



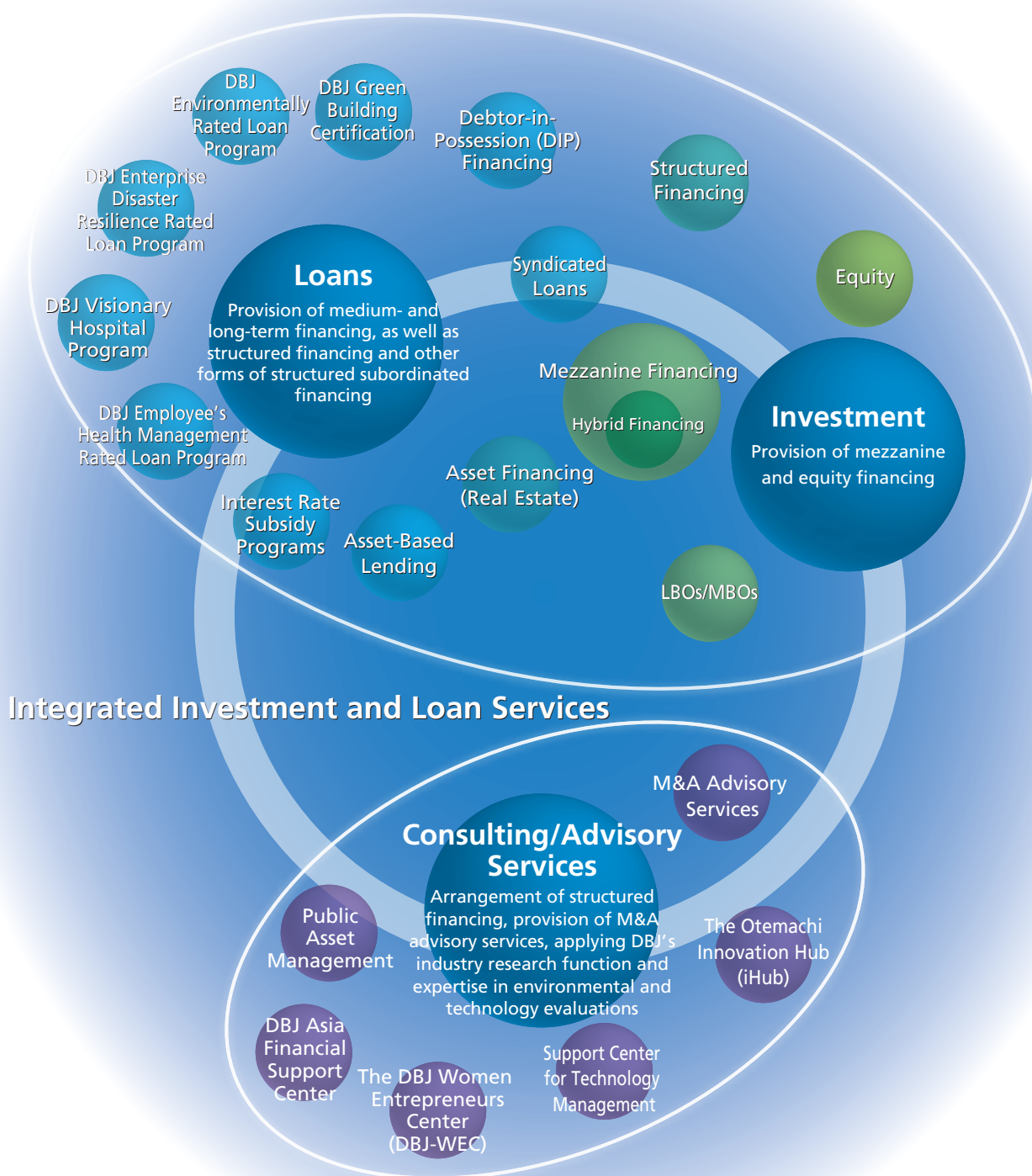
To resolve the various issues that society faces and become its clients' most supportive financial institution, DBJ supplies long-term funds and provides risk capital, supports the formation of business and provision of information and takes a host of other approaches to ensure that useful projects operate smoothly. We are committed to creating financial markets that allow funds to be raised more efficiently and, in recent years, we have developed and introduced new financing methods to expand the functions of financial markets.

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DBJ provides seamlessly integrated investment and loan services. We assist clients with their financing needs by taking a position of neutrality and a long-term perspective that extends over all their activities, and by employing leading-edge financial methods.

- We offer integrated investment and loan solutions that range from senior loans to mezzanine and equity financing.
- DBJ also provides a host of services (e.g., M&A advisory and CSR support services) that help raise corporate value.
- In collaboration with its Group companies, DBJ provides finely tuned services to meet individual clients' needs.



Note: DBJ-designated analysis is required for investment and loan services.

## Loans

**DBJ provides financing to meet the diverse needs of its clients.**

- ◆ Provides medium- and long-term loans
- ◆ Offers unique high-value-added financial services (DBJ Environmentally Rated Loan Program and other loans based on evaluations and certifications)
- ◆ Responds to diverse needs by offering non-recourse loans and develops and provides financing offering collateral and structural flexibility (debtor-in-possession financing, inventory collateral, intellectual property rights as collateral, etc.)

## Investment

**DBJ provides investment funding, based on a long-term perspective, to meet specific needs and address a host of issues that clients face.**

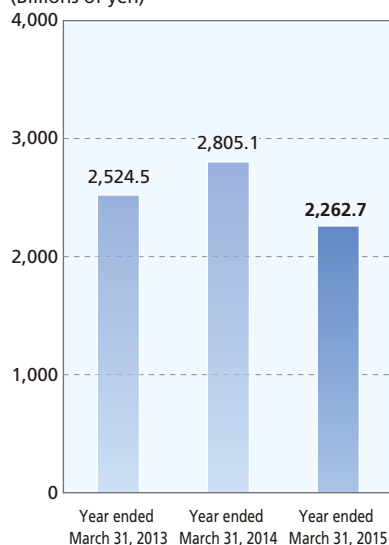
- ◆ We provide investment to assist businesses in terms of growth strategies, business restructuring, international competitiveness and infrastructure operations. We provide such funding through mezzanine financing, as well as through equity and other funding.

## Consulting/ Advisory Services

**Through its advisory support services, DBJ helps clients become more competitive and invigorate regional economies.**

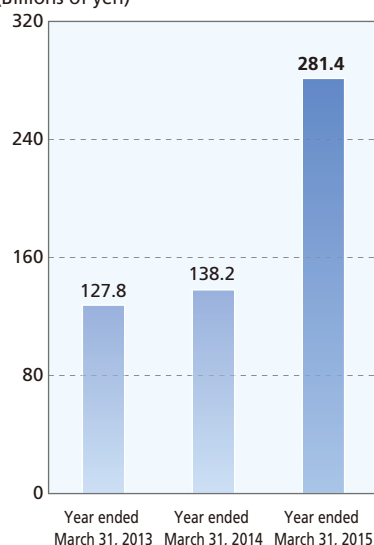
- ◆ Provides M&A advisory services
- ◆ Makes proposals that apply its expertise in industry research and ability to develop new financial technologies
- ◆ Arranges structured and other types of financing

● **Loan Amounts Provided**  
(Non-consolidated) (Flow base)  
(Billions of yen)



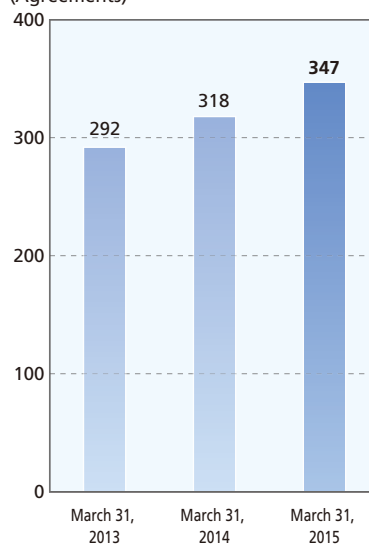
Note: Figures, including those for corporate bonds, are on a management accounting basis.

● **Investment Amounts Provided**  
(Non-consolidated) (Flow base)  
(Billions of yen)



Note: Figures, including those for securities, money held in trust and other assets (funds), are on a management accounting basis.

● **M&A Advisory and Consulting Agreements**  
(Non-consolidated) (Cumulative)  
(Agreements)



DBJ provides medium- and long-term loans, meeting a host of client needs. In addition to senior loans—traditional corporate loans—we offer a range of other loans that employ advanced financial methods, such as project financing, non-recourse loans and other types of structured financing, meeting diversified needs for funding.

We also work to resolve client issues involving business expansion and support strategies and the formation of financial infrastructure. We achieve these goals by supporting the creation of funds, as well as mezzanine, equity and other financing methods, providing appropriate risk capital based on a long-term perspective.

The case study section on pages 70 through 89 introduces DBJ's "CSR through Investment, Loan and Other Businesses."

### Loan Procedures

DBJ is ready at all times to discuss with its clients optimal financial solutions, as well as the specific terms and conditions DBJ can offer, including interest rates and loan maturities.

Financing terms are discussed after DBJ has conducted comprehensive due diligence of the businesses of its client enterprises, including assessment of their present business status, project plans and profitabilities.

#### Financing Conditions

- **Loan Amounts**

Loan amounts are determined through consultation based on client financing plans.

- **Loan Terms**

Appropriate loan terms are set in consultation with our client enterprises according to factors such as repayment plans, business profitability and the expected life of equipment and/or facilities. Grace periods may be applied as needed.

- **Interest Rates**

DBJ sets interest rates in line with loan periods and risk. Fixed- and floating-rate loans are both available. DBJ also considers the application of various interest rate subsidy programs.

- **Collateral/Guarantees**

Loans may require collateral and/or guarantees, depending on due diligence results.

Note: Please be aware that, based on due diligence results, DBJ may not be able to provide the loans that prospective borrowers anticipate.

### Medium- to Long-Term Loans

By leveraging the long-term financing expertise it cultivated as a policy-based financial institution, DBJ provides loans to clients to match their medium- to long-term financing needs. Medium- to long-term repayment may be proposed

based on the profitability of the business that requires funding. DBJ also works to meet the varied needs of our clients, such as by introducing grace periods.

#### We provide a broad range of information to our clients.

Through our long history of operations, we have accumulated substantial expertise and experience that we apply when offering advice to address the issues our clients face.

DBJ puts its wide-ranging networks to use to help clients expand their businesses.

We provide information generated through our various studies and research activities, as well as information from overseas, through our reports and other publications.

## Mezzanine Financing

Mezzanine financing is an intermediate financing method that is between typical senior bank loans and equity finance in terms of risk.

Although mezzanine financing is comparatively risky because its payment is subordinated to senior loans, it plays an important role in markets such as the United States which have a broad range of investors with diverse investment appetites. One of a diverse range of funding methods, mezzanine financing helps to ensure economic rationality by setting adequate interest rate and dividend levels to correspond to the investment risk. Depending on clients' financing plans and capital policies, flexible mezzanine financing can be set. In recent years, demand for mezzanine financing has grown in association with business acquisitions, spinoffs of subsidiaries and business units, business succession and listed companies that are delisting.

Mezzanine financing has the benefit of providing risk capital that may be difficult to obtain through senior loans. Such financing also prevents dilution of the voting rights of existing shareholders. Redemption and exit methods can be set to be flexible.

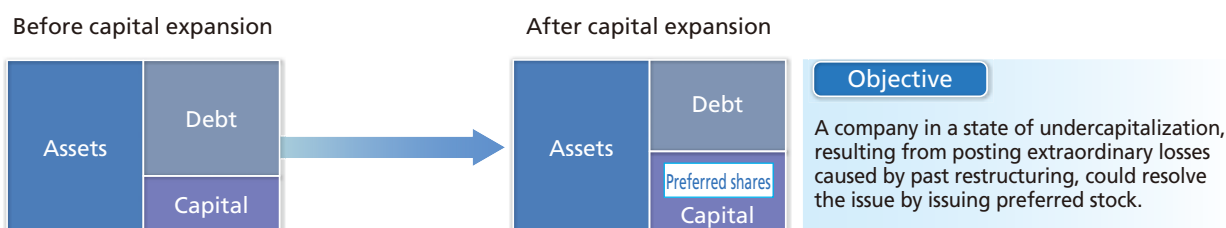
From a long-term perspective, DBJ helps clients resolve their balance sheets issues through total financing solutions that range from structuring and arrangement to providing risk capital.

### Types of Mezzanine Financing

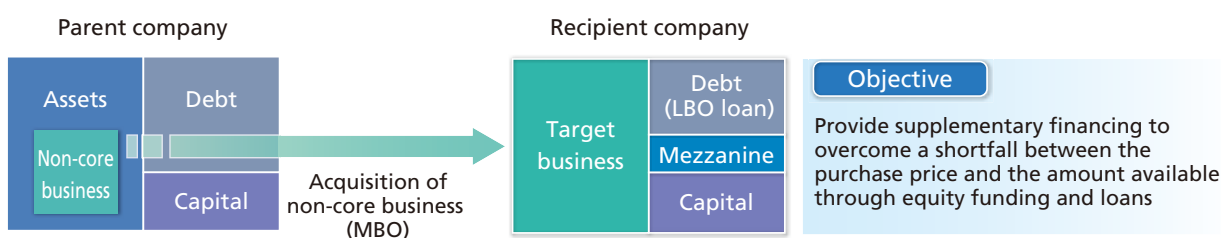
- Subordinated loans, subordinated bonds
- Preferred shares, classified shares
- Hybrid financing, etc.

