



Development Bank of Japan

Design the Future  
with Financial Expertise

Through the steadfast pioneering of financial frontiers, we aim to solve issues faced by our customers and society, and help realize sustainable development in Japan and the rest of the world.



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### Data Section

The Development Bank of Japan Inc. Act, Financial Condition

Note: Not included in the main part. See the integrated edition.

### Corporate Website

Latest news, financial services, case studies for investment, loans, various reports, information for investors, and details about CSR initiatives

Note: Detailed information in the main part can also be found on the DBJ corporate website.

### Publication of *Integrated Report (Annual Report & CSR Report) 2017*

Development Bank of Japan Inc. (DBJ) was established in October 2008 in accordance with the Development Bank of Japan Inc. Act.

DBJ Group, including its predecessors the Japan Development Bank and the Hokkaido-Tohoku Development Finance Public Corporation, has provided specialized financial solutions while evolving its own businesses to solve the constantly changing issues faced by its customers and society.

In the current fiscal year, DBJ launched its Fourth Medium-Term Management Plan: Initiate Change, Create the Future. Marking the commencement of a new medium-term management plan, *Integrated Report (Annual Report & CSR Report) 2017* explains for stakeholders DBJ Group's mission, vision, shared values and other aspects of its corporate philosophy, in addition to sustainability management that aims to create both economic and social value.

We aim to enhance communications with stakeholders through iterative improvements to this Integrated Report based on the opinions we receive from everyone.

### Editorial Policy

This report covers DBJ Group, which consists of DBJ and its 11 main subsidiaries. Through business activities that solve social issues and through environmental, social and governance (ESG) initiatives, DBJ Group aims to further the development of a sustainable society. DBJ makes a concerted effort to disclose this information to stakeholders. In compiling this report, we have referred to the International Integrated Reporting Framework recommended by the International Integrated Reporting Council (IIRC).



With the publication of *Integrated Report (Annual Report & CSR Report) 2017*, I would like to extend a warm greetings to all of our stakeholders on behalf of DBJ Group.

### Sustainability Management: Realizing a Sustainable Society

All of our executives and employees have taken to heart the importance of balancing economic value with social value. Creating a future society that is sustainable for generations to come—this is the vision we share throughout DBJ Group, a vision that has not changed throughout our history and will remain steadfast in the future.

The sustainability management targeted by DBJ Group is an aim to perpetually improve the process of creating economic and social value with the goal of realizing a sustainable society while engaging in dialogue with all stakeholders.

### Corporate Philosophy: Design the Future with Financial Expertise

Since becoming a joint-stock company in 2008, Development Bank of Japan Inc. (DBJ) has moved toward a more sophisticated business foundation by augmenting its integrated investment and loan services and strengthening risk management.

A growing range of issues, however, are affecting our business foundation, such as human resource development and workstyle reforms, in addition to our business issues including a squeeze on financing margins due to monetary easing as well as greater volatility in returns on investments.

While looking back on the progress made by DBJ Group in the past, we are looking ahead to the role we should play in a rapidly changing society in the future. We have reconstructed the essence of our corporate philosophy, embodied in our vision of our future (Vision 2030), while staying true to our mission and core values.

### Fourth Medium-Term Management Plan: Initiate Change, Create the Future

Under the Fourth Medium-Term Management Plan, which commenced in the current fiscal year, we are aggressively pushing forward with measures to achieve sustained growth in line with Vision 2030, such as delving deeper into fields of strength, developing new fields, and fortifying the management foundation to support these businesses, while taking into account our past achievements and problems.

While considering the opinions of all our stakeholders, we aim to help solve the issues faced by our customers and society as a top runner in sustainability management.

July 2017



**President and CEO**  
**Development Bank of Japan Inc.**

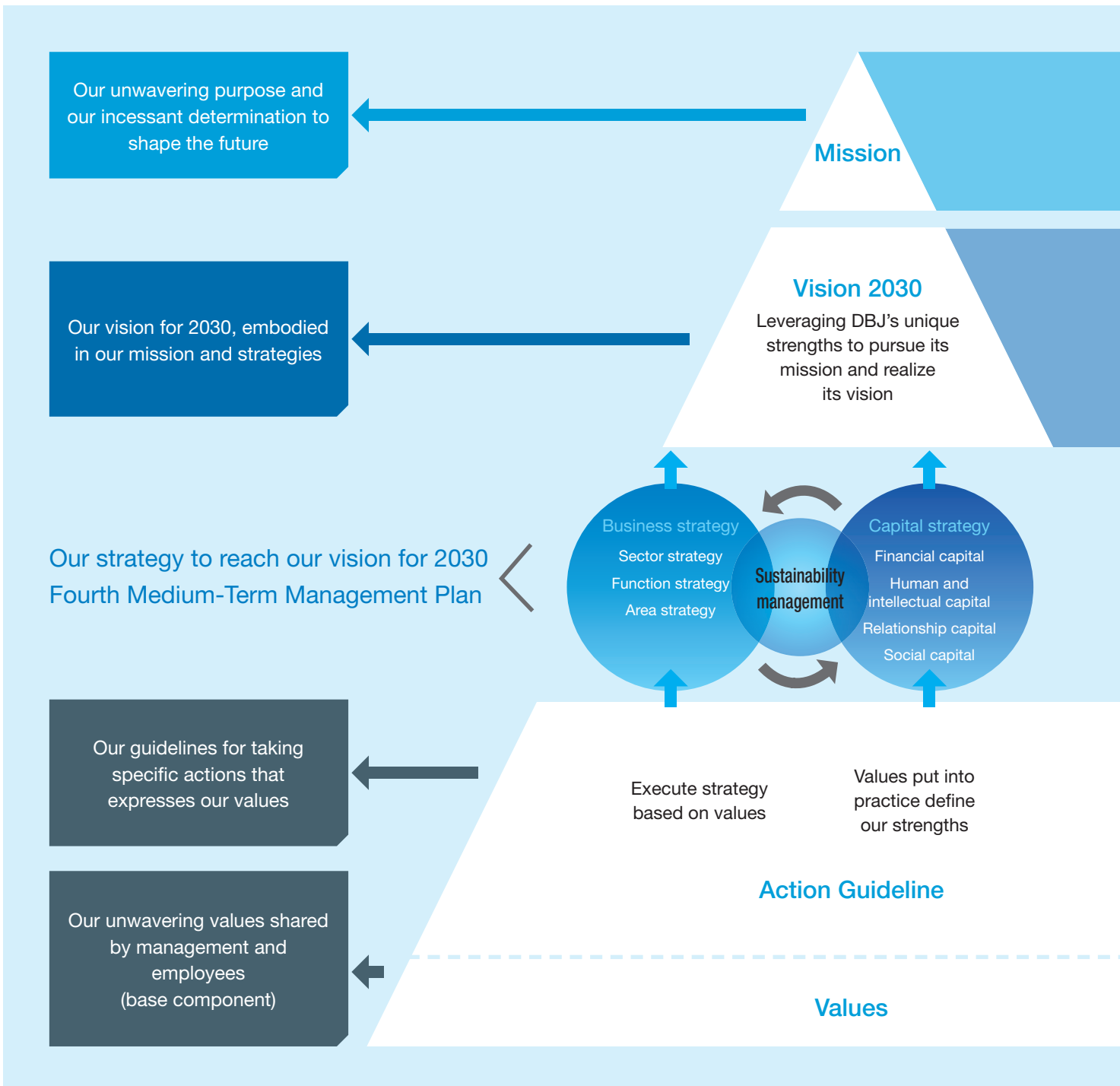
# DBJ Group’s Corporate Philosophy

Design the Future with Financial Expertise

DBJ Group updated its corporate philosophy to coincide with the unveiling of its Fourth Medium-Term Management Plan.

With due consideration paid to progress it has made thus far, projected changes in the business environment, and outstanding social issues, DBJ Group has formulated a mission to relentlessly pursue, core values to share, and its Vision 2030 to follow as a guide into the future.

In connection with these elements of its corporate philosophy, DBJ Group has identified four core corporate values—long-term perspective, impartiality, public-mindedness, and reliability—that also embody its strengths and areas of differentiation.



**COLUMN** Creation of New Action Guideline

In fiscal 2016, a project involving about 200 middle managers was undertaken to impart the meaning of our corporate philosophy and formulate a new action guideline. Around 1,000 people (for reference, we have 1,546 employees on a consolidated basis) participated in the discussion about changing our action guideline, with opinions flowing freely between middle management and their subordinates, followed by a debate among the directors.



### Design the Future with Financial Expertise

Continue to expand financial frontiers;  
Provide the best solutions for customers and society;  
Pursue sustainable development for Japan and the world.

As industry and infrastructure professionals skilled in handling all types of risk, we will play a unique role in the economy and society of 2030—leading new business and market creation while responding to crises and other social needs.

DBJ's unique strengths assist with strategy execution  
Our DNA: a long-term perspective, impartiality,  
public-mindedness and reliability

- ▶ Responsibility to future generations
  - We fulfill our responsibility to the future by pursuing both economic and social value.
- ▶ The customer's perspective
  - We devote unequalled thought to each possibility—from the customer's point of view.
- ▶ Outstanding service
  - We review and enhance our services while improving productivity.
- ▶ Commitment and cooperation
  - We work tirelessly to broaden frontiers and achieve best results.
  - We respect diversity and work together for greater shared value.

▶ Initiative ▶ Integrity

## Sharing Our Corporate Philosophy

Further propagating and applying our corporate philosophy will improve awareness of our social responsibility, enhance the sense of unity in DBJ Group, lower communication costs, and motivate our employees to grow with intention and a sense of mission.

# Our History

## Our Mission and Values

The Japan Development Bank (JDB) and the Hokkaido-Tohoku Development Finance Public Corporation (HTDFP), the predecessors to DBJ, were established with the objective of reviving Japan's economy and society after the end of World War II.

These companies contributed to the sustained development of society by providing solutions in tune with the times, changing themselves while staying true to their core values of taking on challenges with integrity amid significant changes in the economic and social landscape.



Kawasaki Steel Corporation (currently JFE Steel Corporation): Construction of Chiba Steelworks (Chiba)  
Modernization of steelmaking through construction of the first postwar blast furnace

### 1951–1955

#### Reconstruction and self-reliance of the economy

In 1951, JDB was established and commenced accommodation loans to facilitate the development of the power supply, which forms the basis of the economy and industry, and the rationalization, modernization, and cultivation of coal, steel, marine transportation, and other major industries.



New urban center in Shinjuku: Shinjuku Mitsui Building and others (Tokyo)  
New urban center formation through redevelopment of purification plant site

### 1972–1984

#### Improvements to quality of life and stable energy supply

JDB began antipollution measures, regional and urban development, other social initiatives, and industrial development. During the first oil crisis, it provided investment and loans for energy alternatives to fossil fuels, as well as efforts to conserve energy, to ensure stable energy supplies. It also supported development of large-scale industrial sites.



Nakayama Joint Power Generation Co., Ltd.: Independent power producer (Osaka)  
JDB offered project finance for Japan's first steelmaker to enter the power generation business triggered by deregulation.

### 1996–2000

#### Creation of a vibrant and affluent society and stable economy

JDB focused on such important areas as ongoing improvements to social capital, environmental and other measures, and support for venture businesses. In addition, it swiftly implemented reconstruction loans in the wake of the Great Hanshin-Awaji Earthquake and loans to stabilize the financial system by functioning as a safety net.

Economic recovery

Rapid growth

Stable growth

Economic bubble

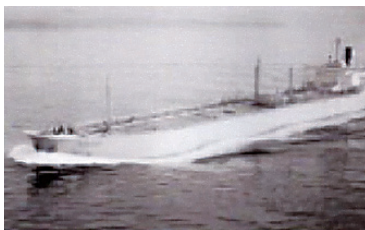
1951 The Japan Development Bank Law enacted

### 1956–1965

#### High-growth infrastructure development

To expand and reinforce the energy and transportation activities that underpin industrial infrastructure, JDB served to power new economic expansion. It also provided loans for local development to correct regional disparities.

Established in 1956, the Hokkaido Development Finance Public Corporation was restructured in 1957 to form HTDFP and began providing investments and loans to promote industry in these two regions.



Kawasaki Kisen Kaisha, Ltd.: The Tonegawa Maru tanker  
Built tanker that was indispensable for the import of energy and raw materials

### 1966–1971

#### Strengthening of international competitiveness and creation of social development loans

Aiming to enhance international competitiveness in accordance with the transition to an open economic system, JDB focused on support for industrial system improvements and independent technological development. It also emphasized social development through regional development, urban redevelopment, logistics modernization, pollution prevention, and other measures in a bid to relieve problems accompanying high-level growth.



Sony Corporation: Trinitron color television factory  
Promotion of home-grown technologies through commercial application of new technologies

### 1985–1995

#### Development of lifestyle and social infrastructure and a smooth industrial transformation

Pressing needs arose for increased domestic demand and an industrial structural shift against a background of aggravating trade friction with other countries. JDB focused on support for social capital improvement, creative technological development, and industrial transformation and other issues.

In the 1990s, it targeted environmental and energy measures and regional economic stimulation with the aim of making Japan a lifestyle superpower.



Yamagata JR Chokko Tokkyu Holdings: Yamagata Shinkansen  
Improvements to regional railway infrastructure



## Mission

Through the steadfast pioneering of financial frontiers, we aim to solve issues for our customers and society and help realize sustainable development in Japan and the world.

## 2008 onward

### Development Bank of Japan Inc. established

Development Bank of Japan Inc. was established on October 1, 2008, as a special stock company by means of conversion to a joint-stock company. As an impartial provider of industrial finance, long-term funds, and risk capital provided through integrated investment and loan services, DBJ addresses the various issues that clients face.



**V-Lease Corporation**  
DBJ entered the business of operating leases for aircraft engines, of which core parts are produced by Japanese heavy industry companies. Through this business, we aim to promote the further development of the Japanese airline industry.



**Dexerials Corporation**  
DBJ supported the expansion of operations by providing management resources, including human resources, along with risk capital to Dexerials, which has world-leading technologies in the functional materials field.



**Tobu Railway Co., Ltd.**  
DBJ provided assistance for urban development through redevelopment projects, including Tokyo Skytree.

Post-bubble economy

Structural reform

The 2008 financial crisis / The Great East Japan Earthquake

2007 Enactment of the Development Bank of Japan Inc. Act

2015 Amendments to the Development Bank of Japan Inc. Act  
(see page 73)

Future

## 2001–2007

### Financial solutions that support communities, the environment, and technology

In 1999, JDB and HTDFP were dissolved and the Development Bank of Japan was established. It focused its operations in three areas: community development, environmental conservation and sustainable societies, and the creation of new technologies and industries. In these ways, it contributed to the sustainable development of Japan's economy.



**The Former Niigata Tekkosho Co., Ltd.**  
Through debtor-in-possession financing, mergers and acquisitions, and business revitalization funds, the Development Bank of Japan supported business revitalization to preserve employment and local companies' superior technologies.

### Overseas business development

DBJ began to develop a foundation for providing investment and loans overseas with the intention of returning knowledge to Japan.



**Senoko Power Ltd. (Singapore)**  
DBJ provided subordinated financing to Senoko Power, the largest electric power company in Singapore.

