

DBJ provides integrated investment and loan services to resolve the issues its clients face and continues to support the ongoing growth of society from a financial perspective.

At DBJ, corporate social responsibility involves not only contributing to society through investment, loan and other business, but also seriously taking into account societal needs and living up to responsibilities as a member of society. This requires all DBJ executives and regular employees to conduct their daily activities with constant consideration of society, the environment and the economy. We believe our efforts will build DBJ into a financial institution trusted, favored and chosen by the public.

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Editorial Policy

To expand communication with all stakeholders, in 2003, DBJ first issued *Environmental Report 2003 for a Sustainable Society*. This was followed by annual sustainability reports in 2004 and 2005. In 2006, DBJ published the *CSR Report*. Since the fiscal year ended March 31, 2007, DBJ has combined its annual report and CSR report under the concept of "disclosure from a CSR perspective." DBJ will continue publishing CSR information introducing its initiatives to help realize a sustainable society.

As in previous years, this report explains how DBJ came into being, as well as the services DBJ provides. The report aims to show that DBJ fulfills its corporate social responsibility through the careful attention it accords to each of its activities, incorporating this discussion of the status of its recent activities. Furthermore, we have employed the following guidelines in our effort to enhance the report's readability.

- We explain DBJ's stance on CSR as a way of addressing the problems society faces.
- To give the reader a clear sense of how DBJ's services relate to society, the report provides case studies of DBJ's ongoing emphasis on CSR through investment, loan and other businesses it conducts.

DBJ considers this report an important tool for communicating with all manner of stakeholders and hopes to continue improving it. Accordingly, we welcome your comments and suggestions.

Scope of Report

Organizations covered: All DBJ branches, including overseas representative offices and subsidiaries, except where noted.

Japan: Head office, 10 branch offices and eight representative offices

Overseas: One overseas representative office

Period covered: The fiscal year from April 1, 2009, to March 31, 2010

As this report is designed to illustrate ongoing initiatives, some of the case studies for investment, loan and other business contained herein are the same as in past issues. Furthermore, some of the information indicated herein will have been updated by the time this report is published.

Publishing Details

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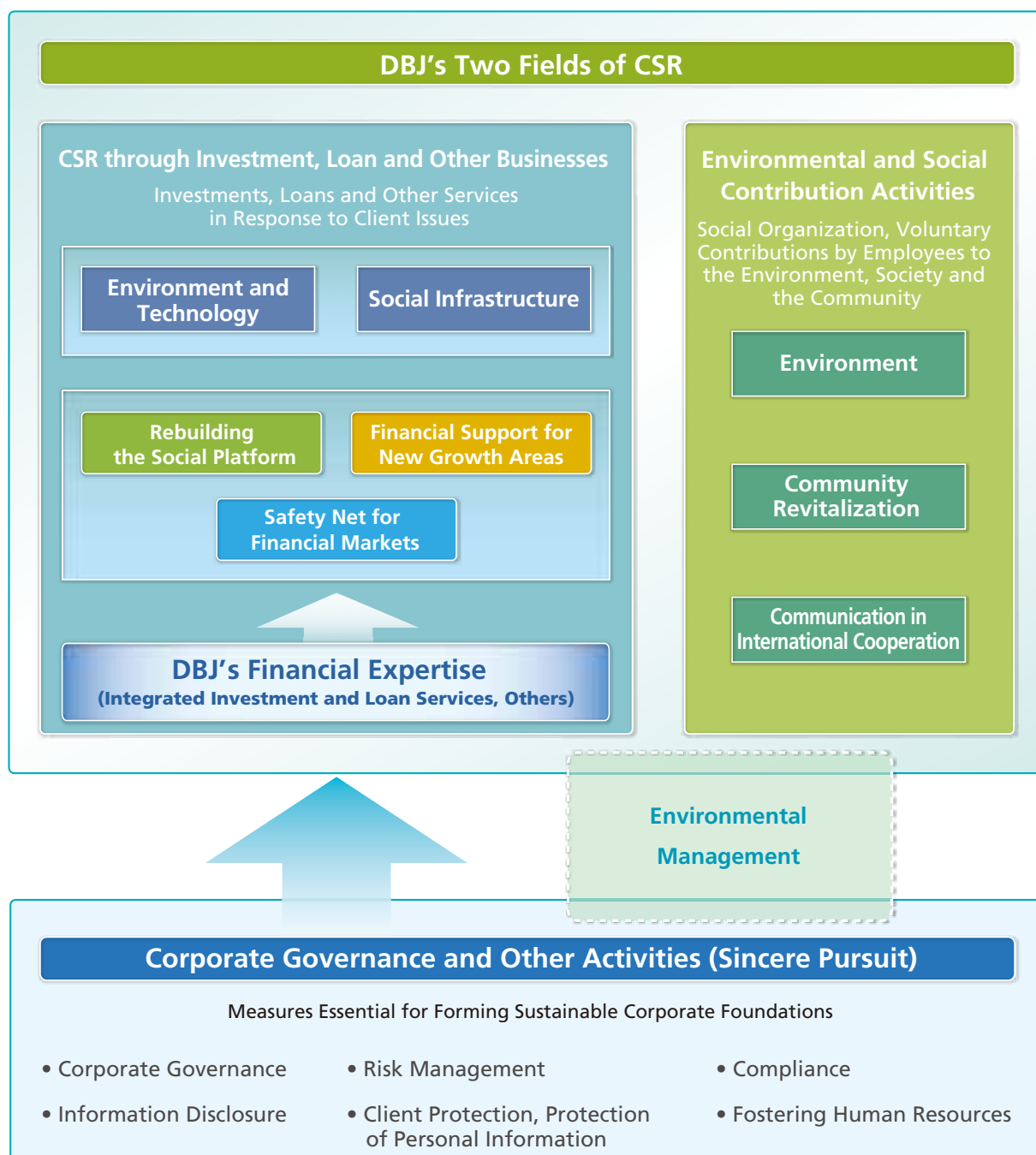
Reference Guidelines

Sustainability Reporting Guidelines 2006, issued by the Global Reporting Initiative (GRI), and the *Financial Services Sector Supplement* were used as reference guidelines.

Implementing CSR Management

With corporate governance as its cornerstone, DBJ separates into two fields the scope of the CSR activities through which it addresses the problems society faces: (1) CSR through investment, loan and other businesses and (2) the environmental and social contribution activities it undertakes. The combination of the two fields enhances corporate value.

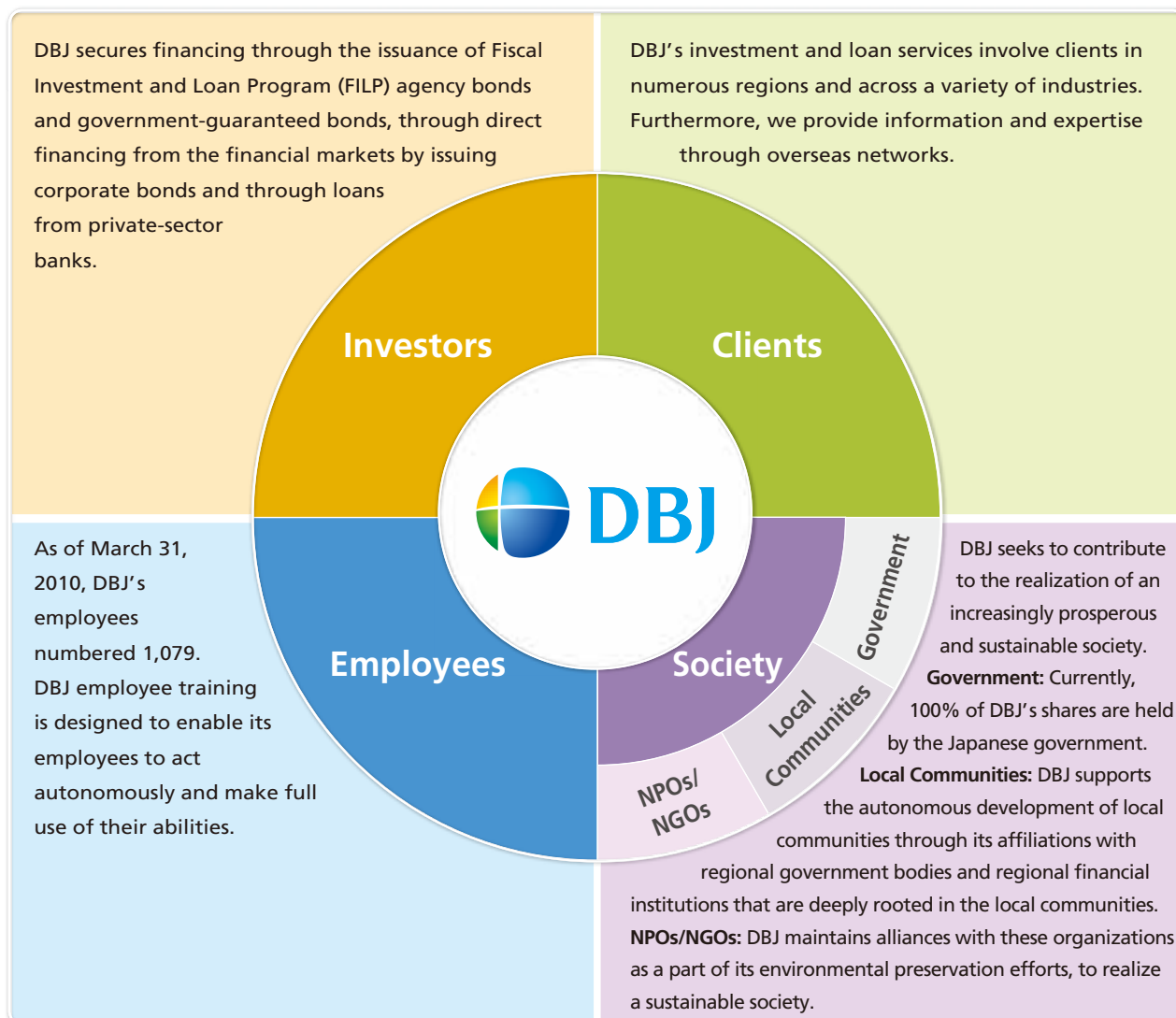
Fields of CSR Implementation at DBJ



Fields of CSR Implementation at DBJ

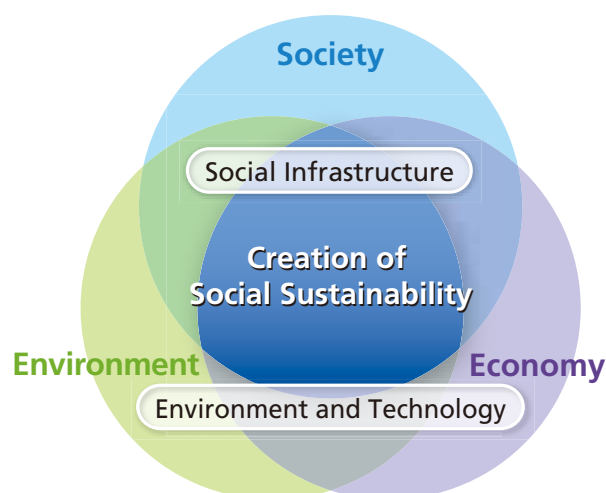
DBJ comes into contact with a wide variety of organizations, companies and people in the course of its operations.

DBJ strives to increase its dialogue with stakeholders in its effort to realize a sustainable society.



Triple Bottom Line

"Triple bottom line" refers to evaluating corporate activity from the three vital perspectives of the environment, society and the economy. It is not simply evaluating a company's financial performance, but rather assessing sustainable development by incorporating environmental, social and economic aspects. Tied to DBJ's investments and loans are economic issues involving the environment, technology and social infrastructure. DBJ's considerations include region-specific and environmentally time-specific concerns, in addition to the economic issues that a company faces, thus spanning the three elements that make up triple bottom line evaluation. Accordingly, in "CSR through Investment, Loan and Other Businesses" DBJ carries out activities based on triple bottom line evaluations to help build a sustainable society.



Social Effectiveness

During its time as a comprehensive policy-based financial institution, evaluations of DBJ's annual operations raised DBJ's business effectiveness and results, thereby improving its responses to socioeconomic changes facing Japan. These responses were a way to evaluate CSR through Investment, Loan and Other Businesses.

Even after privatization, DBJ aims to continue contributing to building an affluent future by solving problems through creative financial activities. We determine from our own perspective those businesses that are truly useful to society and work to promote the realization of a sustainable society.

