

# NEXI

Nippon Export and Investment Insurance

## Annual Report FY2014



# About NEXI

Since its establishment in April 2001, Nippon Export and Investment Insurance (NEXI) has been providing export and investment insurance to protect Japanese businesses from risks involved in overseas transactions that cannot be covered by private-sector insurance. We provide reassurance and support to Japanese companies by anticipating changes in the market at all times, appropriately responding to customer needs, and efficiently and effectively conducting insurance business so that they may engage in international transactions with peace of mind and without fear of uncertain risks.

By implementing our customer-first policy,  
NEXI will continue to:

- ① Improve the quality of our service;
- ② Broaden the range of risk coverage;
- ③ Promote efficient operations; and
- ④ Increase management transparency.

## CONTENTS

|  |   |
|--|---|
|    Message from the Chairman ..... 03 |    2014 Financial Results ..... 22   |
|    2014 Performance Highlights... 04  |    Fourth-Term Objectives ..... 28   |
|    2014 Business Overview ..... 10    |    Customer Service Charter ..... 30 |
|    Underwritten Projects ..... 14     |    Profile of NEXI ..... 32          |
|    Review of Performance ..... 18     |   |

### Regarding figures in this Annual Report

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.



# Message from the Chairman



I have pleasure in presenting the annual report of Nippon Export and Investment Insurance (NEXI) for the year ended 31 March 2015. I am truly grateful for your support and cooperation for NEXI throughout the year.

During this fiscal year, the overall world economy recovered moderately though the recovery was mixed and varied by country with geopolitical turmoil in Ukraine and Middle East, and declining crude oil prices. Under such circumstances, Japanese companies continued to expand their business in the global market, helped by yen depreciation and the government's economic policies known as "Abenomics." Also, the "Strategy for Exporting Infrastructure Systems" by the government continued to support infrastructure export, which accelerated the participation of Japanese companies in large-scale infrastructure projects in developing and emerging countries to meet their continued high demand for infrastructure.

NEXI supported the Japanese participation in the overseas large-scale projects through insurance, which include power plant construction projects in Asia and LNG facility development for the US LNG export to Japan. NEXI's effort in this fiscal year resulted in the largest-ever outstanding commitment.

Also during the FY2014, the Trade and Investment Insurance Act, one of NEXI's governing acts, was revised for the first time since establishment of NEXI in 2001. Thanks to the revision, NEXI now can provide new insurance services including coverage for additional cost incurred when a plant construction is stopped due to war or terrorism, reinsurance for a domestic insurer as part of SME support, and support for a loan by a Japanese bank through its overseas office.

As stated in the last Annual Report, NEXI will become a special company wholly owned by the government, and the trade reinsurance special account will be abolished in accordance with the cabinet's December 2013 basic policy decision on the reform of incorporated administrative agencies. To materialize the transition to the special company, the revised bill of the Trade and Investment Insurance Act has been submitted to the 189th ordinary session of the Diet. In preparing towards the transition, we would like to create and operate our organization by keeping in mind the improvement in customer satisfaction with our products and services, increased staff expertise to support customer satisfaction, and strengthening of corporate governance.

To survive and win the international competition in the ongoing economic globalization, public and private sectors must continue to work together. As a public agency, NEXI will continue to provide quality insurance services that meet diverse business needs. We would appreciate your continued understanding and support.

**Kazuhiko Bando**  
Chairman and CEO  
July 2015





# 2014 Performance Highlights



## Economic Trends

In FY2014, Japanese exports grew for the second consecutive year to about JPY 74.7 trillion, up 5.4% over the previous fiscal year, partly due to increased exports of cars and metal working machinery. By region and country, exports to Asia increased by 5.0% yoy to about JPY 40.3 trillion, with China accounting for about JPY 13.4 trillion (up 3.2% yoy). Exports to the U.S. and the EU also increased to about JPY 14.2 trillion (up 7.6% yoy) and about JPY 7.7 trillion (up 6.4% yoy) respectively.

(Japan's exports)

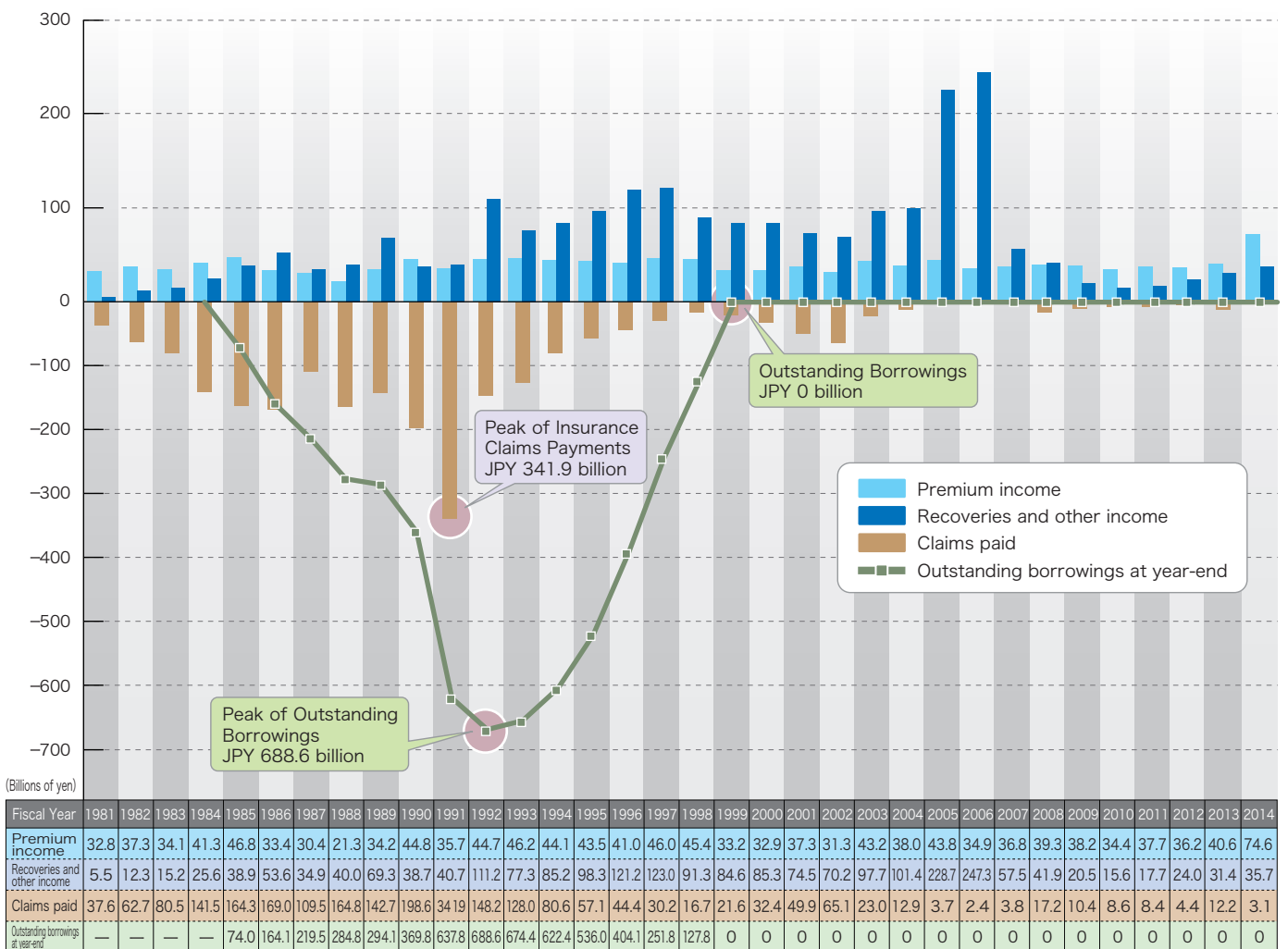
(Millions of yen)

|                        | FY2009     | FY2010     | FY2011     | FY2012     | FY2013     | FY2014     |
|------------------------|------------|------------|------------|------------|------------|------------|
| Total Exports          | 59,007,879 | 67,788,838 | 65,288,487 | 63,939,981 | 70,856,464 | 74,670,320 |
| Year-on-year change(%) | (17.1)     | 14.9       | (3.7)      | (2.1)      | 10.8       | 5.4        |

(Source: Trade Statistics, Ministry of Finance)



## Trends of the Trade and Investment Insurance Program

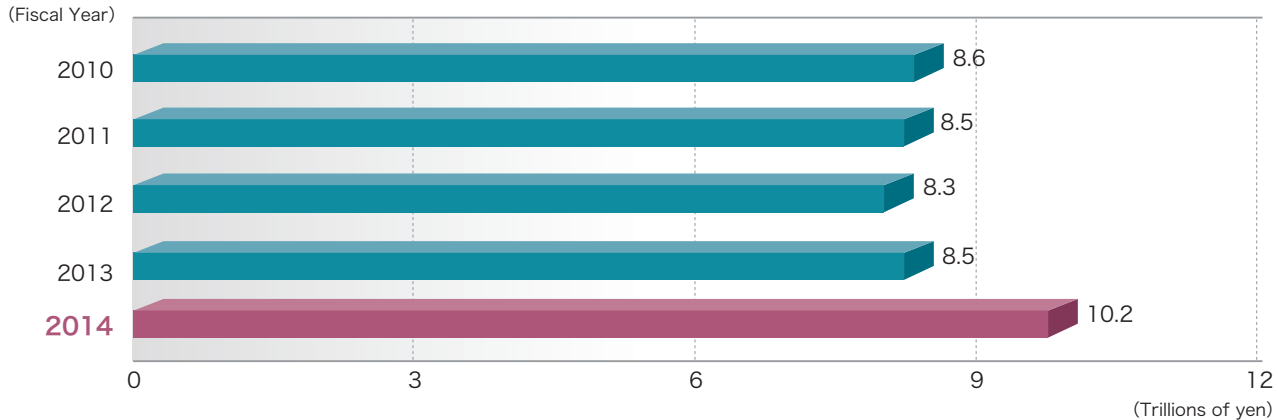


Note: The amount is based on cash.

(Billions of yen)

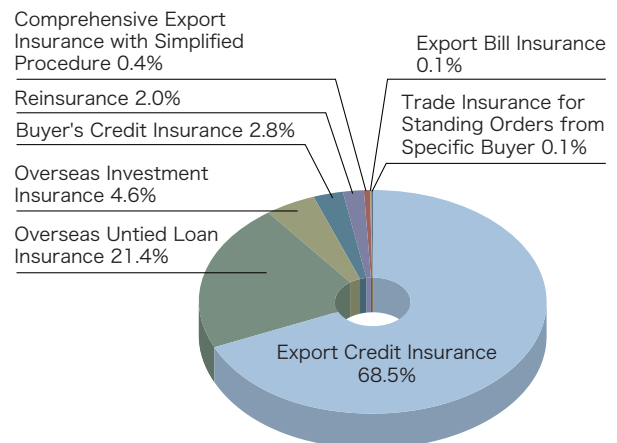
## Underwritten Amount

The total underwritten amount in FY2014 rose by 19.3% to about JPY 10.2 trillion compared to the previous fiscal year.



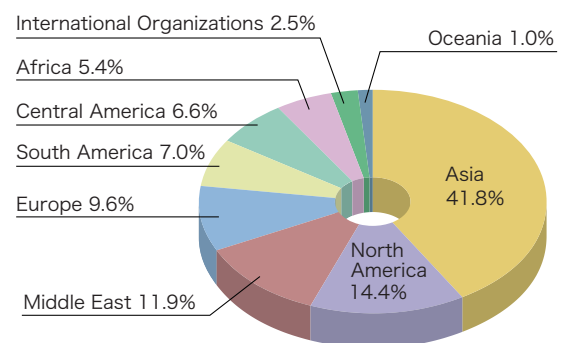
### Underwritten Amount by Insurance Type

Breaking down the amount by type of insurance, Export Credit Insurance was JPY 7.0 trillion, an increase by 1.7% compared to the previous fiscal year. Overseas Untied Loan Insurance increased by 207.8% yoy to JPY 2.2 trillion, mainly due to several large-scale projects underwritten during the fiscal year.



### Underwritten Amount by Region

By region, Asia continued to account for the largest portion of the total amount with 41.8% (about JPY 4.6 trillion), while North America accounted for 14.4% of the total amount with an increase by 369.8% over the previous fiscal year, against a backdrop of increased large-scale projects.



### Top Ten Countries and Regions of Underwritten Amount in FY2014

(Millions of yen)

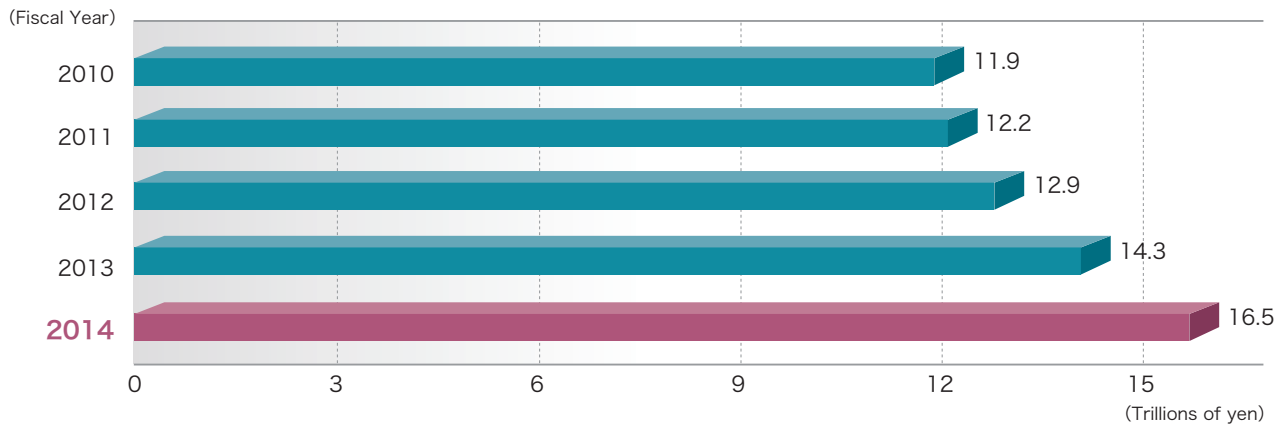
| Rank | Country/Region | Underwritten amount | Composition (%) |
|------|----------------|---------------------|-----------------|
| 1    | U.S.A.         | 1,455,458           | 13.4            |
| 2    | Saudi Arabia   | 648,458             | 6.0             |
| 3    | Indonesia      | 635,388             | 5.8             |
| 4    | China          | 576,876             | 5.3             |
| 5    | Brazil         | 518,710             | 4.8             |

(Millions of yen)

| Rank | Country/Region                      | Underwritten amount | Composition (%) |
|------|-------------------------------------|---------------------|-----------------|
| 6    | Thailand                            | 492,682             | 4.5             |
| 7    | Korea                               | 462,420             | 4.2             |
| 8    | Panama (flag of convenience vessel) | 366,377             | 3.4             |
| 9    | Vietnam                             | 361,394             | 3.3             |
| 10   | Malaysia                            | 345,279             | 3.2             |

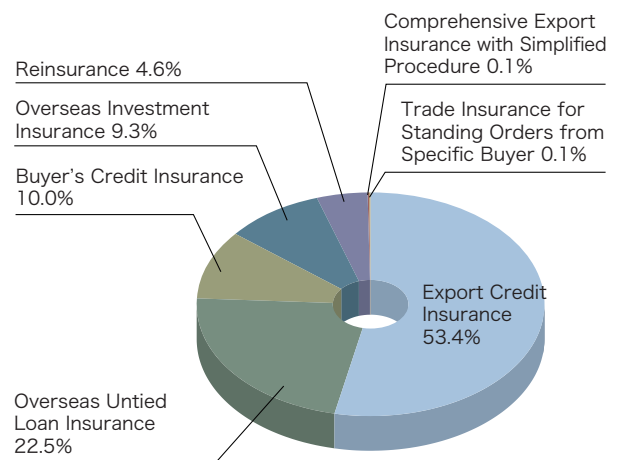
## Outstanding Commitment

The total outstanding commitment at the end of FY2014 increased by 14.9% from the previous fiscal year to approximately JPY 16.5 trillion.



