

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, 2012, to March 31, 2013

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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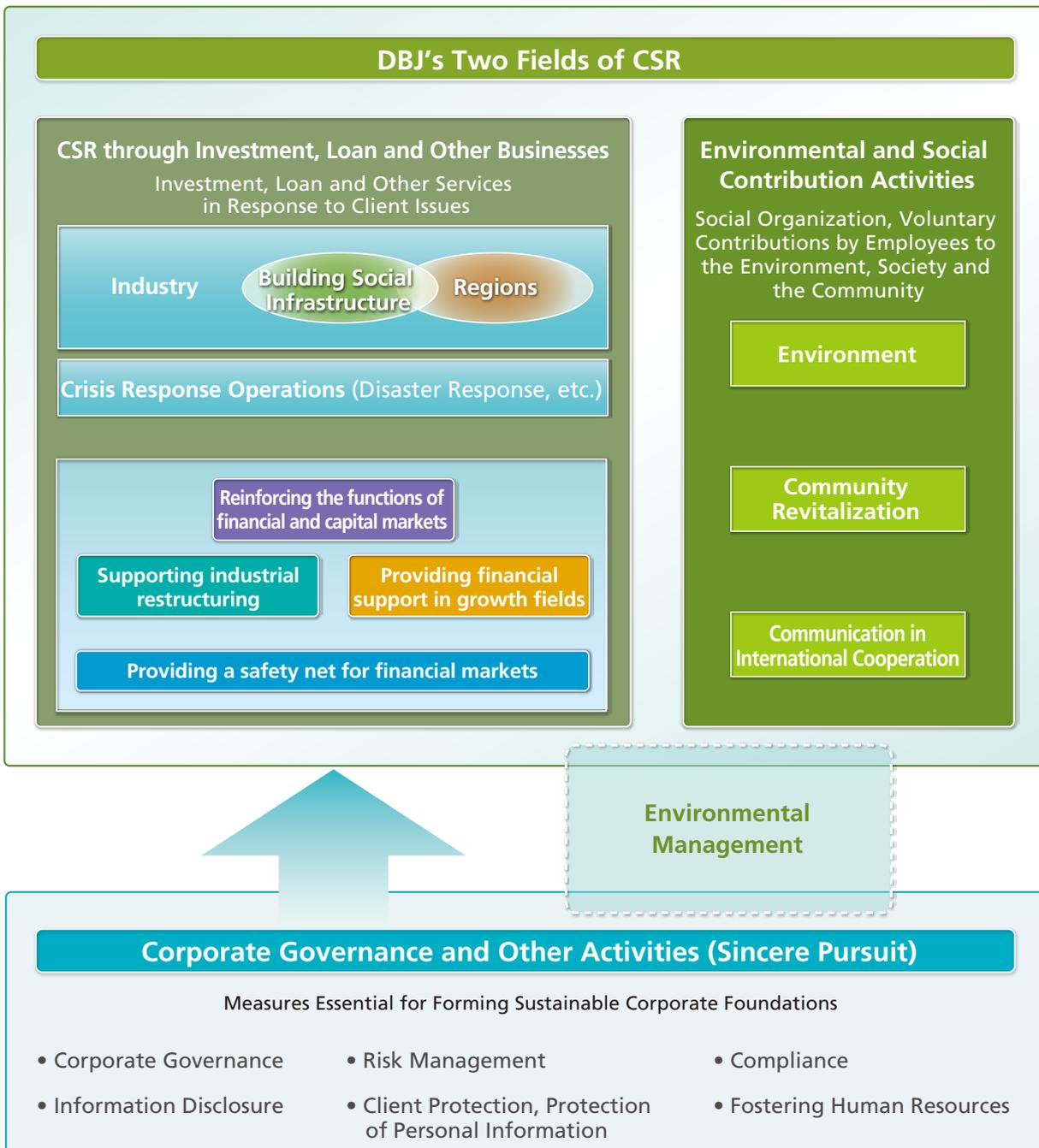
## Reference Guidelines

*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.

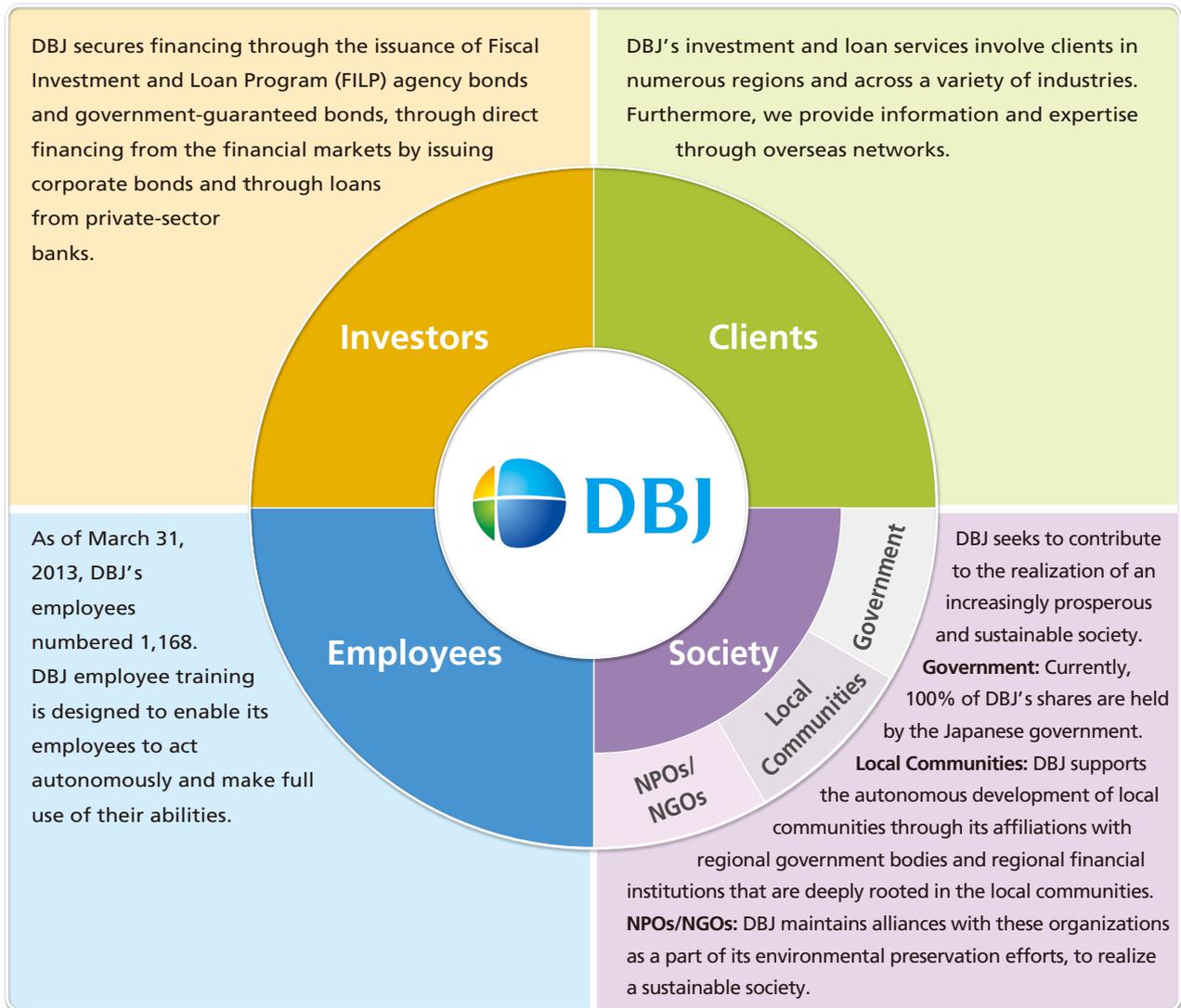
## Fields of CSR Implementation at DBJ



## 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.

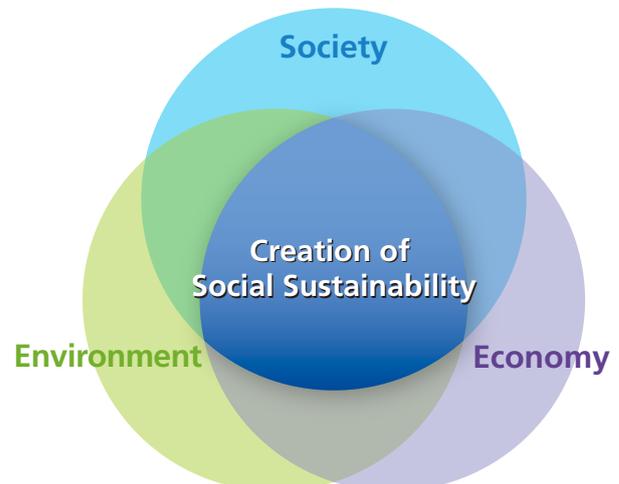
DBJ strives to increase its dialogue with stakeholders in its effort to realize a sustainable society.



## Triple Bottom Line

"Triple bottom line" refers to evaluating corporate activity from the three vital perspectives of the society, environment 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.

Economic issues are tied to DBJ's investments and loans, and its 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

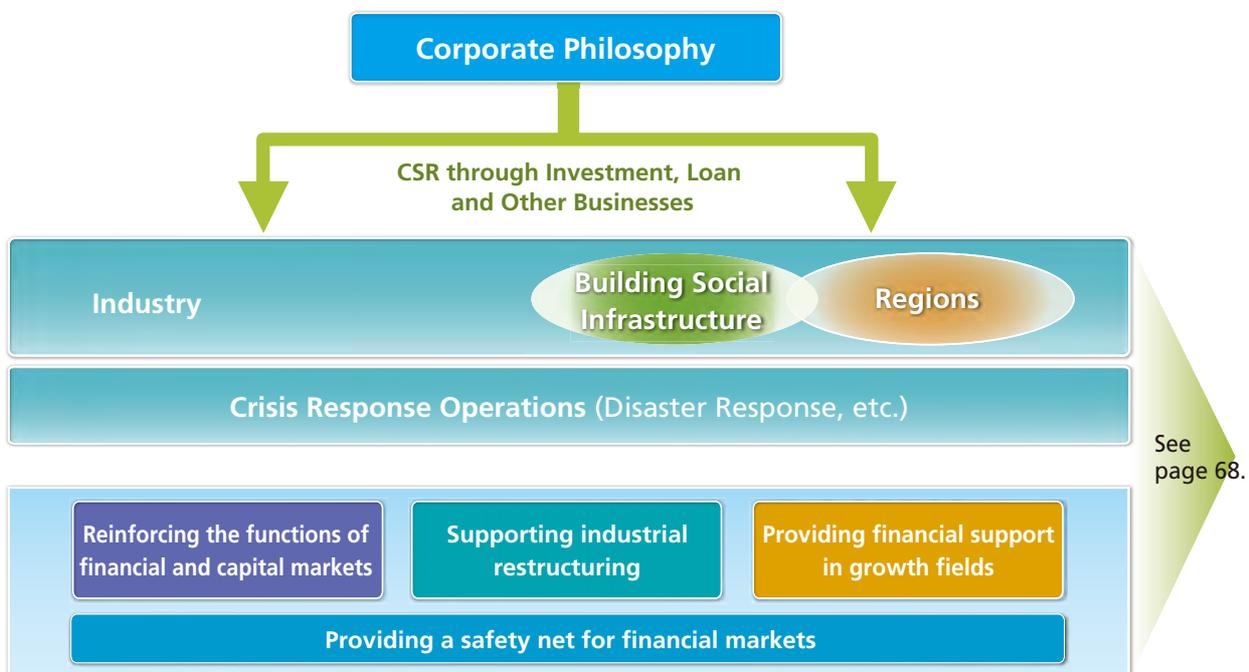
Due consideration of compliance issues is a prerequisite for the sustainable development of enterprises. Accordingly, it is important that a corporation's business activity brings new value to, contributes to problem-solving in, and gains the trust of society.

