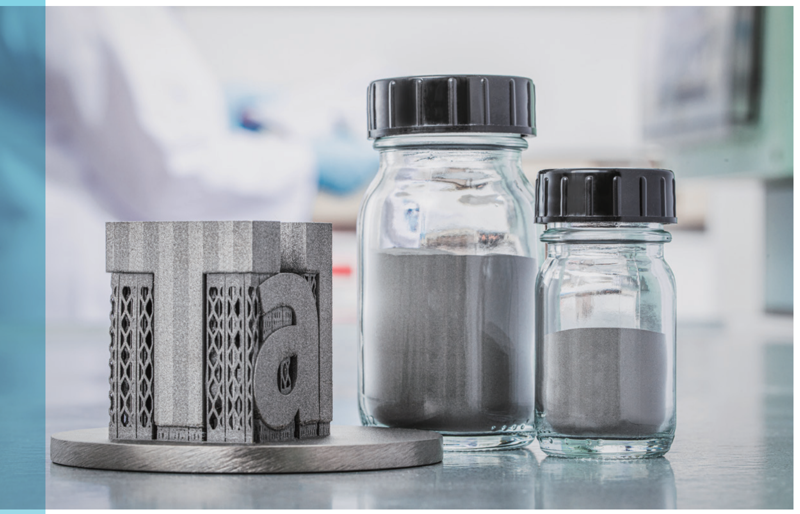
CHAPTER 3 4

Equity Finance Group



Group Outline

- Support M&A by Japanese businesses while facilitating the establishment of partnerships with foreign corporates
- Support overseas business with equity funding
- Provide equity to startups doing business abroad
- Invest in equity funds in partnership with JBIC IG Partners (JBIC IG)
- Total approved equity investment commitments over the past five years : approx. ¥160 billion

The Equity Finance Group oversees equity investment and securitization, facilitating the supply of risk capital. The objective is to support Japanese companies as they pursue M&A to acquire advanced technologies, develop new business models, and build global supply chains, while underpinning Japanese startups as they expand their businesses outside of Japan.

In parallel, the Equity Finance Group, in close partnership with JBIC IG Partners, is committed to creating new values for Japanese companies, building on its know-how, networks, and brand value that have been nurtured over the years through investment projects.

> "With our equity investments in startups and other initiatives, we promote innovations, furthering our role as a precursor in the creative transformation of the Japanese economy"

YONEYAMA Yasuaki
Senior Executive Managing Officer,
Global Head of Equity Finance Group

MESSAGE

In today's world of volatility, uncertainty, complexity, and ambiguity, the pace of change in the business environment is more rapid than ever before. The increasingly uncertain business environment demands Japanese companies to come up with innovations for sustainable growth while building robust global supply chains that can adapt swiftly to changing business environment. Against this backdrop, Japanese corporates looking to acquire advanced technologies, deploy new business models, and build global supply chains, see an increasing need for equity and other risk capital, as they pursue M&A and business expansion overseas. JBIC's EF Group is committed to catering to their needs with its equity investment financing tools.

In addition, the EF Group works closely with JBIC IG Partners, an entity established in June 2017 with the objective of creating investment and business development opportunities for Japanese companies that are active on the world stage. The EF Group has launched five funds, including funds targeting high-growth markets like India, and regions where innovation is on the rise such as Northern, Central, and Eastern Europe. By investing in these funds, the EF Group aims at bringing together investee companies and Japanese companies while promoting closer partnerships between them. Following the April 2023 amendment to the Japan Bank for International Cooperation Act, which paved the way for ramping up startup investment, JBIC formulated a startup investment strategy, with investments being made in such areas as industrial innovation and sustainability. Part of our panoply in supporting innovations is the establishment of a Startup Investment Committee, comprised of external experts as well as internal staff. The JBIC Group is committed to supporting the formulation of equity-based projects and the overseas business activities of Japanese companies through various initiatives, including those mentioned herewith.

