DBJ

Applying Financial Expertise to Design the Future

Annual Report & CSR Report

2014

Development Bank of Japan Inc.

Profile (As of July 1, 2014)

Established:	October 1, 2008 (The Japan Development Bank [1951] and the Hokkaido-Tohoku Development Finance Public Corporation [1956] were merged to form the Development Bank of Japan in 1999)
Legal basis:	The Development Bank of Japan Inc. Act (Act No. 85 of 2007)
President:	Toru Hashimoto
Number of employees:	1,189 (As of March 31, 2014)
Capital:	¥1,206,953 million (100% owned by the Japanese government)
Address:	South Tower, Otemachi Financial City, 9-6, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8178, Japan
URL:	http://www.dbj.jp/en
Number of offices:	Branch offices, 10; representative offices, 8; overseas representative office, 1; and overseas subsidiaries, 3
Subsidiaries and affiliated companies:	Consolidated subsidiaries, 21; non-consolidated subsidiaries, 29; and affiliated companies, 19 (As of March 31, 2014)
Main business:	The provision of long-term funding (investment and loans)
Purpose:	To conduct business activities utilizing the methods of integrated investment and loan services and other sophisticated financial methodologies, thereby contributing to the smooth supply of funds to those who need long-term business funds, as well as to the sophistication of financial functions.
Scope of business operations:	• As well as such basic businesses as investment, lending and guarantee of obligations, DBJ carries out businesses in which it develops new financial techniques. • DBJ raises funds in a stable manner by borrowing from the government's Fiscal Investment and Loan Program (FILP) and by issuing government-guaranteed bonds, as well as corporate bonds (without government guarantees), and by taking out long-term loans from the private sector.
Total assets:	¥16,247.9 billion (As of March 31, 2014)
Loans:	¥13,963.0 billion (As of March 31, 2014)
Capital adequacy ratio:	15.23% (Basel 3, BIS standard) (As of March 31, 2014)
Issuer ratings:	Aa3 (Moody's Investors Service, Inc.), A+ (Standard & Poor's Corp.), AA (Rating and Investment Information, Inc.), AAA (Japan Credit Rating Agency, Ltd.)

Note: Information above is on a non-consolidated basis.

Forward-Looking Statements

This Annual Report & CSR Report contains statements concerning management policies and future operating results. Such statements are not guarantees. Please be aware that future performance is subject to various changes in conditions in the operating environment.

Contents

Note:
Figures contained herein are rounded down. Accordingly, the total of each column of figures may not equal the total of the individual figures.
In this report, a "0" indicates figures of less than the indicated unit. A "—" indicates the absence of an amount.

Issues Japan Faces and DBJ's Role in Resolving Them

These are challenging times for the Japanese economy. In addition to intense global competition, the economy faces energy problems and, amid policy constraints, the need for infrastructure renewal. The country also needs to revitalize its communities despite a decreasing population, and is experiencing a shortage of risk money and fund management opportunities.

We see our role as supporting Japan's sustained growth as a global innovator. As a provider of both risk money anchored in the real economy (capital funding such as mezzanine financing and investment, long-term funding for infrastructure and other projects, and the stable provision of funds that will drive the long-term growth of Japanese companies) and original knowledge (knowledge services that leverage "experiential knowledge"), DBJ works with diverse financial players to resolve Japan's problems from a long-term perspective, operating as a catalyst in creating a smoothly functioning market. In these ways, we believe we can accelerate initiatives that we have been pursuing under the theme of providing financing services that integrate investment and loans.

The Third Medium-term Management Plan

DBJ launched its Third Medium-term Management Plan during the fiscal year under review. We believe that many of the problems affecting the Japanese economy need to be addressed over the medium to long term. As a first step in this direction, the Third Medium-term Management Plan outlines our path for the next three years and defines three functions through which DBJ will fulfill its role.

The first function is "risk-sharing with banks and other organizations." By supplying high-risk capital through long-term, large-volume, mezzanine finance, DBJ will appropriately share risks with other banks and other organizations, helping to activate the flow of funds.

The second is "opportunities for fund management by investors." Through this function, DBJ works to stimulate the financial markets by arranging excellent investment opportunities and sharing them with regional banks, pension funds and other entities.

The third function is "knowledge extending beyond the financial sphere." By leveraging its neutral networks and its expertise in industry research, DBJ will strive to create new business concepts that employ high-quality knowledge provided from a long-term perspective, and help to identify and resolve social, regional, and customer issues.

Using these three functions, DBJ will take part proactively in four primary areas.

The first of these areas is "growth support." To support corporate efforts toward restructuring and new business creation, mergers and acquisitions, and response to globalization, including through the effective use of exploitable operating resources, DBJ will offer mezzanine finance, investments, consulting services and other "knowledge products," and provide support for growing fields such as the environment, healthcare and opportunities for women in the workplace.

The second area for response is "infrastructure and energy." In addition to community development and the safety of the nation's transportation networks, DBJ will make use of PPP/PFI schemes to address the renewal of aging public infrastructure. We will also assist with reconstruction of the energy supply system in response to the energy problems arising from the Great East Japan Earthquake.

The third area is "regional revitalization tailored to regional needs." As regional firms make up approximately half of DBJ's clients, DBJ will work with regional financial institutions, providing comprehensive support for companies whose activities help to revitalize their communities.

The final area is "strengthening the safety net." In this category, DBJ will utilize in times of crisis the information, expertise and evaluation skills developed through day-to-day business to mount crisis response operations and independent initiatives swiftly and smoothly.

By introducing such initiatives dynamically and flexibly, we aim to fulfill the roles outlined above and support Japan in achieving sustained growth.

Meeting Our Corporate Social Responsibilities

We meet these responsibilities through business activities that realize societal values in a variety of ways, and via our financial services. Accordingly, our business endeavors themselves form the basis of our CSR activities. We plan to continue increasing our CSR efforts by increasing our sensitivity to societal needs and raising the level of the solutions that we provide.

July 2014

T. Hashimoto

Toru Hashimoto
President & CEO
Development Bank of Japan Inc.

Initiatives in the Energy Sector

DBJ supports the growth of Japanese industry through its investments and loans for resource development, oil storage and other initiatives. Against the backdrop of global warming, we also support clients' efforts to encourage and promote renewable energy from solar power, wind, biomass and other sources.

As of March 31, 2014, our balance of loans in the electric power, gas, heat and water sector totaled ¥3,141.5 billion, accounting for 22.5% of total loans, by industry.

See pages 53, 75–76

¥3.1 trillion

Balance of loans in the electric power, gas, heat and water sector
(As of March 31, 2014)

Energy

Transportation

¥2.5 trillion

Balance of loans in the transportation infrastructure sector (As of March 31, 2014)

Initiatives in the Transportation Sector

DBJ is involved in a wide range of initiatives in the development and improvement of transportation infrastructure (including railroads, airports, airlines, buses and roads). We also take part in the formation of a wide range of projects from a long-term perspective, to support collaboration among multiple companies from a position of neutrality.