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

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

Specifically, DBJ will apply the distinctive features and financial services that it has realized in the past to provide various solutions to clients that cover expected changes and other issues that are forecast for the economic and social environments. In this way, DBJ will fulfill its four roles: reinforcing the functions of financial and capital markets, supporting industrial restructuring, providing financial support in growth fields and providing 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 fiscal 2001. Through display panels, we introduce various DBJ activities, such as the DBJ Environmentally Rated Loan Program and the DBJ Enterprise Disaster Resilience Rated Loan Program. In fiscal 2012, we also lectured on the theme of Q&A on Financing Employing DBJ Environmental Ratings, attracting numerous visitors to our booth.



Eco Presentation Stage (Eco-Products 2012)



Eco-Products 2012 booth

### Communication on 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.

### Tokai Branch

#### Messe Nagoya

Messe Nagoya 2012 was held to carry forth the philosophies of the 2005 World Exposition, Aichi, Japan (in the areas of the environment, science and technology, and international cooperation).

DBJ's initiatives were introduced at this exposition, including the environmentally related DBJ Environmentally Rated Loan Program and disaster preparedness related DBJ Enterprise Disaster Resilience Rated Loan Program.



Messe Nagoya 2012

### Communication in International Cooperation

DBJ holds seminars for developing countries' governmental and developmental financial institutions, primarily those in Asia, describing the Bank's experience in applying policy-based financing to support the reconstruction and growth of the industrial economy of postwar Japan. Participants also benefit from our accumulated expertise in 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. Furthermore, through collaboration with such institutions as the World Bank and Japan International Cooperation Agency, we provide comprehensive technological cooperation to such banks as China Development Bank and the Infrastructure Development Bank of Malaysia. In recent years, we have responded to requests from the governments of Japan and other countries. Such projects include one to support credit risk management at Vietnam Development Bank, a detailed design project for the Development Bank of Mongolia and a development bank support project in southern Africa.

DBJ is a member of the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP, based in Manila, the Philippines), and since 1976 we have been networking with financial institutions from China, South Korea, ASEAN countries, India and other areas. In 2013,

ADFIAP's annual meeting was held in Ulan Bator, Mongolia. DBJ received an ADFIAP Award in the CSR division for its Women Entrepreneurs Center initiatives.



ADFIAP annual meeting in Ulan Bator, Mongolia



ADFIAP Awards ceremony

## 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 2012 exhibition. <http://www.dbj.jp/co/csr/index.html> (Japanese only)



#### Issuing CSR Reports

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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 2013, DBJ's contributions totaled ¥1,091,900—enough to provide 54,595 meals.

\*TABLE FOR TWO is a program run by the non-profit 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

## 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.



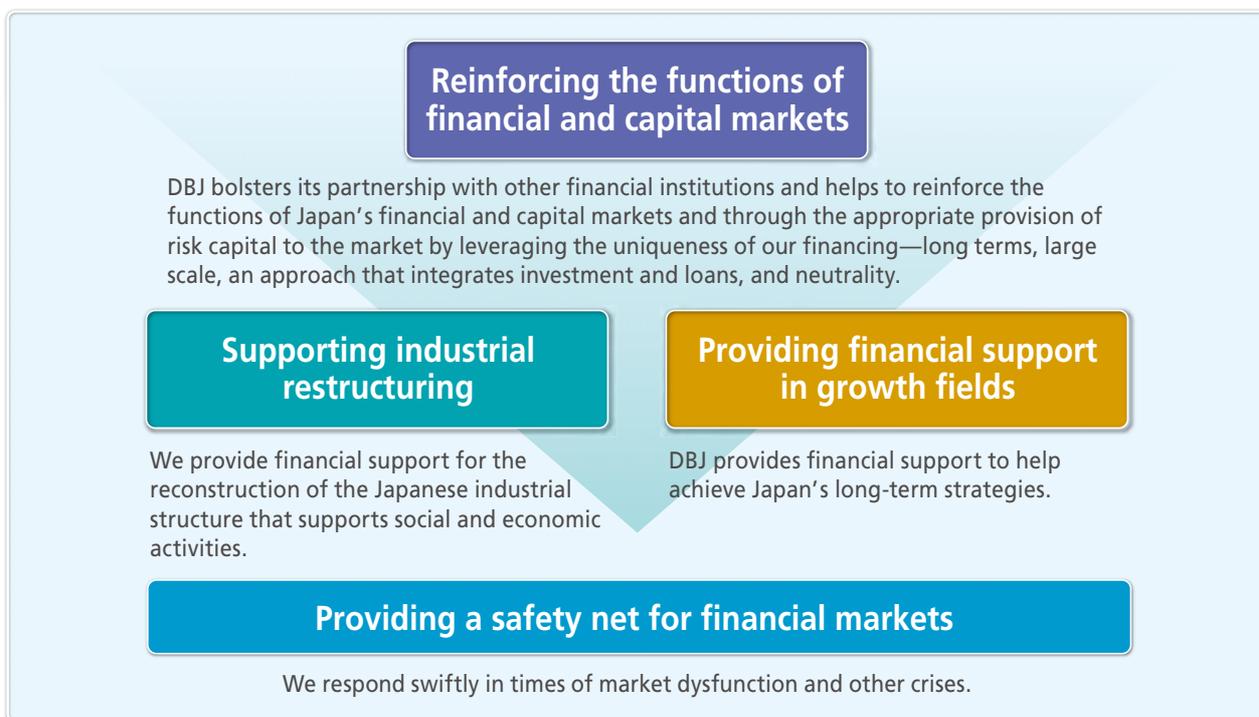
Marunouchi shuttle bus

## CSR through Investment, Loan and Other Businesses

DBJ promotes CSR through investment, loan and other businesses to solve social problems.

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### CSR through Investment, Loan and Other Businesses



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## Reconstruction Response

**Earthquake, tsunami, nuclear power plant crisis—the Great East Japan Earthquake unleashed unprecedented damage, a major compound disaster the likes of which the world has never seen, seriously impacting the economy of Japan. It is essential that disaster recovery measures be implemented on a step-by-step basis according to each stage towards recovery and tailored to meet specific needs of varying regions and different disaster categories.**

### Case Study Collaboration Agreement with Fukushima Prefecture

Fukushima Prefecture, which suffered extensive damage in the Great East Japan Earthquake, is pursuing full-fledged reconstruction initiatives, including efforts to revitalize local industry and attract new industries to the area. In March 2013, DBJ signed a “collaboration agreement on industrial reconstruction” with Fukushima Prefecture, aimed at promoting the prefecture’s industry reconstruction following the earthquake, as well as its ongoing development. Under this agreement, Fukushima Prefecture and DBJ will cooperate on gathering information, conducting strategic reviews and cultivating personnel, taking an overall approach to invigorating the local economy by promoting local industry and tourism and communicating the region’s attractions.

Under the accord, Fukushima Prefecture and DBJ will make effective use of the information and networks they possess to encourage industry reconstruction in Fukushima Prefecture by cooperating in numerous ways, such as (1) attracting companies, (2) promoting the grouping and

cultivation of industries involved in renewable energy and healthcare, (3) supporting the redevelopment of companies within the prefecture, (4) rebuilding tourism and expanding the number of people who interact with the prefecture, (5) promoting the sale of the prefecture’s products, (6) nurturing industrial human resources and (7) supporting community development.



Collaboration agreement signing ceremony

### Case Study Marusan Paper

Marusan Paper Mfg. Co., Ltd., headquartered in the city of Minamisoma, Fukushima Prefecture, is a containerboard manufacturing subsidiary of Rengo Co., Ltd. A supplier to cardboard manufacturers, chiefly in the Tohoku region, Marusan Paper produces around 1,000 tons of containerboard per day. Accordingly, the company plays a major role in the Tohoku region’s supply of cardboard. With forest resources becoming an ever more pressing issue, Marusan Paper has been an early proponent of paper recycling. Proactive on the environmental front, Marusan Paper was the first company in Japan to develop kraft liner—a type of containerboard with a high recycled paper content.

The city of Minamisoma received approval from the Japanese government of its application for the funding of Marusan Paper as a core business in its plan to promote reconstruction, aimed at maintaining or providing new employment opportunities, stabilizing life in the city and reinvigorating the local economy. Accordingly, DBJ provided Marusan Paper with financing to upgrade and augment its containerboard manufacturing facilities through its Interest Rate Subsidy System for Special Zone for Reconstruction\*.

\* The Interest Rate Subsidy System for Special Zone for Reconstruction is a support measure designed to enable reconstruction to proceed smoothly and quickly in the region affected by the Great East Japan Earthquake. Under this measure, regional municipal bodies draft their own reconstruction plans, given the regional state of affairs and characteristics, which are endorsed by the national government. Businesses cited as core regional entities in reconstruction plans that receive approval are eligible for interest rate subsidies from the national government when they raise funds through a government-designated financial institution.



Used paper



No. 7 paper machine

## Reconstruction Response

### Case Study Sendai Coca-Cola Bottling

Sendai Coca-Cola Bottling Co., Ltd., headquartered in the city of Sendai, Miyagi Prefecture, produces and sells Coca-Cola and a range of other soft drinks throughout Miyagi, Fukushima and Yamagata prefectures. The company's headquarters and distribution warehouse, as well as its core Zao Plant, sustained major damage in the Great East Japan Earthquake. However, recognizing that it would be unable to grow unless the region in which it operates also thrived, the company resumed production at its Zao Plant in late April 2011, and recommenced the provision of products.

DBJ provided financing to Sendai Coca-Cola Bottling for the reconstruction of production facilities that were destroyed in the earthquake. This funding was provided under the Interest Rate Subsidy System for Special Zone for Reconstruction, in response to a reconstruction plan drafted by the city of Sendai that cited Sendai Coca-Cola Bottling as a core business. The plan's objective was to strengthen

disaster preparedness and reinforce the abilities of the region's distribution and operational functions to withstand major earthquakes.



Conceptual illustration of Ougimachi distribution center

### Case Study Taiyo Sangyo

To support the restoration and reconstruction of companies damaged in the Great East Japan Earthquake, DBJ is forming Great East Japan Earthquake Reconstruction Funds in collaboration with financial institutions in disaster-stricken regions. Targeting leading companies that have experienced a temporary downturn in business conditions as a result of the disaster but that are essential to regional reconstruction, the fund provides risk capital in the form of subordinated loans and preferred stock to support the rapid reconstruction of the affected region.

