

Corporate Data

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Timeline

The Japan Development Bank, the Hokkaido-Tohoku Development Finance Public Corporation and the Development Bank of Japan

1951	April	Japan Development Bank (JDB) established
1952		JDB branches opened in Osaka (now the Kansai Branch), Sapporo (now the Hokkaido Branch), Nagoya (now the Tokai Branch) and Fukuoka (now the Kyushu Branch)
1956	June	Hokkaido Development Finance Public Corporation established
1957	April	Hokkaido Development Finance Public Corporation reorganized as the Hokkaido-Tohoku Development Finance Public Corporation (HTDFP) branches opened in Sapporo (now the Hokkaido Branch) and Sendai (now the Tohoku Branch)
1960		JDB branch opened in Takamatsu (now the Shikoku Branch)
1961		JDB branches opened in Hiroshima (now the Chugoku Branch) and Kanazawa (now the Hokuriku Branch)
1962	April	JDB representative office opened in New York
1963		JDB representative offices opened in Kagoshima (renamed Minami-Kyushu Branch in October 1999) and Matsue
1964	July	JDB representative office opened in London
1972	January	HTDFP representative office opened in Niigata (renamed Niigata Branch in July 1989)
1985	June	Japan Development Bank Law revised 1) Addition of investment function (pertaining to business in such areas as research and development, urban development and energy use stipulated by government ordinance) 2) Addition of R&D fund investment function
1987	September	JDB and HTDFP creation of low interest rate loan system funded partially by sale of NTT shares
1989		JDB representative offices opened in Oita, Matsuyama, Okayama and Toyama HTDFP representative offices opened in Hakodate and Aomori
1995	February	JDB commenced loans to assist disaster recovery
1997	September	Cabinet approval of bill entitled "Pertaining to Consolidation and Rationalization of Special-Purpose Companies, etc." (decision to dissolve JDB and HTDFP and consolidate them as a new bank)
1997	December	JDB and HTDFP commenced loans in response to the financial environment (introduction of March 31, 2001, sunset clause)
1999	June	The Development Bank of Japan Law (Law No. 73 of 1999) approved
1999	October	Transfer of approval of all rights and responsibilities of JDB and HTDFP to the Development Bank of Japan (DBJ) Transfer of financing operations from Japan Regional Development Corporation and Japan Environment Corporation DBJ representative offices opened in Kushiro and Singapore
2002	May	The Development Bank of Japan Law revised (introduction of additional spot inspections by the Financial Services Agency)
2005	December	Cabinet approval of the Important Policy of Administrative Reform
2006	May	The Act on Promotion of Administrative Reform for Realization of Small and Efficient Government (Act No. 47 of 2006) approved
2006	June	Policy-Based Financing Reform Plan decided upon by the Headquarters for the Implementation of Policy Finance Reform
2007	June	The Development Bank of Japan Inc. Act (Act No. 85 of 2007) approved

Development Bank of Japan Inc.

2008	October	Development Bank of Japan Inc. established (Capital: ¥1 trillion)
2008	December	DBJ Singapore Limited launched
2009	June	Act for Partial Amendment of the Development Bank of Japan Inc. Act (Act No. 67 of 2009)
2009	September	Increase of capital to ¥1,103,232 million
2009	November	DBJ Europe Limited launched
2010	March	Increase of capital to ¥1,181,194 million
2011	May	Partial amendment of the Development Bank of Japan Inc. Act (based on establishment of Act for Extraordinary Expenditure and Assistance to Cope with the Great East Japan Earthquake (Act No. 40 of 2011))
2011	December	Increase of capital to ¥1,187,364 million
2012	March	Increase of capital to ¥1,187,788 million
2012	June	Increase of capital to ¥1,198,316 million
2012	December	Increase of capital to ¥1,206,953 million
2014	June	DBJ Investment Consulting (Beijing) Co., Ltd. (formerly Japan Asia Investment Consulting (Beijing) Co., Ltd.) converted to wholly owned subsidiary
2015	May	Act for Partial Amendment of the Development Bank of Japan Inc. Act (Act No. 23 of 2015)
2015	August	Capital was reduced by ¥206,529 million, with the crisis response reserve increased by this entire amount

Board of Directors, Audit & Supervisory Board Members and Executive Officers

(As of July 1, 2015)

Masanori Yanagi
President & CEO

Yasushi Kinoshita
Deputy President

Hajime Watanabe
Deputy President

Shin Kikuchi
Director and Managing Executive Officer

In charge of Corporate Planning & Coordination Department, Information Resources Department, General Affairs Department

Tetsumi Hashimoto
Director and Managing Executive Officer

In charge of Credit Analysis Department, Accounting Department, Economic & Industrial Research Department (excluding Economic Research Office)

Hideo Oishi
Director and Managing Executive Officer

In charge of Business Planning & Coordination Department, Financial Institutions Department, International Strategy & Coordination Department

Naoki Enomoto
Director and Managing Executive Officer

In charge of Treasury Department, Syndication & Credit Trading Department, Environmental Initiative & Corporate Social Responsibility-Support Department

Satoshi Tomii
Director and Managing Executive Officer

In charge of Strategic Finance Department, Growth & Cross Border Investment Department

Akio Mimura
Director (Outside)

Kazuo Ueda
Director (Outside)

Osamu Koyanagi
Audit & Supervisory Board Member

Mitsue Kurihara
Audit & Supervisory Board Member

Tatsuya Tsuboi
Audit & Supervisory Board Member (Outside)

Makoto Ito
Audit & Supervisory Board Member (Outside)

Shinji Hatta
Audit & Supervisory Board Member (Outside)

Masaaki Kai
Managing Executive Officer
In charge of Corporate Finance Department [Division 4]

Kenkichi Fukuda
Managing Executive Officer, Head of Kansai Branch
In charge of Kansai Branch, Chugoku Branch, Shikoku Branch

Ikuro Hirozane
Managing Executive Officer
In charge of Corporate Finance Department [Division 5]

Kosuke Takahashi
Managing Executive Officer
In charge of Urban Development Department, Real Estate Finance Department, Corporate Finance Department [Division 3]

Hisanobu Sekine
Managing Executive Officer
In charge of Corporate Finance Department [Division 6], Hokkaido Branch, Tohoku Branch, Niigata Branch

Takao Kaizu
Managing Executive Officer
In charge of Risk Management Department, Legal Affairs & Compliance Department, Research Institute of Capital Formation

Makoto Anayama
Managing Executive Officer
In charge of Corporate Finance Department [Division 1 and 2], Economic & Industrial Research Department (Economic Research Office)

Seiji Jige
Managing Executive Officer
In charge of Regional Planning Department, Structured Finance Department, Hokuriku Branch, Tokai Branch, Kyushu Branch, Minami-Kyushu Branch

Masafumi Aizawa
Executive Officer (in charge of Financial Institution)

Tomoki Matsuda
Executive Officer, Head of Treasury Department

Takayuki Yamamoto
Executive Officer, Head of Business Development Department

Masayuki Tsuda
Executive Officer, Head of Human Resources Management Department

Takeshi Kiriya
Executive Officer, Head of Growth & Cross Border Investment Department

Yoshinao Ikeda
Executive Officer, Head of Business Planning & Coordination Department

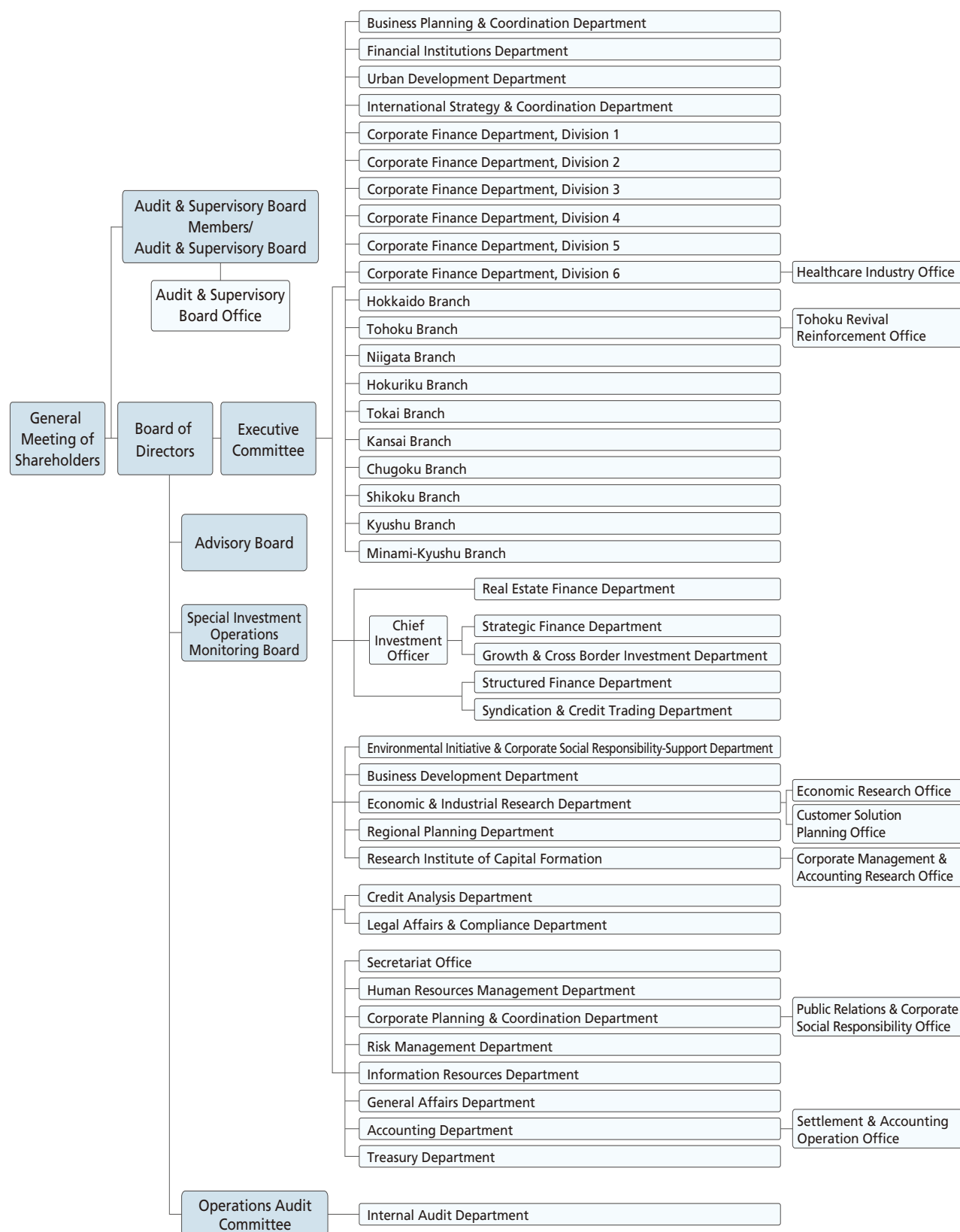
Kazushi Minakawa
Executive Officer (in charge of Internal Audit)