### ● Case Studies: Mezzanine Financing

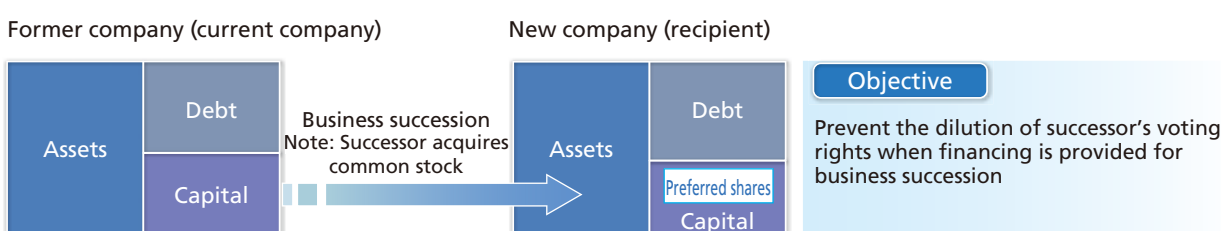
#### Case 1: Resolving an Undercapitalization Issue



#### Case 2: Supplementary Method of Financing a Business Acquisition



#### Case 3: Avoiding Dilution of Voting Rights during Business Succession



## Equity

The needs for growth through such initiatives as new business creation, business restructuring, M&A activity and adaptation to globalization are on the increase. Against this backdrop, the necessity of corporate governance is proportionately rising. In turn, holding equity has become more important than ever before in corporate management.

Through equity investment, DBJ helps clients address the issues they face and supports their long-term development. After making equity investments, DBJ provides total solutions involving its networks and strengths in information, industry

research and financing technologies, helping clients maximize their long-term corporate value. In fiscal 2010, DBJ enhanced its “added-value creative equity financing to support corporate growth strategies (“Value for Growth” Investment Program).” This approach aims to realize the corporate growth strategies (M&A, capital and overseas) of the Japanese entities receiving the equity investment. Its aim is to support corporate value enhancement over the medium to long term.

Through equity investment, DBJ shares in its clients’ growth and successes, contributing to a more prosperous future.

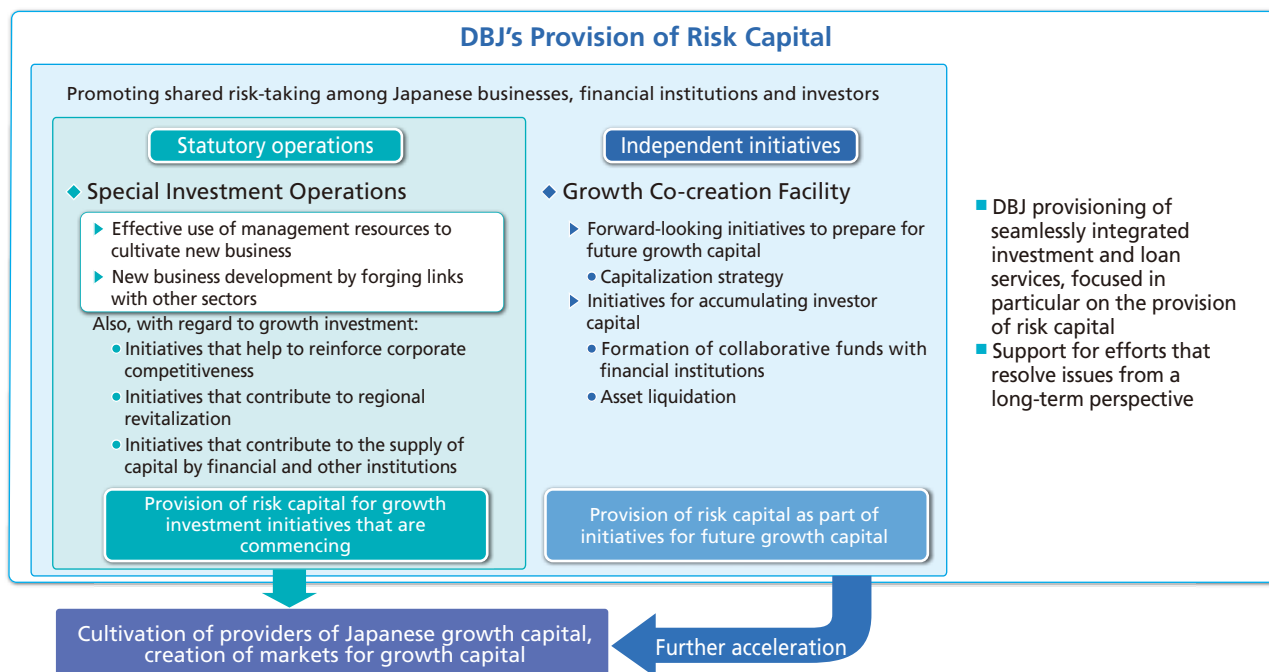


## Providing Growth Capital

As DBJ is expected to cultivate providers of growth capital for Japan and accelerate the creation of markets for growth capital\*, in addition to focusing on such statutory operations as Special Investment Operations, we have taken the independent initiative of establishing the Growth Co-creation Facility. This facility promotes shared risk-taking in a wide range of growth investments among Japanese

businesses, financial institutions and investors.

\* According to the Japanese government's Study Panel Concerning the Promotion of Expanding Growth Funding, for the foreseeable future DBJ is expected to serve a pump-priming function to attract private-sector investment by cultivating new capital providers, markets and investors, fostering the development of an investment cycle led by the private sector.



## Structured Financing, Financial Technologies

### Structured Financing

In 1998, DBJ pioneered project financing in Japan. From these beginnings, our accumulated expertise in this area, centering on energy and infrastructure projects, has propelled us to our current position as one of Japan's leaders in project financing, including private finance initiatives (PFIs).

Since its privatization (conversion to a joint-stock company) in October 2008, DBJ has maximized its unique characteristics to meet Japanese enterprises' increasingly diverse and global needs. We provide all-around support by offering project finance, PFIs, object finance, securitization and various other financial products and optimal financing methods (senior loans, mezzanine loans, equity, etc.) to our clients both in Japan and overseas.

#### ● Project Financing

We have a wealth of expertise in helping enterprises in the energy and infrastructure sectors—primarily with regard to large-scale projects—find project financing that they can repay through project cash flow, without relying on specific corporate creditworthiness or collateral value. Such finance solutions we provide help them raise funds and support their efforts to control risks. In recent years, in addition to arranging project financing and providing financing for domestic solar and wind power generation projects, DBJ has been proactive in its financing of energy and infrastructure projects overseas.

#### ● Object Financing

DBJ helps clients determine optimal financing methods that take advantage of the cash flow-generating characteristics of assets with special features, such as ships, airplanes and railcars, as well as supporting their efforts to control risks.

#### ● Securitization

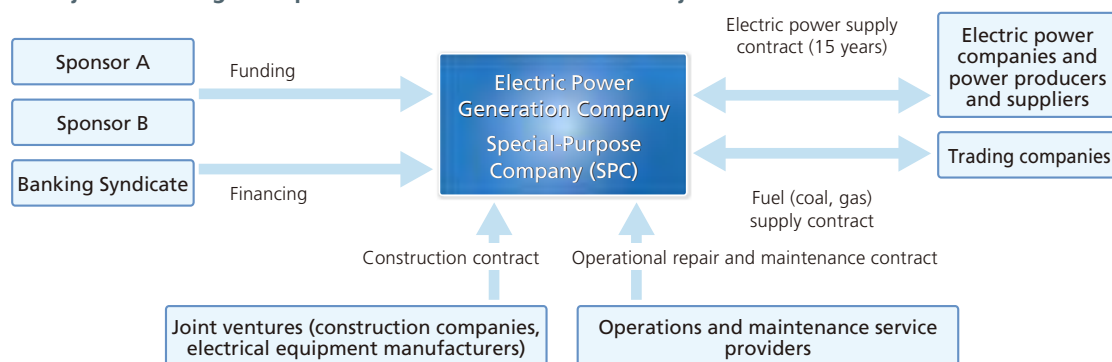
Through finance methods such as liquidation and securitization of receivables focusing on their future cash flows, and through whole business securitization in which debts are repaid through future cash flows generated by a particular business, DBJ supports its clients' finance strategies and helps optimize their funding.

#### ● PPPs and PFIs

Since the Japanese government's enactment of the PFI Act\* in 1999, DBJ has taken advantage of its strong relations with public-sector entities to accumulate expertise and become an industry leader in such schemes, providing PFI support to numerous clients. Expectations for PFIs are growing, and amendment to the PFI Act in 2011 marked the introduction of concession-type PFIs. In this environment, we provide numerous types of support to help clients in Japan and overseas to resolve the issues they face.

\* Act on Promotion of Private Finance Initiative

#### ● Project Financing Example: Electric Power Generation Project





## Asset Financing (Real Estate)

DBJ's involvement in the long-term financing of real estate operations began in the 1960s. We have participated in Japan's real estate securitization market from its early beginnings and continue striving to invigorate this market.

Our track record, expertise and networks in this arena enable us to provide non-recourse loans and a host of other solutions.

### Liquidization Financing

**Example 1:** Sell rental real estate that a client owns to a special-purpose company, raising capital efficiency

**Example 2:** After selling owned real estate that a client is using to a special-purpose company, conclude new rental agreements and continue using the property in this manner

1. Allows diversification of financing methods
  - Enables funds to be raised based on the property's capacity to generate revenue and cash flow
  - Preserves the credit availability of the originator (the original owner of the asset)
2. Moves property off the balance sheet for better financial efficiency
  - Improves ROA
  - Allows planned recognition of unrealized gains or losses
  - Improves financial condition by reducing interest-bearing debt
  - Eliminates risk of fluctuations in real estate values

### Development Financing

**Example:** Use investor financing to develop idle owned real estate into income property

1. Realizes profits from development
  - Enables funds to be raised for real estate development, which might be difficult for the company to do on its own
  - By securing required additional funding, helps in terms of diversity and the control of the risk of construction delays and cost overruns
2. Controls risk by moving property off the balance sheet
  - Maintains the company's financial soundness
  - Eliminates risk of fluctuations in real estate values

### DBJ's Distinguishing Features in Asset Financing

- Has extensive arrangement expertise on numerous projects, as well as a strong performance record in investments and loans
- Retains a network of leading investors and financial institutions in Japan and overseas to help realize projects and arrange financing
- Creates project-tailored solutions to meet clients' needs, such as providing senior, mezzanine and equity financing
- Maintains a neutral standpoint, enabling projects to progress smoothly by appropriately diversifying risk and helping involved parties realize profits

## LBOs/MBOs

Leveraged buyouts (LBOs) are acquisitions of enterprises or businesses using borrowed money. If the enterprise or business that is being acquired generates fixed cash flows, the acquirer (typically, the sponsor providing equity) can purchase the business or enterprise for relatively little cash. For this reason, the borrowed funds are considered the "lever" that multiplies the return on the purchaser's funds. As LBOs typically involve large amounts of borrowings, the underlying business needs to generate steady cash flows.

Management buyouts (MBOs) involve the acquisition by the existing corporate management of a company's shares or operations. As the existing management team typically has a limited amount of cash available, MBOs generally

require that funds be raised to acquire an operation. For this reason, an MBO may take the form of an LBO. In the event that borrowed funds alone are insufficient, the management team may look to and partner up with a buyout fund for equity as a joint sponsor. In recent years, MBOs have been used more frequently by listed companies that are delisting and by owner-operated enterprises.

As a financial advisor, DBJ ties together all MBO-related details, arranges investment and mezzanine financing, and works out joint equity financing with sponsors. The ability to handle this range of activities allows DBJ to offer LBO/MBO solutions.

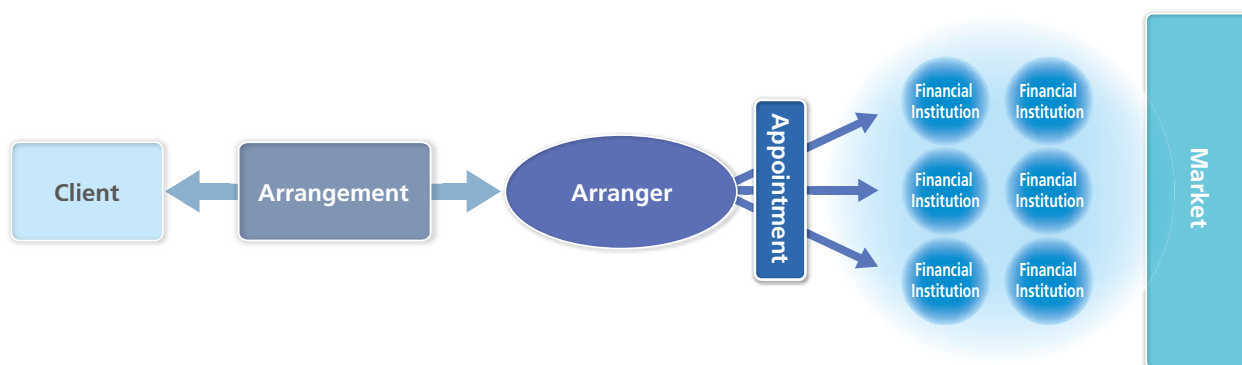


## Syndicated Loans

This type of loan involves multiple financial institutions that are combined into a syndicate under a lead-managing financial institution (an arranger). The agreement with the client is based on a single contractual document, and financing is provided cooperatively according to a single set of terms. There are a number of clear advantages on the client side in this type of loan. Having a single arranger in the point negotiating position with financial institutions reduces the burden for client, as does conducting settlement operations through that agent. Large amounts can be raised

expeditiously. The number of financial institutions involved in the transaction can be increased by the arranger's appointment, and clarity of borrowing terms is ensured.

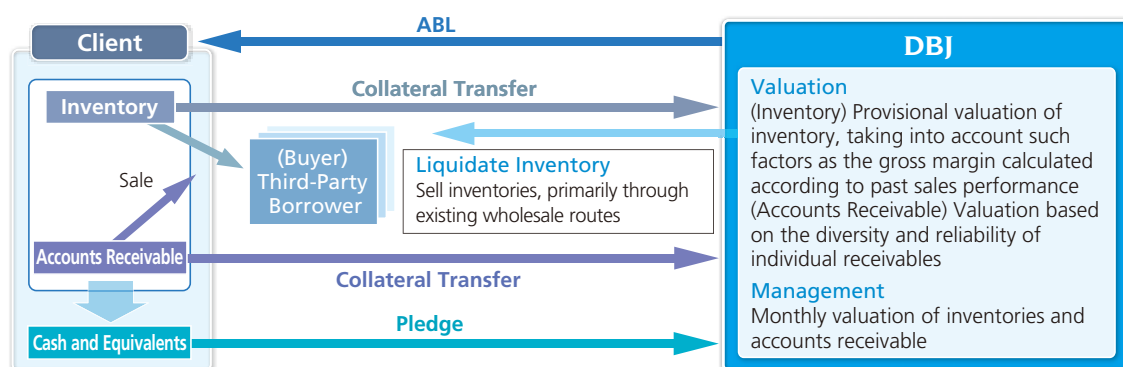
As part of its services, DBJ actively structures loans, centering on term loans. DBJ invites a wide range of financial institutions to participate, making use of its neutral standpoint. Structuring loans to include some items from its own lending menu, such as the DBJ Environmentally Rated Loan Program, helps raise the value-added level of the services it provides.



