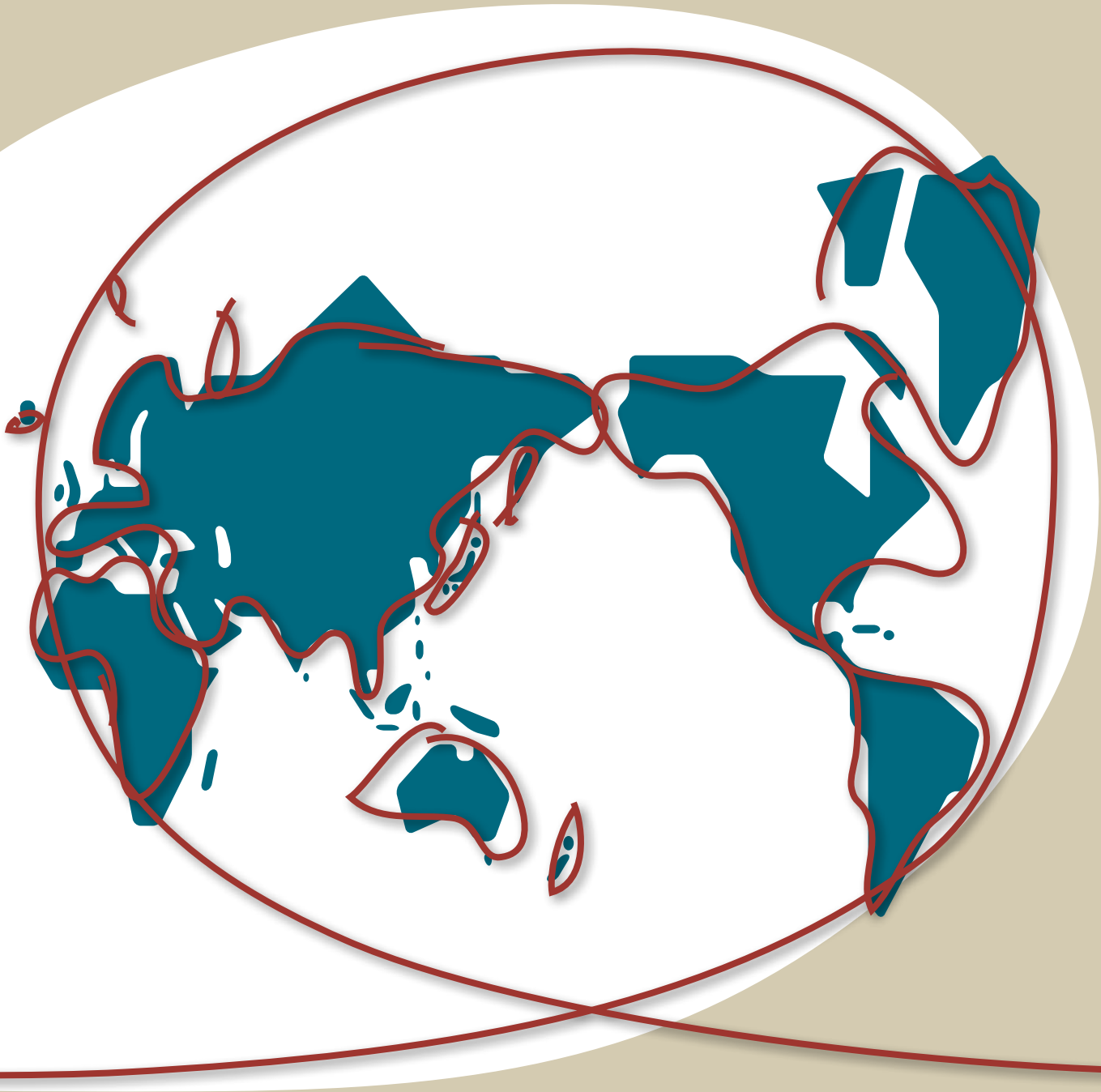




**JAPAN BANK FOR
INTERNATIONAL COOPERATION**



The Role and Function of the Japan Bank for International Cooperation

The Japan Bank for International Cooperation (JBIC) is the international wing of the Japan Finance Corporation (JFC), Japan's policy-based financing institution.

JBIC provides policy-based finance with a mission to contribute to the sound development of the Japanese and international economy.

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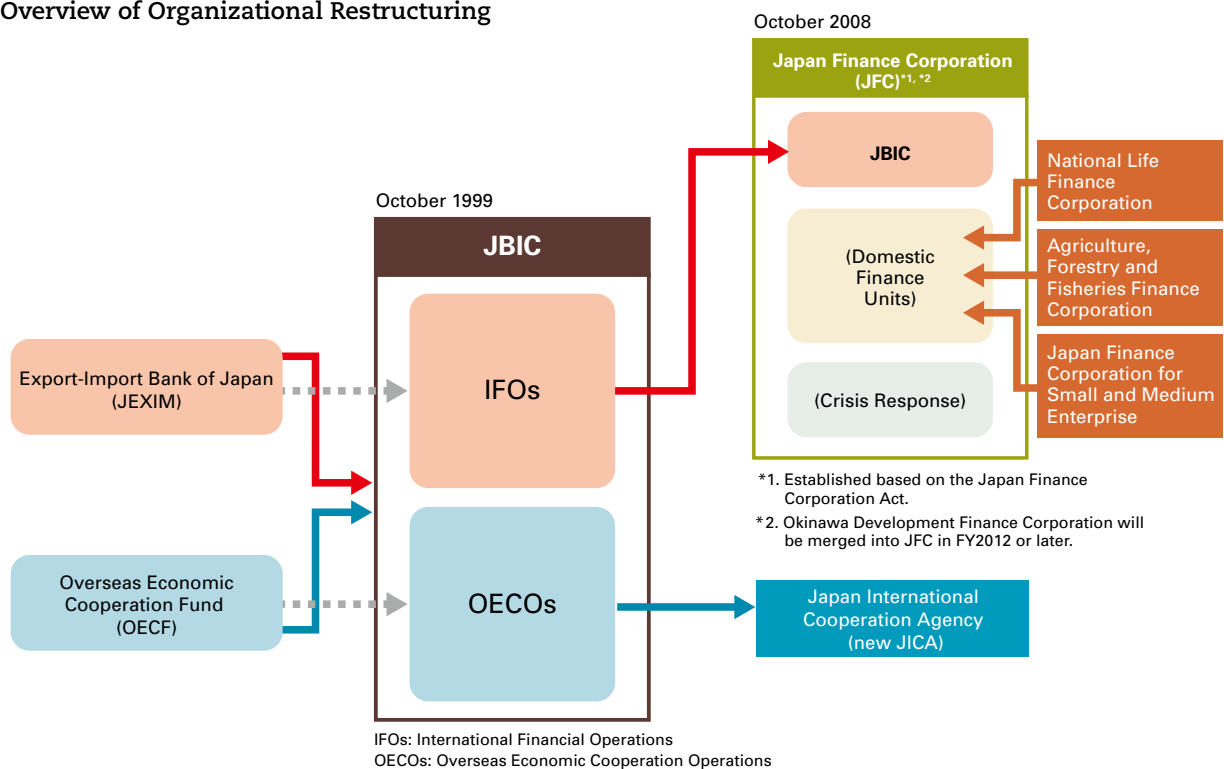
On October 1, 2008, the International Financial Operations (IFOs) of the Japan Bank for International Cooperation*¹ (JBIC), National Life Finance Corporation (NLFC), Agriculture, Forestry and Fisheries Finance Corporation (AFC) and Japan Finance Corporation for Small and Medium Enterprise (JASME) merged to become a new policy-based financing institution, the Japan Finance Corporation (JFC).