CSR through Investment, Loan and Other Businesses

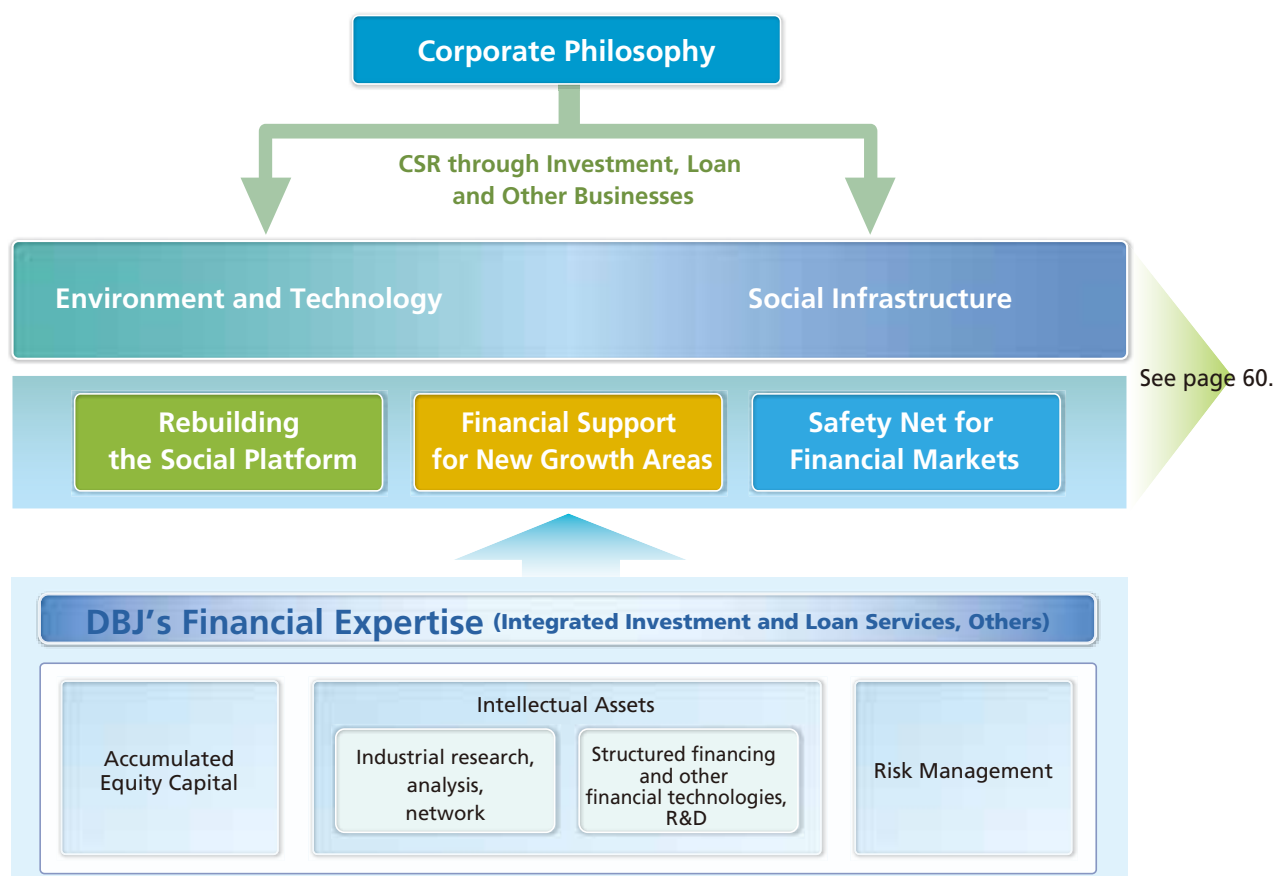
Due consideration of compliance issues is a prerequisite for the sustainable development of enterprises. Accordingly, it is important that a corporation's mainstay business brings new value to, contributes to problem-solving in, and gains the trust of society.

Financial institutions can play a specific role in building a harmonious society over the long term by identifying truly meaningful projects for the economy and society and providing quality financing and other financial solutions.

We believe that DBJ can gain the trust of society with CSR through investment, loan and other businesses, such as the provision of services that lead to client satisfaction, increases in corporate value, coexistence with regional soci-

eties and the creation of employee-friendly workplaces. Accordingly, DBJ considers the application of its intellectual assets and financial platforms for investments and loans to be of vital importance.

We are working to provide additional sophisticated financial services by leveraging our strengths related to social infrastructure and the environment and technology and by taking advantage of our broad client base and accumulated industry knowledge. Through such services, conducted in line with its corporate policy, DBJ plays a role in rebuilding the social platform, providing financial support in fields that offer future growth and serving as a safety net for financial markets.



Environmental and Social Contribution Activities

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

Communication Focused on the Environment

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

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

DBJ has had a booth at the Eco-Products Exhibition every year since the fiscal year ended March 31, 2001. Through compendious display panels, we introduce various DBJ activities, such as the Program for Promoting Environmentally Responsible Management, our tie-up with the UNEP Finance Initiative and emissions credits trading. During the year ended March 31, 2010, we delivered a lecture on the theme of "the Current Status and Direction of Environmental Finance in Indirect Financing," attracting numerous visitors to our booth.



"Eco Presentation Stage" (Eco-Products 2009)

Since fiscal 2009, DBJ has been a participating sponsor of the eco japan cup*, Japan's largest environment-related contest. We are active on the organization's executive and judging committees.

*The "eco japan cup" is sponsored by public and private entities, including Japan's Ministry of the Environment, Ministry of Internal Affairs and Communications, Sumitomo Mitsui Banking Corporation and DBJ. The contest describes itself as a "contest for unearthing and growing seeds of green business." This program is a continuation of the 2005 "Environmental Dynamite!" event. Renamed the "eco japan cup" in 2006, this event is held on an annual basis.

Announced in December 2009, winners of the "eco japan cup 2009" in the business division were as follows.

eco japan cup 2009 Business Award Winners

• Environmental Business Awards
[Environmental Business Award 2009] KYUSHU ELECTRIC POWER CO., INC. NGK INSULATORS, LTD.
• Environmental Business Venture Awards
[Grand Prize] My Farm Co.
[Fighting Spirit Prize] Japan Biomass Corporation
[SMBC Award] Seiwa Industry Co., Ltd.
[JP Region Coexistence Business Prize] Nakada Syubyouen
[Environmental Business Women Prize] A DANSÉ Co., Ltd.
[Jury of Technology (GE) Special Prize] HYPER DRIVE Corporation



Communication to Community Revitalization

DBJ considers working with local citizens to build communities that suit their unique environments an important part of supporting independent community development. To this end, DBJ sponsors such events as seminars and symposiums in collaboration with local authorities and regional branches of the Japan Chambers of Commerce and Industry and other economic organizations.

In our Regional Health Checks, we discuss objective indicators and original analytical methods with residents and help them identify their community's issues and potential. DBJ employees interview community stakeholders in advance, study the region's resources and, on the final day, hold a participatory workshop with residents. (See page 44.)



Interaction with community members

Communication in International Cooperation

In cooperation with Japan Economic Research Institute Inc., DBJ holds seminars for developing countries' governmental and developmental financial institutions, primarily in Asia, describing the Bank's experience in applying policy-based financing to support the industrial economy of postwar Japan. We also offer the expertise we have accumulated in recent policy issues, such as energy conservation, environmental measures and private infrastructure. The Development Finance Course, for example, is a seminar that has attracted 346 people from more than 30 countries since it was inaugurated by DBJ in 1967.

For individual development banks, DBJ cooperated with the World Bank and the Japan International Cooperation Agency to provide comprehensive technical cooperation to the China Development Bank and the Infrastructure Development Bank of Malaysia. We also concluded a business cooperation agreement with the Vietnam Development Bank in 2007. In addition, in fiscal 2009, we cooperated in holding training sessions and workshops in Tokyo and at overseas locations for participants from the China Development Bank, the Vietnam Development Bank and the Small Industries Development Bank of India, as well as Mongolian government decision-makers and mid-tier officials.



Training at Vietnam Development Bank

Other Communication Efforts

Providing Information

Video Introduction to CSR Initiatives

To make DBJ's CSR activities more easily understandable, on our website we have included video content entitled "DBJ's CSR: Strengthening Society through Financial Expertise." We also showed this video at the Eco-Products 2009 exhibition. <http://www.dbj.jp/co/csr/index.html> (Japanese only)



Issuing CSR Reports

To expand communication with all stakeholders, in 2003, DBJ issued *Environmental Report 2003 for a Sustainable Society*. This was followed by similar reports in 2004 and 2005. In 2006, DBJ published the *CSR Report*.

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Participating in Activities That Contribute to Society

TABLE FOR TWO

DBJ began participating in the TABLE FOR TWO* program on March 29, 2010. Under this program, one of the meals in our company cafeteria each day is designated as a "healthy menu" option. Through proactive employee participation in this program, as of the end of May 2010, DBJ's contributions totaled ¥88,060—enough to provide 4,403 meals.

*TABLE FOR TWO is a program run by the nonprofit organization TABLE FOR TWO International. Under this program, each time a specific food item is purchased, a ¥20 donation (enough money to purchase one school lunch in a developing country) is donated to purchase a school lunch for one child.



A healthy menu



Campaign introduction

Participating in Local Community Activities

Support for the Operation of the Environmentally Friendly Marunouchi Shuttle Bus

Since the year ended March 31, 2004, DBJ has co-sponsored the operation of environmentally friendly buses carrying passengers free of charge on a route in the Otemachi, Marunouchi and Yurakucho area of Tokyo's business district. These buses help raise awareness about environmental issues. Not only do the buses reduce environmental impact and noise but also they are barrier-free with a low-floor design, ensuring easy access for disabled users.



Marunouchi shuttle bus

DBJ promotes CSR through investment, loan and other businesses 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.

CSR through Investment, Loan and Other Businesses



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Urban Development

Efforts to develop and upgrade urban infrastructure and functions 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 increasing demand for urban development and renewal that take environmental conservation and disaster prevention into consideration in an attempt to realize a sustainable society.

Investment and Loan Case Study: Real Estate Market Stabilization Fund

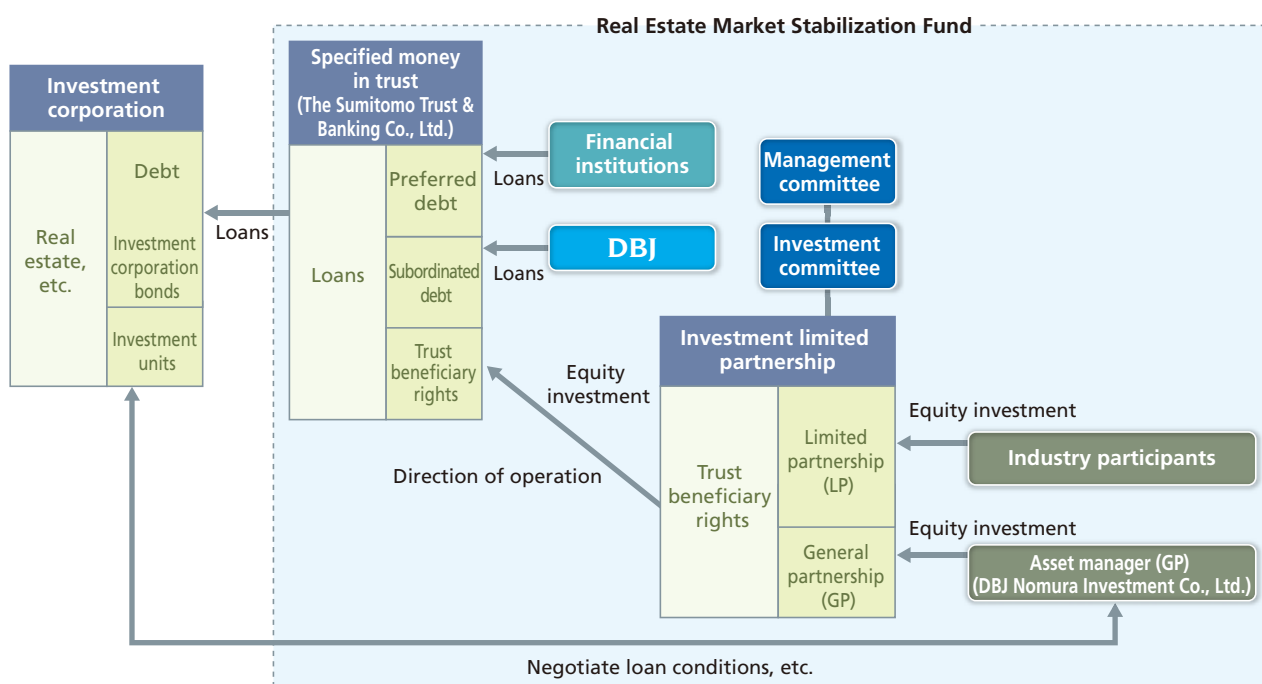
The global financial crisis that commenced in the autumn of 2008 and the resultant credit crunch gave rise to serious concern over corporate cash flow, including financing for urban development and real estate. Even certain listed Japanese real estate investment trusts (J-REITs), which typically are very low risk, entered civil rehabilitation proceedings. Furthermore, the fund-raising environment has been markedly unstable. In particular, there is significant concern in the market about the redemption of investment corporation bonds (corporate bonds) held by J-REITs. Should J-REITs, Japan's ultimate buyers of real estate, cease to function, this would have a significant impact on the real estate market. This situation has spurred calls for remedial measures.