One such Great East Japan Earthquake Reconstruction Fund, the "Iwate Genki Ippai Investment Limited Partnership" provided jointly by DBJ and The Bank of Iwate, Ltd., provided financing for Taiyo Sangyo K.K., headquartered in Chuo-ku, Tokyo.

Taiyo Sangyo is a producer of processed seafood under the Taisan brand, which is popular throughout Japan. Taiyo Sangyo suffered extensive damage from the tsunami following the Great East Japan Earthquake, including the complete destruction of its Ofunato Plant. As part of its efforts to revive business in the city of Ofunato, in September 2012

the company completed construction of a plant to produce nitrogen ice (deoxidized ice). This type of ice is highly effective in maintaining the freshness of the saury catches brought in through the port of Ofunato. Thereafter, the company also recommenced operations at its efficiently equipped salmon flake plant, helping to provide some of the infrastructure essential for seafood processing—a key industry for the Ofunato region.



Inside the salmon flake plant

## Energy

**Varied energy usage is essential to ensure the long-term, stable supply of energy. Also, international interest in using solar power, wind power, biomass and other renewable energy is mounting amid ongoing concerns about global warming. Utilization of renewable energy is essential for curbing greenhouse gas emissions and realizing a low-carbon society.**

### Case Study Wakayama Kyodo Power

Wakayama Kyodo Power Company, Inc., headquartered in the city of Wakayama, Wakayama Prefecture, was established in 1961 by Kansai Electric Power Co., Inc., in cooperation with Sumitomo Metal Industries, Ltd. (now Nippon Steel & Sumitomo Metal Corporation) and other companies. The first company in Japan to be jointly founded by an electric power supplier and a large-scale customer, the company conducts thermal power generation fueled primarily by the blast furnace gas and coke oven gas emitted by Sumitomo Metal Industries' Wakayama Steel Works. The company's generators also use heavy oil as an effective complementary fuel, providing high-quality, reasonably priced electricity to the two companies.

Plans are underway to replace Wakayama Kyodo Power's aging No. 1 generator, which commenced operation in 1963, with a new combined cycle gas turbine generator. The use of this generation technology is expected to substantially improve thermal efficiency, as well as to reduce

carbon dioxide and nitrogen oxide emissions.

As the sole arranger on this project, DBJ collaborated with 10 local financial institutions to arrange a total of ¥24.0 billion in syndicated loans for Wakayama Kyodo Power.



Conceptual illustration of the new No. 1 generator

### Case Study Aoyama-Kogen Wind Farm

Aoyama-Kogen Wind Farm Co., Ltd., headquartered in the city of Tsu, Mie Prefecture, is a so-called third-sector (public-private) corporation, established by the cities of Tsu and Iga and a subsidiary of Chubu Electric Power Co., Inc., C-tech Corporation. This company supplies electricity from wind power generators in the Aoyama highlands, which extend from the western part of Tsu to eastern Iga.

DBJ, in cooperation with six local financial institutions, arranged a total of ¥18.0 billion in syndicated loans for the Aoyama-Kogen Wind Farm's project to expand its wind power generation facilities.

Through this project, Aoyama-Kogen Wind Farm plans to erect 40 wind power generators capable of producing 2,000 kW each (total output of 80,000 kW) and related equipment across the Aoyama highlands. This addition to its existing 20 generators (total output of 15,000 kW) should make this the largest wind farm in Japan. By augmenting its wind power generation equipment, the com-

pany aims to help prevent global warming through the promotion of renewable energy. The project is also expected to stimulate the local economy by providing local jobs to oversee construction and maintenance, as well as driving tourism as people come to tour the installation.



Wind power generation facility

### Case Study **Solar Frontier**

Solar Frontier K.K., headquartered in Minato-ku, Tokyo, and a wholly owned subsidiary of Showa Shell Sekiyu K.K., manufactures and sells copper-indium-selenium (CIS) thin-film solar panels. Employing Solar Frontier's proprietary technology, these next-generation solar cells offer high economic efficiency and are environmentally friendly.

DBJ aims to support renewable energy businesses spanning upstream to downstream operations. We have arranged three syndicated loans for Solar Frontier since 2010 for its Kunitomi Plant (the Third Miyazaki Plant), which produces the solar panels. DBJ has also continued to support Solar Frontier in other ways, such as in the joint establishment of an investment company to provide financing for megasolar projects it is engaging in as part of its new

power generation business.

As the first phase of its megasolar project, Solar Frontier is operating a solar power plant in Kansai International Airport. Going forward, the project plans to commence full-scale operations by making use of idle land throughout Japan.

DBJ is providing funding for this project to support Solar Frontier's new business development that leverages its proprietary technologies. DBJ's investment and loans for this project represent the first application of its newly established Fund for Japanese Industrial Competitiveness. DBJ will provide mezzanine loans, preferred shares and other forms of risk money through the fund to firms taking initiatives to promote innovation or enhance corporate value.



Kunitomi Plant of Solar Frontier

## Transportation

**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.**

### Case Study TES Holdings

TES Holdings Limited, headquartered in the United Kingdom, is a leader in the business of commercial aircraft engine management, leasing and parts sales, with operations in the United Kingdom, the United States and Singapore. The used aircraft engine market is expected to grow, as existing aircraft and engines will soon be replaced by more efficient engines, and DBJ believes that TES is uniquely placed to capitalize on this growth.

Convinced of the aircraft engine market's growth potential, as well as TES's extensive expertise in commercial aircraft engines, and believing that new shareholders could contribute to the expansion of its core business, DBJ and Mitsubishi Corporation together acquired 60% of TES's

shares from DVB Bank SE. DBJ expects to leverage TES's expertise to support initiatives to develop the engine maintenance, repair and overhaul (MRO) business in Japan.



Engine being repaired

### Case Study Keikyu

Keikyu Corporation, headquartered in Minato-ku, Tokyo, is a railway operator whose routes center on the 87-kilometer Keikyu Main Line, which runs from central Tokyo through Kawasaki, Yokohama and Yokosuka to Miura Peninsula. In addition, Keikyu Group companies are involved in bus transportation, real estate, leisure services and retailing.

Since 2001, Keikyu has been working on continuous grade separation projects in the vicinity of Keikyu Kamata Station, in an effort to reduce traffic congestion and accidents at railway crossings. As of October 2012, the company had completed the elevation of outbound tracks on the Keikyu Main Line between Heiwajima Station and Rokugodote Station, and all inbound and outbound tracks on the airport line between Keikyu Kamata Station and Otorii Station. This project has improved access to Haneda Airport, where the opening of an international passenger terminal is leading to increased air traffic demand.

DBJ provides financing to Keikyu Corporation, which offers transportation services that support the lives of residents along its railway lines and contribute to development along these lines.



Continuous grade separation project

## 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.**

### Case Study Surugadai Development Special-Purpose Company/Yasuda Real Estate

In April 2013, two large-scale, mixed-use facilities opened their doors in Tokyo's Ochanomizu area.

The first of these is Ochanomizu Sola City, located in Chiyoda-ku, Tokyo, development of which was undertaken by Surugadai Development Special-Purpose Company through joint investment by Taisei Corporation, Hulic Co., Ltd., Yasuda Real Estate Co., Ltd., and Taisei-Yuraku Real Estate Co., Ltd. Located on the site of the former Hitachi, Ltd., headquarters in front of JR Ochanomizu Station, Ochanomizu Sola City serves as a highly functional office space that gives due consideration to environmental and emergency preparedness concerns. The complex also reflects the area's history and culture and is expected to serve as an oasis for visitors and local residents alike.

The second facility is WATERRAS, in Chiyoda-ku, Tokyo. Located on the site of the former Chiyoda-ku Awaji Elementary School, and built by a redevelopment consortium that includes Yasuda Real Estate Co., Ltd., headquartered in Chiyoda-ku, Tokyo, WATERRAS comprises a tower and an annex. The tower houses office, residential and community facilities, while the annex has space for offices,

commercial facilities and student rental housing. This complex is designed to foster a sense of community among local residents, students and companies.

DBJ provided financing to Surugadai Development Special-Purpose Company and Yasuda Real Estate, the main entities involved in these Ochanomizu area redevelopment projects.



Ochanomizu Sola City



WATERRAS

### Case Study Tokyo Prime Stage

Tokyo Prime Stage Co., Ltd., is an SPC established jointly by Tokyo Tatemono Co., Ltd., and Taisei Corporation for the purpose of developing 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 into a large-scale multipurpose building, tentatively named the Otemachi 1-6 Plan.

The current plan is for a 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.



Conceptual rendering

## DBJ Green Building Certification

**Demand is increasing for urban development and revitalization that take environmental conservation and disaster prevention into account in an attempt to realize a sustainable society. Recent years have seen forward-looking initiatives among real estate providers to offer their stakeholders property that not only is economical but also incorporates consideration for the environment and society.**

### Case Study **Tokyu**

Tokyu Corporation, headquartered in Shibuya-ku, Tokyo, is a leading railway operator that conducts business mainly in the southwestern part of Tokyo and the eastern side of Kanagawa Prefecture. In addition to transportation, companies in the Tokyu Group take part in wide-ranging business, including real estate, lifestyle services, hotels and resorts, and business support.

DBJ has accorded Tokyu's multipurpose high-rise tower, Shibuya Hikarie, its "DBJ Green Building Certification" and awarded it Platinum 2012 certification for being in the top class in Japan in terms of consideration for the environment and society.

Completed in April 2012, Shibuya Hikarie is a landmark tower near the east exit of Shibuya Station. DBJ awarded the tower high marks for its (1) advanced environmental performance, (2) serving as a disaster preparedness center

for Shibuya-ku and (3) major contribution to increasing the attractiveness of the Shibuya area through community revitalization initiatives.



Shibuya Hikarie

### Case Study **Hohsui**

Hohsui Corporation, headquartered in Chuo-ku, Tokyo, participates in the seafood wholesaling and fresh and prepared seafood retailing business and operates refrigerated and frozen warehouses in eight locations in the Tokyo metropolitan area, centered around Tsukiji and Toyomi.

DBJ has provided plan certification\* as part of DBJ Green Building Certification for the new Ichikawa Distribution Center that Hohsui is building. We also arranged a total of ¥5.0 billion in syndicated loans for the project.

Until now, DBJ Green Building Certification had been used exclusively for office buildings, but in August 2012 we introduced a new version of this certification for logistics facilities. This certification allows DBJ to support sustainability increases throughout the economic value chain, ranging from physical logistics facility structures to advanced owner initiatives and relations with transport companies and the surrounding community.

The facility earned DBJ's certification for (1) the use of dock shelters, air shutters and exterior walls to boost refrigeration efficiency, (2) measures to conserve energy and resources, such as the introduction of LED illumination and sensor-activated lighting, as well as water conserva-

tion measures and (3) emergency preparedness measures, such as employing a seismically isolated structure and the installation of emergency power generation equipment. Accordingly, we awarded the distribution center a Gold 2012 (plan) certification for being extremely superior in its consideration for the environment and society as a logistics facility.

