



Responsibilities as a Member of Society

DBJ considers CSR as not only contributing to society through the Bank's principal financial activities, but also taking societal needs seriously and living up to its responsibilities as a member of society. This requires all of the Bank's executives and regular employees to conduct their daily activities with a constant awareness of society, the environment and the economy. We believe our efforts will build DBJ into a financial institution trusted, favored and chosen by the public.

■ Communicating with the Public

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

(www.dbj.go.jp/japanese/environment/commu/index.html).

DBJ will continue working with communities to create a sustainable society.

Communication Focused on the Environment

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

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

In fiscal 2002, DBJ was the first bank to participate in Eco Products and has since participated in the exhibit every year. In fiscal 2007, the Bank worked to deepen understanding through a variety of environmental reports in its booth. Such reports included panels that introduced DBJ's environmental efforts, including its Promoting Environmentally Conscious Management financing system and coordination with the United Nations Environment Programme (UNEP) Finance Initiative (refer to page 58).

DBJ also devised panels with related quizzes and other material to help elementary school and junior and senior high-school students understand the role finance plays in environmental issues.

At the same time, DBJ co-hosted a symposium with Nikkei Inc., entitled *New Social Trends Resulting from Environmental Finance*. The event included the keynote speech, *The Environmental and Social Roles of Finance*, by Takejiro Sueyoshi, special advisor to the UNEP Finance Initiative and a panel discussion concerning how financial institutions should employ CSR in their principal business activities.

To promote environmentally friendly corporate management, DBJ holds joint seminars and symposiums with relevant organizations about how environmental issues relate to corporations. These include a special seminar, "Global Warming Prevention Measures and Corporate Management: Carbon Risk Information Disclosure and Corporate Global Warming Countermeasures," held jointly with the Carbon Disclosure Project (CDP) and the UNEP Finance Initiative in September 2006, as well as a joint symposium, "Principles for Responsible Investment: Toward a Sustainable Society," held with a non-profit organization, Social Investment Forum Japan (SIF-Japan), in November 2006.

Communication with Local Communities for Revitalization

DBJ considers working with local citizens to build communities that suit each region an important part of supporting independent community development. To this end, the Bank holds seminars and symposiums in collaboration with local authorities and universities.

In DBJ's Community Diagnosis Program, our employees use objective indicators and original analytical methods to hold discussions with residents and help them

identify their community's issues and potential. DBJ employees interview community stakeholders in advance; study the region's resources; and on the final day, hold a participatory workshop with residents.

In addition to these activities, DBJ is strengthening its cooperation with financial institutions in local communities. These successes feed into the local community development activities described in the Bank's medium-term vision.

Communication in International Cooperation

In developing countries and those transitioning to a market economy, policy-based finance is emphasized in promoting economic development. Through training and research in cooperation with internal and external international organizations, DBJ brings to these countries its policy-based finance expertise gleaned from its experience with Japan's rapid economic growth.

DBJ held the 10th Seminar on Development Finance

(SDF) in August 2005. The training session presented the Bank's accumulated development finance expertise and environmental activities to top management at the central banks and development finance organizations of Cambodia, Laos, Vietnam and Myanmar. Participants presented each country's economic and financial status at workshops. This exchange of information helped further mutual understanding among Asia's financial organizations.

Other Communication Efforts

●Providing Information

Issuing Corporate Social Responsibility (CSR) Reports

To expand communication with all stakeholders, in 2003 DBJ issued the *Environmental Report 2003 for a Sustainable Society*, the first report of its kind by a Japanese policy-based financial institution. This was followed by similar reports in 2004 and 2005. In 2006, DBJ published the *CSR Report*. This year, DBJ has

merged the CSR Report into this *Annual Report & CSR Report* following the concept of "disclosure from a CSR perspective." DBJ will continue publishing CSR information introducing the Bank's initiatives to help realize a sustainable society.

●Participating in Local Community Activities

Flower Hospitality Program

DBJ participates in the Flower Hospitality Program, a beautification effort in central Nagoya. Employing the Sponsorship System, a cooperative government and private-sector effort, the Bank works with the Chubu Association of Corporate Executives to beautify the urban landscape by planting and tending flowers.

