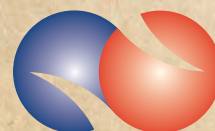


Annual Report FY2008

(Apr. 2008-Mar. 2009)



NEXI

Nippon Export and Investment Insurance





NEXI's Resolution



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NEXI Mission

NEXI is committed to:

1. Providing insurance products that make customers feel secure and protected in overseas transactions
2. Providing advice to customers from the preliminary stage of planning transactions
3. Responding promptly to inquiries and the interests of customers
4. Meeting customers' demands and business needs
5. Promptly completing the assessment of insurance claims and making insurance claim payment
6. Promptly allocating the recovery

Management Principle

NEXI will contribute to Japan's economic community by anticipating changes in the market at all times, appropriately responding to customer needs, and efficiently and effectively conducting insurance business in covering risks that arise in international transactions but are not covered by regular commercial insurance.

Management Policy

1. NEXI, realizing its role as an incorporated administrative agency, operates its business from the public standpoint and aims at being conducive to national stability and sound development of the economic community.
2. NEXI will observe the customer-first principle at all times, provide high-quality services by improving its expertise, and aim at increasing customer satisfaction and building strong trust relations with customers.
3. NEXI will systematically make use of its operating resources, work on quantitative and qualitative increases in the risks it underwrites, improve its profits through appropriate risk management, and aim for long-range development.
4. NEXI will develop human resources and promote strengthening of staff specialty, make use of staff diversity, and aim at creating a liberal and lively workspace where staff feels proud of their organization.





Message from the Chairman



Since the establishment of Nippon Export and Investment Insurance (NEXI) in April 2001, we have strived to improve our services and enhance business efficiency based on the customer-first principle at all times. We would like to express our sincere appreciation for your understanding and support over the years. Also, I would like to take this opportunity to introduce myself as the successor of Mr. Konno. As the Chairman and CEO of NEXI, I am committed to serve our customers through our services.

When we look at the global economic climate, we recognize the sharp economic slowdown caused by the global financial crisis and the increase of economic and political risks. Under this circumstance, export credit agencies (ECAs) are now expected to play countercyclical roles as safety nets. In the declaration of the G20 economic summit held in London in April 2009, it is stated that the ECAs in the world will underwrite insurance amounting to USD250 billion over the next two years. NEXI has announced its measures to cope with the crisis, including additional USD16 billion trade finance support facility over the next two years, establishment of a special framework of JPY2 trillion using export credit insurance coverage for the purpose of improving Asia's infrastructure, and expansion of underwriting capacity through coverage of transactions by overseas branches. These measures are highly appreciated as matching the customers' needs at an early stage of the financial crisis and their usage is increasing.

In order to support the global supply chain of our customers engaged in business abroad, NEXI is working on building and promoting the reinsurance network of ECAs in the Asia-Pacific region, agreed upon at the Special Meeting of Asian ECAs held in November 2008. We have signed reinsurance agreements with Indonesia and Thailand in this regard.

Further to the fulfillment of NEXI's responsibility as a public institution, NEXI has conducted business in line with government policies such as securing supply of natural resources and energy, supporting overseas business operations of small- and medium-sized companies, and in the area of global environmental issue. The number of projects covered by Investment and Loan Insurance for Natural Resources and Energy is steadily increasing. As an example of developing international cooperation related to resources, NEXI has signed a memorandum of understanding with state-run resource company of Brazil. NEXI has also created the Trade and Investment Insurance for Preventing Global Warming in July 2008, with which NEXI has covered the first project in August, 2009.

With regard to the conversion into a stock company wholly owned by the government based on a decision made by the Cabinet in December 2007, necessary amendment will be made to the Trade and Investment Insurance Act etc. accordingly. In preparation for the conversion, NEXI is working on further improving the structure such as reinforcement of the internal control. We will maintain the same level of credibility as the Japanese government through the existing reinsurance scheme with the government and step up our efforts to provide efficient services to the customers.

With the continuing support from our customers, the underwritten amount for FY2008 was JPY9.7 trillion, a 2% increase over the previous fiscal year despite the severe economic conditions. NEXI will endeavor to continue providing trade and investment insurance services that give our customers great comfort in doing their business. Your continued support will be greatly appreciated.

Takashi Suzuki
Chairman and CEO

Meeting Customer Demands and Raising the Quality of Services

Prompt and responsible response to the global financial crisis

Since the Lehman shock last fall, the intermediary function of the financial market has greatly declined, resulting in trade transactions and overseas business activities of Japanese companies being damaged. At the end of 2008, NEXI announced its first measure against the financial crisis centered on financial support for business activities by overseas subsidiaries and facilitating liquidity of export receivables covered by trade insurance. The financing of working capital extended to overseas subsidiaries for over one year became eligible for cover of trade insurance, and from January to March 2009, there were seven underwritten transactions amounting to JPY260 billion. At the G-20 economic summit held in April 2009, as Japan's support measures, NEXI's additional trade finance support of at least USD16 billion over the next two years through using bank loans and building the Asian Reinsurance Network was announced. Further, in May 2009, NEXI broadened its scope of insurance coverage for business transactions of overseas branches, sales of goods held in bond and local costs.

Improvement of products through a revision of the scheme to meet the customers' needs

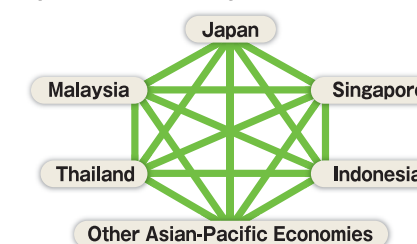
NEXI reviewed the matters subject to indemnity and the scope of indemnity, simplified insurance application procedures, and reduced the premium rate for Export Credit Insurance (less than 2 years). For Enterprise Comprehensive Insurance, the range of foreign buyers eligible for higher claims payment limit during the effective period of the supplementary agreement was expanded to include buyers rated as EM or EF. For Trade Insurance for Standing Orders from Specific Buyers, we enabled customers to increase the claims payment limit once during the effective policy period. For medium- and long-term products, we revised the credit ratings of borrowers for the commercial risk premium rate of Overseas Untied Loan Insurance from five to seven grades to enable underwriting that appropriately reflects risks. For Overseas Investment Insurance, when goodwill is involved between a Japanese subsidiary and its sub-subsidiary, we revised our calculation method of the loss amount to include this amount of goodwill.



Progress of the Asian Reinsurance Network

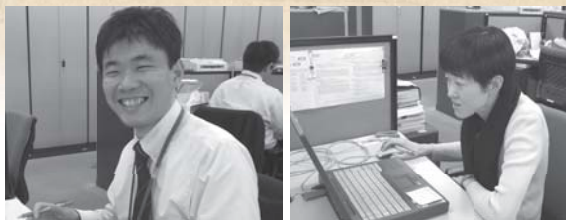
In November 2008, the Special Meeting of Asian ECAs was held in Tokyo, and the participating ECAs agreed on building a Reinsurance Network of ECAs to provide support to supply chain networks present throughout the whole Asian region. NEXI already signed reinsurance agreements with ECICS of Singapore in April 2004 and with MEXIM of Malaysia in June 2006 in order to provide support to business activities of Japanese companies in Asian countries. Taking into consideration the above-mentioned Reinsurance Network by ECAs, NEXI has signed reinsurance agreements with ASEI of Indonesia in March 2009 and Thai EXIMBANK of Thailand in June 2009. We will continue to actively support international business operations of Japanese companies by expanding the network of reinsurance cooperation with various countries.

The Asia-Pacific Trade Insurance Network
Facilitating the intra- and extra-regional trade and investment flows



Creation of Trade and Investment Insurance for Preventing Global Warming

In July 2008, NEXI created Trade and Investment Insurance for Preventing Global Warming (credit line: JPY 2 trillion for 10 years) as part of the efforts to contribute to reducing greenhouse gas emissions through the transfer of energy conservation technology and new energy technology of Japan. The percentage of cover for political risks of this insurance is 100% (as against 97.5% without this insurance) for projects that are conducive to stabilizing the climate through the export of facilities and equipment or investment and financing abroad that contribute to reducing greenhouse gas emissions. The projects eligible for coverage by this insurance include projects in the field of energy conservation, new energy, nuclear power, uranium development, CDM, CCS, and reforestation. We started accepting underwriting of Trade and Investment Insurance for Preventing Global Warming for transactions of Overseas Untied Loan Insurance and Overseas Investment Insurance at the end of January, 2009, and Export Credit Insurance and Buyer's Credit Insurance from March, 2009. The first project was covered by this insurance in August, 2009.



Efforts to secure a stable supply of natural resources and energy

NEXI created Investment and Loan Insurance for Natural Resources and Energy in April 2007 in response to the government's priority policy of securing a stable supply of energy and natural resources for Japan. For this insurance, the premium rate was reduced 50 to 70% compared with existing rates, and the percentage of cover was raised to 100% for political risks regarding senior loans extended by banks or subordinate loans extended by investors for transactions by Japanese companies that acquire stake in or offtake energy and mineral resources. In FY2008, NEXI provided cover of this insurance to five projects, including the Copper Mine Project in Peru and Refinery Upgrade Project in Indonesia. Further, in May and July 2008, NEXI signed an MOU on cooperation with Vale and Petrobras, state-owned natural resource companies of Brazil, and strengthened direct cooperative relations concerning natural resources.

Active support of overseas business activities by SMEs

NEXI created Export Credit Insurance for SMEs in April 2005 for the purpose of supporting overseas business activities by SMEs. Since then, the insurance has been used by a large number of SMEs (underwritten for 268 transactions amounting to JPY440 million in FY2008). For further utilization of the insurance, in October 2008, we implemented a temporary one-year service of providing credit information free of charge for up to three buyers per customer. This service has been used by 112 companies for 186 credit information requests during six months until the end of March, 2009.

The following are the main features of this insurance:

- Providing cover of 95% of loss in cases of inability to collect export proceeds for direct export from Japan with a repayment period of up to 180 days
- Sold also at banks where SMEs can make insurance applications in order to promote bank loans for SME customers engaged in export activities
- Simplified and streamlined procedures including those for establishing the right of pledge on claims

Support of export in the field of Japan's advanced industry

In the aircraft sector, NEXI is providing reinsurance to US EXIMBANK to support the export of Boeing aircraft jointly developed by a Japanese heavy industries company and a U.S. aircraft manufacturer. Since 2005, we have provided support to more than 70 aircraft. In addition, we are considering designing a specific insurance product to provide support for Japan-made small passenger planes (MRJ).

With regard to providing support to the export of nuclear power plants for the United States, NEXI is carrying on actions such as signing an MOU on cooperation with the U.S. Department of Energy (DOE) for the purpose of financing cooperation.

Efforts aimed at smooth foreign transactions with high-risk countries

NEXI continued to review the terms of cover for 38 high-risk countries (Category G and H countries) in FY2008 (total number of reviews: 44). Taking economic conditions into account, conditions for cover (condition of risk mitigation measures and transactions that acquire foreign currency) for eight countries that have oil/gas and mineral resources were expressly relaxed.

Provision of reinsurance to overseas ECAs to realize one-stop shops

NEXI has signed one-stop shop reinsurance agreements with 11 ECAs to enable the provision of reinsurance to overseas ECAs for the purpose of promptly and appropriately meeting business needs of Japanese companies participating in international joint projects (underwritten amount for FY2008: JPY40.1 billion). NEXI provides cover for a Japanese company's portion of an international project through reinsurance, when the ECA of the foreign company's country underwrites export credit insurance for the international project which the Japanese company jointly carries out with foreign companies. By having one ECA underwrite insurance for the whole project, lower project costs, as well as flexible financing plans, become available to customers.



Expansion of the approval system for the assignment of the uncovered portion of Paris Club claims

NEXI adopted the system of approving the assignment of the uncovered portion of Paris Club claims in 2002 in order to contribute to improving the efficiency of customers' asset management and reducing administration costs regarding claims. In FY2008, we expanded the system to include claims for Export Bill Insurance to the approval system. Since the start of the approval system, the amount for assigned claims has totaled JPY120 billion. At the same time, in FY2008, NEXI purchased claims worth approximately JPY700 million for six countries—Egypt, Ecuador, Serbia, Jordan, Indonesia, and Gabon—through the claims assignment system.

Simplified procedures and rapid services through improved Website services

NEXI continued to improve its Website services through revisions of the scheme and upgrading of functions.

- Uploading register files for Export Credit Insurance (Comprehensive) – Enterprise Comprehensive Insurance, Comprehensive Insurance for specified capital goods/specified consumable goods: From April 2008, specified consumer goods exporters association members are able to directly apply for insurance to NEXI.
- Individual input to register for Export Credit Insurance (Comprehensive) – Enterprise Comprehensive Insurance and Comprehensive Insurance for specified capital goods: From October 2008, applications for transactions with foreign currency special agreements can be made without evidence documents (evidenceless). In February 2009, we started accepting applications for Trade and Investment Insurance for Preventing Global Warming.
- Inquiry into the Foreign Buyers List: NEXI has set a new pair of IDs to be used exclusively for inquiries into the foreign buyers list. By dividing the hierarchy into one ID that consolidates changes in passwords and the other ID that is not authorized to change passwords, the former is used by the administrative department while the latter is for in-house distribution in our customers' companies.
- In addition, we improved the quality of services by enabling the use of Internet Explorer 7.0, a new browser for Website services, and adding functions that prevent typing errors and operational errors.