Enhancing the robustness of the Japanese economy requires further engagement with overseas markets, leveraging technologies and expertise of Japanese companies; build-up of robust, sustainable global supply chains; and incorporation of innovative technologies with a global perspective in order to achieve breakthroughs. JBIC will work to create new value not only through financing including the provision of risk capital, but also through involvement in, and formulation of, investment projects undertaken by Japanese companies. By leveraging the know-how, networks, and brand power that JBIC has nurtured over the years, not only for investee companies but also for overseas joint venture partner companies and host countries, JBIC continues to serve as a partner to Japanese companies, contributing to the development and creative transformation of Japanese industry.

> "We support overseas business development by providing risk capital and sharing insights we have gained through our investment and financing for overseas business"

01 Strengths

- Provision of support for investee companies leveraging the insights JBIC has gained through its past overseas financing and investment operations
- Ability to serve as an investment partner, leveraging relationships with foreign governments and the status as a policy-based financial institution
- Assistance from JBIC IG, established jointly by JBIC and IGPI Group, Inc. (IGPI), which has strengths in growth support, and assistance from local investment partners working in coordination with JBIC IG

02 Assessment of the External Environment

In its "Basic Policy on Economic and Fiscal Management and Reform 2024," formulated in June 2024, the Japanese government set forth its vision for a growth-oriented economy driven by wage increases and investment. As priority policy areas, the plan highlights support for startups, expanded investment, the real-world deployment of innovative technologies, and the strengthening of economic security in response to increasing resource constraints. Specific measures include multilateral cooperation toward the realization of the Asia Zero Emissions Community (AZEC) initiative and the development of sustainable supply chains. Strengthening support for companies aiming to acquire advanced technologies and develop new business models aligns with the government's fundamental policy direction.

With regard to startup promotion, the Startup Development Five-year Plan, set forth by the Japanese government in November 2022, is aimed at cultivating a startup ecosystem in Japan. The government hopes to make Japan the largest startup hub in Asia and, eventually, one of the world's leading global locations for startups. The government also identified the creation of an innovation ecosystem as one of the pillars of specific initiatives in line with its "Sixth Science, Technology, and Innovation Basic Plan" published in March 2021, and it is promoting a range of initiatives in this area.

Amid these developments, demand for risk capital continues to grow. JBIC already is developing capabilities to meet this demand, including through the use of Special Operations.

03 Growth Strategy

To support fields in which Japanese companies are strategically engaged, we provide risk capital for projects related to renewable and next-generation energy, as well as for building local platforms to facilitate overseas project development.

We supply risk capital for M&A deals pursued by Japanese companies to acquire innovative technologies and to build and strengthen global supply chains, and value chains. We also support Japanese startups launching new businesses overseas and ASEAN-based startups by providing risk capital through startup investments. Through five funds coordinated with JBIC IG, JBIC Group as a whole supports Japanese companies in entering the markets where investee companies operate, as well as companies that serve as strategic investors in these funds.

As we undertake new investments under the Fifth Medium-Term Business Plan, JBIC will leverage its institutional strengths, strategically engaging with and disseminating information to international organizations and the governments of a variety of countries, while proactively reaching out to local partner companies, governments, and municipalities.

PROJECT HIGHLIGHT

Equity Investment in Renewable Energy Project in India with Osaka Gas Co., Ltd.

-Supporting overseas business expansion of Japanese companies-

In March 2025, JBIC, together with Osaka Gas, made an equity investment for a corporate renewable energy project in India operated by Clean Max Enviro Energy Solutions Private Limited (CleanMax), one of the country's leading power producers. The project is being rolled out primarily in the Indian state of Karnataka. Osaka Gas positions India as one of its most important markets and is also participating in the city gas business in southern India. The company is also considering a future expansion into hydrogen and e-methane.