## Asset-Based Lending

Asset-based lending (ABL) is a method of financing that uses as collateral an enterprise's liquid assets, such as aggregate movable property, inventory collateral and accounts receivable. Customers can take advantage of this method to diversify financing methods and carry out expeditious fund-raising, debt restructuring and the sale of surplus inventories, as well as to enhance the robustness of internal control systems.

As a front-runner, DBJ has gained abundant experience in corporate revitalization financing. In order to both achieve the goals of supporting enterprises and secure lender's claims, DBJ has developed and put into use ABL schemes. Going forward, we plan to apply this expertise to develop ABL schemes that provide enterprises with growth capital.

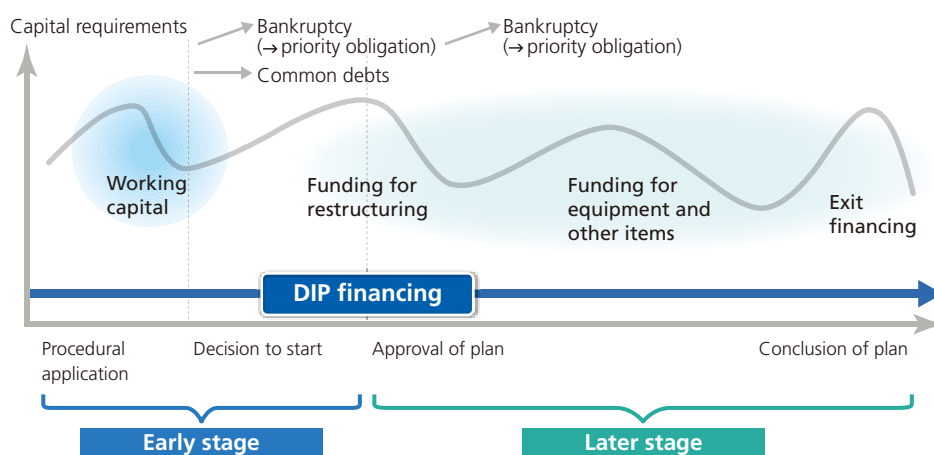


## Debtor-in-Possession Financing

Non-performing loans emerged as a major problem beleaguering the Japanese financial system in the late 1990s. Against this backdrop, DBJ has developed a host of tools to help underperforming enterprises sustain or develop profitable areas of operations. One method of which DBJ is a proponent is early-stage debtor-in-possession (DIP) financing. This temporary financing method provides working capital that allows a company in bankruptcy to continue operations during the period between a request for the application of the Civil Rehabilitation Act and the approval of rehabilitation plans, thereby sustaining the valuable parts of its operations.

Later-stage DIP financing provides the funding that is needed to implement restructuring plans. By providing medium- to long-term financing to fund capital investment under different conditions than those for revitalization plans that are being implemented, an organization that is under rehabilitation can refinance its debt, providing exit financing more quickly than is possible via the legal liquidation process.

In 2001, DBJ provided the first DIP financing in Japan. Since that time, DBJ has worked to broaden the range of entities eligible for this financing and the methods of employing it in response to varied needs.



## Certification and Unique Programs

### DBJ Environmentally Rated Loan Program

Beginning with the antipollution measures implemented in the late 1960s and early 1970s, DBJ has provided more than ¥3 trillion in investments and loans for environmental measures over the past 40 years.

In fiscal 2004, DBJ began its DBJ Environmentally Rated Loan Program based on knowledge cultivated for nearly four decades. DBJ developed a screening (rating) system that scores enterprises on the level of their environmental management and then sets financial conditions based on these evaluations. This was the world's first incorporation of environmental ratings in financing menus. In fiscal 2014,



we substantially revised the evaluation items based on our 10-year track record in these evaluations and a growing interest in incorporating non-financial information as elements of corporate value.

Also, employing the experience we gained through the DBJ Environmentally Rated Loan Program, in fiscal 2009 we began offering a service to help regional banks develop evaluation tools to use in performing their own environmental ratings. Through such initiatives, we aim to augment environmental financing and encourage its proliferation in Japan.

#### Features

- Varying interest rate levels based on environmental ratings
  - Fair and neutral evaluation based on global environmental trends
- Based on information exchanges with the United Nations Environment Programme Finance Initiative (UNEP FI) and the Ministry of the Environment, DBJ developed a screening sheet containing approximately 120 questions. DBJ convenes an Environmental Ratings Advisory Committee after seeking advice from outside experts; screening questions are renewed annually.
- Ratings determined through interviews with clients
  - Applicability to a wide range of clients

### DBJ Enterprise Disaster Resilience Rated Loan Program

DBJ's financing track record includes schemes supporting disaster-resilient city planning and the recovery of disaster-stricken areas through anti-disaster measures and financing related to disaster recovery. In addition, from the standpoint of business continuity management (BCM) DBJ assists clients' total enterprise risk management efforts, including the formulation of business continuity plans, the earthquake-proofing of facilities and the preparation of IT backup systems. At the same time, DBJ offers financing methods to provide restoration funds needed in time of disaster. DBJ Enterprise Disaster Resilience Rated Loan Program is employed in evaluations to identify enterprises engaged in high-level initiatives and anti-disaster and business continuity measures and provide them with preferential interest rate financing as a reward for their excellent disaster preparedness. Financing conditions are set on the basis of the evaluations. In this manner, we



introduced the world's first BCM-based financing method.

We revised our evaluation contents substantially in 2011 as a result of the Great East Japan Earthquake. Enterprise business continuity activities are assessed comprehensively, including in terms of strategies for resiliency and systems for recovering in the event a crisis materializes.

The DBJ Disaster Preparedness Ratings both (1) are expressions of evaluation results and (2) promote broad awareness of the concept of BCM. Aiming to realize the goal of a "resilient Japanese society through BCM ratings," in 2012 we changed the name of these ratings to the "DBJ Enterprise Disaster Resilience Rated Loan Program."

We will continue to promote enterprise risk management and business continuity through the DBJ Enterprise Disaster Resilience Rated Loan Program.

#### Features

- Varying interest rate levels based on BCM ratings
  - Fair and neutral evaluation based on global crisis management trends
- Based on information exchanges with the Japanese government's Cabinet Office, the World Economic Forum, the UN World Conference on Disaster Risk Reduction, NPOs and other experts, DBJ developed a screening sheet containing approximately 100 questions. DBJ convenes a BCM Rating Advisory Committee after seeking advice from outside experts; screening questions are renewed annually.
- Ratings determined through interviews with clients
  - Applicability to a wide range of clients

## DBJ Employee's Health Management Rated Loan Program

In April 2008, the Ministry of Health, Labour and Welfare introduced a special health checkup system, and in December 2015 it will become obligatory for businesses to evaluate employee stress levels. This is one example of the growing importance being placed on maintaining the health of corporate employees. As Japan's working population is expected to shrink, achieving higher levels of human productivity has become an issue of growing importance. With these

social conditions as a backdrop, the DBJ Employee's Health Management Rated Loan Program aims to popularize and promote the concept of health management. DBJ has applied to take on Ministry of Economy, Trade and Industry (METI) survey operations. As part of this effort, we use an evaluation system that we have developed to assess enterprises and select those that are superior in terms of their consideration for employee health and offer them financing terms in line with their assessment levels. DBJ is the first institution in the world to offer a financing menu incorporating employee health management ratings.

### Features

- Varying interest rate levels based on Employee Health Management Ratings
- Formation of the Health Management Consortium, consisting of institutions focused on preventive healthcare and development of screening sheets to promote the Health Management Project as an ancillary activity for METI
- Ratings determined through interviews with clients
- Applicability to a wide range of clients



Program logo

## DBJ Visionary Hospital Program

In recent years, hospitals have been the source of increasing attention for the role they play as bases for safety and security in regional societies. In May 2012, we introduced the DBJ Visionary Hospital Program to support the advancement of medical functions, as well as to encourage proactive environmental consciousness, disaster prevention and business continuity measures. For institutions that have had their hospital functions certified by the Japan Council for Quality Health Care, DBJ uses the environmental assessment and BCM evaluation system it developed to certify hospitals as DBJ Visionary Hospitals (namely, those that have in place superior environmental

consciousness, disaster prevention and business continuity measures), offering them a financing menu with financing terms set according to their assessments. Through this measure, DBJ supports hospitals' efforts to continue providing good healthcare in regional societies.

### Features

- Interest rate levels that vary based on the DBJ Environmentally Rated Loan Program and DBJ Enterprise Disaster Resilience Rated Loan Program
- Certified hospital's environmentally conscious initiatives and disaster-preparedness measures that are expected to create broad appeal for regional societies





## DBJ Green Building Certification

Applying the expertise and networks accumulated over many years of real estate financing, DBJ inaugurated DBJ Green Building Certification in fiscal 2011. This certification program provides investment and loan support for real estate development, refurbishment and other activities of clients that own or manage real estate that evinces environmental and societal considerations (green buildings). Through this program for evaluating and certifying the sustainability of real estate, we contribute to the broad-ranging IR, PR and CSR aspects of our clients' real estate businesses.

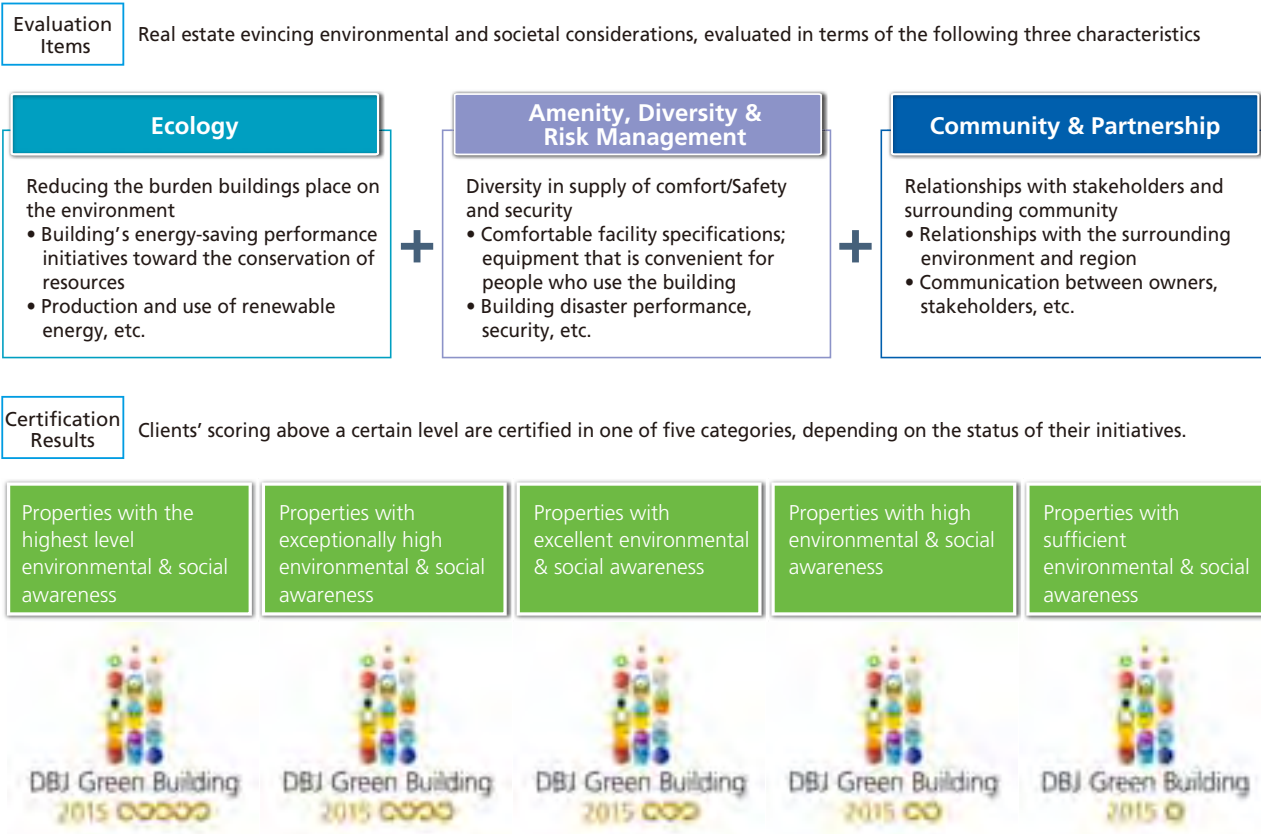
In March 2013, we commenced the joint operation of this certification system with Japan Real Estate Institute (JREI). In addition to existing editions for office buildings

and logistics, in November 2014 we added an edition for commercial facilities, followed by the January 2015 addition of a residence edition. These changes increased to four the type of properties eligible for certification. Going forward, we aim to foster a correlation between a building's certification ratings and its economic value, creating a market in which green buildings are valued appropriately.

### Features

- Takes into account initiatives requested by a variety of stakeholders in addition to environmental performance
- Provides five levels of certification based on scoring results
- Allows a lineup based on facility upgrades, operational improvements and various other proactive client measures

### ● Overview of the DBJ Green Building Certification



## Regional Areas Genki Program

Facing the challenges of population constraints, financial limitations, environmental restrictions and global competition, Japan's regions must coordinate with one another and implement diverse regional development schemes that capitalize on their respective strengths, competitive advantages and latent potential.