Of the two types of operations conducted by JBIC, JFC has taken over IFOs in its international wing. However, to maintain international trust and confidence gained by JBIC, the international wing of JFC continues to use the name of JBIC as it conducts international finance operations.

JBIC will devote itself to conducting more effective and efficient operations to fulfill its mission.

*1. The Overseas Economic Cooperation Operations (OECOs) of JBIC have been succeeded by the new Japan International Cooperation Agency (new JICA) on October 1, 2008.

Overview of Organizational Restructuring



JBIC'S MISSION

Our mission is to contribute to the sound development of the Japanese and international economy by conducting international finance operation in the following four fields:

- ◎ Promoting overseas development and acquisition of strategically important natural resources to Japan
- ◎ Maintaining and improving the international competitiveness of Japanese industries
- ◎ Promoting the overseas business for preserving the global environment, such as preventing global warming
- ◎ Responding to disruptions in financial order in the international economy

JBIC'S OPERATIONAL PRINCIPLES

JBIC will conduct business operations based on the following principles:

◎ Well-focused policy-based financing

As a self-contained wing of JFC specializing in policy-based international finance, JBIC shall conduct speedy and well-focused operations based on policy needs in response to economic and financial situations in Japan and abroad.

◎ Complementing 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 them.

◎ Ensuring Financial Soundness

Pursuant to the Japan Finance Corporation Act, JBIC shall make efforts to maintain the financial soundness of its international finance operations.

◎ Maintaining and improving international trust and confidence

In order to conduct adequate international finance operations and effective overseas funding operations, JBIC shall maintain and improve the international trust and confidence gained by JBIC over the years.

◎ 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.

JBIC'S SCOPE OF OPERATION

JBIC contributes to the sound development of the Japanese and international economy in the four fields of (1) promoting overseas development and acquisition of strategically important natural resources to Japan; (2) maintaining and improving the international competitiveness of Japanese industries; (3) Promoting the overseas business for preserving the global environment, such as preventing global warming; and (4) responding to disruptions in financial order in the international economy.

PROMOTING OVERSEAS DEVELOPMENT AND ACQUISITION OF STRATEGICALLY IMPORTANT NATURAL RESOURCES TO JAPAN

Demand continues to rise for energy resources such as oil and LNG, as well as for such metals as nickel, cobalt and other rare metals crucial for manufacturing semiconductors and other high-tech products. Countries around the world are stepping up efforts to secure long-term, stable supplies of these essential resources. JBIC, in order to ensure the sound development of the national economy, provides support with the aim of securing stable supplies of essential resources.

AUSTRALIA: PLUTO LNG PROJECT (2008)

Australia, having geographical proximity to Japan compared to other natural resource-rich countries and having a stable political and economic structure, is an extremely important supplier of energy resources for Japan. This project, undertaken jointly by Australia's largest oil and gas development company and Japanese electric and gas companies, aims to develop an offshore gas field on the northwest coast of Australia. Approximately 90% of the liquefied natural gas (LNG) produced will be delivered to Japanese companies.

JBIC's support for natural resource development by Japanese companies that will create a new, large-scale supply source of natural gas for Japan has major significance as it will help to ensure more stable procurement of energy resources, and contribute to Japan's energy security.



MADAGASCAR: NICKEL PROJECT (2007)

Rare metals such as nickel and cobalt are used in semiconductors and a wide range of other applications, including stainless steel, plating, nonferrous alloys, nickel cadmium batteries, and lithium ion batteries. They are essential raw materials for the products and components of principal industries in Japan's core manufacturing sector.

While Madagascar is endowed with abundant nickel resources, it has been unable to develop large-scale mines due to lack of infrastructure and other factors. In response to this situation, and to ensure a long-term, stable supply of nickel and cobalt resources to Japan, JBIC provided loans and guarantees for the development of mines and nickel production in Madagascar. This project is the first large-scale mine development in the country, and will contribute greatly to its economic development.



It is also in line with the Japanese government's policies for African development.

MAINTAINING AND IMPROVING THE INTERNATIONAL COMPETITIVENESS OF JAPANESE INDUSTRIES

Economic globalization has led to increasingly intense international competition. JBIC helps to maintain and enhance the international competitiveness of the Japanese industry by utilizing a variety of financing instruments to support Japanese companies such as export loans, which support the export of manufacturing plants and other facilities to developing nations, and investment loans, which support Japanese companies in their overseas business development, including production and sales activities.