Support for the Operation of Environmentally Friendly Buses

Since fiscal 2003, DBJ has co-sponsored the operation of environmentally friendly buses carrying passengers free of charge on a route in the Otemachi, Marunouchi and Yurakucho area of Tokyo's business district. These buses help raise awareness about environmental issues. Not only do the buses reduce environmental impact and noise but they are also barrier-free with a low-floor design, ensuring easy access for disabled users.



■ Fostering Human Resources and Creating a Comfortable Work Environment

Developing Employee Potential

DBJ is proudest of its human resources assets. The Bank actively works to build a systematic human resource development system and a comfortable work environment

to bring out the best in every employee. The Bank's superior employee performance resulting from such efforts is what drives DBJ to be a pioneer in Japan's finance sector.

Human Resources Development Vision

DBJ's role has evolved and developed substantially to meet the needs of the times. The Bank considers such innovation crucial to maintaining its leadership position in the constantly advancing financial field.

To develop its all-important human resources assets, DBJ encourages autonomous and pioneering behavior in its employees as financial professionals through the vision of "generalists who can be specialists in many fields."

Although gaining specialist skills is certainly important, responding to the constantly changing demands of the times requires broad experience, deep knowledge and the ability to see the big picture. DBJ has therefore created a human resource development system that incorporates job rotation, performance evaluation, education, and training.

Introduction of the Target Management System

DBJ is implementing a Target Management System to encourage employees to work autonomously and reform their actions and to accurately evaluate such efforts. The Bank is working to enrich this system by having subordinates meet individually with superiors to set goals and receive feedback, autonomously running through the Plan-Do-Check-Act (PDCA) cycle. Particularly in goal-setting, DBJ emphasizes enhancing medium- and long-term value internally and externally, while motivating

employees by offering bonuses and other benefits based on performance.



Creating a Comfortable Work Environment

DBJ actively strives to cultivate a comfortable work environment.

To maintain an environment in which all employees can feel secure, DBJ has notified employees of its campaign to prevent sexual harassment and has set up a hotline to deal with such issues. Furthermore, to support mental and physical health, the Bank has created systems with

training and self-assessment, in addition to regular medical examinations.

DBJ has also introduced pioneering programs to give motivated employees better opportunities for long-term employment by allowing leave for childbirth, childcare and nursing care, as well as a system for continued employment after retirement.

A Solid Human Resource Development System

DBJ's financial professionals are supported by a well-developed education and training system. The Bank's combination of mandatory training by level and elective self-training according to skills and interests enables each employee to plan his or her career.

In addition to practical on-the-job training (OJT), which gives employees responsibility regardless of age, DBJ's job rotation system positions employees for the medium- to long-term according to skills and career choices, after having worked in several departments. This system enables employees to build practical experience and

develop skills with a medium- to long-term vision.

In step with globalization, DBJ cultivates employees able to perform in domestic and international settings. To achieve this, the Bank actively assigns employees to a wide variety of external organizations, including graduate schools in Europe and the United States, overseas research institutes, international institutions, related government agencies, and domestic research institutes, thereby supporting skill development and network expansion.

DBJ's Human Resource Development System

Position	Mandatory Training by Level		Elective Training				Business-Related (Self-Training)			External Assignments, etc.
	Life Plan training	Top management training	<ul style="list-style-type: none"> • Practical training in investment and loans • Rating and asset assessment training • Basic loan interest training • Training in debt management, etc. 	<ul style="list-style-type: none"> • Practical legal training • Training in corporate and financial law, etc. 	<ul style="list-style-type: none"> • Practical business revitalization training • Structured finance training • Training in syndicated loans • Seminars on creation of industries • Environmental and disaster-prevention seminars, etc. 	<ul style="list-style-type: none"> • Finance theory training • Finance case-study training • Valuation training • Equity-related training • Practical risk management training, etc. 	<ul style="list-style-type: none"> • Basic knowledge areas • Accounting • Finance, etc. 	<ul style="list-style-type: none"> • Common skill areas • Problem solving and communication • Logical thinking, etc. 	Distance learning, night courses, acquiring public qualifications	External seminars, lectures, etc.
	Management training									
	Career development plan training									
	Secondary training after joining DBJ									
	Introductory training for new employees									
			Accounting system and related training	Legal training	Financial analysis training	Basic finance training for new employees				
	Autonomous career development	Cultivation of management and leadership skills	Mastery of DBJ procedures and basic processes	Mastery of finance and law	Strategic and focus areas, such as financial skills	Focus enhancement areas, such as financial skills for privatization	Acquisition of financial accounting knowledge	Mastery of basic business execution skills	Financial knowledge, etc.	Cultivation of work-related knowledge, mastery of specialized knowledge, HR development
	Planned and continuous HR development		Mastery of knowledge and skills needed for work		Addressing strategic and focus areas	Preparing for privatization	Mastery of knowledge and skills needed for work			

