

Management Structure

Corporate Governance 62

Compliance 67

Risk Management 68

Disclosure 71

Client Protection Management System/
Declaration on Personal Information
Protection 72

Fostering Human Resources and Creating
a Comfortable Work Environment. 73

Environmental Management 75

Corporate Governance

Basic Position on Corporate Governance

DBJ has formulated a corporate philosophy to encapsulate management's position regarding DBJ's integrated investment and loan services. We consider this philosophy the core of our corporate activities.

Corporate Philosophy **Applying financial expertise to design the future**

We apply creative financing to resolve client issues, as we work to earn the trust of our clients and achieve their future prosperity.

Core Competencies

The core competencies described below support DBJ's efforts to realize its corporate philosophy.

Intention

DBJ's fundamental stance is based on sharing with its clients a long-term perspective, neutrality, public-mindedness and reliability.

Intellectual Assets

Intellectual assets refers to the abilities to think ahead, make discerning judgments and introduce new financial technologies

that we have built through our experience in applying our industry, analytic and R&D expertise.

Networks

DBJ enjoys trust-based networks with clients, as well as partners among regional governments and financial institutions.

We conduct our business in accordance with the action guidelines described below as we strive to realize our corporate philosophy.

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.

Corporate Governance Measures and Their Implementation Status

Internal Organizations

DBJ elects outside directors from the standpoint of ensuring management transparency and enhancing corporate governance.

The Advisory Board has been established as a Management Committee advisory body. This board provides advice on overall management issues, including DBJ's management strategies, from a neutral standpoint.

The Compensation Committee, which includes outside directors, has been created to deliberate on director compensation and advise the Board of Directors in this regard.

Board of Directors

The Board of Directors comprises nine members. To ensure management transparency, two Board members are outside directors. During the six-month period ended March 31, 2009, the Board of Directors met seven times.

The following two members are outside directors:

Akio Mimura, Chairman, Nippon Steel Corporation and Kazuo Ueda, Professor, Faculty of Economics, the University of Tokyo.

Corporate Auditors, Auditing Committee

The Auditing Committee comprises five auditors. This committee convened seven times during the six months ended March 31, 2009.

As prescribed by the Companies Act, a majority of the five Auditing Committee members are outside corporate auditors. DBJ has three full-time corporate auditors, one of whom is an outside corporate auditor. The Office of Corporate Auditors has been created to assist corporate auditors (including outside auditors) in performing their duties. Specialized staff members

are assigned to the Office of Corporate Auditors, which is directed by the Auditing Committee.

The three outside corporate auditors are as follows:

Hiroshi Saito, former Executive Vice President and Director, Japan Securities Finance Co., Ltd. (Full-Time Corporate Auditor (Outside));

Makoto Ito, Attorney and Visiting Legal Research Professor, Graduate School of Waseda University;

Shinji Hatta, Professor of Graduate School of Professional Accountancy, Aoyama Gakuin University.

Operations Audit Committee

The Board of Directors has established the Operations Audit Committee, delegating to this body the authority to deliberate important matters related to internal audits. This committee met once during the six-month period ended March 31, 2009.

Compensation Committee

The Compensation Committee, whose members include outside directors, has been established as an advisory body to the Board of Directors from the standpoint of ensuring transparency and objectivity. The committee considers the type of executive compensation structure that befits DBJ.

Management Committee

The Board of Directors has vested in the Management Committee decision-making authority regarding the execution of business.

Accordingly, the Management Committee makes important management decisions. The committee met 25 times during the six-month period ended March 31, 2009.

Committees under the Management Committee

Various committees have been established under the Management Committee assigned specific decision-making tasks, excluding decisions made by the Board of Directors or the Management Committee within each field of specialization.

ALM & Risk Management Committee

This committee deliberates and makes decisions pertaining to portfolio risk management and asset/liability management.

General Risk Management Committee

This committee deliberates and makes decisions on important items related to legal compliance, client protection management, operational risk management and system risk management.

Committee on Investment and Loan Decisions

This committee handles deliberates and makes decisions related to investments and loans, as well as the investment and loan management.

New Product Screening Committee

This committee deliberates and makes decisions on the handling of new products and the commencement of initiatives involving new businesses.

Advisory Panel on Investments and Loans

This panel handles the advance deliberation on and monitoring of investments and loans.

Committee on International Operations

This committee deliberates items related to the overseas business strategies, operations and management conditions.

Advisory Board

The Advisory Board has been created as a body to advise the Management Committee, providing advice on DBJ's overall management.

The Advisory Board is composed of the following outside experts and outside directors.

Outside Experts

Tadashi Ogawa, President of the Regional Banks Association of Japan and Head of the Bank of Yokohama

Kiyofumi Kamijo, Chairman, Tokyu Corporation

Sakie Fukushima-Tachibana, Regional Managing Director of Japan, Korn/Ferry International

Fujio Cho, Chairman of Toyota Motor Corporation

Toru Hashimoto, former Chairman of Deutsche Securities Inc., and Honorary Advisor to Mizuho Financial Group

