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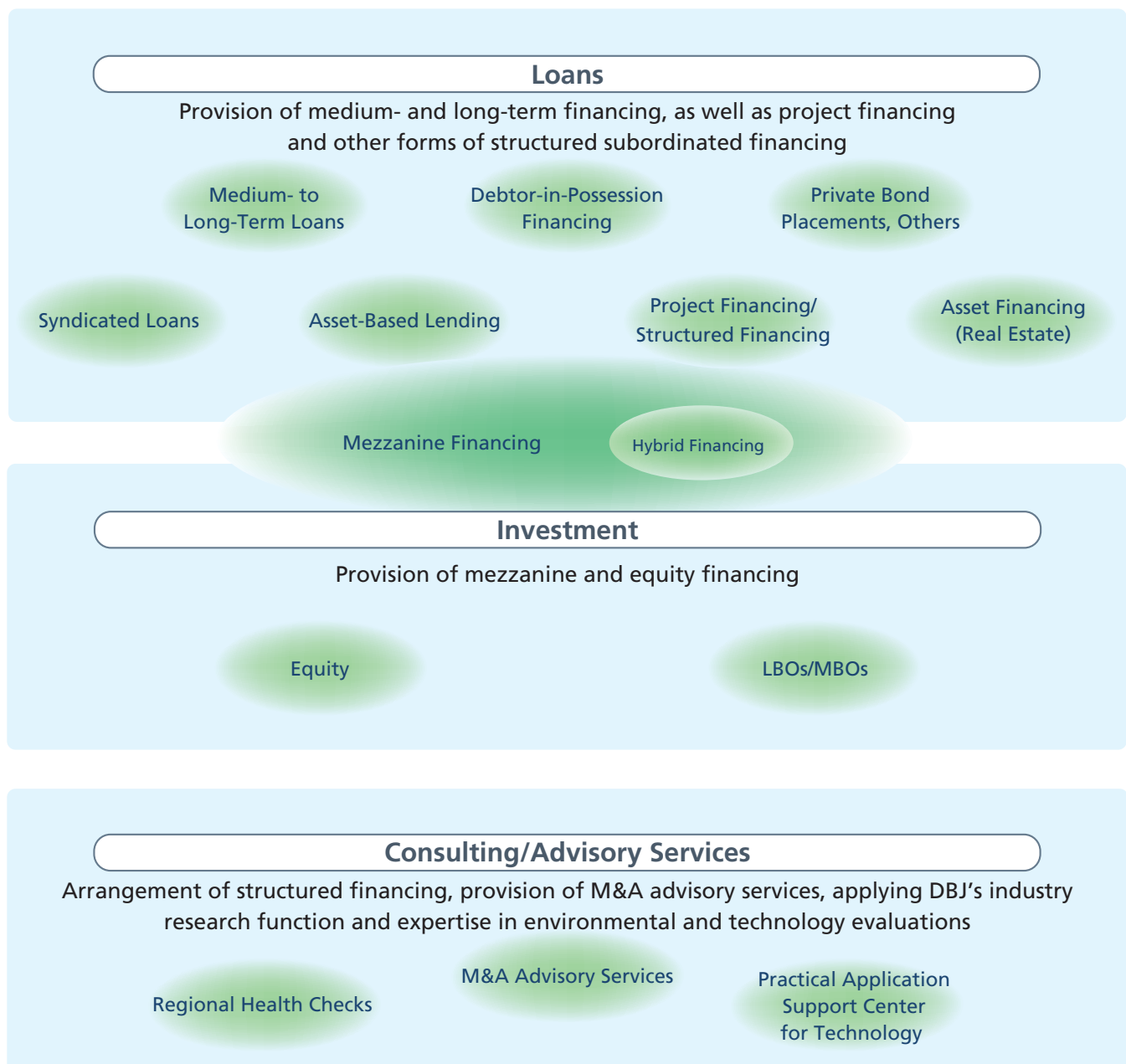
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Integrated Investment and Loan Services

DBJ provides seamlessly integrated investment and loan services. We assist clients with their financing needs by taking a position of neutrality and a long-term perspective that extends over all their activities, and by employing leading-edge financial methods.

- We offer integrated investment and loan solutions that range from senior loans to mezzanine and equity financing.
- DBJ also provides a host of services (e.g., M&A advisory and CSR support services) that help raise corporate value.
- In collaboration with its Group companies, DBJ provides finely tuned services to meet individual clients' needs.



Loans

DBJ provides financing to meet the diverse needs of its clients.

- Provide medium- and long-term loans
- Offer unique high-value-added financial services (environmentally and socially responsible investment, disaster countermeasures and safety measures and rating-linked financing for technology commercialization)
- Respond to diverse needs by offering nonrecourse loans and develop and provide financing offering collateral and structural flexibility (debtor-in-possession financing, inventory collateral, intellectual property rights as collateral, etc.)

Investment

DBJ provides investment funding, based on a long-term perspective, to meet specific needs and address a host of issues that clients face.

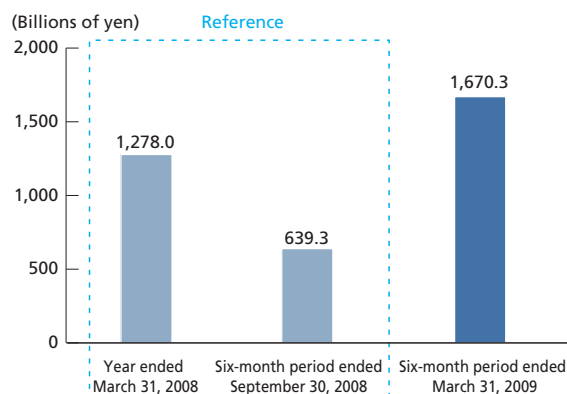
- We provide investment to assist businesses in terms of their revitalization, restructuring, growth strategies, international competitiveness and infrastructure operations. We provide such funding through mezzanine financing, as well as through equity and other funding.

Consulting/Advisory Services

Through our advisory support services, we help clients become more competitive and invigorate regional economies.

- Provide M&A advisory services
- Make proposals that apply our expertise in industry research and ability to develop new financial technologies
- Arrange structured and other types of financing

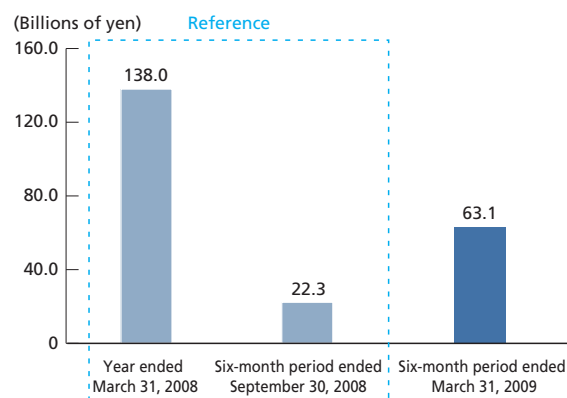
■ Loan Amounts Provided (Non-consolidated)



Notes:

- Figures for the year ended March 31, 2008, and the six-month period ended September 30, 2008, are for DBJ's predecessor.
- Figures, including those for corporate bonds, are on a management accounting basis.

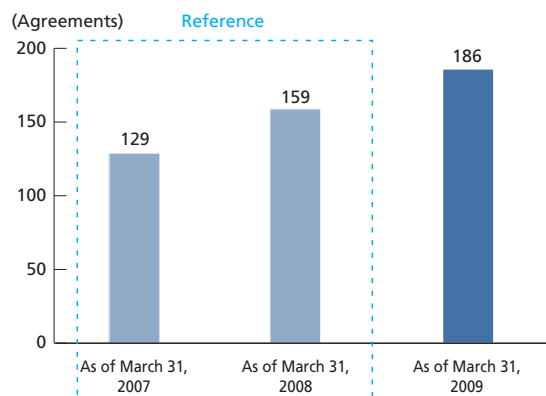
■ Investment Amount Provided (Non-consolidated)



Notes:

- Figures for the year ended March 31, 2008, and the six-month period ended September 30, 2008, are for DBJ's predecessor.
- Figures, including those for securities, money held in trust and other assets (funds), are on a management accounting basis.

■ M&A Advisory and Consulting Agreements (Cumulative)



Notes:

- Figures as of March 31, 2007, and March 31, 2008, are for DBJ's predecessor.
- Figures as of March 31, 2009, include those of DBJ's predecessor (from April 1, 2008, through September 30, 2008).

Loans

DBJ provides medium- and long-term loans, answering a range of funding requirements. In addition to senior financing through traditional corporate loans, we offer project financing, nonrecourse loans and other types of structured financing, as well as a variety of other loans that employ advanced financial methods.

Medium- to Long-Term Loans

DBJ primarily provides funding via medium- to long-term loans.

When providing funds, DBJ first looks at the profitability of the business that requires funding, and then proposes a medium- to long-term repayment plan. As part of our effort to meet varied needs, a deferment period may be implemented.

When extending loans, we consider taking advantage of other interest subsidy systems offered by national and regional government bodies.

We provide a broad range of information to our clients.

Through our long history of operations, we have accumulated substantial expertise and experience that we apply when offering advice to address the issues our clients face.

DBJ puts its wide-ranging networks to use to help clients expand their operations.

We provide information generated through our various studies and research activities, as well as reports, publications and other information from overseas.

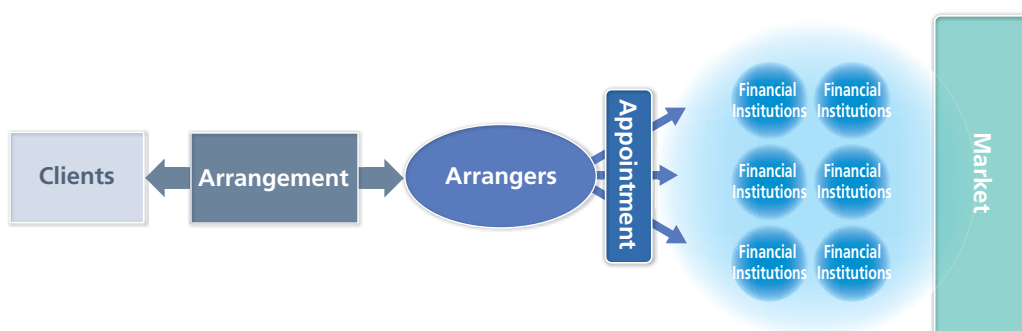
Syndicated Loans

This type of loan involves multiple lead-managing financial institutions (arrangers) that are combined into a syndicate. The agreement with the client is based on a single contractual document, and financing is provided cooperatively according to a single set of terms.

Having a single arranger in the point negotiating position reduces the administrative burden. Conducting settlement operations through an agent reduces the administrative burden. Large amounts can be raised expeditiously. Appointing an arranger allows the number of financial institutions involved

in the transaction to be increased, and clarity of borrowing terms is ensured.

As part of its services, DBJ actively structures loans, centering on term loans. DBJ invites a wide range of financial institutions to participate, making use of its neutral standpoint. Structuring loans to include some items from its own lending menu, such as DBJ financing based on environmental responsibility ratings, helps raise the value-added level of services it provides.

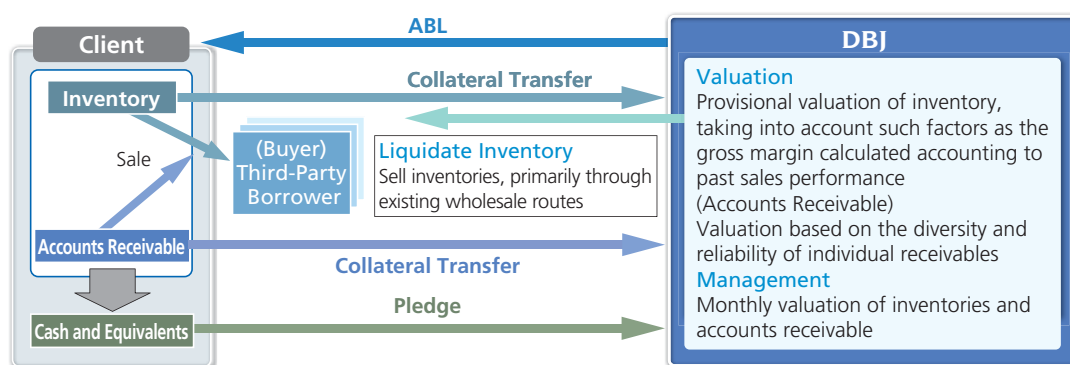


Asset-Based Lending

Asset-based lending (ABL) is a method of financing that uses as collateral a company's liquid assets, such as aggregate movable property, inventory collateral and receivables.