This investment not only contributes to maintaining and enhancing the international competitiveness of Japanese companies, but also supports efforts toward decarbonization in India, where the utilization of renewable energy is gaining momentum.

Renewable energy facilities currently operated by CleanMax. The electricity generated contributes to the decarbonization efforts of its customers. (photo provided by Osaka Gas)

About JBIC's Startup Investments

To strengthen its framework for investing in startups, JBIC formulated a Startup Investment Strategy and established the Startup Investment Committee on October 1, 2024.

Under this framework, JBIC provides equity financing to Japan-originated startups launching new businesses overseas, as well as to startups in ASEAN countries, particularly those based in Singapore. The investment themes, stages, and amounts are shown on the right. The Startup Investment Committee determines and deliberates on key matters relating to these investments.

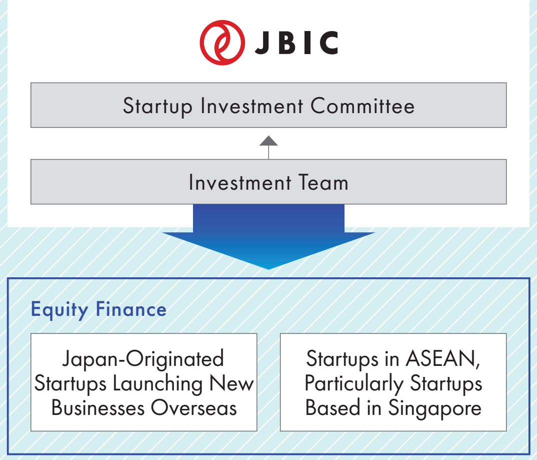
Through investment activities aligned with the Startup Investment Strategy and support for investee companies, JBIC aims to contribute to the nurturing of Japan's startup ecosystem by supporting the overseas expansion of Japan-originated startups and promoting collaboration between overseas startups and Japanese companies.

Investment Themes

- Industrial Transformation
- Sustainability Transformation

Investment stage : Middle to late stage

Investment amount : approx. ¥100 million to ¥1 billion per investment



Details about these and other projects can be found here ▶ https://www.jbic.go.jp/en/information/press/capital.html

Overview of JBIC IG Partners (JBIC IG)

JBIC IG is an investment advisory firm established in June 2017 by JBIC and IGPI. JBIC IG applies the respective strengths of JBIC and IGPI as follows : JBIC has knowledge and experience in financing international projects as a Japan's policy-based financial institution; IGPI has knowledge of investments and broad experience in providing companies with hands-on support to drive long-term, sustainable growth in corporate and business value. JBIC IG aims to create long-term, sustainable value for Japanese investors and industries through the development of global business opportunities and a disciplined investment approach.

● About JBIC IG

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

JBIC IG's Business Model

Through investment advisory services to overseas funds, JBIC IG invests in overseas projects by partnering with foreign investment managers. The investments aim to promote Japanese companies' joint investments or provide opportunities for Japanese companies to collaborate with overseas companies.

In January 2019, JBIC IG established the JB Nordic (also known as NordicNinja). The fund, designed to invest in startups in the Nordic and Baltic regions, has made a total of 20 investments. In March 2023, JBIC IG launched the successor fund NordicNinja II (final closing completed in September 2024), and is expanding its investment target areas to cover all Northern Europe. In May 2023, JBIC IG collaborated with New York-based ff Venture Capital, which has a proven track record for forming funds in the U.S. and Poland. Together, the two enterprises have set up ff Red & White (final closing completed in January 2025), a new venture capital fund that will invest in startups in Central and Eastern Europe. Then, in August 2023, JBIC IG launched the India–Japan Fund in collaboration with the National Investment and Infrastructure Fund Limited, an Indian government-affiliated organization. JBIC IG has brought together investee companies from the above funds with Japanese companies, and is engaged in activities to promote collaboration. It will continue to provide added value for Japanese industry through the creation of new investment funds.

● Investment Structure

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