Outside Directors

Akio Mimura, Chairman, Nippon Steel Corporation

Kazuo Ueda, Professor, Faculty of Economics, the University of Tokyo

Management Structure

Matters Requiring Approval of Competent Minister

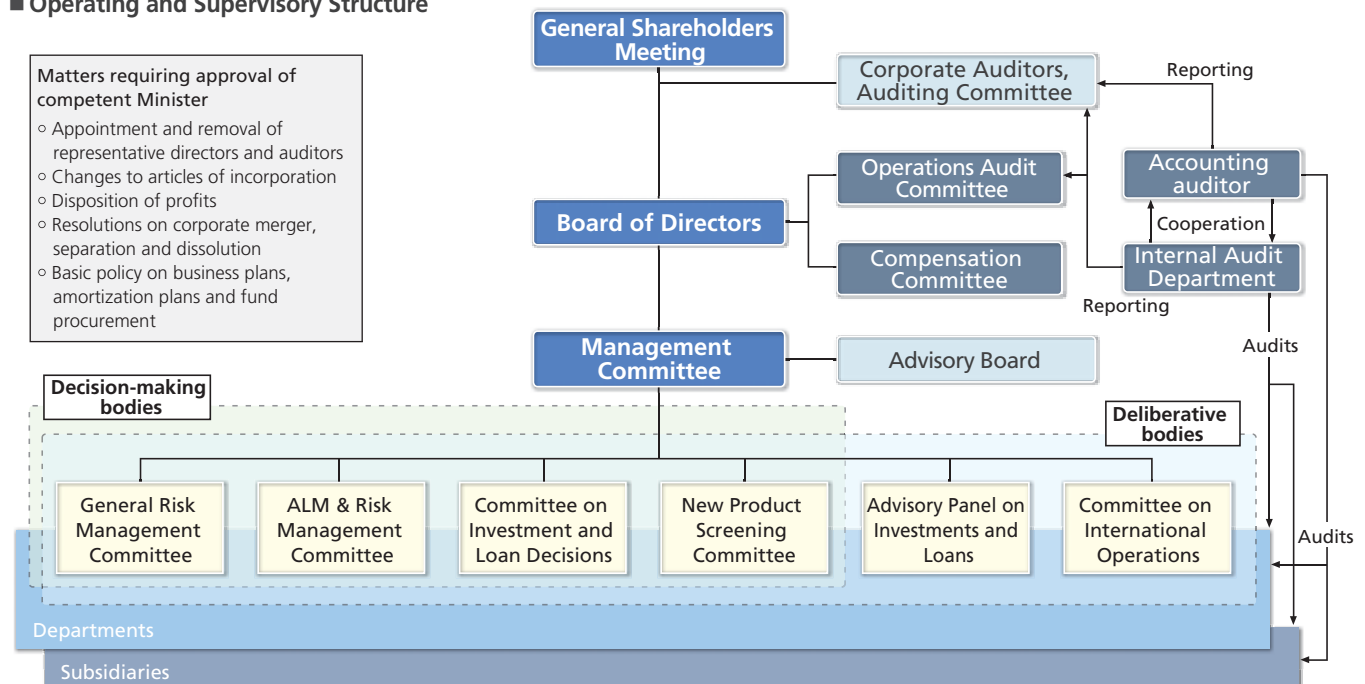
The New DBJ Law prescribes matters for which DBJ requires the permission by the Minister of Finance. Major items requiring such permission are as follows:

- Appointment and removal of representative directors and auditors
- Concurrently holding the position of director in another organization
- Changes to the Articles of Incorporation

- Disposition of retained earnings
- Resolutions on corporate merger, separation and dissolution
- Basic policy on business plans, amortization plans and fund procurement

The organization outlined below has been put in place to execute and supervise the abovementioned activities.

■ Operating and Supervisory Structure



Executive Officer System

DBJ has an executive officer system to clarify responsibility for the execution of duties and accelerate decision-making. The Board of Directors has designated eight managing executive officers, excluding officers who are concurrently directors, and five executive officers.

Status of Internal Control System

To ensure operational soundness and in accordance with the Companies Act, the Board of Directors has established an internal control system under the Internal Control System Basic Policy.

Specifically, this system is designed to determine the status of legal compliance, risk management and internal audits, as well as other items of management importance. The internal control system is designed to confirm the formulation of various regulations and the status of their implementation in various departments.

Internal Control System Basic Policy

Purpose

Article 1. This basic policy has been established in accordance with Item 6, Paragraphs 4 and 5, Article 362, of the Companies Act (hereinafter, the "Act"), and Item 1 and 3, Article 100, of the Act's Enforcement Regulations (hereinafter, "Enforcement Regulations") to create a system (internal control system) to ensure Development Bank of Japan Inc. (hereinafter, "DBJ") conducts operations in an appropriate manner.

System to Ensure Compliance with Laws and the Articles of Incorporation in the Execution of Duties by Directors and Employees

Article 2. The directors and the Board of Directors recognize legal compliance as one of DBJ's most important management issues. Accordingly, DBJ has formulated a basic policy to ensure that the execution of duties by executives complies with laws and the Articles of Incorporation and establishes the corporate philosophy and a basic policy on legal compliance.

2. A Compliance Manual, compliance program and internal regulations shall be created in preparation to ensure compliance by executives with laws and regulations.
3. A committee shall be formed to promote and manage legal compliance, and an executive and a control division shall be placed in charge of legal compliance.
4. A compliance hotline system shall be established to enable to acts that contravene laws and regulations and acts of potential concern from the perspective of legal compliance.
5. Preparations shall be made to ensure that DBJ has absolutely no connection with antisocial forces that threaten social order or safety.
6. The Board of Directors shall formulate an Internal Audit Basic Policy pertaining to the status of internal control, including legal compliance. This policy shall establish internal audit departments that are independent of departments responsible for the execution of business and that report audit results promptly and appropriately.

System for the Storage and Management of Information Related to the Execution of Duties by Directors

Article 3. Information pertaining to the execution of duties by directors shall be stored and managed appropriately, and this information shall be accessible, as necessary.

Regulations and Other Systems Related to Managing the Risk of Loss

Article 4. To ensure the soundness of management and manage risk properly, a risk management process that defines, evaluates, monitors and controls risks with various characteristics encountered in the course of business shall be put in place.

2. A comprehensive risk management process shall be created. Also, a committee for risk management shall be created, and an executive and a department shall be assigned to take charge of risk management.
3. Risks shall be segmented into the following categories, and risk management policies shall be established for each:
 - 1) credit risk, 2) investment risk, 3) country risk, 4) market credit risk, 5) market risk, 6) market liquidity risk, 7) financial liquidity risk, 8) settlement risk, 9) operational risk.
4. To the extent possible, the abovementioned risks shall be measured using a consistent system, risk guidelines shall be established and the risks shall be managed.
5. The necessary systems shall be put in place to minimize the effects of economic loss and credit collapse in the event of disaster, to ensure business continuity in crisis situations and to ensure a prompt return to normal functioning.
6. The Board of Directors shall establish an Internal Audit Basic Policy to determine the status of internal control, including risk management. The board shall receive prompt and appropriate reports of the results of internal audits from internal audit departments.

