

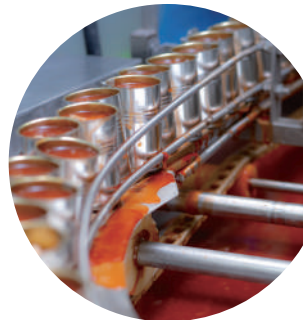
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JANUARY
2025

Japan
Bank for
International
Cooperation

JBIC Today

Supporting
Your Global Challenges

JAPANESE REGIONAL BANKS TAKE ON THE WORLD



JAPAN BANK FOR
INTERNATIONAL COOPERATION

JAPANESE REGIONAL BANKS TAKE ON THE WORLD

At first glance, the Japan Bank for International Cooperation (JBIC) and regional banks might appear to have little overlap in their operations. But in reality, JBIC and regional banks together play an essential role in supporting the overseas expansion of mid-tier enterprises (MTEs) and small and medium-sized enterprises (SMEs). JBIC officers and executives of regional banks across Japan report on the initiatives at the frontlines of the collaboration in this issue's special feature.

Regional banks and JBIC partnerships open new horizons for overseas business

- » Regional banks, with deep roots in their respective communities, and JBIC, with its overseas network, complement each other's strengths.
- » Collaboration between JBIC and regional banks goes beyond the provision of various financial support to cover a range of areas from the provision of local information to personnel exchange programs.
- » Confronted by Japan's declining population, support for overseas expansion is a valuable initiative for all three parties: JBIC, regional banks, and companies.

"It may be difficult to imagine from our name, but we are also focused on strengthening partnerships with regional banks across Japan," says INOUE Makiko of JBIC's Finance Office for SMEs, who works with companies in eastern Japan on overseas expansion. ARITA Junsuke of JBIC's Osaka Branch, who has the same role with regional banks in western Japan, echoes her views, "Cooperation with regional banks is indispensable in supporting local MTEs and SMEs in expanding their business overseas."

Local companies trust regional banks, JBIC has overseas expertise and knowhow

With the growth of emerging economies, particularly in Asia, there is an increasing need for not only large corporations but also MTEs and SMEs to expand their

businesses abroad. Making up more than 99 percent of Japan's companies, many of these MTEs and SMEs are based in regional areas. Supporting the overseas expansion of these companies, which vary widely in their industry, size, and operations, requires cooperation with regional banks. These banks have built up long-standing relationships and deep knowledge of local companies.

According to INOUE, "The technologies and quality of Japanese companies are highly regarded abroad. Regional banks know these companies well, understanding the challenges they face and the solutions they need. By combining the strengths of regional banks with JBIC's expertise and networks for overseas projects, we can meet the needs of MTEs and SMEs."

Indeed, in addition to the usual

co-financing schemes and local currency-denominated loans, JBIC has developed financial support measures for locally-based MTEs and SMEs through two-step loans provided by regional banks. The number of regional financial institutions (with account balances) that have co-financed MTEs and SMEs has more than doubled over the past 10 years to 52 as of the end of March 2024. JBIC is now cooperating with Japanese regional banks from Hokkaido to Kyushu.

JBIC not only provides loans, but a range of support for MTEs and SMEs, including overseas investment seminars, information on the investment landscape, and legal and tax accounting advisory services. And with representative offices in 18 locations around the world, JBIC can also provide tailored advice based on local information. "The

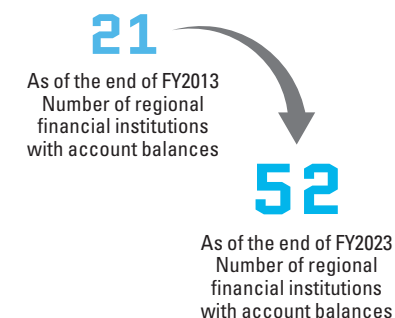
support provided by our representative offices plays an important role, especially because many of the regional banks have a limited overseas presence. I believe that the value of collaborating with us is quite clear," says INOUE.

There are also personnel exchanges between JBIC and regional banks. Staff seconded to JBIC learn the skills and knowhow needed to implement overseas projects, invaluable experience for when they return to their banks. ARITA describes how important this is, "Personnel are usually seconded to JBIC for a period of two years, but there are many regional banks that renew this assignment period and have their staff continue on with us. JBIC also benefits because when these individuals return to their banks, they can serve as our counterparts for overseas projects and help facilitate the collaboration between JBIC and the respective banks."

Growing expectations for the Indian market and a broader range of companies expanding overseas

The types of companies supported through cooperation between JBIC and regional banks reflect the industrial structure of Japan. Until recently, the majority were in the manufacturing

Map of collaboration between JBIC and regional financial institutions in Japan



Through co-financing between JBIC, regional banks, and other institutions, such institutions with account balances grew from 21 at the end of FY2013 to 52 at the end of FY2023.

sector. But due to the evolving domestic industrial structure, they have been joined by service sector businesses such as food and beverage companies.