As of March 31, 2014, our balance of loans in the transportation infrastructure sector (to transportation providers) totaled ¥2,597.7 billion, accounting for 18.6% of total loans, by industry.

See page 77

Initiatives in the Urban Development (Real Estate) Sector

DBJ's long-term financing of real estate projects began in the 1960s. We have participated in Japan's real estate securitization market from its early beginnings and continue striving to invigorate this market by leveraging our accumulated expertise and networks. In fiscal 2011, we introduced the DBJ Green Building Certification, which is designed to provide financial support for environmental and socially considerate initiatives.

As of March 31, 2014, our balance of loans in the real estate sector totaled ¥1,606.5 billion, accounting for 11.7% of total loans, by industry.

See pages 78–79

¥1.6 trillion

Balance of loans in the real estate sector (As of March 31, 2014)

Infrastructure

¥7.8 trillion

Balance of loans in the electric power, gas, heating, water, telecommunications, transport and real estate sector (As of March 31, 2014)

Social Infrastructure Initiatives

Since the era of reconstruction following World War II, DBJ has supported the development and advancement of Japan's economy and society. For the development and further sophistication of Japan's economy and improvements to quality of life, DBJ applies its experience and expertise to support the efforts of its clients to build and improve the social infrastructure.

As of March 31, 2014, DBJ's balance of loans in the social infrastructure (electric power, gas, heating, water, telecommunications, transport and real estate) totaled ¥7,852.3 billion.

See pages 80–81

Initiatives Targeting Crisis Response Operations

DBJ began crisis response operations as a designated financial institution on October 1, 2008.

Since March 2011, when the Great East Japan Earthquake struck, we have poured all our energy into initiatives to support the restoration and reconstruction of the disaster-stricken region. In addition to implementing crisis responses targeting clients affected directly and indirectly by the disaster, DBJ is making a proactive effort to support increases in the production of materials needed for restoration and reconstruction.

As of March 31, 2014, DBJ's cumulative amount of loans as crisis countermeasures related to the Great East Japan Earthquake was ¥1,997.0 billion.

See pages 47–53, 86-87

¥1.9 trillion

Cumulative amount of loans as crisis countermeasures related to the Great East Japan Earthquake (As of March 31, 2014)

Growth

Approx.
¥85 billion

Cumulative investment and lending by the Fund for Japanese Industrial Competitiveness
(As of March 31, 2014)

Initiatives to Promote Competitiveness

The growth of emerging nations and economic globalization are intensifying competition, while the Japanese economy is maturing and its rate of expansion is slowing as the country's birth rate falls and the population ages. Given these conditions, it is essential for Japanese companies to bolster their competitiveness though new business creation, restructuring and acquisitions.

DBJ supports efforts to promote the competitiveness of Japanese companies by providing risk money through mezzanine finance and investments such as the Fund for Japanese Industrial Competitiveness. The size of the fund is currently set at ¥150.0 billion; this figure may be expanded to around ¥300.0 billion, depending on how investment and loans progress.

As of March 31, 2014, our cumulative investment and lending amounted to approximately ¥85.0 billion.

See pages 67–69

Overseas Business Initiatives

Since its conversion to a joint-stock company in October 2008, DBJ has embraced international business.

We are building an overseas risk management structure for investment and loans, preparing operating bases, training personnel and moving forward with core infrastructure. At the same time, we are working to expand our network with trustworthy partners and domestic and overseas financial institutions.

As of March 31, 2014, more than 40 countries were targeted for investments and loans.

See pages 26, 70–71

More than 40 countries

Number of countries targeted for investments and loans (As of March 31, 2014)

Overseas

Healthcare

¥69.2 billion

Balance of loans in the healthcare and welfare sector (As of March 31, 2014)

Initiatives in the Healthcare and Welfare Sectors

DBJ is engaged in maintaining and improving the quality, including access, cost and technological standards, of each area of healthcare in Japan through finance, consulting and the dissemination of information. As well as providing consulting services that include the development of business plans to support improvements in hospital management, DBJ studies and conducts research into a variety of medical issues.

As of March 31, 2014, our balance of loans in the healthcare and welfare sector stood at ¥69.2 billion.

See pages 72, 74

Initiatives in the Environmental Business Sector

See pages 73, 88–91

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

In fiscal 2004, DBJ began employing environmental ratings in its financing based on knowledge we have cultivated.

As of March 31, 2014, we had provided such financing to more than 417 companies, with the cumulative total amounting to ¥692.0 billion.

¥692.0 billion

Cumulative amount of DBJ Environmentally Rated Loan Program (As of March 31, 2014)

Network

101
institutions

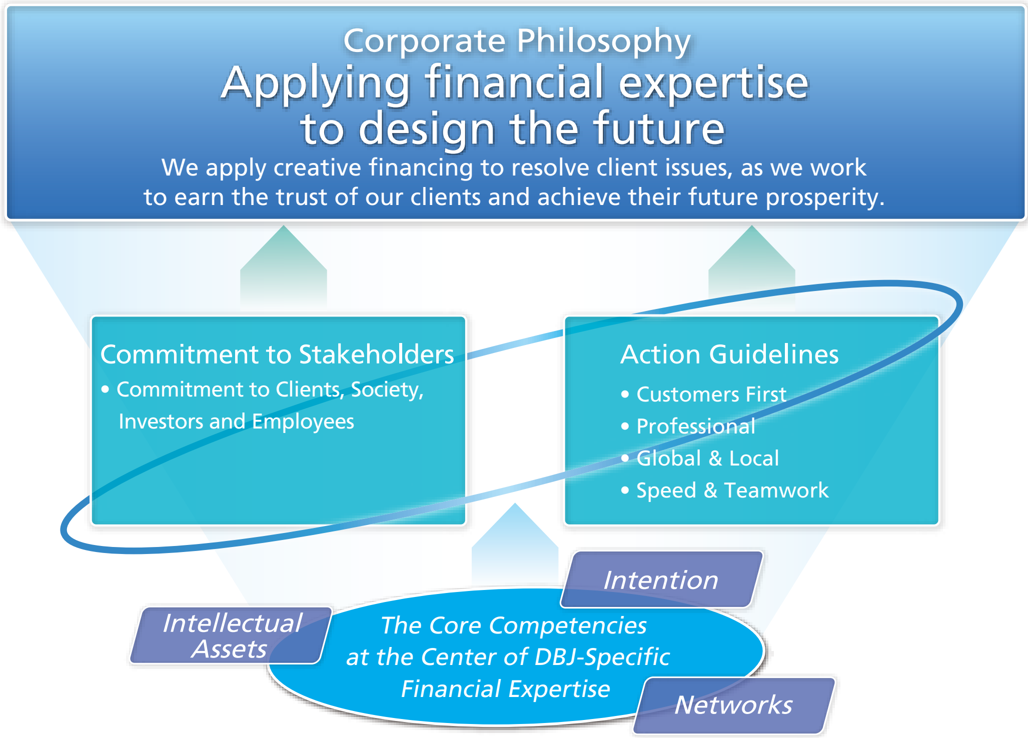
Cumulative number of allied financial institutions
(As of March 31, 2014)

See pages 82–85

Community Revitalization Initiatives

DBJ provides optimal solutions from a long-term perspective that are designed to realize a prosperous lifestyle. To this end, we stimulate regional economies, build local infrastructures and construct wide-ranging networks as we strive to tackle the variety of issues facing the regions. Furthermore, DBJ maintains close relationships with regional financial institutions, which have excellent insights into the companies that operate in their regions. We have created a regional banking M&A network that links regional financial institutions with information on corporate M&A activities, thereby enhancing trust-based relationships and helping to achieve community revitalization.

