

Strengthening and Review of The 5th Medium-Term Management Plan

Initiatives to Connect, Create, and Carve Out **New Possibilities**

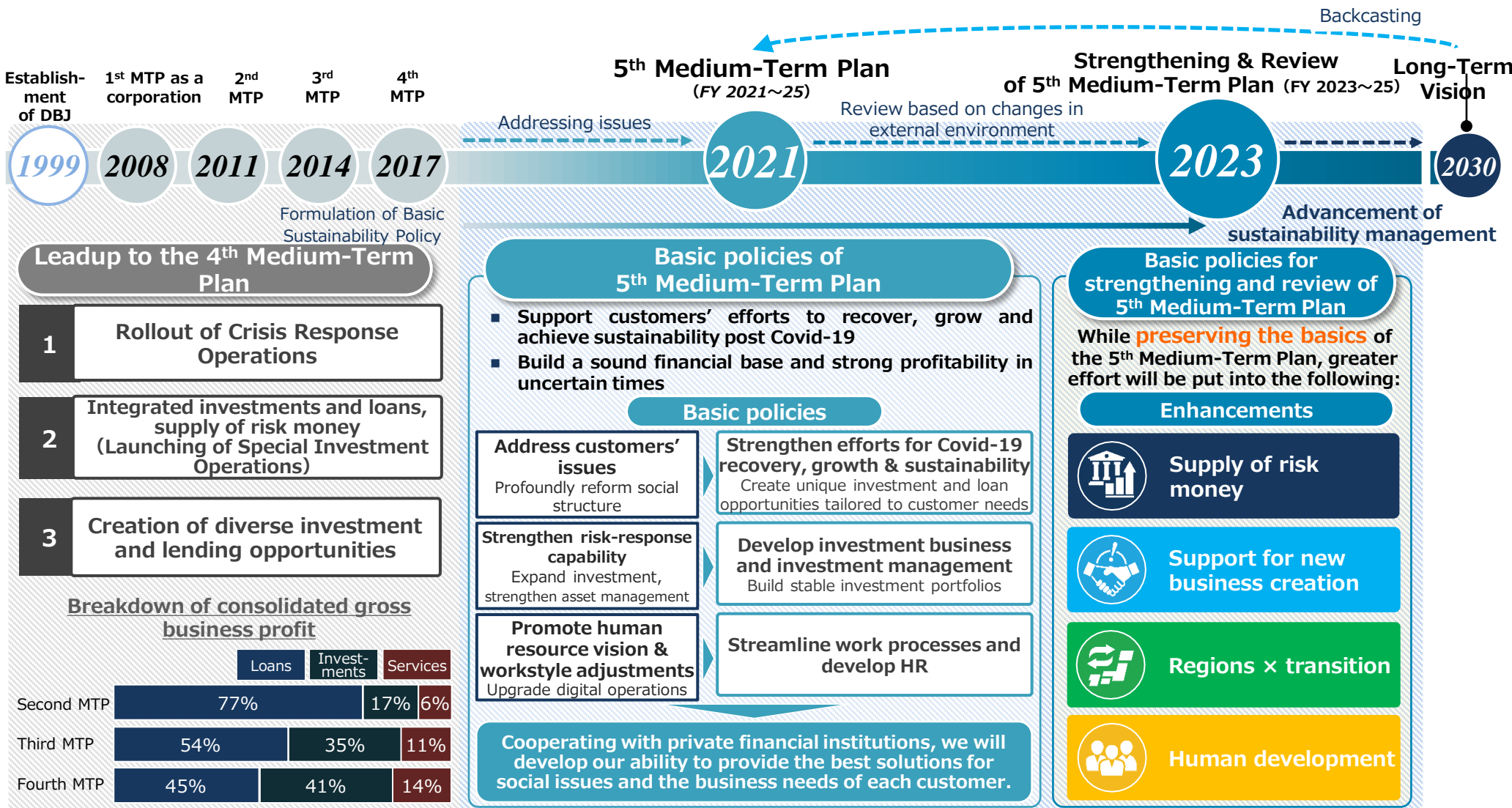
May 16, 2023

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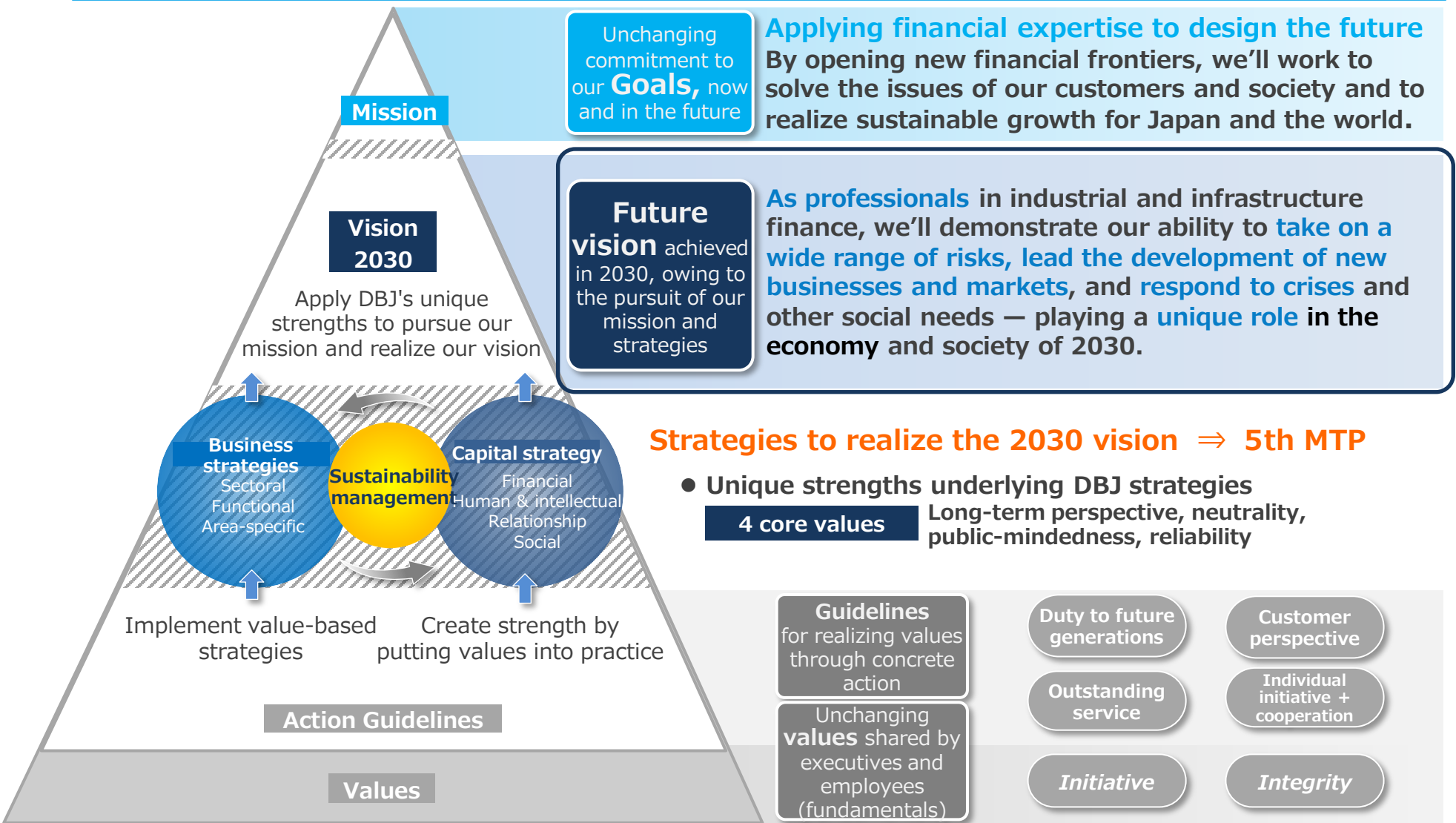
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1-1. Meaning of the Review

Backcasting



1-2. DBJ Group Objectives for 2030 (*Long-Term Vision 2030*)



Response to social change brought by

Digital

Aging

International

Sustainability

5th Medium-Term Management Plan

Connect & Create: Innovation
for Sustainability

Business strategies

Sectors

Infrastructure

Industry

Energy

Transport

Urban
development

New fields



①

Connect industries

to draw out each sector's potential



②

Connect generations

to pass on a strong, resilient society to future generations

Areas



③

Connect regions

to support fresh regional development

Functions



④

Value creation

to create a stronger platform for the supply of risk capital

Alliance & collaboration

Knowledge



Knowledge creation

Monitoring of industries and regions and supply of information over the long term



GRIT Strategy

- Green
- Resilience & Recovery
- Innovation
- Transition/Transformation

Injection of
managerial
resources

Sustainability management

Results of
business
activities

Work with customers for. . .