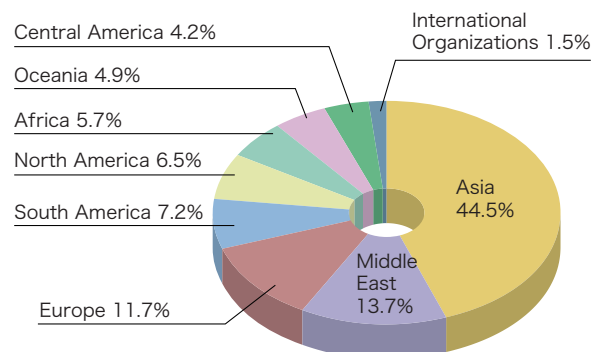
### Outstanding Commitment by Insurance Type

While the outstanding commitment for Export Credit Insurance increased by 3.4% from the previous fiscal year to approximately JPY 8.8 trillion, the outstanding commitment for Overseas Untied Loan Insurance increased by 42.5% from the previous fiscal year to approximately JPY 3.7 trillion, pushing up its share of the total amount.



### Outstanding Commitment by Region

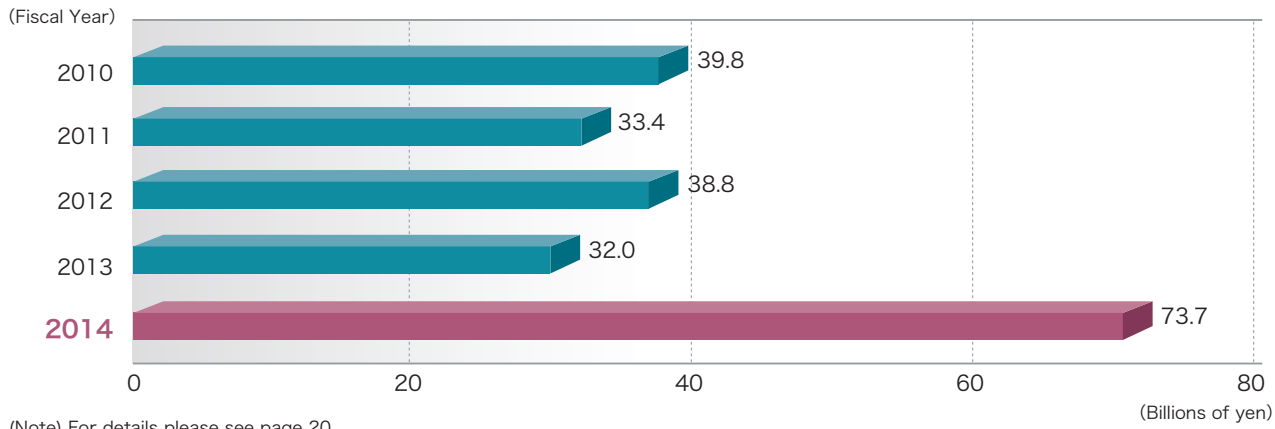
The outstanding commitment for Asia was the largest at approximately JPY 7.5 trillion or 44.5% of the total amount, followed by the Middle East at approximately JPY 2.3 trillion or 13.7%.





## Premium Income

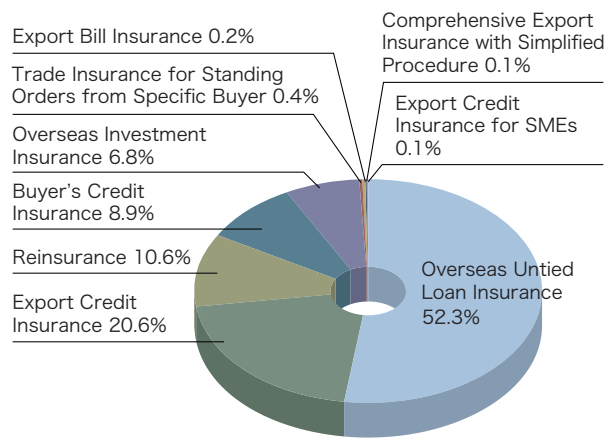
Premium income in FY2014 increased by 130.3% from the previous fiscal year to approximately JPY 73.7 billion.



(Note) For details please see page 20.

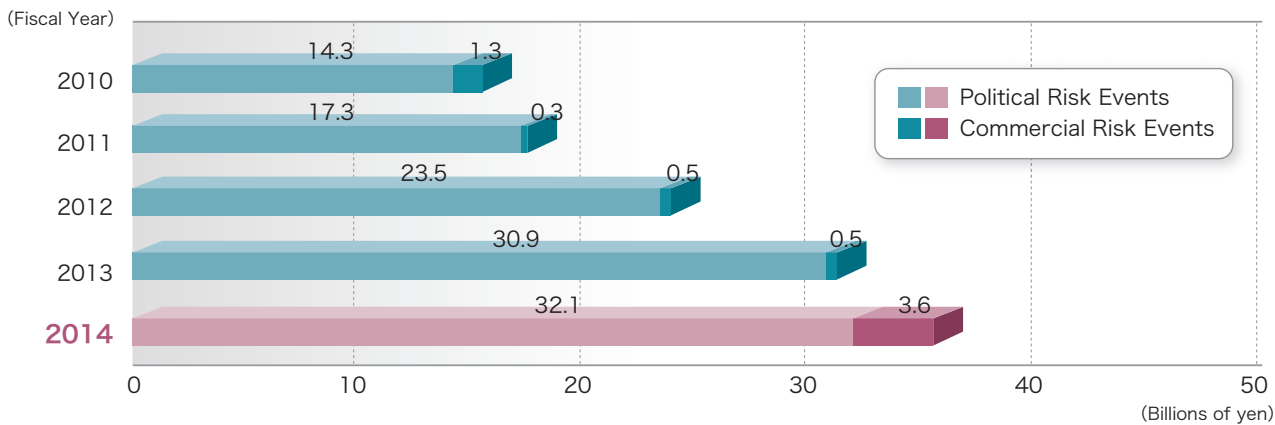
## Premium Income by Insurance Type

As with the case of the underwritten amount, on the back of new contracts for large-scale projects, premium income for Overseas Untied Loan Insurance for FY2014 increased by 533.7% from the previous fiscal year to approximately JPY 38.5 billion, accounting for the largest share at 52.3%, followed by Export Credit Insurance (approximately JPY 15.2 billion, up by 14.1% from the previous fiscal year) and Reinsurance (approximately JPY 7.8 billion, up by 107.9% from the previous fiscal year).



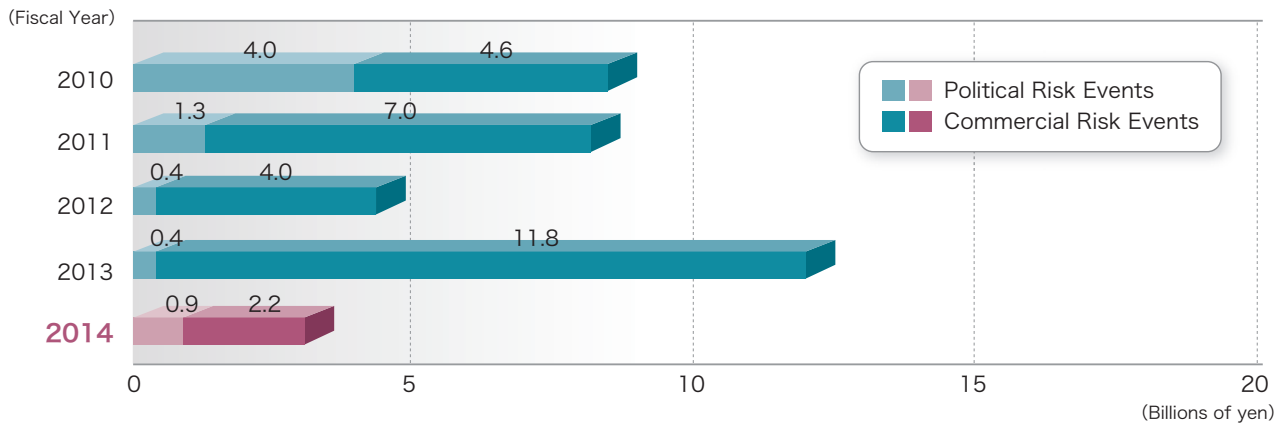
## Recoveries

The amount of recoveries in FY2014 was approximately JPY 35.7 billion (up by 13.8% from the previous fiscal year). Recoveries of claims associated with commercial risk events accounted for 10% of the total recoveries, with the remaining 90% associated with political risk events such as rescheduling.



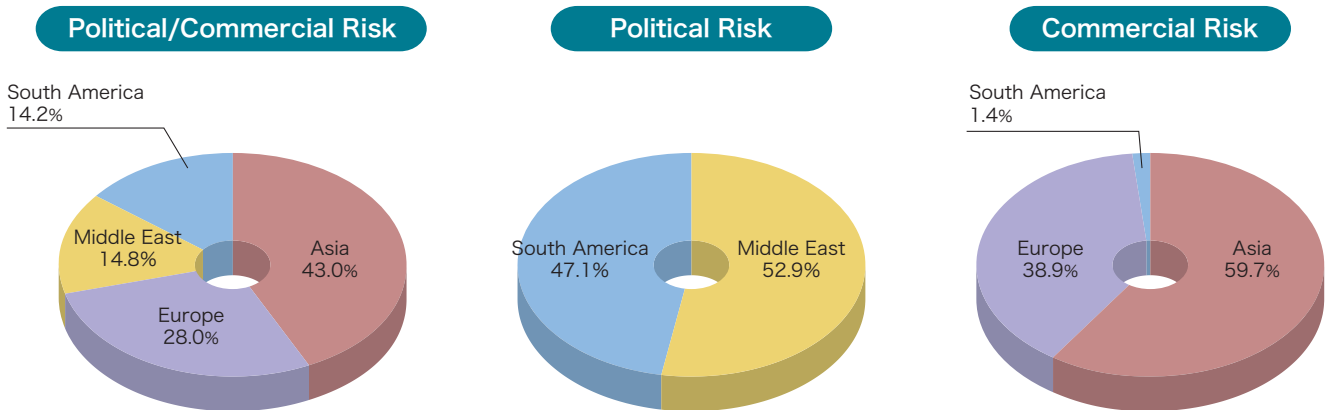
## Claims paid

Claims paid in FY2014 amounted to approximately JPY 3.1 billion (down by 74.6% from the previous fiscal year). There were no claims paid out with respect to large-scale projects.



## Insurance Claims Paid (by Region)

The amount of claims paid for Asia was the largest at approximately JPY 1.3 billion (43.0% of the total amount).



## Top Five Countries/Regions with the Largest Insurance Claims Paid

(Millions of yen)

|   | Country/Region | Total | Political Risk | Commercial Risk |
|---|----------------|-------|----------------|-----------------|
| 1 | Indonesia      | 1,138 | 0              | 1,138           |
| 2 | Ukraine        | 835   | 0              | 835             |
| 3 | Venezuela      | 408   | 408            | 0               |
| 4 | Iran           | 284   | 284            | 0               |
| 5 | Taiwan         | 178   | 0              | 178             |





## Insured Events in FY2014

(Based on the data as of May 15, 2015)

### ● Occurrence of Events by Risk – Year-on-Year Change –

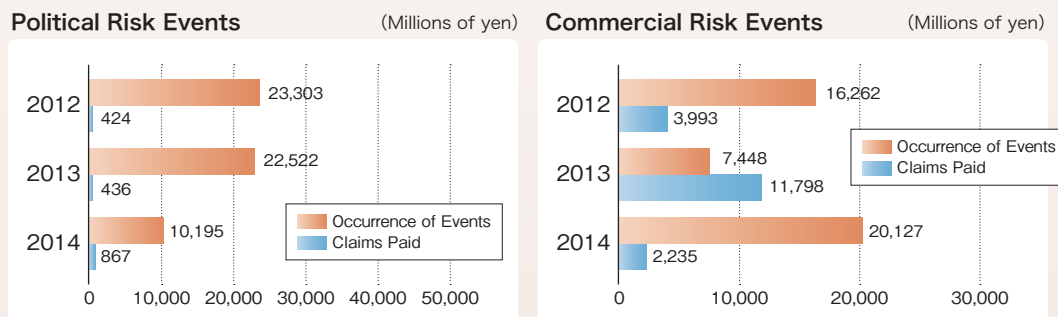
The reported losses related to political and commercial risk events in FY2014 collectively totaled JPY 30.3 billion. Fewer political risk events occurred than in the previous year, reflecting the decline in the number of occurrences of insured events in South America, while reported commercial risk events rose in value year-on-year as a result of factors including public buyers' procedural delays and private buyers' deteriorating cash flows.

Claim payments in FY2014 amounted to JPY 3.1 billion. While claims paid with respect to political risk events increased year-on-year, total claims paid decreased year-on-year as there were no insurance claims made related to commercial risk events of large-scale projects.

(Millions of yen)

|                      | Type of Risks          | FY2012 | FY2013 | FY2014 | Year-on-Year Change (%) |
|----------------------|------------------------|--------|--------|--------|-------------------------|
| Occurrence of Events | Political Risk Events  | 23,303 | 22,522 | 10,195 | 45.3%                   |
|                      | Commercial Risk Events | 16,262 | 7,448  | 20,127 | 270.2%                  |
|                      | Amount Total           | 39,565 | 29,970 | 30,322 | 101.2%                  |
| Claims Paid          | Political Risk Events  | 424    | 436    | 867    | 198.9%                  |
|                      | Commercial Risk Events | 3,993  | 11,798 | 2,235  | 18.9%                   |
|                      | Amount Total           | 4,416  | 12,234 | 3,102  | 25.4%                   |

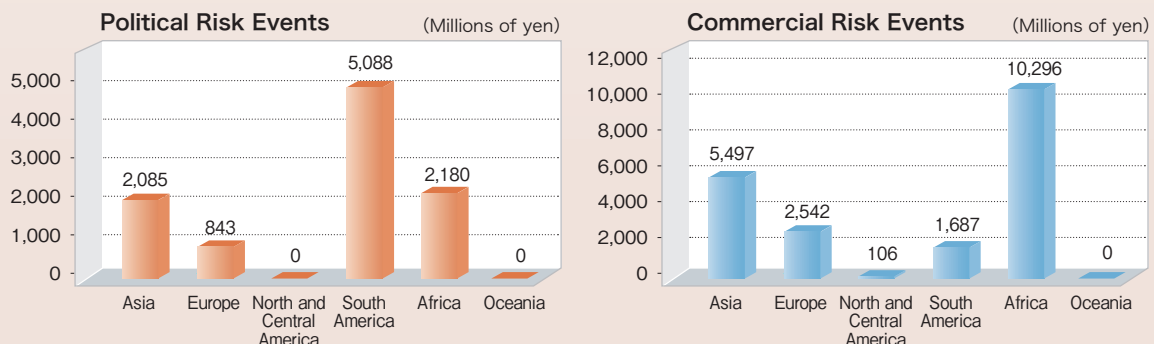
### Occurrence of Events and Claims Paid (FY2012 - FY2014)



### ● Occurrence of Events by Region

Of all insured political risk events, 50% occurred in South America and the remaining 50% occurred in Africa and Asia (including the Middle East). These events were mainly associated with “delays in foreign currency remittances caused in the paying country” in South America as well as in Africa and “economic sanctions” in Asia (including the Middle East).

