



# News Release

April 13, 2021  
Development Bank of Japan Inc.

DBJ issued USD 520m 7<sup>th</sup> Sustainability Bond  
~ SRI bond issuance for seven consecutive fiscal years, contributing to  
the development of the market ~

On March 4, 2021, Development Bank of Japan Inc. (“DBJ”) issued its USD 520 million, seventh sustainability bond (the 87<sup>th</sup> 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 eighth SRI bond issuance by DBJ.

In terms of environmental aspect, 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 2020, the cumulative loan amount of the ERLP was JPY 1.5 trillion and, as of the end of March 2020, the cumulative number of properties certified under DBJ GBC was 902 (including some properties for which certification is already expired). In terms of social aspect, we have functioned as a safety net when natural disasters happen such as the Great Hanshin-Awaji Earthquake. In addition to that, we have responded to the crises such as the global financial crisis and the outbreak of COVID-19.

Considering growing demand for SRI investment across the globe, DBJ issued its inaugural Green Bond in 2014 and Sustainability Bonds in 2015, 2016, 2017, 2018 and 2019 in a successive manner. In 2020, the outbreak of COVID-19 brought attention to sustainable finance, and especially to that of its social aspect. Under such circumstances, with various social challenges including high number of natural disasters, an aging population and infrastructure, as well as the outbreak of COVID-19, we saw a need to revise its Sustainability Bond Framework by expanding it to incorporate new eligible assets for both green and social aspects and have developed an updated framework focused on climate change mitigation, disaster resiliency and healthcare & social well-being. More information on this Framework is available on our website. 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 is described in our Sustainability Bond Framework.

Sustainability ratings company ISS ESG has provided a second-party opinion on the DBJ Sustainability Bond framework. More information on these are available on our website.

This is DBJ’s first 3 year USD denominated benchmark issuance, first time to issue the second SRI bond within a fiscal year, and also DBJ’s inaugural SRI bond in 144A/Reg.S format. In addition to the framework update last year, by issuing the SRI bond in 144A/Reg.S format, we became able to reach out to US investors as well. This allowed us to further expand our investor base and raise funds in a way that contributes to the

development of the SRI bond market.

The transaction was placed with SRI investors, including Barclays Treasury, Columbia Threadneedle Investments, a fund managed by Credit Suisse Asset Management, Lord, Abbett & Co. LLC and Nuveen. By investor type, the distribution was as follows: central banks and other official institutions 57%, insurance companies and pension funds 9%, asset managers and hedge funds 15%, banks 17% and others 2%. By geographical type, it was as follows: Americas 28%, EMEA 49% and APAC 23%.

In accordance with its Policy on Sustainability, 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	Global Market (144A/Reg.S)
Issue amount	USD 520 million
Maturity	3 years (due on March 4, 2024)
Coupon	0.500%
Re-offer price	99.848%
Listing	Luxembourg Stock Exchange Euro MTF
Lead managers	Citigroup Global Markets Limited Barclays Bank PLC Mizuho Securities USA LLC Morgan Stanley & Co. International plc
Signing date	February 25, 2021
Closing date	March 4, 2021
Bond ratings	A1: Moody's, A: S&P

Inquiries:

Treasury Department Phone: +81-3-3244-1820

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