The Ministry of Land, Infrastructure, Transport and Tourism, for one, considers this a weighty issue.

Accordingly, MLIT is working with such institutions as DBJ to provide financing to J-REITs and is putting together public-private funds to make credit lines available for corporate bond repayments. DBJ has taken an active role, not only in designing the structure, but also in raising funds in the market—the toughest part—supplying subordinated debt financing to establish the Real Estate Market Stabilization Fund.

These measures helped J-REITs to avoid collapse, and their investment unit prices (share prices) have recovered significantly since the market crash. The fund has greatly relieved pressure on J-REITs and earned high regard in the market.

● Overview of the Real Estate Market Stabilization Fund

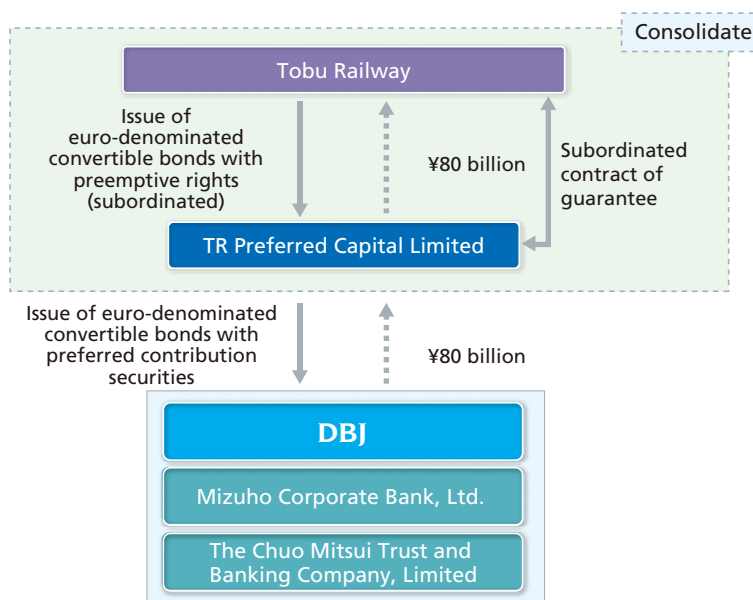


Urban Development

Investment and Loan Case Study: **Tobu Railway Co., Ltd.**

To maintain a robust capital structure, in October 2008, Tobu Railway, with its headquarters in Sumida-ku, Tokyo, participated directly in a large redevelopment project focused on the Narihira-bashi 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 (SPC), 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.

● Overview of Fund Procurement Scheme



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 in conjunction with Mizuho Corporate Bank, Ltd., and The Chuo Mitsui Trust and Banking Corporation, Limited.



Conceptual illustration of Tokyo Sky Tree, scheduled for completion by December 2011

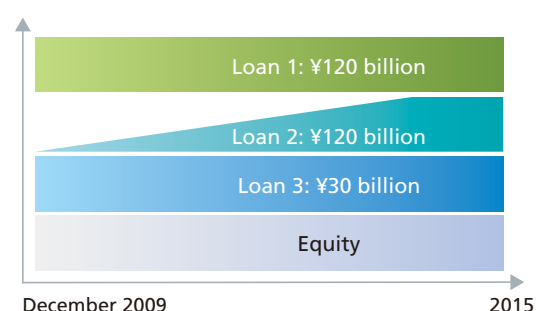
Investment and Loan Case Study: **Prime Stage Co., Ltd.**

Under Tokyo Prime Stage, an SPC established by Tokyo Tatemono Co., Ltd., and Taisei Corporation, a prime site located in Chiyoda-ku, Tokyo, that is currently occupied by Mizuho Bank's Otemachi head office building and the Otemachi Financial Center building is to be developed into a large-scale multipurpose building.

The current plan is for standard floor area of approximately 2,970 square meters. The high-rise building will house state-of-the-art office space and a luxury hotel, with the premises providing around 3,600 square meters of green space. Construction is slated for completion in spring 2014.

With DBJ as the lead arranger, 26 financial institutions are participating in the ¥270 billion syndicated loan—one of the largest ever arranged in Japan.

● Structure of the Syndicated Loan



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 transportation infrastructure in accordance with degradation due to aging and the requirements of increased transport capacity and efficiency, as well as in response to an aging population and environmental issues. As transportation infrastructure involves large investment amounts and long investment periods, the procurement of long-term funding is increasingly important.

On January 19, 2010, Japan Airlines, one of DBJ's largest clients, secured backing from the Enterprise Turnaround Initiative Corporation of Japan and, on the same day, applied to the Tokyo District Court for the commencement of corporate rehabilitation procedures. Together with the Enterprise Turnaround Initiative Corporation of Japan, DBJ is providing debtor-in-possession (DIP) financing to Japan Airlines.

Investment and Loan Case Study: **Hokkaido Railway Development Corporation**

The Hokkaido Railway Development Corporation, headquartered in Sapporo, was established with capital investment from the Hokkaido regional government and JR Hokkaido as a so-called "third-sector" (public-private) corporation.

Hokkaido Railway Development Corporation is electrifying the section of the Sasshou Line between Souen Station and Health Sciences University of Hokkaido Station to better serve the increasing population along it. With this development, the company aims to shorten train travel time, ease overcrowding and improve railway carriage air-conditioning,

while simultaneously reducing the environmental impact of the service.

In this way, DBJ is providing long-term funding to raise the standard of services for the local population by supporting the development of a high-speed rail network in the Sapporo area.



Sasshou Line

Investment and Loan Case Study: **Narita Rapid Railway Access Co., Ltd.**

Narita Rapid Railway Access Co., Ltd., is a class-three railway operator established to create a new high-speed access route connecting central Tokyo and Narita Airport.

In August 2001, construction of the Narita New Rapid Railway was approved as a national urban renewal project by the Urban Renewal Headquarters, whose secretariat is in the Cabinet Office. 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.

DBJ, in collaboration with Mizuho Corporate Bank, Ltd., co-arranged a syndicated loan for Narita Rapid Rail Access. The two 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 the financing necessary to proceed toward the completion of the project.

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



A new high-speed access route connecting central Tokyo and Narita Airport



New Skyliner

Transportation Infrastructure

Investment and Loan Case Study: **Tokyo International Air Terminal Corporation**

As the largest shareholder in Tokyo International Air Terminal Corporation, with headquarters in Ota-ku, Tokyo, Japan Airport Terminal Co., Ltd., was established to take charge of an SPC to maintain and manage Tokyo International Airport's international terminal buildings. This is the first case of a national core transportation infrastructure being handled as a PFI.

DBJ, Mizuho Corporate Bank, Ltd., and The Bank of Tokyo-Mitsubishi UFJ, Ltd., co-arranged and extended loans in the form of project finance. By constructing a finance scheme that is flexible to changes in aviation and commercial market demand and other trends, DBJ is supporting the implementation of the project up to a period of 30 years from its operational start-up.



©Tokyo International Air Terminal Corporation

Tokyo International Air Terminal

Investment and Loan Case Study: **Royu Driveway Co., Ltd.**

West Nippon Expressway Company Limited ("NEXCO-West"), based in Osaka's Kita-ku, together with DBJ, made a joint equity investment in Royu Developer Co., Ltd., with headquarters in the city of Ashiya in Hyogo Prefecture, to manage a toll road connecting the towns of Ashiya and Arima, dubbed the Royu Driveway. Under joint financing, the companies received transfer of the shares, signing an agreement with Royu Development.

Through a company split, Royu Development succeeded as a newly established expressway operator, receiving all the shares through transfer following funding from NEXCO-West and DBJ. The new company is bringing to bear NEXCO-West's long-cultivated know-how and technological prowess in expressway maintenance operations together with DBJ's accumulated experience in financing infrastructure businesses, including road infrastructure, and its support in ameliorating management and cost-cutting measures, which will help to realize improved efficiency in the newly established company.



Royu Driveway

Corporate and Business Revitalization

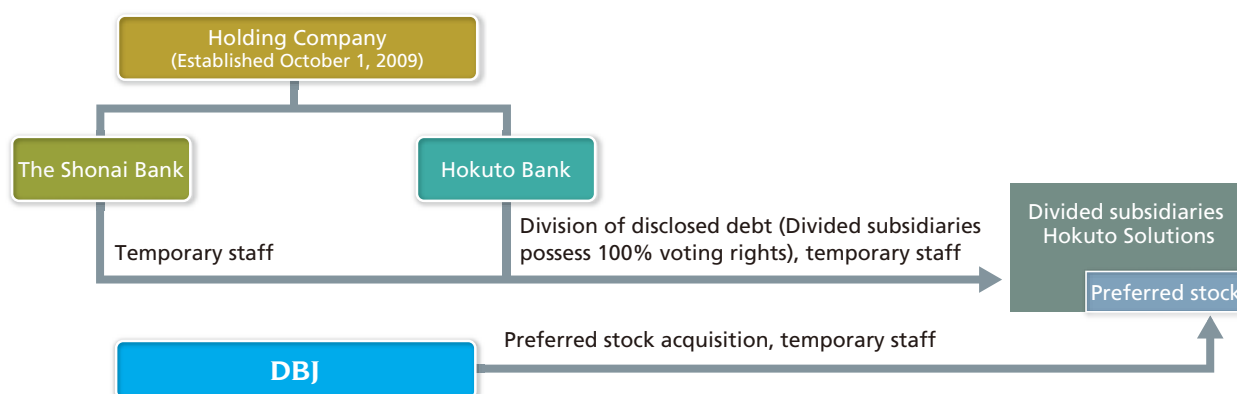
Since the emergence of nonperforming loans as a major problem in Japan in the late 1990s, corporate and business revitalization has become an important issue. In recent years, international financial disorder and the tide of economic globalization have fomented swift change in the corporate business environment. Smooth rehabilitation is an important issue for not only the distressed companies that are viable businesses themselves but also the financial and other entities supporting their revitalization.

Investment and Loan Case Study: The Hokuto Solutions, Ltd.

The Hokuto Solutions, Ltd., 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 nonperforming loans 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 nonperforming loans from Hokuto Bank and is engaged in debt management and the support of business revitalization activities for Hokuto Bank.

DBJ provides temporary staff to Hokuto Solutions and invested approximately ¥1 billion in the form of nonvoting preferred stock.



Investment and Loan Case Study: Iknow Machinery Co., Ltd.

Iknow Machinery Co., Ltd., headquartered in the city of Sasebo in Nagasaki Prefecture, was formed with the support of the maritime industry, including Oshima Shipbuilding Co., Ltd., based in the city of Saikai in Nagasaki Prefecture and incorporating the marine equipment division of Tsuji Sangyo Co., Ltd., which is in bankruptcy proceedings, also with headquarters in Sasebo.

Tsuji Sangyo, a major producer of marine equipment, was also involved in the shipbuilding business in China. The company filed for bankruptcy under the Corporate Rehabilitation Law in December 2008 following deterioration in business conditions. Tsuji Sangyo was the supplier of marine cranes and hatch covers and other essential parts to

Oshima Shipbuilding and other shipbuilders, for which continued production and smooth supply was indispensable.

DBJ's long-term loan facilitated the transfer of business from Tsuji Sangyo to Iknow Machinery, thereby helping to ensure that shipbuilding companies have a continuing stable supply of goods.



A cargo vessel with hatch covers



Deck crane

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 national and regional public-sector administrative bodies. Advantages include reduced operating costs on the part of national and 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 allocating responsibility and accountability across multiple vendors. Numerous financing problems can arise as well, making the ability to negotiate with, and manage, the various participants very important.

Investment and Loan Case Study: **Tsukuba Next Partners Co., Ltd.**

Tsukuba Next Partners Co., Ltd., based in Tsukuba, Ibaraki Prefecture, is an SPC set up for the facility maintenance operations of Tsukuba University Hospital by Hitachi Building Systems Co., Ltd., Kajima Corporation, Mitsubishi Corporation and Tokyo Electric Power Company.

This PFI will enable the University of Tsukuba to promote research to support advances in clinical medicine using state-of-the-art medical technology and leading medical education.

The PFI is Japan's first such effort to implement this kind of project at a national university hospital. It covers the refurbishment of existing wards as well as the building of new wards and takes on such tasks as facilities maintenance and supporting hospital operations.

As the lead arranger, DBJ assembled the syndicated loan in the form of project finance in collaboration with other financial institutions.



