JBIC’s mission is to contribute to the sound development of Japan and the international economy and society by conducting its operations in the following four fields:

- Promoting the overseas development and securement of resources which are important for Japan
- Maintaining and improving the international competitiveness of Japanese industries
- Promoting the overseas business having the purpose of preserving the global environment, such as preventing global warming
- Preventing disruptions to international financial order or taking appropriate measures with respect to damages caused by such disruptions

History

Japan Bank for International Cooperation (JBIC) was established on April 1, 2012 in accordance with the Japan Bank for International Cooperation Act (JBIC Act), which promulgated and came into effect on May 2, 2011.
Operational Principles

1. **Supplementing the financial transactions implemented by private-sector financial institutions**
   To effectively perform the functions required for policy-based financing, JBIC shall take account of situations where private-sector financial institutions are placed in their international finance activities and supplement their operations.

2. **Ensuring financial soundness and certainty of repayment**
   Pursuant to the JBIC Act, JBIC shall make efforts to maintain the financial soundness of its operations, and when making financial decisions, to conduct adequate screening regarding the outlook or the recovery of funds.

3. **Maintaining and improving international creditworthiness and confidence**
   In order to conduct adequate operations and effective overseas funding operations, JBIC shall maintain and improve the international creditworthiness and confidence gained by JBIC over the years.

4. **Conducting business operations by drawing on its expertise and initiatives**
   JBIC shall conduct operations by drawing on its own expertise and initiatives on international finance.

Profile

Name: Japan Bank for International Cooperation (JBIC)
Office: 4-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8144, Japan
Capital: ¥1,765.2 billion (as of March 31, 2018)
Outstandings (Loans and Equity Participations): ¥13,919.4 billion (as of March 31, 2018)
Outstanding (Guarantees): ¥2,260.2 billion (as of March 31, 2018)
Missions

As demand continues to rise for energy resources such as oil and liquefied natural gas (LNG), as well as for metals such as iron, copper and other rare materials, countries around the world are stepping up efforts to secure long-term, stable supplies of these essential resources. JBIC, by supporting the efforts of Japanese companies to acquire interests in and develop natural resources overseas, and to import them to Japan, contributes to ensuring a stable supply of the resources that are essential to the sound development of the Japanese economy.

Promoting the overseas development and securement of resources which are important for Japan

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Economic globalization has led to increasingly intense competition worldwide. Under these circumstances, JBIC provides support to maintain and raise the international competitiveness of Japanese industries by utilizing a variety of financing methods to support the export of machinery, equipment, marine vessels and other infrastructure and the participation in overseas infrastructure projects by Japanese companies, and to support overseas manufacturing and sales activities by Japanese companies seeking growth in foreign markets, including mid-tier enterprises and small and medium-sized enterprises (SME).
Promoting the overseas business having the purpose of preserving the global environment, such as preventing global warming

Climate change mitigation is an urgent issue for the entire world. JBIC supports projects undertaken in foreign countries that are having a favorable impact on the preservation of the global environment, including construction of renewable energy power plants such as wind power systems utilizing advanced environmental technologies as well as installation of energy-saving equipment. In doing so, JBIC will utilize its loans, equity participations and guarantees through the mobilization of private financing.

Under GREEN (Global action for Reconciling Economic growth and ENvironmental preservation) operations, JBIC, taking into account the need to bring Japanese advanced environmental technologies to the world, works in cooperation with international organizations and local financial institutions in developing countries to provide support for projects with a focus on environmental conservation, such as those anticipated to make a considerable contribution to reducing greenhouse gases (GHG).
Disruptions in the international financial order have a serious impact on the Japanese and world economies and corporate activities. JBIC has worked in coordination with the Japanese government to implement various measures during previous crises, such as during the Asian currency crisis in 1997 and the global financial crisis in 2008. In particular, after the global financial crisis in 2008, the Japanese government took measures to empower JBIC to launch three financial operations (Emergency Operations to Support Japanese Overseas Business Activities*) as time-bound, exceptional measures: (1) supplier’s credits to finance exports to developing countries; (2) loans to finance major Japanese companies for continuing investment projects in developing countries; and (3) loans and guarantees to finance Japanese companies’ business operations in developed countries.

JBIC supported overseas operations of a large number of Japanese companies in a diverse range of industries including mid-tier enterprises and SME. As a part of these facilities, JBIC also provided two-step loans (TSL) to domestic financial institutions in an effort to support overseas business activities of Japanese enterprises that were facing funding difficulties, and established a fund together with the International Finance Corporation (IFC) to recapitalize financial institutions in developing countries, contributing to the stabilization of the international financial order.