Revision of the Environmental and Social Consideration Guidelines

Based on international discussions about the environment, including the revision of the Recommendation on Common Approaches on the Environment in June 2007, NEXI started reviewing the Environmental and Social Consideration Guidelines in Trade Insurance (the Guidelines) in November 2007. In making the review, we jointly held open consultation meetings with Japan Bank for International Cooperation who has similar environmental guidelines and invited opinions from the public. We will continue to verify whether appropriate environmental and social considerations based on the Guidelines are taken for projects to be covered by our insurance.

Strengthening of organization through effective internal control in the preparation of conversion into a stock company

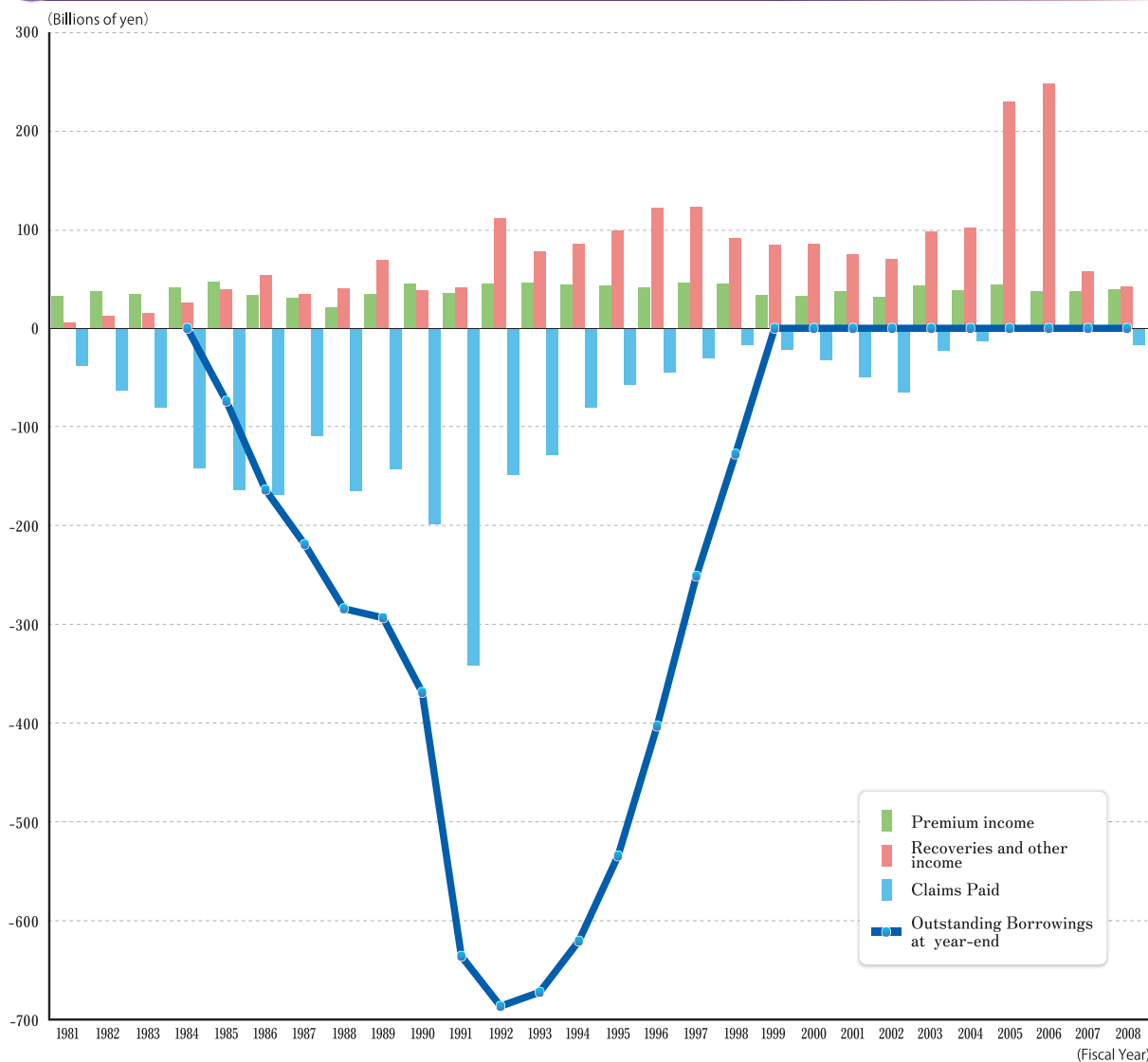
NEXI has continually committed itself to carrying out monitoring on underwritten transactions and building a structure that can avoid the occurrence of an unexpected insured event and that can respond in a prompt and appropriate manner in case of an emergency. Aiming at further strengthening the system, the Monitoring Committee was formed as a cross-sectional organization under the direct control of the Chairman in April 2009, which resulted in promoting the consistent and detailed management of transactions, from accepting underwriting to the termination of contract or recovery.

Further, the Compliance Committee has strengthened the compliance system by setting whistle-blowing rules, developing management manuals, etc.



Main Data for Fiscal Year 2008

1 Result of Trade and Investment Insurance Activities (from FY1981 to FY2008)



FY	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Premium income	32.8	37.3	34.1	41.3	46.8	33.4	30.4	21.3	34.2	44.8	35.7	44.7	46.2	44.1
Recoveries and other income	5.5	12.3	15.2	25.6	38.9	53.6	34.9	40.0	69.3	38.7	40.7	111.2	77.3	85.2
Claims Paid	37.6	62.7	80.5	141.5	164.3	169.0	109.5	164.8	142.7	198.6	341.9	148.2	128.0	80.6
Outstanding Borrowings at year-end	—	—	—	—	74.0	164.1	219.5	284.8	294.1	369.8	637.8	688.6	674.4	622.4

FY	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Premium income	43.5	41.0	46.0	45.4	33.2	32.9	37.3	31.3	43.2	38.0	43.8	34.9	36.8	39.3
Recoveries and other income	98.3	121.2	123.0	91.3	84.6	85.3	74.5	70.2	97.7	101.4	228.7	247.3	57.5	41.9
Claims Paid	57.1	44.4	30.2	16.7	21.6	32.4	49.9	65.1	23.0	12.9	3.7	2.4	3.8	17.2
Outstanding Borrowings at year-end	536.0	404.1	251.8	127.8	0	0	0	0	0	0	0	0	0	0

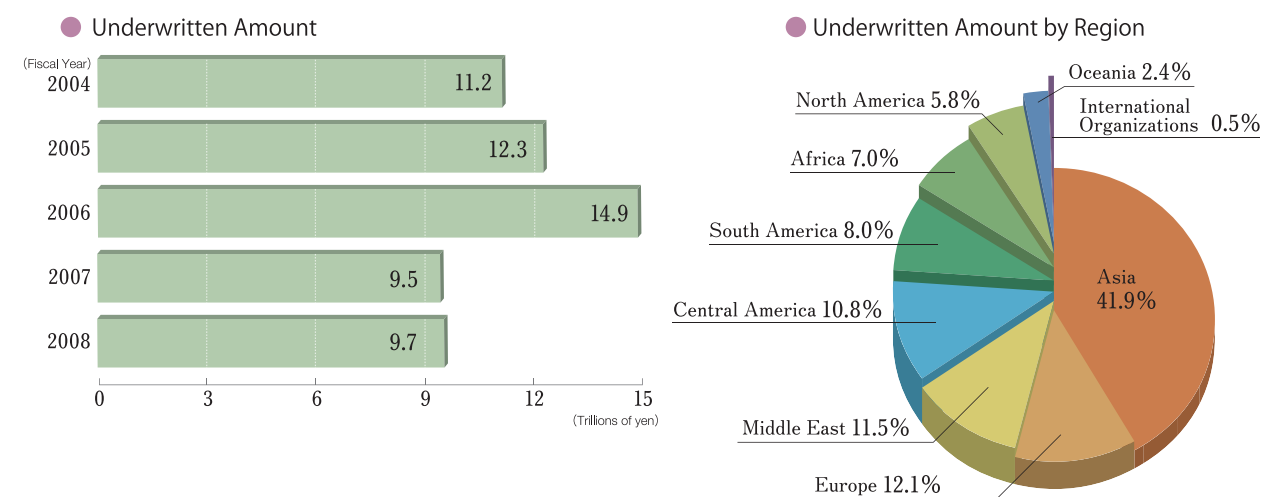
Note: The amount is based on cash.

World Events

1981 Iran earthquake, 1982 Crisis in Mexico (declaration of a moratorium), 1983 Rangoon bombing, 1984 Hong Kong handover agreement, 1985 Plaza Accord, 1986 Chernobyl nuclear accident, 1987 Black Monday, 1988 Cease-fire in Iran-Iraq war, 1989 Paris Club rescheduling agreement, between 24 countries including Central and South American countries / Fall of Berlin Wall, 1990 Invasion of Kuwait / German reunification, 1991 Gulf War / Dissolution of the Soviet Union, 1992 Bosnia and Herzegovina conflict, 1993 Foundation of EU, 1994 Meeting between former US President Jimmy Carter and North Korean leader Kim Il-Sung, 1995 Foundation of the WTO, 1996 Japanese embassy hostage crisis in Peru, 1997 Asian currency crisis, 1998 Russian financial crisis / Brazilian crisis (with the declaration of a moratorium in 1999), 1999 Introduction of euro / The Year 2000 Problem, 2001 Argentina's declaration of a moratorium / The September 11th terrorist attacks, 2002 Bali bombings, 2003 Iraq war / Outbreak of SARS, 2004 Avian flu pandemic / Sumatra earthquake, 2005 Prepayments to the Paris Club by Russia and Nigeria / Venezuela's nationalization of mineral resources, 2006 Military coup in Thailand, 2007 The subprime mortgage crisis, 2008 Lehman shock

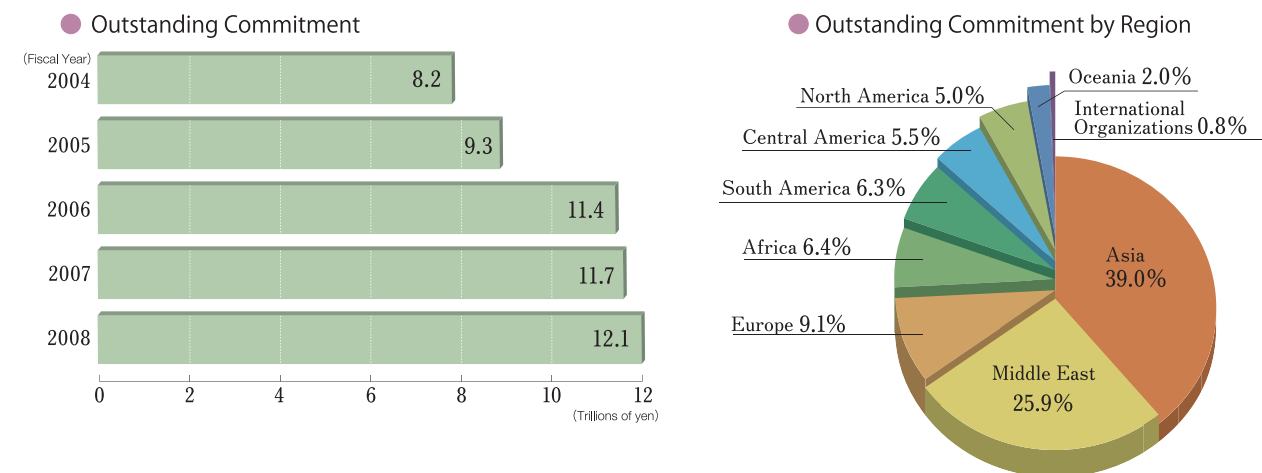
2 Underwritten Amount

The total FY2008 underwritten amount was JPY 9.7 trillion, up 2.2% over the previous year.



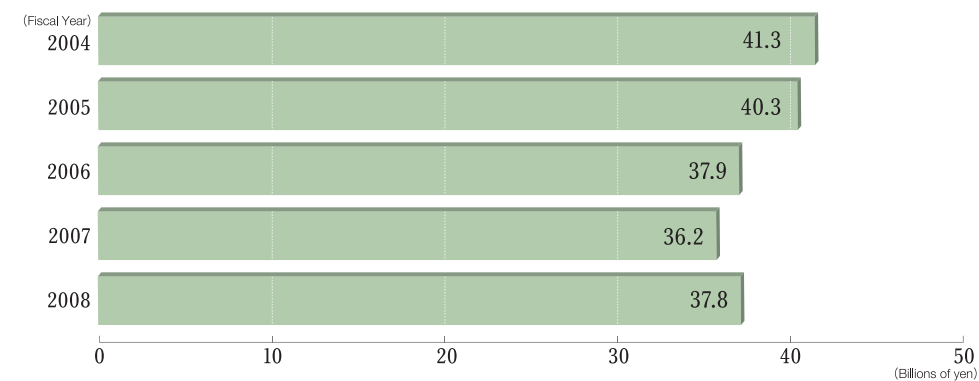
3 Outstanding Commitment

Total outstanding commitment in FY2008 was JPY 12.1 trillion, up 3.0% over the previous year.