Conceptual illustration of the completed hospital facilities

Investment and Loan Case Study: **Water Next Yokohama Co., Ltd.**

Water Next Yokohama Co., Ltd., headquartered in Yokohama, Kanagawa Prefecture, is an SPC set up to renovate the Kawai Water Purification Plant in the city of Yokohama. The SPC is backed by Metawater Co., Ltd.; Metawater Service Co., Ltd.; Mitsubishi UFJ Lease & Finance Co., Ltd.; Tsukishima Kikai Co., Ltd.; Toden Kogyo Co., Ltd.; Tokyo Electric Power Environmental Engineering Co., Inc.; and Tokyo Electric Power Company.

This is Japan's first example of a PFI project responsible for the overall renewal and management of a water treatment plant, and the facility will be the country's largest membrane filtration water treatment facility. The adoption of a high-capacity membrane filtration system enables efficient operation and maintenance, and taking advantage of

the drop in elevation from the water sources to the treatment plant helps conserve energy.

In concluding a financing agreement with other financial institutions as arranger, DBJ has helped supply project finance totaling around ¥14 billion.



Overview of the planned facilities

Financing Employing 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.

Investment and Loan Case Study: Shinko Yuki Kagaku Kogyo K.K.

Shinko Yuki Kagaku Kogyo K.K., founded in 1969, is based in Kobe in Hyogo Prefecture and produces a wide range of industrial chemicals. Its main business is manufacturing various ester and organic chemical products. The company also capitalizes on its technological strength in such areas as paint, electronic materials, and pharmaceutical and agro-chemical intermediates.

DBJ evaluated Shinko Yuki Kagaku Kogyo's disaster response program based on the DBJ Disaster Preparedness Ratings system and provided financing at preferred rates based on that evaluation.

DBJ credited the company's tangible precautionary steps, such as (1) establishing rules to deal with all types of large-scale disasters and maintaining a companywide disaster directive system, (2) taking concrete measures, including earthquake-proofing chemical tank facilities and developing

countermeasures to storm and flood damage to office buildings, (3) taking all possible precautions against leakage of hazardous materials and (4) contributing to improvement in regional disaster prevention measures established in collaboration with surrounding companies and local authorities.



Factory building at the company's headquarters

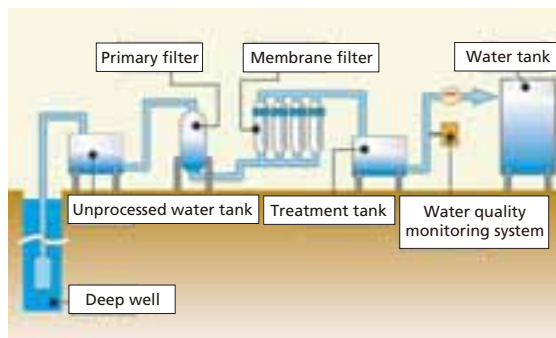
Investment and Loan Case Study: Wellthy Corporation

Wellthy Corporation, 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 assigned Wellthy its highest disaster preparedness rating and provided financing that reflected it. This financing provided capital to Wellthy's groundwater purification plant, which has a collateral function of providing drinking water and is expected to enhance disaster preparedness by ensuring the stable supply of water in times of emergency.

In addition to providing loans, DBJ conducts business matching to promote the spread of groundwater purification plants.

● Groundwater Purification System Flowchart

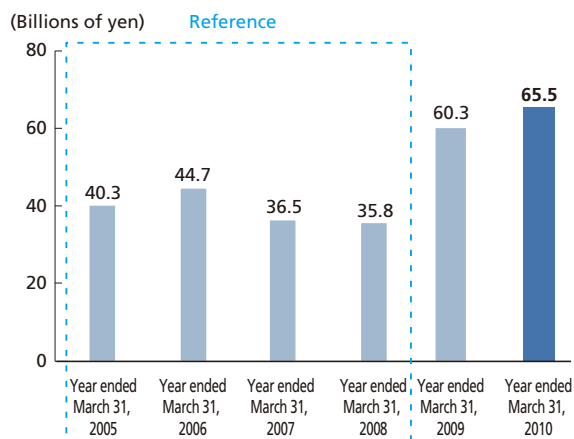


Financing Employing DBJ Environmental Ratings

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.

The graph below shows the amount of Financing Employing DBJ Environmental Ratings for the past six years. Financing in the year ended March 31, 2010, amounted to ¥65.5 billion, an increase of approximately 9% year on year. The total for the six years to March 31, 2010, stands at ¥283.2 billion.

● Track Record of Financing Employing DBJ Environmental Ratings



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

The DBJ Environmental Ratings Advisory Committee meets to receive outside expert advice and make adjustments to the DBJ Environmental Ratings system in line with past scoring and results as well as with trends in environmental policy. The 10th Conference of the Parties to the Convention on Biological Diversity, also known as COP 10, will be held in Aichi-Nagoya, in October 2010 and will put an increased focus on biological diversity (biodiversity) issues. Specifically, the conference will attempt to evaluate a wide range of issues, from conservation efforts in areas such as forestry to the consideration of biodiversity in the procurement of raw materials and biodiversity offsets.*



Environmental Ratings Advisory Committee

In fiscal 2009, the Japan Environment Association made a public appeal to financial institutions promoting its

measures to address global warming through its "special support to achieve the Kyoto target through business grant subsidies and interest free loans" and "acceleration of measures to address global warming through interest subsidies and interest-free loans." DBJ was certified by each of the participating financial institutions.

Also in fiscal 2009, in accordance with the Ministry of the Environment's policies, DBJ approached regional banks across the country to offer its services for financing employing its environmental ratings methods. Specifically, contracts were made with 10 banks, including The Hokuriku Bank Ltd.; The Hiroshima Bank, Ltd.; The Shizuoka Bank, Ltd.; The Hyakugo Bank, Ltd.; and The North Pacific Bank, Ltd., with each bank creating its own environmental assessment sheet and DBJ providing advice on their implementation and management. These efforts to leverage environmental ratings aim to serve the specific financial needs of local companies, and the service is expected to spread to other regional banks.

In addition, in April 2010, to support efforts to promote environmental projects, DBJ concluded a contract with Tokio Marine & Nichido Fire Insurance Co., Ltd., agreeing to cooperate in the promotion of environmental projects. This agreement aims to provide stronger backup for companies working on environmental projects and harnesses DBJ's strength in environmental business financing and Tokio Marine & Nichido Fire Insurance's extensive network providing various insurance services. Specifically, Tokio Marine & Nichido Fire Insurance seeks to continue to promote efforts to reduce companies' environmental impact through offering financing employing DBJ environmental ratings, and in a tie-up with BELFOR (Japan) Co., Ltd., has developed an early disaster recovery support service for companies.

*The monetary equivalent of restoring the inevitable loss of habitat caused by development



DBJ environmental logo

Financing Employing DBJ Environmental Ratings

Investment and Loan Case Study: **SG Holdings Co., Ltd.**

SG Holdings Co., Ltd., headquartered in Kyoto, is a pure holding company with core business groups, including leading courier Sagawa Express Co., Ltd., which is also based in Kyoto. Sagawa Express was an early participant in the Climate Savers Program^{*1} and has set high goals for reducing its CO₂ emissions, with management practices reflecting the strong awareness of the fact that its core business—logistics—has a high impact on the environment. The rating evaluation takes into consideration the company's ambitious targets to increase the number of trucks fueled by natural gas and its biodiversity preservation project, Takao 100-Year Forest.



Preserving undeveloped woodland on Mount Takao

DBJ, in collaboration with The Bank of Tokyo-Mitsubishi UFJ, Ltd., co-arranged a syndicated loan totaling ¥14.0 billion, and SG Holdings became the first company in Japan to adopt the 3% subsidized interest payment system^{*2} owing to its acquisition of the environmental rating.

This syndicated loan provided ¥7.0 billion in effectively interest-free lending for capital investment in a distribution center and other facilities to reduce CO₂ emissions.

^{*1} Participation in a program by the world's largest public conservation organization, the World Wildlife Fund (WWF), that joins companies around the globe in innovative measures to reduce greenhouse gas emissions

^{*2} The official name is the Special Support for Interest-Free Loans to Achieve the Kyoto Target (interest subsidy) System. Under this system, firms that have pledged to reduce companywide CO₂ emissions by 6% over three years can obtain an environmental rating from DBJ and other designated financial institutions, and they can apply the Japan Environment Association's Global Warming Fund lending rate for three years for an interest-rate subsidy of up to 3%.

Investment and Loan Case Study: **Daio Paper Corporation**

Daio Paper Corporation, headquartered in Tokyo's Chuo-ku and Shikokuchuo in Ehime Prefecture, is Japan's third-largest paper manufacturer. Via its Daio Earth Charter, the company is putting into practice environmental management policies including paper recycling, forest conservation and measures to address global warming.

In particular, Daio Paper actively promotes sustainable forest management that is in harmony with the environment as it procures lumber, making effective and efficient use of forest resources. The company's industry-leading afforestation project in southern Chile is achieving world-best levels of efficiency in terms of forestry growth and resultant carbon dioxide sequestration owing to the selection of high-quality tree varieties and the application of advanced forestry technology. In Chile, Daio Paper is also working to maintain biodiversity: protecting native and endangered species by keeping 42% of the area as natural forest. Including its forestry plantation in Tasmania, Australia, the overseas afforestation area has reached 34,300 hectares (as of end-2009).

As for its evaluation ratings, in addition to its biodiversity conservation efforts in overseas plantations, the company scores highly for managing to significantly reduce its environmental impact through such activities as introducing a biomass boiler and industry-leading water treatment

technology that contribute to the conservation of the Seto Inland Sea environment, facilitating higher recycling of traditionally difficult to recycle magazine paper and utilizing waste paper at a rate above the industry average. Through its proprietary eco-friendly initiatives, Daio Paper fully meets society's expectations for environmental contributions by the paper industry.

DBJ awarded Daio Paper its highest environmental rating, and it was the first company in the paper industry to qualify for the 3% subsidized interest payment system (see the preceding note^{*2}).



Daio Paper's forestry plantation



Ujira, an endangered otter species

Financing Employing DBJ Environmental Ratings

Investment and Loan Case Study: Asahi Carbon Co., Ltd.

Asahi Carbon Co., Ltd., based in Niigata city, Niigata Prefecture, produces carbon black*¹ at its facilities in the prefecture. As a Bridgestone group company, Asahi Carbon is building an advanced environmental management system in accordance with Bridgestone Corporation's environmental policy. Asahi Carbon provides Bridgestone with inventory data*² for carbon black used in environmentally friendly products to enable close cooperation with the end-user from the product development stage to allow for the wide-spread adoption of environmentally friendly products.

In its ratings evaluation, the company received high marks for such unique initiatives as using the gas by-products from carbon black manufacturing to generate all the power for the plant—allowing the company to steadily reduce its total energy input—and the company's modal shift to rail container transportation.

Also, with its pledge to reduce CO₂ specific emission units by 5% or more within five years the company became the first in Niigata Prefecture to benefit from the environmental ratings interest-rate subsidy system.*³

Much can also be expected for regional economic development thanks to Asahi Carbon's efforts to effectively integrate environmental measures into its core business.

*¹ Used for reinforcement of rubber products and automobile tires

*² Environmental impact data for each stage of the life cycle

*³ Under the Ministry of the Environment's subsidy system, firms that have pledged to reduce their CO₂ specific emission units by 5% or more within five years can obtain an "environmental rating" from designated financial institutions and can then take advantage of the maximum 1% interest rate offered by the Japan Environment Association's Global Warming Fund.



Uses of carbon black

Investment and Loan Case Study: NEC Capital Solutions Limited

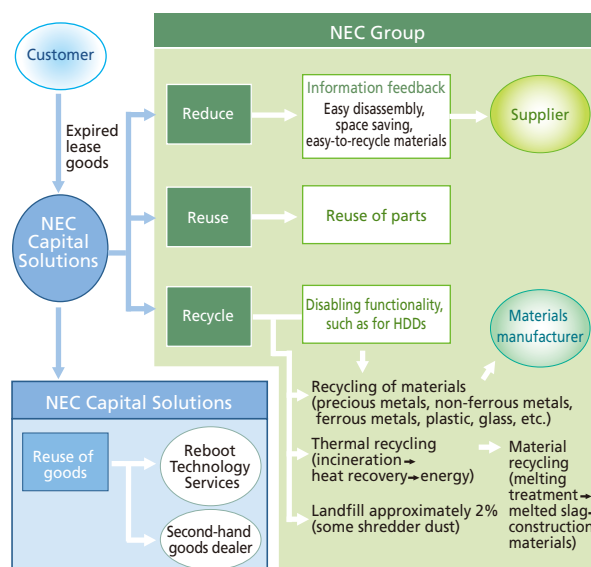
NEC Capital Solutions Limited, headquartered in Tokyo's Minato-ku, is a financial services firm providing solutions to various issues relating to management resources. The company utilizes the characteristics of leasing, one of the pillars of its business, to promote environmental management and provide various services that contribute to the realization of a low-carbon, sustainable society.

