

Intellectual Asset Report

DBJ's executives and regular employees continually take on new challenges, while remaining firmly committed to the Bank's four core values: a long-term perspective, neutrality, public-mindedness and reliability. The intellectual assets the Bank has built up over the years helps form the financial platform and enables DBJ to provide services that extend beyond merely providing funds.

Employing these assets, we endeavor to address the needs of the times and fulfill our role in enhancing socially responsible activities among companies.

Intellectual Asset Management

◆ Corporate Value and Intellectual Asset Management

Intellectual Assets

Companies ensure ongoing prosperity and profit by consistently differentiating themselves from competitors. In this process, companies must enhance their operations and increase the differentiation of the products and services they offer. Identifying their important management resources and sources of competitiveness is also essential. Specific technologies, expertise, human resources and business models are some factors that lead to

differentiation but are invisible to the casual observer. Determining an entity's true corporate value requires the evaluation of these company-specific strengths. DBJ's activities related to intellectual assets are designed to foster the application of these intangible sources of corporate value, which underpin a company's future economic performance.

Intellectual Asset Management Essential to Enhancing Corporate Value

Although intellectual assets are intangible in the sense that they are not recorded on a company's financial statements, they are a core component of corporate value. Managing intellectual assets effectively clarifies corporate awareness of key areas of effectiveness and encourages increases in corporate value.

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

◆ DBJ's View on Intellectual Assets

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

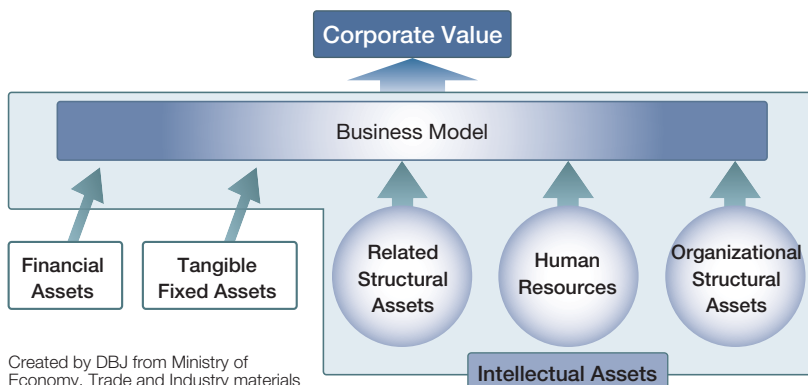
Based on our four core values, our executives and regular employees have developed the ability to evaluate companies and projects over the long term. We have accumulated a wealth of expertise in long-term screening and evaluation of such projects and a keen awareness of their ability to address issues that are products of the times and the issues faced by local communities.

In the process, we have become a repository of intellectual assets. Our expertise in resolving issues through

the application of new financial methods, the widespread use of our financial platform and our economic and social contributions have created a new DBJ asset. This asset has also led to the development of the financial methods described below. This asset enables us to respond quickly to changing policy requirements and plays a major role in our ability to continue adding economic and social value.

In the future, we aim to maintain our economic and social contributions as a private-sector financial institution. We believe that the ability to clearly identify and make use of intellectual assets will be an increasingly important factor in achieving this goal.

■ Relationships among Intellectual Assets, Business Models and Corporate Value



◆DBJ's Utilization of Intellectual Assets

One school of thought defines intellectual assets as the understanding of and reporting on an entity's networks and customer bases (related structural assets), management team and employees (human resources) and

intellectual assets and business processes (organizational structural assets). Below, we introduce DBJ's intellectual assets and activities according to this segmentation.

Related Structural Assets

As part of our system of planning and making investments and extending loans, we cooperate with central government agencies and regional government bodies, share their awareness of issues and support projects that have policy significance. As a financial institution, DBJ disseminates various information concerning the screening of investments and loans and the provision of funds. This information benefits private-sector companies by distilling out the issues that face them directly and serves as feedback to the government. The information helps improve and raise the effectiveness of measures introduced by

central government agencies and regional government bodies.

