

Current Overview of

## Development Bank of Japan Inc.

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Mar 2025



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## 1. Overview

# DBJ's Profile

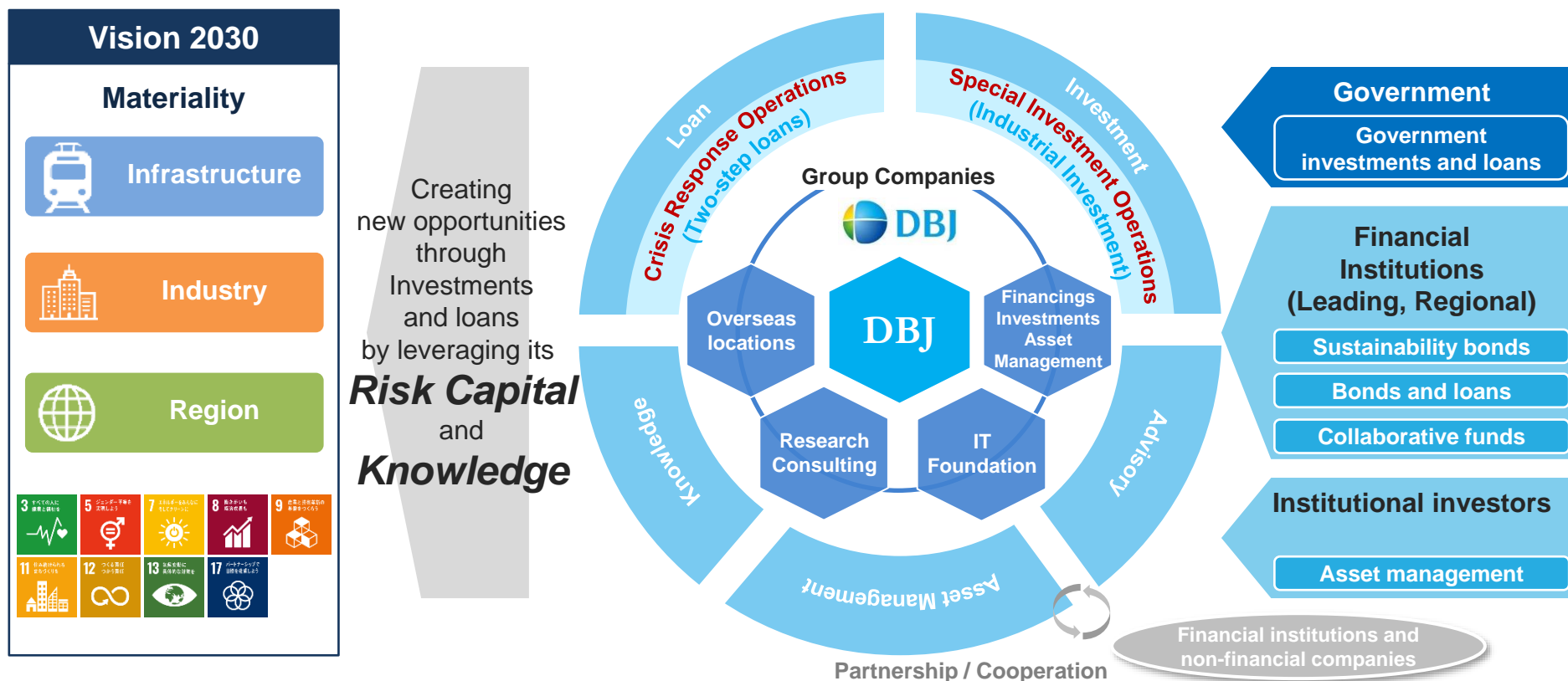
<b>Mission</b>	<b>Design the Future with Financial Expertise</b> Continue to expand financial frontiers; Provide the best solutions for customers and society; Pursue sustainable development for Japan and the world.
<b>Established</b>	<b>October 1, 2008</b> <b>Established under the Development Bank of Japan Inc. Act ("DBJ Act")</b> (Former Japan Development Bank: 1951, Former Hokkaido-Tohoku Development Finance Public Corporation: 1956, Former Development Bank of Japan: 1999)
<b>Shareholders</b>	<b>100% owned by the Japanese government</b>
<b>President &amp; CEO</b>	<b>Seiji Jige (from June 29, 2022)</b>
<b>Total assets<sup>(1)</sup></b>	<b>JPY 21,699 billion (USD 143.3 billion)</b>
<b>Basel III Common Equity Tier 1 ratio<sup>(2)</sup></b>	<b>17.33%</b>
<b>Credit Ratings</b>	<b>A1</b> (Moody's Japan K.K.) <b>A</b> (S&P Global Ratings Japan Inc.)
<b>Offices</b>	<b>Domestic offices: 19</b> (head office, 10 branch offices, 8 representative offices) <b>Overseas subsidiaries: 4</b> (Singapore, London, Beijing and New York)

(1) Consolidated. USD/JPY = 151.41 as of March 29, 2024.

(2) Consolidated as of March 31, 2024.

# DBJ Group's Current Roles in the Society and Financial Market

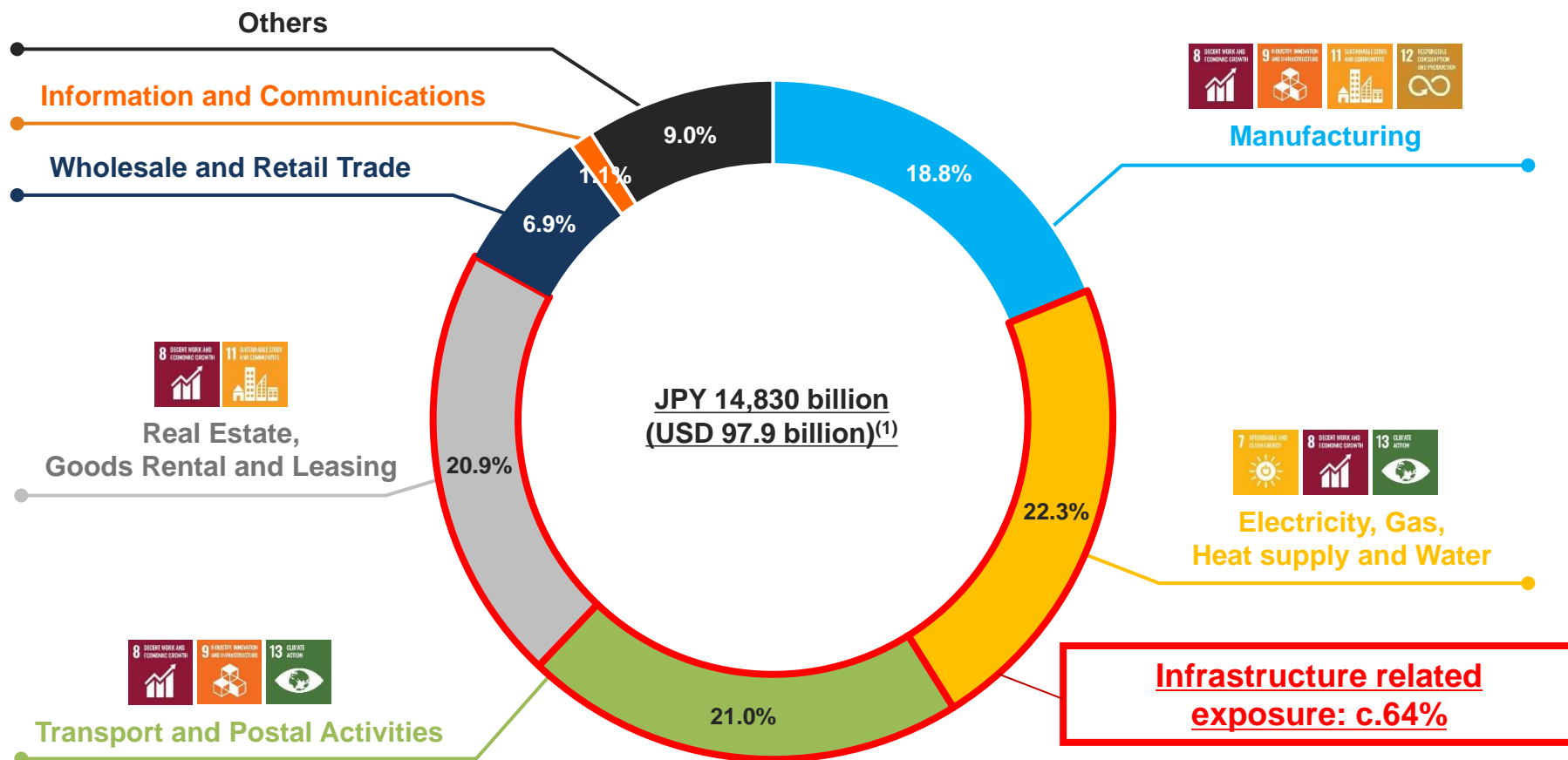
- DBJ Group invigorates and stabilizes financial markets through partnerships and collaboration with other financial institutions and non-financial companies.
- DBJ Group's business activities includes loans & investments, consulting & advisory services and asset management. As mandated under the DBJ Act, DBJ also undertakes "Crisis Response Operations" and "Special Investment Operations".
- DBJ receives funding in various formats, including direct funding from the Japanese Government and funding from domestic and international capital markets.



# Outstanding Loans by Sector

- DBJ's assets mainly consist of loans to **large and medium sized Japanese corporations**.
- Approximately **64%** of our loan portfolio has been allocated to “**Infrastructure**” related industries including **energy, transportation and real estates**.

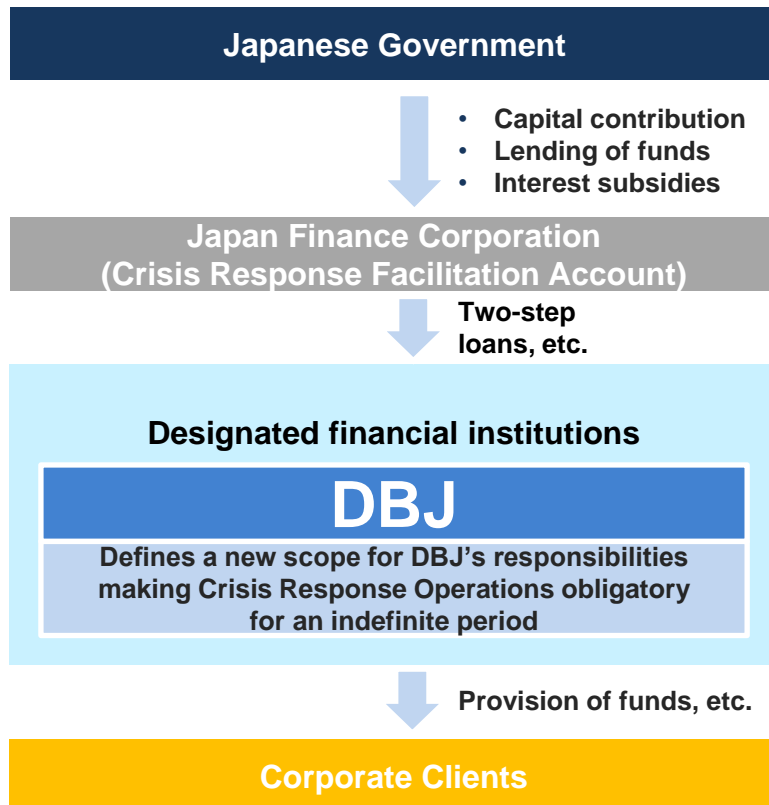
## Outstanding Loans by Sector



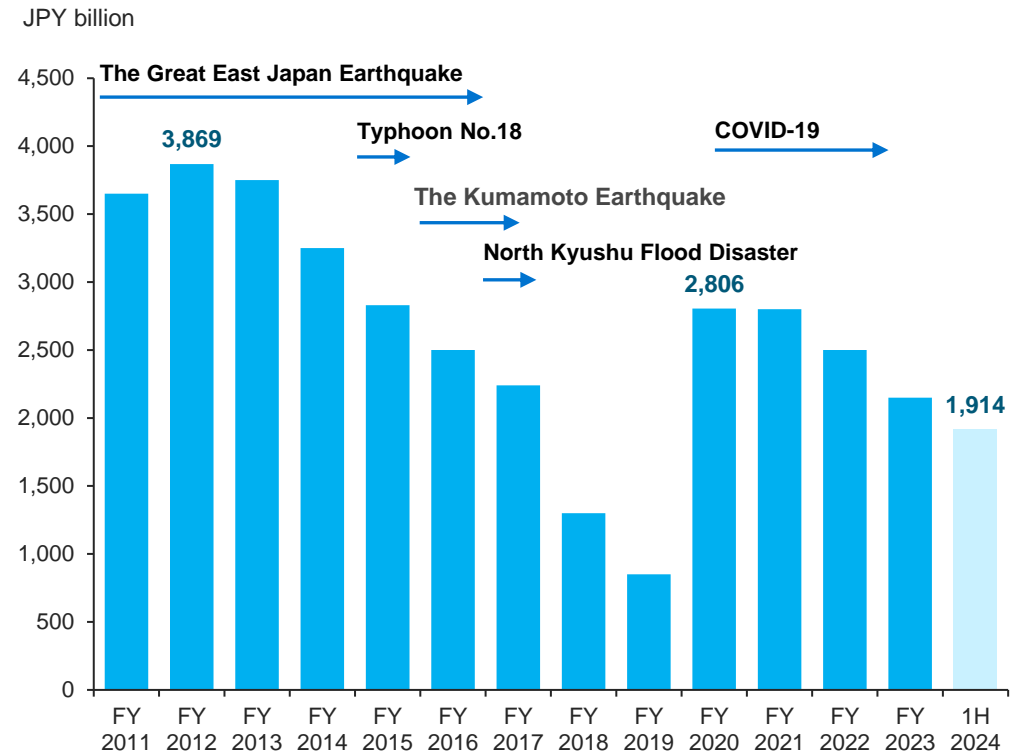
(1) USD/JPY = 151.41 as of March 29, 2024.

# Crisis Response Operations

- Under “Crisis Response Operations”, DBJ functions as a stabilizing force by providing necessary funds during the time of crisis, e.g. the Global Financial Crisis, the Great East Japan Earthquake and COVID-19 pandemic.
- DBJ receive funding from Japan Finance Corporation and provide necessary funds to corporate clients to address crisis.
- The total loans outstanding under Crisis Response Operations has been recently decreasing mainly because of the repayment of loans related to the COVID-19 pandemic.