### Occurrence of Events by Region (FY2014)





# 2014 Business Overview



## Revising the NEXI insurance scheme

### First revision of Trade and Investment Insurance Act since NEXI's establishment

In June 2014, the Trade and Investment Insurance Act was revised for the first time since the establishment of NEXI, which came into force in October 2014. The last revision was 14 years ago.

With Japanese businesses facing increased risks in overseas markets such as terrorism, the revision has enabled NEXI's insurance to cover the additional costs incurred in the overseas projects, such as cost incurred additionally by a Japanese contractor in their stopped plant project due to terrorism or war. The new Act also allows NEXI to support business operations of overseas subsidiaries of Japanese companies by covering risks associated with their transactions in their operating country or other countries. In addition, NEXI under the new Act can support foreign banks' loans and short-term funds to ensure smooth funding for overseas projects involving Japanese companies.

These strengthened functions have developed an environment where NEXI can support various international activities of Japanese companies.



PNG upstream gas and condensate development project



## Supporting the strategic priority sectors

### Support to overseas infrastructure development

Under the "Strategy for Exporting Infrastructure Systems" developed in May 2013 and revised in June 2014 by the Ministerial Meeting on Strategy relating to Infrastructure Export and Economic Cooperation, the Japanese government jointly works with the private sector for diversified business developments by capturing the world's infrastructure demand, aiming for strong Japanese economic growth. NEXI's support for the infrastructure exports under this strategy includes the Intercity Express Programme in the UK and the digital terrestrial TV network project in Uzbekistan.

### Helping secure a stable supply of natural resources and energy

For Japan, a stable supply of mineral and energy resources continues to be an important policy. In FY2014, NEXI provided loan insurance for Cameron's LNG project, the first successful financing for a US shale gas LNG project invested in by Japanese companies. NEXI also provided Overseas Investment Insurance for the acquisition of stakes in PNG gas and condensate fields and investment for the development. NEXI is active in supporting the projects contributing to a stable resources supply to Japan and overseas business development of Japanese companies.

### Support for agricultural sector

NEXI is strengthening the support for the financing and investment in overseas agriculture and promoting agricultural exports to assure food security and make agriculture a growth industry. In FY2014, NEXI provided insurance for a loan used for agricultural development by Amaggi, Brazil's largest grain producer and distributor of soybeans and corn which are important grains in terms of food security. For NEXI, it was the first insurance coverage of agriculture financing to support a stable food supply.

### Support for aircraft sector

NEXI is continuing its active support for international joint development projects of Boeing aircraft in which Japanese manufacturers are participating. In FY2014, NEXI provided reinsurance for financing of sales projects for 57 Boeing aircraft, supporting exports of aircraft components manufactured by Japanese heavy industrial manufacturers.

### Support for ship sector

Since the financial crisis in 2008, the situation had been difficult for Japanese shipbuilders to obtain financing. During the FY2014, however, the number of ships covered by NEXI insurance was on an increase, with 31 ships including two ships financed through the local buyer's credit, thanks to an improved competitive environment due to yen depreciation and increased replacement demand for fuel-efficient ships. NEXI will continue to actively provide support.



### Strengthening support for Japanese businesses in emerging markets

NEXI is continuing to support Japanese business activities in high-risk emerging markets. At the end of 2014, NEXI created a new insurance program called African Sustainable Export and Investment Support Insurance (ASIST) to promote investment and loans that support infrastructure development in Africa, which is one of the pillars of TICAD V. ASIST is expected to help increase Japanese investment and loans for African projects. During this fiscal year, NEXI also provided Overseas Untied Loan Insurance to support a project of the Safi high-efficiency coal-fired power plant which uses the ultra-supercritical pressure technologies for the first time in Africa. NEXI's coverage for this project is significant in providing support to meet the increased demand for infrastructure development in Africa.

### Berne Union meetings

The Berne Union (the International Union of Credit and Investment Insurers) is a forum where ECAs, international organizations, and private insurers around the world discuss common issues related to export credit insurance and investment insurance from a technical viewpoint. Since the first meeting in 1934 in Berne, Switzerland, the membership has grown to 49 institutions in total as of April 2015.

In 2014, the spring meeting was held in May and the autumn meeting in October, both in London. The autumn meeting was held jointly with the Berne Union Prague Club, a network for new and maturing insurers of export credit and investment (37 members).

### Enhancing ties with overseas organizations

#### Reinsurance agreement with Coface

NEXI signed a reinsurance agreement with Coface, the French private credit insurance company, in April 2014. The cooperative scheme established under the agreement handles transactions in 96 countries, which enables NEXI to offer the capacity to provide coverage in most of the countries where Japanese companies operate with affiliates.

### Bilateral meetings

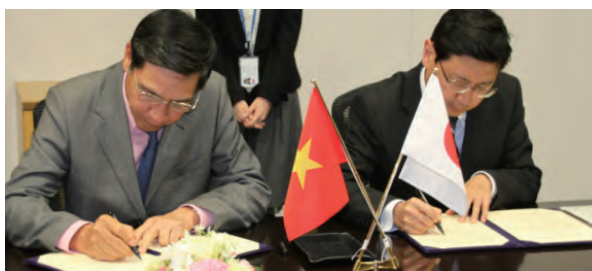
NEXI holds regular bilateral meetings with ECAs and government officials of Austria, France, Germany and Korea to exchange valuable information and honest views on a wide variety of topics such as international financial situations and each country's activities. The meetings have helped NEXI further strengthen these relations and keep on top of the trends of the ECA activities. NEXI also has regular meetings with each Asian ECA to share information.

#### MOU with the MOF of Vietnam

In December 2014, NEXI signed a Memorandum of Understanding on Cooperation with the Ministry of Finance of Vietnam to establish a long-term, mutually beneficial relationship. The MOU is expected to enhance business opportunities including infrastructure development that is in high demand in Vietnam, and further friendship and partnership between the two countries.



Scene from a Korean-Japanese bilateral meeting



Signing ceremony with MOF of Vietnam

### G12 meeting

The annual 2014 meeting held in Berlin was a G12 meeting as Korea participated in the meeting of G11 (Brazil, Canada, China, France, Germany, Italy, India, Japan, Russia, UK and USA). Government officials and ECA representatives of these countries gathered to discuss the global economic situation and trade insurance trends including the OECD Export Credits Arrangement.



## Supporting SMEs' Overseas Business Developments

### Dissemination of Trade Insurance

In FY2014, NEXI proactively promoted the use of trade insurance. As part of initiatives to enhance name and product recognition, we redesigned our SME user web pages in August 2014, advertised NEXI in national newspapers for the first time in March 2015 and appeared in TV news broadcasting.



SME User Web Home Page

### Insurance Products and Services for Export Support

On the back of improvements in the export environment, NEXI placed a strong emphasis on promoting wider use of "Export Credit Insurance for SMEs," NEXI's flagship product for SME users, resulting in a huge increase in the number of transactions by approximately 30% year-on-year to 910 transactions. In addition, NEXI continued to provide a free buyer credit check service for SME users. Many SMEs are enjoying the benefits from the service.

To further facilitate the SMEs' use of trade insurance, NEXI expanded the service to 8 free buyer credit checks (effective April 2015). Also, system development work is underway towards the launch of online insurance procedures in FY2015.

### Products and Services for SMEs' Overseas Businesses

In order to further strengthen SME support, in October 2014, NEXI reviewed its product, "Overseas Investment Insurance," which covers the risks associated with construction of plants and equity investments.

Furthermore, NEXI continues to actively make use of "New Trade Credit Insurance (NTCI)" (NEXI's inwards reinsurance) available in the three regions of Hong Kong, Singapore and Thailand. This is a sort of fronting scheme under which NEXI provides coverage through the overseas subsidiaries of Japanese insurers in these regions to support Japanese SMEs' overseas subsidiaries who export goods to a third country and sell them locally.

### Enhancement of support systems for SMEs

In FY2014, NEXI's "support network for SMEs' overseas business development," which was launched in FY2011, welcomed new members of 6 regional banks and 22 Shinkins (credit associations). Currently, NEXI is in business alliances and cooperative partnerships with 77 financial institutions in total.

In February 2015, NEXI held a support network meeting to hear thoughts and opinions from users as well as to provide an opportunity for the member institutions to share information and experiences among themselves.



Scene from a Support Network Meeting for SMEs

NEXI continues to offer consultation services, in cooperation with the network, government-affiliated financial institutions such as Japan Finance Corporation (JFC), the Japan External Trade Organization (JETRO), Organization for Small & Medium Enterprises and Regional Innovation, Japan (SMJR) as well as export support organizations such as local Chambers of Commerce. Issues like risk management practices, including how to hedge against the risks associated with exports and overseas investments, can be discussed in the consultations.

NEXI will continue to be committed to better serving SMEs by enhancing its products, services and support system and raising awareness of and understanding of trade insurance among them, so that NEXI can assist their overseas business developments with prompt and excellent services.



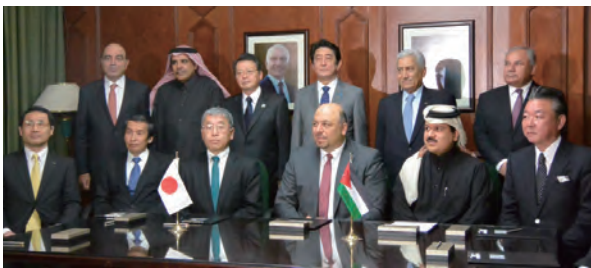


## Promoting Social and Environmental Sustainability

### Trade and Investment Insurance for Preventing Global Warming

The Trade and Investment Insurance for Preventing Global Warming scheme was established in 2008 with the purpose of assisting transfers of Japan's energy-saving and new energy technologies as well as exports of equipment to help reduce greenhouse gas emissions. If special clauses of Trade and Investment Insurance for Preventing Global Warming are added, political risks are 100% covered. In FY2014, NEXI provided coverage for Shams Ma'an Solar Photovoltaic Project in Jordan under the Trade and Investment Insurance for Preventing Global Warming scheme.

The signing ceremony took place in the presence of Prime Minister Shinzo Abe as his visit to the Middle East coincided with the financing arrangements.



Scene from the Signing Ceremony

### Guidelines for Environmental and Social Considerations



Scene from On-site Visit to a Construction Site

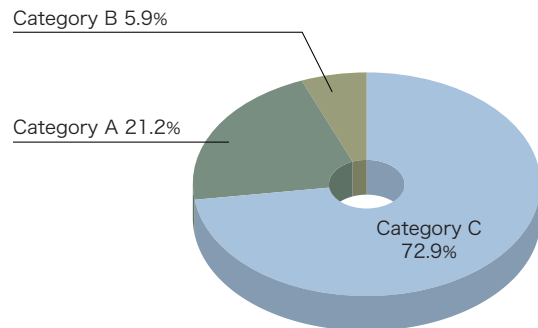
NEXI established "Guidelines on the Environmental and Social Considerations in Trade Insurance" to fulfill its social responsibilities to address environmental issues. In accordance with the guidelines, NEXI makes sure that project companies give appropriate environmental and social considerations to projects to be covered by NEXI.

In FY2014, environmental reviews (including on-site

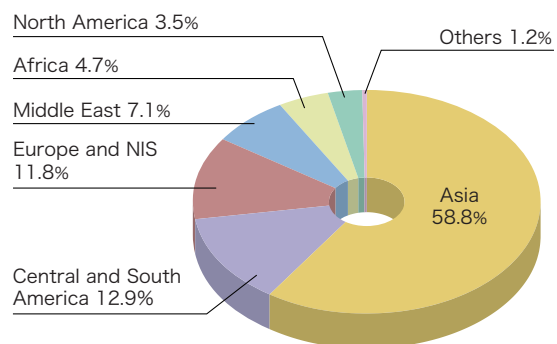
visits) were undertaken for 85 projects subject to screening. In the reviews, projects are classified into three categories based on their potential impact on the environment (i.e., Category A, B, or C in descending order of the intensity of environmental impact) using Screening Forms submitted by exporters and other entities. For example, if a project is classified as Category A, an on-site visit is usually conducted.

Since December 2013, public consultation meetings had been held for the revision of the guidelines, attended by industrial associations, private companies, NGOs and other concerned parties. Taking into account their public comments on the draft revision (November and December 2014), NEXI revised the guidelines in January 2015. The meetings were co-hosted with the Japan Bank for International Cooperation (JBIC) whose environmental guidelines are similar to NEXI's. NEXI will continue to implement appropriate monitoring of projects in accordance with Guidelines on the Environmental and Social Considerations in Trade Insurance.

#### Screening results in FY2014 by category



#### Screening results in FY2014 by region



※The Middle East includes Turkey. Central and South America includes Mexico. Europe and NIS includes Russia and Central Asia.



# Underwritten Projects

## Oil & Gas

### NEXI's support to the US Shale Gas LNG Projects

During the fiscal year 2014, NEXI supported a couple of projects leading to US LNG export to Japan.

Cameron LNG, LLC (Cameron), owned by a joint venture among Japanese investors, including Mitsui & Co., Ltd., Mitsubishi Corporation and Nippon Yusen Kabushiki Kaisha, a U.S. major energy company, Sempra Energy, and a French global energy company, GDF SUEZ S.A., started a project to construct and operate new natural gas liquefaction facilities in Hackberry, Louisiana, U.S.A., with a production capacity of 12 million tons per annum.

For this project, Cameron raised funds of about USD 7.4 billion in total through project financing, and NEXI provided Overseas Untied Loan Insurance for 15 Japanese commercial lenders that agreed to offer USD 2 billion, including Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank, Ltd. and two regional banks (The Chiba Bank, Ltd and The Shizuoka Bank, Ltd).

It was the first successful financing for a US shale gas LNG project invested and supported by Japanese companies. Also NEXI supported financing for a US LNG project for the first time.



Photograph courtesy of Cameron LNG LLC

FLNG Liquefaction, LLC (FLIQ1), a company jointly invested by Chubu Electric Power Co., Inc. (Chubu Electric), Osaka Gas Co., Ltd. (Osaka Gas), and Freeport LNG Expansion, L.P. (Freeport LNG), launched a construction and operation project of one natural gas liquefaction train in Texas, U.S.A., with an original contracted liquefaction capacity of 4.4 million tons of LNG per annum. The project is part of a total three train LNG project being developed by Freeport LNG and now under construction.

For the investments made by Chubu Electric and Osaka Gas, NEXI provided Overseas Investment Insurance which includes a special condition for risk of legitimate policy changes to cover risk against bankruptcy caused by the revocation of the LNG export authorization by the US Department of Energy (revocation risk). It was a first coverage by NEXI against a legitimate policy change risk.

For this project, FLIQ1 planned to raise funds totaling USD 3.85 billion through project financing, and NEXI provided Overseas Untied Loan Insurance for loans (USD 1.15 billion) offered by Japanese commercial banks including The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, and Mizuho Bank, Ltd.



Photograph courtesy of Freeport LNG

As these projects enable the supply of U.S. LNG to which Japan previously had no access, they contribute to securing a stable and diversified energy supply to Japan.

### India / Export of Petrochemical Plant Equipment

Reliance Industries Limited (Reliance), a major Indian oil refinery and petrochemical company, is upgrading its oil refinery and expanding its petrochemical facilities at Jamnagar, Dahej, Hazira and Silvassa in the State of Gujarat in western India. More than 20 Japanese companies including SMEs are supplying equipment for the said expansion.