### Global financial crisis precipitated by the 2008 financial crisis

The financial crisis in the autumn of 2008 precipitated a global financial crisis. As this situation impaired the functioning of the bond markets, corporate cash flow worsened. DBJ responded promptly with financial Crisis Response Operations. Beginning in January 2009, these operations started to include purchases of commercial paper in response to falling functionality in that market.

### Great East Japan Earthquake disaster and crisis response

Responding to the March 11, 2011, Great East Japan Earthquake disaster and crisis, DBJ worked with other financial institutions to provide appropriate financing, particularly to electric power companies. Through the Great East Japan Earthquake Reconstruction Fund, established jointly with financial institutions in the disaster-stricken region, DBJ continues to provide risk capital through such methods as subordinated loans and preferred shares.

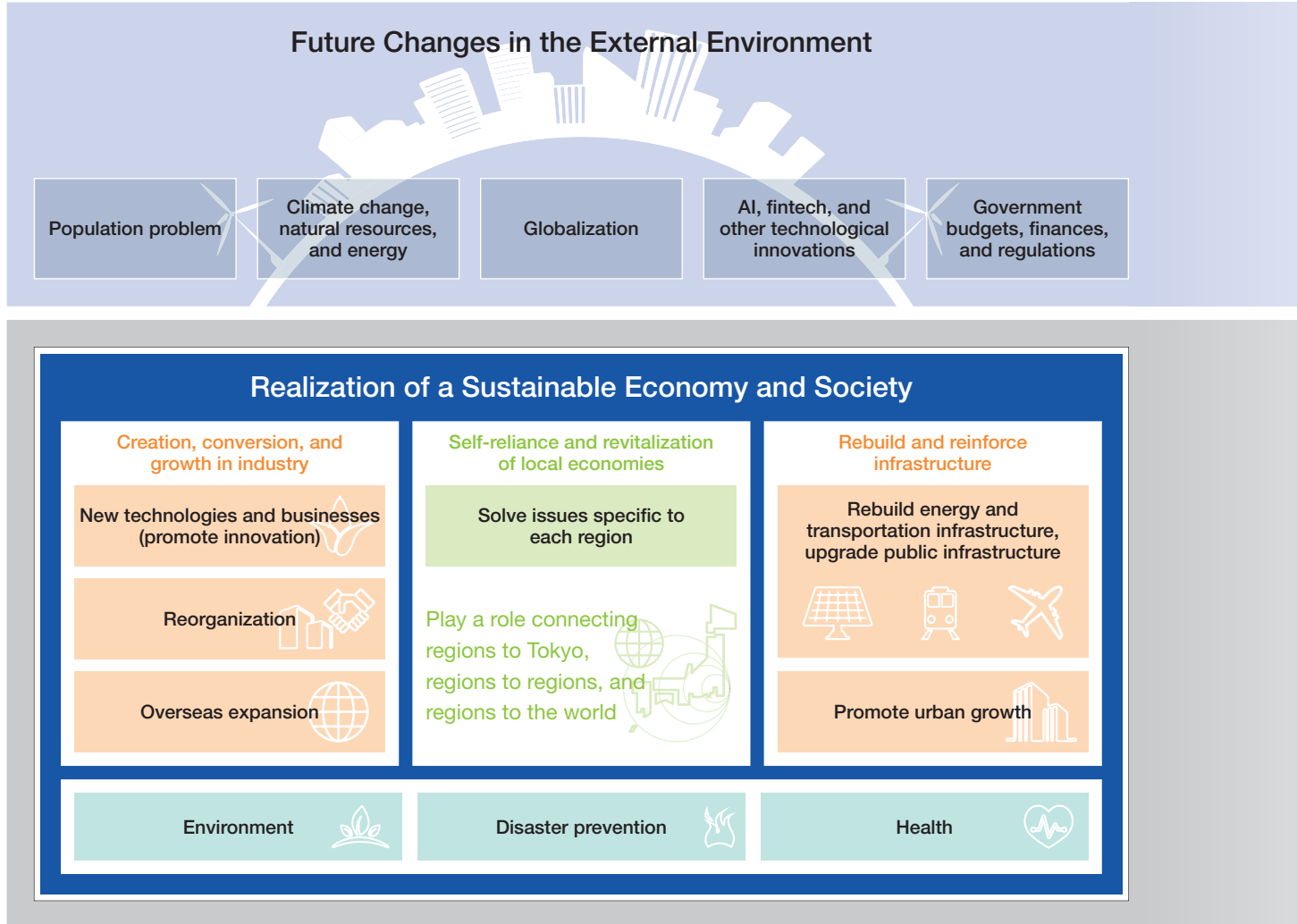
### Reinforcing the function of supplying growth capital

The Act for Partial Amendment of the Development Bank of Japan Inc. Act, which was enacted on May 20, 2015, created Special Investment Operations. This new investment scheme, a portion of the funding for which is provided by the Japanese government, is a temporary measure to intensively provide the growth capital needed to promote the competitiveness of Japanese enterprises and regional revitalization.

# Future Social Issues and DBJ Group's Role

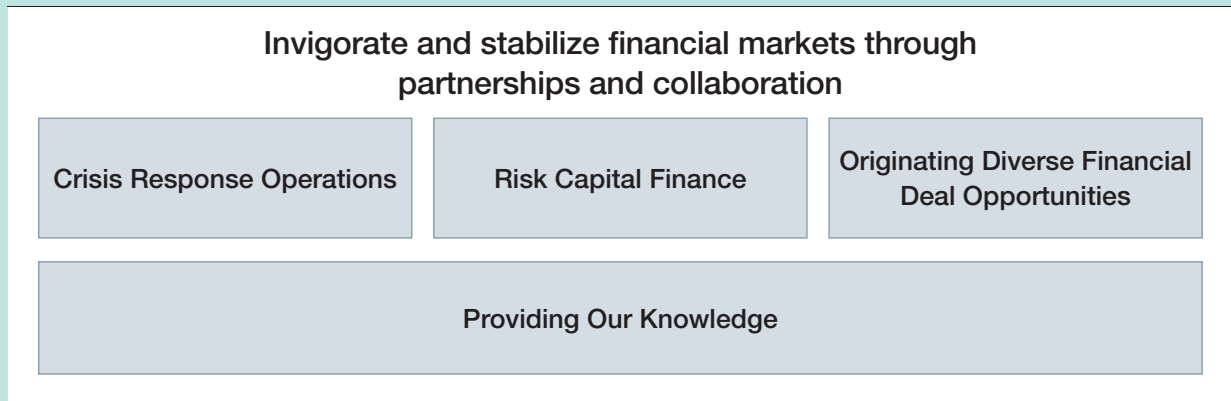
Vision 2030

As before, DBJ Group continues to provide unique, creative solutions to various issues faced by its customers and society amid rapid major changes in industry and finance caused by globalization and technological innovation.



Provision of creative solutions that only DBJ Group can offer amid emerging risks and opportunities brought on by faster changes in industry, finance, and society

## Roles of DBJ Group



**Vision 2030**

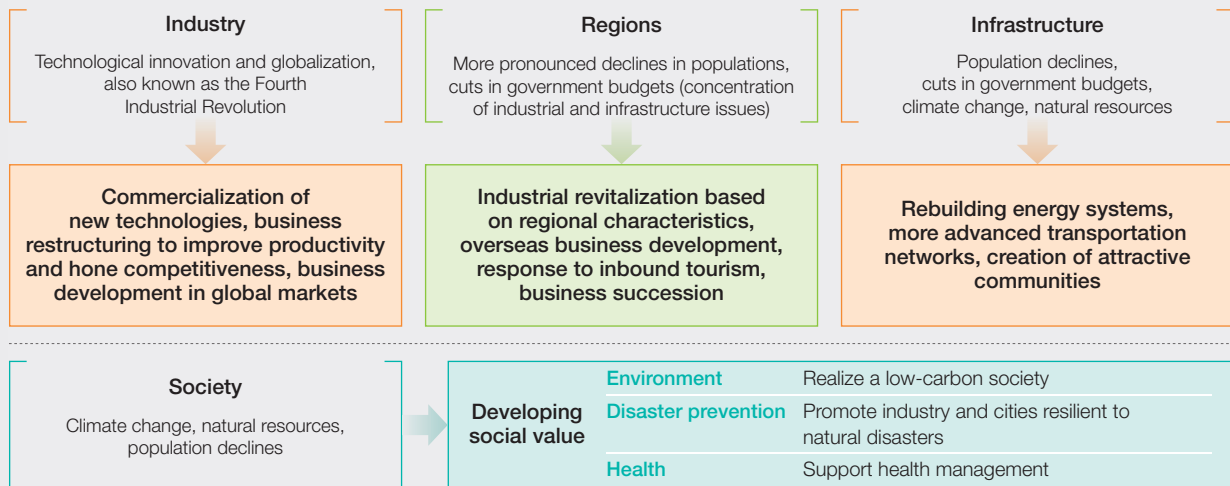
*As professionals in the industrial and infrastructure fields, leveraging our ability to address diverse risks, taking the lead in creating businesses and markets, and precisely responding to such social demands as crisis response, we aim to play a unique role in the economy and society in 2030.*

**Future Changes in the External Environment**

In formulating Vision 2030, DBJ Group took into account changes in the external environment that would have a measurable impact on its stakeholders, such as population problems, climate change, natural resources and energy, globalization, AI, fintech, and other technological innovations, as well as government budgets, finances and regulations.

**Realization of a Sustainable Economy and Society**

Taking into account long-term changes in the external environment, DBJ contributes to the creation of a sustainable society by providing professional, creative solutions to its regional customers' industry- and infrastructure-related issues.



**Invigorate and stabilize financial markets through partnerships and collaboration**

While honing its ability to respond appropriately to diverse risks, DBJ Group helps invigorate and stabilize financial markets as a participant through partnerships and collaboration with financial institutions and investors.

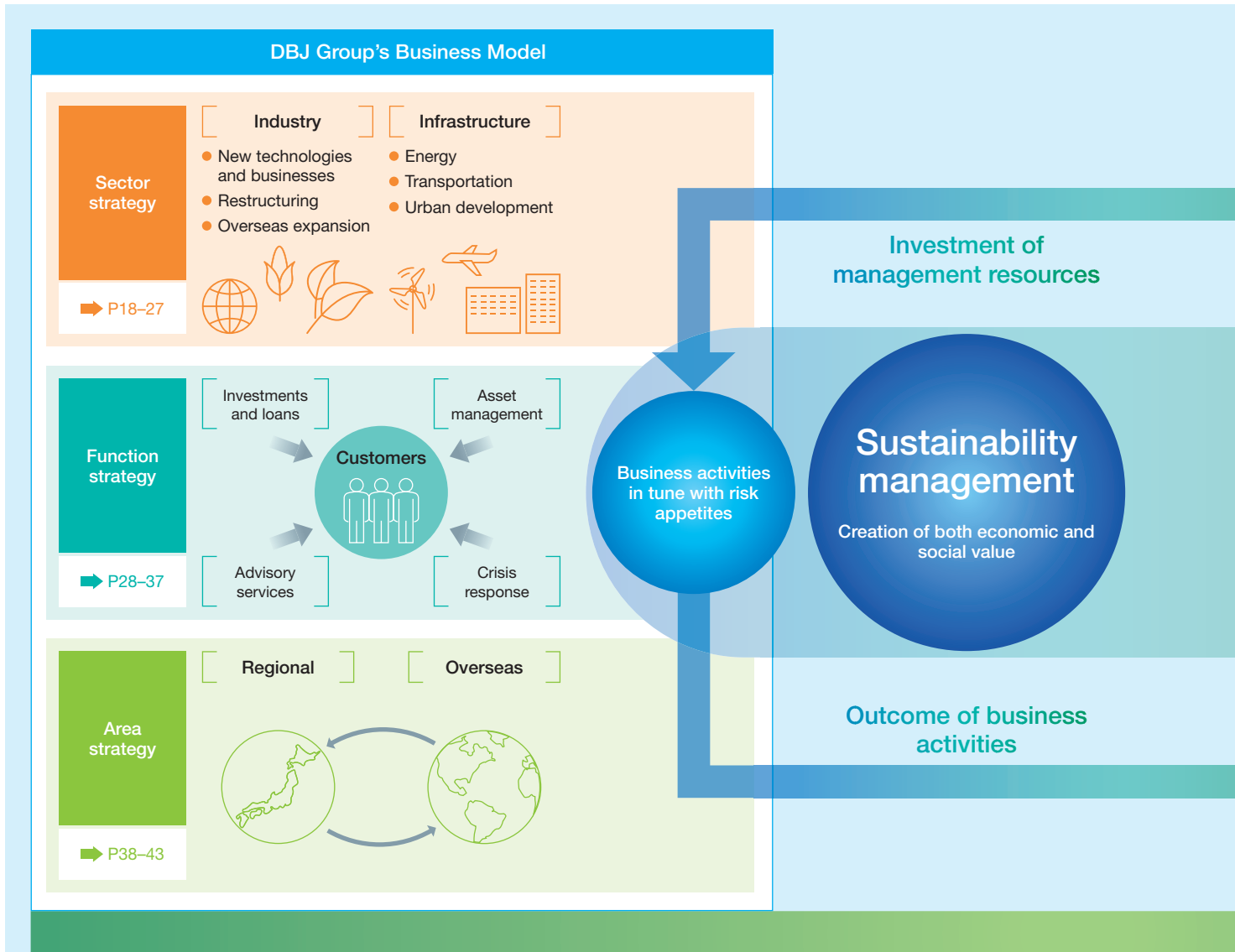


# Sustainability Management

## Creation of Both Economic and Social Value

In accordance with its corporate philosophy, DBJ Group strives to solve issues faced by its customers and society, and, to this end, engages in sustainability management with the aim of realizing sustainable development for Japan and the rest of the world.

DBJ Group's take on sustainability management entails the creation of both economic and social value by enhancing tangible and intangible management resources that are invested in business activities based on business models designed to leverage the advantages of integrated investment and loan services. Through engagement with stakeholders, DBJ Group contributes to the realization of a sustainable society via ongoing initiatives to improve the value creation process.