4 Premium Income

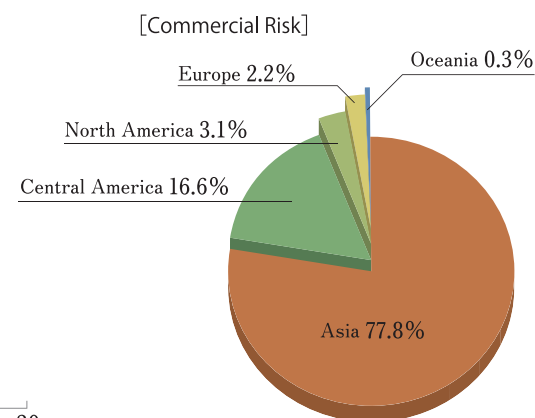
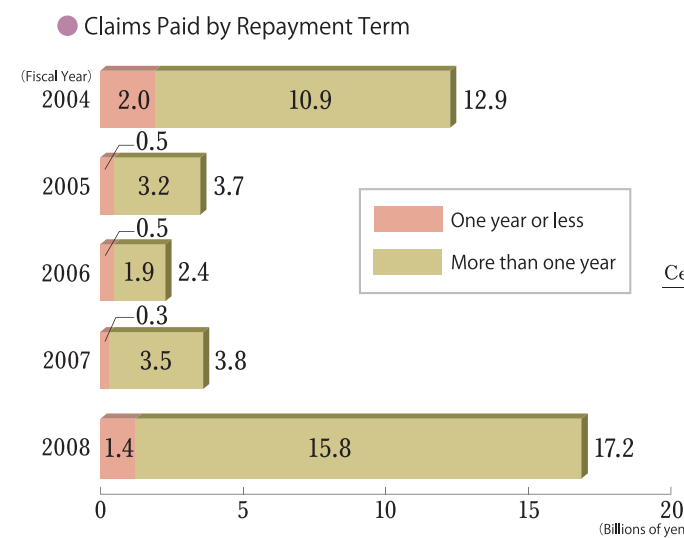
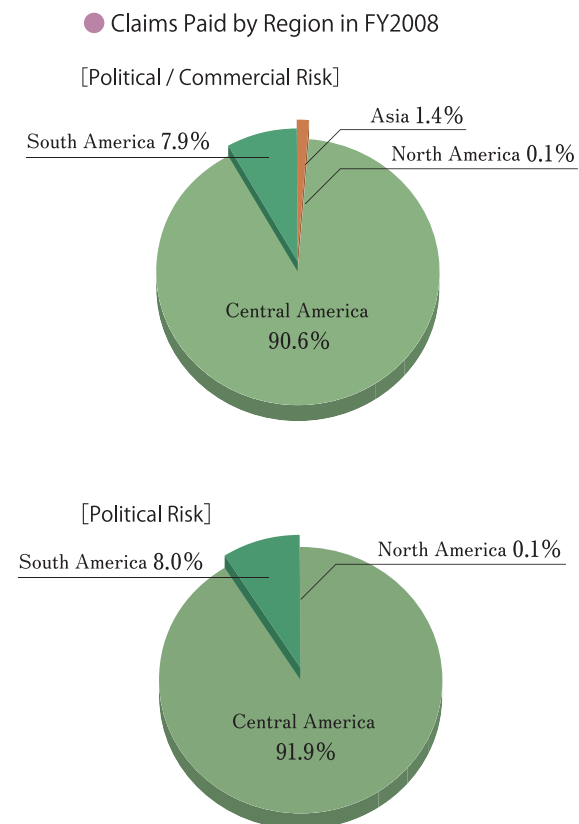
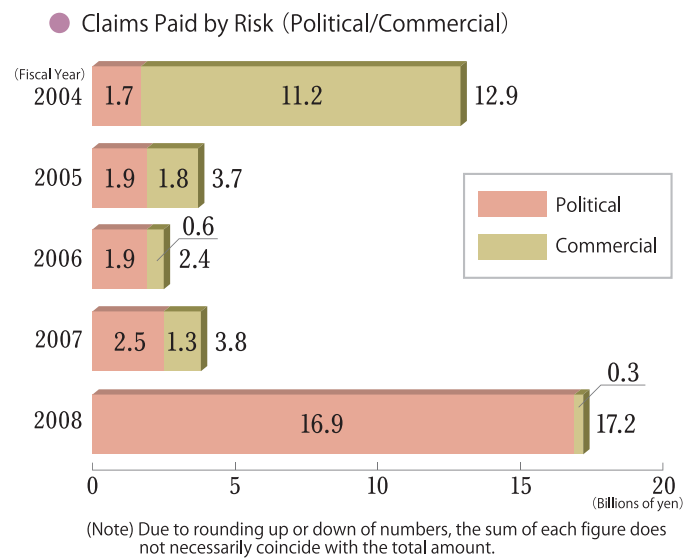
Premium income in FY2008 was JPY 37.8 billion, up 4.4% over the previous year (Premium income includes premium of original insurance written and premium received for reinsurance).





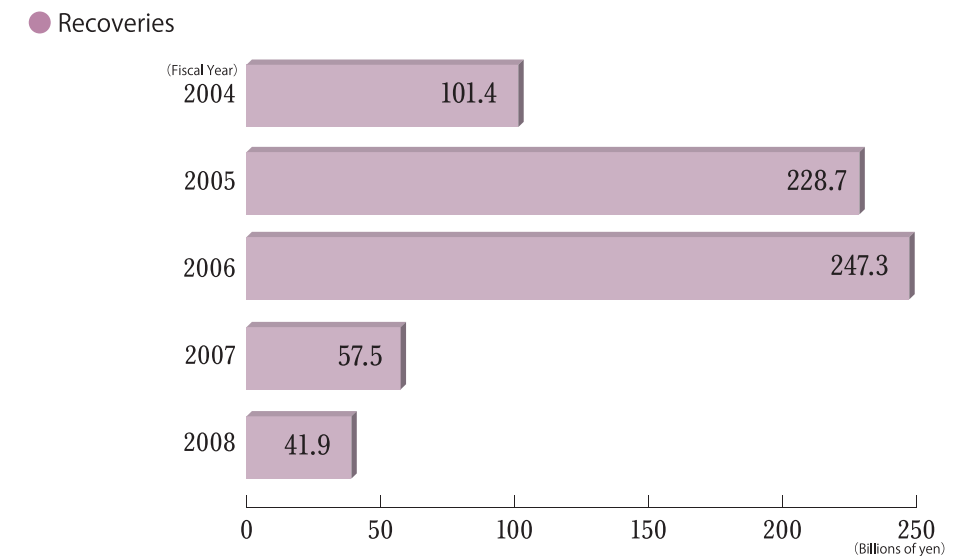
5 Claims Paid

● The total amount of claims paid in FY2008 was JPY 17.2 billion, up 351.6% from the previous year.

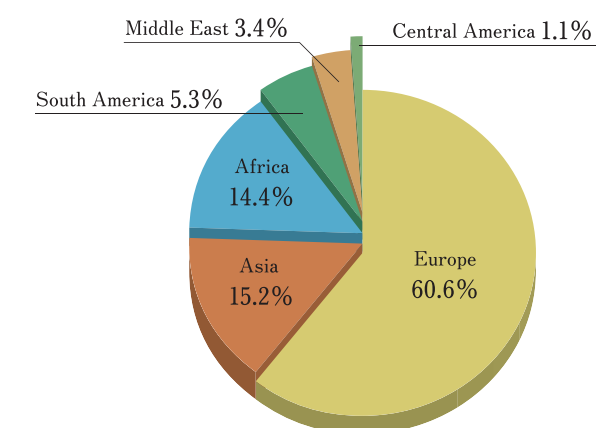


6 Recoveries

● Recoveries in FY2008 amounted to JPY 41.9 billion, down 27.2% from the previous year.



● Recoveries by Region



IV Main Projects Recently Underwritten



Asia

Laos

Laos

Vientiane Wattay International Airport Project

The Vientiane Wattay International Airport had been upgraded through Japan's Official Development Assistance (ODA) since the 1970s. Then, in 1999 JALUX Inc. jointly invested with Lao Airport Authority, etc. and established Lao-Japan Airport Terminal Services Co., Ltd. to undertake management, administration, and consulting services for the Airport and in 2009 increased its stake in the joint venture (Total investment amount: USD277,500). NEXI has underwritten Overseas Investment Insurance for the investment and additional investment by JALUX Inc. This project is regarded as a model example of public-private partnership (PPP) where funds and know-how of private businesses are used to promote improvement of infrastructure and public services.



(The insurance contract was concluded in April 2009.)

Indonesia

Indonesia

Balongan Refinery Upgrade Project

NEXI provided Overseas Untied Loan Insurance (Investment and Loan Insurance for Natural Resources and Energy) cover for the USD225 million loan extended by a syndicate of Japanese commercial banks, including BNP Paribas, Tokyo Branch for a project to improve the Balongan Refinery operated by PT PERTAMINA, a state-owned oil company of Indonesia. This is the first oil sector project to be covered by Investment and Loan Insurance for Natural Resources and Energy.

The loan repayment is secured under the oil offtake agreement between Toyota Tsusho Corporation and PT PERTAMINA. It is expected to lead to a long-term stable supply of oil resources for Japan.

Support provided to PT PERTAMINA's capital requirements through underwriting this transaction is expected to be instrumental in further strengthening cooperation between the company and NEXI as well as ties between Japan and Indonesia, a country rich in energy resources.

(The insurance contract was concluded in January 2009.)



Vietnam

Vietnam

Hai Phong 2 Coal Fired Power Plant Project

Marubeni Corporation has supplied two sets of steam turbine-generators and auxiliary facilities for a coal-fired thermal power plant (300 MW x two units) to be constructed in Hai Phong city, northern Vietnam. In this project, NEXI has underwritten Buyer's Credit Insurance for the amount of approximately JPY2.9 billion out of approximately JPY7.3 billion extended by the Japan Bank for International Cooperation (JBIC) and private financial institutions Mizuho Corporate Bank and Société Générale, Tokyo Branch.

(The insurance contract was concluded in June 2008.)





Middle East

Turkey

Global Buyer's Credit Line for Enka Group

In September 2005, NEXI and the Japan Bank for International Cooperation (JBIC) established a credit line (global buyer's credit line) of JPY7 billion to be used when Japanese companies export construction machinery to Enka Group in the Republic of Turkey. Second and third credit lines (totaling JPY7 billion) were established in February 2007 after the first credit line was almost fully used. In July 2008, fourth through sixth credit lines totaling JPY10 billion were established in response to further request by Enka Group to establish credit lines.

Hitachi Construction Machinery Co., Ltd. has continuously used this scheme and, in 2008, made use of the credit line in exporting hydraulic excavators. The Royal Bank of Scotland plc, Tokyo Branch (former ABN AMRO Bank N.V., Tokyo Branch), participated in this transaction as a commercial financing bank and was the insured for the Buyer's Credit Insurance provided by NEXI.

(The insurance contract was concluded in August 2008.)



Saudi Arabia

Manifa Development Project

NEXI has underwritten Export Credit Insurance for a crude oil treatment project jointly undertaken by JGC Corporation and its local subsidiary JGC Arabia Ltd.

Saudi Aramco, the state-owned oil company of the Kingdom of Saudi Arabia is building a large-scale crude oil treatment facility with an output of 900,000 barrels of oil per day in the Manifa Region. JGC Corporation and JGC Arabia Ltd. have been awarded by Saudi Aramco a package contract for the engineering, procurement, and construction (EPC) services of ancillary facilities including oil storage tanks and shipping facilities.

The Manifa Program is an important project of the Kingdom that will be conducive to increasing its oil production capacity and NEXI's cover for the project is highly significant in that it contributes to strengthening ties with the largest oil importing country for Japan.

(The insurance contract was concluded in January 2009.)



Europe

Russia

Signing a Memorandum of Understanding (MOU) with VEB

NEXI signed a Memorandum of Understanding (MOU) with Russia's State Corporation "Bank for Development and Foreign Economic Affairs (Vnesheconombank)" (VEB) on May 12, 2009. VEB is a state corporation responsible for the economic development of the Russian Federation and support of Russian exports and is wholly owned by the Russian government. The purpose of the MOU is to promote the development of long-term, effective, and mutually beneficial cooperation between both parties and enhance business opportunities between Japan and Russia.

Both NEXI and VEB recognize that it is clearly important to exchange information in order to accelerate and support a project development amid the current global financial crisis. They have agreed to provide information on potential projects, companies and banks, legal and regulatory framework, economic situation, and experiences in export credit insurance in a timely manner in addition to holding an annual meeting. NEXI and VEB will discuss specific cooperation projects based on the information.

NEXI has developed a cooperative relationship with VEB over the years through a global bank loan facility that facilitates Japanese exports and by supporting an infrastructure project in Russia that has helped promote the country's economic development. This year, both NEXI and VEB have decided that it is a good time to sign

this MOU to develop a more collaborative relationship.

It is expected that the NEXI-VEB cooperation will further enhance mutual relations in trade and investment between the two countries by facilitating Japanese investment and financing in Russia in not only natural resource projects but also various other areas, such as industrial projects, infrastructure projects, and energy conservation.



South America

Peru

VMC Zinc Refining Facility Expansion Project

Votorantim Metais Cajamarquilla S.A. (head office: Lima, Peru) (VMC) is a Peruvian subsidiary of Votorantim Group which is the largest industrial conglomerate in Brazil. NEXI has underwritten Overseas Untied Loan Insurance for the loan extended by Japanese financial institutions including The Bank of Tokyo-Mitsubishi UFJ, Ltd. to the project of expanding a zinc refining facility undertaken by VMC. This is the third project in which NEXI's insurance cover was provided to Votorantim Group.