Commitments in Emergency Operations to Support Japanese Overseas Business Activities
(Loans, Equity Participations and Guarantees)

<table>
<thead>
<tr>
<th></th>
<th>Cumulative financing since FY2008 (Unit: billions of yen)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developed Countries</td>
<td>1,216.8 (50%)</td>
</tr>
<tr>
<td>TSL to Japanese Financial Institutions</td>
<td>1,048.6 (43%)</td>
</tr>
<tr>
<td>Developing Countries</td>
<td>180.6 (7%)</td>
</tr>
</tbody>
</table>

Missions
**JBIC at a Glance**

**Total Number and Amount of Loan and Equity Participation Commitments**
(as of March 31, 2018)

**Europe**
3,895
¥10,386.1 billion

**Asia**
11,352
¥22,827.5 billion

**The Middle East**
816
¥7,036.9 billion

**Africa**
2,371
¥4,282.8 billion

**Oceania**
1,134
¥3,704.6 billion

---

*Project finance is a financing scheme in which repayments are made solely from cash flows generated by a project and secured only by project assets.*
Changing Composition of Loans, Equity Participations, and Guarantees (Commitments)

(Unit: billions of yen)

<table>
<thead>
<tr>
<th>Year</th>
<th>Export Loans</th>
<th>Import Loans</th>
<th>Overseas Investment Loans</th>
<th>Untied Loans</th>
<th>Governmental Loans</th>
<th>Guarantees</th>
<th>Equity Participations</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY1955</td>
<td>60.3 (98%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY1970</td>
<td>33.3 (6%)</td>
<td>68.5 (13%)</td>
<td>31.1 (6%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY1985</td>
<td>182.4 (21%)</td>
<td>233.5 (26%)</td>
<td>359.4 (40%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2000</td>
<td>174.0 (14%)</td>
<td>323.4 (27%)</td>
<td>523.7 (43%)</td>
<td>101.4 (11%)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2017</td>
<td>764.4 (64%)</td>
<td></td>
<td></td>
<td>77.7 (7%)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **North America**
  - 3,044
  - ¥9,725.2 billion

- **Latin America and the Caribbean**
  - 4,182
  - ¥10,426.9 billion

- **Australia**
  - Project finance for purchase of an LNG tanker

- **Peru**
  - Support for acquiring interest in Quellaveco copper mine

- **Trinidad and Tobago**
  - Project finance for methanol and dimethyl ether production plant

- **Paraguay**
  - Support for Japanese shipbuilding business

*Enhanced oil recovery*
Export Loans

Export loans are provided to overseas importers and financial institutions to support finance exports of Japanese machinery, equipment, and technology mainly to developing countries. In particular, products such as marine vessels, power generation facilities, and other types of plant equipment incorporate a significant amount of advanced technology, and their export will be instrumental in enhancing the technological base of Japanese industries. Furthermore, Japanese shipbuilding and plant facilities industries have a broad range of supporting industries, including SME producing parts and components, and thus the loans are expected to positively contribute to the business of these Japanese companies. Export loans in specific sectors are also available to developed countries (see note).

Terms and conditions of export loans are determined based on the Arrangement on Officially Supported Export Credits (OECD Arrangement). In principle, the loan amount should not exceed the value of an export contract or technical service contract, and excludes the down payment. Local costs may be covered provided that the amount is within the scope prescribed by the OECD Arrangement.

Note: Eligible Sectors of Export Loans in Developed Countries (as of October 1, 2016)

[Integrated Infrastructure System Projects]
- Railways (high-speed, inter-city projects and projects in major cities), road business, water business, biomass fuel production, renewable energy power generation, nuclear power generation, power transformation, transmission and distribution, highly efficient coal-fired power generation, coal gasification, carbon capture and storage (CCS), highly efficient gas-fired power generation, petrochemical production, waste incineration and waste to energy, smart grid

[Other Export Transactions]
- Ships, satellites, aircraft, medical positron beam therapy equipment

Private financial institutions

Financial institution, etc., in foreign country

Loan (B/L)¹

Loans

Japanese exporter(s)

Loan (B/C)²

Importer(s) in foreign country(ies)

Exports of plants, etc.

1. Loan to foreign financial institutions (bank-to-bank loan or “B/L”).
2. Loan to foreign importers (buyer’s credit or “B/C”).

Supporting Export of LNG Carriers Built by Japanese Shipbuilders

JBIC concluded a loan agreement for the export of a ship, based on project financing, with San Isidro LNG I B.V. (San Isidro), a Dutch entity in which IMABARI SHIPBUILDING CO., LTD. (IMABARI SHIPBUILDING) and Mitsubishi Corporation each holds a 50% stake. The loan is intended to provide the funds for San Isidro to purchase one LNG carrier constructed by IMABARI SHIPBUILDING. The purchased LNG carrier will be chartered to Gas Natural Fenosa Group, the largest gas company in Spain.