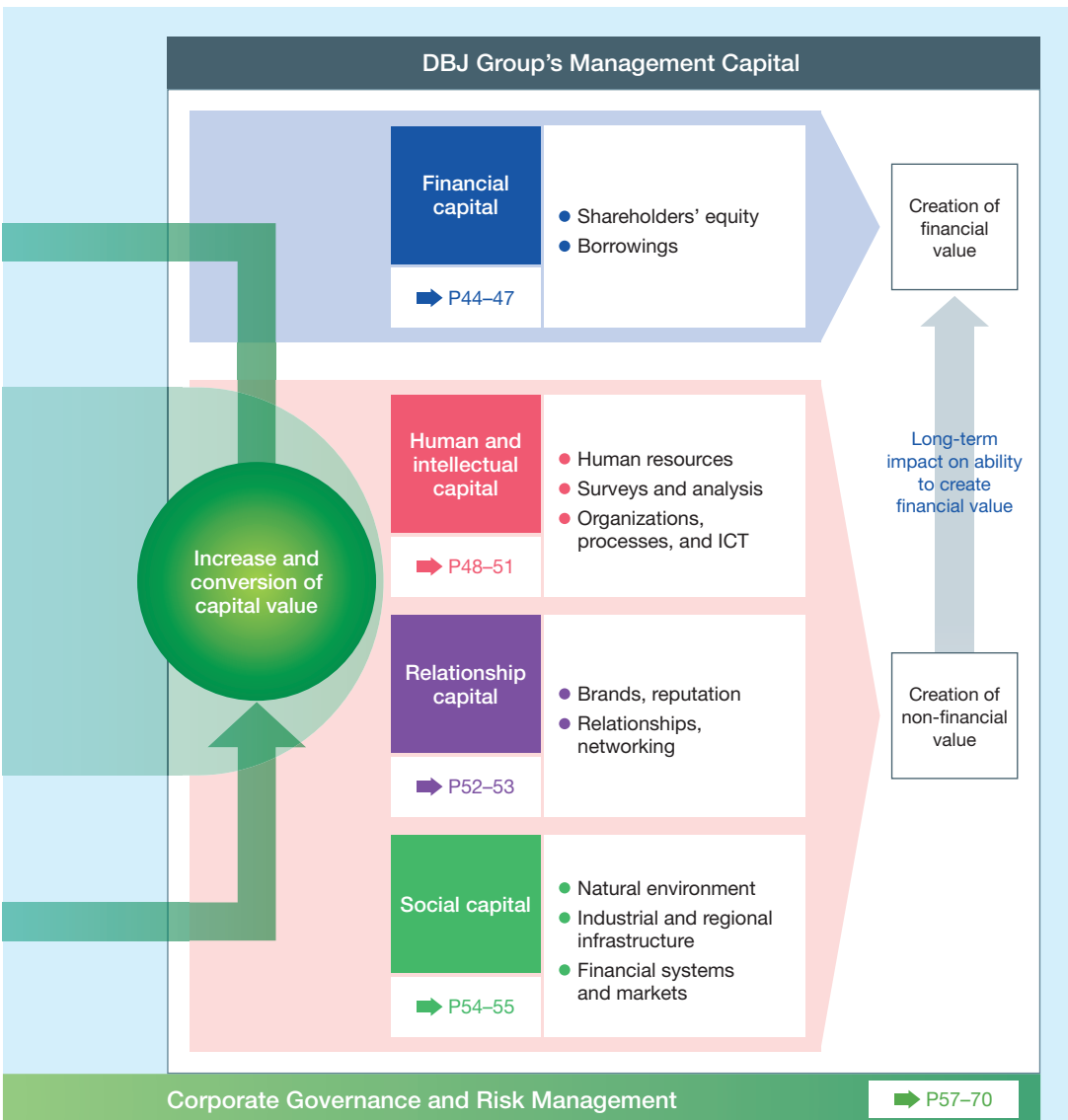


### DBJ Group's Business Model

➔ P18-43

DBJ Group's business activities, including in regions and overseas, entail the provision of syndication and asset management services to customers who are investors, as well as the provision of consulting and advisory services alongside financial services with integrated investments and loans in accordance with the risk appetites of customers in industrial and infrastructure fields.

DBJ Group also engages in financial Crisis Response Operations to flexibly assist in the event of large-scale disasters or turmoil in financial markets, as stipulated by its legal obligations under the Development Bank of Japan Inc. Act.



**Communication with stakeholders**

**Stakeholders**  
 Customers, communities, employees, financial markets, investors, shareholders, among others

**Communication with stakeholders**

Dialogue with stakeholders reinforces the value creation process for both economic and social value.

**DBJ Group's Management Capital** → P44-55

DBJ Group requires unique management capital to support the execution of its unique business model. Having secured a sound financial position, DBJ Group takes an integrated approach to raising the level of financial and non-financial capital, which it defines as the human and intellectual capital, relationship capital, and social capital that have a long-term impact on its ability to create financial value.

# Sustainability Management

## Creation of Both Economic and Social Value

DBJ Group contributes to the development of a sustainable society through the provision of appropriate financial solutions for solving various social issues. With the intention of reinforcing this effort, in 2017 DBJ created Policy on Sustainability to promote continuous improvements in the value creation process by advancing dialogue with stakeholders and generating both economic and social value through business activities based on its unique business model.

In the current fiscal year, DBJ Group will identify and examine social issues in Japan and abroad that it should address while referring to such international guidelines as the UN's Sustainable Development Goals, GRI's GRI Sustainability Reporting Standards and IIRC's International Integrated Reporting Framework. While taking into account discussions with stakeholders, the Sustainability Committee will advance debate on materiality (key issues) and shape future initiatives.

### Policy on Sustainability (excerpt)

#### Contribution to a Sustainable Society

1. We work fairly and reliably to provide the solutions required to create a sustainable society by identifying material sustainability issues in our relevant fields based on trends in government policy as well as legislation and norms regarding environmental, social, and governance (ESG) criteria in Japan and throughout the world and by incorporating a recognition of the need for a sustainable society into our investing, lending, asset management and other business activities.
2. We exercise a leadership role in building the knowledge required to create a sustainable society through ongoing surveys, research and reporting on social issues.
3. We work to deepen our understanding of the impact of our own business activities on society and consistently improve them.
4. We are committed to meeting the legal and regulatory responsibilities for human rights and give consideration to the human rights of all people in each of our fields of business.
5. We work to consistently improve the process of value creation, placing importance on communication with the stakeholders.

#### Engagement with Stakeholders

##### Sustainable Growth for Customers

We provide creative investment and lending solutions to our customers in various industries and infrastructure sectors both in Japan and overseas, thereby increasing our customers' tangible and intangible value and contributing to their sustainable growth.

##### Self-Reliant Development of Regional Society

We place importance on partnerships with regional communities, contributing to self-reliant development of regional society through business activities conducted in cooperation with local authorities and financial institutions.

##### Cooperation with Employees

1. We work to promote the growth of each employee through efforts to develop skills and raise motivation while maintaining and enhancing our employees' physical and mental health.
2. We create a climate in which diverse employees, irrespective of gender, age, nationality, and physical ability, can display their ability and expertise to the fullest extent, and build an employee-friendly working environment as a necessary foundation.

##### Contribution toward a Developed and Stable Financial Market

1. We play a part in vitalizing the financial markets through the supply of risk money and the expansion of financial frontiers in partnership and coordination with other financial institutions. "DBJ's Special Investment Operations" will be among the instruments used for this purpose.
2. We provide highly qualified and responsible investment opportunities and investment management services as we pursue the best outcomes for our clients in our asset management business. By doing so, we meet our clients' diverse needs for funds management and stimulate the circulation of capital.
3. We serve as a safety net and thus contribute to stable financial markets through our Crisis Response Operations.

##### Communication with Investors

We work to consistently raise corporate value as we enhance the transparency of disclosure and pursue constructive communication with investors.

On April 1, 2017, DBJ created the Sustainability Management Office within the Corporate Planning & Coordination Department to advance these initiatives.

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Initiate Change, Create the Future

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18 Sector Strategy

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**56** Fiscal 2016 Topics



# Fourth Medium-Term Management Plan

## Initiate Change, Create the Future

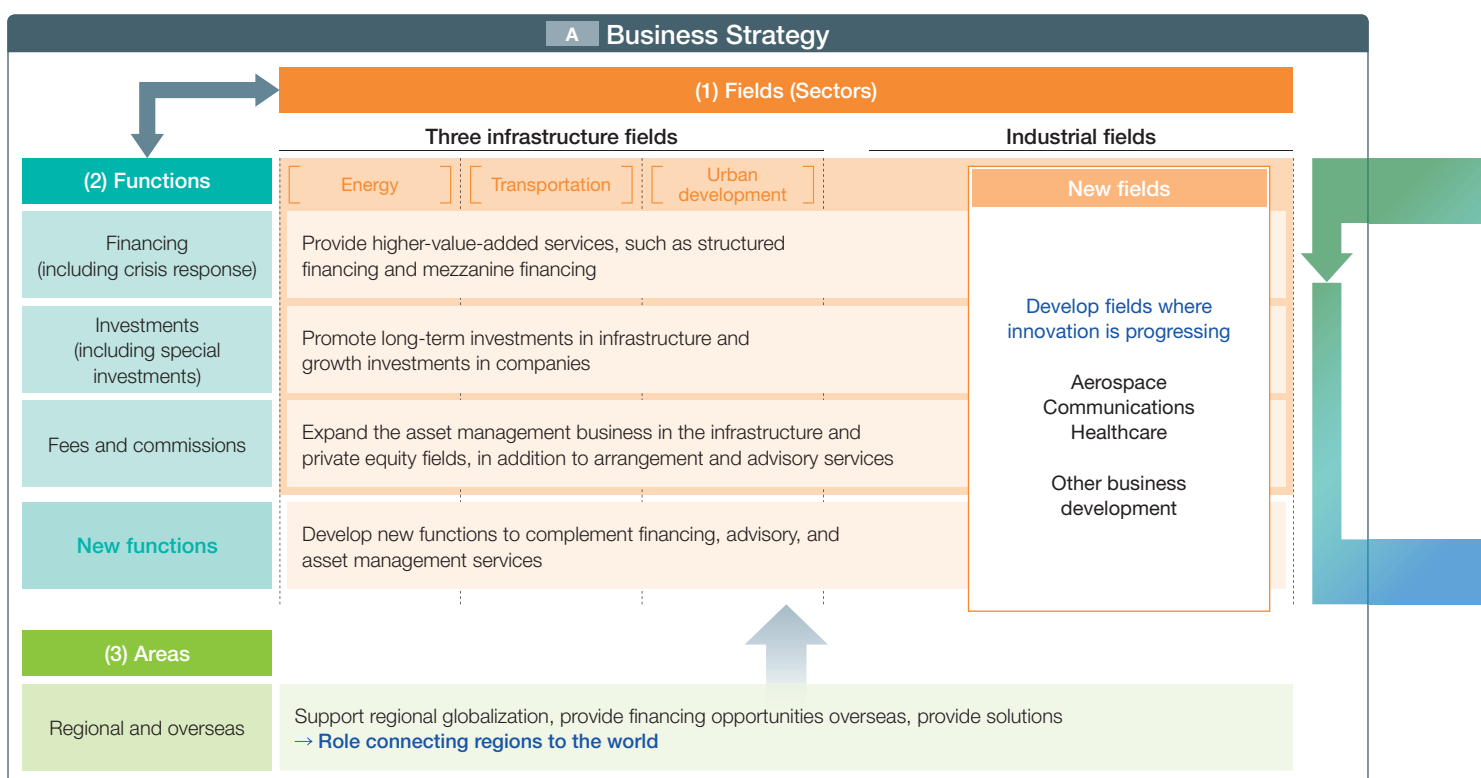
Since becoming a joint-stock company in 2008, DBJ has executed three medium-term management plans with the overarching objectives of augmenting financial services through integrated investments and loans while enhancing the sophistication of risk management for DBJ Group.

In addition to making preparations for flexibly responding in the event of a crisis, such as turmoil in financial markets or natural disasters, DBJ Group has made steady progress

advancing investments and overseas business under the Second Medium-Term Management Plan and strengthening asset management operations under the Third Medium-Term Management Plan.

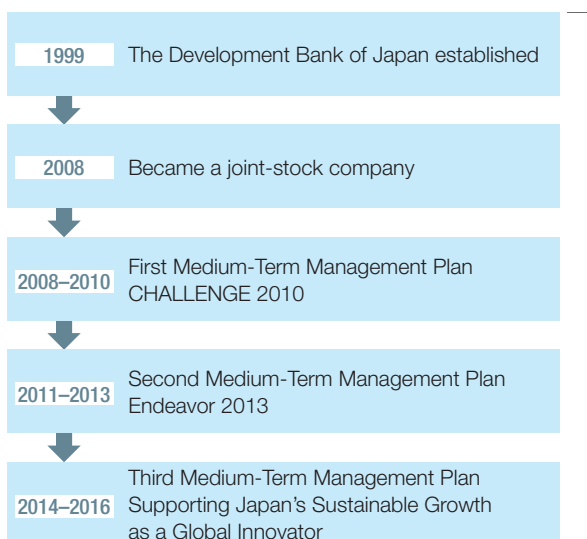
In recent years, however, a number of managerial issues have surfaced—including difficulties in hiring and training necessary personnel and business reforms such as changes in workstyles—in addition to such business issues as narrower

### Fourth Medium-Term Management Plan: *Initiate Change, Create the Future*



### Results through Third Medium-Term Management Plan

#### Timeline since Establishment of DBJ



#### Highlights until Third Medium-Term Management Plan

- 1. Carried out Crisis Response Operations**  
Rapidly responded to financial crisis and Great East Japan Earthquake
- 2. Provided risk capital through integrated investment and loan services**  
Advanced mezzanine financing and investments
- 3. Created diverse opportunities for investments and lending**  
Appropriately shared risks with financial institutions, offered asset management opportunities

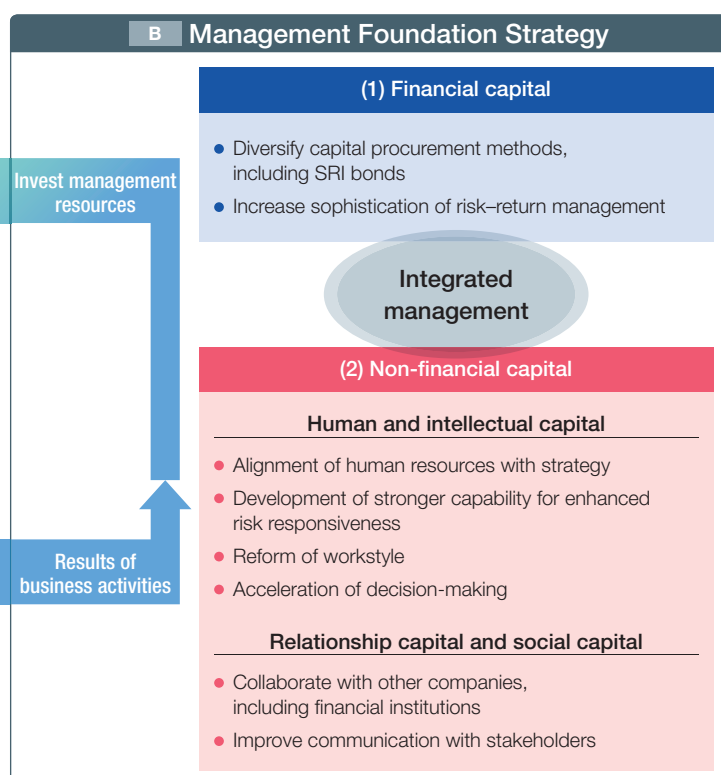
Having achieved success with the above initiatives and results that exceeded targets, and in consideration of its track record providing solutions to social issues, DBJ's Special Investment Operations was institutionalized with the enactment of the revised DBJ Act in 2015 (see page 30).



margins on senior loans amid monetary easing and greater volatility in returns on investments.

Amid greater uncertainties in the external environment, under the Fourth Medium-Term Management Plan, DBJ Group will take aggressive steps toward sustainable growth by delving deeper into fields of expertise, develop new fields, and strengthen the management foundation to support operations while emphasizing its core values of initiative and integrity.