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

Human Resources

Appropriately judging medium- to long-term investments and loans requires all of DBJ's executives and regular employees to maintain a long-term perspective and make financial decisions from a neutral, as well as a policy based, standpoint. In an era characterized by increasingly complex economic and social issues and increasingly sophisticated business skills, this perspective has a major impact on DBJ's ability to contribute to business formation and the financial structure. Our ability to provide solutions that are appropriate for companies, as well as for the economy and society in a broader sense, depends on the ability of our human resources-executives and regular employees who are professionals in various fields-to take a public-minded view as they consider such issues. Their success in these endeavors wins the trust of clients and society at large.

To impart various technical skills, DBJ maintains training menus that include a 2.5-month corporate finance

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

Organizational Structural Assets

Unlike manufacturing companies, DBJ has no explicit intellectual assets, such as patent rights. At the same time, we introduce new financial methods to Japan, work with private-sector financial institutions to create financial platforms and contribute to the economy and society in a number of other unique ways. These activities rely on our organizational adeptness-our ability to ascertain emerging issues quickly and deploy appropriate personnel quickly. This ability, combined with the long-term financial data we

have accumulated over 50 years of investment and loan operations and a corporate culture of always considering projects in an economically rational manner, as well as in terms of their broader economic and social significance, constitute DBJ's organizational structural assets, as does the smooth and rapid communication process resulting from the common language that has evolved through corporate financing training and other channels.

◆ Advanced Initiatives Involving New Financial Methods That Utilize Intellectual Assets

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

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

method generally used to raise funds, as project roles are allocated appropriately and long-term business is assured.

DBJ provides a full range of financing options in the area of business revitalization. After filing applications according to Civil Rehabilitation Law or Corporate Rehabilitation Law procedures, companies typically require working capital during the period when the viability of their plans is being reviewed. To meet this need, DBJ provides debtor-in-possession (DIP) financing as temporary working capital to enable such companies to continue operating and maintain value in the best portions of their businesses. In addition, the Bank creates business revitalization funds to help companies normalize their operations through a process of operational selection and focus, and reduce their debt levels. We also apply our expertise through such financial methods as asset financing to raise the value of operations. Such financing plays an important role in helping companies revitalize their businesses and reinvigorates the financial sector.

◆ Relationship between Intellectual Assets and CSR at DBJ

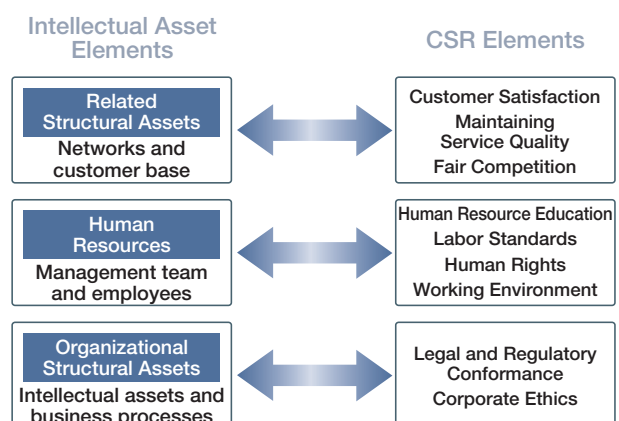
The figure at the lower right-hand corner contrasts intellectual assets as viewed by DBJ and DBJ's role as seen by society. Evaluated in this sense, intellectual assets and CSR are two sides of the same coin.

For example, we fully mobilize our intellectual assets networks with central government agencies and regional government bodies, experts and clients; our human resources comprising executives and regular employees; and our accumulation of experience and expertise-to serve a vital CSR role through our system for promoting environmentally conscious management and our loan program for promoting disaster management. At the same time, our systems provide a strong backup to the CSR activities of our business partners.

Companies that access these systems via the our loans based on environmental ratings or our loan program for promoting disaster prevention have cause to reconsider their conformance with various laws and regulations, ensure safe and secure workplace working and surrounding environments and provide quality products and services through fair competition. These activities reinforce a company's customer base and raise corporate value by fulfilling social responsibilities.