To facilitate Reliance's purchase of the Japanese equipment, Japan Bank for International Cooperation (JBIC) and Japanese commercial banks including The Bank of Tokyo-Mitsubishi UFJ, Ltd (agent) and Japanese regional banks provided a facility of USD 550 million to Reliance of which NEXI provided Buyer's Credit Insurance to cover the USD 220 million loans offered by the commercial banks.

With this support, NEXI's insurance helped the Japanese companies maintain and strengthen their international competitiveness. NEXI will continue to support Japanese exports through its insurance for loans.

The insurance contract was entered into in May 2014.



Photograph courtesy of Reliance Industries Limited



## Kingdom of Morocco / Safi High Efficiency Coal-Fired Power Plant Project

Mitsui & Co., Ltd. (Mitsui) launched an ultra-supercritical coal-fired power plant project with total capacity of 1,386MW (693MW x 2 units) in cooperation with Electrabel S.A. (a Belgian subsidiary of GDF Suez S.A. of France) and a Moroccan company Nareva Holding S.A. The plant will be built about 15 km south of Safi in the Kingdom of Morocco and the electricity generated by the project will be sold to Office National de l'Electricité et de l'Eau Potable, the national utility of Morocco, based on a long-term purchase agreement of thirty years.

The funds for the project are raised by the project company Safi Energy Company S.A. through project financing. NEXI provides Overseas Untied Loan Insurance regarding the funds of about EUR 373 million offered by BNP Paribas Tokyo Branch (arranger), The Bank of Tokyo-Mitsubishi UFJ, Ltd., Crédit Agricole Corporate and Investment Bank Tokyo Branch, Mizuho Bank, Ltd., Societe Generale Tokyo Branch, Standard Chartered Bank, Sumitomo Mitsui Banking Corporation, and Sumitomo Mitsui Trust Bank, Limited.

By using the first high-efficiency ultra-supercritical pressure technologies in Africa, the project builds a more efficient and environmentally friendly plant compared to other coal-fired power plants. Also it is the first time that NEXI has supported an ultra-supercritical-pressure thermal power project. After completion, the stable electricity supply from the plant is expected to contribute to the economic development in Morocco.

The insurance contract was entered into in October 2014.



Photograph courtesy of MITSUI & CO., LTD.

## Turkey / Geothermal Power Generation Equipment Export Project

Zorlu Jeothermal Enerji Elektrik Uretim A.S. (Zorlu Energy), a major power producer and supplier in Turkey, launched a project to construct a new 40MW geothermal power plant in Alasehir, western Turkey, under which Toshiba Corporation won a major order to supply key power generation equipment including geothermal turbines, generators and condensers.

To finance Zorlu Energy's equipment purchase from Toshiba, The Bank of Tokyo-Mitsubishi UFJ Co. Ltd. (BTMU) and the Japan Bank for International Cooperation (JBIC) provided a loan of USD 27.8 million through the Turkish bank, Yapi Kredi Bankasi A.S. (Yapi Kredi). NEXI provided Buyer's Credit Insurance for the loan of USD 11.1 million provided by BTMU.

It was a first insurance contract for NEXI under the export credit line offered to Yapi Kredi in November 2012 for deals in the sector of renewable energy and climate change mitigation.

NEXI's support for the Japanese export of geothermal power plant equipment leads to more business opportunities for Japanese companies in the global renewable energy sector and helps Japanese industry to continue to strengthen its international competitiveness.

The insurance contract was entered into in April 2014.



Photograph courtesy of Toshiba Corporation



## Myanmar / Thilawa Industrial Park Development Project

A consortium made up of Mitsubishi Corporation, Marubeni Corporation and Sumitomo Corporation agreed to undertake Thilawa Industrial Park Development Project (Class A Area) in Myanmar through MMS Thilawa Development Co. Ltd. ("MMSTD") established in Japan.

NEXI provided Overseas Investment Insurance for the investment (USD 14 million) made for the project by MMSTD.

MMSTD, the Thilawa SEZ Management Committee (the Government of Myanmar) and local enterprises jointly established Myanmar Japan Thilawa Development Ltd. ("MJTD") for the development, sales and operation of Class A Area (396 ha), the section of the Thilawa Special Economic Zone designated for initial development. The development of the industrial park equipped with high-quality infrastructure is underway, leveraging the expertise of Japanese companies.

The Japan International Cooperation Agency (JICA) signed a joint venture agreement for MJTD in April 2014, making it the first public-private partnership business between Japan and Myanmar.

The insurance contract was entered into in December 2014.



Photograph courtesy of MMS Thilawa Development Co. Ltd.

## Uzbekistan / Digital Terrestrial TV Network Development Project

The Government of Uzbekistan has decided to launch a project to shift domestic broadcasting to terrestrial digital broadcasting by 2017. Under this project, OGAWA SEIKI CO., LTD will export products such as terrestrial digital television transmitters manufactured by NEC Corporation to Uzimpexaloka LLC.

The Japan Bank for International Cooperation (JBIC) signed an export credit line agreement with the National Bank for Foreign Economic Activity of the Republic of Uzbekistan (NBU), which totals JPY 7.438 billion, to finance the purchase through NBU. JBIC co-finances the project with Sumitomo Mitsui Banking Corporation (SMBC) and NEXI has decided to provide Buyer's Credit Insurance to cover the loan (JPY 2.975 billion) provided by SMBC.

This project will contribute not only to developing a terrestrial digital broadcast network in Uzbekistan through financial support for exporting high-quality terrestrial digital television transmitters manufactured in Japan, but also to strengthening international competitiveness of Japanese companies. This is the first time in 14 years that NEXI provides insurance for a medium to long term project in Uzbekistan.

The commitment to enter into the insurance contract was issued in January 2015.



Photograph courtesy of NEC Corporation

## Brazil / Agricultural Development Project

AMAGGI EXPORTAÇÃO E IMPORTAÇÃO LTDA (Amaggi), Brazil's largest grain trader, signed a loan agreement of up to USD 200 million with Sumitomo Mitsui Banking Corporation (SMBC) to raise funds for improving commodity distribution systems and for working capital to purchase raw materials for farmers.

NEXI provided Overseas Untied Loan Insurance for SMBC's loan, for the first time for an agricultural project. The agreement on NEXI's support was signed between Amaggi, SMBC, and NEXI on August 1, 2014, on the sidelines of a meeting between Japanese Prime Minister Shinzo Abe and Brazilian President Dilma Rousseff.

Amaggi is Brazil's major producer and distributor of soybeans and corn that are important grains for Japan in terms of food security. Under the loan agreement between Amaggi and SMBC, Amaggi must export a certain amount of grains to Japan during the loan period, and make its best effort to export to Japan even in emergency situations. It will contribute to Japan's food supply stability and also stronger ties between Amaggi and Japanese companies.

The insurance contract was entered into in August 2014



Source: PM of Japan and his Cabinet Website



## Aircraft, Ships & Railways



### Australia / Export of Boeing 787 Aircraft to Qantas Airways Limited

NEXI agreed to provide US Eximbank with reinsurance in relation to the project under which the Boeing Company exported three Boeing 787-8 aircraft to Qantas Airways Limited, the largest airline in Australia. The Qantas Group's main business is the transportation of customers using two complementary airline brands - Qantas and Jetstar. NEXI's support is based on the Reinsurance Agreement with US Eximbank.

NEXI has supported 279 Boeing aircraft in total for 43 airlines since the Reinsurance Agreement was signed in 2004.

Japanese companies participated in the project from its development phase and Japanese technology is used in many parts of Boeing 787 aircraft, including its wings, fuselage, tires and cabin. NEXI will continue to support the exporting activities of the Japanese aircraft parts manufacturing industry through reinsurance in relation to the export of Boeing aircraft.

The reinsurance contract was entered into in July 2014.



Photograph courtesy of Boeing

### Germany / Export of Bulk Carriers to Oldendorff Carriers GmbH & Co. KG

Oldendorff Carriers GmbH & Co. KG, one of the major ship operators in Germany, purchased two 60,000 DWT bulk carriers built by Japan Marine United Corporation.

The Tokyo Branch of Deutsche Bank AG co-financed the purchase of these bulk carriers with the Japan Bank for International Cooperation (JBIC). NEXI agreed to provide Buyer's Credit Insurance for the portion financed by the Tokyo Branch of Deutsche Bank AG.

These bulk carriers are equipped with modern fuel saving devices, which make them very eco-friendly. As an official financial institution, NEXI will continue to actively support Japanese exporters through the use of diverse financial instruments.

The insurance contract was entered into in January 2015.



Photograph courtesy of Japan Marine United Corporation

### The United Kingdom / East Coast Main Line Project

Hitachi, Ltd. (Hitachi) signed, through its subsidiary in the UK, Agility Trains East Limited (Agility), an agreement in regard to the Intercity Express Programme. The Programme is an initiative of the Department for Transport (DfT) in the UK.

Under this project, full-scale replacement of the aging high speed diesel-powered fleets which started operating more than 30 years ago will be carried out. Hitachi will, through Agility, possess the rail cars, develop railway depots for maintenance and lease the trains maintained by Hitachi for approximately 30 years. NEXI provided Overseas Untied Loan Insurance to cover the loans extended to Agility by Japanese banks (The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Bank Ltd., Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Trust Bank, Limited). With the new Super Express Trains, the travel time between London and the eastern parts of the UK will be reduced. At the same time, by introducing bimodal trains with dual electric and diesel propulsion capabilities, they aim to reduce the environmental impacts.

Insurance for this project is provided as part of support for overseas deployment of integrated infrastructure systems which the Japanese government is pushing forward.

The insurance contract was entered into in May 2014.



Photograph courtesy of Hitachi, Ltd.



# Review of Performance



## Underwritten Amount

### Underwritten Amount by Insurance Type

(Millions of yen)

| Type of Insurance  | FY2010           | FY2011           | FY2012           | FY2013           | FY2014            | Composition (%) | Year-on-year change (%) |
|--|------------------|------------------|------------------|------------------|-------------------|-----------------|-------------------------|
| Export Credit Insurance                                  | 7,308,903        | 7,110,487        | 6,151,894        | 6,849,345        | 6,965,265         | 68.5            | 1.7                     |
| One year or less   | 3,498,241        | 3,321,146        | 3,451,195        | 3,855,361        | 3,855,510         | 37.9            | 0.0                     |
| More than one year                                       | 3,810,662        | 3,789,341        | 2,700,699        | 2,993,984        | 3,109,755         | 30.6            | 3.9                     |
| Buyer's Credit Insurance                                 | 239,764          | 343,996          | 123,290          | 193,845          | 286,390           | 2.8             | 47.7                    |
| Export Bill Insurance                                    | 20,199           | 16,549           | 12,295           | 14,153           | 12,008            | 0.1             | (15.2)                  |
| Export Bond Insurance                                    | 0                | 0                | 0                | 0                | 0                 | 0.0             | —                       |
| Prepayment Import Insurance                              | 0                | 254              | 1                | 5                | 84                | 0.0             | 1631.7                  |
| Overseas Investment Insurance                            | 219,229          | 440,367          | 530,106          | 611,679          | 471,487           | 4.6             | (22.9)                  |
| Overseas Untied Loan Insurance                           | 741,082          | 549,068          | 1,369,370        | 706,030          | 2,173,094         | 21.4            | 207.8                   |
| Trade Insurance for Standing Orders from Specific Buyer  | 11,761           | 10,311           | 9,331            | 7,420            | 8,134             | 0.1             | 9.6                     |
| Export Credit Insurance for SMEs                         | 624              | 567              | 1,304            | 2,740            | 4,332             | 0.0             | 58.1                    |
| Comprehensive Export Insurance with Simplified Procedure | 1,392            | 14,340           | 19,162           | 23,589           | 37,173            | 0.4             | 57.6                    |
| Reinsurance  | 39,998           | 51,834           | 83,311           | 108,365          | 207,007           | 2.0             | 91.0                    |
| <b>Total</b>   | <b>8,582,951</b> | <b>8,537,772</b> | <b>8,300,064</b> | <b>8,517,171</b> | <b>10,164,974</b> | <b>100.0</b>    | <b>19.3</b>             |

(Note 1) The underwritten amount is based on the amount as at the signing date of an insurance contract. The total is based on the actual underwritten amount calculated by applying the exchange rate of the insurance contract date, not insured amount based on the insurance option for transactions in foreign currency. (The same applies to the table below.)

(Note 2) In accordance with the BU rules, export credit insurance with credit terms of more than one year includes figures on insurance for capital goods, even if the credit period is one year or shorter. (The same applies hereafter.)

(Note 3) The floating interest coverage option in Buyer's Credit Insurance and Overseas Untied Loan Insurance is evaluated with an amount calculated using the maximum rate (20% per annum). (The same applies to the table below.)

### Underwritten Amount by Region

(Millions of yen)

| Region                      | FY2010    | FY2011    | FY2012    | FY2013    | FY2014    | Composition (%) | Year-on-year change (%) |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------------|-------------------------|
| Asia                        | 4,506,009 | 4,381,676 | 4,003,749 | 4,694,526 | 4,550,431 | 41.8            | (3.1)                   |
| Middle East                 | 711,115   | 947,276   | 591,102   | 926,125   | 1,294,219 | 11.9            | 39.7                    |
| Europe                      | 965,790   | 895,278   | 795,756   | 1,029,919 | 1,040,255 | 9.6             | 1.0                     |
| North America               | 302,121   | 261,013   | 293,729   | 332,822   | 1,563,728 | 14.4            | 369.8                   |
| Central America             | 1,065,227 | 1,086,265 | 903,421   | 733,386   | 714,656   | 6.6             | (2.6)                   |
| South America               | 601,494   | 825,627   | 883,707   | 569,857   | 762,599   | 7.0             | 33.8                    |
| Africa                      | 469,999   | 479,742   | 447,219   | 494,062   | 588,410   | 5.4             | 19.1                    |
| Oceania                     | 580,589   | 148,645   | 833,730   | 259,023   | 107,481   | 1.0             | (58.5)                  |
| International Organizations | 160,254   | 116,006   | 167,972   | 155,064   | 266,871   | 2.5             | 72.1                    |

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

(Note 2) The amount includes transactions that are doubly computed, i.e. for both pre-shipment (country of the consignee) and post-shipment (country of the payer).

(Note 3) The amount is classified in International Organizations instead of regions when guaranteed by an international organization.

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

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

## Outstanding Commitment (As of fiscal year end)

### Outstanding Commitment by Insurance Type

(Millions of yen)

| Type of Insurance  | FY2010            | FY2011            | FY2012            | FY2013            | FY2014            | Composition (%) | Year-on-year change (%) |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------|-------------------------|
| Export Credit Insurance                                  | 8,184,301         | 8,099,696         | 8,167,551         | 8,495,228         | 8,787,636         | 53.4            | 3.4                     |
| One year or less   | 2,601,992         | 2,337,812         | 3,097,421         | 3,569,810         | 3,750,003         | 22.8            | 5.0                     |
| More than one year                                       | 5,582,309         | 5,761,884         | 5,070,130         | 4,925,418         | 5,037,633         | 30.6            | 2.3                     |
| Buyer's Credit Insurance                                 | 577,707           | 832,267           | 1,032,720         | 1,320,215         | 1,652,424         | 10.0            | 25.2                    |
| Export Bill Insurance                                    | 5,137             | 3,323             | 3,336             | 3,810             | 3,628             | 0.0             | (4.8)                   |
| Export Bond Insurance                                    | 0                 | 0                 | 0                 | 0                 | 0                 | 0.0             | —                       |
| Prepayment Import Insurance                              | 0                 | 0                 | 0                 | 0                 | 82                | 0.0             | —                       |
| Overseas Investment Insurance                            | 776,508           | 944,798           | 1,117,154         | 1,399,630         | 1,532,427         | 9.3             | 9.5                     |
| Overseas Untied Loan Insurance                           | 2,155,666         | 2,129,124         | 2,241,104         | 2,600,398         | 3,706,172         | 22.5            | 42.5                    |
| Trade Insurance for Standing Orders from Specific Buyer  | 16,226            | 15,147            | 15,340            | 12,172            | 10,718            | 0.1             | (11.9)                  |
| Export Credit Insurance for SMEs                         | 168               | 145               | 499               | 978               | 1,638             | 0.0             | 67.5                    |
| Comprehensive Export Insurance with Simplified Procedure | 1,332             | 5,830             | 5,959             | 8,671             | 15,283            | 0.1             | 76.3                    |
| Reinsurance  | 174,558           | 219,207           | 330,785           | 481,361           | 753,112           | 4.6             | 56.5                    |
| <b>Total</b>   | <b>11,891,603</b> | <b>12,249,536</b> | <b>12,914,446</b> | <b>14,322,464</b> | <b>16,463,122</b> | <b>100.0</b>    | <b>14.9</b>             |

(Note 1) The total amount is calculated based on the actual insured amount by using the exchange rate as at each fiscal year-end (including the outstanding amount underwritten in previous years), not insured amount based on the insurance option for transactions in foreign currency. (The same applies to the table below.)