SAUDI ARABIA: OIL REFINERY AND PETROCHEMICAL PROJECT (2006)

Saudi Arabia is an important oil supplier for Japan, providing it with one quarter of its oil imports. JBIC provided project financing to Rabigh Refining and Petrochemical Company (PETRO Rabigh), a Saudi Arabian company, for the Rabigh Oil Refinery and Petrochemical Project, one of the world's largest integrated oil refinery and petrochemical projects.

Under this project, PETRO Rabigh, which was established in an equal equity partnership between a major Japanese chemical company and Saudi Arabian Oil Company

(Saudi Aramco), the world's largest national oil company, produces gasoline and other refined petroleum products, as well as a range of other petrochemical products. JBIC's support for international business development helps to ensure the international competitiveness of Japan's chemical industry in an era of ongoing rapid increases in the oil market, while at the same time helps Saudi Arabia implement its policy of industrial diversification.



PROMOTING THE OVERSEAS BUSINESS FOR PRESERVING THE GLOBAL ENVIRONMENT, SUCH AS PREVENTING GLOBAL WARMING

Climate change mitigation is an urgent issue requiring a huge investment. JBIC supports projects undertaken in developing countries that are having a favorable impact on the preservation of the global environment, including development of photovoltaic generation facilities and highly energy-efficient power plants drawing on advanced environmental technologies, as well as installation of energy-saving equipment. In doing so, JBIC will utilize its loans, investments and guarantees in conducting GREEN (Global action for Reconciling Economic growth and Environmental preservation) operations, while seeking to mobilize private funds.

RESPONDING TO DISRUPTIONS IN FINANCIAL ORDER IN THE INTERNATIONAL ECONOMY

Disruptions in financial order in the international economy such as the Asian currency crisis have a serious impact on the Japanese and world economies, as well as the business activities of companies. Utilizing its accumulated expertise, JBIC will respond to contain such disruptions in international finance.

MEASURES TAKEN BY JBIC DURING THE ASIAN CURRENCY CRISIS

JBIC, in its former incarnation as the Export-Import Bank of Japan, played an important role in helping to resolve the Asian currency crisis that began in Thailand in 1997, by implementing a variety of measures in conjunction with the Japanese government.

The year following the crisis in 1998, along with joint financing with the IMF, JBIC provided emergency assistance to local Japanese companies, and later a

total of US\$30 billion in line with the Japanese government's New Miyazawa Initiative for assistance in the Asian currency crisis. Further, based on the Asian Bond Markets Initiative (ABMI), JBIC provided guarantees for corporate bonds denominated in local currency issued by Japanese firms in Thailand, Malaysia and Indonesia, and issued a baht-denominated JBIC bond in Thailand. JBIC is focusing on establishing an environment that would prevent a reoccurrence of the crisis by providing a flexible response to needs in Asia.

JBIC has continued to respond flexibly to policy needs by making a range of efforts to facilitate the export of Japanese plants and the import of energy resources, support overseas business development, and ensure a stable international financial order since its former incarnation as the Export-Import Bank of Japan. We will explore a variety of initiatives that draw on our unique characteristics and strengths as a provider of Japan's policy-based finance.

In the following examples, JBIC utilized its expertise and knowhow, while bearing in mind Japan's foreign policy, and took pioneering initiatives to meet the needs of international finance.

MULTIFACETED ACTIVITIES AS A PIONEER OF ISLAMIC FINANCING IN JAPAN

Islamic financing is attracting much attention due to the wealth of oil money created by raising crude oil prices. Islamic financing refers to financing methods in accordance with Islamic law, and has spread rapidly from the Islamic world throughout the international financial markets.

In May 2006, JBIC established a Sharia Advisory Group made up of Islamic scholars, the first such body in Japan. This advisory group periodically holds Islamic financing review conferences with private financial institutions that consider Islamic financing to be a significant business opportunity, along with

other activities to provide for intellectual cooperation and the sharing of information. JBIC has developed multifaceted initiatives through these activities, and promoted loan syndication with Islamic financing.

Specific examples of such joint financing include extending buyer's credit for the Bahrain Petroleum Company (BAPCO) in 2005, investment loans for the Saudi Arabia Rabigh Oil Refinery and Petrochemical Project in 2006, and the Qatar Ras Laffan C natural gas-fired combined thermal power plant and desalination project in 2008.



FACILITATING TRADE AND INVESTMENT IN AFRICA WITH FINANCIAL SUPPORT

The Japanese government, in conjunction with the United Nations, the Global Coalition for Africa, and the World Bank, convened the Tokyo International Conference on African Development (TICAD), focusing on development in Africa, during which it made clear its support for aiding Africa. JBIC also provides proactive support to Japanese companies seeking to develop business in Africa by establishing the JBIC Facility for African Investment (FAI) in April, 2009, among others.

In Uganda, JBIC provided the financing necessary for Phenix Logistics, a Japanese company manufacturing shirts and other textiles using organic cotton produced in Uganda, to export its products to Europe, the US and other overseas markets.

This financing was realized through cooperation with the Uganda government and the Uganda Development Bank, which considers this to be an important project in terms of fostering industry and promoting trade. Further, in June, 2005, in cooperation with the UN Conference on Trade and Development (UNCTAD), JBIC provided the Ugandan government with policy proposals regarding establishing a receptive investment climate.

JBIC is implementing a range of such measures to provide support of fostering industry and promoting trade in the African private sector.