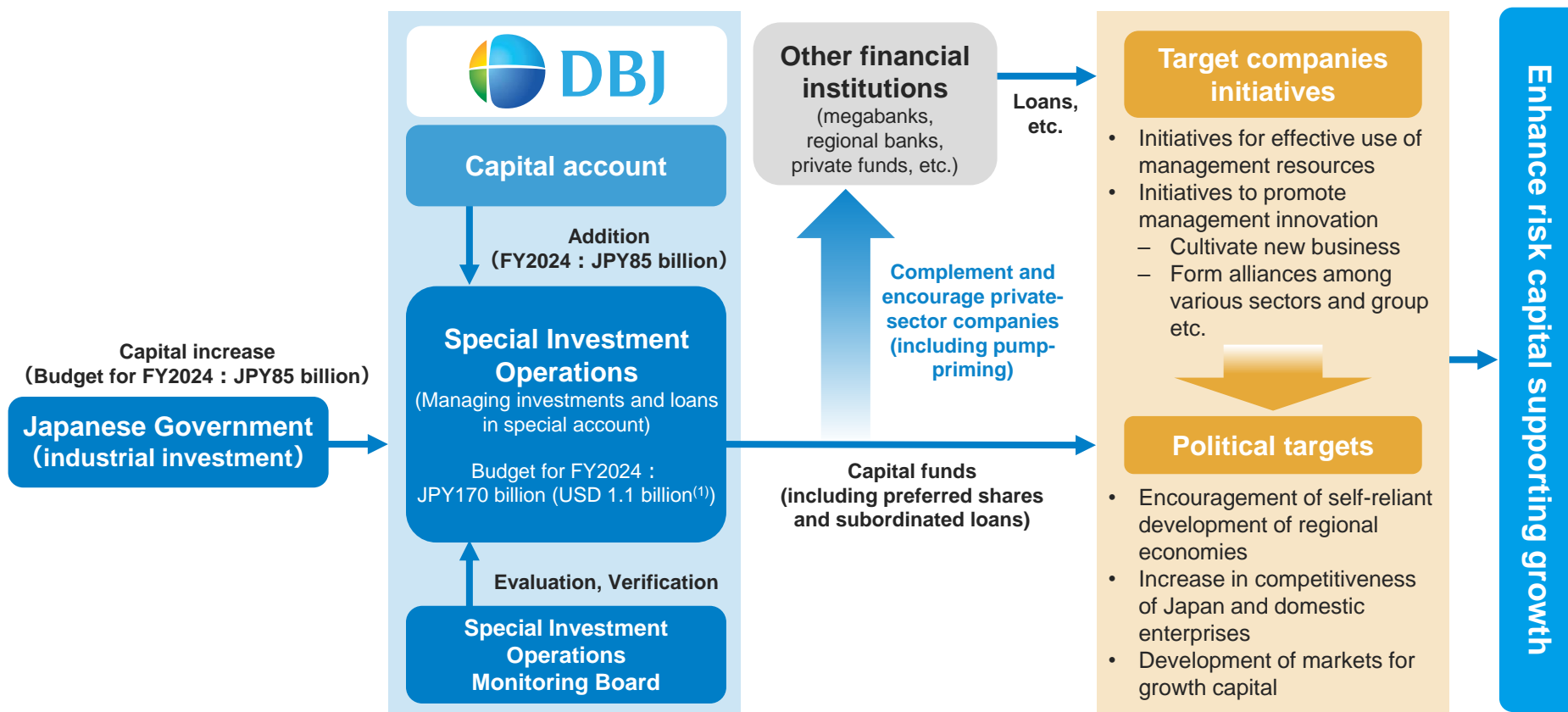


## Total Loans Outstanding under Crisis Response Operations



# Special Investment Operations

- Under “**Special Investment Operations**”, DBJ provides “**growth capital**” to companies and projects from the perspective of **promoting the competitiveness of Japanese enterprises along with regional revitalization**.
- Since the launch of the operations in June 2015, DBJ has **extended a total of JPY 1,283 billion (USD 9.0 billion) in loans and investments** as of September 2024.



(1) USD/JPY = 142.73. Consolidated as of September 30, 2024.



# DBJ's Status (1)

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## ■ Full government ownership

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- ✓ DBJ has been wholly owned by the Japanese Government.

## ■ Established under the special law

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- ✓ Established and regulated under the Development Bank of Japan Inc. Act ("DBJ Act").
- ✓ DBJ is NOT a regulated bank under the Banking Act in Japan.

## ■ Control and supervision by the government

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- ✓ The Minister of Finance has supervisory powers with regard to DBJ's key matters, such as (a) annual business plan, (b) annual basic policy regarding issuance of bonds and borrowings, and (c) amendment of DBJ's articles of incorporation.
- ✓ Any appointment and retention of representative directors become effective only after authorization by the Minister of Finance.

## ■ Funding support by the government

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- Capital contribution by the government<sup>(1)</sup>
  - ✓ The government makes capital contributions to DBJ whenever deemed necessary for proper implementation of Crisis Response Operations and Special Investment Operations.
- Loans from the government<sup>(2)</sup>
  - ✓ Stably procures long-term funds from the government through the Fiscal Investment and Loan Program ("FILP").
- Government-guaranteed bonds<sup>(3)</sup>
  - ✓ Issues both international and domestic bonds unconditionally and irrevocably guaranteed by the government.

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(1) Articles 2-9 and 2-14 of Supplemental Provisions of DBJ Act

(2) DBJ Act Article 13

(3) DBJ Act Article 25

## DBJ's Status (2)

### ■ DBJ's full privatization remains as a target but there is no concrete implementation plan

- ✓ Privatization of DBJ was originally determined in 2006 as a part of the Japanese government administrative reform.
- ✓ However, the privatization timing was postponed twice, by the DBJ Act amendments in 2009 and in 2011, in order to utilize DBJ for the government to respond to two major crises: Financial Crisis in 2008 and the Great East Japan Earthquake in 2011.
- ✓ On May 13, 2015, the Act for Partial Amendment of the DBJ Act was passed into law, and while the privatization remains as a target, timeline was officially removed and the implementation schedule is not yet decided.
- ✓ On May 22, 2020, the Act for Partial Amendment of the DBJ Act was passed into law;
  - Extend the date to which DBJ will decide the business entities that will receive funds pursuant to the Special Investment Operations and the Japanese Government may make capital contributions to DBJ in connection with the proper implementation of the Special Investment Operations by DBJ from 31 March 2021 to 31 March 2026; and
  - Extend the completion date with regard to the Special Investment Operations from 31 March 2026 to 31 March 2031.
- ✓ The Government is required to hold certain amount of its stake in DBJ (as described below), and upon disposal to take into account the effect on the attainment of the objectives of DBJ and the market conditions.

DBJ's operations mandated under the DBJ Act	"MINIMUM" requirement <sup>(1)</sup> for the Government shareholding in DBJ	Target completion date
Crisis Response Operations	more than 1/3	For an INDEFINITE PERIOD
Special Investment Operations	1/2 or more	By MARCH 2031

(1) DBJ has been wholly owned by the Japanese Government.

# Credit Ratings

		Moody's	S&P
Japan (Reference)	Japanese Government Bonds (JGBs)	A1 (Stable)	A+ (Stable)
		Moody's	S&P
DBJ	Government-Guaranteed Bonds	A1 (Stable)	A+ (Stable)
	Non-Guaranteed Bonds	A1 (Stable)	A (Stable)
	Euro CP Program Ratings	P-1	A-1

## <Moody's' comment extract>

"... DBJ's creditworthiness reflects that of the sovereign, because of its role in supporting the GoJ's policy initiatives, as well as our assessment of a very high level of support from the GoJ for DBJ in times of stress. Our government support assumption reflects the close integration of DBJ's business with the GoJ's policy measures, as well as the GoJ's track record of providing varied ongoing and extraordinary support to government financial institutions.

... Although the DBJ Act stipulates that the GoJ is to dispose of all its DBJ shares as soon as practical, the removal of the timeline will effectively delay the full privatization of the bank indefinitely."

## <S&P's comment extract>

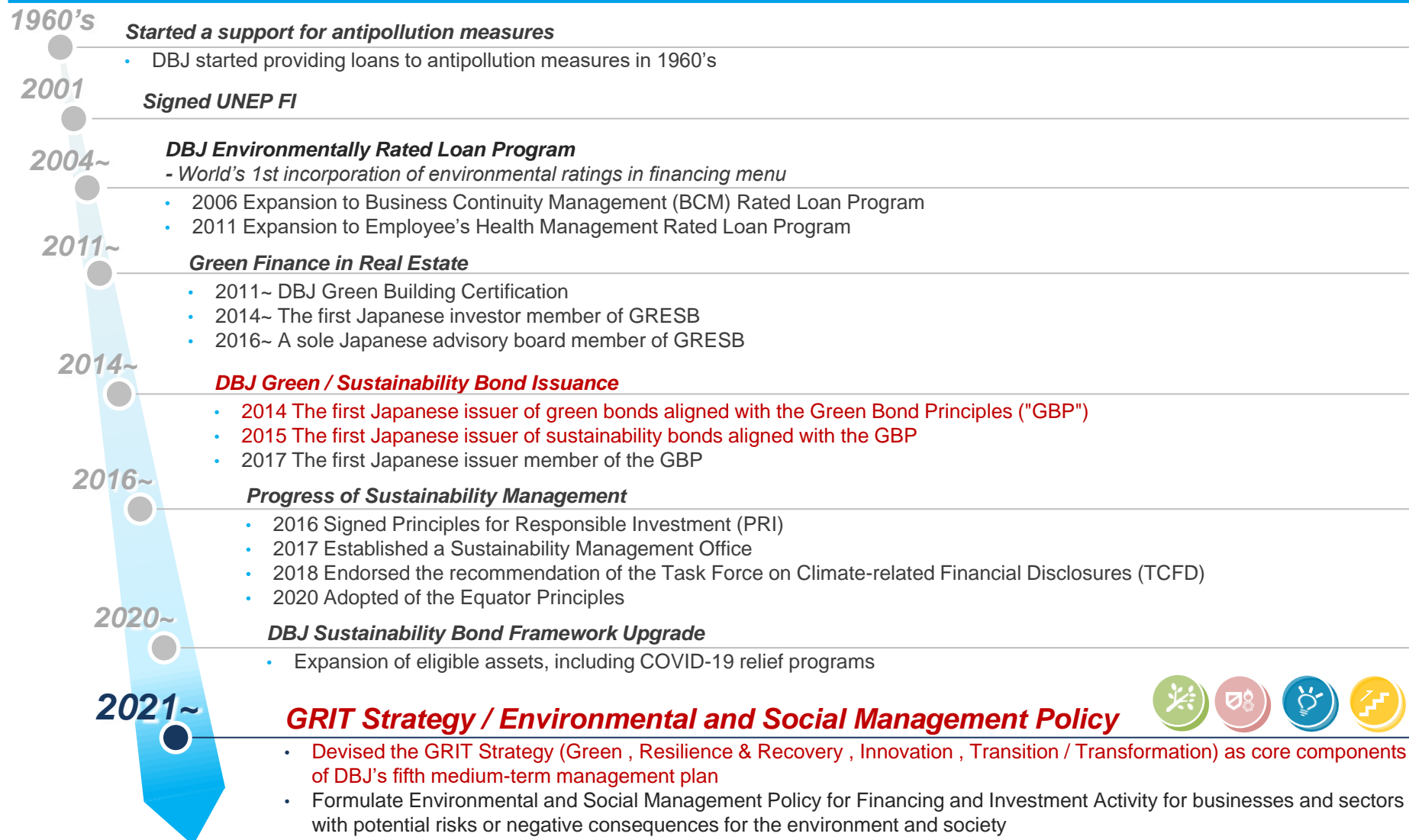
"...We lift our long-term issuer credit rating on DBJ three notches from the SACP to factor in our assessment that the bank, as a government-related entity (GRE), has an extremely high likelihood of receiving government support if required. This reflects our views that it plays a critical policy role for the government and that its link with the government is very strong. The bank plays an important role in helping the government implement economic policies. It provides long-term funding for infrastructure and other projects as well as integrated investment and loan services.

...We think the revised DBJ Act, which includes an extension of the time frame for fully privatizing DBJ, indicates the Japanese government will likely maintain a strong commitment to DBJ's operations in the long run."

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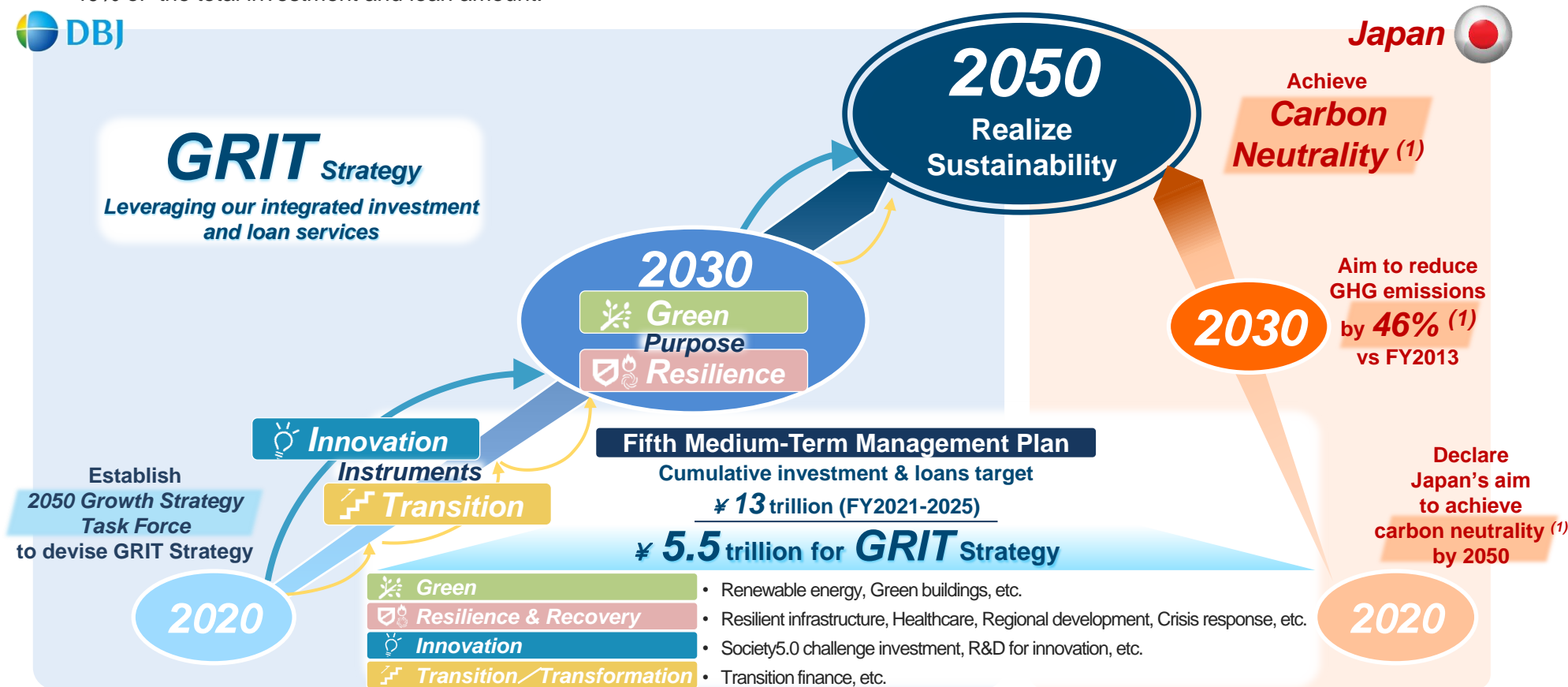
## 2. DBJ & Sustainability

# Commitment to Sustainability



# DBJ's GRIT Strategy

- GRIT Strategy is in line with the Japanese Government's environmental policy with the aim to achieve 46% GHG emission reduction by FY2030 and carbon neutrality by 2050. **DBJ intends to pursue net zero GHG emissions for its investment and loan portfolio by 2050.**
- **DBJ aims to provide JPY 5.5 trillion in GRIT-related investments and loans** during the fifth medium-term management plan period.
- **GRIT-related investments and loans has expanded as planned**, reaching JPY 3.3 trillion as of March 2024, which accounts for about 40% of the total investment and loan amount.



(1) Japanese government announced targets.