(Note 2) The floating interest coverage option of Buyer's Credit Insurance is evaluated with an amount calculated using the maximum rate (20% per annum). (The same applies to the table below.)

### Outstanding Commitment by Region

(Millions of yen)

| Region                      | FY2010    | FY2011    | FY2012    | FY2013    | FY2014    | Composition (%) | Year-on-year change (%) |
|-----------------------------|-----------|-----------|-----------|-----------|-----------|-----------------|-------------------------|
| Asia                        | 4,826,289 | 5,223,394 | 5,591,707 | 6,603,603 | 7,522,859 | 44.5            | 13.9                    |
| Middle East                 | 2,096,943 | 1,919,569 | 1,852,988 | 1,889,077 | 2,322,733 | 13.7            | 23.0                    |
| Europe                      | 1,361,156 | 1,563,996 | 1,778,936 | 1,869,743 | 1,978,460 | 11.7            | 5.8                     |
| North America               | 840,569   | 651,853   | 375,726   | 474,068   | 1,102,231 | 6.5             | 132.5                   |
| Central America             | 754,325   | 698,215   | 620,925   | 642,637   | 710,345   | 4.2             | 10.5                    |
| South America               | 675,266   | 824,239   | 1,050,016 | 1,059,399 | 1,215,882 | 7.2             | 14.8                    |
| Africa                      | 864,959   | 890,361   | 788,076   | 815,499   | 969,552   | 5.7             | 18.9                    |
| Oceania                     | 744,995   | 774,131   | 1,092,066 | 1,198,756 | 834,769   | 4.9             | (30.4)                  |
| International Organizations | 227,419   | 218,854   | 202,893   | 246,227   | 247,975   | 1.5             | 0.7                     |

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

(Note 2) The amount includes transactions that are doubly computed, i.e. for both pre-shipment (country of the consignee) and post-shipment (country of the payer).

(Note 3) The amount is classified in International Organizations instead of regions when guaranteed by an international organization.

## Premium Income

### Premium Income by Insurance Type

(Millions of yen)

| Type of Insurance  | FY2010        | FY2011        | FY2012        | FY2013        | FY2014        | Composition (%) | Year-on-year change (%) |
|--|---------------|---------------|---------------|---------------|---------------|-----------------|-------------------------|
| Export Credit Insurance                                  | 15,157        | 14,074        | 11,943        | 13,315        | 15,188        | 20.6            | 14.1                    |
| One year or less   | 5,754         | 5,462         | 5,025         | 5,612         | 6,247         | 8.5             | 11.3                    |
| More than one year                                       | 9,403         | 8,611         | 6,918         | 7,703         | 8,941         | 12.1            | 16.1                    |
| Buyer's Credit Insurance                                 | 6,869         | 3,953         | 1,524         | 3,899         | 6,586         | 8.9             | 68.9                    |
| Export Bill Insurance                                    | 185           | 146           | 111           | 132           | 111           | 0.2             | (16.2)                  |
| Export Bond Insurance                                    | 0             | 0             | 0             | 0             | 0             | 0.0             | —                       |
| Prepayment Import Insurance                              | 0             | 0             | 0             | 0             | 0             | 0.0             | 6,565.2                 |
| Overseas Investment Insurance                            | 2,595         | 3,177         | 3,718         | 4,471         | 5,035         | 6.8             | 12.6                    |
| Overseas Untied Loan Insurance                           | 13,477        | 10,065        | 17,924        | 6,078         | 38,514        | 52.3            | 533.7                   |
| Trade Insurance for Standing Orders from Specific Buyer  | 399           | 391           | 321           | 263           | 281           | 0.4             | 6.8                     |
| Export Credit Insurance for SMEs                         | 6             | 6             | 12            | 24            | 39            | 0.1             | 62.2                    |
| Comprehensive Export Insurance with Simplified Procedure | 6             | 38            | 38            | 43            | 85            | 0.1             | 99.6                    |
| Reinsurance  | 1,064         | 1,528         | 3,207         | 3,771         | 7,840         | 10.6            | 107.9                   |
| <b>Total</b>   | <b>39,757</b> | <b>33,378</b> | <b>38,797</b> | <b>31,994</b> | <b>73,679</b> | <b>100.0</b>    | <b>130.3</b>            |

(Note) Unlike the underwritten amount that is based on the insurance contract date, the premium income is recorded at the start of the insurer's obligation period. The premium income and underwritten amount could be recorded in different fiscal years.

## Insurance Claims Paid

### Insurance Claims Paid (by Insurance Type and by Risk)

(Millions of yen)

| Type of Insurance  | FY2010       |              | FY2011       |              | FY2012       |              | FY2013       |            | FY2014       |               |            | Composition (%) | Year-on-year change (%) |            |              |              |               |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|---------------|------------|-----------------|-------------------------|------------|--------------|--------------|---------------|
|  | Political    | Commercial   | Political    | Commercial   | Political    | Commercial   | Political    | Commercial | Political    | Commercial    |            |                 |                         |            |              |              |               |
| Export Credit Insurance                                  | 7,346        | 3,972        | 3,375        | 7,157        | 1,342        | 5,815        | 3,079        | 424        | 2,655        | 9,675         | 0          | 9,675           | 2,709                   | 582        | 2,127        | 87.3         | (72.0)        |
| Buyer's Credit Insurance                                 | 1,209        | 0            | 1,209        | 1,165        | 0            | 1,165        | 1,165        | 0          | 1,165        | 1,723         | 0          | 1,723           | 0                       | 0          | 0            | 0.0          | —             |
| Export Bill Insurance                                    | 16           | 0            | 16           | 34           | 0            | 34           | 3            | 0          | 3            | 14            | 0          | 14              | 0                       | 0          | 0            | 0.0          | —             |
| Export Bond Insurance                                    | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0          | 0            | 0             | 0          | 0               | 0                       | 0          | 0            | 0.0          | —             |
| Prepayment Import Insurance                              | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0          | 0            | 0             | 0          | 0               | 0                       | 0          | 0            | 0.0          | —             |
| Overseas Investment Insurance                            | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0          | 0            | 0             | 0          | 0               | 0                       | 0          | 0            | 0.0          | —             |
| Overseas Untied Loan Insurance                           | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0          | 0            | 0             | 0          | 0               | 0                       | 0          | 0            | 0.0          | —             |
| Trade Insurance for Standing Orders from Specific Buyer  | 1            | 0            | 1            | 0            | 0            | 0            | 168          | 0          | 168          | 368           | 0          | 368             | 99                      | 0          | 99           | 3.2          | (73.1)        |
| Export Credit Insurance for SMEs                         | 2            | 0            | 2            | 3            | 0            | 3            | 2            | 0          | 2            | 0             | 0          | 0               | 1                       | 0          | 1            | 0.0          | —             |
| Comprehensive Export Insurance with Simplified Procedure | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0          | 0            | 17            | 0          | 17              | 8                       | 0          | 8            | 0.3          | (53.0)        |
| Reinsurance  | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0          | 0            | 436           | 436        | 0               | 285                     | 285        | 0            | 9.2          | (34.8)        |
| <b>Total</b>   | <b>8,574</b> | <b>3,972</b> | <b>4,603</b> | <b>8,359</b> | <b>1,342</b> | <b>7,017</b> | <b>4,416</b> | <b>424</b> | <b>3,993</b> | <b>12,234</b> | <b>436</b> | <b>11,798</b>   | <b>3,102</b>            | <b>867</b> | <b>2,235</b> | <b>100.0</b> | <b>(74.6)</b> |

### Insurance Claims Paid (by Region)

(Millions of yen)

| Region          | FY2010       |              | FY2011       |              | FY2012       |              | FY2013       |            | FY2014       |               |            | Composition (%) | Year-on-year change (%) |            |              |              |               |
|-----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|---------------|------------|-----------------|-------------------------|------------|--------------|--------------|---------------|
|                 | Political    | Commercial   | Political    | Commercial   | Political    | Commercial   | Political    | Commercial | Political    | Commercial    |            |                 |                         |            |              |              |               |
| Asia            | 48           | 0            | 48           | 5,624        | 0            | 5,624        | 121          | 0          | 121          | 841           | 0          | 841             | 1,334                   | 0          | 1,334        | 43.0         | 58.6          |
| Middle East     | 1,075        | 11           | 1,064        | 5            | 5            | 0            | 6            | 6          | 0            | 9,532         | 436        | 9,096           | 459                     | 459        | 0            | 14.8         | (95.2)        |
| Europe          | 1,249        | 0            | 1,249        | 1,262        | 0            | 1,262        | 1,560        | 0          | 1,560        | 1,777         | 0          | 1,777           | 869                     | 0          | 869          | 28.0         | (51.1)        |
| North America   | 2,119        | 0            | 2,119        | 0            | 0            | 0            | 2            | 0          | 2            | 7             | 0          | 7               | 0                       | 0          | 0            | 0.0          | (100.0)       |
| Central America | 2,974        | 2,851        | 123          | 88           | 77           | 10           | 0            | 0          | 0            | 72            | 0          | 72              | 0                       | 0          | 0            | 0.0          | (100.0)       |
| South America   | 1,084        | 1,084        | 0            | 974          | 951          | 23           | 430          | 418        | 12           | 5             | 0          | 5               | 440                     | 408        | 31           | 14.2         | 8,700.0       |
| Africa          | 26           | 26           | 0            | 407          | 309          | 99           | 2,297        | 0          | 2,297        | 0             | 0          | 0               | 0                       | 0          | 0            | 0.0          | —             |
| Oceania         | 0            | 0            | 0            | 0            | 0            | 0            | 0            | 0          | 0            | 0             | 0          | 0               | 0                       | 0          | 0            | 0.0          | —             |
| <b>Total</b>    | <b>8,574</b> | <b>3,972</b> | <b>4,603</b> | <b>8,359</b> | <b>1,342</b> | <b>7,017</b> | <b>4,416</b> | <b>424</b> | <b>3,993</b> | <b>12,234</b> | <b>436</b> | <b>11,798</b>   | <b>3,102</b>            | <b>867</b> | <b>2,235</b> | <b>100.0</b> | <b>(74.6)</b> |




## Recoveries

### Recoveries by Risk

(Millions of yen)

| Type of Risks   | FY2008        | FY2009        | FY2010        | FY2011        | FY2012        | FY2013        | FY2014        | Composition (%) | Year-on-year change (%) |
|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-------------------------|
| Political Risk  | 40,393        | 17,451        | 14,327        | 17,330        | 23,531        | 30,865        | 32,137        | 90.0            | 4.1                     |
| Commercial Risk | 1,462         | 3,064         | 1,313         | 338           | 486           | 509           | 3,572         | 10.0            | 601.1                   |
| <b>Total</b>    | <b>41,855</b> | <b>20,515</b> | <b>15,640</b> | <b>17,668</b> | <b>24,017</b> | <b>31,375</b> | <b>35,708</b> | <b>100.0</b>    | <b>13.8</b>             |

### Recoveries by Region

(Millions of yen)

| Region          | FY2008        | FY2009        | FY2010        | FY2011        | FY2012        | FY2013        | FY2014        | Composition (%) | Year-on-year change (%) |
|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|-------------------------|
| Asia            | 6,354         | 8,397         | 5,523         | 5,673         | 6,298         | 7,278         | 8,979         | 25.1            | 23.4                    |
| Middle East     | 1,404         | 1,342         | 1,357         | 3,510         | 8,172         | 11,173        | 11,227        | 31.4            | 0.5                     |
| Europe          | 25,349        | 2,515         | 1,028         | 814           | 1,154         | 1,512         | 2,860         | 8.0             | 89.1                    |
| North America   | 1             | 0             | 778           | 1             | 30            | 0             | 1             | 0.0             | —                       |
| Central America | 480           | 571           | 193           | 510           | 241           | 3,246         | 3,015         | 8.4             | (7.1)                   |
| South America   | 2,230         | 1,705         | 1,155         | 1,176         | 1,536         | 1,558         | 2,361         | 6.6             | 51.6                    |
| Africa          | 6,037         | 5,985         | 5,608         | 5,970         | 6,587         | 6,608         | 7,266         | 20.3            | 10.0                    |
| Oceania         | 1             | 0             | 0             | 14            | 0             | 0             | 0             | 0.0             | —                       |
| <b>Total</b>    | <b>41,855</b> | <b>20,515</b> | <b>15,640</b> | <b>17,668</b> | <b>24,017</b> | <b>31,375</b> | <b>35,708</b> | <b>100.0</b>    | <b>13.8</b>             |

## Recoveries in FY2014

### ● Recoveries by Risk

Recovery amount in FY2014 was JPY 35.7 billion, up by 13.8% (JPY 4.4 billion) from the previous fiscal year's JPY 31.3 billion. The value of debt recovery relating to commercial risk events amounted to JPY 3.6 billion (10% of the total value of debt recovery) with the help of a record-high amount in recent years recovered from large-scale projects. The value of debt recovery relating to political risk events accounted for 90% of the total (JPY 32.1 billion) due mainly to the debts recovered through Paris Club debt rescheduling arrangements.

### ● Recoveries by Region and Country

Breakdown by region shows that the value of debt recovery in the Middle East accounted for the largest share at 31.4% of the total, or JPY 11.2 billion, up by 0.5% from the previous fiscal year. NEXI recovered JPY 9.8 billion of Iraq's debts and JPY 1.3 billion of Jordan's debts.

The value of debt recovery in Asia accounted for the second largest share (25.1%), or JPY 8.9 billion, up by 23.4% from the previous fiscal year. Recovery amount includes JPY 6.7 billion of Indonesia's debts, JPY 900 million of Myanmar's and JPY 600 million of Korea's (credit risk).

In other regions, JPY 7.2 billion of debts (JPY 6.9 billion of Egypt's debts and JPY 20 million of Kenya's) were recovered in Africa, JPY 3 billion in Central America (JPY 2.6 billion of Cuba's and JPY 300 million of the Dominican Republic's), JPY 2.8 billion in Europe (JPY 2.3 billion of CIS countries' (credit risk) and JPY 400 million of Serbia's) and JPY 2.3 billion in South America (JPY 1.8 billion of Argentina's (credit risk), JPY 400 million of Ecuador's and JPY 60 million of Venezuela's).



# 2014 Financial Results



## Fiscal Year 2014 in Review

On June 16, 2015, the Incorporated Administrative Agency Nippon Export and Investment Insurance (NEXI) submitted financial statements and other financial information for the fiscal year 2014 ended March 31, 2015 (the 14th year of operation) to the Minister of Economy, Trade, and Industry.