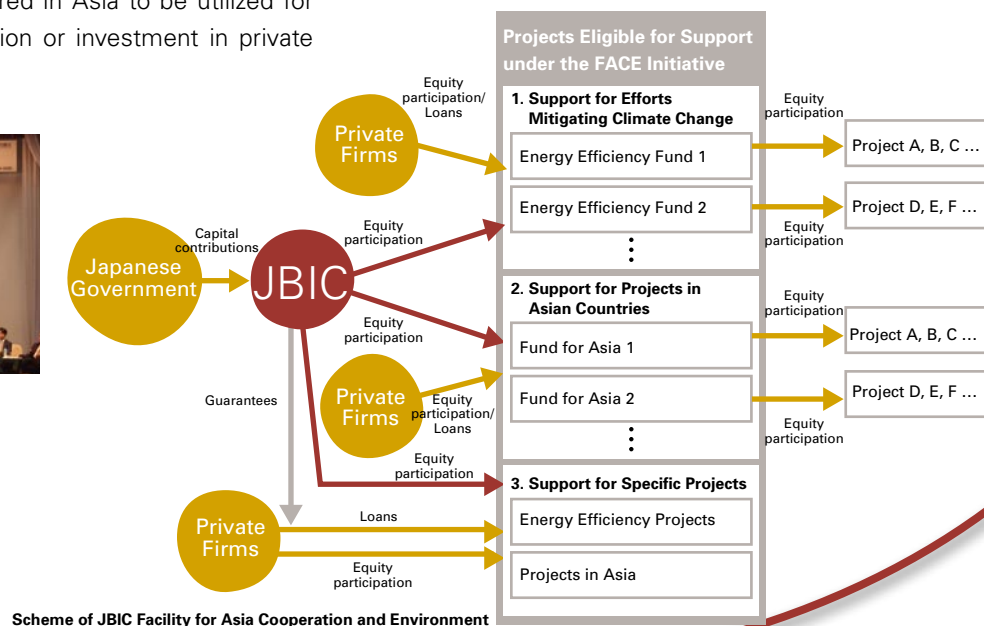
VARIOUS INITIATIVES IN ASIA

The Asian currency crisis that occurred in 1997 led to credit uneasiness in East Asian countries that had recorded steady economic development until that point. There was also a serious impact on local Japanese companies.

Based on this experience the Japanese government, seeking to encourage improvements in the financial and capital systems of Asian countries, advocated the Asian Bond Markets Initiative (ABMI) as an effective measure. The aim of ABMI was to put in place a bond market that would allow for the issue of bonds in local currencies, thereby providing a channel for capital stored in Asia to be utilized for long-term capital formation or investment in private Asian companies.

As part of the ABMI program, JBIC utilized its guarantee function, together with other tools and expertise, in a range of measures that included extending guarantees for bonds, issuing local currency-denominated bonds, and providing financing in local currencies.

Based on the JBIC Facility for Asia Cooperation and Environment (FACE) established in 2008, JBIC utilizes its investments and guarantees for environmental projects and ventures in Asia to provide proactive support through maximum mobilization of private capital.



Scheme of JBIC Facility for Asia Cooperation and Environment

JBIC'S OPERATIONS: AN OVERVIEW

Our mission is to contribute to the sound development of the Japanese and international economy. In its role as the international wing of the Japan Finance Corporation (JFC), JBIC conducts operations in the following four fields:

- Promoting overseas development and acquisition of strategically important natural resources to Japan
- Maintaining and improving the international competitiveness of Japanese industries
- Promoting the overseas business for preserving the global environment, such as preventing global warming
- Responding to disruptions in financial order in the international economy

JBIC'S SEVEN OPERATIONS

⦿ Export Loans

Export loans provide funds to support exports of equipment by Japanese companies and overseas transfer of their technologies.

⦿ Import Loans

Import loans provide funds to support imports of oil, LNG, iron ore and other strategically important materials to Japan. Apart from resources, the guarantee facility supports imports of goods and services for which there are crucial domestic needs, such as aircraft.

⦿ Investment Loans

Investment loans provide funds to support overseas investment projects undertaken by Japanese companies for manufacturing, resource development, and other business ventures.

⦿ Untied Loans

Untied loans provide funds to support improvements in the overseas business environment to facilitate Japanese trade, investments and other overseas business activities. Untied loans also support projects undertaken by foreign governments and government agencies.

⦿ Bridge Loans

Bridge loans provide short-term financing for developing country governments facing balance-of-payments difficulties to enable them to ride out temporary strains in foreign currency management.

⦿ Equity Participation

Equity participation is equity investment in overseas joint ventures involving Japanese companies, or funds in which Japanese companies participate.

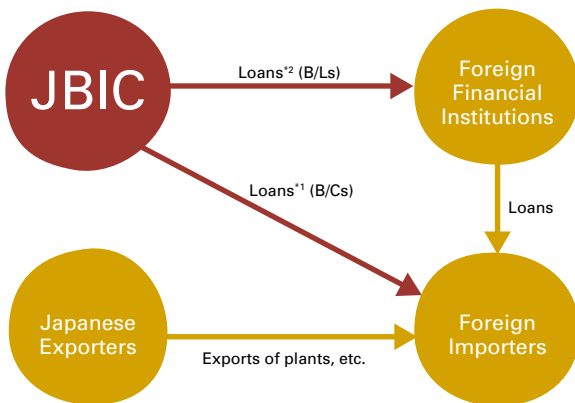
⦿ Studies and Research Activities

JBIC conducts studies and research to support its operations.

Export Loans

Export loans provide financing for the export of Japanese plants, equipment and technologies to developing countries. Long-term financing to developing countries necessary for plant exports carries substantial risks, including country, interest rate and foreign exchange risks, making private financing difficult in many cases. Official financing is therefore commonly used for plant exports. Most developed countries have similar official finance programs to promote such exports.

Export Loan Scheme



*1. Loans to foreign importers (Buyer's Credits or "B/Cs").

*2. Loans to foreign financial institutions (Bank-to-Bank Loans or "B/Ls").