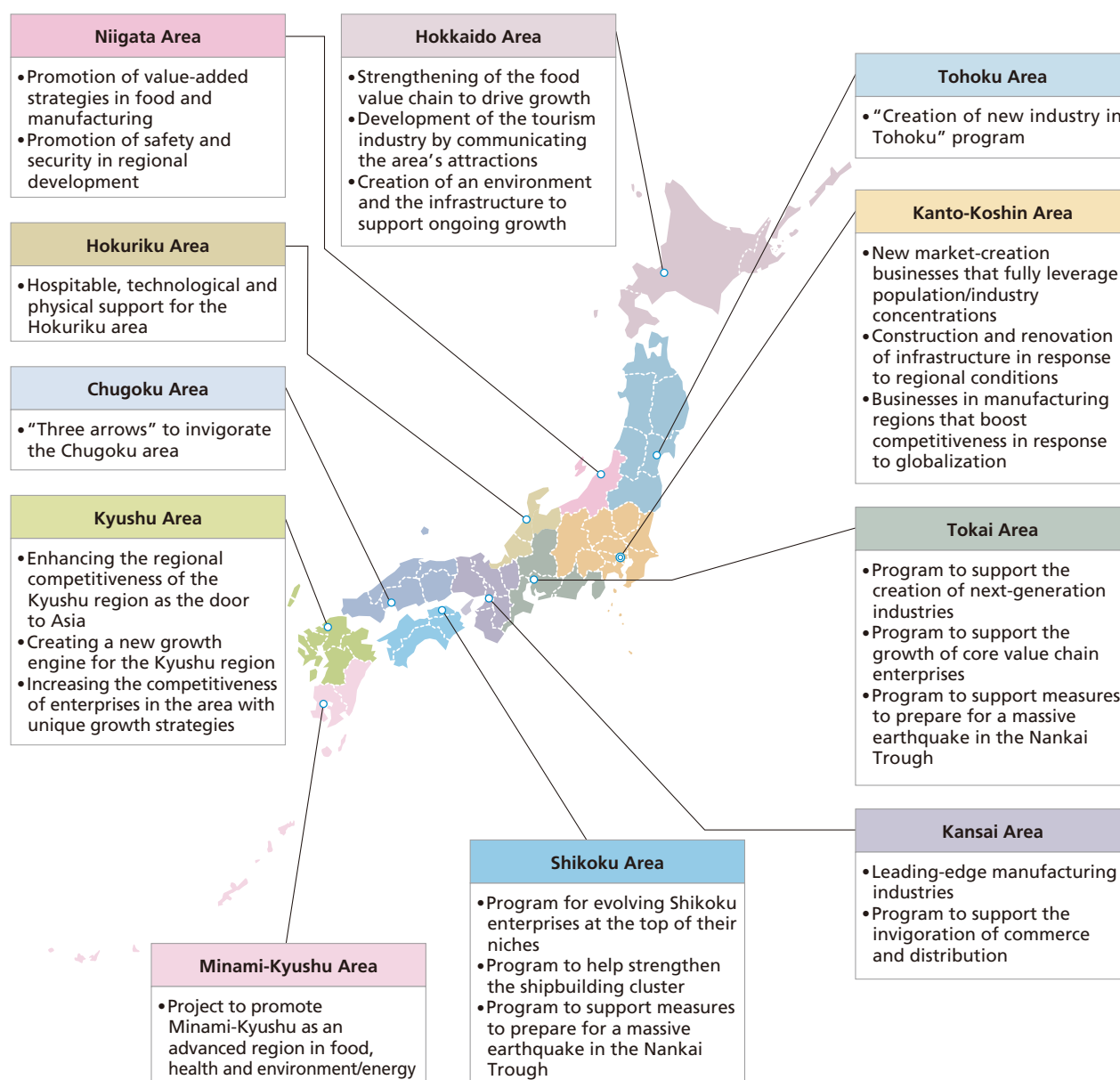
In 2010, DBJ arranged a unique initiative, the Regional Areas Genki<sup>\*1</sup> Program, to support regional growth that capitalizes on each region's respective strengths and potential from information and funding aspects. In addition, each DBJ branch office focuses on its region's distinctive fields and businesses, based on its industrial structure, and partners with regional financial institutions to offer financial support.

To further promote these initiatives, DBJ has partially revised the content of programs set by each of its branch offices and has adopted as a nationwide theme the concept of "enterprises that contribute to the region."<sup>\*2</sup> By further bolstering activities on the financial and information fronts for enterprises that contribute to their regions, DBJ is helping to foster a virtuous circle of *genki* between regions and enterprises.

<sup>\*1</sup> The Japanese word *genki* implies a positive spirit and good health.

<sup>\*2</sup> Enterprises that contribute to the region: Enterprises that create employment opportunities and utilize the region's personnel and resources, effectively employing people, physical goods and money for the good of the region, including increasing its productivity.

### Regional Areas Genki Program



## Safety Nets and Public Programs

### Interest Rate Subsidy Programs

Interest rate subsidy programs are schemes whereby financial institutions provide financing for specific businesses to promote specific industries. Alternatively, they may target operators of specific businesses. Under these programs, the

Japanese government or other organizations provide subsidies corresponding to all or part of the interest payments, thereby reducing the interest burden on the borrower.

#### Interest Rate Subsidy Program Menu

- Interest rate subsidy programs that support the revitalization of regional communities**  
 These interest rate subsidy programs are provided to businesses endorsed by the Japanese government in line with the regional revitalization plans of regional municipal bodies certified by the Japanese government.
- Interest rate subsidy programs for the development of regional telecommunications and broadcasting businesses**  
 These interest rate subsidy programs can be used by clients pursuing regional telecommunications or broadcasting businesses in accordance with legally prescribed guidelines.
- Interest rate subsidy system for internationally strategic comprehensive special zones; interest rate subsidy system for comprehensive special zones targeting regional revitalization**  
 These interest subsidy systems target operations endorsed by the Japanese government in line with plans for comprehensive special zones of regional municipal bodies certified by the Japanese government.
- Interest rate subsidy system for special zones for reconstruction**  
 This interest rate subsidy system targets operations endorsed by the Japanese government in accordance with the reconstruction plans of regional municipal bodies certified by the Japanese government in the areas identified in the Law for Special Zones for Reconstruction (227 towns and cities).
- Interest rate subsidy programs for Crisis Response Operations**  
 These interest rate subsidy programs can be used by clients who have sustained damage during a crisis certified as such by the Japanese government and who meet program requirements. At present, such subsidies are being provided to clients affected by the Great East Japan Earthquake.
- Interest rate subsidy programs for the promotion of environmentally conscious management ratings**  
 These interest rate subsidies are for fixed investment and the promotion of research and development to prevent global warming, and target enterprises involved in businesses working toward the reduction of energy-derived CO<sub>2</sub> emissions, thus qualifying for the DBJ Environmentally Rated Loan Program, and that have pledged to improve unit CO<sub>2</sub> emissions or reduce overall CO<sub>2</sub> emissions within a certain period of time.
- Interest rate subsidy programs to fund domestic oil and natural gas development (continental shelf interest rate subsidy)**  
 These interest rate subsidy programs can be used by enterprises involved in oil or natural gas development businesses in Japan.
- Interest rate subsidy programs to fund fixed investment for using natural gas and other resources (natural gas and other resources interest rate subsidy)**  
 These interest rate subsidy programs can be used by enterprises that are making fixed investment involving the use of natural gas and other resources.
- Interest rate subsidy programs to fund specific and other facilities related to the rationalization of energy use and to promote the introduction of special equipment (energy conservation interest rate subsidy)**  
 These interest rate subsidy programs can be used by enterprises that are promoting the conservation of energy by a certain amount.
- Interest rate subsidy programs to fund effective resource use and other activities**  
 These interest rate subsidy programs can be used by enterprises that are using resources at highly effective levels.

### Crisis Response Operations

Crisis Response Operations, on the basis of the Japan Finance Corporation Act (Act No. 57 of 2007, including later revisions) consist of the provision of necessary funds during such crises as disruptions in domestic or overseas financial markets or large-scale disasters. In response to crisis-related damage, Japan Finance Corporation provides two-step loans as complementary risk and other measures to government-designated financial institutions (designated financial institutions) that supply necessary funds to address crisis damage.

At the time of its establishment, DBJ was designated as such a financial institution, as was Shoko Chukin Bank Ltd. In accordance with this designation, DBJ commenced its Crisis Response Operations in October 2008.

Thereafter, the Lehman Shock and the Great East Japan Earthquake occurred, and the Japanese government called on DBJ to steadily mount large-scale Crisis Response Operations. Due to these crises, the DBJ Act was revised twice. By accepting an additional capital increase from the Japanese government, DBJ was able to create sufficient preparations and smoothly conduct Crisis Response Operations.

The 2015 revisions to the DBJ Act evaluated the role DBJ has played through its Crisis Response Operations and absence of private-sector financial institutions following the Lehman Shock and the Great East Japan Earthquake. DBJ became obliged to implement Crisis Response Operations for an indefinite period. (See pages 50–55.)

We offer consulting and advisory services and make use of networks with allied financial institutions. Through our consulting and advisory support services, we help clients in various industries and of various sizes become more competitive and contribute to the vigor of regional economies.

Our consulting and advisory services are backed by the know-how we have built up through our structured and other types of financing, our M&A advisory services and our provision of expertise on industry research and environmental and technical evaluations. We apply this accumulated expertise to help clients resolve the issues they face.

The advisory services case studies on page 73 introduce DBJ's "CSR through Investment, Loan and Other Businesses" approach.

### M&A Advisory Services

As corporate development options diversify, M&A activity is growing more prevalent amid the expansion of business overseas, both for businesses restructuring operationally and for industry restructuring overall. Mergers and acquisitions can be a method for achieving higher business efficiency,

better employment stability and a stronger competitive position. Amid growing interest in M&A activities in Japan and overseas, DBJ provides advisory services through its own networks. We offer comprehensive M&A solutions that match clients' varied needs and management strategies.

#### M&A Advisory Service Characteristics

- **Partners**

DBJ is thoroughly client-focused and takes a long-term perspective, working with clients to help them realize the visions they have set for themselves.

- **Brand**

DBJ is a unique and trusted financial institution that has built up its brand over many years of financing and experience in providing project support and maintaining relations over the long term.

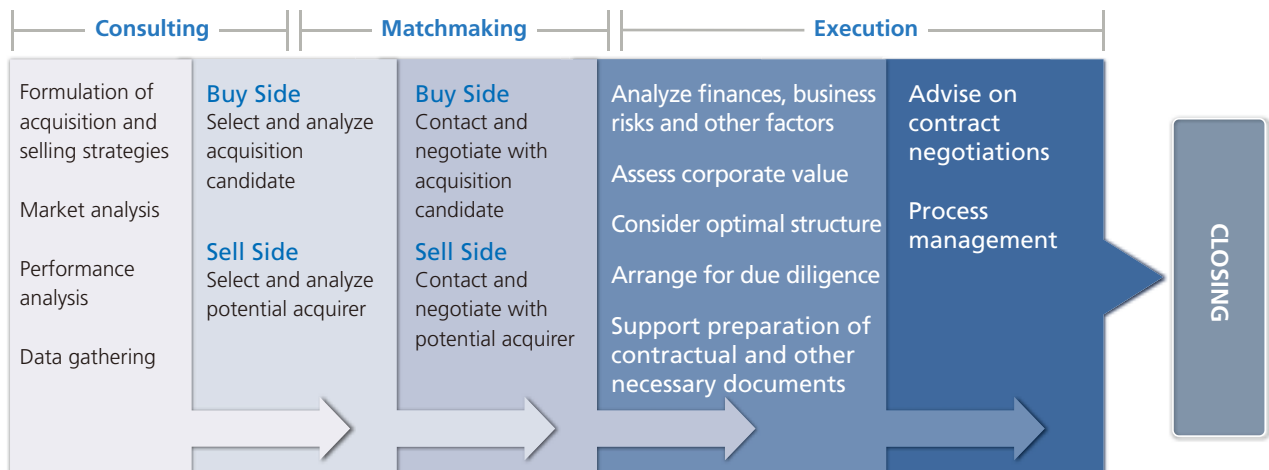
- **Knowledge**

DBJ has developed deep insights into a broad range of industries by virtue of its provision of financing over many years, as well as analytical capabilities and the ability to maintain strategy that is unaffected by short-term movements.

- **Network**

DBJ maintains close relationships with overseas financial institutions, domestic regional financial institutions, accounting and legal firms, and government institutions both in Japan and overseas. Such relationships enable us to build networks to accumulate accurate information.

#### ● M&A Advisory Services





## The Otemachi Innovation Hub (iHub)

In April 2013, we opened the Otemachi Innovation Hub (iHub) within DBJ's headquarters building. This organization is designed to set the foundations for resolving societal issues by leveraging DBJ's neutrality and extensive network and combining this with dormant corporate expertise, thereby serving as a new "opportunity" for value creation.

To contribute to regional revitalization, in fiscal 2014 iHub pursued regional developments that sought to combine an

awareness of issues and conditions within individual regions with open innovation activities involving diverse partners, such as enterprises, government offices and regional municipal bodies. Key activities include a healthcare-related symposium in Kansai, an activity in Hiroshima aimed at creating "constructive new ideas," and "iHub Creating Regional Prospects," a video-conference linking DBJ's head office with five other locations throughout Japan in a workshop aimed at co-creation.

### ● Typical Examples of iHub Regional Developments

Region	Date	Theme
Kanto/Tokyo	May 2014	Workshop for employees of regional municipal bodies
	December 2014	iHub Creating Regional Prospects (held via a videoconferencing system connecting five locations across Japan)
Hokuriku	From December 2013	Participation in the Hokuriku regional alliances platform
Toyama	November 2014, May 2015	Workshop entitled "Eliciting Dormant Expertise in Toyama"
Hamamatsu	February 2014	Opportunity to introduce new businesses generated by the region
Tokai	June–October 2015	Opportunity for new value creation by Tokai B2B enterprises
Kansai	From December 2013	Healthcare
Hiroshima	February 2014	Workshop on creating new businesses
	June–October 2014, June–September 2015	Opportunity to jointly consider new business ideas
Kochi	May–September 2015	Opportunity to create new businesses by leveraging regional resources
Kyushu	From December 2013	Participation in "Future of Kyushu 2030"



## Support Center for Technology Management

DBJ established the Support Center for Technology Management in February 2004 to help manufacturers realize their potential for the commercialization of successfully developed technologies. The role of this center is to plan and operate iHub, as well as to diagnose whether enterprises have the management strength (technology management expertise) to create value in technology. Aiming to create value from a new perspective, the center will engage in survey analysis and the proposal of future business models from the perspective of technology management, recommendations and technology management training.