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

■ Relationship between Intellectual Assets and CSR



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

◆ Defining “Financial Platform”

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

The more complete the financial platforms, which are indispensable to financial system soundness and macro-economic vigor, the greater is their effectiveness at promoting the revitalization of businesses and urban and local communities and the creation of new industries. However, financial platforms, which are an institutional, general-access capital good, are not formed overnight. Creating

the framework of systems and laws that support corporate economic activity involves the application of experienced and real-world expertise of financial institutions and businesses, as well as an accumulated body of results that can be used for future reference (precedents, transaction cases and the like). Furthermore, as financial platforms function inadequately if they are used by only a minority of participants, a catalyst is needed to encourage participation from a broad range of players.

Owing to our neutral position and advanced-player status, we are perfectly suited to serve as the catalyst for developing and maintaining financial platforms in cooperation with private-sector financial institutions.

◆ Activities Involving Financial Platforms

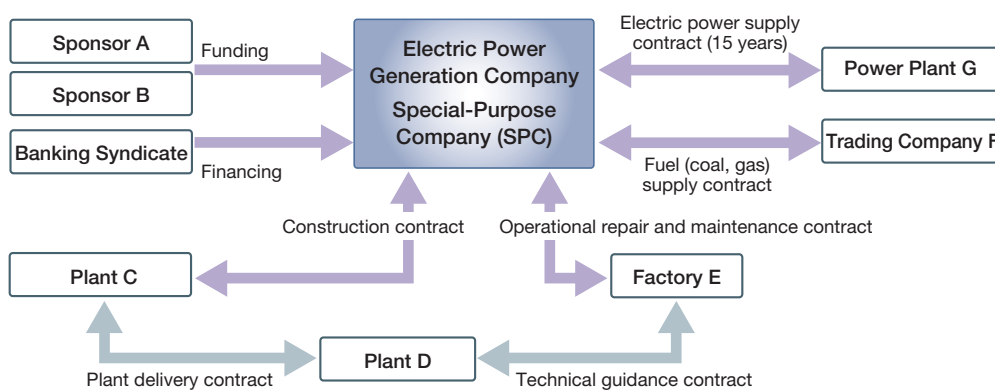
Example 1: Structured Financing

We support the development of Japan's financial markets through our early involvement and building the base for structured financing. Structured financing includes project financing, such as PFI, in which financing is repaid through project cash flows, as well as real estate liquidization.

Given our experience at forming projects and evaluating operational viability from our characteristically long-term perspective, we are ideally situated to participate in structured financing based on long-term contracts. We play an important role in ensuring the long-term success of projects without being swayed by short-term profitability considerations. DBJ's position of neutrality enables it to

provide advice and arrange structured financing, to which interwoven interests are key, without being affected by special-interest relationships. Our contributions to the formation of legal systems and regulations, as well as to business creation, make us a trustworthy moderator between public and private interests. By applying our distinctive status to structured financing activities and maximizing our wide-ranging network in the industrial, academic and public communities, we collaborate with other financial institutions to help build and maintain the financial platform for structured financing.

■ Project Financing Example: Electric Power Generation Project



Example 2: Venture Company Support

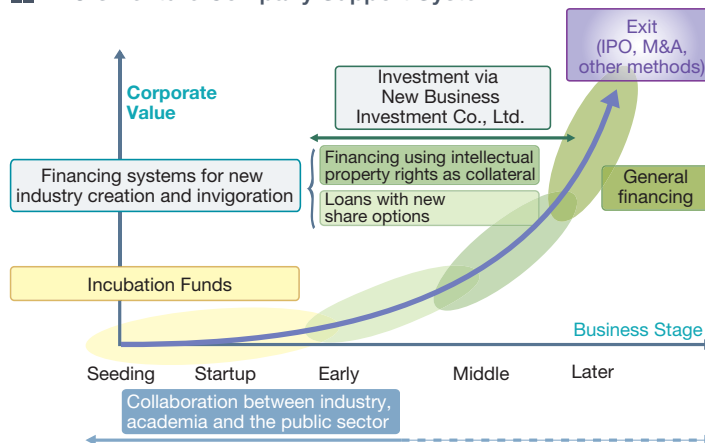
DBJ has supported venture companies for more than a decade and in a variety of ways. In addition to providing financing and guarantees, we support financing through incubation funds and fostered successful technical development through our Practical Application Support Center for Technology. We have also developed a number of risk evaluation and support measures suited for venture companies. In terms of financing methods, from the time we began supporting venture companies we provided financ-

ing that used intellectual property rights as collateral.

