



NEXI

Nippon Export and Investment Insurance

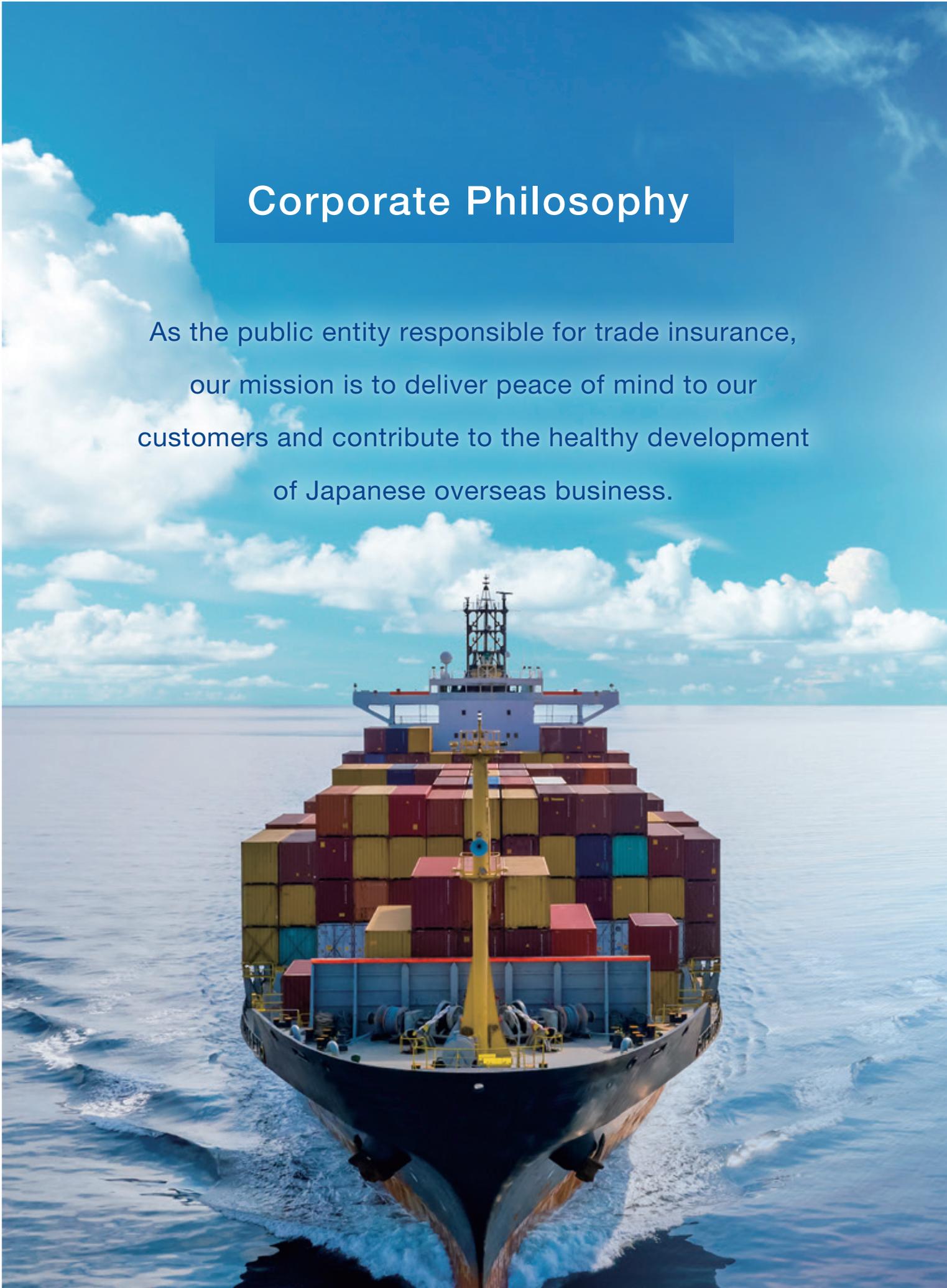
ANNUAL REPORT

2022

Nippon Export and Investment Insurance

Corporate Philosophy

As the public entity responsible for trade insurance,
our mission is to deliver peace of mind to our
customers and contribute to the healthy development
of Japanese overseas business.





Action Guideline

Be alert to changes and meet customer needs with professionalism and specialized expertise.

Enhance underwriting capacity and capability while maintaining a strong risk management culture.

Respect diversity and work as a team to allow our organization to achieve its best.

Message from the Chairman and CEO



Nippon Export and
Investment Insurance
Chairman and CEO

Atsuo Kuroda

As we publish this annual report, I would like to take this opportunity to express my sincere gratitude to all of you for your patronage and extensive support of Nippon Export and Investment Insurance (NEXI).

In FY2022, the global economy gradually saw signs of recovery coming out of the COVID-19 pandemic. Meanwhile, the world was exposed to various risks, including the prolonged war that began with the Russian invasion of Ukraine in February 2022, soaring prices of natural resources and energy, and food, rising interest rates in Europe and the United States, turmoil in the financial markets, and worsening debt problems in the developing countries, which left us in a turbulence that had magnified.

The importance of preparing against these risks in international transactions of Japanese companies, such as foreign trade, investment, and overseas loan, has further heightened and we feel that expectations for NEXI's trade and investment insurance as a means of mitigating risks are rising once again. In FY2022, the amount of insurance underwritten by NEXI totaled JPY 7.6 trillion, recording the highest amount since it became a special stock company in 2017. In particular, underwritten amount of Overseas Investment Insurance which covers losses arising from risks such as war, civil war, sanction, pandemic, and natural disaster, amounted to JPY 871 billion, the largest since NEXI's founding in 2001 and 1.5 times higher than the previous year. While paying claims related to the Ukraine War in a flexible and responsive manner, NEXI worked persistently with customers in negotiating with their debtors to collect past paid claims, achieving to recover JPY 55.7 billion in FY2022, nearly 3 times the amount compared to the preceding year.

Globalization, where people, goods, and money move freely across national borders in the post-Cold War world that has become more intricately connected, is facing the need for a critical readjustment with concerns on recurrence of the Cold War. While many experts advocate the end of globalization and reshoring in manufacturing, it will be essential for Japanese companies, having limited market and resources, to continue developing their business bases globally. The issue is where to place the axis of global management, and the key here is the shift from prioritizing efficiency to considering resiliency, or a dual perspective of "just in time" and "just in case." In preparing for "just in case," NEXI is fully committed to bolster Japanese companies via trade and investment insurance, allowing them to improve resiliency in their global supply chains and to explore and gain business opportunities abroad. NEXI continues

to advance the following three pillars of business activities: increasing the number of trade and investment insurance users, enhancing the trade and investment insurance system, and strengthening international cooperation.

With regard to increasing the number of trade and investment insurance users, the number of new users grew to 970 companies in FY2022, marking the highest level in NEXI's history. However, the ratio of users to the number of Japanese companies engaged in foreign transactions is still extremely limited. We acknowledge that our biggest challenge lies in raising NEXI's low profile, and our ongoing efforts include increasing the number of insurance users especially of small and medium sized companies and those in agricultural, forestry and fishery businesses. To that end we are reinforcing collaboration with regional financial institutions, private non-life insurance companies, local governments and public institutions, as well as working to promote NEXI's trade and investment insurance through holding press conferences by NEXI's Chairman and CEO and hosting webinars on a regular basis, and leveraging SNS. We are also implementing new initiatives eagerly to improve customer usability. Specifically, introducing online application for all insurance types, collaborating trilaterally with the Japan Finance Corporation and the Organization for Small & Medium Enterprises and Regional Innovation, Japan (SME SUPPORT JAPAN), and launching fronting insurance in Dubai.

In relation to our goal of enhancing the trade and investment insurance system, the Trade and Investment Insurance Act was revised for the first time in seven years and came into effect in July 2022. In line with the revision, NEXI has been working to better address force majeure risks and supply chain risks, to reform system with respect to reinforcing cooperation with international organizations, including its capital investment in the African Trade Insurance Agency (ATI), and to develop new products. Furthermore, we are proceeding to organize systems based on customer feedback. The effort includes improving usability by simplifying and increasing flexibility of the procedures for Overseas Investment Insurance, establishing the JOLCO (Japanese Operating Lease with Call Option) scheme, participating in the Platform for unified support for startups (Plus), and expanding assistance through the LEAD Initiative.

In pursuit of strengthening international cooperation, NEXI signed MOUs with the African Export-Import Bank and ATI respectively at TICAD 8 held in August 2022, as in-person international conferences reopened with the pandemic being under control, to enhance support to Japanese companies for their business expansion in Africa. To develop projects through the LEAD Initiative and to promote co-insurance and reinsurance, NEXI has been engaging in discussions with a number of government agencies and companies, including those in Indonesia, Cambodia, Saudi Arabia, South Africa, Kenya, Thailand, and Greece, and has concluded MOUs with many of them. We are also continuing talks with export credit agencies of the G7 countries on strengthening assistance to Ukraine.

As the only public provider of trade and investment insurance in Japan, NEXI is committed to fulfill its mission with a dedicated customer-first approach. We would like to extend our deep appreciation for your continued understanding and support.

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In principle, figures in this report are rounded to the nearest unit. Therefore, the sum of individual figures may deviate from the sum presented. Figures that fall below a unit as a result of rounding are indicated as "0"; if there is no corresponding figure, "-" is indicated. Figures in the trade and investment insurance business are on a fiscal period basis unless otherwise noted.

Response to Russia's Invasion

Russia launched an invasion of Ukraine on February 24, 2022. In the midst of various movements, such as a Ukrainian counter-attack, global sanctions against Russia, and Russian backlash against the sanctions, NEXI has continued to provide attentive customer support by responding to numerous inquiries on trade insurance from those engaged in export to or investment and finance in Russia and Ukraine. Furthermore, in addition to a prompt payment of insurance claims for insured events, NEXI has continued underwriting insurance and working on cooperation in recovery assistance for Ukraine.

Establishment of a support desk

On February 25, 2022, NEXI established a support desk to respond to inquiries and consultations from customers regarding insurance contracts, insurance events, and recoveries by telephone and e-mail. By the end of FY2022, there were over 240 inquiries asking questions, such as “Is the export suspended due to the war in Ukraine covered?” and “Is the payment irrecoverable due to the sanctions covered?”

For trade insurance customers, NEXI is continuing to provide support through the following measures for insurance procedures, etc.

Measures for customers

- 1 Extension of the time for trade insurance procedures
- 2 Refund of unearned premiums in the case of discontinuation of shipping
- 3 Suspension of insureds' obligations related to insured events and recovery activities
- 4 Payment of insurance claims

of Ukraine



Payment of insurance claims

NEXI has quickly made assessment and smoothly paid claims for insured events that occurred due to the Russia's invasion of Ukraine and the subsequent developments, such as global sanctions on Russia. Examples for which claims were paid are the loss due to the suspension of business as a result of Russian bombings to a warehouse in Ukraine, the case where collection of export payments became impossible because importers in Ukraine evacuated due to the Russia's invasion, the increased costs incurred related to a ship that was unable to pass through the Black Sea and forced to enter another port than the designated one, the case where payment by a Russian aircraft leasing company became impossible, and the case where export was banned because the goods were included in sanction items after the insurance contract was signed.

Of the claims paid in FY2022, approximately JPY 8.15 billion were for Russia and JPY 140 million for Ukraine.

Continued underwriting of insurance for transactions with Ukraine

Even after the invasion of Ukraine, NEXI continues to provide insurance to Japanese companies that maintain business with Ukraine. With their voices about the difficulty making judgments on insurance for transactions with Ukraine, NEXI responds to inquiries through the support desk in a careful and case-by-case manner. The underwriting of insurance for transactions with the Donetsk People's Republic and the Luhansk People's Republic is determined based on the Japanese government policy stated in the statement by the Minister for Foreign Affairs.

Support for the reconstruction of Ukraine

Based on the G7 Leaders' Statement on Support for Ukraine, NEXI issued a joint statement on assistance to Ukraine with the official export credit agencies (ECAs) of G7 Countries (Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States of America) on January 22, 2023. In this statement, we expressed "our ongoing support for Ukraine and for its reconstruction efforts and our unwavering solidarity with the Ukrainian people as long as it takes." Additionally, as ECAs of the G7, we expressed our specific intentions, such as to continue bilateral and multilateral dialog on the support and investment needed to rebuild Ukraine in a way that best suits its needs, and to promote trade with Ukraine through the deployment of our tools in the finance and insurance sectors, etc.

As for Russia's prolonged invasion of Ukraine, NEXI will continue these efforts and respond to movements toward reconstruction in Ukraine in a timely manner.

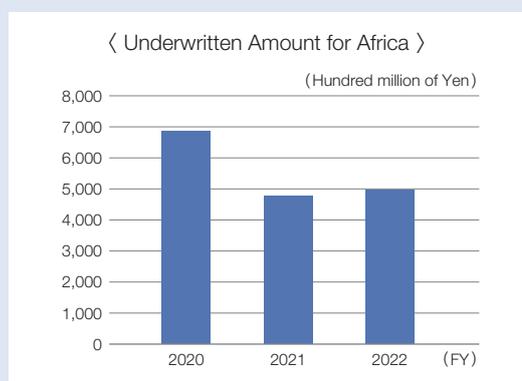
Strengthening cooperation and

NEXI's support for Africa

Due to Africa's abundance of natural resources, including oil and natural gases, and large and youthful population, the "last frontier," as it has come to be referred to, has become a place of interest for international business. While Japanese companies set in Africa have also been engaged in various efforts, it is hard to deny the unfortunate reality of having fallen behind when compared to the momentum that Europe has created through deep geographical and historical relationships and the strength that China has rapidly developed in recent years. Furthermore, geopolitical risk and credit risk are also large matters which Japanese companies would encounter through transactions with Africa. Given these circumstances, NEXI has been strongly supporting the expansion of Japanese companies in Africa through trade insurance as an effective risk hedging tool.

So far, NEXI has provided insurance to many export and investment projects in the region.

In particular, as a part of the LEAD Initiative, which will be mentioned in the Opening Article 3, NEXI has recently been expanding the wings of insurance support in areas, such as the COVID-19 vaccine procurement, Samurai bond issuance, and wind power generation. The cumulative underwritten amount for Africa from 2001, when NEXI was founded, to FY2022 was approximately JPY 10.3 trillion, and the outstanding insurance commitment was JPY 1.4 trillion as of the end of FY2022.



Cooperation with African ECAs and development agencies, etc. in recent years

NEXI has also sought to strengthen cooperation with export credit agencies (ECAs) and development agencies in Africa, in the hope that they will act as a pilot when Japanese companies expand into the region. Specifically, taking opportunities such as TICAD*, NEXI has signed many memoranda of understanding (MOUs) with African ECAs, etc. and held workshops in Japan based on the MOUs with invited participants from each party. The workshop attendees have played a key role in establishing the Japan Desk in their respective agencies, which is a consultation desk set for the purpose of increasing investment and financing in Africa by Japanese businesses, and there have already been a substantial number of inquiries from Japanese companies.

Date	Details
August 2019	Participated in TICAD7 and held side events Signed an MOU with the Islamic Development Bank (IsDB) Signed an MOU with the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC) Signed an MOU with the African Trade Insurance Agency (ATI)
February 2020	Held workshops for development agencies and ECAs mainly in the African region
November 2020	Launched a Japanese website for the ATI Japan Desk
December 2021	Signed an MOU with the Eastern and Southern African Trade and Development Bank (TDB) Participated in the Second Japan-Africa Public-Private Economic Forum (in a thematic session) Established a consultation desk for Japanese companies (Japan Desk) in African financial institutions
May 2022	Participated in the Second Japan-Africa Public-Private Economic Forum (in the plenary meeting)
August 2022	Participated in TICAD8 and held side events Signed an MOU with the African Export-Import Bank (Afreximbank)

* TICAD is an acronym for the Tokyo International Conference on African Development, an international conference aimed at African development. It has been led by the Japanese government since 1993 and co-hosted by the United Nations, United Nations Development Program (UNDP), World Bank, and African Union Commission (AUC).

support for Africa



Initiatives in FY2022

NEXI participated in the 8th Tokyo International Conference on African Development (TICAD8) held in Tunisia on August 27–28, 2022. On the sidelines of TICAD8, NEXI implemented the initiatives below.

1. Investment in ATI in line with the revised Act and MOU with ATI

The African Trade Insurance Agency (ATI), headquartered in Nairobi, Kenya, is an international financial institution established in 2001 to expand private investment in Africa, with the support of the World Bank.

Under the Trade and Investment Insurance Act revised in 2022 to strengthen international cooperation, investment in foreign corporations that conduct insurance business similar to trade insurance was added to NEXI's operations. This has enabled NEXI to make investment in international financial institutions in Africa, boosting the entry of Japanese companies into the region.

In order to swiftly implement this measure, NEXI signed an MOU on August 25, 2022 with ATI, which has extensive experience in supporting projects in Africa and has a strong network of governments and government agencies. Based on the MOU stipulating the cooperation of both parties on procedures for an investment in ATI, NEXI successfully made an investment in June 2023 through various procedures.

NEXI will further advance the promotion of export to and investment and financing in Africa by Japanese companies, by even strengthening cooperation with ATI and having them serve as a pilot in the region.

2. MOU with Afreximbank

Afreximbank is a pan-African multilateral financial institution with 52 African member states. The bank offers trade financing that contributes to the trade business and the establishment of supply chains in and outside of Africa, and provides its member countries with financial assistance and industrialization support.

NEXI signed an MOU on August 25, 2022 to promote trade with and investment in Africa by Japanese companies and to encourage the exchange of views on the development of decarbonization technologies, energy transition, and quality infrastructure in Africa.

Key elements of the MOU with Afreximbank

- (1) Financial cooperation to support trade with and investment in Africa by Japanese companies
- (2) Cooperation to promote intra-African trade through the African Continental Free Trade Area (AfCFTA)
- (3) Exchange of information on potential projects and economic, financial, political, and industrial trends in Africa
- (4) Exchange of views on the possibility of collaboration to promote the development of decarbonization technologies, energy transition, and quality infrastructure in Africa
- (5) Human resources development and strengthening of relationships through the dispatch of staff, workshops, seminars, etc.
- (6) Sharing of knowledge on technologies and solutions that contribute to the expansion of trade

3. Official side events

On the sidelines of TICAD8, NEXI co-hosted online webinars with ATI and Afreximbank, respectively.

The webinars were held under the themes of “Catalyzing Japanese investments in African business and African green growth” and “Afrexim-NEXI partnership bolstering Africa’s crises recovery and Energy transition.” They were broadcast to Japanese companies operating not only in Africa and Tokyo but in other regions as well, and were watched by 600 viewers.



Promotion of the LEAD Initiative

The LEAD Initiative, which was established in December 2020, is in line with the policy set forth in the Infrastructure System Overseas Promotion Strategy 2025 advanced by the Japanese government. The initiative was introduced as a financial support measure to contribute to increasing industrial competitiveness in areas, such as global warming countermeasures and digital technology; promoting international cooperation with foreign governments and corporate partners; solving social issues; and achieving the SDGs.

In selecting projects NEXI actively evaluates the diversification of private funding sources, including institutional investor funds, through the so-called fund-bond scheme.

Under the LEAD Initiative, NEXI aims to underwrite insurance with a cumulative total value of JPY 1 trillion by FY2025. NEXI provided insurance for nine projects of a total value of JPY 420 billion at the end of FY2022. The list of projects underwritten through the LEAD Initiative is as follows.

* PATIMFA is a facility to support African countries affected by the spread of COVID-19.

No.	Publication	Country	Project details
1	December 2020	Africa	Financing for Afreximbank (PATIMFA program*)
2	January 2021	Palau	Undersea fiber optic cable export project
3	March 2021	Dubai, UAE	Waste-to-energy project
4	March 2022	Africa	Financing for Afreximbank (COVID-19 vaccine and healthcare finance facility)
5	April 2022	Egypt	Samurai bond project for the Egyptian Ministry of Finance
6	June 2022	Kuwait	Loan insurance for Kuwait Petroleum Corporation (KPC)
7	December 2022	Egypt	Amunet wind power project
8	March 2023	Egypt	Gulf of Suez 2 wind power project
9	March 2023	Brazil	Pellet feed plant construction project by CSN Mineracao

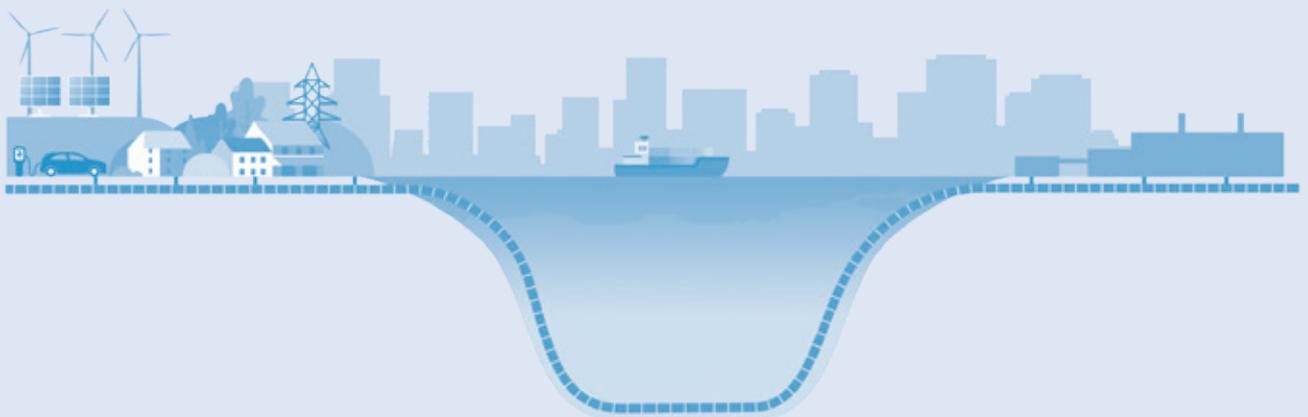


Establishment of the SEED scheme

In May 2023, NEXI established the Support to Expand Emerging Deals (SEED) scheme to create and expand emerging deals between Japanese and foreign companies.

The SEED scheme aims to promote new collaboration between foreign companies and Japanese companies, and is expected to become a “seed” for future foreign transactions. In other words, in providing insurance, NEXI sets a condition where foreign companies seeking financial assistance should create and expand transactions with Japanese companies, including start-ups. Specifically, one of the requirements being considered is that the overseas companies should set up business meetings with or provide bidding opportunities to Japanese companies. NEXI seeks to further promote the LEAD Initiative through the scheme.

Moreover, under the SEED scheme, NEXI will identify high-potential overseas startups and pursue opportunities to build collaboration between them and Japanese companies, in addition to promoting the matching of Japanese companies with major foreign companies using NEXI’s insurance.



Response to DX in trade transactions

With global trade transactions being digitized as a whole, NEXI promotes what is known as DX in trade transactions, while pursuing digitization in its operations.

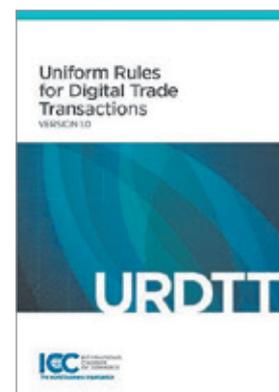
1 What is DX in trade transactions?

Trade transaction procedures involve a huge amount of documents that are exchanged among many relevant parties. Although there have long been efforts to digitize the documents, it has yet to become a common practice. However, following increasing attention to DX around the world, the trading business is also experiencing a progress in the field on a global scale. This is because by digitizing not only documents but also the entire procedure, the industry can expect benefits from DX in various aspects, such as storage and visualization of related data, significant reduction of processing time, and cost reduction.

This movement is making great progress with the digitization of the three major flows of commerce, logistics, and money, and with the emergence of the platforms (PFs) specialized in each flow or of the PFs that connect the respective PFs. On the other hand, DX in the trade business, which is expected to dramatically increase transactions, may result in the increase or fluctuation of risks. To hedge the risks, NEXI is working to build a system to provide trade insurance in a timely manner, while responding to changes due to DX.

2 URDTT of the International Chamber of Commerce

The International Chamber of Commerce (ICC), which establishes rules regarded as international standards in trade transactions, such as the Incoterms, Uniform Customs and Practice for Documentary Credits, and Uniform Rules for Collections, created the Uniform Rules for Digital Trade Transactions (URDTT) on October 1, 2021. The URDTT stipulates rules that should be typically applied to the transaction process, provided that the buyer and the seller agree to use electronic records (i.e., digital trade transactions) to prove the existence of the contract or to generate the buyer's payment obligations. It also does not require credit enhancement measures on settlement such as L/C, and even allows not only banks but also financial service providers to provide credit enhancement measures. Since these are the international rules that can serve as the basis for transactions conducted on the trade PF, NEXI was among the first to pay attention to these rules and has followed them.



3 NEXI's response

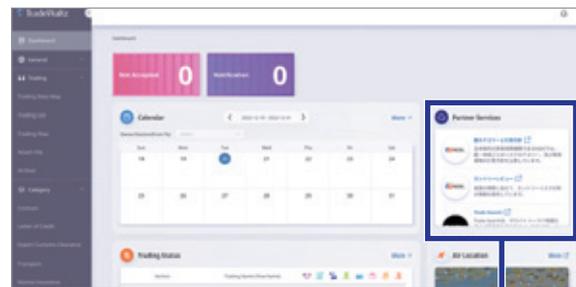
In response to these changes in the world, NEXI is engaged in the following activities.

(1) Coordination with TradeWaltz

The trade and investment environment of various countries has been severely affected by the significant changes caused by events, such as the Russian invasion of Ukraine and COVID-19 pandemic. It is a major challenge for companies operating overseas to prepare for “country risk,” a risk of incurring losses due to changes in political, economic, and social conditions in a particular country or region.

In a world where trade transactions are digitized, it is imperative that such information be collected more quickly than ever. In these circumstances, NEXI has published the country risk information on a trading platform TradeWaltz as a partner since January 2023. TradeWaltz users are able to access the published information at any time: the “Country Category and Underwriting Policy,” which lists the risk categories and trade insurance underwriting policies for each country and region, the data classified by evaluation based on information on economic, fiscal, and debt repayment status of each country, etc., and the “Country Review,” which reports country risk-related information.

NEXI also participates in the Consortium for Improving the Efficiency and Expansion of Trade Information Linkage (Trade Consortium), for which TradeWaltz Inc. serves as its secretariat, and actively discusses the digitization of the flows of commerce, logistics, and money with many companies.



Country risk information: “Country Category and Underwriting Policy” and “Country Review” was added as a TradeWaltz partner service.

(2) Participation in related projects of the Ministry of Economy, Trade and Industry

NEXI participated as an observer in the Study Group on the Digitalization of Trade Sector in FY2021, which was set up by the Ministry of Economy, Trade and Industry (METI) to summarize matters that public and private sectors should work together toward the digitization of trade. Additionally, in FY2022, NEXI participated as an observer in the Working Group on Trade Sector Data Linkage and the Trade Finance Task Force, which were established by METI with public and private sectors to address the specific issues identified in the previous year: the development of a cross-sectional use environment for data standard specifications and the establishment of a system for management and dissemination of the environment.

Furthermore, NEXI actively gathers information by attending the expert meetings of the International Union of Credit and Investment Insurers (Berne Union) on digitization and by exchanging opinions on DX with ECAs from other countries.

In the age of digitization of global trade, NEXI, which has been working with import and export companies over the years, will promote DX to assist Japanese companies in supporting their international transactions.

Response to the COVID-19 Pandemic (FY2020 - 2022)

NEXI's response

- **March 2020: Extension of the time for trade insurance procedures and establishment of a support desk**

In response to the Japanese government's basic policy on countermeasures against COVID-19 announced on February 25, 2020, NEXI extended the time for trade insurance procedures and established a support desk on March 2, 2020. Additionally, NEXI improved the support desk's flexibility to address customers' situations, such as working from home and refraining from going to work.

- **From March 2020 onward: Announcement of the Three Basic Policies and the Continued Efforts for Three New Responses**

NEXI has made continued efforts to provide customer services based on the Three Basic Policies and the Continued Efforts for Three New Responses as below. In particular, of Three New Responses, "1. Support for procurement of working capital by Japanese overseas subsidiaries" continued until March 31, 2023 and exceeded JPY 500 billion in total value.

Three Basic Policies

1. NEXI's export insurance, investment insurance and loan insurance include COVID-19 related losses within the scope of coverage.
2. NEXI takes new risks in supply chain.
3. NEXI offers insurance for both new applications and existing investment projects in countries worldwide, even in the face of the COVID-19 pandemic.

Continued Efforts for Three New Responses

1. Support for procurement of working capital by Japanese overseas subsidiaries
2. Reinforcing assistance for import of medical supplies
3. Support for export by Japanese overseas subsidiaries to third countries

- **April 2022: Simplification of procedures**

In order to address changes in customers' circumstances due to increased remote work, NEXI introduced an electronic application system on its web service that allowed customers to submit various application forms related to insurance procedures online in PDF format, etc. This eliminates the need for seals on the application forms for three types of insurance: Buyer's Credit Insurance, Overseas Untied Loan Insurance, and Overseas Investment Insurance.

- **July 2022: Revision of the Trade and Investment Insurance Act**

As a result of the revision of the Trade and Investment Insurance Act for the first time in seven years, new measures for the COVID-19 pandemic were included. For example, for losses due to failure to ship goods, a delay in the performance of payment obligations in prior transactions with the counterparty was added to commercial risk events.

- **December 2022: Enhancement of electronic application system**

NEXI increased the number of insurance types available with simplified procedures through the electronic application system introduced in April 2022. Electronic applications have become possible for nine insurance products in line with the revised Act.

Insurance underwriting and claims payment due to the COVID-19 pandemic

The claims paid because of the COVID-19 pandemic was approximately JPY 7.7 billion in FY2020, JPY 46.2 billion in FY2021, and JPY 5.4 billion in FY2022. In particular, looking at the results of FY2021, the total claims payment amounted to JPY 61.2 billion, the second largest since FY2001 when NEXI was founded, 75% of which was due to the pandemic.

Based on the experience of tackling the COVID-19 crisis, NEXI will continue to support Japanese companies through trade insurance for infectious disease threats and work together with its customers to prevent losses.