The loan is used to expand VMC's zinc refining facility and when the expansion is completed the amount of zinc and its by-products, including indium, output is expected to be almost doubled.

Part of the additional zinc and by-products to be produced through NEXI's support of this project is expected to be exported to Japan.

(The insurance contract was concluded in March 2009.)



Peru

Brazil

Acquisition of NAMISA Shares

NEXI has underwritten Investment and Loan Insurance for Natural Resources and Energy for ITOCHU Corporation's investment in Nacional Minerios S.A. (NAMISA), a corporation in the Federative Republic of Brazil. Securing a stable supply of iron ore is a major issue for Japanese iron manufacturers because the supply is becoming increasingly dominated and its sales price for consumers has fluctuated greatly over these past years. This is a project where a consortium consisting of a syndicate of Japanese companies, including ITOCHU Corporation, and Korean steel producer POSCO made a 40% investment in NAMISA, which owns an iron ore mine in the state of Minas Gerais, Brazil, and produces and exports iron ore. NAMISA started exporting iron ore to Japan in 2008. The export of iron ore to Japan will be increased from 2009 and beyond since NAMISA has signed an agreement for

offtaking iron ore with Japanese steel producers through this investment.

(The insurance contract was concluded in January 2009.)



Brazil

North America

Mexico

Samurai Bonds Guaranteed by PEMEX

Bonds totaling JPY 64 billion was issued as Japanese Yen Floating Rate Bonds (Samurai Bonds) for Qualified Institutional Investors (private placement). Sumitomo Mitsui Banking Corporation and Hongkong Shanghai Banking Corporation Tokyo Branch acted as arrangers, and Daiwa Securities SMBC acted as a documentation adviser. NEXI has covered a substantial portion of the principal and interest of the bonds. Proceeds of the bonds is used to finance the Ku-Maloob-Zaap (KMZ) Oil Field Development Project.

NEXI's support in financing the project will further strengthen cooperative ties between PEMEX and NEXI.

(The insurance contract was concluded in September 2008.)



Mexico



Africa

Algeria

Algeria-Oman Fertilizer Project

NEXI has underwritten Export Credit Insurance for a project to newly construct a large-scale ammonia/urea fertilizer plant in the Arzew industrial zone in Oran Province, Algeria, which is jointly undertaken by Mitsubishi Heavy Industries, Ltd., and a Korean company.

The project will be implemented by an SPC established by a joint venture of SONATRACH, a state-owned hydrocarbon company of Algeria, and the Suhail Bahwan Group, a conglomerate of Oman. Using natural gas supplied by SONATRACH, the new plant will produce 4,000 t/day (two 2,000-t/day production lines) of ammonia and 7,000 t/day (two 3,500-t/day production lines) of urea. The produced ammonia and urea are expected to be exported mainly to countries in Europe and North America.

Since SONATRACH will take part as an investor as well as supplier of natural gas, the raw material for the project, this project is considered extremely important

for Algeria as a country and significant for promoting its industrial development.

(The insurance contract was concluded in January 2009.)



Algeria

Mozambique

Project to Export Material Handling Equipment for Moatize Coal Mine

NEXI has underwritten Export Credit Insurance for a project to export material handling equipment to be used for mining coal at the Moatize coal mine in Mozambique undertaken by Mitsubishi Corporation.

Companhia Vale do Rio Doce (Vale) of Brazil acquired a stake in the Moatize coal mine in 2005 and is now making preparations to develop the mine in order to start production at the end of 2010. When the mine is in full operation, annual output of 8.5 million tons of coking coal and 2.5 million tons of thermal coal with a total annual output of 11 million tons of coal is expected.

This project is significant in that it supports a natural resources project in which a Japanese company is taking part. In addition, the project is beneficial to the national interest of Mozambique, which purchases electric power from South Africa, since thermal coal produced from the

coal mine will be supplied to local power plants in the country.

(The insurance contract was concluded in January 2009.)



Mozambique

Reinsurance (Reinsured Projects)

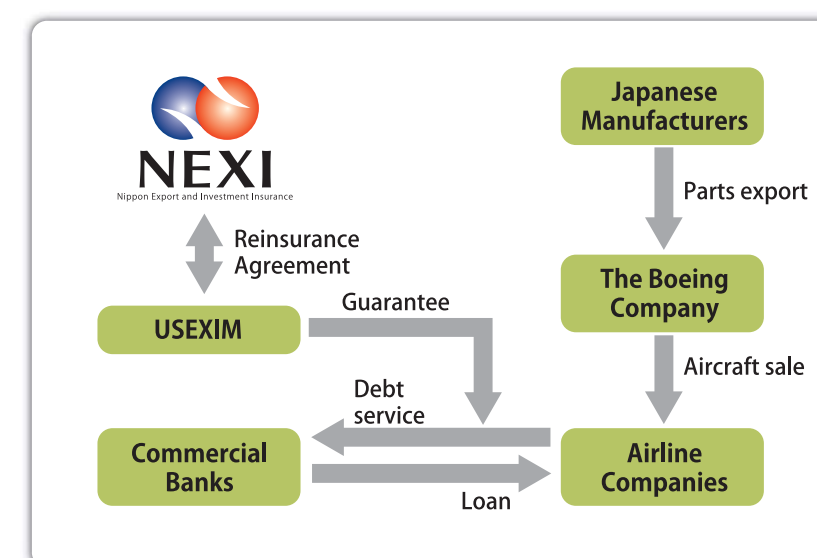
Project to Export Boeing Aircraft to TAM Airlines and V Australia

Based on the Reinsurance Agreement concluded with the Ex-Im Bank of the United States (USEXIM), an export credit agency in the United States, NEXI underwrote reinsurance for several export finance transactions of Boeing 777 aircraft, such as TAM Airlines in Brazil and V Australia in Australia.

Japanese companies have been playing a major role in the development and manufacture of Boeing aircraft and have become a major partner in international joint projects. NEXI's reinsurance program to USEXIM for Boeing aircraft strengthens the competitiveness of Japanese manufacturers expanding in the aerospace industry, which is effective in achieving the policy objective of the Japanese government.



Photographs courtesy of Boeing





Implementation of Confirming Environmental and Social Considerations

NEXI confirms whether appropriate environmental and social considerations are being addressed in projects that may be covered by NEXI's insurance, in accordance with the "Guidelines on Environmental and Social Considerations in Trade Insurance" (established April 1, 2001).

Specifically, projects are screened, based on the screening forms submitted by insurance applicants, and classified into three categories A, B, or C in descending order of level of impact. The environmental impact of the projects is examined based on the classification results. For example, on-site visits are conducted for "Category A" projects.

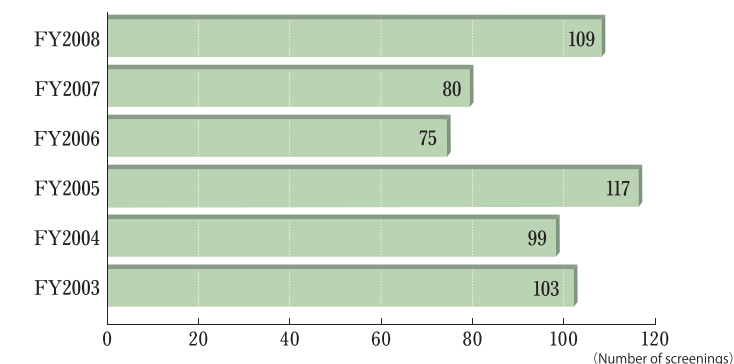
The number of projects screened in fiscal 2008 increased compared with the previous fiscal year. Further, in response to increasingly diversified export and investment patterns, NEXI has conducted screenings that are more precise and prompt.

NEXI has also adopted the system of "Objection Procedures" and accordingly appoints an "Examiner for Guidelines on Environmental and Social Considerations in Trade Insurance" who works under the direct control of the Chairman & CEO and independent of the section in charge of the underwriting business in order to ensure compliance with the Guidelines.

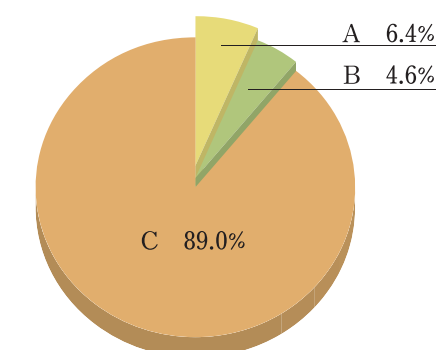
Please click the following URL for details of the "Environmental and Social Considerations in Trade Insurance"
http://nexi.go.jp/e/env/index1_frame.html



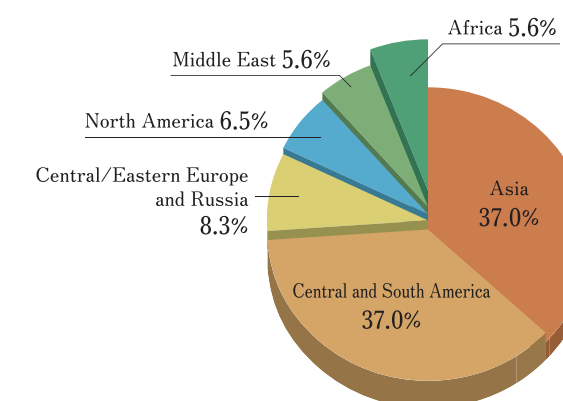
Results of Screening Conducted



Percentage of Screening in FY2008 by Category



Percentage of Screening in FY2008 by Region



Site Visits



Review of Performance in Fiscal Year 2008



1 Economic Trends

Japan's economy contracted sharply in FY2008, especially since January 2009, reflecting the U.S. and European recession and economic slowdown in Asia and other emerging markets caused by the unprecedented turmoil in global financial markets. Exports have decreased substantially, falling 16.4% to ¥71.1 trillion in FY2008 compared with the previous fiscal year.

Japan's exports to the United States and EU dropped 26.8% and 23.0% respectively. As for specific sectors, exports of cars and semiconductors have significantly decreased.

[Japan's exports]

(Millions of yen)					
Fiscal Year	2004	2005	2006	2007	2008
Total Exports	61,719,415	68,290,157	77,460,585	85,113,381	71,144,930
Year-on-year change (%)	10.1	10.6	13.4	9.9	(16.4)

(Source: Trade Statistics, Ministry of Finance)

2 Summary of Trade and Investment Insurance Business

[Underwritten Amount]

(Millions of yen)						
Fiscal Year	2004	2005	2006	2007	2008	Year-on-year change (%)
Underwritten Amount	11,191,726	12,327,692	14,879,447	9,521,044	9,726,968	2.2

[Outstanding Commitment]

(Millions of yen)						
Fiscal Year	2004	2005	2006	2007	2008	Year-on-year change (%)
Outstanding Commitment	8,240,190	9,268,280	11,426,992	11,706,683	12,060,482	3.0

[Operating Income]

(Millions of yen)						
Fiscal Year	2004	2005	2006	2007	2008	Year-on-year change (%)
Premium income	41,277	40,312	37,880	36,171	37,769	4.4
Recoveries ^(Note 1)	101,396	228,739	247,312	57,465	41,855	(27.2)
Total	142,673	269,051	285,192	93,636	79,624	(15.0)

(Note1) Recoveries are on a payment notice receipt basis.

(Note2) Because of the rounding up or down of fractions, the sum of the items in the columns above does not necessarily coincide with the total amount. (The same applies hereafter.)

(Note3) Premium income includes premium of original insurance written and premium received for reinsurance.

[Claims Paid]

(Millions of yen)						
Fiscal Year	2004	2005	2006	2007	2008	Year-on-year change (%)
Claims paid	12,903	3,680	2,431	3,800	17,159	351.6

3 Summary of Underwriting

[Underwritten Amount by Insurance Type]

The total underwritten amount in FY2008 showed a slight increase of 2.2% year-on-year, to ¥9,727.0 billion. In terms of type of insurance, Export Credit Insurance decreased 8.1% to ¥8,345.0 billion, following the sharp decline in exports in the global economic downturn. On the other hand, Overseas Untied Loan Insurance showed a substantial increase of 866.4% to ¥984.8 billion, due to increased large-scale projects and new coverage support provided for working capital used by the insured's overseas subsidiaries.

(Millions of yen)						
Type of Insurance	FY2004	FY2005	FY2006	FY2007	FY2008	Composition (%)
Export Credit Insurance	10,529,494	11,499,704	14,290,499	9,084,734	8,344,955	85.8
One year or less	6,539,321	6,923,764	8,284,634	4,174,931	3,679,428	37.8
More than one year	3,990,173	4,575,940	6,005,865	4,909,803	4,665,528	48.0
Buyer's Credit Insurance	155,093	106,659	60,805	83,626	41,335	0.4
Export Bill Insurance	41,639	38,132	32,758	29,178	25,886	0.3
Export Bond Insurance	0	0	0	0	0	0.0
Prepayment Import Insurance	1,787	2,004	14	889	345	0.0
Overseas Investment Insurance	55,119	156,848	271,949	155,228	281,717	2.9
Overseas Untied Loan Insurance	404,621	505,094	189,732	101,905	984,806	10.1
Trade Insurance for Standing Orders from Specific Buyer	1,966	7,786	3,436	7,405	5,928	0.1
Export Credit Insurance for SMEs	—	365	511	370	444	0.0
Reinsurance	2,006	11,101	29,742	57,710	41,552	0.4
Total	11,191,726	12,327,692	14,879,447	9,521,044	9,726,968	100.0

(Note 4) The total is based on the actual underwritten amount calculated by applying the exchange rate of the date of contract, not based on methods for responding to the exchange rate.

