

News Release

October 18, 2017
Development Bank of Japan Inc.

DBJ issued Euro-USD 1,000m third sustainability bond
~ Largest ever SRI bond issued by a Japanese issuer. Contributing to the development of SRI bonds market as the sole Japanese issuer which has continued to issue SRI bonds annually ~

On 18 October 2017, Development Bank of Japan Inc. (DBJ; President and Chief Executive Officer: Masanori Yanagi) issued its USD 1,000 million third sustainability bond (the 70th MTN). Sustainability bond is one type of Socially Responsible Investment bonds (SRI bonds) which has been rapidly growing in issuance amount especially among issuers in Europe and America. This bond marks the 4th SRI bond issuance by DBJ.

Beginning with antipollution measures implemented in the late 1960s and early 1970s, DBJ has provided more than ¥3 trillion in investments and loans for environmental projects over the past 50 years. [DBJ Environmentally Rated Loan Programme](#) (ERLP) was incorporated into our products in fiscal 2004, with [DBJ Green Building Certification](#) (GBC) following in fiscal 2011 (As of the end of March 2017, the cumulative loan amount of DBJ ERLP is ¥1,194bn and the number of properties certified under DBJ GBC is 394).

Considering growing demand for SRI investment across the globe, DBJ, the only Japanese issuer who has continued to issue SRI bonds annually, issued the inaugural Green Bond in 2014 and the Sustainability Bonds in 2015 and 2016.

This transaction of the 3rd Sustainability Bond aims to meet the increasing investment demands from both international and domestic SRI investors. The net proceeds, or an amount equivalent to the net proceeds, of this bond issuance will be allocated, by way of various financial instruments, exclusively to finance or refinance, in whole or in part, existing and/or future projects or businesses which fall into either of the categories below:

- Companies highly rated under the DBJ ERLP;
- Buildings highly rated under the DBJ GBC;
- Companies, buildings, real estate properties or REITs that have a “Green Star” rating under the GRESB Assessment framework;
- Renewable projects; and
- Clean transportation projects or companies with clean transportation projects.

Sustainalytics PTE LTD provides an independent third-party [opinion](#) to the DBJ Sustainability Bond framework, including the Use of Proceeds, Project Evaluation and Selection Process, Management of Proceeds, and Reporting, etc. More information about this DBJ Sustainability Bond will be available soon on our website.

The transaction was placed with SRI investors including AP2 (Second Swedish National Pension Fund), Credit Suisse Asset Management, Daido Life Insurance Company, Danske Bank Asset Management, Fideuram Asset Management, PFA Asset Management and Taiyo Life Insurance Company. In addition, the size of the transaction

News Release

was the largest SRI bond that has ever been issued by a Japanese issuer. The distribution by investor type was as follows: Insurances/Pensions 11%, Asset Managers 22%, Central Banks/Official Institutions 15%, Banks 45%, and Others 7%. In addition, the distribution by geographical type was as follows: EMEA 47%, APAC 38%, and Americas (including US Offshore) 15%.

In accordance with the Policy on Sustainability and the fourth medium-term management plan for the year ending 31 March 2018 through the year ending 31 March 2020, with a focus on practice of sustainability management, DBJ commits to continuously issuing the DBJ SRI bonds in the future.

In line with our corporate philosophy – “Design the Future with Financial Expertise” – DBJ will promote and contribute to the development of SRI bonds market and actively support clients with high environmental and social awareness.

The main terms of the bonds

Issuer	Development Bank of Japan Inc.
Market	Euro Market
Issue amount	USD 1,000 million
Maturity	5 years (due on October 18, 2022)
Coupon	2.500%
Re-offer price	99.972%
Listing	Luxembourg Stock Exchange Euro MTF
Lead Manager	J.P. Morgan Securities plc Citigroup Global Markets Limited Daiwa Capital Markets Europe Limited Crédit Agricole Corporate and Investment Bank
Signing date	October 16, 2017
Closing date	October 18, 2017
Bond Rating	A1: Moody's, A: S&P

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