As of March 31, 2014, a cumulative total of 101 financial institutions had entered into business alliances with DBJ.



Commitment to Stakeholders, Action Guidelines and Core Competencies

Commitment to Stakeholders

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

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

■ **Commitment to Investors**
DBJ will maintain transparency while raising corporate value over the long term.

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

Action Guidelines

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

■ **Professional**
With discernment and creative skill, DBJ will be a unique financial platform providing integrated investment and loans both in Japan and abroad.

■ **Global & Local**
DBJ will maintain a long-term viewpoint, considering the needs of the times, the world and the region.

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

Core Competencies

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

Logo and Corporate Color

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

Each Color Represents Two Aspects of DBJ

Corporate Values:
- Long-Term Perspective
- Neutrality
- Public-Mindedness
- Reliability

Action Guidelines:
- Customers First
- Professional
- Global & Local
- Speed & Teamwork

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

DBJ's Target Business Model

We work to resolve the issues clients face by providing specialized financial services involving integrated investment and loan services.

Overview of DBJ's Third Medium-term Management Plan (Announced May 16, 2014)

DBJ has formulated the Third Medium-term Management Plan for the fiscal years from April 1, 2014, to March 31, 2017. We believe that many of the issues facing the Japanese economy need to be addressed from a medium-to long-term perspective, and initiatives put in place to resolve them. The Third Medium-term Management Plan represents a first step in this direction, charting DBJ's course for the next three years.

Challenges for the Japanese economy

Issues in the macroeconomy

- Contracting, aging population; falling birthrate
- Declining global competitiveness
- Decline in economic growth rate
- Globalization of the economy
- Aging infrastructure
- Energy problems arising from the Great East Japan Earthquake
- Decline in regional vitality
- Earthquake reconstruction; response to natural disasters
- Global spread of crises

Issues for financial and capital markets

- Short supply of risk money
- Shortage of fund management opportunities

Issues for firms ("semi-macroeconomic")

- Elimination of excessive competition in similar goods and services
- Creation of strategic markets
- Innovation and technological development
- Fostering crisis-resistance in industry, the government, and the population

Others

DBJ actions

Identification of issues
(Survey of Capital Investment, etc.)

Role of DBJ

A neutral source of industrial finance

Growth support

- Promotion of competitiveness
- Support for growing fields such as the environment, healthcare, women's participation in the workplace
- Response to globalization

Infrastructure & energy

- Renewal & strengthening of infrastructure
- Stronger, more disaster-resilient transportation networks and other infrastructure
- Reconstruction of the energy supply system

Regional revitalization tailored to regional needs

- Growth support (promotion of innovation; discovery of corporate value in the value chain)
- Infrastructure-building through PPP/PFI
- Support for community development initiatives

Strengthening the safety net

- Provision of necessary funds for crisis (natural disaster or financial markets disruption, etc.)
- Use of analytical skills developed during normal times
- Coordination with government

DBJ Providing anchored risk money and knowledge (intellectual services) from long-term perspective

- Specialized financial functions: Long-term perspective, large accounts, integrated investments and loans
- Catalytic function: Platform for new value creation based on neutrality

- Customer base • Wealth of experience • Capital
- Integrated application of managerial resources (neutrality, analytical and research capacity, R&D skills, networks)

Risk-sharing with banks and other organizations

- Risk-sharing finance
→ Effective use of stagnant funds

Opportunities for fund management by investors

- Market-stimulating finance
→ Creation of new money flow

Knowledge extending beyond the financial sphere

- Knowledge bank
→ New value creation

DBJ has defined three functions for fulfilling its roles. By pursuing proactive initiatives in four primary areas in line with these functions, DBJ will work toward enhancing Japan’s sustainable growth.

Three Functions to Leverage

(1) Risk-sharing finance

- DBJ will promote the appropriate sharing of risk through many of the approaches it has pursued in the past, by supplying high-risk capital through long-term, large-volume, mezzanine finance and in collaboration with general financial institutions, companies and other entities, as well as through other forms of cofinancing and coinvestment.

<Case Studies> See pages 67–68, 72, 75, 77, 81–82, 85–87.

(2) Market-stimulating finance

- DBJ arranges excellent opportunities for managing this capital through means including syndicated loans and asset management. Working with regional banks, pension funds and other entities, DBJ shares fund management opportunities with them and helps stimulate the financial market.

<Case Studies> See pages 70–71, 73, 76–78, 84.

(3) Knowledge bank

- Utilizing not only high-quality knowledge* provided from a long-term perspective but also its neutral networks and industrial research skills, DBJ will work on creating new business concepts.

* Knowledge services that leverage structured “experiential knowledge.”

<Case Studies> See pages 69, 72–74, 78–81, 84, 86.

Four Primary Areas

(1) Growth support

- To strengthen Japan’s competitiveness in the global market, DBJ will provide support for the effective use of exploitable operating resources, business creation, corporate restructuring, mergers and acquisitions or the challenges of globalization.
- DBJ will also support growth fields that will play key roles in Japan’s development as a sustainable society, such as environmental business, healthcare and opportunities for women.

<Case Studies> See pages 67–74.

(2) Infrastructure & energy

- In addition to the safety of the nation’s transportation networks and community development, initiatives will concentrate on the renewal of aging public infrastructure.
- The Great East Japan Earthquake left Japan with serious energy issues. DBJ will address this problem by providing comprehensive support for the restructuring of the energy system.

<Case Studies> See pages 75–81.

(3) Regional revitalization tailored to regional needs

- Regional firms make up approximately half of DBJ’s clients. To ensure that regional revitalization is both sustainable and suited to regional conditions, DBJ works with regional clients and banks in supporting innovative business development, community-building, infrastructure renewal and other initiatives by which firms create vigorous and healthy communities.

<Case Studies> See pages 82–85.

(4) Strengthening the safety net

- DBJ will respond quickly and effectively to crises, whether natural or financial. It will conduct both government-mandated crisis response operations and its independent initiatives based on information, expertise and evaluation skills developed through day-to-day business.

<Case Studies> See pages 86–87.