NEXI Review of Performance

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Performance Highlights

FY2022 Export Trends

Japan's exports in FY2022 were approximately JPY 99.2 trillion, an increase of approximately 13.4 trillion (up 15.5% year on year) due to an increase in exports of motor vehicles and mineral fuels. This marked a record high for the last five years.

Looking at the results by country and region, exports to Asia were approximately JPY 55.2 trillion (up 10.9% year on year), of which China accounted for approximately JPY 18.5 trillion (up 1.3% year on year). Exports to the US were approximately JPY 18.7 trillion (up 21.3% year on year). Exports to the EU were approximately JPY 9.6 trillion (up 20.9% year on year). Exports to the Middle East were approximately JPY 3.0 trillion (up 44.4% year on year).

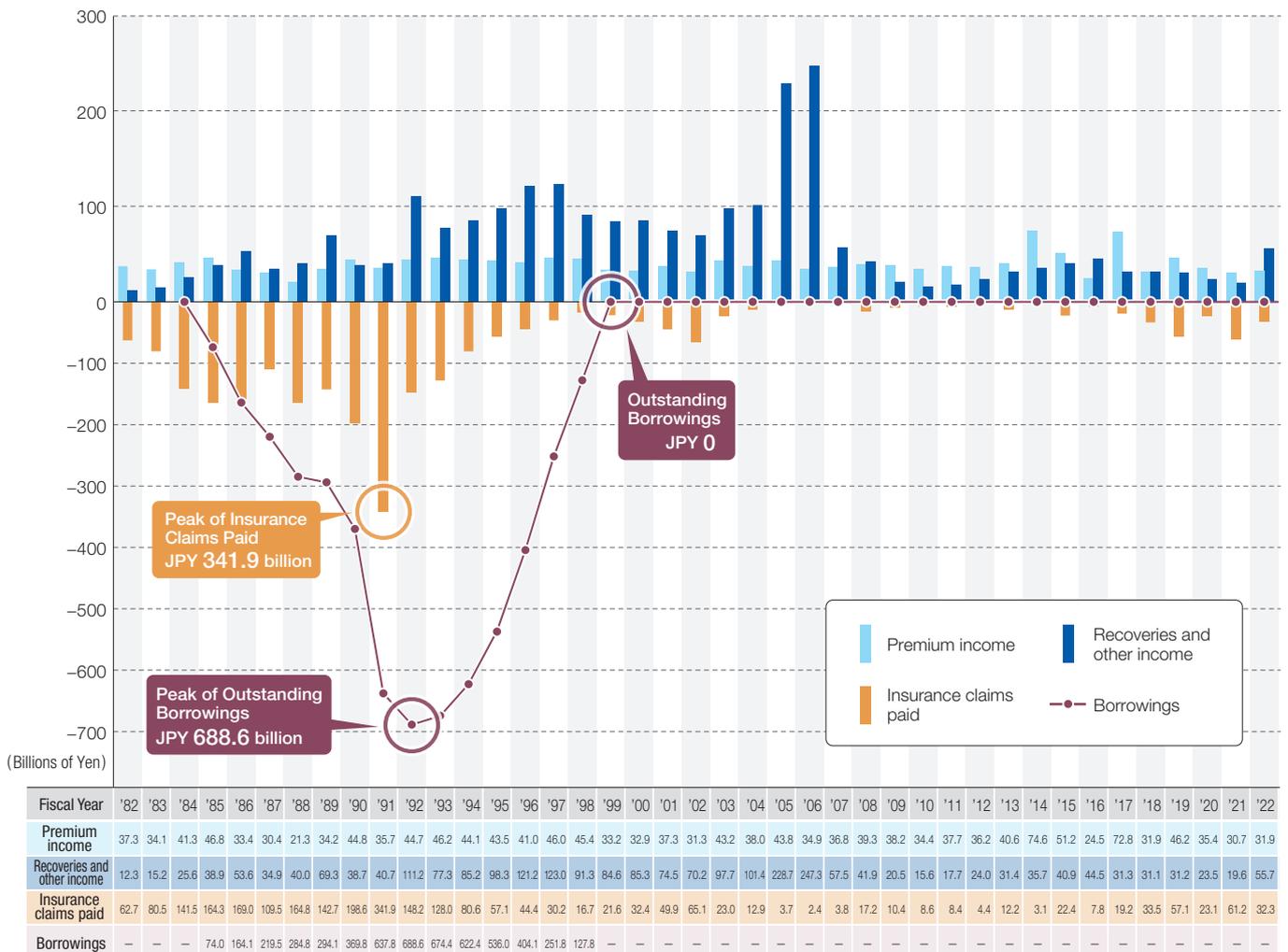
Reference Japan's exports

(Millions of Yen)

	FY2018	FY2019	FY2020	FY2021	FY2022
Total Exports	80,709,887	75,878,792	69,485,419	85,877,665	99,226,191
Year-on-Year Change (%)	1.9	△6.0	△8.4	23.6	15.5

(Source: Trade Statistics of Japan, Ministry of Finance)

Trade and Investment Insurance Business



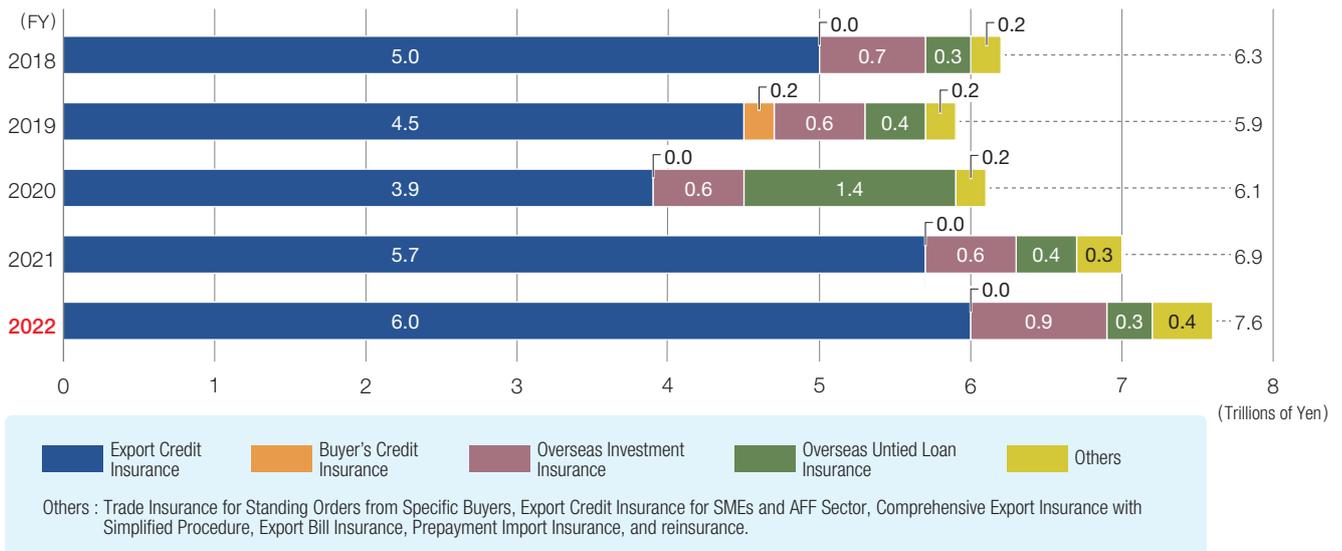
Note: This data is on a cash basis. Premium income is presented after deducting returned premiums.

(Billions of Yen)

Amount of Insurance Underwritten

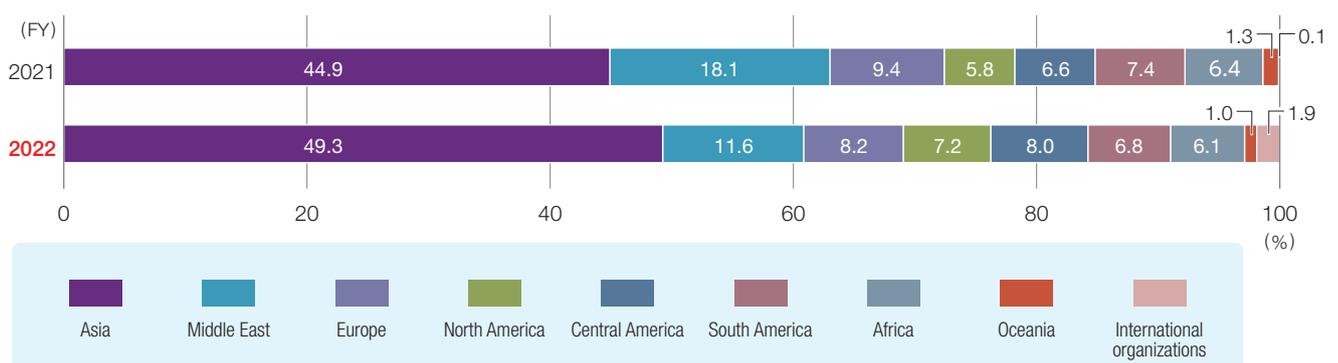
Trends in Underwritten Amount by Insurance Type

Amount of insurance underwritten in FY2022 was approximately JPY 7.6 trillion (up 9.8% year on year), the highest since NEXI's incorporation in 2017, due to an increase in Export Credit Insurance accounting for approximately JPY 6.0 trillion (up 5.8% year on year) and a significant increase in Overseas Investment Insurance accounting for approximately JPY 0.9 trillion (up 49.9% year on year) against the backdrop of an increase of total exports of Japan. As for underwritten amount for loan insurance, Overseas Untied Loan Insurance was approximately JPY 0.3 trillion (down 28.7% year on year), and Buyer's Credit Insurance was approximately JPY 48.4 billion (up 2632.4% year on year).



Underwritten Amount by Region

Asia continued to account for the largest share with 49.3% (approximately JPY 4.0 trillion), followed by the Middle East with 11.6% (approximately JPY 0.9 trillion).



Top Ten Countries and Regions for Underwritten Amount in FY2022

(Millions of Yen)

Rank	Country / Region	Underwritten Amount	Composition
1	China	774,960	9.5%
2	Indonesia	660,961	8.1%
3	Thailand	611,599	7.5%
4	U.S.A.	555,803	6.8%
5	South Korea	357,419	4.4%

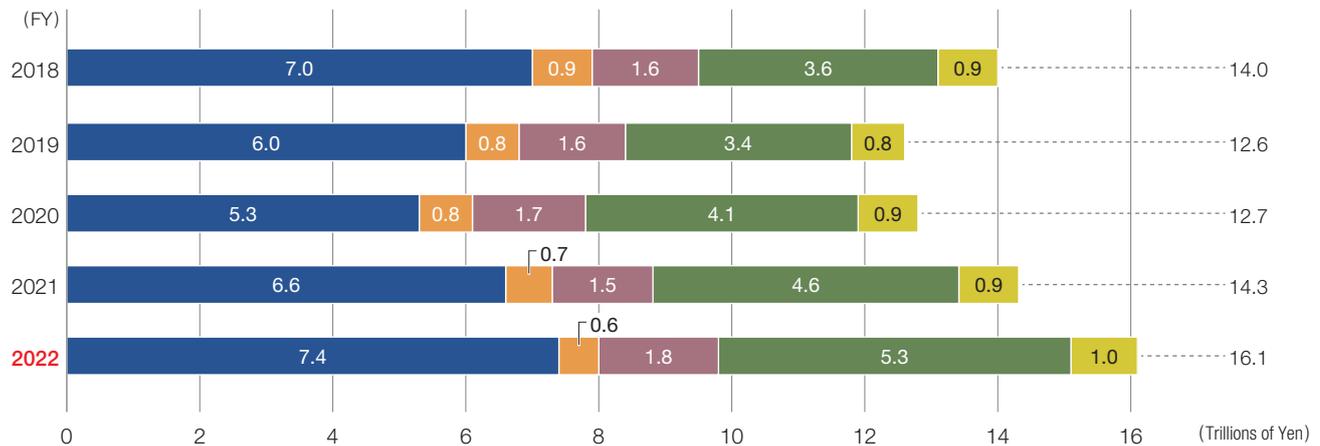
Rank	Country / Region	Underwritten Amount	Composition
6	Taiwan	339,713	4.1%
7	Mexico	268,611	3.3%
8	Vietnam	252,336	3.1%
9	Saudi Arabia	249,065	3.0%
10	UAE	237,294	2.9%

Performance Highlights

Outstanding Insurance Commitment

Trends in Outstanding Commitment by Insurance Type

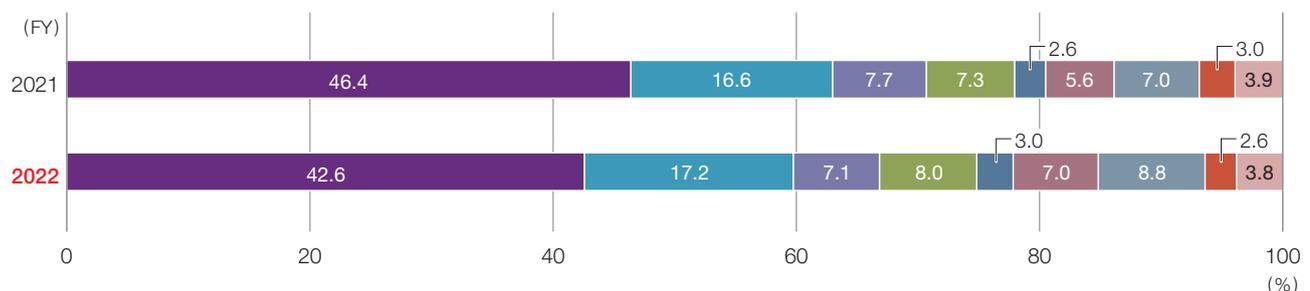
Outstanding insurance commitment in FY2022 was approximately JPY 16.1 trillion (up 12.5% year on year), the highest since NEXI's incorporation in 2017.



■ Export Credit Insurance
 ■ Buyer's Credit Insurance
 ■ Overseas Investment Insurance
 ■ Overseas Untied Loan Insurance
 ■ Others
 Others : Trade Insurance for Standing Orders from Specific Buyers, Export Credit Insurance for SMEs and AFF Sector, Comprehensive Export Insurance with Simplified Procedure, Export Bill Insurance, Prepayment Import Insurance, and reinsurance.

Outstanding Commitment by Region

Asia accounted for the largest share with 42.6% (approximately JPY 7.1 trillion), followed by the Middle East with 17.2% (approximately JPY 2.8 trillion).

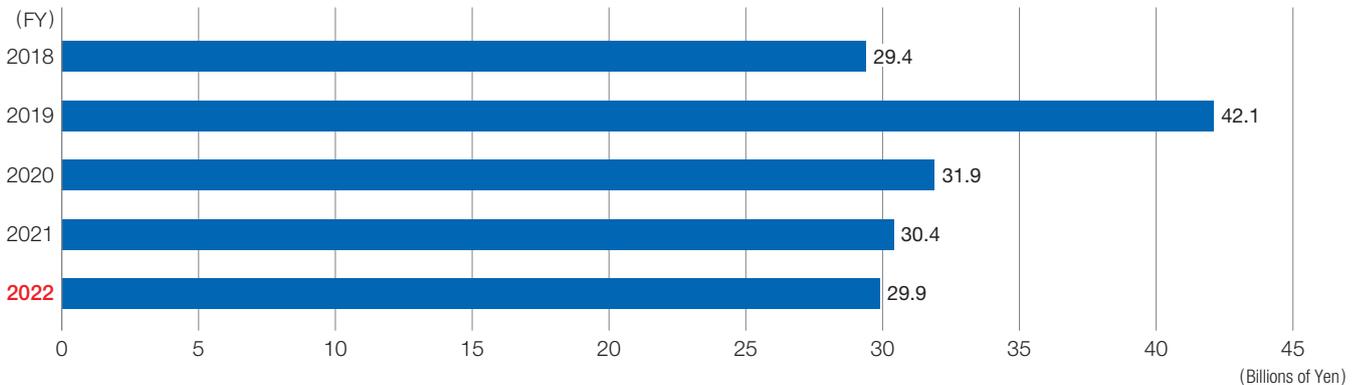


■ Asia
 ■ Middle East
 ■ Europe
 ■ North America
 ■ Central America
 ■ South America
 ■ Africa
 ■ Oceania
 ■ International organizations

Premium Income

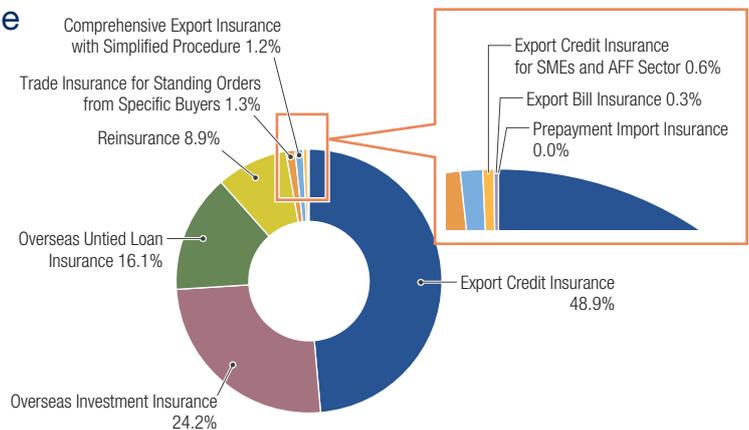
Trends in Premium Income

Premium income in FY2022 was approximately JPY 29.9 billion (down 1.6% year on year).



Premium Income by Insurance Type

By insurance type, Export Credit Insurance accounted for the largest share with 48.9% (approximately JPY 14.6 billion), followed by Overseas Investment Insurance with 24.2% (approximately JPY 7.2 billion) and Overseas Untied Loan Insurance with 16.1% (approximately JPY 4.8 billion).

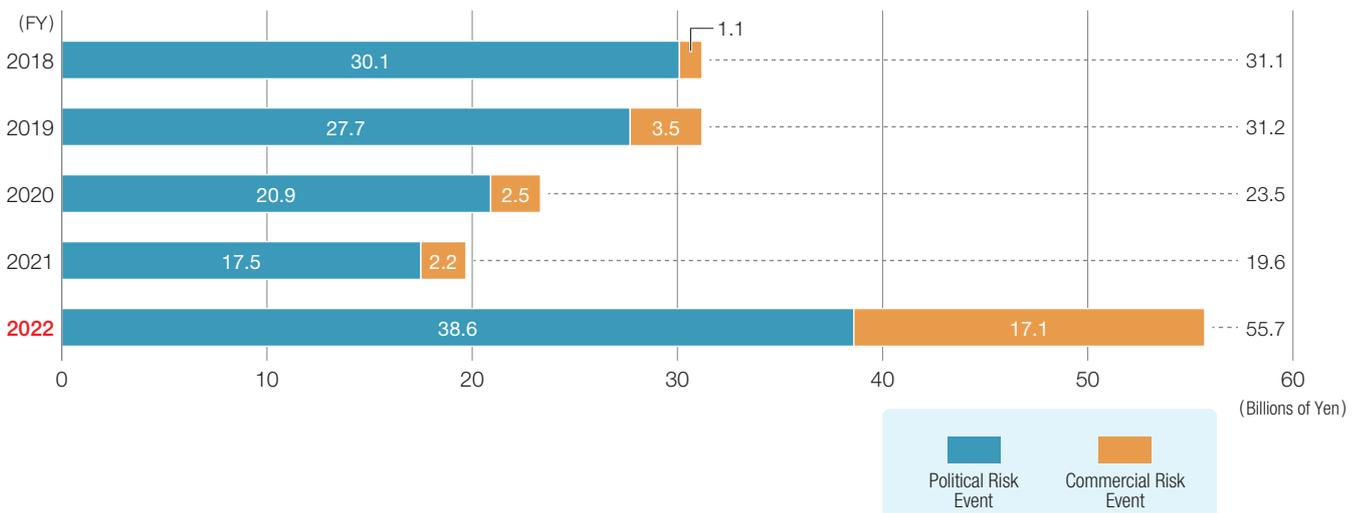


Recoveries

Trends in Recoveries

The amount of recoveries in FY2022 was approximately JPY 55.7 billion (up 184.2% year on year).

Recoveries of claims associated with political risk events, including those through Paris Club debt rescheduling and bilateral recovery efforts, accounted for 69.3% (approximately JPY 38.6 billion). The remaining 30.7% (approximately JPY 17.1 billion) was associated with commercial risk events.

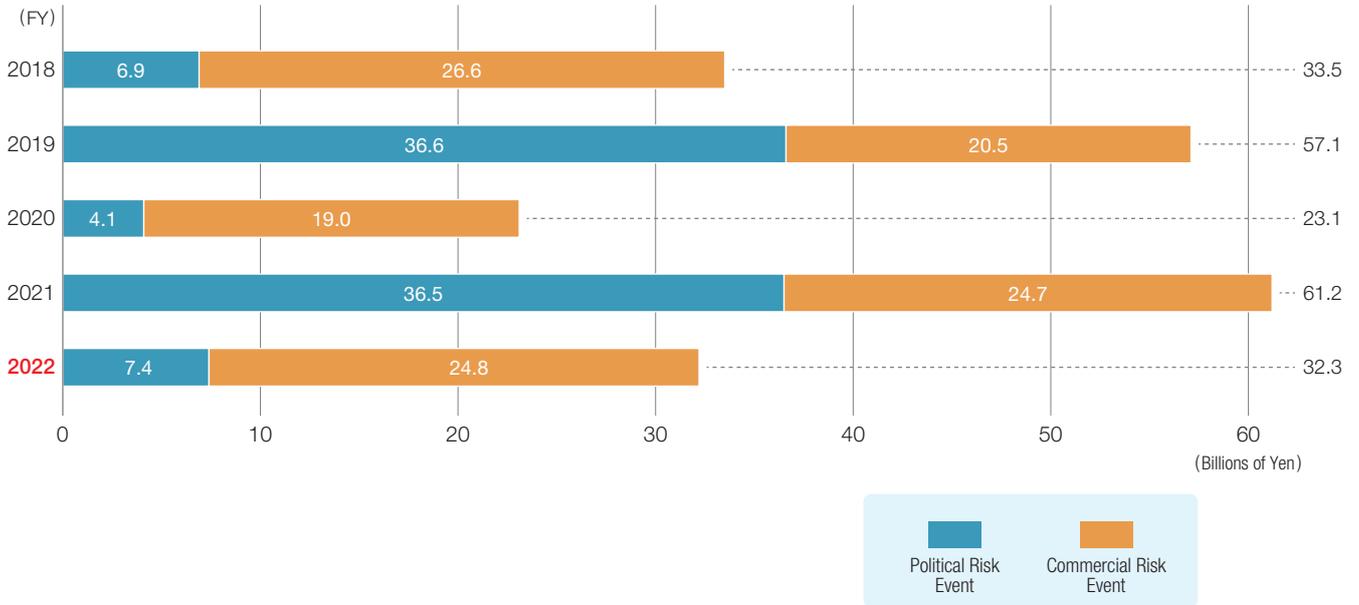


Performance Highlights

Insurance Claims Paid

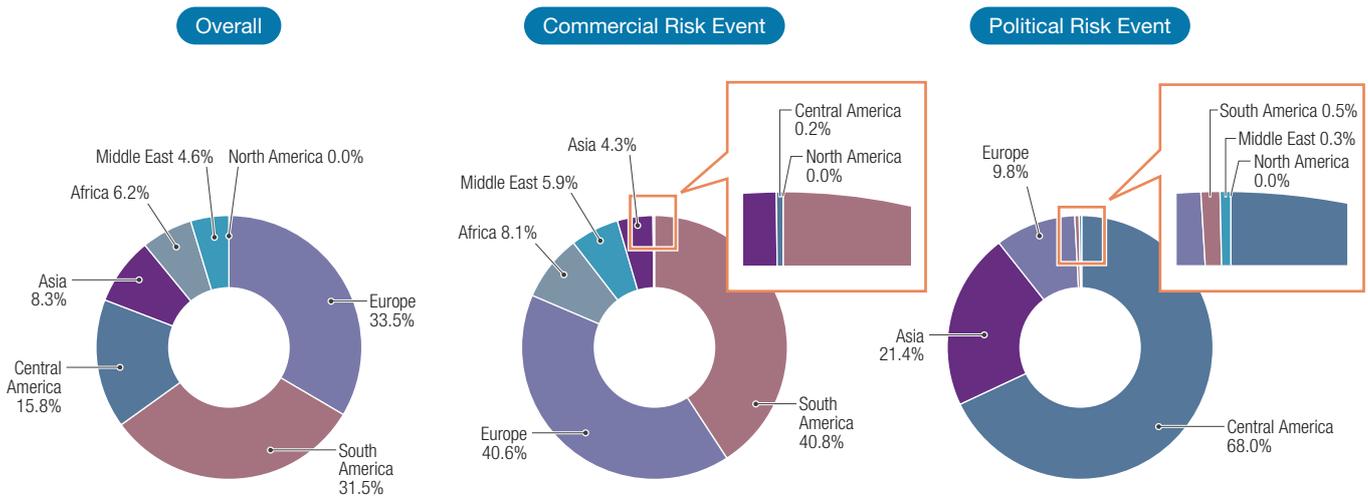
Trends in Claims Paid

Insurance claims paid in FY2022 were approximately JPY 32.3 billion (down 47.3% year on year), due to a decrease in claims paid for political risk events, of which there were previously many, mostly for payments related to the COVID-19 pandemic in 2021.



Claims Paid by Region in FY2022

Europe accounted for the largest share with 33.5% (approximately JPY 10.8 billion).



* There were no claims paid related to commercial risk events in Oceania.

* There were no claims paid related to political risk events in Africa and Oceania.

Insured Events in FY2022

Insured Events by Risk Type in FY2022

Insured events amounted to approximately JPY 162.5 billion in reported insured losses in FY2022. Compared with FY2021, both political and commercial risk events increased substantially.

The total amount of claims paid was approximately JPY 32.3 billion. In political risk events, claims were mainly paid for insured events related to the Russian invasion of Ukraine that began in February 2022. In commercial risk events, claims were paid for, among other things, insured events related to large-scale projects covered by Overseas Untied Loan Insurance and Buyer's Credit Insurance.

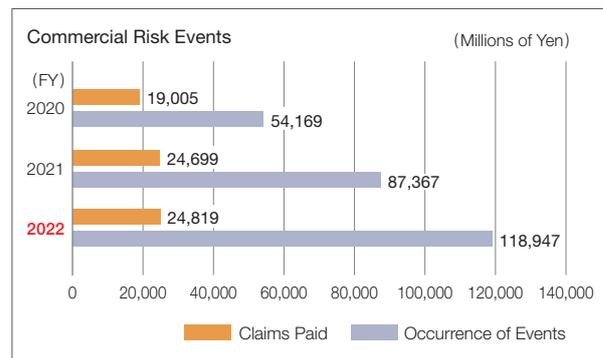
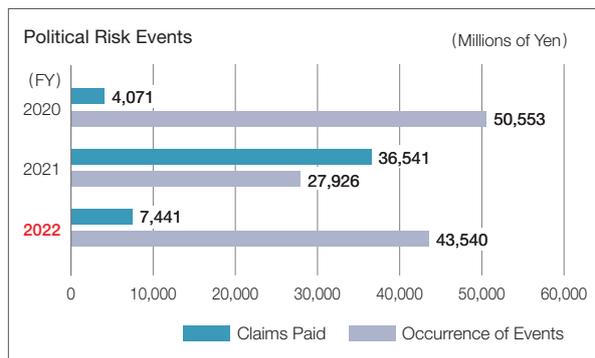
(Millions of Yen)

Category	Type of Risk	FY2020	FY2021	FY2022	Year-on-Year Change (%)
Occurrence of Events	Political Risk	50,553	27,926	43,540	55.9%
	Commercial Risk	54,169	87,367	118,947	36.1%
	Total	104,721	115,293	162,487	40.9%
Claims Paid	Political Risk	4,071	36,541	7,441	△79.6%
	Commercial Risk	19,005	24,699	24,819	0.5%
	Total	23,076	61,241	32,260	△47.3%

* In certain cases, debts are fully paid after submission of notification of occurrence of losses. This results in claims either not being made at all or being made in the following fiscal year. For this reason, the amount presented in occurrence of events does not directly correspond to the amount for claims paid.

* Occurrence of events and claims paid related to reinsurance are recorded under commercial risk.

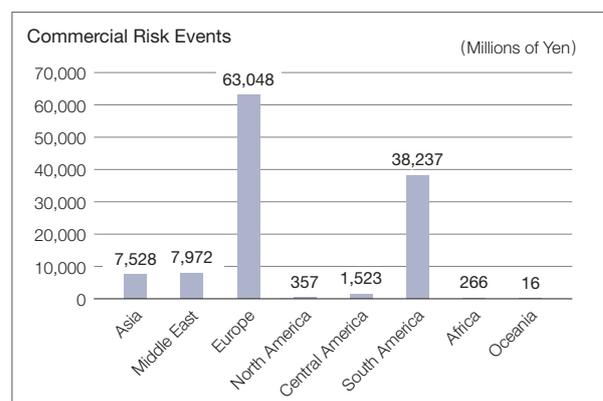
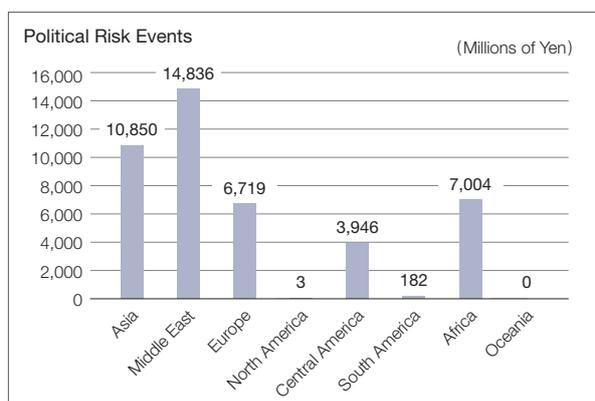
● Occurrence of Events and Claims Paid (FY2020-FY2022)



Occurrence of Events by Region

In FY2022, approximately 59% of political risk events occurred in Asia and the Middle East, which were affected by foreign currency shortages, and the remainder took place in Africa and Europe. Commercial risk events occurred in large-scale projects mainly in Europe and South America.