(Note 5) In April 2005, Buyer's Credit Insurance was developed independently from Export Credit Insurance. However, for the convenience of comparison, buyer's credit-related figures in FY2004 are indicated as Buyer's Credit Insurance and are excluded from Export Credit Insurance figures.

(Note 6) In accordance with the BU rules, export credit insurance with credit terms of more than one year includes figures on insurance for most capital goods, even if the credit period is one year or shorter.

[Amount Underwritten by Region]

In a breakdown by region (based on total income including assured reinsurance), the largest share at 41.9% (¥4,437.6 billion) was Asian transactions, followed by Europe at ¥1,284.6 billion and the Middle East at ¥1,220.6 billion. In comparison with the previous fiscal year, South America, Central America and Africa increased. Among them South America surged 74.4% compared to the previous fiscal year.

(Millions of yen)							
Region	FY2004	FY2005	FY2006	FY2007	FY2008	Composition (%)	Year-on-year change (%)
Asia	4,422,736	4,126,797	5,100,905	4,817,700	4,437,621	41.9	(7.9)
Middle East	1,072,805	2,170,641	2,593,955	1,343,178	1,220,586	11.5	(9.1)
Europe	2,258,717	2,313,287	2,695,518	1,227,274	1,284,625	12.1	4.7
North America	2,589,267	2,971,894	3,718,850	634,598	617,350	5.8	(2.7)
Central America	936,017	749,609	910,831	976,957	1,147,354	10.8	17.4
South America	313,578	380,844	402,995	484,212	844,275	8.0	74.4
Africa	305,004	430,946	601,891	640,785	739,050	7.0	15.3
Oceania	496,717	531,051	560,916	228,385	251,302	2.4	10.0
International Organizations	180,650	168,531	74,660	66,100	58,023	0.5	(12.2)

(Note 7) 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 8) 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 9) Central Asia is included in Asia. (The same applies hereafter.)

(Note 10) Central and Eastern Europe and Russia are included in Europe. (The same applies hereafter.)



4 Outstanding Commitment

[Top Ten Countries and Regions of Underwritten Amount in FY2008]

(Millions of yen)

Order	Country/Region	Underwritten amount	Composition (%)
1	China	952,922	9.0
2	Korea	747,554	7.1
3	Panama (flag of convenience vessel)	713,894	6.7
4	U.S.A.	555,603	5.2
5	Brazil	526,461	5.0
6	Singapore	449,089	4.2
7	Indonesia	420,788	4.0
8	Taiwan	406,051	3.8
9	Thailand	364,686	3.4
10	Saudi Arabia	344,731	3.3

[Outstanding Commitment by Type of Insurance]

Total outstanding commitment increased 3.0% to ¥12,060.5 billion as of the end of FY2008. In a breakdown by insurance type, Export Credit Insurance was the largest with ¥9,336.3 billion, followed by Overseas Untied Loan Insurance with ¥1,247.6 billion. Overseas Untied Loan Insurance surged 52.0% compared to the previous fiscal year, reflecting the increased large-scale projects and new coverage to support working capital used by the insured's overseas subsidiaries.

(Millions of yen)

Type of Insurance	FY2004	FY2005	FY2006	FY2007	FY2008	Composition (%)
Export Credit Insurance	5,999,205	6,865,294	8,746,616	9,452,265	9,336,297	77.4
One year or less	1,050,017	1,148,924	1,588,502	2,296,544	2,396,838	19.9
More than one year	4,949,189	5,716,370	7,158,114	7,155,721	6,939,458	57.5
Buyer's Credit Insurance	906,923	852,912	828,740	658,789	524,937	4.4
Export Bill Insurance	9,404	7,855	7,310	7,849	6,373	0.1
Export Bond Insurance	5,648	5,648	383	0	0	0.0
Prepayment Import Insurance	1,503	2,113	14	589	345	0.0
Overseas Investment Insurance	458,279	461,490	635,840	666,499	809,504	6.7
Overseas Untied Loan Insurance	849,712	1,046,441	1,139,627	820,981	1,247,619	10.3
	2,060	8,576	9,518	8,514	10,554	0.1
Export Credit Insurance for SMEs	-	110	105	67	83	0.0
Reinsurance	7,456	17,841	58,839	91,129	124,769	1.0
Total	8,240,190	9,268,280	11,426,992	11,706,683	12,060,482	100.0

(Note 11) The total is based on the exchange rate of each fiscal year-end.

(Note 12) In April 2005, Buyer's Credit Insurance was developed independently from Export Credit Insurance. However, for the convenience of comparison, buyer's credit-related figures in FY2004 are indicated as Buyer's Credit Insurance, and are excluded from Export Credit Insurance figures.

(Note 13) In accordance with the BU rules, export credit insurance with credit terms of more than one year includes figures on insurance for all capital goods, even if the credit period is one year or shorter.

[Outstanding Commitment by Region]

In terms of region, Asia accounted for the largest amount at ¥4,852.4 billion, followed by the Middle East at ¥3,228.5 billion.

(Millions of yen)

Region	FY2004	FY2005	FY2006	FY2007	FY2008	Composition (%)
Asia	3,914,884	3,613,667	4,318,977	5,033,273	4,852,423	39.0
Middle East	1,292,147	2,447,143	3,506,244	3,391,304	3,228,462	25.9
Europe	1,033,851	1,070,816	1,160,782	961,229	1,133,428	9.1
North America	436,562	559,228	746,514	485,556	616,611	5.0
Central America	835,761	755,131	680,694	674,646	681,062	5.5
South America	492,483	540,260	577,912	581,118	788,489	6.3
Africa	217,901	254,352	400,279	564,374	796,105	6.4
Oceania	122,172	152,107	191,673	177,410	249,099	2.0
International Organizations	129,762	175,016	154,641	159,662	95,667	0.8

(Note 14) 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 15) 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 16) Transactions guaranteed by an international organization are reported separately.



5 Insurance Claims Paid

[Insurance Claims Paid by Insurance Type and by Risk]

The total amount of claims paid in FY2008 was ¥17.2 billion, up 351.6% over the previous fiscal year. This is mainly due to the political event in Cuba caused by the country's lack of foreign exchange to pay for imports. The claims payment related to the political event in Cuba amounted to ¥15.5 billion. On the other hand, commercial risk claims payment remained low as a result of NEXI's loss preventive measures.

(Millions of yen)

Type of Insurance	FY2004			FY2005			FY2006			FY2007			FY2008			Composition (%)
	Total	Political Risk	Commercial Risk	Total	Political Risk	Commercial Risk	Total	Political Risk	Commercial Risk	Total	Political Risk	Commercial Risk	Total	Political Risk	Commercial Risk	
Export Credit Insurance	7,308	1,389	5,919	2,961	1,256	1,704	2,185	1,751	434	3,667	2,438	1,229	17,124	16,858	266	99.8
Buyer's Credit Insurance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Export Bill Insurance	33	0	33	54	1	53	124	0	124	66	0	66	31	0	31	0.2
Export Bond Insurance	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
Overseas Investment Insurance	232	232	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Overseas Untied Loan Insurance	5,330	109	5,221	652	652	0	118	118	0	57	57	0	0	0	0	0
Trade Insurance for Standing Orders from Specific Buyer	0	0	0	2	0	2	0	0	0	2	0	2	4	0	4	0
Export Credit Insurance for SMEs	-	-	-	11	0	11	5	0	5	6	0	6	0	0	0	0
Total	12,903	1,730	11,174	3,680	1,909	1,770	2,431	1,869	562	3,800	2,495	1,305	17,159	16,858	301	100

[Insurance Claims Paid by Region]

(Millions of yen)

Region	FY2004			FY2005			FY2006			FY2007			FY2008			Composition (%)
	Total	Political Risk	Commercial Risk	Total	Political Risk	Commercial Risk	Total	Political Risk	Commercial Risk	Total	Political Risk	Commercial Risk	Total	Political Risk	Commercial Risk	
Asia	11,247	139	11,109	1,436	60	1,375	189	0	189	631	0	631	235	0	235	1.4
Middle East	148	119	29	1,052	969	83	40	0	40	0	0	0	0	0	0	0
Europe	5	0	5	16	1	15	118	0	118	517	0	517	7	0	7	0
North America	6	0	6	50	40	11	65	65	0	94	44	49	23	13	9	0.1
Central America	0	0	0	269	0	269	50	3	47	90	0	90	15,547	15,497	50	90.6
South America	1,293	1,275	18	745	727	18	1,753	1,684	69	2,396	2,393	3	1,347	1,347	0	7.9
Africa	204	197	7	112	112	0	162	118	44	57	57	0	0	0	0	0
Oceania	0	0	0	0	0	0	56	0	56	15	0	15	1	0	1	0
Total	12,903	1,730	11,174	3,680	1,909	1,770	2,431	1,869	562	3,800	2,495	1,305	17,159	16,858	301	100

[Top Five Countries/Regions in terms of Insurance Claims Paid]

(Millions of yen)

Order	Country/Region	Total Claims Paid	Political Risk	Commercial Risk
1	Cuba	15,496	15,496	0
2	Argentina	1,342	1,342	0
3	Taiwan	201	0	201
4	Mexico	50	1	48
5	U.S.A.	18	13	5

6 Recoveries

Recoveries for FY2008 decreased from ¥57.5 billion to ¥41.9 billion, or ¥15.6 billion (27.2%), compared with the previous fiscal year. This is mainly due to successful repayment by major debt rescheduled countries such as Peru and Syria, which completed their repayment during the previous fiscal year. In a breakdown by type of risk, political risk recoveries accounted for 96.4% (¥40.4 billion), with the remaining 3.6% (¥1.5 billion) coming from commercial risk recoveries.

The top five recoveries in terms of country in FY2008 were ¥23.7 billion from Poland (¥30.3 billion in the previous fiscal year), ¥4.9 billion from Egypt (¥4.6 billion in the previous fiscal year), ¥4.0 billion from Indonesia (¥3.6 billion in the previous fiscal year), ¥1.4 billion from Argentina (¥1.3 billion in the previous fiscal year), and ¥1.4 billion from Jordan (¥1.1 billion in the previous fiscal year), which accounted for 84.5% of total recoveries.

[Recoveries by Risk]

(Millions of yen)

Type of Risks	FY2004	FY2005	FY2006	FY2007	FY2008
Political Risk	94,303	225,745	235,065	54,284	40,393
Commercial Risk	7,093	2,993	12,247	3,181	1,462
Total Recoveries	101,396	228,739	247,312	57,465	41,855

[Recoveries by Region]

In a breakdown by region, recoveries from Asia decreased by 14.7% to ¥6.4 billion compared with the previous fiscal year. Of all the Asian recoveries, 98.5% are from three countries: Indonesia with ¥4.0 billion (¥3.6 billion in the previous fiscal year), Singapore with ¥1.2 billion (¥1.3 billion in the previous fiscal year), and Myanmar with ¥1.0 billion (¥1.0 billion in the previous fiscal year).

Recoveries from the Middle East decreased by 44.3% to ¥1.4 billion, of which ¥1.4 billion was from Jordan and ¥20 million was from Yemen, accounting for 99.96% of the recoveries from this region.

Recoveries from Europe were ¥25.4 billion, down by 20.7% from the previous fiscal year. Poland, Belarus, and Serbia accounted for 98.1% of the total European recoveries, with ¥23.7 billion, ¥0.6 billion, and ¥0.6 billion, respectively.

Recoveries from North and Central America declined by 80.6% to ¥0.5 billion, of which ¥0.5 billion was from Cuba and ¥30 million was from Dominican Republic. They accounted for 99.8% of the recoveries from this region.

Recoveries from South America were ¥2.2 billion, a decrease of 67.6% from the previous fiscal year. Recoveries from Argentina and Ecuador were ¥1.4 billion and ¥0.7 billion respectively. The recoveries from them occupied 95.9% of the total recoveries from South America.

Recoveries from Africa were down by 2.0% to ¥6.0 billion. Egypt, Angola and Gabon accounted for ¥4.9 billion, ¥1.0 billion, and ¥0.1 billion respectively. Recoveries from the three countries occupied 99.5% of the total from Africa.

(Millions of yen)

Region	FY2004	FY2005	FY2006	FY2007	FY2008	Composition (%)	Year-on-year change (%)
Asia	16,388	11,548	23,874	7,451	6,354	15.2	(14.7%)
Middle East	1,722	1,836	2,112	2,520	1,404	3.4	(44.3%)
Europe	35,184	90,046	100,373	31,967	25,349	60.6	(20.7%)
North America	10	0	0	0	1	0.0	88.2%
Central America	609	2,360	3,051	2,483	480	1.1	(80.7%)
South America	29,631	33,538	35,435	6,882	2,230	5.3	(67.6%)
Africa	17,853	89,410	82,466	6,160	6,037	14.4	(2.0%)
Oceania	0	0	0	3	1	0.0	(80.3%)
Total	101,396	228,739	247,312	57,465	41,855	100.0	(27.2%)



Financial Results for Fiscal Year 2008

(Year ending March 31, 2009)



1 Fiscal Year 2008 in Review

NEXI submitted financial statements and other financial information for fiscal year 2008 ending March 31, 2009 (its eighth year of operation) to the Minister of Economy, Trade and Industry on June 22, 2009.

