

DBJ issued USD 1,000m 5th Sustainability Bond
~ SRI bond issuance for six consecutive years, contributing to the
development of the market ~

On October 2, 2019, Development Bank of Japan Inc. (“DBJ”) issued its USD 1,000 million, fifth sustainability bond (the 81st 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 sixth 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. The DBJ Environmentally Rated Loan Program (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 2019, the cumulative loan amount of the ERLP is JPY 1.4 trillion and the number of properties certified under DBJ GBC is 765.)

Considering growing demand for SRI investment across the globe, DBJ issued its inaugural Green Bond in 2014 and Sustainability Bonds in 2015, 2016, 2017 and 2018 in a successive manner.

This transaction of the 5th 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 meet the following criteria:

- 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 PFA Pension and LGT Capital Partners, to eventually realize one of the largest dollar-denominated DBJ SRI bonds. By investor type, the distribution was as follows: central banks and other official institutions 47%, insurance companies and pension funds 13%, asset managers 24% and banks 16%. By geographical type, it was as follows: EMEA 51%, APAC 35%, and the Americas (including US offshore) 14%.

In accordance with its Policy on Sustainability and Fourth Medium-Term Management

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Plan (for the year ending 31 March 2018 through the year ending 31 March 2020), which focus on the practice of sustainability management, DBJ commits to continuously issuing SRI bonds in the future.

In line with our “Design the Future with Financial Expertise” corporate philosophy, 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	USD 1,000 million
Maturity	5 years (due on October 2, 2024)
Coupon	1.875%
Re-offer price	99.413%
Listing	Luxembourg Stock Exchange Euro MTF
Lead managers	J.P. Morgan Securities plc HSBC Bank plc Merrill Lynch International Morgan Stanley & Co. International plc
Signing date	September 27, 2019
Closing date	October 2, 2019
Bond ratings	A1: Moody's, A: S&P

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