● Occurrence of Events: Amounts by Region (FY2022)



Review of Performance

Amount of Insurance Underwritten

Underwritten Amount by Insurance Type

(Millions of Yen)

Type of Insurance	FY2018	FY2019	FY2020	FY2021	FY2022	Composition (%)	Year-on-Year Change (%)
Export Credit Insurance	5,030,034	4,526,832	3,859,827	5,661,939	5,991,044	78.5	5.8
One year or less	2,908,306	2,810,763	2,052,303	3,204,812	3,542,182	46.4	10.5
More than one year	2,121,728	1,716,069	1,807,525	2,457,126	2,448,862	32.1	△ 0.3
Trade Insurance for Standing Orders from Specific Buyers	7,443	10,907	15,118	21,726	12,866	0.2	△ 40.8
Export Credit Insurance for SMEs and AFF Sector	9,812	13,656	14,562	16,029	17,037	0.2	6.3
Comprehensive Export Insurance with Simplified Procedure	58,024	51,207	55,545	105,888	136,724	1.8	29.1
Export Bill Insurance	13,023	12,358	8,865	8,787	9,178	0.1	4.4
Prepayment Import Insurance	214	2,844	9,935	671	61	0.0	△ 90.9
Overseas Investment Insurance	712,045	601,782	622,834	581,101	871,008	11.4	49.9
Buyer's Credit Insurance	37,083	197,823	36,565	1,771	48,398	0.6	2632.4
Overseas Untied Loan Insurance	342,565	422,132	1,378,107	373,852	266,731	3.5	△ 28.7
Reinsurance	86,219	62,313	142,271	176,033	274,103	3.6	55.7
Total	6,296,462	5,901,854	6,143,627	6,947,796	7,627,149	100.0	9.8

(Note 1) The total amount is calculated based on the insurance policy issue date, by applying the exchange rate on the insurance policy contract date; and using the actual underwritten amount, not the insured amount of the foreign currency denominated insurance contract. (The same applies to the table below.)

(Note 2) In Export Credit Insurance, capital goods are classified into transactions with more than one year. (The same applies hereinafter.)

(Note 3) The floating interest coverage case is calculated based on the interest rate at the time of the conclusion of the contract. (The same applies to the table below.)

Underwritten Amount by Region

(Millions of Yen)

Region	FY2018	FY2019	FY2020	FY2021	FY2022	Composition (%)	Year-on-Year Change (%)
Asia	3,517,050	3,422,851	2,949,704	3,327,232	4,043,460	49.3	21.5
Middle East	661,380	500,303	566,818	1,338,381	947,214	11.6	△ 29.2
Europe	638,012	780,216	683,404	695,279	673,420	8.2	△ 3.1
North America	274,361	245,916	645,106	431,140	590,071	7.2	36.9
Central America	647,942	538,946	411,231	486,433	653,889	8.0	34.4
South America	442,875	345,257	454,955	545,579	553,392	6.8	1.4
Africa	304,254	355,564	685,523	476,971	496,613	6.1	4.1
Oceania	81,527	72,864	53,872	95,323	84,822	1.0	△ 11.0
International organizations	134,460	16,221	71,842	9,296	155,230	1.9	1569.9

(Note 1) Classification used to compute the above amount: Pre-shipment: Country of the shipment consignee; Post-shipment: Country of the payer (when guaranteed, country or international organization of the guarantor).

(Note 2) Since the underwritten amount is recorded for both destination and payer countries, the total amount does not match that of underwritten amount by insurance type.

(Note 3) The amount is classified into international organizations instead of regions, when guaranteed by an international organization.

(Note 4) Central Asia is included in Asia. (The same applies hereinafter.)

(Note 5) Central and Eastern Europe and Russia are included in Europe. (The same applies hereinafter.)

Outstanding Insurance Commitment

Outstanding Commitment by Insurance Type

(Millions of Yen)

Type of Insurance	FY2018	FY2019	FY2020	FY2021	FY2022	Composition (%)	Year-on-Year Change (%)
Export Credit Insurance	6,994,430	5,968,467	5,278,555	6,592,883	7,374,188	45.8	11.9
One year or less	2,417,727	2,291,738	1,925,810	2,479,405	3,023,350	18.8	21.9
More than one year	4,576,703	3,676,729	3,352,745	4,113,478	4,350,838	27.0	5.8
Trade Insurance for Standing Orders from Specific Buyers	11,383	13,211	19,077	27,205	24,993	0.2	△ 8.1
Export Credit Insurance for SMEs and AFF Sector	3,817	4,491	4,893	5,214	5,675	0.0	8.8
Comprehensive Export Insurance with Simplified Procedure	16,415	10,874	19,202	32,138	45,101	0.3	40.3
Export Bill Insurance	3,224	3,831	2,536	1,657	1,576	0.0	△ 4.9
Prepayment Import Insurance	208	2,298	9,796	698	—	—	—
Overseas Investment Insurance	1,596,806	1,602,810	1,697,292	1,472,327	1,824,912	11.3	23.9
Buyer's Credit Insurance	923,657	831,832	778,010	747,130	604,720	3.8	△ 19.1
Overseas Untied Loan Insurance	3,608,086	3,365,701	4,084,100	4,607,015	5,304,975	32.9	15.1
Reinsurance	830,151	783,808	831,042	825,080	917,613	5.7	11.2
Total	13,988,179	12,587,322	12,724,503	14,311,346	16,103,751	100.0	12.5

(Note 1) In principle, the foreign currency denominated insurance contract is calculated based on the exchange rate at the end of each fiscal year. (The same applies to the table below.)

(Note 2) The floating interest coverage case is calculated based on the interest rate at the end of each fiscal year. (The same applies to the table below.)

Outstanding Commitment by Region

(Millions of Yen)

Region	FY2018	FY2019	FY2020	FY2021	FY2022	Composition (%)	Year-on-Year Change (%)
Asia	6,926,035	6,463,037	6,241,627	6,822,605	7,058,523	42.6	3.5
Middle East	1,945,372	1,673,822	1,551,671	2,442,646	2,847,065	17.2	16.6
Europe	930,638	885,666	1,047,275	1,134,007	1,171,324	7.1	3.3
North America	984,054	886,348	1,076,438	1,068,567	1,331,857	8.0	24.6
Central America	653,945	444,834	324,080	375,349	492,650	3.0	31.3
South America	685,649	565,177	734,267	827,249	1,156,092	7.0	39.8
Africa	952,503	911,884	1,081,938	1,031,503	1,449,628	8.8	40.5
Oceania	624,052	520,348	426,080	436,098	423,539	2.6	△ 2.9
International organizations	868,089	787,432	727,950	575,017	627,010	3.8	9.0

(Note 1) Classification used to compute the above amount: Pre-shipment: Country of the shipment consignee; Post-shipment: Country of the payer (when guaranteed, country or international organization of the guarantor).

(Note 2) Since the outstanding commitment is recorded for both destination and payer countries, the total amount does not match that of outstanding commitment by insurance type.

(Note 3) The amount is classified into international organizations instead of regions, when guaranteed by an international organization.

Review of Performance

Premium Income

Premium Income by Insurance Type

(Millions of Yen)

Type of Insurance	FY2018	FY2019	FY2020	FY2021	FY2022	Composition (%)	Year-on-Year Change (%)
Export Credit Insurance	12,032	9,932	9,955	13,230	14,646	48.9	10.7
Trade Insurance for Standing Orders from Specific Buyers	259	433	572	705	375	1.3	△ 46.8
Export Credit Insurance for SMEs and AFF Sector	84	125	134	149	168	0.6	13.0
Comprehensive Export Insurance with Simplified Procedure	127	102	134	253	367	1.2	44.7
Export Bill Insurance	130	130	124	100	94	0.3	△ 5.8
Prepayment Import Insurance	3	17	126	1	0	0.0	△ 84.0
Overseas Investment Insurance	6,188	6,454	6,516	6,295	7,237	24.2	15.0
Buyer's Credit Insurance	1,424	9,009	1,696	△ 2,641	△ 444	△ 1.5	△ 83.2
Overseas Untied Loan Insurance	7,018	15,227	9,546	10,717	4,834	16.1	△ 54.9
Reinsurance	2,098	697	3,048	1,635	2,664	8.9	62.9
Total	29,362	42,127	31,852	30,444	29,942	100.0	△ 1.6

(Note 1) The premium income is recorded at the start of the insurer's obligation period, unlike the underwritten amount which is based on the policy issue date. Therefore, the premium income and underwritten amount may be recorded in different fiscal years.

(Note 2) In and after FY2021, premiums are presented as net premiums written (direct premiums written and inward reinsurance premiums written, etc. from which outward reinsurance premiums, etc. are deducted.)

Insurance Claims Paid

Claims Paid by Insurance Type and Risk Type

(Millions of Yen)

Type of Insurance	FY2018		FY2019		FY2020		FY2021		FY2022								
	Political Risk	Commercial Risk	Composition (%)	Year-on-Year Change (%)													
Export Credit Insurance	18,082	2,175	15,907	43,996	36,344	7,652	2,831	104	2,727	1,217	523	694	2,925	918	2,007	9.1	140.4
Trade Insurance for Standing Orders from Specific Buyers	—	—	—	—	—	—	67	—	67	32	—	32	65	4	61	0.2	102.5
Export Credit Insurance for SMEs and AFF Sector	78	—	78	150	—	150	180	—	180	6	—	6	81	21	60	0.3	1,317.7
Comprehensive Export Insurance with Simplified Procedure	—	—	—	6	—	6	—	—	—	—	—	—	42	—	42	0.1	—
Export Bill Insurance	10	—	10	35	—	35	84	—	84	22	—	22	—	—	—	—	△ 100.0
Prepayment Import Insurance	—	—	—	—	—	—	—	—	—	149	—	149	—	—	—	—	△ 100.0
Overseas Investment Insurance	2,941	2,941	—	234	234	—	1,797	1,797	—	33,830	33,830	—	1,438	1,438	—	4.5	△ 95.7
Buyer's Credit Insurance	1,807	1,807	—	117	—	117	2,287	2,170	117	7,091	2,188	4,903	7,002	5,059	1,943	21.7	△ 1.3
Overseas Untied Loan Insurance	9,253	—	9,253	11,760	—	11,760	11,724	—	11,724	7,824	—	7,824	7,184	—	7,184	22.3	△ 8.2
Reinsurance	1,325	—	1,325	755	—	755	4,106	—	4,106	11,069	—	11,069	13,522	—	13,522	41.9	22.2
Total	33,497	6,923	26,573	57,052	36,578	20,474	23,076	4,071	19,005	61,241	36,541	24,699	32,260	7,441	24,819	100.0	△ 47.3

Claims Paid by Region

(Millions of Yen)

Region	FY2018		FY2019		FY2020		FY2021		FY2022								
	Political Risk	Commercial Risk	Composition (%)	Year-on-Year Change (%)													
Asia	12,477	—	12,477	6,154	32	6,121	3,687	73	3,614	6,025	208	5,817	2,663	1,593	1,071	8.3	△ 55.8
Middle East	5,646	2,103	3,543	34,348	32,259	2,090	235	62	174	109	77	32	1,493	21	1,471	4.6	1,268.3
Europe	1,115	1	1,114	43	—	43	1,403	2	1,401	3,045	—	3,045	10,805	726	10,079	33.5	254.8
North America	187	71	116	75	32	43	27	0	27	11	11	—	4	3	1	0.0	△ 62.2
Central America	40	—	40	4,114	4,053	61	1,978	1,466	511	584	227	357	5,106	5,059	46	15.8	774.2
South America	11,090	1,807	9,283	11,841	—	11,841	13,544	297	13,246	14,843	4,302	10,541	10,176	38	10,138	31.5	△ 31.4
Africa	2,941	2,941	—	106	—	106	2,198	2,170	28	36,620	31,717	4,903	2,014	—	2,014	6.2	△ 94.5
Oceania	—	—	—	371	202	169	4	—	4	4	—	4	—	—	—	—	△ 100.0
Total	33,497	6,923	26,573	57,052	36,578	20,474	23,076	4,071	19,005	61,241	36,541	24,699	32,260	7,441	24,819	100.0	△ 47.3

Recoveries

Recoveries by Risk Type

(Millions of Yen)

Type of Risk	FY2018	FY2019	FY2020	FY2021	FY2022	Composition (%)	Year-on-Year Change (%)
Political Risk	30,068	27,730	20,926	17,454	38,627	69.3	121.3
Commercial Risk	1,052	3,467	2,533	2,153	17,095	30.7	694.1
Total	31,121	31,197	23,458	19,607	55,722	100.0	184.2

Recoveries by Region

(Millions of Yen)

Region	FY2018	FY2019	FY2020	FY2021	FY2022	Composition (%)	Year-on-Year Change (%)
Asia	2,368	3,628	3,845	2,853	1,143	2.1	△ 59.9
Middle East	11,461	11,930	16,897	11,731	34,105	61.2	190.7
Europe	683	771	835	924	7,736	13.9	737.4
North America	81	33	471	15	8	0.0	△ 43.5
Central America	1,701	38	9	306	2	0.0	△ 99.3
South America	14,193	14,211	880	3,736	2,091	3.8	△ 44.0
Africa	629	586	517	38	10,635	19.1	27956.9
Oceania	4	—	3	4	1	0.0	△ 72.4
Total	31,121	31,197	23,458	19,607	55,722	100.0	184.2

Recoveries in FY2022

Recoveries by Risk Type

Recoveries totaled approximately JPY 55.7 billion in FY2022 (up 184.2% from JPY 19.6 billion in FY2021).

Looking at the results by risk type, recoveries related to political risk events, including those through Paris Club debt rescheduling and bilateral negotiations, amounted to about JPY 38.6 billion (up 121.3%). Recoveries related to commercial risk events amounted to about JPY 17.1 billion (up 694.1%).

Recoveries by Region

By region, the Middle East accounted for 61.2% of total recoveries at approximately JPY 34.1 billion. This includes about JPY 8.6 billion from the Republic of Iraq (Paris Club recoveries).

Africa accounted for 19.1% at approximately JPY 10.6 billion. Recoveries from the Arab Republic of Egypt amounted to approximately JPY 8.6 billion (commercial risk-related recoveries), while those from the Republic of Uganda amounted to approximately JPY 1 billion (political risk-related recoveries).

Europe accounted for 13.9% at approximately JPY 7.7 billion. Recoveries from the Russian Federation amounted to approximately JPY 6.6 billion (commercial risk-related recoveries), while those from the Republic of Serbia amounted to approximately JPY 800 million (Paris Club recoveries).

Recoveries from South America amounted to approximately JPY 2.1 billion, including about JPY 1.2 billion from the Argentine Republic (political risk-related recoveries) and about JPY 900 million from Republic of Chile (commercial risk-related recoveries). Meanwhile, those from Asia amounted to approximately JPY 1.1 billion, including about JPY 500 million from the People's Republic of China (commercial risk-related recoveries) and about JPY 300 million from the Islamic Republic of Pakistan (Paris Club recoveries).

Recoveries from North America and Central America amounted to approximately JPY 10 million (commercial risk-related recoveries).

Organization for Economic Co-operation and Development (OECD)

1 Working Party on Export Credits and Credit Guarantees (ECG Meeting and Participants Meeting)

The OECD was established in 1961 to discuss various global economic issues, and Japan has been a member since April 1964. The Working Party on Export Credits and Credit Guarantees (ECG), a subordinate organization of the OECD Trade Committee, exchanges information and discusses issues related to official export credits, including trade insurance provided by NEXI. As a Japanese export credit agency (ECA), NEXI actively participates in the discussions in cooperation with concerned Japanese government agencies such as METI.

In addition to discussions on financial terms and conditions for officially supported export credits, the ECG has also focused on the responsibility of ECAs for social issues such as the environment, climate change, anti-bribery, and sustainable lending.

2 Arrangement on Officially Supported Export Credits

The financial terms and conditions for export credits are set out in the OECD's Arrangement on Officially Supported Export Credits to provide a framework for the orderly use of export credits and to foster a level playing field. The Arrangement prescribes common terms and conditions, such as minimum premium rates, down payments, maximum repayment terms, minimum interest rates, and repayment terms, when ECAs provide export credits. In addition to the Arrangement, sector-specific terms reflecting the characteristics of each sector may be applied to projects related to such as ships, nuclear power plants, civil aircraft, renewable energy, climate change mitigation and adaptation technologies, and water. NEXI provides export credits in line with the Arrangement.

3 Approaches to Environmental Issues

Since the formulation of the OECD Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence (the Common Approaches) in 2001, revisions have regularly been made to improve the Common Approaches, including the fourth revision made in April 2016. Based on the Common Approaches, NEXI has established the Guidelines on Environmental and Social Considerations in Trade Insurance to encourage the appropriate environmental and social considerations for projects covered by its insurance.

4 Anti-bribery Measures

Based on the OECD Anti-Bribery Convention adopted in 1997, which prohibits provision of money or anything of value to foreign public officials for unjust enrichment, and OECD Recommendation of the Council on Bribery and Officially Supported Export Credits in 2006, NEXI has taken appropriate measures against bribery. The Recommendation was revised in March 2019, and NEXI has since strengthened its efforts based on the revisions.

NEXI Activities

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Main International Activities

Participation in the Asia Green Growth Partnership Ministerial Meeting (AGGPM)

NEXI participated in the Asia Green Growth Partnership Ministerial Meeting (AGGPM), which was hosted by the Ministry of Economy, Trade and Industry (METI) on September 26, 2022 in Tokyo.

The AGGPM was held to have an in-depth discussion on the importance of balancing energy transition and achieving sustainable economic growth, climate change measures, and energy security, against the backdrop of a drastic change in the global energy situation.

In the second part of the meeting, Private Sector Round Table, NEXI's Chairman and CEO Atsuo Kuroda gave a speech on

NEXI's following three initiatives in supporting energy transitions.

1. Financial support to Asian countries propelling energy transitions toward decarbonization.
2. Financial support to the Middle East and other energy producing countries.
3. Enhancement of partnerships with international financial institutions.

NEXI will continue to facilitate energy transitions in Asia and the world.



Participation in the Platform for Unified Support for Startups (Plus)

In November 2022, NEXI joined the Platform for unified support for startups (known as Plus, established by nine Japanese governmental institutions in July 2020), which aims to support startups that are working to commercialize their technologies. Seven other institutions, including Japan Bank for International Cooperation, Japan Finance Corporation, and Development Bank of Japan Inc. have joined the platform along with NEXI, reinforcing assistance for startups by public institutions.

Since joining Plus, NEXI has been carrying out activities to support startups, introducing NEXI's initiatives to member institutions and attending the Conference on Public-Private Collaboration for Encouraging Startups to Expand Business Overseas hosted by Keidanren (Japan Business Federation).

Being part of the Plus enables NEXI to exchange information and work closely with other institutions that bolster startups, while providing further assistance including financing support via NEXI's trade insurance to startups seeking global development.



Conclusion of MOU on Cooperation with the Japan Organization for Metals and Energy Security (JOGMEC)

In March 2023, NEXI signed a Memorandum of Understanding with the Japan Organization for Metals and Energy Security (JOGMEC) for the purpose of collaboration and cooperation in new technology fields such as hydrogen and CCS.

JOGMEC is a governmental institution for resource and energy development. In November 2022, support for risk capital of projects related to production and storage of decarbonized fuels, including hydrogen and ammonia, and carbon dioxide capture and storage (CCS) was added to its scope of operation. NEXI is also strengthening support for decarbonization projects,

and as part of the effort, revised its systems in March 2023, to add hydrogen and ammonia to the scope of Investment and Loan Insurance for Natural Resources and Energy.

Leveraging their knowledge and human resources, NEXI and JOGMEC are to collaborate and cooperate on data collection and risk assessment in new technology fields of hydrogen and CCS. The effort is anticipated to encourage project development by Japanese companies in the fields of new technologies including hydrogen and CCS.



Photo provided by JOGMEC (From left: Atsuo Kuroda, Chairman and CEO of NEXI, and Tetsuhiro Hosono, former Chairman and CEO of JOGMEC)

Reference

Expansion of Investment and Loan Insurance for Natural Resources and Energy

NEXI added “Hydrogen and Ammonia” to “Natural Resources and Energy,” to which a special clause regarding Investment and Loan Insurance for Natural Resources and Energy applies, and also clarified that “Natural Resources and Energy” include the products made from the eligible natural resources and energy.

This was done to strengthen support for “hydrogen and ammonia businesses,” which are expected to supply power in the future, as part of the responses to the decarbonization policy.



Strengthening Cooperation with Overseas Organizations

Conclusion of MOU Concerning Cooperation with PT PLN (Persero) (PLN), a State-owned Electricity Company of Indonesia

NEXI concluded a Memorandum of Understanding (MOU) Concerning Cooperation with PT PLN (Persero) (PLN), a state-owned electricity company in the Republic of Indonesia (Indonesia) in April 2022. Same year in November, NEXI agreed to provide up to USD 500 million to support PLN for their decarbonization efforts in Indonesia and the opportunity to introduce the technologies developed by Japanese companies to PLN. In March 2023, during the Asia Zero Emission Community (AZEC) Ministerial Meeting, the MOU was amended to review the loan terms and conditions for the USD 200 million out of the total USD 500 million financial support.

The signing and the amendment of the MOU is in line with the LEAD Initiative, aiming to build a framework for dialogue between NEXI and PLN, to strengthen cooperation in the power sector

in Indonesia, and to support efforts toward decarbonization in the country. The reinforced relationship between PLN and NEXI encourages Japanese companies to further expand their businesses in Indonesia.



Photo provided by the Ministry of Economy, Trade and Industry

Conclusion of Reinsurance Agreement Between NEXI and the Swedish Export Credit Agency (EKN)

NEXI concluded a One-Stop-Shop Reinsurance Agreement with the Swedish Export Credit Agency (EKN) in May 2022. The agreement's main emphasis is on reciprocal reinsurance for medium and long-term projects. The reinsurance framework enables NEXI and EKN to collaborate in providing a more comprehensive support to Japanese and Swedish companies.

The Kingdom of Sweden (Sweden) is home to many companies with advanced technologies, and EKN supports the global development of those Swedish enterprises. NEXI and EKN have been collaborating in projects, and the agreement aims to deepen partnership between the two institutions through the use of reinsurance to assist projects that contribute to

solving social issues, including decarbonization. NEXI intends to facilitate industrial cooperation between Japan and Sweden through trade and investment insurance.



Conclusion of Addendum to an MOU on Cooperation with Export-Import Bank of Thailand

NEXI signed an Addendum to February 2020 Memorandum of Understanding on Cooperation (MOU) with the Export-Import Bank of Thailand (EXIM Thailand), an export credit agency of the Kingdom of Thailand (Thailand), in December 2022.

The main purpose of the MOU is to further facilitate trade and investment of the two countries based on the existing cooperation framework between EXIM Thailand and NEXI in developing collaborative projects. The signing of the MOU is anticipated to effectively support Japanese companies based in Thailand for their exports and investments to third countries, under the partnership of the two institutions.

NEXI continues to support Japanese companies in their

exploring of international markets by building a close relationship with export credit agencies around the world.



Conclusion of MOU on Cooperation with Export Credit Greece

NEXI signed a Memorandum of Understanding on Cooperation (MOU) with Export Credit Greece (ECG), an export credit agency of the Hellenic Republic (Greece), in January 2023.

The MOU aims to establish a framework of cooperation between ECG and NEXI in facilitating trade and investment between the two countries, and exchanging information that are conducive to respective activities of the two institutions. The MOU is one of those signed during the Greek Prime Minister's visit to Japan, and is expected to promote trade and investment and to strengthen economic relations between Japan and Greece.

NEXI continues to bolster Japanese businesses for their global

developments through reinforcing cooperation with foreign export credit agencies.



Conclusion of MOU Concerning Cooperation with the Ministry of Mines and Energy of Cambodia

NEXI signed a Memorandum of Understanding Concerning Cooperation (MOU) with the Ministry of Mines and Energy (MME) of the Kingdom of Cambodia (Cambodia) in March 2023. In Cambodia, demand for power is expected to increase due to its rapid economic growth, and to address the rising needs, a number of infrastructure development projects have been planned, mainly in the power sector. Also, with the global acceleration of climate control, efforts to achieve carbon neutrality on a long-term basis have become critical in each country.

In line with NEXI's LEAD Initiative, the MOU aims to build a framework for dialogue between MME and NEXI, to strengthen cooperation in improving the domestic power transmission network of Cambodia, and to support MME in its efforts to achieve a realistic energy transition. NEXI will help Japanese

companies expand their businesses by introducing their technologies to MME and exchanging views on potential projects with MME in which Japanese enterprises can participate.



Photo provided by the Ministry of Economy, Trade and Industry

Hosting a Workshop on New Technologies and Start-up Support

NEXI hosted a two-day Workshop on New Technologies and Start-up Support on February 8th and 9th, in Tokyo.

The workshop aimed to share knowledge and experience among the ECAs, considering the current challenges in facilitating the social implementation of new technologies, including those for climate change mitigation, and the increasing importance of start-ups in tackling social issues in emerging and developing countries. Professionals in charge of underwriting, risk assessment, risk management, and business development in ECAs from different countries, including ECGC from India, EFA from Australia, EKN from Sweden, Euler Hermes from Germany, K-SURE from South Korea, and US EXIM from the United States participated in the workshop.

NEXI will continue to assist international business activities of Japanese enterprises through strengthening cooperation with foreign export credit agencies.



Strengthening Cooperation with Overseas Organizations

Participation in the G7 ECA Meeting

NEXI participated in the Meeting of the Heads of G7 Export Credit Agencies where leaders of official export credit agencies from the G7 nations (Canada, France, Germany, Italy, Japan, United Kingdom, and the United States of America) gathered in Toronto, Canada from October 27th to 28th, 2022. At the meeting, the global economic situation and the efforts each country is taking from a geopolitical and economic perspective and in terms of sustainability were discussed. As a new initiative, an additional meeting was held where the future of the ECA industry in the world was discussed among mid-career and young employees who will be the next generation in charge of ECA business in each respective country.



Participation in the Berne Union

The Berne Union (The International Union of Credit and Investment Insurers) is a forum for global export insurance agencies, international organizations, and private insurers to share expert knowledge and discuss common challenges pertaining to export credit insurance and investment insurance. The inaugural meeting was held in 1934 in Berne, Switzerland, which is the origin of the name Berne Union, and as of the end of 2022, there were a total of 85 member institutions (including guests). The Berne Union meets twice a year at their two General Meetings in spring and autumn to exchange ideas and have discussions, and also holds sessions including expert meetings and webinars as needed. In FY2022, the Spring Meeting was held in May in Istanbul, Turkey, and the Annual General Meeting was held in November in Kigali, Rwanda. NEXI

attended both meetings to exchange information with other participating institutions.



Photo of the Annual General Meeting

Holding of Bilateral Meetings

In FY2022, NEXI held bilateral meetings with export credit agencies (ECAs) and government officials from the Republic of Austria (Austria), the Federal Republic of Germany (Germany), the French Republic (France), and the People's Republic of China (China). NEXI exchanged frank opinions concerning a wide range of topics, including response to and business conditions during and after the COVID-19 crisis, climate change mitigation measures, and risk management initiatives.

These meetings that are held annually allow NEXI to review the global trends of trade and investment insurance, and further strengthen partnership with other foreign institutions.



Photo of the bilateral meeting with Austria

Working Toward a Sustainable Society

Guidelines on Environmental and Social Considerations

To fulfill its corporate social responsibility regarding environmental and social issues, NEXI follows the Guidelines on Environmental and Social Considerations in Trade Insurance (Environmental Guidelines) and its complementary paper of Guidelines for Information Disclosure Considerations for Nuclear Sector Projects in Trade Insurance to assess whether companies implementing projects covered by NEXI's insurance have adequately given environmental and social considerations. NEXI revised the Environmental Guidelines last year for the first time since 2016. Based on the opinions received from stakeholders through public consultation meetings and public comments, NEXI updated the content to address changes in the social landscape.

In FY2022, NEXI conducted screenings for 44 projects. In the screenings, projects were classified into three categories (A, B, or C, categorized in descending order of the size of the environmental impact), based on information provided in screening forms submitted by applicants (exporters, etc.). Each project was then assessed appropriately according to its category. In FY2022, NEXI continued to carry out assessments flexibly amid the prolonged COVID-19 pandemic, and in the

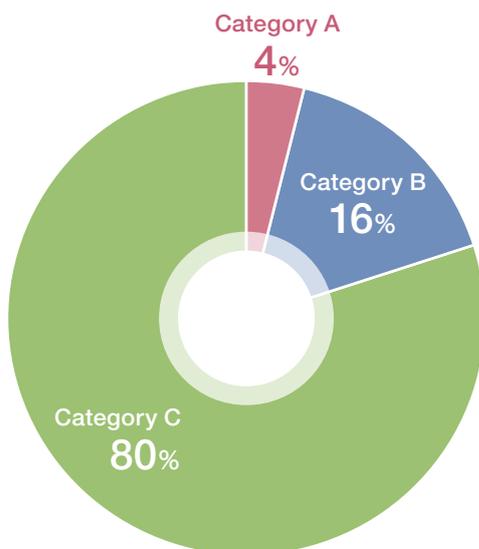
latter half of the fiscal year, performed on-site inspections required for Category A projects for the first time after the pandemic.

To ensure compliance with the Environmental Guidelines, NEXI has implemented procedures to accept objections, assigning an environmental guideline examiner who is independent from our insurance underwriting department. NEXI continues to ensure appropriate assessment of each project.