Although many of the MTEs and SMEs are expanding into Southeast Asian countries such as Thailand, Vietnam, and Indonesia, consultations concerning expansion into India have recently been increasing.

ARITA notes, "It seems that an increasing number of MTEs and SMEs feel that they will eventually have to enter the Indian market. No regional bank has an office in India, but JBIC has a representative office in the capital, New Delhi, and can flexibly provide loans in local currency. We expect that collaboration in India will increase as well, with regional banks handling companies' needs and JBIC providing the necessary support."

Regarding the importance of cooperation with regional banks, INOUE stresses that "In light of Japan's rapidly declining population, the growth of companies of all sizes will be limited if they just operate domestically. Regional banks, which serve as their main banks, also need to look beyond their domestic business to overseas markets. I feel that there is enormous value in using JBIC's resources to support both sides in their earnest efforts to grow. Including JBIC, I believe this is a meaningful initiative for all three parties."

ARITA adds, "Support for MTEs and SMEs through regional banks requires handling many projects in a short period of time. The finance arrangement required varies from project to project, and always needs both tangible and intangible customization. The learning experience gained through such

collaboration with regional banks is invaluable in the project development process and helps enhance JBIC's local understanding and response capabilities."

There are also numerous companies that had a successful experience through the collaborative support by JBIC and regional banks, and want to use the scheme again. As Japan's policy-based financial institution, JBIC will continue to strengthen its partnership with regional banks and provide financial support to the overseas business development of Japanese companies, including MTEs and SMEs.



JBIC Industry Finance Group (From left)

Director
Division 2 Finance Office for SMEs
INOUE Makiko

Joined the bank in 2007. Following assignments including the Osaka Branch, Credit Department, and Administration and General Services Department, was assigned to the Finance Office for SMEs in October 2019, and assumed her current position in November 2023.

Director
Finance Division for SMEs Osaka Branch
ARITA Junsuke

Joined the bank in 2008. Following assignments including the Americas Finance Department, Mining and Metals Finance Department, and Corporate Planning Department, assumed his current position in June 2021.

Regional banks' overseas development support strategies

THE JOYO BANK, LTD.

Expansion backed by the Northern Kanto group's strengths and close local support by the bank's overseas specialists

Headquartered in Mito City, Ibaraki Prefecture, Joyo Bank is the largest bank in the Northern Kanto region just north of Tokyo. A merger with local competitor Ashikaga Holdings (Ashikaga Bank) formed Mebuki Financial Group.

Joyo has four representative offices overseas: Shanghai, Hanoi, Singapore, and New York. Its mid-tier enterprises (MTEs) and small and medium-sized enterprises (SMEs) clients are mainly targeting expansion into China, Vietnam, and Thailand. Utilizing the group network, Ashikaga Bank's Bangkok office serves our clients expanding to Thailand, while Ashikaga's clients operating in Vietnam receive support from Joyo's Hanoi office, explains TOBA Yoshitsugu, Joyo's director and managing executive officer. "As Ashikaga Bank has an office in Hong Kong, similar cooperation is also possible in China. In this way we cover

all the rapidly growing Asian regions."

Of the bank's clients operating overseas, some 40 percent are MTEs and SMEs. Manufacturing accounts for 60 percent, followed by the wholesale industry. Traditionally the model has been to expand from the Northern Kanto region to the Greater Tokyo Area. But recent years have seen more companies looking overseas, particularly within the service sector, such as the food and drink industry and temporary staffing services.

The bank's range of support services for overseas expansion includes procurement of capital and settlement of trade transactions, provision of overseas information, marketing support, establishment of local subsidiaries, development of sales channels, and formulation of business plans.

Forex officers play an important role in supporting the bank's clients in their overseas expansion efforts. They have all worked abroad, directly providing overseas support to clients. The bank divides its territories into four areas, both within and outside Ibaraki Prefecture, and they are assigned to one of these areas. "By having specialized staff respond quickly to clients considering expansion into foreign markets, we can provide consulting from our position as a community-based financial institution."

Through co-financing with JBIC, the company has also supported an automotive company's business expansion



Director and Managing Executive Officer
The Joyo Bank, Ltd.

TOBA Yoshitsugu

in Brazil. "Although we have no group presence in South America, we were able to receive proper support through JBIC's representative office in Rio de Janeiro, which was very reassuring for our client. Partnership with JBIC is very effective because it allows us to meet the needs of our clients for expansion in regions of the world where our bank alone is unable to provide sufficient support."

From Northern Kanto to the Greater Tokyo Area, and from Asia to the world—Joyo Bank is establishing its global presence.



Introducing a Vietnamese company to a client looking to outsource its manufacturing. A local staff member accompanies them and even provides interpretation services.

Regional banks financially support companies from their respective local areas that are expanding overseas. Executives overseeing international operations at six such banks talk about the latest trends in overseas market expansion, the various types of support they provide, and their collaborations with JBIC.