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### **3. Summary of Financial Data**

# Financial Summary

## FY2023 Financial Summary

	FY2022	FY2023 <sup>(1)</sup>	
	JPY billion	JPY billion	USD million
<b>Total Income</b>	<b>375.5</b>	<b>415.2</b>	<b>2,742.2</b>
<b>Income before income taxes</b>	<b>136.0</b>	<b>150.6</b>	<b>994.9</b>
<b>Net income attributable to owners of the parent</b>	<b>92.8</b>	<b>103.2</b>	<b>681.6</b>

<b>Credit related costs (/gains)</b>	<b>42.0</b>	<b>19.2</b>	<b>126.6</b>
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<b>Loans outstanding</b>	<b>15,058</b>	<b>14,829</b>	<b>97,946</b>
<b>Total assets</b>	<b>21,482</b>	<b>21,698</b>	<b>143,310</b>

<b>Total capital ratio</b>	<b>16.52%</b>	<b>17.56%</b>	-
<b>Common equity Tier 1 capital ratio</b>	<b>16.34%</b>	<b>17.33%</b>	-

## FY2024 H1 Financial Summary

	FY2023 H1	FY2024 H1 <sup>(2)</sup>	
	JPY billion	JPY billion	USD million
<b>246.1</b>	<b>211.2</b>	<b>1,479.8</b>	
<b>111.8</b>	<b>71.7</b>	<b>502.5</b>	
<b>79.4</b>	<b>51.0</b>	<b>357.0</b>	

<b>9.8</b>	<b>(2.4)</b>	<b>(16.9)</b>
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<b>14,888</b>	<b>14,575</b>	<b>102,117</b>
<b>21,783</b>	<b>21,576</b>	<b>151,166</b>

<b>16.08%</b>	<b>18.23%</b>	-
<b>15.90%</b>	<b>18.01%</b>	-

(1) USD/JPY = 151.41. Consolidated as of March 29, 2024.

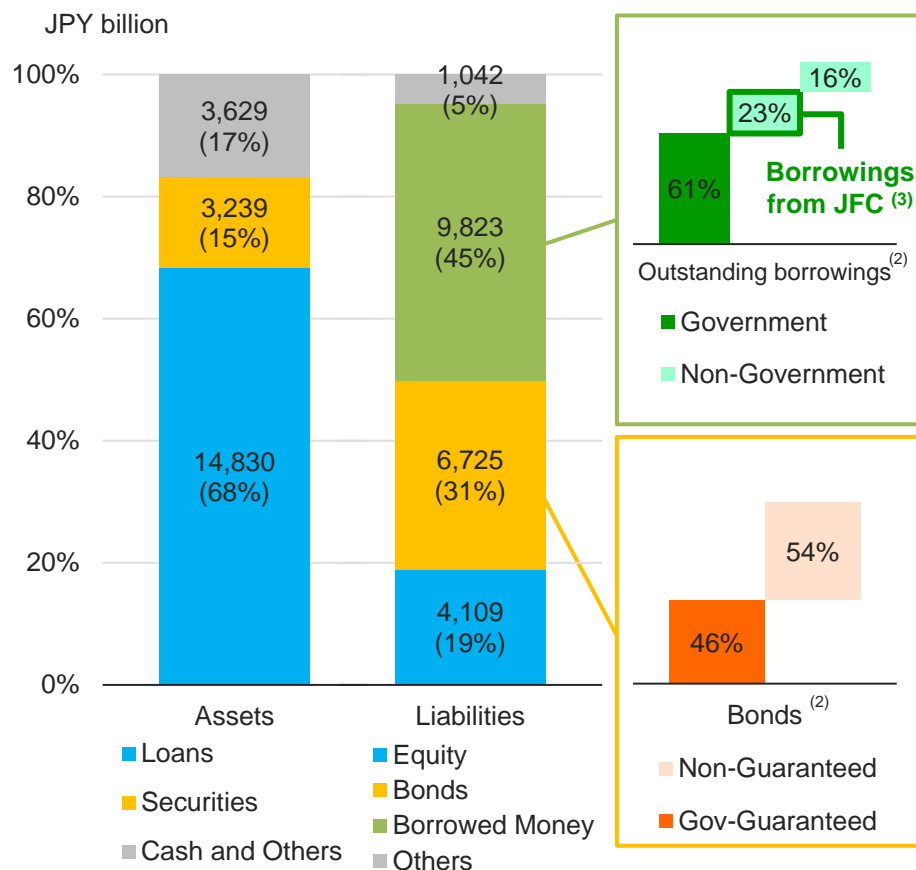
(2) USD/JPY = 142.73. Consolidated as of September 30, 2024.



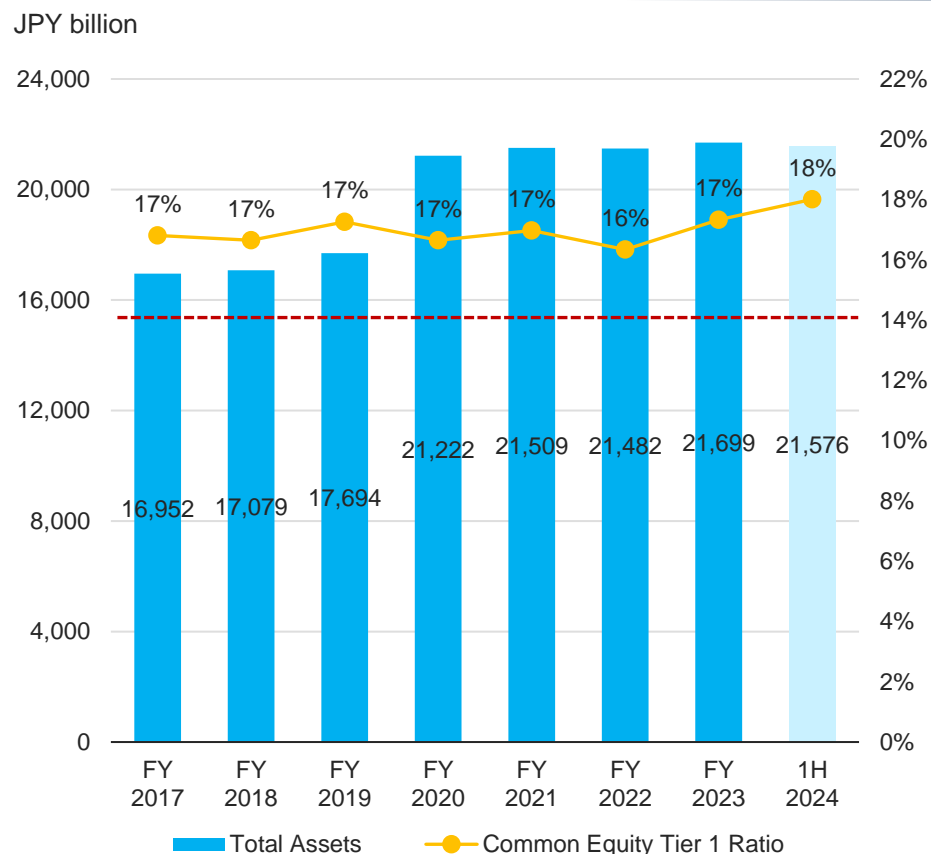
# Balance Sheet Composition & Strong Capitalization

- DBJ maintains a solid and stable balance sheet.
- DBJ has been accumulating capital as a result of profit accumulation and the government's equity injection for Special Investment Operations.
- DBJ aims to maintain a **Common Equity Tier 1 ratio of at least around 14%** based on the target set down in the Fifth Medium-Term Management Plan.

## Balance Sheet Composition<sup>(1)</sup>



## Total Assets and Common Equity Tier 1 Ratio<sup>(4)</sup>



(1) Consolidated. As of March 31, 2024

(2) Non-Consolidated. As of March 31, 2024

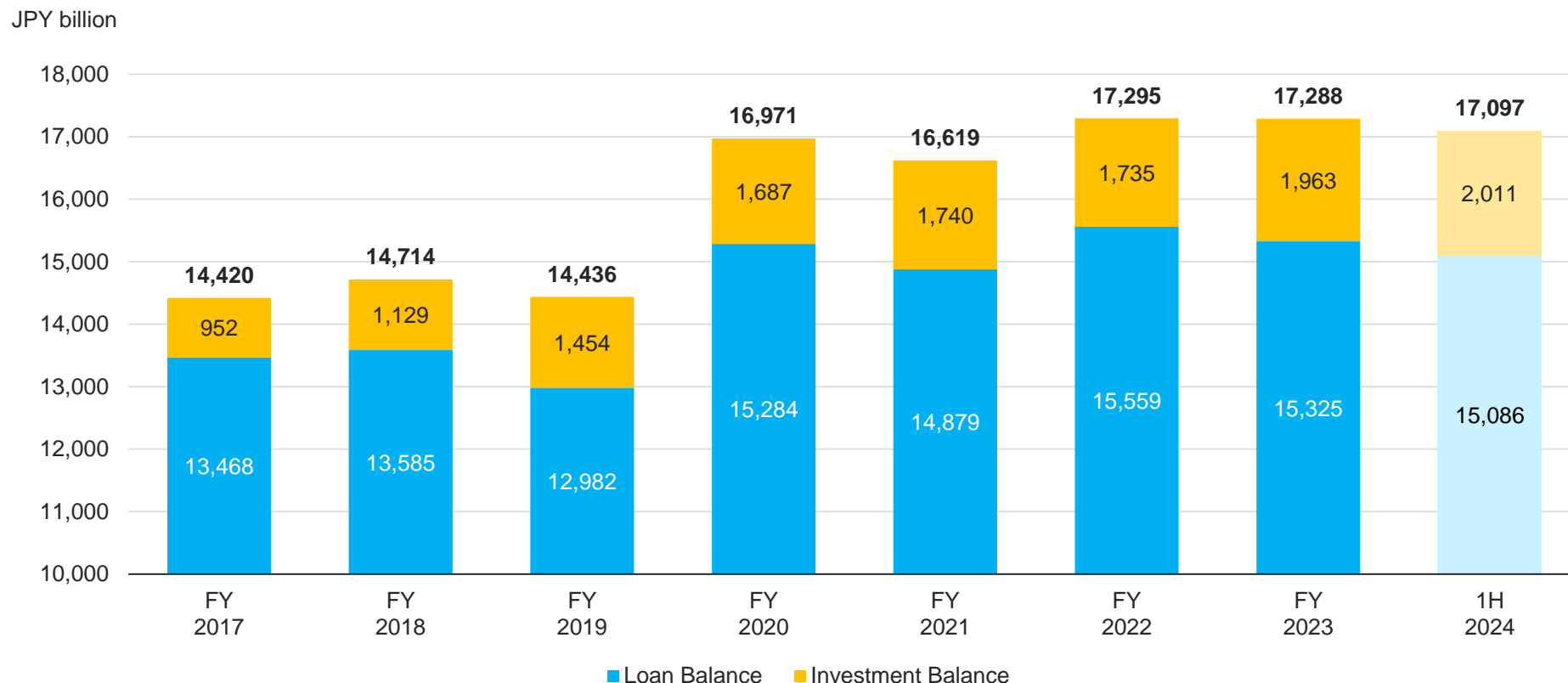
(3) Provided under Two-step Loans for the Crisis Response Operations (See page 6)

(4) Consolidated. As of September 30, 2024. Common equity Tier 1 ratios from FY2023 reflects the Japanese Basel III final reforms

# Balance of Investments and Loans

- The balance of investments and loans was approximately JPY 17.1 trillion as of September 30, 2024.
- **The loan balance increased steadily in FY2020 mainly due to the COVID-19 pandemic, though it is decreasing now mainly because of the repayment of loans for Crisis Response Operations.**
- **The investment balance has showed an upward trend over the years**, reflecting expansion of our investment business.

## Balance of Investments and Loans<sup>(1)</sup>



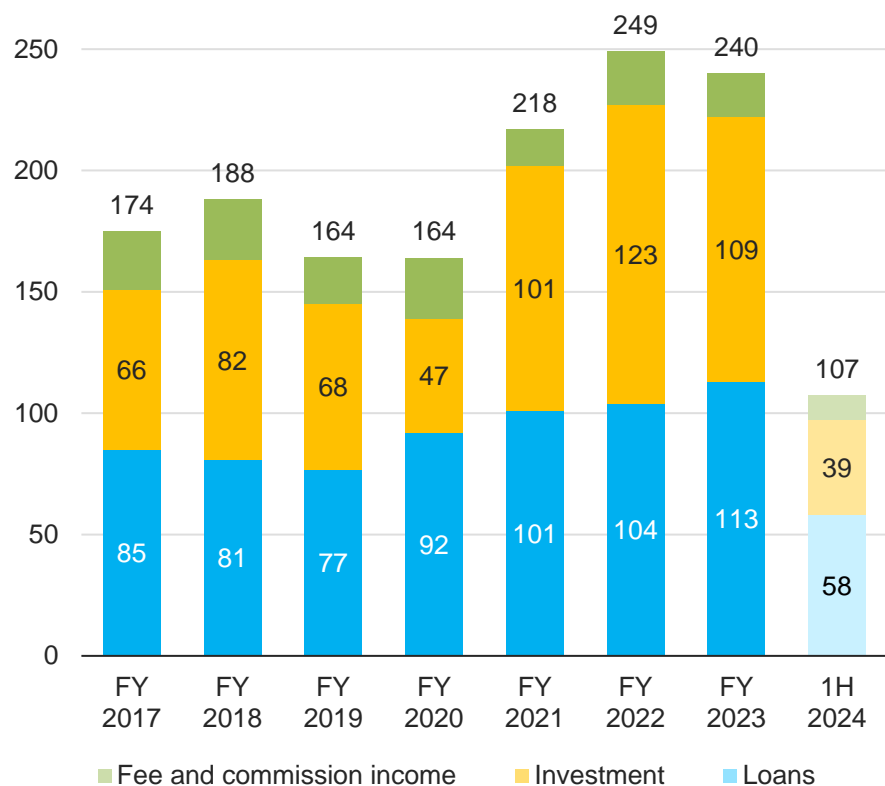
(1) Non-consolidated. Managerial accounting information

# Stable and Diversified Income

- DBJ has sustained stable and diversified income, maintaining positive net income throughout its history.
- The investment income tends to be volatile due to its business model, although DBJ have successfully maintained a stable level through forming stable investment portfolio including investments on infrastructure and real estate.