Forward-looking change
Balance with social value
Crisis preparedness

Management base strategies

Financial capital

Development of risk-return management
Further improvement of fund-raising methods

Non-financial capital

Human capital: Growth through training and development

Better employees mean a better corporation

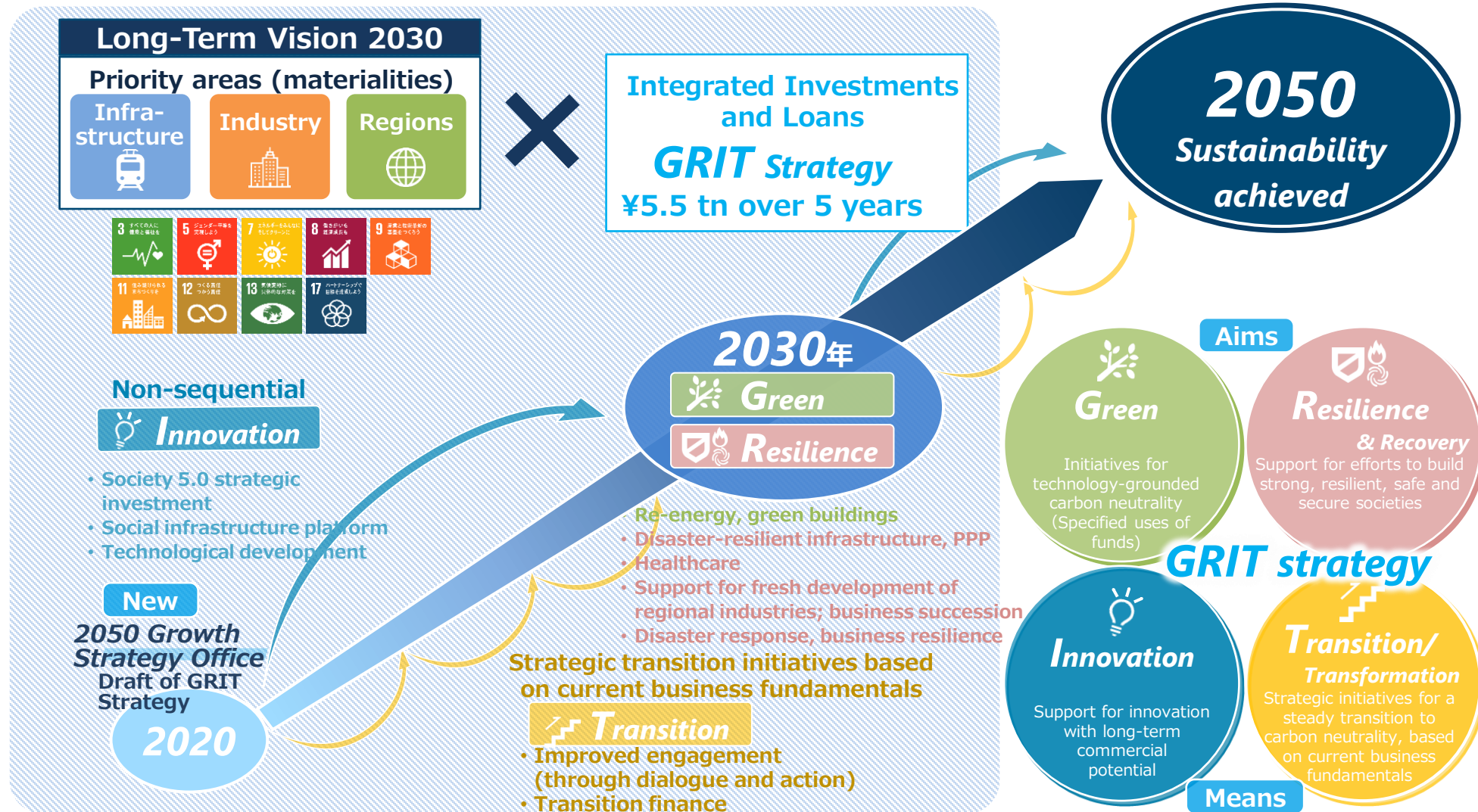
Intellectual capital: Work style reform

Shift to work styles that meet the needs of a changing business world

Relationship capital: Stronger business alliances

Public-private tie-ups and partnerships

- Under the DBJ **GRIT Strategy (Green, Resilience & Recovery, Innovation, Transition/Transformation)**, we work to achieve a sustainable society by collaborating with private financial institutions and utilizing integrated investments and loans.



1-4. Review of the First Two Years Under the 5th Medium-Term Plan

- The GRIT Strategy (Green, Resilience & Recovery, Innovation, Transition/Transformation) has produced significant results.
- To help firms deal with the Covid-19 crisis, our efforts included the provision of equity subordinated loans, both to mid-sized companies and to large firms in sectors such as food services and lodging, and the use of special funds to subscribe to preferred shares in food service and lodging businesses.