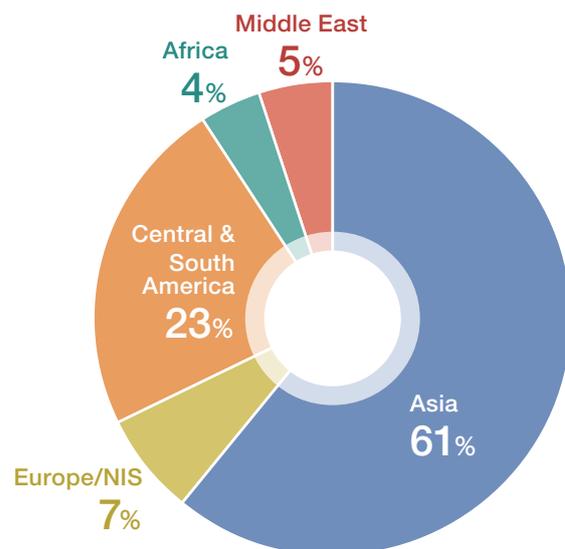
Photo of an on-site inspection

FY2022 Screenings by Category



* Categorized as A, B, or C in descending order of the size of the environmental impact of each project

FY2022 Screenings by Region



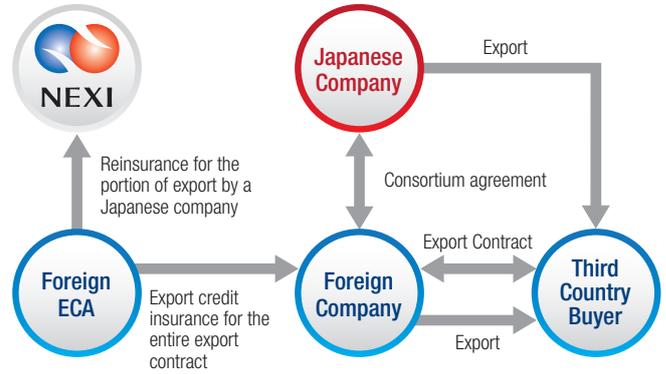
*The Middle East includes Turkey; Central & South America includes Mexico.

Cooperation with Overseas Organizations

NEXI has established a cooperative network with related institutions around the world. This enables us to quickly and accurately respond to the diverse needs of Japanese companies as they develop their businesses internationally.

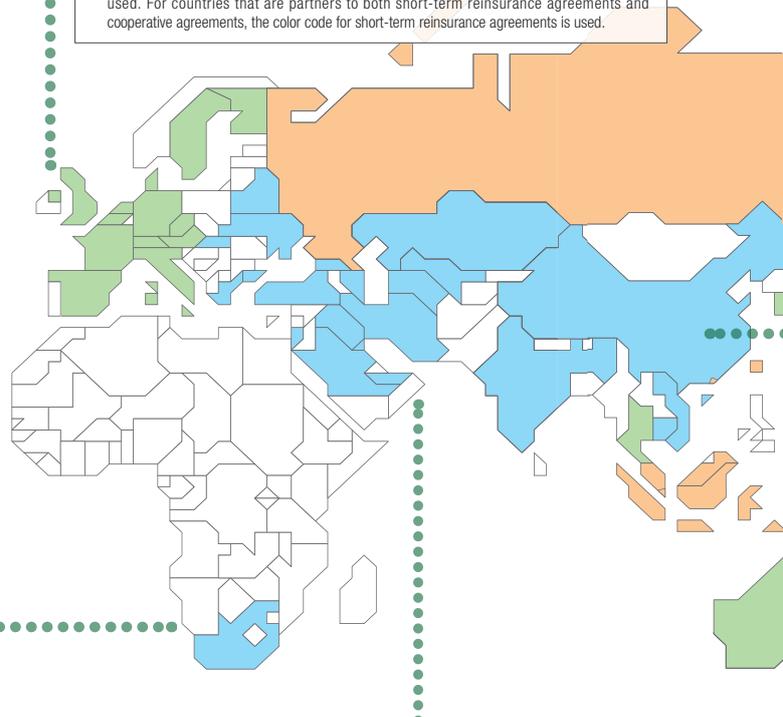
1) One-Stop-Shop Reinsurance

For cases in which a Japanese company is partnering with foreign companies on a project in a third country, NEXI concludes one-stop-shop reinsurance agreements with major overseas export credit agencies (ECAs). The purpose of these agreements is to underwrite risks for the portion exported from Japan. For example, when a Japanese company forms a consortium with foreign companies for export to a third country, the foreign companies can conclude insurance contracts with their own countries' ECAs for the total amount of the export contract including the portion exported by the Japanese company. NEXI then provides reinsurance to the foreign ECAs for the portion exported by the Japanese company.



■ One-Stop-Shop Reinsurance Agreements
■ Short-term Reinsurance Agreements
■ Cooperative Agreements

* In classifying the countries on the map, the color-code represents two types of agreements for some countries. For countries that are partners to both one-stop-shop reinsurance agreements and cooperative agreements, the color code for one-stop-shop reinsurance agreements is used. For countries that are partners to both short-term reinsurance agreements and cooperative agreements, the color code for short-term reinsurance agreements is used.



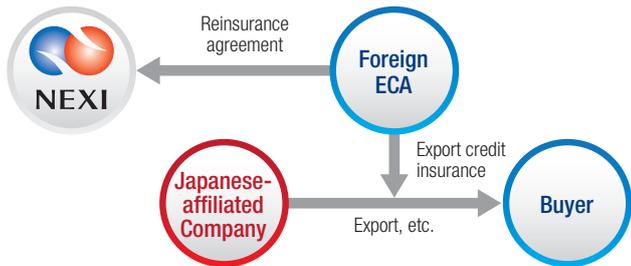
Europe		
One-Stop-Shop Reinsurance Agreements		
Italy	Servizi Assicurativi del Commercio Estero (SACE)	2002
Netherlands	Atradius N.V. (ATRADIUS)	2002
Belgium	Credendo - Export Credit Agency	2002
Germany	Euler Hermes Deutschland AG (EULER-HERMES)	2003
Austria	Oesterreichische Kontrollbank AG (OeKB)	2003
Finland	Finnvera plc (FINNVERA)	2004
Spain	Compañía Española de Seguros de Crédito a la Exportación (CESCE)	2005
Switzerland	Swiss Export Risk Insurance (SERV)	2007
France	Banque Publique d'Investissement (Bpifrance)	2016
Czech Republic	Export Guarantee and Insurance Corporation (EGAP)	2017
UK	UK Export Finance (UKEF)	2017
Denmark	Danmarks Eksport- og Investeringsfond (EIFO)	2019
Sweden	Swedish Export Credit Agency (EKN)	2022
Short-term Reinsurance Agreements		
Russia	Russian Agency for Export Credit and Investment Insurance (EXIAR)	2016
Cooperative Agreements		
France	Direction des Relations Économiques Extérieures (DREE)	1995
	Banque Publique d' Investissement (Bpifrance)	2016
UK	UK Export Finance (UKEF)	1995
Germany	Euler Hermes Deutschland AG (EULER-HERMES) / Coopers & Lybrand, Germany (C&L)	1996
	KfW IPEX-Bank (KfW)	2011
Austria	Oesterreichische Kontrollbank AG (OeKB)	1996
Italy	Servizi Assicurativi del Commercio Estero (SACE)	1996
Finland	Finnvera plc (FINNVERA)	1996
Netherlands	Atradius N.V. (ATRADIUS)	1996
Spain	Compañía Española de Seguros de Crédito a la Exportación (CESCE)	2000
Uzbekistan	Uzbekinvest National Export-Import Insurance Company (UZBEKINVEST)	2007
Ukraine	The State Export-Import Bank of Ukraine (UKREXIMBANK)	2009
Russia	State Development Corporation (VEB.RF)	2009
Belarus	Belarusbank	2009
Russia	Russian Agency for Export Credit and Investment Insurance (EXIAR)	2013
Turkmenistan	The State Bank for Foreign Economic Affairs of Turkmenistan (TFEB)	2015
Czech Republic	Export Guarantee and Insurance Corporation (EGAP)	2015
Kazakhstan	KazakhExport	2016
Georgia	Ministry of Economy and Sustainable Development of Georgia	2019
Russia	Joint Stock Company Siberian Coal Energy Company (SUEK JSC)	2019
Belgium	Credendo - Export Credit Agency	2019
Hungary	Hungarian Export Credit Insurance Plc. (MEHIB)	2019
Azerbaijan	The Republic of Azerbaijan Ministry of Economy	2021
Greece	Export Credit Greece (ECG)	2023

Middle East		
Cooperative Agreements		
Israel	Israel Export Insurance Corp. Ltd. (ASHRA)	1997
Abu Dhabi	Mubadala Development Company PJSC (MDC)	2008
Iraq	Ministry of Finance of Iraq	2011
	Trade Bank of Iraq (TBI)	2011
Iran	Ministry of Economic Affairs and Finance of the Islamic Republic of Iran	2016
Turkey	Export Credit Bank of Turkey (Turk Eximbank)	2017
Saudi Arabia	Ministry of Finance of Saudi Arabia	2020
	Public Investment Fund (PIF)	2022
Kuwait	Kuwait Petroleum Corporation (KPC)	2022

Africa		
Cooperative Agreements		
South Africa	Export Credit Insurance Corporation of South Africa (ECIC SA)	2005

2) Short-term Reinsurance

NEXI has concluded reinsurance agreements with ECAs in Asia and other regions to support exports to third countries by Japanese companies located in Asian and other countries. These agreements increase the underwriting capacity of ECAs in Asia and other regions. This makes it easier for Japanese companies to mitigate their international trade risks by using export credit insurance offered by local ECAs.



3) Reinsurance with European and US Private-sector Insurers

NEXI provides underwriting capacity through short-term reinsurance agreements with European and US private insurers.

4) Other Cooperative Relations

NEXI has built long-term relationships through cooperative agreements with major ECAs that belong to the Berne Union and international organizations.

Asia / Oceania		
One-Stop-Shop Reinsurance Agreements		
Australia	Export Finance Australia (EFA)	2005
Korea	Korea Trade Insurance Corporation (K-SURE)	2011
Thailand	Export-Import Bank of Thailand (EXIM Thailand)	2019
Short-term Reinsurance Agreements		
Singapore	ECICS Limited (ECICS)	2004
Malaysia	Export-Import Bank of Malaysia Berhad (MEXIM)	2006
Indonesia	PT. Asuransi Asei Indonesia (Asuransi Asei)	2009
Thailand	Export-Import Bank of Thailand (EXIM Thailand)	2009
Taiwan	Taiwan's Export-Import Bank of the Republic of China (Taiwan EXIM)	2010
Hong Kong	Hong Kong Export Credit Insurance Corporation (HKECIC)	2012
Cooperative Agreements		
Korea	Korea Trade Insurance Corporation (K-SURE)	1994
Singapore	ECICS Limited (ECICS)	1997
Taiwan	Taiwan's Export-Import Bank of the Republic of China (Taiwan EXIM)	2005
Indonesia	PT. Asuransi Asei Indonesia (Asuransi Asei)	2008
Vietnam	Vietnam Oil and Gas Group (Petrovietnam)	2010
	Ministry of Finance of Vietnam	2014
Indonesia	PT Pertamina (Persero) (Pertamina)	2015
	PT PLN (Persero) (PLN)	2022
China	China Export & Credit Insurance Corporation (SINOSURE)	2018
India	ECGC Ltd. (ECGC)	2018
Australia	Department of Foreign Affairs and Trade (DFAT) / Export Finance Australia (EFA)	2018
Thailand	Export-Import Bank of Thailand (EXIM Thailand)	2020
Cambodia	Ministry of Mines and Energy (MME)	2023

North America		
One-Stop-Shop Reinsurance Agreements		
Canada	Export Development Canada (EDC)	2018
US	Export-Import Bank of the United States (US EXIMBANK)	2019
Short-term Reinsurance Agreements		
Canada	Export Development Canada (EDC)	2012
Cooperative Agreements		
US	Export-Import Bank of the United States (US EXIMBANK)	1991
Canada	Export Development Canada (EDC)	1997
US	The United States Department of Energy (DOE)	2009
	U.S. International Development Finance Corporation (USDFC)	2017

South America		
Cooperative Agreements		
Brazil	Companhia Vale do Rio Doce (Vale)	2008
	Petróleo Brasileiro S.A. (PETROBRAS)	2008
	Banco Nacional de Desenvolvimento Economico e Social (BNDES)	2009
	Brazilian Guarantees and Fund Managements Agency (ABGF)	2017

Reinsurance Agreements with European and US Private-sector Insurers	
Euler Hermes Deutschland AG (EULER-HERMES) (private sector)	2013
COFACE (private sector)	2014
American International Group, Inc. (AIG)	2015
Tokio Marine HCC (HCC)	2016
Mitsui Sumitomo Insurance Company Limited (Europe) / MS Amlin	2019
Credendo-Ingosstrakh Credit Insurance, LLC	2019

International Organizations	
Cooperative Agreements	
Export credit agencies and export financing institutions of APEC members (15 organizations in 12 countries)	1997
European Investment Bank (EIB)	2018
Islamic Development Bank (IsDB)	2019
African Trade Insurance Agency (ATI)	2019
International Finance Corporation (IFC)	2020
European Bank for Reconstruction and Development (EBRD)	2020
Multilateral Investment Guarantee Agency (MIGA)	2020
The Eastern and Southern African Trade & Development Bank (TDB)	2021
The Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC)	2021
African Export-Import Bank (Afreximbank)	2022

Supporting Japanese SMEs in their Overseas Business Development

Establishment of Overseas Business Support Package in Collaboration with Three Agencies

On December 19, 2022, NEXI, the Japan Finance Corporation (JFC), and Organization for Small & Medium Enterprises and Regional Innovation, JAPAN (SME Support Japan) announced the establishment of Overseas Business Support Package (the Package) aiming to reinforce support for SMEs and micro businesses that are exploring global markets.

Under the Package, the three agencies have come together to leverage their strengths to provide seamless supports to SMEs and micro businesses seeking to explore foreign buyers and global markets, by identifying their issues and needs, assisting to find international business partners, and providing financial support. The initiative is in line with the 10,000 New Exporters Program announced by the Ministry of Economy, Trade and Industry on December 16, 2022.

Based on the Package, NEXI not only covers transaction risks through trade and investment insurance, but also offers assistance in finding and selecting foreign customers by providing buyer information by country and by industry.

The Package is to be enhanced with the participation of regional financial institutions from throughout the country.

Through collaboration with JFC and SME Support Japan, NEXI firmly supports SMEs and micro businesses in their endeavor for international development.



Signing of an MOU with the Okinawa Prefecture Foreign Trade Association

On March 12, 2023, NEXI signed a Memorandum of Understanding (MOU) on business cooperation with the Okinawa Prefecture Foreign Trade Association to promote the use of trade and investment insurance to companies in Okinawa Prefecture. The MOU signed with the Okinawa Prefecture Foreign Trade Association is the first among other private trade support organizations in Japan, including local trade associations. Mr. Yasutoshi Nishimura, Minister of Economy, Trade and Industry, attended the signing ceremony, which provided a valuable opportunity for the government and NEXI to make a strong appeal to enterprises in Okinawa Prefecture on their collaborative efforts to facilitate exports.

Business cooperation with the Okinawa Prefecture Foreign Trade Association is expected to incorporate promotional activities, such as briefings on trade and investment insurance and offering information including overseas buyer ratings and country risks to the member companies.

Before the signing of the MOU, a lecture meeting was hosted by the Okinawa Prefecture Foreign Trade Association and attended by a number of companies, where Mr. Kuroda, Chairman and CEO of NEXI gave a presentation on the theme of “The need for risk hedging and trade insurance in a turbulent world” to illustrate the role of trade and investment insurance during the COVID-19 pandemic and the Ukraine crisis.

Through business cooperation with the Okinawa Prefecture Foreign Trade Association, NEXI continues to support Okinawa for its trade revitalization, export expansion, and economic growth by facilitating the use of trade and investment insurance by enterprises in Okinawa Prefecture.



Regional Activities to Raise Profile and Usage of NEXI' Services

Initiatives in the Tsubame-Sanjo Region in Niigata Prefecture

NEXI does not just wait to respond to inquiries from companies that are considering using trade insurance. We travel throughout Japan to visit areas where export companies gather to offer information on and promote NEXI's insurance and services, as well as to collect data and to know the stance of local companies on export and the associated risks.

In FY2022, we held multiple seminars and consultation events, and increased the frequency of meetings with exporting companies in the Tsubame-Sanjo region in Niigata Prefecture, where a number of metal processing businesses are based in. The effort was progressed with the cooperation of Japan External Trade Organization (JETRO) Niigata Trade Information Center, Tsubamesanjo Regional Industries Promotion Center, and Daishi Hokuetsu Bank, Ltd.

The aim is to allow NEXI to understand the ways the local exporting companies are addressing settlement risks

(prepayment or deferred payment, risk hedging measures, etc.) on a local market level according to the companies' sizes, types of business, and products, which were not identified in case-by-case private consultations, and to be able to meet their needs and demands in a more flexible manner.

NEXI will continue to take a proactive approach to the market in order to provide various assistance corresponding to each exporter's stage of business development, in cooperation with support organizations and partner financial institutions that have deep ties with and knowledge of local communities in each prefecture.



Projects Covered by NEXI Insurance

Federal Democratic Republic of Ethiopia | Telecommunications Business Project

Sumitomo Corporation has launched a telecommunications business in the Federal Democratic Republic of Ethiopia (Ethiopia) through Global Partnership for Ethiopia BV (GPE), a joint venture company established collectively with Vodafone Group Plc (Vodafone) of UK (United Kingdom of Great Britain and Northern Ireland), Safaricom Plc in the Republic of Kenya and Vodacom Group Ltd in the Republic of South Africa, both a telecom operator of Vodafone Group, and British International Investment, a development finance institution of UK (former CDC Group Plc).

In relation to Sumitomo Corporation's investment in the project, NEXI has provided reinsurance to the African Trade Insurance Agency (ATI). This is the first project underwritten based on the Memorandum of Understanding NEXI signed with ATI in 2019.

In Ethiopia, penetration rate of mobile phones has remained low. However, under the leadership of Prime Minister Abiy Ahmed, privatization of and foreign investment to the telecommunications market have been promoted and the country is expected to see growth in the widespread use of mobile phones and the expansion of mobile money business. In the Infrastructure System Overseas Promotion Strategy 2025 announced by the Japanese government, investment in Quality ICT Infrastructure is promoted as a specific measure in the telecommunications field. The project is anticipated to increase

opportunities for Japanese companies to serve the Ethiopian market with their high-quality communication services.

By supporting this project, NEXI aims to contribute to the expansion of Japanese companies into Africa, to the development of the Ethiopian telecommunications market, and to the further growth of Ethiopia.

Date of signing the insurance contract: April 2022



Photo provided by Sumitomo Corporation

Arab Republic of Egypt | Amunet Wind Power Project

The purpose of this project is for Amunet Wind Power Company S.A.E. (in which Sumitomo Corporation is an investor) to build, own, and operate an onshore wind power plant, and sell power generated to the Egyptian Electricity Transmission Company for 25 years, starting when it goes into commercial operation. The plant will have a capacity of approximately 500 MW, and be located on the Gulf of Suez, in the Ras Gharib region of the Red Sea Governorate in the Arab Republic of Egypt (Egypt), about 240 km southeast of the nation's capital, Cairo.

Of the funding the project has raised via project financing, NEXI has provided insurance for the following: financing (amounting to approximately USD 187 million) extended by Standard Chartered Bank, Tokyo Branch, Sumitomo Mitsui Banking Corporation (SMBC), and Sumitomo Mitsui Trust Bank, Limited; and an interest rate swap agreement guaranteed by SMBC. The Japan Bank for International Cooperation (JBIC) and the World Bank Group's International Finance Corporation (IFC) have also decided to finance the project.

In 2016, the Egyptian government announced Egypt Vision 2030, a long-term development strategy for the nation. One of its pillars in the energy sector is to make renewable energy widespread, and to that end, the Egyptian government intends to actively pursue wind and solar power projects. It is also planning to increase the share of renewable energy to 42% of the nation's

power sources by 2035. This project is in line with that policy, and therefore is highly significant for the Egyptian government.

Being an initiative to conserve the natural environment and combat climate change, the project complies with Environment & Energy, one of the pioneering elements of the LEAD Initiative that NEXI is actively supporting. As such, it is also eligible for Loan Insurance for Green Innovation.

NEXI's support for this project is expected to expand business opportunities for Japanese companies in North Africa, and help maintain and boost Japan's international competitiveness, including in terms of developing renewable energy.

Date of signing the insurance contract: March 2023



Photo provided by Sumitomo Corporation

Republic of Singapore | Support for Exports of Container Ships to Wan Hai Lines (Singapore) Pte Ltd.

NEXI has provided insurance for loans to Wan Hai Lines (Singapore) Pte Ltd. (WHLS), the Singaporean subsidiary of the Taiwan-headquartered Wan Hai Lines Ltd. (WHL), to finance the purchase of twelve 3,013 TEU container ships built by Japan Marine United Corporation (JMU) and Nihon Shipyard Co., Ltd (NSY). The loans are co-financed by Citibank N.A., Tokyo Branch (Citibank), Mizuho Bank, Ltd., and Japan Bank for International Cooperation (JBIC). NEXI's insurance covers the loans provided by the commercial banks.

WHL group is a major Taiwanese shipping company with its main line of business in container transport and has a vast service network and customer base mainly within the Asian region, as well as shipping routes in North America, India, and the Middle East. The company is currently reinforcing its fleet to meet the increasing demand for container transportation seen in the recent years. NEXI has provided insurance for loans to WHLS in March 2020, for its purchase of eight container ships from JMU and NSY, and this is the second project for NEXI to extend support to the company.

The project is in line with the Infrastructure System Overseas Promotion Strategy 2025, which promotes exports of Japanese built ships. As a policy-based financial institution

of Japan, NEXI will continue to actively support exports of Japanese companies.

Date of signing the insurance contract: September 2022



Photo provided by Wan Hai Lines (Singapore) Pte Ltd.

Republic of Uzbekistan | Exporting Telecommunications Equipment, etc. to JSC “Uzbektelecom”

NEXI has provided insurance for a loan to JSC “Uzbektelecom”, the state-run telecommunications provider in the Republic of Uzbekistan (Uzbekistan).

This is a project to provide Uzbektelecom with a fund it needs to build a core telecommunications system by purchasing equipment, etc. from NEC Corporation (NEC), Internet Initiative Japan Inc. (IIJ), and NTT Communications Corporation, with Toyota Tsusho Corporation acting as an intermediary. The loan to Uzbektelecom is co-financed by MUFG Bank, Ltd. (MUFG) and the Japan Bank for International Cooperation (JBIC), and NEXI has provided insurance for MUFG's contribution.

This is the third time NEXI has supported a project to develop Uzbekistan's telecommunications environment through insurance underwriting, having also done for one in 2015 (related to a nationwide digital TV broadcasting network) and another in 2019 (related to exporting a core telecommunications system).

The project aims to boost the speed and capacity of Uzbekistan's telecommunications infrastructure. As such, it will aid the transition to a digital society that its government is promoting. Japan and Uzbekistan celebrated 30 years of

diplomatic relations in 2022, and the project is expected to help strengthen them further.

Date of signing the insurance contract: March 2023

(Rendering image of the new facility)

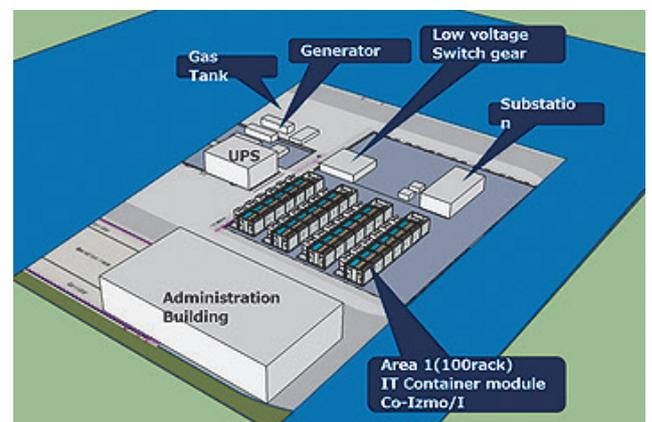


Photo provided by Internet Initiative Japan Inc.

Projects Covered by NEXI Insurance

U.S. | Supporting Exports of Boeing 787s and 777s to KLM Royal Dutch Airlines and Turkish Airlines

NEXI has provided reinsurance for export credit extended by the Export-Import Bank of the United States (US EXIMBANK), the export credit agency (ECA) of the United States, in relation to two Boeing 777-300ERs and two Boeing 787-10s for KLM Royal Dutch Airlines, and one Boeing 787-9 for Turkish Airlines. This is an aircraft reinsurance contract based on a reinsurance agreement that NEXI entered into with US EXIMBANK in 2004, and is NEXI's first underwriting of reinsurance from the bank in around six years, the hiatus being due to the COVID-19 pandemic.

Airlines the world over were severely affected by the travel restrictions and lockdowns imposed worldwide in the face of the COVID-19 pandemic that broke out in 2020. With demand now recovering (particularly for domestic and short-haul flights), the new orders for aircraft from these airlines—which are two of the world's top ones—are a sign that the aviation industry is starting to put the pandemic behind it.

Japanese companies have been working as partners with the US's Boeing to jointly develop and manufacture the Boeing 777 and 787 airframes, and are producing around 21% and 35% of the structure, respectively. They are also taking part in the joint international development of the engines for Boeing 787s, and are involved in a wide range of the manufacturing as well, including for the structural materials (carbon fiber composites) and aircraft parts (tires, lavatories, galleys, cabin service systems, etc.).

NEXI's support for the exports of the Boeing 777s and 787s in cooperation with US EXIMBANK has a significance in terms of

using export credit to support international joint projects related to the development and manufacturing of these aircraft.

NEXI will continue to actively support Japanese companies in their international expansion by cooperating with external institutions through reinsurance.

Date of signing the insurance contract:
July 2022, October 2022, January 2023



Photo provided by KLM Royal Dutch Airlines, Turkish Airlines

Republic of Turkey | Crane Export Project to Yapi Kredi Finansal Kiralama A.O.

NEXI has provided an insurance for a loan extended to Yapi Kredi Finansal Kiralama A.O. (YKL) of the Republic of Turkey (Turkey). This project is intended to finance Yilport Holding A.S. (Yilport), a company engaged in port businesses in Turkey and abroad, with the funds necessary to purchase a total of four port container cranes from Mitsui E&S Machinery Co., Ltd. (Mitsui E&S Machinery) through a finance lease offered by YKL. The loan is co-financed by BNP Paribas, Tokyo Branch and the Japan Bank for International Cooperation (JBIC), with NEXI providing insurance for the loan extended by BNP Paribas, Tokyo Branch.

Yilport, the purchaser of the container cranes in the project, is a port operator owned by a leading Turkish conglomerate, Yildirim Holding A.S. Through underwriting of the project, NEXI was able to offer financing assistance to Mitsui E&S Machinery for their container crane export, and contributed to raising the company's competitiveness as well as to reinforcing its partnership with Yilport. This is the second project for NEXI to support Mitsui E&S Machinery's export of container cranes to Yilport, following the first project in 2014.

As a Japanese governmental financial institution, NEXI will continue to actively bolster the export of high-quality infrastructure equipment manufactured by Japanese companies and the decarbonization of industry.

Date of signing the insurance contract: June 2022



Photo provided by: MITSUI E&S Co., Ltd

SME Exports Covered by NEXI Insurance

Export of Toys

NEXI provided Export Credit Insurance for SMEs and AFF Sector to Gincho Trading Co., Ltd. (Gincho Trading) in Nagoya City, Aichi Prefecture for the export of toys to the Socialist Republic of Vietnam.

Since its establishment in 1969, Gincho Trading has been developing and selling products aimed at children to “bring a smile to every child through learning and playing.” Recognizing that it deals with products that have a direct impact on children, the company is committed to handling safe products. Therefore, in principle, its products bear the Safety Toy Mark (ST Mark), which certifies that they have passed the Toys Safety Standard (ST standard) inspection set by the Japan Toy Association.

For this transaction, Gincho Trading used NEXI’s trade insurance as a means to reduce the risk associated with collecting export proceeds from new buyers.

NEXI will continue to help create an environment in which small and medium-sized enterprises (SMEs) and mid-tier enterprises can confidently conduct business overseas by providing them with trade insurance.

Export value covered by the insurance: About JPY 2 million

Date of signing the insurance contract: July 2022



Photo provided by Gincho Trading Co., Ltd.

Export of Portable Ultrasound Devices

NEXI provided Export Credit Insurance-Specific Insurance to SOIK Corporation., Ltd. (SOIK) in Okinawa Prefecture for the export of portable ultrasound devices to the Democratic Republic of the Congo (DRC).

SOIK is a startup that operates a digital health business in Africa by leveraging its local subsidiary in DRC. The company’s name, SOIK, comes from the French phrase “soin quotidien” (daily care). Since being established in 2019, it has been developing digital healthcare solutions with the goal of contributing to the SDGs through activities to save lives in DRC. In 2021, it became the first Japanese company to conclude a public-private partnership agreement with DRC’s Ministry of Public Health.

This project includes the delivery of 130 kits of SPAQ, an integrated solution for digitizing obstetric services developed and provided by SOIK. The kits will be distributed to small medical facilities throughout the country, where they will be used to save the lives of pregnant women and help reduce the high maternal mortality rate which is 100 times higher than in Japan.

This is the first order that SOIK received from the Congolese government and also the first case associated with DRC’s Ministry of Public Health where NEXI provided insurance. Trade insurance makes it possible to hedge risks due to delays in payment of export proceeds by buyers, helping start-ups to focus on business promotion with confidence.

NEXI will continue to actively support the international expansion of SMEs and mid-tier enterprises, including start-ups, through the provision of trade insurance.

Export value covered by the insurance: About JPY 63 million

Date of signing the insurance contract: February 2023



Photo provided by SOIK Corporation., Ltd.

SME Exports Covered by NEXI Insurance

Export of Used Textile Machinery

NEXI provided Export Credit Insurance for SMEs and AFF Sector to Tsuji Machinery Co., Ltd. (Tsuji Machinery) for its export to the Republic of India.

Tsuji Machinery was established in 1967 in Fukui City, Fukui Prefecture, as an ironworks that mainly offered manufacturing and maintenance services. In addition, the company is currently expanding the business of exporting used textile machinery to countries around the globe. It has exported to many countries, including the Republic of Korea, the Islamic Republic of Pakistan, the Kingdom of Thailand, the People's Republic of Bangladesh, the Republic of Indonesia, the French Republic, the Nepal, and the United Mexican States.

Tsuji Machinery uses trade insurance as a means to mitigate the risk associated with collecting export proceeds as well as to secure receivables for financing.

NEXI will continue to actively support SMEs and mid-tier enterprises seeking to develop in overseas markets by providing them with trade insurance.

Export value covered by the insurance: About JPY 40 million

Date of signing the insurance contract: December 2022



Photo provided by Tsuji Machinery Co., Ltd.