Norifumi Sugimoto
Executive Officer, Head of Corporate Planning & Coordination Department

Notes: 1. Akio Mimura and Kazuo Ueda are outside directors under Article 15 of Section 2 of the Companies Act.

2. Tatsuya Tsuboi, Makoto Ito and Shinji Hatta are outside Audit & Supervisory Board members under Article 16 of Section 2 of the Companies Act.

Organization Chart (As of July 1, 2015)



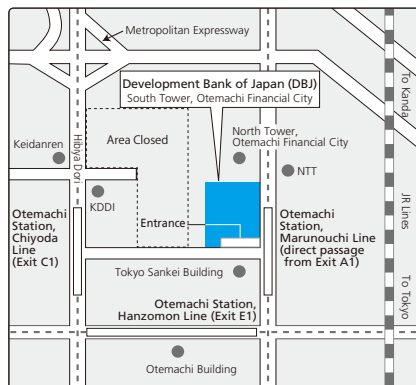
Representative Offices: Hakodate, Kushiro, Aomori, Toyama, Matsue, Okayama, Matsuyama, Oita

Overseas Representative Office: New York

Overseas Subsidiaries: DBJ Singapore Limited, DBJ Europe Limited, DBJ Investment Consulting (Beijing) Co., Ltd.

Head Office

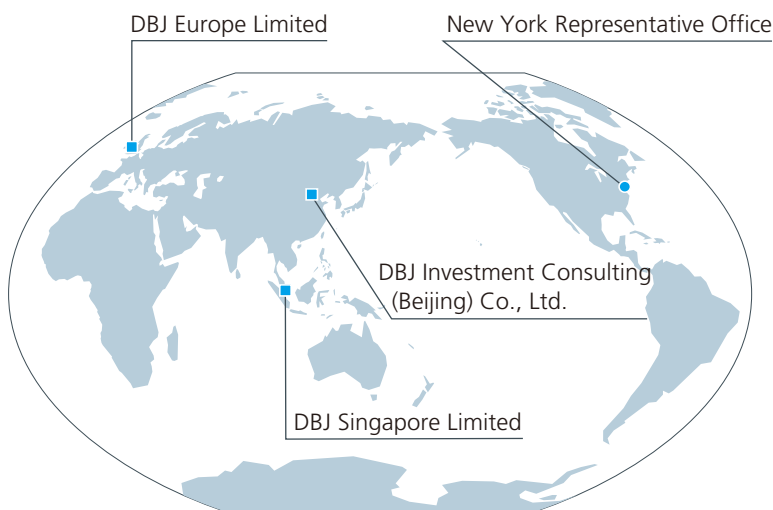
South Tower, Otemachi
Financial City,
9-6, Otemachi 1-chome,
Chiyoda-ku, Tokyo
100-8178, Japan
Tel: +81-3-3270-3211
<http://www.dbj.jp/en>



Domestic Branch Offices, Representative Offices

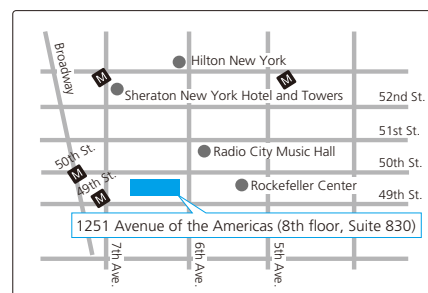
Branch Offices:	Representative Offices:
Hokkaido	Hakodate
Tohoku	Kushiro
Niigata	Aomori
Hokuriku	Toyama
Tokai	Matsue
Kansai	Okayama
Chugoku	Matsuyama
Shikoku	Oita
Kyushu	
Minami-Kyushu	

Overseas Representative Office and Subsidiaries



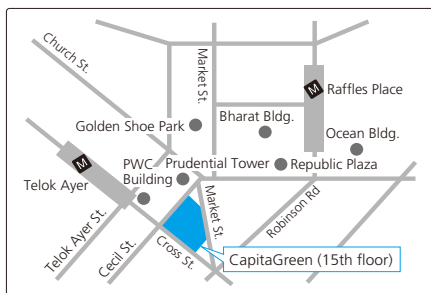
New York Representative Office

1251 Avenue of the Americas, Suite 830,
New York, NY 10020, U.S.A.
Tel: +1-212-221-0708



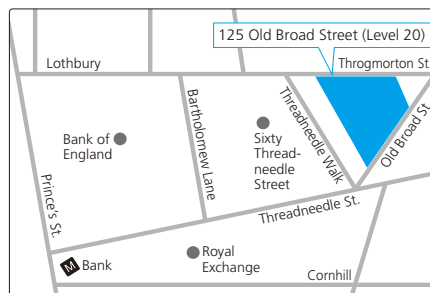
DBJ Singapore Limited

138 Market Street, #15-02 CapitaGreen,
Singapore 048946
(Relocated on September 14, 2015.)
Tel: +65-6221-1779



DBJ Europe Limited

Level 20, 125 Old Broad Street,
London EC2N 1AR, U.K.
Tel: +44-20-7507-6070



DBJ Investment Consulting (Beijing) Co., Ltd.

Beijing Fortune Building, Suite 814-815, No. 5,
Dong San Huan Bei Lu, Chaoyang District,
Beijing, 100004, P.R.C
Tel: +86-10-6590-9770



Subsidiaries (As of March 31, 2015)

Company	Address	Principal Businesses	Established	Capital (Millions of Yen)	Percentage of Total Voting Rights (%)
Consolidated Subsidiaries					
Japan Economic Research Institute Inc.	Chiyoda-ku, Tokyo	Research, consulting and advisory services	December 13, 1989	479	100.0
Value Management Institute, Inc.	Chiyoda-ku, Tokyo	Research, consulting and advisory services	June 25, 1993	75	100.0 (8.0)
DBJ Securities Co., Ltd.	Chiyoda-ku, Tokyo	Securities business	October 22, 1998	500	100.0
DBJ Business Investment Co., Ltd.	Chiyoda-ku, Tokyo	Investment consulting	March 10, 2003	40	100.0
DBJ Capital Co., Ltd.	Chiyoda-ku, Tokyo	Management of investment associations	October 14, 2005	99	100.0
DBJ Asset Management Co., Ltd.	Chiyoda-ku, Tokyo	Investment management, investment advisory and agency services	November 22, 2006	100	100.0
DBJ Singapore Limited	Republic of Singapore	Investment and loan support and advisory services	September 15, 2008	S\$1 million	100.0
DBJ Europe Limited	London, United Kingdom	Investment and loan support and advisory services	June 5, 2009	€7 million	100.0
DBJ Investment Advisory Co., Ltd.	Chiyoda-ku, Tokyo	Investment advisory and agency services	December 1, 2009	68	50.6
DBJ Real Estate Co., Ltd.	Chiyoda-ku, Tokyo	Real estate leasing	February 1, 2010	80	100.0
DBJ Investment Consulting (Beijing) Co., Ltd. (Note 5)	Beijing, People's Republic of China	Investment and loan support and advisory services	September 30, 2011	CNY 4 million	100.0
14 other companies (Note 1)	—	—	—	—	—
Affiliated Companies					
20 other companies (Notes 1, 6)	—	—	—	—	—

Notes:

1. Only principal consolidated subsidiaries and affiliated companies are listed in order of their date of establishment; only the numbers of other consolidated subsidiaries and affiliated companies are indicated.
2. Amounts of less than ¥1 million have been omitted in the figures stated above.
3. DBJ's percentage of total voting rights in subsidiaries is shown rounded to one decimal place.
4. In the column showing DBJ's percentage of total voting rights in subsidiaries, figures within parentheses indicate indirect holdings.
5. In June 2014, DBJ acquired an additional share in the former Japan Asia Investment Consulting (Beijing) Co., Ltd. As a result, this company moved from being an affiliated company of DBJ to a consolidated subsidiary. In June 2014, the company adopted its present name.
6. Of affiliated companies, Air Do Co., Ltd., submits a Securities Report (Japanese).