[Overview of Financial Statements]

Financial highlights for NEXI business (Year end: March 31)

Year of operation	4th (FY2004)	5th (FY2005)	6th (FY2006)	7th (FY2007)	8th (FY2008)
Ordinary profit (loss)	2,319	4,041	5,439	1,273	1,899
Ordinary income	9,346	11,585	12,520	12,706	13,306
(Underwriting income)	8,573	9,671	9,189	9,616	10,051
(reference) Premium of original insurance written	(41,187)	(40,088)	(37,178)	(34,644)	(36,816)
Net premium written	8,571	9,586	9,187	9,615	10,051
Reversal of outstanding claims provision	2	83	—	—	—
(Investment income)	607	1,179	2,701	2,978	3,153
(Foreign exchange gain)	6	720	614	—	—
Ordinary expenses	7,027	7,544	7,081	11,433	11,408
(Underwriting expenses)	2,117	2,063	575	1,136	3,774
(reference) Insurance claims paid	(12,103)	(3,680)	(2,431)	(3,800)	(17,159)
Net claims paid	75	74	62	103	1,582
Provision for outstanding claims reserves	—	—	37	511	2,198
Provision for outstanding commitments reserves	1,980	2,008	510	625	912
(Foreign exchange loss)	—	—	—	2,236	77
(Operating and administrative expenses)	4,897	5,476	6,405	7,985	7,543
Extraordinary profit (loss)	3,173	52,501	18,953	(84,981)	(3,360)
Net profit (loss)	5,492	56,542	24,392	(83,709)	(1,461)
Total assets	241,292	398,588	377,995	302,164	305,703
Net worth	198,908	326,131	350,522	266,814	265,359

(Note) Extraordinary profit (loss) includes valuation profit/loss related to assets invested by the government.

[Profits and Losses]

In fiscal year 2008 the net premium written increased slightly by 4.5% to ¥10,051 million compared to the previous fiscal year. The premium received had been expected to be severely affected by a sharp decline in exports caused by the global economic downturn. However, a significant growth in Overseas Untied Loan Insurance contracts contributed to the increase in net premium written as a result of increased large-scale projects as well as NEXI's new coverage support for working capital used by the insured's overseas subsidiaries. Investment income of ¥3,153 million was added to ordinary income, which amounted to ¥13,306 million. The net claims paid surged more than 15-fold to ¥1,582 million, due to the political event in Cuba caused by the country's lack of foreign exchange to pay for imports. While provision for political event outstanding claims reserves was ¥2,198 million, a decrease in operating and administrative expenses and a modest foreign exchange loss contributed to lower than expected ordinary expenses which amounted to ¥11,408 million. As a result the ordinary profit was ¥1,899 million.

On the other hand, extraordinary loss amounted to ¥3,360 million mainly due to valuation loss on receivables acquired by subrogation and contributed in-kind by the government, impacted by challenging global financial market conditions. Net loss in the current fiscal year was ¥1,461 million.

2 Financial Statements

[Balance Sheet (As of March 31, 2009)]

(Millions of yen)			
(Assets)		(Liabilities)	
Cash and cash items	44,192	Outstanding claims reserves	2,837
Securities	222,609	Reserves for outstanding commitments	14,096
Receivables subrogated by paying claims	239,786	Amount due to the reinsurer	7,882
Accrued income	904	Deposits received	11,882
Accrued premium	2,829	Prepaid insurance premium	2,539
Reinsurance credit	1,493	Accrued amount payable	114
Buildings ^(Note 2)	84	Accrued bonuses	126
Vehicles ^(Note 3)	3	Reserves for retirement allowance	162
Equipment and fixtures ^(Note 4)	307	Other liabilities	707
Accounts receivable	44	Total liabilities	40,345
Deposits	489	(Net Worth)	
Software	2,963	Capital	
Other assets	49	Government investment	104,352
Allowance for uncollectible receivables	(210,049)	Capital surplus ^(Note 5)	140,658
		Retained earnings	
		First target period reserve fund carried forward	24,585
		Loss carried forward	2,775
		Unappropriated retained loss	1,461
		(of which loss for the current year)	(1,461)
		Total retained earnings	20,349
		Total net worth	265,359
Total assets	305,703	Total liabilities and net worth	305,703

(Notes)

1. Amounts between one million yen and 500 thousand yen were rounded up to one million yen. Amounts less than 500 thousand yen were omitted.
2. The accumulated depreciation of buildings is ¥147 million.
3. The accumulated depreciation of vehicles is ¥5 million.
4. The accumulated depreciation of equipment and fixtures is ¥379 million.
5. The breakdown of capital surplus is as follows:

(Millions of yen)	
Valuation difference of receivables subrogated by paying claims	45,386
Valuation difference of rescheduled claims	49,225
Valuation difference of commercial risk subrogated receivables	(3,838)
Valuation difference of capitalized amount	95,271
(Total)	140,658



[Statement of Income (From April 1, 2008 to March 31, 2009)]

(Millions of yen)	
Ordinary income	13,306
Underwriting income	10,051
Net premium written ^(Note 2)	10,051
Interest income on receivables subrogated by paying claims	0
Investment income	3,153
Income from interest	209
Interest on securities	2,930
Gain on sales of securities	13
Others	102
Other ordinary income	102
Ordinary expenses	11,408
Underwriting expenses	3,774
Net claims paid ^(Note 3)	1,582
Provision for outstanding claims reserves	2,198
Estimated amount of insurance claims recovery ^(Note 4)	(918)
Provision for outstanding commitments reserves	912
Investment expenses	12
Loss on sales of securities	12
Foreign exchange loss	77
Operating and administrative expenses	7,543
Others	2
Interest paid	0
Other ordinary expenses	2
Ordinary profit	1,899
Extraordinary income	5,071
Profit relating to in-kind contribution of receivables acquired by government subrogation ^(Note 5)	5,071
Extraordinary loss	8,431
Losses relating to in-kind contribution of receivables acquired by government subrogation ^(Note 5)	1,010
Provision for uncollectible receivables relating to in-kind contribution of receivables acquired by government subrogation	7,420
Net loss	1,461

(Notes) 1. Amounts between one million yen and 500 thousand yen were rounded up to one million yen. Amounts less than 500 thousand yen were omitted.

2. The breakdown of net premium written is as follows:

(Millions of yen)	
Premium of original insurance written	36,816
Refund of premium paid for reinsurance	645
Premium received for reinsurance	953
Premium paid for reinsurance	(28,363)
(Total)	10,051

3. The breakdown of net claims paid is as follows:

(Millions of yen)	
Insurance claims paid	17,159
Reinsurance claims recovered	(15,577)
Reinsurance claims to be recovered	(1)
(Total)	1,582

4. The breakdown of the estimated amount of insurance claims recovery is as follows:

(Millions of yen)	
(1) Capitalized and evaluated amount of subrogated receivables in connection with rescheduling agreements	
① Political-risk subrogated receivables	(1,554)
② Estimated value of subrogated receivables capitalized in line with the outstanding claims provision	(266)
③ Provision for uncollectible receivables	1,547
(2) Capitalized and evaluated amount of subrogated receivables in relation to commercial risk claims paid	
① Commercial-risk subrogated receivables	(30)
② Difference of estimated value between the current year and the previous year concerning subrogated receivables capitalized in line with the outstanding claims provision	(626)
③ Bad debt loss	1
④ Provision for uncollectible receivables	9
(3) Recoveries of subrogated receivables that are not capitalized	(0)
(Total)	(918)

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

(1) Breakdown of profits related to assets invested by the government

(Millions of yen)	
Interest income	5,071
Bad debt recovered	0
(Total)	5,071

(2) Breakdown of losses related to assets invested by the government

(Millions of yen)	
Bad debt loss	81
Foreign exchange loss	209
Other extraordinary loss	720
(Total)	1,010

[Statement of Cash Flows (From April 1, 2008 to March 31, 2009)]

(Millions of yen)	
I . Cash flows from operating activities	
Premium received	39,323
Reinsurance premium paid	(25,048)
Insurance claims paid	(17,159)
Reinsurance claims received	14,250
Income from recovery of receivables subrogated by paying claims	10,572
Payment of recovered receivables subrogated by paying claims	(6,707)
Income from recovery of receivables subrogated to the government	34,242
Payment of recovered receivables subrogated to the government	(32,847)
Personnel expenses	(1,398)
Other operating expenses	(4,306)
Others	(478)
Subtotal	10,443
Interests received	5,046
Interests paid	(0)
Net cash provided by operating activities	15,489
II . Cash flows from investing activities	
(Increase) in time deposits	(41,771)
Decrease in time deposits	55,516
Purchase of securities	(85,303)
Redemption of securities	75,456
Purchase of fixed assets	(76)
(Increase) in deposits	(91)
Net cash (used in) provided by investing activities	3,731
III . Cash flows from financing activities	
Finance lease payment	(3)
Net cash (used in) provided by financing activities	(3)
IV . Foreign exchange difference related to cash and cash equivalents	(240)
V . Net increase (decrease) in cash and cash equivalents	18,977
VI . Cash and cash equivalents at the beginning of the current year	25,215
VII . Cash and cash equivalents at the end of the current year	44,192

(Note 1) Amounts between one million yen and 500 thousand yen were rounded up to one million yen. Amounts less than 500 thousand yen were omitted.

(Note 2) The breakdown of cash at the end of the current year by title of balance sheet is as follows:

(Millions of yen)	
Cash and cash items	44,192
Balance of cash at the end of the current year	Total 44,192



Notes

I. Important Accounting Principles

1. Accounting procedures of depreciation

(1) Depreciation of tangible fixed assets

Depreciation of tangible fixed assets purchased with a value exceeding ¥200,000, either singly or in sets, has been calculated by adopting a straight-line depreciation method. This is in accordance with the estimated useful life stipulated in the Corporation Tax Act defining residual value as 10% of the acquisition value. However, the depreciation of buildings (limited to incidental facilities) has been calculated by a straight-line depreciation method that sets its residual value at ¥1 as the memorandum value.

(2) Amortization of intangible fixed assets

Amortization of the trademark right has been calculated by a straight-line depreciation method that fixes its residual value at ¥0 in accordance with the estimated useful life stipulated in the Corporation Tax Act. Amortization of computer software with a four year availability period being used in-house has been calculated by a straight-line depreciation method that sets its residual value at ¥0 by applying the relative availability period to the estimated useful life.

2. Calculation basis of the 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 rules for the payment of retirement allowances to board members and by those that apply to employees, respectively.

With regard to estimated increase in retirement allowances with no reserves set aside, in accordance with the statement of administrative services costs, it is computed by deducting "the retirement allowance estimate at the end of the previous fiscal year" and "retirement allowance estimate at the end of the previous fiscal year for those who resigned" from the retirement allowance estimate for all employees at the end of the current fiscal year.

3. Calculation method 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 have been dealt with by calculating the respective amount 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).

4. Calculation of accrued bonuses

Accrued bonuses for board members and employees are provided based on the amount remaining in the current fiscal year according to rules for the 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 the 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 translated into Japanese yen at fiscal year-end exchange rates.

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

(1) Calculation of opportunity costs for the use of national property without charge

Opportunity costs arising from using national property free of charge for the facilities of NEXI, such as offices, have been calculated by referring to land rent and building rent in the surrounding area: computer room on the second floor of the annex to the main building of the Ministry of Economy, Trade and Industry.

(2) Interest rate for the calculation of opportunity costs relating to investment by the government

The yield of 10-year government bonds (1.340%) has been applied.

8. Accounting and depreciation methods applied to lease transactions

Finance lease transactions have been dealt with in accordance with accounting procedures for typical sales transactions. Depreciation has been dealt with by a straight-line method, which sets its residual value at ¥0 by applying the relative contract period as its estimated useful life.

9. Accounting procedure for consumption tax

Consumption tax accounting is based on the tax included method. For fiscal year 2008, NEXI has been qualified as a tax-exempt enterprise under the Consumption Tax Act and other related laws and regulations.

10. Changes to the accounting principles

Depreciation accounting

Since fiscal year 2008, tangible fixed assets acquired on and after April 1, 2008 have been depreciated based on the revised Corporation Tax Act (Act on the Partial Revision of the Income Tax Act, etc., Law No. 6 of March 30, 2007 and Cabinet Order for the Partial Revision of the Corporation Tax Act Enforcement Order, Cabinet Order No. 83 of March 30, 2007). Little impact on the ordinary profit and net loss is associated with the change.

(Supplementary information)

Following the revision of the Corporation Tax Act, assets acquired before March 31, 2008 (except building incidental facilities) are depreciated based on the Corporation Tax Act prior to its revision. From the fiscal year following the fiscal year in which assets reach 10% of the acquisition value, the difference between an amount equivalent to 10% of the acquisition value and the memorandum value is depreciated in an equal amount over five years and included in depreciation expenses. Little impact on ordinary profit and net loss is associated with this change.