As financing methods become more diverse, expeditious fund-raising, debt restructuring and the sale of surplus inventories also enhance the robustness of internal control systems.

As a frontrunner in corporate revitalization financing, DBJ has gained abundant experience in the area of developing ABL schemes to support companies, while at the same time securing their debt. Going forward, we plan to apply this expertise to develop ABL schemes that provide companies with growth capital.



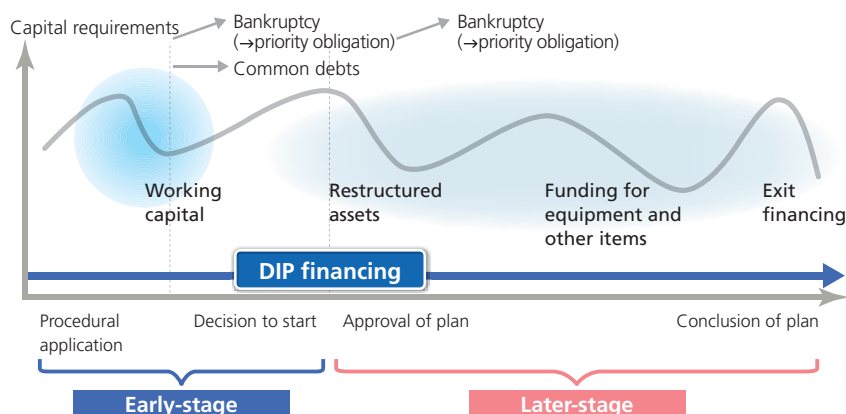
Debtor-in-Possession Financing

Nonperforming loans emerged as a major problem beleaguering the Japanese financial system in the late 1990s. Against this backdrop, DBJ has developed a host of tools to help underperforming companies sustain or develop profitable areas of operation.

One method of which DBJ is a proponent is early debtor-in-possession (DIP) financing. This temporary financing method provides working capital that allows a company in bankruptcy to continue operations during the period between a request for the application the Civil Rehabilitation Law and the approval of rehabilitation plans, thereby sustaining the valuable parts of its operations.

Later-stage DIP financing provides the funding that is needed to implement restructuring plans. By providing medium- to long-term financing to fund capital investment under different conditions than those for revitalization plans that are being implemented, an organization that is under rehabilitation can refinance its debt, providing exit financing more quickly than is possible via the legal liquidation process.

In 2001, DBJ provided the first DIP financing in Japan. Since that time, DBJ has worked to broaden the range of entities eligible for this financing and the methods of employing it in response to varied needs.



Project Financing/Structured Financing

In 1998, DBJ pioneered project financing in Japan. From these beginnings, our accumulated expertise in this area, centering on energy and infrastructure projects, has propelled us to our current position as one of Japan's leaders in project financing.

Applying our accumulated expertise, we act as a financial advisor, providing clients with support and advice. We act as a lead arranger in putting together project financing packages, offer senior and mezzanine loans and participate in projects through equity investment, meeting clients' needs and addressing the various issues they face in a host of ways.

Project Financing

We have a wealth of expertise in helping companies in the energy and infrastructure sectors find project financing that they can repay through operating revenues and working cash flow, without relying on specific corporate creditworthiness or collateral value.

Object Financing

DBJ helps clients raise funds that take advantage of the revenue-generating characteristics of assets with special characteristics, such as ships and airplanes.

Securitization

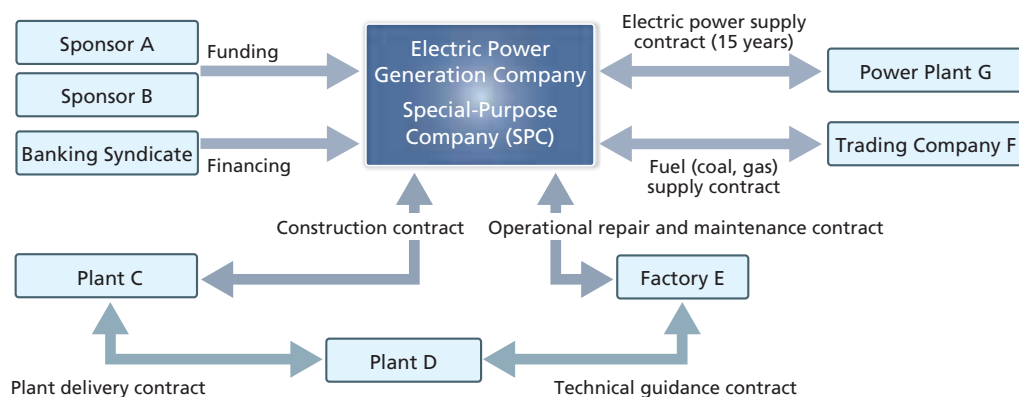
Securitization allows companies to convert their rights to monetary interests into salable form. Securitized monetary claims, which are backed by the revenues and cash flows that are generated by the underlying claims, can be used to generate funding through financial liquiditization. A method known as whole business securitization enables certain businesses to securitize their entire operations, backed by future cash flows. This method can be employed to restructure a client's balance sheet and procure financing under favorable conditions. DBJ uses various methods, including nonrecourse loans, to help clients raise funds.

Private Finance Initiative (PFI)

Since the creation of the Private Finance Initiative (PFI)* in 1999, DBJ has accumulated PFI expertise to the point where it is now an industry leader in PFI. Taking advantage of this store of knowledge, as well as strong relations with public-sector entities, DBJ supports the efforts of clients who are considering PFIs.

* Law concerning Facilitation of the Improvement, Etc. of Public Facilities, Etc. by Private Fund, Etc.

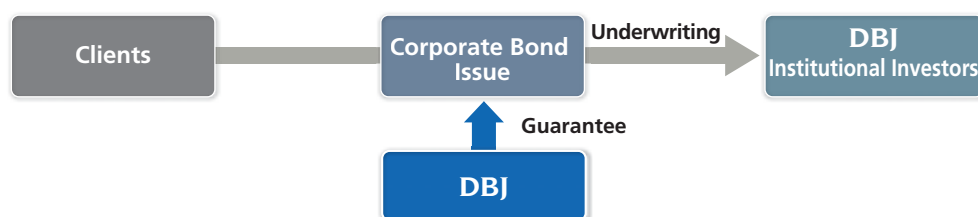
■ Project Financing Example: Electric Power Generation Project



Private Bond Placement

Private bond placements involve selling bonds directly to a small number of qualified investors instead of to a large group of general investors through a public offering involving a securities company.

DBJ provides ways for clients to diversify their funding sources and methods. By underwriting and guaranteeing private bond placements, DBJ helps clients raise funds directly (direct financing) and indirectly in the marketplace.



Asset Financing (Real Estate)

DBJ's involvement in the long-term financing of real estate operations began in the 1960s. We have participated in Japan's real estate securitization market from its early beginnings and

continue striving to invigorate this market. Our track record, expertise and networks in this arena enable us to provide non-recourse loans and a host of other solutions.

Liquidization Financing

Example 1: Sell rental real estate that a client owns to a special-purpose company, raising capital efficiency.

Example 2: After selling owned real estate that a client is using to a special-purpose company, conclude new rental agreements and continue using the property in this manner.

1. Allows diversification of financing methods
 - Enables funds to be raised based on the property's capacity to generate revenue and cash flow
 - Preserves the credit availability of the originator (the original owner of the asset)
2. Moves property off the balance sheet for better financial efficiency
 - Improves ROA
 - Allows planned recognition of unrealized gains or losses
 - Improves financial picture by reducing interest-bearing debt
 - Eliminates risk of variations in real estate values

Development Financing

Example: Use investor financing to develop idle owned real estate into income property.

1. Realizes profits from development
 - Enables funds to be raised for real estate development, which might be difficult for the company to do on its own
 - By securing required additional funding, helps in terms of diversity and the control of the risk of construction delays and cost overruns
2. Controls risk by moving property off the balance sheet
 - Maintains the company's financial soundness
 - Eliminates risk of fluctuations in real estate values

DBJ's Distinguishing Features in Asset Financing

- Has extensive arrangement expertise on numerous projects, as well as a strong performance record in investment and loans
- Retains a network of leading investors and financial institutions in Japan and overseas to help realize projects and arrange financing
- Creates project-tailored solutions to meet clients' needs, such as providing senior, mezzanine and equity financing
- Maintains a neutral standpoint, enabling projects to progress smoothly by appropriately diversifying risk and helping involved parties realize profits

Investment

We provide investment funding to meet specific needs, based on a long-term perspective, to resolve the myriad issues that clients face. For example, DBJ provides investment to help clients expand their operational bases, meet long-term growth strategies and shore up their financial bases. We offer funding support, mezzanine financing and financing that employs equity and other methods.

Equity

In an environment characterized by growing needs for the operational selection and focus of group businesses, the formulation of growth strategies and heightened corporate governance demands, equity has become more important than ever before.

Through equity investment, DBJ helps clients address the issues they face and promotes their long-term development.

After making equity investments, DBJ provides total solutions involving its networks and strengths in information, research, and financing technologies, helping clients maximize their long-term corporate value. DBJ shares the benefits of clients' growth, while at the same time helping them achieve future prosperity.



LBOs/MBOs

An LBO is a method of acquiring a company or business using borrowed money. If the business or company that is being acquired generates fixed cash flows, the acquirer (typically, the sponsor providing equity) can purchase the business or company for relatively little cash. For this reason, the borrowed funds are considered the "lever" that multiplies the return on the purchaser's funds, which are constrained.

Management buyouts (MBOs) involve the acquisition by existing corporate management of a company's shares or operations. As the existing management team typically has a limited amount of cash available, MBOs generally require that funds be raised to acquire an operation. For this reason, an MBO may

take the form of an LBO. In the event that borrowed funds alone are insufficient, the management team may offer equity to a collaborative sponsor, such as a buyout fund or partner.

In recent years, this method has been used more frequently by listed companies that are delisting and to enable the succession of owner-operated companies.

As a financial advisor, DBJ ties together all MBO-related details, arranges investment and mezzanine financing, and works out joint equity financing with sponsors. The ability to handle this range of activities allows DBJ to offer LBO/MBO solutions.

Mezzanine Financing

Mezzanine financing is a method that typically involves a greater degree of investment risk than the senior loans employed by financial institutions.

Mezzanine financing is lower in the repayment hierarchy, so risk is higher than for senior loans. In markets such as the United States, which have a broad range of investors, mezzanine financing plays an important role in diversifying the types of funding that are provided. As mezzanine financing is riskier than senior financing, it bears a correspondingly higher interest premium, making it an economically rational choice of investment funds.

Depending on financing plans and capital policies, flexible mezzanine financing can be introduced and set to have diverse characteristics corresponding to both equity and debt. In recent years, demand for this type of financing has grown in association with business acquisitions, spinoffs of subsidiaries

and business units, business succession, and by listed companies that are delisting.

Mezzanine financing has the benefit of providing funding that may be difficult to obtain through senior loans. Such financing also prevents dilution of the voting rights of existing shareholders. Redemption schedules can be set to be rigid or flexible.

From a long-term perspective, DBJ helps clients resolve problems with their balance sheets through total solutions that range from the arrangement of financing to the provision of funding.

Types of mezzanine financing

- Subordinated loans, subordinate corporate bonds
- Preferred shares, classified shares
- Hybrid securities, hybrid loans, etc.

