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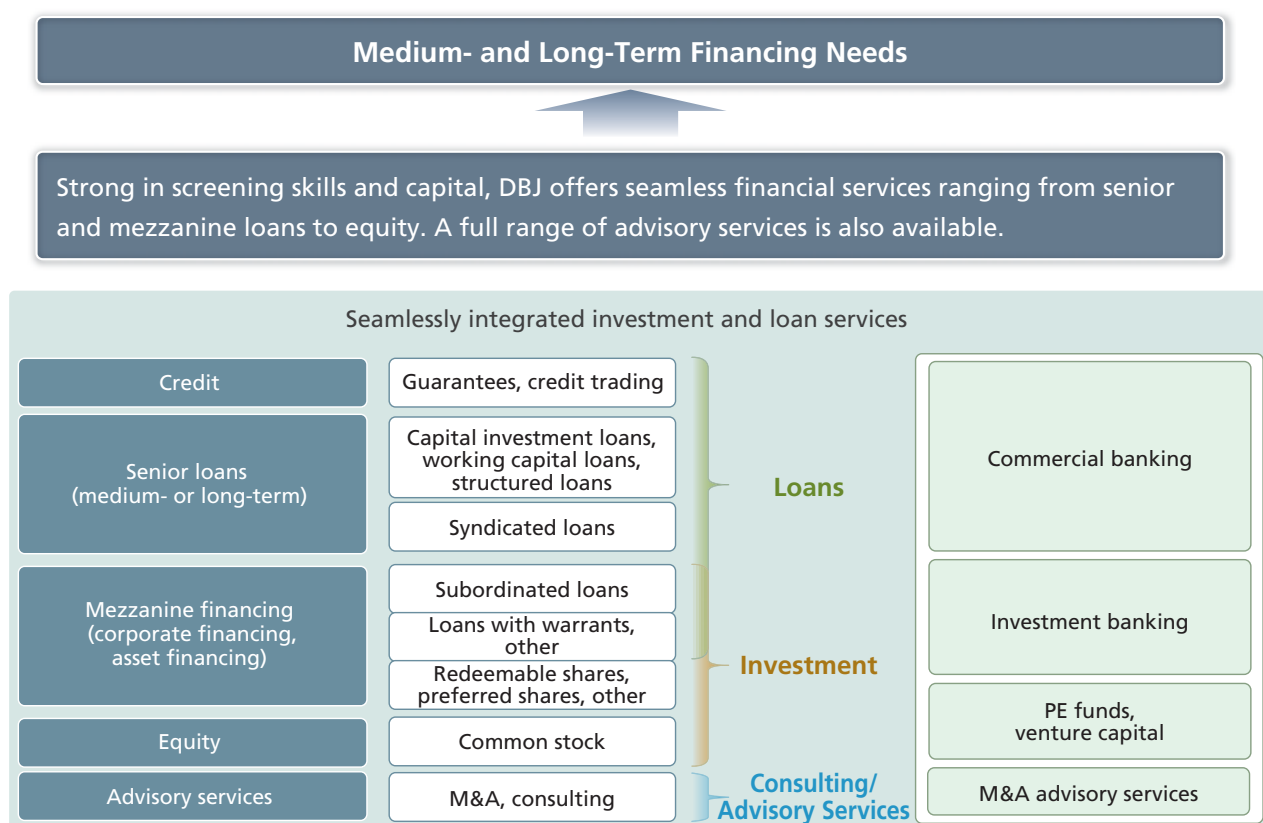
## DBJ's Target Business Model

We work to resolve the issues clients face by providing specialized financial services involving integrated investments and loans.



## Businesses

DBJ combines the functions mentioned below with the long-term financing it provides to present clients through integrated investment and loan services.



## Overview of DBJ's First Medium-Term Management Plan (Announced October 2, 2008)

DBJ is a unique financial institution in terms of the integrated investment and loan services that it provides. We aim to take advantage of our position and earn the trust of our clients. As part of this process, we have formulated our First Medium-Term Management Plan, "Challenge 2010: Establishing Integrated Financial Services for Investments and Loans," through the fiscal year ending March 31, 2011.