From Japan's first open port city moving toward the next 100 years, with overseas expansion focused on Vietnam and India

A cornerstone of Kanagawa Prefecture for a century, the Bank of Yokohama celebrated its 100th anniversary in 2020. One of Japan's largest regional banks, it is based in the port city of Yokohama, a flourishing international gateway since the mid-nineteenth century. Through business integration with Higashi-Nippon Bank, it established Concordia Financial Group in 2016. Then in 2023, the bank acquired the Kanagawa Bank as a consolidated subsidiary. While generating synergy through these mergers, the bank is expanding its size and influence.

In the past, the overseas expansion of the bank's client base of MTEs and SMEs was primarily as subcontractors of major manufacturers, such as automakers. However, in recent years more companies are looking at overseas expansion to capture demand from local growth markets

and secure human resources. Director and Managing Executive Officer ARAI Tomoki says, "There are an increasing number of MTEs and SMEs seeking to expand overseas due to the various challenges they face in Japan, such as labor shortages and business succession issues."

Vietnam is becoming a particularly popular destination. Although the bank does not have a permanent office there, it has posted a representative to both Hanoi and Ho Chi Minh City to provide detailed onsite support.

According to ARAI, India is another emerging target market due to its burgeoning population and economy. "India continues to grow, and its immense potential is evident. I recently visited the country, where I checked out the capital, New Delhi, and Chennai, a southern city where many automotive-related companies are setting up their businesses. The living environment is clearly challenging. We have not yet established a permanent base there, but to gather more in-depth information, we are considering the possibility of sending a representative there, as we have done in Vietnam."

The bank is also strengthening its cooperation with JBIC. This includes establishing a credit line for supporting the overseas expansion of MTEs and SMEs, enabling the bank to rapidly respond to their financing needs. It has also seconded



Director and Managing Executive Officer
The Bank of Yokohama, Ltd.

ARAI Tomoki

staff to JBIC for extended periods. "The experiences our employees gain at JBIC, where they regularly engage in international operations, are superb for human resource development."

While strengthening its support for emerging markets and bolstering its organizational structure, the Bank of Yokohama is preparing for the next 100 years. It remains committed to addressing the challenges facing the Keihin region (the economic and industrial area stretching from Tokyo to Yokohama) and contributing to its internationalization.



A Yokohama specialties exhibition held at a Japanese supermarket in Hong Kong. The aims were to attract tourists and raise awareness of Kanagawa Prefecture's food brands.

77 BANK

Co-creating a new era from the Tohoku region with local communities while its Singapore office will become a local subsidiary



Headquartered in Sendai, the "City of Trees," 77 Bank is the largest regional lender in Japan's northeastern Tohoku, with numerous clients and branches across the entire region. Founded in 1878 and fondly nicknamed "Shichi-shichi," a shortened form of 77 in Japanese, the bank has a long tradition and strong ties with local communities.

The bank is focused on supporting the

Managing Director
The 77 Bank, Ltd.

AOKI Kazuhiro

overseas expansion of industries such as Tohoku's thriving manufacturing and food processing sectors. According to AOKI Kazuhiro, managing director of the bank, "Amid the rapid decline in Japan's population, overseas expansion, particularly in ASEAN, which is attractive in terms of consumer markets and human resources, has drawn significant interest from our clients. We recognize that expanding our overseas network to support the global expansion of companies in Tohoku is a vital mission for us as a regional financial institution."

In addition to representative offices

in Singapore and Shanghai, the bank is bolstering its overseas network through partnerships and personnel exchanges with financial institutions and other organizations in ASEAN. A key milestone is the Singapore Representative Office, which opened in 2016 and is now transitioning into a local subsidiary. "Preparations are underway to establish the subsidiary in January 2025, and to launch operations in April that year. By turning it into a local subsidiary, our consulting functions will be strengthened, allowing us to meet the diverse needs of our clients."

A symbolic example of its strengthening partnership with JBIC is co-financing provided to the Vietnamese subsidiary of Endo Manufacturing Co., Ltd., a Yamagata City precision machine parts manufacturer.

"In the case of Endo, through collaboration with JBIC, we gained both knowledge of specific Vietnamese regulations and expertise in cross-border loans. We can now apply this valuable experience to the many other Vietnam expansion projects our clients are examining."

Beyond Vietnam, clients are increasingly interested in Indonesia, which is projected to experience significant population and economic growth. In October 2024, the bank dispatched personnel to an Indonesian consulting firm for the first time. "When you go abroad, you can sense that each region has a different 'smell,' based on its history, culture, and customs. I believe it is difficult to do business in a region without understanding this kind of background. We will work to support the overseas business

development of our clients by continuing to accumulate local information and expand networks, through deploying personnel to various overseas locations."

77 Bank, which has been building a history that spans generations, will work together with local communities to co-create a new era from the Tohoku region.



Inside Endo's factory in Hanoi, Vietnam. Items are mass-produced by CNC multitasking machine tools.