Export of Liquid Scanner

NEXI provided Export Credit Insurance for SMEs and AFF Sector to Kumahira Co., Ltd. (Kumahira) in Hiroshima Prefecture for the export of liquid scanner to Romania.

Kumahira was founded in 1898 for the purpose of selling and repairing safes. Today, the company develops and manufactures a wide range of security products that meet the needs of customers based on its technological capabilities and expertise, which date back over a century.

Previously, the company conducted thorough risk management for its export transactions and used low-risk settlement methods. However, due to the impact of COVID-19, some of the overseas customers had difficulty placing orders based on conventional terms and conditions. By using NEXI's trade insurance, Kumahira succeeded in reducing the risk associated with collecting export payments and was able to continue trading with settlement terms that satisfied customer needs.

NEXI will continue to offer trade insurance to address the diverse needs of SMEs and mid-tier enterprises to reduce their transaction risks as well as to support their export expansion.

Export value covered by the insurance: About JPY 2 million

Date of signing the insurance contract: August 2022



Photo provided by Kumahira Co., Ltd.

Export of Semiconductor Manufacturing Process Equipment

NEXI provided Export Credit Insurance for SMEs and AFF Sector to Technovision, Inc. (Technovision) in Saitama Prefecture for the export of semiconductor manufacturing process equipment to the Republic of Singapore.

Since its establishment in 1987, Technovision has been engaging in development, manufacturing, and import and export of semiconductor manufacturing equipment, with core strengths in cleaning technology and assembly technology. The company aims to contribute to the society through product manufacturing based on its policies to provide technologies, products, and services that address customer needs. Introduced by The Saitamaken Shinkin Bank, Technovision used NEXI's trade insurance to hedge non-payment risks for its transactions with foreign companies.

NEXI will continue to actively support the international development of mid-tier enterprises and SMEs nationwide, utilizing the Support Network for Global Operations of Japanese SMEs established in collaboration with shinkin banks and regional financial institutions throughout Japan.

Export value covered by the insurance: About JPY 22 million

Date of signing the insurance contract: July 2022



Photo provided by Technovision, Inc.

Export of Talc Products

NEXI provided Trade Insurance for Standing Orders from Specific Buyers for the export of talc products to the Kingdom of Spain by Nippon Talc Co., Ltd. (Nippon Talc), in Naniwa Ward, Osaka City, Osaka Prefecture.

Nippon Talc was founded in 1934 as a specialized manufacturer of talc products which are used as fillers for plastics and paints. The company has been strengthening research development and developing unique manufacturing technologies in accord with its philosophy "Harmonious coexistence between humankind and natural resources." Also with a focus on overseas expansion, Nippon Talc processes the talc mined in Pakistan and other countries locally and ships to Europe and other regions through intermediary trade.

This is a representative case where Nippon Talc used trade insurance as a means to mitigate the risks of non-payment in continuous transactions with specific buyers.

Through its trade insurance, NEXI will continue to support Japanese companies for their enhancement of internal credit management and maintaining of stable transactions with their global partners.

Export value covered by the insurance: Annual total of about JPY 40 million

Date of signing the insurance contract: March 2023



Photo provided by Nippon Talc Co., Ltd.

SME Exports Covered by NEXI Insurance

Export of Milled Rice

NEXI provided Export Credit Insurance for SMEs and AFF Sector to Senda Mizuho Limited (Senda Mizuho) in Kanagawa Prefecture for the export of milled rice to the People's Republic of China.

For more than 100 years since the company's founding in 1919, Senda Mizuho has pursued its management philosophy that values Japanese food culture through improving customer satisfaction and providing reliable products at all times. The company procures, mills, processes, and sells various kinds of rice, such as those selected with a priority in quality and not bound by brands, ecological wash-free rice that can be cooked without rinsing, and environmentally friendly organic rice and specially cultivated rice.

Introduced by The Bank of Yokohama, Ltd., one of NEXI's partner financial institutions, Senda Mizuho decided to use trade insurance to reduce non-payment risks in its export to China.

NEXI will continue to promote global development of enterprises in the AFF Sector by reinforcing cooperation with partner institutions and promoting the use of trade insurance.

Export value covered by the insurance: About JPY 2 million

Date of signing the insurance contract: June 2022



Photo provided by Senda Mizuho Limited

Export of Wagyu Beef

NEXI provided Export Credit Insurance (Individual) for the export of wagyu beef to Qatar by Hokkaido Global Business Promotion Board Co., Ltd (Hokkaido Global).

Hokkaido Global was established in 2016 and is engaged in the export and sales of beef, seafood products, processed products, and other quality ingredients and food products of Hokkaido. To market Hokkaido's exquisite products globally, the company is working to obtain approvals for import from the target countries and to set up local routes for import, wholesale, and resale. It is also pouring its efforts to create and foster a comprehensive business spanning from Hokkaido to the international markets.

Hokkaido Global used trade insurance for its export of Hokkaido beef to the Middle East, in order to reduce the risks involved with the inability to collect receivables or to ship goods.

NEXI will continue to contribute to increasing exports of agricultural, forestry, and fishery products and foods from throughout Japan via its trade insurance.

Export value covered by the insurance: About JPY 6 million

Date of signing the insurance contract: November 2022



Photo provided by Hokkaido Global Business Promotion Board Co., Ltd

Export of Chemicals to India

NEXI provided Export Credit Insurance for SMEs and AFF Sector to Dipsol Chemicals Co., Ltd. (Dipsol) in Tokyo for its export of chemicals to India.

Established in 1953, Dipsol has been expanding R&D, manufacturing, and sales of metal surface treatment chemicals on a global scale. The company aims to create a safe and enriched lifestyle through its surface treatment technologies that are essential for transportation vehicles, such as automobiles, motorcycles, and airplanes, electrical appliances and mobile electronic devices that are indispensable in our daily lives, and construction machinery used in heavy industry.

Dipsol used trade insurance for its export to India which allowed the company to reduce the risks of non-payment and to proceed its first export to a new buyer with a sense of security.

NEXI will continue to support Japanese companies for their challenges in exploring new customers through providing its trade insurance.

Export value covered by the insurance: About JPY 2 million

Date of signing the insurance contract: September 2022



Photo provided by Dipsol Chemicals Co., Ltd.

Export of Carbide-Tipped Saw Blades

NEXI provided Export Credit Insurance for SMEs and AFF Sector for the export of saw blades to Taiwan by Sugiyama Saw Mfg. Co., Ltd. (Sugiyama), in Hamamatsu City, Shizuoka Prefecture.

Sugiyama offers a wide range of saw blades tailored for specific materials and applications. Leveraging its experience and unique technology, the company designs products according to user needs and responds flexibly to the diversifying demands of the global market. Sugiyama participated as an exhibitor in the Small and Medium Enterprises New Manufacturing and New Services Expo in 2022, where businesses throughout the country demonstrated their new products, services, and technologies across various fields, which they developed utilizing the subsidy for manufacturing. The company is delivering its technologies to promote the achievement of the SDGs and a recycle-based society.

Sugiyama was introduced to NEXI's export credit insurance through Shizuoka International Business Association (SIBA) and The Shizuoka Bank, Ltd.* and was able to mitigate the risks of non-payment associated with its exports.

NEXI will continue to support mid-tier enterprises and SMEs that meet the expectations of international users with their high technologies, by providing trade insurance which allows them to

reduce the risks involved with their export activities.

* SIBA is a supporting partner institution and The Shizuoka Bank is a partnering bank of NEXI.

Export value covered by the insurance: About JPY 25 million

Date of signing the insurance contract: June 2022



Photo provided by Sugiyama Saw Mfg. Co., Ltd.

SME Exports Covered by NEXI Insurance

Export of Fishery Products

NEXI provided Export Credit Insurance for SMEs and AFF Sector to North Coop Gyoren, K.K. (North Coop Gyoren) in Hokkaido for the export of fishery products to the People’s Republic of China.

Established in 1989 as an affiliate of the Hokkaido Federation of Fisheries Cooperative Associations (Gyoren Group), which aims to ensure a stable supply of fishery products from Hokkaido, North Coop Gyoren imports and exports local seafood and processed products.

The company successfully reduced the country and non-payment risks associated with the buyer by using the insurance through the referral of North Pacific Bank, Ltd., a partner of NEXI in its network with regional banks to support SMEs’ global operations.

NEXI will continue to support companies working to expand exports of domestic agricultural, forestry and fishery products and food products by providing trade insurance as a tool for reducing risk in overseas transactions.

Export value covered by the insurance: About JPY 22 million

Date of signing the insurance contract: January 2023



Photo provided by North Coop Gyoren, K.K.

Export of Marine Pumps

NEXI underwrote Export Trade Insurance (individual) for the export of marine pumps to the Republic of Korea by TAIKO KIKAI INDUSTRIES CO., LTD. (Taiko Kikai Industries), based in Yamaguchi Prefecture.

Taiko Kikai Industries has developed technology in the field of marine pumps since its establishment in 1956, which they continue to apply and build upon today to provide pumps that meet the needs of different industrial fields on land.

It is the first time the company has used trade insurance as a new risk hedging tool for export transactions.

NEXI will continue to support and encourage exports from Japan by proposing trade insurance that meets the needs of industry, company size, and risk mitigation.

Export value covered by the insurance: About JPY 4 million

Date of signing the insurance contract: April 2022

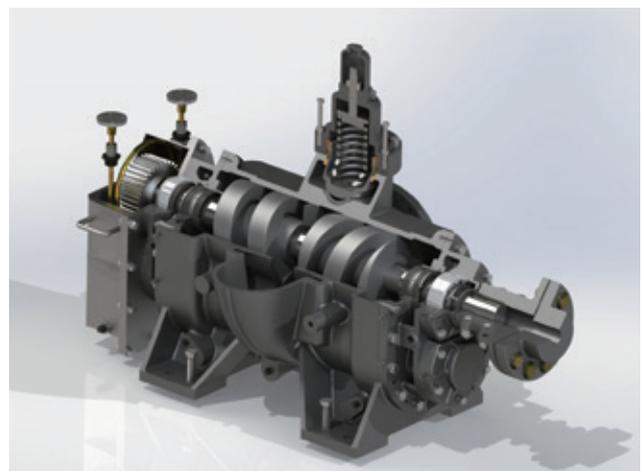


Photo provided by TAIKO KIKAI INDUSTRIES CO., LTD.

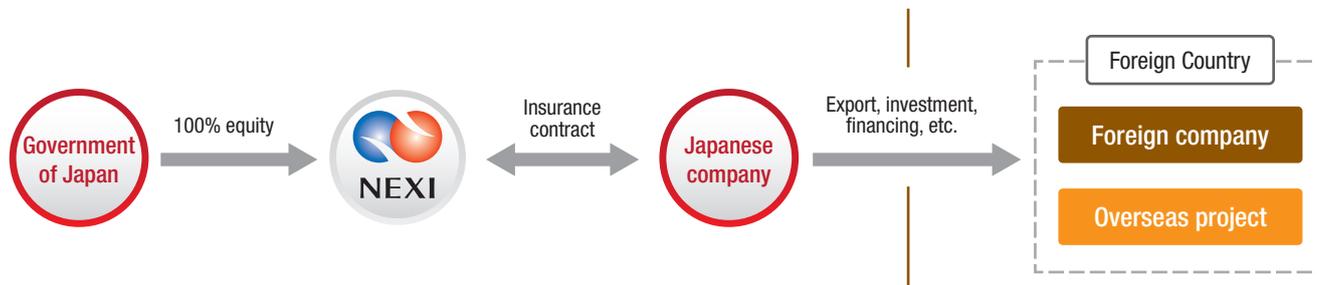
Insurance Products

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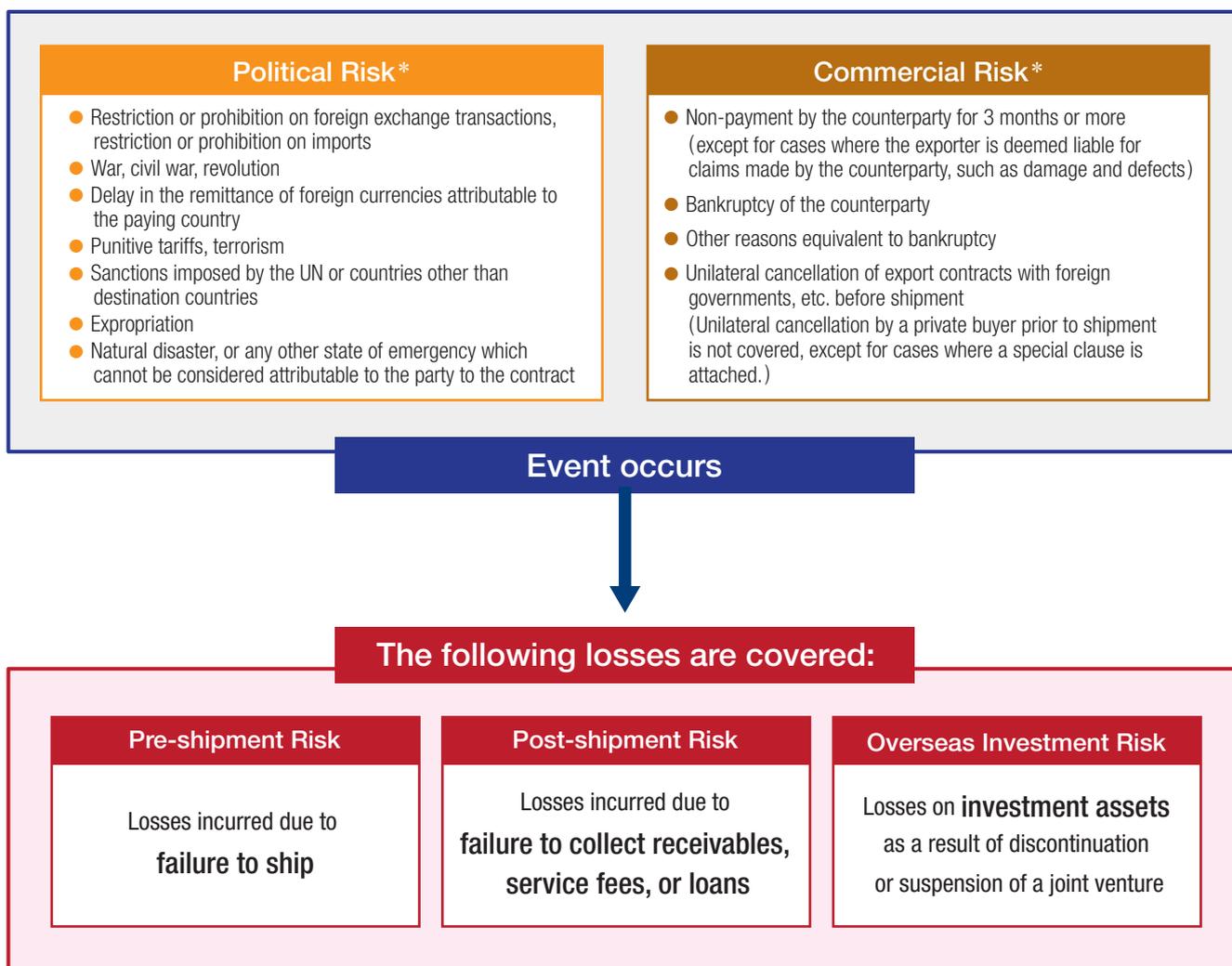
Trade and Investment Insurance – How It Works

Trade and investment insurance covers risks associated with international trade and other overseas transactions that cannot be covered by private-sector insurance.

The purpose of trade and investment insurance is to support and promote companies on overseas business development by mitigating the risks associated with foreign trade and overseas investment.



Trade and investment insurance covers losses incurred by Japanese companies, banks, etc. due to the occurrence of the following risks.



* **Political Risk** Risk of force majeure for which the insured party is not liable (also referred to as Country Risk)

* **Commercial Risk** Risk for which the counterparty to an overseas transaction can be deemed liable (also referred to as Credit Risk)

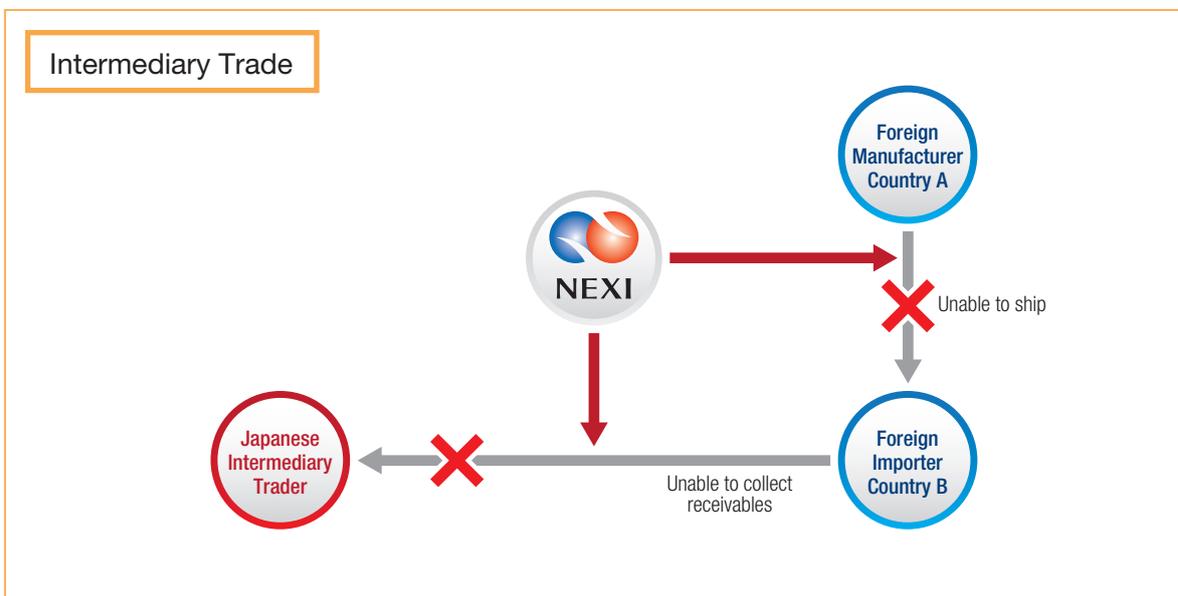
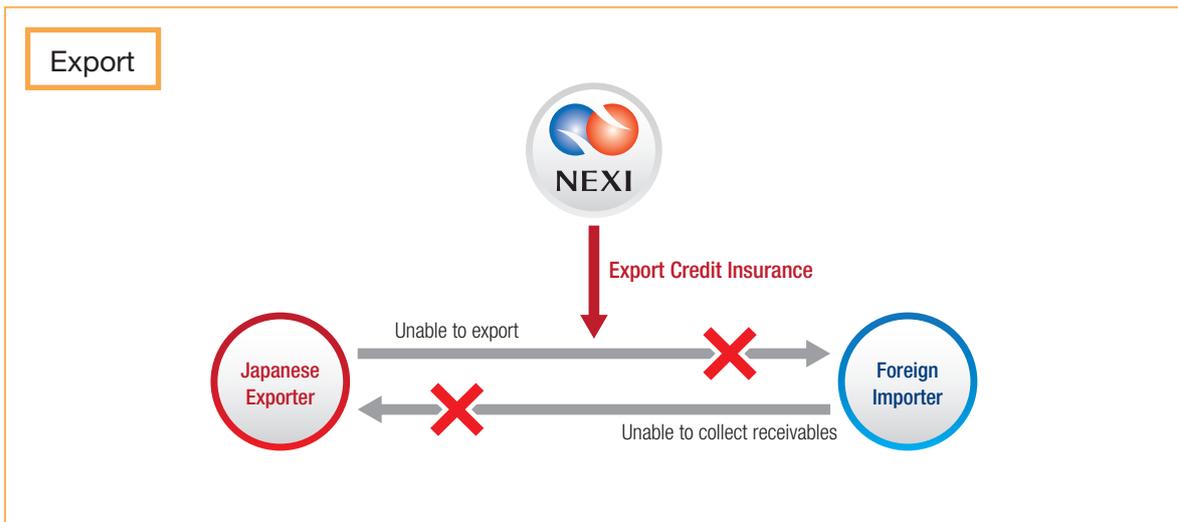
Insurance Products to Support Your Business

Export Credit Insurance

Insurance for export, intermediary trade, and technical cooperation

In cases where Japanese exporters export goods to, engage in intermediary trade, or provide technology such as construction work, this insurance covers losses due to i) force majeure such as war, revolution, terrorism, import restriction/prohibition, and

natural disasters, or ii) inability to ship goods due to bankruptcy of the counterparty, etc., as well as losses resulting from inability to collect payment after the goods have been shipped or after the technology has been provided.



* There are different ways of providing Export Credit Insurance such as specific insurance, which provides coverage for a single business contract, and comprehensive insurance for business entities, which provides coverage for all shipment contracts and contracts of a company within the scope of the policy.

Insurance for License Export (Intellectual Property License Insurance)

Intellectual Property License Insurance covers losses incurred if Japanese companies that provide patents, expertise, or copyrights abroad are unable to collect payment of license fees

such as royalties due to i) force majeure such as war, or ii) the counterparty's bankruptcy or delay in payment.

Insurance Products to Support Your Business

Trade Insurance for Standing Orders from Specific Buyers

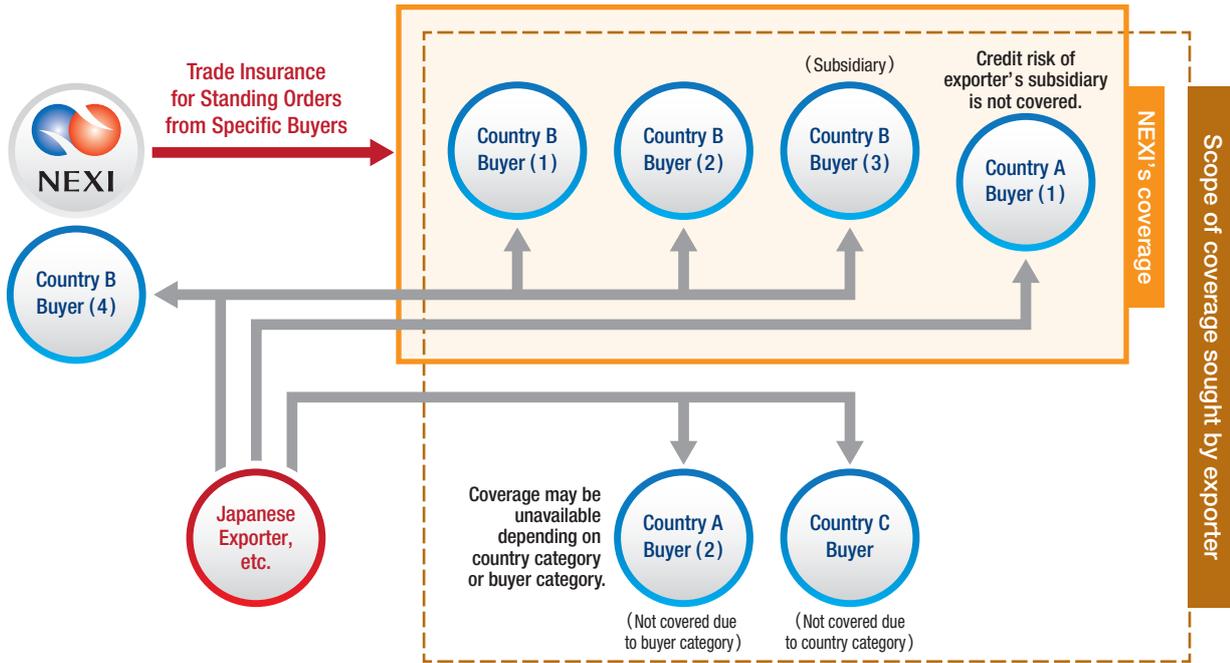
Insurance for companies that continually conduct business with specific buyers

This insurance is suitable for continuous transactions with a specific buyer for a Japanese exporter to supply products, etc. The exporter sets a limit on insurance claims for a specific buyer based on the estimated value of transactions for the year.

The insurance also features simplified application procedures.

The exporter does not need to apply for an insurance for each export contract. All insurable export contracts signed during the insurance contract period (1 year) are automatically covered if the contracts meet certain conditions.

* The losses covered by this insurance are the same as those covered by Export Credit Insurance.



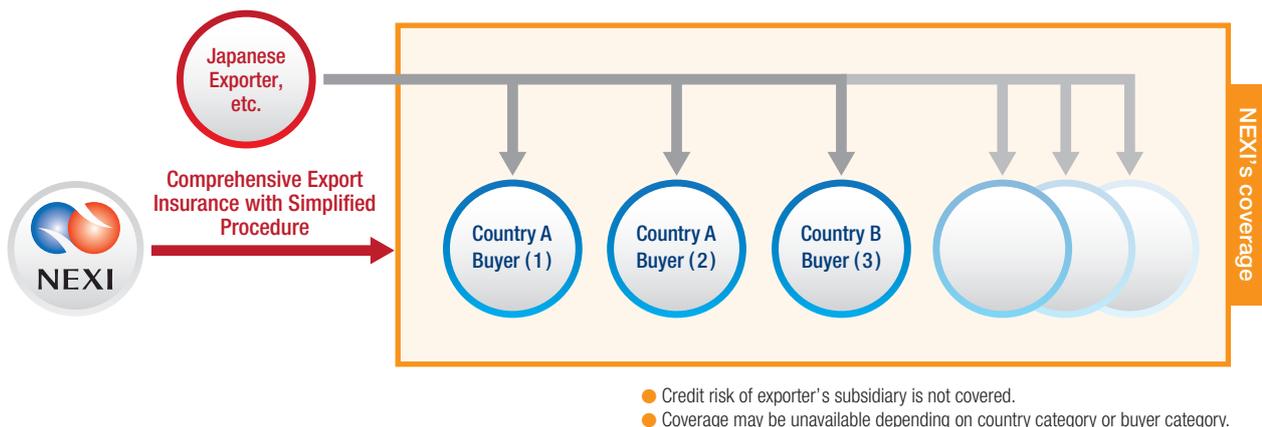
Comprehensive Export Insurance with Simplified Procedure

Insurance for companies that continually and repeatedly conduct business with multiple buyers

This insurance comprehensively covers all export contracts, etc. concluded by Japanese exporters that meet certain conditions during the insurance contract period (1 year). The exporter notifies NEXI of the payments owed for shipped goods based on the export contract, etc. by the end of the next month after shipping.

The exporter does not need to apply insurance for each export contract. Changes to terms and conditions of the contract are also less likely to arise since the notification is made after shipment. The application procedures are therefore simpler compared to other types of insurance.

* The losses covered by this insurance are the same as those covered by Export Credit Insurance.

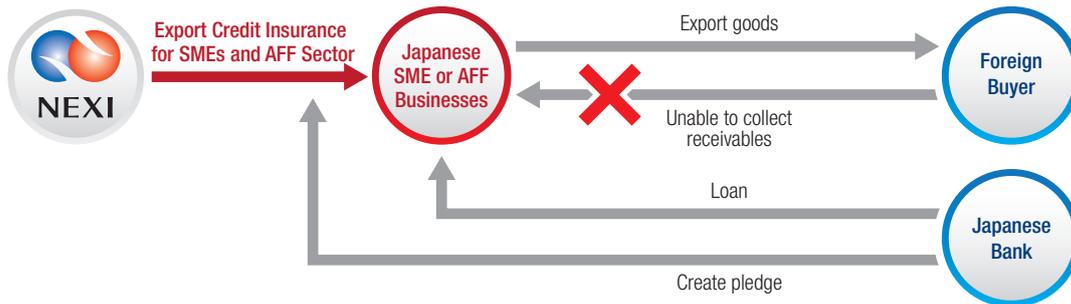


Export Credit Insurance for SMEs and AFF Sector

Insurance for export by Japanese SMEs and by businesses in the agriculture, forestry, and fisheries sector

This insurance provides support for export by Japanese small and medium sized enterprises (SMEs) and by businesses in the agriculture, forestry, and fisheries (AFF) sector. The policy covers losses incurred if receivables are uncollectable, also offering simple application procedures and speedy payment of

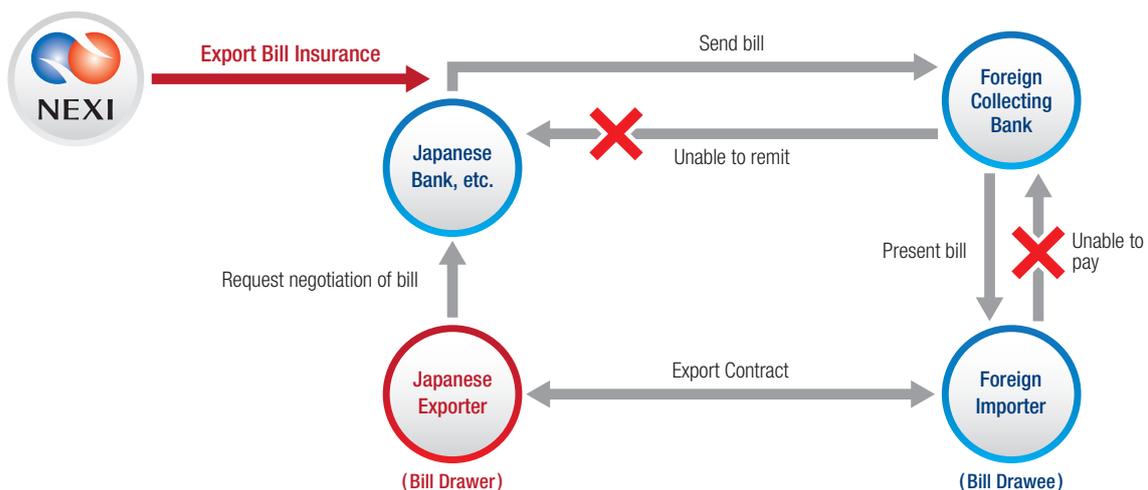
insurance claims to meet the needs of SME and AFF customers. Furthermore, applicants for this insurance who also receive a bank loan can simultaneously complete procedures to establish a pledge on insurance claim rights.



