

Applying Financial Expertise to Design the Future

Annual Report & CSR Report

2009

Development Bank of Japan Inc.

Profile (As of September 1, 2009)

Established: October 1, 2008

(The Japan Development Bank (1951) and the Hokkaido-Tohoku Development Finance Public Corporation (1956) were merged to form the Development Bank of

Japan in 1999.)

President: Minoru Murofushi

Number of employees: 1,064 (as of March 31, 2009)

Capital: ¥1,103,232 million (100% owned by the Japanese government) (as of September 24, 2009)

Address: 9-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-0004, Japan

URL: http://www.dbj.jp/en

Number of offices: Branch offices, 10; representative offices, 8; overseas representative offices, 2; and

overseas subsidiary, 1

Total assets: ¥14,017.4 billion (as of March 31, 2009)

Loans: ¥12,026.6 billion (as of March 31, 2009)

Capital adequacy ratio: 18.70% (as of March 31, 2009)

Issuer ratings: Aa2 (Moody's Investors Service, Inc.), AA– (Standard & Poor's Corp.),

AA (Rating and Investment Information, Inc.),

AAA (Japan Credit Rating Agency, Ltd.)

Note: Total assets, loans and the capital adequacy ratio are calculated on a non-consolidated basis.



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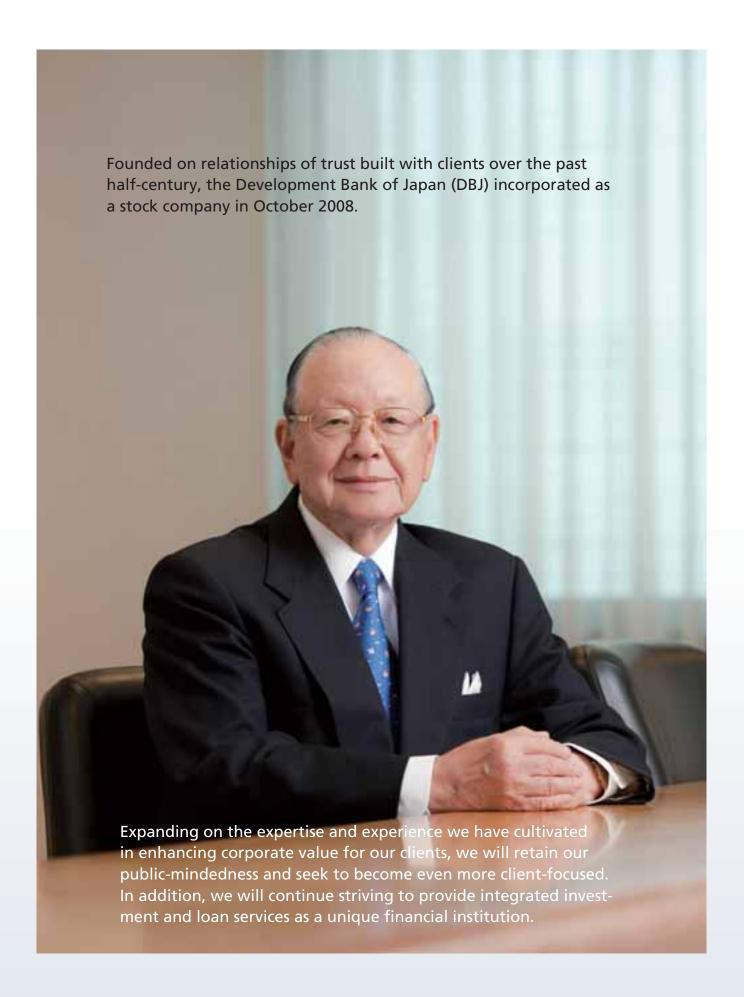




Note:

The total of each column of figures may not equal the total of the individual figures due to rounding. In this report, "0" indicates figures of less than the indicated unit. A "—" indicates the absence of an amount.

Message from the President



Aiming to Be a Unique Financial Institution

Development Bank of Japan Inc. took its first step on the path toward privatization in October 2008. Until that time, we were a comprehensive policy-based financial institution that contributed to the development of the Japanese economy, acting in accordance with the changing times. We thank our clients for their understanding and support of our activities during this period.

In our current incarnation, we have established the corporate philosophy of "applying financial expertise to design the future." We will keep this objective firmly in mind as we strive to build on, and remain deserving of, the trust we have earned from our clients and work to help them realize a prosperous future.