For clients and other enterprises across a broad spectrum in the manufacturing sector, we support ecosystems (relations between enterprises) and the creation of business models from the viewpoint of innovations (new combinations) that include deliberation on technology management strategies to resolve social issues. We provide additional evaluations based on our expertise in business screening and, through consultations on business and financial strategies, help clients consider their optimal growth strategies and business plans.

### ● Changes in the Manufacturing Business Environment

	Past	Future
Ways to create value	Values of products themselves	Technical expertise to take a global lead Combination of diverse elements, including products and services
Desired capabilities	Increasing performance and functionality Raising efficiency, lowering costs	Expertise on value designing and ability to communicate with society Overwhelming expertise in manufacturing technologies and quality management capabilities
The background of the times	Mass production Catching up with Europe and the United States	Increasing uncertainty due to more-global and flatter markets Advances by companies from emerging markets Dramatic advancement in ICT

### Support for new value creation



## The DBJ Women Entrepreneurs Center (DBJ-WEC)

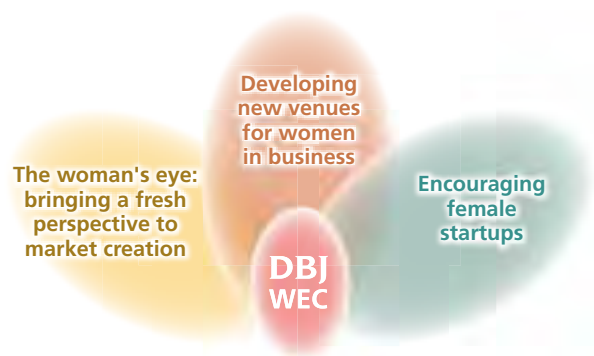
To lead the Japanese economy which has entered gradual recovery to sustained growth since the end of 2012, the Japanese government has identified “strengthening the utilization of human resources” as a key growth strategy. To enable women to play an increasing role, businesses created from a new female perspective are considered likely to provide a driving force for new creation of markets and social transformation.

Anticipating such developments, DBJ launched the DBJ Women Entrepreneurs Center (DBJ-WEC). Through this center, we aim to provide comprehensive support, including funding and business startup expertise, to new business growth led by women.

As part of its initiative to cultivate and foster new businesses, DBJ-WEC annually holds a business plan competition targeting female entrepreneurs. The winner of the competition (i.e., a new business plan with a superlatively innovative and operational idea) is awarded an incentive payment of up to ¥10 million. Additionally, DBJ-WEC offers all participants a variety of support on the planning front, such as by connecting them with experienced entrepreneurs and experts in various fields, providing startup expertise and advice and introducing them to networks after the competi-

tion. Notably, in the Fourth DBJ Women Entrepreneurs New Business Plan Competition, we established the Regional Future Award, for business plans that effectively utilize human and other resources within a region, as well as evaluate other initiatives that contribute to regional growth, such as community and industrial development that draws human resources to a region.

In the future, the center will continue to work with regions and specialists to help female managers turn their ideas into developing businesses.



The DBJ Women Entrepreneurs Center



Award ceremony of the Fourth DBJ Women Entrepreneurs New Business Plan Competition



Grand prize winner of the fourth annual competition: Ms. Rika Yajima (Representative Director, aeru K.K.)

## DBJ Asia Financial Support Center

DBJ opened the DBJ Asia Financial Support Center in June 2011 to reinforce its ability to provide local information and consulting services to regional banks supporting efforts by small and medium-sized enterprises and other entities in their regions to promote business in other parts of Asia.

The center's role is as a liaison to help small and medium-sized enterprises with their various needs in developing business operations in Asia from the information aspect in cooperation with regional banks throughout Japan. In addition to leveraging DBJ Group resources, such as its overseas representative office, its overseas subsidiaries and Japan Economic Research Institute Inc., this center provides consulting services that take advantage of a comprehensive agreement on collaboration with Hitotsubashi University

(entered into in June 2011) and of networks of overseas development finance organizations, private financial institutions and legal and accounting firms.

As of May 31, 2015, the center has a membership of 67 regional banks and has fielded a total of 1,632 inquiries. Breaking down inquiries by country, the majority were in relation to China, Thailand, Vietnam or Indonesia, and inquiries concentrated on such topics as market research and business matching. In 2014, we began playing a part in the “fast-pass” system to provide consistent support for overseas development, in keeping with the Japanese government's growth strategy. DBJ will continue augmenting its ability to disseminate information related to Asia.

## Public Asset Management

Public asset management describes the method of looking at the public assets owned by regional municipal bodies from a management perspective for the purposes of overall planning, control, use and disposal.

The public assets owned by regional municipal bodies are many and varied. They include buildings, such as schools, public offices and community centers, as well as waterworks, sewerage, roads and other infrastructure. Two major issues have come to the fore in this category in recent years.

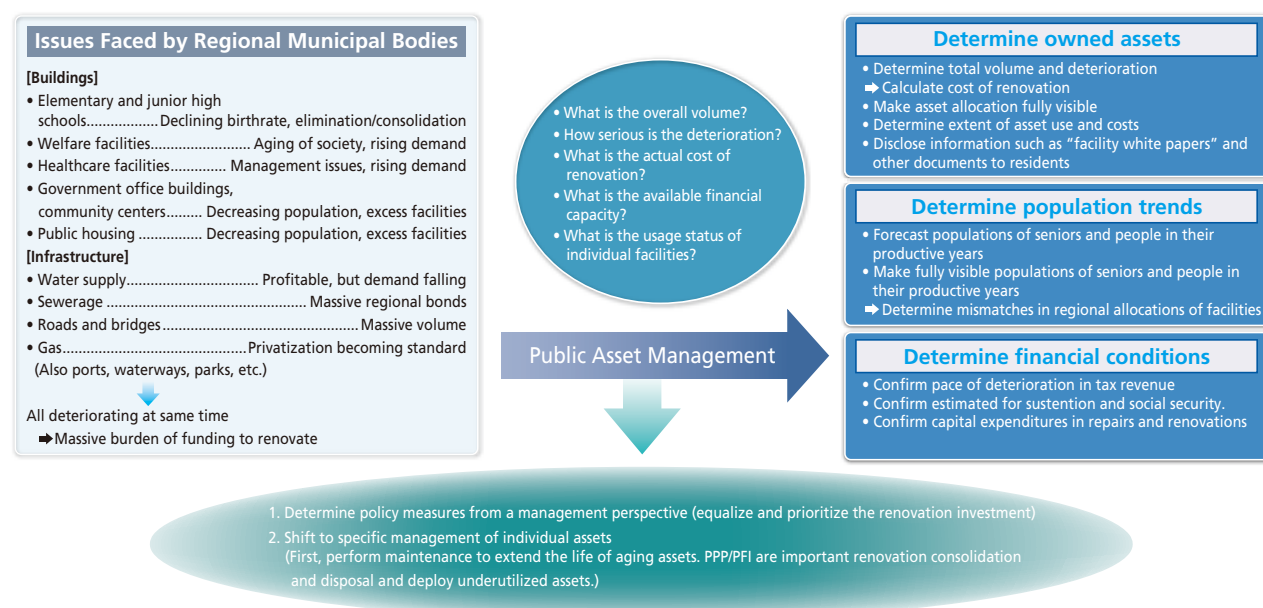
The first is that public assets that were built in a concentrated period during Japan's era of high economic growth are now deteriorating rapidly. Because many public assets were built at around the same time, their deterioration is also simultaneous. The second issue is a mismatch between the population—which is shrinking and changing in its makeup—and the supply of facilities and contents needed to serve the needs of residents. Going forward, as the overall population shrinks and the average age rises, regional

municipal bodies will face major changes in the amount and types of public assets that are necessary.

However, the combination of long-term economic malaise and a decrease in the percentage of the population in their productive years is likely to cause tax revenues to fall and welfare budgets to increase. Owing to factors such as these, it may become difficult to secure the budgets necessary to renovate or reallocate public assets that have deteriorated or become underutilized.

For this reason, regional municipal bodies must quickly embark on the management of public assets and conduct sustainable urban management.

DBJ is working with Japan Economic Research Institute Inc. in this regard. We help in perceiving the status of facilities, such as by formulating white papers for public facilities. And we assist in optimizing initiatives by drawing up overall management plans for public facilities and encouraging the introduction of PPP/PFI for individual model businesses.



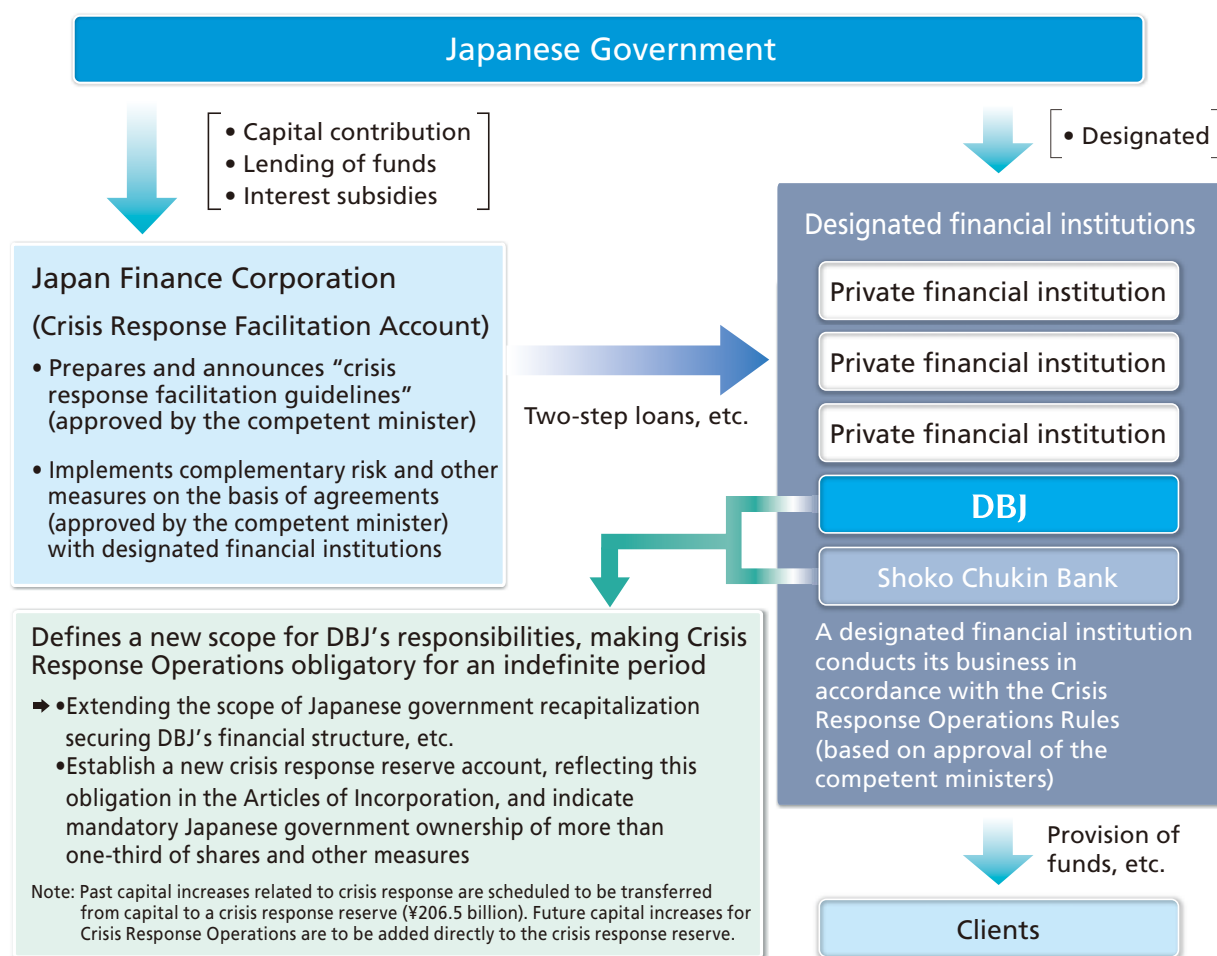
## Crisis Response Operations

Crisis Response Operations, on the basis of the Japan Finance Corporation Act (Act No. 57 of 2007, including later revisions) consist of the provision of necessary funds during such crises as disruptions in domestic or overseas financial markets or large-scale disasters. In response to crisis-related damage, Japan Finance Corporation provides two-step loans as complementary risk and other measures to government-designated financial institutions (designated financial institutions) that supply necessary funds to address

crisis damage.

During the Lehman Shock and the Great East Japan Earthquake, DBJ was involved in large-scale Crisis Response Operations. The 2015 revisions to the DBJ Act evaluated the role DBJ has played through its Crisis Response Operations and absence of private-sector financial institutions. DBJ became obliged to implement Crisis Response Operations for an indefinite period.

### ● Crisis Response Operations Scheme



## The Great East Japan Earthquake

In response to the March 11, 2011, Great East Japan Earthquake, DBJ, as a designated financial institution for Crisis Response Operations, set up a full-fledged structure to facilitate the all-around operation of Crisis Response Operations for clients affected both directly and indirectly by the disaster.

Given the shift from the “restoration stage” to the “reconstruction and growth stage,” we are working with regional financial institutions and others to provide risk capital

Please see pages 53–55 for “Initiatives Related to the Great East Japan Earthquake.”