Responding dexterously to changing economic and financial circumstances, as well as legal reforms, we also introduced the acceptance of bonds with stock transfer rights and loans with new share options.

Our success in this sector reflects our distinctive ability to screen companies and projects from a long-term perspective, as well as our wide-ranging networks, which include venture capitalists and technical specialists.

■ DBJ's Venture Company Support System

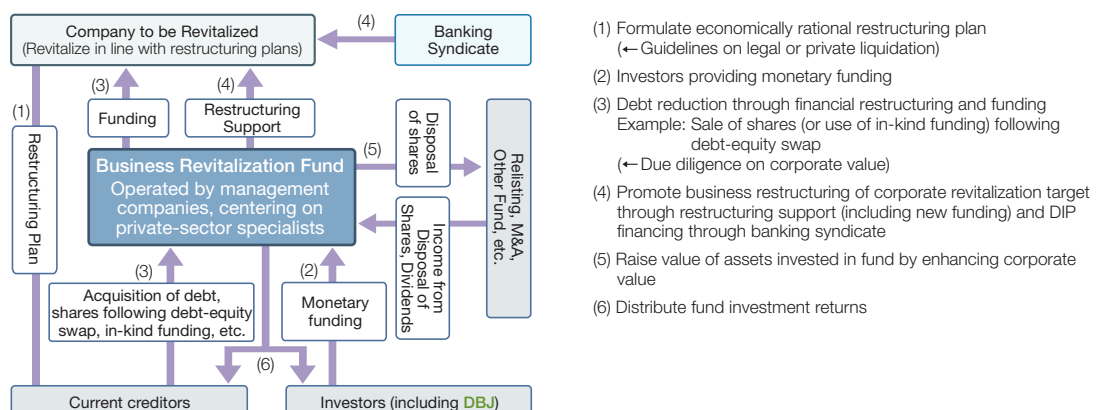


Example 3: Business Revitalization

Since the late 1990s, which were characterized by an increasing number of bankruptcies and underperforming companies, the bad-debt issue and financial system uncertainty have beleaguered the Japanese economy, but the redistribution of resources has played a key role in its reinvigoration. We believe that our creation of a framework to support underperforming companies in developing and maintaining valuable areas of business has helped resolve these issues, and that our myriad tools have supported business revitalization. One such tool is early debtor-in-possession (DIP) financing, which provides funding to companies that have filed for bankruptcy protection in the

period while their revitalization plans are being reviewed. Another tool is business revitalization funds, which support capital restructuring by acquiring shares in underperforming companies. We also provide exit financing, which provides companies that are restructuring with the cash to operate as ordinary companies. Serving as our background for such endeavors is our accumulation of unique knowledge concerning capital policies for structured financing, derived through years of experience in policy-based financing. By applying our experience and expertise in business revitalization, we raise corporate value by using a host of methods.