Seeking Higher Ethical Standards

For half a century, DBJ has led Japan's economy as a general policy-based financial institution. As the Bank transforms into a private-sector financial institution that values the long-term perspective, neutrality, public-mindedness, and reliability it has cultivated, each employee is being held to a higher ethical standard.

DBJ has long sought to enhance employees' ethical

standards by requiring training to assure legal compliance, ISO training to deepen ISO 14001 understanding and promote eco-friendly conduct, and information security training to address the risk of fraudulent access and information leaks.

DBJ will henceforth devote even more resources toward such efforts.

■ DBJ's Environmental Management

DBJ not only strives to reduce the environmental impact of its operations but also actively pursues environmental

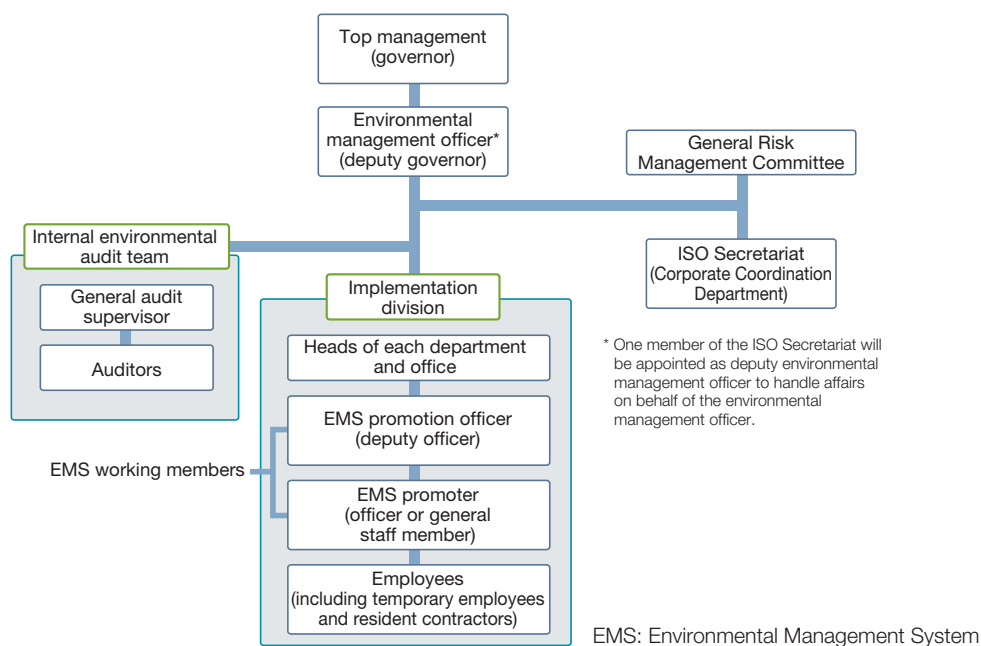
activities with full member participation in the projects it supports.

Alignment with UNEP FI

In June 2001, DBJ became the first Japanese bank to sign the UNEP Statement by Financial Institutions on the Environment and Sustainable Development. In doing so, DBJ joined other financial institutions in the UNEP FI (Financial Initiatives), a voluntary organization. In November

2002, we became Japan's first government-affiliated financial institution to receive ISO 14001 certification. This certification is part of the Bank's efforts to protect the environment and work toward a sustainable society.