## Results of Crisis Response Operations

On October 30, 2008, the Japanese government established "lifestyle measures," providing financing to set Crisis Response Operations by Shoko Chukin Bank and DBJ in motion in response to the worsening corporate cash flow conditions resulting from the global financial and economic crisis that began in the autumn of 2008. On December 11, these measures were granted crisis designation under the category of "incidents related to confusion in the international financial order." On December 19, these measures were augmented by economic measures, or "emergency lifestyle defense measures," funded through budget expansion and the commencement of acquisition of commercial paper, and labeled Cash flow Countermeasures for Medium-Sized and Large Enterprises Employing the Crisis Response Operations of the Japan Finance Corporation. On January 27, 2009, the Japanese government regulations were amended, and other measures were taken, incorporating these items into the second supplementary budget for fiscal 2008, augmented with funds generated by DBJ's commercial paper acquisition business on January 30.

Additional economic crisis countermeasures were announced on April 10, 2009, outlining specific measures for large-scale Crisis Response Operations and earmarking a total of ¥15 trillion for crisis response for medium-sized and large enterprises. In line with these measures, authorization of a supplementary budget for fiscal 2009 was announced on May 29, 2009. This budget received Diet authorization on June 26, and the amendment to the New DBJ Act went into force and was promulgated on July 3, 2009. These measures paved the way to reinforce DBJ's financial structure and enable the smooth implementation of Crisis Response Operations.

On March 12, 2011, Minister of Finance decided to implement Crisis Response Operations related to the Great East Japan Earthquake one day earlier. Upon notification of such certifications, the implementation period for Crisis Response Operations was re-extended. (Meanwhile, the implementation period for certain projects, such as those

involving "incidents related to confusion in the international financial order," concluded on March 31, 2011.)

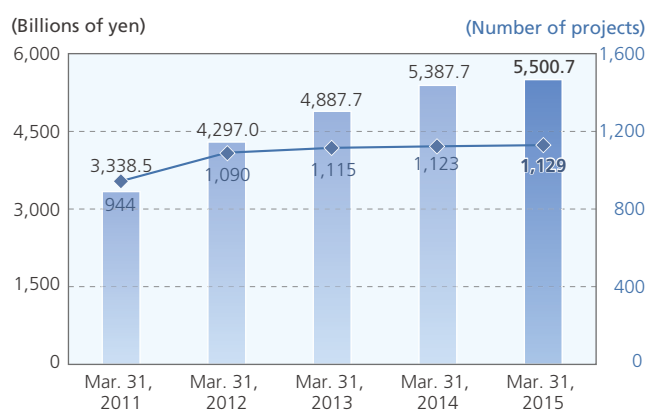
As of March 31, 2015, DBJ's cumulative loan performance and commercial paper acquisitions of crisis countermeasure loans were as follows.

- Loans: ¥5,500.7 billion (1,129 projects)
- Loans executed with loss guarantee agreements: ¥268.3 billion (47 projects, including those slated for application to JFC)
- Commercial paper acquisitions: ¥361.0 billion (68 projects)

\*1 Of the ¥67.0 billion in loans executed with loss guarantee agreements to Japan Airlines in relation to Crisis Response Operations, ¥47.0 billion (amount confirmed in April 2011 owing to DBJ's completion of corporate rehabilitation procedures) in compensation was ultimately provided by Japan Finance Corporation on the basis of the agreements.

\*2 A portion of the loans provided by DBJ to Micron Memory Japan Inc. (formerly Elpida Memory Inc.), was covered by a Japan Finance Corporation guarantee on losses. DBJ requested, and has already received, a total of ¥27.7 billion in loss guarantee compensation on the loans. In the event that in the future DBJ is able to collect on the principal of the loans for which it has received compensatory payment, DBJ will return to Japan Finance Corporation a portion of the compensation received that corresponds to the percentage of the loans recovered.

### ● Loans as Crisis Countermeasures (Cumulative)



## Providing a Safety Net

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DBJ acts as a social safety net by providing investments and loans to support the restoration and rebuilding of areas affected by earthquakes, typhoons or other large-scale natural disasters and to address the outbreak of severe acute respiratory syndrome (SARS), bovine spongiform encephalopathy (BSE) and other illnesses, as well as terrorist attacks and other emergency situations that cause widespread anxiety about the financial system. In this way, we act as an emergency response unit to fill the gap that emerges when conventional financial platforms fail to function.

## Disaster Recovery

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### Societal Concerns

Required responses to a natural disaster are to (1) ensure that people who provide information to local communities beset by a natural disaster have sufficient knowledge about those communities and take that knowledge into consideration and (2) provide rapid responses to help rebuild important infrastructure that was destroyed. What is required is an entity that through its everyday business relationships has accumulated know-how on the industries and businesses that provide this core infrastructure. This entity also must have a wealth of expertise in supplying long-term funds.

### DBJ Initiatives

DBJ has provided assistance in response to such disasters as

**Note: DBJ's cumulative financing for recovery from two earthquakes**

**Great Hanshin-Awaji Earthquake: ¥184.8 billion**

(Year ended March 31, 1995, to year ended March 31, 2003)

**Chuetsu Offshore Earthquake: ¥20.3 billion**

(Year ended March 31, 2005, to year ended March 31, 2007)

## Emergency Financing

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### Societal Concerns

Society requires institutions whose day-to-day operations provide a solid foundation for financing in response to terrorist attacks and other emergency situations. These institutions must also have the working capital and funding expertise to respond quickly to these situations.

### DBJ Initiatives

In the year ended March 31, 2002, DBJ established an

**Note: DBJ's cumulative emergency financing provided following the terrorist attacks and the SARS outbreak: ¥437.0 billion**  
(Year ended March 31, 2002, to year ended March 31, 2005)

## Successful Safety Net Initiatives

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1995 Reconstruction following the Great Hanshin-Awaji Earthquake  
1997 Financial climate response (credit crunch)  
2000 Reconstruction following Mt. Usu eruption  
Restoration support following torrential rains in the Tokai Region  
2001 Terrorist attacks on the United States  
SARS countermeasures, BSE countermeasures  
2004 Reconstruction following the Mid Niigata Prefecture Earthquake  
2005 Reconstruction following the Fukuoka Prefecture Western Offshore Earthquakes

2006 Asbestos countermeasures  
Response to major rise in crude oil prices  
2007 Reconstruction following the Noto Peninsula Earthquake  
Reconstruction following the Chuetsu Offshore Earthquake  
2008 Reconstruction following the Iwate-Miyagi Earthquake  
Financial crisis response  
2010 Yen appreciation and other countermeasures  
2011 Reconstruction following the Great East Japan Earthquake

## Initiatives Related to the Great East Japan Earthquake

### Crisis Response Operations

In the fiscal 2011 supplementary budget (passed on May 2, 2011), ¥2.5 trillion was earmarked for Japan Finance Corporation (JFC) for Great East Japan Earthquake Crisis Response Operations targeting medium-sized and large enterprises.

This supplementary budget having been passed, as a designated financial institution for the Crisis Response Operations DBJ set up a full-fledged structure to facilitate implementation of Crisis Response Operations for clients

affected both directly and indirectly by the disaster. The 2015 revisions to the DBJ Act evaluated the role DBJ has played through its Crisis Response Operations and absence of private-sector financial institutions following the Lehman Shock and the Great East Japan Earthquake. DBJ became obliged to implement Crisis Response Operations for an indefinite period. Accordingly, DBJ will continue with its earthquake reconstruction initiatives.

### Response to Electrical Power Supply Problems

Since the Great East Japan Earthquake, the stable supply of electricity has become an important issue from the standpoint of maintaining or strengthening Japan's economic and industrial competitiveness. The need to secure alternate forms of fuel caused an increase in electric utilities' costs, including those related to requirements to introduce new safety measures, and these costs were expected to deteriorate

their balance of revenues and expenses. Because of the difficulty the utilities would have had in issuing corporate bonds, DBJ responded quickly in collaboration with private financial institutions to secure the funding needed to ensure a stable supply of electricity.

As of March 31, 2015, DBJ's balance of loans in the energy (electric power, gas, heat and water) sector totaled ¥3.1 trillion.

### Tohoku Revival Reinforcement Office

On April 21, 2011, DBJ established the Tohoku Revival Reinforcement Office within the Tohoku Branch to consolidate and better provide companywide knowledge and financial expertise toward the restoration and reconstruction of the Tohoku and other disaster-stricken regions.

The Tohoku Revival Reinforcement Office has a cross-departmental structure that spans the Regional Planning

Department, Financial Institution Department, and other departments and branches. The office provides information related to estimating damage amounts in stricken areas and communicates with regional municipal bodies, national institutions, economic organizations and regional financial and other institutions to conduct surveys. It also introduces plans used in "creative reconstruction."

### Funding to Support Reconstruction and Growth Following the Great East Japan Earthquake

DBJ and financial institutions in areas affected by the earthquake formed the Great East Japan Earthquake Reconstruction Fund to support the restoration and reconstruction of enterprises that sustained damage in the earthquake. So far, we have provided investment and loans on 46 projects.

In December 2014, in response to the shift of the stage of earthquake reconstruction from the restoration of production facilities (the "restoration stage") to efforts to open up a new enterprise-based market that resumes production, collaborates among multiple enterprises to boost

industry competitiveness, builds infrastructure and reinforce functions (the "reconstruction and growth stage"), we have established a new reconstruction and support growth fund in collaboration with the Regional Economy Vitalization Corporation of Japan (REVIC).

The new funds are aimed at providing subordinated loans and preferred shares to enterprises whose businesses are contributing to the reconstruction and growth of the disaster-stricken region. We are promoting forward-looking initiatives with a nationwide business model, aiming to support regional growth and revitalization.

#### ● Overview of the new funds

Name	Iwate Reconstruction Growth Support Investment L.P.	Miyagi Reconstruction Regional Vitalization Support Investment L.P.	Fukushima Reconstruction Growth Support Fund Investment L.P.
Established	December 8, 2014		
Scale of fund	Each fund has ¥5.0 billion (which can be increased to ¥10.0 billion with agreement by the fund's members).		
General partnership (GP)	Tohoku Fukko Partners Co., Ltd.		
Limited partnerships (LPs)	DBJ, The Bank of Iwate and REVIC	DBJ, The 77 Bank and REVIC	DBJ, The Toho Bank and REVIC
Period	Investment period of five years, duration of seven years and four months (If necessary, however, it is possible to extend the investment period by up to two years and the duration by up to one year.)		

## Examples of Matching to Enhance Corporate Value Conducted for Investment and Loan Recipients through the Great East Japan Earthquake Reconstruction Fund

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### • Aizu Sake Plan Student Contest

Suehiro Sake Co., Ltd., headquartered in the city of Aizuwakamatsu, Fukushima Prefecture, received a loan through the Fukushima Investment Limited Partnership Support Fund for Reconstruction and Growth. Following an exchange of opinions with them, in February 2014 DBJ and the Aizuwakamatsu Distillery Cooperative Association held the Aizu Sake Plan Student Contest with the aim of cultivating new markets. One of the examples of DBJ's active involvement is in providing crisis reconstruction support through events and the dissemination of information.

### • Collaboration between Kesennuma and Akiu Onsen

DBJ conducted business matching for the Shark Town Kesennuma Design Promotion Council and the Akiu Onsen Ryokan Association. The Council comprises eight enterprises in the city of Kesennuma that are involved in the processing of shark fin and shark meat, which also includes Murata Co., Ltd., headquartered in the city of Kesennuma, Miyagi Prefecture, a loan recipient through the Miyagi Reconstruction Bridge Investment Limited Partnership. By leveraging the networks that DBJ has created with its clients, collaboration led to the cultivation of sales routes and regional industry support initiatives.

## Tohoku Future Creation Initiative

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The Tohoku Future Creation Initiative (founders: Seiichi Ohtaki, Manager of Graduate School of Economics and Management & Dean of Faculty of Economics, Tohoku University; and Kentaro Ohyama, Representative Director of Iris Ohyama, Inc.) commenced in April 2012. Centering on private-sector volunteers, the initiative aims to support the affected region's efforts toward reconstruction, autonomy and future value creation. The initiative operates a center for personnel training and cultivates managers and entrepreneurs. To promote urban

development and industry creation, the initiative dispatches volunteers from among local chief executives to private-sector support teams. These teams work with regional municipal bodies to put reconstruction plans into action and in other ways help to lay the foundations for autonomous development in the affected region. At the center for personnel training, DBJ takes charge of a session themed on "management and finance," providing instructors, conducting training programs and cooperating with the project in other ways.

## Collaboration Agreement on Industrial Reconstruction with Fukushima Prefecture

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In March 2013, DBJ signed a collaboration agreement on industrial reconstruction with Fukushima Prefecture. Under this agreement, Fukushima Prefecture and DBJ cooperate on gathering information, conducting strategic reviews and cultivating personnel, taking an overall approach to invigorating the local economy by promoting local industry and tourism and communicating the region's attractions.

### • Study Council on Fukushima Medical-Related Industrial Cluster

DBJ and the DBJ Group's Value Management Institute, Inc., served as the secretariat for the June 2013 Study Council on the Fukushima Medical-Related Industrial Cluster, chaired by Makoto Kikuchi, President of the Japan Association for the Advancement of Medical Equipment.

This council advocates a "Fukushima-driven Japanese model" of creating a new base for the medical instrument business in Fukushima Prefecture and supports business collaboration to that end.

### • Fukushima Reconstruction Symposium

In May 2014, DBJ held the Fukushima Reconstruction Symposium in the city of Koriyama, Fukushima Prefecture. The symposium was jointly hosted by Xebio Co., Ltd., and sponsored by the Reconstruction Agency, Fukushima Prefecture, and The Toho Bank, Ltd. The symposium provided an opportunity for related organizations, enterprises and public-sector entities to discuss businesses aimed at creating a society in which the children of Fukushima Prefecture can come into contact with nature and enjoy sporting and cultural events as they grow up.

## The New Tohoku Partnership Promotion Committee

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The Reconstruction Agency is working toward the Creation of a "New Tohoku." To further promote initiatives by diverse bodies that are active in the stricken region, including enterprises, universities and NPOs, in December 2013 the agency estab-

lished the New Tohoku Partnership Promotion Committee to conduct ongoing activities in Tohoku. Being in agreement with the tenor of these activities, DBJ served as a founding member of the committee and serves as its deputy chair.