Systems to Ensure the Efficient Execution of Duties by Directors

Article 5. The Board of Directors shall formulate management plans and perform appropriate management control.

2. The Board of Directors shall establish a Management Committee and delegate decision-making on specific items to this council. In addition to making decisions on the items with which it has been entrusted, to contribute to expeditious decision-

making the Management Committee shall deliberate in advance matters for resolution by the Board of Directors. Furthermore, the Management Committee shall establish various committees as advisory institutions or as bodies to which to delegate decision-making on specific items.

3. To ensure the efficient execution of business based on decisions made by the Board of Directors, regulations shall be established regarding the organizational structure and the execution of tasks shall be allocated appropriately.
4. To enable swift decision-making, an executive officer system shall be established. Executive Officer Regulations shall be formulated to define executive officers' roles and responsibilities.

System to Ensure the Adequacy of Operations of the Corporate Group, Comprising DBJ and Its Subsidiaries and Affiliated Companies

Article 6. The Board of Directors shall ensure the adequacy of operations of the DBJ Group in accordance with the corporate philosophy.

2. The Board of Directors shall manage operations appropriately, in accordance with the scope and characteristics of operations of its subsidiaries and affiliated companies. Furthermore, the Board shall introduce appropriate measures from the perspective of legal compliance, client protection and risk management.
3. The Board of Directors shall create reporting, guidance, management process and other systems related to operations management between DBJ and its subsidiaries and affiliated companies.
4. In accordance with the necessary scope of legal regulations, the Internal Audit Department shall conduct internal audits of subsidiaries and affiliated companies and report the results of these audits promptly and appropriately to the Board of Directors.

System Related to Employees Assisting the Auditors in Their Duties

Article 7. As a specialized organization to assist auditors with their duties, if so requested by the auditors, an Office of Corporate Auditors shall be established under the direction of the Auditing Committee.

Matters Concerning Employees Supporting the Auditors in Their Duties and the Independence of Such Personnel from Directors

Article 8. Personnel issues related to the employees supporting the duties of auditors and matters related to the independence of such personnel shall be left in the control of the Auditing Committee.

System for Reporting by Directors and Employees to Auditors and Other Systems for Reporting to Auditors

Article 9. Directors and employees shall report to auditors on the status of execution of DBJ's business and other necessary information.

2. If directors or employees become aware of any major potential damage to DBJ's credibility or operating performance, they shall immediately report such information to the auditors.
3. If auditors find that they require certain information to perform their duties, they may request reports from directors and employees as needed, and the party to whom the request is addressed shall report appropriately.

Other Systems to Ensure Effective Audits by the Auditors

Article 10. In addition to attending meetings of the Board of Directors, auditors may attend meetings of the Management Committee and other important meetings and offer their opinions as necessary.

2. The Representative Director shall exchange opinions with the auditors regularly, or at the auditors' request. The Representative Director shall also cooperate in the preparation of a reporting environment.
3. The Internal Audit Department works with the auditor to establish internal audit plans. The department reports the results of internal audits and exchanges opinions and liaises with the auditors when requested to do so.
4. Directors and employees shall cooperate with the auditors in their audit activities and shall respect the Audit Committee Regulations, auditors' audit standards and other regulations.
5. To ensure the adequacy and reliability of accounting audits, directors and employees shall cooperate in creating a system to ensure the independence of the accounting auditors.

Management Structure

Status of Internal Audits and Audits by Auditors

DBJ has established the Audit Department under the direct supervision of the DBJ president and independent from other operating departments. The department conducts inspections to ensure the appropriateness and effectiveness of internal controls, including DBJ's overall operational compliance and risk management, and performs evaluations and recommends improvements.

The Operations Audit Committee deliberates and decides audit plans, audit reports and other important matters related to internal audits, and this information is reported to the Board of Directors.

As of June 25, 2009, 20 people belonged to the Audit Department.

The Auditing Committee and the auditors audit the execution of duties by directors, based on their audit policy and audit plans.

The auditors attend Board of Directors and other important meetings. When necessary, they query the execution of business by directors, peruse documents and conduct branch audits.

Status of Accounting Audits

DBJ has in place an agreement with Deloitte Touche Tohmatsu LLC, to conduct accounting audits as its accounting auditor. During the six-month period ended March 31, 2009, these operations were conducted by designated certified public accountants (designated member) Yukio Ono (continuous audit period* of one year), Tomomitsu Umezu (same, one year) and Hayato Yoshida (same, one year).

* In accordance with the Companies Act, the number of years of continuous audit must be stated. The number of continuing years of performing audits conducted in accordance with the Financial Instruments and Exchange Act was one year for Yukio Ono, one year for Tomomitsu Umezu and one year for Hayato Yoshida. The number of business periods during which an audit was performed is the standard used to indicate the number of years.

Assisting in this audit were 24 people, including a specialist in determining fair value, a systems specialist and an actuarial specialist.

DBJ's auditors, Audit Department and accounting auditor periodically and as necessary exchange opinions and information, and communicate in an effort to ensure effective and appropriate audits.

Overview of Personal, Equity, Transactional or Other Special-Interest Relationships with Outside Directors and Outside Corporate Auditors

Akio Mimura, Chairman of Nippon Steel Corporation, is an outside director of DBJ. DBJ has no special-interest relationship with Mr. Mimura, and its business with Nippon Steel Corporation is conducted normally.

DBJ has no special-interest relationship with any other of its outside directors or outside corporate auditors.

DBJ has signed liability limitation agreements with its outside directors and outside corporate auditors, based on Paragraph 1, Article 427, of the Companies Act.

Overview of Agreements with Outside Directors and Outside Corporate Auditors under Paragraph 1, Article 427, of the Companies Act (Liability Limitation Agreements)

DBJ's Articles of Incorporation allow it to establish liability limitation agreements with its outside directors and outside corporate auditors, limiting their responsibility for damages under Paragraph 1, Article 425, of the Companies Act, provided their duties are executed with good intent and without gross negligence, to the total amounts specified in each item in Paragraph 1, Article 425, of the Companies Act.