Viet Nam:

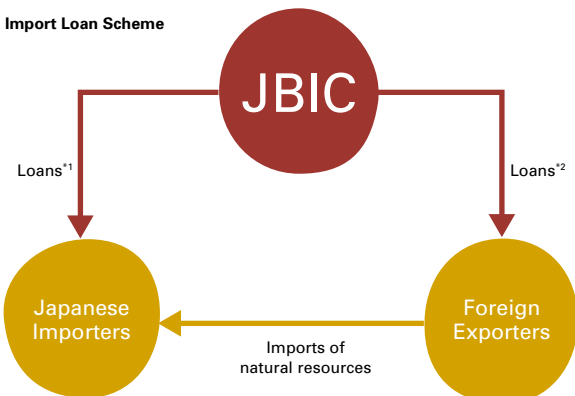
Export of Equipment to Construct a Thermal Power Plant

Viet Nam's rapid economic growth has led a sharp increase in demand for electricity, and tight supply has become an urgent matter. JBIC loaned funds for Viet Nam Electricity (EVN) to purchase equipment from a Japanese company for a coal-fired power plant currently under construction in the city of Haiphong in the north of the country. This project will help to secure a stable supply of electricity in Viet Nam, as well as contribute to economic growth and local Japanese business interests.

Import Loans

Import loans provide financing for the import of strategically important materials to Japan, such as mineral and energy resources for Japanese companies. Since Japan is poorly endowed with natural resources, securing long-term, stable resource supplies provides essential underpinnings for its economic activity. Import loans are used to develop and import energy resources such as oil and natural gas, as well as mineral resources such as iron ore.

Import Loan Scheme



*1. Loans to Japanese importers of materials strategically important to Japan.

*2. Loans to foreign exporters of materials strategically important to Japan.



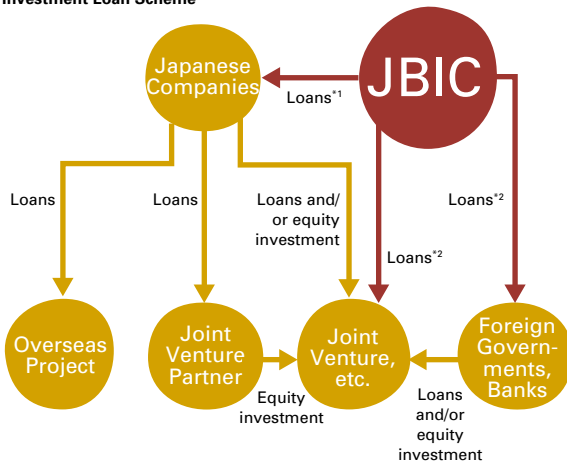
Oil Imports from the Emirate of Abu Dhabi

The Abu Dhabi National Oil Company (ADNOC), a wholly owned company of the Emirate of Abu Dhabi in the United Arab Emirates (UAE), operates an oil and natural gas business in Abu Dhabi, the main source of those resources in the UAE. JBIC has provided import loans to ADNOC with the aim of securing stable oil supplies. Japan imports one-third of its independently developed oil resources from the UAE, making it an extremely important region in terms of Japan's energy policy. This funding helps to secure a stable supply of energy resources for Japan.

Investment Loans

Investment loans provide financing for overseas investments made by Japanese companies. These loans support a shift to a more advanced Japanese industrial structure, the building of a more efficient international division of labor, and stable, secure access to resources. They also serve to increase employment in the host country, foster technology transfer, and generate economic benefits such as foreign currency earnings. Investment loans provided directly to companies in Japan are limited to small and medium-sized enterprises (see page 12).

Investment Loan Scheme



*1. Loans to Japanese investors (limited to SMEs).

*2. Loans to Japanese joint ventures, or to foreign governments, banks or other institutions that provide loans or invest in them.



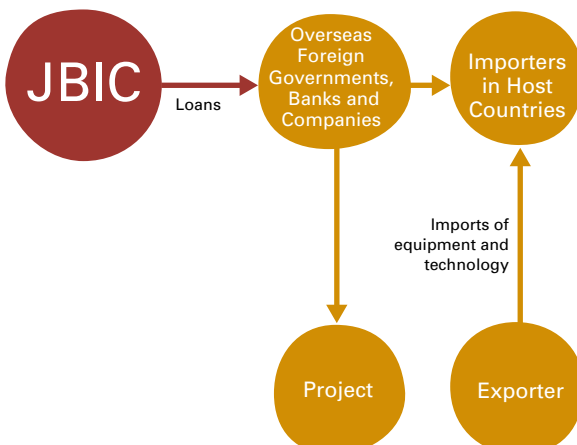
Indonesia: Transmission Gear Manufacturing Project

As a string of Japanese automakers have expanded overseas operations, Japanese auto parts manufacturers, which constitute their supporting industry, are also going overseas one after another. JBIC provided a loan to finance a Japanese auto parts manufacturer's project of constructing a transmission gear plant in Indonesia. By providing similar loans, JBIC is supporting the overseas business development of Japanese firms, including SMEs, thereby contributing to Japanese industries for maintaining or improving their international competitiveness and developing the supporting industries.

Untied Loans

Untied loans are a form of financial assistance that is not conditional on procurement of equipment or materials from Japan. These loans are used to improve the business environment for local Japanese companies, such as improvements in infrastructure in developing countries.

Business Development (Untied Loan) Scheme



South Africa: Electricity Transmission and Distribution Network Development Project

South Africa is an export market for Japanese manufactured goods, as well as an exporter to Japan of many rare metals. There are numerous Japanese companies developing these resources. Rapid economic growth has led to power shortages, and stable supply of electricity for Japanese companies in South Africa has become a pressing issue. JBIC provided financing for Eskom Holdings Limited (ESKOM)'s project to upgrade the transmission and distribution network in the southeast and northeast provinces. This financing helped the South African government meet an important policy issue of stable power supply, while also improving the business climate for Japanese companies.

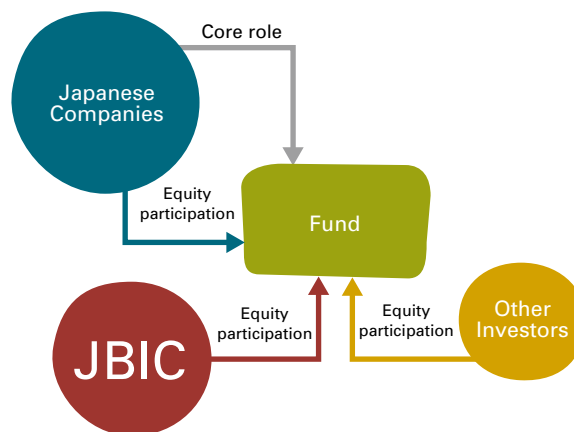


◎ Equity Participation

JBIC makes equity investments in Japanese joint ventures conducting business overseas, or in funds in which Japanese companies participate. Specific examples include:

1. A Japanese company invests in a business project.
2. A Japanese company invests in a foreign company for the purpose of a business alliance.
3. A Japanese company invests in a fund (when the company is a general partner and plays a core role in determining investment policy and targets as a general partner or other status).
4. A Japanese company forms a consortium with JBIC and participates in an international fund.