This loan is intended to support the export of ships constructed by a Japanese shipbuilder which plays a significant role in the regional economy and its associated industries. The loan will thus contribute to maintaining and strengthening the international competitiveness of the Japanese shipbuilding industry.
Import loans support imports of strategically important goods including natural resources. They are extended to Japanese importers or foreign exporters. As Japan is poorly endowed with natural resources, stable imports of natural resources over the long term are one of the key factors underpinning domestic economic activity. Import loans finance the development and import of energy resources, including oil and LNG, and mineral resources, including iron ore, copper and other rare materials.

In addition to natural resources, JBIC provides a guarantee facility for goods and services essential to the sound development of the Japanese economy, such as for the import of aircraft. (See page 13 for the scheme of guarantees for imports of manufactured products.)

Products Eligible for Import Loans (Natural Resources)
Oil, petroleum gas, LNG, coal, uranium, metallic ores, metals, mineral phosphate, fluorite, salt, lumber, wood chips, pulp, and other materials.

Securing long-term supply of crude oil and strengthening strategic partnership with UAE

JBIC concluded a facility agreement with Abu Dhabi National Oil Company (ADNOC), a state-run oil company wholly owned by the government in the Emirate of Abu Dhabi (Abu Dhabi) in the UAE. This is the fifth loan that JBIC has provided for ADNOC with an aim to securing a long-term oil supply for Japan.

Abu Dhabi is vital to Japan’s energy resource strategy as it has been a stable source of crude oil for more than 30 years. Additionally, Abu Dhabi allows foreign oil companies to conduct business based on oil concession agreements. This facility aims to support Japanese companies in renewing their existing concessions in the offshore oil fields in Abu Dhabi as well as acquiring new concessions. This facility will also help the strengthening of Japan’s relationships with ADNOC as well as the UAE, which is an important country in terms of Japan’s energy resource strategy.
**Overseas Investment Loans**

Overseas investment loans support Japanese foreign direct investments. The loans can be provided to Japanese companies (investors), overseas Japanese affiliates (including joint ventures) and foreign governments or financial institutions that have equity participations in or provide loans to such overseas affiliates.

Direct loans to Japanese companies are intended for mid-tier enterprises and SME, as well as to projects aimed at developing or securing interests in overseas resources that are strategically important to Japan, and projects that support merger and acquisition (M&A) activities (these projects include those of large companies). Moreover, JBIC provides two-step loans (TSL) to support the overseas business deployment of Japanese companies, including mid-tier enterprises and SME, as well as TSL intended to support M&A activities by Japanese companies. JBIC is also able to provide short-term loans for overseas business operations when bridge loans are required to fill the financing gaps before that offers long-term loans. Moreover, JBIC is empowered to provide investment loans for projects in developed countries for specific sectors (see note).

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**Note:** Eligible Sectors of Overseas Investment Loans in Developed Countries (as of October 1, 2016)

- Railways (high-speed, inter-city projects and projects in major cities), road business, water business, biomass fuel production, renewable energy power generation, nuclear power generation, power transformation, transmission and distribution, highly efficient coal-fired power generation, coal gasification, CCS, highly efficient gas-fired power generation, smart grid, development of telecommunications network, shipbuilding and marine transport, satellite launching and operation, aircraft maintenance and sales, medical business (related to positron beam therapy facility), petrochemical production, waste incineration and waste to energy, M&A activities, etc.

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**Supporting LNG Projects in Which Japanese Companies Participate**

JBIC concluded a loan agreement with Japan International Finance Management (Tangguh) Corporation (TPM). The project is carried out by Mitsubishi Corporation, INPEX CORPORATION, JX Nippon Oil & Gas Exploration Corporation, LNG JAPAN CORPORATION (a joint-subsidiary of Sojitz Corporation and SUMITOMO CORPORATION), MITSUI & CO., LTD., and Japan Oil, Gas and Metals National Corporation (JOGMEC) as the Japanese sponsors. The project will conduct additional development and production of gas fields located in the Berau Bay, West Papua Province, Indonesia, while expanding the existing gas liquefaction facilities. The Japanese sponsors have a combined total of about 46% interest in the gas fields, and the Kansai Electric Power Company, Incorporated will offtake 1 million tons per year of the LNG produced by the project (total production capacity: 3.8 million tons/year).
Untied Loans are intended to finance projects and the import of goods by developing countries, or for such countries to achieve equilibrium in their international balance of payments, or to stabilize their currencies. Loans are not conditional on investments or procurement of equipment and materials from Japan.

Capital procured from untied loans is used to: secure stable supplies of energy and mineral resources for Japan; promote business activities of Japanese companies; maintain and expand trade and direct investment from Japan; finance projects having significant effects on global environmental preservation; and finance projects maintaining order in international financing.