### Overview of Financial Statements

Financial highlights of NEXI's business (Year end: March 31)

(Millions of yen)

|   | 10th<br>(FY2010) | 11th<br>(FY2011) | 12th<br>(FY2012) | 13th<br>(FY2013) | 14th<br>(FY2014) |
|---|------------------|------------------|------------------|------------------|------------------|
| <b>Ordinary profit (loss)</b>                     | <b>5,777</b>     | <b>9,006</b>     | <b>8,404</b>     | <b>6,905</b>     | <b>8,118</b>     |
| Ordinary income                                   | 17,111           | 16,240           | 16,866           | 14,241           | 23,364           |
| (Underwriting income)                             | 11,084           | 10,538           | 9,910            | 8,582            | 17,281           |
| (Reference) Premium of original insurance written | 38,693           | 31,849           | 35,590           | 28,224           | 65,839           |
| Net premium written                               | 11,075           | 8,972            | 9,908            | 8,153            | 17,240           |
| Reversal of outstanding claims provision          | —                | 1,562            | —                | 351              | —                |
| (Investment income)                               | 5,869            | 5,503            | 6,524            | 5,245            | 5,344            |
| (Foreign exchange gain)                           | —                | 31               | 182              | 143              | 430              |
| Ordinary expenses                                 | 11,334           | 7,234            | 8,462            | 7,336            | 15,246           |
| (Underwriting expenses)                           | 4,184            | 1,394            | 3,185            | 1,491            | 9,740            |
| (Reference) Insurance claims paid                 | 8,574            | 8,359            | 4,416            | 12,234           | 3,102            |
| Net claims paid                                   | 749              | 741              | 388              | 1,201            | 287              |
| Provision for outstanding claims reserves         | 1,768            | —                | 342              | —                | 1,035            |
| Provision for outstanding commitments reserves    | 2,409            | 690              | 2,466            | 499              | 8,635            |
| (Foreign exchange loss)                           | 76               | —                | —                | —                | —                |
| (Operating and administrative expenses)           | 7,075            | 5,840            | 5,261            | 5,597            | 5,399            |
| <b>Extraordinary profit (loss)</b>                | <b>15,830</b>    | <b>17,599</b>    | <b>12,022</b>    | <b>8,526</b>     | <b>17,138</b>    |
| <b>Net profit (loss)</b>                          | <b>21,607</b>    | <b>26,605</b>    | <b>20,426</b>    | <b>15,432</b>    | <b>25,256</b>    |
| <b>Total assets</b>                               | <b>339,262</b>   | <b>371,754</b>   | <b>368,664</b>   | <b>373,557</b>   | <b>414,617</b>   |
| <b>Net worth</b>                                  | <b>303,699</b>   | <b>330,304</b>   | <b>321,002</b>   | <b>336,433</b>   | <b>361,690</b>   |

(Note) Extraordinary profit (loss) includes valuation of profits or losses related to government-invested assets.

### Profits and Losses

In the fiscal year 2014, the business environment surrounding NEXI continued to improve as Japan's total exports increased due to the further depreciation of Japanese yen. Overseas Untied Loan Insurance and Overseas Investment Insurance achieved the best performance since NEXI's establishment in 2001 owing to a number of large-scale projects underwritten during the year. Performance of the other insurance products was also stable. As a result, net premium written in FY2014 increased by 111.5% to JPY 17,240 million compared to the previous fiscal year. Ordinary income increased by 64.1% to JPY 23,364 million, with an increase of investment income by 1.9% to JPY 5,344 million.

Amount of net claims paid was JPY 287 million, down by 76.1% over the previous fiscal year. However, ordinary expenses increased to JPY 15,246 million, up by 107.8% compared to the previous fiscal year, with provisions for outstanding claims reserves recorded as well as for outstanding commitments reserves recorded for JPY 8,635 million, up by 1,629.7% due to large-scale projects underwritten during this fiscal year.

Ordinary profit in FY2014 was therefore JPY 8,118 million, up by 17.6% from the previous fiscal year.

Extraordinary profit was JPY 17,138 million, generated mainly from valuation gains and interest income from receivables acquired by subrogation that were recovered according to rescheduling agreement.

As a result, net profit for the fiscal year amounted to JPY 25,256 million.

## Financial Statements

### Balance Sheet (As of March 31, 2015)

(Millions of yen)

| Account title                              | Amount         | Account title                                  | Amount         |
|--|----------------|--|----------------|
| (Assets)                                   |                | (Liabilities)                                  |                |
| Cash and cash equivalents                  | 47,494         | Outstanding claims reserves                    | 2,357          |
| Securities                                 | 291,948        | Reserves for outstanding commitments           | 31,807         |
| Receivables subrogated by paying claims    | 211,295        | Amount due to the reinsurer                    | 3,609          |
| Accrued income                             | 1,644          | Deposits received                              | 3,662          |
| Premiums receivable                        | 7,952          | Advance insurance premium                      | 6,713          |
| Reinsurance credit                         | 1,927          | Accrued amount payable                         | 4,054          |
| Buildings <sup>(Note 2)</sup>              | 96             | Accrued bonuses                                | 98             |
| Equipment and fixtures <sup>(Note 3)</sup> | 285            | Reserves for retirement allowance              | 488            |
| Accounts receivable                        | 131            | Other liabilities                              | 139            |
| Deposits                                   | 394            | <b>Total liabilities</b>                       | <b>52,927</b>  |
| Software                                   | 681            | (Net worth)                                    |                |
| Other assets                               | 914            | Capital  |                |
| Allowance for uncollectible receivables    | (150,143)      | Government investment                          | 104,352        |
|  |                | Capital surplus <sup>(Note 4)</sup>            | 143,402        |
|  |                | Retained earnings                              |                |
|  |                | Third term period reserve fund carried forward | 52,822         |
|  |                | Surplus reserves                               | 35,858         |
|  |                | Unappropriated retained earnings               | 25,256         |
|  |                | (of which profit for the current year)         | 25,256         |
|  |                | Total retained earnings                        | 113,936        |
|  |                | <b>Total net worth</b>                         | <b>361,690</b> |
| <b>Total assets</b>                        | <b>414,617</b> | <b>Total liabilities and net worth</b>         | <b>414,617</b> |

(Notes)

1. Amounts between 1 million yen and 0.5 million yen were rounded up to 1 million yen. Amounts less than 0.5 million yen were omitted.
2. Accumulated depreciation on buildings is JPY 231 million.
3. Accumulated depreciation on equipment and fixtures is JPY 1,491 million.
4. The breakdown of capital surplus is as follows:

(Millions of yen)

|   |         |
|---|---------|
| Valuation difference of receivables subrogated by paying claims | 45,386  |
| Valuation difference of capitalized amount                      | 98,015  |
| (Total)   | 143,402 |

## Statement of Income (April 1, 2014-March 31, 2015)

| Account title  | (Millions of yen)<br>Amount |
|--|-----------------------------|
| <b>Ordinary income</b>   | <b>23,364</b>               |
| <b>Underwriting income</b>   | <b>17,281</b>               |
| Net premium written <sup>(Note 2)</sup>  | 17,240                      |
| Interest income on receivables subrogated by paying claims   | 41                          |
| <b>Investment income</b>   | 5,344                       |
| Income from interest   | 13                          |
| Interest on securities   | 5,332                       |
| <b>Foreign exchange gain</b>   | 430                         |
| <b>Other</b>   | 308                         |
| Other ordinary income  | 308                         |
| <b>Ordinary expenses</b>   | <b>15,246</b>               |
| <b>Underwriting expenses</b>   | 9,740                       |
| Net claims paid <sup>(Note 3)</sup>  | 287                         |
| Provision for outstanding claims reserves  | 1,035                       |
| Estimated amount of insurance claims recovery <sup>(Note 4)</sup>  | (217)                       |
| Provision for outstanding commitments reserves   | 8,635                       |
| <b>Operating and administrative expenses</b>   | 5,399                       |
| <b>Other</b>   | 106                         |
| Claim recovery expenses  | 101                         |
| Other ordinary expenses  | 5                           |
| <b>Ordinary profit</b>   | <b>8,118</b>                |
| <b>Extraordinary income</b>  | <b>17,180</b>               |
| Profit relating to in-kind contribution of receivables acquired by government subrogation <sup>(Note 5)</sup>                          | 4,631                       |
| Reversal of provision for uncollectible receivables relating to in-kind contribution of receivables acquired by government subrogation | 12,480                      |
| Other extraordinary income   | 69                          |
| <b>Extraordinary loss</b>  | 42                          |
| Losses relating to in-kind contribution of receivables acquired by government subrogation <sup>(Note 5)</sup>                          | 39                          |
| Other extraordinary loss   | 3                           |
| <b>Net profit</b>  | <b>25,256</b>               |

### (Notes)

1. Amounts between 1 and 0.5 million yen were rounded up to 1 million yen. Amounts less than 0.5 million yen were omitted.

2. Breakdown of net premium written

| (Millions of yen)                      |               |
|--|---------------|
| Premium of original insurance written  | 65,839        |
| Refund of premium paid for reinsurance | 1,043         |
| Premium received for reinsurance       | 7,840         |
| Premium paid for reinsurance           | (57,481)      |
| <b>(Net)</b>                           | <b>17,240</b> |

3. Breakdown of net claims paid

| (Millions of yen)                     |            |
|---------------------------------------|------------|
| Insurance claims paid                 | 3,102      |
| Reinsurance claims recovered          | (2,806)    |
| Refund of insurance claims paid       | (27)       |
| Refund of reinsurance claims received | 18         |
| <b>(Net)</b>                          | <b>287</b> |

4. Breakdown of the estimated amount of insurance claims recovery

| (Millions of yen)   |              |
|---|--------------|
| (1) Capitalized and evaluated amount of subrogated receivables in connection with rescheduling agreements   |              |
| Reversal of provision for uncollectible receivables   | (120)        |
| (2) Capitalized and evaluated amount of subrogated receivables in relation to commercial risk claims paid   |              |
| 1) Commercial-risk subrogated receivables   | (231)        |
| 2) Difference of estimated value between the current year and the previous year concerning subrogated receivables capitalized in line with the outstanding claims provision | (59)         |
| 3) Bad debt loss  | 136          |
| 4) Provision for uncollectible receivables  | 64           |
| (3) Subrogated receivables recovered (not capitalized)  | (6)          |
| <b>(Total)</b>  | <b>(217)</b> |

5. The profits and losses related to assets invested by the government were recognized as extraordinary income and loss.

(1) Breakdown of profit relating to in-kind contribution of receivables acquired by government subrogation

| (Millions of yen)     |              |
|-----------------------|--------------|
| Interest income       | 3,011        |
| Foreign exchange gain | 1,619        |
| <b>(Total)</b>        | <b>4,631</b> |

(2) Breakdown of losses relating to in-kind contribution of receivables acquired by government subrogation

| (Millions of yen) |           |
|-------------------|-----------|
| Recovery expenses | 4         |
| Bad debt loss     | 36        |
| <b>(Total)</b>    | <b>39</b> |





## Statement of Cash Flows (April 1, 2014-March 31, 2015)

(Millions of yen)

|   |                 |
|---|-----------------|
| <b>I. Cash flows from operating activities</b>                              |                 |
| Premiums received   | 74,619          |
| Reinsurance premiums paid   | (57,493)        |
| Insurance claims paid   | (3,092)         |
| Reinsurance claims received   | 1,410           |
| Income from recovery of receivables subrogated by paying claims             | 32,761          |
| Payment of recovered receivables subrogated by paying claims                | (17,291)        |
| Income from recovery of receivables subrogated to the government            | 10,119          |
| Payment of recovered receivables subrogated to the government               | (10,119)        |
| Personnel expenses  | (1,398)         |
| Other operating expenses  | (3,446)         |
| Other   | 281             |
| <b>Subtotal</b>   | <b>26,350</b>   |
| Interests received  | 8,563           |
| <b>Net cash provided by (used in) operating activities</b>                  | <b>34,914</b>   |
| <b>II. Cash flows from investing activities</b>                             |                 |
| Placement of term deposits  | (70,000)        |
| Withdrawal of term deposits   | 35,000          |
| Purchase of securities  | (27,500)        |
| Redemption and sales of securities  | 31,499          |
| Purchase of fixed assets  | (736)           |
| Reversal of security deposits   | 0               |
| Payment of security deposits  | (0)             |
| <b>Net cash provided by (used in) investing activities</b>                  | <b>(31,737)</b> |
| <b>III. Cash flows from financing activities</b>                            |                 |
| <b>Net cash provided by (used in) financing activities</b>                  | <b>—</b>        |
| <b>IV. Foreign exchange difference related to cash and cash equivalents</b> | <b>216</b>      |
| <b>V. Net increase (decrease) in cash and cash equivalents</b>              | <b>3,392</b>    |
| <b>VI. Cash and cash equivalents at the beginning of the current year</b>   | <b>9,101</b>    |
| <b>VII. Cash and cash equivalents at the end of the current year</b>        | <b>12,494</b>   |

(Notes)

- The amounts are rounded to the nearest million.
- Breakdown of cash at the end of the current year by line item of balance sheet

(Millions of yen)

|  |              |
|--|--------------|
| Cash and cash equivalents                      | 47,494       |
| Term deposit                                   | (35,000)     |
| Balance of cash at the end of the current year | Total 12,494 |



## Notes

### I. Important Accounting Principles

#### 1. Accounting procedures for depreciation

##### (1) Depreciation of tangible fixed assets

Depreciation of tangible fixed assets is calculated by adopting a straight-line depreciation method. Useful life and residual values are calculated based on the same methods and standards stipulated in the Corporation Tax Act.

##### (2) Amortization of intangible fixed assets

Amortization of trademark rights is calculated using a straight-line depreciation method where the residual value is set at ¥0, in accordance with the estimated useful life stipulated in the Corporation Tax Act. Amortization of computer software for in-house use is calculated by a straight-line depreciation method where the usability period (5 years) is used as the estimated useful life and where the residual value is set at ¥0.

#### 2. Calculation basis of reserves for retirement allowances and estimates

To prepare for retirement allowance payments to board members and employees, a reserve is provided based on 100% of the amount of retirement allowances required by the rules for payment of retirement allowances to board members and by those that apply to employees, respectively. For the statement of administrative services costs, estimated increases in retirement allowances with no reserves set aside are computed by deducting "retirement allowance estimates at the end of the previous fiscal year for those who resigned" from the amount arrived at by deducting "the retirement allowance estimate at the end of the previous fiscal year" from the "retirement allowance estimate at the end of the current fiscal year" for all employees at the end of the current fiscal year.

#### 3. Calculation of reserves for outstanding commitments, outstanding claims reserves, receivables subrogated by paying claims, and allowance for uncollectible receivables

Reserves for outstanding commitments, outstanding claims reserves, receivables subrogated by paying claims, and the allowance for uncollectible receivables related to receivables subrogated by paying claims are dealt by calculating the respective amounts in accordance with the following ordinance: "Concerning the calculation methods ordained by the Ministry of Economy, Trade, and Industry, pursuant to the articles of the ministerial ordinance with regard to the finance and accounting of the Incorporated Administrative Agency Nippon Export and Investment Insurance" (2001.03.27 Trade No.2). Uncollectible receivables other than receivables subrogated by paying claims are individually assessed for recoverability and the estimated amount of unrecoverable claims is included in the reserves.

#### 4. Calculation of accrued bonuses

Accrued bonuses for board members and employees are provided based on the amount remaining in the fiscal year according to the rules for remuneration of board members and employees, respectively.

#### 5. Valuation standards and methods for securities

- (1) Held-to-maturity securities are valued at amortized cost (using a straight-line method).
- (2) Other securities without market value are stated at cost using the moving average cost method.