Number of Shares Issued and Paid-in Capital

	Changes in number of shares issued (Thousands of shares)	Number of shares issued (Thousands of shares)	Changes in paid-in capital (Millions of yen)	Paid-in capital (Millions of yen)	Changes in capital surplus (Millions of yen)	Capital surplus (Millions of yen)
October 1, 2008	40,000	40,000	1,000,000	1,000,000	(Note 2)	(Note 2)
June 26, 2009	—	40,000	—	1,000,000	(97,248) (Note 3)	1,060,466 (Note 3)
September 24, 2009 (Note 4)	2,064	42,064	103,232	1,103,232	—	1,060,466
March 23, 2010 (Note 4)	1,559	43,623	77,962	1,181,194	—	1,060,466
December 7, 2011 (Note 5)	—	43,623	6,170	1,187,364	—	1,060,466
March 23, 2012 (Note 4)	8	43,632	424	1,187,788	—	1,060,466
June 6, 2012 (Note 6)	—	43,632	10,528	1,198,316	—	1,060,466
December 6, 2012 (Note 7)	—	43,632	8,637	1,206,953	—	1,060,466

Notes:

1. All shares issued on October 1, 2008, were to raise capital corresponding to incorporation.

In accordance with Article 9 of the Supplementary Provisions to the New DBJ Act, on October 1, 2008, all assets of the predecessor were transferred to the new DBJ as an in-kind contribution (except those prescribed for ongoing use by the Japanese government under Paragraph 2, Article 15, of the Supplementary Provisions to the Act), and these shares were transferred to the Japanese government, the capital investor in the predecessor, through a gratuitous conveyance.

2. As of October 1, 2008, according to the provisions of Article 2 of the Supplementary Provisions to DBJ's Articles of Incorporation, the value of the capital reserve was calculated by evaluation officers as stipulated in Paragraph 1, Article 16, of the Supplementary Provisions to the New DBJ Act to be the value of assets less the value of liabilities less the ¥1 trillion in capital.

At the third meeting of the Development Bank of Japan, Inc., Asset Evaluation Committee on January 28, 2009, the committee determined the value of assets (as of October 1, 2008) for transfer authorization. The value of these assets less the value of liabilities less ¥1 trillion in capital amounted to ¥1,157,715 million.

3. By resolution of the General Meeting of Shareholders on June 26, 2009, and provisions of the Companies Act (Article No. 448, Paragraph 1, and Article 452), the deficit was covered by transfer from capital reserve to other capital surplus and transfer from other capital surplus to retained earnings.

4. By way of a rights offering, all shares of common stock were assigned to the Minister of Finance (for consideration). The issue price (amount paid) is ¥50,000 per share; paid-in capital is ¥50,000 per share.

5. To secure a financial base for Crisis Response Operations, of the ¥1,350 billion in delivery bonds issued under the Act for the Partial Amendment of the Development Bank of Japan Inc. Act and the supplementary budget for fiscal 2009, in accordance with the provisions of Article 2-4, Paragraph 1, of the Appendix to the DBJ Act, an amount equivalent to ¥6,170 million was required for redemption on November 24, 2011.

Based on this requirement, these delivery bonds were redeemed effective December 7, 2011. The face value of delivery bonds decreased by this amount, and at the same time DBJ's common stock increased by the equivalent of the required redemption amount. The number of shares was not affected by procedures for this increase in common stock.

6. As is stated above, as of May 18, 2012, delivery bonds in the amount of ¥10,528 million required redemption. Based on this requirement, the delivery bonds were redeemed on June 6, 2012. The face value of delivery bonds decreased by this amount, and at the same time DBJ's common stock increased by the equivalent of the required redemption amount. The number of shares was not affected by procedures for this increase in common stock.

7. As is stated above, as of November 20, 2012, delivery bonds in the amount of ¥8,637 million required redemption. Based on this requirement, the delivery bonds were redeemed on December 6, 2012. The face value of delivery bonds decreased by this amount, and at the same time DBJ's common stock increased by the equivalent of the required redemption amount. (The amount of delivery bonds that remained unredeemed following this redemption was ¥1,324,665 million.) The number of shares was not affected by procedures for this increase in common stock.

Shareholder

	Address	Number of shares held (Thousands of shares)	Percentage of total equity (%)
Finance Minister	1-1, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo	43,632	100.00
Total	—	43,632	100.00

Article 1

Purpose

Development Bank of Japan Inc. (hereinafter referred to as the "Corporation") shall be a joint stock company (*kabushiki-kaisha*) whose objective is to maintain the foundations of investment and financing functions of long-term business funds as the Development Bank of Japan by conducting business activities utilizing the methods of integrated investment and loan services and other sophisticated financial methodologies, while maintaining the autonomy of management with the goal of realizing full-scale privatization, thereby contributing to smooth supply of funds to those who need long-term business funds, as well as to the sophistication of financial functions.

Article 3

Scope of Business Operations

1. The Corporation shall engage in the following business operations to attain its objectives:

- (1) To accept deposits—limited to certificates of deposit (CDs) and other deposits stipulated in the Cabinet Order
- (2) To lend money
- (3) To make capital contributions
- (4) To guarantee the due performance of debts and obligations
- (5) To sell and purchase Securities (other than those that fall within monetary claims represented by certificates set forth in item (7), Short-term Notes, Etc.; the same in item (8)) (other than those that fall within securities-related derivatives transactions (which means the securities-related derivatives transactions set forth in Article 28, Paragraph 8, item (6) of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended); hereinafter in this item and item 11 the same)), or enter into securities-related derivatives transactions (limited to those made for investment purposes), except in cases where these business operations fall within those operations referred to in item (3)
- (6) To lend Securities
- (7) To acquire or transfer monetary claims (including claims represented by certificates stipulated in the Ministry of Finance Ordinance such as negotiable bank deposit certificates)
- (8) To subscribe for Specified Debentures or Preferred Investment Securities issued by a Specified Purpose Company (limited to the cases where the Specified Purpose Company acquires only designated monetary claims or beneficial interests in trusts with which designated monetary claims are entrusted with cash proceeds derived from issue of those Specified Debentures or Preferred Investment Securities as set forth in the Asset Liquidation Plans, and except for, in case of Specified Debentures, Specified Short-term Notes), and other similar securities stipulated in the Ministry of Finance Ordinance (hereinafter in this item referred to as the "Specified Debentures") (except in cases where it is intended for secondary distribution (*uridashi*)), or to handle primary offering (*boshu*) of the Specified Debentures so subscribed
- (9) To acquire or transfer Short-term Notes, Etc.
- (10) To act as an agent or intermediary for execution of agreements which provides for lending money on behalf of banks (the banks set forth in Article 2, Paragraph 1 of the Banking Act (Act No. 59 of 1981, as amended); hereinafter the same) and other entities engaged in the financial business stipulated in the Cabinet Order
- (11) To enter into derivatives transactions set forth in Article 2, Paragraph 20 of the Financial Instruments and Exchange Act (other than those that fall within the securities-related derivatives transactions), except in cases where these

business operations fall within those operations referred to in item (7)

- (12) To do the activities referred to in Article 2, Paragraph 8, item (7) of the Financial Instruments and Exchange Act
- (13) To do the activities referred to in Article 2, Paragraph 8, item (9) of the Financial Instruments and Exchange Act (limited, in the case of the handling of primary offering or secondary distribution, to those to be conducted upon entrustment by financial instruments business operators engaged in the type I financial instruments trading business set forth in Article 28, Paragraph 1 of the Financial Instruments and Exchange Act [the financial instruments dealers set forth in Article 2, Paragraph 9 of the Financial Instruments and Exchange Act; hereinafter the same], and for such financial instruments business operators)
- (14) To do the activities referred to in Article 2, Paragraph 8, item (11) of the Financial Instruments and Exchange Act
- (15) To do the activities referred to in Article 2, Paragraph 8, item (13) of the Financial Instruments and Exchange Act;
- (16) To do the activities referred to in Article 2, Paragraph 8, item (15) of the Financial Instruments and Exchange Act
- (17) With respect to securities (including, if such securities are not issued, rights to be represented by such securities) or transactions referred to in each item of Paragraph 2 of Article 33 of the Financial Instruments and Exchange Act, to do the activities set forth in each item of said Paragraph (other than those referred to in items 3, 5, 7 through 9, 11 and 13)
- (18) To provide other entities with consulting services regarding business transfer, merger, corporate split, share-for-share exchange (*kabushiki kokan*) or share transfer (*kabushiki iten*), or to act as a broker for these transactions
- (19) To provide other entities with consulting services regarding management, and to conduct investigations or provide information as required for the business operations of other entities
- (20) To conduct investigations, research or training regarding financial and other economic issues
- (21) To do activities incidental to each of the foregoing items.

Article 4

Application by Changing the Provisions of the Financial Instruments and Exchange Act to Read

1. The table below is provided for the purpose of applying to the Corporation the provisions of the Financial Instruments and Exchange Act. The words and phrases indicated in the center column, from the relevant provisions of that act listed in the left column, shall be changed to read as the words and phrases indicated in the right column, respectively.