II. Important Debt Assumption Undertaken

Not applicable

III. Important Subsequent Events

Not applicable

IV. Account Titles Used by NEXI

Receivables subrogated by paying claims	Total assets of receivables subrogated by NEXI's paying claims and the estimated amount of potential subrogated receivables (recorded as assets with outstanding claims reserves being reported)
Accrued income	Total accrued interest of time deposits, securities and receivables subrogated by paying claims (receivables subrogated by paying political risk claims) as of the end of the fiscal year. The accrued interest is recorded when a debtor country's repayment is expected.
Accrued premium	Accrued insurance premium to be paid by policyholders arising from an insurance contract conclusion.
Reinsurance credit	Receivables arising from reinsurance provided by the government ○ Accrued premium on reinsurance to be refunded by the government ○ Accrued reinsurance claims to be paid by the government
Outstanding claims reserves	Amount considered necessary under an insurance contract to cover incurred losses or losses recognized as having been incurred at the end of the fiscal year
Reserves for outstanding commitments	Amount reserved to prepare for possible future claim payments under insurance and reinsurance contracts
Amount due to the reinsurer	Amount to be paid by NEXI to the government under reinsurance contracts ○ Reinsurance premium payable to the government ○ Reinsurance claim recoveries payable to the government
Prepaid insurance premium	Insurance premium received with NEXI's obligation starting from the next fiscal year or later
Capital surplus	The valuation difference of an in-kind contribution of receivables acquired by government subrogation
Net premium written	Amount calculated by deducting reinsurance premium paid from premium written. Premium written is the total amount of premium of original insurance written and premium received for reinsurance.
Net claims paid	Amount calculated by deducting reinsurance claims recovered from insurance claims paid. Insurance claims paid are the total amount of original insurance claims paid and reinsurance claims paid.
Estimated amount of insurance claims recovery	Valuation gain/loss of receivables subrogated by paying insurance claims
Provision for outstanding claims reserves	Provision for outstanding claims reserves for the current fiscal year
Provision for outstanding commitments reserves	Provision for outstanding commitments reserves for the current fiscal year
Extraordinary income	Interest income relating to assets invested by the government (receivables subrogated by paying claims)
Extraordinary loss	Provision for uncollectible receivables and foreign exchange loss relating to assets invested by the government (receivables subrogated by paying claims)

V. Other Accounting Information Necessary to Understand the Current Situation of NEXI

Conversion into a stock company wholly owned by the government

The "Consolidation and Rationalization Plan for Incorporated Administrative Agencies," approved by the Cabinet on December 24, 2007, stipulates that in principle NEXI should convert to a stock company wholly owned by the government by the end of fiscal year 2010.



Achievement of Second-Term Objectives



NEXI set up the medium-term objectives for the second term of FY2005 to FY2008 and enforced various policies based on these objectives. Major achievements of these objectives are stated below.

1 Improvement in the Quality of Operations

1 Improvement of products

- We introduced an optional coverage scheme for the Comprehensive Insurance with Exporters' Associations and reviewed our scheme by a revision of premium rates, etc.
- As a response to the global financial crisis, we established a support framework amounting to JPY1 trillion using Overseas Untied Loan Insurance to support the working capital procurement by Japanese companies abroad. (January 2009)

2 Improvement of services

- We simplified various procedures and necessary documents regarding insurance applications and started Website services for insurance applications and information on insurance contracts.
- The average assessment period for claims payment for commercial risk events in each fiscal year achieved the sixty-days target of the medium-term objectives. (FY2005: 57 days; FY2006: 46 days; FY2007: 28 days; and FY2008: 12 days)
- The Compliance Committee, Statistics Committee, and Monitoring Committee were set up under the direct control of the Chairman.

3 Streamlining of the system to perceive and reflect customers' needs and enhance risk analysis/assessment

- We provided information on underwritten projects and insurance products using the Website and e-NEXI (e-mail newsletter). We have also enriched the contents of the annual reports and business introduction brochures.
- We further streamlined the risk analysis and assessment system as well as made an effort to set premium rates that correspond to risk assessment.
- Our Chairman and others participated in joint missions by the government and private sectors led by the Minister of Economy, Trade and Industry, which led to our providing support to Japanese companies expanding their investment in various sectors, including the natural resources sector.

4 Emphasizing of strategic priority policy issues

- We made an effort to underwrite risks involved in overseas transactions of Japanese companies in countries with high country risks to the extent that is appropriate and that does not have an adverse effect in our business.
- We strove to expand the scope of risks to be indemnified from the perspective of contributing to the efforts of strengthening economic partnership between Japan and East Asian countries.
- We reduced the base premium rate for Overseas Investment Insurance by 30% to support investment by Japanese companies for the purpose of securing a stable supply of natural resources and energy. In addition, we started underwriting Investment and Loan Insurance for Natural Resources and Energy in April 2007.
- We worked on the revision of our Guidelines on Environmental and Social Consideration in Trade Insurance.
- In January 2009, we created Trade and Investment Insurance for Preventing Global Warming as part of efforts to contribute to reducing greenhouse gas emissions.

- In the aircraft sector, we are providing reinsurance to US EXIMBANK to support the export of aircraft jointly developed by a Japanese heavy industries company and a U.S. aircraft manufacturer. (Total number of supported aircraft: 72) In supporting the export of domestic aircraft, we conducted a study in planning a product comparable to those of other countries.
- In the nuclear power sector, we are conducting a study on cooperation with the U.S. Department of Energy, etc., regarding a support system in the United States for constructing new nuclear power plants in addition to a framework of official support through repeated interviews with domestic exporters, investors, etc.

5 Smooth entry of private insurers into the market

- Starting in FY2007, customers' choice of coverage was extended by the revision of the scheme, including the introduction of the optional coverage scheme for Comprehensive Insurance with Exporters' Associations.
- The first co-insurance transaction with a private insurer was formed.
- We have expanded the number of outsourcing companies and the types of insurance that can be outsourced. As a result, we have commissioned sales of insurance products to six private insurers and three banks as of FY2008.

2 Improvement in Business Efficiency

1 Promotion of efficient business operations

- We cut operating costs (including personnel expenses) by more than 10% (13.1%) compared with the base year, and in FY2008, we reduced the workforce by 3% compared with FY2005.

2 Efficient development of the next generation information system and its smooth operations

- We started operations of the fourth stage of the information system of trade and investment insurance in December 2006. Using this information system, we started providing insurance application services and information on insurance contracts via the Website as well as realized prompt business operations.

3 Improvement in the Composition of Finances

1 Reinforcement of financial grounds

- We are enhancing the revenue base by fund management such as investing recovery in Japanese government bonds in order to reinforce the financial grounds.

2 Reinforcement of credit management and debt recovery

- The average debt recovery rate for commercial risk events for the whole year was 42.8%, greatly exceeding the target of 20%.
- We increased the number of servicers from one to twelve.
- By formulating guidelines on conducting interim monitoring, we made efforts to actively manage transactions during the insurance period. In addition, we have enhanced our risk management system by establishing the Monitoring Committee.

IX Profile of NEXI



From the left :Fumihiko Kato (Vice Chairman), Takashi Suzuki (Chairman and CEO), and Naoki Obayashi (Vice Chairman)

Members of the Board and the Audit Board

Chairman and CEO	Takashi Suzuki
Vice Chairman	Naoki Obayashi
Vice Chairman	Fumihiko Kato
Corporate Auditor (Full Time)	Shigeki Nishikawa
Corporate Auditor (Part Time)	Takashi Imai



Shigeki Nishikawa
(Corporate Auditor)



Takashi Imai
(Corporate Auditor)



Name	Incorporated Administrative Agency, Nippon Export and Investment Insurance("NEXI")
Date of Establishment	April 1st, 2001
Acts	Act on General Rules for Incorporated Administrative Agency 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	JPY104.4 billion (Fully contributed by the Japanese Government) (Unchanged from the previous year)
Number of Full-time Employees	152 (As of March 31, 2009)
Scope of Business	1. To conduct trade and investment insurance business operations complying with the regulations of Chapter 3 of the Trade and Investment Insurance Act. 2. To conduct business which is incidental to the business stated in 1. 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. 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.
Brief History	Jul.1999 Enactment of Act on General Rules for Incorporated Administrative Agency Dec.1999 Enactment of the Act which partly amended the Trade and Investment Insurance Act Apr. 2001 Establishment of Nippon Export and Investment Insurance (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.
Offices	Head office Chiyoda First Building, East Wing 3F, 3-8-1 Nishikanda, Chiyoda-ku, Tokyo 101-8359 Phone: 81-(0)3-3512-7650 Fax: 81-(0)3-3512-7660 Osaka Branch 3-1-22 Kitahama, Chuo-ku, Osaka City, Osaka 541-0041 Phone: 81-(0)6-6233-4019 Fax: 81-(0)6-6233-4001 Overseas Offices NEXI Paris, NEXI New York, and NEXI Singapore (See page 42.)
Main Insurance Products	Export Credit Insurance Buyer's Credit Insurance Trade Insurance for Standing Orders with 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
URL	http://www.nexi.go.jp



NEXI Customer Service Charter



NEXI Spirit

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

NEXI Pledges to the Customer

We are committed to:

- (1) Providing insurance products that make customers feel secure and protected in overseas transactions
- (2) Providing advice to customers from the preliminary stage of planning
- (3) Responding promptly to inquiries and the interests of customers
- (4) Meeting customers' demands and business needs
- (5) Promptly completing the assessment of insurance claims and making insurance claim payment
- (6) Promptly allocating the recovery

- (1) Providing insurance products that make customers feel secure and protected in overseas transactions

- 1) If you suspect that your international transactions, including exports, foreign investment and overseas lending may incur any risk, please visit our Website (<http://www.nexi.go.jp>) and find the insurance product section, or contact the following offices.

- Customer Relations Office (Head Office):
Phone: 81-(0)3-3512-7712
- Customer Relations Office (NEXI, Osaka):
Phone: 81-(0)6-6233-4019

- 2) To provide customers with further information on our insurance products that are beneficial to international business, we are always pleased to dispatch our staff to your office at your request. Please feel free to contact us.

- (2) Providing advice to customers from the preliminary stage of planning

If you plan to initiate international transactions, such as exports and overseas investment, there is a NEXI service available for you. We will be pleased to consult with you at an early stage of project formation and propose the most appropriate insurance product to minimize any risk involved.

※For inquiries, please see the NEXI directory as below, in order to find out where to contact us.

- Customer Relations Office (Head Office):
Phone: 81-(0)3-3512-7712
Fax: 81-(0)3-3512-7687
E-mail: info@nexi.go.jp
- Customer Relations Office (NEXI, Osaka):
Phone: 81-(0)6-6233-4019
Fax: 81-(0)6-6233-4001

- (3) Responding promptly to inquiries and the interests of customers

- 1) If you have any questions about insurance products, please call or e-mail the Customer Relations Office or any relevant group.
- 2) To estimate an insurance premium, please use the premium calculation simulator on our website. If you give us information on your planned transaction, the group in charge will estimate a premium on the same day of the inquiry, in principle, or on the following business day at the latest. (For medium or long-term non-L/G transactions, however, we will answer within five business days.)
If the group in charge finds it difficult to answer your inquiry within these time limits, the group will promptly notify you to that effect and give the reason for the delay and the expected date of answer.

- 3) Should the group in charge find any inadequacy in the forms submitted, such as the pre-application form and the insurance application form (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 trade insurance system for a specific project, please consult the group in charge or the Customer Relations Office. We will answer within five business days at the latest. Should we find it difficult to answer within the stated period, you will be promptly notified to that effect and be given the reason for the delay and the expected date of answer.

- (4) Meeting customers' demands and business needs

- 1) It would be appreciated if you could give us sufficient lead time when consulting with us as our assessment may take longer than expected.
- 2) If it becomes necessary to accelerate procedures for such a reason as an export contract proceeding more rapidly than anticipated, please consult with us. Your business needs are always important to us and we will do our utmost to meet accelerated deadlines. If we find it difficult to meet an accelerated deadline, we will immediately alert you of this and let you know how long it will take to complete the necessary procedures.

- (5) Promptly completing the assessment of insurance claims and making insurance claim payment

- 1) As soon as we receive an insurance claim from a customer, 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 a stipulated time. This is generally within two months of receipt of the claim, however, in a situation where more time is required for a survey, this rule does not apply. For an application for insurance claims, customers are requested to steadily execute the duty of notification and the duty of loss prevention and reduction stipulated in such documents as insurance policy provisions. In addition, customers are also requested to submit all necessary documents stipulated in the insurance policy provisions and other regulations within a specified time.
- 2) In the event of any inadequacy being found in a submitted claim or in other documents in light of insurance policy provisions or other regulations, we will give you notification no later than three business days after receiving the documents.
- 3) In order to pay claims within the period stipulated in the insurance policy provisions, and other regulations, we appreciate your understanding and cooperation, including the early submission of documents necessary for the assessment.

- (6) Promptly allocating recovery

- 1) When money is recovered from a debt for which we have been entrusted with the exercise of recovery rights, we will promptly distribute the recovered money in accordance with insurance policy provisions, etc.
- 2) To allocate money recovered according to Paris Club debt rescheduling or other programs, in principle, we will complete remittance procedures to the relevant customer accounts by the business day following confirmation of the receipt of the full amount in a NEXI account.

Information

Various kinds of information can be found on our Website (<http://www.nexi.go.jp>) and in our annual reports.

- (1) Please visit our Website for comprehensive information on trade insurance, which we hope will be helpful.