The slogan of the management plan—Initiate Change, Create the Future—designates our intention to spend the next three years creating a future foundation for DBJ Group that will allow it to respond flexibly to changes in the external environment and take on the challenge of changing itself for the better.



**Vision 2030**

As a professional in the industrial and infrastructure fields, DBJ Group will play a unique role in the economy and society in 2030, accurately meeting the needs of society, including responding in the event of a crisis, while leading in the creation of businesses and markets by leveraging its ability to address a broad range of risks.

**Addressing Issues in the Fourth Medium-Term Management Plan**

<b>Monetary easing / low interest rates</b>	Decline in profitability of investments, hardship in asset management, risk of fluctuation in interest rates	➔ Build a stable investment portfolio, strengthen asset management
<b>Growing problems in regions</b>	Reassess the role of regional finance to address regional economic exhaustion	➔ Make investments, including cooperation with regional financial institutions, and contribute knowledge
<b>Globalization / innovation</b>	Rise of protectionism, faster changes in industry, finance, and society	➔ Flexibly respond to change, increase sophistication of risk–return management

**Fourth Medium-Term Management Plan**

**A Business Strategy**

(1) Sector strategy × (2) Function strategy × (3) Area strategy

- Strengthen structured financing and long-term investments in infrastructure, asset management
- Respond to industrial innovation
- Advance solutions for regions

**B Management Foundation Strategy**

(1) Financial capital × (2) Non-financial capital (human, intellectual, relationship, social)

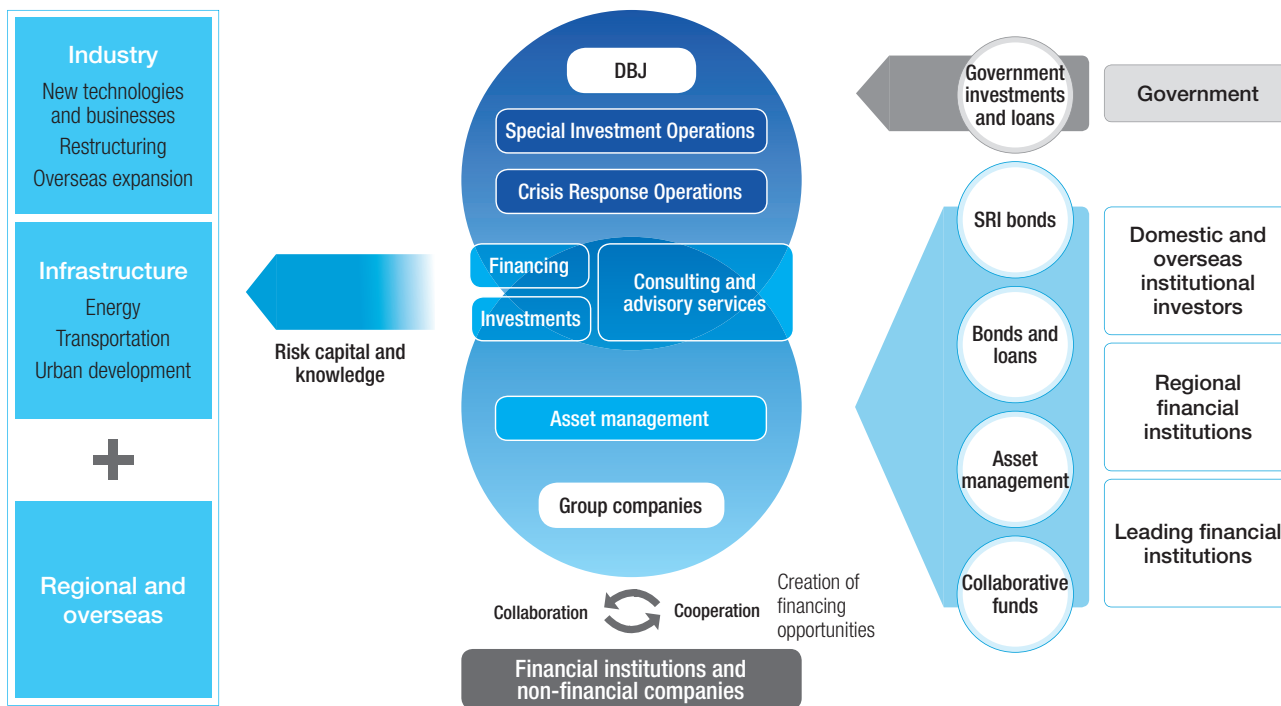
- Increase value of human capital
- Thoroughly rationalize business, including workstyle reforms
- Increase sophistication of analysis and risk management

# Fourth Medium-Term Management Plan

Initiate Change, Create the Future

## Invigorate and Stabilize Financial Markets via Collaboration and Cooperation

Under the Fourth Medium-Term Management Plan, DBJ Group will provide unique solutions through optimal partnerships with an emphasis on collaboration and cooperation with other financial institutions and non-financial companies.



### Procurement and Management of Funds

DBJ receives funding in various formats, including the procurement and management of funds from institutional investors and financial institutions in Japan and abroad, and supplies risk capital to customers in the domestic and overseas industrial and infrastructure fields.

### Provision of Knowledge

DBJ Group creates added value through the provision of knowledge in such forms as surveys and analyses backed by its experience in industrial and infrastructure fields and in risk analysis and structuring.

### Crisis Response Operations and Special Investment Operations

These operations are mandated by the DBJ Act and will be properly undertaken as operations backed by the unique strengths of DBJ Group.

## Financial Targets of the Fourth Medium-Term Management Plan

Over the time frame of the Fourth Medium-Term Management Plan, DBJ Group will increase the supply of risk capital, including Special Investment Operations, work diligently to secure a stable earnings base for the long term, and strengthen overseas projects, such as infrastructure projects. The Fourth Medium-Term Management Plan targets gross ordinary profits of ¥190 billion and net income of ¥80 billion, increases of ¥30

billion and ¥10 billion, respectively, from the targets of the Third Medium-Term Management Plan (see page 45).

DBJ aims to maintain robust levels of shareholders' equity and profitability in order to continue conducting Special Investment Operations, financial Crisis Response Operations, and the supply of other risk capital.

## Process for Creating and Sharing the Fourth Medium-Term Management Plan

The following is an introduction to how DBJ created and distributed its medium-term management plan.

### 1 Creation Process

- Five directors and managing executive officers participated in medium-term planning meetings (a total of 22 meetings held between August 2016 and March 2017) for face-to-face discussions with representative directors.
- Off-site meetings were held at the department and branch office levels, with managers and employees participating in the creation process.
- The Advisory Board (see page 59) also discussed the Fourth Medium-Term Management Plan with outside experts and reflected their opinions in the plan.

Off-site gathering for department-level managers



### 2 Sharing Process

After internal decisions were reached, the Fourth Medium-Term Management Plan and the new corporate philosophy were shared throughout DBJ Group.

Head office briefings	A total of 10 briefings	About 800 participants
Branch office briefings	A total of 10 branch offices	About 120 participants
Major Group company briefings	A total of 11 companies	About 180 participants



A briefing at the head office



A briefing at a Group company

With managers and employees working in unison to lay a foundation for conducting operations, our philosophy and strategies are shared through communications during this creation process.

Sector Strategy

Energy Sector



As of March 31, 2017

Balance of loans in the electricity, gas, heat, and water sectors

¥3.2 trillion

Photo provided by Solar Frontier K.K.

Vision

DBJ will contribute to the realization of a low-carbon society worldwide and the globalization of Japanese energy companies by taking a leadership role in the financing of change in Japan's energy markets.

Main Business Fields

Financing and advisory services are provided to companies and projects in the following sectors:

Electricity

Gas

Oil

Accomplishments and Initiatives to Date

Ever since the Japan Development Bank and Hokkaido-Tohoku Development Finance Public Corporation era, DBJ has contributed to the formation of energy infrastructure in Japan. In recent years, DBJ has assisted with business restructuring and overseas business development in the electricity, gas, and oil sectors against a backdrop of structural reforms in the domestic energy industry. DBJ has provided optimal financial solutions in tune with the needs of the times, concentrating on the replacement of aging thermal power plants, the construction of new thermal power plants in tandem with growing demand amid the deregulation of power sources, and the construction of new renewable energy power plants, and assisting with capital recycling. As of March 31, 2017, our balance of loans in the electricity, gas, heat, and water sectors totaled ¥3,252.1 billion, accounting for 24.9% of total loans, by industry.

## Longer-Term External Environment and Social Issues

Japan's energy industry is at a major crossroads. With changes in the macroeconomic structure, including the population decline, and advances in energy conservation, DBJ must promote the reduction of CO<sub>2</sub> emissions while dealing with deregulation in the electric power and gas markets at the same time.

Under these conditions, issues related to financial support for the energy industry entail the supply of capital funding to spur the spread of renewable energy and other new technologies and to address growing risks. Moreover, risks in project financing need to be clarified more clearly, and efforts should be undertaken to allow market participation by a broader range of companies.

## Strategy

While maintaining strong relationships with customers, DBJ will focus on providing capital funding (risk money) and advisory services to facilitate industry restructuring. Furthermore, DBJ will focus on the smooth supply of capital by collaborating with a broad range of financial institutions to meet demand for investments in the deregulated electric power market in Japan, in addition to strengthening initiatives in project financing with clarified risk allocation.

DBJ Group will reinforce its asset management operations in the energy field with the aim of nurturing markets able to recycle capital, thereby allowing more financial institutions to participate in the domestic energy infrastructure market.

Overseas, DBJ aims to become more involved in markets that have taken the lead in fostering deregulation, and then return any knowledge gained to the domestic market to advance its development, while proactively supporting Japanese companies in their efforts to develop business overseas. Through these and other efforts, we aim to contribute to the realization of a low-carbon society on a global basis.

## Case Studies

### Case Study 1 Fukushima Gas Power Co., Ltd.

DBJ was the lead arranger for a total of ¥140 billion in project financing for the construction of a new natural gas power plant for Fukushima Gas Power Co., Ltd. DBJ aims to contribute to the development of the economy and industry in the area around the power plant through the reliable supply of inexpensive electricity with low environmental load.



Rendering of completed facility

### Case Study 2 Japan Wind Development Joint Fund Co., Ltd.

In collaboration with Japan Wind Development Co., Ltd., DBJ established Japan Wind Development Joint Fund Co., Ltd. for the purpose of acquiring and operating wind power generation facilities. The funds procured by the new company for the project financing were assigned a BBB rating by Rating & Investment Information, Inc., marking the first time a domestic wind power generation project received an external rating.



Japan Wind Development Co., Ltd. facilities

Sector Strategy

# Transportation Sector



As of March 31, 2017

Balance of loans in the transportation infrastructure (transportation industry) sector

¥ **2.3** trillion

Vision

DBJ aims to lead in a financial aspect the growth of the transportation sector and advancement of transportation networks in Japan. DBJ will also act as a bridge between Japan's financial market and the global transportation finance market.

Main Business Fields

Financing is provided to companies and projects in the following sectors:

Land transportation

Marine transportation

Air transportation

Accomplishments and Initiatives to Date

Since the time of the Japan Development Bank and Hokkaido-Tohoku Development Finance Public Corporation, DBJ has focused on providing investments and loans for the development of the transportation sector in Japan, including for fleets of ships in marine transportation, upgrading Haneda Airport and other airports, procuring aircraft in the aerospace industry, and expanding cargo capacity in the railway industry. More recently, DBJ has provided optimized financial solutions tailored to the needs of the times, such as debtor-in-possession financing to a Japanese start-up airline company, participation in airport concessions, and aircraft financing with a focus on material value. As of March 31, 2017, the balance of loans for the transportation infrastructure sector (to transportation providers) was ¥2,312.1 billion, accounting for 17.7% of total loans, by industry.

## Longer-Term External Environment and Social Issues

Around the world, growing populations will lead to the greater movement of people and goods and spur growth in the transportation sector. In Japan, a country reliant on trade, it is imperative to maintain the reliable transportation of goods and address issues, such as the declining and aging population, as well as the influx of overseas visitors. Accordingly, various issues are waiting for solutions for sustaining growth in the transportation sector and increasing the sophistication of transportation networks. Keen to help its customers solve these issues, DBJ Group will provide financial solutions tailored to diverse needs while acting as a bridge between financial markets in Japan and the global transportation finance market.

## Strategy

While maintaining relations with customers in the transportation sector, we will refine our ability to respond flexibly to changes in the external environment and society. More specifically, DBJ will further strengthen its optimal financial solutions for quality projects and assets in the land, marine, and air transportation fields, as well as supply risk capital to Japanese companies for sharpening their international competitiveness. Additionally, DBJ will provide financing opportunities to Japanese regional banks and other financial institutions and investors in the global transportation finance market through improved syndicated loans and various investment and loan products that utilize investment and securities functions.

## Case Studies

### Case Study 1 Financing for integrating operations at Kansai International Airport and Osaka International Airport

As the lead arranger, DBJ put together project financing totaling ¥190 billion, one of the largest in Japan, for Kansai Airport as it began to integrate the operations of Kansai International Airport and Osaka International Airport, the first and largest airport concession in Japan.



Photo provided by Kansai Airport

### Case Study 2 Financing for acquisition of ultralarge container ship by Kawasaki Kisen Kaisha, Ltd.

Kawasaki Kisen Kaisha, Ltd. is one of the world's largest marine transportation companies involved in the ocean-going field. DBJ helped the company arrange financing to purchase an ultralarge container ship with the latest energy-conserving technologies. The vessel provides high-quality services along the Asia-Europe route as a flagship in the company's container ship business.



Container ship that was financed

Sector Strategy

Urban Development Sector



As of March 31, 2017

Balance of loans in the real estate sector

¥1.7 trillion

Vision

Our vision is to grow alongside cities by helping with the maintenance, renewal, and expansion of urban functions. We also aim to grow with the real estate financing market as a market-stabilizing mechanism.

Main Business Fields

Loans and investments in urban development projects undertaken by developers, special-purpose companies for owning real estate, loans and investments for REITs, management of DBJ Green Building Certification (see page 55) with the Japan Real Estate Institute.

Urban development business

Real estate financing

Green Building Certification

Accomplishments and Initiatives to Date

Since the 1960s, DBJ has been involved in long-term financing for real estate projects. DBJ has participated in Japan's real estate securitization market since its earliest days, plying its accumulated know-how and networks to invigorate the market. We began administrating the DBJ Green Building Certification system in fiscal 2011 and have financially supported efforts to help the environment and society. As of March 31, 2017, the balance of loans extended to the real estate sector was ¥1,749.0 billion, accounting for 13.4% of total loans, by industry.



## Longer-Term External Environment and Social Issues

Increasing the international competitiveness of cities in Japan is key to enhancing the country's overall competitiveness. Urban infrastructure, built up since 1945, is coming due for an upgrade. Seamlessly upgrading urban infrastructure without interruption is important from the standpoint of creating communities that take into account the environment and society.

The real estate finance market, an essential part of creating communities, is prone to instability due to international exposure. The securitization market in particular was greatly affected by the global financial crisis, while the real estate finance market was thrown into disarray. In spite of such conditions, it is necessary to ensure a reliable supply of capital, spur growth in the real estate finance market, and promote urban development.