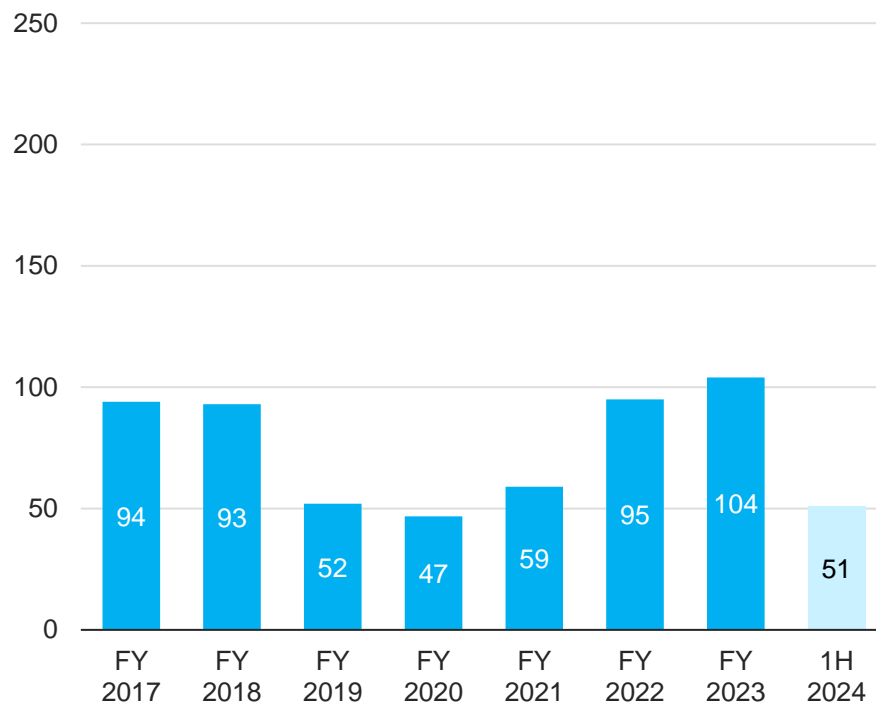
## Gross Ordinary Income<sup>(1)</sup>

JPY billion



## Net Income<sup>(2)</sup>

JPY billion



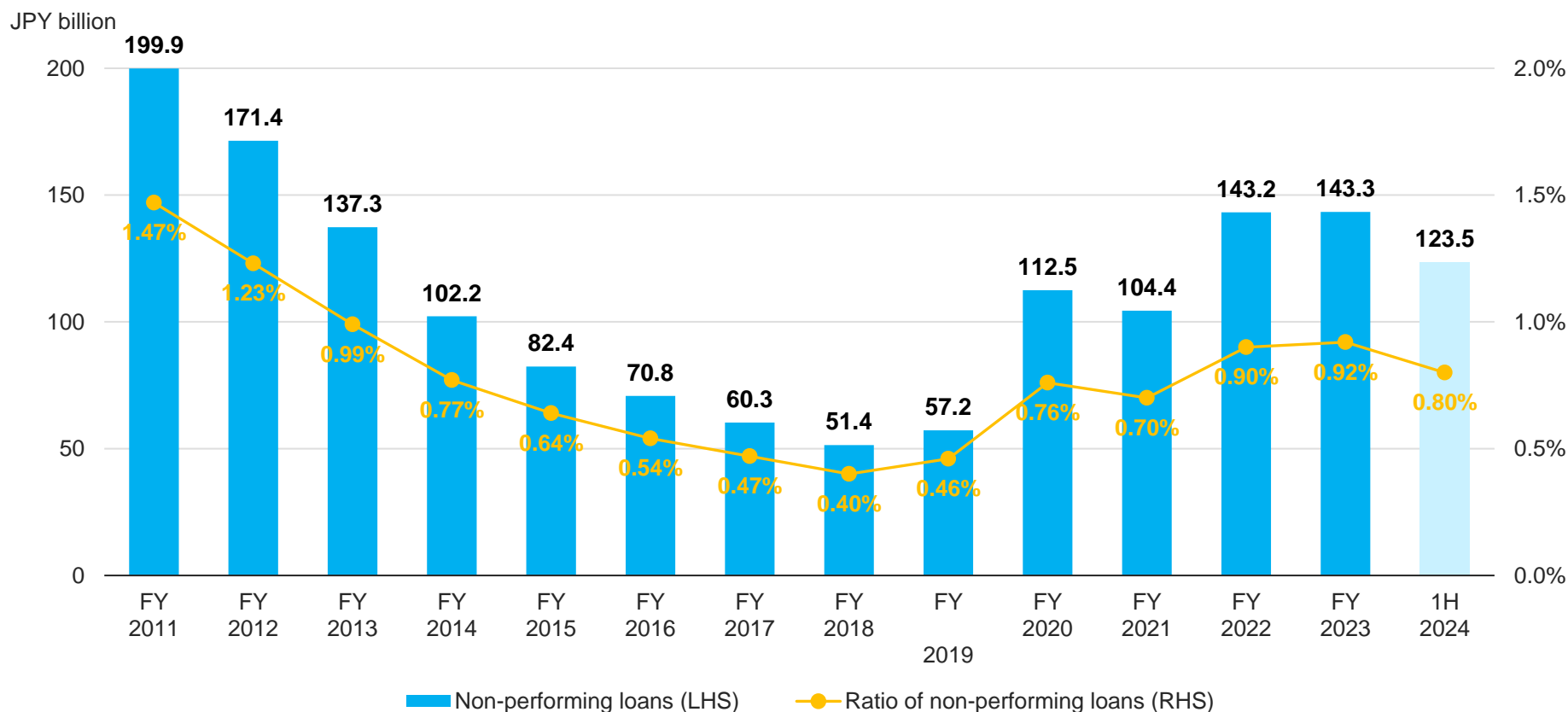
(1) Consolidated. Managerial accounting information. Note(i) Due to certain changes in the calculation methodology made for the year ended 31 March 2023, figures for the year ended 31 March 2022 have been retrospectively reclassified to reflect such changes and Note(ii) Figures for the year ended 31 March 2021 and prior have not been retrospectively reclassified, and are therefore not comparable to figures for the year ended 31 March 2022 and onwards.

(2) Consolidated.

# Asset Quality

- DBJ has maintained a low level of impaired loans as its loan exposures are concentrated on high grade Japanese corporations.
- Although the level of impaired loans increased temporally due to the COVID-19 pandemic, it is on an improvement trend.

## Non-Performing Loans



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## 4. Funding Activities

# Operational and Funding Plans

## Operational Plan

	FY2024				FY2025	
	Initial		Revised		Initial	
	USD billion <sup>(1)</sup>	JPY billion	USD billion <sup>(1)</sup>	JPY billion	USD billion <sup>(2)</sup>	JPY billion
<b>Loans and investments</b>	15.9	2,400	18.0	2,720	16.8	2,510

Note: Loans for Crisis Response Operations are not included in the above budget.

## Funding Plan

	FY2024				FY2025	
	Initial		Revised		Initial	
	USD billion <sup>(1)</sup>	JPY billion	USD billion <sup>(1)</sup>	JPY billion	USD billion <sup>(2)</sup>	JPY billion
<b>Gov't investments and loans</b>	4.3	650	6.3	950	4.4	650
Long-term borrowings from Gov't	2.0	300	4.0	600	2.0	300
Gov't guaranteed domestic bonds	0.9	130	0.9	130	0.9	130
<b>Gov't guaranteed international bonds</b>	<b>1.5</b>	<b>220</b>	<b>1.5</b>	<b>220</b>	<b>1.5</b>	<b>220</b>
Funding for Crisis Response Operations	-	-	-	-	-	-
<b>Self Funding</b>	6.1	930	6.1	930	6.3	940
<b>Non-guaranteed bonds</b>	<b>4.3</b>	<b>650</b>	<b>4.3</b>	<b>650</b>	<b>4.4</b>	<b>660</b>
Long-term borrowings	1.8	280	1.8	280	1.9	280
<b>Miscellaneous<sup>(3)</sup></b>	5.4	820	5.5	840	6.2	920
Gov't Guaranteed short-term bonds	0.7	100	0.7	100	0.7	100
<b>Total</b>	<b>15.9</b>	<b>2,400</b>	<b>18.0</b>	<b>2,720</b>	<b>16.8</b>	<b>2,510</b>

Note: As for flow, Funding for Crisis Response Operations is available separately from the government and not included in the above.

(1) USD/JPY = 151.41 as of March 29, 2024.

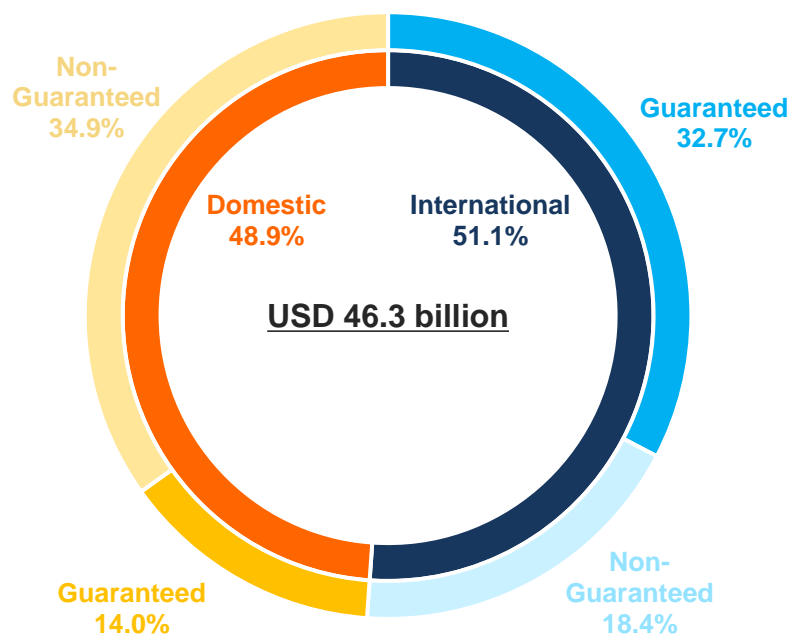
(2) USD/JPY = 149.06 as of March 21, 2025.

(3) Includes retained earnings, repayment gap, etc.

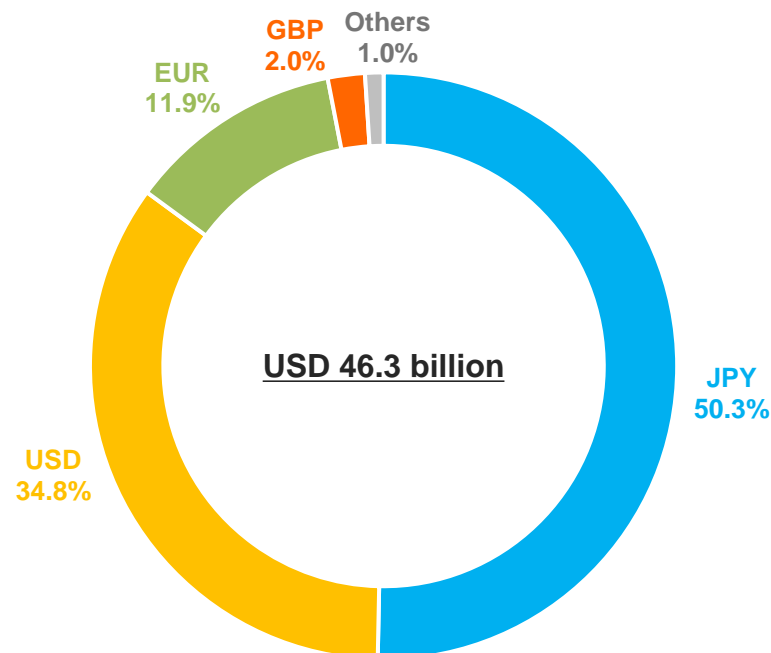
# Outstanding Bond Details

- Out of the USD 46.3 billion equiv. DBJ's bonds outstanding, around 49% was issued in the domestic market and the remaining 51% in the international market.
- In terms of currency, around 50% was in JPY, and the remaining was in international currencies.
- Part of the funds from international market is used for DBJ's international lending & investment activities, and the other is for domestic activities by exchanging international currency into JPY.

## Outstanding Bonds by Type<sup>(1)</sup>



## Outstanding Bonds by Currency<sup>(1)</sup>



(1) USD/JPY=151.41, EUR/JPY=163.24, GBP/JPY=191.22. As of March 29, 2024.

# DBJ's Products in the International Market

- DBJ has expanded its funding sources and now offers diverse products in the international market, **putting priority on public offering at benchmark size recently.**
- DBJ also issues Euro CP once or twice a year to diversify our funding sources and to expand our investor base.

## DBJ's Products in the International Market


Products		Currency	Target Maturities	Target Issue Size	Ratings	Offering Format / Documentation	Notes
Government Guaranteed Bonds		USD, EUR	5-10yr	Benchmark	A1/A+	144A/Reg.S or Reg.S Only / MTN Program	<ul style="list-style-type: none"> <li>• Unconditional and irrevocable guarantee by the Government</li> <li>• Tenor must be 5yr or longer</li> </ul>
Non-Guaranteed Bonds	Regular Bonds	USD, EUR, GBP	2-10yr	Benchmark	A1/A	144A/Reg.S or Reg.S Only/ MTN Program	<ul style="list-style-type: none"> <li>• Public benchmark bonds without guarantee by the Government</li> </ul>
	Sustainability Bonds	USD, EUR	2-10yr	Benchmark	A1/A	144A/Reg.S or Reg.S Only/ MTN Program	<ul style="list-style-type: none"> <li>• Proceeds are allocated to projects / companies tackling sustainability issues (environment etc.)</li> </ul>
Euro CP (Non-Guaranteed)		USD, (EUR)	1-3mth	10mn+	P-1/A-1	Reg.S / ECP Program	<ul style="list-style-type: none"> <li>• Issued at discount and do not bear interest</li> </ul>



# DBJ's Recent International Bond Issuance Activities

- In recent years, DBJ regularly issues 4 products including Government Guaranteed Bond, USD Sustainability Bond, EUR Sustainability Bond and GBP Non-Guaranteed Bond.

## DBJ's recent International Bond Issuance Activities

	FY2021	FY2022	FY2023	FY2024
 <b>Gov't Guaranteed Bond</b>	<b>5yr \$900 million &amp; 10yr \$1 billion</b> Issue Date: 20 <sup>th</sup> Oct. 21 Format: 144A/Reg.S	<b>5yr \$1 billion</b> Issue Date: 28 <sup>th</sup> Apr. 22 Format: 144A/Reg.S	<b>5yr €1 billion</b> Issue Date: 13 <sup>th</sup> Apr. 23 Format: Reg.S  <b>10yr \$500 million</b> Issue Date: 30 <sup>th</sup> Jan. 24 Format: 144A/Reg.S	<b>5yr \$1 billion</b> Issue Date: 10 <sup>th</sup> Apr. 24 Format: 144A/Reg.S  <b>10yr \$500 million</b> Issue Date: 16 <sup>th</sup> Jan. 25 Format: 144A/Reg.S
 <b>Sustainability Bond (Non-Guaranteed)</b>	<b>3yr \$700 million</b> Issue Date: 18 <sup>th</sup> Feb. 22 Format: 144A/Reg.S	<b>3yr \$600 million</b> Issue Date: 22 <sup>nd</sup> Sep. 22 Format: 144A/Reg.S	<b>3yr \$600 million</b> Issue Date: 1 <sup>st</sup> Sep. 23 Format: 144A/Reg.S	<b>3yr \$600 million</b> Issue Date: 28 <sup>th</sup> Aug. 24 Format: 144A/Reg.S
 <b>Sustainability Bond (Non-Guaranteed)</b>	<b>4yr €600 million</b> Issue Date: 9 <sup>th</sup> Sep. 21 Format: Reg.S	<b>4yr €600 million</b> Issue Date: 1 <sup>st</sup> Sep. 22 Format: Reg.S	<b>4yr €500 million</b> Issue Date: 13 <sup>th</sup> Sep. 23 Format: Reg.S	<b>4yr €600 million</b> Issue Date: 11 <sup>th</sup> Sep. 24 Format: Reg.S
 <b>Non-Guaranteed Bond</b>	<b>3yr £250 million</b> Issue Date: 19 <sup>th</sup> Jan. 22 Format: Reg.S	<b>Long 2yr £250 million</b> Issue Date: 24 <sup>th</sup> Jan. 23 Format: Reg.S	<b>Short 3yr £250 million</b> Issue Date: 18 <sup>th</sup> Oct. 23 Format: Reg.S	<b>3yr £250 million</b> Issue Date: 30 <sup>th</sup> Oct. 24 Format: Reg.S

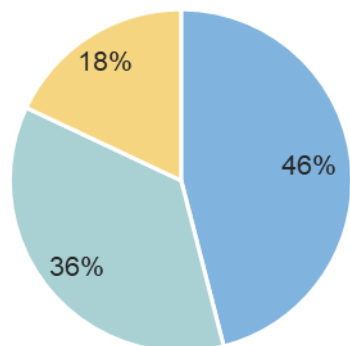
# Launch Spread / Investor Distributions (USD Gov't Guaranteed Bond)