Scheme for CASE 3: A Japanese company invests in a fund.



PROJECT FINANCE AND STRUCTURED FINANCE

Project finance is a financing method in which the source of repayment for the project loan is limited to the cash flow generated by the project and/or the security is limited to the project assets. With the background that the public sector is facing difficulties in obtaining financing from external sources, there has been an increase in project financing among developing countries in recent years to finance projects, such as IPPs,¹ serving public purposes (including in the electric power, communications, transport, and waterworks sectors).

Structured finance, which provides financing by relying on incomes from export proceeds of resources or manufactured products, has been expanding for much the same reason. JBIC utilizes such financial engineering to perform an active role in formulating projects, while taking steps to manage and reduce country risk and other types of risk.

¹1. Independent Power Producers that build and operate their own power generation facilities, and sell the electricity to power utilities.



SUPPORT FOR SMALL AND MEDIUM-SIZED ENTERPRISES

Amid economic globalization, overseas business expansion has also become increasingly important for small and medium-sized enterprises (SMEs). JBIC is active in supporting overseas direct investment by SMEs with its financing instruments.

It also provides the latest information on overseas conditions and investment climates primarily to SMEs through publication of booklets on investment climates in foreign countries, dispatch of lecturer to various seminars and other activities.

JBIC, moreover, offers advisory service for overseas business activities and making applications for its long-term financing facility.

JBIC's financing operations also utilize various financial instruments and schemes other than loans.

Guarantees

JBIC utilizes its guarantee facility to complement and encourage private financial institutions.

Specific examples include:

PERFORMANCE BOND GUARANTEES

JBIC provides guarantees in cases where an overseas trading partner is unable to accept the guarantees of a Japanese company's bank due to ratings or other factors.

PRODUCT IMPORT GUARANTEES

JBIC provides guarantees for debt incurred when a Japanese company borrows funds necessary for the import of products vital to Japan, such as aircraft.

GUARANTEES FOR CORPORATE BONDS ISSUED BY JAPANESE COMPANIES OVERSEAS

JBIC utilizes a guarantee system to provide support for corporate bonds issued by local Japanese companies in overseas markets.

GUARANTEES FOR OVERSEAS SYNDICATED LOANS/GOVERNMENT BOND GUARANTEES

JBIC provides guarantees to cover foreign currency remittance and exchange risk, country risk and other risks when a private financial institution provides financing in developing countries.

Acquisition of Loan and Bonds

To promote private-sector lending in international finance and encourage smooth funding by Japanese companies in international capital markets, in addition to providing loans and guarantees as export loans, import loans, investment loans and untied loans, JBIC also extends credit by acquiring loan receivables by assignment and government bonds and corporate debentures issued for funding their projects.

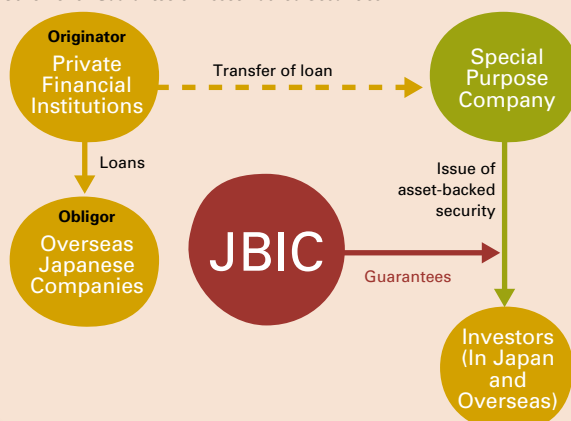
Note: JBIC acquires government bonds and corporate debentures, the debt securities, or trust beneficiary rights.

SECURITIZATION

1. Guarantees

JBIC provides support to facilitate securitization transaction to complement and encourage the activities of private financial institutions. In cases where special purpose companies or trust companies issue asset-backed securities or other financial products with loans or other assets as collateral, JBIC guarantees the payment of such asset-backed securities, supporting bond issues by reducing the country risk or structure risk.

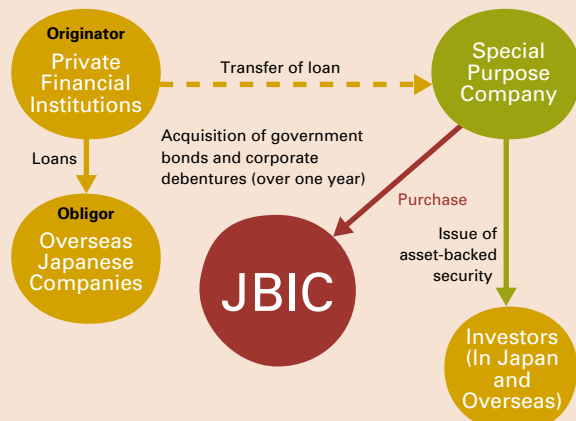
Scheme for Guarantee of Asset-Backed Securities



2. Acquisition of Securities

JBIC supports bond issues by acquiring a portion of the asset-backed securities issued by special purpose companies or trust companies with loans or other assets as collateral. JBIC's acquisition of asset-backed securities will contribute to the originator's purpose, as well as stimulates the bond market by circulating the bonds acquired back into the market when market conditions allow it.

Scheme for Purchase of Asset-Backed Securities



JBIC'S TRANSPARENCY AND EFFICIENCY IN OPERATIONS

JBIC seeks to be a highly transparent organization, while continually improving its operations. We also emphasize disclosure and communications with stakeholders.

