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“Amidst rapidly changing global circumstances and escalating division and uncertainty, we remain committed to our role as a navigator in addressing the challenges facing the international community”

MESSAGE FROM THE GOVERNOR

JBIC Connects People with People and Companies with Companies, Fulfilling Its Role as a Trusted Partner in the International Community

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

Today, the international community is caught in the midst of growing divisions. Russia continues to invade Ukraine while conflicts in the Middle East show no signs of abating. In addition to divisions emerging on every corner of the globe, threatening economic security, geopolitical conflicts are further heightening uncertainty. Moreover, it is not only the global situation that is undergoing significant transformation. The systems of globalization, liberal democracy, and the market economy that have driven our post-Cold War prosperity are now exhibiting various signs of strain, exacerbating social inequalities and divisions while allowing fake news and misinformation to spread rampantly on social media. The very values that we have long depended on are being undermined.

The Japanese economy, whose development has been boosted by globalization, is also facing these environmental changes. Supply chains spanning the globe have been severely disrupted and need to be rebuilt. Securing the energy and resources that Japan depends on will become even more difficult. At the same time, we can no longer delay addressing climate change. This situation presents both challenges to be overcome and opportunities for Japanese industries. Innovative technologies are needed to solve these challenges, achieving both carbon neutrality and economic growth. In a world marked by increasing divisions and uncertainty, how can we link people with people and businesses with businesses to resolve the challenges facing the international community? As Japan’s only policy-based financial institution that conducts cross-border financial operations, I believe that the expectations placed on JBIC and the role it must play are greater than ever.

In June of this year, I participated in a meeting with President Mirziyoyev and investors from various countries at the Tashkent International Investment Forum held in Uzbekistan. Although Japanese companies have a limited presence in Central Asia compared to other regions, or perhaps because of this limited presence, I heard many participants express strong trust in Japan and high expectations for JBIC in particular. I believe this is the result of the trust that we have built with various countries’ governments and relevant agencies through the projects that JBIC has undertaken thus far. This foundation of trust that our predecessors built reflects the reputation of Japanese companies and JBIC as organizations that honor their commitments, as demonstrated by our steadfast efforts in Southeast Asia.

One of my favorite sayings is, "Work will never betray you." Work that you continue to tackle with sincerity will inevitably become a source of encouragement and strength. I am confident that, by acting as a navigator and engaging sincerely with the governments and relevant agencies of other countries, JBIC will empower Japanese companies to expand into the global market, even in this era of uncertainty, and further contribute to resolving the challenges facing the international community.

Steadily Tackling the Four Interconnected Key Focus Areas and Looking Ahead to the Next Fiscal Year