In the ratings evaluation, plaudits go to practices such as the steady track record of successful bids for eco-finance, which undergo a two-step evaluation and authorization process by the sales department and the environmental promotion department, substantial achievements in reducing domestic industrial waste emissions to zero, and affiliated company Reboot Technology Services Co., Ltd.'s securing of its international network to achieve cross-border 3Rs* for used information and communication technology (ICT) equipment.

NEC Capital Solutions has received DBJ's highest environmental award, "especially advanced efforts in consideration for the environment," for the six consecutive years since 2004, in recognition of how it applies certain aspects of the leasing business to the recycling and resource industries.

* The "3Rs" are reduce, reuse, and recycle.

● NEC Capital Solutions' 3R System



Emissions Credits

Climate change caused by global warming is expected to significantly impact the environment in such areas as ecology, agriculture, human health and social order. International initiatives are thus under way 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, 2009, however, actually exceeded the 1990 baseline by some 1.6%. 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 2.2%.

Industry accounts for one-third of Japan's total carbon dioxide emissions. Tireless efforts during the year managed to move this level down around 13.2% against the baseline for the year ended March 31, 2009. However, as Japanese industry is already among the world's most energy-efficient, there is little room to reduce emissions further.

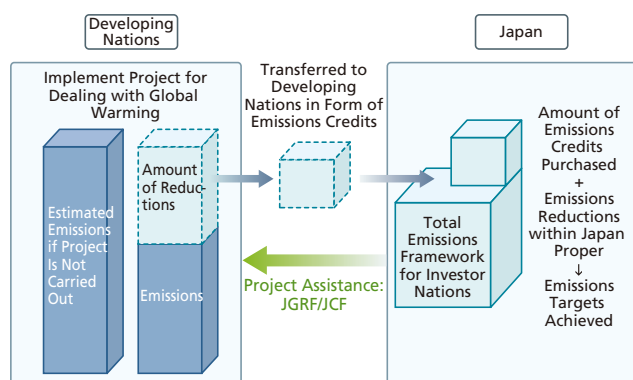
Investment and Loan Case Study: Japan GHG Reduction Fund and Japan Carbon Finance, Ltd. . . .

DBJ established Japan GHG Reduction Fund (JGRF) and Japan Carbon Finance, Ltd. (JCF), in 2004 to acquire large quantities of emissions credits in a stable manner.

In the more than five years as a collaboration between the public and private sectors, JGRF and JCF have leveraged to the fullest DBJ's knowledge and experience in terms of both fund operations and private-sector business 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. JGRF has acquired emissions credits every year since August 2007, when it acquired its first 100,000 tons in emissions credits through the Antonio Moran wind power generation project in Argentina.

● Emissions Credit Transfer Scheme



Antonio Moran wind power generation project in Argentina

Energy

International interest in solar power, wind power and biomass as sustainable energy alternatives to carbon-based power generation is mounting amid ongoing concerns about global warming. Utilization of renewable energy sources is essential for curbing greenhouse gas emissions and realizing a low-carbon society.

In Japan, where reliance predominantly on imported energy sources has made the securing of a stable long-term energy supply an important policy challenge, the creation of a nuclear fuel cycle is being looked to as a way to recycle plutonium and other elements obtained through reprocessing of spent nuclear fuel.

Investment and Loan Case Study: **Showa Shell Sekiyu K.K.**

Showa Shell Sekiyu K.K., headquartered in Minato-ku, Tokyo, is a major Japanese oil refiner and distributor. While maintaining a strong foundation in the oil business, Showa Shell Sekiyu is aggressively pursuing a next-generation CIS photovoltaic cell*¹ business as a path toward realizing a low-carbon society. The company is currently building its No. 3 photovoltaic cell plant in Miyazaki Prefecture with the aim of expanding annual output from its No. 1 and No. 2 plants already in operation to approximately one gigawatt to rival its largest global competitors and acquire 10% of the global market.

Two major issues facing Japan's oil industry are how to restructure the short-term mainstay businesses of oil refining and sales and how to devise new medium- to long-term growth strategies, in light of the structural factor of shrinking domestic demand for petroleum products due to the economic downturn and the promotion of energy conservation. Under these operating conditions, advancements into

renewable energy fields compatible with a low-carbon society are crucial to the long-term growth of oil firms, which play an integral role in the energy industry. Showa Shell Sekiyu's initiative is a prime example of such advances.

Based on knowledge grounded in long-standing relationships with the oil industry and its policy of supporting progressive initiatives in environmental fields, DBJ arranged a syndicated loan with local banks*² that have strong environmental awareness, combining funding for the new photovoltaic cell plant construction in Miyazaki being advanced by Showa Shell Sekiyu, in order to promote environmentally friendly clean energy and local economic development.

*¹ Thin-film photovoltaic cell made primarily from copper, indium and selenium (CIS)

*² The Miyazaki Bank, Ltd.; The Higo Bank, Ltd.; The Kagoshima Bank, Ltd.; The Shinwa Bank, Ltd.; The Bank of Fukuoka, Ltd.; The Saga Bank, Ltd.



Conceptual rendering of Showa Shell Sekiyu's No. 3 plant in Miyazaki

Energy

Investment and Loan Case Study: **Kaneka Corporation**

Kaneka Corporation, with its head office in Osaka City, Osaka Prefecture, is a general chemical manufacturer advancing businesses in a wide array of fields, including chemical products, functional resins, foamed resin products, foods and synthetic fibers. Striving to be a company that assists with global environmental issues and is able to contribute to society, Kaneka has designated the four fields of environment/energy, health, communications and food

production support as areas for intensive investment to promote growth.

DBJ provided financing based on Kaneka's environmental ratings for R&D investment into hybrid photovoltaic cells that enable conservation of resources by dramatically improving power conversion efficiency from solar energy to electricity through a layered combination of amorphous silicon and thin-film polycrystalline silicon.



Hybrid photovoltaic cell (thin-film photovoltaic cell) used on home rooftop

Investment and Loan Case Study: **Japan Nuclear Fuel Limited**

Founded with the objective of creating a commercially viable nuclear fuel cycle, Japan Nuclear Fuel Limited (JNFL), which is headquartered in Rokkasho, Aomori Prefecture, is engaged in such activities as enriching uranium, reprocessing spent nuclear fuel and processing radioactive waste.

Building a nuclear fuel cycle demands a tremendous amount of money and construction time. DBJ is helping to

advance the project by providing a reliable stream of long-term capital, thus contributing to implementing effective use of uranium resources, as well as disposing of radioactive waste in an appropriate manner, and by creating a nuclear fuel cycle, supporting the establishment of an energy source that will be reliable over the long term.



Nuclear fuel reprocessing facility

Environmental Technology

To solve global warming, energy problems and a whole range of environmental issues, and to promote the creation of a recycling-oriented society, it is important to support businesses financially so that they can undertake the development of the required technologies. To achieve these objectives, companies must obtain and accumulate technical expertise, and a steady stream of funding is necessary to accommodate projects of different scales at varying stages of development.

Investment and Loan Case Study: **DB Masdar Clean Tech Fund, L. P.**

DB Masdar Clean Tech Fund, L. P., is a clean technology*¹ fund managed by Abu Dhabi Future Energy Company (Masdar; head office: Emirate of Abu Dhabi), which is a conglomerate owned by the Emirate of Abu Dhabi*² that advances environment-related business activities, and DB Climate Change Advisors (DBCCA; head office: New York State, United States), which is a unit of Deutsche Bank's asset management business.

Numerous companies worldwide are engaged in R&D in the clean technology field as they work to commercialize promising environmental technologies.

To bring Japan's environmental technologies to the world and sharpen the country's international competitive edge through the environmental industry, DBJ provided funding to the DB Masdar Clean Tech Fund, which has a

broad-based network and a large technology team of more than 150 people, with the view that support is required for investment funds that have global networks and technical evaluation capabilities.

*¹ Refers to a range of technologies, products, services and processes that utilize renewable resources to lessen the consumption of natural resources, curtail the emission of greenhouse gases into the atmosphere and reduces waste. The wide array of clean technologies, which incorporate advanced energy efficiency and a lower environmental impact than existing technologies, includes solar power, wind power, fuel cell and other alternative energy technologies; water, air and soil decontamination technologies; technologies related to new materials; and automotive and other transportation-related technologies.

*² One of the emirates constituting the United Arab Emirates (U.A.E.)



Conceptual rendering of Masdar City, which will run entirely on renewable energy

Healthcare and Welfare

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.

Investment and Loan Case Study: JR Sapporo Hospital

JR Sapporo Hospital, located in Chuo-ku, Sapporo, is a 312-bed medical institution that plays a central role in the region and is owned and operated by the Hokkaido Railway Company.

In coordination with other organizations, DBJ supplied project financing for the reconstruction of JR Sapporo Hospital's dilapidated medical facilities. An SPC was established to enable funding procurement that would take advantage of the earning power of the new facility and to successfully separate the ownership of the hospital from its operations.

This project financing scheme was built on a stable foundation, with Lifetime Partners, Inc., of the Mitsubishi Group, as the arranger and DBJ as the coarranger, along with senior loans provided by local banks and a mezzanine loan extended by DBJ.

DBJ strengthened ties with regional financial institutions in Hokkaido through a business cooperation agreement it concluded in September 2005. As an initiative that contributes to regional and community revitalization, DBJ's support

for the reconstruction of JR Sapporo Hospital in coordination with regional financial institutions is in accord with the intent of this business cooperation agreement. DBJ expects that this financing scheme, which supports the enhancement of local healthcare and the assignment of regional healthcare functions to facilities with advanced medical capabilities, can be applied to many hospitals.

In May 2010, DBJ won the ADFIAP's Infrastructure Development Award for this project at its annual general meeting held in Vancouver, Canada.

Overview of ADFIAP

Official name:	Association of Development Financing Institutions in Asia and the Pacific
Established:	October 1976 (Headquarters: Manila, Philippines)
Objectives:	To promote cooperation, research into development funding and cultivation of human resources among development financing institutions in the Asia-Pacific region
Member institutions:	110 institutions in 42 countries and regions, with the Asian Development Bank as a special member



JR Sapporo Hospital after reconstruction



Trophy for winning the Infrastructure Development category of the ADFIAP Awards

Healthcare and Welfare

Investment and Loan Case Study: Takeda General Hospital

With principal facilities in Aizu-Wakamatsu, Fukushima Prefecture, Takeda General Hospital is one of Japan's largest private hospitals. As a medical center serving the Aizu and southern Aizu areas of Fukushima Prefecture, Takeda General Hospital plays a highly important role in regional healthcare and is designated as a regional medical support hospital, regional perinatal mother-and-child medical center and regional affiliated base hospital for cancer diagnosis.

DBJ partnered with The Toho Bank, Ltd., to assemble a syndicated loan, enlisting the full cooperation of major regional financial institutions in the Tohoku region and arranging large-scale, long-term financing in line with the business and construction plans for Takeda General Hospital's new building.



Conceptual rendering of the new hospital building

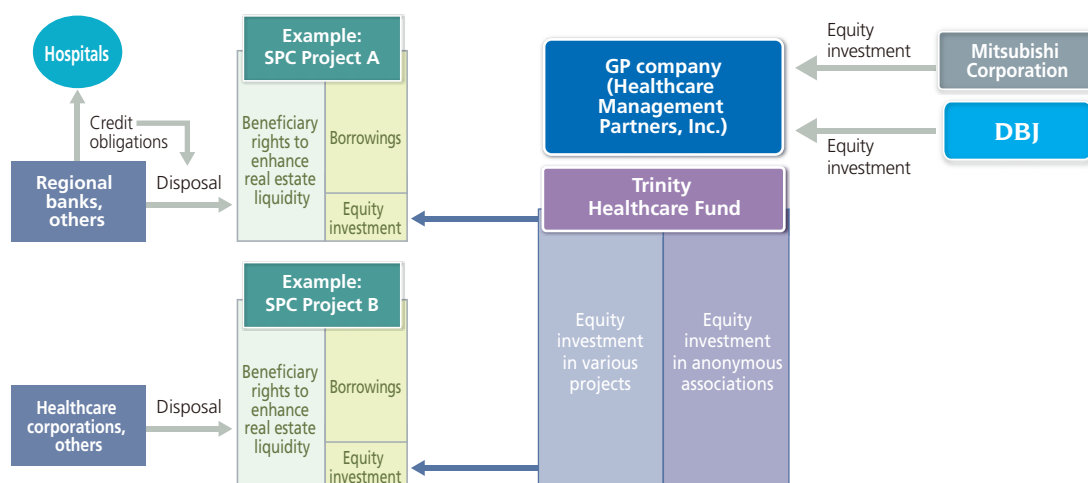
Investment and Loan Case Study: Trinity Healthcare

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

Health Management Partners, Inc., was established to operate the fund created by the two companies through this joint investment. The fund buys loans issued by financial institutions throughout Japan to medical institutions and nursing facilities that require management support. The

fund then formulates management improvement plans and cooperates with the management of firms requiring support to strengthen their financial and management structures. The fund also proposes fund procurement methods that employ the securitization of real estate and provide financing in response to regional medical needs.