- DBJ issue Gov't Guaranteed Bond annually. In the last USD 5yr transaction, the bond was allocated to diverse investors
- Launch spread of the bond was relatively wider than other SSA, and secondary spread performed well after pricing

## Issue Details and Distributions of last transaction

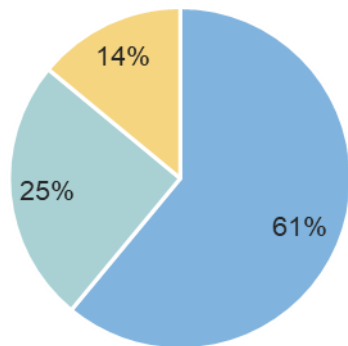
Pricing Date	2024.4.3
Ratings	A1(Moody's) / A+(S&P)
Format	144A/RegS
Tenor	5yr
Coupon	4.625%
Launch Spread	SOFR MS +55bp
Issue Amount	USD 1,000mn
Book Size	USD 3,350mn

### Region



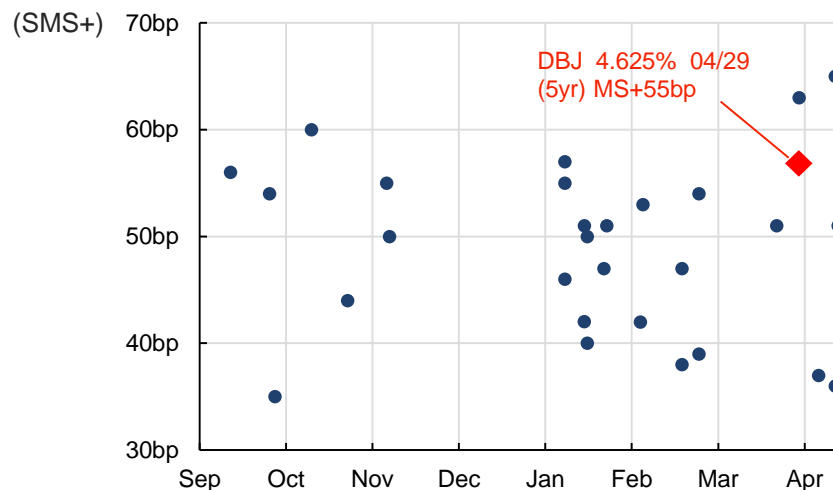
■ EMEA ■ APAC ■ Americas

### Type

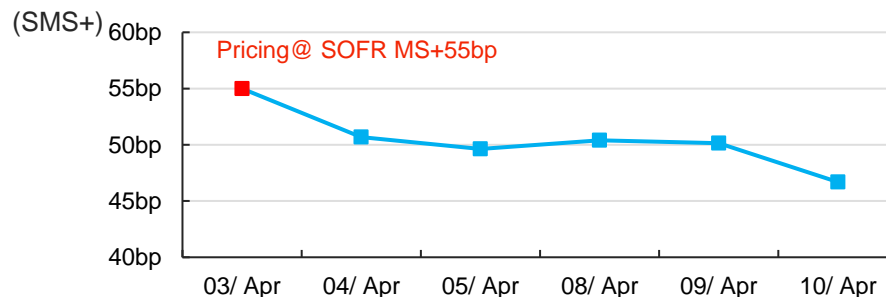


■ CB/OI ■ Bank ■ AM/Others

## Launch Spread relative to other USD SSA 5y (23.9.1~)



## Secondary Spread During 5 days after Pricing<sup>(1)</sup>



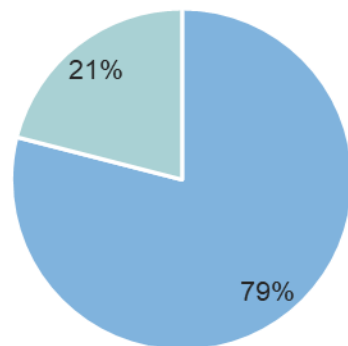
# Launch Spread / Investor Distributions (EUR Gov't Guaranteed Bond)

- DBJ issue Gov't Guaranteed Bond in EUR as well. In the last EUR transaction, the bond was allocated to diverse investors
- Launch spread of the bond was relatively wider than other SSA, and secondary spread performed well after pricing

## Issue Details and Distributions of last transaction

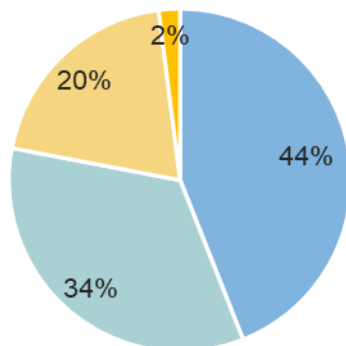
Pricing Date	2023.4.4
Ratings	A1(Moody's) / A+(S&P)
Format	RegS Only
Tenor	5yr
Coupon	3.125%
Launch Spread	EURIBOR MS +23bp
Issue Amount	EUR 1,000mn
Book Size	EUR 2,600mn

### Region



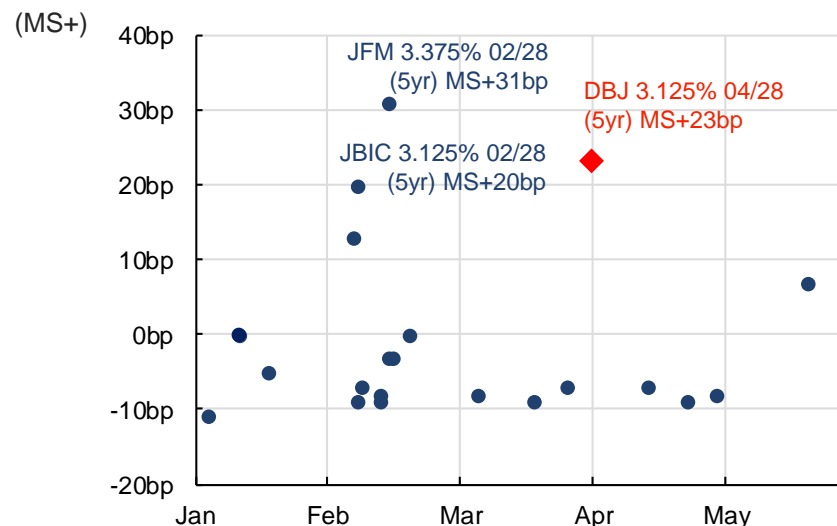
■ EMEA ■ APAC

### Type

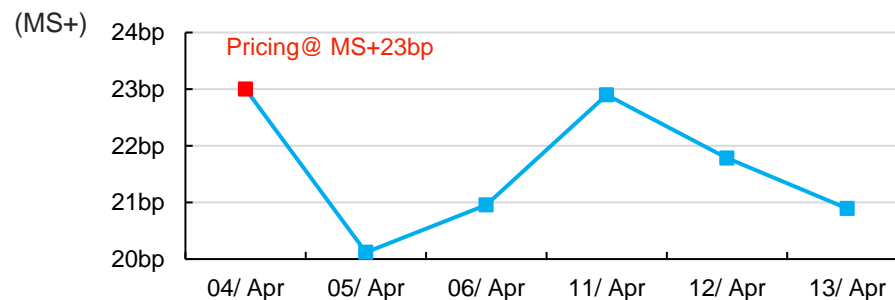


■ CB/OI ■ Bank ■ AM ■ Ins&Pen

## Launch Spread relative to other EUR SSA 4~6y (CY23)



## Secondary Spread During 5 days after Pricing<sup>(1)</sup>



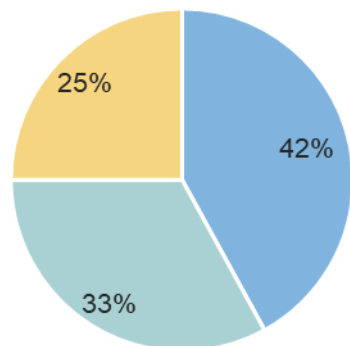
# Launch Spread / Investor Distributions (USD Sustainability Bond)

- DBJ issue Sustainability Bond in USD annually. In the last transaction, the bond was allocated to diverse investors
- Launch spread of the bond was relatively wider than other SSA, and secondary spread performed well after pricing

## Issue Details and Distributions of last transaction

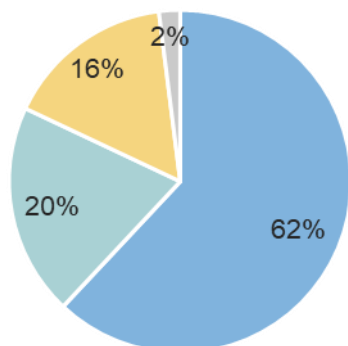
Pricing Date	2024.8.20
Ratings	A1(Moody's) / A(S&P)
Format	144A/RegS / <b>Sustainability Bond</b>
Tenor	3yr
Coupon	4.000%
Launch Spread	SOFR MS +52bp
Issue Amount	USD 600mn
Book Size	USD 1,300mn

### Region



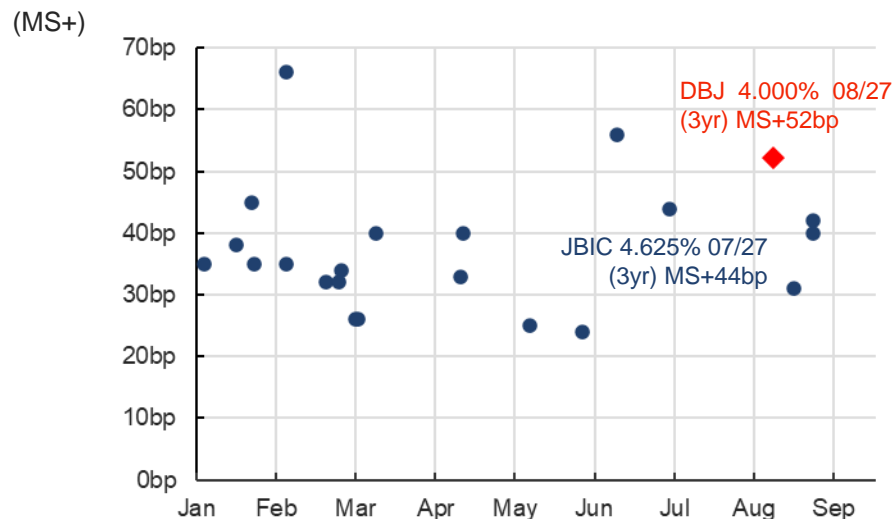
■ EMEA ■ APAC ■ Americas

### Type

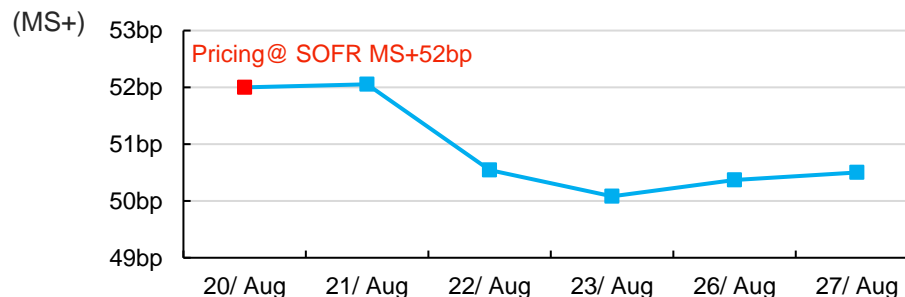


■ CB/OI ■ Bank ■ AM ■ Others

## Launch Spread relative to other USD SSA 3y (CY24)



## Secondary Spread During 5 days after Pricing<sup>(1)</sup>



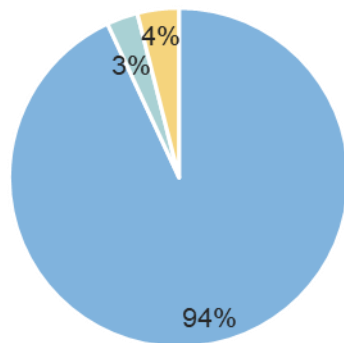
# Launch Spread / Investor Distributions (EUR Sustainability Bond)

- DBJ issue Sustainability Bond in EUR annually. In the last transaction, the bond was allocated to diverse investors
- Launch spread of the bond was relatively wider than other SSA, and secondary spread performed well after pricing

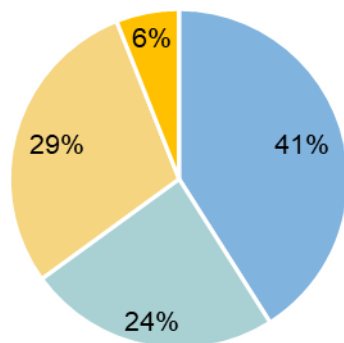
## Issue Details and Distributions of last transaction

Pricing Date	2024.9.4
Ratings	A1(Moody's) / A(S&P)
Format	RegS only / <b>Sustainability Bond</b>
Tenor	4yr
Coupon	2.625%
Launch Spread	EURIBOR MS +30bp
Issue Amount	EUR 600mn
Book Size	EUR 1,500mn

### Region

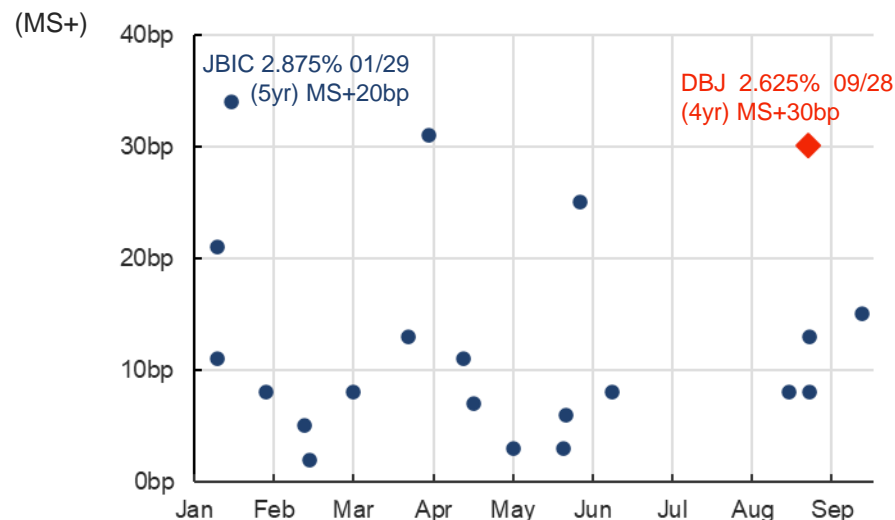


### Type

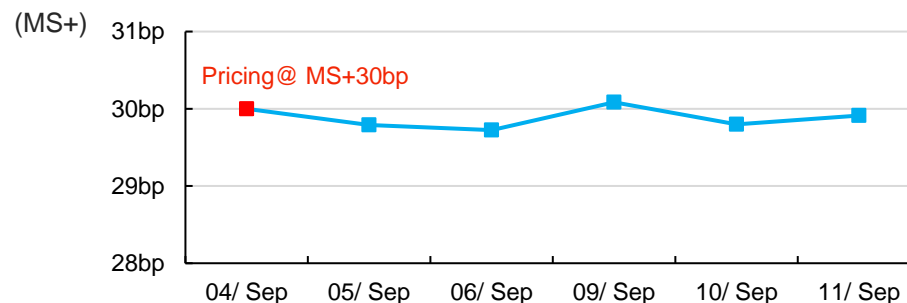


■ EMEA ■ APAC ■ Americas ■ CB/OI ■ Bank ■ AM ■ Ins&Pen ■ Others

## Launch Spread relative to other EUR SSA 4~6y (CY24)



## Secondary Spread During 5 days after Pricing<sup>(1)</sup>



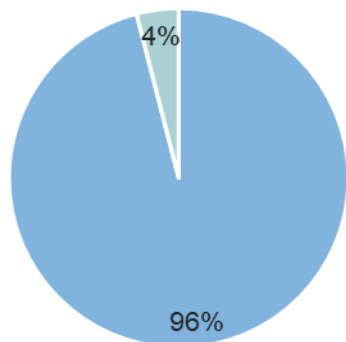
# Launch Spread / Investor Distributions (GBP Non-Guaranteed Bond)