## The UN World Conference on Disaster Risk Reduction Public Forum

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The UN World Conference on Disaster Risk Reduction is a conference sponsored by the United Nations that formulates international strategies on disaster risk mitigation. March 2015 marked the third meeting of this conference, which adopted the "Sendai Framework for Disaster Risk Reduction" as its new international disaster risk reduction roadmap for the next 15 years. Side events included more than 350 symposiums, seminars and exhibits related to restoration and reconstruction, disaster response, and disaster risk prevention and reduc-

tion. DBJ held two symposiums, entitled "Financial Initiatives for Building the Resilient Society: Financial Sector's Roles for Pre- and Post-Disaster Response and Revival of Tohoku" and "Building Disaster Resilience through Alliances and Mutual Cooperation of Multi-stakeholders in Tohoku and Beyond: Region-wide Initiatives by the Tohoku Alliance." Through these symposiums, we sent information about our experience and the lessons learned from the Great East Japan Earthquake to the world.

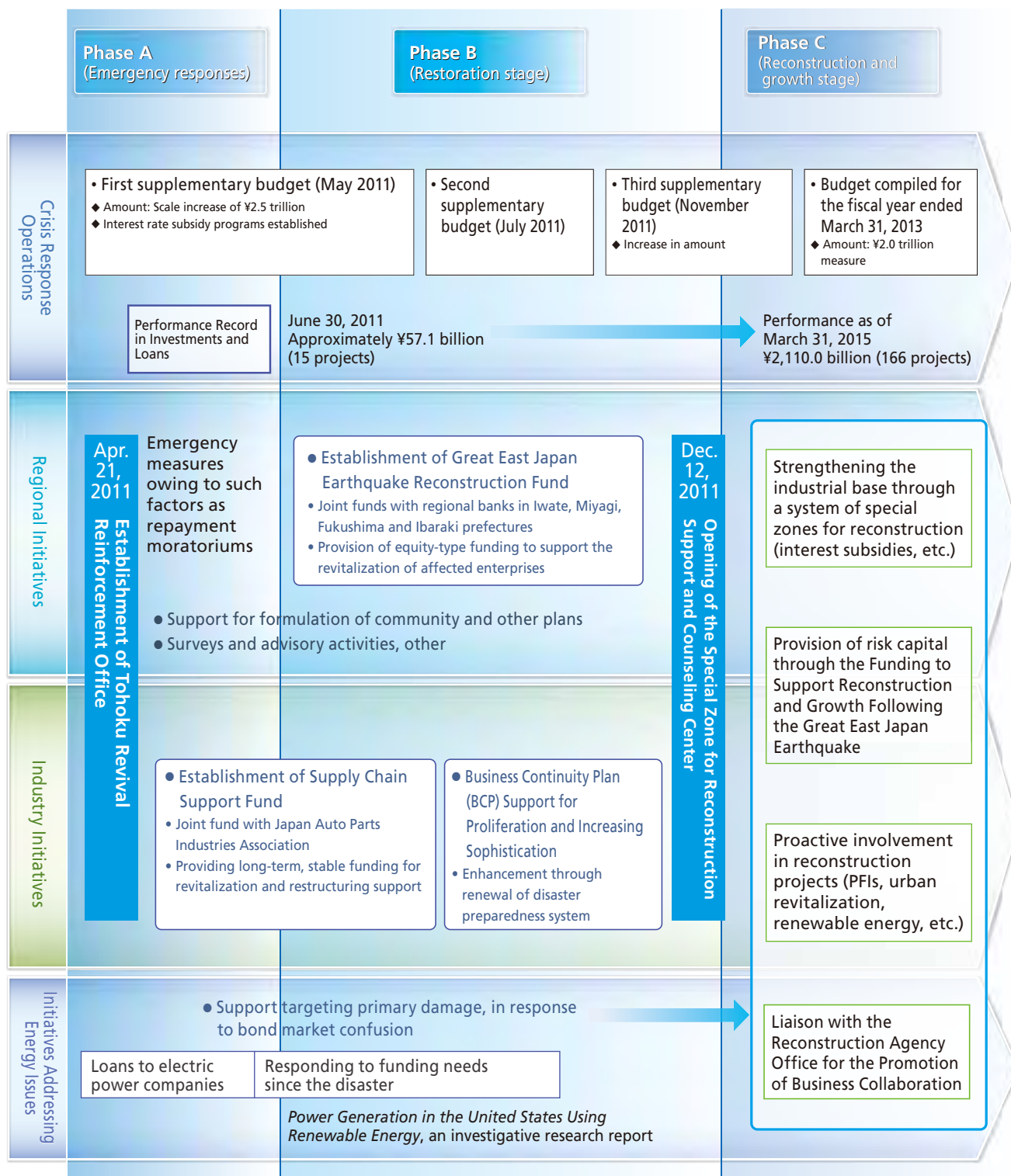


## Restoration and Reconstruction Issues and Responses

The Great East Japan Earthquake was a complex major disaster, an infrequent type even on a global scale. We believe that restoration and reconstruction measures must be implemented on a step-by-step basis, in chronological order. Also,

given the broad expanse of the damaged region, restoration and reconstruction measures must take into careful consideration the regions where they are being introduced and the type of damage they are targeting.

### ● Restoration and Reconstruction Support through Investment and Loan Activities



DBJ's Third Medium-term Management Plan prioritizes operations through which it contributes to revitalization in each region as a partner. To further encourage autonomous initiatives by regions to address the various issues they face, in September 2014 we established the Initiative for Creating Regional Futures. In addition, we launched the Regional Revitalization Program to support regional initiatives and offer solutions to their problems. In October 2014, we elicited input from managers of more than 170 medium-sized regional enterprises. Based on this input, we announced our Recommendations on Regional Revitalization, which summarizes measures necessary for regional revitalization and the role that financial institutions are called upon to perform.

### Regional Revitalization Program

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As a specific Regional Revitalization Program initiative, we deployed the Innovation Hub across regions to support the launch of cross-industrial creative businesses. Through working to expand PPP/PFI activities centered on the Private Finance Initiative Promotion Corporation of Japan (PFIPCJ), DBJ also has begun offering programs to members of regional municipal bodies through its PPP/PFI Academy. In

addition, we are pursuing initiatives such as providing DBJ's expertise and networks with regard to human resources to play a large role as part of the region. Furthermore, we set up the Regional Contribution M&A Program to support M&A projects that contribute to regional growth, such as to strengthen regional enterprises' management foundations and assist in building infrastructure.

### Providing Regions with Risk Capital

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To support regional revitalization via the tourism industry, in April 2014 DBJ formed the Mother Fund Corporate Mezzanine Limited Partnership for Tourism Vitalization in collaboration with the Regional Economy Vitalization Corporation of Japan (REVIC) and RISA Partners, Inc. (RISA) and has provided risk capital. Also, in September 2014 we set up the *Musubu* Setouchi Business Succession Fund with The Hiroshima Bank, Ltd., and two other regional financial institutions to facilitate the smooth business succession of

regional enterprises. In addition, with The Tokyo Tomin Bank, Limited and RISA, we formed the Tokyo Revitalization Fund Limited Investment Partnership and have provided risk capital. This partnership aims to supply funds to small and medium-sized enterprises that can help revitalize the economy of the Tokyo metropolitan area, supporting them in efforts ranging from improving and strengthening business foundations to achieving expansion and growth.

### Setouchi Brand Promotion Initiatives

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In May 2015, DBJ collaborated with the Setouchi Brand Promotion Association\*<sup>1</sup> to create a Setouchi Brand Promotion Structure\*<sup>2</sup>. Along with six Setouchi regional banks (The Chugoku Bank, The Hiroshima Bank, The Yamaguchi Bank, The Awa Bank, 114Bank and The Iyo Bank), we signed an Agreement on the Revitalization of the Tourism Industry in the Setouchi Region. This agreement covers (1) tie-ups with the Setouchi Brand Promotion Association, (2) the establishment of a business support organization promotion office, (3) consideration of diverse types of funding support for tourism-related enterprises and (4) the study of management support for providing expertise to tourism-related enterprises.

Through tie-ups and cooperation among the seven banks that signed the agreement, we intend to combine the regional banks' knowledge and networks with DBJ's extensive financial track record to support tourism-related enterprises and promote regional revitalization through advancement of the tourism industry.

\*1 Setouchi Brand Promotion Association: Extended association of seven prefectures—Hyogo, Okayama, Hiroshima, Yamaguchi, Tokushima, Kagawa and Ehime—formed in April 2013 to establish the "Setouchi" brand

\*2 Setouchi Brand Promotion Structure: A collaborative structure comprising the Setouchi Brand Promotion Association, tourism-related enterprises and financial institutions to enhance value in the Setouchi area

## ● Recommendations on Regional Revitalization (Announced in October 2014)

### Recommendations on Regional Revitalization, distilled from the results of a survey of 170 managers of small and medium-sized regional enterprises

#### Formulating an Action Plan for a Regional Future

In the area of regional revitalization, to supplement the Japanese government's long-term vision we have drawn up a reasonable and specific medium- to long-term action plan for the management of enterprises within the region to serve as an urban planning guideline. Rather than as the problems of dividing a limited economic pie and addressing distribution among regions and in regional and major urban areas, this plan goes beyond conventional administrative districts to address the reality of regional economic transactions.

#### The Concept of Community Development

- (1) Utilize a framework for community development in response to population decline and aging.
  - Formulate a Regional Life Contingency Plan. Based on this plan, encourage the management of public assets at an early stage through PPP/PFI promotion, such as by leveraging the PFIPCJ.
- (2) Promote the distinctive community development and broad-based area management.
  - Play on unique characteristics rather than aiming for a "mini Tokyo."

#### The Concept of Building People

- (1) Create and increase the sophistication of (higher-level) educational systems that match regional human resource needs.
- (2) Encourage labor market reform, utilizing women, seniors and foreign workers.
  - Promote regional employment of women, seniors, etc., and formulate and continuously follow a "regional labor market reform plan" that supports stable industrial activity.

#### The Concept of Work

- (1) Mount a regional industry siting initiative that encourages enterprises that support communities to remain (including the regional bases of large enterprises as well as regional enterprises).
- (2) Support efforts to grow core regional enterprises (such as core value chain enterprises), including through operational advancement and new business launches.
- (3) Create systems that facilitate the smooth business succession of small and medium-sized regional enterprises, and support those that are relaunching and restructuring.
- (4) Promote research and development and open innovation.
- (5) Encourage regional investments by overseas enterprises, as well as efforts by regional enterprises to develop overseas.
- (6) Build new frameworks to cultivate and support industries that utilize regional resources.



#### Addressing Issues through Tie-ups and Collaboration among Related Parties of Regional Alliance Platforms

Form platforms that encourage meetings of people from regional municipal bodies, enterprises, financial institutions, educational research institutions and other bodies, coordinating according to their various strengths and weaknesses, to promote decisions on autonomous regional strategies. Create and effectively operate schemes that foster cooperation and collaboration on these strategies.

Strive to move along a path of visualizing—sharing common perceptions among the related parties—tapping the experiences of those past successes to get past deliberation impediments—rather than seeking the impossible, putting in place measures aimed at maximizing what exists.



#### Calling on Financial Institutions to Serve as Regional Coordinators

- (1) Making use of nationwide data and models of regional economic cycles, financial institutions can assist in the process of visualizing existing conditions **by objectively identifying and analyzing information about a region's status.**
- (2) Based on the above-mentioned analysis, financial institutions can then help create realistic future forecasts, collect input from regional parties and provide related parties with information about individual regions' strengths and weaknesses. After dispassionately identifying these characteristics, they can then assist with unique regional efforts to grow and address the issues they face.

Through its varied activities, centered on investments and loans, DBJ comes into contact with many aspects of society. In addition to enterprises, DBJ's information channels and human networks include the Japanese and overseas governments, governmental institutions, international institutions, regional municipal bodies and universities. Through these contacts, DBJ extracts a variety of information on economic and societal issues, boosting its ability to supply neutral information of high quality.

### Economic and Industrial Research

In a broad range of industrial circles, DBJ conducts surveys and performs research not only on such topics as conditions in various sectors and among different types of businesses but also on international competitiveness. DBJ also prepares reports on conditions in individual industries, technical development trends and new industries and innovation, and provides these reports to its clients and other parties.

#### Survey Examples

##### **DBJ Monthly Overview**

This report provides a brief commentary on domestic and overseas economic and industrial trends and monthly business indicators.

The report explains domestic and overseas economic trends through an analysis of economic and financial indices published each month. In recent years, the global economic and financial markets have grown more closely linked. With regard to these global markets, the report aims to further that integration by introducing overseas fiscal and monetary policies and commenting on current topics.



In addition, the report addresses topics that are timely from the perspective of industrial trends.

##### **"Long-Term Perspectives and Human Resource Management at Core Value Chain Enterprises: The Importance of Core Value Chain Enterprises as the "Core" of Regional Revitalization"**

(DBJ Monthly Overview, No. 215-1, August 2014)

DBJ sometimes introduces its research and provides support to "core value chain enterprises" (a term DBJ coined) that are the source of added value creation.

This report looks at how core value chain enterprises steadily increase their numbers of employees from a long-term, future-oriented perspective and clarifies the relationships that strengthen their human resources. In addition, the report considers core value chain enterprises' importance in regional revitalization and other related issues.



##### **"Strengths of the Japanese Electronic Components Industry and Policies for Enhancing Competitiveness"**

(DBJ Monthly Overview, No. 217-1, September 2014)

Japan's balance of trade fell into deficit in 2011 for the first

time in 31 years, and the gap has continued to widen. Rising imports of LNG and crude oil are one reason for the situation, but another is the shrinking of industries that have long been pillars of trade surplus, such as transport machinery and general as well as electrical equipment.

Addressing this situation, this report shows that the shrinking balance of trade in electronic components and devices stems primarily from increasing imports of solar cells and integrated circuits and that when these areas are excluded, Japan retains a relatively large trade surplus in general electronic components. After providing an overview of Japan's strength in general electronic components, the paper goes on to recommend policies for reinforcing competitiveness in growth areas, including smartphones, automobiles and medical/healthcare-related markets.



