirements.

JBIC has established the Legal Affairs and Compliance Office as an integrated compliance management unit. This office operates the Compliance and Customer Protection Management Committee, which has been authorized by the Executive Committee, and makes decisions and holds discussions on important matters related to JBIC's compliance. The status of these operations and compliance with laws and regulations is reported to the Executive Committee and the Board of Directors, and we seek to ensure the effectiveness of our compliance framework under appropriate supervision by management.

Each group, department, and overseas representative office has an Integrated Compliance Officer and Compliance Officers. While implementing efforts, such as information sharing, through Compliance Officers Liaison Meeting, which is composed of these officers, we are promoting compliance initiatives in each group, such as fostering compliance awareness among employees.

Compliance Structure



Compliance Initiatives

Implementation

Each fiscal year, JBIC formulates a Compliance Program, laying out specific action plans for achieving compliance. Based on this, JBIC tackles and monitors compliance-related issues and regularly follows up on the program's progress.

In addition, we have compiled a Compliance Manual as a guide for directors and employees to put compliance into practice. We update it annually to reflect changes in the domestic and international circumstances, and ensure that its content is thoroughly disseminated and observed through training and other measures. We work to foster and strengthen the compliance knowledge and awareness among all directors and employees through various initiatives, including messages from the Governor, mandatory e-learning programs for all directors and employees, theme-based training using recent compliance cases, and interactive training sessions.

Cutting off Relations with Antisocial Forces

In accordance with the Basic Principles of Compliance, JBIC has established a system to cut off relations with antisocial forces. Specifically, we formulate rules and regulations, conduct confirmation procedures, and provide training and in-house explanatory sessions in order to prevent transactions with antisocial forces.

Anti-money laundering and counter-terrorist financing measures

With the importance of anti-money laundering and counter-terrorist financing measures further increasing, JBIC is strengthening its related measures in light of the domestic and international developments. Although JBIC does not accept deposits or conduct funds transfer services, bearing in mind the nature of its business operations, we carry out verification procedures to vet borrowers, recipients, and other business partners in accordance with the relevant laws and regulations.

To ensure that these verification procedures are steadily implemented, we conduct training and explanatory sessions.

Anti-corruption initiatives

The JBIC Act stipulates that directors and employees of JBIC "shall be deemed to be employees engaged in public service in accordance with laws and regulations" (quasi-civil servants) in so far as the application of penal provisions such as the Penal Code is concerned. JBIC directors and employees are therefore subject to the application of the bribery provisions under the Penal Code. The internal regulations also stipulate that there must be no conduct that invites suspicion or mistrust regarding the fairness in the performance of duties, and include provisions prohibiting contact with stakeholders.

Furthermore, in addition to preventing corruption among JBIC directors and employees, by conducting measures pursuant to the OECD Recommendation of the Council on Bribery and Officially Supported Export Credits, we implement initiatives to prevent recipients of our financing and other related parties from engaging in corrupt practices.

Insider Trading Prevention

JBIC has regulations in place regarding the buying and selling of stocks and other securities, as well as regulations regarding the management of material nonpublic information, including insider information. To prevent insider trading and other improper activities, we raise awareness and understanding of these regulations among all directors and employees by conducting training every year, and ensure their effectiveness through compliance with rules and the establishment of appropriate conduct.

Whistleblowing

In addition to the reporting procedures in its ordinary line of business, JBIC has put in place a reporting system for whistleblowers. This enables us to find any significant compliance issues at an early stage and take appropriate remedial action. We have rules to ensure the anonymity of whistleblowers and confidentiality regarding the information we receive to prevent retaliation. In addition to the internal reporting counter, which is managed by the Director General of the Legal Affairs and Compliance Office, we also have an external consultation counter managed by external law firms and specialist service providers. We are working to increase trust in the system by raising awareness of its existence and creating an environment that makes it easy to use, while providing compliance training for all directors and employees, utilizing JBIC's intranet and office signage, and sending regular relevant emails to all staff.

Customer protection and COI management

Based on our Customer Protection Management Policy, by conducting appropriate and adequate explanations pursuant to laws and regulations, JBIC directors and employees pursue continuous initiatives aimed at improving the protection of the profits due to customers and their convenience. With regard to the management of conflict of interests (COI), based on our formulation of a COI Management Policy, and having ascertained the circumstances of any conflict of interests in transactions with customers, JBIC appropriately manages such conflicts of interest across the group. We review these initiatives in the annual training aimed at directors and employees to instill a culture of utter thoroughness in customer protection and fair, swift and sincere responses.