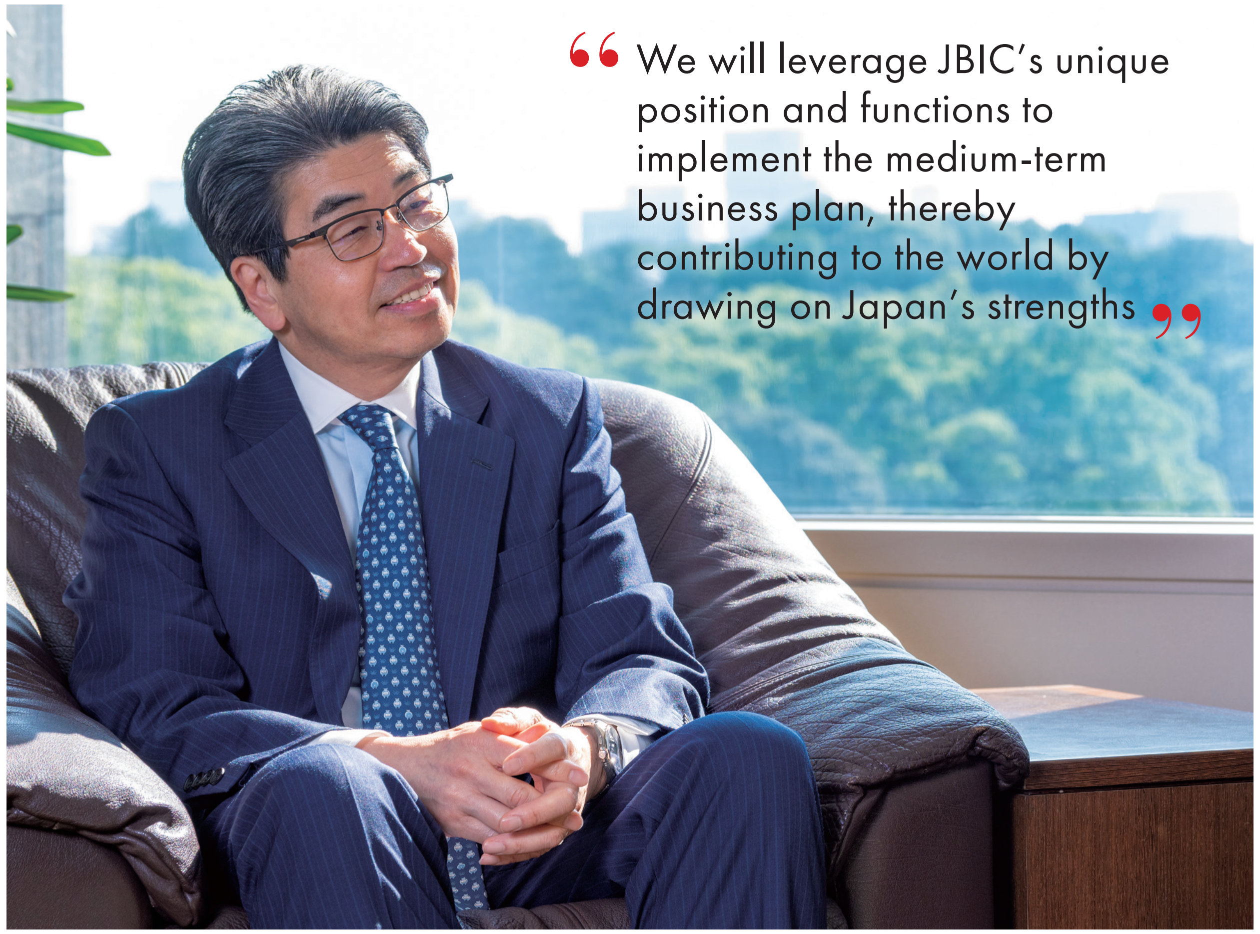
In its Fifth Medium-Term Business Plan (FY2024–2026) prepared in June 2024, JBIC established four key focus areas : I. Realize a sustainable future; II. Strengthen resilience of Japanese industry and support creative innovation; III. Provide JBIC's own unique solutions by strategically functioning as an international financial institution; and IV. Reinforce and reform organizational base toward value creation. It has since been steadily working to achieve goals in each of these areas.

The key focus areas are mutually interconnected, not parallel, separate goals. In order to achieve carbon neutrality and economic development, as outlined in I, it is essential to support the development of innovative technologies and businesses as mentioned in II. In order to diffuse and commercialize innovative technologies throughout society, JBIC should take risks using its diverse financial functions and providing the unique solutions mentioned in III. To do so, we must steadily reinforce, reform, and create value, as stated in IV. This will enable us to build an organization in which each employee can always work with a positive mindset.

The theme of this business plan is "Navigate toward and Co-create a Valuable Future." JBIC will take the lead in "navigating" and showing the path forward while bringing various stakeholders on board to "co-create" along the way. Creating added value as JBIC, we will work together with stakeholders to realize a "valuable future." The theme embodies this sense of purpose.

Our total commitment in loans and guarantees during FY2024, the first year of the Fifth Medium-Term Business Plan, was ¥1,506.1 billion. The following is a summary of our efforts in each of the key focus areas.