Number of Directors

DBJ's Articles of Incorporation limit its number of directors to 13 or fewer.

Requirements for Determination of Director Appointments

DBJ's Articles of Incorporation stipulate that shareholders possessing at least one-third of the shareholder voting rights exercisable at the General Meeting of Shareholders shall attend the meeting and determine the appointment of directors based on a majority vote. The Articles of Incorporation further specify that the appointment of directors shall not be resolved by cumulative voting.

Limiting the Responsibility of Directors and Auditors

To enable them to perform their duties and fulfill the roles that are expected of them, in accordance with Paragraph 1, Article 426, of the Companies Act, DBJ has established in

its Articles of Incorporation that the liability for damages incurred by directors (and former directors) and auditors (and former auditors) may be reduced to the legal limit by resolution of the Board of Directors.

Requirements for Special Resolutions at the General Meeting of Shareholders

To ensure a smooth General Meeting of Shareholders, DBJ's Articles of Incorporation stipulates that shareholders possessing at least one-third of the voting rights exercisable shall attend the meeting and determine by a two-thirds majority vote the "requirements for special resolutions at general meetings of shareholders" provided in Paragraph 2, Article 309 of the Companies Act.

Compliance

Specific compliance initiatives are as follows.

DBJ recognizes compliance as one of its most important management issues. As basic policies to ensure that the execution of duties by directors complies with laws and regulations and the Articles of Incorporation, we have formulated a corporate philosophy, a Compliance Basic Policy and other compliance-related regulations.

In addition to its fundamental regulations on compliance, DBJ has created a Compliance Manual and a compliance program. Via activities in and around DBJ, we seek to thoroughly implement the compliance activities outlined below.

Compliance Principles

DBJ has formulated the compliance principles indicated below as part of its creation of compliance regulations.

- 1) DBJ's executives and employees are keenly aware of DBJ's social mission and responsibilities as a public-sector bank and recognize that illegal acts or improper business operations harm the reputation of DBJ and interfere

significantly with DBJ's ability to fulfill its objectives under the New DBJ Law. We also realize DBJ's need to always conduct activities appropriately and in compliance with the law.

- 2) DBJ's executives and employees are well aware that DBJ must conduct its businesses legally and appropriately and be responsible for explaining its actions to the general public.

Compliance System

DBJ has established the Legal and Compliance Department to take overall responsibility for planning, preparing and adjusting compliance activities.

In addition, DBJ has established the General Risk Management Committee to reflect on legal compliance matters, determine the extent of compliance, and discuss improvements to DBJ's internal system.

DBJ also has installed a Compliance Hotline. The objective of this internal reporting system is to swiftly identify and resolve any represent legal violations.

Risk Management

To ensure management soundness and safety, as well as raise corporate value, DBJ works to manage risk appropriately in line with specific business and risk characteristics. Controlling risk is an issue of utmost importance, and therefore we have established risk management processes and methods.

From the standpoint of comprehensive risk management, DBJ has established an ALM & Risk Management Department, which is overseen by a director in an official capacity. DBJ seeks to control its total risk within a specified target range. In addition, we have set risk guidelines for each risk category to help manage total risk.

Risk Management System

DBJ conducts risk management from the perspectives of maintaining financial soundness and improving operational efficiency, which are the prerequisites to ongoing operational viability. To ensure appropriate management of individual risk categories, DBJ has developed a risk management system that clarifies which department is responsible for each type of risk. The ALM & Risk

Management Department oversees comprehensive asset/liability and risk management activities. The ALM & Risk Management Committee, consisting of DBJ's executives and president, determines basic policies related to comprehensive risk management and conducts regular monitoring.

Credit Risk Management

Credit risk refers to the risk of sustaining losses resulting from a decline in the value of assets due to deterioration in the financial condition of the borrower. Credit risk management requires credit management of individual loans as well as bankwide portfolio management.

Credit Administration of Individual Loans

When making an investment or loan, DBJ examines the entity's project viability and the project's profitability from a fair and neutral standpoint, as well as its benefits. We also have an internal borrower rating system. DBJ is not subject to the Banking Law or the Law concerning Emergency Measures for the Revitalization of the Functions of the Financial System but carries out independent asset assessments in line with internal policies for self-assessment of credit quality based on the Financial Services Agency's Financial Inspection Manual.

The results of self-assessments are subject to an audit by an auditing corporation and are reported to the management. Credit risk and amounts are monitored to confirm they are within the limits established for individual borrowers.

The sales and credit analysis departments hold separate roles in the screening and administering of credit for individual loans and each department keeps the operations of the other in check. The Committee on Investment and Loan Decisions meets as needed to deliberate important issues concerning the management and governance of individual loans. These mutual checking functions serve to ensure the appropriateness of lending operation and management environment.

Borrower Rating System

DBJ's borrower rating system measures creditworthiness by combining an evaluation point rating and a borrower category rating, with the result quantifying a potential client's credit circumstances. The evaluation point rating selects indicator/evaluation categories that are common across all industries, scoring the creditworthiness of the potential borrower quantitatively and qualitatively. On the other hand, the borrower category rating measures specific items related to the borrower, looking at the borrower's realistic financial condition, cash flows and debt repayment history. By putting the ratings together, the system generates a comprehensive assessment of a borrower's repayment capacity.

Asset Self-Assessment System

Asset self-assessments are used to define asset classifications that will offset recoverability risk or the degree of risk of value loss, based on the borrower rating, the corresponding borrower category and the collateral or guarantee status. Such assessments help DBJ establish timely and appropriate amortization schedules and reserve levels.

Portfolio Management

DBJ performs a comprehensive analysis of data based on borrower ratings, and calculates the loan portfolio's overall exposure to credit risk. Credit risk exposure can be classified as 1) expected loss (EL), the average loss expected during a specific loan period; and 2) unexpected loss (UL), the maximum loss that could incur at a certain rate of probability. The EL and UL calculations are reported to the ALM & Risk Management Committee. Monitoring the situation and considering countermeasures allow DBJ to control risk and devise effective measures to improve risk return.