Export Bill Insurance

This insurance is mainly designed to cover the risk of non-payment at maturity by the buyer to the bank that has purchased a documentary bill drawn without a letter of credit. This enables the bank to purchase the documentary bill in a smooth manner. In cases where a Japanese bank purchases

documentary bills issued to recover export costs, the insurance covers losses if the bills are not paid due to i) war, revolution, prohibition of foreign currency exchange, and suspension of remittance, or ii) bankruptcy of the foreign importer, etc.



Prepayment Import Insurance

This insurance covers losses incurred if Japanese importers make a prepayment for goods in accordance with the contract terms but the goods do not arrive in accordance with the contract and the prepayment is not refunded even after

the importers make a refund request for the prepayment in accordance with the refund terms, due to i) war, revolution, prohibition of foreign currency exchange, and suspension of remittance, or ii) bankruptcy or default of the counterparty.

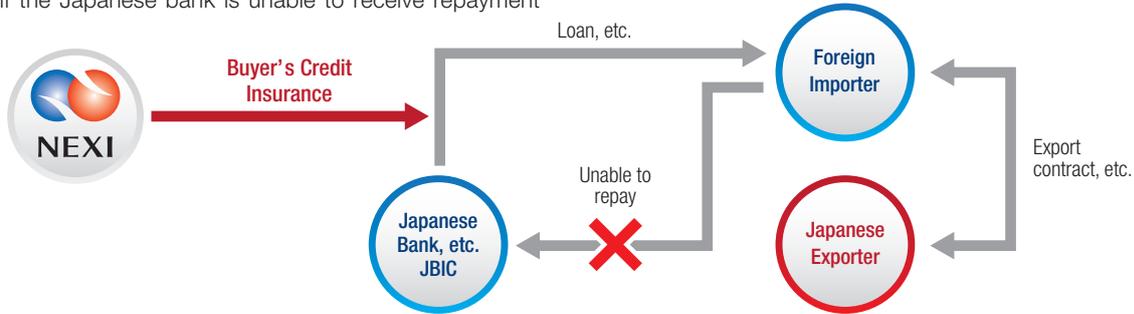
Insurance Products to Support Your Business

Buyer's Credit Insurance

Insurance for loans, etc. such as for payment of export goods (Buyer's Credit)

In cases where a Japanese bank or financial institution* provides a loan, etc. (including purchase of bonds and assumption of guarantee obligations) to a foreign importer purchasing goods from Japan, this insurance covers losses incurred if the Japanese bank is unable to receive repayment

of the loans due to i) war, revolution, prohibition of foreign currency exchange, suspension of remittance, or ii) bankruptcy or default of the importer. The terms and conditions for the loan agreements, etc., must comply with international rules.



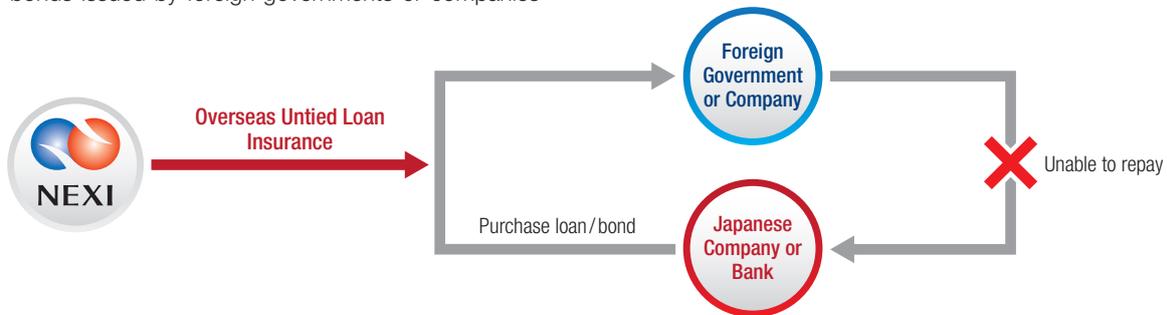
* NEXI provides the insurance only to Japanese commercial banks that extend loans, etc., in cooperation with the Japan Bank for International Cooperation (JBIC).

Overseas Untied Loan Insurance

Insurance for loan or bond purchase for overseas business or projects

This insurance covers losses incurred by Japanese companies, banks, and other institutions* that provide foreign governments and companies with business funds (which are not tied to export from Japan) for overseas projects, or that purchase bonds issued by foreign governments or companies

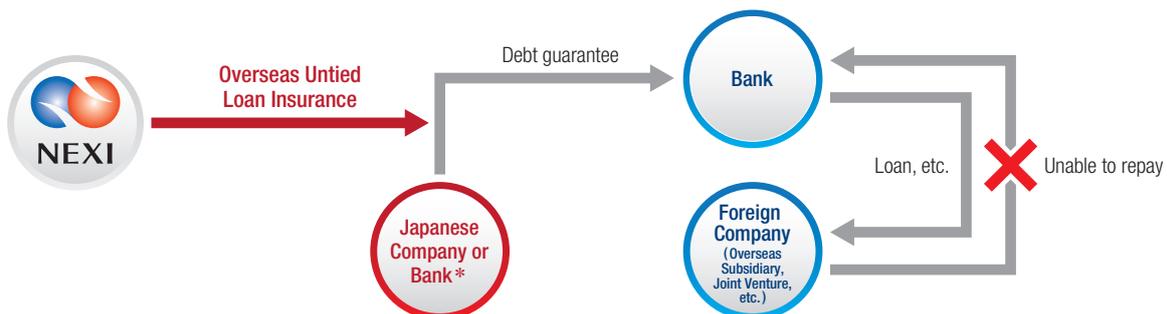
for the purpose of financing, if the loans, etc. are not redeemed due to i) war, revolution, prohibition of foreign currency exchange, and suspension of remittance, or ii) bankruptcy or default of the borrower or the bond issuer.



Insurance for guarantee of obligation

This insurance covers losses incurred by Japanese companies, banks, and other institutions* that guarantee the borrowing, etc., of overseas subsidiaries, and foreign governments and companies (the borrower), if the Japanese

entities are forced to fulfill their obligations because the borrower fails to repay its borrowing due to i) war, revolution, prohibition of foreign currency exchange, and suspension of remittance, or ii) bankruptcy or default.



* NEXI may provide coverage to foreign companies or banks, etc. that finance projects particularly necessary for promoting the sound development of the international trade of Japan (e.g., projects that promote the acquisition of important resources and the competitiveness of Japanese companies).

NEXI contributes to the overseas deployment of infrastructure systems and to securing a stable supply of natural resources and energy of Japan, as well as to various policies of the Japanese government, by implementing diverse initiatives and developing new products.

LEAD Initiative

In December 2020, NEXI announced the LEAD Initiative to respond to the business environment with and after the Covid-19. This initiative is intended to actively promote the underwriting of projects, with a focus on contributing to global carbon neutrality, solving social issues and achieving the SDGs.

Under this initiative, we aim to underwrite insurance of total value of JPY 1 trillion by the end of fiscal 2025, while diversifying our funding sources not only from traditional capital providers, but also from institutional investors etc.

Loan Insurance for Green Innovation

This insurance covers renewable energy projects, energy conservation projects, and projects utilizing new technologies that contribute to global environmental conservation, with an increased commercial risk coverage rate up to 97.5% compared with our usual loan insurances such as Buyer's Credit Insurance or Overseas Untied Loan Insurance. This loan insurance is

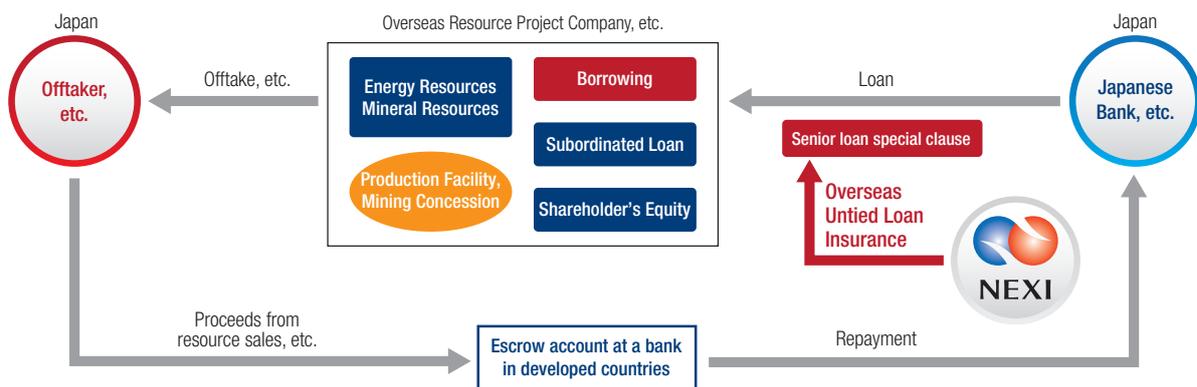
available for Japanese exporters, Japanese companies that undertake the projects, or Japanese financial institutions that finance them, if they proactively disclose information on their measures aimed at environmental conservation and climate change mitigation.

Investment and Loan Insurance for Natural Resources and Energy

To fundamentally reinforce efforts to secure a stable supply of resources from overseas, Investment and Loan Insurance for Natural Resources and Energy takes into account the distinctive risk profile of natural resources and energy projects. It features a much lower premium rate and wider range of risk coverage than regular Overseas Untied Loan Insurance, and is available as a special clause to Overseas Untied Loan Insurance.

This insurance covers losses incurred by Japanese

companies, banks, and other institutions that provide foreign governments or companies with business funds (which are not tied to export from Japan) for projects that contribute to resource development, if the Japanese entities are unable to collect the loan due to i) force majeure such as war, revolution, prohibition of foreign currency exchange, suspension of remittance, and natural disasters, or ii) bankruptcy and default of the borrower.



- This insurance is eligible for senior loans offered by Japanese banks or financial institutions for projects involving Japanese companies in the offtake of energy and mineral resources, acquisition of interests, or development of relevant infrastructure*.

* In addition to offtake projects in which Japan is the final demand location, it is applied to projects in which developed energy resources, etc. is highly likely to be transferred to Japan following a request from Japan.

- A lower premium rate compared to regular Overseas Untied Loan Insurance is applicable only when an escrow account is opened with a bank in a developed country. When no escrow account is opened, the premium rate of regular Overseas Untied Loan Insurance will be applied, but a higher percentage of commercial risk coverage (97.5%) will be granted.

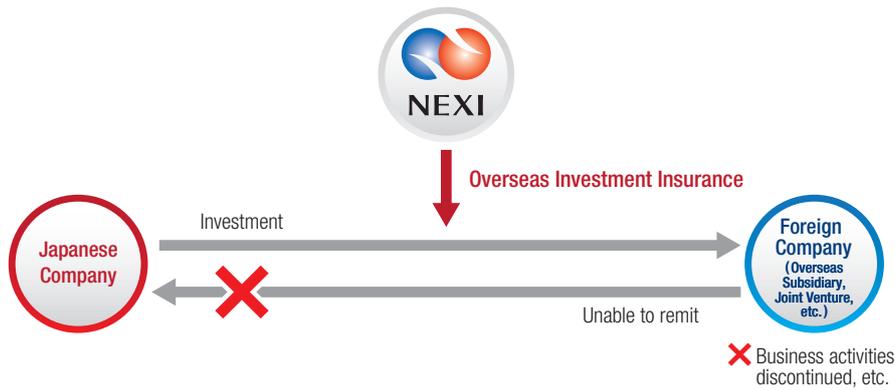
Insurance Products to Support Your Business

Overseas Investment Insurance

Insurance for investment (equity investment, etc.)

This insurance covers losses incurred by Japanese companies with a subsidiary or a joint venture in a foreign country, if the subsidiary or joint venture is forced to discontinue business due to force majeure such as war, terrorism, and natural disasters. In addition, when a subsidiary of a Japanese company conducts business by establishing sub-sub-subsidiaries in a country where

the subsidiary is located or in third countries, respectively, this insurance covers losses if any of the sub-sub-subsidiaries are forced to discontinue business due to force majeure such as war, terrorism, and natural disasters, even if the other sub-subsidiaries are able to continue business.

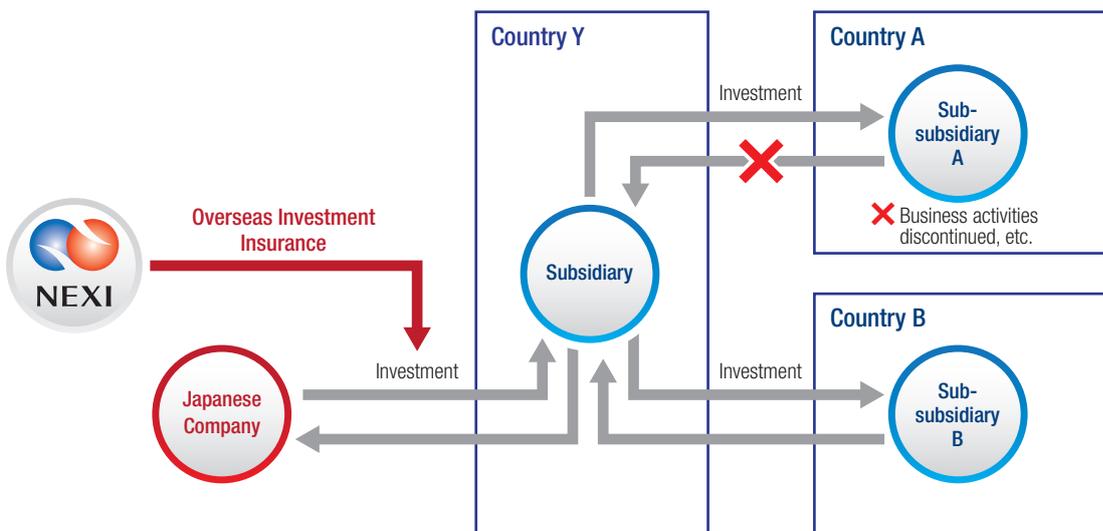


- * A premium (goodwill, etc.) paid by an investor to secure a stake in natural resources or to become a shareholder can be covered by Overseas Investment Insurance.
- * Another type of Overseas Investment Insurance that covers rights and acquired profits (real estate, etc.) is also available.

The insurance also covers losses incurred if dividends are unable to be remitted to Japan or overseas subsidiaries, etc. due to the prohibition of foreign currency exchange or

suspension of remittance.

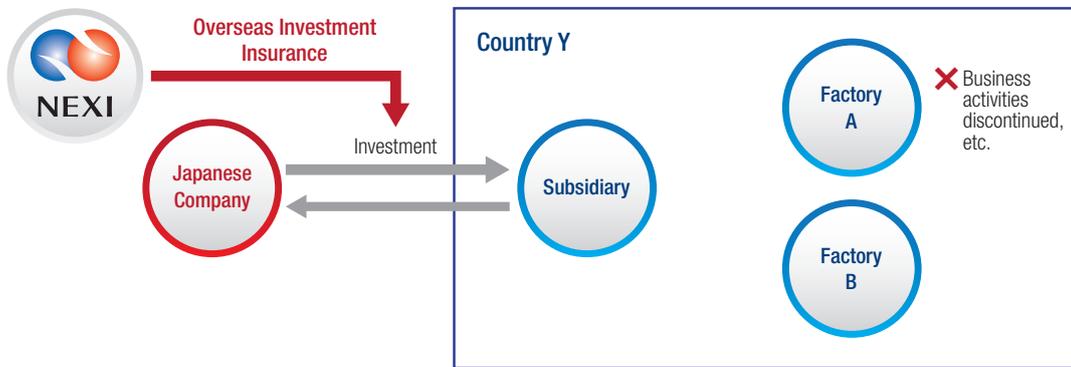
This insurance can cover a broader range of risks with various special clauses.



Business Base Special Clause

When a subsidiary of a Japanese company has business bases in a country where the subsidiary is located, this insurance covers losses if any of the business bases are forced

to discontinue business due to force majeure such as war, terrorism, or natural disasters, even if the other business bases are able to continue business.



System Revisions to Overseas Investment Insurance (April 2022)

To meet the needs of our customers, we simplified and increased flexibility concerning the procedures of Overseas Investment Insurance.

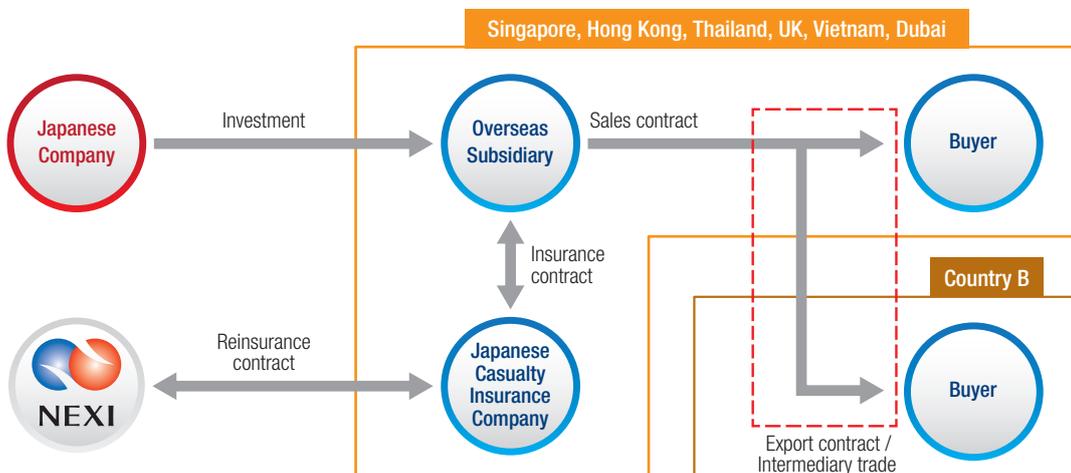
1. Advance payment of insurance claims (on the basis of deemed financial statements, etc.) to SMEs.
2. Revision on conversion rates to be used when calculating loss amount in Japanese yen.
3. Simplification of documents required to be submitted when applying for insurance.
4. Flexibility in consolidating insurance policies, etc.

Fronting

For cases such as where a Japanese subsidiary in Singapore, Hong Kong, Thailand, the UK, Vietnam, and the UAE (Dubai) has an export contract with a domestic or overseas buyer for continued sale of products, etc., the maximum liability is set for the annual trade amount. This primarily covers losses resulting

from inability to collect receivables if the buyer goes bankrupt or the payment is delayed.

We call it fronting as NEXI provides the coverage through reinsurance with local Japanese casualty insurance companies that distribute our insurance products.

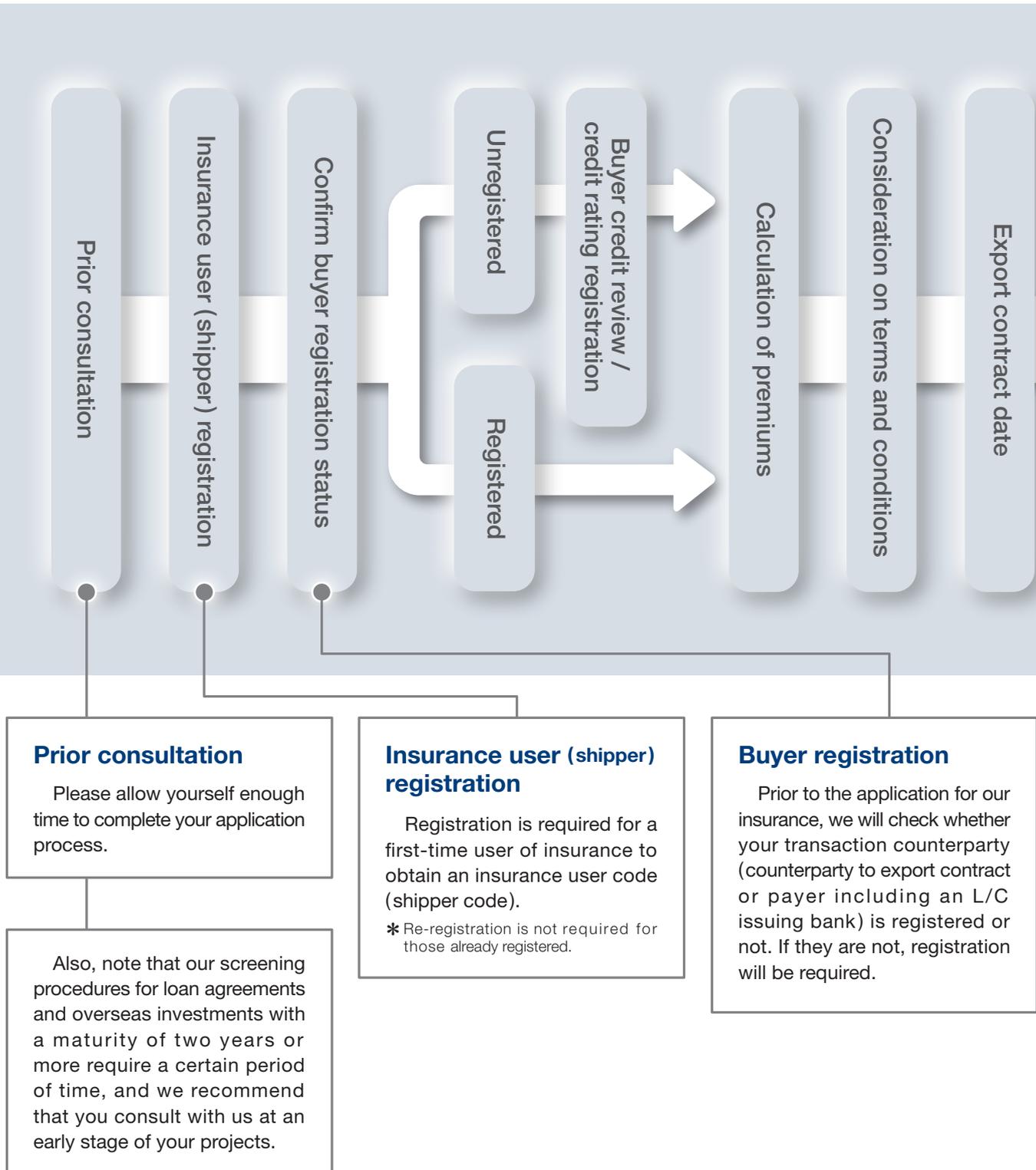


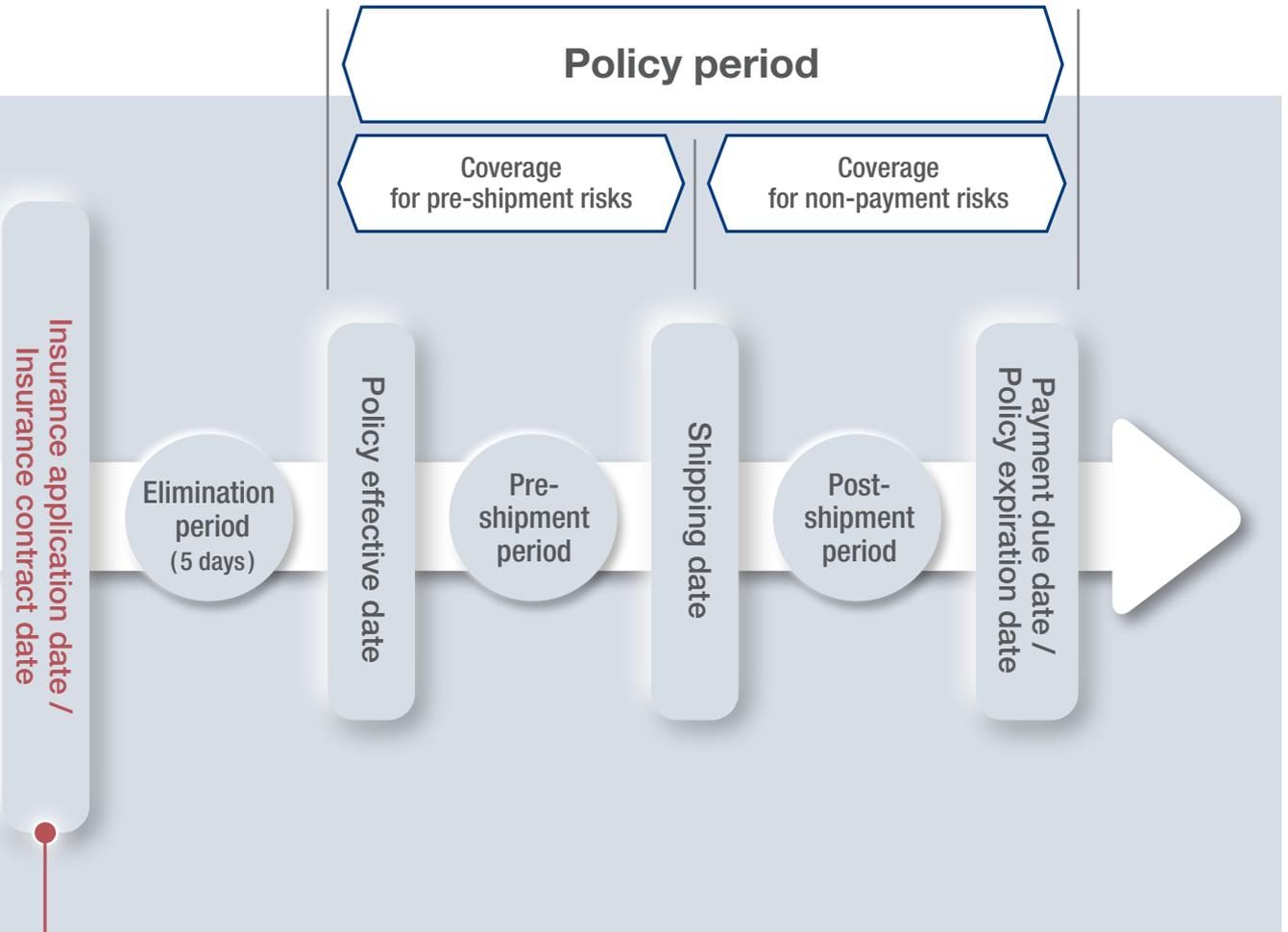
Insurance Application Process

Applying for Insurance

The chart below describes the summary of insurance application procedures for Export Credit Insurance.

* Some aspects may vary depending on the type of insurance.





Application period

You need to apply for insurance after the export contract date within five business days from the shipping date.

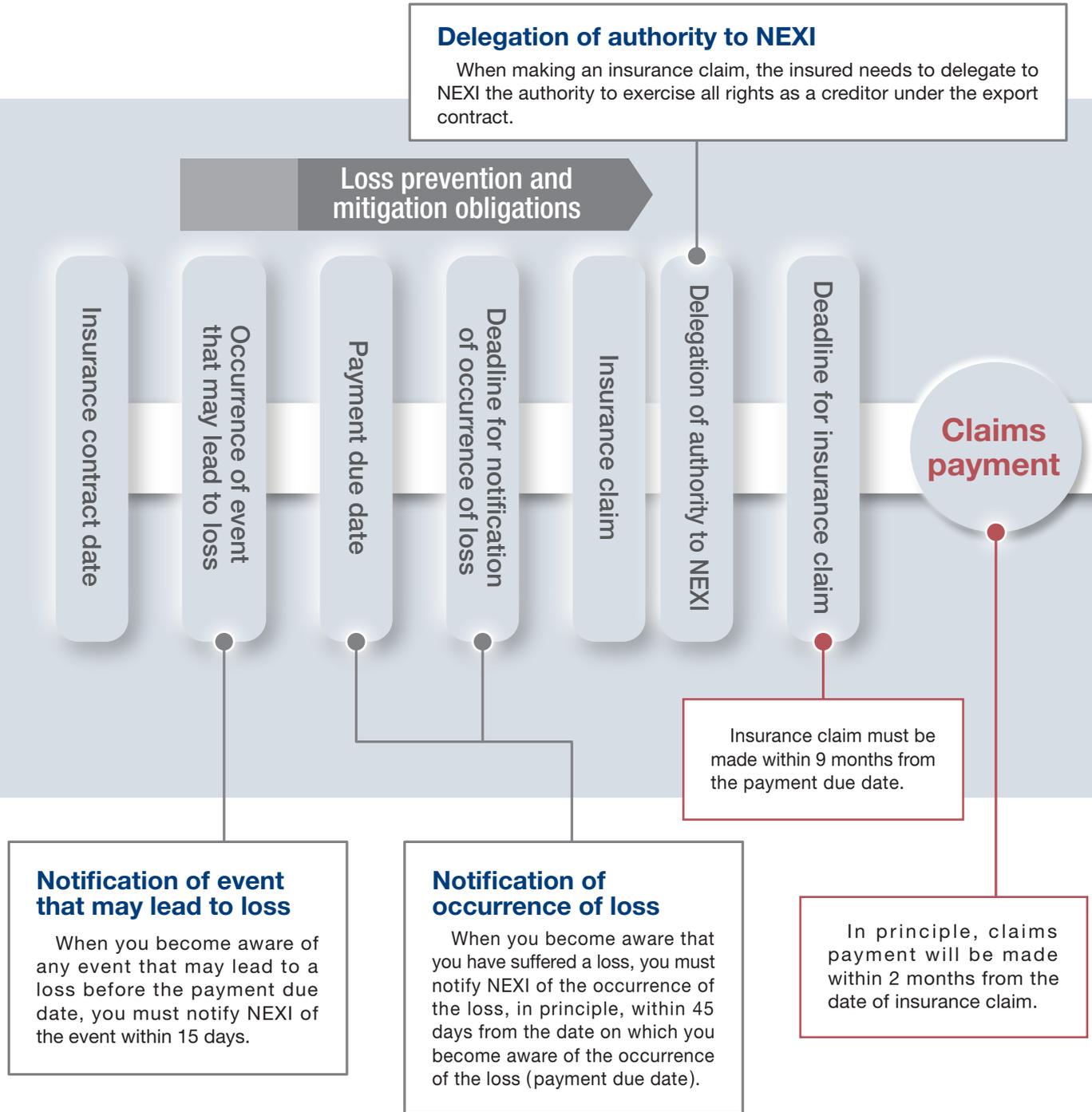
Insurance policy will become effective after the application.

Insurance Application Process

Insurance Claim Payment

The chart below describes the summary of claims payment procedures for Export Credit Insurance.