The period of the First Medium-Term Management Plan will be dedicated to establishing integrated investment and loan services and building a foundation of core strengths. As specific long-term strategies, we have determined engagement policies for establishing integrated investment and loan services, measures for full-scale expansion into overseas markets and plans for diversified funding.

### Growth Strategies of Challenge 2010, Our First Medium-Term Management Plan (Through March 31, 2011)

#### ◆ Provide integrated investment and loan services to meet needs in a range of industries and regions

- Expanded services will address a diversity of client needs.
- Integrated investment and loan services will be used to forge broad alliances with other financial institutions.

#### ◆ Enhance financial services to take advantage of DBJ's strengths in the fields of environment and technology and social infrastructure

- With its broad client base and wealth of industrial data, DBJ will offer sophisticated financial services and take advantage of its strengths in the environment and technology and social infrastructure.

#### ◆ Go global

- A network of reliable partners, including financial institutions in Japan and overseas, will support our full-scale move into global markets.
- Preparations are under way for a planned exposure of approximately ¥500 billion in the year ending March 31, 2011.

#### ◆ Build intellectual assets

- Stronger skills in industrial research, credit analysis, financial expertise, R&D and network creation will help to raise our clients' value.
- Our growth strategy will be supported by careful employee training.

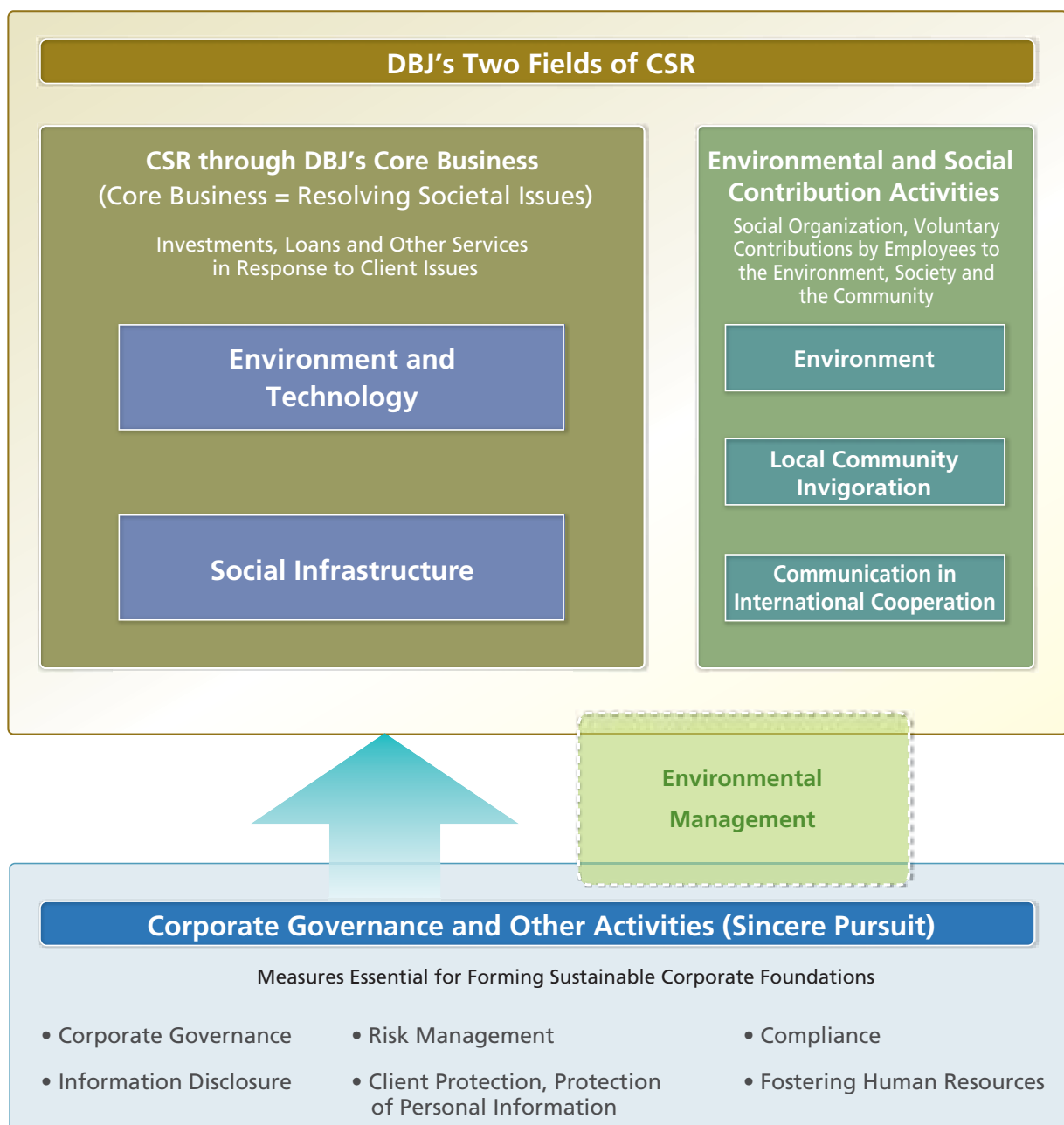
#### ◆ Diversify fund-raising

- Initiatives will be taken to keep sound financial standing and diversify sources of funds.