Supporting overseas expansion from the Kansai region and building a global value chain with local companies



Born out of the 2010 merger of the Senshu Bank and the Bank of Ikeda, the Senshu Ikeda Bank, Ltd. is based in the Kansai region of western Japan, centered on Osaka and Hyogo prefectures. "Many of our clients are small and medium-sized enterprises (SMEs), but this region has always had thriving overseas trade," says MIYATA Koji, the bank's Senior Managing Executive Officer. "Many of our clients, especially those in the electrical and electronics,

Senior Managing Executive Officer
The Senshu Ikeda Bank, Ltd.

MIYATA Koji

textile and chemicals, machinery and metals, and auto-related industries, have long been expanding overseas in response to the moves of major companies."

"Unlike large corporations, many SMEs lack specialized departments for overseas business. We provide a broad range of support for our clients' overseas business deployment, including loans, foreign exchange and remittance services, and risk hedging instruments to their parent companies and overseas affiliates. We also offer information on the local investment environment, various regulations and legal systems, and tax and accounting matters, as

well as introductions to foreign personnel and public support systems. Our President and CEO is also even deepening relations with consul generals in the Kansai region."

The bank has representative offices in Suzhou, Jiangsu Province, China, and Ho Chi Minh City, Vietnam, and partners with local banks throughout Asia. "We opened our local office in Suzhou partly because it is twinned with our local city of Ikeda. There are also many large-scale industrial parks around Shanghai, and as the only regional bank with an office there, we have used our relations with the Suzhou government to support our clients to expand into that area. We also opened a Vietnamese office in response to our clients' keen interest in that market."

However, given the limited resources and overseas presence of the bank,

collaboration with JBIC plays a key role in supporting international expansion. "We deeply appreciate JBIC's efforts over the years, which allow us to draw upon its extensive overseas network, valuable local insights, broad expertise in international operations, and support services. JBIC's cooperation comes in various forms. When signing an agreement to co-finance a project by Mitsuboshi Co., Ltd. to manufacture and sell synthetic resin extrusion products in the Philippines, staff from JBIC's Osaka Branch even accompanied us on a business trip there. Additionally, for a personnel dispatch services project in India by MORABU HANSHIN Industry Co., Ltd., JBIC's New Delhi Representative Office provided us with extensive local information."

Osaka is drawing increasing attention from around the world as Expo 2025

Osaka, Kansai, Japan approaches. Beyond that are ambitious plans for the development of an integrated resort. The Senshu Ikeda Bank, which remains dedicated to fostering trust with local companies, will further support the overseas business development of SMEs while utilizing external resources such as JBIC.



The aerosol plant in Zhangjiagang, China of Daizo Corporation, headquartered in Osaka, is supported through co-financing with JBIC.



Future talent and local expertise as keys to global success

Formed by the April 2019 merger of Kinki Osaka Bank and Kansai Urban Banking Corporation, Kansai Mirai Bank is a regional bank operating primarily in the six Kansai prefectures of western Japan and a Resona Holdings subsidiary. HIRAYAMA Tomoyoshi, bank's executive officer, says, "For clients considering overseas expansion, we provide support in stages, from information such as the local economic situation and political background to the introductions to knowledgeable consultants. Although our bank and the Resona Group have a strong domestic image, we also provide overseas support."

Using the strengths of the Resona Group's network, including its overseas offices and local banking partners, the bank also provides financial support in collaboration with JBIC to MTEs and SMEs that are expanding overseas. "Support through

JBIC often takes the form of issuing standby letters of credit to guarantee loans by local subsidiaries and financing intercompany loans through parent companies."

Overseas expansion by the bank's MTE and SME clients has increased in recent years. While traditionally coming from the manufacturing sector, momentum is now growing in the service industry. The primary focus is on ASEAN countries, due to their increasingly attractive markets. Joint seminars with JBIC attract companies that have already expanded overseas or are considering the possibility, often leading to new agreements. "These seminars are a good opportunity to introduce cases that help companies visualize scenarios and understand our roles and potential."

A key aspect in supporting the overseas expansion of MTEs and SMEs is the cultivation of talent skilled in overseas operations. As client inquiries about international operations increase, the bank is bolstering its organizational capabilities, by developing skills beyond the usual scope of a regional bank. Examples include a six-month trainee program on international operations for young staff, opportunities for secondment to overseas representative offices and partner banks, and training for branch manager-level employees through visits to overseas subsidiaries of client companies.

"I've traveled to 11 Asian countries, and this experience has convinced me



Executive Officer
Kansai Mirai Bank, Limited

HIRAYAMA Tomoyoshi

that there are limits to how much your international business sense can be honed through theoretical learning. It is vital to go and actually see firsthand how work is done onsite. Detailed services that only a regional bank can provide, combined with the onsite knowledge gained overseas, will lead us to design concrete and effective projects."

By continuing to aggressively invest in cultivating globally competent staff, Kansai Mirai Bank will work closely with MTEs and SMEs to build a prosperous future for the Kansai region.