\* "Plan certification" is a mechanism used on properties under construction for confirming development plans using the DBJ Green Building Certification model for scoring plans between other owners and property-related individuals in terms of environmental features and convenience to tenants based on development plans.



Ichikawa Distribution Center

## Supporting Growth

The current state of the Japanese economy is characterized by a sense of gradual recovery, led by resurgent consumer spending and a recovery in corporate earnings, particularly among large companies. At the same time, however, the government needs to steadily introduce a variety of strategies and measures to ensure this growth, as well as to reinforce the competitiveness of the country's industries. Particularly important are efforts to maintain core competitiveness (by ensuring human resources, supply chains, R&D site functions and other domestic production infrastructure, as well as appropriately updating capital stock) and to strategically enhance competitiveness (by creating new value through links between different industry sectors and promoting initiatives that span the value chain from the upstream to the downstream ends).

### Case Study **NEC**

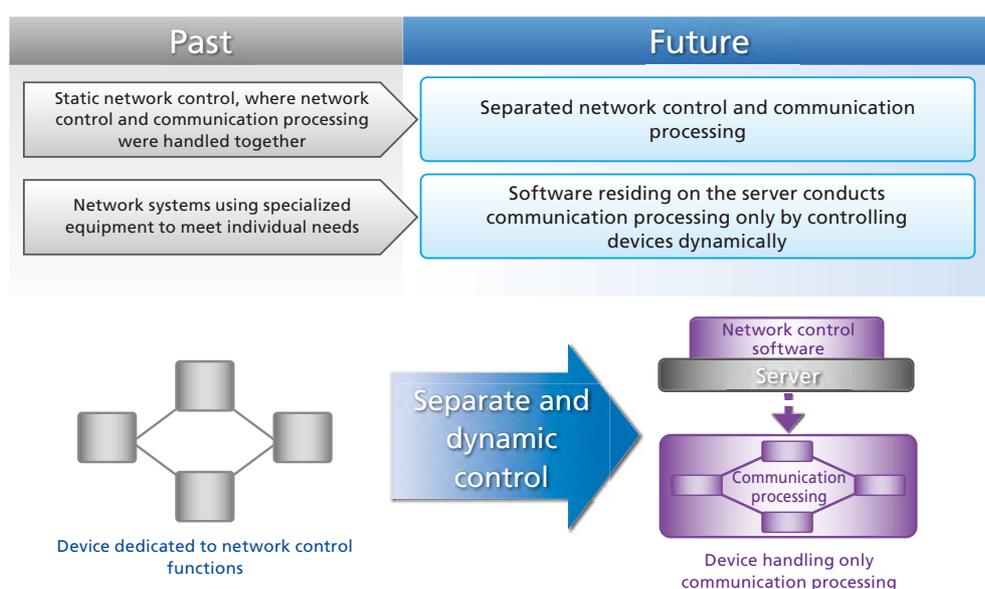
NEC, headquartered in Minato-ku, Tokyo, is one of Japan's leading providers of electrical/electronic equipment and IT solution services. NEC is undertaking ongoing structural reform in a business transition toward a solution/service-based model (social solutions business) centered on its characteristic strengths in network-related technologies and services. NEC is positioning itself in such growth fields as solution services, including technologically advanced SDN\*, and the smart energy field, which includes electricity storage systems. NEC is making strategic investments in these growth fields, as well as concentrating management resources and actively promoting global developments, in

a bid to build an even more robust management infrastructure.

Working with its own financial institutions, DBJ has entered into a hybrid financing agreement with NEC. We are providing equity-type funding via the Fund for Japanese Industrial Competitiveness we established in March 2013.

\* Software-defined networking (SDN): A technological framework and product grouping that allows a controller (software) to handle the management of network equipment functions remotely and in an integrated fashion.

## Software-Defined Networking (SDN)



## Supporting Growth

### Case Study Asahi Fiber Glass

Asahi Fiber Glass Co., Ltd. (AFGC), headquartered in Chiyoda-ku, Tokyo, was established in 1956 through joint investment by Asahi Glass Co., Ltd., and Owens Corning Co., Ltd. Initially a manufacturer of glass fiber, the company now has a leading share of the Japanese market for the production and sales of glass wool, used as insulation material in residential housing.

After acquiring AFGC shares in November 2007, DBJ participated in its management and was instrumental in establishing its independence from the Asahi Glass Group. We also continued to proactively support the company's efforts to grow in a host of fields. In March 2013, DBJ transferred its holdings in AFGC to ORIX Corporation, believing that this move would lead to further growth and increased competitiveness. By taking advantage of the networks and management resources of the ORIX Group, which is developing businesses in a broad range of areas in

Japan and overseas, AFGC should be able to heighten its competitiveness in the domestic market, as well as accelerate its business development overseas, particularly in other parts of Asia.



Aclear next: highly functional glass wool

### Case Study Dexerials

Dexerials Corporation, headquartered in Shinagawa-ku, Tokyo, manufactures and sells functional materials, chiefly for the electronics industry. The company's capabilities lie in developing its cutting-edge materials and manufacturing process technology.

Dexerials' key products include anisotropic conductive film and optical elasticity resin. These materials are widely used in smartphones and tablet PCs as peripheral materials for displays, in which growth is expected.

DBJ has acquired a stake in Dexerials because it believes that fully deploying Dexerials' superior development and technological capabilities and leveraging the funding and complementary management resources that DBJ can provide will enable Dexerials to further expand its business. This investment is part of the "Value for Growth" Investment Program that DBJ began in earnest in 2010 to

provide added-value creative equity financing to support corporate growth strategies.



Functional materials products

## Restructuring and Revitalization

Since the emergence of non-performing 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 revitalization is an important issue for not only the distressed companies that are viable businesses themselves but also the financial institutions and other entities supporting their revitalization.

### Case Study **Setomirai Fund**

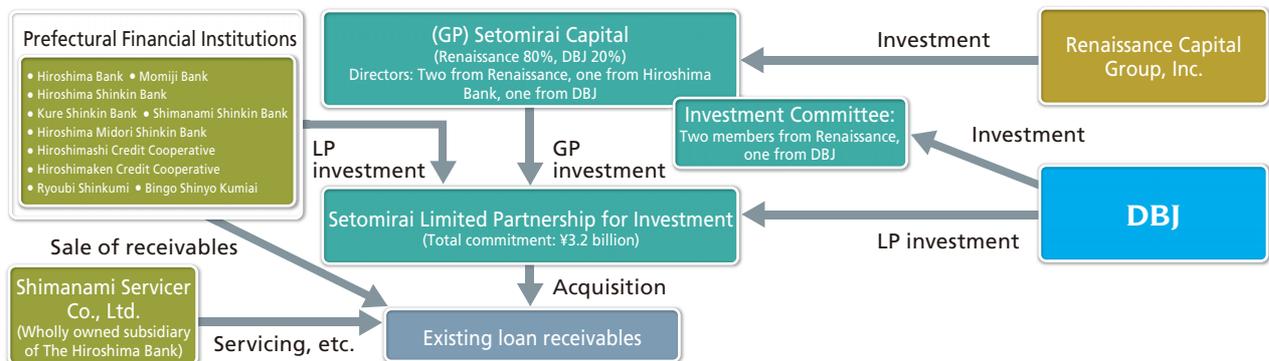
DBJ, in cooperation with 10 prefectural financial institutions in Hiroshima including The Hiroshima Bank, Ltd., has set up the Setomirai Fund, a business revitalization fund, in order to support the business revitalization of regional companies. To administer the fund, DBJ, with the Renaissance Capital Group, Inc., has also established Setomirai Capital K.K., in the city of Hiroshima.

The Setomirai Fund is designed to enable regional companies such as customers of prefectural financial institutions that are participating in this fund as limited partners to reinvigorate themselves by acquiring their loan claims and undertaking other measures to revitalize their businesses

through debt reduction and business restructuring efforts. In these ways, the fund aims to help invigorate the regional economy.

As one aspect of its exit strategy under the Act concerning Temporary Measures to Facilitate Financing for Small and Medium-Sized Enterprises, etc., DBJ will approve expeditious business revitalization support initiatives driven through collaboration with The Hiroshima Bank and other regional financial institutions. DBJ will also apply the expertise we have accumulated in business revitalization to cooperate on the financing end, as well as offering advice on overall fund management activities.

#### ● Overview of the Setomirai Fund



### Case Study **Japan Marine United**

Japan Marine United Corporation is one of Japan's largest shipbuilders, born through a merger between Universal Shipbuilding Corporation and IHI Marine United Inc. Japan Marine specializes in building and maintaining large bulk carriers, tankers and container ships, and is strong in the area of naval escort and minesweeper vessels.

Taking advantage of the expertise it has gained through its long years of involvement in corporate restructuring and the expertise gleaned from providing ongoing support to the Japanese shipbuilding industry, DBJ provided Japan Marine United with ¥20.0 billion in financing for "business restructuring promotion operations\*" based on its evaluation that the integration would be meaningful and effective in enhancing the company's international competitiveness.

\* "Business restructuring promotion operations" are those under which DBJ acts as the designated financial institution to provide necessary financing to an entity undergoing industry restructuring to enhance international competitiveness whose business restructuring plans have been certified in accordance with the Law on Special Measures for Industrial Revitalization and Innovation.



Ariake Shipyard



Kure Shipyard

## M&A and Business Alliances

**Mergers and acquisitions (M&A) have entered the spotlight with their increasing prevalence, owing to such factors as more diverse forms of business development, Asia-centered overseas expansion, and growing activities in business and industry restructuring. M&As are considered effective and essential for aggressive business restructuring and to overhaul and revitalize underperforming businesses.**

### Case Study Kuroda Precision Industries

Kuroda Precision Industries Ltd., headquartered in the city of Kawasaki, Kanagawa Prefecture, manufactures and sells such products as ball screws, precision press molds, tooling, gauges, surface grinding machines and precision measuring systems. Recognized as a “precision leader” for its expertise in precision processing and measurement technologies, Kuroda Precision Industries’ products are used in mobile phones, hybrid cars, semiconductor fabrication equipment, industrial robots and a host of other items that are hallmarks of the times and support industrial development.

When Kuroda Precision Industries contemplated the acquisition of companies overseas toward its next stage of global development, DBJ proposed the acquisition of Avingtrans Industrial Products, Ltd., a medium-sized U.K.

manufacturer of parts for precision equipment, and provided advisory services. At the same time, we provided acquisition financing jointly with Mizuho Bank, Ltd.



Precision ball screws and precision gears



Linear guides

### Case Study SECOM

SECOM Co., Ltd., headquartered in Shibuya-ku, Tokyo, and a leading security company, believes that data centers will become an increasingly important strategic business. Given the growing emphasis on information and security, SECOM believes that data centers serve as a vital part of the social infrastructure.