##### **DBJ Long-Term Interest Rate Weekly Outlook**

DBJ provides its clients with weekly long-term interest rate movement information on the first business day of each week. Focused on Japan and the United States, we offer a brief summary of market trends during the previous week and introduce key economic indicators, treasury auctions and other events scheduled in the current week. DBJ economists comment on the effects of important economic indicators and monetary policies to be announced during the week, providing an outlook for market trends based on the analysis of economic fundamentals.

##### **Collection of Academic Papers Commemorating the 50th Anniversary of Establishment of the Research Institute of Capital Formation**

This two-volume collection commemorates the Research Institute of Capital Formation's 50th anniversary of establishment, in 2014. The collection follows two of the institute's long-standing research themes: "finance and corporate activity" and "shared social capital." Carrying forward the spirit of the institute's first executive director, Dr. Osamu Shimomura, and advising Professor Hirofumi Uzawa, the collection takes an academic approach to the sustained development of the Japanese economy at this transformative time.



## Providing Information Internationally—Cooperation with Columbia University in New York City

The Center on Japanese Economy and Business (CJEB) (founder and director: Professor Hugh Patrick), a research institution of Columbia Business School in the United States, invited intellectuals from a host of fields to attend a May 2015 conference entitled “Japan’s Changing Corporate Governance.” CJEB and DBJ dispatched visiting researchers to the conference, making use of DBJ’s networks for their research, holding study sessions and taking advantage of a cooperative relationship spanning many years. DBJ maintains relationships with some of the world’s most prominent academic institutions and takes a proactive role in studying and researching the issues that enterprises are facing.



## Capital Investment Planning Survey

One of DBJ’s main businesses is the provision of funds for long-term capital investment. With a history of more than 50 years (from 1956), the questionnaire-based Capital Investment Planning Survey looks at community-specific investing trends and provides analyses of raw corporate information. This information is tapped for many purposes, including investigation of, and policy formation for, the Japanese economy, planning by corporate management and research and training activities at institutions and universities.

### Survey Example

#### “Report on June 2014 Survey of Capital Investment Plans for Years to March 31, 2014, 2015 and 2016”

(Surveys, No. 107, September 2014)

After completing our questionnaire-based survey on corporate capital investment activity, the Survey of Capital Investment Plans, we publicized the results, as well as our analysis.



## Combining Surveys, Research and Investment and Loan Activities

In addition to publishing the results of its surveys, research and other activities, DBJ introduces its information at speaking engagements and seminars. In addition, after reflecting these results onto its investment and loan functions, DBJ provides new financial solutions for corporate CSR activities and commercial technologies.

### Environmental

DBJ conducts survey reports on various environmental activities in Japan and overseas, under such themes as global warming prevention measures, promotion of a recycling-oriented society and sustainable corporate management. DBJ also conducts and contributes to speaking engagements, specialty journals, newspapers and magazines. In the year ended March 31, 2005, these activities culminated in the introduction of DBJ Environmentally Rated Loan Program, which is used by many enterprises.

### Disaster Response

Being prepared to respond to an earthquake or other natural disaster and continue operations is an issue for every company. DBJ conducts surveys covering the corporate business continuity plans enterprises have established. In fiscal 2006, we incorporated survey results to form the basis for Financing Employing DBJ Disaster Preparedness Ratings, which we use in our financing considerations. Financing Employing DBJ Disaster Preparedness Ratings was substantially revised in August 2011. Thereafter, the name of this system was changed in 2012 to the DBJ Enterprise Disaster Resilience Rated Loan Program.

### Technology

DBJ’s activities in technology-related fields include conducting trend surveys (for example, on bioethanol). DBJ’s Support Center for Technology Management provides technical evaluations and conducts other activities to help enterprises realize their potential for technological commercialization.



## Providing Information to Regional Communities

### Supplying Information to Help Regional Community Development

Local communities are experiencing increasingly difficult environmental circumstances, such as a declining birthrate, an aging population, the amalgamation of towns, cities and villages, and financial crises. Addressing these issues requires a greater degree of expertise and more ingenuity than ever. DBJ assists regional community development using its analysis of the information it accumulates through its network comprising its own offices (19 domestic locations—head office, branches and representative offices—and four overseas locations [three subsidiaries and a representative office] as of July 1, 2015), economic agencies of regional municipal bodies and regional communities, and enterprises in Japan and abroad. The scope of this analysis extends from public-private partnerships (PPPs) to tourism promotion, region and community development and local government finance. DBJ disseminates this information through reports, publications, lectures and other formats.



#### *"Fiscal 2015 Regional Handbook: Regional Data and Policy Information"*

This handbook is a collection of data that include fundamental economic, industrial, lifestyle and policy indicators for regional blocks, administrative regions and principal cities, as well as a



compilation of individual regional policies and projects to facilitate an overall understanding of regional policies, economies and societies and the current status of regional projects. In the Topics section, Yoshio Higuchi, professor of Keio University, contributed a special section entitled "Prescriptions for a Rapidly Shrinking Society."

#### *"Initiatives for Maintaining Vigor and Growth in Local Communities and the Creation of Cooperative Platforms"*

As Japanese society enters an era when the population is truly shrinking, initiatives are undertaken to address low rates of childbirth and halt the decline in other ways. This report lays out measures that enterprises, regional municipal bodies, financial institutions, educational institutions and other organizations can take to help resolve important issues. The report recommends maximizing the power of the private sector and building "broad-ranging platforms for regional economic cooperation" that promote efficiency centered on regional economic organizations.



#### *"Cultivating the New Market for Wooden Buildings and Promoting the Use of Domestic Timber: The Importance of Regional Cooperation in Building a Supply Chain for Wood-Based Structural Materials"*

The Japanese forestry and wood products industry is pushing forward with technical developments in wood-based structural materials such as cross-laminated timber, prompting regulatory reform. Based on an interim report announced in November 2014, this report looks at the creation of supply chains for wood-based structural materials from five perspectives: issues, technologies, demand, supply and regions. The report then explores the movement to create "wooden cities" built of large-scale multistory wooden structures and considers the potential for each region.



#### *"Developing Sports Tourism: An Example Using Regional Resources to Create Tourist Destinations"*

With the upcoming Tokyo 2020 Olympics and Paralympic Games as its backdrop, this report looks at anecdotal research in making suggestions for regional municipal bodies to make use of their sports-related resources to cultivate sports tourism, considering sports as one way to create regional tourist destinations. The report studies public organizations' sports tourism efforts and makes general recommendations on how to leverage regional resources to create regional tourist destinations.



## Branch Reports

### Hokkaido Branch

#### **"The Economic Ripple Effect from the Opening of the Hokkaido Shinkansen Route: An Estimated Annual Effect of Around ¥13.6 Billion"**

(Report, October 2014)

The Hokkaido Shinkansen route is scheduled to open at the end of fiscal 2015, linking Shin-Aomori and Shin-Hakodate-Hokuto stations. This launch is expected to have an economic ripple effect throughout Hokkaido as



it brings in people from the greater Tokyo and Yokohama metropolitan areas and, in northeastern Japan, Miyagi Prefecture. If by shortening travel time the new line substantially increases the number of people traveling between Kanto, Tohoku and other regions, the tourism industry should be directly affected. In addition, the development is expected to encourage production within Hokkaido and increase employment compensation, creating an economic ripple effect that is expected to be huge.

## Tohoku Branch

### **"Tohoku Inbound (Eight Asian Regions) Intention Survey (2014 Edition): The Need for Tohoku to Use Its Tourism Potential as a Tool for Further Strategic Promotion"** (Report, December 2014)

This report is a sequel to "Tourists' Sentiments about Visiting Japan after the Great East Japan Earthquake (2013 Edition)," published in December 2013. Based on Internet surveys of potential tourists to Japan from eight Asian regions (South Korea, China, Taiwan, Hong Kong, Thailand, Singapore, Malaysia and Indonesia), this survey concentrates on responses from people who have visited Tohoku and the effect of the Great East Japan Earthquake. Although awareness of Tohoku is low, the region has many attractive tourism offerings, providing the potential to increase inbound tourism from other countries. This report recommends strategic promotion from the viewpoints of broad-based cooperation and differentiation.



## Niigata Branch

### **"Initiatives for Boosting Growth and Competitiveness for Enterprises in Niigata Prefecture"** (Report, September 2014)

In June 2014, DBJ conducted a special corporate questionnaire, the Corporate Behavior Awareness Survey, in tandem with its Capital Investment Planning Survey, and the DBJ Niigata Branch summarized results pertaining to initiatives for augmenting the growth and competitiveness of enterprises in Niigata Prefecture.



These results point to (1) focus areas for increasing the competitiveness of key businesses among enterprises in Niigata Prefecture, (2) important efforts toward growth and competitiveness, and (3) key fields of business for medium-term market cultivation. The report provides a highly interesting perspective on the awareness and management orientation of enterprises in Niigata Prefecture.

## Hokuriku Branch

### **"Industrial Tourism Possibilities for the Hokuriku Region"** (Report, March 2015)

In March 2013, DBJ published reports entitled "Ishikawa Prefecture to Feel the Economic Ripples from the Extension of the Hokuriku Shinkansen to Kanazawa" and "Toyama Prefecture to Feel the Economic Ripples from the Extension of the Hokuriku Shinkansen," estimating the economic ripple effect on Ishikawa and Toyama prefectures from the service

start of the Hokuriku Shinkansen. This report looks at sustaining this economic ripple effect, looking at regional community development through the lens of "industrial tourism." From a hearing-based survey of forward-looking cases, the report considers the key points of such an initiative and its potential for the Hokuriku region.



## Tokai Branch

### **"The Issues of Aichi and Nagoya from a Working Woman's Perspective: The Urban Vitality Effect of a Lack of 'Nadeshikos'"** (Report, June 2014)

The Japanese government is emphasizing the promotion of opportunities for women as one of its growth strategies, and this move has garnered increasing attention. Against this backdrop, the percentage of women in employment and management positions in Aichi Prefecture is below the national average, and the active participation by women in work is limited.



This report assesses such issues as a lack of nursery staff in Aichi Prefecture and the city of Nagoya and outlines a vision for enterprises and regional municipal bodies in the coming era when the Linear Chuo Shinkansen Line opens.

## Kansai Branch

### **"The Business Potential of Sensors and Big Data: The Future of Sensors, Learning from the Smartphone Business Model"** (Report, May 2014)

We are on the cusp of a future involving machine-to-machine (M2M) technologies, the Internet of things (IoT) and big data. Recently, attention has focused on business possibilities leveraging networks and data. There is growing interest in "sensor networks" that collect data from the sensors all around us in society, and this business is expected to experience major growth going forward.



As Japan has a competitive advantage in the sensor network business, this report reviews the dramatic changes this business model has undergone in recent years by looking at the smartphone business. The report then considers the construction of sensor data distribution platforms in the sensor network business.

## Chugoku Branch

### **"Directions for Resolving Issues Related to Management of Sake Breweries: Current Conditions and Growth Strategies for the Small and Medium-Sized Sake Breweries of Hiroshima"** (Report, February 2015)

With Hiroshima Prefecture's local consumption of sake falling, to remain in business the region's breweries need to expand their sales routes into other major consumer areas, but many small and medium-sized breweries are short on management resources, making it difficult to achieve such a feat on their own. This report explores ways to enable the prefecture's small and medium-sized breweries that produce multivariety and high-quality local sake varieties to remain in operation. Taking "cooperation" and "separating brewing from sales" as key themes, the report looks into resolving breweries' issues by making their offerings universally available throughout Japan. Introducing positive examples of the process for delivering sake from breweries to consumers, this report considers full-scale measures for small and medium-sized breweries.



## Shikoku Branch

### **"A Survey of Anti-Disaster Measures at Regional Municipal Bodies in Shikoku: Augmenting Regional Preparedness"** (Report, May 2014)

In December 2013, DBJ announced the results of a survey on anti-disaster measures targeting prefectures, as well as population centers with more than 50,000 inhabitants. This report summarizes the results into a Shikoku-specific edition. Suggestions for future regional anti-disaster measures include (1) making practical use of hazard maps to indicate evacuation routes and other important information, (2) formulating BCPs that place the heads of regional municipal bodies in leadership positions, and



(3) making use of a high level of disaster awareness to create a leading-edge model for Japan.

## Kyushu Branch

### **"Community Development Possibilities Viewed through Spatial Structure Analyses of London and Fukuoka"** (Report, October 2014)

Starting from the premise that London and Fukuoka are located at similar latitudes, after looking at the two cities' historical backgrounds this report goes on to employ an objective method for evaluating the community development. The report uses the "Space Syntax" method, developed in London, to analyze the spatial structures of the two cities. The report also makes recommendations on how Fukuoka can develop further as an international tourism destination and on its potential, and some issues to address, to become a more suitable location for startup enterprises.



## Minami-Kyushu Branch

### **"Livestock Industry Survey Report: Growth Strategies for Minami-Kyushu, the 'Livestock Kingdom'"** (Report, May 2014)

Minami-Kyushu is a leading hub for the Japanese livestock industry. However, the industry's operating environment is undergoing significant change, with the domestic market shrinking as Japan's demographic structure changes and due to the effect of the Trans-Pacific Partnership and other factors having the potential to boost competition from overseas producers.

This report outlines recent livestock industry trends and examines its current conditions in Minami-Kyushu. Focusing in particular on *wagyu* ("Japanese beef"), the report estimates the future scale of the domestic market, analyzes the industrial structure for breeding and feedlot management, identifies issues related to expanding exports and makes recommendations for growth in both the domestic and overseas markets.



## The Japan Economic Research Institute

The Japan Economic Research Institute (JERI) is a foundation established for the purpose of contributing to the improvement of welfare and further development of the Japanese economy through investigative research into important economic problems in Japan as well as overseas and funding the promotion of scholarship. JERI's investigation into issues that effect the Japanese economic structure in the areas of urban and regional development, social capital infrastructure, energy, economy and industry are supported by a broad network that includes DBJ's investigative research

department, universities, research institutions and other experts, as well as national and regional municipal bodies and the patronage of approximately 500 enterprises. DBJ works in conjunction with JERI to disseminate the results of its research.