● Overview of the Trinity Healthcare Fund



Healthcare and Welfare

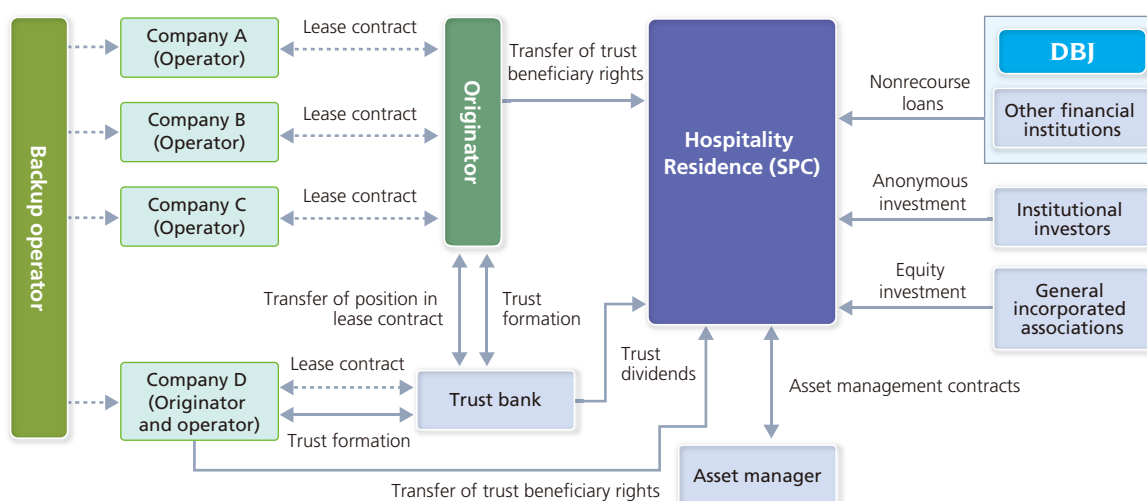
Investment and Loan Case Study: **Hospitality Residence Fund**

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

The senior care facility fund was structured differently from typical Japanese real estate investments in terms of commercial viability. The ability of participating institutions

to evaluate the commercial viability of this project against other opportunities led to the structuring of this fund. Furthermore, the fund appointed a backup operator to provide stable ongoing services to facility residents. DBJ believes that the popularization of such funds, which operate the facilities under lease contracts with the originator, will make facility operation easier for operators who provide high levels of service.

● Overview of the Hospitality Residence Fund



Hospital Industry Conditions Handbook 2010

Published by DBJ in cooperation with Japan Economic Research Institute, Inc., at the end of May 2010

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

- Environment surrounding the healthcare sector (such as trends involving hospital facilities)
- Analyzing the status of hospital management (running costs, facility investment and trends involving physicians and nurses)
- Topics related to hospital management (community healthcare conditions, management status of municipal hospitals)



Community Revitalization

In recent years, the economic disparity between major urban areas and regional areas in Japan has expanded as people and businesses continue to concentrate in cities. Moreover, disparities even among regions are becoming more stratified and complex, with increasing gaps between hub cities and other areas.

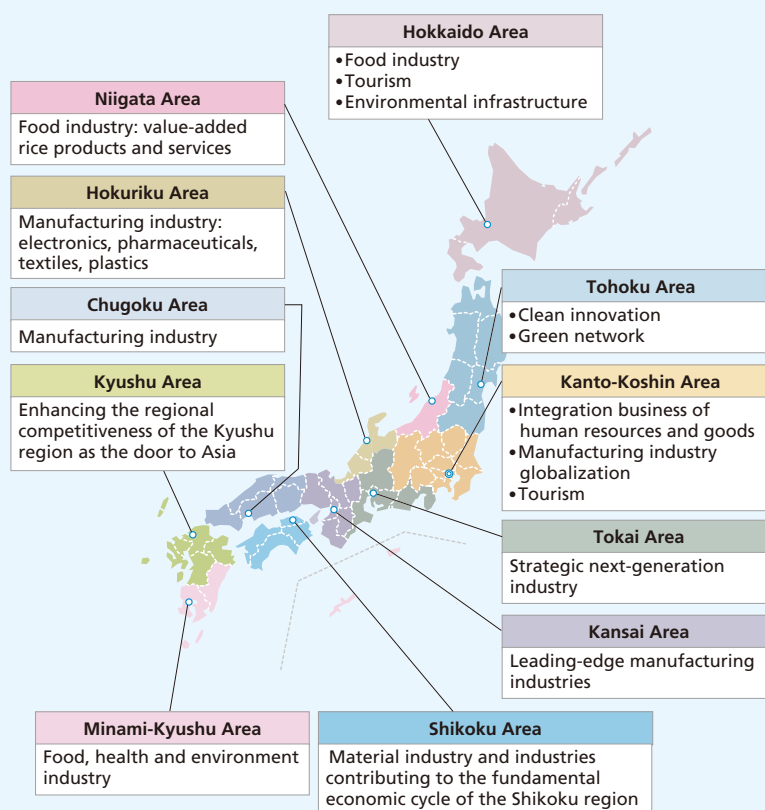
For local economies to sustainably exist, development having a broad view (involving other regions in Japan and overseas markets) is important.

Regional Areas' *Genki** Program

Currently, facing the challenges of population constraints, financial limitations, environmental restrictions and global competition, the regions must coordinate with one another and implement diverse regional development schemes that capitalize on their respective strengths, competitive advantages and latent potential.

DBJ has arranged a unique initiative, the Regional Areas' *Genki* Program, to support regional growth that capitalizes on each region's respective strengths and information and funding potential. Specifically, we have enhanced our information support service through advice and suggestions to regions. In addition, each DBJ branch focuses on its region's distinctive fields and businesses based on its industrial structure and partners with regional financial institutions to offer financial support, including the execution of loans with more attractive interest rates than usual.

• Supporting Sectors and Businesses of Each Branch



*The Japanese word *genki* implies a positive spirit and good health.

Investment and Loan Case Study: Mt. Hakodate Ropeway Corporation

Mt. Hakodate Ropeway Corporation, headquartered in Hakodate, Hokkaido, operates a ropeway business on Mt. Hakodate, which is southern Hokkaido's most popular tourist destination.

Hakodate formulated the Hakodate Job Creation Project, which was approved by the Regional Revitalization Center,* to boost employment and develop the local economy by stimulating local industry and promoting tourism.

DBJ partnered with North Pacific Bank, Ltd., in a business cooperation agreement to provide a loan for the expansion of Mt. Hakodate Ropeway's facilities to further improve its safety and users' convenience.

*The Regional Revitalization Center was established in the Japanese Cabinet in October 2003 to revitalize local communities by stimulating local economies and creating employment opportunities. Pursuant to a Cabinet vote in October 2007, the Center became one of the four departments that constitute the General Assembly of Community Revitalization Departments.



Large 125-person capacity gondola

Community Revitalization

Investment and Loan Case Study: **Dowa Holdings Co., Ltd.**

As the holding company for the Dowa Group, Dowa Holdings Co., Ltd., headquartered in Chiyoda-ku, Tokyo, operates in five core businesses: nonferrous metal smelting and four businesses springing from that technology base—environmental and recycling businesses, metalworking, electronic materials and thermal processing. The Dowa Group's pioneering initiatives include collecting and recycling precious and rare metals from "urban mines"—landfills containing used mobile phones and small home appliances—

and developing waste processing, soil decontamination and recycling businesses in Southeast Asia and China.

Dowa leverages the infrastructure remaining after mine closures in the mining business and the relationships of trust it cultivates with area residents to advance its environmental business in harmony with the community.

DBJ has extended long-term loans to Dowa to fund its recycling-facility development and support the creation of a recycling-oriented society.



Waste processing facility

Investment and Loan Case Study: **Nitto Medic Co., Ltd.**

Within the pharmaceutical field, the main business of Nitto Medic Co., Ltd., headquartered in Toyama Prefecture, is eye medicine. DBJ provided financing to Nitto Medic for the construction of its No. 3 Preparation Building, which is used to produce eye medicine. This was the first project in Japan that took advantage of interest subsidies in support of regional revitalization.*

This funding strengthened the operational foundation of manufacturers involved in the production of medical supplies as defined by Toyama Prefecture's regional re-

talization plan, "*Genki Toyama Manufacturing Industry Activation Plan*," and is expected to increase employment in the region.

*Such interest subsidies are one type of support measure based on regional revitalization plans created by regional administrative bodies and approved by the Japanese government. Under the system, when an entity that intends to engage in a business that contributes to regional revitalization borrows the required funding from a financial institution, a reduced-interest loan is supplied within budget limitations from a financial institution designated by the national government.



Nitto Medic's No. 3 Preparation Building

Community Revitalization

Investment and Loan Case Study: Kimura Chuzosho Co., Ltd.

Kimura Chuzosho Co., Ltd., headquartered in Shimizu-cho, Shizuoka Prefecture, manufactures press-molded castings for automobiles, lathe beds and other machine tool castings. Kimura Chuzosho was among the first to introduce the full mold casting process and overcome the method's unique technical challenges. The company subsequently expanded transactions with automakers, and it now maintains the top share in Japan for press-molded castings for automobiles.

Since providing funding for the construction of Kimura Chuzosho's Omaezaki plant, DBJ has comprehensively assist-

ed the company from a long-term perspective in its support of Japan's key industries through manufacturing activities based on the firm's proprietary, cutting-edge technologies.



Omaezaki plant

Investment and Loan Case Study: E-SEMS (Endo Service for Energy Management System) Corp.

E-SEMS Corp., with its headquarters in Osaka City, Osaka Prefecture, is a strategic subsidiary of Endo Lighting Corp., which creates high value-added illuminated spaces.

Established in 2005 for Endo Lighting's foray into new lines of business, E-SEMS operates a general consulting services business based around the leasing of energy-saving devices and storefront solutions equipment. DBJ executed a collaborative loan to E-SEMS in recognition of its business operations focused on global warming and the reduction of CO₂ emissions. This loan was taken up as an example of collaborative funding at the first meeting of the Kansai Regional Vitalization Study Group,* whose main members are DBJ's Kansai Branch and The Bank of Ikeda, Ltd. (currently The Senshu Ikeda Bank, Ltd.).

* The Kansai Regional Vitalization Study Group was formed to contribute cooperatively to community economic advancement in the Kansai area. The group studies concrete activities that benefit local clients and projects.



Showroom for proposing and displaying energy-efficient lighting solutions

Investment and Loan Case Study: Sanyo Biko K.K.

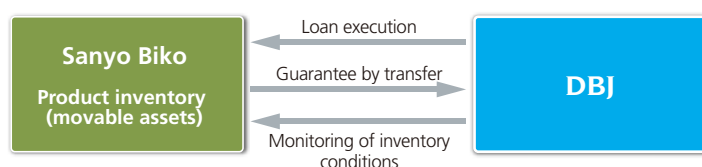
Sanyo Biko K.K., which has its head office in Soja City, Okayama Prefecture, manufactures and sells dolls for seasonal festivals. Backed by its product quality based on manufacturing techniques cultivated over many years, Sanyo Biko supplies dolls to major nationwide wholesalers and sells directly to customers at three Ningyo Kaikan stores in Okayama Prefecture, which are operated by affiliate Ningyo Kaikan K.K.

In view of the critical acclaim enjoyed by the seasonal dolls Sanyo Biko produces, DBJ provided a loan to the company, accepting the product inventory held by Sanyo Biko

and Ningyo Kaikan K.K. as collateral, to cover the material procurement costs and financing requirements for moving the Okayama branch of Ningyo Kaikan to a location with more floor space in Hirata, Kita-ku, Okayama City.

Traditionally, financial institutions have regarded product inventory as being extremely difficult to evaluate. Therefore, they have been reluctant to accept product inventories as collateral. By assessing product inventory as collateral, DBJ is helping to diversify funding options for local businesses.

● Product Inventory Collateral Loan Scheme



Highly acclaimed hina dolls

Community Revitalization

Investment and Loan Case Study: Nichia Corporation

Nichia Corporation is a leading manufacturer of luminescent materials with headquarters in Anan, Tokushima Prefecture. Recently, propelled by its successful development of the high-brightness blue light emitting diode (LED), Nichia has garnered a major share of the global market for LEDs. The company is also a global leader in the manufacture and sale of cathode materials for lithium-ion batteries.