Market and Liquidity Risk Management

Market Risk

Market risk can be broadly classified into interest rate risk, exchange risk and stock market risk.

Market risk describes the risk of loss from fluctuations in the value of assets or liabilities (including off-balance sheet items), owing to changes in interest rates, exchange rates, stock markets and various other markets. DBJ divides these risks broadly into interest rate risk and exchange risk.

Interest Rate Risk

Interest rate fluctuations can create mismatches on rates of interest on assets and liabilities or on interest periods, creating the risk of reduced profits or the risk of losses. Interest rate risk can reduce the economic value of DBJ's assets or interest income. DBJ calculates and analyzes risk exposure with cash flow ladder analyses (gap analysis), value at risk (VaR), interest rate sensitivity analyses (basis point value), and other methods. A portion of the interest rate risk associated with lending operations is covered through interest rate swaps, which are used solely for hedging purposes. DBJ does not have any trading-related risk because it does not engage in trading (specified transactions).

Exchange Risk

Exchange risk is the risk of loss due to unexpected shifts in exchange prices, and this risk affects entities holding a net excess of assets or liabilities denominated in foreign currencies. Exchange risk entails the possibility of a decline

in the economic value of DBJ's assets due to the impact of changes in currency exchange rates. DBJ's exchange risk derives from foreign currency investment and financing and issuing foreign currency. DBJ uses currency swaps and other instruments to hedge this risk. DBJ manages counterparty risk in swap transactions, the risk that the counterpart in the swap transaction will be unable to fulfill its obligations, by continually monitoring the creditworthiness of all parties, and by diversifying transactions among several institutions.

Liquidity Risk

Liquidity risk is the risk of a mismatch occurring in the periods when funds are used and raised, causing unexpected differences in the flow of funds (cash liquidity risk). This situation makes securing funds difficult and creates situations in which interest rates on borrowed funds are substantially higher than usual rates. At such times, because of market complexities entities in these circumstances may become unable to participate in market transactions, compelling them to conduct transactions under substantially less favorable terms than otherwise would be the case. The risk of losses for these reasons is known as market liquidity risk.

As its main methods of acquiring funds, in addition to issuing corporate bonds and taking out long-term loans, DBJ relies on the stable procurement of long-term funds

Management Structure

from the government's Fiscal Investment and Loan Program (FILP) and government-guaranteed bonds rather than on short-term funds such as deposits. To meet unexpected short-term funding requirements, funds on hand are used, taking security and liquidity into consideration. Overdraft lines of credit have been established with multiple other financial institutions. Additionally, DBJ maintains daytime

liquidity by using the Bank of Japan's Real Time Gross Settlement (RTGS), whereby settlements are made instantly for each transaction. Every effort is made to ensure that settlement conditions are managed appropriately.

In addition to credit risk, the ALM & Risk Management Committee deliberates DBJ's market risk and liquidity risk.

Operational Risk Management

DBJ defines operational risk as the risk of loss arising from internal processes, people or systems that are inappropriate or nonfunctioning, or from external events. DBJ works to establish a risk management system to minimize risk and prevent potential risks from materializing. The General Risk Management Committee has been established to deliberate topics concerning operational risk management. Within operational risk management, DBJ conducts operational risk management and systems risk management as described below.

Operational Risk Management

Operational risk refers to the risk of sustaining losses resulting from employees neglecting to perform their duties correctly or from accidents, fraud, and the like. To reduce or prevent operational risk, DBJ prepares manuals, performs checks on administrative procedures, provides education and training and uses systems to reduce the burden of administrative duties.

System Risk Management

System risk refers to the risk of loss due to a computer system breakdown or malfunction, system defects, or improper computer usage. To properly manage systems risk, DBJ has implemented the following internal processes to optimize system risk management.

Based on its system risk management regulations, DBJ has established the System Risk Management Department to manage its system risk centrally. This department considers security standards from a variety of viewpoints, from information system planning and development to operation and use. The department extends the system risk management system bankwide, striving to ensure that system risk management operations are conducted appropriately.

Disclosure

DBJ believes that public relations and investor relations have the important function of bringing management and stakeholders together. In addition, these activities help stakeholders gain an accurate understanding of DBJ's

status and operating policies, which are an essential part of being trusted in a wide range of markets and societies. Accordingly, we seek to disclose information through our public relations and investor relations activities.

Basic PR/IR Philosophy

In its PR and IR activities, DBJ aims to comply with relevant laws and regulations, operate in good faith and in a dignified manner with its stakeholders, and disclose information clearly and accurately in a timely and appropriate manner.

DBJ maintains personal and client information, without disclosing such information in a manner that would encroach upon the rights of individuals or related parties. We do not disclose information that would counter the doctrine of good faith.

PR/IR Structure

The Corporate Planning & Coordination Department takes overall charge of PR and IR activities and plays a central role in the flow of information within and outside DBJ. Through

printed materials and over the Internet, the department uses numerous communication tools to disclose information.

Information Disclosure Materials

DBJ offers a wide range of information, using such media as newsletters and its website:

(1) Materials legally required for disclosure

Securities Report (Japanese)
Stock Exchange Report (Japanese)
Business Report (Japanese)

(2) Voluntarily disclosed information

Annual Report & CSR Report
End-of-Period Financial Reports

(3) Others

DBJournal (newsletter)
DBJ News Digest (mail magazine; Japanese)

Website: <http://www.dbj.jp/en>
(Renovated October 2008)



Client Protection Management System/Declaration on Personal Information Protection

The establishment and maintenance of a client protection management system is vital because it protects the people who use the financial institution's systems and raises

their level of convenience. DBJ recognizes the extreme importance of such a system from the standpoint of operational soundness and appropriateness.

Client Protection Management Policy and Declaration on Personal Information Protection

DBJ has formulated a Client Protection Management Policy to ensure strict compliance with laws and regulations, protect the interests of its clients and raise the level of client convenience. We have also created internal regulations based on this policy, which we employ in briefings to raise in-house awareness.