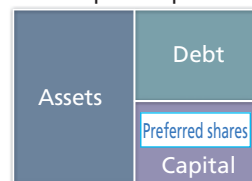
■ Case Study: Mezzanine Financing

Case 1: Resolving an Undercapitalization Issue

Before capital expansion



After capital expansion

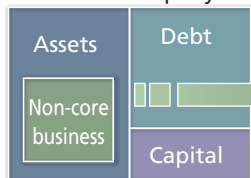


Objective

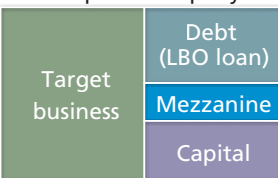
Conventional restructuring methods involve posting extraordinary losses, which is problematic for companies that are undercapitalized. This issue was resolved by raising capital through the issuance of preferred stock.

Case 2: Supplementary Method of Financing a Business Acquisition

Parent company



Recipient company



Acquisition of non-core business (MBO)

Objective

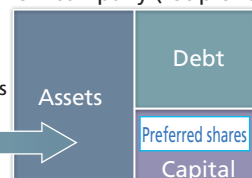
Provide supplementary financing to overcome a shortfall between the purchase price and the amount available through equity funding and loans.

Case 3: Avoiding Dilution of Voting Rights during Business Succession

Former company (current company)



New company (recipient)



Business succession
Note: Successor acquires common stock

Objective

Prevent the dilution of successor's voting rights when financing is provided for business succession

Consulting/Advisory Services

We offer consulting and advisory services and make use of networks with allied financial institutions. Through our consulting and advisory support services, we help clients become more competitive and contribute to the vigor of regional economies.

Our consulting and advisory services are backed by the know-how we have built up through our structured and other types of financing, our M&A advisory services and our provision of expertise on industry research and environmental and technical evaluations. We apply this accumulated expertise to help clients resolve the issues they face.

M&A Advisory Services

Even as corporate development options diversify, M&A activity is growing more prevalent, both for businesses restructuring operationally and for industry restructuring overall. Mergers and acquisitions can be a method for achieving better employment stability and a stronger competitive position. Amid

growing interest in M&A activities in Japan and overseas, DBJ provides advisory services through its own networks. We offer comprehensive M&A solutions that match clients' varied needs and management strategies.

Strategic Consulting

• Comprehensive Business Strategies

We create operating and management strategies that draw on the knowledge we have cultivated through many years of providing investment, loan and project support from a medium- to long-term perspective.

• Information on a Wide Range of Business Partners

DBJ is involved in business entities in a broad range of industries, and its business partners in Japan number more than 3,500. Since 1984, we have provided loans for more than 700 foreign-capitalized companies, enabling us to also provide a wide variety of information on overseas companies as well.

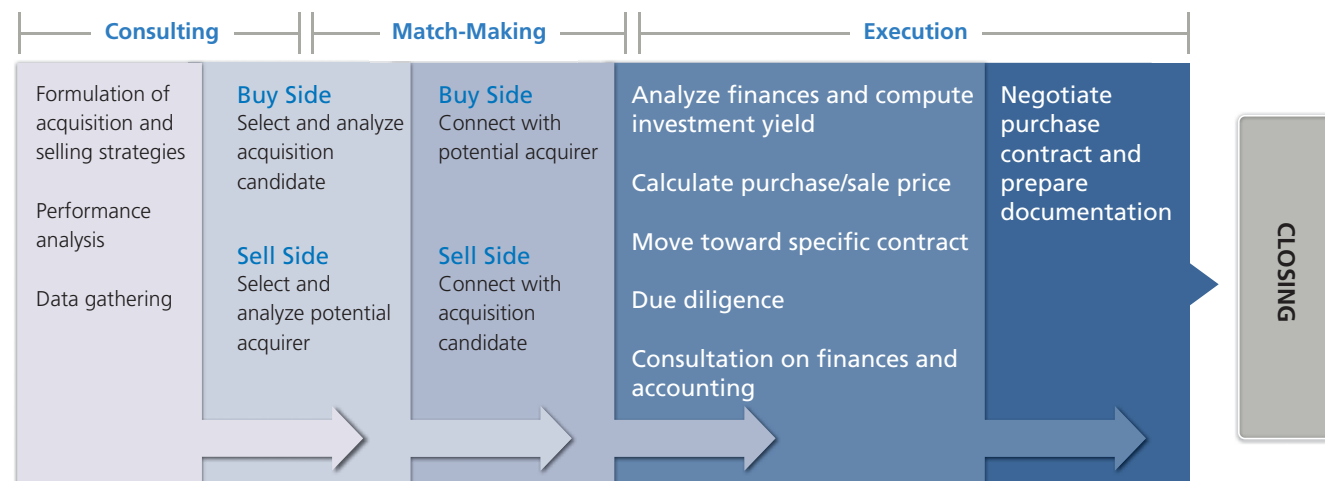
• Cohesive Domestic and Overseas Information Network

DBJ maintains close relationships with regional financial institutions, which have excellent insight into the companies that operate in their regions, as well as with Japanese and overseas financial institutions and accounting and legal firms. Such relationships enable us to build information networks to accumulate accurate information. We have created a banking M&A network that links information on 80 financial institutions (regional banks and trust banks) with information on corporate M&A activities.

• M&A Activities

DBJ provides fundamental advisory services at every stage of a merger or acquisition, from planning through to implementation.

■ M&A Advisory Services

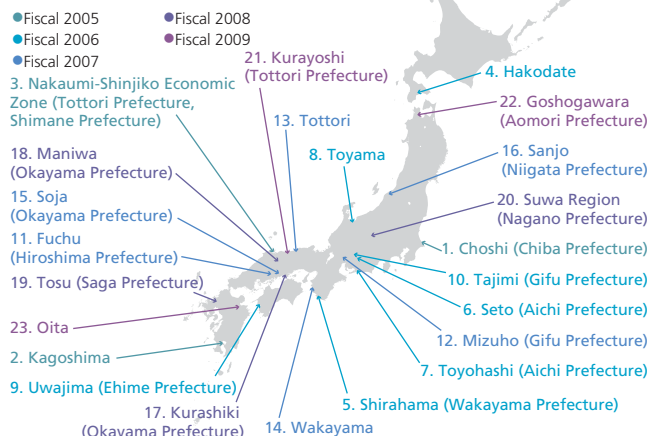


Regional Health Checks

When diagnosing the health of local community-building activities, DBJ begins by analyzing communities based on publicly available data. We augment this trove of information by conducting on-site surveys and local interviews, and then make an independent diagnosis of the region's health. We discuss our findings (issues and possibilities) with the region's constituents, including those that we have uncovered through our interaction with members of their community.

Mutual awareness of regional issues and possibilities provides an opportunity for taking action, such as by formulating a project.

■ Performance to Date



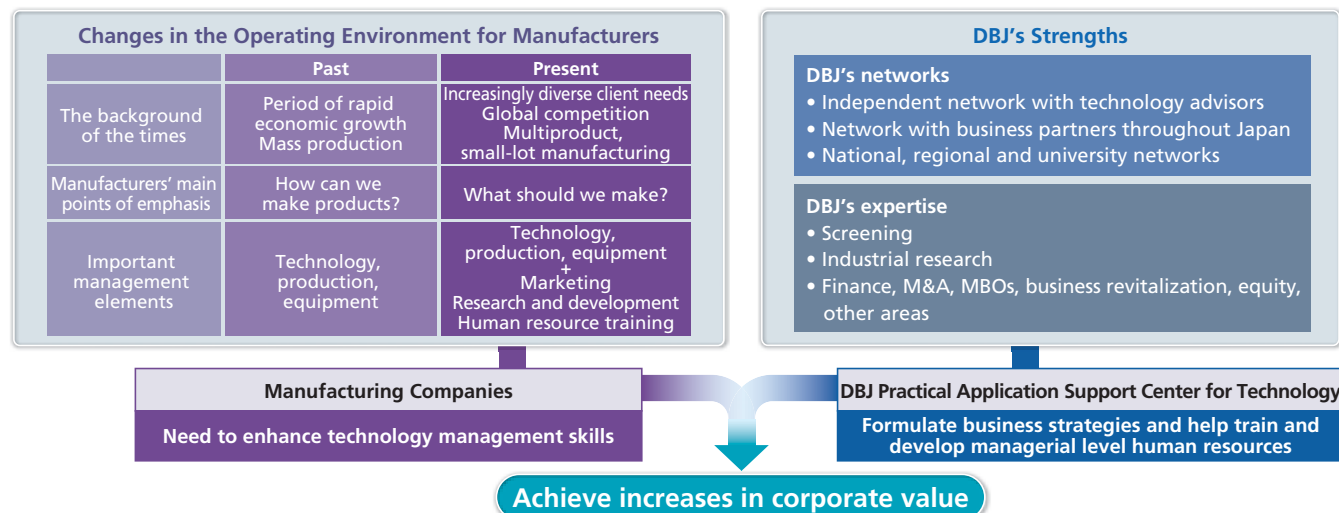
Practical Application Support Center for Technology

DBJ established the Practical Application Support Center for Technology in February 2004 to help medium-sized companies realize their potential for the commercialization of successfully developed technologies. The role of this center is to diagnose whether companies have the management strength (technology management expertise) to turn their technologies into products. We also provide mentoring, business planning and other advice and technology management training, and support medium-sized manufacturing companies in the development of new value. DBJ works with regional financial institutions, local government bodies, universities, economic organizations and industrial support bodies to aggressively promote the expertise offered by the Practical Application Support Center for Technology, helping to raise regional industrial competitiveness.

In addition to evaluating companies' abilities to manage technologies and products, we support the development of appropriate long-term strategies based on objective information obtained via our extensive networks.

We provide additional evaluations based on our expertise in operational screening, and through consultation on financial strategies help clients consider optimal long-term strategies.

From the perspective of providing neutral and specialized business plans, we aim to be a partner that client management can consult on any topic related to manufacturing management. By providing integrated expertise in this way, we help clients raise their corporate value and contribute to the development of the Japanese manufacturing industry.



Investment and Loan Business Practices (CSR through DBJ's Core Business)

DBJ promotes CSR through its core business to solve social problems. Specifically, DBJ draws on its broad client base and knowledge of industry to develop sophisticated financial services in two of its strongest areas: environment and technology, and social infrastructure.

Projects to Serve the Needs of Each Client Base



Case Studies

DBJ Environmental Ratings

Environmental Club Syndicated Loan *Eco-no-Wa*
Financing Employing Environmental Ratings
Kansai CSR Financing

Emissions Credits

Developing a Greenhouse Gas Emissions Credit Transfer Scheme

Sustainable Energy

Financing Wind Power Generation Business with a Private Bond Placement

Promoting the 3Rs (Reduce, Reuse, Recycle)

Mezzanine Financing of Recycled Product Manufacturer
Financing Promotion of the Effective Use of Resources with Interest Subsidies

Corporate and Business Revitalization

Preferred Stock Issue for Regional Corporations Conducting Business Assistance Activities

Transportation Infrastructure

Syndicated Loan for New Rapid Railway Development Project

Urban Development

Hybrid Financing for Urban Redevelopment Project

DBJ Disaster Preparedness Ratings

Financing Employing Disaster Preparedness Ratings

Private Finance Initiatives

Project Financing of PFI Projects

Community Revitalization

Financing Businesses Targeted in Regional Revitalization Plans

Healthcare

Investing in Business Revitalization and Restructuring Funds for Healthcare Providers

Nonrecourse Loan for Private Placement Real Estate Fund

Project Financing for Hospital SPCs

M&A and Business Alliances

M&A Advisory Service for the Acquisition of Overseas Companies

DBJ Environmental Ratings

The environment is a matter of global concern, and corporations are responsible for conducting business in an environmentally responsible manner. Financial institutions are no exception, being tasked with the mission of contributing to a sustainable economy in an environmentally responsible manner.

DBJ Initiatives

Beginning with the antipollution measures implemented in the late 1960s and early 1970s, DBJ has provided more than ¥3 trillion in investments and loans for environmental measures over the past 40 years.