History of DBJ

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

Economic recovery

1951–1955

Reconstruction and independence of the economy

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

Kawasaki Steel Corporation (currently JFE Steel Corporation): Construction of Chiba Steelworks (Chiba Prefecture) Modernization of steelmaking through construction of the first postwar blast furnace

Rapid growth

1956–1965

High-growth infrastructure development

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

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

Kawasaki Kisen Kaisha, Ltd.:
The *Tonegawa Maru* tanker
Built tanker that was indispensable for the import of energy and raw materials

1966–1971

Development of international competitiveness and social development loans

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

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

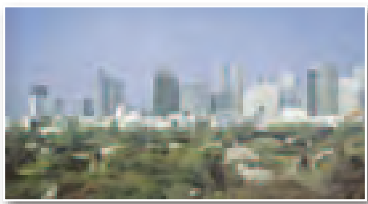
Sony Corporation: Trinitron color television factory
Promotion of home-grown technologies through commercial application of new technologies

Stable growth

1972–1984

Improvements to quality of life and stable supply of energy

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



Shinjuku new urban center: Shinjuku Mitsui Building and others (Tokyo)
New urban center formation through redevelopment of purification plant site

Economic bubble

1985–1995

Development of lifestyle and social infrastructure and a smooth industrial transformation

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

Yamagata JR Chokko Tokkyu Holdings:
Yamagata Shinkansen
Improvements to regional railway infrastructure

Source: DBJ website: http://www.dbj.jp/en, etc.

Post-bubble

1996–2000

Creation of a vibrant and affluent society and stable economy

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

Nakayama Joint Power Generation Co., Ltd.: Independent power producer (IPP) power generation operations (Osaka Prefecture)

In step with relaxation of regulations, project finance support for Japan's first steelmaker to enter the power generation business

Structural reform

2001–2007

Financial solutions that support communities, the environment and technology

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

The Former Niigata Tekkosho Co., Ltd.

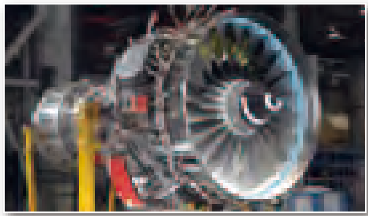
Through such methods as DIP financing, mergers and acquisitions, and business revitalization funds, DBJ supports local companies, helping communities maintain excellent supplies of technical expertise and employment opportunities.

The Lehman shock / The Great East Japan Earthquake

2008 onward

Development Bank of Japan Inc. established

Development Bank of Japan Inc. was established on October 1, 2008, as a special stock company by means of conversion to a joint-stock company. As a neutral source of industrial finance, long-term funds and anchored risk money provided through integrated investments and loans, DBJ addresses the various issues that clients face.



V-Lease Corporation

By applying the expertise it has cultivated to date, DBJ entered the business of operating leases for aircraft engines, of which core parts are produced by Japanese companies involved in heavy industry. Through this business, we aim to promote the further development of the Japanese airline industry.

Global financial crisis precipitated by the Lehman shock

The Lehman shock in the autumn of 2008 precipitated a global financial crisis. As this situation impaired the functioning of the bond markets, corporate cashflow worsened. DBJ responded promptly with financial crisis response operations. Furthermore, in response to falling functionality in the market for commercial paper DBJ commenced purchases of commercial paper in January 2009 as part of its financial crisis response operations.

Disaster and crisis response to the Great East Japan Earthquake

As a disaster and crisis response to the Great East Japan Earthquake, which struck on March 11, 2011, DBJ worked with other financial institutions to provide appropriate financing, particularly to electric power companies. Through the Great East Japan Earthquake Reconstruction Fund, established jointly with banks in the disaster-stricken region, DBJ is providing anchored risk money through such methods as subordinated loans and preferred shares.

Joban Kosan, Ltd.: Spa Resort Hawaiians

By providing anchored risk money through the Great East Japan Earthquake Reconstruction Fund, DBJ supports restoration and reconstruction initiatives by stricken companies.

Development Bank of Japan Inc.
Established as a Joint-stock Company (Privatized) on October 1, 2008

Development Bank of Japan Inc. was established on October 1, 2008, under the terms of the Development Bank of Japan Inc. Act (Act No. 85, 2007; the "New DBJ Act") approved by the Japanese Diet on June 6, 2007, as part of the Act on Promotion of Administrative Reform for Realization of Small and Efficient Government (Act No. 47, 2006; the "Administrative Reform Promotion Act") approved by the Japanese Diet in May 2006, and the fundamental reform of policy-based finance. DBJ, upon its establishment, took over all assets of the Development Bank of Japan (the "predecessor") as investment in kind, with the exception of assets transferred to the government under the provisions of Article 15, Paragraph 2, of the Appendix to the New DBJ Act. Under Article 15, Paragraph 1, of the same act, DBJ also assumed all rights and obligations of the predecessor, with the exception of assets transferred to the government under Article 15, Paragraph 2, of the Appendix to the New DBJ Act.

Highlights of the New DBJ Act

Investment and Loans

The object of the New DBJ Act is to maintain the foundations of the investment and loan functions of long-term business funds of the Development Bank of Japan by conducting business activities utilizing the methods of integrated investment and loan services and other sophisticated financial methodologies with the goal of realizing full-scale privatization.

Fund-raising

In addition to borrowing and bond issuance, as a complementary measure, DBJ is now able to accept negotiable deposits and issue bank debentures for institutional investors.

Transitional Measures

In terms of fund-raising, DBJ depends largely on borrowing from the government and government-guaranteed bonds. To facilitate a smooth transition toward independent fund-raising following full privatization, measures have been enacted to allow DBJ to issue government-guaranteed bonds and borrow from the Fiscal Loan Fund. Upon the establishment of the new DBJ, the act provided for long-term borrowing from the private sector.

	Predecessor	New DBJ
Loans	Yes	Yes
Equity investments	Yes	Yes
Debt guarantees	Yes	Yes
Funds transfer, money exchange	No	No
Bond issuance	Yes	Yes (including bank debenture bonds)
Borrowings	Fiscal Loan Fund	Fiscal Loan Fund + Private-sector borrowings
Deposits	No	Yes (Deposits covered by the deposit insurance system shall not be accepted.)

Amendment to the New DBJ Act (June 2009)

Since its establishment, DBJ has been engaged in crisis response operations as a designated financial institution. However, to reinforce DBJ's financial structure through government capital contribution and enable DBJ to introduce more broad-ranging initiatives in response to the global financial and economic crisis that commenced in autumn of 2008, the Act for Partial Amendment of the Development Bank of Japan Inc. Act ("amendment to the New DBJ Act") was passed into law by the Japanese Diet on June 26, 2009, and the act was promulgated and went into effect on July 3, 2009.