## Implementing CSR Management

With corporate governance as its cornerstone, DBJ separates into two fields the scope of the CSR activities through which it addresses the problems society faces: (1) the CSR it fulfills by conducting its core business and (2) the environmental and social contribution activities it undertakes. The combination of the two fields enhances corporate value.

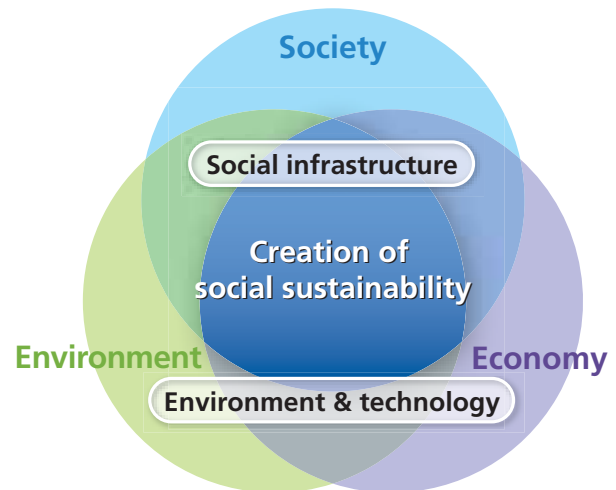
### Fields of CSR Implementation at DBJ



## Triple Bottom Line

“Triple bottom line” refers to evaluating corporate activity from the three vital perspectives of the environment, society and the economy. It is not simply evaluating a company’s financial performance, but rather assessing sustainable development by incorporating environmental, social and economic aspects.

Tied to DBJ’s investments and loans are economic issues involving the environment, technology and social infrastructure. DBJ’s considerations include region-specific and environmentally time-specific concerns, in addition to the economic issues that a company faces, thus spanning the three elements that make up triple bottom line evaluation. Accordingly, in “CSR through DBJ’s Core Business” DBJ carries out activities based on triple bottom line evaluations to help build a sustainable society.



## Social Effectiveness

During its time as a comprehensive policy-based financial institution, evaluations of DBJ’s annual operations raised DBJ’s business effectiveness and results, thereby improving its responses to socioeconomic changes facing Japan. These responses were a way to evaluate CSR in its mainstay business.

Following its privatization, DBJ aims to continue contributing to building an affluent future by solving problems through creative financial activities. We determine from our own perspective those businesses that are truly useful to society and work to promote the realization of a sustainable society.