#### 6. Valuation of foreign-currency receivables and payables

Foreign-currency receivables and payables are converted into Japanese yen at fiscal year-end exchange rates.

#### 7. Calculation of opportunity costs in the statement of administrative services costs

Interest rate used for the calculation of opportunity costs relating to investments by the government: the yield of 10-year government bonds (0.400%).

#### 8. Accounting procedure for consumption tax

Consumption tax accounting is based on the "tax included" method.

#### 9. Decommissioning liabilities

Restoration liabilities under the office lease have not been recorded as decommissioning liabilities because it is impossible to make a fair and reasonable estimate of them due to the unspecified lease period and the absence of any plans to vacate the currently leased office.

#### 10. Changes to accounting principles

No changes to the accounting principles from the previous fiscal year.

### II. Financial Instruments

#### 1. Financial instruments

##### a. Management of financial instruments held by NEXI

NEXI is engaged in the trade and investment insurance business. Recoveries of receivables subrogated by paying claims are invested in securities or term deposits to strengthen NEXI's financial base. The securities held by NEXI include government, municipal, and government-backed bonds.

##### b. Financial instruments and risk

Receivables subrogated by paying insurance claims are exposed to

debtor countries' or debtors' credit risk. Securities are exposed to interest rate and market fluctuation risks.

##### c. Financial instruments and risk management

###### (1) Country risk management

In concluding insurance contracts (that could cause the acquisition of receivables subrogated by paying insurance claims), NEXI's Country Risk Analysis Group conducts risk assessments by gathering information through the Berne Union and OECD as well as researching and evaluating country risk.

###### (2) Credit risk management

For the management of credit risk of an export contract counterparty (overseas buyer), NEXI's Credit Administration Group conducts a credit check and assessment of overseas buyers.

###### (3) Market risk management

Market risk, such as interest rate and price fluctuation associated with investment in securities, is managed by the Fund Operation Meeting that discusses NEXI's investment policies and checks investment statuses. In addition, NEXI's Accounting Group, the secretariat of the Fund Operation Meeting, monitors the bond market and liquidity risks.

###### d. Supplementary explanation regarding fair value of financial instruments

Fair value of financial instruments is based on quoted market price. If the market price is not available, fair value is based on reasonably assessed value. Fair value of financial instruments is measured based on certain assumptions, and might differ if measured based on different assumptions.

#### 2. Fair value of financial instruments

The carrying amounts on the balance sheet, fair value and differences as of the end of the fiscal year 2014

(Millions of yen)

|  | Carrying amount | Fair value     | Differences   |
|--|-----------------|----------------|---------------|
| (1) Cash and cash equivalents                          | 47,494          | 47,494         | —             |
| (2) Securities   |                 |                |               |
| Held-to-maturity securities                            | 291,948         | 331,063        | 39,115        |
| (3) Receivables subrogated by paying claims            |                 |                |               |
| Receivables subrogated by paying claims                | 211,295         |                |               |
| Allowance for uncollectible receivables <sup>(※)</sup> | (150,140)       |                |               |
| (Net)  | 61,155          | 61,155         | —             |
| (4) Premiums receivable                                | 7,952           | 7,952          | —             |
| (5) Reinsurance credit                                 | 1,927           | 1,927          | —             |
| <b>Assets</b>  | <b>410,472</b>  | <b>449,587</b> | <b>39,115</b> |
| (6) Amount due to the reinsurer                        | 3,609           | 3,609          | —             |
| <b>Liabilities</b>                                     | <b>3,609</b>    | <b>3,609</b>   | <b>—</b>      |

(※) Allowance for uncollectible receivables associated with receivables subrogated by paying claims is deducted.

(Note1) Fair value measurement of financial instruments and securities

##### (1) Cash and cash equivalents

For cash and cash equivalents, carrying amount is shown as fair value of deposits, as these are settled within short periods of time and the fair value is almost equal to the carrying amount.

##### (2) Securities

Fair value of securities is based on the quoted market value or value quoted by financial institutions. The differences between carrying amount and fair value by type of held-to-maturity securities (in accordance with the accounting standards for incorporated administrative agencies and notes) are as follows.

(Millions of yen)

|                              | Type of securities             | Carrying amount | Fair value     | Differences   |
|------------------------------|--------------------------------|-----------------|----------------|---------------|
| Fair value > Carrying amount | Government and municipal bonds | 283,948         | 323,063        | 39,116        |
| Fair value ≤ Carrying amount | Government and municipal bonds | 8,001           | 8,000          | (1)           |
| <b>Total</b>                 |                                | <b>291,948</b>  | <b>331,063</b> | <b>39,115</b> |

• There were no held-to-maturity securities sold during the fiscal year 2014.

##### (3) Receivables subrogated by paying claims

Regarding receivables subrogated by paying claims, allowance for uncollectible receivables is recorded pursuant to the ordinance "Concerning the calculation methods specified by the Ministry of Economy, Trade, and Industry, pursuant to the articles of the ministerial ordinance with regard to the finance and accounting of the Incorporated Administrative Agency Nippon Export and Investment Insurance" (2001/03/27 Trade No.2).

① Allowance for uncollectible receivables associated with receivables subrogated by paying political risk claims is calculated using a ratio that is based on the valuation by the global financial market regarding repayment prospects of each debtor country or by using a given ratio.

② Allowance for uncollectible receivables associated with receivables subrogated by paying commercial risk claims is calculated in two different ways. For receivables from debtors that are actually or nearly bankrupt, allowance is calculated by deducting foreclosure



estimates and estimated amounts recoverable under a payment guarantee. For receivables from other debtors, allowance is obtained by calculating loss estimates based on the present value of estimated future cash flow or estimated amounts recoverable by foreclosure or under a payment guarantee. Fair value of receivables subrogated by paying claims is equal to the carrying value at the fiscal year end less allowance for uncollectible receivables, since it approximates this net carrying value.

(4) Premiums receivable (5) Reinsurance credit, and  
(6) Amount due to the reinsurer

Carrying amount is shown as fair value for the above items, as these are settled within short periods of time and the fair value is almost equal to the carrying amount.

(Note2) Expected payment and redemption amount of money claims and securities with maturity after the fiscal year end  
(Millions of yen)

|   | 1 year or less | More than 1 year to 3 years | More than 3 years to 5 years | More than 5 years to 10 years | More than 10 years to 20 years | More than 20 years | Undetermined (※) |
|---|----------------|-----------------------------|------------------------------|-------------------------------|--------------------------------|--------------------|------------------|
| Securities Held-to-maturity Securities  | 8,000          | 25,000                      | 16,500                       | 37,000                        | 204,200                        | —                  | —                |
| Receivables subrogated by paying claims | 14,335         | 19,953                      | 16,887                       | 42,426                        | 24,403                         | —                  | 93,291           |
| <b>Total</b>                            | <b>22,335</b>  | <b>44,953</b>               | <b>33,387</b>                | <b>79,426</b>                 | <b>228,603</b>                 | <b>—</b>           | <b>93,291</b>    |

(※) The receivables subrogated by paying claims that are in arrears are classified as "Undetermined."

### III. Account Titles Used by NEXI"

#### (1) Balance sheet

| Account title                                  | Description   |
|--|---|
| <b>Receivables subrogated by paying claims</b> | Total assets of receivables subrogated by NEXI's paying claims and the estimated amounts of potential subrogated receivables (recorded as assets with outstanding claims reserves being reported).  |
| <b>Accrued income</b>                          | Total accrued interest on securities and receivables subrogated by paying claims (receivables subrogated by paying political risk claims) as of the end of the fiscal year.<br>For receivables subrogated by paying political risk claims, accrued interest is included if the receivables are deemed collectible.  |
| <b>Premiums receivable</b>                     | Premiums receivable associated with insurance applications.   |
| <b>Reinsurance credit</b>                      | Amounts receivable from the government, such as reinsurance claims.   |
| <b>Outstanding claims reserves</b>             | Amounts considered necessary in the future under insurance contracts to cover incurred losses or losses recognized as having been incurred as of the end of the fiscal year, and recorded based on the ordinance "Concerning the calculation methods ordained by the Ministry of Economy, Trade, and Industry, pursuant to the articles of the ministerial ordinance with regard to the finance and accounting of the Incorporated Administrative Agency Nippon Export and Investment Insurance" (2001/03/27 Trade No.2).   |
| <b>Reserves for outstanding commitments</b>    | Amounts reserved to prepare for possible future claim payments under insurance and reinsurance contracts are recorded based on the ordinance "Concerning the calculation methods ordained by the Ministry of Economy, Trade, and Industry, pursuant to the articles of the ministerial ordinance with regard to the finance and accounting of the Incorporated Administrative Agency Nippon Export and Investment Insurance" (2001/03/27 Trade No.2).   |
| <b>Amount due to the reinsurer</b>             | Amounts payable to the government, such as reinsurance premiums.  |
| <b>Allowance for uncollectible receivables</b> | Amount of receivables subrogated by paying claims after deduction of recoveries that should be paid to the insured.   |
| <b>Advance insurance premium</b>               | Insurance premium received with NEXI's obligation beginning from the next fiscal year or later.   |
| <b>Capital surplus</b>                         | The valuation difference of an in-kind contribution of receivables acquired by government subrogation.<br>○ <b>Valuation difference of receivables subrogated by paying claims</b><br>Valuation difference of receivables acquired by subrogation and contributed in-kind by the government (excluding accrued income) was included in capital surplus (for the fiscal years ending March 2003, 2004, and 2005), in accordance with an ordinance concerning a partial revision of the Ordinance of Finance and Accounting (Ministry of Economy, Trade, and Industry Ordinance No. 49 of March 31, 2003).<br>○ <b>Valuation difference associated with capitalization</b><br>Since the fiscal year ending March 2006 (FY 2005), receivables acquired by subrogation and contributed in-kind by the government that were capitalized and evaluated for the first time are included in the capital surplus, in accordance with an ordinance concerning a partial revision of the Ordinance of Finance and Accounting (Ministry of Economy, Trade, and Industry Ordinance No. 100 of October 28, 2005). |

#### (2) Statement of income

| Account title   | Description   |
|---|---|
| <b>Net premium written</b>                            | Amounts calculated by deducting paid reinsurance premiums from premiums written. Premiums written include premiums received from foreign ECAs.                    |
| <b>Provision for outstanding claims reserves</b>      | Provision for outstanding claims reserves for the current fiscal year.  |
| <b>Net claims paid</b>                                | Amounts calculated by deducting reinsurance claims recovered from paid insurance claims.  |
| <b>Estimated amount of insurance claims recovery</b>  | Valuation gains or losses of receivables subrogated by paying insurance claims.   |
| <b>Provision for outstanding commitments reserves</b> | Provision for outstanding commitments reserves for the current fiscal year.   |
| <b>Extraordinary income</b>                           | Interest income and reversal of provisions for uncollectible receivables relating to assets invested by the government (receivables subrogated by paying claims). |
| <b>Extraordinary loss</b>                             | Recovery and other expenses relating to government-invested assets (receivables subrogated by paying claims).   |

### IV. Other Accounting Information Necessary to Understand NEXI's Current Situation

At its meeting on December 24, 2013, the Cabinet endorsed a plan to reform incorporated administrative agencies, including NEXI. Under the plan, "NEXI shall be converted into a special company wholly owned by the government" and "Special Account for Trade Reinsurance shall be abolished by the end of FY2016 and the special company shall succeed the assets and liabilities."



# Fourth-Term Objectives

NEXI has set its medium-term objectives for the fourth term of FY2012 to FY2016 and will implement measures and policies based on these objectives.

According to the decisions made at the cabinet meeting of December 2013, NEXI will continue to work to achieve greater effectiveness and flexibility of management, integrating our service more closely with the government's policy direction. NEXI will be required to improve and expand the trade insurance business, as well as reinforce the operating framework of the insurance approval process and risk management, in order to strengthen the competitiveness of Japanese companies and enhance customer convenience.

Considering that trade insurance is financed by premiums from customers without recourse to government subsidy, we will work to achieve a truly efficient and effective management style based on the cost-benefit relationship between the insurance business's income and its operating and personnel costs.



## Outline of the fourth-term objectives

1

### Measures to improve the quality of NEXI's services and other operations

#### (1) Product improvement

Our actions will be in response to the Japanese trade and industry policy while proactively addressing customer needs in the changing business environment. Our products will aim at providing high quality services equivalent with other countries to secure the international competitiveness of Japanese companies.

#### (2) Improvement of services

By adopting a "customer perspective" at all times, every effort will be put into improving services and building relationships of trust with our customers.

#### (3) System streamlining to reinforce risk management and ensure fair operation

We will streamline the system by developing human resources to reinforce management of risks and claims assessment, as well as internal controls and compliance.

#### (4) Emphasizing strategic priority policy issues

In light of our role as the public institution responsible for developing Japan's overseas trade, the requirements of the state policy on trade, industry, and natural resources and energy must be considered. As such, we will take initiatives to address the policy issues set forth in the medium-term objectives and expand the scope of underwriting in the relevant areas both qualitatively and quantitatively. We will accordingly promote products and structures aimed at increasing the underwriting in these areas.

#### (5) Smooth entry of private insurers into the market

It is our continuous endeavor to improve the diversity of our products in order to provide variety to our customers, as well as establish an environment resulting in an increase in the business opportunities for private insurers.



## 2 Improvement in business efficiency

### (1) Promotion of efficient business operations

NEXI's trade insurance system is being operated independently, without subsidy from the government, with its sole source of revenue being the insurance premiums received from insurance users. Therefore, when making disbursements, we will be thoroughly cost-conscious and fully consider cost-effectiveness in order to improve the efficiency of our business operations.

- ① In accordance with the medium-term objectives, we will make necessary improvements toward more advanced risk analysis and assessment, along with improving publicity activities. At the same time, necessary actions to improve operational efficiency such as rationalization of the operating process, enhancement of staff abilities, and promotion of outsourcing will be undertaken. Also, as needed, the structure of the organization and personnel assignments will be revised according to the workload. Necessary steps will be undertaken to increase cost-effectiveness in all areas, including personnel expenses, by carefully evaluating the appropriateness of each expenditure, by using cheaper sourcing, and by efficient usage of the operating expenses.
- ② Based on the incorporated administrative agency reform, we will take into account the government employees' pay scales and curb our overall personnel expenditures. By revising ability-based benefits and other benefits while maintaining necessary staff expertise in areas such as international financing, we will appropriately decrease the Laspeyres Index.
- ③ In principle, NEXI's entrance into new procurement contracts will be based on competitive procurement processes such as competitive tendering. Non-competitive bidding or application will be avoided as much as possible, and will try to steadily implement reforms based on a "program for reviewing no-bid contracts."
- ④ We will seek to promote the efficiency of operations by outsourcing part of our office work and business operations to private financial institutions, etc.

### (2) Efficient development and smooth operation of the information system

In response to organizational reform toward a new company setup, we aim at adapting our information system to new accounting/tax systems, a new contingency plan, and new product development and marketing. Monitoring of credit management to ensure that it will not be adversely affected by the abolishment of the special account related to the government's reinsurance will be undertaken. We aim at the realization of efficient operations and improved services through prompt maintenance and upgradation of the fourth-term information system. In order to measure our progress, we will report the tangible results of the fourth-term information system and attempt to bring the fourth-term maintenance cost lower than the third term.

## 3 Improvement in composition of finances

### (1) Financial base reinforcement

In order to continuously and stably offer our customers "assured peace of mind," we ensure the maintenance of a sound financial foundation. In concrete terms, we will improve the efficiency of business operations and hold down expenditures by thorough risk management. In addition, we will set up an appropriate insurance premium charge system and reinforce appropriate management and recovery of debts incurred by insured risks in order to secure a steady revenue stream.