We believe that our business model is distinctive in that it seeks to raise corporate value for clients in a balanced manner through the provision of integrated investment and loan services. We aim to be unique in our approach to listening carefully and respectfully to clients' needs, and then delivering appropriate solutions.

In October 2008, we formulated our first medium-term management plan, Challenge 2010. Its core tenets are developing our overseas operations, diversifying our funding sources and applying full-fledged growth strategies.

Responding to the Financial Crisis

Applying its expertise and experience in policy-based financing to the financial crisis that has propagated outward from its epicenter in the United States in 2008, DBJ has vigorously taken part in financial crisis response business. Taking full advantage of our long-held spirit of public-mindedness and neutrality, we maintained open lines of communication with other financial institutions as we worked to promptly meet a host of client needs.

Fundamental Stance on CSR

Through our crisis response business, we aim to realize our corporate philosophy through our investment and loan businesses. These activities illustrate our fundamental stance on corporate social responsibility (CSR) initiatives.

We can fulfill our corporate social responsibilities and work toward the realization of a sustainable society by linking our corporate activities directly to society, the environment and the economy; by performing each of our duties in an appropriate manner; and by striving to enhance the mutual values of DBJ and its clients.

Shift to Autonomous Management

To ensure our ability to smoothly conduct financial crisis response business, the Japanese Diet passed the "Law for Partial Amendment of the Development Bank of Japan Inc. Law." According to this revision, the Japanese government may undertake various measures, such as reconsidering the status of its holdings in DBJ, to ensure the soundness of its finances.

Particularly in these turbulent times, we are redoubling our efforts to provide financial services that enhance corporate value for our clients. We aim to fill the classic role of financing through the universal quality of being able to withstand change. We are striving to grow as a financial institution and earn the trust of its stakeholders by participating more actively in domestic and overseas financial markets. DBJ's executives and employees are working together and pursuing their duties vigorously to achieve autonomous management.

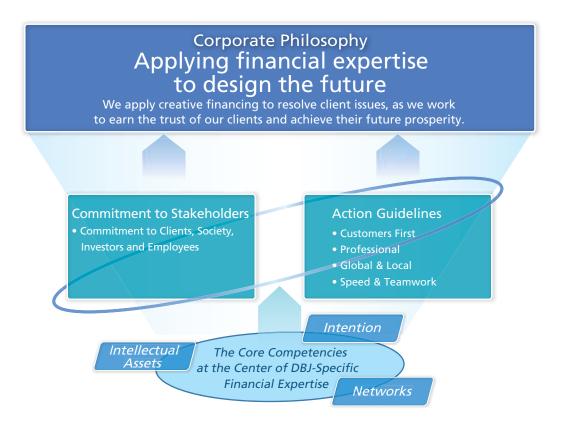
I ask for your ongoing support of our endeavors.

July 2009

Minoru Murofushi President & CEO

Development Bank of Japan Inc.

Corporate Philosophy



Commitment to Stakeholders, Action Guidelines and Core Competencies

Commitment to Stakeholders

■ Commitment to Clients

Using creative finance, DBJ will resolve its clients' challenges and help them enhance their economic and social value.

■ Commitment to Society

All business will be based on harmony among the three factors of society, the environment and the economy in order to contribute to a sustainable, affluent society.

■ Commitment to Investors

DBJ will maintain transparency while raising corporate value over the long term.

Commitment to Employees

Seeking out and training employees who share its corporate philosophy and possess high ethical standards, DBJ will strive to create an open and creative work environment.

Action Guidelines

■ Customers First

DBJ will operate from our clients' viewpoints, addressing their challenges and sharing pleasure in their success.

Professional

With discernment and creative skill, DBJ will be a one-stop financial platform providing integrated investment and loans both in Japan and abroad.

■ Global & Local

DBJ will maintain a long-term viewpoint, considering the needs of the times, the world and the region.

■ Speed & Teamwork

Relying on skilled teamwork, DBJ will act rapidly and in good faith, building strong foundations for clients' trust.

Core Competencies		
Intention	The fundamental stance at the core of our corporate values: long-term perspective, neutrality, public-mindedness and reliability.	
Intellectual Assets	Expertise in fields including industry research, credit analysis, financial technology and R&D, based on skills gathered over many years of experience.	
Networks	Networks created with clients, local governments and other financial institutions.	