Furthermore, we have established a contact point for complaints, and prepared all the arrangements for appropriately responding to customer inquiries, consultations and requests.



Compliance training

Risk Management

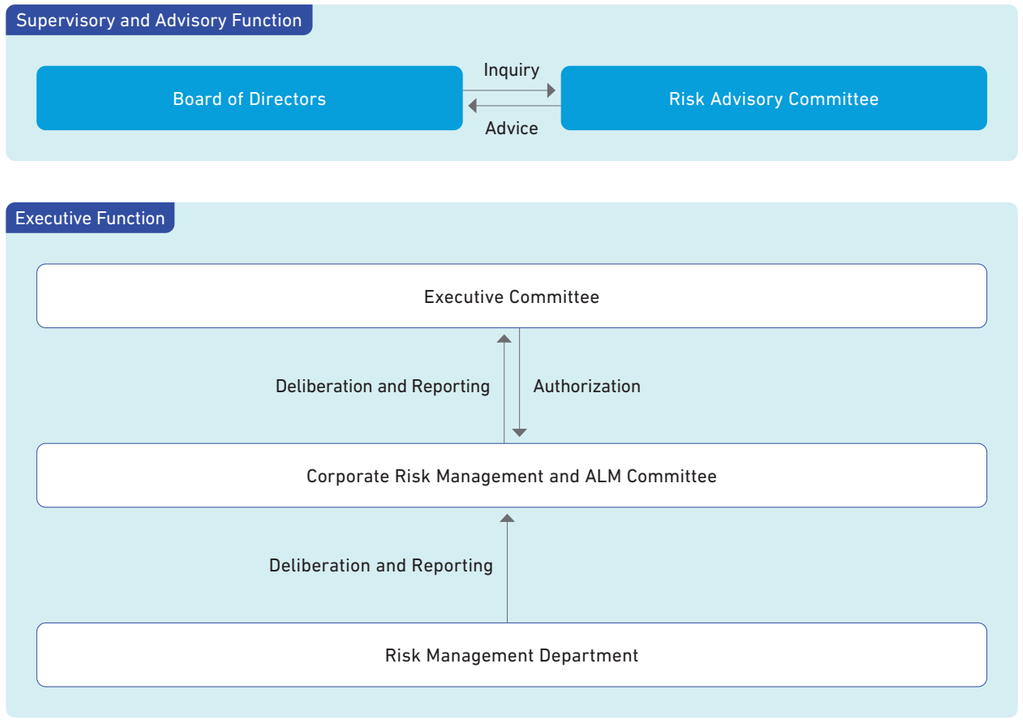
Risk Management Systems

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 personnel responsible for managing various risks and has a department managing overall risk. In addition, JBIC has established the Corporate Risk Management and 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 conducts 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.

Risk Management Structure



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.

(1) Top Risk Management

JBIC defines Top Risks as those events that will significantly impact JBIC when they become apparent and require particular attention over the next one to three years.Top Risks are designated based on risk factors that are assumed in view of current international circumstances and the characteristics of JBIC's portfolio. Monitoring of these risks is regular and ongoing.

In principle, the Top Risk identification policy and monitoring policy are determined by the Executive Committee each fiscal year. The results of monitoring are reported regularly to the Executive Committee and the Corporate Risk Management and ALM Committee.

Note : Please refer to p.77 for information on climate-related risk management.

Top Risks

Risk Events	Reasons for Selection
Increasing Cost of Credit	A decline in the creditworthiness of large borrowers and borrowers with low ratings due to factors such as the global economic downturn caused by increasingly protectionist trade practices, continuing inflation, fluctuations in resource prices, and the emergence of geopolitical risks would directly affect JBIC's profitability through an increase in credit costs.
Worsened Cost of Funding	Given the scale of JBIC's funding, an increase in funding costs due to the deterioration of the foreign currency funding environment will directly affect JBIC's profitability
Climate-Related Risks	JBIC has a relatively high proportion of carbon-related assets in its credit portfolio, so it is important to understand international trends among supervisory authorities and financial institutions regarding climate change and to respond appropriately to their requests or trends. It is becoming increasingly important to ascertain the impact on business conditions and the creditworthiness of borrowers, given that the transition to a decarbonized society is likely to cause change in JBIC's external environment and stakeholder trends surrounding fossil fuel projects (transition risk), while extreme weather events are causing damage around the world (physical risk).