In the year ended March 31, 2006, DBJ began employing environmental ratings in its financing based on knowledge cultivated for over five decades. DBJ developed a screening (rating) system that scores companies on the level of their environmental management and then applies one of three different interest rates reflecting that effort. This was the world's first incorporation of environmental ratings in financing menus. In the year ended March 31, 2009, we launched an interest rate subsidy system¹ based on environmental ratings to advance global warming countermeasures. In recognition of these efforts, DBJ received an Outstanding Development Project Award² in the Environmental Development category from the Manila-based Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) at its annual meeting in April 2009.

The graph below shows the amount of financing employing DBJ Environmental Ratings for the



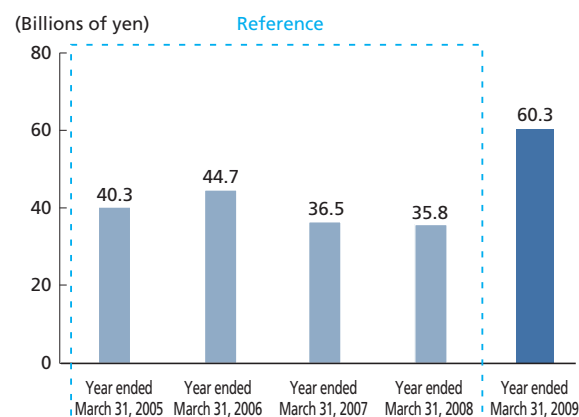
ADFIAP Awards Ceremony

past five years. Compared to the previous year, financing in the year ended March 31, 2009, increased 70% and was ¥200 billion more than the amount in the year ended March 31, 2006.

In the year ended March 31, 2009, DBJ furnished syndicated loans to Sumitomo Metal Industries, Ltd., Nankai Electric Railway Co., Ltd., Kirin Holdings Company, Limited, and Sekisui Chemical Co., Ltd. The number of collaborative financing projects with other banking institutions, including syndicated loans, grew significantly in the Kansai region, more than doubling from four projects in the previous fiscal year to a total of nine projects in the year under review, with the amount of collaborative banking institution financing increasing sixfold to approximately ¥37 billion.

In October 2008, banking institutions also selected the Financing for Tokyo Small and Medium Enterprises that Support Environmental Initiatives system. This system aims to accelerate environmental initiatives by providing low-interest financing to small and medium-sized enterprises with business offices in Tokyo. DBJ employed its proprietary screening system for small and medium-sized enterprises to determine the environmental rating of companies including Bespack Inc. and Trillion Co., Ltd.

■ Financing Employing DBJ Environmental Ratings



Notes:

- Figures for years ended March 31, 2005 to 2008, are for DBJ's predecessor.
- Figures for the year ended March 31, 2009, include those for DBJ's predecessor (from April 1, to September 30, 2008).

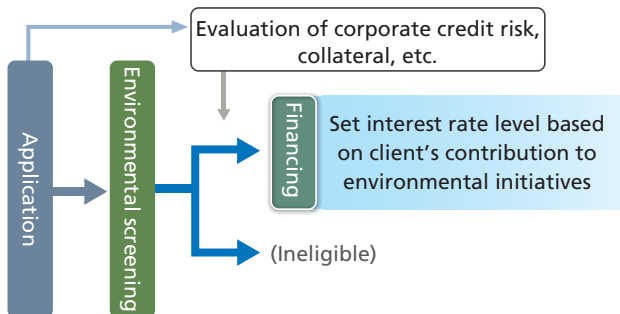
^{*1} Under the Ministry of Environment's interest rate subsidy system, companies that acquire a DBJ environmental rating and pledge to reduce per unit CO₂ emission volumes by more than 5% within five years receive a 1% reduction on loan interest rates in an effort to provide capital as a means of addressing global warming issues.

^{*2} Awarded to Asian-Pacific development finance organizations that have attained excellence in the objectives of offering highly superior and enlightened deals and sharing financing techniques and technology in the Asia-Pacific region.



DBJ environmental logo

■ Outline of Financing Employing DBJ Environmental Ratings



Features

- Varying interest rate levels based on environmental rating
- Screening sheet contains approximately 120 questions derived from the United Nations Environment Programme Finance Initiative (UNEP FI) evaluation of fair and neutral global environmental trends and an exchange of information with the Ministry of the Environment
- Ratings determined through interview with client
- Corresponds to a wide range of clients from manufacturers to such nonmanufacturers as retailers, railway operators and leasing companies

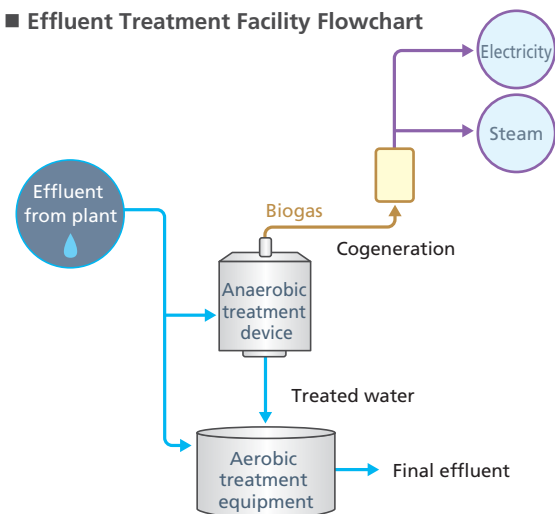
Investment and Loan Case Study: Kirin Holdings Company, Limited, Environmental Club Syndicated Loan *Eco-no-Wa*

Kirin Holdings Company, Limited (head office: Chuo-ku, Tokyo) is the holding company for the Kirin Group, the largest domestic maker of alcoholic beverages centered on Kirin Beer. In addition to significantly reducing CO₂ emissions through measures such as the installation of photovoltaic devices, the treatment of anaerobic effluent using biogas and boiler fuel conversion, the Kirin Group completely recycles byproducts and waste at its beer breweries and is engaged in the practice of high-level global warming prevention and recycling measures.

DBJ gave Kirin Holdings its highest rating, with special acknowledgement as a model corporation, furnishing them with an *Eco-no-Wa** environmental club syndicated loan for ¥20 billion with the participation of 11 regional financial institutions. *Eco-no-Wa* is a syndicated loan furnished by financial institutions with a high environmental awareness whose funds are used solely for the purpose of environmental investments and expenses. Financing was provided primarily by regional financial institutions whose operating bases are the areas where Kirin Group plants are located to promote eco-friendly activities in regional areas.

* *Eco-no-Wa* is an environmental club-type syndicated loan whose name is currently under application for trademark registration. The name is derived from the English word “ecology” and the Japanese word “wa,” which connotes harmony, cycles and rings.

■ Effluent Treatment Facility Flowchart



Photovoltaic generation panels at Kirin Beer Park Fukuoka

Investment and Loan Case Study: Saraya Co., Ltd., Financing Employing Environmental Ratings

Osaka-based Saraya created *Yashinomi*, a natural, 99% biodegradable dish soap in 1971 and is aggressively engaged in the development and sales of products that improve sanitation, the environment and health. Saraya's strength is its cooperation with environmental groups and other stakeholders to proactively procure raw materials that contribute to biodiversity, including the sustainable procurement of palm oil, the main ingredient in soaps and detergents.

Saraya established the Borneo Conservation Trust, and for the past few years the company has donated some of the proceeds from the products it sells to support conservation in Borneo. Deepening its commitment to the environment, in May 2008 Saraya signed the Business and Biodiversity Leadership Initiative endorsed by the U.N. Biodiversity Treaty.

In recognition of these efforts, DBJ gave Saraya its highest rating, and provided financing that reflected this environmental rating.



Yashinomi dish soap

Topics: Kansai CSR Financing

In 2007, DBJ's Kansai Branch created CSR Financing, a unique regional financing system to support the environmental contribution, disaster prevention and welfare initiatives conducted by companies with headquarters located in Osaka. This system evaluates the CSR initiatives of companies with headquarters in Osaka in terms of social contribution activities, compliance efforts, transparency, safety, quality

and consideration for employees, and provides a preferential low fixed interest rate to companies recognized as leaders of these initiatives.

Companies engaged in these initiatives are evaluated not only on their activities, but from the perspective of the potential tangible and intangible impacts of those initiatives on the creation and development of regional communities.

Investment and Loan Case Study: Mitsubishi Belting Ltd., Kansai CSR Financing

Established in 1919, Mitsubishi Belting (Kobe, Hyogo Prefecture) makes power transmission belts used primarily in automobiles and office automation equipment. In addition to initiatives reducing environmental burdens, Mitsubishi Belting is proactively involved in regional contribution activities and highly regarded for its efforts as applied to Kansai CSR Financing.

- (1) Mitsubishi employees have created over 80 ponds since 1996 at Kobe schools and public facilities to heal children who were victims of the Great Hanshin-Awaji Earthquake in accordance with its corporate philosophy of giving attentive consideration to both humanity and nature.
- (2) Mitsubishi employees volunteered their time and efforts via a volunteer holiday system the company established to encourage employees to get involved and create the ponds.

- (3) Disaster prevention practices were conducted by Mitsubishi employees in collaboration with local residents, and extension of the actual firefighting activities Mitsubishi employees engaged in after the Great Hanshin-Awaji Earthquake to stop the spread of fire in the city.



Environmentally friendly rubber timing belts that are halogen substance-free



Supporting the creation of ponds at schools and public facilities

Emissions Credits

Some predict that climate change caused by global warming will significantly impact the environment in such areas as ecology, agriculture, human health and social order. International initiatives are thus underway to devise international frameworks to reduce greenhouse gases. The Kyoto Protocol, adopted in December 1997, set a target for Japan to reduce its greenhouse gases by an average of 6% compared with 1990 levels by 2012. Japan's greenhouse gas emissions in the year ended March 31, 2008, however, actually exceeded the 1990 baseline by some 9.0%. Excluding the effects of the Japanese government's purchase of emissions credits and the measures to offset emissions through afforestation, Japan must reduce greenhouse gas emissions by an annual average of approximately 2.3%.

Industry accounts for one-third of Japan's total carbon dioxide emissions. Tireless efforts during the year managed to move this level down around 9.6% against the baseline for the year ended March 31, 2007. However, as Japanese industry is already among the world's most energy-efficient, there is little room to reduce emissions further.

The Kyoto Mechanisms, as Defined by the Kyoto Protocol

The Kyoto mechanisms—the clean development mechanism (CDM) and joint implementation (JI)—are supplementary means by which countries can meet their targets under the Kyoto Protocol. The core CDM/JI mechanisms allow developed nations to use technology support or loans to reduce greenhouse gas emissions and count the amount of such reductions as credits toward meeting their reduction goals. Given the circumstances mentioned above, the Kyoto mechanisms are increasingly seen as highly cost-effective means for

developed countries to meet their goals, while contributing to sustained growth by developing countries. For all of its advantages in meeting greenhouse gas emissions, the CDM/JI business is still new, and all of the uncertainties about the potential risks of doing business in the developing world (e.g., sovereign risk and construction risk) are likely to apply. Hence, individual corporations are still uneasy about engaging in such operations on their own.

DBJ Initiatives

With reductions in greenhouse gas emissions a matter of paramount concern for Japanese corporations, DBJ has put forth two possible structures for obtaining large quantities of adequate and reliable emissions credits: the Japan Greenhouse

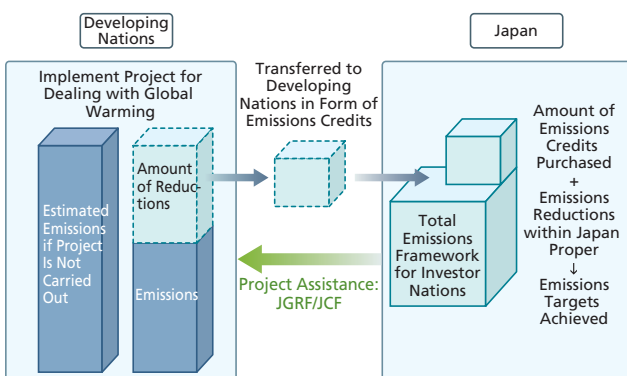
Gas Reduction Fund (JGRF) and Japan Carbon Finance, Ltd. (JCF). The fund framework identifies the most efficient projects and distributes risk by investing in dozens of projects at a time.