As a long-life, energy-efficient, mercury-free lighting technology, LEDs are a promising environmentally friendly light source. Advancements in brightness and color rendering performance are building momentum for the use of LEDs in backlights for notebook PCs and LCD televisions, with utilization in general lighting and vehicle lighting well under way.

DBJ has extended loans to Nichia to provide financial support for its activities in the manufacturing field that leverage its robust technical capabilities.



LEDs

Investment and Loan Case Study: Fukuoka REIT Corporation

Fukuoka REIT Corporation, based in Fukuoka, is a real estate investment trust (REIT) managed by Fukuoka Realty Co., Ltd. Local developer Fukuoka Jisho Co., Ltd., and other leading firms in Fukuoka and other parts of Kyushu participate in Fukuoka Realty as sponsors.

DBJ provided a ¥12 billion loan to Fukuoka REIT Corporation to acquire properties to be structured into funds prior to its public listing. The loan was executed in recognition of the REIT being Japan's first that specializes principally in investment in a particular geographic area—namely Fukuoka and other parts of Kyushu, plus Yamaguchi Prefecture—and was provided in the private offering stage, when risk assessment is particularly difficult.

The continued advancement of Fukuoka REIT Corporation promises to nurture the region's real estate market, stimulate real estate transactions and facilitate urban development projects through improvements to quality development properties by a stable set of owners.



Canal City Hakata shopping complex

Investment and Loan Case Study: Unkai Shuzo Co., Ltd.

Unkai Shuzo Co., Ltd., headquartered in Miyazaki City, Miyazaki Prefecture, is one of Japan's leading producers of authentic *shochu* (distilled spirits), and is the manufacturer of the Unkai brand of *shochu*, considered to have had a major influence on Japan's *shochu* culture.

In addition to ongoing upgrades to its manufacturing facilities to meet the rising demand for authentic *shochu*, Unkai Shuzo fulfills the expectations of authentic *shochu* enthusiasts by maintaining high product quality and operating the industrial tourism facility Kuramoto Aya Shusen no Mori.

DBJ is supporting the invigoration of a leading local industry by providing a long-term loan to fund the expan-

sion of the Ayagura distillery, which Unkai Shuzo undertook to augment its manufacturing capacity in response to the recent increase in demand.



The Ayagura distillery

Overseas

Efforts at expansion overseas have become an important factor in Japan's continued growth.

The rapid economic development of Asia in particular, with its notable growth in middle income groups, represents a major business opportunity for Japan, because the region is running up against environmental issues, urbanization-related difficulties and other development constraints and growth challenges that Japan has already faced and overcome.

In order for Asia's growth to translate into definite gains for Japan, the country must underpin Asia's rise by sharing with each country the wealth of experience it has gleaned from the process of economic development up to now. Japan must also mobilize its unique profile of strengths in the fields of the environment and infrastructure to deploy business operations in the rest of Asia in a comprehensive and strategic fashion.

Investment and Loan Case Study: **Senoko Power Ltd. (now Senoko Energy Pte. Ltd.)**

Senoko Power Ltd.* (hereinafter, "SP"; currently Senoko Energy Pte Ltd.) is Singapore's largest power company.

Amid the promotion of deregulation of the electric power industry by Singapore's Energy Market Authority (EMA) and rising concerns about recent global warming issues, investment to raise efficiency within the approved energy output (repowering) is being recognized as an important management challenge for SP. Given these circumstances, DBJ provided subordinated financing for SP in November 2009, aiming to support the company's projects in light of credit market conditions.

This loan also funded the deployment of a new overseas power business, including retail power sales, undertaken by SP sponsors Kansai Electric Power Co., Inc. (KEPCO) and Kyushu Electric Power Co., Inc., with their energy efficiency technologies, and Marubeni Corporation, with its expertise in overseas power plant operations.

The successful efforts on this financing project have been recognized overseas with the "Power Deal of the Year in Asia Pacific" award from *Project Finance International* magazine in its PFI Awards 2009 and the "Project Finance of the Year in the Asia Pacific Region" award from *Euromoney* magazine.

*In 1995, power utility operations in Singapore were transferred from the Public Utilities Board (PUB) to the country's sovereign wealth fund, Temasek, and Singapore Power Ltd. was established as Temasek's wholly owned holding company, under which the Senoko Power Group was born as an energy producer and retailer. After the company was reorganized under the direct ownership of Temasek in 2001, 100% of Senoko Power's shares were sold to an acquiring consortium (with capital contribution by Marubeni Corporation; GDF Suez S.A.; Kansai Electric Power Co., Inc.; and Kyushu Electric Power Co., Inc.) from Temasek via international bid in September 2008, which was undertaken to promote the liberalization of Singapore's energy market. Power utility operations were transferred to Senoko Energy in January 2010.



Senoko Energy power plant

Technology

Japan's manufacturing industry drives the country's economy, with its automotive, electrical equipment and materials manufacturing sectors constituting the motive force for the country's economic expansion. In striving to be a manufacturing-oriented country, Japan recognizes that the technical capabilities of its manufacturing industry are the source of the country's international competitive edge in industry. For financial institutions, which exist in a symbiotic relationship with industry, support for the manufacturing industry is a universal mission.

Investment and Loan Case Study: **Nippon Sheet Glass Co., Ltd.**

Nippon Sheet Glass Co., Ltd., headquartered in Minato-ku, Tokyo, is one of the world's largest manufacturers of glass for construction and automotive applications, processed glass products and functional glass products. To remain competitive in the increasingly concentrated global glass market, in June 2006, Nippon Sheet Glass acquired Pilkington Group Limited, of the United Kingdom. In its 10-year strategy announced immediately after the acquisition, Nippon Sheet Glass set a target for the strategy's first phase to boost productivity and quality and hone its competitive edge through differentiation while regaining a healthy business structure by repaying its existing debt and strengthening its financial foundation. Faced with deteriorating financing conditions following the collapse of Lehman Brothers, and deeming it essential to create a dynamic and robust capital base to reinforce its financial constitution, Nippon Sheet Glass opted to issue preferred stock to the UDS Mezzanine Fund*¹ operated by DBJ.

The UDS Mezzanine Fund is a corporate mezzanine fund established jointly by DBJ and Sumitomo Mitsui Banking Corporation. The fund, in conjunction with its successor fund,*² accepted ¥30 billion of Nippon Sheet Glass's preferred stock in this financing project.

*¹ Official name: UDS Corporate Mezzanine Limited Partnership

*² Additional equity participation in the successor fund by Sumitomo Mitsui Finance & Leasing Co., Ltd.



Glass antennas for radio frequency identification (RFID) tags

Investment and Loan Case Study: **Mitsubishi Aircraft Corporation**

Mitsubishi Aircraft Corporation, with its head office in Nagoya, Aichi Prefecture, was established to develop, manufacture, sell and provide customer support for the Mitsubishi Regional Jet (MRJ), a next-generation regional aircraft. Incorporating cutting-edge technology, the MRJ will realize both top-level operational efficiency and top-level comfort in the cabin. The jet will also achieve dramatic reductions in fuel consumption, noise and exhaust gases through the application of the world's most advanced aerodynamic design and noise analysis technologies and the adoption of a state-of-the-art engine. With such overwhelmingly superior operational efficiency and environmental characteristics, the MRJ is expected to greatly contribute to airlines' competitiveness and profitability.

Aircraft have approximately 100 times as many parts as automobiles and must adhere to extremely high safety standards. These considerations require sophisticated and complex technical engineering that necessitates massive

development funding over extended time periods. DBJ provides long-term funding to Mitsubishi Aircraft through equity participation via preferred stock.



Conceptual rendering of the MRJ

Technology

Investment and Loan Case Study: **Charmant, Inc.**

Charmant, Inc., headquartered in Sabae, Fukui Prefecture, has established itself as the largest corporate group in Japan that undertakes the full cycle of planning, development, manufacture and sale of eyeglass frames. With its aggressively innovative approach to product development and product technologies, Charmant is the only company in its industry in Japan to operate a global business. Charmant continues its growth as a global corporation based in Fukui Prefecture, with sales hubs in 17 major countries worldwide, extending to more than 100 countries with the inclusion of sales through dealers.

In addition to medium- to long-term loans for capital financing, DBJ engages in equity participation in Charmant, the proceeds of which are being used to fund expansion of a plant in China. Furthermore, to support Charmant's global strategy, DBJ extended a loan to the company's Hong Kong subsidiary denominated in foreign currency. Part of this loan is being used to construct a new production hub in China.

DBJ supports fund-raising from a long-term perspective as it strives to enhance corporate value for its clients.



Pressing process for frame components



Frames made of Excellence Titan

Investment and Loan Case Study: **Mitsubishi Plastics, Inc.**

Mitsubishi Plastics, Inc., with its head office in Chuo-ku, Tokyo, is a core company of the Mitsubishi Chemical Holdings Group. Mitsubishi Plastics supplies processed plastics and other materials for home and industry use, backed by its strong technology development capabilities.

In an effort to diversify its funding sources while remaining conscious of market fund-raising, Mitsubishi Plastics designated DBJ and The Bank of Tokyo-Mitsubishi UFJ, Ltd., as arrangers for its syndicated loans. The two banks put together highly liquid syndicated loans totaling ¥20 billion.

Highly liquid syndicated loans are syndicated loans with increased liquidity based on standardized contractual terms and disclosure of the loan's bid and ask price quotations after arrangement, and they are extended especially to well-run corporations. These loans are expected to stimulate transactions in the secondary loan market, aid in appropriate price formation in subsequent syndicated loan arrangements, and lead to more active financial and capital markets.



A sampling of Mitsubishi Plastics products

M&A and Business Alliances

Mergers and acquisitions have entered the spotlight with the increasing prevalence of business restructuring and industry restructuring that involves operational selection and focus. Mergers and acquisitions are considered effective and essential for aggressive business restructuring and to overhaul and revitalize underperforming businesses.

Advisory Services Case Study: **Toppan Printing Co., Ltd.**

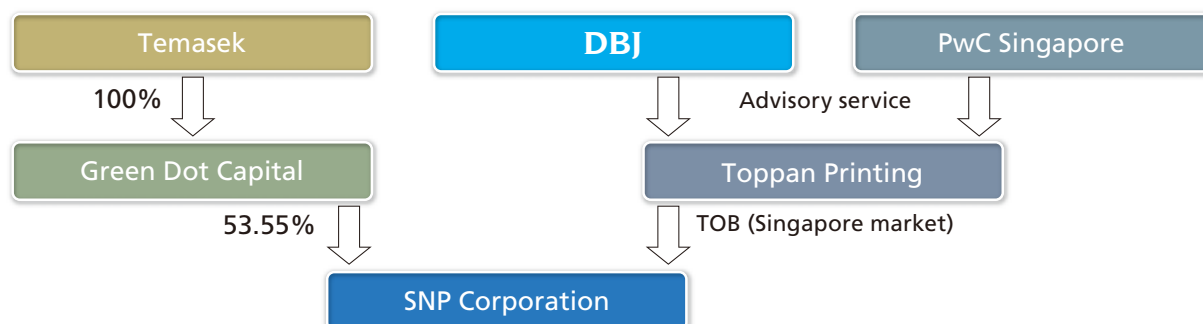
Toppan Printing, which has its headquarters in Chiyoda-ku, Tokyo, is involved in developing business in a broad range of areas that include information and communication and are focused on the printing industry.

Through its extensive information network, DBJ learned that investment company Temasek, owned by the Singapore government, intended to offer for sale the SNP Corporation (currently Toppan Leefung Pte. Ltd.), a Singapore-based printing company. Starting out as Singapore National Printers Pte Ltd., a government printing office, SNP is now a major player in the printing industry, operating domestically and in China, Hong Kong, Southeast Asia and the U.S. and European markets.

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 and PricewaterhouseCoopers Singapore* supported Toppan's purchase of SNP as joint M&A advisors. 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



Advisory Services Case Study: **Toko Electric Corporation**

Toko Electric Corporation, headquartered in Chiyoda-ku, Tokyo, manufactures power distribution equipment and operates a power meter repair business.

Toko Electric integrated its meter business with that of Toshiba Corporation to establish Toshiba Toko Meters Systems Co., Ltd., with the aims of (1) developing, manufacturing and selling the electronic power meters of the future (smart meters*), (2) strengthening its gas, water and commercial measuring gauge business, and (3) advancing into overseas markets where the smart grid approach is gaining currency.

DBJ served as Toko Electric's financial advisor during this business integration and provided the long-term loans required for the establishment of the combined entity.

*A smart meter is a new type of power meter that measures power consumption at households and businesses, then uses an onboard communication function to send the data to the power company automatically at regular intervals. Smart meters also aid in electricity supply planning by power companies through constant monitoring of the amount of power used.



Electronic power meter (with communication function)

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 contributed to the formation of an environmentally friendly economic society.

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 the realization of a sustainable society.

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

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.

1. 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.

1. 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.