Key Focus Area I : As initiatives contributing to the realization of a sustainable future, we supported projects such as a geothermal power generation project in Indonesia; a green transformation (GX) initiative involving ammonia production and sales project in the UAE; and efforts to address social challenges, such as the acquisition of a U.S. gene therapy company. We also took steps to facilitate future project formation, such as the launch and promotion of a public-private dialogue framework in Vietnam, Indonesia, the Philippines, and other countries under the Asia Zero Emission Community (AZEC).



"We will leverage JBIC's unique position and functions to implement the medium-term business plan, thereby contributing to the world by drawing on Japan's strengths"

Four Key Focus Areas

I Realize a Sustainable Future

- Contribute toward realizing both carbon neutrality and economic growth
- Contribute toward solving social issues in collaboration with host countries
- Implement responsible sustainability management

II Strengthen Resilience of Japanese Industry and Support Creative Innovation

- Support securement of Japan's energy security, strategic enhancement of the resilience of supply chains that contribute to national interest, and development of infrastructure in frontier industries
- Support development of innovative technologies and businesses
- Support overseas expansion of mid-tier enterprises and SMEs that play active roles in global business

III Provide JBIC's Own Unique Solutions by Strategically Functioning as an International Financial Institution

- Support projects which contribute toward developing and realizing Japan's foreign economic policies
- Provide own unique solutions through strategic information analysis

IV Reinforce and Reform Organizational Base toward Value Creation

- Exercise human capital management
- Streamline operations through DX and develop business promotion infrastructure
- Build a highly engaged organization, reinforce and stabilize organizational base, and achieve efficient management

MESSAGE FROM THE GOVERNOR

Key Focus Area II : As initiatives strengthening the resilience of Japanese industries and supporting creative innovation, we have supported a variety of distinctive projects, including initiatives directly linked to Japan's economic security and supply chain resilience, such as copper mine development, semiconductors, and data centers; the geothermal power generation and district heat supply project in Germany utilizing our Special Operations; and a project to build 5G network infrastructure in Germany through a loan to an eligible foreign company, enabled by the FY2023 amendment of the JBIC Act. In addition, we formulated an investment strategy, launched an investment committee, and established a startup investment framework which has already begun investment activities.

Key Focus Area III : As initiatives contributing to the provision of JBIC's unique solutions by strategically functioning as an international financial institution, we analyzed and disseminated information on Japanese companies' investment trends based on surveys of the geopolitical situation and overseas business trends.

We also tackled a number of projects of high policy importance that are characteristic of JBIC, including establishing a credit line for an international financial institution to support Ukraine and its neighboring countries, supporting the export of geothermal power generation equipment to Kenya, and providing loans to a state-owned oil company in the Middle East for renewable energy projects.

Key Focus Area IV : As initiatives to reinforce and reform the organizational base toward value creation, we are developing our human resources through training programs and by expanding our internal and external educational content, and are steadily implementing assessments, funding, and loan execution to support core bank operations. We have also promoted digital transformation (DX) measures, such as the streamlining of decision-making processes and the trial implementation of generative AI and transcription tools.

JBIC will continue to leverage its unique position and functions as a one-of-a-kind financial institution connecting Japan and the world, as well as the public and private sectors, to implement its Medium-Term Business Plan, which includes supporting startup companies and facilitating new technologies, and businesses through its risk-assuming function.

Note : For Performance Evaluation of the FY2024 Business Operation Plan by the Management Advisory and Evaluation Committee, see p. 26.

"We will strive to create a diverse and equitable workplace environment in order to fulfill our commitment to society"

MESSAGE FROM THE GOVERNOR

Contributing to the Realization of a Sustainable Society Through Projects That Address Global Issues

I would like to introduce some specific, memorable examples that demonstrate JBIC's role as a "navigator" in the resolution of global issues and in "co-creating" the future.

To help support sustainable development in African countries, a project was implemented in 2023 with a credit line that JBIC extended to the government of Benin. This project, which was financed as part of GREEN operations, involved installing solar panels on the roofs of elementary schools and lending solar-charged lanterns to students, making it possible for households in areas without electricity to gain access to clean energy. I recently had the opportunity to visit the project site. There, locals proudly shared how charging the lanterns at the elementary school and bringing them home helped students to develop ongoing study habits. This experience reinforced my belief in the significance of this project, which not only addresses Benin's energy problem, but also its social challenge of expanding opportunities for education.