(2) Capital Adequacy Review and Stress Tests

Although JBIC is not subject to the Basel capital adequacy ratio requirement, it voluntarily calculates and reviews its capital adequacy ratio in accordance with the FSA's notifications based on Basel III standards. JBIC also periodically reviews its capital adequacy based on a risk measurement methodology that takes into account the characteristics of its own portfolio and conducts stress tests as a forward-looking risk management tool. 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 at present and in the foreseeable future. We examine the impact on our capital adequacy and annual profits and, based on the results, formulate business operation plans and manage Top Risks.



Risk Management

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. JBIC's credit risk classifications are as follows:

- Sovereign risk, which involves financing foreign government
- 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
- 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).

Furthermore, given the very nature of financial support JBIC provides to conduct its four missions, including those listed below, 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.

- 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.

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.

(1) 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. By leveraging 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.

(2) Internal Credit Rating Management

JBIC has established an internal credit rating system which, in principle, covers all the borrowers. Internal credit ratings are the cornerstone of credit risk management, being used for conducting individual credit appraisals and quantifying credit risks.

(3) 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.

(4) Quantifying Credit Risk

In addition to individual credit risk management, JBIC is quantifying credit risks to evaluate 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*, 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.

* 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.

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.

(1) Exchange Rate Risk

Foreign currency-denominated loans involve the risk associated with exchange rate fluctuations. JBIC has a consistent policy of hedging the full amount of such exposure through currency swaps and forward exchange transactions.

(2) 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.

(3) Derivatives Transactions

❶ Basic Policy for Derivatives Transactions

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

❷ 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, 2026.

❸ 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.

❹ 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.

(as of March 31, 2026)

● Credit Risk of Derivatives, etc. (Unit : 100 millions of yen)

	Contract Amounts / Notional Amounts	Credit Risk Amounts	Market Value
Interest Rate Swaps	54,910	1,367	(1,412)
Currency Swaps	57,746		(9,350)
Forward Exchange Contracts	16	0	0
Other Derivatives	—	—	—
Total	112,672	1,367	(10,762)

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

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.

Risk Management

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.

(1) 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.

(2) 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.

(3) Information Security Risk

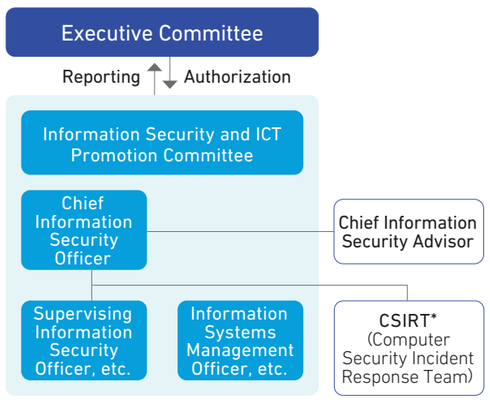
Information security risk refers to the potential loss due to threats to the confidentiality, integrity, and availability of information assets. JBIC has taken all possible measures to maintain information security by establishing information security regulations and a structure encompassing information management as well as by providing comprehensive education to management and staff members.

Cybersecurity Risk Management

Fundamental Approach

The cybersecurity environment has changed significantly in recent years, due to the increasing sophistication and ingenuity of those conducting cyber attacks and the increased use of remote working. JBIC recognizes that ensuring information security is critical for gaining the trust of customers and enhancing the sustainability of its business. Therefore, as part of its management plan, JBIC is working to strengthen security against cyber attacks.

Governance Framework



* A team directly under the chief information security officer.

Governance Framework

JBIC has established rules and regulations to manage its information assets. They cover the classification and management of information; physical, personnel, and technical security; operations; and evaluation and review. As part of its information security framework, JBIC has appointed a chief information security officer and a chief information security advisor, and created a Computer Security Incident Response Team (CSIRT) to clarify the division of roles and responsibilities.

Furthermore, JBIC has established an Information Security and ICT Promotion Committee. It is authorized by the Executive Committee to deliberate important matters related to the use and management of JBIC's information assets and information security, respectively, and has devised a system for reporting matters deliberated by the Information Security and ICT Promotion Committee to the Executive Committee as necessary.

As part of its management framework, JBIC has in place a system for appointing information security officers and information security personnel in each department and office to inform employees of relevant regulations and enable them to report security incidents. JBIC is working to improve its human and technical security by conducting anti-phishing training, security diagnoses, security incident drills, and other related measures.