

News Release

October 10, 2018
Development Bank of Japan Inc.

DBJ issued EUR 700m 4th Sustainability Bond ~ SRI bond issuance for five consecutive years, contributing to the development of the market ~

On 10 October 2018, Development Bank of Japan Inc. (DBJ) issued its EUR 700 million, fourth sustainability bond (the 74th MTN). Sustainability bonds are one type of socially responsible investment (SRI) bonds which have been rapidly growing in issuance amount around the globe. This bond marks the fifth SRI bond issuance by DBJ.

Beginning with antipollution measures implemented in the late 1960s and early 1970s, DBJ has provided more than JPY 3 trillion in loans and investments for environmental projects over the past 50 years. DBJ Environmentally Rated Loan Programme (ERLP) was incorporated into our product lineup in fiscal 2004, with DBJ Green Building Certification (GBC) following in fiscal 2011. (As of the end of March 2018, the cumulative loan amount of the ERLP is JPY 1.3 trillion and the number of properties certified under DBJ GBC is 539.)

Considering growing demand for SRI investment across the globe, DBJ issued its inaugural Green Bond in 2014 and Sustainability Bonds in 2015, 2016 and 2017 in a successive manner.

This transaction of the 4th Sustainability Bond aims to meet the increasing investment demands from SRI investors around the globe. The net proceeds, or an amount equivalent to the net proceeds, of this bond issuance will be allocated, by way of various financial instruments, exclusively to finance or refinance, in whole or in part, existing and/or future projects or businesses which fall into either of the categories below:

- Companies rated under the DBJ ERLP
- Buildings highly rated under the DBJ GBC
- Buildings, real estate properties, REITs or companies that have a “Green Star” rating under the GRESB Assessment framework
- Renewable energy projects
- Clean transportation projects or companies with clean transportation projects

Sustainability ratings company Sustainalytics has provided a second-party opinion on the DBJ Sustainability Bond framework. More information on this DBJ Sustainability Bond will become available soon on our website.

The transaction was placed with SRI investors including ASR Vermogensbeheer, Banque Degroof Petercam Luxembourg, Banque Syz & Co, Mutuelle D'ivry and Vanguard Asset Management to eventually realize DBJ's largest euro-denominated SRI bond. By investor type, the distribution was as follows: central banks and other official institutions 25%, insurance companies and pension funds 14%, asset managers 20%, banks 38%, and others 3%. By geographical type, it was as follows: EMEA 62%, APAC 36%, and the Americas (including US Offshore) 2%.

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DBJ, in accordance with its Policy on Sustainability and Fourth Medium-Term Management Plan (for the year ending 31 March 2018 through the year ending 31 March 2020), which focus on the practice of sustainability management, commits to continuously issuing SRI bonds in the future.

In line with our corporate philosophy – “Design the Future with Financial Expertise” – DBJ will promote and contribute to the development of the SRI bond market and actively support clients that exhibit high environmental and social awareness.

The main terms of the bonds

Issuer	Development Bank of Japan Inc.
Market	Euro Market
Issue amount	EUR 700 million
Maturity	7 years (due on October 10, 2025)
Coupon	0.875%
Re-offer price	99.993%
Listing	Luxembourg Stock Exchange Euro MTF
Lead Manager	Daiwa Capital Markets Europe Limited Crédit Agricole Corporate and Investment Bank J.P. Morgan Securities plc Morgan Stanley & Co. International plc
Signing date	October 5, 2018
Closing date	October 10, 2018
Bond Rating	A1: Moody's, A: S&P

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