### CSR through DBJ's Core Business

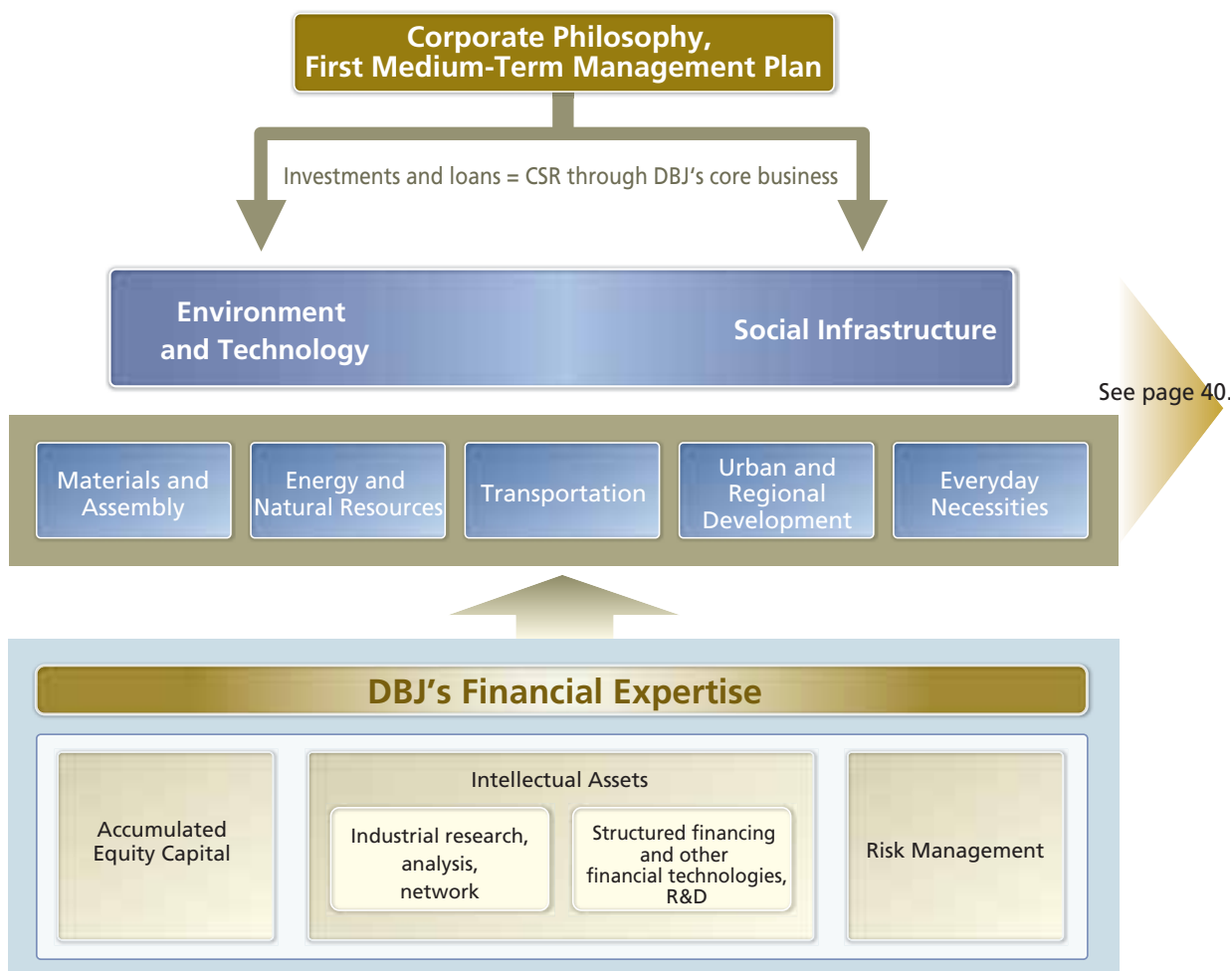
Due consideration of compliance is a prerequisite for the sustainable development of enterprises. Accordingly, it is important that a corporation's mainstay business brings new value to, contributes to problem-solving in, and gains the trust of society.

Financial institutions can play a specific role in building a harmonious society over the long term by identifying truly meaningful projects for the economy and society and providing quality financing and financial solutions.

We believe that DBJ can gain the trust of society through CSR in its core business, such as the provision of services that lead to client satisfaction, increases in corporate value,

coexistence with regional societies and the creation of employee-friendly workplaces. Accordingly, DBJ considers the application of its intellectual assets and financial platforms for investments and loans to be of vital importance.