Supporting Energy Efficiency Projects in Ecuador

JBIC concluded a loan agreement with the Ecuador government. This is the first loan for JBIC to provide to the Ecuador government under the GREEN operations and will be used as necessary funds for energy efficiency projects in the country. The Ecuador government has been taking vigorous steps to implement measures to cope with climate change. This loan is expected to contribute to the reduction of GHG emissions through the support of Ecuador’s energy efficiency project while propagating advanced Japanese environmental technologies which have received high international recognition. This is also in line with an initiative announced by the Japanese government in November 2015, “Actions for Cool Earth: ACE 2.0.”

GREEN Operations

Under its GREEN (Global action for Reconciling Economic growth and ENVironmental preservation) operations, JBIC provides support for projects with a focus on environmental conservation, such as those anticipated to make a considerable reduction in GHG, taking into account of propagating Japanese advanced environmental technologies to the world.

Promoting the overseas business having the purpose of preserving the global environment

Eligible Projects:
Favorable impact on preservation of the global environment, such as significantly reducing GHG emissions
Equity Participations

Equity participations are capital contributions to companies where Japanese companies have equity stakes to undertake overseas projects, as well as funds where Japanese companies perform significant roles. In principle, equity participations take the following forms.

- **Japanese companies make equity participations in an overseas project**

- **Japanese companies participate in a fund (and perform such major role as general partner in their management and investment decisions)**

- **Japanese companies acquire equity interests in a foreign company to form business alliance**

- **Japanese companies form a consortium and participate in an international fund**

**Supporting Japanese Companies’ Overseas Business Expansion by Local Currency Investment**

JBIC signed a shareholders agreement with companies including Toyota Tsusho Corporation (Toyota Tsusho) and TechnoTrends AutoPark Private Limited (TTAP), an Indian company. The agreement is intended for the acquisition of TTAP’s preferred shares. The objective of this investment is to support the operation of an industrial park in the state of Gujarat in western India through TTAP, which was established by Toyota Tsusho through its Indian subsidiary. The supply of local currency-denominated risk money by JBIC, through its equity participations, will support the business expansion of Toyota Tsusho and Japanese companies in the region, thereby contributing to maintaining and strengthening the international competitiveness of Japanese industries.
Financial Instruments

Guarantees

In addition to loans and equity participations, JBIC provides support through its guarantee facility. Guarantees are provided for loans extended by private financial institutions, bonds issued by governments of developing countries or overseas Japanese companies, as well as for currency swap transactions. JBIC also issues reassurance for guarantees from export credit agencies in other countries.

- **Guarantees for Imports of Manufactured Products**
  JBIC has a guarantee facility for the borrowings made by Japanese companies to finance the import of aircraft and other manufactured products that are vital for Japan.

- **Guarantees for Corporate Bonds Issued by Japanese Affiliates**
  JBIC supports Japanese affiliates operating overseas by providing guarantees for the bonds they issue in local capital markets.

- **Guarantees for Co-financing, Overseas Syndicated Loans and Public Sector Bonds**
  Loans to developing countries involve, among others, currency conversion and transfer risks, as well as country risks. Guarantees that JBIC issues to cover such risks will enable Japanese private financial institutions to provide medium- and long-term financing for developing countries, and contribute to developing countries to bringing in private capital and facilitating private companies to expand international business activities.

- **Guarantees for Currency Swaps**
  JBIC provides guarantees for swap transactions to support the local currency financing of overseas infrastructure projects and other projects undertaken by Japanese companies.

- **Counter Guarantees for Export Credits**
  In the cases where Japanese companies export machinery and equipment jointly with companies of another country, JBIC provides a counter guarantee for the guarantee provided by that country’s export credit agency (ECA). This function enables JBIC to flexibly support export projects by Japanese companies collaborating with foreign companies through multilateral mutual guarantee schemes.
Bridge Loans

JBIC provides short-term financing for governments of developing countries to meet their foreign currency needs for external transactions when they face balance-of-payment difficulties.

JBIC provided bridge loans (short-term bridging loans) for Myanmar in January 2013 to support clear the arrears of past loans from the Asian Development Bank (ADB) and the International Development Association (IDA), a member of the World Bank Group.

Acquisition of Loan Assets and Public and Corporate Bonds

When JBIC provides export loans, import loans, overseas investment loans and untied loans, JBIC can also provide credits, in addition to providing loans and guarantees, by purchasing loan assets and acquiring public and corporate bonds* issued by borrowers for funding. The objective of such operations is to promote private financial institutions’ loans in international finance and Japanese companies’ funding in international capital markets.

* The scope of assets and securities acquired includes public bonds, corporate bonds, debt securities and trust beneficiary rights.