Article 2, Paragraph 8	(referred to as the "Cooperative Financial Institutions")	(referred to as the "Cooperative Financial Institutions"), Development Bank of Japan Inc.
Article 2, Paragraph 11; Article 27-28, Paragraph 3; Article 28, Paragraph 4; Article 33, Paragraph 1; Article 33-5, Paragraph 2; Article 33-7; Article 58; Article 66, and Article 202, Paragraph 2, Items (1) and (2)	Cooperative Financial Institutions	Cooperative Financial Institutions, Development Bank of Japan Inc.
Article 33-8, Paragraph 1	are the financial institutions	are the financial institutions, or if Development Bank of Japan Inc. conducts the business activity referred to in Article 3, Paragraph 1, item (16) of the Development Bank of Japan Inc. Act (Act No. 85 of 2007)

2. Any directors, accounting counsel (*kaikei sanyo*) (including, if an accounting counsel is a firm, its members who should perform the duties as such; hereinafter in this Paragraph the same), statutory auditors, executive officers (*shikkoyaku*) or employees shall notify the Minister of Finance without delay as set forth in the Minister of Finance Ordinance if they take up a position of director, accounting counsel, statutory auditor or executive officer of a financial instruments firm (limited to the firms that engage in the securities-related business set forth in Article 28, Paragraph 8 of the Financial Instruments and Exchange Act; hereinafter in this Paragraph the same) (including the cases where a director, accounting counsel, statutory auditor or executive officer of a financial instruments firm comes to concurrently hold a position of director, accounting counsel, statutory auditor or executive officer of the Corporation), or they resign a position of director, accounting counsel, statutory auditor or executive officer of a financial instruments firm.

Article 5

Issue of the Development Bank of Japan Bonds

1. The Corporation may issue Development Bank of Japan Bonds.

Article 9

Special Rules When Starting Acceptance of Deposits, Etc.

1. If the Corporation intends to start the acceptance of deposits set forth in Article 3, Paragraph 1, item (1) or the issue of Development Bank of Japan Bonds, the Corporation shall obtain the prior approval of the Minister of Finance.
2. If the Minister of Finance intends to give the approval referred to in the preceding paragraph, the Minister of Finance shall, in advance, have a discussion with the Prime Minister and obtain his/her consent.

Article 12

Shares

1. If the Corporation intends to solicit those who will subscribe for shares offered for sale set forth in Article 199, Paragraph 1 of the Companies Act (Act No. 86 of 2005, as amended) (hereinafter in Article 34, item (4) referred to as the "Shares Offered for Sale") or stock acquisition rights offered set forth in Article 238, Paragraph 1 of the Companies Act (hereinafter in Article 34, item (4) referred to the "Stock Acquisition Rights Offered"), or to deliver shares or stock acquisition rights in

connection with a share-for-share exchange, the Corporation shall obtain authorization of the Minister of Finance.

Article 13

Corporate Debentures, Development Bank of Japan Bonds and Borrowings

1. Prior to the beginning of each fiscal year, the Corporation shall prepare its basic policy regarding the issue of corporate debentures (*shasai*) (other than Development Bank of Japan Bonds, "Corporate Debentures;" hereinafter the same) and Development Bank of Japan Bonds (excluding the short-term notes set forth in Article 66, item (1) of the Act Concerning the Central Depositary System of Corporate Debentures [Act No. 75 of 2001, as amended] from both the Corporate Debentures and the Development Bank of Japan Bonds, respectively; hereinafter in this Article and Article 18 the same), as well as regarding its borrowings (limited to those with more than one year to maturity; hereinafter in this Article and Article 18 the same), which provides for matters relating to the issue of the Corporate Debentures and Development Bank of Japan Bonds, and the borrowing of money (such as the amounts of issue and borrowings, currency denomination of the Corporate Debentures, Development Bank of Japan Bonds and the borrowings), as stipulated in the Ministry of Finance Ordinance, and obtain authorization of the Minister of Finance. If the Corporation intends to revise its basic policy, the same shall apply.
2. If the Corporation issues the Corporate Debentures or Development Bank of Japan Bonds, or borrows money, the Corporation shall submit a report thereon to the Minister of Finance without delay, as stipulated in the Minister of Finance ordinance.

Article 15

Resolution for Election of Representative Directors and Other Officers

Resolutions for appointment and dismissal of the representative directors or representative executive officers of the Corporation, appointment and dismissal of statutory auditors, or appointment and dismissal of audit committee members (*kansaiin*) shall not become effective without authorization of the Minister of Finance.

Article 16

Authorization of Concurrent Positions of Directors

1. Except in cases where the provisions of Article 4, Paragraph 2 apply, any director (or, if the Corporation is a company maintaining committees [*jinkai secchi kaisha*], any executive officer) who performs the day-to-day business of the Corporation shall not perform the day-to-day business of any other corporation without authorization of the Minister of Finance.
2. The Minister of Finance shall, upon receipt of an application for the authorization referred to in the preceding Paragraph, grant his/her authorization, except in cases where it is determined that any matter so applied may interfere with sound and proper management of the Corporation.

Article 17

Business Plan

Prior to the beginning of each fiscal year, the Corporation shall draw out a business plan for the new fiscal year and obtain authorization of the Minister of Finance, as stipulated in the Ministry of Finance Ordinance. If the Corporation intends to revise it, the same shall apply.

Article 18

Redemption Plan

Prior to the beginning of each fiscal year, the Corporation shall draw out redemption plans for the Corporate Debentures, the Development Bank of Japan Bonds and the borrowings and obtain authorization of the Minister of Finance, as stipulated in

the Ministry of Finance Ordinance. If the Corporation intends to revise it, the same shall apply.

Article 19

Subsidiaries Subject to Authorization

1. If the Corporation intends to make any of the following entities (other than individuals in the cases of those referred to in items (3), (4) and (7); hereinafter referred to as the "Subsidiaries Subject to Authorization") its subsidiary (the subsidiary set forth in Article 2, item (3) of the Companies Act), the Corporation shall obtain authorization of the Minister of Finance in advance:
 - (1) Banks
 - (2) Long-term credit banks (the long-term credit banks set forth in Article 2 of the Long-Term Credit Bank Act [Act No. 187 of 1952, as amended])
 - (3) Financial Instruments Dealers (limited to those who engage in type I financial instruments trading business set forth in Article 28, Paragraph 1 of the Financial Instruments and Exchange Act)
 - (4) Money lenders (the money lenders set forth in Article 2, Paragraph 2 of the Money Lending Business Act [Act No. 32 of 1983, as amended] excluding those who concurrently conduct the business referred to in the preceding items or fall within other requirements stipulated in the Ministry of Finance Ordinance);
 - (5) Trust companies (the trust companies set forth in Article 2, Paragraph 2 of the Trust Business Act [Act No. 154 of 2004, as amended])
 - (6) Insurance companies (the insurance companies set forth in Article 2, Paragraph 2 of the Insurance Business Act [Act No. 105 of 1995, as amended])
 - (7) Entities stipulated by the Ministry of Finance Ordinance as those who are similar to each of the foregoing

Article 20

Amendment to the Articles of Incorporation, Etc.

1. Resolutions for amendment to the Articles of Incorporation of the Corporation, disposition of surplus funds (other than disposition of losses) such as through distribution, merger, corporate split, and dissolution shall not become effective without authorization of the Minister of Finance.

Article 22

Special Exemptions from Management of Fiscal Loan Funds

Notwithstanding the provision of Article 10, Paragraph 1 of the Fiscal Loan Funds Act (Act 100 of 1951, as amended), the fiscal loan funds (which means the fiscal loan funds set forth in Article 2 of the Fiscal Loan Funds Act; hereinafter the same) may be appropriated for loans (hereinafter in Article 24 referred to simply as the "Loans") to the Corporation when the Corporation borrows money for appropriation for expenses required for its operations set forth in Article 3, Paragraphs 1 and 2.

Article 23

1. Notwithstanding the provisions of Article 10, Paragraph 1 of the Fiscal Loan Funds Act, the fiscal loan funds may be appropriated for the Corporate Debentures and the Development Bank of Japan Bonds (hereinafter in the following Paragraph, immediately following Article and Article 25, Paragraph 1 referred to as the "Debentures, Etc.") to be issued by the Corporation to appropriate the resulting proceeds for expenses required for its operations set forth in Article 3, Paragraphs 1 and 2.

Article 25

Guarantee of Obligations

1. Notwithstanding the provisions of Article 3 of the Act on Restrictions on Financial Assistance by the Government to Corporations (Act No. 24 of 1946, as amended), the

Government may enter into a guarantee agreement for the obligations relating to the Debentures, Etc., to the extent of the amount approved by the resolutions of the Diet.

Article 29

Competent Ministers

1. The competent minister under this Act shall be the Minister of Finance provided, however, that in the case that the Corporation obtains the approval referred to in Article 9, Paragraph 1, the competent ministers for the following matters shall be the Minister of Finance and the Prime Minister.

Supplementary Provisions

Article 2

Disposition of the Government-Owned Shares

1. Pursuant to Article 6, Paragraph 2 of the Act on Promotion of Administrative Reform for Realization of Small and Efficient Government (Act No. 47 of 2006), the Government shall intend to reduce the number of the shares held by it of the Corporation (hereinafter in the following Paragraph and the immediately following Article referred to as "Government-Owned Shares"), taking into account the market situation, and shall dispose of all of them in approximately five to seven years from the date set forth in item (3) of the preceding Article.
2. For a period from the effectuation of this act until the Government disposes of all Government-Owned Shares, the Government shall from time to time review matters, such as matters regarding the method in which Government-Owned Shares should be disposed of and take the required measures based on the result of such review, so that the foundation of the Corporation's investment and financing functions for long-term business funds will be maintained.