Under the New DBJ Act, DBJ was to have achieved full privatization within five to seven years after its establishment. The act's amendment allowed government investment through March 31, 2012, and extended the target date for full privatization to five to seven years after April 1, 2012. By the end of fiscal 2011, the government was to have reviewed DBJ's organization, and the ways the government held its stake.

Note: Please refer to pages 124–130 for details of the New DBJ Act, the amendment to the New DBJ Act and the Act for Extraordinary Expenditure and Assistance to Cope with the Great East Japan Earthquake.

Act for Extraordinary Expenditure and Assistance to Cope with the Great East Japan Earthquake (May 2011)

On May 2, 2011, in response to the damage caused by the Great East Japan Earthquake, the Act for Extraordinary Expenditure and Assistance to Cope with Great East Japan Earthquake (Act No. 40 of 2011; the Act for Extraordinary Expenditure), which included the partial amendment and the exception to New DBJ Act, was passed into law by the Japanese Diet.

The amendment and the exception to the New DBJ Act in Accordance with the Act for Extraordinary Expenditure extended by three years (to March 31, 2015) the period for government capital contribution in order to facilitate DBJ's implementation of crisis response operations. Furthermore, the target date has been extended to five to seven years from April 1, 2015. The government is to review of DBJ's organization, which shall include the way the government is to hold its stake, by the end of fiscal 2014. The government shall continue to hold its shares until then.

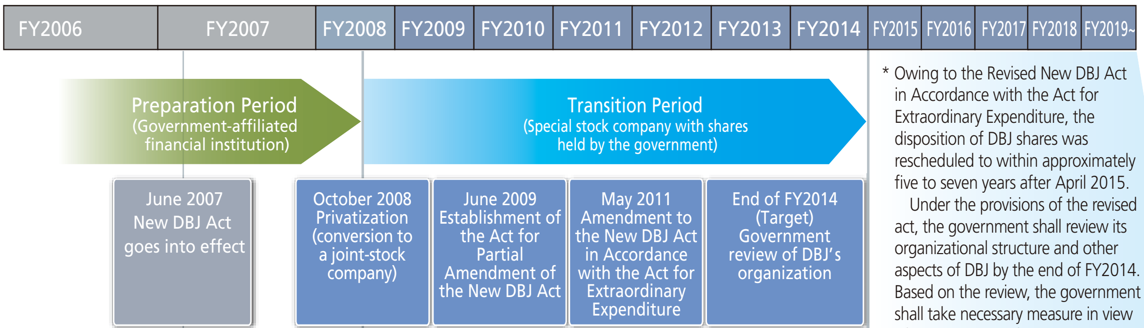
The Amendment and the Exception to the New DBJ Act in Accordance with the Act for Extraordinary Expenditure

The Amendment of the Development Bank of Japan Inc. Act (based on establishment of the Act for Extraordinary Expenditure and Assistance to Cope with the Great East Japan Earthquake) was passed at an Upper House plenary session of the ongoing 177th ordinary session of the Diet.

The act was revised to facilitate implementation of DBJ's crisis response operations with regard to the damage resulting from the Great East Japan Earthquake. The main thrust of the amendments is as follows.

- ◆To strengthen DBJ's financial base in order to facilitate a smooth response to crisis response operations, the period during which the government may make additional capital contributions to DBJ has been extended by three years, until March 31, 2015. Furthermore, the period for requiring the redemption of delivery bonds has similarly been extended by three years, to June 30, 2015.
- ◆In addition to extending the period for repayment of capital contribution and redemption of delivery bonds, the act extends the disposition period for government-held shares in DBJ. Whereas existing provisions stipulated a target of "approximately five to seven years after April 1, 2012," the revised act states that the government must dispose of all of its shares in DBJ by "approximately five to seven years after April 2015."
- ◆In view of a certain level of government involvement in DBJ, such as the government holding in excess of one-third of its outstanding shares at any given point, to ensure the proper implementation of crisis response operations, its organizational structure, including crisis response operations and the future of government-owned shares, are to be reviewed and necessary measures are to be taken. The target deadline for such reviewing and measurement was revised to the end of fiscal 2014.

● Amendments to the New DBJ Act



Shareholder	100% government	100% government
Company form	Government-affiliated financial institution (special public corporation)	Joint-stock company (special stock company)
Business	Based on former DBJ Act	Based on New DBJ Act
Fund-raising	Government-guaranteed bonds, fiscal loans, independent funding	Independent funding, government-guaranteed bonds and FILP agency bonds

* Owing to the Revised New DBJ Act in Accordance with the Act for Extraordinary Expenditure, the disposition of DBJ shares was rescheduled to within approximately five to seven years after April 2015.

Under the provisions of the revised act, the government shall review its organizational structure and other aspects of DBJ by the end of FY2014. Based on the review, the government shall take necessary measure in view of a certain level of government involvement in DBJ, such as the government holding in excess of one-third of its outstanding shares at any given point.

The government shall not dispose of its shares in DBJ until the necessary measure described above have been taken.

Overview of Operations in Fiscal 2013

Operating Results

Financial and Economic Environment

During fiscal 2013, the global economy experienced a mild recovery. Although progress was gradual, in the United States employment improved and personal consumption rose, leading to ongoing economic recovery. Against this backdrop, the U.S. Federal Open Market Committee began to scale back on its third round of large-scale quantitative easing (QE III).

In China, structural reforms are gradually progressing. Although the rate of growth leveled off, the economy maintained the Chinese government's target annual rate of growth, at 7.5%.

In Europe, the government debt crisis abated and, as the pace of financial tightening eased somewhat, the region showed a slight economic upturn.

In Japan, the impact of high share prices and improved economic sentiment, combined with a spike in demand in the second half of the fiscal year ahead of the April 1, 2014, consumption tax hike, caused consumption to rise. Furthermore, public-sector spending continued to increase, owing to earthquake reconstruction and measures to address the issue of aging infrastructure, and capital expenditure rose, prompting economic recovery.

However, export growth was sluggish, and the halting of the country's nuclear reactors necessitated greater fossil fuel purchases. These factors, plus the upturn in domestic demand, caused imports to rise. Thus, Japan's substantially negative balance of payments continued.

In the corporate sector, the recovery in domestic demand encouraged an uptick in production, and in foreign exchange markets the yen stabilized at a relatively low level, leading to substantial increases in corporate earnings, centered on manufacturers. The slow rise in exports resulted in sluggish capital investment by manufacturers, but capital investment by the non-manufacturing sector grew firmly.

For households, the employment situation continued to improve, marked by a rise in the number of people employed and a decrease in unemployment. Also, stock prices and asset prices rose. These conditions, plus the demand spike ahead of the consumption tax increase pushed up consumption and housing investment.

On the financial front, in April 2013 the Bank of Japan embarked on a campaign of monetary easing, centered on massive purchases of Japanese government bonds (JGBs). Consequently, the fund-raising environment remained generally accommodating.