DBJ proposed that SECOM acquire shares in AT TOKYO Corporation and advised SECOM on the acquisition. Headquartered in Koto-ku, Tokyo, this company is one of Japan’s leading data center operators in terms of scale, electric power supply stability and security management. We believe that SECOM’s acquisition of a stake in AT TOKYO enables both companies to leverage their strengths, managing information safely and functioning as a service center that uses its core functionality to provide a host of services. Through its data centers, the company also fulfills an essential social role and has the ability to create new services that are safe and offer high added value.



Data center

## 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 developmental 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 its own process of economic development. 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.**

### Case Study Vietnam Airlines

Vietnam Airlines Company Limited (VNA), headquartered in Hanoi, Vietnam, is the flagship carrier of the Social Republic of Vietnam. Boasting a young and well educated workforce, Vietnam is expected to continue on a trend of high economic growth. VNA, with its developing network, is seen to play a critical role in stimulating tourism demand and supporting the increasing economic and trade relationships. The airline plans to expand its aircraft fleet to service more cities in the long-haul routes to Europe and the growing intra-Asia routes.

DBJ has a long-standing relationship with Vietnam, first through providing research to the Vietnamese government for its development of the automobile industry and financial industry in the 1990s and in providing financing both

in debt and equity to companies in the country in recent years. DBJ's arranging of a syndicated loan for VNA's A321 aircraft is a natural extension to these prior activities.



Airbus A321 aircraft

### Case Study Long Beach Judicial Partners

Long Beach Judicial Partners LLC (LBJP, headquartered in the city of Long Beach, California, U.S.A.), is a special-purpose company (SPC) established by Meridiam Infrastructure, a fund focused on infrastructure development in the United States and Europe through public-private partnerships (PPPs), to enable the California state government to carry out the Long Beach Courthouse Project.

The Long Beach Courthouse Project is the first social infrastructure project in the state of California procured under the principles of performance-based infrastructure (PBI), contracting to utilize a PPP scheme\* to reconstruct, operate and maintain California's most socially and politically important courthouse with the largest capacity and highest number of projects in the state through private financing.

Approximately 90 percent of revenue from this project will come from the California state government in the form of stable payments of annual, performance-based service purchasing fees. Using advanced risk management to adequately reduce risk, an appropriate return compared to risk is expected.

DBJ, along with Western financial institutions, is providing financing to LBJP via project finance methods. In addition, as a trial effort to support regional financial institutions' initiatives to build up experience and know-how in financing to the overseas infrastructure sector, while enabling them to take advantage of attractive financing opportunities, we transferred part of our LBJP claims to The Chiba Bank, Ltd., headquartered in the city of Chiba, Chiba Prefecture, enabling joint participation.

\* Similar to a private finance initiative (PFI) purchase of services via a build-operate-transfer (BOT) contract in Japan, cost, schedules, quality and other performance indicators must be clearly defined when the contract is executed. This kind of scheme aims to encourage competition and high-quality bids, approving flexible proposals from bidders by focusing on results rather than process details.



Front entrance of the courthouse (as of April 2013)

## DBJ Environmentally Rated Loan Program

**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 society.**

### Case Study Kirishima Shuzo

Kirishima Shuzo Co., Ltd., headquartered in the city of Miyakonojo, Miyazaki Prefecture, produces “true *shochu*” (*shochu* being a clear distilled liquor, and “true *shochu*” referring to a pure distillation rather than a blended liquor) from *Kogane Sengan* (a kind of sweet potato) cultivated at the base of Mount Kirishima. The company is known in particular for its *Kirishima* and *Kuro Kirishima* brands. Kirishima Shuzo has begun to recycle the lees from distillation and is also introducing a variety of other environment-friendly initiatives.

We accorded Kirishima Shuzo a high rating and provided the company with financing for three reasons. (1) Through joint development with a general contractor, the company used methane fermentation processing to increase separation of the liquid portion of the distillation lees from the potato remnants, resulting in zero waste emissions and achieving a sustained recycling rate of 100%. (2) The com-

pany not only used the biogas recovered by its methane fermentation facility for distillation lee recycling in the drying process for producing dehydrated cake (the solid portion of the distillation lees after separation from the liquid) but also increased its use in the production process itself. (3) While increasing production capacity, through unflagging management efforts the company succeeded in reducing its overall energy inputs, as well as its CO<sub>2</sub> emissions. This was the first project in Japan in the true *shochu* industry to acquire an environmental rating.



Kirishima Shuzo's headquarters plant

### Case Study NEC Capital Solutions

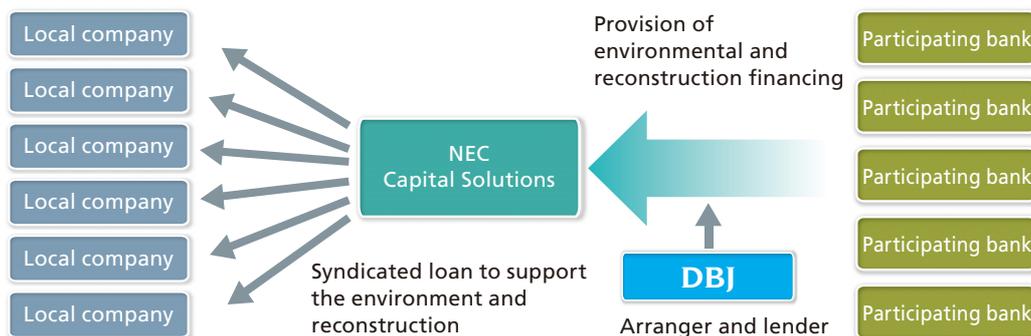
NEC Capital Solutions Limited, headquartered in Minato-ku, Tokyo, is a comprehensive leasing company that has been working aggressively to support the expansion of eco-business by offering eco-leases and eco-financing.

DBJ accorded NEC Capital Solutions a high rating evaluation, for a number of reasons. (1) The company has thoroughly revised its eco-lease and eco-financing certification standards from the standpoint of environmental impact evaluation and life cycle assessment (LCA) and is making sophisticated efforts to contribute to biodiversity preservation. (2) By advancing an eco-fund system, the company is endeavoring to further popularize eco-leases and eco-

financing. (3) By proposing solutions to improve the energy use of customers' information and communications technology (ICT) assets, the company is working to reduce the environmental impact of customers throughout the entire life cycle, including the procurement, operations and disposal stages.

DBJ arranged a syndicated loan for NEC Capital Solutions based on its DBJ Environmental Ratings. By targeting eco-leases and eco-financing transactions in the Tohoku region, we expect the company to encourage reconstruction activities in the area affected by the Great East Japan Earthquake.

#### ● Syndicated Loan Scheme



## 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.**

### Case Study Saiseikai Niigata Daini Hospital

An affiliate of Social Welfare Organization Saiseikai Imperial Gift Foundation, Inc., Niigata Saiseikai operates the Saiseikai Niigata Daini Hospital, located in the city of Niigata, Niigata Prefecture. This hospital's predecessor, the Niigata Clinic, was established in 1927 with a mission of offering a helping hand without prejudice to provide healthcare and social welfare to a wide range of people. The facility opened its doors as a general hospital in its current location in 1991. Operating as a regional medical support hospital and a regional affiliated base hospital for cancer diagnosis, the hospital handles acute medical care for the region and liaises with regional medical facilities to deliver medical services of consistently high quality. At the same time, the facility serves as a hospital designated for clinical training, providing training for resident clinicians. Serving also as a disaster response hospital for Niigata Prefecture, the hospital promotes disaster preparedness and operational continuity measures.

DBJ certified the Saiseikai Niigata Daini Hospital as a DBJ Visionary Hospital and provided financing based on

their excellent disaster prevention and business continuity efforts. In addition to its registration with the Emergency Medical Information System (EMIS) and robust information dissemination procedures, the hospital has signed an accord with Niigata Prefecture and cooperates in training for large-scale disaster response. We give the hospital high marks for these moves, which show that it is working closely with government bodies on a regular basis and striving to ensure continued medical care in the event of disaster.



Saiseikai Niigata Daini Hospital

### Case Study Musashinosh (Ageo Medical Group)

Musashinosh K.K., headquartered in Chuo-ku, Tokyo, and a member of the Ageo Medical Group (AMG), holds and rents hospital real estate and operates as a medical products wholesaler. With the Ageo Central General Hospital at its core, AMG operates 27 hospitals and 20 geriatric healthcare facilities in six prefectures: Saitama, Tokyo, Chiba, Kanagawa, Ibaraki and Yamanashi. AMG also provides advanced "total care" (meaning health maintenance, healthcare and welfare) under a philosophy of "being a hospital appreciated for advanced medical care." In these ways, the group has built up relationships based on trust and supports the health of the local population.

DBJ provided Musashinosh with financing for new construction on the Yokohama Namiki Rehabilitation Hospital (having 224 beds and located in the city of Yokohama, Kanagawa Prefecture). This hospital is operated by the Kyoyukai Medical Corporation, a central medical entity for AMG.

Included in the plans to construct a new facility to replace the aging Byobugaura Hospital was Yokohama Namiki Rehabilitation Hospital's effective use of the site formerly occupied by the Yokohama municipal Namiki Daisan Primary School. This hospital, which concentrates on convalescence and rehabilitation, liaises with local medical facilities to provide seamless local healthcare support from admission to hospital through to home care.



Yokohama Namiki Rehabilitation Hospital

## DBJ Employee's Health Management Rated Loan Program

The promotion of employee's health management is linked to improved employee satisfaction and corporate productivity, the retention of talented human resources and the financial betterment of health insurance organizations. Amid a declining population of future workers, the strategic implementation of employee's health management from a managerial perspective is an important issue for the realization of a sustainable society.

### Case Study Mitsui Chemicals

Mitsui Chemicals, Inc., headquartered in Minato-ku, Tokyo, is an integrated chemicals manufacturer whose innovative products are used in a host of industries, including automotive, electronics/information materials, packaging materials and lifestyle/environment/energy. The company aims to achieve further growth by reinforcing its strengths in highly functional products, which include high-value-added polymers and other polypropylene compounds for the automotive industry, eyeglass lens monomers and dentistry materials, and non-woven fabric and other healthcare materials.

DBJ arranged syndicated loans totaling ¥17.0 billion for Mitsui Chemicals through its DBJ Employee's Health Management Rated Loan Program.

We gave the company a high rating evaluation for four reasons. (1) The company conducts health training to instill awareness among its employees and takes a proactive approach to other health-related activities, providing ample educational opportunities. (2) Mitsui Chemicals conducts multiple stress tests, through which it keeps its finger on the pulse of the workplace environment, and when necessary

considers improvement plans and draws up proposals for workplace management. (3) The company employs industrial physicians as organizational line managers, ensuring employees' health rights and responsibilities. (4) Various analyses are conducted to determine the state of employee health. The company uses the content of these analyses to visually present the results of health evaluations against its targets.