## Strategy

DBJ will facilitate urban development through the supply of risk capital, including financing for developers and individual development projects. We also support the growth of real estate investment trusts, which have become increasingly important entities for the stable management of properties.

DBJ will provide opportunities to invest in quality assets for institutional investors around the world as well as regional financial institutions. By engaging in collaborative financing through proper risk-sharing agreements, we will create stable cash flows in the real estate finance market.

DBJ will continue to manage the DBJ Green Building Certification system with the Japan Real Estate Institute, focusing efforts on improving real estate assessments within the context of their impact on the environment and society.

## Case Studies

### Case Study 1 Kyobashi Edogrand

In November 2016, Nippon Tochi-Tatemono Co., Ltd., acting as a special business agent (representative company), opened the Kyobashi Edogrand as a part of the urban redevelopment project at Kyobashi 2-chome in collaboration with the land rights holder. This facility is one of the largest high-rise office buildings in the Kyobashi area, and is a part of the historic Meijiya Kyobashi Building. Kyobashi Edogrand is attracting attention as a new landmark in the area. DBJ supported the construction by providing financing from the development stage.



External view of Kyobashi Edogrand

### Case Study 2 Tokyo Skytree

Tobu Railway Co., Ltd. undertakes large-scale projects, including the Narihira-bashi Oshiage District Redevelopment Project that involved Tokyo Skytree. The project—one of the largest for the company since its founding—contributed to local development.

DBJ supported the project by providing a hybrid of loan and investment financing, thus strengthening the company's financial foundation.



©TOKYO-SKYTREE  
Tokyo Skytree

Sector Strategy

Industrial Sectors



Vision

In industrial fields seeing changes brought about by technological innovation, the creation of new businesses, and restructuring, DBJ Group will take a direct approach to solving issues faced by customers and society while searching for growth opportunities for itself. As an incubator that creates new businesses and markets, DBJ aims to play an essential role in strengthening the competitiveness of industry in Japan.

Main Business Fields

Financing and advisory services are provided to companies and projects in the following sectors:

- Manufacturing
- Communications, broadcasting, media
- Retail and foods
- Healthcare
- Hotels, Japanese-style inns, tourism, etc.

Accomplishments and Initiatives to Date

In the 1990s, DBJ was involved from an early stage in financing new businesses, utilizing its ability to survey industry and analyze corporations derived from its track record of providing long-term capital for capital investments. From the early 2000s, when business and industry restructuring came to the forefront, DBJ ramped up debtor-in-possession financing, private equity investments, and M&A advisory services. Since becoming a joint-stock company in 2008, DBJ has leveraged its knowledge and experience in these fields to further improve its ability to survey industries. At the same time, DBJ helped companies enhance their competitiveness and clients solve various problems through advisory services backed by loans and investments to create new businesses and rebuild finances while they entered overseas markets and spun off non-core businesses.

## Longer-Term External Environment and Social Issues

Amid changes in the external environment, including population problems, globalization, and such technological innovations as AI, customers are dealing with a variety of issues that include the commercialization of new technologies and other innovations, business restructuring to enhance productivity and competitiveness, and overseas business development with an eye on new growth opportunities. Meanwhile, the financial environment is likely to include diversification in capital providers, considering the ongoing surplus capital conditions and advances in fintech and other technologies. As it becomes easier to access capital, providing unique added value will become essential to helping customers solve their problems on the financial front.

## Aerospace

To further improve its standing, having gained ground through international joint development with Europe and the U.S., the Japanese airline industry must engage in strategic efforts to increase mass production efficiency by developing next-generation technologies and strengthening supply chains; expand its scope both quantitatively and qualitatively, centered on mid-tier and small and medium-sized companies and regions; and fortify maintenance operations and the finished aircraft business. Additionally, the Japanese aerospace industry has begun to transition from government-directed development to a mass production model.

DBJ has increased loans and investments to the airline industry for more than 30 years in line with national policy. We established the Aerospace Office on April 1, 2017, putting in place a structure to better support the aerospace industry with the collective strengths of DBJ Group. We will contribute to the development of the aerospace industry in Japan by, among other means, supplying risk capital via Special Investment Operations.

## Strategy

DBJ will offer solutions to the issues faced by customers—centered on the fields of business portfolio optimization, new business creation, overseas business development, financial strategy, and capital policy—by mobilizing its financing functions, knowledge, and unique networks while leveraging its insight and expert knowledge of each industry. In 2017, DBJ has created teams of experts focused on establishing solid business foundations in the fields of aerospace, telecommunications, and healthcare. While delving deep into each industry, DBJ will monitor broader trends and changes in the economic and social landscape. We will increase our responsiveness to innovation through cross-sector business development that steps beyond traditional boundaries (e.g., move toward a hydrogen society).

## Case Study

### Assistance for strengthening the competitiveness of the civilian aircraft engine industry

DBJ supplied risk capital to Mitsubishi Heavy Industries Aero Engines, Ltd., which was spun out of Mitsubishi Heavy Industries, Ltd.'s civilian aircraft engine business. The objective was to increase the profile of the company in international markets while improving its competitiveness by partnering with IHI Corporation on manufacturing and by clustering together partner companies.



The plant floor

## Sector Strategy

### Industrial Sectors

#### Communications

Communications networks handle massive communications traffic as the volume of data increases daily. Ever since the telecommunications sector was deregulated in the 1980s, DBJ Group has financially supported the build-out of networks in Japan, which boasts some of the highest speeds and capacities in the world. As things become increasingly interconnected over networks, communications networks need to be made more resilient and sophisticated to fulfill a role as basic infrastructure underpinning society.

DBJ will continue supporting the build-out of next-generation telecommunications infrastructure by supplying risk capital while proactively participating in forward-looking initiatives around the world.

#### Case Study

##### Financing for one of Europe's largest telecommunications infrastructure companies

From its base in Spain, Cellnex Telecom, S.A. leases communications towers to telecommunications providers in five European countries. It boasts the largest number of communications towers in Europe.

DBJ provided the company with capital to acquire communications towers and expand its network, thereby contributing to the development of global telecommunications infrastructure. The knowledge DBJ gained from helping roll out telecommunications infrastructure overseas will be of invaluable use in Japan as well.



Communications tower

#### Healthcare

In the healthcare field, DBJ Group has been long involved in the medical and nursing care fields and has launched new initiatives in the life sciences field. Specifically, DBJ sees an urgent need to mimic in Japan the U.S. healthcare model, whereby external parties, such as venture companies that have proven track records as innovators, are entrusted with the development of needed products and services and then with bringing them to the world via the respective companies' sales capabilities. To this end, DBJ focuses its energies on networking with venture capital firms in the U.S. DBJ leverages this network to help Japanese medical equipment makers and pharmaceutical companies strengthen their business development capabilities.

#### Case Study

##### Investment in a cutting-edge medical equipment fund in Silicon Valley

In September 2014, DBJ invested in Emergent Medical Partners II, L.P., an investment fund for cutting-edge medical devices in Silicon Valley. In its report *Silicon Valley's "Ecosystem" for the Development of Medical Devices: What are Its Lessons for Japan?*, DBJ examined the U.S. ecosystem, which is a major reason for the country's success in developing medical devices. Dr. Thomas Fogarty, a world-renowned innovator and entrepreneur with long experience in the region, established the fund. By investing in this fund, DBJ acts a bridge to this ecosystem for Japanese industry, extending this network to Japan.



Silicon Valley

## Latching onto Innovation

The sudden rise of technology and innovation in IT, new materials, new energy, life sciences, and robotics has the potential to greatly change the fabric of the industrial and social landscape. For these new technologies to reach commercialization and become a part of society, it is essential to promote collaboration across industry, companies, and geographic areas,

as well as share new value systems and create rules through public-private cooperation. From its impartial position, DBJ Group engages in collaboration with diverse players while shaping projects from a long-term perspective. We help solve issues faced by customers and society through the creation of new businesses.

### Case Studies

#### Case Study 1 Initiatives to realize a hydrogen society

Hydrogen fuel cells are expected to become a next-generation source of energy that contributes to energy security and the alleviation of environmental problems. DBJ aims to examine the development of a supply chain for overseas-produced hydrogen with the objective of improving cost competitiveness on the supply side. In addition, DBJ will participate in the creation of projects that lead to economies of scale on the demand side, such as the rolling out of hydrogen refueling stations for fuel cell vehicles.



Photo provided by TOYOTA Global Newsroom

#### Case Study 2 DBJ Capital Co., Ltd.

Regardless of business fields and scale, DBJ invests in equity as growth capital for venture firms with global competitiveness and growth potential that are utilizing new technologies and business models. DBJ Group offers these companies its financial support and solutions that take advantage of its diverse networks. DBJ supports the commercialization of the excellent intellectual property and technology possessed by companies, research labs, and universities. In carving out this intellectual property and technology, DBJ supports the launch of venture capital firms through hands-on assistance provided by teams focused on enhancing value.

DBJ Capital Co., Ltd.'s website:  
<https://www.dbj-cap.jp/english/>



While advancing these initiatives, on April 1, 2017, DBJ created the Innovation Promotion Office in the Business Planning Department for the purpose of developing new businesses that cross sectors and advancing industrial innovation.

Function Strategy

# Integrated Investments and Loans (Supply of Risk Capital)



### Vision

DBJ will provide optimal financing solutions tailored to customer needs, from loans to mezzanine financing and investments, while reinforcing its ability to adequately evaluate various risks.

### Outline

DBJ provides loans and investments after analyzing business prospects, evaluating risks, and creating financing schemes. Taking into consideration the traits of each project and the intentions of participants, DBJ specializes in an integrated investment and loan model that flexibly deploys loans, mezzanine financing, and investments.

### Accomplishments and Initiatives to Date

Since its days as the Japan Development Bank and the Hokkaido-Tohoku Development Finance Public Corporation, DBJ has taken appropriate risks, backed by its deep insight into industry and ability to analyze corporations, in the provision of long-term financing for capital investments. In addition to its ability to examine corporations and businesses, DBJ has proactively introduced sophisticated financing schemes, playing a leading role in project financing and debtor-in-possession financing in Japan. Leveraging its ability to evaluate risks, DBJ has broadened the scope of its involvement from loans to mezzanine financing and investments. DBJ has played a leading role in the provision of risk capital for supporting corporate growth and infrastructure investments in Japan.

## Longer-Term External Environment and Social Issues

Amid surplus capital conditions, the value of capital itself has declined. However, it can also be said that there is a lack of certain specific capital, especially risk capital, in areas where industry is being created, transformed, and expanded; where regions are becoming self-reliant and invigorated; and where infrastructure is being rebuilt and reinforced. From the standpoint of regional revitalization, for example, the provision of not only capital but also advice has led to the creation of revitalization projects. We believe that there is considerable potential in investments and loans that create added value in this manner.

## Strategy

From loans to mezzanine financing and investments, DBJ has flexibly provided financing optimized to the needs of its customers through a unique integrated investment and loan model. DBJ plans to make this model even more sophisticated. With respect to providing loan services, DBJ is focusing on higher-value-added services, such as structured financing and mezzanine financing. In investing, DBJ is encouraging long-term investments in infrastructure and investments in growth at corporations. With regard to long-term investments in infrastructure, DBJ is helping solve issues in Japan related to the rebuilding and reinforcement of infrastructure by refining its ability to evaluate asset value, increase value, and control risks. As for investments in growth at corporations, DBJ is strengthening its ability to arrange projects from an impartial standpoint and its ability to analyze industry and companies. At the same time, DBJ is focusing on raising value post-investment as a part of its contribution to helping customers strengthen their competitiveness and to the creation and turnaround of industry.

## Case Studies

### Case Study 1 Investment with Yanmar Holdings Co., Ltd. in Indian company

Yanmar Holdings Co., Ltd. is an industry pioneer highly regarded by its customers worldwide for its clean diesel engines. The company aims to expand sales in India, the world's largest market for tractors, by taking an additional stake in International Tractors Limited, a major manufacturer of tractors. Through its Special Investment Operations, DBJ arranged a joint investment in this endeavor.



Tractor produced and sold by International Tractors Limited

### Case Study 2 DBJ Investment Advisory Co., Ltd. (DBJ-IA)

In addition to providing finance, DBJ-IA taps DBJ Group's domestic and international networks to support companies' growth strategies revolving around M&A strategies, capital strategies, and overseas strategies as well as their efforts to secure the right personnel.

Investment and loan example: Dexerials Corporation  
<http://www.dbj.jp/case/dexerials.html>



Lineup of functional material products

Function Strategy

Integrated Investments and Loans (Supply of Risk Capital)

DBJ's Initiatives to Supply Risk Capital

Special Investment Operations

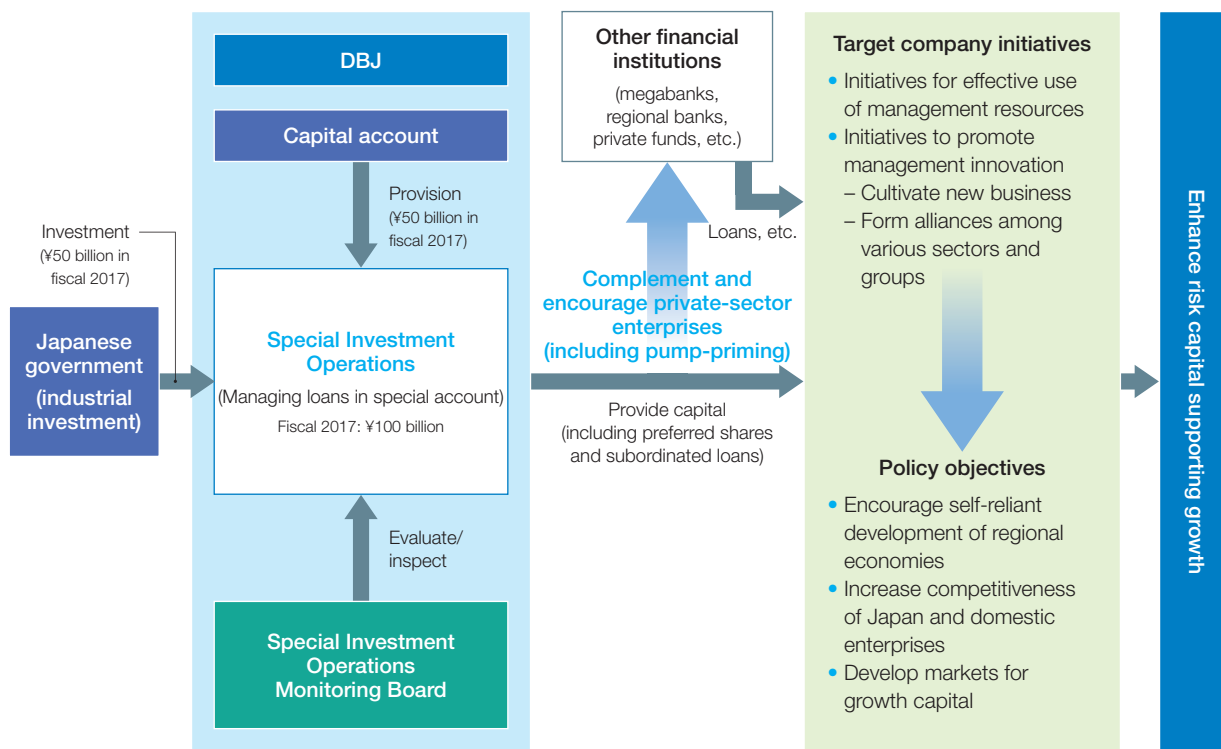
Special Investment Operations, established as an intensive but temporary scheme to supply growth capital\* from the perspective of promoting the competitiveness of Japanese enterprises along with regional revitalization, draws only a portion of the investment (industrial investment) from the Japanese government, enough to encourage the private sector to supply growth capital. In June 2015, DBJ kicked off Special Investment Operations with risk capital for the overseas independent power producer business of Shizuoka Gas Company, Ltd. As of March 31, 2017, a total of ¥167.0 billion in investments and loans had been extended to 33 projects.