Article 3

Abolition of This Act and Other Measures

If the Government disposes of all Government-Owned Shares, the Government shall immediately take measures to nullify this act, as well as measures necessary to smoothly assign the business operations, functions, and rights and obligations of the Corporation to any organization to be formed as a bearer of the functions commensurate with the investment and financing functions held by the Corporation.

Article 4

Special Rules for Business Operations during the Preparatory Period

1. In order for the Corporation to smoothly start the business operations as soon as it is duly organized, Development Bank of Japan Inc. (hereinafter referred to as "DBJ") may borrow long-term loans, in addition to those set forth in Article 42, Paragraphs 1 and 2 of the Development Bank of Japan Act (Act No. 73 of 1999, as amended; hereinafter, except for Article 26 of the Supplementary Provisions, referred to as the "DBJ Act"), during the Preparatory Period (the period from the date on which this act comes into force up to September 30, 2008; the same in Paragraph 5).

Article 9

Capital Contribution

Upon the incorporation of the Corporation, DBJ shall contribute all of its properties, except assets to be assumed by Japan pursuant to Article 15, Paragraph 2 of the Supplementary Provisions, to the Corporation.

Article 15

Dissolution of DBJ, Etc.

1. DBJ shall be dissolved at the time of establishment of the

Corporation, whereupon any and all rights and obligations of DBJ shall be taken over by the Corporation, except for those assets to be assumed by the Government as set forth in the following Paragraph.

2. Of the rights actually held by DBJ at the time of establishment of the Corporation, the assets which will be considered no longer necessary for the Corporation to smoothly perform its future business operation shall be assumed by Japan at the time of establishment of the Corporation.

Article 16

Values of Properties Assumed

The values of assets and liabilities assumed by the Corporation from DBJ (in the immediately following Paragraph referred to as the "Assumed Properties") shall be as evaluated by evaluation officers (*hyoka iin*).

Article 18

Competent Ministers

The competent ministers under Article 26, Paragraph 2 and Article 27, Paragraph 1 for management of assets to be assumed by the Corporation pursuant to Article 15, Paragraph 1 of the Supplementary Provisions (hereinafter in this Article referred to as the "Assumed Assets") shall, notwithstanding the provisions of Article 29, Paragraph 1, be as follows:

- (1) For management of the Assumed Assets set forth in the Cabinet Order in the Hokkaido or the Tohoku Region (which means the areas of Aomori, Iwate, Miyagi, Akita, Yamagata, Fukushima and Niigata prefectures): Minister of Finance and Minister of Land, Infrastructure and Transport; and
- (2) For management of the Assumed Assets other than the Assumed Assets set forth in the preceding item: Minister of Finance.

Article 66

Review

On or prior to the date set forth in Article 1, item (3) of the Supplementary Provisions, the Government shall review measures

to secure the equal competitive conditions with other business entities, with respect to the systems for which the investment and financing functions of DBJ are utilized pursuant to the provisions of relevant acts (including ordinances under those acts), such as the Act on Security for Loans from the Development Bank of Japan to Electric Utility Corporations (Act No. 145 of 1950, as amended), the Oil Stockpiling Act (Act No. 96 of 1975, as amended), the Act on the Promotion of Development and Introduction of Alternative Energy (Act No. 71 of 1980, as amended), the Act on Special Measures Concerning the Promotion of Urban Development by Private Sectors (Act No. 62 of 1987, as amended), the Act on Temporary Measures to Promote Business Activities for the Rational use of Energy and the Utilization of Recycled Resources (Act No. 18 of 1993, as amended) and the Act on Promotion of Private Finance Initiatives (Act No. 117 of 1999, as amended), while considering the convenience of users of those systems, and take the required measures based on the results of such review.

Article 67

Utilization of the Corporation's Investment and Financing Functions for Long-term Business Funds

If the Government utilizes the Corporation's investment and financing functions for long-term business funds on or after the date set forth in Article 1, item (3) of the Supplementary Provisions, the Government shall take measures necessary to secure equal competition conditions, as well as other measures necessary for utilization of such investment and financing functions, paying attention to the Corporation's appropriate competitive relationships with other business entities.

This is an unofficial English translation. Only the original Japanese texts of the act have legal effect and prevail over this translation. This translation has been prepared solely for reference purposes. The reader of this translation should consult the original Japanese text for the purposes of interpreting and applying the act to any legal issues or disputes.

Act for Partial Amendment of the Development Bank of Japan Inc. Act (Act No. 67 of 2009)

(Unofficial translation)

The Development Bank of Japan Inc. Act (Act No. 85 of 2007) shall be partially amended as described below.

In Article 2, Paragraph 1 of the Supplementary Provisions, "the following Article" shall be amended to read "Article 3 of the Supplementary Provisions" and "the day stipulated in item 3 of the preceding Article" to read "April 1, 2012". The following five articles shall be added after Article 2.

Capital Contribution by the Government

Article 2-2

The Government may make capital contributions to the Corporation, to the extent of the amount approved by the budget, whenever the Government deems necessary, until March 31, 2012.

Delivery of the Government Bonds

Article 2-3

- 1 The Government, in implementing the Crisis Response Operations in Article 2, item 5 of the Japan Finance Corporation Act (Act No. 57 of 2007; hereinafter referred to as "Crisis Response Operations") may issue government bonds in order to

secure the capital required to ensure the financial strength of the Corporation, until March 31, 2012.

- 2 The Government, pursuant to the provisions of the preceding paragraph, to the extent of the amount approved by the budget, shall issue government bonds and deliver them to the Corporation.
- 3 Government bonds issued under the provisions of Paragraph 1 shall be noninterest-bearing.
- 4 Government bonds issued under the provisions of Paragraph 1 may not be transferred, attached as security rights, or otherwise disposed of.
- 5 Necessary matters concerning government bonds issued under the provisions of Paragraph 1, other than that provided in Paragraph 3, shall be determined by Ministry of Finance Ordinance.

Redemption of the Government Bonds

Article 2-4

- 1 The Corporation may request the redemption of government bonds delivered, as set forth in the provisions of Paragraph 2 of the preceding Article, only within the amount of capital calculated by the Ministry of Finance Ordinance as the

necessary amount of capital in response to the increase of assets related to its Crisis Response Operations (limited to those conducted by March 31, 2012).

- 2 The Government, when requested by the Corporation to redeem all or a part of the government bonds delivered under the provisions of Paragraph 2 of the preceding Article, must comply without delay.
- 3 When redemption has been made under the provisions of the preceding paragraph, the amount of the Corporation's capital shall be the sum of its capital immediately prior to the redemption and the amount of the money redeemed.
- 4 When the provisions of Article 445, Paragraph 1 are applied in applying the provisions of the preceding paragraph, the term "case" shall be deemed to be replaced with "case, or in cases where Article 2-4, Paragraph 3 of the Supplementary Provisions to the Development Bank of Japan Inc. Act (Act No. 85 of 2007) is applied."
- 5 Other than the matters stipulated in each of the preceding paragraphs, necessary matters concerning the redemption of government bonds delivered by the Government under the provisions of Paragraph 2 of the preceding Article shall be determined by Finance Ministry Ordinance.

Return of the Government Bonds

Article 2-5

- 1 In the event that as of July 1, 2012, any government bonds delivered under the provisions of Article 2-3, Paragraph 2 of the Supplementary Provisions remain unredeemed, the Corporation must return such unredeemed bonds to the Government.
- 2 The Government must immediately retire any government bonds returned to it under the provisions of the preceding paragraph.
- 3 Other than the matters stipulated in the preceding two paragraphs, necessary matters concerning the return and retirement of government bonds delivered by the Government under the provisions of Article 2-3, Paragraph 2 shall be determined by Ministry of Finance Ordinance.

Exception to Imposition of Registration and License Tax

Article 2-6

When capital contributions are made under the provisions of Article 2-2 of the Supplementary Provisions or redemptions made under the provisions of Article 2-4, Paragraph 2 of the Supplementary Provisions, a Registration and License Tax shall not be imposed on the increase in capital received by the Corporation, provided that registration is obtained as specified by Ministry of Finance Ordinance.

(Unofficial translation)

Supplementary Provisions

Review, Etc.

Article 2

- 1 By the end of fiscal year 2011, the Government shall review what the appropriate implementation of the Crisis Response Operations (referring to the Crisis Response Operations prescribed under the provisions of Article 2, item 5 of the Japan Finance Corporation Act [Act No. 57 of 2007]; same hereinafter) implemented by Development Bank of Japan Inc. (hereinafter "the Corporation") and the appropriate organization of the Corporation based on that, including the way of holding its shares by the Government, should be, and shall take necessary measures based on these reviews, taking into account the status of the capital contributions by the Government to the Corporation under the provisions of Article 2-2 of the Development Bank of Japan Inc. Act as amended by this Act; the redemption of government bonds under Article 2-4, Paragraph 2 of the Supplementary Provisions of the Development Bank of Japan Inc. Act as amended by this Act; the implementation of the Crisis Response Operations by the Corporation; and the changes in socioeconomic and other circumstances from a point of view of maintaining the involvements with the Corporation by the State, such as letting the Government consistently hold its shares exceeding one-third of the Corporation's issued shares in the aim of ensuring the appropriate implementation of the Crisis Response Operations by the Corporation.
- 2 Notwithstanding the provisions of Article 6, Paragraph 2 of the Act on Promotion of Administrative Reform for Realization of Small and Efficient Government (Act No. 47 of 2006) as amended pursuant to the provisions of the following Article and the provisions of Article 2, Paragraph 1 of the Supplementary Provisions of the Development Bank of Japan Inc. Act as amended pursuant to this Act, the Government shall not dispose of its held shares of the Corporation prior to the measures described in the preceding paragraph being taken.