■ Using Business Revitalization Funds to Support Restructuring

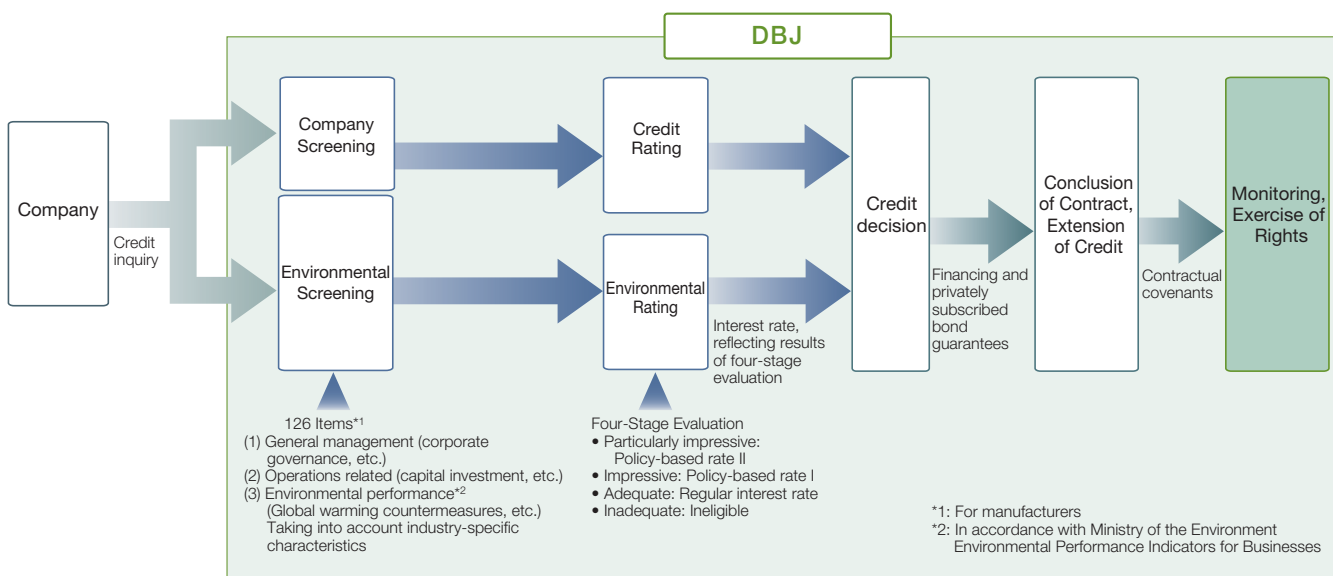


Example 4: Environmental and Disaster Response

From early on, DBJ has supported efforts aimed at achieving harmony with the environment and creating a safe and secure society. In fiscal 2005, we introduced a system for promoting environmentally conscious management. This financing method uses a DBJ-developed screening system to score companies on their degree of environmentally conscious management. Companies that score particularly well in these ratings are offered preferential interest rates at three levels depending on their rating. This environmental rating system is the first such financial certification

system in the world. Furthermore, in fiscal 2007 we introduced a loan program for promoting disaster management. This financing system is a proprietary rating system based on the Japanese Cabinet Office Central Disaster Prevention Council's Self-Evaluation Indicators of Corporate Initiatives on Disaster Prevention. In this new financing method, we use our specialized disaster prevention ratings to evaluate corporate disaster response activities and offer preferential financing to companies involved in disaster response businesses.

■ Overview of Program for Promoting Environmentally Responsible Business Management



Example 5: EQ-LINE

As awareness of the need for disaster preparedness grows among Japan's leading corporations, an increasing number of companies are creating business continuity plans. In the past, companies had few options in preparing for the financial impact of earthquakes other than to take out earthquake insurance. As an alternative, DBJ is creating EQ-LINE, which allows companies to reserve financing to become available in the event of a large-scale earthquake.