Investment and Loan Case Study: JGRF and JCF Develop Greenhouse Gas Emissions Credit Transfer Scheme

In the more than four years since their inauguration in late 2004 as a collaboration between the public and private sectors, JGRF and JCF have leveraged to the fullest DBJ's knowledge and experience of fund operations, as well as its knowledge and experience of private-sector businesses in reducing greenhouse gases. To date, these organizations have assembled an

extensive portfolio in China, India and elsewhere in Asia, Latin America and Africa, where they continue to regularly purchase emissions credits, manage projects and conduct monitoring. In August 2007, JGRF acquired its first emissions credits on the order of 100,000 tons through the Antonio Moran wind power generation project in Argentina.

■ Emissions Credit Transfer Scheme



Antonio Moran Wind Power Plant Project in Argentina



Hydro Power Project Kanfeng in China

Sustainable Energy

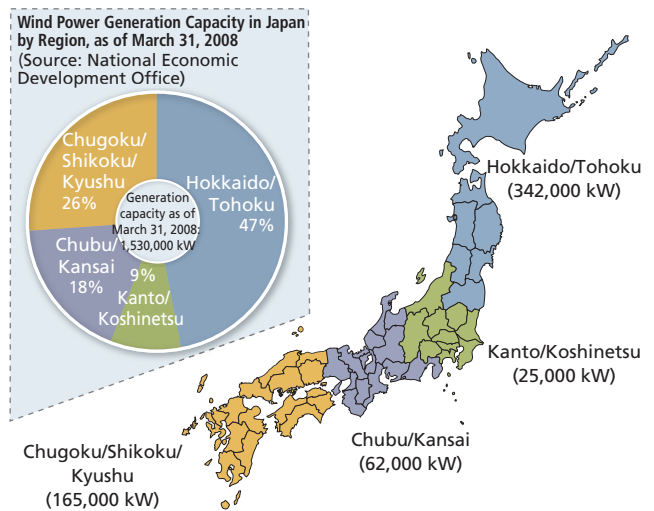
International interest in wind power as a sustainable alternative to carbon-based generation is mounting amid ongoing concerns about global warming. However, Japan has lagged Europe and the United States in aggressively developing wind power generation, ranking only 13th in the world in terms of domestic generation capacity (1,530,000 kW as of December 31, 2007). A steady stream of funding is needed to accelerate wind power generation initiatives, help developers accumulate technical expertise and meet the needs of projects of different scales and at varying stages of development.

DBJ Initiatives

In 1999, DBJ became the first entity in Japan to create a project financing scheme for extending funds for a wind power generation plant. Active in financing wind power generation facilities since that time, we now provide financing for some 38.6% (as of March 31, 2008) of Japan's wind power generation, in terms of generation output.

The pie chart to the right indicates Japan's total wind power generation capacity. The figure above the map of Japan shows how many wind power generation facilities are financed by DBJ.

Loans Provided by DBJ for Wind-Power Generation Plants (Projects Completed as of March 31, 2008)



Investment and Loan Case Study: Japan Wind Development Generation Facility Financed with a Private Bond Placement

Japan Wind Development, with its headquarters in Minato-ku, Tokyo, is an active developer of wind power generation facilities, primarily in Japan. Drawing on this expertise, the company constructed a wind power generation plant using a system of sodium-sulfur (NaS) storage batteries to store electricity—the world's first such system. In addition to being a safe way to store electricity, this system allows wind power generation

plants to be situated in locations off the electricity grid, such as remote islands and other outlying areas. These advantages increase the autonomy of such regions, as well as help to ensure stable sources of renewable energy. DBJ conducted a private bond placement to provide long-term, stable funding for this project.



Battery storage system for wind power generation plant



Wind farm

Promoting the 3Rs (Reduce, Reuse, Recycle)

Since the oil shocks of the 1970s, Japanese corporations have promoted the development of energy-saving products. At present, Japan leads the world in energy-saving technology, but there is still much to be done. The promotion of the 3Rs (Reduce, Reuse, Recycle) is necessary to further the formation of a sustainable resource-saving society.

DBJ Initiatives

Dating back to the time of our predecessor, beginning with waste treatment and recycling facilities using new technologies, DBJ has supported projects aimed at increasing the resource efficiency of product manufacturing and usage and the improvement of facilities linked to the suppression of waste

creation (reduce), the improvement of facilities necessary to perform processes appropriate for the collection and reuse of used products (reuse) and the improvement of facilities necessary to collect used products to reuse as raw materials (recycle) through medium- and long-term financing.

Investment and Loan Case Study: Mezzanine Financing of Recycled Product Manufacturer Eco Research Institute Ltd.

Eco Research Institute Ltd. (Head office: Shibuya-ku, Tokyo) utilizes proprietary technology to recycle industrial waste paper to create paper powder pellets as plastic alternatives, buffering materials for product packaging, heat-insulating materials and foam food trays as well as products for daily use including combs and chopsticks.

One of ERI's main products is MAPKA. MAPKA is a plastic alternative created from the combination of resin and paper powder made from recycled paper with the same properties as plastic, a highly generic and eco-friendly alternative to existing plastic and paper products.

While demonstrating a potential for high growth, ERI had

equity financing needs, requiring comparatively large-scale financing with a margin of surplus capital in the start-up phase.

In response to the additional capital investment required to increase MAPKA production capacity, DBJ provided mezzanine financing via preferred stock issuance to enable ERI to increase the stability of its financial structure and strengthen its fund procurement capability.



Products made from MAPKA

Investment and Loan Case Study: Kashima Senko Co., Ltd., Financing Promotion of the Effective Use of Resources with Interest Subsidies

Kashima Senko, headquartered in Kashima, Ibaraki Prefecture, and a wholly owned subsidiary of Konoike Transport, located in the Kashima Steel Works of Sumitomo Metal Industries, Ltd., recycles steel dust as well as the waste of steel- and zinc-smelting processes. At its sole plant, Metal Circle Kashima, where high-quality iron and zinc ore products with no impurities are manufactured, Kashima Senko has established a perfect recycling system through strict materials selection and expertise cultivated over its long history—that is, it completely eliminates secondary waste, thus mitigating the company's environmental burden.

DBJ provided ¥2.4 billion in financing to Kashima Senko's investment in increasing plant capabilities. This was the first project by a steel dust recycler to be authorized under the

Ministry of Economy, Trade and Industry 2008 initiative Financing Promotion of the Effective Use of Resources with Interest Subsidies.*



Recycling plant

*Financing Promotion of the Effective Use of Resources with Interest Subsidies aims to contribute to the health and development of the Japanese economy by promoting the rationalization and appropriate use of resources and energy by providing interest subsidies on the financing provided by financial institutions for capital expenditure promoting the effective use of resources.

Corporate and Business Revitalization

Following the emergence of nonperforming loans as a major problem in Japan in the late 1990s, many efforts have been made to revitalize corporations and business. In recent years, the disarray in the international financial order and economic globalization has accelerated the rate of change in the corporate operating environment. Smooth rehabilitation is an important issue for the distressed companies themselves, the entities supporting their revitalization and financial institutions.

DBJ Initiatives

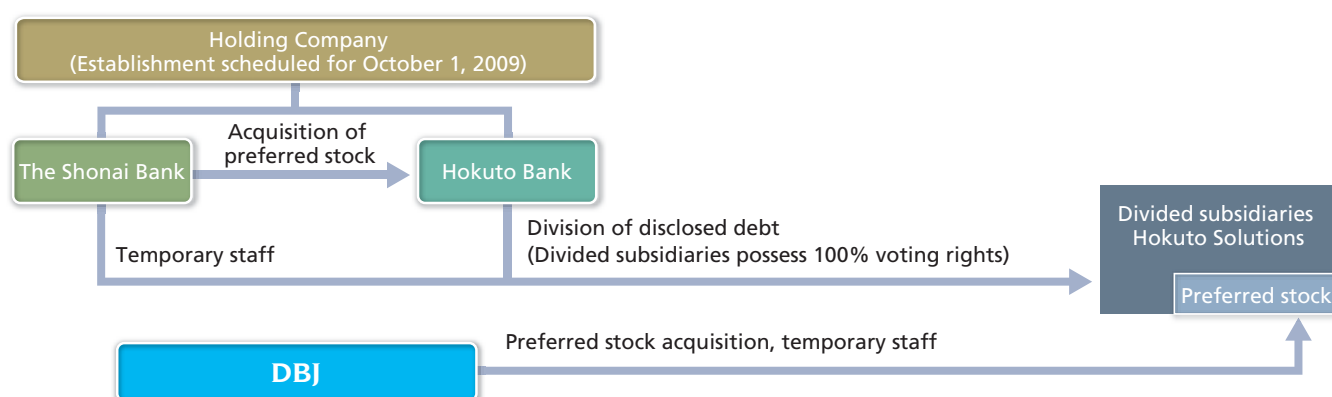
DBJ believes it is necessary to construct a mechanism to support the preservation and development of distressed corporations that possess business value, and is a pioneer in the support of corporate and business revitalization employing a diverse range of tools. These methods primarily include early debtor-in-possession financing, which involves the allocation of funds for formulating revitalization plans to corporations

that have applied for legal arrangements, business revitalization funds that support capital reconstruction through stock acquisitions of distressed corporations, the allocation of capital through exit financing, the refinancing of existing debt, the provision of medium- to long-term funding and M&A support to enable the normal corporate activities of reconstructed firms.

Investment and Loan Case Study: Hokuto Solutions Preferred Stock Issue for Regional Corporations Conducting Business Assistance Activities

Hokuto Solutions, a wholly owned subsidiary of Hokuto Bank, both headquartered in Akita Prefecture, was established in an attempt to improve its parent's financial health by reducing disclosed debt and providing management support to trading partners. DBJ commenced a business alliance with Hokuto Bank and The Shonai Bank, Ltd., which has headquarters in Tsuruoka, Yamagata Prefecture.

Hokuto Solutions inherited ¥16.2 billion in disclosed debt from Hokuto Bank and is engaged in debt management and the support of business revitalization activities for Hokuto Bank. The business alliance combines the expertise of DBJ, Hokuto Bank and The Shonai Bank in an attempt to achieve the business aims of Hokuto Solutions. DBJ provides temporary staff to Hokuto Solutions and invested approximately ¥1 billion in the form of nonvoting preferred stock.



Transportation Infrastructure

Transportation infrastructure supports economic activity and is the foundation of a rich and abundant lifestyle. The promotion of investment is necessary for the maintenance and renovation of the transportation infrastructure in accordance with aging and requirements of increased transport capacity and efficiency, as well as in response to an aging population and environmental issues. As the amount of investment needed grows larger and investment horizons grow longer, projects requiring a longer period of time to realize a return on investment have increased, and as a result, the procurement of long-term funding has become an increasingly important issue.

DBJ Initiatives

Since the days of post-war reconstruction, DBJ has been engaged in the development of the Japanese economy and industry and the construction of a social infrastructure contributing to the improved quality of people's lifestyles. As a result, DBJ has been able to use this expertise to support the activities of its clients through the construction and improvement of the transportation infrastructure.

Specifically, we are engaged a wide range of activities including the stable provision of long-term financing, project financing repaid solely by cash flows generated by the project, projects formulated with a long-term perspective and the support of business alliances between multiple companies making use of our neutral position.

Investment and Loan Case Study: Narita Rapid Railway Access Co., Ltd., Syndicated Loan for New Rapid Railway Development Project

Narita Rapid Railway Access Co., Ltd., of Funabashi, Chiba Prefecture, is a class-three railway operator established in April 2002 to create a new high-speed access route connecting central Tokyo and Narita Airport by extending the Hokuso and Chiba New Town Lines to Narita Airport (scheduled for completion in 2010).