Environmental Management System



The Environmental Policy

DBJ established its environmental policy in July 2002 (page 60). The Bank's environmental policy is distinct in that it includes not only environmental activities to reduce the usage of paper, energy use and waste emissions in the Bank's operations, but also reflects on facilitating

environmental activities through its investment and loan operations, knowledge dissemination and other activities. Based on these principles, DBJ introduced its Loan Program for Promotion of Environmentally Conscious Management (page 67) in April 2004.

Alignment with the UNEP FI

In June 2001, DBJ became the first Japanese bank to sign the UNEP Statement by Financial Institutions on the Environment and Sustainable Development, promising to strive for harmony between economic development and environmental conservation and to cooperate in resolving environmental problems. Since joining the UNEP FI, the Bank has continued to work with the UNEP FI and other institutions to pursue measures in accordance with the UNEP Statement's intent.

As part of these efforts, the UNEP FI 2003 Global Roundtable in Tokyo was held in October 2003. DBJ co-sponsored the meeting under the theme, "Sustaining Value: Finance's Roles in a Creating a Sustainable Society and Realizing Value," as a representative of the Japanese financial institutions that have joined the UNEP FI. The Tokyo Principles were issued in the form of a conference statement for this meeting.

The conference served as a good opportunity to raise Japanese and other Asian financial institutions' awareness of environmental problems. In January 2005, the Asia Pacific Task Force was founded as a parent organization for independent activities at the regional level. DBJ plays a pivotal role, having served as chairman of the task force until October 2006 and continuing to serve as the chairman of its Japan Group. The Bank also displayed its proactive stance by hosting a Tokyo press conference in May 2006 for the announcement of the Principles for

Responsible Investment and its signatory institutions and by helping prepare the necessary public relations materials.

Moreover, at the UNEP FI 2005 Global Roundtable held in New York in October 2005, DBJ presented Japan's efforts to tackle the issue of global climate change. The Bank is striving to actively provide information to the UNEP FI by participating in the Climate Change Working Group, representing the Asia region.

The Tokyo Principles

1. Select investment, lending and insurance activities desirable for society and the environment.
2. Endeavor to develop and sell financial products that contribute to the environment and society.
3. Incorporate the most appropriate governance structures, including management policy.
4. Endeavor to achieve a sustainable society through dialogue with stakeholders.

Principles for Responsible Investment

These principles were established with the goal of ensuring that issues related to the environment, society and governance are reflected in the investment decision-making processes of the world's institutional investors. Signatory institutions of these principles are working together for their implementation worldwide. Visit <http://www.unpri.org> for more details.

Efforts to Conserve Resources and Energy

As part of its environmental management system, DBJ sets numerical targets and uses posters and other means to enlighten employees. This entails reducing paper waste (e.g., making double-sided copies, using the reverse side

of remaining single-sided copies and printing only as many copies as needed); reducing energy use (e.g., minimizing elevator use); and utilizing recycled boxes (e.g., separating recyclables such as plastics and cans).

Green Purchasing

Following the Green Purchasing Law (official title: Law Concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities), which went into effect in April 2001, DBJ has set annual numerical goals for purchasing products and services effective in reducing environmental impacts.

In 2001, DBJ also became the first government-affiliated financial institution to join the Green Purchasing Network, which was formed to promote the purchase of products with low environmental impact. The Bank has since run voluntary initiatives inspired by the network's guidelines.

Refer to the following link for DBJ's procurement policy and past performance.
<http://www.dbj.go.jp/japanese/environment/office/enviro01.html>

Achievements of the Green Procurement Program for Typical Items

		Fiscal 2007 Procurement Achievements	Fiscal 2007 Procurement Targets
Paper	Copy paper, etc.	100%	100%
Stationery	Files, office envelopes, notebooks, etc.	100%	100%
Equipment	Chairs, desks, shelves, whiteboards, etc.	100%	100%
Office equipment	Copiers, printers, fax machines, etc.	100%	100%
Lighting	Fluorescent lighting, etc.	100%	100%
Interior items	Tile carpeting, etc.	100%	100%

Resource- and Energy-Saving Efforts

	Fiscal 2007		Fiscal 2008 Target
	Target	Result	
Copy paper usage	2% savings	2.4% savings (50.1 tons)	2.5% savings
Printing paper usage	4% savings	15.5% savings (39.4 tons)	5% savings
Waste emissions	5% savings	18.1% savings (101.5 tons)	10% savings
Energy consumption	0% decrease	1.7% savings (4,333 MWh)	0% decrease

Note: Targets and performance figures for fiscal 2007 and targets for fiscal 2008 are based on comparison with fiscal 2005.



