

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, 2023. 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, 2023 and 2022, 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, 2023	As of March 31, 2022
Assets:		
Cash and due from banks	2,193,775	1,451,153
Derivative financial instrument assets	137,156	95,072
Financial assets at fair value through profit or loss	475,260	480,027
Securities	46,998	36,999
Loans and other receivables	15,144,377	14,165,576
Equity method investments	129,892	128,987
Property and equipment	30,730	29,229
Other assets	667,093	541,677
Total assets	18,825,285	16,928,723
Liabilities:		
Derivative financial instrument liabilities	825,233	557,350
Borrowings	8,513,677	7,554,208
Bonds payable	5,934,320	5,559,618
Financial guarantee contracts	75,514	65,229
Other liabilities	246,889	129,458
Total liabilities	15,595,635	13,865,865
Equity:		
Capital stock	2,108,800	2,023,800
Retained earnings	1,089,888	1,024,249
Other reserves	30,677	14,458
Non-controlling interests	283	350
Total equity	3,229,650	3,062,857
Total liabilities and equity	18,825,285	16,928,723

Consolidated Income Statements

(Millions of yen)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income	576,869	186,336
Interest expense	334,401	137,173
Net interest income	242,467	49,163
Fee and commission income	12,848	18,374
Fee and commission expense	3,799	3,492
Net expense from derivative financial instruments	145,982	22,225
Net gain (loss) from financial assets at fair value through profit or loss	(12,160)	70,623
Net gain on derecognition of financial assets measured at amortized cost	558	9,125
Other income	30,787	26,409
Net non-interest income (expense)	(117,748)	98,814
Total operating income ^{*1}	124,719	147,977
Impairment losses (reversals) on financial assets	22,174	130,795
Net operating income ^{*2}	102,545	17,181
Operating expenses	24,540	21,846
Other expenses	4,315	668
Total operating expenses	28,855	22,515
Profits (losses) of equity method investments	(1,186)	4,133
Profit (loss) before income tax	72,503	(1,199)
Income tax expense	13	48
Net profit (loss)	72,490	(1,248)
Attributable to:		
Shareholder of JBIC	72,557	(1,295)
Non-controlling interests	(66)	46

*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, 2023	For the year ended March 31, 2022
Net profit (loss)	72,490	(1,248)
Other comprehensive income (loss)		
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plans:		
Remeasurement arising during the year	411	111
Total of items that will not be reclassified to profit or loss	411	111
Items that may be reclassified to profit or loss:		
Exchange differences on translation of foreign operations:		
Net gain arising during the year	16,582	7,405
Reclassification adjustments	(362)	(1,121)
Total of items that may be reclassified to profit or loss	16,219	6,283
Other comprehensive income (loss)	16,631	6,395
Total comprehensive income (loss)	89,121	5,146
Attributable to:		
Shareholder of JBIC	89,188	5,099
Non-controlling interests	(66)	46

Consolidated Statements of Changes in Equity

(Millions of yen)

	Attributable to shareholder of JBIC					
	Capital stock	Retained earnings	Other reserves			Sub Total
			Remeasurement of defined benefit plans	Exchange differences on translation of foreign operations	Other reserves, Total	
April 1, 2021	1,963,800	1,047,301	—	8,174	8,174	3,019,276
Net profit (loss)	—	(1,295)	—	—	—	(1,295)
Other comprehensive income (loss)	—	—	111	6,283	6,395	6,395
Total comprehensive income (loss)	—	(1,295)	111	6,283	6,395	5,099
Issuance of new shares	60,000	—	—	—	—	60,000
Payment to the National Treasury	—	(21,868)	—	—	—	(21,868)
Other	—	111	(111)	—	(111)	—
March 31, 2022	2,023,800	1,024,249	—	14,458	14,458	3,062,507
Net profit (loss)	—	72,557	—	—	—	72,557
Other comprehensive income (loss)	—	—	411	16,219	16,631	16,631
Total comprehensive income (loss)	—	72,557	411	16,219	16,631	89,188
Issuance of new shares	85,000	—	—	—	—	85,000
Payment to the National Treasury	—	(7,329)	—	—	—	(7,329)
Other	—	411	(411)	—	(411)	—
March 31, 2023	2,108,800	1,089,888	—	30,677	30,677	3,229,366

	Non-controlling interests	Total equity
April 1, 2021	318	3,019,594
Net profit (loss)	32	(1,263)
Other comprehensive income (loss)	—	6,395
Total comprehensive income (loss)	32	5,131
Issuance of new shares	—	60,000
Payment to the National Treasury	—	(21,868)
Other	—	—
March 31, 2022	350	3,062,857
Net profit (loss)	(66)	72,490
Other comprehensive income (loss)	—	16,631
Total comprehensive income (loss)	(66)	89,121
Issuance of new shares	—	85,000
Payment to the National Treasury	—	(7,329)
Other	—	—
March 31, 2023	283	3,229,650

Consolidated Statements of Cash Flows

	(Millions of yen)	
	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flows from operating activities		
Profit (loss) before income tax	72,503	(1,199)
Depreciation and amortization	3,932	3,510
Increase (decrease) in liability for retirement benefits	(553)	(204)
Net loss (gain) from financial assets at fair value through profit or loss	12,160	(70,623)
Losses (profits) from equity method investments	1,186	(4,133)
Net decrease (increase) in loans and other receivables	(978,801)	(1,031,737)
Net increase (decrease) in borrowings	959,468	902,887
Net decrease (increase) in deposits (excluding demand deposits)	(100,185)	(367,170)
Net change in derivative financial instrument assets and liabilities	225,797	436,037
Net increase (decrease) in financial guarantee contracts	10,285	1,266
Net increase (decrease) in bonds payable	374,701	529,618
Other	(33,682)	(592,874)
Net cash provided by (used in) operating activities	546,813	(194,622)
Cash flows from investing activities		
Purchase of financial assets at fair value through profit or loss	(16,890)	(21,416)
Sale of financial assets at fair value through profit or loss	14,821	14,874
Purchase of securities	(10,000)	(6,400)
Purchase of equity method investments	(1,739)	(15,200)
Proceeds from return of equity method investments	6,661	11,489
Other	(4,221)	(8,147)
Net cash provided by (used in) investing activities	(11,368)	(24,801)
Cash flows from financing activities		
Proceeds from issuance of new shares	85,000	60,000
Payment to non-controlling interests	—	(14)
Payment to the National Treasury	(7,329)	(21,868)
Other	(503)	(452)
Net cash provided by (used in) financing activities	77,166	37,663
Exchange difference on cash and cash equivalents	29,824	31,823
Net increase (decrease) in cash and cash equivalents	642,437	(149,936)
Cash and cash equivalents at the beginning of the year	1,083,983	1,233,919
Cash and cash equivalents at the end of the year	1,726,420	1,083,983

Net cash provided by (used in) operating activities includes the following:

Interest received	438,478	168,536
Interest paid	(260,885)	(127,230)