In May of this year, JBIC extended a credit line to the government of Côte d'Ivoire under GREEN operations, the first loan to the government of that country, with the aim of supporting decarbonization-related projects such as the introduction of renewable energy. This initiative builds on the Memorandum of Understanding that JBIC signed with the Ministry of Economy and Finance of Côte d'Ivoire three years prior at the eighth Tokyo International Conference on African Development (TICAD 8). In August, TICAD 9 will be held in Japan. As TICAD approaches, JBIC is actively engaging in discussions with various countries and governmental agencies with a focus on how specific projects can be achieved in African countries through "co-creation" with Japanese companies.

Regarding support for Ukraine's recovery and its neighboring countries, JBIC continues to engage in various initiatives as a policy-based financial institution. In May 2023, JBIC provided a guarantee for Samurai Bonds issued by Poland's Bank Gospodarstwa Krajowego. The proceeds are used for Ukrainian refugees. In September 2024, JBIC set up a credit line with the Black Sea Trade and Development Bank (BSTDB), an international financial institution established with the goal of promoting cooperation among member countries around the Black Sea and supporting economic development, in order to finance projects to support Ukraine's recovery. This credit line enables JBIC to provide flexible funding to BSTDB, which in turn can extend loans to projects supporting reconstruction and decarbonization efforts in neighboring countries. Furthermore, in Ukraine, JBIC is supporting a Japanese startup company that uses AI technology and 3D printers to produce and sell prosthetic legs quickly and at low cost. Prosthetic legs have increased in importance due to the ongoing conflict, and supply is not keeping up with demand.

I believe that JBIC's success in realizing concrete projects, while building relationships with partner countries and governmental agencies, has led to its involvement in projects addressing global issues. These include the aforementioned projects supporting Ukraine's recovery and neighboring countries, as well as the opportunity to announce the opening of its new office in Warsaw at the Three Seas Initiative (3SI) business forum held in the region this April.

Because We Are a Lean Organization, the Engagement of Every Employee is Essential

In order for JBIC to fulfill its mission of resolving global issues, every employee must demonstrate abilities in "navigation" and "co-creation." These abilities require a high level of public spirit, international perspective, and financial expertise. JBIC has therefore been promoting the recruitment and training of talented individuals who are capable of consistently acquiring and demonstrating these abilities, as well as the implementation of work style reforms that support employees' active participation.

In April 2023, JBIC established a training system called JBIC Academia (see p.66). Within this system, various training programs are offered to support employees' autonomous career building and skill development. These programs cover a wide range of topics, including overseas work experience, finance, languages, and business management skills, and the offerings are enhanced every year. In recent years, JBIC has been strengthening its recruitment of new graduates and mid-career hires who can handle a wide range of operations. By combining JBIC Academia with on-the-job training (OJT), even employees who have recently joined the Bank are able to play an active role. Furthermore, because we are a relatively small organization, we are focusing on building flat organizational relationships. This is because the growth and proactive efforts of new employees and mid-career professionals who recently joined the Bank are the key to JBIC's future. To foster this growth in our employees, JBIC strives to create an environment where employees can express their own ideas and always approach their duties with a positive and forward-looking attitude.

At JBIC, employees often represent Japan in negotiations with high-level government officials of partner countries. It is therefore important for them to conduct the negotiations with a thorough understanding not only of the project details, but also of the partner country's macroeconomic and fiscal policies. I hope that our young employees will view their experiences on the job as golden opportunities to broaden their horizons, and that they will grow into people who can act on their own initiative. I often travel for work with these young employees; they assist me in making adjustments to

schedules that change from moment to moment and accompany me to the negotiating table to observe my interactions with other parties.

JBIC will also implement organizational-level measures to improve the engagement of each employee by improving the workplace environment, promoting DX, and enhancing systems for human resource development and employee benefits.