Leveraging its location at Asia's crossroads and inbound tourism to boost overseas expansion of the food industry

Based in Fukuoka Prefecture, located in the northern part of Kyushu, Nishi-Nippon City Bank was created in 2004 through the merger of the Nishi-Nippon Bank and Fukuoka City Bank. The regional bank is currently a core subsidiary of Nishi-Nippon Financial Holdings.

Proximity to Asia is a key feature of Fukuoka. For example, it is located approximately equidistant from Hiroshima and Busan, Osaka and Seoul, and Tokyo and Shanghai. "We can always sense Asia. Many of our inbound visitors are from Asia, and because of our nearness, we serve as a product showcase for the Asian market," says KURIHARA Takeshi, the bank's representative executive director.

In terms of overseas expansion, businesses in Kitakyushu City tend to come from the manufacturing sector, and in Fukuoka City, the service sector. Particularly

notable is the growing interest in overseas expansion among food and beverage companies, sparked by inbound demand.

The key overseas destinations are in Asia: China, South Korea, Taiwan, and Thailand. Among the 1,000 or so of the bank's clients developing business overseas, 900 have established operations in Asia. Until around 2010, there was a clear trend for expansion to China, which was called the "world's factory," but this has changed dramatically over the past decade. While there still are companies expanding their business to China to target domestic demand, an increasing number are expanding into other Asian countries and regions that are showing robust economic growth.

"Regarding Kyushu as a whole, inquiries about Taiwan are increasing, due in part to TSMC, the world's largest semiconductor company, setting up business in Kumamoto," KURIHARA explains. "We're also seeing more interest in ASEAN countries such as Thailand, Vietnam, and Indonesia. In particular, the food and beverage industry is accelerating business expansion to Singapore, as operating in territories with high average incomes is crucial to its success. In other countries as well, the sight of local people enjoying food at Japanese restaurants has become commonplace due to rising average incomes. We expect this trend to strengthen in the coming years."



Representative Executive Director
The Nishi-Nippon City Bank, Ltd.

KURIHARA Takeshi

The bank has representative offices in Shanghai, Hong Kong, and Singapore, and has built a network of financial institutions throughout Asia to support the expansion of MTEs and SMEs into Asia. Assistance is also provided for their overseas development by strengthening cross-border support through collaboration with JBIC, such as co-financing and providing information on local legal systems and business environments. While also leveraging its geographical location at the "crossroads of Asia," Nishi-Nippon City Bank is expanding paths for business from Kyushu to the rest of Asia.

JBIC engages in various projects around the world. Senior JBIC staff on the front line share their thoughts and stories behind their projects.

Support for overseas expansion of MTEs and SMEs, from restaurants to cutting-edge technology businesses

Specialized teams from east and west Japan connect businesses with countries overseas, comprehensively supporting their expansion endeavors

JBIC supports the diverse needs of mid-tier enterprises (MTEs) and small and medium-sized enterprises (SMEs). OSAWA Kanon and NAKAMUTA Tadahide share their insights into JBIC's efforts and the real rewards of their work.

"Bankers who make it their business to help" push for greater use of JBIC

"JBIC actively supports MTEs and SMEs by holding information sessions for regional banks, overseas investment seminars, and business matchmaking," explains OSAWA Kanon of the Finance Office for SMEs. NAKAMUTA Tadahide of the Osaka Branch's Finance Division for SMEs adds, "We want them to seriously consider the option of using JBIC when thinking of how to finance their overseas business."

With divisions handling financing for MTEs and SMEs in eastern Japan in Tokyo and on the west side of the country in Osaka, about half of the total number of JBIC loans approved in FY2023 were for such enterprises.

One of JBIC's strengths is leveraging its role as a policy-based financial institution. Through co-financing with private sector institutions, JBIC

provides cross-border financing, loans to Japanese companies for intercompany loans, and equity investments in their overseas subsidiaries. It also offers two-step loans through private sector banks.

Moreover, JBIC has some unique advantages. For example, in Indonesia, where foreign currency-denominated borrowing from overseas by local subsidiaries is restricted without specific credit ratings, private financial institutions can extend such loans under a JBIC guarantee.

However, a lack of awareness of these benefits across Japan is a major challenge. JBIC must address this by providing proactive and agile support for business management concerns. "As 'bankers that make it their business to help,' we work actively as a team to find solutions to the problems of MTEs and SMEs, while supporting regional banks," says NAKAMUTA.

The sheer volume of projects handled

makes it difficult to visit every company, but OSAWA maintains close contact with clients and the staff in charge at co-financing regional banks. NAKAMUTA adds, "I make it a point to personally make as many visits as time permits."

Co-financing with private financial institutions for diverse companies while also tackling social issues

JBIC's loan review process conducts consultations with clients and private financial institutions, document evaluations, and analysis of the company's business strategy. Although a solid growth plan is vital for loans, approvals also consider public-minded goals such as environmental considerations (e.g. electric vehicles), energy security, or Japanese companies' supply chain resilience.