Special Investment Operations follows policy objectives, in accordance with the law, complementing and encouraging

private-sector enterprises and ensuring appropriate competitive relationships. To improve the structure of Special Investment Operations and thereby maintain objective evaluation and supervision of activities, an advisory body to the Board of Directors was established—the Special Investment Operations Monitoring Board—with participation from outside experts in financial and capital markets, industry, and other professional groups (see page 60).

\* According to the Japanese government's Study Panel Concerning the Promotion of Expanding Growth Funding, certain financial institutions, including DBJ, are expected to serve in a pump-priming capacity for the foreseeable future to attract private-sector investment by cultivating new capital providers, markets, and investors, thereby fostering the development of an investment cycle led by the private sector.

Special Investment Operations Scheme



Considering the need to encourage the private sector to supply growth funds within a limited time frame, DBJ promotes the invigoration of capital markets centered on private enterprises while complementing and encouraging the private sector. To revitalize

regional economies and improve the competitiveness of Japanese companies, DBJ advances operations and makes investment and loan decisions while being careful to maintain appropriate partnerships and collaborative efforts with private financial institutions.



## Results of Special Investment Operations (Fiscal 2016)

Loan and investment recipients (co-entities)	Project overview
<b>AeroEdge Co., Ltd. (Kikuchi Gear Co., Ltd.)</b>	Invested in preferred shares of a new company established to supply parts to major aircraft engine makers overseas utilizing the advanced technologies of Kikuchi Gear Co., Ltd.
<b>JFE Holdings, Inc.</b>	Arranged subordinated loans with several financial institutions to facilitate investments by JFE Holdings, Inc. in its domestic manufacturing base and in support of its initiatives to reinforce its earnings foundation by steadily executing overseas growth investments.
<b>DMG Mori Co., Ltd.</b>	Helped by acquiring subordinated bonds for the purchase of shares in a European company with the objective of increasing production efficiency and advancing the development of high-value-added products.
<b>Mercuria Japan Industrial Growth Support Investment, LLC</b>	Joint investment with private financial institutions in the fund, which supports initiatives to create new businesses through overseas development with local mid-tier companies.
<b>Softbank Group Corporation</b>	Acquired subordinated bonds for strengthening competitiveness in telecommunications business through ARM Holdings in the U.K.
<b>DSTI HOLDINGS, INC. (Daiwa Steel Tube Industries Co., Ltd.)</b>	Through an SPC, joint acquisition with Daiwa Steel Tube Industries Co., Ltd. of some shares issued by U.S. engineering companies.
<b>Shelter Co., Ltd.</b>	Helped by investing in preferred shares issued for R&D spending to increase the performance of wooden structure technologies used by building construction companies that process and sell parts and materials for wooden structures in Yamagata City.
<b>Hanabi Creative Enterprise</b>	Invested in common shares issued by Hanabi Creative Enterprise Co., Ltd., which was established as a core company for the Daisen City Hanabi Industry Concept, thereby helping promote efforts aimed at regional revitalization through the manufacture of fireworks, planning and operation of fireworks events, and overseas business development.
<b>Dai-Ichi Hotel</b>	By supplying growth capital for this project, contributed to efforts to improve local attractions, including the complete renovation of the hotel's deluxe hot springs facility, which uses natural resources in the Tokachi area for open-air hot springs.
<b>Yanmar Holdings Co., Ltd.</b>	Joint investment for acquisition of additional shares in a major tractor manufacturer in India with the aim of increasing sales in the country, the world's largest tractor market.
<b>Yokohama Reito Co., Ltd</b>	Helped arrange subordinated loans with Bank of Yokohama, the company's main bank, for growth investments to expand overseas operations and the construction of a new distribution center.
<b>IHI Corporation</b>	Supplied risk capital for investments in international joint development project for civilian aircraft engines.
<b>UACJ Corporation</b>	Arranged subordinated loans with the company's main bank for capital investments in Thailand and the U.S. that were essential for its growth strategy.
<b>National Private Leasing Services, LLC</b>	Supplied risk capital to the company so it could provide large-scale rental housing at affordable prices across the country for broad segments of the population.

Function Strategy

# Crisis Response Operations

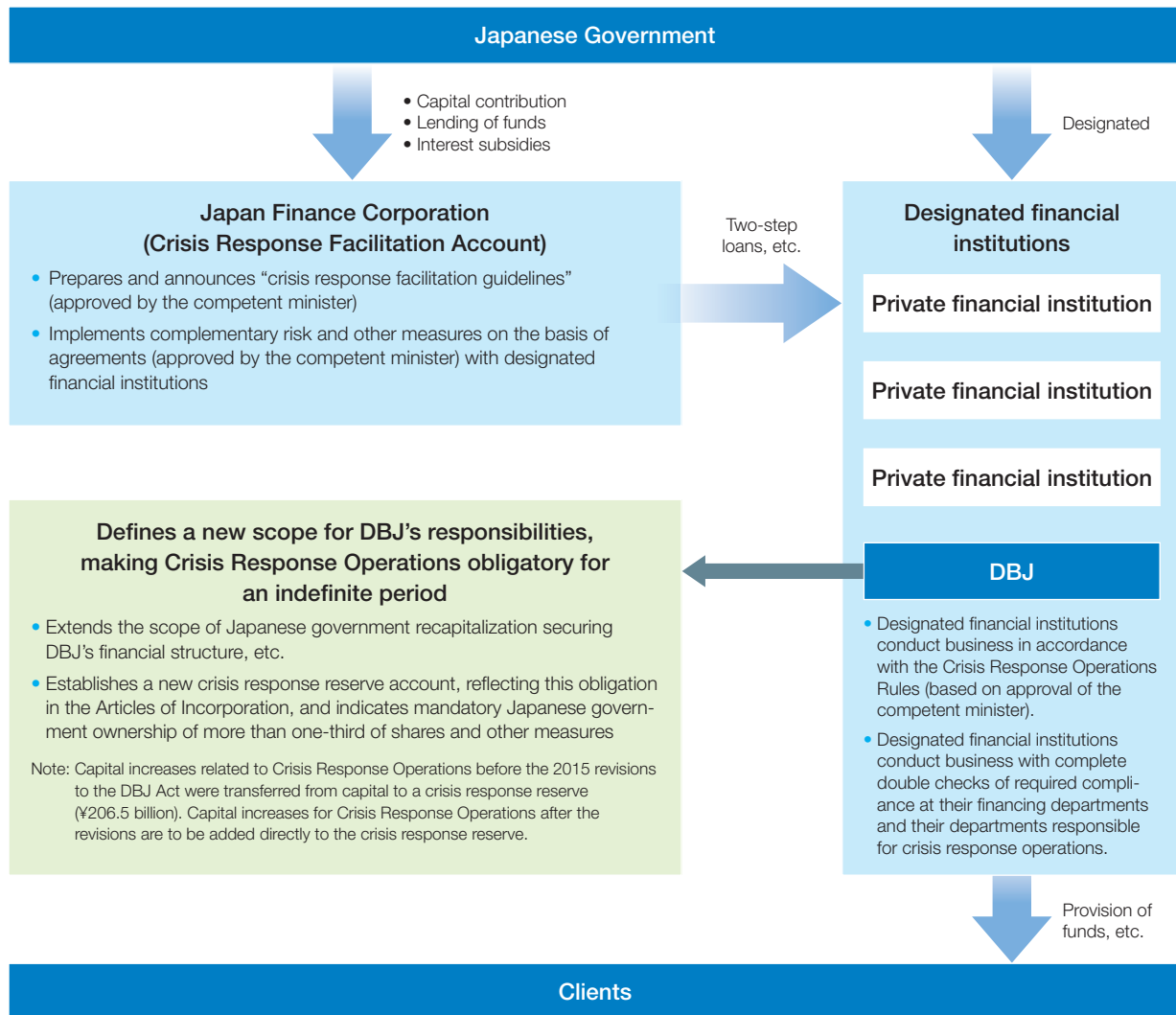
Vision

DBJ's Crisis Response Operations function as a stabilizing force during periods of instability in the economy, society, and markets.

Outline

Crisis Response Operations, on the basis of the Japan Finance Corporation Act (Act No. 57 of 2007, including later revisions) consist of the provision of necessary funds during such crises as disruptions in domestic or overseas financial markets or large-scale disasters. In response to crisis-related damage, Japan Finance Corporation provides two-step loans as complementary risk and other measures to government-designated financial institutions (designated financial institutions) that supply necessary funds to address crisis damage.

Crisis Response Operations Scheme



## Results and Strategies



### Main events that were designated a crisis:

- Turmoil in international financial markets (Global financial crisis)
- Great East Japan Earthquake
- Damage from heavy rainfall during typhoon #18 in 2015
- Kumamoto earthquakes in 2016

### Total funds raised by the government in Crisis Response Operations (as of March 31, 2017)

¥206,529 million

### Total crisis countermeasure loans, loans with loss guarantee agreements, and commercial paper purchases as of March 31, 2017:

- Loans: ¥6,130.6 billion (1,145 projects)
- Loans executed with loss guarantee agreements: ¥268.3 billion (47 projects, including those slated for application to Japan Finance Corporation)
- Commercial paper acquisitions: ¥361.0 billion (68 projects)

## Case Studies

### Case Study 1 Great East Japan Earthquake of 2011

In the fiscal 2011 supplementary budget passed in the wake of the Great East Japan Earthquake, ¥2.5 trillion was earmarked for Japan Finance Corporation for Crisis Response Operations targeting medium- and large-sized enterprises. DBJ proactively provided assistance for clients affected both directly and indirectly by the disaster.

Along with designated financial institutions in the disaster area, DBJ arranged the Great East Japan Earthquake Reconstruction Fund, which has financed 47 reconstruction projects to date.

In December 2014, in response to the shift of the stage of earthquake reconstruction from the restoration of production facilities (the “restoration stage”) to efforts to open up a new enterprise-based market that resumes production, collaborates among multiple enterprises to boost industry competitiveness, builds infrastructure and reinforces functions (the “reconstruction and growth stage”), we have established a new reconstruction and growth support fund in collaboration with the Regional Economy Vitalization Corporation of Japan. The new fund is aimed at providing subordinated loans and preferred shares to enterprises whose businesses are contributing to the reconstruction and growth of the disaster-stricken region. We are promoting forward-looking initiatives with a nationwide business model, aiming to support regional growth and revitalization.

### Case Study 2 Kumamoto earthquakes in 2016

In 2016, DBJ established the Kumamoto Recovery Office within the Kyushu Branch to better provide useful knowledge and financial expertise for the restoration and reconstruction of regions affected by the Kumamoto earthquakes.

In July 2016, DBJ formed the Kumamoto Reconstruction Support Fund jointly with The Higo Bank, Ltd. and the Kagoshima Bank, Ltd., financial institutions in the disaster-stricken area. The fund supplies risk capital, through such schemes as senior loans (repayment in full on maturity, uncollateralized, non-guaranteed loans) and subordinated loans, to businesses affected by the disaster.

Additionally, DBJ provided beneficial information about restoration and reconstruction through a cross-departmental system, and offered survey and planning services in conjunction with related local governments, national institutions, and economic groups, as well as local financial institutions.



Kumamoto Castle, damaged by the earthquakes (photo from the Ninomaru Parking Lot)

Function Strategy

# Asset Management



### Vision

Backed by the DBJ Group philosophy and comprehensive financial expertise, DBJ Asset Management Co., Ltd. (DBJAM) provides investment and asset management services which meet the clients' best interests. By appropriately addressing diverse investment needs, DBJAM aims to spur the development of capital markets in Japan by stimulating the flow of funds.

### Outline

DBJAM is an asset management company that specializes in investments in the real estate, private equity, and infrastructure fields.

Real estate

Private equity

Infrastructure

### Accomplishments and Initiatives to Date

DBJAM was established in November 2006 for the purpose of energizing the real estate finance market in Japan. Since then, DBJAM has provided domestic real estate fund management and asset management services. In 2016, it formed and began asset management in DBJ Private REIT Co., Ltd., a private unlisted REIT.

In addition, since 2013, DBJAM has begun to enhance its wings into providing discretionary investment services and investment advisory services related to alternative investments in overseas / domestic private equity and infrastructure, and overseas real estate.

As a specialist in managing alternative investments, DBJAM strives to meet the diverse needs of its clients. As of March 31, 2017, it had ¥818.5 billion in assets under management.

## Longer-Term External Environment and Social Issues

Japan is a nation with considerable assets, including over ¥1,700 trillion in household financial assets and ¥200 trillion in pension assets. With the Japanese economy confronted by a declining population and an aging society, it is imperative that this wealth (financial assets) is steadily expanded.

In realizing sustainable asset formation for the nation, it is an extremely important policy issue for Japan to have a healthy and efficient capital market. Financial institutions, pension funds and other institutional investors must also advance their investment capabilities in order to maintain a vibrant capital market.

DBJAM acknowledges the importance of such policy objectives and believes that its services are well aligned with the public interest.

## Strategy

DBJAM, as a fiduciary investment manager, works in the best interests of its institutional investor clients with the aim of achieving longer-term growth in returns on each investments, being aware of the profits flowing to the ultimate beneficiaries. DBJAM also works to help its clients increase their asset management capabilities.

To achieve these aims, DBJAM deeply understands financial standings, investment policies, and risk/return preferences of its clients through active, thorough and faithful engagement. DBJAM believes that such an attitude allows us to provide investment and asset management services which are truly optimized for the client.

Through the provision of dedicated and qualified investment management services, DBJAM contributes to the development of capital markets in Japan, as well as the transformation of the funds flow into more diversified and longer-term minded one which will ultimately lead to the promotion of the national wealth.

## Case Study

### DBJ Private REIT Co., Ltd.

From an unbiased position and long-term standpoint, DBJAM provides qualified investment opportunities to clients such as regional financial institutions and pension funds. Through its services, DBJAM helps its clients diversify their investments and invigorate the real estate finance market. With this objective in mind, DBJAM set up a private REIT in August 2016.

DBJ Private REIT Co., Ltd. invests in properties that have received the DBJ Green Building Certification or other environmental certifications, contributing to the spread of sustainable real estate properties.



Function Strategy

# Advisory Services



### Vision

**DBJ helps Japanese companies realize their growth strategies and improve their international competitiveness through support for M&A, backed by its extensive experience and track record around the world.**

### Outline

DBJ offers expert advice related to corporate M&A—ranging from the formulation of strategies, screening of acquisition candidates, and assessment of corporate value to negotiations, structure policy, and post-merger integration assistance—for a variety of situations, including industry restructuring, overseas business development, business domain expansion, business succession, as well as fund investments and exits.