Construction of the Narita New Rapid Railway was approved as a national urban renewal project by the Cabinet Secretariat Urban Renewal Headquarters. This project will reduce the time required to travel from Narita Airport to central Tokyo from 51 minutes to 36 minutes, increasing convenience and bringing Narita Airport access to a level on par with other major airports around the world. In addition to increasing transport capacity, this project will have the added effect of supporting the increase in international airport facilities demand expected from the government-sponsored Visit Japan Campaign*,

anticipated to greatly increase the number of overseas visitors to Japan.

In conjunction with Mizuho Corporate Bank, DBJ provided Narita Rapid Railway Access with a syndicated loan. Both banks provided Narita International Airport Corporation, the parent company of Narita Rapid Railway Access, with partial means to complement creditworthiness while constructing a creative financing scheme that ensures profitability through the establishment of rational covenants, providing both companies with the financing necessary to proceed towards completion of the project.

*A collaborative campaign involving the development and introduction of attractive travel products to Japan that communicate the attractive qualities of sightseeing in Japan overseas with the objective of attracting 10 million foreign visitors to Japan by 2010.



Narita Rapid Railway exterior construction at the Matsumushi River Bridge



Narita Rapid Railway construction at the Yoshitakahigashi Bridge

Urban Development

Efforts to develop and upgrade urban infrastructure and functions in response to the information age, a decreasing birth rate and an aging population, and the creation of urban culture and a comfortable environment for the lifestyles of working people through urban development are the driving forces behind the revitalization of economies and communities at the regional and national levels.

In recent years, there has been an increasing demand for urban development and renewal that takes environmental conservation and disaster prevention into consideration in an attempt to realize a sustainable society.

DBJ Initiatives

DBJ is actively involved in urban development through the establishment of an urban renewal fund that provides mezzanine financing for urban development projects in collaboration with multiple financial institutions.

DBJ will continue to support urban development by providing financing to developers employing various financing schemes including securitization and other methods.

Investment and Loan Case Study: Tobu Railway Co., Ltd., Hybrid Financing of Urban Redevelopment Project

To maintain a robust capital structure, in October 2008, Tobu Railway, with its headquarters in Sumida-ku, Tokyo, abstained from direct participation in a massive commercial development project focused on the Narihirabashi and Oshiage areas. Project highlights include construction of the Tokyo Sky Tree, a broadcasting tower for terrestrial digital television content.

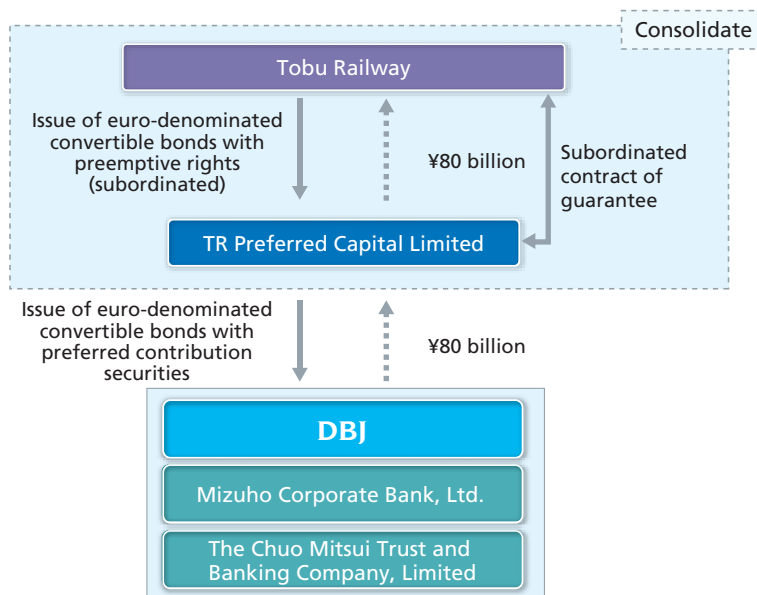
Tobu Railway's wholly owned special purpose company, TR Preferred Capital Limited (TR), issued ¥80 billion in euro-denominated convertible bonds with preemptive rights (subordinated), procuring funds through euro-denominated convertible bonds with preferred contribution securities.

Preferred contribution securities are hybrid securities comprising capital and debt. These securities possess special debt provision measures, and are recognized by major rating agencies

Rating and Investment Information, Inc., and Japan Credit Rating Agency, Ltd., as being 70% or more capital. Issuing such securities is a fund-raising method that substantially improves the financial distribution ratio while increasing financial stability.

Assuming that this large-scale project would affect Tobu Railway's financial structure, DBJ suggested mezzanine financing and undertook TR's issuance of the preferred contribution securities (hybrid securities) in conjunction with Mizuho Corporate Bank, Ltd., and The Chuo Mitsui Trust and Banking Corporation, Limited. This fund procurement through the issue of securities contributed to the strengthening of Tobu Railway's financial structure while effortlessly procuring funds necessary for the creation of social infrastructure.

■ Overview of Fund Procurement Scheme



Conceptual illustration of completed Tokyo Sky Tree

DBJ Disaster Preparedness Ratings

Such recent disasters as the Great Hanshin-Awaji Earthquake, the Chuetsu Offshore Earthquake and the Iwate-Miyagi Inland Earthquake caused tremendous damage to the economy, with many organizations forced to suspend operations for extended periods. In addition to plans for protecting personnel and property, companies face the need to draft business continuity plans (BCPs) to hedge themselves against lost revenue and protect their clients in the event of disaster. Protecting their operations from disaster and reinforcing their operations with continuity in mind have increasingly become important issues for companies.

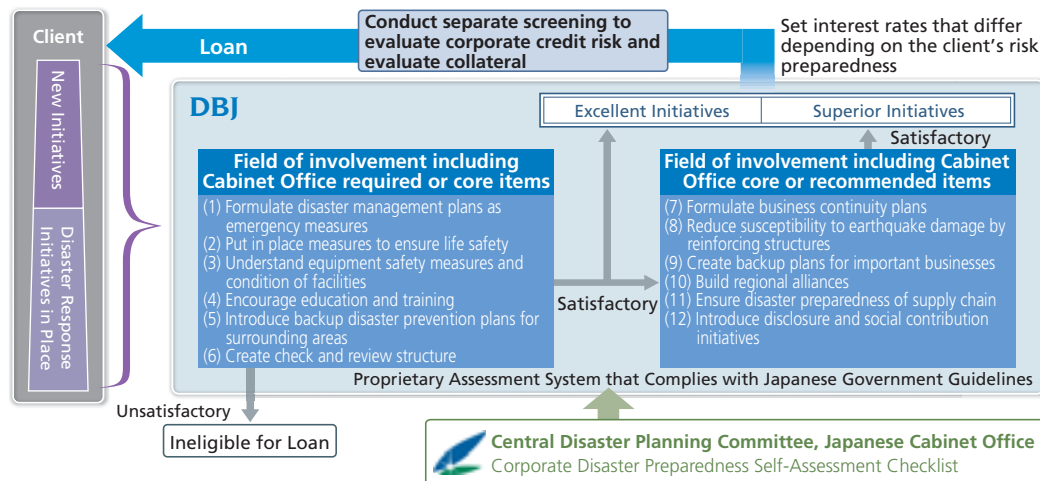
DBJ Initiatives

In addition to helping businesses create countermeasures to hedge against disaster and provide contingency financing to help recover their operations in the event that they are affected by disaster, DBJ assists companies from a continuing business standpoint. We help with a full range of disaster preparedness, from the formulation of business continuity plans to the earthquake-proofing of facilities and preparation of IT backup systems. At the same time, DBJ provides new financing methods to assist the recovery of disaster-struck businesses.

In the year ended March 31, 2007, DBJ inaugurated a

financing method employing a comprehensive method of rating disaster preparedness. The DBJ Disaster Preparedness Ratings is a unique evaluation system based on the Corporate Initiatives for Disaster Preparedness Self-Evaluation Inventory created by the Central Disaster Prevention Committee (Cabinet Office, Government of Japan) that evaluates and selects companies engaged in high-level initiatives and provides them with low interest rate financing as a reward for their excellent disaster preparedness measures, introducing the world's first disaster preparedness-based financing method.

■ Overview of DBJ Disaster Preparedness Ratings



Investment and Loan Case Study: Wellthy Corporation Financing Employing Disaster Preparedness Ratings

Wellthy, which has its headquarters in Chiyoda-ku, Tokyo, is engaged in the development and sales of drinkable groundwater used at a wide range of facilities including hospitals, supermarkets, department stores, hotels, train stations, food processing plants and schools.

DBJ gave Wellthy its highest disaster preparedness ratings and provided financing that reflected this achievement. This financing provided capital to Wellthy's groundwater purification plant, which has the collateral function of providing drinking water, is expected to enhance the disaster preparedness structure by ensuring the stable supply of water in times of emergency.

Through financing and business introductions, DBJ is encouraging the proliferation of groundwater purification plants.



Diffusion example: A hospital in Kanagawa Prefecture

Private Finance Initiatives

Private finance initiatives (PFIs) draw on private-sector capital and managerial competence, as well as technology, to build, operate and maintain social infrastructure that has traditionally been the province of municipal and regional public-sector administrative bodies. PFIs were first introduced in the United Kingdom, and the Act on Promotion of Private Finance Initiative was enacted in Japan in 1999. Their use has grown since then. Advantages include reduced operating costs on the part of local governments, while taking advantage of private-sector knowledge to receive high-quality public services, and business opportunities created for private-sector enterprises. Problems confronting PFIs include such practical operating concerns as distributing responsibility and accountability across multiple vendors. Numerous financing problems arise as well, and the ability to negotiate with, and manage, the various participants is also important.

DBJ Initiatives

Using its expertise in structured financing with financial institutions and its wide public/private network, DBJ has introduced PFIs in Japan since before the establishment of the PFI Law to

support a wide range of project types, from water supply and residential housing businesses to school and lodging facilities.

Investment and Loan Case Study: Project Financing of Shinjo PFI

Shinjo PFI, based in Toyama Prefecture, is a special-purpose company established by project bid-winner Hokutate Group Co., Ltd., headquartered in Toyama Prefecture, to conduct the design, construction, maintenance and management of a community center and the establishment of a detached facility at Shinjo Elementary School in Toyama City.

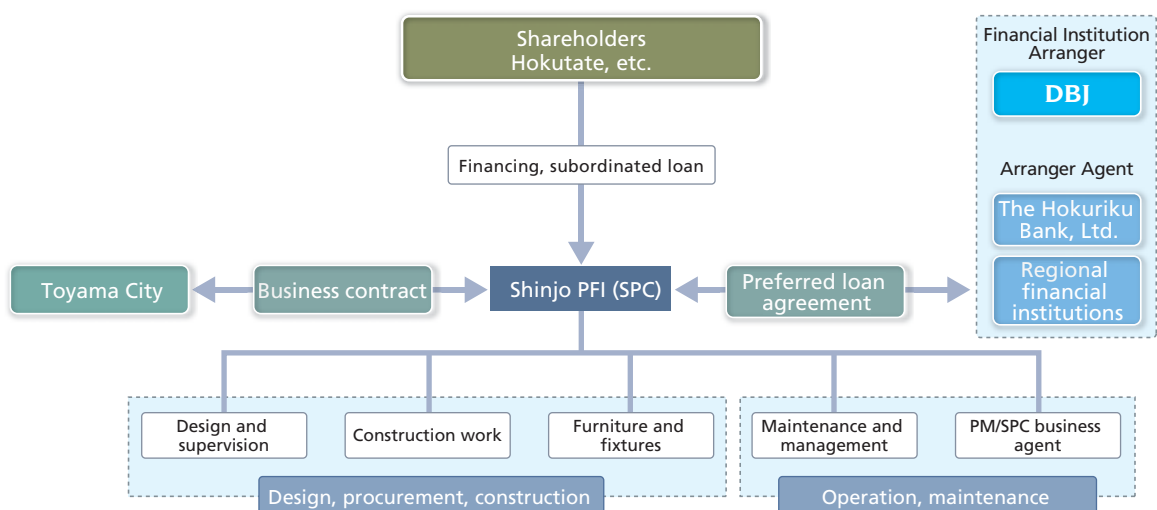
Playing an important role in the regional community, every resource involved in the construction, maintenance and management of the elementary school and community center facilities, from the developers to the financial institutions that provided the financing, was drawn from the local community, the realization of what can be called a locally completed PFI project.