We are working to provide additional sophisticated financial services by leveraging our strengths related to the environment and technology and to social infrastructure and by taking advantage of our broad client base and accumulated industry knowledge. We undertake these activities in line with our corporate philosophy and our First Medium-Term Management Plan.





## Environmental and Social Contribution Activities

DBJ recognizes that today's social and environmental problems can best be resolved by communication and the exchange of opinions. Accordingly, DBJ strives to communicate with as many people as possible through seminars, symposiums, lectures and the Internet.

### Communication Focused on the Environment

Environmental problems such as global warming must be resolved, starting with individual awareness of the severity of the issues.

DBJ promotes understanding of the relationship between the environment and financial and business activities by participating in the Eco-Products Exhibit—Japan's largest environmental event—and holding seminars and symposiums in conjunction with relevant organizations.

DBJ has had a booth at the Eco-Products Exhibit every year since the fiscal year ended March 31, 2001. Through descriptive panels, we introduce various DBJ activities, such as the Program for Promoting Environmentally Responsible Management, our tie-up with the UNEP Finance Initiative and emissions credit trading. During the year ended March 31, 2009, we distributed reports introducing the DBJ Environmental Rating System, attracting numerous visitors to our booth.

We also took part in the June 2008 Integrated Exhibition of the Environment in celebration of the G8 Hokkaido Toyako Summit and at New Earth 2008, which was held in Osaka in November. As at the Eco-Products Exhibit, we introduced DBJ's initiatives and communicated with many visitors to promote a deeper understanding of the interplay between the environment and financing.



"Eco Presentation Stage" (Eco Products 2008)

### Communication to Revitalize Local Communities

DBJ considers working with local citizens to build communities that suit their unique regions an important part of supporting independent community development. To this end, DBJ holds seminars and symposiums in collaboration with local authorities and regional branches of the Japan Chambers of Commerce and Industry and other economic organizations.

In our Regional Health Checks, we incorporate objective indicators and original analytical methods in our discussions with residents and help them identify their community's issues and potential. DBJ employees interview community stakeholders in advance, study the region's resources and on the final day hold a participatory workshop with residents. (See page 39.)



Interaction with community members

### Communication in International Cooperation

In cooperation with Japan Economic Research Institute Inc., DBJ discusses its experience in applying policy-based financing to support the industrial economy of post-war Japan with developing countries, primarily in Asia. We also offer the expertise we have accumulated in recent policy issues, such as energy conservation, environmental measures and private infrastructure. The Developmental Finance Course, for example, is a seminar that has attracted 346 people from more than 30 countries since it was inaugurated by DBJ in 1967.

During the year ended March 31, 2009, we held the course for the 40th time. Examples of our activities for individual development finance institutions include our cooperation with Japanese and other institutions to provide technical assistance to the China Development Bank and the Development Bank of Malaysia. In 2007, we entered into an agreement with the Vietnam Development Bank on operational cooperation, and in 2009 we cooperated in such areas as training in Tokyo and Hanoi for bank executives and employees.

In these ways, DBJ is using the experience and expertise it has gained over the years to offer intellectual support to development finance institutions overseas. At the same time, DBJ is strengthening its channels of communication with these institutions.



Training at Vietnam Development Bank

### Other Communication Efforts

#### Providing Information

##### Issuing Corporate Social Responsibility (CSR) Reports

To expand communication with all stakeholders, in 2003 DBJ issued *Environmental Report 2003 for a Sustainable Society*. This was followed by similar reports in 2004 and 2005. In 2006, DBJ published the *CSR Report*.

DBJ combines its annual report and CSR report under the concept of “disclosure from a CSR perspective.” DBJ will continue publishing CSR information introducing DBJ’s initiatives to help realize a sustainable society.

### Participating in Local Community Activities

#### Uchimizu Project

DBJ participates in the Uchimizu Project, a campaign hosted by the Otemachi, Marunouchi and Yurakucho Uchimizu Project District Executive Committee.

*Uchimizu*, literally “sprinkling water,” refers to the Japanese practice of sprinkling the pavement outside buildings to cool the vicinity and mitigate the heat island phenomenon. As its name suggests, the project is based in Tokyo’s Otemachi, Marunouchi and Yurakucho districts.