Putting into Practice DBJ's Basic Environmental Policy

Promotion of Environmental Measures through Our Investment and Loan Services

DBJ's investment and loan activities support projects designed 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.

- Financing Employing DBJ Environmental Ratings – See pages 37, 68-70.
- Emissions Credits – See page 71.

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.

- Publication from the Research Institute of Capital Formation's Global Warming Research Center – See page 49.
- Communication Focused on the Environment – See page 58.
- Communication in International Cooperation – See page 59.

Promotion of Environmental Awareness Activities in Offices

DBJ works to reduce the environmental impact of its operations beyond what is required by environmental regulations. As such, we promote the measures described below in an effort to make our offices environment-friendly.

- Promotion of recycling and resource and energy conservation

• Resource- and Energy-Saving Efforts

	Year Ended March 31, 2008	Year Ended March 31, 2009	Year Ended March 31, 2010
Copy and printing paper usage (kg)	89,555	101,269	95,992
Waste emissions (kg)	93,560	85,860	76,030
Energy consumption (kWh)	4,585,683	4,943,104	4,822,094
Water usage (m ³)	25,814	25,257	24,856

Note: Head office building only

- Promotion of environment-friendly sourcing of supplies

DBJ joined the Green Purchasing Network in December 2000, and following the Law concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities (Green Purchasing Law), which went into effect in April 2001, DBJ made efforts to purchase products and services with a lower environmental impact. We have continued to practice green purchasing following our privatization.

• Achievements of the Green Procurement Program for Typical Items

	Year Ended March 31, 2010
Paper	96.5%
Stationery	83.5%
Equipment	82.8%
Office equipment	97.4%
Lighting	72.0%
Interior items	100.0%

Note: Excludes printing paper, media cases, labels, and other items that were purchased on the market that do not comply with the prescriptions of the Law Concerning the Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities but that were purchased nevertheless on the basis of certain characteristics or functional requirements.

- Prevention of environmental pollution

DBJ complies with environmental laws and regulations.

Promotion of Environmental Awareness Activities in Communities

By cooperating in community environmental improvement initiatives, such as measures to prevent heat islands, DBJ works to contribute to the creation of environment-friendly regional societies.

• Head Office

Uchimizu Project 2009

DBJ participates in the Uchimizu Project 2009, a campaign hosted by the Otemachi, Marunouchi and Yurakucho (OMY)

Uchimizu Project District Executive Committee (Otemachi-Marunouchi-Yurakucho District Redevelopment Project Council/Cooperative for the Promotion of the OMY Area Management Association), Ministry of the Environment, Tokyo Metropolitan Government and Chiyoda-ku. DBJ is continuing with its participation in the Uchimizu Project 2009.



Chiyoda-ku cleanup project

Businesses, groups and residents in Chiyoda-ku work together in the "Chiyoda-ku cleanup project" to clean up the green spaces in front of the Imperial Palace.



Volunteers planting seedlings and flower bulbs

We participated in the organization of the bulb and seedling planting with "Chiyoda-ku Adaptation Park Promotion System" (CAPPS) in Tokiwabashi Park.



• Tokai Branch

Flower Hospitality Exercise

The branch has participated in the Flower Hospitality Exercise, sponsored by the Chubu Association of Corporate Executives, since its initiation in 2005. Through such activities as watering flower beds in the Sakura-dori Otsu area of Nagoya, efforts continue toward building a beautiful town.



• Kansai Branch

Kansai Eco Office Declaration

Registered since 2008, the “Eco Office Declaration” calls for (1) a summer “eco style,” (2) enforcing energy saving, (3) promoting green purchasing, (4) curbing automobile use and (5) engaging in waste recycling.

Uchimizu Project

Participated in the “Uchimizu Project” sponsored by the Osaka City Environment Bureau.



• Shikoku Branch

Forest-thinning activities

We continue to participate in forest-thinning activities conducted in collaboration with the town of Inomachi, Kochi Prefecture, and Mitsui & Co., Ltd.

Earth-Friendly Office

In fiscal 2009, we registered with the “Earth-Friendly Office” program created by the city of Takamatsu’s environmental department and are making efforts to (1) curb paper consumption, (2) promote the use of recycled products, (3) raise employee awareness of resources and waste reduction, (4) save energy and water and (5) regulate office air at an appropriate temperature.



• Kyushu Branch

Cleanup/beautification activity—Tenjin Clean Day

We participated in the Tenjin Clean Day activity sponsored by the We Love Tenjin conference and helped to clean up the area.



• Minami-Kyushu Branch

Sakurajima cleanup project

We continue to participate in the cleanup of the recreation area on Sakurajima’s coastline.



Other efforts

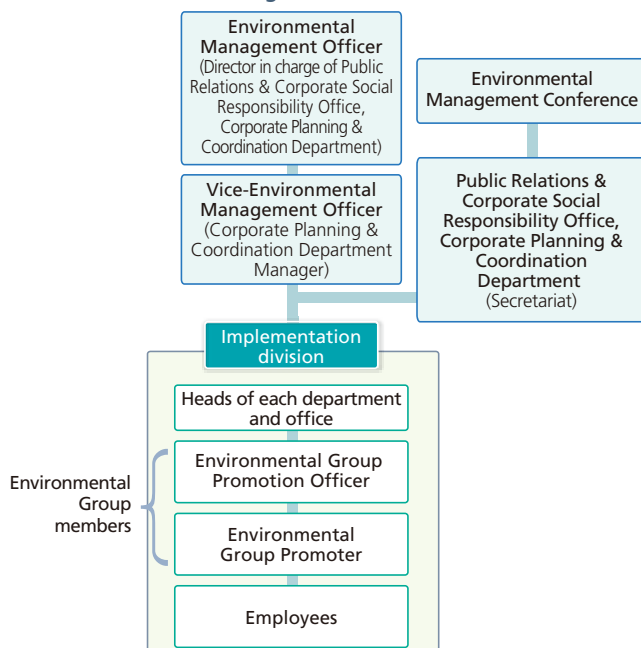
We continue to participate in “Candle-Night” (using candles rather than electric lights) at the waterfront commercial facilities and *uchimizu* (sprinkling water to reduce heat) at environmental learning facilities.

• Other Branches

We implement initiatives such as collecting used postage stamps and PET bottle caps for donation. We also have employees bring their own chopsticks and cups to work to reduce waste.

Environmental Management Conference

• 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 assigned to the Public Relations & Corporate Social Responsibility Office in DBJ’s Corporate Planning & Coordination Department. The officer confirms environmental education and training and authorizes annual environmental targets.

Environmental Management Conference

The Environmental Management Conference deliberates annual environmental targets and environmental management reviews.

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 established targets have been achieved, this office manages compliance with relevant laws and regulations.

Environmental Group Promotion Officer

To promote environmental management activities, the Environmental Group Promotion Officer and Environmental Group Promotor designate a member in each branch and department to be in charge of environmental promotion and manage the level of achievement of annual environmental targets.

Employees

Employees are responsible for putting environmental management activities into action.

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

1999	October	Designation of sustainable development as an objective by the Development Bank of Japan Law (Law No. 73 of 1999)
2001	April	Start of green procurement and environmental training
	June	First Japanese bank to sign the UNEP Statement by Financial Institutions on the Environment and Sustainable Development
	October	Establishment of Social Environment Committee and Social Environment Group; hosting of discussions between UNEP and Wa no Kuni Financial Institutions on Environmental Considerations for Financial Institutions
2002	March	UNEP FI 2002 Global Roundtable in Rio de Janeiro, Brazil
	July	Launch of the Development Bank of Japan Environmental Policy
	November	ISO 14001 certification
2003	October	Publishing of <i>Environmental Report 2003 for a Sustainable Society</i> (first annual edition)
	October	Joint sponsorship of UNEP FI 2003 Global Roundtable in Tokyo, an international conference on finance and the environment
2004	April	Start of financing employing DBJ environmental ratings
	September	Second annual <i>Sustainability Report</i>
	November	Establishment of Japan Carbon Finance, Ltd. (JCF)
	December	Establishment of Japan Greenhouse Gas Reduction Fund (JGRF)
2005	January	Assumption of chair of the UNEP FI Asia Pacific Task Force
	September	Third annual <i>Sustainability Report</i>
	October	UNEP FI 2003 Global Roundtable
	November	Renewal of ISO 14001 certification
2006	May	Press conference to announce DBJ status as a signatory institution to the Principles for Responsible Investment
	August	<i>CSR Report 2006</i> (fourth annual <i>Sustainability Report</i>)
2007	July	<i>Annual Report & CSR Report</i> (integrated annual report and CSR report)
2008	October	First Board of Directors and Management Committee meetings of DBJ Inc.; formulation of Basic Environmental Policy and Environmental Management Regulations
2008	October	Selection as a core financial institution for the Loan Assistance for Tokyo Small Business Environmental Initiatives program
2009	March	First Environmental Club Syndicated Loan <i>Eco-no-Wa</i>
2009	April	Commendation for Financing Employing Environmental Ratings system: Environmental Development Award
2009	September	Start of cooperation with regional financial institutions to prepare a system to implement Financing Employing Environmental Ratings
2010	January	Basic cooperative agreement with the International Finance Corporation (World Bank Group financial institution conducting the world's largest international investment and loan activities for developing countries)
2010	April	Business cooperation agreement to promote environmental measures with a non-life insurance company

DBJ considers its human resources to be its most valuable assets and thus endeavors to develop its employees' 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 has continuously evolved and developed in line with the needs of the times in order to maintain its leadership position in the constantly advancing financial field.

To develop its human resources, 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, formal education and training, while also encouraging specializations.

Deploying the Target Management System

DBJ's Target Management System encourages employees to work autonomously and modify their actions and enables management 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 through its encouragement of goal-setting, DBJ emphasizes enhancing medium- and long-term value both internally and externally. DBJ also motivates 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 policy 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 its employees and their families with regular medical examinations and care

options. These systems include treatment by external specialists and access to counselors.

DBJ has also instituted childbirth, childcare and nursing care leave programs to give motivated employees better opportunities for long-term employment, 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 and support the DBJ's initiatives in innovative finance.

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

Additionally, DBJ's system of strategic job rotation enables employees to not only gain broad-based practical experience that gives clarity to their medium-term career goals but also focus on quickly acquiring and improving their highly specialized skills.

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	<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. 	Basic knowledge areas <ul style="list-style-type: none"> • Accounting • Finance, etc. 	Structured finance training <ul style="list-style-type: none"> • 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. 	Common skill areas <ul style="list-style-type: none"> • Problem solving and communication • Logical thinking • English conversation • Business comportment, etc. 	Distance learning, night courses, acquiring public qualifications	External seminars, lectures, etc. Domestic and overseas exchange students, trainees, etc.
	Management training									
	Career development plan training									
	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			
	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.	Cultivation of work-related knowledge, mastery of specialized knowledge, HR development
	Planned and continuous HR development		Mastery of knowledge and skills needed for work			Addressing strategic and focus areas		Mastery of knowledge and skills needed for work		

Seeking Higher Ethical Standards

For half a century, DBJ has led Japan's economy as a general policy-based financial institution. As DBJ transforms into a private-sector financial institution that still 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 desired that its employee training address issues of human rights in addition to ensuring legal compliance, promoting eco-friendly conduct (through environmental management training) and maintaining information security (through training to prevent fraudulent access and information leaks). DBJ will henceforth devote even more resources toward such efforts.

DBJ Financial Academy

Since May 2008, the DBJ Financial Academy has held weekly courses with the objective of raising the level of financial expertise of general employees by strengthening the knowledge and understanding that is essential to the advanced corporate financial business that lies at the heart of DBJ's business model. During the year ended March 31, 2009, courses covered statistics, an overview of technical financial theory and financial legislation.

Through the DBJ Financial Academy, each employee can seek to elevate his or her abilities in finance, whether aiming to acquire basic knowledge or to further deepen understanding. Students from outside DBJ, such as employees of regional financial institutions, may also participate. We look forward to expanding the fields in which DBJ's financial expertise is shared.



• DBJ Financial Academy Curriculum

2009 Courses (June 2009 through February 2010)

Core courses

- Basic financial theory
- Corporate finance
- Valuation/case studies
- International finance
- Financial system theory
- Financial policy

Elective courses

- Financial Instruments and Exchange Law
- Crystal ball practice
- Real estate finance
- Investments (investment theory)
- M&A

2010 Courses (Expected to run from May 2010 through February 2011)

Core courses

- Basic financial theory
- Overview of International Financial Reporting Standards
- Corporate finance I
- Investments (investment theory)
- M&A
- Special lecture "Financial Policy"
- Japan Economic Research Institute Inc. (JERI) and University of Tokyo Joint Symposium
- Financial system theory
- International finance

Elective courses

- Financial Instruments and Exchange Act
- Basic statistics course
- Real estate finance
- Corporate finance II