Partial Amendment of the Act on Promotion of Administrative Reform for Realization of Small and Efficient Government

Article 3

The Act on Promotion of Administrative Reform for Realization of Small and Efficient Government shall be partially amended as follows.

The phrase "in the measures described in the preceding paragraph" in Article 6, Paragraph 2 shall be revised to "from April 1, 2012."

Adjusted Provisions

Article 4

- 1 If this Act comes into effect prior to the date of enforcement of the Act for Partial Amendment of the Shoko Chukin Bank Limited Act and Other Acts to Facilitate the Supply of Funds to Small and Medium-sized Enterprises (Act No. 54 of 2009; mentioned in the following paragraph as the "Shoko Chukin Amendment Act"), in regard to the application of the provisions of Article 6, Paragraph 2 of the Act on Promotion of Administrative Reform for Realization of Small and Efficient Government as amended under the provisions of the preceding Article up to the day before the said date, "and" shall be deemed to be replaced with "taking into account the market situation, and shall dispose of all such capital contributions in approximately five to seven years after implementation of the measures mentioned in the preceding paragraph, and the Government shall make capital contributions in."
- 2 If this Act comes into effect after the date of enforcement of the Shoko Chukin Amendment Act, the provisions of the preceding Article shall not apply. In this case, "the following Article" in Article 2, Paragraph 2 of the Supplementary Provisions shall be deemed to be replaced with "Article 4 of the Supplementary Provisions to the Act for Partial Amendment of the Shoko Chukin Bank Limited Act and Other Acts to Facilitate the Supply of Funds to Small and Medium-sized Enterprises (Act No. 54 of 2009)."

Delegation to Government Ordinance

Article 5

Transitional measures required for the enforcement of this Act shall be determined by government ordinance.

Supplementary Resolutions on the Bill for Partial Amendment of the Development Bank of Japan Inc. Act

Committee on Financial Affairs of the House of Councillors
June 25, 2009

The following matters should receive the Government's careful consideration.

- In implementing Crisis Response Operations based on the recent measures for additional capital contribution, Development Bank of Japan Inc. shall ensure the measures result in a smooth supply of funds on the basis of appropriate analysis by drawing upon its accumulated knowledge and skills.
- With the global monetary crisis having serious economic and financial effects, and the balance of loans to small and medium enterprises falling steadily, efforts must be made to further facilitate loans by Japan Finance Corporation to small and medium-sized businesses. In implementing Crisis Response Operations for large and midscale enterprises, Development Bank of Japan Inc. must be certain to expedite loans to associated small and medium enterprises as well.
- The Government should review its holding of shares in Development Bank of Japan Inc. and take necessary measures

based on its findings. Any such reviews should take into account the need to ensure that the Corporation acts for the good of the community, that it has a stable source of the funds required to fulfill its functions as a provider of long-term investment and loans, and that it has systems in place to secure competitive officers and employees. The Government should take appropriate measures to prevent any damage to the Corporation's long-term value.

- The Government should reassess the future provision of policy-based finance by Development Bank of Japan Inc. and Japan Finance Corporation, reaffirming the importance of their roles and functions and paying attention to their relationships not only with private financial institutions but also with the Japanese financial sector as a whole, including affiliated organizations and Japan Post Bank.

Resolutions passed.

Amendment of the Development Bank of Japan Inc. Act (based on establishment of the Act for Extraordinary Expenditure and Assistance to Cope with the Great East Japan Earthquake [Act No. 40 of 2011])

(Unofficial translation)

Special Rules for the Development Bank of Japan Inc. Act **Article 36**

With regard to the capital contribution and the issuance or redemption of government bonds to facilitate implementation of the Crisis Response Operations (operations specified in Article 2, item (5) of the Japan Finance Corporation Act [Act No. 57 of 2007], as well as in Article 133) by Development Bank of Japan Inc. to cope with the Great East Japan Earthquake, within Article 2-2 of the Supplementary Provisions to the Development Bank of Japan Inc. Act (Act No. 85 of 2007), "March 31, 2012" shall be deemed to be replaced with "March 31, 2015," and "as it deems necessary" shall be deemed to be replaced with "as it deems necessary to facilitate implementation of the Crisis Response Operations," and within Article 2-3, Paragraph 1 and Article 2-4, Paragraph 1 of the same supplementary provisions, "March 31, 2012," shall be deemed to be replaced with "March 31, 2015," and within Article 2-5, Paragraph 1 of the same supplementary provisions, "July 1, 2012" shall be deemed to be replaced with "July 1, 2015."

Supplementary Provisions

Partial Amendment of the Act on Promotion of Administrative Reform for Realization of Small and Efficient Government **Article 7**

The Act on Promotion of Administrative Reform for Realization of Small and Efficient Government (Act No. 47 of 2006) shall be partially amended as follows.

The phrase "from April 1, 2012." in Article 6, Paragraph 2 shall be revised to "from April 1, 2015."

Partial Amendment of the Development Bank of Japan Inc. Act **Article 9**

The Development Bank of Japan Inc. Act shall be partially amended as follows.

"April 1, 2012" in Article 2, Paragraph 1 of the Supplementary Provisions of the Development Bank of Japan Inc. Act shall be revised to "April 1, 2015".

Partial Amendment of the Act for Partial Amendment of the Development Bank of Japan Inc. Act **Article 11**

The Act for Partial Amendment of the Development Bank of Japan Inc. Act (Act No. 67 of 2009) shall be partially amended as follows. Within Article 2, Paragraph 1 of the Supplementary Provisions of the Development Bank of Japan Inc. Act, "the end of fiscal year 2011" shall be revised to "the end of fiscal year 2014," and then "(including the cases where it shall be applied by replacing the term and phrase pursuant to the provisions of Article 36 of the Act for Extraordinary Expenditure and Assistance to Cope with the Great East Japan Earthquake [Act No. 40 of 2011])" shall be added to "Article 2, Paragraph 2 of the Supplementary Provisions of the Development Bank of Japan Inc. Act", and "Article 2-4, Paragraph 2 of the Supplementary Provisions of the Development Bank of Japan Inc. Act" shall be revised to "Article 2-4, Paragraph 2 of the Supplementary Provisions of the Development Bank of Japan Inc. Act after the amendment pursuant to this Act."

(Reference 1) The Supplementary Provisions of the Development Bank of Japan Inc. Act (after the amendment pursuant to the Act for Partial Amendment of the Development Bank of Japan Inc. Act and the Amendment and Replacement reading pursuant to the Act for Extraordinary Expenditure and Assistance to Cope with the Great East Japan Earthquake [hereinafter, referred to as the "Act for Extraordinary Expenditure"])

Disposition of the Government-Owned Shares

Article 2

Pursuant to Article 6, Paragraph 2 of the Act on Promotion of Administrative Reform for Realization of Small and Efficient Government (Act No. 47 of 2006), the Government shall intend to reduce the number of the shares held by it of the Corporation (hereinafter in the following Paragraph and Article 3 of the Supplementary Provisions, referred to as "Government-Owned Shares"), taking into account the market situation, and shall dispose of all of them in approximately five to seven years from April 1, 2015.

Capital Contribution by the Government

Article 2-2

The Government may make capital contributions to the Corporation, to the extent of the amount approved by the budget, whenever the Government deems necessary to facilitate implementation of the Crisis Response Operations, until March 31, 2015.

Delivery of the Government Bonds

Article 2-3

- 1 The Government, in implementing the Crisis Response Operations (hereinafter referred to as the "Crisis Response Operations") prescribed in Article 2, item 5 of the Japan Finance Corporation Act (Act No. 57 of 2007) may issue government bonds in order to use for securement of the capital required to ensure the financial strength of the Corporation, until March 31, 2015.
- 2 The Government, pursuant to the provisions of the preceding paragraph, to the extent of the amount approved by the budget, shall issue government bonds and deliver them to the Corporation.

Redemption of the Government Bonds

Article 2-4

The Corporation may request the redemption of government bonds delivered as set forth in the provisions of Paragraph 2 of the preceding Article, only within the amount of capital calculated by the

Ministry of Finance Ordinance as the necessary amount of capital in response to the increase of assets related to its Crisis Response Operations (limited to those conducted by March 31, 2015).

(Reference 2) The Supplementary Provisions of the Act for Partial Amendment of the Development Bank of Japan Inc. Act (after the amendment pursuant to the Act for Extraordinary Expenditure)

Review, Etc.