Research and Studies

JBIC conducts research and studies on individual projects during their initial stage, as well as those focused on specific regions or industry sectors that may be conductive to specific projects. This is an effective means of identifying potentially quality projects, and is expected to lead to increasing exports of materials and services from Japan, as well as expand opportunities to participate in projects by Japanese companies. Research and studies are conducted at each stage necessary for realization of the project, including preparation of a master plan for an individual project, conducting of prefeasibility and feasibility studies (Pre-F/S, F/S), front-end engineering design (FEED), and studies of regions and industry sectors conductive to specific projects. After the research and studies are completed, follow-up reviews are conducted at least once each year to confirm the progress of the project.

Research and studies are conducted in the following sequence.

1. Selection of a research and study subject
2. Selection of the contractor to conduct research and studies
3. Conduct of the research and studies
4. Completion of the research and study report
5. Follow-up
Securitization and other financial instruments

JBIC provides support for securitization and an increase in liquidity in order to complement and encourage the activities of private financial institutions.

1. Securitization (Guarantees)
In cases where special purpose companies (SPC) or trust companies issue asset-backed securities (ABS) or other financial products with loans or other assets as collateral, JBIC guarantees the payment of such ABS to reduce country and structure risks, thereby supporting the issuance of bonds in the emerging capital markets.

2. Securitization (Acquisition of Securities)
JBIC supports bond issues by acquiring a portion of the ABS issued by SPC or trust companies with loans or other assets as collateral. JBIC’s acquisition will support the securitization needs of the originators and is expected to help invigorate the bond market by circulating the acquired bonds back into the market when market conditions allow.

Note: An originator is the original owner of assets to be securitized and obtain funding through securitization.

3. Securitization and Liquidation of Receivables
JBIC provides guarantees for the receivables and other monetary claims held by overseas subsidiaries of Japanese companies, in order to facilitate the purchase of such receivables by banks (an increase in their liquidity). JBIC is also able to provide guarantees for securities issued by SPC or trust companies in cases where these securities have monetary claims acquired from overseas Japanese subsidiaries on collateral.

* The above diagram depicts a scheme where SPC are used, but the clients can also use schemes where trusts are used or JBIC acquires or provides guarantees for assets backed by securitization.
Prominent Initiatives in Recent Years

Special Operations Regarding Overseas Infrastructure Project

Following economic growth and rapid urbanization in emerging economies, global demand for infrastructure development is expected to continue expanding. Based on the Japanese government’s policies including “Partnership for Quality Infrastructure,” JBIC launched the Special Operations, enabling JBIC to take further risks regarding overseas infrastructure projects on October, 2016.

Examples of Projects under Special Operations (see Note)

Global Facility to Promote Quality Infrastructure Investment for Environmental Preservation and Sustainable Growth (QI-ESG)

Amid increasing global trend for environmental, social and governance (ESG) investment across the world, JBIC launched the new Global Facility to Promote Quality Infrastructure Investment for Environmental Preservation and Sustainable Growth (QI-ESG) on July, 2018. QI-ESG aims to provide a wide range of financing support for infrastructure development which is expected to help to preserve the global environment. An overview of QI-ESG is outlined below.

Financing conditions of QI-ESG

<table>
<thead>
<tr>
<th>Eligible projects</th>
<th>Projects that are expected to reduce GHG or contribute to protecting the global environment, including those related to renewable energy, energy savings, green mobility solutions (such as a modal shift in transportation and electric vehicles), air pollution prevention, water supply, water pollution prevention and waste disposal, etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available currencies</td>
<td>Japanese yen, U.S. dollar, and the Euro (other currencies to be decided separately)</td>
</tr>
<tr>
<td>Financing amount available from JBIC</td>
<td>Up to 60% of the total co-financing amount</td>
</tr>
<tr>
<td>Deadline for signing a financing agreement</td>
<td>Until the end of June 2021</td>
</tr>
</tbody>
</table>
**Efforts of JBIC for Environmental Conservation**

**Japan Bank for International Cooperation Guidelines for Confirmation of Environmental and Social Considerations**

Growing interest in environmental conservation has led to a worldwide trend toward more rigorous environmental regulations. There are more than a few cases, especially in overseas projects, in which insufficient risk management of possible environmental and social impacts has seriously affected project implementation or undermined its social reputation.

In conducting these operations, JBIC confirms whether the borrower has made appropriate consideration for local communities and the natural environment in all the JBIC-financed projects based on the “Japan Bank for International Cooperation Guidelines for Confirmation of Environmental and Social Considerations” (Environmental Guidelines).

The Environmental Guidelines set out the procedures, criteria and requirements that JBIC-financed projects must meet in confirming environmental and social considerations. When JBIC judges that the project proponents have not made appropriate environmental and social considerations, it will encourage them to take remedial measures. If appropriate environmental and social considerations have not been taken, JBIC may decide not to extend funding.