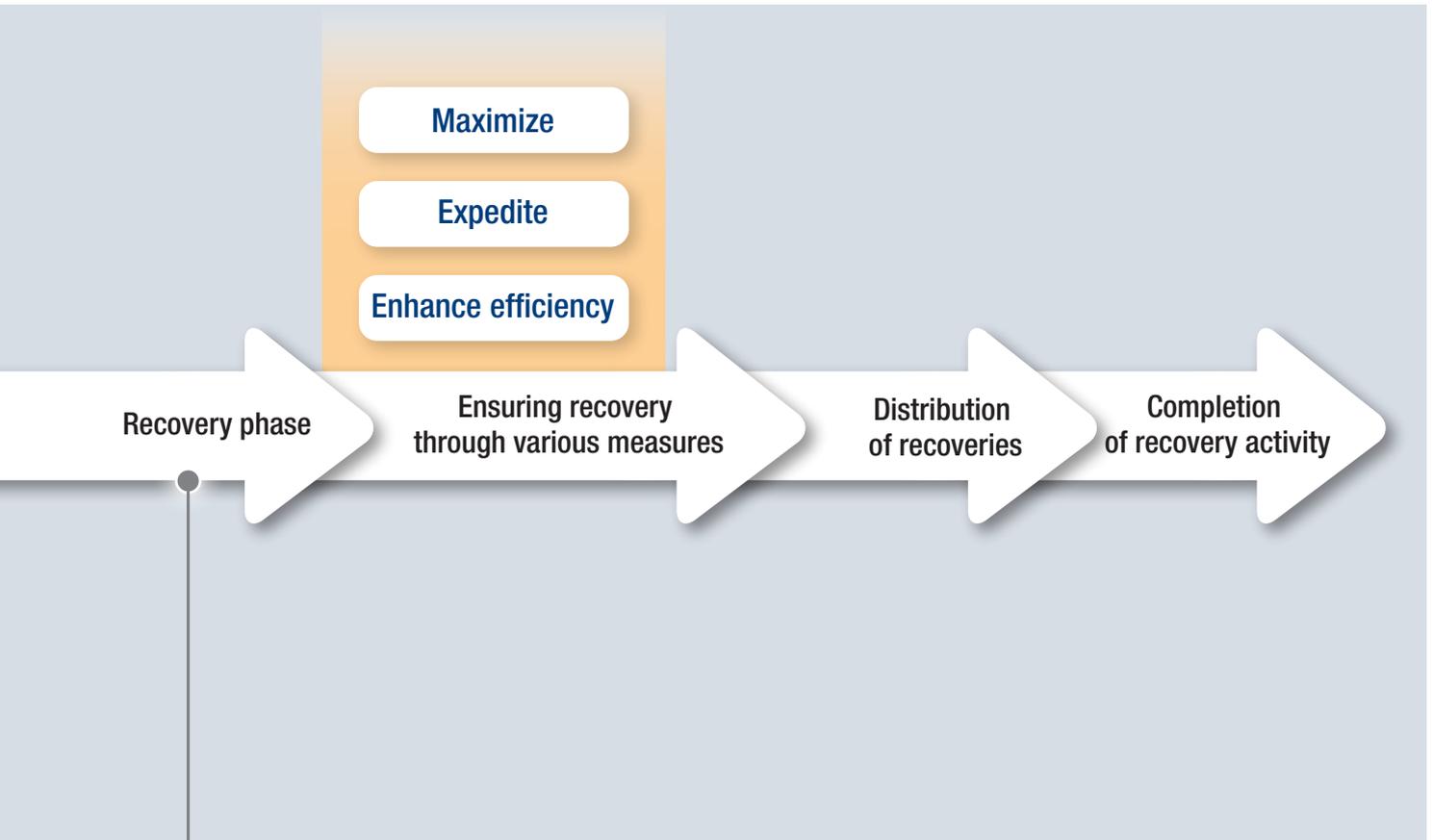
* Some aspects may vary depending on the type of insurance.



Paris Club - a solution for debt recovery

The Paris Club is a meeting where major creditor countries gather to discuss and find workable solutions to payment problems faced by debtor countries. Since its inception in 1956 as an informal group with no legally binding force, the Paris Club has carried out its activities based on the Paris Club Principles.

At the Paris Club, debt relief (rescheduling, etc.) is discussed with the government of debtor countries for which debt payment has become difficult. Through such debt relief and rescheduling, creditor countries are able to ensure debt recovery from debtor countries that do not have sufficient foreign currency. While the repayment schedule may be prolonged, the process enables fairness to be maintained between creditor countries.



Determination of appropriate recovery policy
 NEXI determines the recovery policy after the insured makes the insurance claim.

.....

Parties conducting recovery

- NEXI's partner collection agencies
- Insured (NEXI's customers)
- NEXI and the Government of Japan (through negotiations with debtor countries at the Paris Club, etc.)

.....

Obligation to cooperate in recovery efforts

- When instructed by NEXI to take necessary measures for recovery, the insured has an obligation to comply with the instructions. (Cooperation in recovery efforts)
- Even in cases where actual recovery activities are conducted by NEXI's partner collection agencies, NEXI may request the insured to cooperate in the recovery efforts.

Revision of the Trade and Investment Insurance Act

Following the revision of the Trade and Investment Insurance Act for the first time in seven years and its enforcement in July 2022, NEXI implemented a number of system reforms that lead to improved customer usability and stable development of international business.

System reforms associated with the revision of the Trade and Investment Insurance Act (July 2022)

The following was implemented: **1. Expanding the scope of losses covered by Insurance for Additional Costs; 2. Expanding the scope of covered events under Special Clause for Additional Costs for Plants, etc.; 3. Expanding the scope of covered events associated with the failure to ship goods; and 4. Expanding the scope of borrowers to be covered by Buyer's Credit Insurance and Overseas Untied Loan Insurance.**

System reforms of Overseas Investment Insurance (March 2023)

1. Direct coverage of risks related to shares of the reinvested party in the reinvestment scheme.

Previously, scope of coverage was limited to losses incurred by direct investees, but was **enhanced to cover losses incurred by Japanese companies arising from losses suffered by indirect investees including those parties to which the Japanese companies reinvested in.**

2. Enhancing the scope of coverage for risks related to inability to remit dividends.

Scope of eligible shares, etc., to be covered associated with the inability to remit dividends was enhanced to include those of the reinvested parties. Also previously, coverage for inability to remit was limited to those remittances destined to Japan, but coverage is now available for **destinations other than Japan when remittance is not possible.**

3. Addition to "events equivalent to the decision to commence bankruptcy proceedings."

In addition to the "decision to commence bankruptcy proceedings" of the counterparty, which had been specified as commercial risk events to be covered, "other equivalent events" were **added to the scope of coverage.** Specifically, **an assumed case is the decision to commence corporate reorganization proceedings.**

4. Relaxing the requirement of "business interruption, etc."

NEXI has **widened the definition of "business suspension of one month or more"** in its policy conditions. For example, this allows to deem an occurrence of business interruption in a situation where the core business is suspended causing serious obstruction to the entire business, while a part of the business has to be maintained due to **"cases where relevant activity is forced to be continued by the foreign government, etc."**

Application of Overseas Untied Loan Insurance (Domestic Loans) to the JOLCO Scheme for Ships (January 2023)

In order to **support exports of ships by Japanese companies**, Overseas Untied Loan Insurance has been made available to cover loans to domestic SPCs for their purchase of ships built in Japan, under the JOLCO* Scheme for Ships. The improvement is in line with the revision of the Enforcement Regulations of the Trade and Investment Insurance Act.

NEXI's insurance will make it easier for banks to provide loans to the leasing companies. The aim is to allow those financed companies to capture global demands for shipbuilding that are expected to continue growing, and to strengthen the competitiveness of Japanese shipbuilders.

* JOLCO: The abbreviation for Japanese Operating Lease with Call Option. The depreciation expense of ships owned by the domestic SPCs is recorded as costs also for those investors who have a stake in the SPCs. Thus, there is a benefit of deferred tax for the investors.

About NEXI and Organizational Operation

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Profile of NEXI

Organization Name	Nippon Export and Investment Insurance	
Date of Establishment	April 1, 2017	
Act	Trade and Investment Insurance Act	
Purpose	To conduct insurance business to cover risks which arise in foreign transactions not covered by ordinary insurance	
Competent Minister	The Minister of Economy, Trade and Industry	
Capital	JPY 169,352,324,369 (100% State-owned)	
Executive Officers	Chairman and CEO	Atsuo Kuroda
	President	Kazuhiko Nishino
	Managing Executive Officer, Member of Board	Kazuhiro Ishikawa
	Managing Executive Officer, Member of Board	Kazuki Hondo
	Member of Board	Hideo Teramoto
	Audit & Supervisory Board Member (Full-Time)	Mari Oi
	Audit & Supervisory Board Member	Tomoyo Matsui
	Audit & Supervisory Board Member	Youichi Takei
Number of Employees	243 (as of April 1, 2023)	
Scope of Business	<ol style="list-style-type: none"> 1) To conduct trade and investment insurance business operations complying with the provision of Chapter III of the Trade and Investment Insurance Act. 2) To conduct business incidental to the business stated in 1) above. 3) To underwrite reinsurance for international institutions, foreign governments or foreign companies who underwrite insurance (including reinsurance) which indemnifies losses similar to the losses covered by the trade and investment insurance, for the liability incurred by such insurers. 4) To underwrite reinsurance for Japanese insurance companies who underwrite insurance (excluding ordinary insurance) other than the trade and investment insurance deemed necessary to carry out the purpose of sound development of foreign transactions as prescribed by Cabinet Order, for the liability incurred by such insurers under the said insurance. 5) To cede reinsurance of the liability held by NEXI under the Trade and Investment Insurance Act to international institutions, foreign governments or foreign companies who underwrite insurance (including reinsurance) which covers the risks similar to those covered by the trade and investment insurance. 	
Brief History	<p>Jul. 1999 Enactment of Act on General Rules for Incorporated Administrative Agency</p> <p>Dec.1999 Enactment of Act Revising a Section of the Trade and Investment Insurance Act</p> <p>Apr. 2001 Establishment of Nippon Export and Investment Insurance (NEXI) as an Incorporated Administrative Agency</p> <p>Jul. 2015 Enactment of Act Revising a Section of the Trade and Investment Insurance Act</p> <p>Apr. 2017 Establishment of Nippon Export and Investment Insurance (“new” NEXI) as a special stock company</p> <p>(Note: From 1950 through 2001, the export trade and investment insurance was handled by the Ministry of Economy, Trade and Industry, the former Ministry of International Trade and Industry)</p>	
Offices	<p>(Domestic) Tokyo Head Office, Osaka Branch</p> <p>(Overseas) Singapore Branch, Paris Representative office, New York Representative office</p>	

Executive Officers



Back row: Kazuhiro Ishikawa (Managing Executive Officer, Member of Board), Hideo Teramoto (Member of Board)
 Front row: Kazuhiko Nishino (President), Atsuo Kuroda (Chairman and CEO), Kazuki Hondo (Managing Executive Officer, Member of Board)



Tomoyo Matsui (Audit & Supervisory Board Member) Mari Oi (Full Time Audit & Supervisory Board Member) Youichi Takei (Audit & Supervisory Board Member)

NEXI Review of Performance

NEXI Activities

Insurance Products

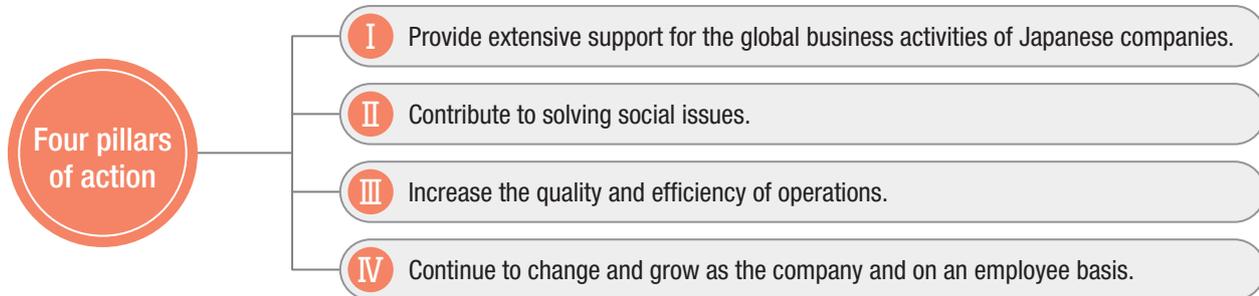
About NEXI and Organizational Operation

FY2022 Financial Results

Business Plan

Medium-term Business Plan (FY2022 - FY2024)

In pursuit of the actualization of our corporate philosophies, the medium-term business plan (FY2022 - FY2024) has been formulated based on the following four pillars of action. The plan has been partially revised in April 2023.



Medium-term Business Plan (FY2022 - FY2024) (excerpt)

I. Provide extensive support for the global business activities of Japanese companies.

1. Support more corporate activities with more underwriting of trade insurance.

(1) Enhance the underwriting of trade insurance.

<Basic policies>

- Strengthen our efforts to increase the use of insurance through introduction of insurance products and services according to customer needs, based on our continuous analysis of the export credit market.
- Encourage existing export insurance customers to use other types of insurance by strengthening the promotion of investment insurance and overseas fronting products, etc.
- As for loan insurance, develop a framework to support certain fields where new projects can be expected and build a track record of insurance underwriting in these sectors. Some examples are sovereign, quasi-sovereign, and corporate projects which utilize measures such as the Lead Initiative designed to contribute to solving social issues, planting the seeds of future business for Japanese companies, and strengthening cooperation with important overseas partners, etc.; and energy transition projects which contribute to a smooth decarbonization of society.

(2) Support more corporate activities with trade insurance.

<Basic policies>

- Provide security to more customers through trade insurance services by raising awareness among SMEs, etc., specifically through the efforts to effectively increase sales channels by working closely with private financial institutions and the Japanese government and government-related organizations, as well as leveraging IT technologies.
- Expand the funders of projects supported by loan insurance to a wider range of investors, in order to ensure a stable funding source and contribute to the diversification of fund management for investors.

- Expand the implementer of projects supported by loan insurance to start-ups, SMEs, and companies aimed at the industrialization and commercialization of new technology seeds, such as decarbonization. Additionally, contribute to the development of these businesses by meeting their financial needs.
- Strengthen our efforts in individual projects by promoting collaboration with international organizations. Moreover, invest in the African Trade Insurance Agency, utilizing the function of investing in foreign corporations engaged in the trade insurance business, which was added by the revised Trade and Investment Insurance Act.

(3) Take more and diverse risks.

<Basic policies>

Review the underwriting assessment methods so that we can take a wider range of risks, even in cases where risk assessment and underwriting have been difficult in the past.

2. Provide trade insurance products and services that meet customer needs.

(1) Improve trade insurance products for ease of understanding and use.

<Basic policies>

- Prioritize the improvement of our system to address customer needs to reduce administrative burden, such as easy-to-understand policies and simplified procedures.
- Continue to improve our products, services, and operations in cooperation with the Government to address the needs of companies faced with major changes in business forms in the midst of a drastic change in the business environment.

(2) Provide added value beyond loss compensation.

<Basic policies>

Play a distinctive role as an official export credit agency by providing customers with high value-added services based on NEXI's expertise.

II. Contribute to solving social issues.

1. Initiatives to contribute to resolving social issues.

- (1) Solve issues through the underwriting of trade insurance in coordination with national policies.

<Basic policies>

Support national measures aimed at solving social issues by underwriting trade insurance through the LEAD program, etc., and continue to actively cooperate with the Government.

- (2) Solve social issues in other ways than insurance underwriting.

<Basic policies>

- Address various social issues related to NEXI's daily operations.
- Manage funds from the perspective of contribution to solving social issues, such as purchasing green bonds.
- Procure IT equipment, etc., taking environmental impact into consideration.

- (3) Create and disseminate rules and frameworks for solving social issues.

<Basic policies>

- Work with the Government to solve issues, such as decarbonization and human rights protection, through active participation in various international organizations and conferences, including the OECD and BU, and information gathering.
- Study an appropriate way to meet the standards of the TCFD recommendations on climate-related financial disclosures, which NEXI endorsed in 2019.

III. Increase the quality and efficiency of operations.

1. Strengthen governance and risk management system.

<Basic policies>

Further strengthen internal control through measures, such as the establishment of the Business Operation Management Department in April 2022, which oversees the optimization of operational process, and the development and expansion of the risk management system in line with the Enterprise Risk Management Basic Principles introduced in full in FY2021, as well as guidelines for supervision released by the Ministry of Economy, Trade and Industry.

2. Optimize and streamline operations.

- (1) Optimize and streamline operational processes.

<Basic policies>

Under the direction of Business Operation Management Department, establish an effective system to prevent operational errors without particular burden through a comprehensive inspection of the management system, such as reviewing the flow of existing operations on a company-wide basis; building optimal and efficient operational processes, including a large delegation of decision-making authority; and standardizing operation manuals.

- (2) Share knowledge across the organization.

<Basic policies>

- Extend the period of job rotation wherever possible, and strive to share and utilize knowledge and know-how throughout NEXI. Additionally, ensure operational quality above a certain level and improve productivity across the organization through the knowledge sharing.
- In order to promote the sharing and effective utilization of knowledge and know-how, strongly promote the development of internal IT infrastructure through the introduction of IT solutions.

3. Increase expertise of the organization as a whole and individual employees.

<Basic policies>

Provide training so that each of employees can proactively acquire knowledge and skills and increase expertise in accordance with the Action Guideline.

Work on developing human resources suitable for a world-class export credit agency by improving IT literacy and gaining specialized knowledge.

IV. Continue to change and grow as the company and on an employee basis.

- (1) Invest in human resources.

<Basic policies>

Place the right people in the right positions to simultaneously contribute to the achievement of organizational goals and the growth of employees.

- (2) Invest in systems.

<Basic policies>

- Formulate a medium- to long-term system strategy including the optimal system designed to address customer feedback obtained from questionnaires, etc. and challenges on management and operations.
- Encourage participation in the system development process from across departments and promote development of structure and training for cooperation between departments in a planned manner.
- Develop and expand a disaster-resilient system and take necessary measures to deal with the ever-increasing risk of cyberattacks.

- (3) Plant seeds for future business.

<Basic policies>

It is necessary to respond to changes in the business environment swiftly and steadily and to actively plant seeds leading to the development of new business in the future. To this end, we create the Digital Transformation (DX) Group, which promotes the introduction of the latest IT technologies, in the IT Management Department in April 2022. Additionally, the DX Committee is to be established to deal with DX in trade transactions across departments.

Business Operation and Management System

Corporate Governance

Supervision, Evaluation, and Business Execution

NEXI is committed to strengthening the supervision and evaluation of its Board of Directors and other bodies while enhancing business execution agility through the establishment of the Board of Directors and the Audit & Supervisory Board that are stipulated in the Companies Act, and the Evaluation Committee, the Corporate Governance Committee, the Corporate Management Committee, and the Advisory Group.



Board of Directors

The Board of Directors makes decisions on important management issues and supervises the execution of NEXI's business operations. The Board of Directors consists of five directors, one of whom is an outside director as stipulated in the Companies Act. The outside director monitors and supervises the execution of NEXI's business from an outside perspective.

Audit & Supervisory Board

The Audit & Supervisory Board supervises the decision-making process of the directors and execution of their duties based on various laws and regulations, such as the Companies Act and the Articles of Incorporation. The Audit & Supervisory Board consists of three corporate auditors, two of whom are outside corporate auditors as stipulated in the Companies Act. In collaboration with the full-time corporate auditor, the outside corporate auditors audit the execution of duties of the directors from an outside perspective and contribute to improving NEXI's governance structure. In addition, NEXI organizes the Audit Secretariat to assist corporate auditors with their duties.

Evaluation Committee

The Evaluation Committee consists of outside experts and the outside director. This committee evaluates and advises on NEXI's operational and administrative status as well as on management issues on which the Board of Directors consults with the committee.

Corporate Governance Committee

The Corporate Governance Committee is an advisory body to the Board of Directors that is mainly comprised of outside members. Its purpose is to deliberate on important matters concerning compliance and to verify the company's internal control system.

Corporate Management Committee

The Corporate Management Committee is a body mainly comprised of executive officers and deliberates on important matters concerning management.

Advisory Group (Risk/Cash Management)

The Risk Management Advisory Group serves as an advisory body to the Board of Directors on risk management. The Cash Management Advisory Group serves as a consultative body to the Chairman and CEO on cash management. Both of these groups provide advice based on the specialized knowledge of outside experts.

Monitoring Committee

The Monitoring Committee deliberates on matters, such as important issues that occurs in the execution of the company's business and proposals for the improvement of the issues.

■ Government Involvement

NEXI is a 100% state-owned company that operates trade and investment insurance business under the control and supervision by the competent minister, administration and inspection by the Board of Audit of Japan and the competent ministry.

■ Internal Control Principles

In accordance with the Companies Act, NEXI's Board of Directors establish Internal Control Principles to ensure proper operation of the company. Internal rules and related systems are created in line with those principles.

Compliance Promotion

NEXI is aware of its public mission and social responsibility as the policy-based financial institution engaging in the trade and investment insurance system, and regards compliance to be one of its most important management issues in order to consistently comply with laws and regulations and to operate business in a fair and just manner. The following are related efforts:

■ Awareness and Thorough Implementation of Compliance Rules

- NEXI establishes basic compliance policies to ensure that all executive officers and staff members (including dispatched workers; Collectively, “the Staff Members”) conduct their tasks in compliance with the applicable laws and regulations and the Articles of Incorporation in a sound and appropriate manner.
- NEXI stipulates internal rules concerning confidential information management, information security policies, and other information management issues, and creates a framework to appropriately store and manage confidential information and information assets.
- NEXI compiles a compliance manual that outlines basic matters concerning compliance that should be known by the Staff Members, as well as important laws and regulations that must be observed. The manual also provides a comprehensive explanation on internal rules to help promote a better understanding of compliance issues. NEXI formulates an annual compliance promotion program (compliance program) each year, and strives to promote awareness and to ensure the implementation of compliance rules through education and training activities related to compliance.

■ System for Implementing and Promoting Compliance

- NEXI establishes the Corporate Governance Committee as a meeting committee structure with the purpose of deliberating on important compliance issues and monitoring the state of compliance.
- NEXI appoints a compliance officer at each department and branch (head of department and branch) to improve the compliance system and promote department and branch-level initiatives.
- NEXI establishes the Legal and Compliance Group in charge of managing legal compliance and compliance-related initiatives to ensure compliance with laws, ordinances, and regulations and to promote compliance.
- NEXI stipulates a reporting route to detect important issues concerning compliance at an early stage and implement necessary corrective measures. NEXI also organizes an effective internal reporting system and operates it appropriately.

■ Policy Related to Antisocial Forces, etc.

- NEXI does not have any relation with antisocial forces, etc., resolutely confronts antisocial forces, etc. as an organization, and firmly rejects improper demands made by antisocial forces, etc.

Risk Management

As the sole specialized institution responsible for the trade and investment insurance business in Japan, NEXI aims to contribute to the sound development of international business by providing security to even more customers engaging in global trade, promoting efforts to implement Japan's growth strategy, and actively meeting the diverse needs of customers. In order to fulfill its social roles, NEXI establishes the following framework to appropriately conduct enterprise risk management with the advice of the Risk Management Advisory Group.

Enterprise Risk Management

Enterprise Risk Management Basic Principles

NEXI establishes the enterprise risk management basic principles with the aim to ensure a long-term financial soundness and attain the purpose of the trade and investment insurance system. NEXI defines the enterprise risk management as properly managing various risks facing NEXI by category, managing all identified risks on an enterprise basis, and controlling them across all lines of its business. In line with the basic policies, NEXI creates a framework to manage risks in an appropriate and integrated manner. The Risk Management Group of the Corporate Governance Department supervises the enterprise risk management under specific management methods and the monitoring and instructions of the Board of Directors. NEXI conducts risk identification and assessment, implements stress tests, manages assets and liabilities, categorizes all risks to be managed into "insurance underwriting risk," "investment and liquidity risk," and "operational risk," and designates the departments that are responsible for the management and supervision of and are in charge of each risk.

Insurance Underwriting Risk Management

NEXI defines the insurance underwriting risk as the risk of liquidity and capital substantially damaged by insurance claim payment beyond the range that is normally anticipated. In underwriting insurance, NEXI assesses risks, including country risks, based on various data gathered by the Credit Department, overseas offices, and specialized investigation agencies, in addition to information from customers through the sales departments. NEXI also monitors the status of the debtor countries, companies, and projects to which credit is extended in order to reflect any changes in their credit conditions in its underwriting policies.

Additionally, NEXI conducts quantitative management using the risk amount (VaR*) and centralized risk management, such as measuring concentration risk and other analysis for the entire portfolios underwritten, in addition to risk assessment and credit management by individual project, as well as strives to properly manage accumulation risks through outward reinsurance or other means.

* Value at Risk: The maximum amount expected to be lost at a certain probability.

Investment and Liquidity Risk Management

As the risks included in the investment and liquidity risk, NEXI defines: (i) market risk: the risk of losses arising from fluctuations in the value of assets and liabilities due to changes in interests, foreign exchange rates, etc.; (ii) credit risk: the risk of losses arising from factors such as the worsening of financial conditions of companies to which credit is provided and of reinsuring companies; (iii) liquidity risk (cash flow risk): the risk of losses

arising from the worsening of cash flow mainly due to outflow of more cash than anticipated because of the occurrence of a huge disaster, etc., which results in it becoming more difficult to secure necessary funds or being forced to enter into transactions under materially less favorable conditions than usual; and (iv) market liquidity risk: risk of losses arising as a result of being unable to sell assets due to a lack of market depth or being forced to sell them at a remarkably low price. Under these definitions, NEXI monitors and controls each risk based on the comprehensive asset liability management approaches. More specifically, given the characteristics of liabilities in the trade and investment insurance, such as temporary concentration of substantial amount of claims paid, NEXI gives importance to securing the safety and liquidity and establishes the cash management policy to restrict potential investees to deposits and highly safe bonds, including Japanese government bonds, local government bonds, government agency bonds, and the U.S. government bonds and other international organization bonds. NEXI also conducts quantitative management of foreign exchange and interest risks entailed in the asset portfolio using VaR for proper risk management.

Operational Risk Management

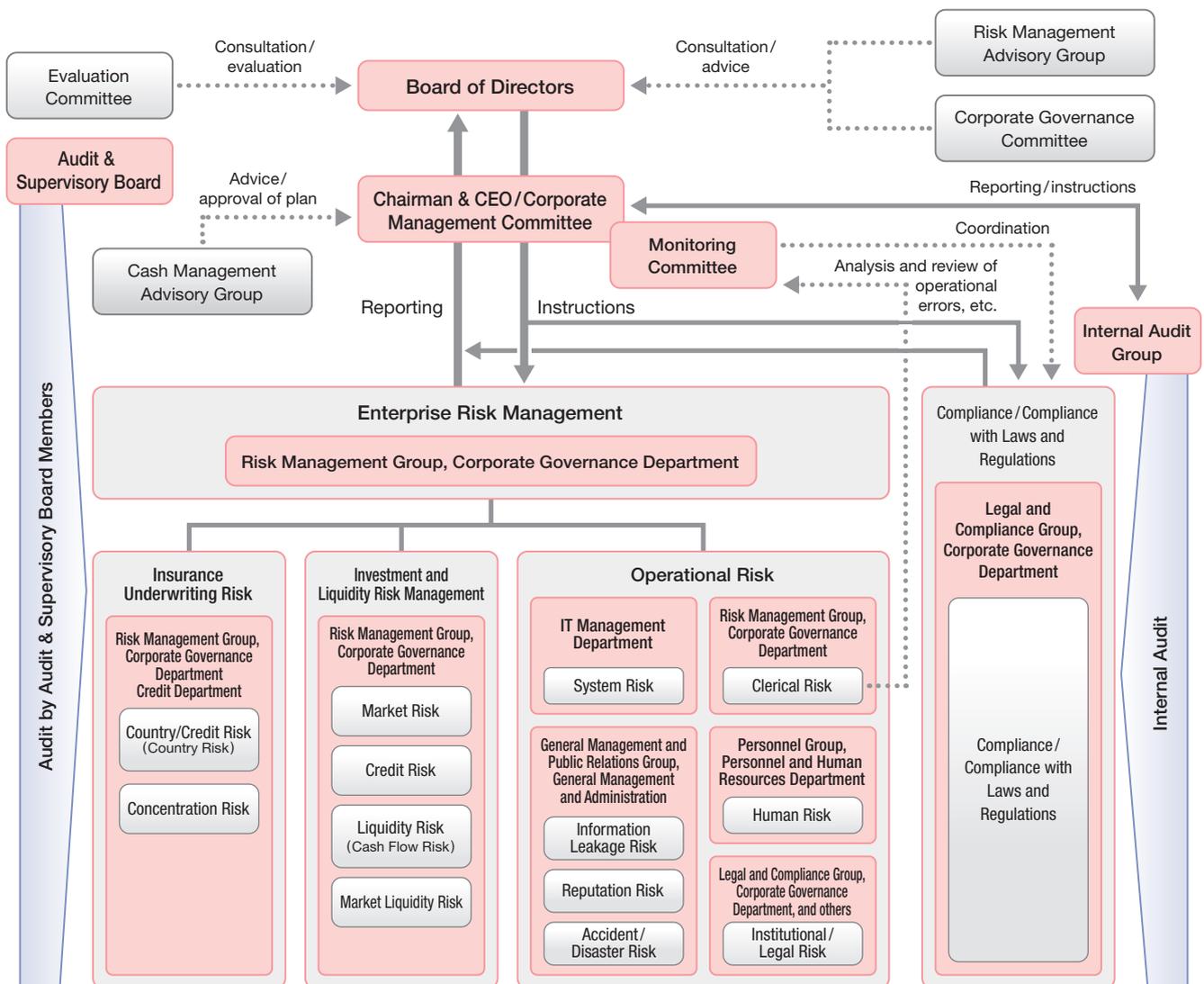
As the risks included in the operational risk, NEXI defines: (i) clerical risk: the risk of business interruptions or losses arising from failure to properly perform clerical work due to an operational incident, fraud or other mistake of the Staff Members and contractors of NEXI; (ii) system risk: the risk of business interruptions or losses, or leakage of information of NEXI and its customers arising in relation to development, maintenance, operation, and usage of IT systems; (iii) information leakage risk: the risk of business interruptions or losses arising from failure by those including the Staff Members and contractors of NEXI to properly handle confidential information and other sensitive data; (iv) institutional and legal risk: the risk of losses including arising from being imposed a penalty on the grounds of a violation of international agreements, domestic or foreign laws or contracts, etc., or the risk of business interruptions or losses mainly arising from the occurrence of a legal dispute or changes in the trade and investment insurance system and the related agreements; (v) human risk: the risk of business interruptions or losses arising from a shortage of the required human resources, harassment, or improper personnel/labor management, etc.; (vi) reputation risk: the risk of business interruptions or losses arising from damage to social credibility due to defamation against NEXI, spreading of rumor, etc.; and (vii) accident and disaster risk: the risk of business interruptions or losses, or damage or danger to assets of NEXI and lives and bodies of the Staff Members due to an incident, accident, or other disaster. Under these definitions, NEXI designates the departments that are responsible for the management and supervision of and are in charge of each risk, and establishes the management policy by risk for proper management.