Article 2

- 1 By the end of fiscal year 2014, the Government shall review what the appropriate implementation of the Crisis Response Operations (referring to the Crisis Response Operations prescribed under the provisions of Article 2, item 5 of the Japan Finance Corporation Act [Act No. 57 of 2007]; same hereinafter) implemented by Development Bank of Japan Inc. (hereinafter "the Corporation") and the appropriate organization of the Corporation based on that, including the way of holding its shares by the Government, should be, and shall take necessary measures based on these reviews, taking into account the status of the capital contributions by the Government to the Corporation under the provisions of Article 2-2 of the Supplementary Provisions (including the replacement readings pursuant to the Act for Extraordinary Expenditure and Assistance to Cope with the Great East Japan Earthquake [Act No. 40 of 2011] Article 36) of the Development Bank of Japan Inc. Act as amended by this Act; the redemption of government bonds under Article 2-4, Paragraph 2 of the supplementary provisions of the Development Bank of Japan Inc. Act as amended by this Act; the implementation of the Crisis Response Operations by the Corporation; and the changes in socioeconomic and other circumstances, from a point of view of maintaining the involvements with the Corporation by the State such as letting the Government consistently hold its shares exceeding one-third of the Corporation's issued shares in the aim of ensuring the appropriate implementation of the Crisis Response Operations by the Corporation.
- 2 Notwithstanding the provisions of Article 6, Paragraph 2 of the Act on Promotion of Administrative Reform for Realization of Small and Efficient Government (Act No. 47 of 2006) as amended pursuant to the provisions of the following Article and the provisions of Article 2, Paragraph 1 of the Supplementary Provisions of the Development Bank of Japan Inc. Act as amended pursuant to this Act, the Government shall not dispose of its held shares of the Corporation prior to the measures described in the preceding paragraph shall be taken.

Excerpts from the Act for Partial Amendment of the Development Bank of Japan Inc. Act (Act No. 23 of 2015)

(Unofficial translation)

The Development Bank of Japan Inc. Act (Act No. 85 of 2007) shall be partially amended as follows.

After "taking into account" in Article 2, Paragraph 1 of Supplementary Provisions "the effect on the Corporation's achievement of objectives and," shall be added and "in approximately five to seven years from April 1, 2015," shall be revised to "as soon as practicable."

The following 25 articles shall be added after Article 2-6 of the Supplementary Provisions.

The Corporation's Obligation to Conduct Crisis Response Operations

Article 2-7

The Corporation shall, in order to attain its objectives, in

accordance with the provisions set forth in Articles 2-10, 2-11, 2-22 and 2-24 to 2-30 of the Supplementary Provisions, be obligated to conduct Crisis Response Operations, for an indefinite period, to secure a smooth supply of funds to those who need funds to address the damages set forth in Article 2, item (4) of the Japan Finance Corporation Act.

Government's Holding of Shares with Regard to Crisis Response Operations

Article 2-8

With a view to ensure proper conduct of Crisis Response Operations by the Corporation, the Government shall, for an indefinite period, hold more than one-third of the total number of issued shares of the Corporation (excluding shares in respect of

which voting rights may not be exercised for all matters that may be resolved at a general meeting of shareholders; the same shall apply in Article 2-13 of the Supplementary Provisions).

Capital Contribution by the Government with Regard to Crisis Response Operations

Article 2-9

The Government may, for an indefinite period, make capital contributions to the Corporation, to the extent of the amount approved by the budget, whenever the Government deems necessary for proper implementation of Crisis Response Operations by the Corporation.

Special Provisions, Etc. on Business Plan with Regard to Crisis Response Operations

Article 2-11

1. The Corporation shall include an implementation policy for its Crisis Response Operations in its business plan provided for in Article 17, as stipulated in the Ministry of Finance Ordinance.
2. The Corporation shall include the implementation status of its Crisis Response Operations, based on the implementation policy set forth in the immediately preceding Paragraph, in its business report provided for in Article 21, as stipulated in the Ministry of Finance Ordinance.
3. In addition to matters set forth in each of the items of Article 27 of the Companies Act, matters regarding proper implementation of Crisis Response Operations shall be included or recorded in the Articles of Incorporation of the Corporation.

Special Investment Operations

Article 2-12

1. The Corporation shall, in order to attain its objectives, conduct Special Investment Operations, in accordance with the provisions set forth in this Article, Articles 2-15 to 2-20, and 2-23 to 2-30 of the Supplementary Provisions.
2. In this Article and up to Article 2-20 of the Supplementary Provisions, as well as in Articles 2-23, 2-25, 2-27 and 2-31 of the Supplementary Provisions, "Special Investment Operations" means, among the investment businesses in special business activities, those that are deemed to particularly contribute to the facilitation of supply of funds by financial institutions and others, for the revitalization of business activities taking advantage of regional characteristics that contribute to autonomous development of local economies, or for the enhancement of competitiveness of Japanese companies that contribute to the improvement of socioeconomic vitality and sustainable development of Japan, as well as for special business activities, and those of which the business entities that will receive funds from the said investment business and the particulars of such supply are decided during the period from the date on which the authorization specified in Article 2-17, Paragraph 1 of the Supplementary Provisions is obtained through March 31, 2021, and any other businesses incidental thereto (including those conducted on and after April 1, 2021).
3. "Special business activities" set forth in the immediately preceding Paragraph means the following business activities:
 - (1) Business activities conducted by Japanese business entities with the aim of improving productivity and profitability by cultivating new business through effectively using previously insufficiently used management resources, or by promoting management innovation mainly through coordinated alignment with business entities in different fields and effective combination of management resources
 - (2) Business activities that provide funds to the business activities set forth in the preceding item
4. "Investment business" set forth in Paragraph 2 means the following businesses concerning supply of funds:
 - (1) To lend money through subordinated loans (which means loans made under loan agreements with special clauses

of subordinated contents with regard to the payment of principal and interest, and stipulated in the Ministry of Finance Ordinance)

- (2) To make capital contributions
- (3) To acquire subordinated corporate debentures (which means corporate debentures with special clauses of subordinated contents with regard to the payment of principal and interest, and stipulated in the Ministry of Finance Ordinance)
- (4) In addition to those set forth in the preceding three items, to provide funds in the manner approved in advance by the Minister of Finance

Government's Holding of Shares with Regard to Special Investment Operations

Article 2-13

With a view to ensure proper implementation of Special Investment Operations by the Corporation, the Government shall hold one-half or more of the total number of issued shares of the Corporation, until the Corporation completes the Special Investment Operations.

Capital Contribution, Etc. by the Government with Regard to Special Investment Operations

Article 2-14

1. The Government may make capital contributions to the Corporation, to the extent of the amount approved by the budget, whenever the Government deems necessary for proper implementation of Special Investment Operations by the Corporation, until March 31, 2021.
2. The Corporation shall not appropriate money provided through capital contributions provided for in the preceding Paragraph to any funds other than funds for Special Investment Operations.

Supplement or Encouragement of Financing Conducted by Financial Institutions, Etc. in Special Investment Operations

Article 2-15

The purpose of the Corporation in conducting Special Investment Operations shall be to supplement or encourage financing conducted by financial institutions and investment conducted by the private sector.

Special Investment Guidelines

Article 2-16

1. Guidelines to be followed by the Corporation in conducting Special Investment Operations (in the following Paragraph and Paragraph 1 of the immediately following Article referred to as the "special investment guidelines") shall be established and issued by the Minister of Finance.
2. The special investment guidelines shall cover the following matters:
 - (1) Standards to be followed in deciding the business entities that will receive funds from the Special Investment Operations and the particulars of such supply of funds
 - (2) Matters regarding appropriate financial management of the Special Investment Operations
 - (3) Matters regarding securing of appropriate competitive relationships between the Corporation and other business entities
 - (4) Matters regarding the system to be established to evaluate and supervise the implementation status of Special Investment Operations
 - (5) Matters regarding reporting to the Minister of Finance on the implementation status of Special Investment Operations
 - (6) Any other matters necessary to ensure proper implementation of Special Investment Operations

Special Investment Operations Rules

Article 2-17

1. The Corporation shall set rules regarding Special Investment

Operations (in the following Paragraph referred to as the “Special Investment Operations Rules”) in line with the special investment guidelines, with respect to matters concerning implementation of Special Investment Operations stipulated in the Ministry of Finance Ordinance, and shall obtain authorization therefor from the Minister of Finance. If the Corporation intends to revise such rules, the same shall apply.

2. The Minister of Finance may order the Corporation to revise the Special Investment Operations Rules authorized pursuant to the preceding Paragraph, if he/she deems that such rules have become inappropriate for the proper implementation of Special Investment Operations by the Corporation.

Special Provisions, Etc. on Business Plans with Regard to Special Investment Operations

Article 2-18

1. The Corporation shall include the implementation policy for the Special Investment Operations in its business plans provided for in Article 17, as stipulated in the Ministry of Finance Ordinance, until the completion of the Special Investment Operations.
2. The Corporation shall include the implementation status of the Special Investment Operations based on the implementation policy provided for in the immediately preceding Paragraph, in its business reports provided for in Article 21 for each fiscal year up to the fiscal year including the date of completion of the Special Investment Operations, as stipulated in the Ministry of Finance Ordinance.
3. In addition to matters set forth in each of the items of Article 27 of the Companies Act, matters regarding proper implementation of Special Investment Operations shall be included or recorded in the Articles of Incorporation of the Corporation, until the completion of the Special Investment Operations.

Status of Income and Expenditure with Regard to Special Investment Operations, Etc.

Article 2-19

For each fiscal year, the Corporation shall, as stipulated in the Ministry of Finance Ordinance, submit to the Minister of Finance and publish documents stating the status of income and expenditure of the following businesses by category for each fiscal year up to the fiscal year including the date of completion of the Special Investment Operations:

- (1) Special Investment Operations
- (2) Businesses other than those listed in the preceding item

Completion of Special Investment Operations

Article 2-20

1. The Corporation shall, taking into account economic conditions, the state of business of the business entities that will receive funds from Special Investment Operations, and other circumstances, transfer or otherwise dispose of all of the securities (which means the securities listed in Article 2, Paragraph 1 of the Financial Instruments and Exchange Act, and the rights which are deemed as securities pursuant to Article 2, Paragraph 2 of the Financial Instruments and Exchange Act) and receivables held by it in the Special Investment Operations, and seek to complete the Special Investment Operations, by March 31, 2026.
2. When the Special Investment Operations are completed, the Corporation shall promptly notify the Minister of Finance to that effect.
3. The Minister of Finance shall, when notified pursuant to the immediately preceding Paragraph, give public notice to that effect.