### (2) Reinforcement of credit management and debt recovery

We will strengthen our recovery capacity through meticulous management of credit data, close coordination with relevant governmental organizations, cultivating staff expertise, and utilizing servicers. Further, we will strive to prevent the occurrence of insured risk and to alleviate any loss by swiftly implementing necessary measures in cooperation with customers and relevant governmental organizations.

### (3) Clear and transparent standards for setting and reserving premiums

In accordance with the decision to abolish the trade reinsurance special account and to reform incorporated administrative agencies, we will work toward reviewing our accounting rules and operations. By developing clearer and more transparent standards for setting and reserving premiums, we will ensure added transparency in accounting.

## 4 Responding to the new system based on the administrative reform

We will ensure a smooth transition to a new special company wholly owned by the government without the trade reinsurance special account. This will include a quick implementation of necessary measures such as strengthened risk management and internal controls.

## 5 Fostering personnel with high degree of expertise

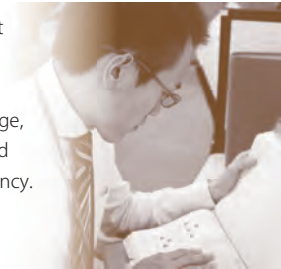
As an expert organization providing quality services that meet customers' needs, we will implement an improved personnel system and raise the expertise level of our staff through a more comprehensive in-service training system and place a high priority on the development of expertise. We will also continue to recruit staff members with expertise in fields such as international financing, the legal system, country risks, business finance, and trade.



# Customer Service Charter

## I NEXI Spirit

- (1) Our mission is to assist customers to conduct international business with a sense of reassurance by reducing incidental business risks. To this end, we take time to ascertain our customers' situations so that we can meet their needs precisely and provide efficient and high-quality services, thereby enhancing customer satisfaction and establishing mutual trust.
- (2) By implementing our customer-first policy, we will continue to:
  - ① Improve the quality of service,
  - ② Broaden the range of risk coverage,
  - ③ Promote efficient operations, and
  - ④ Increase management transparency.



## II NEXI's Pledge to Customers

### We are committed to:

- (1) Providing insurance products that make our customers feel secure and protected when conducting overseas transactions
  - (2) Providing advice to our customers from the preliminary stage of planning
  - (3) Promptly responding to inquiries and acting in the interests of our customers
  - (4) Meeting our customers' demands and business needs
  - (5) Promptly completing assessment and payment of insurance claims, and
  - (6) Promptly allocating recoveries
- (1) Providing insurance products that make our customers feel secure and protected when conducting overseas transactions
    - ① If you suspect that your international transactions, including exports, foreign investments, or overseas loans, may incur risk, please visit our website (<http://www.nexi.go.jp>) and go to the insurance product section, or contact NEXI's Customer Relations Desk.
    - ② We can send our staff to your office at your request to provide further information on our insurance products that support and protect your international business. Please feel free to contact us.
  - (2) Providing advice to our customers from the preliminary stage of planning  
If you plan to initiate international transactions, such as exports or overseas investments, NEXI is ready to serve you. We will be pleased to talk with you at an early stage of your project's formation and propose the most appropriate insurance products to minimize any risk involved.
  - (3) Promptly responding to inquiries and acting in the interests of our customers
    - ① If you have any questions about insurance products, please call or email our Customer Relations Desk or the relevant group in charge.
    - ② Our premium calculator is available on the NEXI website to estimate your insurance premium. If you give us information on your planned transaction, the group in charge can generally estimate the premium on the same day of your inquiry, or on the following

business day at the latest. (For medium or long-term non-L/G transactions, however, we will respond within five business days.) If the group in charge finds it difficult to respond to your inquiry within the specified time limits, it will promptly notify you to that effect along with the reason for the delay and the expected date of response.

- ③ Should the group in charge find any inadequacy in a pre-application form, insurance application form, or other form that you have submitted (other than environment-related forms), we will notify you within five business days of our receipt at the latest.
  - ④ If you have any questions about NEXI's insurance system with regard to a specific project, please inform the group in charge or the Customer Relations Desk. We will respond within five business days at the latest. Should we find it difficult to respond within the stated period, we will promptly notify you to that effect with the reason for the delay and the expected date of response.
- (4) Meeting our customers' demands and business needs
    - ① We would be very appreciative if you could give us sufficient time when consulting with us, as our assessment may take longer than expected. If it becomes necessary to accelerate procedures (for example, because an export contract is proceeding more rapidly than anticipated), please inform us.
    - ② Your business needs are always important to us and we will do our utmost to meet your accelerated deadline. If we find it difficult to meet the new deadline, we will immediately inform you of how long it will take to complete the necessary procedures.
  - (5) Promptly completing the assessment and payment of insurance claims
    - ① As soon as we receive an insurance claim form, we will assess the details in light of the insurance policy provisions to determine the amount of the claim to be paid. We will then make a payment within the stipulated time. This is generally within two months of receipt of the claim; however, in a situation where more time is required for assessment, this rule does not apply. For an application for insurance claims, we may request that you execute the obligations of notification and of loss prevention and reduction that are stipulated in such documents as insurance policy provisions. In addition, we may also request that you submit all necessary documents stipulated in the insurance policy provisions and other regulations within a specified time.
    - ② In the event that an inadequacy is found in a submitted claim form or other document in light of insurance policy provisions or other regulations, we will notify you no later than three business days after receiving the document.
    - ③ We would appreciate your understanding and cooperation, including early submission of documents necessary for assessment, so that we may pay claims within the period stipulated in the insurance policy provisions or other regulations.
  - (6) Promptly allocating recoveries
    - ① When all or part of a subrogated claim is recovered, we will promptly allocate the recovery in accordance with insurance policy provisions and other contracts.
    - ② In allocating a recovery in accordance with a Paris Club debt rescheduling program or other program, we will in principle complete procedures of remittance to your accounts by the business day following the confirmation of receipt of the full amount in NEXI's account.



### III Information

A range of information is available on our website (<http://www.nexi.go.jp>) and in our annual report. The website was renovated in May 2015 to realize better usability.

(1) Please visit our website for comprehensive information on our insurance products and services.

The NEXI website includes the following information

- ① Recent developments (including changes in systems, coverage conditions, and recent underwritten projects)
- ② Description of our insurance products (pamphlets are available)
- ③ Terms of coverage by country/region
- ④ Insurance application procedures
- ⑤ Insured events and subsequent procedures
- ⑥ Premium calculator
- ⑦ Downloadable application forms
- ⑧ Rules concerning trade insurance (including insurance policy provisions for all of NEXI's insurance products)
- ⑨ Environmental considerations
- ⑩ Procurement information
- ⑪ Web magazine "e-NEXI"
- ⑫ WEB service
- ⑬ Careers
- ⑭ Compliance contact



(2) Our annual report (in Japanese and English) offers the results of our trade insurance business and our financial statements.

Other publications are also available, including the NEXI corporate brochure and leaflets on our insurance products (in limited numbers). Please feel free to call the General Management and Public Relations Group (Phone: 81-(0)3-3512-7653) or the Customer Relations Desk.

(3) For inquiries regarding our website, annual report, and any other public relations matters, please contact the General Management and Public Relations Group.

(Phone: 81-(0)3-3512-7653)

### IV Your Comments and Complaints

Enhancing customer satisfaction is our constant aim. If you experience difficulty with any procedure or have a complaint about our services, please do not hesitate to contact us. Your problem will be addressed promptly.

(1) We will do whatever is necessary to resolve any problem you may encounter. Please provide us with the details of the problem and what you wish to be done. We will immediately find the source of the problem and resolve it.

(2) If you have any complaints about our services or our handling of your project, please inform the Customer Relations Desk.

- ① For any complaints about our services, please provide the details to the Customer Relations Desk in writing or via email. The Customer Relations Desk will examine your problem and inform you of how it will be dealt with. If it is difficult for us to take immediate action, we will provide the reason for the difficulty and how we intend to proceed.
- ② If you have any complaint about our handling of a specific project, please provide the details to the Customer Relations Desk in writing or via email. The Customer Relations Desk will review the details and provide the results of its review without delay. If immediate action cannot be taken, the Customer Relations Desk will inform you of the reason and when the problem will be resolved.

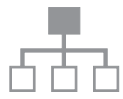


### Customer Relations Desk

- (1) NEXI has established a "Customer Relations Desk" to provide more efficient services to our customers in accordance with our customer-first policy.
- (2) The Customer Relations Desk offers customer support by seeing the situation from the customer's viewpoint. Any inquiry or request concerning trade insurance and specific project would be appreciated. We will take prompt action regarding these matters. Information about NEXI's sections and groups in charge is also available on our website.

URL : <https://www.nexi.go.jp/inquiry/en/>

From 9:00 a.m. till noon and from 1:00 p.m. till 5:30 p.m., Monday through Friday  
(except holidays, year-end and New Year holidays)



# Profile of NEXI



From the left: Tetsuya Koizumi (Vice Chairman), Kazuhiko Bando (Chairman and CEO),  
And Satoru Koyama (Vice Chairman)



Takeshi Oiwa  
(Corporate Auditor)



Yuri Okina  
(Corporate Auditor)

## Members of the Board and the Audit Board

Chairman and CEO ... Kazuhiko Bando  
Vice Chairman ... Tetsuya Koizumi  
Vice Chairman ... Satoru Koyama  
Corporate Auditor (Full Time) ... Takeshi Oiwa  
Corporate Auditor (Part Time) ... Yuri Okina

(As of July, 2015)







|                               |   |
|-------------------------------|---|
| Name                          | Incorporated Administrative Agency, Nippon Export and Investment Insurance ("NEXI")   |
| Date of Establishment         | April 1, 2001   |
| Acts                          | Act on General Rules for Incorporated Administrative Agency<br>Trade and Investment Insurance Act   |
| Purpose                       | To efficiently and effectively conduct insurance business of covering risks which arise in foreign transactions and which are not covered by commercial insurance.  |
| Competent Minister            | The Minister of Economy, Trade and Industry   |
| Capital                       | JPY 104.4 billion (Fully contributed by the Japanese Government)<br>(Unchanged from the previous year)  |
| Number of Full-time Employees | 145 (As of April 1, 2015)   |
| Scope of Business             | <ol style="list-style-type: none"> <li>1. To conduct trade and investment insurance business operations complying with the regulations of Chapter 3 of the Trade and Investment Insurance Act.</li> <li>2. To conduct business which is incidental to the business stated in 1.</li> <li>3. To underwrite reinsurance under the insurance obligations of international institutions, foreign governments, or international companies that conduct insurance business (including reinsurance) which indemnifies losses similar to the losses covered by trade and investment insurance.</li> <li>4. To entrust reinsurance for the insurance obligation of NEXI under the Trade and Investment Insurance Act to international institutions, foreign governments, or international companies that conduct insurance business (including reinsurance) which indemnifies losses similar to the losses covered by trade insurance as well as the reinsurance with the Government complying with the regulations of Chapter 4 of the Trade and Investment Insurance Act.</li> </ol> |
| Brief History                 | <p>Jul.1999 Enactment of Act on General Rules for Incorporated Administrative Agency</p> <p>Dec.1999 Enactment of the Act which partly amended the Trade and Investment Insurance Act</p> <p>Apr. 2001 Establishment of Nippon Export and Investment Insurance</p> <p>(For reference)The Trade and Investment Insurance Act was enacted in March 1950 and thereafter trade and investment insurance was managed by the Ministry of Economy, Trade and Industry (former Ministry of International Trade and Industry) until the end of March 2001.</p>   |
| Office                        | <p>Office Head office<br/>Chiyoda First Building, East Wing 3rd Floor, 3-8-1 Nishikanda, Chiyoda-ku,<br/>Tokyo, 101-8359 Japan<br/>Phone: 81-(0) 3-3512-7650<br/>Fax: 81-(0) 3-3512-7660</p> <p>Osaka Branch<br/>Aioi Nissay Dowa Insurance Yodoyabashi Building 8th Floor,<br/>3-1-22 Kitahama,Chuo-ku,Osaka City,<br/>Osaka, 541-0041 Japan<br/>Phone: 81-(0) 6-6233-4019<br/>Fax: 81-(0) 6-6233-4001</p> <p>Overseas Offices<br/>NEXI Paris, NEXI New York, and NEXI Singapore (See page 35.)</p>  |
| Main Insurance Products       | Export Credit Insurance / Buyer's Credit Insurance / Trade Insurance for Standing Orders from Specific Buyer / Export Credit Insurance for SMEs / Intellectual Property License Insurance / Overseas Untied Loan Insurance / Overseas Investment Insurance / Export Bill Insurance / Prepayment Import Insurance / Investment and Loan Insurance for Natural Resources and Energy / Trade and Investment Insurance for Preventing Global Warming / Comprehensive Export Insurance with Simplified Procedure   |
| URL                           | <a href="http://www.nexi.go.jp">http://www.nexi.go.jp</a>   |

# Organization Chart ( as of Jan,2016)



# Contact Information



## Head Office

Chiyoda First Building,  
East Wing 3rd Floor,  
3-8-1 Nishikanda,  
Chiyoda-ku, Tokyo 101-8359, Japan  
Phone: 81-(0)3-3512-7650  
Fax: 81-(0)3-3512-7660



## Overseas Offices

### NEXI, Paris

c/o JETRO 27 rue de Berri 75008 Paris France  
Phone: 33-(0)1-4261-5879 Fax: 33-(0)1-4261-5049



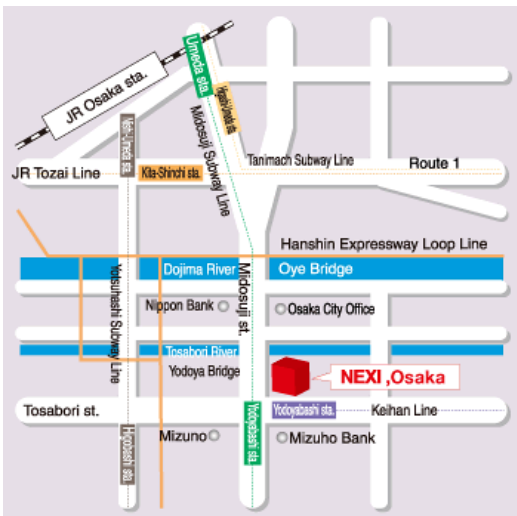
### NEXI, New York

c/o JETRO 565 Fifth Avenue, 4th Floor, New York,  
NY 10017 USA  
Phone: 1-212-819-7769 Fax: 1-212-997-0464



## Osaka Branch

Aioi Nissay Dowa Insurance  
Yodoyabashi Building 8<sup>th</sup> Floor,  
3-1-22 Kitahama, Chuou-ku,  
Osaka City, Osaka 541-0041  
Japan  
Phone: 81-(0)6-6233-4019  
Fax: 81-(0)6-6233-4001



### NEXI, Singapore

c/o JETRO 16 Raffles Quay#38-05, Hong Leong Bldg.  
Singapore 048581  
Phone: 65-6429-9582 Fax: 65-6220-7242





## **Nippon Export and Investment Insurance**

Chiyoda First Building, East Wing 3rd Floor, 3-8-1 Nishikanda,  
Chiyoda-ku, Tokyo, 101-8359 Japan  
Phone : 81-(0)3-3512-7650 Fax : 81-(0)3-3512-7660  
<http://www.nexi.go.jp>

### **Inquiries**

General Management and Public Relations Group,  
Planning and Administration Department  
Phone : 81-(0)3-3512-7653 Fax : 81-(0)3-3512-7660  
E-mail : [info@nexi.go.jp](mailto:info@nexi.go.jp)