Clerical Risk Management

Under the clerical risk management regulations, NEXI appoints the head of each department and branch as the person responsible for clerical risk management, and is developing the related rules and operations manuals and creating a multilayered check system for efficient and accurate execution of operations. Additionally, NEXI establishes the procedures in which any operational mistake or other error, when it occurs, must be informed to the Chairman & CEO and the related departments

promptly according to its severity level, and necessary actions must be taken in accordance with their instructions. The Monitoring Committee, which consists of the Chairman & CEO and other members of the management team, analyses and discusses the causes for any operational mistake that occurs and measures to prevent the recurrence, and diffuses the results of such discussion across the company as necessary, thereby enhancing the effectiveness of the company-wide clerical risk management.

Risk Management and Compliance System

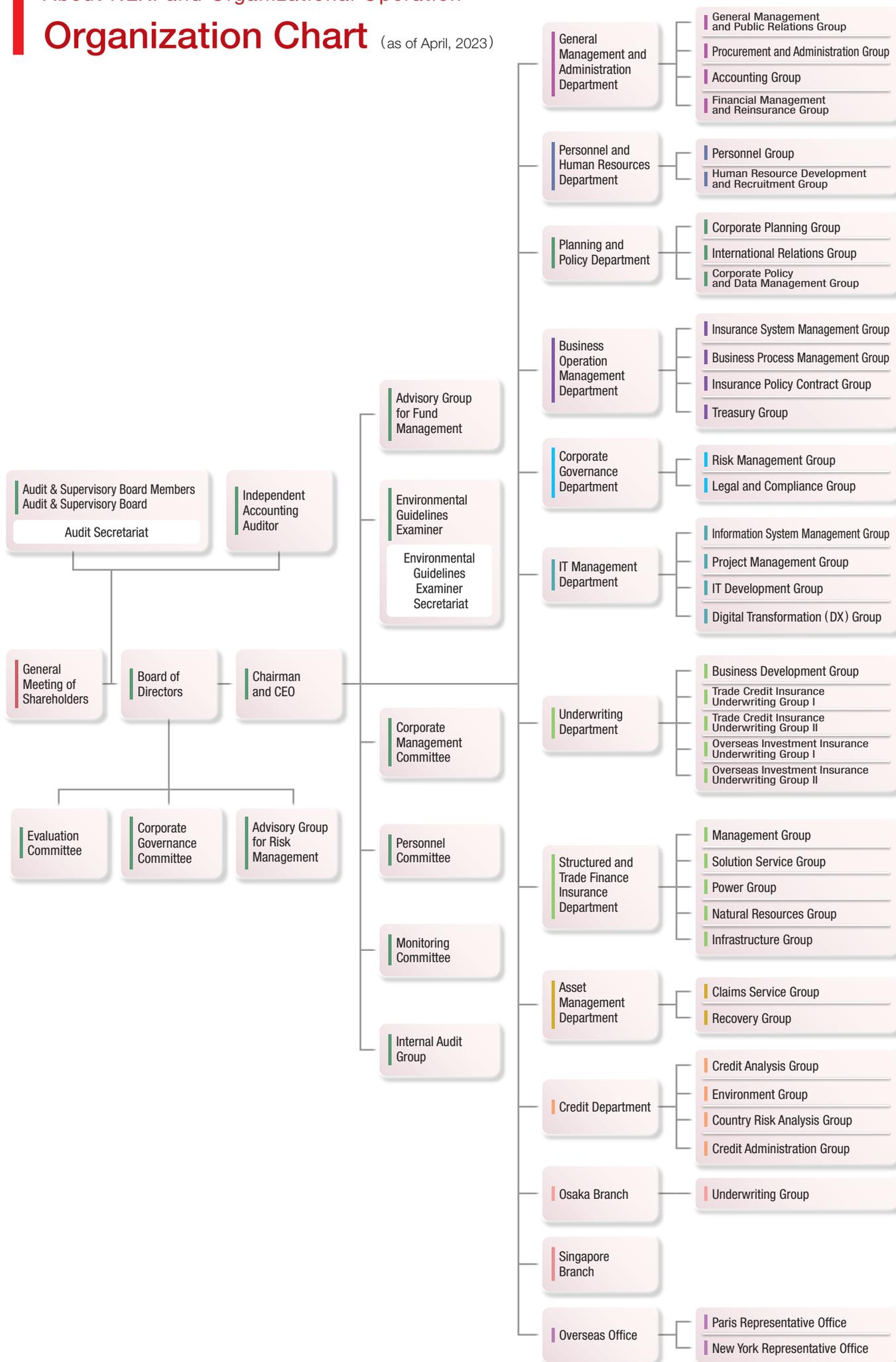


Business Continuity

Responses to Large-scale Disaster

With the recognition that large-scale disasters can pose a serious risk to the business, NEXI formulates the business continuity plan to avoid the impact of large-scale disasters on its business as much as possible and to quickly restore business when such disasters do occur.

Organization Chart (as of April, 2023)

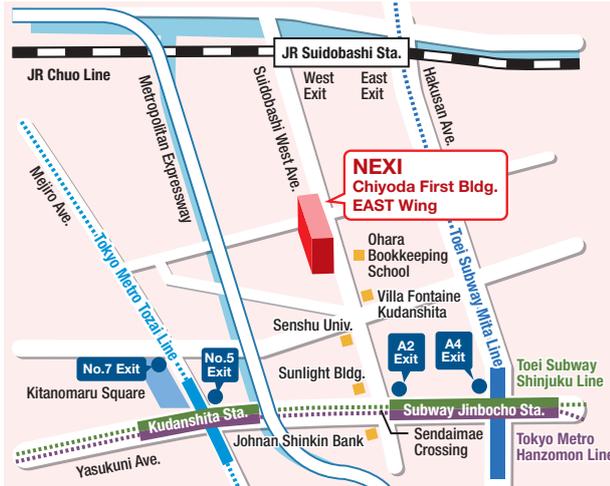


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* NEXI Singapore is not a licensed insurer nor insurance intermediary under the Singapore Insurance Act.



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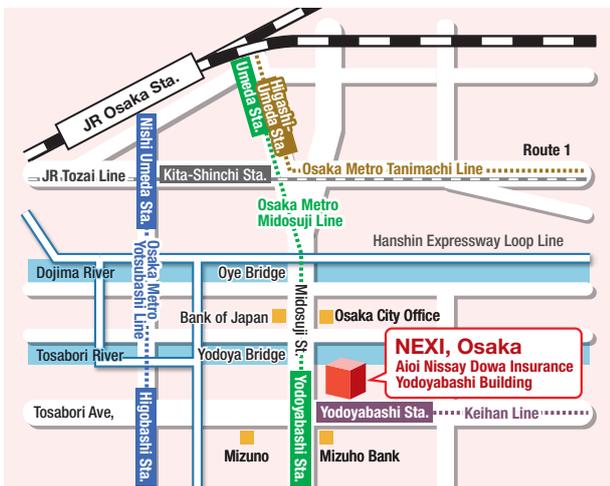
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Publicity Activities for Trade and Investment Insurance

NEXI actively engages in public relations to increase the presence and to promote the use of trade and investment insurance system. In FY2022, we held three press conferences by the Chairman and CEO and resumed participation in events as a supporting institution as in-person exhibitions and seminars reopened across the country.

Participating in Exhibitions and Events

NEXI is actively taking part in trade fairs and exhibitions for export business held nationwide to promote the use of trade and investment insurance. In FY2022, NEXI participated in large exhibitions in Tokyo, Osaka, Okinawa, and Hokkaido, such as the Overseas Business Expo 2022 Osaka and the “JAPAN’S FOOD” EXPORT FAIR held at Tokyo Big Sight. As a supporting institution, NEXI set up consultation booths, distributing information materials and offering detailed explanations to the attendees of the events.

NEXI also collaborated on seminars hosted throughout Japan by the government and regional support organizations, providing descriptions to potential users on how to use trade and investment insurance effectively by raising specific examples.



NEXI's booth at the 6th “JAPAN’S FOOD” EXPORT FAIR

JETRO’s Trade Business Seminars

In the Trade Business Seminar 2022 held by the Japanese External Trade Organization (JETRO), NEXI gave a lecture, titled “Emerging Global Risks and Trade and Investment Insurance,” illustrating the role of trade and investment insurance in export activities. This was the first time for NEXI to offer a lecture in the seminar, which was streamed online from October 18, 2022, to February 28, 2023, and viewed by about 1,500 of JETRO’s paying members.



NEXI facilitates the use of trade and investment insurance through various media addressing different customer needs, including easy-to-understand brochures*¹ with illustrated stories, YouTube videos*² visually demonstrating how to use trade and investment insurance, and flyers*³ describing Export Credit Insurance for SMEs and AFF Sector targeting exporters of agricultural, forestry, and fishery products and foods.

* 1 Product Information Brochure with illustrated stories (https://www.nexi.go.jp/product/booklet/pdf/pr_gaiyou_03.pdf)

* 2 Official YouTube Video (<https://www.nexi.go.jp/movie/>)

* 3 Leaflet for SMEs (https://www.nexi.go.jp/product/booklet/pdf/pr17_01.pdf)
Leaflet for AFF Sector (https://www.nexi.go.jp/product/booklet/pdf/pr18_01.pdf)

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FY2022 Financial Review

Overview of Financial Statements

(Millions of Yen)

	6th Fiscal Year (FY2022)
Ordinary income	116,632
Underwriting income	30,201
(Net premiums written)	29,942
Subrogation income	47,817
Investment income	38,353
Other ordinary income	261
Ordinary expenses	117,632
Underwriting expenses	109,883
(Net claims paid)	24,075
(Commissions)	(173)
(Provision for outstanding claims reserves)	1,929
(Provision for unearned premiums)	(9,629)
(Provision for contingency reserves)	93,682
Subrogation expenses	89
Operating and administrative expenses	7,660
Other ordinary expenses	0
Ordinary loss	(1,000)
Extraordinary income	1,000
Income before income taxes	—
Total income taxes	19
Net loss	(19)
Total assets	1,855,099
Net assets	794,854

Profit and Losses

NEXI's underwritten amount in FY2022 (the total amount of insurance contracts underwritten during the fiscal year; the same applies below) rose 10% year on year to JPY 7.7 trillion. As foreign transactions of Japan have been shifting from exports to investments, the underwritten amount of Overseas Investment Insurance for the fiscal year grew significantly by 50% year on year, recording the largest underwritten amount since NEXI's establishment in April 2001. Export insurance, which accounts for about 80% of the overall underwriting, increased by 7% year on year, showing a steady growth. By contrast, loan insurance dropped by 16% year on year, as a result of a decline in project finance, which was a continued trend from the previous year.

Net premiums written decreased by 1.6% year on year to JPY 29.94 billion from JPY 30.44 billion. Subrogation income, primarily consisting of recoveries, grew by 407.9% year on year to JPY 47.82 billion from JPY 9.41 billion, and investment income rose 15.7% year on year to JPY 38.35 billion from JPY 33.14 billion reflecting the positive impact of interest rate rise and exchange rates. Meanwhile, due to a significant drop in insurance claim payment for country risk events, net claims paid decreased by 59.5% year on year to JPY 24.08 billion from JPY 59.38 billion. Operating and administrative expenses increased by 6.3% year on year to JPY 7.66 billion from JPY 7.2 billion. As a result, a provision for contingency reserves of JPY 93.68 billion was recorded.

Financial Statements etc.

Balance Sheet for FY2022 (As of March 31, 2023)

(Millions of Yen)	
Account Title	Amount
(Assets)	
Cash and bank deposits	859,091
Bank deposits	859,091
Securities	953,059
Government bonds	331,157
Municipal bonds	143,500
Corporate bonds	435,900
Foreign securities	42,501
Receivables subrogated by paying claims	20,469
Tangible fixed assets	885
Buildings	271
Equipment and fixtures	586
Other tangible fixed assets	28
Intangible fixed assets	3,928
Software	2,920
Software in progress	1,008
Other assets	17,510
Accrued premiums	4,926
Reinsurance accounts receivable	19
Foreign reinsurance accounts receivable	272
Accounts receivable	3,251
Accrued income	5,268
Deposits	2,174
Other assets	1,600
Deferred tax assets	158
Total assets	1,855,099

(Millions of Yen)	
Account Title	Amount
(Liabilities)	
Insurance liabilities	1,018,203
Outstanding claims reserves	1,906
Underwriting reserves	1,016,297
Unearned premiums	122,031
Contingency reserves	894,265
Other liabilities	41,271
Foreign reinsurance accounts payable	3
Income taxes payable	3
Deposits received	29,293
Unearned income	8,807
Accrued amount payable	2,529
Other liabilities	637
Provision for employees' bonuses	140
Provision for directors' bonuses	10
Provision for employees' retirement benefits	601
Provision for directors' retirement benefits	21
Total liabilities	1,060,245
(Net assets)	
Capital	169,352
Capital surplus	625,553
Legal capital surplus	625,553
Retained earnings	(52)
Other retained earnings	(52)
Retained earnings brought forward	(52)
Total shareholders' equity	794,854
Total net assets	794,854
Total liabilities and net assets	1,855,099

Notes:

1 Significant accounting policies are as follows.

- (1) Standards and methods for valuation of securities are as follows. Bonds held to maturity are valued using the amortized cost method (straight-line method).
- (2) Depreciation of tangible fixed assets is calculated using the straight-line method.
- (3) Amortization of intangible fixed assets is calculated using the straight-line method. Software for internal use is amortized based on the straight-line method over the period of internal use (five years).
- (4) Foreign-currency receivables and payables are converted into Japanese yen at fiscal year-end exchange rates, and translation adjustments are recorded as profit or loss.
- (5) Provision for employees' bonuses is recognized for the payment of employees' bonuses, based on the expected amount to be paid at the end of the year.
- (6) Provision for directors' bonuses is recognized for the payment of directors' bonuses, based on the expected amount to be paid at the end of the year.
- (7) Provision for employees' retirement benefits is recognized in preparation for the payment of employees' retirement allowance, based on the projected retirement benefit obligation at the end of the year. Retirement benefit obligation and retirement benefit expense are calculated based on the simplified method whereby the requested amount to be paid at the end of the year for voluntary retirement of all employees is regarded as the company's retirement benefit obligation.
- (8) Provision for directors' retirement benefits is recognized in preparation for the payment of directors' retirement allowance as the requested amount to be paid at the end of the year, in accordance with the internal regulations.
- (9) Contingency reserves are recognized in preparation for the payment of large insurance claims due to political risks or other reasons, in accordance with Article 22 of the Trade and Investment Insurance Act.
- (10) Consumption tax and local consumption tax are accounted for using the tax-excluded method.

2 Significant components of deferred tax assets include the disallowance of provision for employees' bonuses, provision for employees' retirement benefits, and of unpaid business taxes and business office taxes, while the main component of deferred tax liabilities is retirement benefits liabilities translation adjustments.**3 The status of financial instruments and fair value of financial instruments are as follows.**

- (1) Status of financial instruments
 - a. Policy on financial instruments

NEXI is engaged in the trade and investment insurance business. Some of its surplus is invested in securities to strengthen NEXI's financial base. In addition, the surplus from the trade and investment insurance business is invested in securities, deposits, and other financial instruments to the extent stipulated in Article 29 of the Trade and Investment Insurance Act.

- b. Financial instruments and risk

Securities are exposed to the fluctuation risks of interest rates and of market prices.

- c. Risk management for financial instruments

Market risk management

Regarding the fluctuation risks of interest rates, prices, and exchange rates associated with investments in securities and time deposits, NEXI manages those risks based on the fund management plans discussed by the Board of Directors. The current state of managing these risks is ascertained and controlled at the Risk Management Group, Corporate Governance Department.

- d. Supplementary information on fair value of financial instruments

The fair value of financial instruments is based on their quoted market prices.

- (2) Fair value of financial instruments

The table below outlines carrying amounts shown on the balance sheet, fair value, and differences of financial instruments as of the end of the year. Notes to deposits are omitted because they are settled within a short term and the fair value approximates the book value.

(Millions of Yen)

	Carrying amount shown on balance sheet	Fair value	Difference
Securities			
Bonds held to maturity	953,059	967,312	14,254
Assets	953,059	967,312	14,254

Note 1. Regarding the bonds held to maturity, the table below outlines carrying amount shown on the balance sheet, fair value and differences by type.

(Millions of Yen)

	Type	Carrying amount shown on balance sheet	Fair value	Difference
Those with fair value exceeding the carrying amount	Government bonds	285,967	310,907	24,940
	Municipal bonds	11,600	11,604	4
	Corporate bonds	7,500	7,608	108
	Foreign securities	5,116	5,184	67
	Subtotal	310,183	335,302	25,119
Those with fair value not exceeding the carrying amount	Government bonds	45,190	43,464	(1,727)
	Municipal bonds	131,900	130,571	(1,329)
	Corporate bonds	428,400	422,883	(5,517)
	Foreign securities	37,385	35,093	(2,292)
	Subtotal	642,875	632,010	(10,865)
Total		953,059	967,312	14,254

Note 2. Maturity analysis of financial assets

(Millions of Yen)

	Within 1 year	Over 1 to 3 years	Over 3 to 5 years	Over 5 to 10 years	Over 10 to 20 years	Over 20 years
Securities						
Bonds held to maturity	61,385	150,367	164,197	469,700	102,500	—
Total	61,385	150,367	164,197	469,700	102,500	—

4 Accumulated depreciation of tangible fixed assets is JPY 551 million.**5 The breakdown of outstanding claims reserves at the end of the year is as follows.**

Pursuant to Article 7 of the Ministerial Ordinance Pertaining to the Accounting of Nippon Export and Investment Insurance, the amount expected to be recovered by exercising the right to reimbursement (excluding those for which there is no judicial decision or agreement between the parties concerned) is deducted from the outstanding claims reserves.

(Outstanding claims reserves) (Millions of Yen)

Outstanding claims reserves (before the deduction of the amount expected to be recovered)	1,957
Amount expected to be recovered (deducted)	51
(Net)	1,906

6 The breakdown of underwriting reserves at the end of the year is as follows.

(Underwriting reserves) (Millions of Yen)

Unearned premiums (before the deduction of underwriting reserves for outward reinsurance)	133,170
Underwriting reserves for outward reinsurance related to the above	11,139
Net (a)	122,031
Underwriting reserves for other items (b)	894,265
Total (a + b)	1,016,297

7 Net assets per share is JPY 52,990.27.

Total net assets, the basis for calculating net assets per share, is JPY 794,854 million, and the full amount is related to common shares. The number of common shares at the end of the year is 15 million.

8 Receivables subrogated by paying claims (political risk), expected receivables subrogated by paying claims (political risk) and transferred claims, and their total are as follows.

(Millions of Yen)

Receivables subrogated by paying claims (political risk)	20,469
Expected receivables subrogated by paying claims (political risk)	—
Transferred claims	—
Total	20,469

9 Cash and bank deposits, and deposits received include the following amounts, respectively.

(Millions of Yen)

	Carrying amount shown on balance sheet
Cash and bank deposits	26,807
Deposits received	26,807

Cash and bank deposits shown above are reserves held in an account at Banco Nacional de Cuba that the government of Cuba opened under the name of "NEXI" (hereinafter referred to as "the Fund"), in accordance with the debt relief agreement between the governments of Japan and Cuba.

Deposits received represent the amount equivalent to the Fund. This is because the use of withdrawals from the Fund is restricted to activities including Cuban-peso denominated projects related to the development of Cuba approved by the governments of the two countries, which means repayments made by the Fund's users to NEXI in Japanese yen is deemed as a partial recovery of the receivables subrogated by paying claims (political risk).

10 Amounts are rounded off to the nearest unit.

Statement of Income (April 1, 2022 - March 31, 2023)

(Millions of Yen)

Account Title	Amount
Ordinary income	116,632
Underwriting income	30,201
Net premiums written	29,942
Foreign exchange gains	259
Subrogation income	47,817
Investment income	38,353
Interest and dividends income	12,191
Foreign exchange gains	26,162
Other ordinary income	261
Ordinary expenses	117,632
Underwriting expenses	109,883
Net claims paid	24,075
Commissions	(173)
Provision for outstanding claims reserves	1,929
Provision for underwriting reserves	84,053
Provision for unearned premiums	(9,629)
Provision for contingency reserves	93,682
Subrogation expenses	89
Operating and administrative expenses	7,660
Other ordinary expenses	0
Other ordinary expenses	0
Ordinary loss	(1,000)
Extraordinary income	1,000
Gain on government grants	1,000
Income before income taxes	—
Income taxes-current	30
Income taxes-deferred	(11)
Total income taxes	19
Net loss	(19)

Notes:

1

(1) The breakdown of net premiums written is as follows.

(Millions of Yen)	
Premiums written	31,516
Reinsurance premiums paid	(1,574)
Total	29,942

(2) The breakdown of net claims paid is as follows.

(Millions of Yen)	
Insurance claims paid	24,075
Reinsurance claims recovered	—
Total	24,075

Note 1. Insurance claims paid is calculated by deducting the amount recovered of JPY 8,185 million from the amount paid of JPY 32,260 million.

(3) The breakdown of commissions is as follows.

(Millions of Yen)	
Commissions for agencies and others	3
Commissions for outward reinsurance	(176)
Total	(173)

(4) The breakdown of provision for underwriting reserves (figures in parentheses are reversal of provision) is as follows.

(Millions of Yen)	
Provision for unearned premiums (before the deduction of underwriting reserves for outward reinsurance)	(9,144)
Provision for underwriting reserves for outward reinsurance related to the above	485
Net (a)	(9,629)
Provision for other underwriting reserves (b)	93,682
Total (a + b)	84,053

(5) The breakdown of interest and dividends income is as follows.

(Millions of Yen)	
Interest from bank deposits	5,704
Interest and dividends from securities	6,487
Other interest and dividends	—
Total	12,191

(6) The breakdown of subrogation income and subrogation expenses is as follows.

(Subrogation income)	(Millions of Yen)
Recovery of receivables subrogated by paying claims (political risk)	7,185
Interest from receivables subrogated by paying claims (political risk)	4,179
Recovery of receivables subrogated by paying claims (commercial risk)	25
Interest from receivables subrogated by paying claims (commercial risk)	268
Recovery of transferred claims	79
Recovery received	27,730
Recovery received of overseas inward reinsurance	7,254
Other income from receivables subrogated by paying claims	—
Foreign exchange gains (subrogation income)	1,096
Total	47,817

(Subrogation expenses)	(Millions of Yen)
Loss on bad debts (commercial risk)	12
Debt recovery expenses (underwritten)	64
Recovery expenses (inward reinsurance)	13
Loss on uncollected interest	—
Total	89

2 Business with related parties is as follows.

(Millions of Yen)							
Type	Entity	Ratio of voting rights, etc.	Relationship with party	Transaction	Amount of transactions ²	Account title	Balance at end of year
Major shareholder	Ministry of Finance	Directly held 100%	Trade and investment insurance administration	Gain on government grants ¹	1,000	—	—

Transaction terms and decision policies of transaction terms, etc.

Note 1. The grants are provided to partially compensate for the impact that debt deduction for heavily indebted poor countries (HIPC), etc. has on the trade and investment insurance business.

Note 2. The amount of transactions does not include consumption tax, etc.

3 Gain on government grants recorded as extraordinary income refers to grants provided by the government to partially compensate for the impact that debt deduction for HIPC and others has on the trade and investment insurance business.

4 Net loss per share is JPY 1.28.

Net loss for the fiscal year, the basis for calculating net income or loss per share, is JPY 19 million, with the full amount of the income being related to common shares.

The average number of common shares during the fiscal year was 15 million.

The diluted net loss per share is not given since there are no dilutive shares.

5 Amounts are rounded off to the nearest unit.

Statement of Changes in Shareholders' Equity (April 1, 2022 - March 31, 2023)

(Millions of Yen)

	Shareholders' Equity						Total net assets
	Capital	Capital surplus		Retained earnings		Total shareholders' equity	
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
				Retained earnings brought forward			
Beginning balance	169,352	625,553	625,553	(32)	(32)	794,873	794,873
Changes during the year							
Net loss			—	(19)	(19)	(19)	(19)
Total change during the year	—	—	—	(19)	(19)	(19)	(19)
Ending balance	169,352	625,553	625,553	(52)	(52)	794,854	794,854

Notes:

1 Type and total number of issued shares, and type and number of treasury shares

(Thousands of Shares)

	Number of shares as of April 1, 2022	Increase during the fiscal year 2022	Decrease during the fiscal year 2022	Number of shares as of March 31, 2023
Issued shares				
Common shares	15,000	—	—	15,000
Total	15,000	—	—	15,000

Note: NEXI holds no treasury shares.

2 Share acquisition rights and treasury share acquisition rights

There are no applicable matters.

3 Dividends

There are no applicable matters.

Statement of Cash Flows (April 1, 2022 - March 31, 2023)

		(Millions of Yen)
Account Title	Amount	
Cash flows from operating activities		
Premiums received		31,231
Insurance claims paid		(32,254)
Commissions		(3)
Proceeds from collection of receivables subrogated by paying claims		60,517
Payment for allocation of collection from receivables subrogated by paying claims		(4,067)
Payment for operating and administrative expenses		(6,269)
Others		267
Subtotal		49,422
Interest and dividend income received		11,312
Income taxes refund (paid)		(61)
Net cash provided by (used in) operating activities		60,673
Cash flows from investing activities		
Payments into time deposits		(266,936)
Proceeds from repayment of time deposits		241,171
Purchase of securities		(106,359)
Proceeds from sales and redemption of securities		19,812
Total from asset management activities		(112,312)
(Total from operating and asset management activities)		(51,639)
Purchase of tangible fixed assets		(73)
Purchase of intangible fixed assets		(998)
Others		(1)
Net cash provided by (used in) investing activities		(113,384)
Cash flows from financing activities		
Proceeds from government grants received		1,000
Net cash provided by (used in) financing activities		1,000
Effect of exchange rate changes on cash and cash equivalents		4,972
Net increase (decrease) in cash and cash equivalents		(46,739)
Cash and cash equivalents at the beginning of the year		642,094
Cash and cash equivalents at the end of the year		595,356

Notes:

- The statement of cash flows to be submitted to the Minister of Trade, Economy and Industry under the provisions of Article 20 of the Trade and Investment Insurance Act is prepared in accordance with accounting principles generally accepted in Japan and ordinance on terminology, forms, and preparation methods of financial statements.
- Cash and cash equivalents in the statement of cash flows comprise cash on hand, deposits that can be withdrawn at any time, and short-term investments with redemption deadline occurring within about three months from the acquisition date that are readily convertible into cash and bear only minor risks with respect to fluctuation of value.

- The reconciliation of the balance of cash and cash equivalents at the end of the year and the amounts of items presented in the balance sheet is as follows.

As of March 31, 2023	(Millions of Yen)
Cash and bank deposits	859,091
Time deposit	(236,928)
Other bank deposits*	(26,807)
Cash and cash equivalents at the end of the year	595,356

* Other bank deposits are not included in the scope of cash and cash equivalents due to the following reason. In accordance with the debt relief agreement between the governments of Japan and Cuba, the Cuban government opened an account at Banco Nacional de Cuba under the name of "NEXI." The use of withdrawals from the account is restricted to activities including Cuban-peso denominated projects related to the development of Cuba approved by both governments, with the Fund's users making a repayment of the equivalent amount in Japanese yen.

- Amounts are rounded off to the nearest unit.

Details of account items

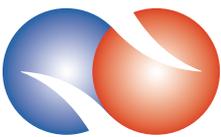
1. Balance Sheet

Account item	Details
Receivable subrogated by paying claims	Of the rights acquired under Article 42 of the Trade and Investment Insurance Act, the item consists of receivables subrogated by paying claims (political risk), expected receivables subrogated by paying claims (political risk), and transferred claims.
Accrued premiums	Accrued premiums associated with insurance application.
Reinsurance accounts receivable	The accrued portion associated with inward reinsurance transactions with Japanese insurance companies.
Foreign reinsurance accounts receivable	The accrued and prepayment portions associated with inward/outward reinsurance transactions with overseas insurance companies.
Accrued income	Total amount of accrued interests from securities and receivables subrogated by paying claims (political risk) at the end of the fiscal year.
Outstanding claims reserves	The amount needed to pay claims that are already made but not yet recorded as expenses or that are not yet made but the occurrence of events is already notified (excluding notification of the delay in the performance of obligations).
Unearned premiums	Of premiums written, the amount equivalent to liabilities to cover the remaining period of coverage at the end of the fiscal year, specified in insurance contracts and others.
Contingency reserves	The amount to prepare for possible future risks in order to ensure the fulfillment of obligations based on insurance contracts and others.

2. Statement of Income

Account item	Details
Net premiums written	Direct premiums written adjusted by reinsurance premiums, with inward reinsurance premiums added and outward reinsurance premiums deducted.
Subrogation income (expenses)	The item includes profit from recovery of receivables subrogated by paying claims, interest income, foreign exchange profit or loss, and loss on bad debts.
Investment income	The item includes interests from financial assets such as bank deposits and securities, investment income such as dividends, foreign exchange profit, and gain on sales.
Net claims paid	Claims paid less reinsurance claims recovered.
Commissions	The item includes commissions for outward reinsurance, agencies, and other sources.
Gain on government grants	Grants received, related to matters including the exempted or waived claims, etc. deemed necessary to fulfill international obligations under Article 36 of the Trade and Investment Insurance Act.

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NEXI

Nippon Export and Investment Insurance

Nippon Export and Investment Insurance

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