Though JBIC loans may evoke an image of manufacturing and energy industries, its scope is much broader. According to NAKAMUTA, "It's true



Division 2 & Division 1 (East Japan)
Finance Office for SMEs
Industry Finance Group

OSAWA Kanon

Joined JBIC in 2021. Assumed her current position after assignment to the Credit Department, where she engaged in corporate assessments and project financing management, followed by overseas training at JBIC's Representative Office in Singapore. Graduated from Keio University, Faculty of Law.

Finance Division for SMEs
Osaka Branch (West Japan)
Industry Finance Group

NAKAMUTA Tadahide

Joined JBIC in 2020. Assumed his current position after assignment to the Treasury Department, where he engaged in payments and receipts, cash management, settlement, processing transactions, and other accounting work, followed by overseas training at JBIC's Representative Office in Mexico City. Graduated from Hokkaido University, School of Agriculture.

that manufacturing industries such as automotive are the core of our loans, but we also support sectors ranging from restaurants, food processing, and daily necessities to businesses at the cutting edge of science and technology. Our division captures this diversity with the catchphrase, 'from ramen shops to fusion energy.'

In recent years, support to companies tackling social issues has also been increasing; an example is support for cutting-edge medical and pharmaceutical development in Australia. Meanwhile, secure supply chains are vital in the chip sector, and JBIC also provided support to a company that manufactures parts for semiconductor production equipment in Vietnam. OSAWA notes, "I am thrilled JBIC has been able to support the overseas expansion of Japanese companies that possess superb technologies."

NAKAMUTA was in charge of a loan to a rebuilder and seller of auto parts in Bangladesh, a country which imports a lot of Japanese used cars. JBIC has not handled many projects in Bangladesh, and this was a complex case with the loan provided through a third country.

However, he looks back with a deep sense of accomplishment, saying, "Utilizing JBIC's cumulative knowledge of international financing schemes, we were able to push the project forward by concluding multiple contracts."

Tapping into overseas growth to support Japanese companies and industries

OSAWA, who studied international politics, says with a smile, "I chose JBIC because I wanted to work for the future of Japan and the world. I also find it rewarding to interact with various industries and support their growth." NAKAMUTA joined JBIC out of a strong desire to boost Japanese industry while tapping into growth overseas. "I specialized in agricultural economics in school, and as part of my fieldwork I had many opportunities to talk to regional businesses. This has a lot in common with my current work, so I am realizing the future I had envisioned as a student."

Looking to the future, OSAWA says, "I had the valuable opportunity to sit in on a discussion with government officials from Central and Eastern Europe

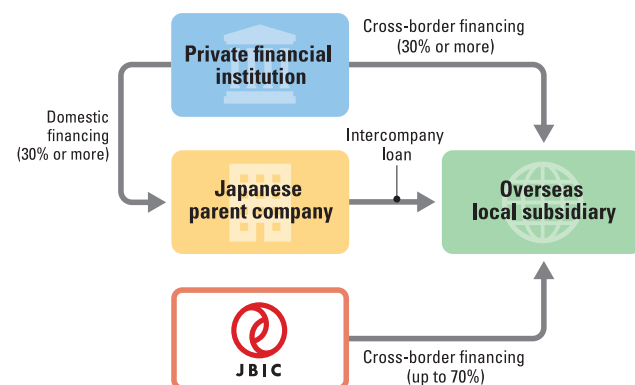
concerning support for Ukraine and its neighboring countries. I would like to also be involved in work that considers the role JBIC can play between Japan and countries around the world." NAKAMUTA also speaks about his vision, saying, "This is related to my current work, but I would like to be involved in supporting startups and infrastructure and resource-related project financing."

With high expectations and strong commitment, OSAWA and NAKAMUTA are set to chart a dynamic course ahead.

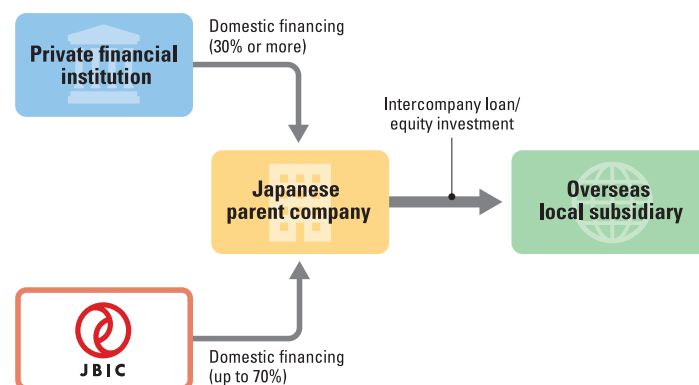


Australia is a research and development hub in the field of cutting-edge medicine.

● JBIC's Cross-Border Financing Scheme



● JBIC's Domestic Financing Scheme



The above examples are just some of JBIC's financing schemes. Other forms are also available, such as two-step loans provided through private financial institutions, but all loans are based on co-financing with private financial institutions.