- DBJ issue Non-Guaranteed Bond in GBP. In the last transaction, the bond was allocated to diverse investors
- Launch spread of the bond was relatively wider than other SSA, and secondary spread performed well after pricing

## Issue Details and Distributions of last transaction

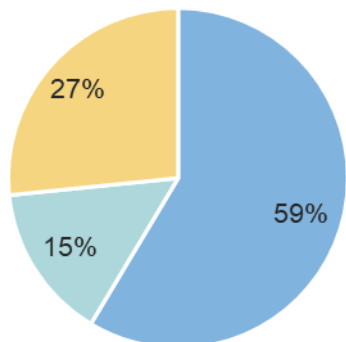
Pricing Date	2024.10.23
Ratings	A1(Moody's) / A(S&P)
Format	RegS only
Tenor	3yr
Coupon	4.375%
Launch Spread	SONIA MS +56bp
Issue Amount	GBP 250mn
Book Size	GBP 385mn

### Region



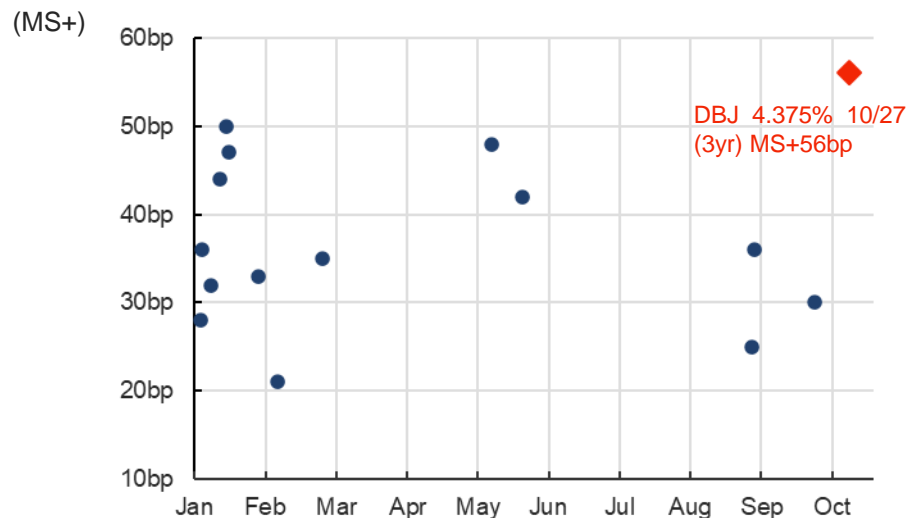
■ EMEA ■ APAC ■ Americas

### Type

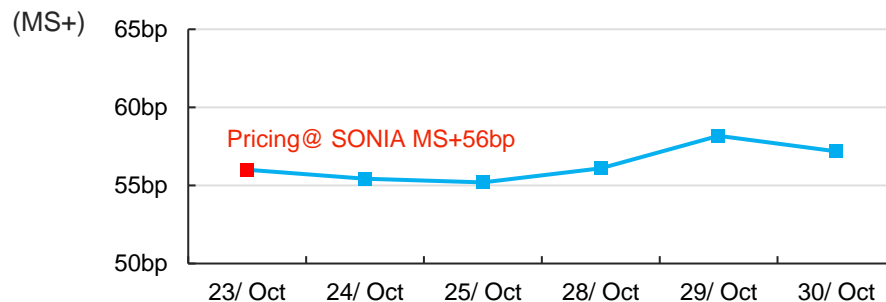


■ CB/OI ■ Bank ■ AM ■ Others

## Launch Spread relative to other GBP SSA 3y (CY24)



## Secondary Spread During 5 days after Pricing<sup>(1)</sup>



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## **(Appendix)**

### **DBJ Act**

# DBJ Act – Defining the Government's Financial Support

- DBJ was established on October 1, 2008 under the terms of the DBJ Act, and is able to receive financial support by the Government.

## Purpose

### Article 1: Purpose

- Development Bank of Japan Inc. (hereinafter referred to as the "Corporation") shall be a joint stock company (kabushiki-kaisha) whose object is to maintain the foundations of investment and financing functions of long-term business funds as the Development Bank of Japan by conducting business activities utilizing the methods of combining investments and financing and other sophisticated financial methodologies, while maintaining the autonomy of management with the goal of realizing full-scale privatization, thereby contributing to smooth supply of funds to those who need long-term business funds, as well as to the sophistication of financial functions.

## Financial Support from the Government

### Article 22: Special Exemptions from Management of Fiscal Loan Funds

#### Fiscal Loan Funds

- Notwithstanding the provision of Article 10, Paragraph 1 of the Fiscal Loan Funds Act (Act No. 100 of 1951), the fiscal loan funds (the fiscal loan funds set forth in Article 2 of the Fiscal Loan Funds Act; hereinafter the same) may be appropriated for loans (hereinafter in Article 24 referred to simply as the "Loans") to the Corporation when the Corporation borrows money for appropriation for expenses required for its operations set forth in Article 3, Paragraphs 1 and 2.

### Article 25: Guarantee of Obligations

#### Guarantee of Obligations

1. Notwithstanding the provision of Article 3 of the Act Concerning Restrictions on Fiscal Assistance by the Government to Corporations (Act No. 24 of 1946), the Government may enter into a guarantee agreement for the obligations relating to the Debentures, Etc., to the extent of the amount approved by the resolutions of the Diet.
2. In addition to the provision of the preceding Paragraph, the Government may enter into a guarantee agreement for the obligations relating to the Bond Certificates, Etc. to be issued by the Corporation upon request for reissue to be made after a decision of nullification set forth in Article 699, Paragraph 2 of the Companies Act, for delivery to those who have lost the Bond Certificates, Etc., or for the obligations relating to the Bond Certificates, Etc. to be issued by the Corporation as set forth in Article 5, Paragraph 3 or Article 13, Paragraph 3.



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**(Appendix)**  
**Environmental and Social Management Policy**

# Environmental and Social Management Policy - Summary (August 23, 2024)

## 1 Prohibited businesses

- Businesses that have a negative impact on wetlands designated under the Ramsar Convention
- Businesses that have a negative impact on World Heritage Sites designated by UNESCO
- Businesses that infringe on the Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington Convention)
- Businesses that engage in child labor or forced labor

## 2 Businesses requiring additional DD

- Businesses that negatively impact the local communities of indigenous peoples
- Businesses that expropriate land and force the relocation of residents

## 4 Governance

- Governance
  - DBJ has created the Sustainability Committee as a body under the Executive Committee
- In-house education and training
- Communication with stakeholders

## 3 Policies for specific sectors

- **Weapons**  
Does not provide investments in and extend loans to businesses that use these funds to manufacture cluster bombs and other weapons regarded as inhumane weapons of grave concern by international society.
- **Coal-fired thermal power generation**  
Does not engage in projects to build new or expand existing coal-fired thermal power plants, while participating in initiatives for transitioning to cleaner thermal power plants with the use of new technologies.
- **Palm oil**  
Confirms the business in question has obtained international certification for sustainable palm oil production and has not caused any problems with indigenous peoples and local communities.
- **Lumber**  
Makes sure the business in question does not engage in illegal logging or cause trouble with indigenous peoples and local communities.
- **Coal mining**  
Refuses to provide investments and loans to new coal mining businesses that plan on mountaintop removal (MTR).
- **Oil and gas**  
Takes a cautious stance on evaluating investments and loans for oil and gas development projects, oil sands projects, shale oil and gas development projects, and pipeline projects located in the Arctic Circle.
- **Large-scale hydroelectric power**  
(output of at least 30 MW and dam wall height of at least 15 m)  
Makes sure there are no problems in terms of environmental impact, indigenous peoples, and local communities.
- **Woody biomass power generation**  
Makes financing decisions after carefully considering the possibility of negative impacts on environment and society.

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## **(Appendix)**

# **Funding Program and Historical Issuances**

# Funding Programs

- In addition to the GMTN program, DBJ has an Euro-Commercial Paper program which provides additional funding capacity if needed to reduce its reliance on its other short-term funding sources.

## Outline of GMTN Program

<b>Arranger</b>	Barclays
<b>Dealers</b>	Barclays, BNP PARIBAS, BofA Securities, Citigroup, Credit Agricole CIB, Daiwa Capital Markets Europe, Goldman Sachs International, HSBC, J.P. Morgan, Mizuho, Morgan Stanley, Nomura
<b>Format</b>	Guaranteed :      Global (144A/Reg.S) Euro (Reg.S only)  Non-guaranteed :    Global (144A/Reg.S) Euro (Reg.S only)
<b>Currencies</b>	USD, EUR, GBP, JPY, CNY, SEK, CHF, CAD, AUD, etc.
<b>Listing</b>	Euro MTF Market of the Luxembourg Stock Exchange

## Outline of Euro CP Program

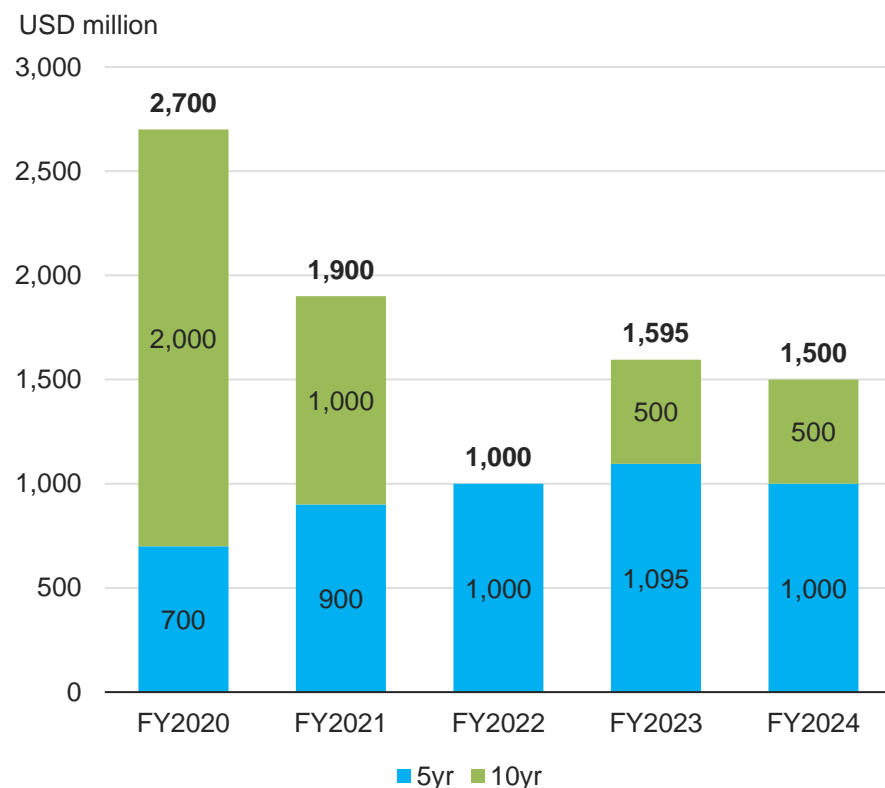
<b>Arranger</b>	Barclays
<b>Dealers</b>	Barclays, BofA Merrill Lynch, Citigroup, ING, Nomura, BRED <sup>(1)</sup>
<b>Maximum Amount</b>	USD 3,000,000,000-
<b>Currencies</b>	USD, EUR, GBP, JPY, etc.
<b>Yield Basis</b>	Discounted, not interest-bearing
<b>Listing</b>	None
<b>Program Rating</b>	P-1 by Moody's, A-1 by S&P

(1) Spot dealer

# Government-Guaranteed International Bonds

- Government-guaranteed bonds issued by DBJ, JBIC and JICA provide an opportunity for "Japan sovereign exposure" in non-JPY currencies.
- Since 1961, DBJ and its predecessors have issued over 100 Japanese Government-guaranteed bonds in the international markets.
- The bonds have been issued in Euro (Reg.S only) or Global (144A & Reg.S) formats off the GMTN program.
- Under the relevant laws, guaranteed bonds must have maturities of 5 years or longer.