Ichihara Plant



Certification conferral ceremony

### Case Study Kagome

Kagome Co., Ltd., headquartered in the city of Nagoya, Aichi Prefecture, is a leader in products such as vegetable juices and processed tomato foods. In keeping with its brand statement, "True to nature, the flavor of Kagome," the company strives to be a "food company that contributes to the health and long life of people, society and local environments." Kagome has in place an occupational health and safety management system, through which it works to provide a working environment that is both safe and enjoyable.

DBJ provided financing to Kagome based on the DBJ Employee's Health Management Rated Loan Program, making Kagome the first company in the food industry and the first in the Tokai region to take advantage of this program.

There were two major factors behind our strong rating evaluation. (1) The company's occupational health and safety management includes proactive initiatives that exceed

legal requirements, including the thorough implementation of health and safety checklists and the use of a mutual auditing system between each of its business locations. (2) As part of its product development and employee health initiatives, Kagome's central research laboratories promote research that contributes to human health and long life.



Popular Kagome products

## 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.**

### Case Study **Noguchi Kanko**

Noguchi Kanko Co., Ltd., headquartered in the city of Noboribetsu, Hokkaido, was founded in 1963. Since that time, the Noguchi Kanko Group has operated *onsen* (hot springs) resorts at key sites in Hokkaido, including Noboribetsu, Toyako, Sounkyo, Kitayuzawa and Hakodate-Yunokawa, as well as in the city of Muroran. In addition, from 2011 to 2012, the group has expanded its offerings into Kanagawa Prefecture, including Hakone and Okuyugawara. The group currently operates a total of 16 resorts.

While expanding its activities outside the confines of Hokkaido, the Noguchi Kanko Group is also responding to changing customer needs within the prefecture. To enhance the appeal of the Toyako Onsen region to individual and overseas tourists, the group has acquired and is investing in the refurbishment of an existing hotel, which it reopened in the autumn of 2012.

DBJ provided financing for Noguchi Kanko's initiatives in the Toyako Onsen region and to bolster its infrastructure for attracting tourism within Hokkaido, following certification by DBJ's Hokkaido Branch under the Regional Areas *Genki* Program (Tourism).



The Lake View Toya Nonokaze Resort

### Case Study **Ouchi Shinko Chemical Industrial**

Ouchi Shinko Chemical Industrial Co., Ltd., headquartered in Chuo-ku, Tokyo, in 1931 became the first company to manufacture organic rubber chemicals in Japan. Since that early success, the company has been a pioneer in this sector, evolving into the leading Japanese producer of organic rubber chemicals. During its 80 years in business, the company has leveraged the technological capabilities cultivated in the field of organic sulfur compounds to develop business in various fields involving fine chemicals, including fruit fungicides, bulk pharmaceuticals and environmental chemicals. The company's organic rubber chemicals enhance rubber's natural elasticity and prevent degradation, and its additives help improve vibration damping. Its products and materials are widely used in tires and vibration-reducing automotive rubber parts.

DBJ provided financing to Ouchi Shinko Chemical Industrial, certifying the company under its DBJ Smart Japan Program and rating it highly for its technical capabilities in the field of organic rubber chemicals.



Rubber chemicals

## Community Revitalization

### Case Study Snow Peak

Snow Peak Inc., headquartered in the city of Sanjo, Niigata Prefecture, is located in the Tsubame-Sanjo region, long known locally as a hardware manufacturing town. The company is engaged in the manufacture and sales of natural lifestyle products for nature-oriented lifestyles. As the industry's leading company, Snow Peak designs, develops and manufactures tents, sleeping bags, compact stoves, lanterns and various kinds of apparel created with advanced metalworking technologies by local companies sold in Japan and 23 countries around the world.

In accordance with its mission statement of adopting the user's point of view as their own and delivering products and services that enable mutual inspiration, Snow Peak thoroughly incorporates the user's input in everything it

manufactures. Passionate fans of these initiatives, called "SnowPeakers," are increasing around the world.

DBJ provided financing to Snow Peak, certifying it under the DBJ Development Support Program (*Nihon Genki* Program).



Headquarters and factory exterior

### Case Study Daito Pharmaceutical

Daito Pharmaceutical Co., Ltd., headquartered in the city of Toyama, Toyama Prefecture, making use of the ample experience it has accumulated since the time of its establishment, has developed an integrated system to manufacture and sell a comprehensive range of pharmaceutical products—from drug substances (used as basic medical ingredients) to drug formulations. Daito Pharmaceutical conducts multifaceted business with pharmaceutical manufacturers in Japan and overseas. Also aggressive in contract manufacturing for Japan's leading drug companies, the company has developed business to meet diverse needs in the pharmaceutical industry, ranging from non-prescription drugs to generic drugs and original ethical drugs.

In recent years, Daito Pharmaceutical has begun stepping up its activities in new areas of business, advancing into overseas markets, particularly China and the United

States, and pursuing initiatives involving highly regulated substances such as anticancer agents.

DBJ provided financing to Daito Pharmaceutical, which aims to aggressively expand its facilities and R&D activities, helping to ensure growth of the pharmaceutical industry in Toyama Prefecture.



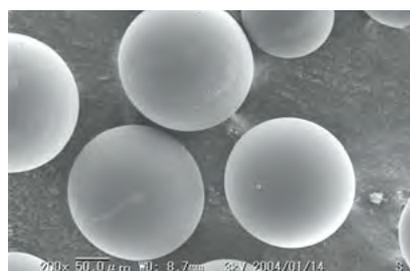
Headquarters in Yoka-machi, Toyama

### Case Study Futamura Chemical

Futamura Chemical Co., Ltd., headquartered in the city of Nagoya, Aichi Prefecture, manufactures and sells products that employ activated carbon for water and air purification and cellophane, centering on packaging films made from plastics and cellulose. In the area of activated carbon, the company's products are used in pharmaceuticals that help extend the time until patients with chronic renal failure need to begin dialysis treatment. As populations grow older, demand continues to increase in the medical field for products that improve patients' quality of life.

Within the activated carbon business, Futamura Chemical is enhancing its facilities to produce activated

carbon for pharmaceuticals. DBJ provided financing for this purpose through the Regional Areas *Genki* Program (Tokai area strategic next-generation industry).



Spherical activated carbon

## Community Revitalization

### Case Study Kintetsu

Kintetsu Corporation, headquartered in Osaka, operates the largest private railway network in five prefectures in the Kinki/Chubu region. The Kintetsu Group is also involved in real estate, distribution, the hotel and leisure business and a diverse range of other businesses.

DBJ provided financing to Kintetsu Corporation under its DBJ Environmental Ratings and DBJ Enterprise Disaster Resilience Rated Loan Program. Kintetsu earned a high rating evaluation for two main reasons. (1) The company is proactively introducing equipment with strong environmental functionality, such as the new-model tourism express, the *Shimakaze*, which began service in March 2013. (2) Kintetsu Corporation is working to ensure customer safety in a number of ways. For example, the company has

built an emergency earthquake reporting system, put in place emergency evacuation guidance standards and conducts emergency training several times a year.

We have conducted DBJ Green Building Certification for Kintetsu Corporation, awarding it a Platinum 2012 (plan) rating for ABENO HARUKAS, located in Abeno-ku, Osaka. Kintetsu Corporation is pursuing construction of this multifunctional skyscraper complex, which will become the tallest such building in Japan.



ABENO HARUKAS, whose grand opening is scheduled for spring of 2014

### Case Study Nitto Seimo

Nitto Seimo Co., Ltd., headquartered in Minato-ku, Tokyo, is a top manufacturer of knotless nets and has a history dating back more than 100 years. The company's world-leading development of the knotless net in 1925 served as a springboard for the company's development and production of a wide range of fish nets and related products for various types of fishing locations and to comply with a host of fishing regulations. In addition to providing products, Nitto Seimo contributes to the Japanese fishery industry by applying the wide range of fishing-related expertise it has cultivated over its long history.

Demand for fish nets and related products surged in the

aftermath of the Great East Japan Earthquake, as reconstruction activities in the fishery industry moved forward. To allow Nitto Seimo to provide these products swiftly to the stricken region, DBJ provided financing to the company under the DBJ Smart Japan Program.



Knotless net

### Case Study Marusan Industry

Marusan Industry Co., Ltd., headquartered in the city of Ozu, Ehime Prefecture, was established in 1948 and develops, manufactures and sells sanitary materials and products made from cotton and organic cotton. Marusan Industry provides bleached cotton, which is the raw material for many types of cotton products, and a range of general-purpose cotton products, including its well-known Selena-brand cosmetic puffs, as well as cleansing cotton and wet tissues. The company also produces sterile and absorbent cotton and other medical sanitation products as well as non-woven fabric, boasting a leading share of the Japanese market for bleached and cosmetic cotton.

The bleached cotton that Marusan Industry produces employs some of the world's most advanced technologies for removing foreign objects, as well as grease removal and

bleaching technologies. As a result, its bleached cotton is a highly pure natural material.

DBJ provided financing under the DBJ Smart Japan Program to Marusan Industry to fund its creative business development employing advanced technological capabilities.



Cosmetic puffs

## Community Revitalization

### Case Study Fukuokaunyu Holdings

Fukuokaunyu Holdings, headquartered in Fukuoka, is the holding company for Fukuokaunyu Co., Ltd., and Fukuokaunyu Systemnet Co., Ltd. The company, which concentrates on chilled and refrigerated transport to maintain the quality of fresh foods and other products, has in place a nationwide network to meet a host of logistics needs.

DBJ provided Fukuokaunyu Holdings with financing that made use of an interest rate subsidy system for comprehensive special zones, based on the Hokkaido Food Complex International Strategic Comprehensive Special Zone. This financing was earmarked for the construction of logistics facilities, which are essential to the shipping throughout Japan and overseas of meat and other refrigerated and frozen foods produced in Hokkaido, serving as support infrastructure in the plan for a comprehensive special zone. In

particular, the funding is to be used by Sapporo Teionunyu Corporation, a subsidiary of Fukuokaunyu Holdings, to build the new Obihiro Delivery Center.



Sapporo Teionunyu's Obihiro Delivery Center

### Case Study Aiseikai

Aiseikai's Shonan Hospital, located in the city of Soo, Kagoshima Prefecture, and established in 1946, offers broad-ranging medical and nursing care to support the health of the Soo region, where the ratio of aged persons in the total population is higher than for Japan as a whole. This medical corporation's philosophy is to "ensure peace of mind among patients and other visitors by providing reliable medical and nursing care."

To assist Aiseikai in its efforts to enhance and invigorate regional medicine, DBJ's Minami-Kyushu Branch certified Aiseikai under the Regional Areas *Genki* Program (Food, Health and Environment Industry) and provided the organization with funding to enhance its clinical abilities by introducing leading-edge magnetic resonance imaging (MRI) equipment.



Shonan Hospital



MRI equipment

## Private Finance Initiatives

Private finance initiatives (PFIs) draw on private-sector capital and management expertise, as well as technology, to build, operate and maintain social infrastructure that has traditionally been the province of national and local governments. Advantages of the PFI method 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, as well as operating the business.