INFORMATION DISCLOSURE

JBIC is proactive in providing information on its operations and financial status, both for legally mandated documentation and voluntary disclosure. These documents are publicly available at the JBIC Information Center.

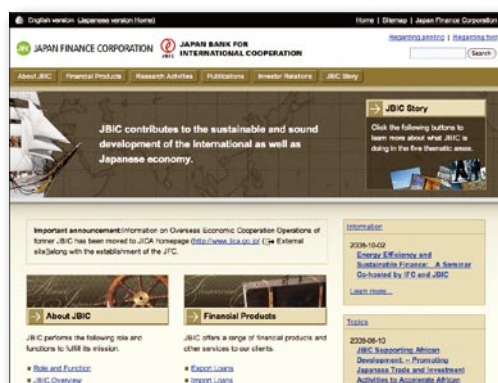
Publishing Studies and Sharing Activities

JBIC publishes the output of its studies and research in the International Survey Office Report, JBIC Research Papers and other publications. Results of these studies and research are also presented in seminars and workshops held in Japan and overseas, thereby helping knowledge sharing and expanding the knowledge network of research institutions, researchers, and practitioners.



JBIC Website

Press releases, operational results, research results and other information are available at the JBIC website.



URL: <http://www.jbic.go.jp/en/>

JBIC'S EVALUATION SYSTEM

Based on the government decision (on the institutional design for policy-finance reform), JFC has established the Evaluation Committee (the Committee) composed of experts in the field to assess and monitor if JFC operations are performed effectively in accordance with policy goals.

The Committee assesses and monitors overall JFC operations, as well as those of its individual units. The Committee also evaluates performance of the operating officers.

STRENGTHENING COMMUNICATIONS WITH STAKEHOLDERS

For effective and efficient conduct of operations, JBIC collaborates and exchanges views and information with multilateral institutions, government agencies and other organizations. In addition, JBIC seeks to communicate with the general public through a variety of opportunities to increase their understanding of its operations.

Partnerships with Bilateral Institutions and Official Institutions at Home and Abroad

JBIC has formed a variety of partnerships with multilateral institutions such as the World Bank, as well as domestic and foreign official institutions, including foreign export credit agencies, by exchanging information and opinions and collaborating for project formulation.

Partnerships with the Private Sector, Local Governments, NGOs, and Universities

JBIC is strengthening dialogue and an exchange of information with industry, local governments, NGOs, and universities. It also enhances cooperative ties with them by providing information related to overseas investment.



Achieving economic growth compatible with environmental conservation is an important issue for the international community. JBIC makes stronger efforts to confirm environmental and social considerations as an integral part of its operations. JBIC also places a focus on supporting environmental conservation or improvement projects and actively pursues measures to counter global warming, which must be addressed on a global scale.

GUIDELINES FOR CONFIRMATION OF ENVIRONMENTAL AND SOCIAL CONSIDERATIONS

"JBIC Guidelines for Confirmation of Environmental and Social Considerations" established in October 2003 were revised in July 2009, and the revised version (the New Guidelines) was implemented in October 2009. Incorporating the key points below, the New Guidelines continue to confirm that appropriate environmental and social considerations are made in all JBIC-funded projects.

<The key points of the New Guidelines>

- Greater information disclosure
- Explicit statement on international criteria
- Enhanced protection of ecosystem and biota
- Expansion of requirements for involuntary resettlement and indigenous peoples

SUPPORT FOR ENVIRONMENTAL CONSERVATION AND IMPROVEMENT PROJECTS

JBIC provides proactive support for environmental conservation and improvement projects, offering favorable loan terms for such projects. In April 2008, JBIC established the JBIC Facility for Asia Cooperation and Environment (FACE) to enhance its support for climate change mitigation measures in developing countries, as well as to provide assistance for Asia.

Bulgaria: Kaliakra Wind Power Project

There is rapidly growing interest worldwide in wind power, which uses no fossil fuels, against the backdrop of global warming. In March 2007, JBIC provided a loan for the Kaliakra wind power generation plant in Bulgaria. This is the first Joint Implementation (JI) project undertaken by a Japanese company. Approximately half of Bulgaria's power is derived from coal-fired power plants, and wind power generation has the potential to reduce its GHG emissions. The structuring framework of this project is expected to serve as a model for Japanese participation in other wind power projects in countries around the world.



GREEN

The enforcement of the law to revise part of the Japan Finance Corporation Act on March 31, 2010, has enabled JBIC to conduct GREEN (Global action for Reconciling Economic growth and Environmental preservation) operations.

MEASURES TO ADDRESS CLIMATE CHANGE

Japan has ratified the Kyoto Protocol, an international convention for reducing greenhouse gas (GHG) emissions, in order to prevent the serious environmental problem of global warming. As a provider of policy-based financing, JBIC is committed to achieving GHG emission reduction targets under the Kyoto Protocol. It employs the "Kyoto Mechanisms" that rely on market principles to help Japan meet its emission targets, promote sustainable development in developing countries, and mitigate global warming.

Equity Participation in Japan Carbon Finance

JBIC has invested in the carbon credit trading company Japan Carbon Finance, Ltd. (JCF) as part of its measures to reduce GHG emissions utilizing the "Kyoto Mechanisms." Through its international network JBIC is working in cooperation with alliance partners to identify Clean Development Mechanism (CDM) and Joint Implementation (JI) projects, and providing information on the results of environmental assessment concerning these projects. (JCF website: <http://www.jcarbon.co.jp/index.html>)

Carbon Credit Trading Platform

JBIC has established the web-based Carbon Credit Trading Platform (<http://www.joi.or.jp/carbon/>) jointly with the Japan Institute for Overseas Investment (JOI) to support smooth carbon credit trading in Japan. This website provides a wide range of market data regarding trading in emissions rights, project information, and carbon credit trading. Since April 2008, the Nikkei-JBIC Carbon Quotation Index (N-J Carbon) has been published on the website, indicating pricing trends of carbon credits calculated in cooperation with participating firms.