## Government-Guaranteed International Bonds<sup>(1)</sup>



## Recent Public Issuances

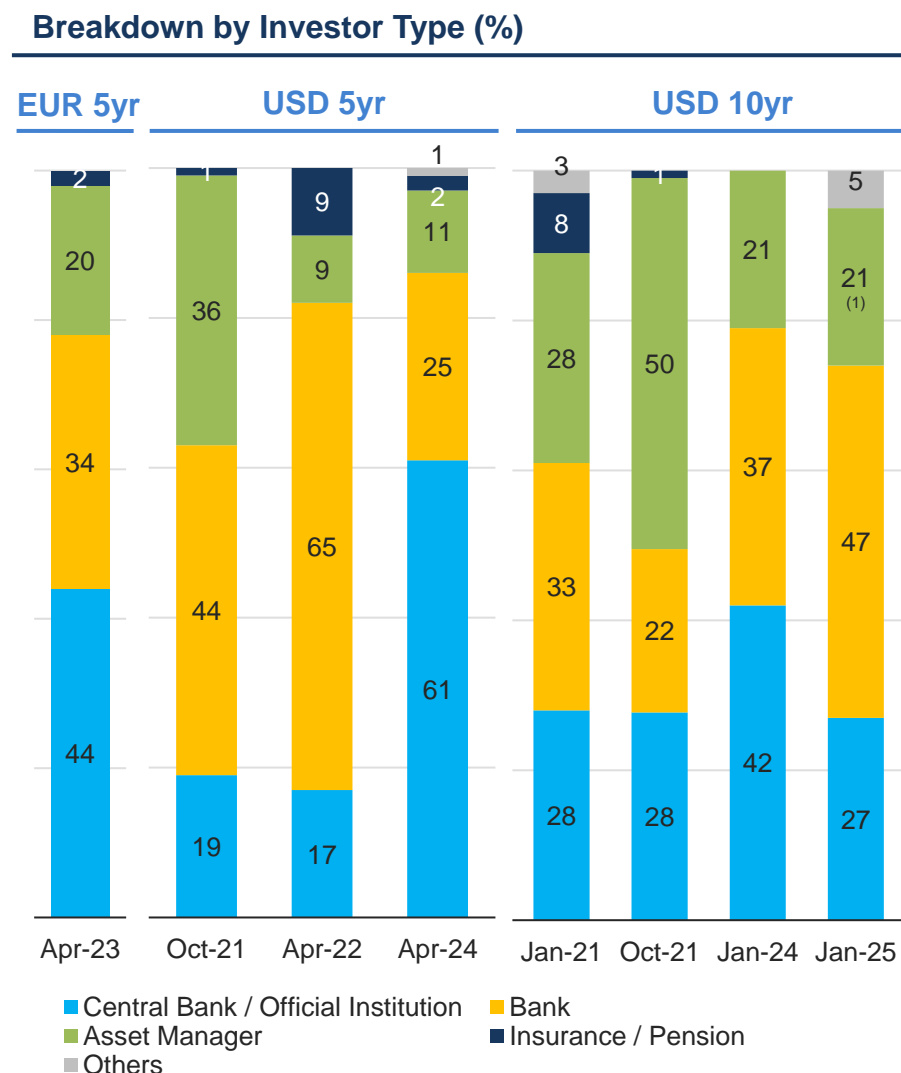
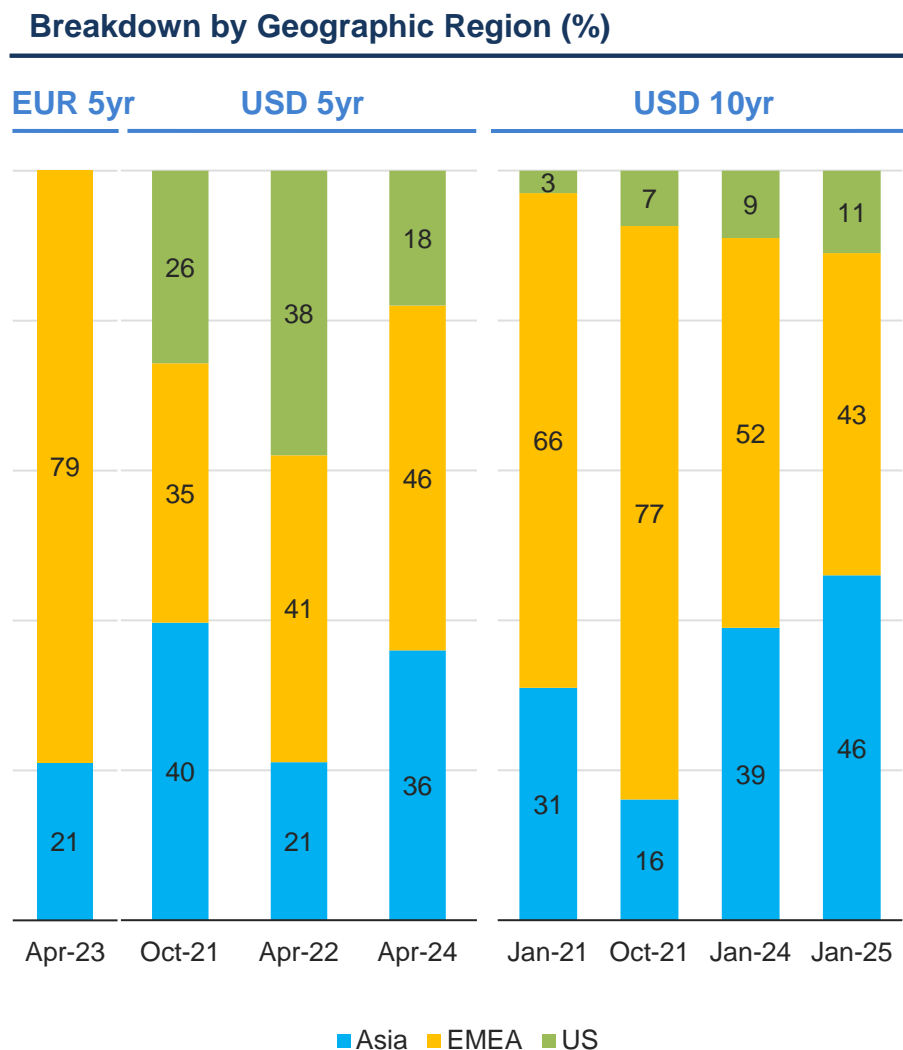
No.	Issue Date	Maturity	Format	Currency	Amount (million)	Tenor (yr)	Coupon	Primary Spread <sup>(3)</sup>
21	2020.08.27	2025.08.27	144A/Reg.S	USD	700	5	0.500%	MS+28bp
22	2020.08.27	2030.08.27	144A/Reg.S	USD	1,000	10	1.000%	MS+42bp
23 <sup>(2)</sup>	2021.01.28	2031.01.28	144A/Reg.S	USD	1,000	10	1.250%	MS+22bp
24	2021.10.20	2026.10.20	144A/Reg.S	USD	900	5	1.250%	MS+14bp
25	2021.10.20	2031.10.20	144A/Reg.S	USD	1,000	10	1.750%	MS+25bp
26	2022.04.28	2027.04.28	144A/Reg.S	USD	1,000	5	3.250%	MS+57bp
27	2023.04.13	2028.04.13	Reg.S	EUR	1,000	5	3.125%	MS+23bp
28	2024.01.30	2034.01.30	144A/Reg.S	USD	500	10	4.500%	MS+82bp
29	2024.04.10	2029.04.10	144A/Reg.S	USD	1,000	5	4.625%	MS+55bp
30	2025.01.16	2035.01.16	144A/Reg.S	USD	500	10	4.875%	MS+73bp

(1) The issue amount of each issuance has been converted to USD at the time of the issuance for the illustrative purposes

(2) Issued in relation to the second supplementary budget

(3) USD: SOFR MS, EUR: Euribor MS

# Government-Guaranteed International Bonds - Investor Distribution

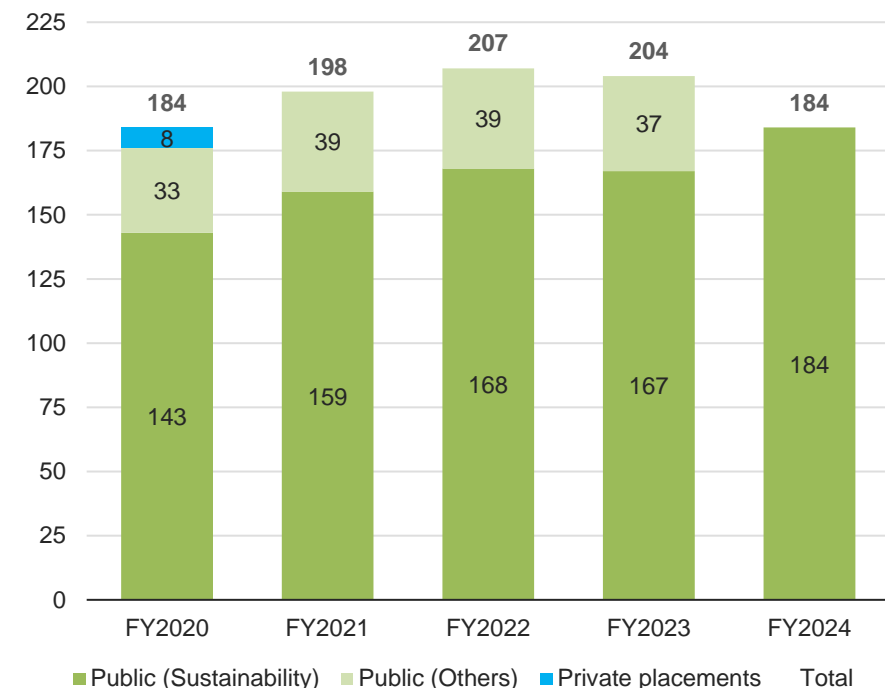


# Non-Guaranteed International Bonds

- In accordance with the expansion of our international business, DBJ has been increasing its issuance of international bonds without government guarantee.
- Offering a wide variety of options in terms of amount and maturity through public offering.

## Non-Guaranteed International Bonds<sup>(1)</sup>

JPY billion



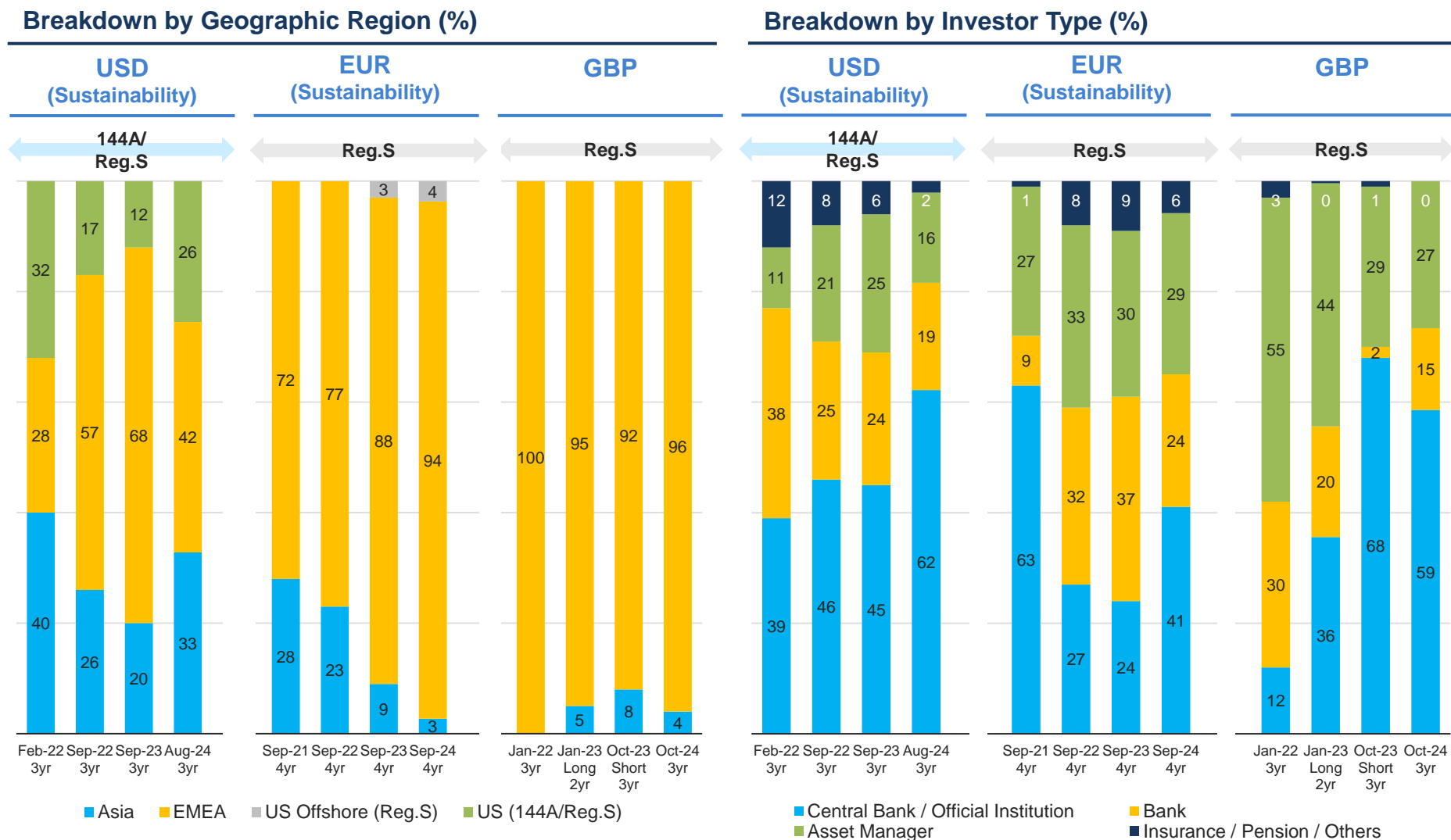
## Recent Public Issuances (2020~)

No.	Issue Date	Maturity	Currency	Amount (million)	Tenor (yr)	Coupon	Primary Spread <sup>(3)</sup>
GMTN #84	2020.04.28	2023.04.28	GBP	250	3	1.125%	UKT+105bp
Sustainability #6	2020.10.15	2024.10.15	EUR	700	4	0.010%	MS+29bp
Sustainability #7	2021.03.04	2024.03.04	USD <sup>(2)</sup>	520	3	0.500%	MS+14bp
Sustainability #8	2021.09.09	2025.09.09	EUR	600	4	0.010%	MS+11bp
GMTN #89	2022.01.19	2025.01.19	GBP	250	3	1.250%	UKT+42bp
Sustainability #10	2022.02.18	2025.02.18	USD <sup>(2)</sup>	700	3	1.750%	MS+30bp
Sustainability #12	2022.09.01	2026.09.01	EUR	600	4	2.125%	MS+20bp
Sustainability #13	2022.09.22	2025.09.22	USD <sup>(2)</sup>	600	3	4.375%	MS+71bp
GMTN #93	2023.01.17	2025.06.06	GBP	250	Long 2	4.500%	UKT+115bp
Sustainability #15	2023.09.01	2026.09.01	USD <sup>(2)</sup>	600	3	5.125%	MS+62bp
Sustainability #16	2023.09.13	2027.09.13	EUR	500	4	3.500%	MS+22bp
GMTN #96	2023.10.18	2026.03.30	GBP	250	Short 3	5.250%	UKT+90bp
Sustainability #17	2024.08.28	2027.08.28	USD <sup>(2)</sup>	600	3	4.000%	MS+52bp
Sustainability #18	2024.09.11	2028.09.11	EUR	600	4	2.625%	MS+30bp
GMTN #99	2024.10.30	2027.10.30	GBP	250	3	4.375%	MS+56bp

(1) The issue amount of each issuance has been converted to JPY at the time of the issuance for the illustrative purposes

(2) 144A/Reg.S (3) USD: SOFR MS, EUR: Euribor MS, GBP: SONIA MS

# Non-Guaranteed International Bonds - Investor Distribution





## DBJ's Products in the Domestic Market

- DBJ regularly issues large amounts of bonds and is recognized as a market leader in Japanese market.
- DBJ's products are classified into about 3 types; government guaranteed bonds, non-guaranteed regular bonds, and Non-guaranteed spot bonds.

### DBJ's Products in the Domestic Market

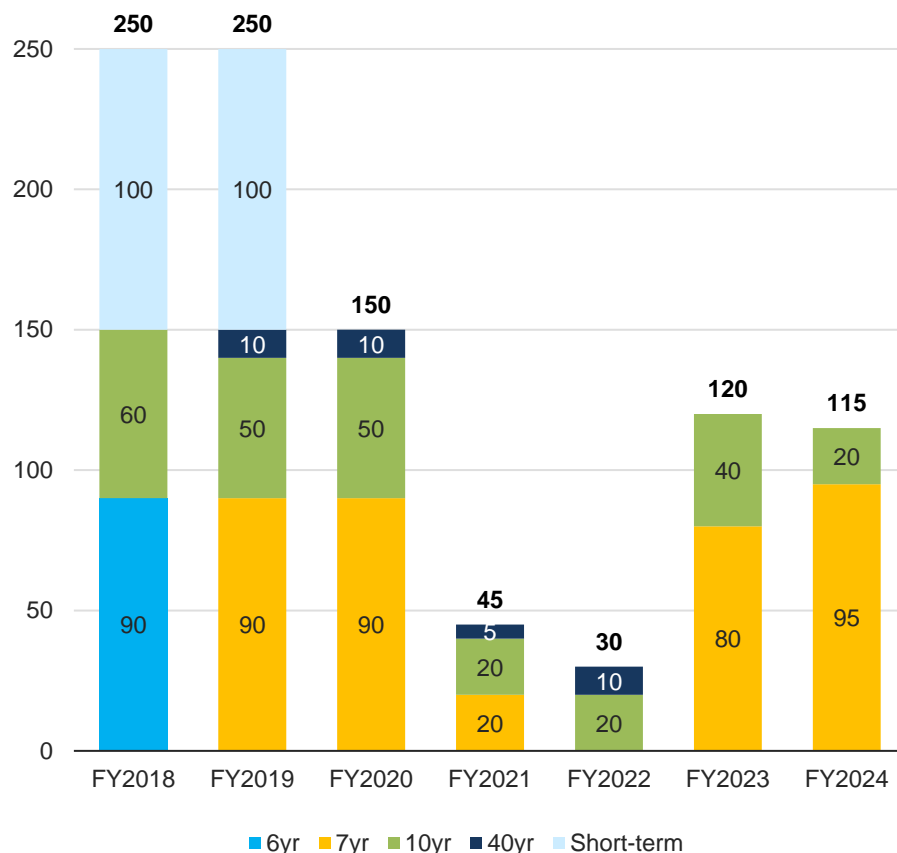
Products		Target Maturities	Approx Issue Size(Yen)	Ratings	Notes
Government Guaranteed Bonds		Multiple	10-40 billion	A1/A+	<ul style="list-style-type: none"> <li>• Unconditional and irrevocable guarantee by the Government</li> <li>• Planning to issue 130 billion yen per year</li> </ul>
Non-Guaranteed Bonds	Regular Bonds (Quarterly)	3,5,10yr	20-40 billion	A1/A	<ul style="list-style-type: none"> <li>• Public benchmark bonds without guarantee by the Government</li> <li>• Issue in April, July, October, and January</li> </ul>
	Spot Bonds	2-40yr	10 billion	A1/A	<ul style="list-style-type: none"> <li>• Issue occasionally based on market conditions and investor demand</li> <li>• Sustainability bonds and Transition bonds are included</li> </ul>

# Government-Guaranteed Domestic Bonds

■ DBJ also regularly issues government-guaranteed bonds in the domestic JPY market.