Participating in the Uchimizu Project

#### Support for the Operation of the Environmentally Friendly Marunouchi Shuttle Bus

Since the year ended March 31, 2004, DBJ has co-sponsored the operation of environmentally friendly buses carrying passengers free of charge on a route in the Otemachi, Marunouchi and Yurakucho area of Tokyo’s business district. These buses help raise awareness about environmental issues. Not only do the buses reduce environmental impact and noise but also they are barrier-free with a low-floor design, ensuring easy access for disabled users.



Marunouchi shuttle bus



# Intellectual Asset Management

## Corporate Value and Intellectual Asset Management

### Intellectual Assets

Companies ensure ongoing prosperity and profit by consistently differentiating themselves from competitors. Differentiating the products and services they offer is a large part of the process. To enhance their operations, companies must identify their important management resources and sources of competitiveness. Specific technologies, expertise, human resources and business models are some factors that lead to differentiation but are invisible to the casual observer. Determining an entity's true corporate value requires the evaluation of these company-specific strengths. DBJ's activities related to intellectual assets are designed to foster the application of these intangible sources of corporate value that underpin a company's future economic performance.

### Intellectual Asset Management Essential to Enhancing Corporate Value

Although intellectual assets are intangible in the sense that they are not recorded on a company's financial statements, they are a core component of corporate value. Managing intellectual assets effectively promotes clarity in terms of the corporation's key competencies and creates opportunities to increase corporate value.

Listed companies are finding that aggressively disclosing intellectual asset information helps markets value them more appropriately. For this reason, the introduction of regulatory frameworks to encourage or require listed companies to disclose nonfinancial information has grown into a global trend, beginning in Europe.

## DBJ's View on Intellectual Assets

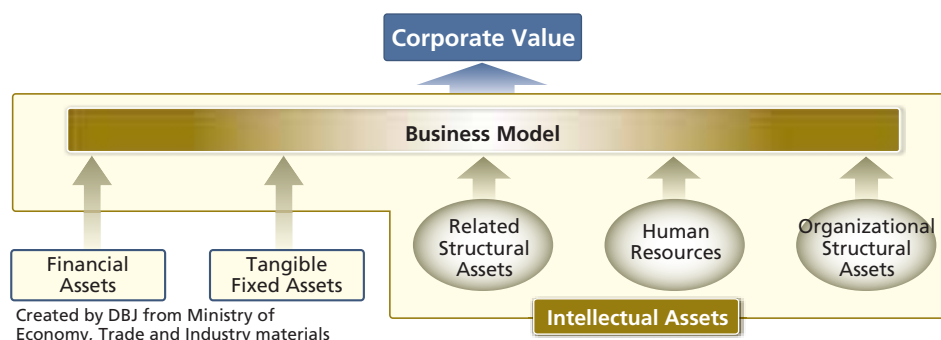
Dating back to the time of our predecessor, maintaining the trust of our clients and society at large has been our most important objective. From this standpoint, we have created a wide variety of networks spanning both the public and private sectors.

Based on our core values, our executives and regular employees have continued working to enhance their ability to evaluate companies and projects. We have accumulated a wealth of expertise in the screening and evaluation of long-term projects and a keen ability to identify and address issues that are unique in terms of the times or the local communities that face them. In the process, we have become a repository of

intellectual assets, which when combined represent an extraordinary DBJ asset: our expertise in resolving issues through the application of new financial methods, the widespread use of our financial platform and our economic and social contributions. This asset has led to our development of the financial methods described below. It enables us to respond quickly to changing policy requirements and plays a major role in our ability to continue adding economic and social value.

Since privatization, we have aimed to maintain our economic and social contributions. We believe that our ability to clearly identify and make use of intellectual assets will be an increasingly important factor in achieving this goal.

### ■ Relationships among Intellectual Assets, Business Models and Corporate Value



### DBJ's Utilization of Intellectual Assets

One school of thought defines intellectual assets as the understanding of and reporting on an entity's networks and client bases (related structural assets), management team and employees (human resources) and intellectual assets and business processes (organizational structural assets). Below, we introduce DBJ's intellectual assets and activities according to this segmentation.