Long-term interest rates fluctuated substantially, falling to a historic low of 0.315% shortly after the Bank of Japan determined monetary easing measures and then rising sharply to more than 1% at one point before gradually returning to a lower level and remaining in the neighborhood of 0.6% during the second half of the fiscal year.

Impacting currency exchange rates, in Japan the central bank continued to pursue both quantitative and qualitative easing, while the United States began to scale back its level of QE III. The growing disparity between Japanese and U.S. interest rates caused the yen to remain low against the dollar. On March 31, 2014, the yen was trading above ¥102 against the U.S. dollar.

On March 31, 2014, the yen was trading at around ¥141 against the euro, as the euro rose due to the abatement of the European debt crisis.

The Nikkei stock average, in the ¥12,300 range on March 31, 2013, has risen to the ¥14,800 range as of March 31, 2014, as economic recovery and ongoing yen depreciation caused corporate earnings to improve.

Looking at commodity prices, gasoline prices rose, electricity rates were increased, and yen depreciation drove up the price of imports. As a result, consumer prices (excluding perishable goods) turned upward year on year from June 2013, reaching a year-on-year growth rate of more than 1% in the second half of the fiscal year.

Progress and Results of DBJ Group Operations

Review of the Year Ended March 31, 2014

Since its establishment on October 1, 2008, the core of DBJ's business has remained the same as that conducted by its predecessor. As a highly specialized financial institution, we have sought to resolve clients' issues by providing integrated investment and loan services.

Below is an overview of these activities during the fiscal year ended March 31, 2014. The figures provided for the loans, investment and consulting/advisory services described below are on a non-consolidated basis.

Loans

We provided senior loans through traditional corporate loans, non-recourse loans and other types of structured financing as well as a variety of other loans that employ advanced financial methods. During the year ended March 31, 2014, we provided ¥2,805.1 billion in loans, including loans for crisis response operations.

For details regarding business loans in response to the financial crisis, please refer to the section on page 48 entitled "Results of Crisis Response Operations."

Investment

We work to resolve client issues involving business expansion and support strategies and the formation of financial infrastructure. We achieve these goals by supporting the creation of funds, as well as mezzanine, equity and other financing methods, providing appropriate financing based on a long-term perspective. Above all, in recent years we have taken the approach of temporarily acquiring corporate shares and promoting measures to increase their value. Owing to these activities, ¥138.2 billion was allocated to investing activities during the year.

Consulting/Advisory Services

Consulting and advisory services utilize the networks created by DBJ's predecessor. Through these services, we help clients of all sizes grow more competitive in a host of industries. We provide consulting on projects that help invigorate regional communities and assign advisors to support these activities. During the year, investment and loan commissions and fees from M&A and other advisory services amounted to ¥12.3 billion.

Subsidiaries

In April 2013, the DBJ Group acquired additional shares in Value Management Institute, Inc., a business alliance partner, converting the company to a wholly owned subsidiary.

By making the company a subsidiary, the DBJ Group expects to augment its research and consulting functions that target both the private and public sectors, helping to provide solutions that will resolve the issues customers face.

Two consolidated subsidiaries underwent corporate liquidations during the year, New Business Investment Co., Ltd., in September 2013 and DBJ Credit Line, Ltd., in March 2014, and accordingly ceased to be consolidated subsidiaries.

Loans and Investments and Fund-Raising Conditions (Flow)

(Billions of yen)

	For the Year Ended March 31, 2013	For the Year Ended March 31, 2014
Loan and investment balance	2,652.4	**2,943.3**
Loans*1	2,524.5	**2,805.1**
Investment*2	127.8	**138.2**
Funds raised	2,652.4	**2,943.3**
Fiscal Investment and Loans	895.1	**510.7**
Of which, FILP agency bonds*3	600.0	**300.0**
Of which, government-guaranteed bonds (domestic)	160.0	**110.0**
Of which, government-guaranteed bonds (overseas)*4	135.1	**100.7**
Corporate bonds (FILP bonds)*4, 5	386.6	**372.0**
Long-term debt*6	868.3	**753.1**
Recovery, etc.	502.2	**1,307.5**

Notes: 1. Figures, including those for corporate bonds, are on a management accounting basis.
2. Figures, including those for securities, money held in trust and other assets (funds), are on a management accounting basis.
3. This figure includes industrial investment and borrowings (special accounting for fiscal investment and loans).
4. Of government-guaranteed bonds and corporate bonds denominated in foreign currencies, appropriated government-guaranteed bonds and corporate bonds are converted to yen at market rates according to the conditions at the time of settlement.
5. The figure does not include short-term corporate bonds.
6. Long-term debt borrowed from Japan Finance Corporation in conjunction with crisis response operations during the fiscal year ended March 31, 2014, amounted to ¥500.0 billion.

Overview of Consolidated Operating Performance

Consolidated Financial Highlights

(Billions of yen)

	For the Year Ended March 31, 2013	**For the Year Ended March 31, 2014**
Total income	341.1	**362.1**
Net income	71.3	**124.3**
Total assets	16,248.7	**16,310.7**
Loans	13,918.2	**13,838.4**
Securities	1,357.0	**1,637.5**
Total liabilities	13,710.1	**13,682.9**
Borrowed money	9,448.3	**9,182.6**
Debentures and corporate bonds	3,924.5	**4,237.4**
Total equity	2,538.5	**2,627.7**
Common stock	1,206.9	**1,206.9**
Total capital ratio (Basel 3, BIS standard)	15.52%	**15.83%**
Ratio of risk-monitored loans (Banking Act base)	1.23%	**0.99%**
Return on equity	2.86%	**4.83%**
Return on assets	0.45%	**0.76%**
Number of employees	1,315	**1,391**

Consolidated operating performance during the year under review is described below.

Consolidated Income and Expenses

During the period, DBJ posted total income of ¥362.1 billion, up ¥21.0 billion from the previous fiscal year. Of this amount, interest income was ¥255.3 billion, down ¥12.5 billion, and fees and commissions rose ¥3.6 billion, to ¥13.9 billion. Other operating income expanded ¥7.8 billion, to ¥15.6 billion, while other income increased ¥22.6 billion, to ¥76.6 billion.

Total expenses were ¥195.8 billion, down ¥28.6 billion. This amount included interest expenses of ¥132.1 billion, down ¥12.1 billion, expenses on fees and commissions of ¥0.2 billion, decreasing ¥0.8 billion, other operating expenses of ¥7.2 billion, falling ¥4.9 billion, and general and administrative expenses of ¥47.4 billion, which rose ¥2.5 billion, as well as other expenses of ¥8.7 billion, which decreased ¥13.3 billion.

Net interest income fell ¥0.4 billion, to ¥123.1 billion, whereas net fees and commissions increased ¥4.4 billion, to ¥13.6 billion. We posted net other operating income of ¥8.4 billion, compared with net other operating loss of ¥4.2 billion in the preceding fiscal year. Moreover, DBJ recorded net other income of ¥67.9 billion, expanding ¥35.9 billion, owing to the reversal of allowances for loan losses.