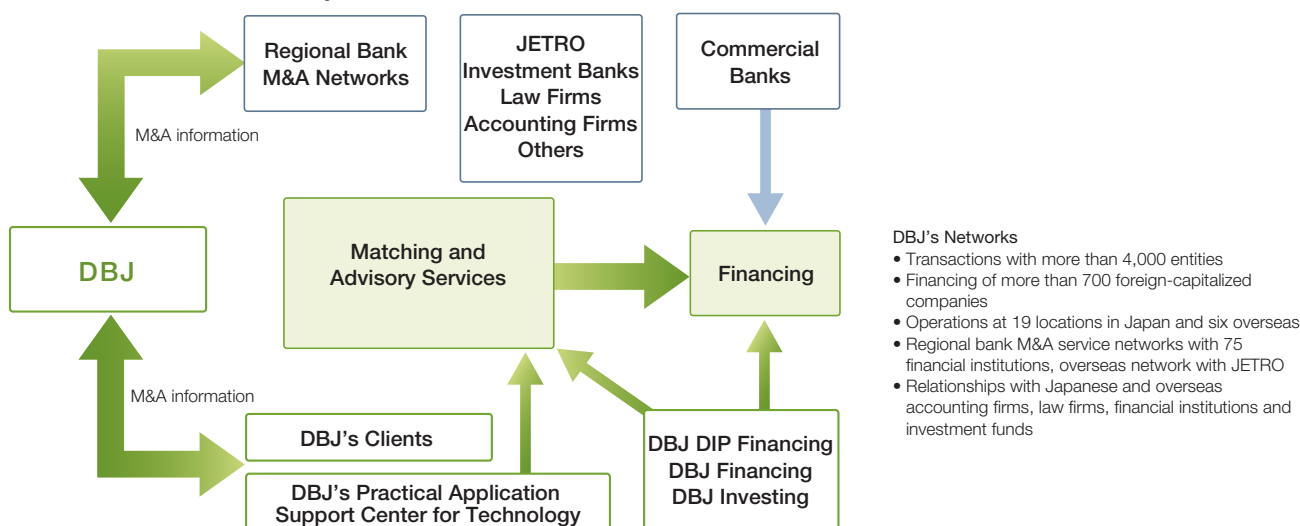
For companies that sign up for such financing beforehand, EQ-LINE is designed to provide financing that enables companies to continue operating even if impacted by an earthquake of a specified magnitude and to rebuild in the wake of such an earthquake. In this sense, EQ-LINE is a type of risk financing that effectively provides companies with a degree of certainty that they will be able to continue business.

Example 6: M&A Advisory Services

Amid an increasingly diverse range of corporate development options, business restructuring that involves operational selection and focus, as well as industry restructuring, M&A activity is increasingly prevalent. Although M&A activity sometimes connotes hostile takeovers, mergers and acquisitions can be a method for achieving better employment stability and a stronger competitive position. As negotiating the value of a target entity is burdensome, in the past large corporations were the main participants in M&A activities. However, to meet a growing interest in M&A by regional companies and the increasing desire of

overseas companies to develop operations in Japan, we have begun offering M&A advisory services that make use of our own information infrastructure. These services utilize the wide-ranging networks that DBJ has cultivated through other operations and include networks involving cooperation with regional financial institutions, as well as legal and accounting firms and other organizations. Through our M&A advisory services, we provide clients of all sizes in a wide range of businesses with strategic consulting, long-term advice for companies on the buying or selling end of M&A activities, financing and various other services.

Overview of M&A Advisory Services



Example 7: Safety Net Functions

In addition to earthquakes, typhoons and other large-scale natural disasters, financial system stability can be affected by the spread of SARS, BSE and other diseases, the outbreak of terrorism or myriad other factors. In such times of crisis, when unexpected financial needs arise peacetime financial platforms may cease to function, resulting in direct consequences for businesses that provide

economically and socially important services. In preparation for such eventualities, we play the role of a safety net for businesses of economic and social importance by drawing upon aspects that remain unchanged from our peacetime persona—the ability to evaluate risk based on a long-term perspective and substantial intellectual assets.

Recent Activities	
1995	Rebuilding after the Kobe Earthquake
1997	Response to credit crunch
2000	Rebuilding following Mt. Usu eruption
	Recovery support following flooding in Tokai region
2001	Response to effects of terrorist attacks on United States
	Responses to effects of SARS and BSE outbreaks
2004	Rebuilding after the Niigata Chuetsu Earthquake
2005	Rebuilding after Fukuoka Seiho Oki Earthquake
2006	Asbestos-related measures
	Measures to counter sharp rise in crude oil prices
2007	Rebuilding after Noto Peninsula Earthquake
	Rebuilding after the Niigataken Chuetsu-oki Earthquake
2008	Rebuilding after the Iwate-Miyagi Nairiku Earthquake