NEXI Website features:

- 1) Recent developments (including changes in systems and underwriting policies and business results for the last half-year period)
- 2) Description of our insurance products
- 3) Rules concerning trade insurance (including insurance policy provisions for all of our insurance products)
- 4) Underwriting policies

- 5) Country categories
- 6) Simulation of premium calculations
- 7) Application procedures
- 8) Procedures to be adopted after occurrence of an insured event
- 9) Examples of insurance claim payments cases
- 10) Brochures on our insurance products
- 11) Downloadable insurance policy provisions, detailed rules concerning procedures, various applications forms

- (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 NEXI corporate brochures and leaflets on our insurance products. Please feel free to call the Public Relations Group or the Customer Relations Office of the Head Office.

- (3) For inquiries regarding our Website, annual report or any other public relations materials, please contact the Public Relations Group of the Head Office.

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, do not hesitate to tell us, then the problem will be rapidly addressed.

- (1) If you let us know about any trouble you may be having, we can do whatever is necessary to solve the problem. In such a case, for example in insurance-related procedures, please give us the details of the problem and what you wish to be done. We will immediately analyze the situation to discover the source of the problem and suggest a solution.

- (2) If you have any complaints about our services or the handling of a specific project, please inform the Customer Relations Office.

- 1) For any complaints about our services, please provide the details to the Customer Relations Office in writing or via e-mail. After examining your problem, the Customer Relations Office will let you know how it will be dealt with. In a situation where it is difficult for us to take immediate action, we will let you know the reason for the difficulty and how we intend to proceed with it.

- 2) If there is any complaint about the handling of a specific project, please provide the details to the Customer Relations Office in writing or via e-mail. After re-examining the details, the Customer Relations Officer will inform you of the results of our investigation without delay. If action cannot be taken immediately, the Customer Relations Officer will inform you of the reason and the projected schedule for completion.



Customer Relations Office

(1) We have established a "Customer Relations Office" to provide more efficient services for our customers in accordance with our customer-oriented policy.

- Customer Relations Office (Head Office):
Phone: 81-(0)3-3512-7712
Fax: 81-(0)3-3512-7687
E-mail: info@nexi.go.jp
- Customer Relations Office (NEXI, Osaka):
Phone: 81-(0)6-6233-4019
Fax: 81-(0)6-6233-4001

(2) The Customer Relations Office offers customer support by viewing the situation from the customer's viewpoint. Any question or inquiry is welcome, including questions about trade finance, the appropriate group to handle a planned project, and the handling of a specific project. We will take prompt action in these matters.

About This Customer Service Charter

It is our policy that NEXI staff members act quickly at all times, and the Charter will be constantly reviewed. Please do not hesitate to make any comments about this Charter or NEXI in general.

NEXI Directory

■ For general inquiries, including questions about the outline of trade insurance, please contact:

- Customer Relations Office (Head Office):
Phone: 81-(0)3-3512-7712
Fax: 81-(0)3-3512-7687
E-mail: info@nexi.go.jp
- Head Office - Underwriting Group No.1
Phone: 81-(0)3-3512-7667
- NEXI, Osaka - Customer Relations Office
Phone: 81-(0)6-6233-4019
Fax: 81-(0)6-6233-4001

■ For inquiries about matters ranging from consultation on trade insurance underwriting to assessment associated with specific transactions, (including terms of cover, country categories, international agreements and insurance application procedures, such as buyer registration), please contact:

Short-Term Transactions
(Repayment Term of Less Than Two Years)

- Head Office - Underwriting Group No.2
(Phone: 81-(0)3-3512-7668)

- Consultation, individual assessment and issuance of informal approval of transactions for Export Credit Insurance, Export Bond Insurance and Prepayment Import Insurance that do not fulfill the insurance requirements by country such as for amount limits

- Head Office - Business Administration Group
(Phone: 81-(0)3-3512-7664)
- Consultation and individual assessment of transactions for all kinds of insurance fulfilling the insurance requirements by country such as for amount limits
- Consultation and individual assessment of insurance claims for Export Bill Insurance

- NEXI, Osaka - Underwriting Group
(Phone: 81-(0)6-6233-4018)
- Consultation, individual assessment and issuance of informal approval of transactions for Export Credit Insurance (for transactions less than one billion yen)

- NEXI, Osaka - Business Group
(Phone: 81-(0)6-6233-4017)
- Individual assessment of transactions for Export Credit Insurance (Specific Insurance, Comprehensive Insurance with Exporters' Associations, and Enterprise Comprehensive Insurance), fulfilling the insurance requirements by country, such as for amount limits
- Underwriting transactions for Trade Insurance for Standing Orders from Specific Buyer and Export Credit Insurance for SMEs
- Consultation and individual assessment of insurance claims for Export Bill Insurance

Medium & Long-Term Transactions
(Repayment Term of Two Years or More)

- Head Office - Underwriting Group No.2
(Phone: 81-(0)3-3512-7668)
- Consultation, individual assessment and issuance of informal approval of transactions for Export Credit Insurance, Export Bond Insurance and Prepayment Import Insurance
- Consultation on underwriting and assessment for transactions with direct government loans or government guarantees, or a transaction without government guarantees for which insurance cover is requested only for political risks regarding Export Credit Insurance and Buyer's Credit Insurance

- Head Office - Structured and Trade Finance Insurance Department
- Consultation, individual assessment, and issuance of informal approval of transactions for Buyer's Credit Insurance (two years or more) without L/G, Overseas Untied Loan Insurance, and Overseas Investment Insurance

Planning and Coordination Team
(Phone: 81-(0)3-3512-7675)

Power & Mining Team
(Phone: 81-(0)3-3512-7673)

Oil & Gas Team
(Phone: 81-(0)3-3512-7672, 81-(0)3-3512-7744)

Infrastructure Team
• Infrastructure/Aircraft Finance
(Phone: 81-(0)3-3512-7674)
• Manufacturing/Service Business
(Phone: 81-(0)3-3512-7601)

Investment and Loan Insurance for Natural Resources and Energy Team

- Oil & Gas
(Phone: 81-(0)3-3512-7744)
- Mineral Resources
(Phone: 81-(0)3-3512-7673)
- Overseas Investment Insurance
(Phone: 81-(0)3-3512-7744)

For inquiries about the following, please contact the appropriate office.

■ Ratings for, and credit management of, non-Japanese trading companies and banks:

- Head Office - Underwriting Group No.1
(Phone: 81-(0)3-3512-7667)
- NEXI, Osaka - Administration Group
(Phone: 81-(0)6-6233-4019)

■ Registration and alteration procedures on the foreign buyers list:

- Head Office - Underwriting Group No.1
(Phone: 81-(0)3-3512-7667)
- NEXI, Osaka - Administration Group
(Phone: 81-(0)6-6233-4019)

■ Confirmation and balance of specific credit ceiling:

- Head Office - Business Administration Group
(Phone: 81-(0)3-3512-7610)
- NEXI, Osaka - Business Group
(Phone: 81-(0)6-6233-4017)

■ Insurance application forms:

- Head Office - Business Administration Group
(Phone: 81-(0)3-3512-7664)
- NEXI, Osaka - Business Group
(Phone: 81-(0)6-6233-4017)

■ Issue of insurance policies:

- Head Office - Business Administration Group
(Phone: 81-(0)3-3512-7664)
- NEXI, Osaka - Business Group
(Phone: 81-(0)6-6233-4017)

■ Payment or refund of insurance premiums:

- Head Office - Business Administration Group
(Phone: 81-(0)3-3512-7664)
- NEXI, Osaka - Business Group
(Phone: 81-(0)6-6233-4017)

■ Applications for alteration:

- Head Office - Business Administration Group
(Phone: 81-(0)3-3512-7664)
- NEXI, Osaka - Business Group
(Phone: 81-(0)6-6233-4017)

■ Various application procedures, including approval of pledge:

- Head Office - Business Administration Group
(Phone: 81-(0)3-3512-7664)
- NEXI, Osaka - Business Group
(Phone: 81-(0)6-6233-4017)

■ Various types of notification, such as notification of redemption date:

- Head Office - Business Administration Group
(Phone: 81-(0)3-3512-7664)
- NEXI, Osaka - Business Group
(Phone: 81-(0)6-6233-4017)

■ Notice of occurrence of risks, notification of losses and credit advice:

- Head Office - Claims Service & Recovery Group
(Phone: 81-(0)3-3512-7663)
- NEXI, Osaka - Administration Group
(Phone: 81-(0)6-6233-4019)

■ Claims and assessment of insured events:

- Head Office - Claims Service & Recovery Group
(Phone: 81-(0)3-3512-7663)
- NEXI, Osaka - Administration Group
(Phone: 81-(0)6-6233-4019)

■ Paris Club rescheduling, allocation of recoveries and so forth:

- Head Office - Recovery Services Group
(Phone: 81-(0)3-3512-7725)

■ For inquiries about assessments of recoverable assets other than the above and recovery business in general:

- Head Office - Asset Planning Group
(Phone: 81-(0)3-3512-7658)
- NEXI, Osaka - Administration Group
(Phone: 81-(0)6-6233-4019)

■ "Guidelines on Environmental and Social Considerations in Trade Insurance":

- Head Office - Environment Group
(Phone: 81-(0)3-3512-7685)

■ Disclosure of Information:

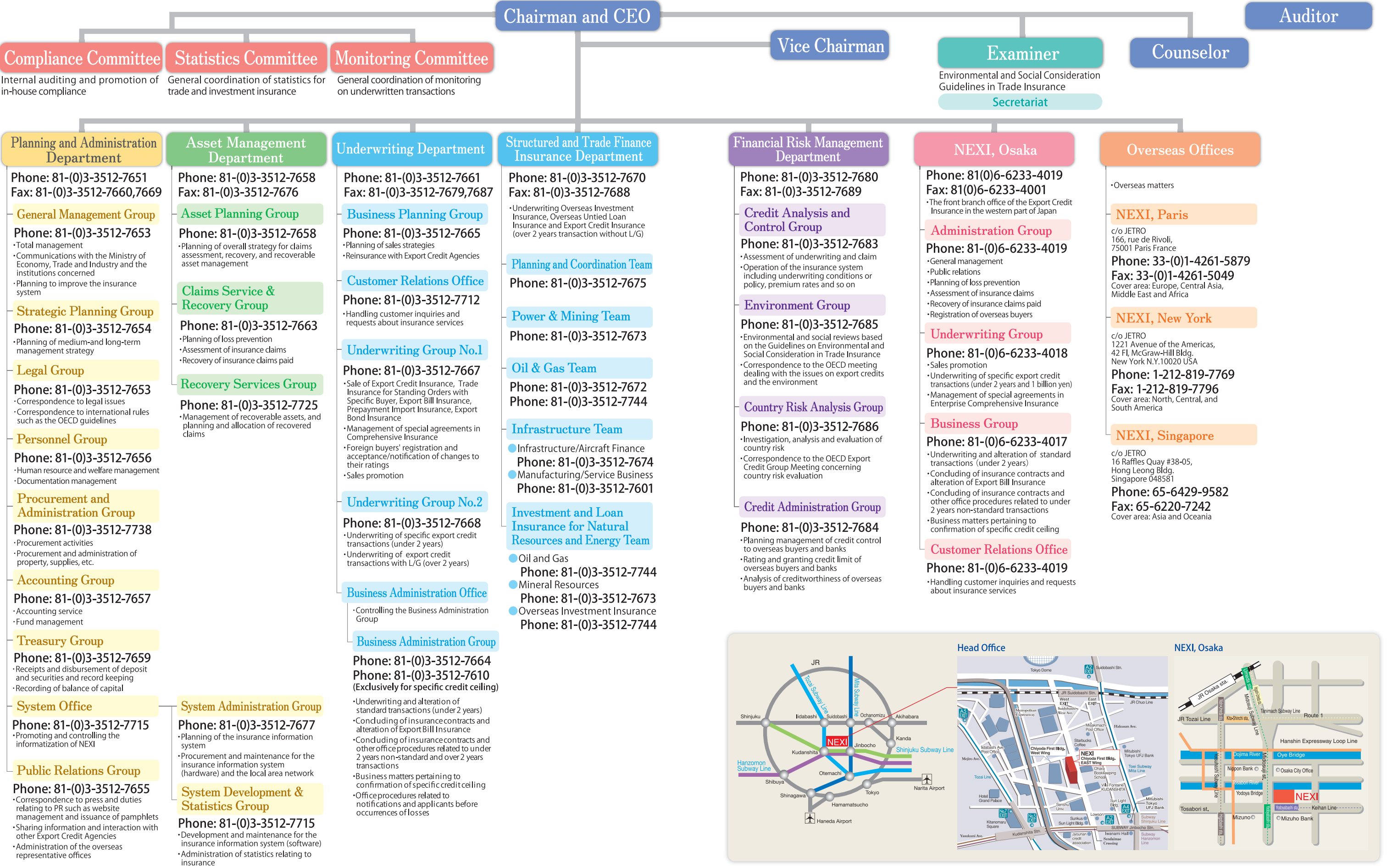
- Head Office - Public Relations Group
(Phone: 81-(0)3-3512-7655)

■ Public relations, including the Website and annual report:

- Head Office - Public Relations Group
(Phone: 81-(0)3-3512-7655)

Nippon Export and Investment Insurance Organization Chart

(from July, 2009)





Nippon Export and Investment Insurance

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<http://www.nexi.go.jp>

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Public Relations Group,
Planning and Administration Department
Phone: 81-(0)3-3512-7655 Fax: 81-(0)3-3512-7660
E-mail: info@nexi.go.jp