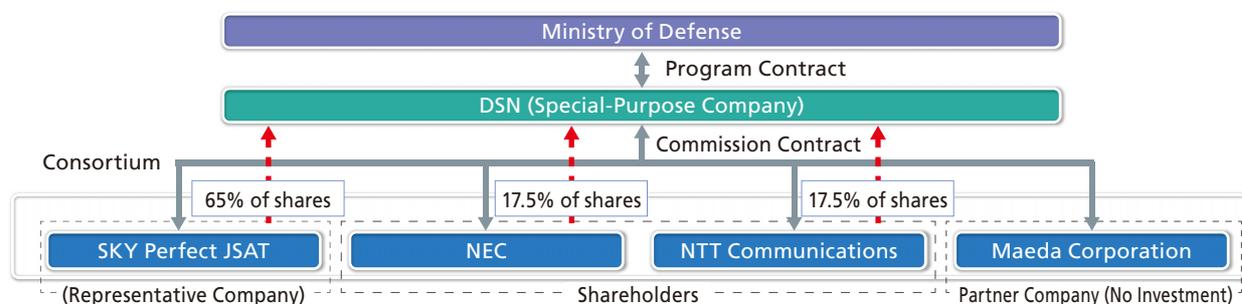
### Case Study Artificial Satellite PFI Business

DSN Corporation, headquartered in Minato-ku, Tokyo, is a special-purpose company (SPC) established through investment by three companies: SKY Perfect JSAT Corporation, NEC Corporation and NTT Communications Corporation. DSN has received a contract from the Ministry of Defense for a "Program to Upgrade and Operate X-Band Satellite Communications Functions, etc." Based on the program contract, DSN will manufacture and launch two communications satellites and upgrade ground facilities, including satellite control equipment. The company is to operate,

maintain and manage these facilities and equipment.

DBJ was the lead arranger, working with Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.), Bank of Tokyo-Mitsubishi UFJ, Ltd., and Sumitomo Mitsui Banking Corporation to provide a total of ¥77.5 billion in syndicated loans. This is the first artificial satellite project in Japan based on the Act on Promotion of Private Finance Initiative (revised), which went into effect in November 2011. The program contract is also one of the largest on record for a PFI project in Japan, at ¥122.1 billion.

#### ● Scheme for Execution of a Program to Upgrade and Operate X-Band Satellite Communications Functions, etc.



### Case Study PFI Promotion Seminars

Given the difficult financial conditions under which Japan's national and regional governments are operating, the aging of public facilities has become an increasingly serious issue in recent years. Furthermore, since the Great East Japan Earthquake, demand has increased for the restoration and reconstruction of various types of public infrastructure, bringing to the fore the importance of introducing private-sector expertise through PPP/PFI schemes.

The DBJ Group, in cooperation with Japan's Cabinet Office and regional banks, conducted seminars to promote PFI initiatives in six disaster-affected regions. These seminars highlighted the importance of managing public assets and introduced various PPP/PFI methods, providing useful information on rebuilding public facilities and promoting post-

disaster reconstruction using private-sector know-how and capital.

Regional hosts of the seminars—The Bank of Iwate, Ltd., The 77 Bank, Ltd., The Toho Bank, Ltd., The Ashikaga Bank, Ltd., The Chiba Bank, Ltd., and DBJ—also gathered to deliberate ways to expand the PFI market going forward, in particular, collaborative measures that financial institutions can take to promote effective policies and public measures.



Liaison meeting among financial institutions involved in PFI

## DBJ Enterprise Disaster Resilience Rated Loan Program

Such recent disasters as the Great Hanshin-Awaji Earthquake, the Chuetsu Offshore Earthquake, the Iwate-Miyagi Inland Earthquake and last year's Great East Japan Earthquake caused tremendous damage to the economy, with many organizations forced to suspend operations for extended periods. In addition to measures for protecting personnel and property, companies face the need to draft business continuity plans (BCPs) to hedge themselves against lost revenue and retain their clients in the event of disaster.

### Case Study Toyo Gosei

Toyo Gosei Co., Ltd., headquartered in Taito-ku, Tokyo, is a chemical manufacturer founded in 1954. The company produces photosensitive materials that are essential for making semiconductors and LCD panels. Toyo Gosei also produces solvents for electronic materials and is one of the few companies in the world involved in the manufacture of fragrances.

DBJ accorded Toyo Gosei a high rating evaluation for three main reasons. (1) The company has acquired certifications that are still relatively uncommon in Japan. (2) Toyo Gosei has developed advanced disaster countermeasures to ensure business continuity, and business impact analysis\* was used in the formulation of its business continuity plan, indicating its careful attention to fundamental procedures. (3) During the formulation of its plan, the company employed a risk assessment method in its occupational

health and safety management system, taking into account characteristics unique to a chemical product manufacturer.

\* Business impact analysis: An analysis method employed to determine the degree to which overall business would be affected in the event that specific business processes stop or are interrupted.



Analysis at a research institute for photosensitive materials

### Case Study Showa Denko

Showa Denko K.K., headquartered in Minato-ku, Tokyo, conducts business on a global stage, producing chemicals for use in a range of fields. Its products range from petrochemicals and basic chemicals to hard disks and the graphite electrodes for electric steelmaking. In line with its group slogan, "Shaping ideas," Showa Denko is a unique company that generates new concepts and has strong technological capabilities. In a host of ways, the company endeavors to use the power of chemistry to make people's lives more bountiful.

DBJ provided Showa Denko with financing under the DBJ Enterprise Disaster Resilience Rated Loan Program, established as a restoration fund provision for times of disaster. This disaster restoration fund provision stipulates that in the event of a major earthquake that meets a variety of conditions, DBJ will provide a specific amount of financing as restoration funds. We developed this product in cooperation with Sompo Japan Insurance, Inc.

We accorded Showa Denko a high rating evaluation for a number of reasons. (1) The company was increasing its resilience by earthquake-proofing headquarters and princi-

pal business sites and through the geographic dispersion of manufacturing sites throughout Japan and in overseas locations. (2) By conducting continuous reviews and introducing measures to resolve bottlenecks in each business division, the company was endeavoring to reduce target restoration times. (3) Showa Denko was striving to understand its business partners and share information with them regarding its disaster preparedness and business continuity structure, as part of its efforts to build a robust supply chain.



Kawasaki Plant, which produces basic chemical products

# Environmental Management

DBJ aims to realize a more prosperous sustainable society by achieving harmony through the triple bottom line of society, the environment and the economy. We recognize the resolution of environmental problems as an issue that is common to all humankind. For this reason, DBJ has 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 environ-

mental conservation and to cooperate in resolving environmental problems. In addition, in November 2002, we acquired ISO 14001 certification, and in November 2011, we signed the Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century). Such efforts indicate our organizational commitment to environmental preservation and the realization of a sustainable society.

In line with the Basic Environmental Policy formulated in October 2008, DBJ is promoting efforts in the regions where its 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.

- DBJ Environmentally Rated Loan Program (See pages 40 and 81.)
- DBJ Green Building Certification (See pages 41 and 75.)

### 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.

- Communication Focused on the Environment (See page 66.)
- Communication on Community Revitalization (See page 66.)
- Communication in International Cooperation (See pages 66–67.)

## 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, 2011	Year Ended March 31, 2012	Year Ended March 31, 2013
Copy and printing paper usage (kg)	93,189	100,494	85,011
Waste emissions (kg)	61,610	63,530	55,688
Energy consumption (kWh)	4.50 million	3.53 million	4.01 million
Water usage (m <sup>3</sup> )	25,411	24,105	22,667

Note: Head office building only

- Promotion of environment-friendly sourcing of supplies

In line with the Act on Promotion of Procurement of Eco-Friendly Goods and Services by the State and Other Entities (Green Purchasing Act), which went into effect in April 2001, DBJ implemented initiatives to purchase products and services with lower environmental impacts. We have continued to practice green purchasing following our privatization.

### ● Achievements of the Green Procurement Program for Typical Items

	Year Ended March 31, 2013
Paper	98.5%
Stationery	98.2%
Equipment	87.6%
Office equipment	99.9%
Lighting	100%

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 2012

DBJ participates in the Uchimizu Project 2012, 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 since 2008.



- 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.

- 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. We continued these activities in fiscal 2012, 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 and plant flower bulbs.



### • 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.

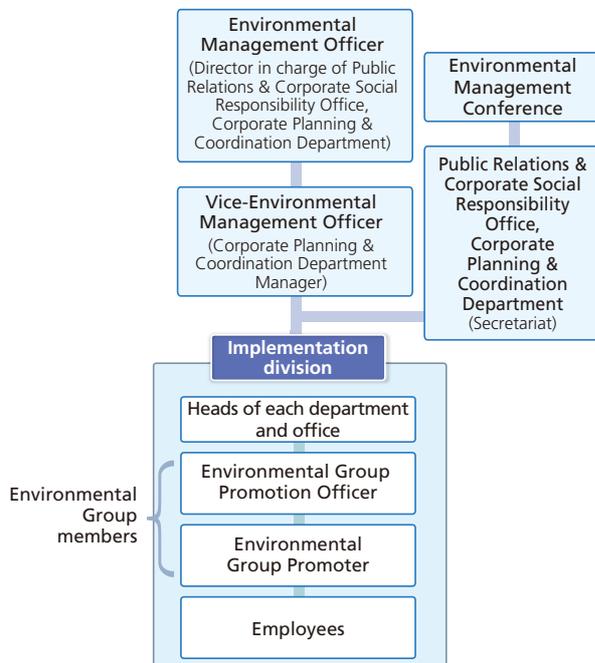
## Environmental Management Conference

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 Structure



### 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 Promoter 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 Act (Act 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 DBJ Environmentally Rated Loan Program
	September	Second annual <i>Sustainability Report</i>
	November	Japan Carbon Finance, Ltd. (JCF) established
	December	Japan Greenhouse Gas Reduction Fund (JGRF) established
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 &amp; CSR Report</i> (integrated annual report and CSR report)
2008	October	First Board of Directors and Management Committee meetings of Development Bank of Japan Inc.; formulation of Basic Environmental Policy and Environmental Management Regulations
2009	March	First Environmental Club Syndicated Loan <i>ECONOWA</i>
	April	Commendation for DBJ Environmentally Rated Loan Program: Environmental Development Award
	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)
	April	Business cooperation agreement to promote environmental measures with a non-life insurance company
	December	Selected as a designated financial institution under the Bill on the Promotion of Businesses to Develop and Manufacture Energy and Environmentally Friendly Products ("Low Carbon Investment Promotion Act")
2011	April	Established the DBJ Green Building Certification
	November	Signed the Principles for Financial Action towards a Sustainable Society (Principles for Financial Action for the 21st Century)

## Business Continuity Plan (BCP)

DBJ is preparing a business continuity plan (BCP) to protect the interests of its stakeholders, including its clients, its shareholder, and its executives and regular employees, as well as to fulfill its social mission. The BCP aims to ensure the continuity and rapid recovery of core operations in the event of emergencies, such as natural disasters (in particular, large-scale earthquakes), influenza pandemics, system failures and power outages.

In addition to addressing the continuity of core operations and maintaining a plan to recover from disaster, the BCP specifies the initial actions that executives and regular employees should take in emergencies. The plan

spells out necessary disaster responses in an easy-to-understand manner.