JQA-EM2770

DBJ's Primary Achievements in the Environmental Sector since its Establishment

October	1999:	The new Bank's stipulated objective is explicitly stated as "sustainable development."
April	2001:	Starts green procurement and environmental training.
June	2001:	Becomes first Japanese bank to sign the UNEP Statement by Financial Institutions on the Environment and Sustainable Development.
October	2001:	Forms the Social Environment Committee and Social Environment Group; hosts discussions between UNEP and Wa no Kuni Financial Institutions on Environmental Considerations for Financial Institutions.
March	2002:	Attends UNEP FI 2002 Global Roundtable in Rio de Janeiro, Brazil.
July	2002:	Launches Development Bank of Japan Environmental Policy.
November	2002:	Obtains ISO 14001 certification.
October	2003:	Publishes Environmental Report 2003 for a Sustainable Society (first annual edition).
October	2003:	Jointly sponsors UNEP FI 2003 Global Roundtable in Tokyo, an international conference on finance and the environment.
April	2004:	Starts Loans for Promoting Environmentally Conscious Management.
September	2004:	Issues the second annual Sustainability Report.
November	2004:	Establishes Japan Carbon Finance, Ltd. (JCF).
December	2004:	Establishes Japan Greenhouse Gas Reduction Fund (JGRF).
January	2005:	Assumes chairmanship of the UNEP FI Asia Pacific Task Force.
April	2005:	Starts program to promote the spread of equipment meeting Top Runner standards in accordance with the Energy Conservation Law.
September	2005:	Issues the third annual Sustainability Report.
October	2005:	Presents at the UNEP FI 2003 Global Roundtable.
November	2005:	Renews ISO 14001 certification.
April	2006:	Starts program to support projects in line with the Kyoto Protocol Target Achievement Plan.
May	2006:	Holds press conference to announce DBJ status as a signatory institution to the Principles for Responsible Investment.
August	2006:	Publishes CSR Report 2006 (fourth annual Sustainability Report).
April	2007:	Starts interest subsidy system for the global warming countermeasure portion of the Promoting Environmentally Conscious Management financing system.

Development Bank of Japan Environmental Policy

Having been given the mission to contribute to the sustainable development of the economy and society by the Development Bank of Japan Law, a goal that echoes the UNEP FI Statement, DBJ assists in the formation of an eco-friendly economy and society in the following ways:

1. Facilitation of environmental measures through loan and investment activities

As a policy-based financial institution, DBJ supports projects beneficial to the environment in light of Japan's environmental policies.

- Provision of long-term funds for projects to accelerate the formation of the closed-loop material society and the solution to global environmental problems
- Sustained qualitative improvement in loan and investment activities through assessment of individual projects and loan and investment programs
- Assessment of environmental risk caused by loan and investment activities

2. Promotion of environmental awareness through environmental communication

DBJ raises environmental awareness and contributes to the solution of problems by performing such knowledge accumulation functions as contributing and sharing information.

- Continuous research and wide-ranging advisory activities relating to environmental issues
- Activities to promote international cooperation, including the distribution of information about environmental initiatives by Japan
- Sharing of information about DBJ's environmental efforts, including the Environment Policy

3. Promotion of environmental awareness activities in offices

DBJ complies with environmental laws and regulations and promotes activities to reduce the environmental impact of our operations.

- Promotion of resource and energy conservation and recycling activities
- Promotion of environmentally friendly sourcing of supplies under the Green Purchasing Law and other systems
- Prevention of environmental pollution

To achieve the above objectives and continuously improve on them, DBJ operates its Environmental Management System, ensuring that anyone working at or for DBJ is familiar with the Environmental Policy and strives to raise environmental awareness.