



News Release

October 21, 2015
Development Bank of Japan Inc.

DBJ issued Euro-Euro 300m inaugural sustainability bond

On 21 October 2015, Development Bank of Japan Inc. (DBJ; President and Chief Executive Officer: Masanori Yanagi) issued its inaugural EURO 300 million sustainability bond. Sustainability bond is one type of Socially Responsible Investment bonds (SRI bonds) which has been rapidly growing in issuance amount especially among issuers in Europe and America. This bond is the first sustainability bond by a Japanese issuer.

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. [DBJ Environmentally Rated Loan Programme](#) was incorporated into our repertoire in fiscal 2004, with a [DBJ Green Building Certification](#) following in fiscal 2011.

Considering growing demand for SRI investment and the development of SRI market which accepts more diversified products, DBJ has expanded the use of proceeds to include DBJ Environmentally Rated Loan Program in addition to DBJ Green Building Certification which was the use of proceeds of Green Bond issued last year. Sustainalytics PTE LTD provides an independent third-party [opinion](#) to the DBJ Sustainability Bond. Please see the link for more information about DBJ SRI Bonds. (<http://www.dbj.jp/en/ir/credit/sri/index.html>)

The transaction was placed with SRI investors including UNJSPF, Pictet Asset Management, IKEA, and Raiffeisen Kapitalanlage GmbH. The distribution by investor type was as follows: Banks 61%, Asset Manager 13%, Insurances 11%, Central Banks & Official Institutions 7%, and Others 8%. In terms of geographical distribution, 97% of the bonds were placed with accounts in EMEA followed by US Offshore 3%.

DBJ has a policy to issue SRI bonds continuously and considers to broaden the eligible assets to other products such as DBJ Enterprise Disaster Resilience Rated Loan Programme or DBJ Employee's Health Management Rated Loan Programme in the near future.

In line with our corporate philosophy – “Applying financial expertise to design the future: we apply creative financing to resolve client issues, as we work to earn the trust of our clients and achieve their future prosperity” – DBJ will promote the development of SRI bonds market and actively support clients with high environmental and social awareness.



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- Merrill Lynch International

"Following the issuance of the DBJ's first green bond last year, this inaugural Euro-denominated sustainability bond has positioned the bank as a clear leader in the rapidly growing SRI fixed income market. At the same time, it has enabled the bank to reach a more diversified investor base including SRI-focused investors"

Martin Mills, Head of Green DCM, EMEA at Bank of America Merrill Lynch

- Morgan Stanley & Co. International plc

"DBJ was able to issue its second Euro-denominated SRI bond under challenging market conditions. The transaction attracted both new and existing DBJ green and sustainability investors, all while achieving a competitive pricing outcome"

Andrew Salvoni, Head of SSA and Green Bond Syndicate at Morgan Stanley

- J.P. Morgan Securities plc

"J.P. Morgan celebrates DBJ's innovative environmental leadership in Asia. The expansion of its environmental programs to include its Environmentally Rated Loan Program and recently-issued Sustainability Bond builds on their highly successful inaugural Green Bond and encourages and fosters the development of green agendas"

Marilyn Ceci, Head of Green Bonds at J.P. Morgan

- Goldman Sachs International

"DBJ successfully took in new investors by broadening the asset classes applicable for the new issue's use of proceeds, while continuing to engage in thorough dialogue with existing SRI investors. This enabled DBJ to further strengthen its existing foundations within the SRI market. Moreover, DBJ's decision to diversify its product range not only led the way in creating new opportunities for other Japanese issuers to issue SRI products, but also helped to further the development of the Japanese SRI market"

Lars Humble, Managing Director, Head of SSA Syndicate at Goldman Sachs International

The main terms of the bonds

Issuer	: Development Bank of Japan Inc.
Market	: Euro Market
Issue amount	: Euro 300 million
Maturity	: 4 years (due on October 21, 2019)
Coupon	: 0.375%
Re-offer price	: 99.640%
Listing	: London Stock Exchange PSM
Lead Manager	: Merrill Lynch International Morgan Stanley & Co. International plc J.P. Morgan Securities plc Goldman Sachs International
Signing date	: October 16, 2015
Closing date	: October 21, 2015
Bond Rating	: A1: Moody's, A: S&P

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