#### Related Structural Assets

As our mission prior to privatization was to support projects that had policy significance, our system of planning and making investments and extending loans involved cooperation with central government agencies and regional government bodies. Now we take advantage of this network to disseminate information about our interest rate subsidy system based on environmental ratings, as well as other interest subsidy systems put in place by national and regional government bodies. Also, we continue to assist with crisis support.

DBJ also works to create and develop financial platforms. To construct these platforms, we collaborate with public- and private-sector financial institutions in Japan and overseas and maximize our networks of university professors, attorneys, certified public accountants and other professionals. This multi-faceted combination of networks consisting of professionals in a host of fields in industry, academia and the government constitutes DBJ-related structural assets.

#### Human Resources

Appropriately judging medium- to long-term investments and loans requires all of DBJ's executives and regular employees to maintain a long-term perspective and make financial decisions from a neutral standpoint. In an era characterized by increasingly complex economic and social issues and more sophisticated business skills, this long-term perspective has a major impact on DBJ's ability to contribute to business formation and the financial structure. Our ability to provide solutions that are appropriate for companies, as well as for the economy and society in a broader sense, depends on the ability of our human resources—executives and regular employees who are

professionals in various fields—as they consider such issues. All DBJ executives and regular employees work to maintain a long-term and neutral perspective, approaching new business with a spirit of innovation and challenge.

To impart various financial skills, DBJ maintains training menus that include a 2.5-month corporate finance training program. This program, for all new employees, helps develop screening expertise. Our menus, combined with on-the-job training, raise the level of specialist expertise among DBJ executives and regular employees. We maintain a number of personnel exchange and dispatch programs with domestic and overseas universities and research institutions, as well as with other international institutions, that help form our networks. These programs help DBJ develop and introduce new financial methods, as well as strengthen network ties. DBJ has also established the Research Institute of Capital Formation, which carries out financial research, as well as research on global warming countermeasures and other efforts to create a sustainable society. The research that the center produces from a neutral and long-term perspective is highly regarded by the community and other experts.

#### Organizational Structural Assets

Unlike manufacturing companies, DBJ has no explicit intellectual assets, such as patent rights. However, our introduction of new financial methods to Japan, our work with other financial institutions to create financial platforms and our many other contributions to the Japanese economy and society rely on our organizational adeptness, that is, our ability to quickly ascertain emerging issues and deploy appropriate personnel. This ability, combined with the long-term financial data we have accumulated over 50 years of investment and loan operations and a corporate culture of always considering projects in an economically rational manner, as well as in terms of their broader economic and social significance, constitute DBJ's organizational structural assets, as does the smooth and rapid communication process resulting from the common knowledge that has evolved through corporate financing training and other channels.

## Advanced Initiatives Involving New Financial Methods that Utilize Intellectual Assets

We are a leader in leveraging our intellectual assets to introduce new financial methods to Japan. Our pioneering efforts come from maximization of our intellectual assets, cooperation with local communities and extensive cultivation of in-house human resources and expertise. Operating within complex financial markets, DBJ will maintain these activities while continuing to control and distribute risk as effectively as possible.

The United Kingdom introduced the Private Finance Initiative (PFI) scheme in 1992 to encourage private companies to fund or manage projects that are typically operated by the public sector. As a leader in absorbing and accumulating such expertise, DBJ has participated in numerous PFI projects in Japan. By shifting to the private sector the responsibility for constructing, maintaining and operating public facilities, the country benefits from private-sector management expertise and technical capabilities. By appropriately allocating risks among the private and public sectors, PFI is an efficient and effective way to provide public services. With PFI, project financing is the method generally used to raise funds, as project roles are allocated appropriately and long-term business is assured.

DBJ provides a full range of financing options in the area of business revitalization. After filing applications according to Civil Rehabilitation Law or Corporate Rehabilitation Law procedures, companies typically require working capital during the

period when the viability of their plans is being reviewed. To meet this need, DBJ provides debtor-in-possession (DIP) financing as temporary working capital to enable such companies to continue operating and maintain value in the best portions of their businesses. In addition, DBJ creates business revitalization funds to help companies normalize their operations through a process of operational selection and focus, and reduce their debt levels.