In addition, JBIC established and made public the “Japan Bank for International Cooperation Guidelines for Confirmation of Information Disclosure Considerations for Nuclear Sector Projects” (Information Disclosure Guidelines) in December 2017. Based on the Information Disclosure Guidelines, JBIC confirms that appropriate measures are carried out by project proponents and other relevant parties to ensure information disclosure and public participation for issues specific to each project.

** Procedure for Confirmation of Environmental and Social Considerations**

Prospective projects are screened prior to funding, and classified into categories according to the degree of potential environmental impact. An Environmental Review is then conducted to verify that the environmental and social impacts have been considered in a proper manner. After funding has been approved, projects are monitored to assess the actual impact.

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### Categorization

- **Category A**: Project with the potential for a serious and adverse impact on the environment.
- **Category B**: Project with the potential for an adverse impact on the environment, but less than that of Category A projects.
- **Category C**: Project with the potential for minimal or no adverse impact on the environment.
- **Category FI**: Project for which JBIC provides funding to a financial intermediary, and after acceptance of JBIC funding, the financial intermediary selects and conducts screenings for specific subprojects, in cases where subprojects cannot be determined prior to acceptance of JBIC funding, and where such subprojects are anticipated to have an impact on the environment.

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category A</td>
<td>Project with the potential for a serious and adverse impact on the environment.</td>
</tr>
<tr>
<td>Category B</td>
<td>Project with the potential for an adverse impact on the environment, but less than that of Category A projects.</td>
</tr>
<tr>
<td>Category C</td>
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</tr>
<tr>
<td>Category FI</td>
<td>Project for which JBIC provides funding to a financial intermediary, and after acceptance of JBIC funding, the financial intermediary selects and conducts screenings for specific subprojects, in cases where subprojects cannot be determined prior to acceptance of JBIC funding, and where such subprojects are anticipated to have an impact on the environment.</td>
</tr>
</tbody>
</table>

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*For Category FI projects, JBIC confirms through the financial intermediary that the proper environmental and social considerations indicated in the Environmental Guidelines have been followed for the project.*

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Projects are classified into one of the following four categories in relation to the degree of environmental impact, based on the information provided by the project proponent during the screening process.

### Disclosure

- **Screening Form is submitted at the time of funding request.**
- **For Category A projects, an environment and social impact assessment (ESIA) report must be submitted.**
- **Information necessary for the Environmental Review is submitted.**
- **Status report is presented on implementation of measures for environment and social considerations (monitoring).**
- **The project outline, category and ESIA report (required for Category A) are, in principle, disclosed on the JBIC website.**
- **The Environmental Review and Screening Form are disclosed on the JBIC website (with the exception of Category C projects).**
- **In cases where the project proponent discloses the monitoring report, the report is, in principle, also disclosed on the JBIC website.**

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*Note: The classification into either Ordinary Operations or Special Operations is determined at the point when JBIC approves each individual project.*
Support for Mid-tier Enterprises and SME

Framework for Supporting Globalization Efforts of Mid-tier Enterprises and SME

JBIC actively supports Japanese mid-tier enterprises and small and medium-sized enterprises (hereinafter collectively referred to as "SME") expanding overseas in response to economic globalization.

In recent years, following the economic growth of emerging market countries, especially in Asia, an increasing number of SME are not only meeting the procurement needs of major Japanese companies with overseas production operations, but also seeking to expand their own business in emerging markets. With such change in the purposes of SME’s overseas expansion, the need for funds among SME has grown more diverse.

Support for the Overseas Deployment of Mid-tier Enterprises and SME

Utilizing the know-how and experience of overseas financing that it has accumulated over the years, JBIC provides long-term financing required by Japanese companies, including SME, for overseas investment, export of products, and other activities through co-financing with private financial institutions in the form of overseas investment loans, export loans, and other loans.

JBIC implements the following five measures in order to support the overseas business deployment of SME.

1. Response to small loans (several tens of millions of yen): In addition to new capital investment, loans for replacement of machinery, etc.
3. Support for M&A overseas: Loans for acquisition funds required when entering overseas markets through M&A
4. Coordination and cooperation with private financial institutions (regional banks, credit unions, money center banks): Support for the overseas business deployment needs of SME all through the country
5. Utilization of networks of JBIC overseas offices: Information service on overseas investment environment; support for solving issues with foreign governments

Cooperation with Japanese Regional Financial Institutions

Regional financial institutions that SME work with play an important role when SME seek to expand overseas. Through collaboration with regional financial institutions, JBIC provides wide range of support to facilitate the overseas expansion of local companies, including co-financing, concluding general agreements with regional financial institutions for setting up credit lines to support SME’s business in developing countries, and holding joint seminars on overseas business expansion and other issues.