URL: <http://www.joi.or.jp/carbon/>

Operational Cooperation Agreements

JBIC continues to strengthen international cooperation with foreign governments and other relevant institutions in an effort to utilize the "Kyoto Mechanisms." It has thus concluded operational cooperation agreements with them and promoted cooperation for addressing climate change issues with relevant parties both in Japan and overseas, thereby supporting formulation of environmental conservation and improvement projects.

ENVIRONMENTAL COMMUNICATION

Worldwide understanding and cooperation is necessary to increase the effectiveness of environmental and social considerations. JBIC is working to build partnerships with concerned parties both in Japan and overseas, engaging in a range of activities to address environmental issues.

JBIC has held numerous environment seminars on such topics as carbon credit trading and environmental business, providing information and advice regarding the global environmental business.

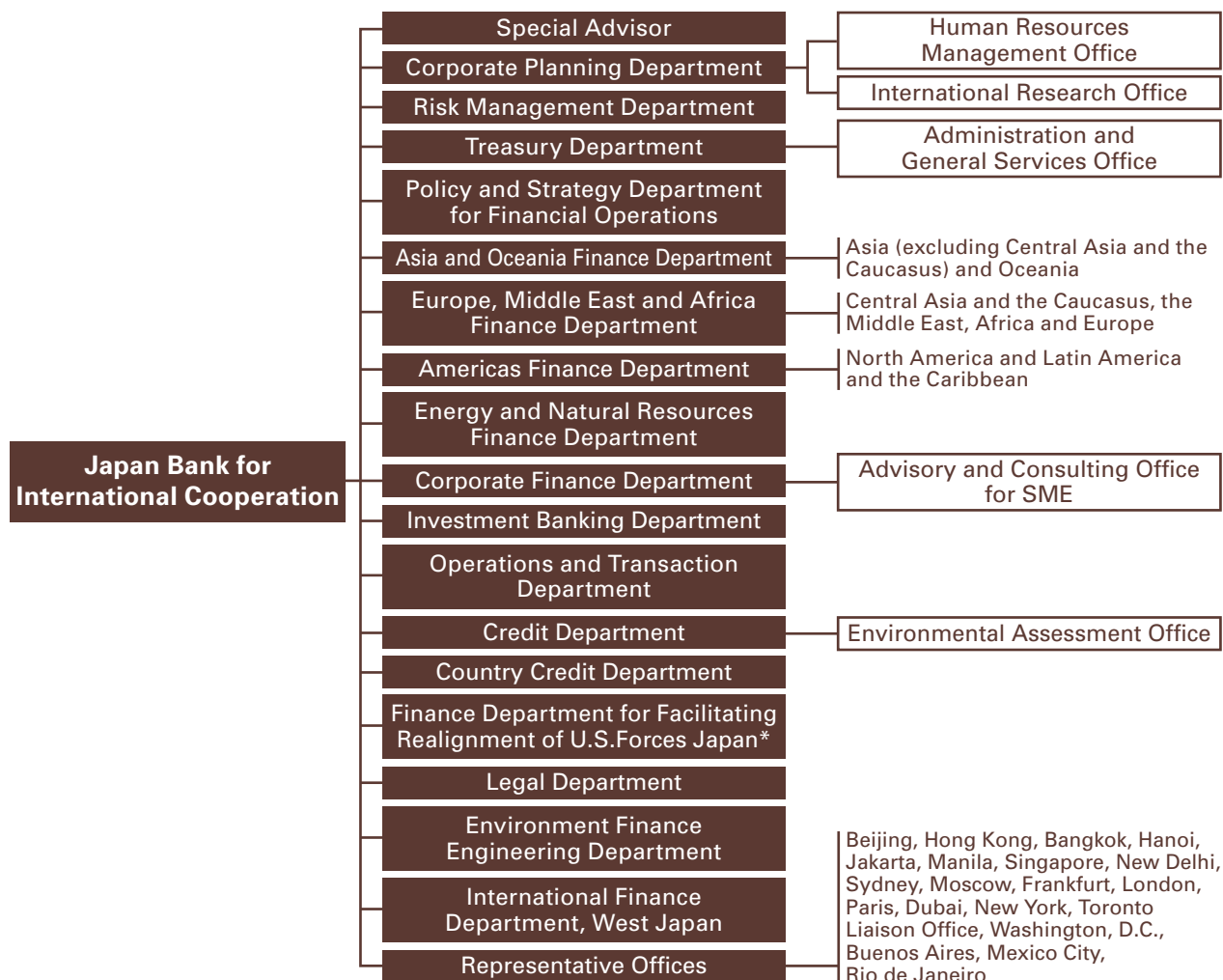
JBIC is an active member of the United Nations Environment Programme Finance Initiatives (UNEP FI), an organization of private financial institutions to develop and promote linkages between the environment, sustainability and financial performance. JBIC has also concluded Agreements on Environmental Assessment with individual private financial institutions to share information and knowhow regarding environmental considerations in lending and investment activities.

JBIC also actively participates in environmental events both in Japan and overseas, making a range of environmental efforts.



Carbon Expo 2007

JBIC's Organization Chart



* The Department is responsible for operations necessary for facilitating realignment of U.S. Forces Japan, the operations authorized to JBIC under the Act on Special Measures Concerning Smooth Implementation of Realignment of United States Forces in Japan.

Profile of JBIC

■ Name

The Japan Bank for International Cooperation (JBIC)

JBIC is the international wing of the Japan Finance Corporation (JFC) established on October 1, 2008. The predecessor of JBIC is the International Financial Operations of former JBIC. JFC will take over IFOs in its international wing. However, to maintain international trust and confidence enjoyed by JBIC, the international wing of JFC will continue to use the name of the Japan Bank for International Cooperation (JBIC) as it conducts international finance operations.

■ Office

4-1, Ohtemachi 1-chome Chiyoda-ku, Tokyo 100-8144, Japan

■ Capital*

¥1,055.5 billion

■ Outstanding Loan and Other Financing*

¥8,818.0 billion

■ Outstanding Guarantees*

¥1,977.0 billion

*As of March 31, 2010, International Financial Account in former JBIC

Overseas Network



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