### Accomplishments and Initiatives to Date

Since it began offering advisory services in fiscal 2000, DBJ has supported a diverse range of projects inside and outside Japan. In fiscal 2015, DBJ created the Social Value and Capital Formation M&A Awards as a system for recognizing excellent M&A deals that create social value. In April 2016, DBJ established the Asia M&A Support Center in response to growing needs for business development overseas, as well as the Post-Merger Integration Support Center to assist with integration after mergers.

### Strategy

Backed by its experience supporting projects and industry knowledge, DBJ takes an impartial approach to providing advisory services to Japanese companies by utilizing its far-reaching network with foreign companies and private equity funds. DBJ also addresses needs for multifaceted support in investments and loans for capital needs related to acquisitions.

### Case Study

#### ANA Holdings Inc.'s strategic investment in Vietnam Airlines JSC

DBJ acted as the financial advisor to ANA Holdings Inc. for its strategic investment in Vietnam Airlines JSC. Helping the company execute its strategy in Asia, DBJ provided comprehensive advice, including investment schemes, calculations of corporate value, support for negotiating with the other party, and coordination of the drafting of the agreement.



# Research & Consulting



## Vision

DBJ helps its customers find solutions to problems through research and consulting services using techniques it has accumulated over the years, including far-sighted concept proposals from an impartial and objective standpoint and feasibility studies from a long-term standpoint.

## Outline

Utilizing its extensive network of connections to universities, research institutions, experts, national governments, and local governments, DBJ provides support through surveys and problem-solving ideas related to business strategies and policy formation for urban development, regional development, social capital maintenance, energy, the economy, and industry.

## Accomplishments and Initiatives to Date

Japan Economic Research Institute, Inc. is a comprehensive think tank that conducts research in the public, solutions and international fields. In the public-private partnership and project finance initiative fields, it has a top-class track record in Japan backed by unparalleled experience and know-how.

Value Management Institute, Inc. is also a comprehensive think tank that excels in analysis using proprietary economic models and insight into cutting-edge technologies. Its highly specialized knowledge encompasses a broad range of policy fields, including the formulation of integrated strategies for local governments across Japan.

## Strategy

Amid accelerating change in industry, finance, and society that creates new risks and opportunities, DBJ will provide value-added research and consulting services that look beyond stereotypes. At the same time, DBJ Group aims to create new knowledge platforms in tune with the latest trends, backed by its ability to provide creative solutions.

## Case Study

### Support for Daisen City Hanabi Industry Concept

To support event commercialization and regional revitalization, Japan Economic Research Institute compiled a report on Growth Strategies for the Fireworks Industry for the Omagari Fireworks Festival in Akita, where Japan's best fireworks are on display in friendly competition. DBJ supplied risk capital to Hanabi Creative Enterprise, the entity behind the Daisen City Hanabi Industry Concept. DBJ Group will continue to provide new financial solutions through a combination of research and financing.



Omagari Fireworks Festival "Kanki"

Area Strategy

Region



March 31, 2017

Total number of business alliances with financial institutions

107

Vision

DBJ Group provides solutions for regional issues connecting regions throughout Japan to Tokyo, domestic regions to those overseas, and regions the world over to each other.

Outline

DBJ Group provides services tailored to the characteristics of each region in Japan from 10 branches and eight representative offices across the country.

Investments and loans

Consulting services

Planning and research services

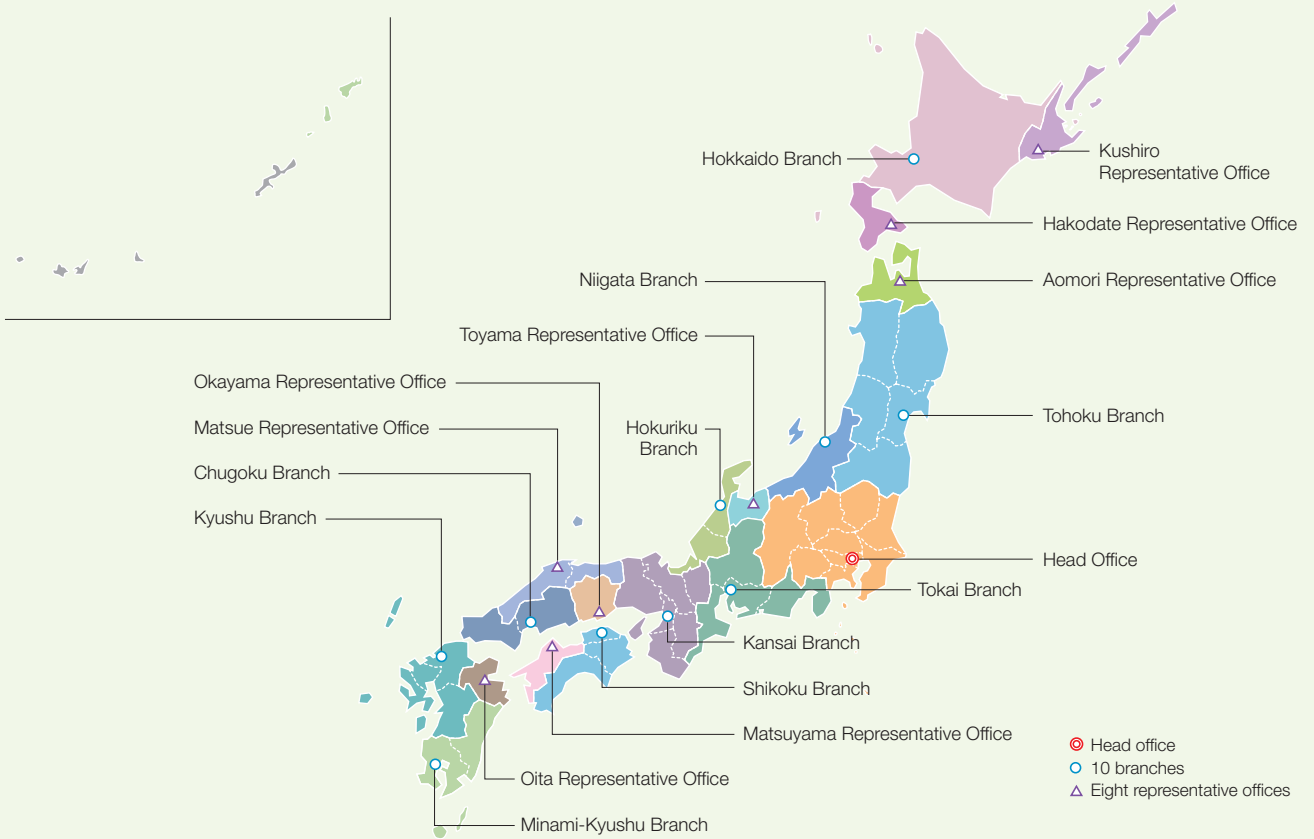
Accomplishments and Initiatives to Date

DBJ Group has worked to invigorate the economies of regions dealing with various issues since the time it was the Hokkaido-Tohoku Development Finance Public Corporation and the Japan Development Bank. In recent years, DBJ has provided financing tailored to the characteristics of each region through its Regional Areas *Genki* Program (see page 40), co-investment for overseas business development, risk capital through joint funds with regional financial institutions, and consulting services to help create integrated regional strategies.

Through Crisis Response Operations, DBJ has also provided assistance for reconstruction in the wake of natural disasters in various regions, including the Great East Japan Earthquake and the Kumamoto earthquakes.

As of March 31, 2017, DBJ has entered into business alliances with a total of 107 financial institutions.





### Longer-Term External Environment and Social Issues

The regional economic outlook is severe with declining household spending and weaker demand for loans alongside a long-term downtrend in their populations. As regional economies contract, regional enterprises need growth strategies that include overseas business development, measures to improve corporate value through business restructuring and succession, and ascertainment of good opportunities in asset management.

### Strategy

DBJ will provide services with two objectives in mind—namely, to create value by connecting regions throughout Japan to Tokyo, domestic regions to those overseas, and regions the world over to each other, and to solve problems through risk

capital and consulting. More specifically, while taking into account regional characteristics, the themes of key objectives entail improving the productivity and growth strategies of regional companies through business restructuring and overseas business development, respectively, and cooperating with regional financial institutions to create opportunities in asset management. As a part of these initiatives, DBJ created the Regional Investment Promotion Office in the Strategic Finance Department under the chief investment officer on April 1, 2017, for the purpose of facilitating the supply of risk capital to regional mid-tier companies and small and medium-sized enterprises.

By providing detailed solutions to regional problems, DBJ Group strives to increase the value of its human capital (e.g., the skills and experience of its managers and employees), and relationship capital (e.g., networks).

Area Strategy

Region

Innovative Initiatives at DBJ

Regional Areas *Genki* Program

Facing the challenges of population constraints, severe financial conditions, environmental restrictions and global competition, Japan's regions must coordinate with one another and implement diverse regional development schemes that capitalize on their respective strengths, competitive advantages, and latent potential.

In fiscal 2010, DBJ arranged a unique initiative, the Regional Areas *Genki* Program, to support regional growth that capitalizes on each region's respective strengths and potential from information and funding aspects. In addition, each DBJ branch focuses on its region's distinctive fields and businesses, based on its industrial structure, and partners with regional financial institutions to offer financial support.

To further promote these initiatives, DBJ periodically revises the content of programs set by each of its branches and has adopted nationwide the concepts of "enterprises that contribute to the region"<sup>\*1</sup> and "production bases that are vital to the region."<sup>\*2</sup> DBJ is helping foster a virtuous circle of *genki* between regions and enterprises.

\*1 Enterprises that contribute to the region: Enterprises that create employment opportunities and utilize the region's personnel and resources, effectively employing people, physical goods, and money for the benefit of the region, including increasing its productivity. DBJ supports these enterprises by providing information and funding.

\*2 Production bases that are vital to the region: Enterprises that support regions by keeping major manufacturing plants and R&D bases in their regions, thereby contributing to the creation of jobs, economic benefits, and brands in the region. DBJ supports these enterprises through its Mother Factory Support Program.

Areas Supported by DBJ's Head Office (as of April 2017)

Hokkaido Area	(Hokkaido)	<ul style="list-style-type: none"> <li>Strengthening of the food value chain to drive growth</li> <li>Development of the tourism industry by communicating the area's attractions</li> <li>Creation of an environment and the infrastructure to support sustainable growth</li> </ul>
Tohoku Area	(Aomori, Iwate, Miyagi, Akita, Yamagata, and Fukushima)	<ul style="list-style-type: none"> <li>"Creation of new business in Tohoku" program</li> </ul>
Niigata Area	(Niigata)	<ul style="list-style-type: none"> <li>Improvement of the area's attractiveness by using regional resources</li> <li>Advancement of innovation</li> <li>Advancement of safety and security in regional development</li> </ul>
Kanto-Koshin Area	(Ibaraki, Tochigi, Gunma, Saitama, Chiba, Tokyo, Kanagawa, Yamanashi, and Nagano)	<ul style="list-style-type: none"> <li>Development of new market-creation businesses that fully leverage population and industry concentrations</li> <li>Construction and renovation of infrastructure based on regional conditions</li> <li>Development of businesses in manufacturing regions that boost competitiveness in response to globalization</li> <li>Advancement of initiatives that contribute to higher labor productivity and an improved labor participation rate</li> </ul>
Hokuriku Area	(Toyama, Ishikawa, and Fuku)	<ul style="list-style-type: none"> <li>Fostering of hospitable, technological and physical support for the Hokuriku area</li> </ul>
Tokai Area	(Gifu, Shizuoka, Aichi, and Mie)	<ul style="list-style-type: none"> <li>Development of programs that advance the creation of next-generation industries</li> <li>Development of programs that support efforts to make the Tokai area more appealing</li> <li>Development of measures to prepare for a massive earthquake in the Nankai Trough</li> </ul>
Kansai Area	(Shiga, Kyoto, Osaka, Hyogo, Nara, and Wakayama)	<ul style="list-style-type: none"> <li>Development of programs that support leading-edge manufacturers</li> <li>Development of a program to support the invigoration of commerce and distribution</li> <li>Development of a program that aids efforts to help the tourism industry thrive</li> </ul>
Chugoku Area	(Tottori, Shimane, Okayama, Hiroshima, and Yamaguchi)	<ul style="list-style-type: none"> <li>Promotion of the "Three arrows" initiative to invigorate the Chugoku area</li> </ul>
Shikoku Area	(Tokushima, Kagawa, Ehime, and Kochi)	<ul style="list-style-type: none"> <li>Development of a program for Shikoku enterprises evolving at the top of their niches</li> <li>Development of programs that support efforts to reinforce industrial clusters</li> <li>Development of measures to prepare for a massive earthquake in the Nankai Trough</li> </ul>
Kyushu Area	(Fukuoka, Saga, Nagasaki, Kumamoto, and Oita)	<ul style="list-style-type: none"> <li>Enhancement of the competitiveness of the Kyushu area as the door to Asia</li> <li>Creation of a new growth engine for the Kyushu region</li> <li>Development of measures to increase the competitiveness of area enterprises that have unique growth strategies</li> </ul>
Minami-Kyushu Area	(Miyazaki, Kagoshima, and Okinawa)	<ul style="list-style-type: none"> <li>Development of a project to promote Minami-Kyushu as an advanced region in terms of food, health, and the environment and energy</li> </ul>

## Case Studies

### Case Study 1 Supply of growth capital to Dai-Ichi Hotel

Dai-Ichi Hotel is a major operator of Japanese-style inns in the Tokachigawa hot springs area. With the aim of helping improve the attractiveness of the region by renovating hospitality facilities, DBJ supplied risk capital through Special Investment Operations by arranging syndicated loans to supply growth capital with North Pacific Bank, Ltd., including subordinated capital loans.



Garden-themed, outdoor hot spring bath

### Case Study 3 Be Smile Project Co., Ltd. (Kamichiku Group)

Be Smile Project Co. Ltd. aims to move Kyushu's livestock sector to the sixth industrial tier (tier characterized by the added value resulting from vertical integration) by invigorating and sharpening the sector's competitiveness through expansion into the restaurant business. DBJ supports this effort by supplying risk capital through Special Investment Operations in cooperation with the Agriculture, Forestry and Fisheries Fund Corporation for Innovation, Value Chain and Expansion in Japan, livestock feed producers, trading companies, and local financial institutions.



### Case Study 2 Support for world's first university-affiliated joint-use medical facility dedicated to BNCT

DBJ arranged syndicated loans for a project to prepare the Kansai BNCT Medical Center (tentative name) with the Educational Foundation of Osaka Medical and Pharmaceutical University. The center is the world's first university-affiliated joint-use medical facility dedicated to boron neutron capture therapy (BNCT). It holds promise for leading the world in advanced cancer treatments through collaboration with research networks including Kyoto University Research Reactor Institute, Osaka University's Graduate School of Medicine, and Osaka Prefecture University's BNCT Research Center.



Rendering of completed facility

### Case Study 4 Initiatives to promote Setouchi brands

DBJ set up the Setouchi Kanko Kasseika Fund and financing for Setouchi Brand Corporation to create a system for promoting Setouchi brands in collaboration with the Setouchi Tourism Authority as well as seven financial institutions in the region (Chugoku Bank, Hiroshima Bank, Yamaguchi Bank, Awa Bank, Hyakujushi Bank, Iyo Bank, and Minato Bank). This fund provides financial support to tourism-related businesses as the bearer of growth capital.