In recent years, we have become actively involved in mezzanine financing. ("Mezzanine" literally refers to the partial story between two main stories of a building.) In the repayment hierarchy, mezzanine financing is lower than the senior financing\* typically provided by financial institutions, so it is a higher investment risk. In the United States and other markets with a broad range of investors, mezzanine financing plays an important role in diversifying the types of funding that are provided. Mezzanine financing can be used in a number of situations, such as business or capital restructuring. Taking a long-term perspective, DBJ provides mezzanine financing as one of its tailor-made financing solutions.

\*Senior financing involves relatively low risk. In Japan, most corporate bond issues and funds provided by financial institutions are senior financing.

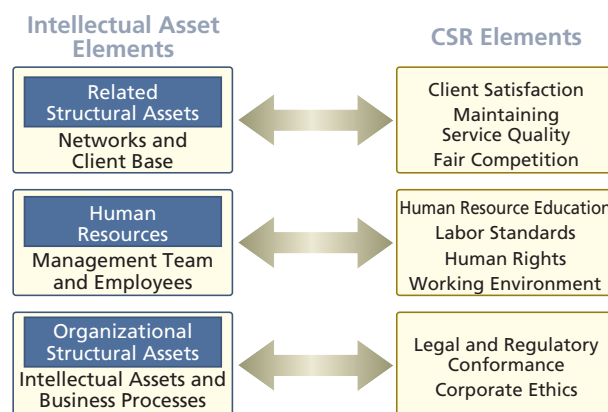
## Relationship between Intellectual Assets and CSR at DBJ

The figure contrasts intellectual assets as viewed by DBJ and DBJ's role as seen by society. Evaluated in this sense, intellectual assets and CSR are two sides of the same coin.

For example, DBJ's Environmental Rating System and Disaster Preparedness Program—fully mobilized through intellectual asset networks with central government agencies and regional government bodies, experts and clients; our human resources comprising executives and regular employees; and our accumulation of experience and expertise—serve a vital CSR role. At the same time, our loan systems provide a strong backup to the CSR activities of our business partners.

Companies that access our loans based on the DBJ Environmental Rating System or the DBJ Disaster Preparedness Ratings have cause to reconsider their conformance with various laws

### Relationship between Intellectual Assets and CSR



Created by DBJ from Ministry of Economy, Trade and Industry materials

and regulations, ensure safe and secure workplace working and surrounding environments and provide quality products and services through fair competition. These activities reinforce a company's client base and raise corporate value by fulfilling social responsibilities.

By employing our intellectual assets in these ways, we go beyond merely providing financing. We also play a role in promoting increasingly sophisticated corporate CSR management.

The various financial services described beginning on page 29 leverage the intellectual assets DBJ has accumulated over the years.

## Financial Platform that Enables DBJ to Meet the Needs of the Times

### Defining "Financial Platform"

In DBJ's definition, "financial platform" refers to the amount and quality of funds to which corporate and other clients have access, the systematic formulation of bases that affect the diversity of fund-raising methods, financial expertise and practices, market transparency and the degree of market participation.

The more complete the financial platforms, which are indispensable to financial system soundness and macroeconomic vigor, the greater is their effectiveness at promoting the revitalization of businesses and urban and local communities and the creation of new industries. However, financial platforms, which are an institutional, general-access capital good, are

not formed overnight. Creating the framework of systems and laws that support corporate economic activity involves the application of experienced and real-world expertise of financial institutions and businesses, as well as an accumulated body of results that can be used for future reference (transaction cases, precedents and the like). Furthermore, as financial platforms function inadequately if they are used by only a minority of participants, a catalyst is needed to encourage participation from a broad range of players. Owing to our neutral position and advanced-player status, we are perfectly suited to serve as the catalyst for developing and maintaining financial platforms in cooperation with other financial institutions.

### Activities Involving Financial Platforms

DBJ promotes and helps develop financial platforms for structured financing, venture company support, business restructuring support, financing related to environmental and disaster policies, M&A advisory services, safety nets and other functions.

The "Financial Services" section beginning on page 29 provides an overview on DBJ's activities involving financial platforms.