Our Client Protection Management Policy is outlined below:

- 1) When transacting with clients, we endeavor to provide and explain information that is accurate and appropriate in line with laws and regulations.
- 2) When we receive requests for consultation, other

requests or complaints, we strive to see the issue from the client's point of view, listen sincerely and respond in an operationally appropriate manner.

- 3) We acquire information about clients through legal and appropriate means and manage such information safely. In transactions with clients, in the event that DBJ outsources operations it ensures appropriate information management and client response.

We have incorporated a declaration on our policies related to personal information into our Declaration on Personal Information Protection.

Declaration on Personal Information Protection

1. Policy

DBJ considers the appropriate protection of personal information an important social responsibility. DBJ endeavors to use personal information appropriately in all its activities by conforming with the requirements of the Law on the Protection of Personal Information, as well as other related laws and regulations, as well as its own Declaration.

2. Appropriate Obtainment of Personal Information

DBJ acquires clients' personal information only within the scope that is required to perform its operations, and employs appropriate procedures for obtaining such information.

3. Purpose of Using Personal Information

DBJ obtains clients' personal information only for specific purposes and uses such information only within the scope necessary to satisfy such purpose of use. In the event that other purposes of use are limited by legal regulations concerning specified purposes of use, such information is not used for purposes other than so specified. DBJ discloses on its website the purposes of use of clients' personal information. If information is obtained for other purposes of use, such purposes are clearly indicated at the time such information is obtained.

4. Providing Personal Information to Third Parties

In principle, DBJ does not provide clients' personal information to third parties unless it has received from the client permission to provide such information or unless it is legally required to provide such information. However, DBJ may, without obtaining client approval, provide clients' personal information to parties it has

commissioned to conduct activities within the scope for which the information was obtained or provide such information in the event of a corporate merger.

5. Provisions for Safe Management of Personal Information

DBJ seeks to appropriately manage clients' updated personal information and prevent the leakage of such information, and accordingly maintains rationally sound management measures. Furthermore, DBJ appropriately supervises its directors and regular employees and subcontractors who handle clients' personal information.

6. Continuous Improvements in Handling Personal Information

DBJ strives to ensure ongoing improvements in its handling of clients' personal information and to update the Declaration as appropriate in accordance with developments in information technology or changes in social requirements.

7. Procedures for Requesting Personal Information

DBJ endeavors to respond appropriately by notifying clients of the purpose of use of the personal information it retains; responding to requests to disclose such information; and in the event that the content of such information is incorrect, responding to clients' requests for revisions, additions or deletions, discontinuing use, deleting information, or discontinuing the provision of such information to third parties.

8. Inquiries

DBJ endeavors to respond in good faith to all opinions or requests regarding the use of personal information.

Fostering Human Resources and Creating a Comfortable Work Environment

As a financial institution, DBJ considers its human resources to be its most valuable assets. We truly consider each of our employees to be assets, and we work to develop their capabilities. DBJ actively works to build a systematic human resource development system and a comfortable work

environment to bring out the best in every employee. DBJ's superior employee performance resulting from such efforts is what drives DBJ ahead on a daily basis and keeps it an innovator in the finance sector.

Human Resource Development Vision

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

To develop its human resources assets, DBJ encourages autonomous and pioneering behavior in its employees as financial professionals through the vision of generalists who

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

Deploying the Target Management System

DBJ is implementing a Target Management System to encourage employees to work autonomously and modify their actions and to accurately evaluate such efforts. DBJ is working to enrich this system by having subordinates meet individually with superiors to set goals and receive feedback,

autonomously running through the Plan-Do-Check-Act (PDCA) cycle. Particularly in goal setting, DBJ emphasizes enhancing medium- and long-term value internally and externally, while motivating employees by offering bonuses and other benefits based on performance.

Creating a Comfortable Work Environment

DBJ actively strives to cultivate a comfortable work environment.

To maintain an environment in which all employees can feel secure, DBJ has notified employees of its campaign to prevent sexual and power harassment and has set up a hotline to deal with such issues. Furthermore, to support mental and physical health, DBJ provides regular medical examinations and care options that are also available to

employees' families. These systems include treatment by external specialists and access to counselors.

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

A Solid Human Resource Development System

DBJ's financial professionals are supported by a well developed education and training system. DBJ's combination of mandatory training by level and elective self-training according to skills and interests enables each

employee to plan his or her career.

In 2008, we established the DBJ Financial Academy, which is designed to help employees acquire and maintain basic competencies and deepen their understanding of

Management Structure

finance, assuming they will become involved in advanced financial operations. We are expanding the academy, focusing on courses such as Basics of Finance, Corporate Finance and Valuations/Case Studies.

In step with globalization, DBJ cultivates employees able to perform in domestic and international settings. To

achieve this, DBJ actively assigns employees to a wide variety of external organizations, including overseas graduate schools (program currently being expanded), domestic and overseas research institutes, international institutions, related government agencies and corporations, thereby supporting skill development and network extension.

■ DBJ's Human Resource Development System

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

Seeking Higher Ethical Standards

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

DBJ has long sought to enhance ethical standards by requiring employee training to assure legal compliance, promote eco-friendly conduct (through environmental management training) and maintain information security (training to address the risk of fraudulent access and information leaks). DBJ will henceforth devote even more resources toward such efforts.

Environmental Management

DBJ aims to realize a more prosperous sustainable society by achieving harmony through the triple bottom line of society, the environment and the economy. We recognize the resolution of environmental problems as an issue that is

common to all humankind. For this reason, DBJ has established a Basic Environmental Policy that aims to contribute to the formation of an environmentally friendly economic society.

Environmental Preservation Activities

Through autonomous environmental preservation activities that it conducts systematically and on an ongoing basis, DBJ aims to make a sustained contribution to economic society. We incorporate environmental preservation into our investment and loan activities from this perspective.