A Fresh Start for DBJ

Logo and Corporate Color

Our "Earth" logo consists of four colors that represent four themes and embodies our corporate philosophy of working with clients to realize their goals.

Each Color Represents Two Aspects of DBJ

Corporate Values:

- Long-Term Perspective
- Neutrality
- Public-Mindedness
- Reliability

Action Guidelines:

- Customers First
- Professional
- Global & Local
- Speed & Teamwork



The shade of blue in "DBJ" represents a prosperous future, youthfulness and growth potential.

Launch Ceremony and Reception

Development Bank of Japan Inc. Launch Ceremony was held on October 1, 2008. The Development Bank of Japan Inc. Privatization Banquet Reception was held on October 30, 2008.

Among the seven people cutting the ribbon at the launch ceremony were Shoichi Nakagawa, then Minister of Finance; Tokio Kano, Senior Vice-Minister of Land, Infrastructure, Transport and Tourism; and Minoru Murofushi, President of DBJ.

The reception was attended by numerous members of the government and financial communities. Attendees offered DBJ many warm words of encouragement.



Cutting the ribbon at the launch ceremony



President Murofushi delivering the reception speech

History of DBJ

Here, we introduce DBJ's history of supporting the reconstruction of post-war Japan

Structural reform toward sustainable development From 2001 1994-2000 Post-bubble 985-1995 Economic bubble 1972-1984 Stable growth Rapid growth 956-1965 Economic recovery 1951-1955

October 1, 2008: Privatization (conversion to a joint-stock company)

Development Bank of Japan Inc. established

Financial solutions that support community, the environment and technology

In 1999, the Japan Development Bank and the Hokkaido-Tohoku Development Finance Public Corporation were dissolved and the Development Bank of Japan (DBJ) was established. DBJ focused its operations in three areas: community development, environmental conservation and sustainable societies and the creation of new technologies and industries. In these ways, DBJ contributes to the sustainable development of Japan's economy.

Creation of a vibrant and affluent society and stable economy

The Japan Development Bank focused on such important areas as ongoing improvements to social capital, environmental and other measures, and support for venture businesses. In addition, we swiftly implemented reconstruction loans in the wake of the Great Hanshin-Awaji Earthquake and loans in response to the financial environment to stabilize the financial system by functioning as a safety net.

Development of lifestyle and social infrastructure and a smooth industrial transformation

Pressing needs arose for increased domestic demand and an industrial structural shift, against a background of aggravating trade friction with other countries. The Japan Development Bank focused on support for social capital improvement, creative technological development, an industrial transformation and other issues. In the 1990s, we stressed environmental and energy measures and regional economic stimulation with the aim of making Japan a lifestyle superpower.

Improvements to quality of life and stable supply of energy

As corrections to the imbalance of economic growth and standards of living, we began to focus on antipollution measures, regional and urban development and other social areas in addition to industrial development. Against the backdrop of the first oil shock, we provided investment and loans for energy alternatives to fossil fuels, as well as efforts to conserve energy, to ensure stable energy supplies. We also supported efforts to develop land into large-scale commercial sites.

Development of international competitiveness and social development loans Expanding and reinforcing the industrial base

Aiming to hone international competitiveness in accord with the transition to an open economic system, the Japan Development Bank focused on support for industrial system improvements and independent technological development.

We also emphasized social development through regional development, urban redevelopment, logistics modernization, pollution prevention and other measures in a bid to relieve the problems of high-level growth.

High-growth infrastructure development Extending and reinforcing the industrial base

To expand and reinforce the energy and transportation activities that underpin the industrial infrastructure, the Japan Development Bank served as the driving force that powered new economic expansion. In addition, we provided loans for local development to correct regional disparities.

Established in 1956, the Hokkaido Development Finance Public Corporation was restructured in 1957 to form the Hokkaido-Tohoku Development Finance Public Corporation and began providing investment and loan to promote industry in these two regions of northern Japan.

Reconstruction and independence of the economy Rebuilding the industrial infrastructure and key industries

In 1951, the Japan Development Bank was established. The Japan Development Bank commenced accommodation loans to facilitate the development of the power supply, which forms the basis of the economy and industry, and the rationalization, modernization and cultivation of coal, steel, marine transportation and other major industries.