

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

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

Ernst & Young ShinNihon LLC has audited the consolidated financial statements of JBIC and its subsidiaries (the “JBIC Group”), which comprise the consolidated statements of financial position as of March 31, 2021 and 2020, and the consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information, in accordance with International Standards on Auditing.

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

Consolidated Statements of Financial Position

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

Consolidated Income Statements

(Millions of yen)

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

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

*² “Total operating income” less “Impairment losses on financial assets”

Consolidated Statements of Comprehensive Income

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

Consolidated Statements of Changes in Equity

(Millions of yen)

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

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

Consolidated Statements of Cash Flows

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