## Government-Guaranteed Domestic Bonds

JPY billion



## Recent Public Issuances

FY	No.	Pricing Date	Maturity	Currency	Amount (billion)	Tenor (yr)	Coupon	Primary Spread
2020	63	2020.05.25	2027.06.01	JPY	30	7	0.001% <sup>(1)</sup>	-
	64	2020.06.03	2030.06.17	JPY	20	10	0.090%	JGB +8.5bp
	65	2020.06.17	2060.06.24	JPY	10	40	0.565%	-
	66	2020.07.15	2027.07.22	JPY	30	7	0.001% <sup>(1)</sup>	-
	67	2020.09.02	2030.09.17	JPY	10	10	0.105%	JGB+6.5bp
	68	2020.11.26	2027.12.03	JPY	30	7	0.001% <sup>(1)</sup>	-
2021	69	2020.12.02	2030.12.16	JPY	20	10	0.080%	JGB+6.5bp
	70	2021.06.04	2031.06.16	JPY	10	10	0.130%	JGB+5.0bp
	71	2021.06.14	2060.06.21	JPY	5	40	0.696%	-
	72	2021.09.03	2031.09.16	JPY	10	10	0.085%	JGB+5.5bp
2022	73	2021.11.15	2028.11.22	JPY	20	7	0.001% <sup>(2)</sup>	-
	74	2022.06.13	2062.06.20	JPY	10	40	1.245%	-
	75	2022.09.02	2032.09.14	JPY	20	10	0.344%	JGB+11.0bp
2023	76	2023.06.07	2030.06.14	JPY	10	7	0.305%	-
	77	2023.09.06	2033.09.20	JPY	20	10	0.727%	JGB+8.0bp
	78	2023.12.06	2033.12.19	JPY	20	10	0.748%	JGB+8.0bp
	79	2024.01.31	2031.02.07	JPY	40	7	0.449%	-
	80	2024.02.21	2031.03.04	JPY	30	7	0.444%	-
2024	81	2024.06.05	2031.06.12	JPY	30	7	0.675%	-
	82	2024.09.04	2034.09.19	JPY	20	10	1.041%	JGB+11.5bp
	83	2024.11.18	2031.11.25	JPY	30	7	0.845%	-
	84	2025.02.19	2032.02.27	JPY	35	7	1.215%	-

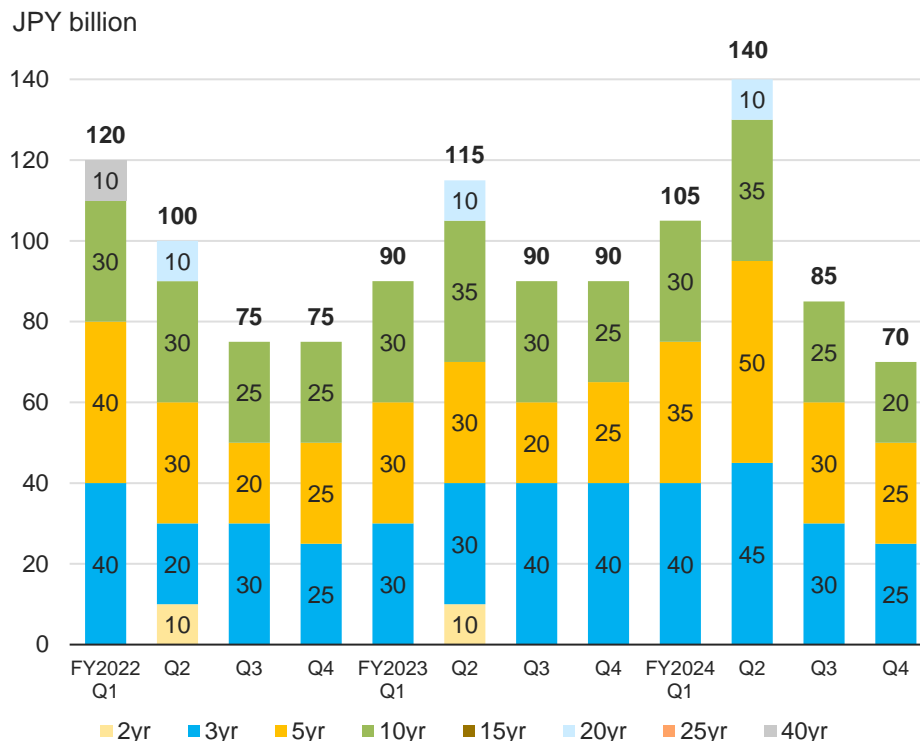
(1) Issue Price: 100.259

(2) Issue Price: 100.280

# Non-Guaranteed Domestic Bonds

- DBJ is one of the largest bond issuers in the domestic bond market.
- DBJ regularly issues non-guaranteed domestic bonds quarterly (January, April, July, and October) mainly in 3yr, 5yr and 10yr, continuing to issue over JPY 20 billion (USD 140million<sup>(1)</sup>) in each tranche.
- DBJ is the first Japanese financial institution to issue Transition Bond in 2024.

## Issuance of Non-Guaranteed Domestic Bonds



## Recent Public Issuances

	No.	Pricing Date	Maturity	Currency	Amount (billion)	Tenor (yr)	Coupon	Primary Spread
2023 Q1	169	2023.04.07	2026.04.14	JPY	30	3	0.100%	JGB+13.2bp
	170	2023.04.07	2028.04.14	JPY	30	5	0.349%	JGB+17.5bp
	171	2023.04.07	2033.04.14	JPY	30	10	0.785%	JGB+32.0bp
2023 Q2	172	2023.07.07	2026.07.14	JPY	30	3	0.090%	JGB+13.6bp
	173	2023.07.07	2028.07.14	JPY	30	5	0.245%	JGB+14.5bp
	174	2023.07.07	2033.07.14	JPY	35	10	0.649%	JGB+21.0bp
	175	2023.07.07	2043.07.14	JPY	10	20	1.111%	JGB+8.5bp
	176 <sup>(2)</sup>	2023.08.04	2025.08.14	JPY	10	2	0.105%	JGB+10.5bp
2023 Q3	177	2023.10.06	2026.10.16	JPY	40	3	0.230%	JGB+12.0bp
	178	2023.10.06	2028.10.16	JPY	20	5	0.433%	JGB+10.5bp
	179	2023.10.06	2033.10.14	JPY	30	10	0.895%	JGB+9.5bp
2023 Q4	180	2024.01.12	2027.01.19	JPY	40	3	0.125%	JGB+11.5bp
	181	2024.01.12	2029.01.19	JPY	25	5	0.299%	JGB+11.5bp
	182	2024.01.12	2034.01.19	JPY	25	10	0.690%	JGB+11.0bp
2024 Q1	183	2024.04.05	2027.04.12	JPY	40	3	0.319%	JGB+10.5bp
	184	2024.04.05	2029.04.12	JPY	35	5	0.492%	JGB+9.5bp
	185	2024.04.05	2034.04.12	JPY	30	10	0.875%	JGB+10.0bp
2024 Q2	186	2024.07.05	2027.07.12	JPY	45	3	0.468%	JGB+8.0bp
	187	2024.07.05	2029.07.12	JPY	40	5	0.663%	JGB+7.5bp
	188	2024.07.05	2034.07.12	JPY	35	10	1.160%	JGB+8.0bp
	189	2024.07.05	2044.07.12	JPY	10	20	1.965%	JGB+7.0bp
	190 <sup>(3)</sup>	2024.08.09	2029.08.17	JPY	10	5	0.511%	JGB+7.5bp
2024 Q3	191	2024.10.09	2027.10.18	JPY	30	3	0.543%	JGB+12.5bp
	192	2024.10.09	2029.10.18	JPY	30	5	0.669%	JGB+11.0bp
	193	2024.10.09	2034.10.18	JPY	25	10	1.048%	JGB+12.0bp
2024 Q4	194	2025.01.10	2028.01.21	JPY	25	3	0.775%	JGB+11.5bp
	195	2025.01.10	2030.01.23	JPY	25	5	0.932%	JGB+11.5bp
	196	2025.01.10	2035.01.23	JPY	20	10	1.305%	JGB+12.0bp

(1) USD/JPY = 142.73. Consolidated as of September 30, 2024.

(2) Sustainability Bond

(3) Transition Bond

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**(Appendix)**  
**DBJ's Sustainability Bond Framework**

# DBJ's Sustainability Bond Framework



Sustainability Bond Framework (Updated on April 2024)

Second Party Opinion by



## 1. Use of Proceeds

### Green Eligible Categories

1

#### Climate Resiliency / Climate Change Mitigation

- **Green Building**
  - DBJ Green Building Certification (GBC), LEED, BREEAM, CASBEE, BELS, ZEB, Nearly ZEB, ZEB Ready, ZEB Oriented, ZEH, Nearly ZEH, ZEH Ready and ZEH Oriented
  - GRESB
  - Buildings with High Environmental Scores
- **Renewable Energy**
- **Clean Transportation**
- **Energy Efficiency**
  - DBJ Environmentally Rated Loan Program

### Social Eligible Categories

2

#### Disaster Resiliency

- **Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises**
  - Socioeconomic Crisis Financing Programs
- **Affordable Basic Infrastructure**
  - Power cable and grid upgrade
- **Socioeconomic advancement and empowerment**
  - DBJ Business Continuity Management (BCM) Rated Loan Program

3

#### Healthcare & Social Well-Being

- **Affordable housing**
- **Access to essential services – healthcare**
- **Socioeconomic advancement and empowerment**
  - DBJ Employee's Health Management Rated Loan Program

Look-back period : 36 months prior to the date of the issuance

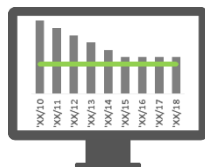
## 2. Project Evaluation and Selection Process

- DBJ's Treasury team is responsible for the selection of financial assets that meet the DBJ Sustainability Bond Eligibility Criteria and for the allocation of the DBJ Sustainability Bond proceeds to the selected financial assets. DBJ Sustainability Bond Eligibility Criteria includes but not limited to;
  - **DBJ Green Building Certification (GBC)** : 3 Stars (Excellent) to 5 Stars (The Best Class)
  - **Renewable Energy** : Solar, Wind, Biomass, Geothermal, Run-of-river Hydropower, Tidal/wave assets below the threshold of 100g of CO<sub>2</sub> per kWh
  - **DBJ Rated Loan Program (Environmentally / BCM / Employee's Health Management RLP)** : C (Sufficient) to A (Excellent Advanced)

# DBJ's Sustainability Bond Framework (Cont'd)

## 3. Management of Proceeds

- Adequately tracks the net proceeds (or an amount equal to it) from the issuance



- Allocates the net proceeds to the eligible financings soon after the issuance



- Earmarks the amount/number of the funds allocated to the eligible financings for reporting purposes



- Holds unallocated proceeds in cash and/or a money-market portfolio



## 4. Monitoring / Reporting

- Until full allocation of the net proceeds, or an amount equal to the net proceeds, the following information will be reported annually on DBJ's website
  - The number of businesses, assets, or projects under each eligible financing
  - The share of financing or re-financing
  - The amount of unallocated proceeds, if any
  - Additional information and impact metrics on a best effort basis



- Discloses characteristic cases for each eligible financing

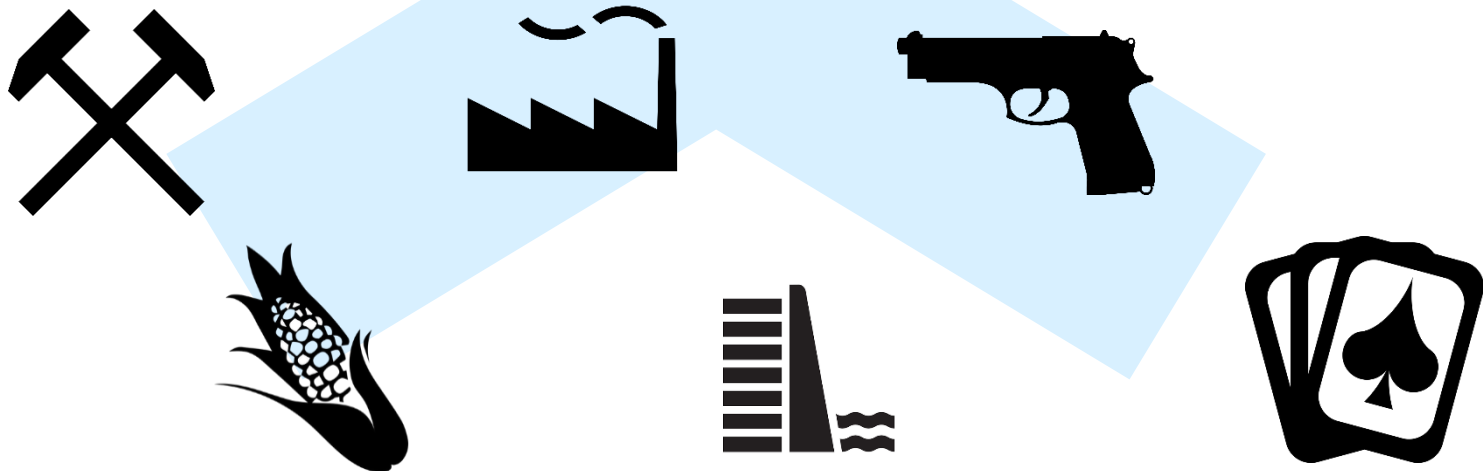


# Exclusionary Criteria under Sustainability Bond Framework

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- DBJ commits that DBJ will not allocate knowingly the net proceeds of the issuance to the financing of assets, projects or businesses included in the exclusionary criteria below.

- Extraction, refining, or transportation of **coal**
- Biomass plants designed primarily to **consume food stocks**
- **Large-scale** (over 25MW capacity) hydropower dams
- Ownership or operation of dedicated **gambling** establishments/activities
- Businesses dedicated to the manufacture or retail sale and distribution of **weapons and small arms**; or businesses dedicated to the products and services supporting the manufacture or retail sale of weapons and small arms



# Disclaimer

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