Cooperation with Local Financial Institutions and Governments in Developing Countries

Not limiting itself to supporting overseas subsidiaries of Japanese companies, JBIC has strengthened its relationship with local financial institutions, through measures such as provision of two-step loans, in order to develop and support local companies that supply the Japanese subsidiaries with materials and components.

In addition, JBIC has concluded MOU with the local financial institutions and governments to develop a support system for SME’s overseas business expansion that involves regional financial institutions in Japan. Under these MOU, JBIC encourages local financial institutions to set up and expand single contact points “Japan desks” for Japanese companies, and builds frameworks which enable consultations on specific cooperation and coordination together with the regional financial institutions that have business relationships with the SME.

<table>
<thead>
<tr>
<th>Country</th>
<th>Local financial institutions/governments</th>
<th>MOU agreement date</th>
<th>Number of participating Japanese regional financial institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thailand</td>
<td>KASIKORN BANK Public Company Limited</td>
<td>May 2011</td>
<td>28</td>
</tr>
<tr>
<td>Indonesia</td>
<td>PT, Bank Negara Indonesia (Persero) Tbk</td>
<td>July 2011</td>
<td>33</td>
</tr>
<tr>
<td>India</td>
<td>State Bank of India</td>
<td>August 2012</td>
<td>45</td>
</tr>
<tr>
<td>The Philippines</td>
<td>BDO Unibank, Inc. (BDO)</td>
<td>March 2013</td>
<td>7</td>
</tr>
<tr>
<td>The Philippines</td>
<td>Metropolitan Bank and Trust Company (Metrobank)</td>
<td>March 2013</td>
<td>45</td>
</tr>
<tr>
<td>Vietnam</td>
<td>Joint Stock Commercial Bank for Foreign Trade of Vietnam</td>
<td>August 2013</td>
<td>45</td>
</tr>
<tr>
<td>Mexico</td>
<td>The State of Aguascalientes</td>
<td>October 2015</td>
<td>68</td>
</tr>
<tr>
<td>Mexico</td>
<td>The State of Jalisco</td>
<td>November 2015</td>
<td>68</td>
</tr>
<tr>
<td>Mexico</td>
<td>The State of Guanajuato</td>
<td>February 2016</td>
<td>67</td>
</tr>
<tr>
<td>Mexico</td>
<td>BANCO NACIONAL DE MEXICO S.A., INTEGRANTE DEL GRUPO FINANCIERO BANAMEX</td>
<td>February 2016</td>
<td>57</td>
</tr>
<tr>
<td>Mexico</td>
<td>The State of Nuevo Leon</td>
<td>March 2016</td>
<td>67</td>
</tr>
</tbody>
</table>
JBIC organizes seminars and consultation sessions on overseas business deployment in cooperation with regional financial institutions, prefectural and municipal governments, local chambers of commerce and industry and other entities. It has also compiled guidebooks on investment climates in major countries where Japanese companies are doing business based on field studies.

### Case Studies

<table>
<thead>
<tr>
<th>Country</th>
<th>Company</th>
<th>Business Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>HANYA Seisakusho Co., Ltd.</td>
<td>Automotive Parts Manufacturing and Sales Business</td>
</tr>
<tr>
<td></td>
<td>SAKURAI Ltd.</td>
<td>Clothing Manufacturing and Sales Business</td>
</tr>
<tr>
<td>Thailand</td>
<td>OSP HOLDINGS CO., LTD.</td>
<td>Business Assistance for OSP Group Companies</td>
</tr>
<tr>
<td>Mexico</td>
<td>Miyazaki Seiko Co., Ltd.</td>
<td>Secondary Processing and Sales of Specialty Steel Bars and Wire Business</td>
</tr>
</tbody>
</table>
JBIC’s Profile

Corporate Philosophy

Positioned at the crossroads of global business opportunities, JBIC is opening new venues to the future for the Japanese and global economy.

- Hands-on Policy: Pioneering new value by participating at the forefront of overseas project development, and by engaging proactively in projects from the early stages.
- Customer-1st Approach: Offering customers one-of-a-kind solutions by adopting their perspectives and integrating their views into policy development.
- Forward-looking Action: Contributing to the sustainable development of Japan and the world as a whole by deploying highly professional skills, with a view to realizing a secure and affluent future society.