Consequently, income before income taxes and minority interests came to ¥166.0 billion, up ¥49.7 billion from the previous fiscal year.

After posting current income taxes of ¥25.1 billion, ¥16.6 billion less than in the preceding fiscal year, deferred income taxes amounted to ¥15.7 billion, up ¥12.9 billion, and minority interests in net income increased ¥0.5 billion, to ¥0.8 billion. As a result, consolidated net income came to ¥124.3 billion, ¥52.9 billion more than in the previous term.

Consolidated Assets, Liabilities and Equity

As of March 31, 2014, total assets amounted to ¥16,310.7 billion, up ¥61.9 billion from one year earlier. Of that amount, loans were ¥13,838.4 billion, down ¥79.8 billion. The main reason for the decrease in loans was the collection of crisis-countermeasure loans that DBJ had extended in the past.

Due to increased acquisitions of short-term JGBs and ongoing investment operations, securities expanded ¥280.5 billion from the preceding fiscal year, to ¥1,637.5 billion. Call loans and bills bought amounted to ¥87.0 billion at the end of the term, an increase of ¥3.0 billion, and reverse repurchase agreements were ¥0 billion, down ¥165.9 billion from the previous year. DBJ conducted expeditious short-term investments to fill the gap between fund-raising and investments.

Total liabilities as of March 31, 2014, stood at ¥13,682.9 billion, ¥27.1 billion less than a year earlier. Of this amount, debentures and corporate bonds came to ¥4,237.4 billion, an increase of ¥312.8 billion, and borrowed money was ¥9,182.6 billion, down ¥265.7 billion. The decrease in borrowed money mainly reflects the collection of crisis-countermeasure loans and, accordingly, lower borrowings (two-step loans) from the Japan Finance Corporation.

Also, acceptances and guarantees came to ¥107.1 billion, down ¥48.5 billion.

Total equity at the end of the period was ¥2,627.7 billion, up ¥89.1 billion from one year earlier. The primary reason for this rise was higher net income.

Also, in June 2013, at DBJ's General Meeting of Shareholders a resolution was passed to award dividends on common stock. This dividend had a record date of March 31, 2013, and a total amount of ¥35.2 billion, for dividends per share of ¥808, resulting in a payout ratio of 49.98%.

The unrealized gain on available-for-sale securities that DBJ holds independently, as well as shares in listed companies that DBJ owns through funds, came to ¥37.7 billion, up ¥0.8 billion compared with the preceding term. This amount includes valuation gains on shares in listed companies.

Status of Risk-Monitored Loans

DBJ is not subject to the provisions of the Banking Act or the Act on Emergency Measures for the Revitalization of the Financial Functions (Act No. 132 of 1998), but it carries out independent assessments of liability classes and asset categories based on the Financial Services Agency's Financial Inspection Manual. According to these results, on a consolidated basis, DBJ's holdings of disclosed debt (risk-monitored loans) as prescribed by the Banking Act total ¥137.3 billion (down ¥34.0 billion from one year earlier), accounting for 0.99% of total loans, 0.24 percentage point less than at the end of the preceding fiscal year.

Profit and Loss Surrounding the Conversion to a Joint-Stock Company (Consolidated)

(Billions of yen)

	For the Six-Month Period Ended March 31, 2009	For the Year Ended March 31, 2010	For the Year Ended March 31, 2011	For the Year Ended March 31, 2012	For the Year Ended March 31, 2013	**For the Year Ended March 31, 2014**
Gross operating profit	45.8	121.8	136.7	133.6	128.5	**145.3**
Net operating profit (after addition to the general provision for loan losses)	(75.6)	86.7	100.0	95.7	74.7	**97.8**
Income before income taxes and minority interests	(118.1)	51.1	104.3	110.2	116.2	**166.0**
Total income taxes	(13.5)	(10.8)	(1.3)	(31.9)	(44.5)	**(40.8)**
Net income	(128.3)	39.8	101.5	77.3	71.3	**124.3**
Total dividend amount*	—	10.0	50.0	37.3	35.2	**30.8**

* Record dates correspond to the total amounts of dividends for those respective fiscal years.

Overseas Business

Since its conversion to a joint-stock company in October 2008, DBJ has worked to make entry into international business, creating an overseas risk management structure for investment and loans, preparing operating bases, training personnel and moving forward with core infrastructure. At the same time, we are working to expand our network with trustworthy partners. Through these efforts we are promoting domestic and overseas financial institutions.

As one aspect of its efforts to build bases overseas, DBJ established DBJ Singapore Limited in December 2008, and DBJ Europe Limited commenced operations in November 2009. Furthermore, DBJ converted DBJ Investment Consulting (Beijing) Co., Ltd. (formerly Japan Asia Investment Consulting (Beijing) Co., Ltd.) to a wholly owned subsidiary in June 2014.

By maintaining intensive collaboration with its overseas offices, DBJ is able to provide global financial services that meet broad-ranging client needs, as well as support for clients' overseas operations.

Operations at Overseas Locations

New York Representative Office

Covering the Americas, the New York Representative Office monitors financial, industrial and economic trends as well as economic policies and urban and infrastructure development and other trends. The office provides information to Japanese companies and other entities that are planning to commence operations in North America and South America, as well as overseas companies that are considering entry into the Japanese market.

DBJ Singapore Limited

Established:	December 2008
Capital:	S$1,000,000
Business:	Investment and loan support and advisory services
Address:	9 Raffles Place, #30-03 Republic Plaza, Singapore 048619
CEO & Managing Director:	Katsushi Kitajo

DBJ Europe Limited

Established:	November 2009
Capital:	€7,500,000
Business:	Investment and loan support and advisory services
Address:	Level 20, 125 Old Broad Street, London EC2N 1AR, U.K.
Executive Chairman:	Haruhisa Kawashita
CEO:	Hiroyuki Kato

DBJ Investment Consulting (Beijing) Co., Ltd.

Established:	September 2011
Capital:	¥60 million
Business:	Investment and loan support and advisory services
Address:	Beijing Fortune Building, Suite 814-815, No. 5, Dong San Huan Bei Lu, Chaoyang District, Beijing, 100004, P.R.C
Chairman & General Manager:	Yoshihisa Tsuruoka

Business Tie-Ups with Overseas Institutions

To enhance its financial services, DBJ leverages its business alliances with the following overseas institutions.

International Finance Corporation (IFC)

A member of the World Bank Group and an international financial institution, conducting investment and loan operations primarily in developing countries

China Development Bank

Policy-based financial institution (converted to joint-stock company in 2008) handling financing for infrastructure and core industries in China

China International Investment Company (the CITIC Group)

Corporate group with a wide-ranging financial service network throughout Asia, including China

IE Singapore

Government institution that supports internationalization and provides overseas investment for Singaporean companies

Bangkok Bank

A major Thai bank that works with Japanese regional banks to provide lending denominated in local currency to small and medium-sized regional Japanese companies

Initiatives toward the Establishment of International Long-term Financial Markets

In line with the increased globalization of economics and finance, DBJ considers the establishment of efficient and stable international long-term financial markets to be important. Based on this conviction, in July 2012 DBJ joined the Long-Term Investors Club (LTIC), an international platform for financial institutions that conduct long-term financing, thereby becoming the first Japanese financial institution among the club's members.