Promotion of environmental measures through our investment and lending operations

DBJ's investment and loan activities support projects to prevent global warming and create a recycling-based society. Furthermore, we promote clients' efforts toward environmentally conscious management. By contributing to clients' environmental measures, we help to achieve a sustainable society.

Promotion of environmental awareness through environmental communication

DBJ addresses environmental problems by conducting ongoing environmental studies and proposals. These efforts help to enhance environmental awareness, support involvement in environmental issues and contribute to the realization of a sustainable society.

Promotion of environmental awareness activities in offices

In addition to complying with environmental regulations, DBJ works to reduce the environmental impact of its operations. As such, we promote the measures described below in an effort to make our offices environmentally friendly.

- Promotion of resource and energy conservation and recycling activities
- Promotion of environmentally friendly sourcing of supplies
- Prevention of environmental pollution

In June 2001, DBJ became the first Japanese bank to sign the UNEP Statement by Financial Institutions on the Environment and Sustainable Development, promising to strive for harmony between economic development and environmental conservation and to cooperate in resolving environmental problems. In addition, in November 2002 we acquired ISO 14001 certification. Such efforts indicate our organizational commitment to environmental preservation and realizing a sustainable society.

At present, we are pursuing independent initiatives and promoting environmental efforts in the communities where our branches and offices are located.

Environmental Management Structure

DBJ has set up the Public Relations & Corporate Social Responsibility Office within the Corporate Planning & Coordination Department. This office spearheads environmental management activities attended by all executives and employees.

Environmental Management Officer

The Environmental Management Officer is located within the Public Relations & Corporate Social Responsibility Office

in DBJ's Corporate Planning & Coordination Department. The officer confirms environmental education and training and accepts annual environmental targets.

General Risk Management Committee

Situated below the Management Committee, the General Risk Management Committee deliberates annual environmental targets and environmental management reviews.

Management Structure

Public Relations & Corporate Social Responsibility Office, Corporate Planning & Coordination Department

In charge of DBJ's environmental management activities is the Public Relations & Corporate Social Responsibility Office, Corporate Planning & Coordination Department. In addition to setting environmental targets for each fiscal year and confirming the degree to which they have been achieved, this office manages compliance with relevant laws and regulations.

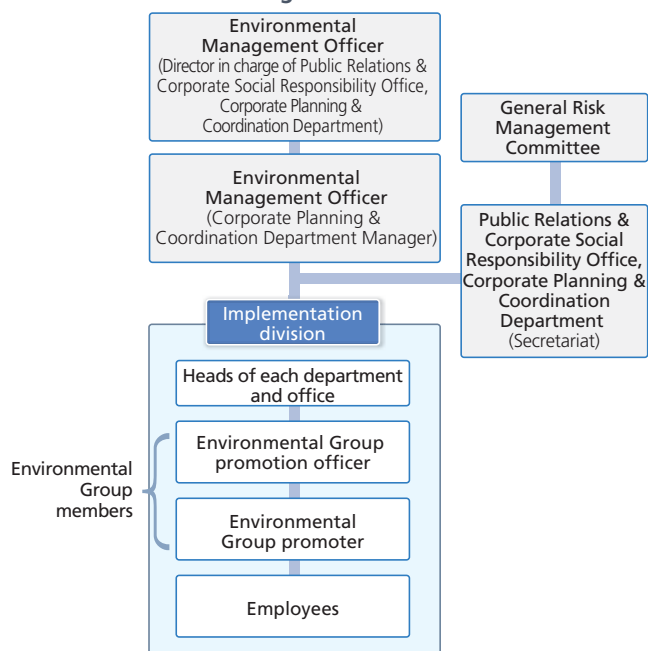
Environmental Group Promotion Officer

To promote environmental management activities, we have situated an environmental member in each branch and department. The Environmental Group Promotion Officer designates personnel in charge of environmental promotion and manages the level of achievement of annual environmental targets.

Employees

Employees are responsible for putting environmental management activities in action.

■ Environmental Management Structure



Environmental Management Activities during the Year Ended March 31, 2009

Green Purchasing

Following the Green Purchasing Law (official title: Law Concerning the Promotion of Procurement of Eco-Friendly

Goods and Services by the State and Other Entities), which went into effect in April 2001, DBJ purchases products and services effective in reducing environmental impacts.

■ Achievements of the Green Procurement Program for Typical Items

	Procurement Achievements in the Year Ended March 31, 2009
Paper	100%
Stationery	89–100%
Equipment	89–100%
Office equipment	87–100%
Lighting	100%
Interior items	—

■ Resource- and Energy-Saving Efforts

	Year Ended March 31, 2009		Target for the Year Ending March 31, 2010
	Target ¹	Result ¹	
Copy and printing paper usage	(1)%	13.1%	(1)% ²
Waste emissions	(1)%	(8.2)%	(1)% ³
Energy consumption	(1)%	7.8%	(1)% ²

Notes: 1. Targets and results for the year ended March 31, 2009, are relative to the previous year's levels.

2. Figures for copying and printing paper usage and energy consumption are 1% lower than the average level achieved in DBJ's loan products for the fiscal year ended March 31, 2009.

3. Waste emission figures correspond to 1% less than the level achieved in the year ended March 31, 2008, after accounting for periodic personnel transfers.

Environmental Management Activities at Branches and Departments

To encourage environmental management at each of our branches and departments, we created an award for the branch or department with the best environmental activities. To win, in addition to reaching the annual

environmental target set branch or department at the beginning of the fiscal year, the rules stipulated that the activity could not be limited to the efforts of an individual and that the environmental activity had to be conducted in cooperation with the local community. The winner was selected based on these and other criteria.

Branch/Department Recognition

• “Compact Electronics Collection Trial,” Department for Public Sector Solutions (Now, the Business Planning & Coordination Department)

The department collected unused digital cameras, portable game units, portable music players and other compact electrical and electronic devices and took them to a center where the rare metals they contained could be extracted and tested to see whether they could be disposed of properly. The compact electronics collection trial was conducted mainly in the city of Ohdate, Akita Prefecture, in December 2006.