Business Strategies, GRIT Strategy (Connecting & Cooperating)

Principal initiatives during the first two years

Connecting industries Investment in hydrogen funds, ammonia-related **startups** and other innovative firms

Connecting generations **Transition loans** and other forms of sustainability finance

Connecting regions Participation in **regional councils**, preparation of road maps for practical decarbonization

Cooperative value generation Increase in AUM of DBJ Asset Management from ¥1.6 tn to **¥2.6 tn**

Knowledge Dialogue with business leaders; reporting on hydrogen, DX, tourism, etc. in terms of the intersection of **industry and regions**

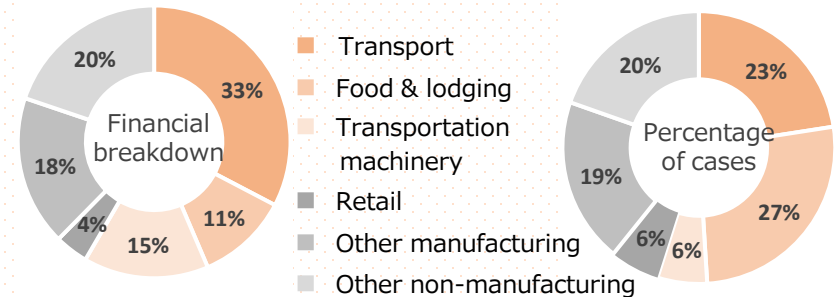
Investments and loans under the GRIT Strategy (cumulative 5-year): **¥5.5 tn** (total investments and loans: **¥13 tn**)

GRIT Cumulative investments and loans under the GRIT Strategy: **¥2.14 tn** (40% of all investments and loans excluding crisis response loans)

Crisis Response Operations and Covid-19

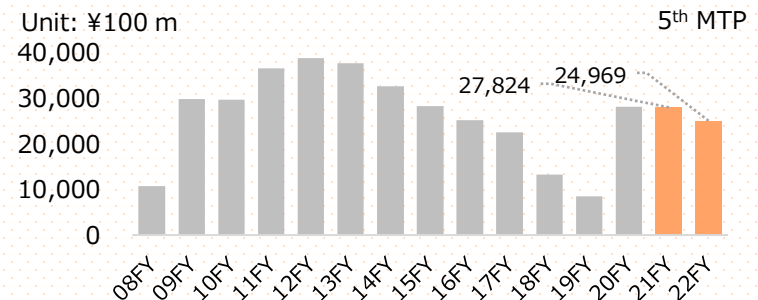
By March 31, 2023, DBJ had supplied approximately ¥2.5 trillion yen in funds in cooperation with other financial institutions.