Acting as the arranger, DBJ and The Hokuriku Bank, Ltd., provided Shinjo PFI with ¥1.85 billion in project financing, which included financing provided by other financial institutions based in Toyama Prefecture.



Conceptual illustration of the completed elementary school and community center facilities

■ Shinjo PFI Business Scheme



Community Revitalization

Revitalization of the country as a whole begins with balanced regional development and building upon the qualities that make each region unique. Circumstances differ by region, however, starting with declining birth rates and increasing growth of elderly populations, as well as economic differences. Hence, a uniform plan for economic recovery has only limited applicability.

For this reason, the Regional Reconstruction Center was established within the Japanese Cabinet in October 2003 to revitalize local regions. (In October 2007, the center became part of the Regional Revitalization Bureau.) The government's purpose in founding the center was to revitalize the country's local regions by authorizing and assisting in the regional reconstruction plans that various regional administrative bodies devise.

DBJ Initiatives

Dating back to the time of its predecessor, DBJ has provided medium- to long-term funding in support of regional revitalization, one of our key investment and loan areas, based on local revitalization projects.

Even after privatizing, DBJ will continue to support projects that contribute to regional revitalization by making use of interest subsidies in support of regional revitalization* created through the partial revision of the Local Revitalization Act in May 2008.

*This is a support measure independently created by regional public organizations based on regional revitalization plans authorized by the Japanese government. When the implementers of regional revitalization projects fund their projects with money necessary for the project that is borrowed from financial institutions, the Japanese government grants the selected financial institution interest subsidies within the limit of the established budget. This low-interest fund procurement is expected to facilitate the smooth implementation of regional revitalization projects.

Investment and Loan Case Study: Nitto Medic Co., Ltd., Financing Businesses Targeted in Regional Revitalization Plans

DBJ provided financing to Nitto Medic, headquartered in Toyama Prefecture, for the construction of a Third Preparation Building used to produce eye medicine. This was the first project in Japan that took advantage of interest subsidies in support of regional revitalization.

Since its establishment in 1994, Nitto Medic has devoted itself to eye medicine more than any other pharmaceutical company, with the construction of the Third Preparation Building as an attempt to respond to increased demand as well as to strengthen production capacity.

In addition, by completely separating their production areas for steroids from those for generic preparations, Nitto Medic improved its production practices to conform to both Japanese GMP and U.S. FDA standards, enhancing its technological competitiveness.

This funding strengthened the operational foundation of manufacturers involved in the production of medical supplies as defined by the Toyama Prefecture's regional revitalization plan, "Genki Toyama Manufacturing Industry Activation Plan," and is expected to increase employment in the region.



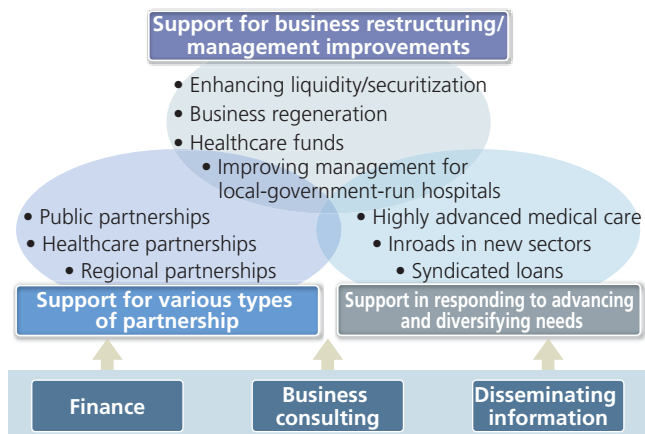
Nitto Medic's Third Preparation Building

Healthcare

Society faces a wide range of issues on the healthcare front, including an increasingly elderly population, advances in medical procedures, mergers and acquisitions by medical corporations, and a need to rebuild aging facilities. Offering uninterrupted medical services involves solving fiscal and administrative problems and improving the skills of medical and other personnel and the quality of related facilities and medical equipment.

DBJ Initiatives

DBJ is engaged in the mission of maintaining and improving the quality (including access, cost and technological standards) of each area of healthcare in Japan through financial and project consulting and the dissemination of information.



DBJ is aggressively engaged in healthcare industry consulting in conjunction with DBJ Group think tank Japan Economic Research Institute Inc. (JERI). In the treatment and hospital areas, JERI is involved in hospital PFI-related advisory and

consulting in support of management plan formulation for public hospitals, and in April 2008 we established a medical welfare department to enhance our involvement in this area. Consulting activities in this department include the formulation of a hospital reform plan based on the analysis of public hospital management and the formulation of a hospital basic plan for planning activities, as well as a management consulting business for the improved management and creation of business plans for private hospitals. JERI also conducts investigations and research into a variety of medical treatment issues.



Hospital Industry Conditions Handbook 2009

Published by DBJ in cooperation with JERI at the end of May 2009.

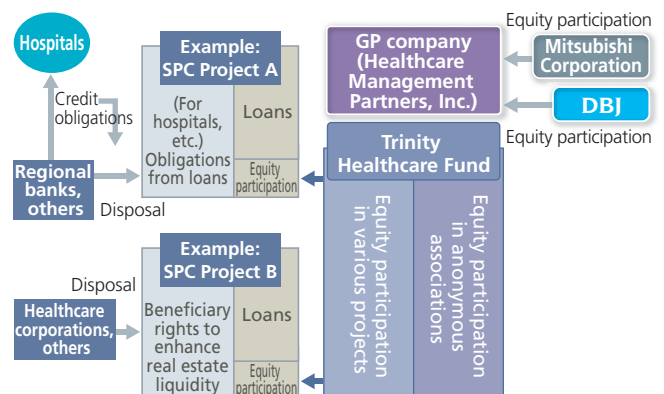
Focused on supporting hospital management reform, the handbook provides a compact and comprehensive overview of essential information.

Investment and Loan Case Study: Trinity Healthcare Fund Investment in Business Revitalization and Restructuring Funds for Healthcare Providers

In cooperation with Mitsubishi Corporation, DBJ established the Trinity Healthcare Fund, providing equity to support business regeneration/restructuring for healthcare operators.

We cooperate with the management of medical and nursing facilities owned by financial institutions over the formulation of management improvement plans and other initiatives to bolster financial standing and management frameworks, improve profits and stabilize sustainable management.

Overview of the Trinity Healthcare Fund



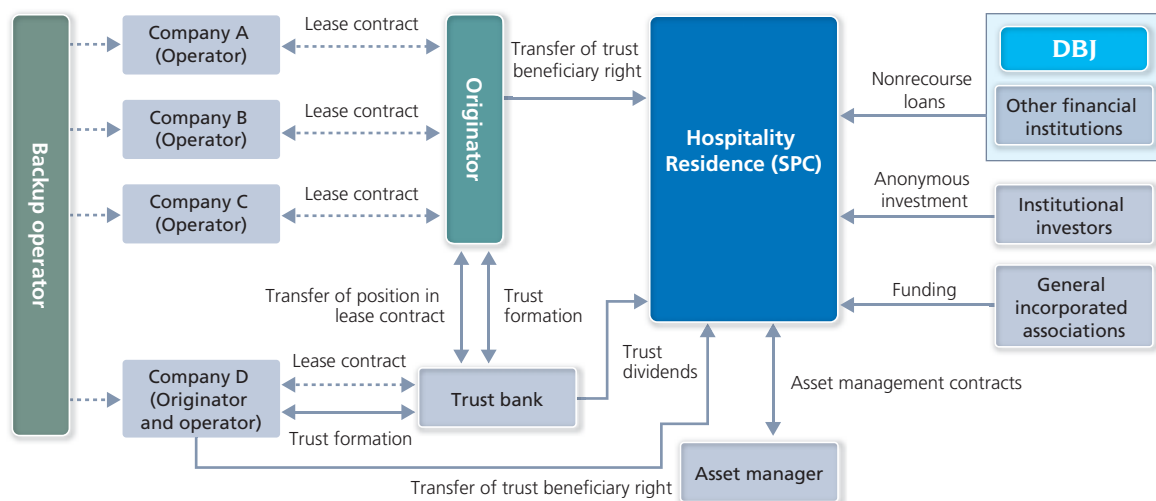
Investment and Loan Case Study: Nonrecourse Loan to the Hospitality Residence Fund, Private Placement Real Estate Fund

DBJ collaborated with other financial institutions to put together a private placement real estate fund and provide a nonrecourse loan to finance senior housing, such as fee-based senior care homes with caregivers, through a fund structured by the Mitsui Fudosan Group.

The senior care facility fund was structured differently from typical real estate investments in terms of viability, and its type

was uncommon in Japan. The institutions participating in this project first evaluated its viability against other opportunities and ensured the appointment of a backup operator to ensure a stable level of ongoing service to facility residents. We believe that the popularization of such funds will make facility operation easier for operators who provide high levels of service on the part of the originator.

■ Overview of the Hospitality Residence Fund



Investment and Loan Case Study: JR Sapporo Railway Hospital

JR Sapporo Railway Hospital is a general hospital owned and operated by the JR Sapporo Railway. The hospital provides primary care to the Sapporo area, with particular competencies in internal medicine; respiratory and circulatory medicine; and ear, nose and throat medicine.

Owing to the increasing age of the building, Lifetime Partners, Inc., and other members of the Mitsubishi Group have partnered with the hospital to rebuild the facility with funding provided through a project financing method that uses an SPC to convert the financing to cash. DBJ was a joint arranger on the loan. The robust scheme involved the construction of a mezzanine loan that involved senior loans from community financial institutions. The SPC provides external

management resources, such as the consulting services for Lifetime Partners.



An illustration of the reconstruction of JR Sapporo Railway Hospital

M&A and Business Alliances

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. Mergers and acquisitions are considered effective and essential for aggressive business restructuring and real estate renovation and revitalization, as they allow restructuring to be conducted quickly, while retaining the human resources and physical and intellectual assets of a business.

DBJ Initiatives

In 1999, DBJ established an M&A advisory business that makes use of its unique network with regional banks (80 participating institutions including banks and credit unions cooperating to create a regional corporate M&A framework) as well as business cultivated up to now through this extensive network. DBJ has created an information infrastructure network among legal

and accounting offices with the cooperation of regional financial institutions. DBJ uses this network to provide funding and services to a diverse range of industries and clients, including strategic consulting and M&A advisory services for purchasers and sellers.

Investment and Loan Case Study: Toppan Printing Co., Ltd., M&A Advisory Services for the Acquisition of Overseas Companies

Toppan Printing, which has its headquarters in Chiyoda-ku, Tokyo, is involved in developing business in a wide range of areas including information and communication, living environment and electronics.

DBJ was informed that investment company Temasek, owned by the Singapore government, intended to purchase the SNP Corporation, a Singapore-based printing company. Originally Singapore National Printers Pte Ltd., a government printing office, SNP is now a major player in the printing industry and develops business domestically and in China, Hong Kong, Southeast Asia and the U.S. and European markets, with particular activity in China in recent years.