DBJ employees participated in the trial. Collection boxes were set out at three locations in DBJ’s headquarters cafeteria. A total of 210 electrical and electronic devices were collected.



• Department for Corporate Finance, Division 6 (Now, the Regional Planning Department, Corporate Finance Group, Mid-Sized & Growth) Collecting Used Stamps

This department collected stamps from letters and parcels posted to executives and employees and sent the cancelled stamps to the Japan Overseas Christian Medical Cooperative Service. The funds these stamps generate are used to maintain health and improve medical treatment in Asia, Africa and other regions.



• Hokkaido Branch Exhibition at the Integrated Exhibition of the Environment in Celebration of the 2008 Hokkaido Toyako Summit

In addition to serving as an advisor to the executive committee for the Exhibition at the Integrated Exhibition of the Environment in Celebration of the 2008 Hokkaido

Toyako Summit, DBJ’s Hokkaido Branch was an exhibitor. The exhibit introduced DBJ’s environmental initiatives, including the DBJ Environmental Rating System.

These activities were highly acclaimed, with Harumi Takahashi, the Governor of Hokkaido and the Chairperson of the Hokkaido Toyako Summit Preparation Council expressing his appreciation.



• Shikoku Branch Participated in Forest Thinning Activities

The Shikoku Branch participated in forest thinning* activities conducted by Mitsui & Co., Ltd., in October 2008. After receiving instruction from an NPO on forest thinning participants helped with these activities, joining local residents and strengthening community ties.



*Thinning is a type of forest preservation activity. Too-dense growth of trees limits the health of the overall forest. As a countermeasure, some saplings are cut away.

• Minami-Kyushu Branch Cleanup Activity on Sakurajima

Located in the Kirishima-Yaku National Park, Sakurajima is a symbol of Kagoshima Prefecture. In November 2008, the Minami-Kyushu Branch participated in a cleanup project covering the ocean leisure spot in a famed tourist area adjoining Sakurajima. This area attracts many seaborne objects, some of them a result of tourism. This cleanup activity helped preserve the area as a future tourism resource.



Management Structure

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

1999	October	The Development Bank of Japan Law (Law No. 73 of 1999) stipulated objective is explicitly stated as "sustainable development"
2001	April	Starts green procurement and environmental training
	June	Becomes first Japanese bank to sign the UNEP Statement by Financial Institutions on the Environment and Sustainable Development
	October	Forms the Social Environment Committee and Social Environment Group; hosts discussions between UNEP and Wa no Kuni Financial Institutions on Environmental Considerations for Financial Institutions
2002	March	Attends UNEP FI 2002 Global Roundtable in Rio de Janeiro, Brazil
	July	Launches the Development Bank of Japan Environmental Policy
	November	Obtains ISO 14001 certification
2003	October	Publishes Environmental Report 2003 for a Sustainable Society (first annual edition)
	October	Jointly sponsors UNEP FI 2003 Global Roundtable in Tokyo, an international conference on finance and the environment
2004	April	Starts Loans for Promoting Environmentally Conscious Management
	September	Issues the second annual <i>Sustainability Report</i>
	November	Establishes Japan Carbon Finance, Ltd. (JCF)
	December	Establishes Japan Greenhouse Gas Reduction Fund (JGRF)
2005	January	Assumes chairmanship of the UNEP FI Asia Pacific Task Force
	April	Starts program to promote the spread of equipment meeting Top Runner standards in accordance with the Energy Conservation Law
	September	Issues the third annual <i>Sustainability Report</i>
	October	Presents at the UNEP FI 2003 Global Roundtable
	November	Renews ISO 14001 certification
2006	April	Starts program to support projects in line with the Kyoto Protocol Target Achievement Plan
	May	Holds press conference to announce DBJ status as a signatory institution to the Principles for Responsible Investment
	August	Publishes <i>CSR Report 2006</i> (fourth annual <i>Sustainability Report</i>)
2007	April	Starts interest subsidy system for the global warming countermeasure portion of the Promoting Environmentally Conscious Management financing system
2008	April	Revises environmental policy, creating the Basic Environmental Policy
	October	In line with the launch of the New DBJ, the first Board of Directors and Management Committee meetings convene and the Basic Environmental Policy and Environmental Management Regulations are formulated

DBJ's Basic Environmental Policy

Promulgated and Put into Effect October 1, 2008

Purpose

Article 1. DBJ aims to realize a more prosperous sustainable society by achieving harmony through the triple bottom line of society, the environment and the economy. We recognize the resolution of environmental problems as an issue that is common to all humankind. For this reason, DBJ has established a policy that aims to contribute to the formation of an environmentally friendly economic society.

Promotion of Environmental Measures through Loan and Investment Activities

Article 2. Through its investment and loan activities, DBJ supports global warming prevention measures and the promotion of a recycling-oriented society. In addition, by supporting environmentally sustainable corporate management by its clients, DBJ contributes to their creation of environmental measures and to the realization of a sustainable society.

2. DBJ contributes to clients' environmental measures through the risk evaluations of investment and loan activities from an environmental perspective.

Promotion of Environmental Awareness through Environmental Communication

Article 3. Through continuing research and advisory activities relating to environmental issues, DBJ seeks to help resolve environmental

issues through enhanced awareness, thereby contributing to the realization of a sustainable society.

2. DBJ seeks to promote environmental awareness through international cooperation, including the distribution of information about environmental initiatives by Japan.
3. DBJ endeavors to improve its initiatives by sharing information on its environmental activities and through communication with society.

Promotion of Environmental Awareness Activities in Offices

Article 4. DBJ complies with environmental laws and regulations, and promotes activities to reduce the environmental impact of its operations. To these ends, DBJ seeks to contribute to the creation of environmentally friendly office environments through the activities indicated below.

- (1) Promotion of resource and energy conservation and recycling activities
- (2) Promotion of environmentally friendly sourcing of supplies
- (3) Prevention of environmental pollution

Promotion of Environmental Awareness Activities in Communities

Article 5. By cooperating with community environmental improvement initiatives, such as measures to prevent heat islands, DBJ works to contribute to the creation of environmentally friendly regional societies.