Crisis Response Lending in Connection with Covid-19



DBJ Food Service and Lodging Support Fund Investment LLP
Cumulative subscriptions in preferred shares: **¥57.5 bn** / 11 cases as of March 31, 2023

Reference: Crisis response lending balance



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2-1. Enhancements to the 5th Medium-Term Plan

P 8

Changes in the external environment since formulation of the 5th MTP

Vision2030
Balance of economic and social value

Macroeconomic changes

Heightened geopolitical risks

Rising economic uncertainty

Accelerating population decline

Advances in GX for decarbonization

Expectations for startups

Greater human investment

Rebuilding of global supply chain

Need for
Initiative to
carve out **New Possibilities**

Enhancements to the 5th Medium-Term Plan

Point 1



Supply of risk money¹

Green

Resilience

Innovation

Transition

Meet customers' risk money needs for GX, supply chain resilience

Point 2



Support for new business creation²

Innovation

Promote Japan's economic growth through support for innovation

Point 3



Regions x transition³

Transition

Connect industries, regions, and generations to create a bright future for regional communities

Point 4



Human development

Promote human investment to adapt to change and create new future possibilities

5th MTP 2021⁴
Connect & Create

We partnered with the following companies in carrying out these operations.

1 DBJ Asset Management, DBJ Securities, overseas offices: DBJ Europe, DBJ Americas, DBJ Singapore, DBJ Investment Consulting (Beijing)

2 DBJ Capital

3 Value Management Institute, Japan Economic Research Institute

4 DBJ Digital Solutions, DBJ Real Estate, DBJ Business Support



Point 1: Supply of risk money



Meeting customers' risk money needs for GX, supply chain resilience

Stronger focus on individual sectors

- Creation of dedicated investment teams

Support for supply chain resilience*

Improvement of investment evaluation capability

Creation of Investment Evaluation Office

*Risk money supply (2023-2025)
Loan target ¥1 tn*

Point 2: Support for new business creation



Promoting Japan's economic growth through support for innovation

Increased investment in new businesses and startups (via Special Investment Operations)

- Customers' new businesses
- Deep tech, growth stage
- Venture capital, secondary funds

*Support for new business creation (2023-2025)
Target ¥100 bn*

Point 3: Regions × transition



Connecting industries, regions, and generations to create a bright future for regional communities

Promotion of GX, support for regional efforts for fair transition

- Initiatives capitalizing on regional strengths (Energy-saving, hydrogen & ammonia, CCUS)
Use of proposals for "regions × transition"

Support for tourism to boost social interaction

Acceleration of efforts to achieve carbon neutrality by 2050



Point 4: Human development

Developing a talented workforce to implement points 1-3
Investing in the human capital needed to build the future while enhancing diversity and adapting to change

Diversity of experience (risk money)

- Strategic rotation to investment divisions
- Placement with external partners

Joint programs with external entities (new business creation)

- New R&D program for practical implementation of innovations

Diversity of experience (regions)

- Rotations prioritizing regional experience
- Placement with regional economic organizations and other groups

Frontier Initiative Program

- Support for employee initiative in carving out new possibilities
- Granting of time to generate non-sequential growth for the organization

Diversity of experience (global)

- More opportunities for study or placement with overseas organizations
- Human development programs in alliance with overseas universities

Building of fundamental knowledge

- Expanded training and practice in digital and sustainability fields
- Strengthening of management and leadership abilities

*As a designated financial institution, DBJ separately performs Supply Security Operations.

2-3. Consolidated Financial Targets

		4 th MTP	5 th MTP	
(Consolidated)		3rd quarter average (FY 2017-2019)	Approximate targets for FY 2025 (prior to review)	Approximate targets for FY 2025 (after review)
Profitability	Gross operating income ¹	¥168.8 bn	¥200 bn	¥210 bn
	Current term net profit attributable to parent company	¥78.1 bn	¥85 bn	¥85 bn
	Expense ratio ²	31.9%	32%	34%
	Total assets	¥17.6 tn (end of FY 2019)	¥21 tn	¥21 tn
	ROA ²	1.0%	1%	1%
	ROE ²	2.5%	3%	3%
Soundness	Capital adequacy ratio ³ (based on Basel III, finalized and fully applied)	18.7% (end of FY 2019)	14%	14%

1. Gross operating income for business administration, excluding credit costs.

2. Expense ratio and ROA are vs gross operating income. ROE is vs current term net profit.

3. Tier 1 ratio for common shares, etc.



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