Overview of loans to MTEs and SMEs

SMEs are defined as companies with capital of up to JPY300 million or a regular workforce of up to 300 employees (in the case of manufacturing companies). MTEs are companies with capital under JPY1 billion. Support primarily targets businesses in developing regions, but loans are also possible for M&A financing or specific types of assistance in developed countries.

Overview of JBIC loans to MTEs and SMEs >>>





Chairman and
Representative Director
Morooka Co., Ltd.

**MOROOKA
Masami**

After graduating from Keio University, he worked for a construction company before joining Morooka Co., Ltd., which was run by his father, and became its president in 1989. In his new role as chairman from last year, he is taking on new challenges by promoting global expansion and ESG management. Agile and active, even now he drives the machines developed by the company, and gives advice to young engineers.

Morooka Co., Ltd.

A pioneer in rubber crawler heavy machinery for rough terrain opens up new frontiers in the global market

Able to handle all kinds of terrain, Morooka's rubber crawler construction machinery is used around the world, from disaster zones to polar regions.

Powered by the pioneering spirit and outstanding technological skills inherited from the company's founder, these machines confidently navigate even the harshest landscapes.

Changing steel crawlers to rubber for transportation over soft ground

Heavy machinery that transports earth and other materials must be able to move efficiently under all kinds of adverse conditions, including in disaster areas or steep mountainous terrain. What makes this movement possible are the rubber crawlers fitted on the undercarriage of the vehicle for easy maneuverability on uneven ground. Morooka was the first



The main factory in Ryugasaki City, Ibaraki Prefecture. Technology and expertise cultivated over many years are the driving force behind the creation of products that no other company can match.

company in the world to develop this technology, driven by the pioneering spirit of its founder.

The eldest son of a farming family in Ryugasaki, Ibaraki Prefecture, MOROOKA Kazuo would go on to found the company that bears his name. During Japan's post-war reconstruction period, he worked to expand the family's paddy fields by digging wells and using groundwater for the mass production of rice. While farming, he developed a proprietary technology for well-digging, launching Morooka as a civil engineering and construction company in 1966. However, even after wells were dug, the soft terrain made it difficult to transport the equipment and materials needed to install water pipes, with the undercarriage of the vehicles often sinking into the ground and getting stuck.

After many attempts to find a solution, he came up with the idea of replacing the construction machinery's heavy steel crawlers with lighter rubber ones. First, he developed a small rubber crawler carrier for personal use. The lighter weight led to less pressure on the ground and made

it more maneuverable. The technology proved so popular that he approached a major rubber manufacturer and together they developed a large rubber crawler carrier. This became the prototype of Morooka's globally unparalleled technology. The company obtained numerous patents and its tech was used as far afield as the Showa Station research facility in Antarctica and the Japan Self-Defense Forces.

"My father, who founded the company, had an enormous spirit of challenge and was not afraid of failure. And when he did fail, he applied what he learned for his next development. He never gave up," recalls MOROOKA Masami, who succeeded his father as the second president, and now serves as the company's chairman. He still has vivid memories from his childhood of his father drawing sketch after sketch of machines at home.

Diversifying business from the bitter experience of the collapse of the bubble economy

MOROOKA took over as president from

his father in 1989, when he was 30 years old. Just as he was expanding its sales channels, the bubble economy burst, forcing him to restructure the business. In response to the fluctuating demand for construction equipment, he diversified the business, setting his sights on the forestry sector. Leveraging the company's expertise in off-road technology, it developed a forestry carrier customized for use on mountain slopes.

Then in 2000, the Act on Waste Management and Public Cleaning was amended to prohibit the open burning of waste, increasing demand for recycling and accelerating the trend to reuse shredded construction waste and other materials. Almost all grinding machines were imported at that time, so Morooka started to produce wood grinders domestically. The company moved into new fields, keeping pace with the shift to sustainability.

When MOROOKA was president, he won over customers through demonstrations in which he drove the company's heavy equipment at the operations site himself to show what the technology could do. The pioneering spirit he inherited from his father sometimes got him in sticky spots. "I've been in some dangerous situations on steep slopes," he admits somewhat sheepishly.

Leveraging brand power to enter overseas markets and expand sales channels

Alongside diversifying its business, Morooka also expanded overseas in the



Loan Summary

In March 2024, two loan agreements were signed with Morooka for a loan totaling USD13 million (JBIC portion), co-financed with MUFG Bank. Through support for the acquisition of a local sales business and rental business by Morooka's U.S. subsidiary, Morooka, Co., this loan contributes toward maintaining and improving the international competitiveness of Japanese industry.

United States and European markets. A U.S. subsidiary was established in 2003, and local production began in 2012. In 2016, the U.S. production company became a wholly owned subsidiary, while a sales company was established in Germany in 2017. And in April 2024, in response to growing demand, Morooka utilized a JBIC loan to acquire companies in the U.S. and established sales and rental companies there.