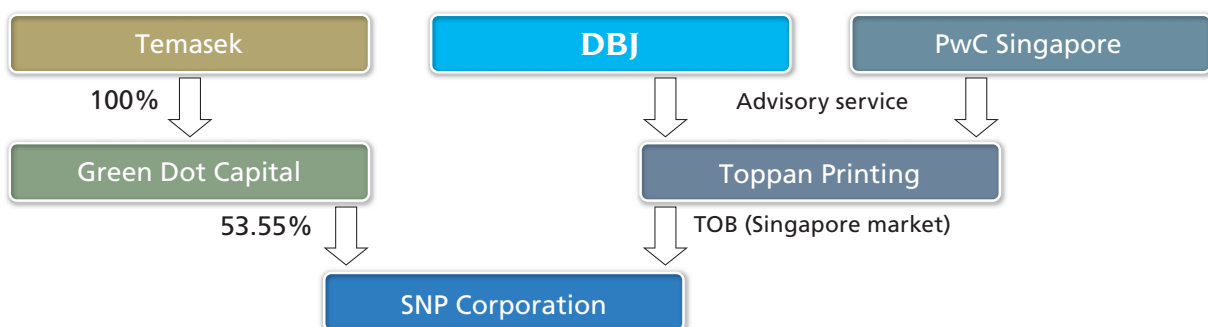
After careful analysis of SNP's corporate value and overseas business development, DBJ proposed the acquisition

of SNP to Toppan, and as a result DBJ, in conjunction with PricewaterhouseCoopers Singapore,* became the M&A advisor in support of Toppan's purchase of SNP. Temasek quickly embarked on the sales process, entering a competitive bid while DBJ conducted due diligence and acquired exclusive negotiating rights and a share purchase agreement, creating a final agreement between Toppan and Temasek that switched to a takeover bid resulting in the completion of the acquisition process in September 2008.

The combination of Toppan's advanced technology and SNP's production and sales network promises to enhance Toppan's business in overseas markets.

*PwC Singapore is a member of New York-based PricewaterhouseCoopers, the world's largest professional services firm.

■ SNP Acquisition Scheme



Providing a Safety Net

DBJ acts as a social safety net by providing investments and loans to support the rehabilitation and rebuilding of areas affected by earthquakes, typhoons or other large-scale natural disasters, the outbreak of severe acute respiratory syndrome (SARS), bovine spongiform encephalopathy (BSE) and other illnesses, as well as terrorist attacks and other emergency situations that cause widespread anxiety about the financial system. In this way, we act as an emergency response unit to fill the gap that emerges when peacetime financial platforms fail to function.

Disaster Recovery

Societal Concerns

Required responses to natural disaster are to (1) ensure that people who provide information to local communities beset by a natural disaster have sufficient knowledge about those communities and take that knowledge into consideration and (2) provide rapid responses to help rebuild important infrastructure

that was destroyed. What is required is an entity that through its everyday business relationships has accumulated know-how on the industries and businesses that provide this core infrastructure. This entity also must have a wealth of expertise in supplying long-term funds.

DBJ Initiatives

DBJ has provided assistance in response to such disasters as the Great Hanshin-Awaji Earthquake in January 1995 and the Chuetsu Offshore Earthquake in October 2004. In addition to the electricity, gas, rail, communications, broadcasting, urban development and other infrastructure industries, DBJ assisted providers of everyday necessities such as foodstuffs and other retail items. These efforts played a major role in revitalizing the employment and economic situations of local communities, prompting a revival in many fields.

Note: DBJ's cumulative financing for recovery from two earthquakes

Great Hanshin-Awaji Earthquake: ¥184.8 billion

(Year ended March 31, 1995, to year ended March 31, 2003)

Chuetsu Offshore Earthquake: ¥20.3 billion

(Year ended March 31, 2005, to year ended March 31, 2007)

Emergency Financing

Societal Concerns

Society requires institutions whose day-to-day operations provide a solid foundation for financing in response to terrorist attacks, natural disasters and other emergency situations.

These institutions must also have the working capital and funding expertise to respond quickly to these situations.

DBJ Initiatives

In the year ended March 31, 2002, DBJ established an emergency response support system that provided financing to the Japanese airline industry, which was immediately affected by a downturn in business following the September 11, 2001, terrorist attacks on the United States and the SARS outbreak.

Note: DBJ's cumulative emergency financing provided during terrorism and SARS outbreaks: ¥437.0 billion

(Year ended March 31, 2002, to year ended March 31, 2005)

Making Use of Information Functions

Through its varied activities, DBJ comes into contact with many aspects of society. In addition to companies, DBJ's information channels and human networks include domestic and overseas governments, international institutions, regional government bodies and universities. Through these contacts, DBJ extracts a variety of information on economic and societal issues, boosting its ability to supply quality information from a neutral standpoint.

Economic and Industrial Research

In a broad range of industrial circles, DBJ researches conditions in various sectors and among different types of businesses, conducting surveys and performing research on such topics as international competitiveness. DBJ also prepares reports on conditions in individual industries, technical development trends and new industries and innovation. We provide feedback on these reports to our clients, as well as other parties.

Survey Examples

DBJ Monthly Overview

This report provides brief commentary on domestic and overseas economic and industrial trends and monthly business indicators.

This report explains domestic and overseas economic trends through analysis of economic and financial indices published each month. Recent years have witnessed increased cooperation on the global economic and financial fronts and integrated market perspectives. This report aims to further that integration by introducing overseas fiscal and monetary policy.

In terms of industry trends, this report also comments on current topics.



"Transformation in the Automotive Industry—A New Future Powered by Batteries"

(DBJ Monthly Overview, No.135, May 2009)

Sharp declines in global automotive industry performance spurred by the financial crisis have focused attention on the expected increase in demand for the eco-car and the current status and issues surrounding hybrid vehicles and secondary batteries for automobiles. Sorting out and analyzing the trend toward alliances and restructuring in the auto and battery makers, we investigate the possibility of a recovery from a medium- to long-term perspective.



"Retail Market Trends Amid a Declining Birthrate and the Graying of Society"

(DBJ Monthly Overview, No.136, June 2009)

As the domestic retail market continues to steadily decline, we look at how declining birthrates and the graying of society are changing the composition of households and affecting the retail market. Our analysis covers current changes in market scale, by industry, and the characteristics of companies with favorable performance, providing our outlook for the future of the retail market and medium-term strategies for retailers.



DBJ Long-Term Interest Rate Weekly Outlook

DBJ provides its clients with weekly long-term interest rate movement information on the first business day of each week. Focused on Japan and the United States, we offer a brief summary of market trends during the previous week and introduce key economic indicators, treasury auctions and other events scheduled in the current week. DBJ economists comment on the effects of important economic indicators and monetary policy announced during the week, providing an outlook for market trends based on the analysis of economic fundamentals.



"Challenges and Prospects for the Financial System and Public Policy"—abstract from a 2008 symposium jointly sponsored by Tokyo University and DBJ

(Economic Management Research, Vol. 30, No.1, April 2009)

The Center for Advanced Research in Finance (CARF) at Tokyo University and DBJ's Research Institute of Capital Formation jointly sponsored a symposium titled Challenges and Prospects for the Financial System and Public Policy, which was held on November 21, 2008. This summary of the symposium includes reports on the eight information sessions as well as minutes from the panel discussion Direction of the U.S. Financial Crisis and Financial Industry.



“Status and Challenges of Emergency Medical Treatment 3: Emergency Transport”

(*Medical Treatment Report*, March 2009)

With the anxiety surrounding emergency medical treatment, responding to the ever-increasing demand for emergency services has become a serious and urgent issue. This report analyzes the status and challenges surrounding emergency transport systems and the demand for emergency services and introduces specific examples addressing those challenges.



“Global Warming and Economic Development—In Consideration of Sustainable Growth”

(*Economic Affairs*, Vol. 9, University of Tokyo Press, March 2009)

This collection of 12 essays focuses on the results of research conducted by DBJ's Research Institute of Capital Formation. The essays were written by prominent researchers in the field of environmental economics, including Hirofumi Uzawa, Professor Emeritus at the University of Tokyo and Senior Advisor to the Research Institute of Capital Formation. Addressing current trends in global warming, these essays propose policy and social systems for sustainable economic development considered from the perspective of shared social capital.



Capital Investment Planning Survey

One of DBJ's main businesses is the provision of funds for long-term capital investment. With a history of more than 50 years (from 1956), the questionnaire-based *Capital Investment Planning Survey* looks at community-specific investing trends and provides analyses of raw corporate information. This information is tapped for many purposes, including investigation of, and policy formation for, the Japanese economy, planning by corporate management and research and training activities at institutions and universities.

Survey Example

“Report on June 2008 Survey of Capital Investment Plans for Years to March 31, 2008, 2009 and 2010,” *Surveys*, No. 98, September 2008

After completing our questionnaire-based survey on corporate capital investment activity, *the Survey of Capital Investment Plans*, we publicized the results, as well as our analysis.



Combining Surveys, Research and Investment and Loan Activities

In addition to publicizing the results of its surveys, research and other activities, DBJ introduces its information at speaking engagements and seminars. In addition, by reflecting the results of its investment and loan functions, DBJ provides new financial solutions for corporate CSR activities and commercial technologies.

Environmental

DBJ conducts survey reports on various environmental activities in Japan and overseas, under such themes as global warming prevention measures, promotion of a recycling-oriented society and sustainable corporate management. DBJ also conducts and contributes to specialty journals, newspapers and magazines. In the year ended March 31, 2005, these activities culminated in the DBJ Environmental Rating System promoting loans and financing for environmentally conscious management. We also developed a financing menu for global warming countermeasures that many companies employ.

Disaster Response

In the event of an earthquake or other natural disaster, responding to the situation and continuing operations is a common theme for every company. Companies need to put disaster response measures in place. DBJ conducts surveys covering corporate business continuity plans. In the year ended March 31, 2008, we incorporated the survey results into the Disaster Preparedness Promotion Loan Program (now, financing employing DBJ Disaster Prevention Ratings).

Technology

DBJ's activities in technology-related fields include conducting trend surveys on bioethanol and other topics. DBJ's Practical Application Support Center for Technology provides technical evaluations and conducts other activities to help companies realize their potential for technological commercialization.

Providing Information to Local Communities

Supplying Information to Help Local Community Development

Local communities are experiencing increasingly difficult environmental circumstances, such as a declining birthrate; an aging population; the amalgamation of towns, cities and villages; and financial difficulties. These issues require a greater degree of expertise and more ingenuity than ever. DBJ addresses these issues by analyzing the information it accumulates through its network of 19 domestic locations (headquarters, branches and offices) and three overseas locations (representative offices and subsidiary) and communiqués from the economic agencies of regional governments and local communities and advisories from companies in Japan and abroad. DBJ uses this information to encourage public/private partnerships, promote tourism, build up local communities, and contribute to local government financing by sharing its analysis results through reports, publications, lectures and various other formats.



Building Local Communities

One way DBJ puts its expertise to work in building up local communities is by conducting “local community-building diagnostics.” In this process, a DBJ local-community diagnosis team analyzes publicly available data to determine the current state of a local community, and then conducts interviews in that

community before preparing an independent diagnosis that interprets its results. We then discuss the diagnosis results with people in the local community, which helps them to understand what issues they may be able to address on their own and provides an opportunity to consider future directions. (See page 39.)



Memorandum on the Issue of the Invigoration of Regional Economies—Concepts, Negotiations and Main Initiatives for Invigorating Regional Economies Case Study (*Regional Survey Research*, Vol. 4, January 2009)

As material for the basis of a meaningful discussion of the urgent issue of invigorating regional economies, this publication organizes the debate over the invigoration of regional economies and provides examples of specific initiatives.



Fiscal 2009 Regional Handbook

This handbook is a collection of data that includes fundamental economic, industrial, lifestyle and policy indicators for regional blocks, administrative regions and principal cities, as well as a compilation of individual regional policies and projects to facilitate an overall understanding of regional policies, economies, societies and the current status of regional projects.

The Japan Economic Research Institute

The Japan Economic Research Institute (JERI) is a foundation established for the purpose of contributing to the improvement of welfare and further development of the Japanese economy through investigative research into important economic problems in Japan as well as overseas and funding the promotion of scholarship. JERI's investigation into issues that impact the Japanese economic structure in the areas of urban and regional development, social capital infrastructure, energy, economy

and industry are supported by a broad network that includes DBJ's investigative research department, universities, research institutions and other experts, as well as national and regional government bodies and the patronage of approximately 500 companies. DBJ works in conjunction with JERI to disseminate the results of its research.