In terms of the workplace environment, hybrid work that combines office work and remote working has become the norm. To ensure that our employees can work in a secure and comfortable environment, we have established a network infrastructure and distributed tablet devices to our employees, in addition to laptops and smartphones, laying the foundation for DX use. Furthermore, we are continuing to improve operational efficiency by eliminating the internal use of paper documents, digitizing existing documents, and conducting trials with the aim of implementing transcription tools and generative AI tools. We are also seeking ideas from young employees to further leverage DX to improve efficiency. If it is not possible to use AI, changing work processes can reduce overtime hours and open up opportunities for employees to take on more creative work.

As for work-life balance, we have been working to improve our systems with the aim of supporting employees in balancing childcare and long-term care with work, including popularizing the use of paternity leave, and enabling more flexible work arrangements so that each employee can choose a work style that suits their life. Under the Fifth Medium-Term Business Plan, we will continue to develop a working environment and systems that enhance human capital to further facilitate the creation of a highly engaged organization, where people with diverse perspectives can work comfortably and feel motivated at work.

Executives Must Take the Lead in Evolving the Organization so that all Employees can Feel that They are Contributing to Society

I want to create an organization where every single employee, not only project managers, can gain a real sense of how their work at JBIC benefits society. My hope is that all employees—not only those in the front office, but also those in the middle and back office—will feel that they are contributing to society by working as a team to support each project through JBIC's operations, even though they are not directly involved in the projects themselves. These sentiments are reflected in the Fifth Medium-Term Business Plan as goals under Key Focus Area IV : Reinforce and reform organizational base toward value creation.

The executives' Commitment, which was adopted in June 2023 and subsequently announced within JBIC, is a pledge by our executives to take the lead in various efforts to realize work that contributes to society as a unified organization. We will continue to carry out various activities based on this commitment, while conducting regular employee opinion surveys. In FY2024, we introduced a suggestion box system called the employee opinion box. This system enables executives to immediately identify and respond to practices that employees feel are unreasonable or implement their ideas for operational improvements.

We have also held several talk events organized by executives to share more about their personalities and experimented with organization-wide team building across departments and job titles. JBIC is a lean organization where everyone works closely with one another. Through initiatives such as these, we hope to maximize the abilities of all directors and employees and create an organization that contributes to a valuable future.

“JBIC will “navigate” in a changing world, demonstrating Japan's presence, and “co-create” a future together with everyone”

MESSAGE FROM THE GOVERNOR

Seizing This Moment to Rise to the Occasion, Meeting the Expectations Placed on Japan and the Trust Placed in JBIC

In Japan, we are finally emerging from decades of deflation and entering a world with interest rates, which is uncharted territory for younger generations. Meanwhile, the world is becoming increasingly divided and uncertain. It is precisely in times like these that trust is essential. In this era of accelerating change, where the future is unclear, it is both extremely challenging and an opportunity for Japan to fulfill its role and live up to the trust placed in it by the world. I believe that Japan is approaching a historic juncture at which it must demonstrate its presence in the global community as the values we have long believed in are being tested.

In Julius Caesar, the play by Shakespeare, Brutus says, *“There is a tide in the affairs of men. Which, taken at the flood, leads on to fortune.”* When reading classical works about the late Roman Republic, I often find myself wondering whether the fate of this world is ultimately determined by the will of the gods. Even so, humans should strive to do their best and be resolute in their decisions. I believe that it is possible to seize good fortune by doing what needs to be done at the right time in the right place. Rather than lamenting the uncertain state of the world, it is important for us to view it as a chance to rise to the occasion and achieve what JBIC should do, what only we can do.

As JBIC, we will navigate and co-create the future with our stakeholders in order to meet the expectations and the trust placed in us by Japanese industries and by governments and related agencies around the world. As a policy-based financial institution, JBIC has many years of accumulated experience and knowledge from around the world, as well as the power to bring together stakeholders on a global scale. I hope that we can contribute to solving global environmental problems and social issues through the active utilization of JBIC's potential by our stakeholders.