Established in 2009, LTIC is a global platform for cooperation among financial institutions (including DBJ) in charge of long-term investment in various countries, reflecting change in the financial environment after the Global Financial Crisis. LTIC promotes in areas such as information sharing in long-term financing, academic studies and research and co-investments.

Going forward, we will deepen relations with other member institutions, employing global financial networks to invigorate long-term financial markets.

Group Companies

The DBJ Group, comprising DBJ and its subsidiaries and affiliates, provides a variety of services to meet its clients' needs.

Japan Economic Research Institute Inc.

The Japan Economic Research Institute primarily conducts surveys and provides consulting services.

Operating with a long-term perspective and from a standpoint of fairness and neutrality, the institute generates synergies from its three fields of research—the public, solutions and international arenas—and targets both the public and the private sectors. The company meets clients' research and consulting needs from a comprehensive viewpoint.

Outline of Japan Economic Research Institute Inc.

Established:	December 1989
Capital:	¥480 million
Business:	Research, consulting and advisory services
Address:	Chiyoda-ku, Tokyo
President:	Takashi Ando

DBJ Capital Co., Ltd.

DBJ Capital Co., Ltd. has invested in venture companies that can be expected to achieve high rates of growth, in an effort to support corporate growth and the creation of new industries in Japan. In addition to investing, DBJ Capital employs DBJ's and various other networks to provide support on the financing front and arrange solutions to meet the needs of investee companies.

Outline of DBJ Capital Co., Ltd.

Established:	October 2005 (Commenced operations on June 30, 2010)
Capital:	¥99 million
Business:	Investment in venture companies
Address:	Chiyoda-ku, Tokyo
President & CEO:	Fumiyuki Kashima

DBJ Investment Advisory Co., Ltd. (DBJ-IA)

DBJ-IA was established to promote added-value creative equity financing (the "Value for Growth" Investment Program) to support growth strategies from a medium- to long-term standpoint emphasizing relationships of mutual trust with entities receiving investment funds.

DBJ-IA aims to contribute to such entities' growth and development by helping them achieve their growth targets in terms of M&A, capital and domestic and overseas strategies by providing funds and utilizing DBJ's international and domestic networks as well as assigning human resources.

Outline of DBJ Investment Advisory Co., Ltd.

Established:	December 2009
Capital:	¥68 million
Business:	Operations related to DBJ's value-added equity investment
Address:	Chiyoda-ku, Tokyo
President & CEO:	Hiroshi Murakami

DBJ Securities Co., Ltd.

DBJ converted Hitachi Capital Securities Co., Ltd., to a subsidiary in August 2011 in a move to augment the financing methods available to it to meet increasingly diverse client needs. Given DBJ's increasing involvement with the company, in October 2011 the company's name was changed to DBJ Securities Co., Ltd.

DBJ Securities provides a securities function to complement the DBJ Group's investment and loan functions, thereby increasing the number of financial solutions that the Group can offer its clients.

Outline of DBJ Securities Co., Ltd.

Established:	October 1998
Capital:	¥500 million
Business:	Securities business
Address:	Chiyoda-ku, Tokyo
President & CEO:	Hiroshi Sakamaki

DBJ Asset Management Co., Ltd.

Established as a real estate fund investment company in November 2006, in July 2012 DBJ Asset Management Co., Ltd., made a new start as an asset management company wholly owned by DBJ.

Going forward, the company will operate as a quality and highly trusted asset management company serving the needs of long-term investors. In addition to the real estate business, the company will respond to diverse risk capital requirements as it contributes to the development and increasing sophistication of Japan's financing functions.

Outline of DBJ Asset Management Co., Ltd.

Established:	November 2006
Capital:	¥100 million
Business:	Real estate fund investments, etc.
Address:	Chiyoda-ku, Tokyo
President & CEO:	Masutami Ohno

Value Management Institute, Inc.

In April 2013, DBJ converted Value Management Institute, Inc., to a subsidiary. This research and consulting company, which has maintained a business alliance with DBJ, provides high-quality, reliable services to resolve the problems customers face. Going forward, the company will continue to disseminate information and address diverse customer needs.

Outline of Value Management Institute, Inc.

Established:	June 1993
Capital:	¥75 million
Business:	Research, consulting and advisory services
Address:	Chiyoda-ku, Tokyo
President:	Tsuyoshi Inoue

Topics

2013

Apr.
- Opening of the Otemachi Innovation Hub (iHub) (See page 44.)
- Conversion of Value Management Institute, Inc., to a subsidiary (See pages 23 and 27.)

May
- Receipt of the CSR division award for operation of the DBJ Women Entrepreneurs Center at the ADFIAP annual meeting

Jun.
- Holding of the second DBJ Women Entrepreneurs New Business Plan Competition award ceremony
- Establishment of the PPP/PFI Promotion Center

Aug.
- Announcement of report by the Study Council on Strengthening Competitiveness
- Announcement of Capital Investment Planning Survey (nationwide and by region) results (See page 55.)

Oct.
- Signing of a business cooperation agreement related to asset-based lending with Shinkin Central Bank and Gordon Brothers Japan Co., Ltd.
- Founding investment in the Private Finance Initiative Promotion Corporation of Japan (See page 81.)
- "Environment/Reconstruction Support Syndicated Loans" win the Grand Prize and Minister of the Environment Prize in the Green Purchasing Awards (See page 91.)

Dec.
- Commencement of regional development at iHub (See page 44.)
- Establishment of a healthcare strategy team
- Exhibition and presentation at Japan's largest environmental exhibition, Eco-Products 2013 (13th consecutive year) (See page 64.)

2014

Feb.
- Naming as a designated financial institution based on the Industrial Competitiveness Enhancement Act

Mar.
- Commencement of joint operation of DBJ Green Building Certification with the Japan Real Estate Institute (See page 40.)

Apr.
- Expansion of the Regional Areas *Genki* Program (See page 41.)

May
- Formulation of DBJ's Third Medium-term Management Plan (See pages 16–17.)
- Receipt of the ADFIAP Awards 2014 for DBJ Enterprise Disaster Resilience Rated Loan Program at the ADFIAP annual meeting (See pages 64–65.)

Jun.
- Holding of the third DBJ Women Entrepreneurs New Business Plan Competition award ceremony (See page 45.)
- Conversion of DBJ Investment Consulting (Beijing) Co., Ltd. (formerly Japan Asia Investment Consulting (Beijing) Co., Ltd.) to a wholly owned subsidiary (See pages 26 and 118.)