"We had been delegating sales responsibilities in the United States to local distributors, but this did not enable us to respond comprehensively to customer needs. By creating a system that allows us to directly propose services to customers, we aim to further expand our business in the U.S." Morooka's goal is to raise the overseas sales share from the current 40 percent to 50 percent.

The reputation Morooka's technology enjoys overseas was highlighted during a visit to an Indonesian oil palm plantation. When he introduced himself as the president of Morooka, he was greeted by cheers. There was a second-hand Morooka carrier at the site, which the workers affectionately called "Morooka" and maintained with great care. "This made me realize that Morooka had already gained a global reputation in locations we were unaware of through the used equipment market. It convinced

Morooka Co., Ltd.	
1966	Founded
1975	Begins the manufacture and sales of rough terrain carriers
2003	Local subsidiary established in the U.S.
2016	Manufacturing company in Virginia, U.S., becomes a wholly owned subsidiary
2017	Base for sales established in Frankfurt, Germany
2024	Sales company and rental company established in the U.S. through acquisition

me that we can compete in the market with confidence in our brand." The company also has ambitions to eventually develop business in new markets such as Southeast Asia.

MOROOKA Masami became chairman of the company in April 2024, passing the baton to the third president, MOROOKA Noboru. The company faces a slew of management challenges as it moves into a new era, including the electrification of heavy machinery and digital transformation. Morooka will continue to take on the challenge "to open a new frontier where no path has ever existed."



For local production and sales in the U.S., the company never forgets the details, fine-tuning the design from Japanese to U.S. specifications to accommodate the larger physiques and sitting styles of Americans (the left and right photos show the production plant in Virginia, U.S.; the top photo shows an American-made crawler dumper manufactured at the plant).



JBIC's new start: leveraging 70 years of history to shape the future

JBIC was spun off from the Japan Finance Corporation for a new start as an independent bank.
JBIC tackles new challenges amid current global turbulence.



The inaugural press conference of OKUDA Hiroshi, the first governor of new JBIC. (April 2, 2012)

Photo: Mainichi/AFLO

The New JBIC and post-2011 recovery

In April 2012, the Japan Bank for International Cooperation (JBIC) began a new chapter after being spun off from the Japan Finance Corporation (JFC). The appointment of OKUDA Hiroshi from the private sector—former president of Toyota Motor Corporation and chairman of the Japan Business Federation (Keidanren)—as its first governor was a strong statement of the bank's new start.

Amid urgent needs such as the recovery and reconstruction of the global supply chains of Japanese companies affected by the Great East Japan Earthquake, and the rapid appreciation of the yen, regulations concerning bank operations were amended under the Japan Bank for International Cooperation Act, which came into effect in May 2011. These changes expanded JBIC's mandate, allowing it to finance large-scale infrastructure or export projects requiring large amounts of capital that cannot be handled by private financial institutions alone. Export financing to developed countries became permitted "when it is prescribed by a cabinet order as being a case recognized especially necessary in order to promote the policies of the government concerning the maintenance or improvement of the international competitiveness of Japanese industries."

The amendments also introduced

measures to support mid-tier enterprises (MTEs) and small and medium-sized enterprises (SMEs) seeking international expansion. These included the provision of two-step loans and guarantees for currency swap transactions, enabling private financial institutions to procure local currency more efficiently.

Law amendment expands the scope of assistance

The law was amended twice since then, reinforcing JBIC's operational functions. In 2016, Special Operations were introduced to cover projects related to the development of overseas infrastructure. Financial support mechanisms were also diversified, including two-step loans for intermediary banks and acquisition of corporate bonds, such as project bonds, to bolster overseas infrastructure initiatives.

During the COVID-19 pandemic, JBIC launched the "Emergency Window for Overcoming the COVID-19 Crisis" in April 2020, and the "Post-COVID-19 Growth Facility" in the following January. Overseas investment loans for businesses in developed countries and domestic loans for large companies were permitted as a temporary measure. Addressing global supply chain disruption, JBIC helped Japanese companies maintain their overseas operations.

The 2023 amendment reinforced JBIC's functions in order to respond to the drastically changing international situation. New measures included

enhancing the resilience of Japanese companies' supply chains; assisting more risk-taking by companies and start-ups; and participating in international support for Ukraine's recovery.

Throughout its more than 70-year history, which began with the establishment of the Japan Export Bank in 1950, JBIC has fulfilled its role as a policy-based financial institution that contributes to the sound development of Japan and the international economic community through flexibly adapting its role and structure. JBIC remains committed to finding solutions to challenges confronting the international community.

The JBIC Act and global context

2011	March May	Great East Japan Earthquake Promulgation of the JBIC Act
2012	April	JBIC separated from JFC
2016	October	JBIC Act amended to strengthen support for overseas infrastructure projects
2020	March	The WHO declares COVID-19 a pandemic
2022	February	Russia invades Ukraine
2023	April	JBIC Act amended to strengthen the supply chains of Japan's companies, support further risk-taking, and allow participation in international support for Ukraine's recovery