Securing of Appropriate Competitive Relationships

Article 2-21

1. The Corporation shall, for an indefinite period, pay special attention in conducting its business so that it will not upset

its appropriate competitive relationships with other business entities.

2. The Corporation shall, for an indefinite period, include, in its business plans provided for in Article 17, a policy concerning the securing of appropriate competitive relationships with other business entities as stipulated in the Ministry of Finance Ordinance.
3. The Corporation shall, for an indefinite period, describe, in its business reports provided for in Article 21, the state of implementation of its business based on the policy mentioned in the immediately preceding Paragraph as stipulated in the Ministry of Finance Ordinance.

Excerpt from the Supplementary Provisions

Transitional Measures for Return of Government Bonds

Article 3

Notwithstanding the provision of Article 2-5, Paragraph 1 of the Supplementary Provisions of the New Act applied under the provision of Article 36 of the Act for Extraordinary Expenditure and Assistance to Cope with the Great East Japan Earthquake, the return of government bonds delivered in accordance with the provision of Article 2-3, Paragraph 2 of the Supplementary Provisions of the Former Act shall be set forth separately in another law.

Transitional Measures for Redemption of Government Bonds and Others

Article 4

1. Notwithstanding the provision of Article 2-4, Paragraph 1 of the Supplementary Provisions of the New Act (including the application thereof under Article 36 of the Act for Extraordinary Expenditure and Assistance to Cope with the Great East Japan Earthquake), the Corporation may demand, for an indefinite period, the redemption of government bonds delivered in accordance with Article 2-3, Paragraph 2 of the Supplementary Provisions of the Former Act up to the amount calculated pursuant to the provisions prescribed by the Minister of Finance Ordinance as the necessary capital according to the increase in the asset pertaining to the Crisis Response Operations (in case of operation whose implementation date is on or after April 1, 2015, including the operation implemented from April 1, 2015 up to the previous day of such an implementation date).
2. Notwithstanding the provision of Article 2-4, Paragraph 3 of the Supplementary Provisions of the New Act, the Corporation shall record the value redeemed in accordance with Article 2-4, Paragraph 2 thereof on or after the above implementation date as the amount of the crisis response reserve. In this case, for the application of Article 2-22, Paragraph 1 and Article 2-29 of the Supplementary Provisions of the New Act, “Article 2-9 of the Supplementary Provisions” in the above Paragraph shall be interpreted as “the value redeemed in accordance with Article 2-4, Paragraph 2 of the Supplementary Provisions, and Article 2-9 of the Supplementary Provisions”, and “Article 2-9 of the Supplementary Provisions” in the above Article as “the capital contribution by the redemption of the government bonds in accordance with Article 2-4, Paragraph 2 of the Supplementary Provisions, and Article 2-9 of the Supplementary Provisions”.
3. For the application of Article 2-4, Paragraph 5 of the Supplementary Provisions of the New Act when the preceding paragraph is applied, “each preceding Paragraph” in the Paragraph 5 shall be interpreted as “Paragraph 2 and Article 4, Paragraphs 1 and 2 of the Act for Partial Amendment of the Development Bank of Japan Inc. Act (Act No.23 of 2015)”.

Transitional Measures for Rules Regarding Special Investment Operations and Others

Article 5

1. The Corporation shall, without delay after this Act takes effect, set rules regarding Special Investment Operations provided in Article 2-17, Paragraph 1 of the Supplementary Provisions of the New Act, and obtain authorization from the Minister of Finance.
2. The Corporation shall, without delay after this Act takes effect, revise the business plan provided in Article 17 of the New Act to comply with the provisions of Article 2-11, Paragraph 1, Article 2-18, Paragraph 1 and Article 2-21, Paragraph 2 of the Supplementary Provisions of the New Act, and obtain authorization from the Minister of Finance.
3. The Corporation shall, without delay after this Act takes effect, revise the Articles of Incorporation thereof to comply with the provisions of Article 2-11, Paragraph 3 and Article 2-18, Paragraph 3 of the Supplementary Provisions of the New Act, and obtain authorization from the Minister of Finance.

Revision of Part of the Act Concerning Promotion of Administrative Reform for Realizing the Simplified and Effective Government

Article 7

The Act Concerning Promotion of Administrative Reform for Realizing the Simplified and Effective Government (Act No. 47 of 2006) shall be partly amended as follows.

In Article 6, Paragraph 2, “the effect in achieving purposes of the agencies which will take over the business of such institutions and” shall be added after “With respect to capital contributions to The Shoko Chukin Bank, Ltd., and Development Bank of Japan Inc. by the Government, taking into consideration”, and “for five (5) to seven (7) years commencing from April 1, 2015,” shall be replaced with “as soon as practicable”.

Examination of Crisis Response Operations

Article 9

1. The Government shall, at the appropriate time after this Act takes effect, examine the Corporation's Crisis Response Operations and the Government's involvement in the Corporation based thereon, taking into consideration the implementation of systems pertaining to the designated

financial institution (designated financial institution as provided in Article 11, Paragraph 2 of the Japan Finance Corporation Act), the Corporation's implementation of Crisis Response Operations, the change of social and economic affairs and others, and in the prospective of a smooth financial supply to those who need funds to respond to such related damage stipulated in Article 2, Item(4) of the Japan Finance Corporation Act, and whenever the Government deems necessary, the Government shall take the required measures based on the results of such examination.

2. For the examination referenced in the preceding Paragraph, the Government shall hear the opinions of representatives of ordinary financial institutions and other relevant persons.
3. When, as a result of the examination referenced in the above Paragraph 1, the Government concludes that it does not need to continue measures related to the Government's obligations to hold shares of the Corporation nor to take other measures necessary to ensure appropriate implementation of Crisis Response Operations of the Corporation, the Government shall promptly take the required measures.

Examination of Special Investment Operations

Article 10

1. The Government shall, at the appropriate time after this Act takes effect, examine the Corporation's Special Investment Operations (Special Investment Operations as provided in Article 2-12, Paragraph 2 of the Supplementary Provisions of the New Act, hereinafter in this Paragraph the same), and the Government's involvement in the Corporation based thereon, taking into consideration the investment in financial and private sectors by ordinary financial institutions, the Corporation's implementation of Special Investment Operations the change of social and economic affairs and others, and in the perspective of further promoting the long-term and other financial supply for the sustainable growth of the Japanese economy, and whenever the Government deems necessary, the Government shall take required measures based on the results of such examination.
2. For the examination referenced in the preceding Paragraph, the Government shall hear the opinions of representatives of ordinary financial institutions and other relevant persons.

(Unofficial translation)

Supplementary Resolution on the Bill for Partial Amendment of the Development Bank of Japan Inc. Act

Committee on Financial Affairs of the House of Representatives
April 10, 2015

The Government shall take into full consideration the following matters:

1. The Government shall, in conducting additional examination regarding the involvement of Japan in Development Bank of Japan Inc., take into account the public nature of the business operations and the importance of Crisis Response Operations

and make considerations with a view to ensure appropriate implementation of Crisis Response Operations by Development Bank of Japan Inc. and other organizations. The Government shall also take appropriate measures such as training personnel with a view to enhance the long-term corporate value of Development Bank of Japan Inc.

Supplementary Resolution on the Bill for Partial Amendment of the Development Bank of Japan Inc. Act

Committee on Financial Affairs of the House of Councillors
May 12, 2015

The Government shall take into full consideration the following matters:

1. The Government shall, in accordance with the purport of the recent amendments to the Act, take every possible measure for each of the following: the proper conduct of Crisis Response Operations by Development Bank of Japan Inc., local revitalization, and supply fund for growth to contribute to reinforcing competitiveness and other aspects of Japanese companies. In doing so, the Government shall give due consideration when cooperating with private financial institutions and care to avoid inviting unnecessary criticism of pressuring the private sector.
2. Taking into account the importance of enhancing the international competitiveness of Japanese enterprises, the Government shall take appropriate measures for Development Bank of Japan and Japan Bank for International Cooperation so that the improvement of systems, including training and securing of competitive personnel, is implemented.
3. In conducting Special Investment Operations, the Government shall actively contribute to local revitalization through development of local companies, and endeavor to conduct appropriate operations to encourage the supply of private funding for growth. In doing so, as such operations are only transitory measures until the supply of private funding is sufficient, the Government shall take appropriate measures to prevent the operations from becoming fixed and permanent.
4. In considering the method of disposal, etc. of shares of Development Bank of Japan, the Government shall, by taking into account the business operation, status of assets and other aspects, act while trying to preserve the public nature and neutrality of Development Bank of Japan and the stability of shareholder composition necessary to conduct the objectives of Development Bank of Japan, and shall take appropriate measures so that the long-term corporate value of Development Bank of Japan is not harmed.
5. In preparing for full privatization of Development Bank of Japan and in order to encourage private financial institutions to enter into the Crisis Response Operations, the Government shall encourage Development Bank of Japan to disclose the status and other details of loan claims incurred in connection with previous Crisis Response Operations transactions.

The above has been resolved.