Organizational Chart (as of August 1, 2018)

- Domestic
  - Corporate Planning Group
  - Credit, Assessment and Risk Management Group
  - Treasury and Systems Group
  - Energy and Natural Resources Finance Group
  - Infrastructure and Environment Finance Group
  - Industry Finance Group
  - Equity Finance Group

- Overseas
  - Regional Head for Asia and Pacific
    - Singapore*
    - Beijing, Bangkok, Hanoi, Jakarta, Manila, New Delhi
  - Regional Head for Europe, the Middle East and Africa
    - London*
    - Moscow, Paris, Dubai
  - Regional Head for the Americas
    - New York*
    - Washington, D.C., Buenos Aires, Mexico City, Rio de Janeiro

* Singapore, London and New York are assigned as core regional headquarters to supervise business and administrative activities and support project formulation in Asia and Pacific; Europe, the Middle East and Africa; and the Americas, respectively.
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JBIC’s Profile
for the Japanese and global economy.

Positioned at the crossroads of global business opportunities, JBIC is opening new venues to the future

Corporate Philosophy

- Forward-looking Action
- Customer-first Approach
- Hands-on Policy

Overseas
Equity Finance Group
Industry Finance Group
Infrastructure and Environment Finance Group
Credit, Assessment and Risk Management Group
Energy and Natural Resources Finance Group
Corporate Planning Group
Treasury and Systems Group

*- Singapore, London and New York are assigned as core regional headquarters to supervise business and administrative activities and support

Regional Head for Europe, the Middle East and Africa
Regional Head for Asia and Pacific

Contributing to the sustainable development of Japan and the world as a whole by deploying highly proactive in projects from the early stages.

Pioneering new value by participating at the forefront of overseas project development, and by engaging

Moscow, Paris, Dubai
London*
Beijing, Bangkok, Hanoi, Jakarta, Manila, New Delhi

Finance Office for SMEs
Internal Audit Department
Environmental Assessment Office
Human Resources Management Office
Legal Affairs and Compliance Office
Policy and Strategy Office for Financial Operations
New Energy and Power Finance Department
Mining and Metals Finance Department
Social Infrastructure Finance Department
Corporate Finance Department
Administration and General Services Department
Treasury Department

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Funding Sources

Financial Market

Funding Sources: Actual

<table>
<thead>
<tr>
<th></th>
<th>FY2015</th>
<th>FY2016</th>
<th>FY2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Contribution from FILP Industrial Investment</td>
<td>—</td>
<td>142.0</td>
<td>82.2</td>
</tr>
<tr>
<td>Borrowing from FILP Fiscal Loan</td>
<td>244.9</td>
<td>530.5</td>
<td>209.5</td>
</tr>
<tr>
<td>Borrowing from Foreign Exchange Fund Special Account</td>
<td>1,595.8</td>
<td>1,142.7</td>
<td>854.4</td>
</tr>
<tr>
<td>Government-guaranteed Long-term Loans in Foreign Currency</td>
<td>—</td>
<td>—</td>
<td>—</td>
</tr>
<tr>
<td>Government-guaranteed Foreign Bonds*</td>
<td>—</td>
<td>1,106.2</td>
<td>1,629.7</td>
</tr>
<tr>
<td>FILP Agency Bonds*</td>
<td>419.0</td>
<td>—</td>
<td>60.0</td>
</tr>
<tr>
<td>Other Sources of Funds, Including Repayments</td>
<td>(155.9)</td>
<td>(721.0)</td>
<td>(1,108.9)</td>
</tr>
<tr>
<td>Total</td>
<td>2,103.8</td>
<td>2,200.4</td>
<td>1,726.9</td>
</tr>
</tbody>
</table>

* Figures for bonds are indicated at face value.

Overseas Network (as of August 1, 2018)

Regional Headquarters

- Regional Headquarters for Europe, the Middle East and Africa
- Regional Headquarters for Asia and Pacific
- Regional Headquarters for Americas

- Representative Office in Singapore (Regional Headquarters for Asia and Pacific)
- Representative Office in Beijing
- Representative Office in Bangkok
- Representative Office in Hanoi
- Representative Office in Jakarta
- Representative Office in New Delhi
- Representative Office in Mumbai
- Representative Office in New York
- Representative Office in Buenos Aires
- Representative Office in Mexico City
- Representative Office in Rio de Janeiro
JBIC (Head Office)
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Tel: +81-3-5218-3100
Fax: +81-3-5218-3955
• Tokyo Metro Tozai Line Takebashi Station Exit 3b
• A five-minute walk from Tokyo Metro Otemachi Station

Website  https://www.jbic.go.jp/en

JBIC (West Japan Office)
10th floor, Umeshin Daiichi Seimei Building, 3-5 Sonezaki 2-chome, Kita-ku, Osaka-city, Osaka 530-0057, Japan
Tel: +81-6-6311-2520
Fax: +81-6-6311-2529
• A six-minute walk from JR Osaka Station
• A five-minute walk from Hanshin/Hankyu Umeda Station
• A three-minute walk from Osaka Municipal Subway Tanimachi Line Higashi-Umeda Station, or JR Tozai Line Kitashinchi Station

Website  https://www.jbic.go.jp/en