When formulating policies to ensure the continuity and recovery of core operations, we took the approach of considering responses to cases in which important management resources were damaged due to a large-scale disaster, affecting head office (1) buildings and facilities, (2) executives and regular employees, and (3) systems, instead of considering responses to individual events such as earthquakes and fires.

An overview of DBJ's BCP is provided below.

### 1. Principles of Action for Executives and Regular Employees

The BCP defines three key goals regarding the fundamental stance that executives and regular employees are to take in the event of a large-scale disaster or other emergency. They are to (1) ensure personal safety, (2) grasp the situation accurately and (3) remain calm and collected. Specifically,

they must give first priority to the lives and safety of our clients and our executives and regular employees, paying attention to television and radio broadcasts, evacuating calmly (without panic) and determining the safety of others.

### 2. Core DBJ Operations

In the event of a large-scale disaster, DBJ has identified the following six items as essential to the continuity of its core operations from the standpoint of (1) items that are fundamental and prerequisite to business continuity (such as facilities, personnel and systems), (2) DBJ's social mission and the public nature of its financing (such as investment and loan activity) and (3) responsibility to financial markets (continuity of market settlements).

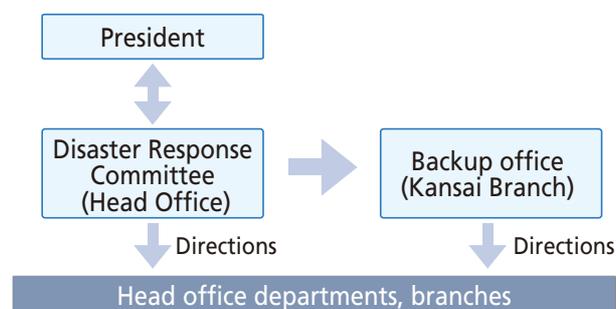
- 1) Confirmation and assurance of the safety of executives and regular employees
- 2) Uninterrupted continuation of settlement-related business
- 3) Reliable formation of the Disaster Response Committee
- 4) Restoration and maintenance of IT systems
- 5) Confirmation of the status of clients in afflicted areas
- 6) Rapid commencement of crisis response operations

DBJ has formulated a BCP that prioritizes continuity of the core operations described above.

### 3. BCP Operational Structure

When responding to an emergency situation, such as in the event of a large-scale disaster, in principle, the Disaster Response Committee will be established at head office and chaired by the head of the Corporate Planning & Coordination Department, who reports to the president. This committee gives directions to DBJ's branches regarding the continuation of core operations. If maintaining operations at head office proves problematic, the Kansai Branch shall serve as the alternative location.

#### ● BCP Operational Structure Outline



## 4. Measures to Ensure Business Continuity

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We have prepared a variety of measures to ensure business continuity. The primary measures are introduced below.

(1) Enhanced System Robustness

Ensure advanced security levels at the main center, and create a backup center to operate in the event that the main center ceases to operate.

(2) Multilayered Communication Procedures

Introduce a safety-confirmation system to quickly determine the whereabouts and status of executives and regular employees even at night and on holidays. In addition, distribute satellite telephones to key locations and personnel to ensure multilayered communication procedures.

(3) Chain of Command and Delegation of Authority

To assure that decision-making concerning the continuity of core operations is prompt and certain, in the event that the Disaster Response Committee is established, put in place a chain of command and an alternative hierarchy by which authority can be delegated.

(4) Clarification of Initial Response and Procedures for Continuing or Restoring Core Operations

For individual business units, establish in advance the procedures for the initial response and the continuation or restoration of core operations so that relevant divisions can respond quickly and with certainty on core operations.

## 5. Initiatives to Maintain or Improve BCP Viability

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DBJ conducts various types of instruction and training of executives and regular employees to maintain or improve the viability of its BCP.

Furthermore, the BCP is revised to reflect training

results and recent information, and is considered by the Management Committee regularly and additionally as necessary, employing a PDCA cycle.

## Fostering Human Resources and Creating a Comfortable Work Environment

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. The superior employee performance resulting from such efforts is what drives DBJ ahead on a daily basis and keeps it an innovator, blazing the trails that Japan needs to follow.

### Human Resource Development Vision

DBJ has evolved significantly and developed its independence and creativity in line with the needs of the times in order to maintain its leadership position.

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

specialists in many fields. Responding to society's constantly changing demands requires broad experience, deep knowledge and the ability to see the big picture, as well as gaining specialist knowledge. DBJ has therefore created a human resource development system that incorporates job rotation, performance evaluation, formal education and training.

### Deploying the Target Management System

DBJ has introduced a Target Management System to encourage employees to work autonomously and proactively to develop their abilities and accurately evaluate such initiatives. 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 operating 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.

On October 18, 2010, the Tokyo Labour Bureau recognized DBJ as having achieved the objectives of its general business operator action plan (from April 1, 2005, to March 31, 2010), based on the Act on Advancement of Measures

to Support Raising Next-Generation Children as a company that provides child-rearing support. Specific grounds for this approval included (1) the promotion of spousal support for childbearing through special leave and childcare leave, (2) measures to ensure time for child-rearing and (3) measures to promote the taking of annual paid vacation.



DBJ has received next-generation Kurumin certification for its efforts to counter the falling birthrate, including recognition as a company that provides active support for child-rearing.

## A Solid Human Resource Development System

DBJ's financial professionals are supported by a well-developed education and training system. Mandatory training by level, combined with elective training according to skills and needs, enables each employee to plan his or her career and support DBJ's initiatives in innovative finance.

For young employees, 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 Corporate Finance, M&A and the Financial Instruments and Exchange Act.

Regardless of age, employees undergo on-the-job training that provides hands-on exposure to work involving various levels of responsibility. After experiencing employment

in multiple departments, employees are additionally trained for highly specialized positions according to their skills and backgrounds. This system of strategic job rotation not only enables employees to gain broad-based practical experience that gives clarity to their medium- to long-term career goals but also provides an environment for quickly and firmly acquiring and improving their highly specialized skills.

In step with globalization, DBJ cultivates employees able to perform in international as well as domestic settings. To achieve this, DBJ actively assigns employees to a wide variety of external organizations, including overseas graduate schools (program currently being expanded), international institutions, domestic and overseas research institutes, companies and related government agencies, thereby supporting skill development and network extension.

### ● DBJ's Human Resource Development System

Training by Level		Business-Related Training			Business-Related (Self-Training)	External Assignments, etc.				
Position ↑	Life plan training	Top management training	<ul style="list-style-type: none"> <li>• Training in middle- and back-office operations involving investments and loans</li> <li>• Training in debt management</li> <li>• Etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance training</li> <li>• Training in financial act</li> <li>• Etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Accounting</li> <li>• Basics of Tax</li> <li>• Etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Valuation</li> <li>• Financial Modeling</li> <li>• M&amp;A</li> <li>• Real Estate Finance</li> <li>• Relationship Management</li> <li>• Business Revitalization</li> <li>• Environmental Rating Seminars</li> <li>• BCM Rating Seminars</li> <li>• Etc.</li> </ul>	Common skill areas <ul style="list-style-type: none"> <li>• Problem solving and communication</li> <li>• Logical thinking</li> <li>• English conversation</li> <li>• Business comportment</li> <li>• Etc.</li> </ul>	Distance learning, night courses, acquiring public qualifications, etc.	External seminars, lectures, etc.	Domestic and overseas exchange students, trainees, etc.
	Management training	Manager training								
	Career development plan training	Manager training	<ul style="list-style-type: none"> <li>• DBJ Financial Academy—Core courses (I)</li> <li>• Basic Corporate Finance</li> <li>• Financial Instruments and Exchange Act</li> <li>• Etc.</li> </ul>							
	Secondary training after joining DBJ			Rating and asset assessment training Systems related to investments and loans	Documentation Basic Legal	Financial analysis training <ul style="list-style-type: none"> <li>• Bookkeeping and Accounting</li> <li>• Company Analysis</li> <li>• Case Studies</li> </ul>	Basic finance training <ul style="list-style-type: none"> <li>• Interest Rate Basics</li> <li>• Basic Derivatives</li> </ul>			
	Introductory training for new employees		Strategic and focus areas, such as financial skills					Mastery of basic business execution skills	Acquisition of business-related knowledge	Cultivation of work-related knowledge, mastery of specialized knowledge, HR development
Autonomous career track	Cultivation of management and leadership skills	Mastery of DBJ procedures and basic processes		Mastery of finance and law	Acquisition of financial accounting knowledge	Mastery of knowledge and skills needed for work	Mastery of knowledge and skills needed for work			
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	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 Financial Academy

Since May 2008, the DBJ Financial Academy typically has held twice- or thrice-weekly courses with the objective of raising the level of financial expertise of primarily young second-year employees throughout the organization by strengthening their knowledge and understanding from a medium- to long-term perspective of advanced corporate financial business essential to DBJ's business model. During fiscal 2012, courses numbered 16 and covered Introduction to Modern Finance, Corporate Finance, the Financial Instruments and Exchange Act, and Insolvency and Corporate Reorganization.

Through the DBJ Financial Academy, each employee can seek to elevate his or her abilities in finance. In addition to basic knowledge, such as fundamental corporate

DBJ has long desired that its employee training address issues of human rights in addition to ensuring legal compliance and maintaining information security through training to prevent fraudulent access and information leaks. DBJ will henceforth devote even more resources toward such efforts.

finance topics and corporate valuation methods that can be applied, the academy provides a broad range of core training on finance from an academic and scientific perspective. Students from outside DBJ, such as employees of regional financial institutions, government bodies and business partners, have also participated. Through these courses, we look forward to opportunities for mutual exchange and the creation of networks.



### • DBJ Financial Academy Curriculum

**2012 Courses** (May 2012 through March 2013)

#### Core courses (I)

- Introduction to Modern Finance
- Financial Instruments and Exchange Act
- Business Statistics
- Basic Corporate Finance
- M&A
- Corporate Finance Practice

#### Core courses (II)

- IFRS Accounting: Foundations and Practice
- Insolvency and Corporate Reorganization
- Financial System Theory
- International Finance
- Financial Expertise Follow-up Training
- Financial Policy

#### Elective courses

- Real Estate Finance
- Behavioral Finance

#### Special Program

- Special Program for Regional Financial Institutions

**2013 Courses** (expected to run from May 2013 through February 2014)

#### Core courses (I)

- Introduction to Modern Finance
- Financial Instruments and Exchange Act
- Business Statistics
- Basic Corporate Finance
- M&A
- Corporate Finance Practice

#### Core courses (II)

- IFRS Accounting: Foundations and Practice
- Insolvency and Corporate Reorganization
- Financial System Theory
- International Finance
- Financial Expertise Follow-up Practice
- Financial Policy

#### Elective courses

- Real Estate Finance
- Behavioral Finance
- Investment
- Game Theory Approach to Asset Pricing Structure Concepts
- Risk Management and Real Options

#### Special courses

- M&A and Competition Policy
- Special Program for Regional Financial Institutions