Area Strategy

Overseas



Vision

Positioning overseas operations within its sector strategies and function strategies, DBJ Group engages in global operations in sectors providing high added value.

Outline

DBJ engages in overseas operations in line with its sector strategies and function strategies. To coordinate these operations, it has subsidiaries in London, Singapore, and Beijing (including a branch office in Shanghai), as well as a representative office in New York.

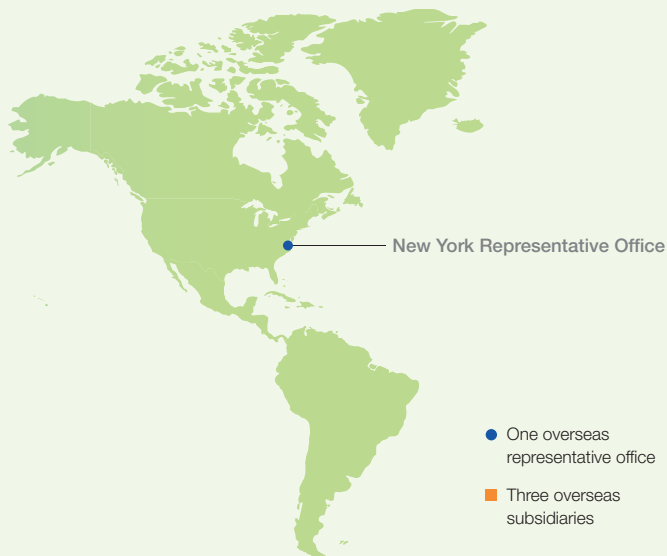
Accomplishments and Initiatives to Date

When it first became a joint-stock company, DBJ began to extend corporate loans in advanced countries where it could ply its knowledge of industries in Japan. DBJ then gradually diversified into project finance, asset finance, and investment operations as business foundations were laid overseas in accordance with DBJ Group's sector strategies and function strategies.

In Singapore and China, DBJ set up an M&A advisory team to coordinate with the head office's Business Development Department in meeting the M&A needs of customers in the Asia region.

## Longer-Term External Environment and Social Issues

Based on projections for continued growth in the world economy, DBJ Group is likely to see continued needs for global business development from its core customers in domestic industries. At the same time, demand for capital should increase strongly from the infrastructure and transportation



sectors against a backdrop of population growth and the increasing volumes of movement in people and physical goods. It is imperative that Japan's economy and industry sustain growth by effectively tapping into these overseas growth opportunities.

## Strategy

DBJ will continue to engage in overseas operations in line with its sector strategies and function strategies.

- 1) In infrastructure fields such as energy and transportation, DBJ will provide investments and loans for the overseas development of Japanese industry and for projects that bring overseas knowledge to domestic markets.
- 2) DBJ will provide investment and advisory services to support the overseas industrial expansion needs of its customers, including customers headquartered regionally in Japan.
- 3) Group companies will manage investments in infrastructure assets and corporate assets for the purpose of providing Japanese investors with investment opportunities overseas.

## Case Studies

### Case Study 1 Participation in natural gas power plant project in New York State

DBJ participated in the financing of a project to construct and operate a natural gas power generation plant (output about 1.1 million kW) in New York, U.S.A., being promoted by lead investor JERA Co., Inc. We aim to acquire knowledge of finance in deregulated markets in the U.S., a pioneer in electric power deregulation, and bring this knowledge back to help

Japan's deregulated electricity market.



Rendering of completed facility

### Case Study 2 Participation in biomass power plant project in the U.K.

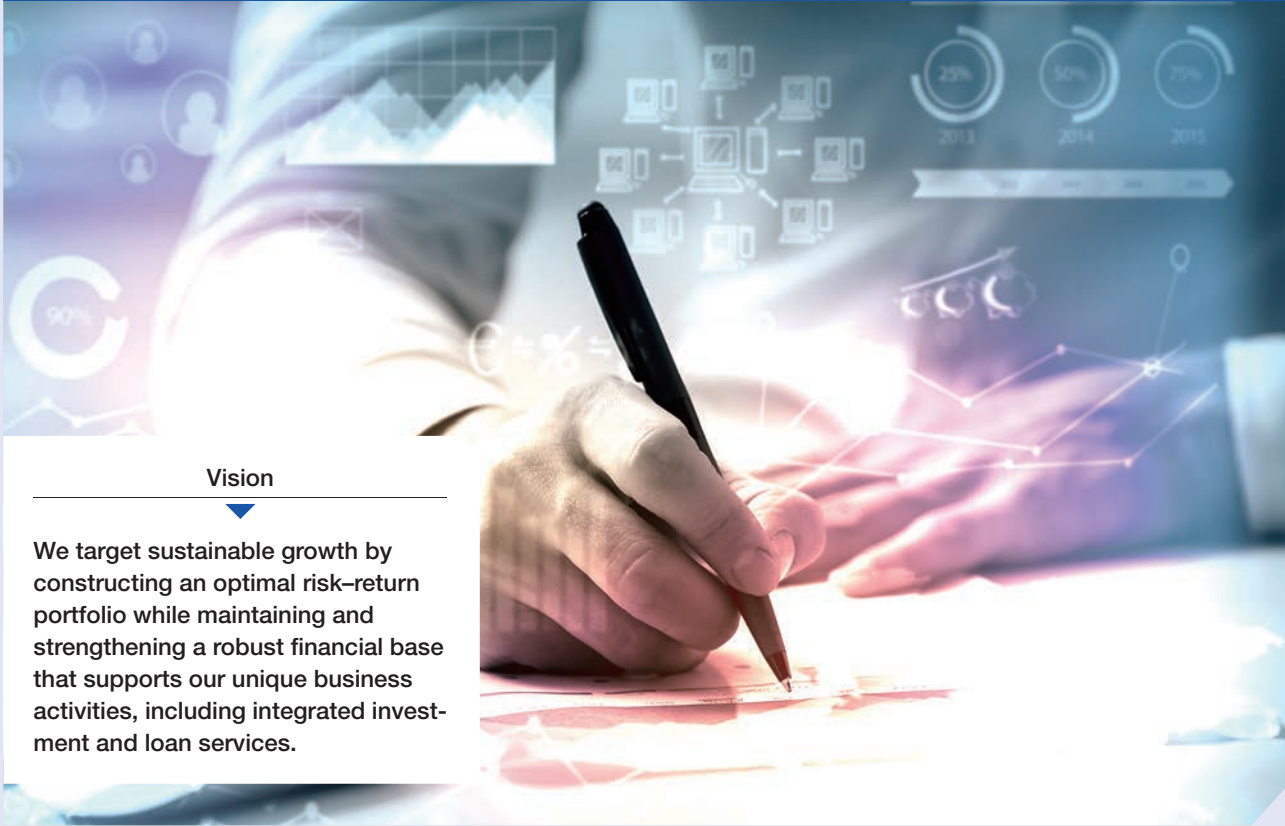
DBJ participated in project financing for one of the largest biomass power plants (output about 300,000 kW) in the U.K., which is scheduled to be constructed near Middlesbrough in central England. By acquiring knowledge in the financing and operation of the biomass power plant project, we will contribute to the spread of renewable energy in Japan.



Rendering of completed facility

# Capital Strategy

## Financial Capital



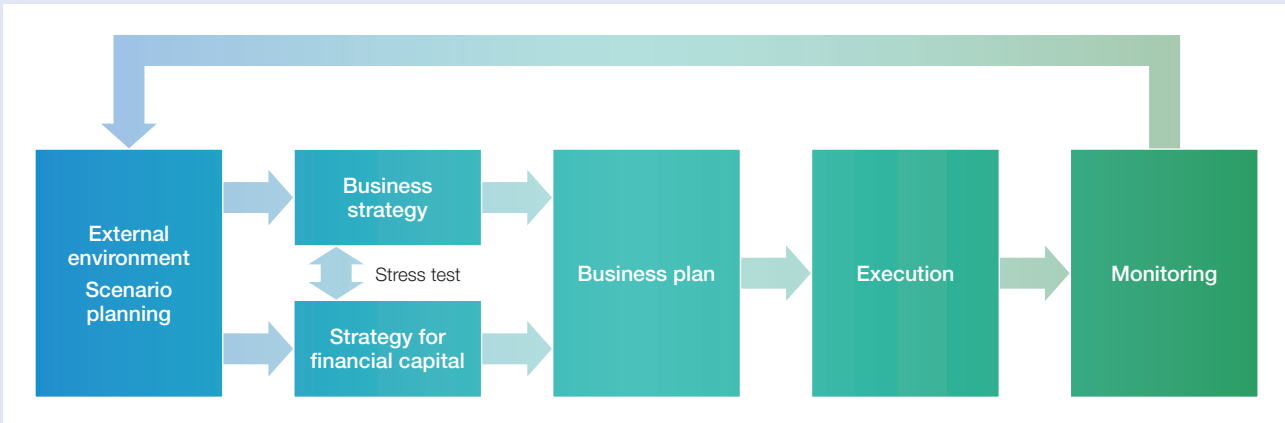
### Vision

We target sustainable growth by constructing an optimal risk-return portfolio while maintaining and strengthening a robust financial base that supports our unique business activities, including integrated investment and loan services.

### Basic Policy

Financial capital is a vital element of our business foundation implementing advanced business strategies centered on our sector strategy (see page 18) and function strategy (see page 28) under the Fourth Medium-Term Management Plan. A robust financial foundation of funds and capital is necessary for DBJ Group to execute its sector strategy, supply risk capital, and engage in Crisis Response Operations. We aim to

maintain and strengthen our financial capital by managing it within the context of a risk appetite framework based on sophisticated analysis of risks and returns with due consideration paid to regulatory capital (management focused on shareholders' equity ratios) and economic capital (management of capital using stress tests).



## Specific Initiatives to Improve Value of Financial Capital

A pillar of DBJ Group's business strategy is to provide long-term financing for infrastructure projects. To do so, DBJ Group procures long-term funds through corporate bonds and the Fiscal Investment and Loan Program (FILP).

In recent years, DBJ has stably procured funds through FILP as well as by issuing corporate bonds, thereby augmenting its

fund procurement activities with diversified maturities and methods. In fiscal 2015, DBJ was the first Japanese issuer to issue sustainability bonds (see page 55), and it plans to strengthen efforts in this area. We intend to help invigorate the socially responsible investing bond market while diversifying our fund procurement base.

### Capital Procurement (Non-Consolidated)

	(¥100 million)		
	Fiscal 2014	Fiscal 2015	Fiscal 2016
Funds raised (flow)	2,544.2	3,027.7	4,012.6
Fiscal Investment and Loan Program	661.6	634.4	1,127.7
Of which, borrowings from FILP*	300.0	300.0	800.0
Of which, government-guaranteed bonds (domestic)	200.0	200.0	150.4
Of which, government-guaranteed bonds (overseas)	161.6	134.3	177.3
Corporate bonds (FILP bonds)	374.8	395.3	497.1
Long-term debt	378	358.2	861.5
Of which, recovered, etc.	1,129.9	1,639.7	1,526.1

\* Borrowings from FILP in fiscal 2016 included ¥500 billion in the supplementary budget for "economic stimulus measures for investments in the future."

Injections of financial capital are periodically monitored and assessed, and are reflected in operational plans and financial capital plans.

### Financial Soundness Indicators

Issuer ratings	A1 (Moody's), A (S&P), AA (R&I), AAA (JCR)	(As of March 31, 2017)
Common equity Tier 1 risk-weighted capital ratio	17.2%	(As of March 31, 2017)

### Financial Targets of Fourth Medium-Term Management Plan

DBJ has set the following numerical targets and is keen to strengthen profitability further over the longer term.

(In the Third Medium-Term Management Plan, our target for net income was ¥70 billion in the final fiscal year.)

(Consolidated)	Third Medium-Term Management Plan		Fourth Medium-Term Management Plan
	Actual (Average for fiscal 2014–2016)	Actual (Fiscal 2016)	Target (Fiscal 2019)
Gross ordinary income*1	¥182.6 billion	¥171.1 billion	<b>¥190 billion</b>
Current net income	¥103 billion	¥87.6 billion	<b>¥80 billion</b>
Of which, credit costs (negative = cost)*2	¥19.2 billion	¥4.5 billion	—
Profitability			
Expense ratio*3	26%	30%	<b>About 35%</b>
Total assets	—	¥16.5 trillion	<b>¥16 trillion</b>
ROA*3*4	1.1%	1.1%	<b>About 1%</b>
ROE*3*4	3.7%	3.0%	<b>About 3%</b>
Soundness			
Capital adequacy ratio*5	—	17.2%	<b>At least 14%</b>

\*1 Includes stock-related gains/losses, before credit costs and expense deductions

\*2 Credit costs (negative = cost) = reversal of allowance for loan losses (negative = provision) + reversal of reserve for contingent losses (negative = provision) + loan write-offs (negative) + collection of written-off claims + gain on sale of claims (negative = loss)

\*3 Expense ratio and ROA versus gross operating profit, ROE versus net income

\*4 Average for fiscal 2014–2016 uses simple average of ROA and ROE for each fiscal year

\*5 Common equity Tier 1 risk-weighted capital ratio

## Capital Strategy

## Financial Capital

## Reference (Long-Term Profits / Losses, Financial Conditions)

	2008	2008-2010	
	Became a joint-stock company	First Medium-Term Management Plan CHALLENGE 2010	
	Fiscal 2008 (October 1, 2008 to March 31, 2009) (Six-month fiscal period)	Fiscal 2009 (April 1, 2009 to March 31, 2010)	Fiscal 2010 (April 1, 2010 to March 31, 2011)
<b>Consolidated</b>			
Total income	151.2	347.9	345.1
Income before income taxes	(121.6)	51.9	95.0
Of which, equity and fund-related gains/losses	N/A	(26.7)	(2.9)
Extraordinary profit/loss	3.5	(0.8)	9.3
Income before income taxes and minority interests	(118.1)	51.1	104.3
Total income taxes	(13.5)	(10.8)	(1.3)
Net income attributable to owners of the parent	(128.3)	39.8	101.5
Total dividend amount	—	10.0	50.0
Total assets	14,028.0	15,595.7	14,845.2
Loans	12,008.8	13,514.6	13,031.4
Securities	1,246.5	1,289.4	1,165.5
Total liabilities	11,941.6	13,268.2	12,435.2
Borrowed money	8,067.8	9,082.4	8,576.4
Debentures and corporate bonds	3,513.0	3,746.3	3,629.3
Total equity	2,086.4	2,327.5	2,409.9
Common stock	1,000.0	1,181.1	1,181.1
Total capital ratio (Basel II, BIS standard)	18.87%	19.13%	20.50%
Total capital ratio (Basel III, BIS standard)	—	—	—
Ratio of risk-monitored loans (Banking Act basis)	1.60%	5.07%	1.28%
Return on assets (ROA)	(0.92)%	0.27%	0.67%
Return on equity (ROE)	(6.06)%	1.82%	4.31%
Number of employees	1,096	1,181	1,203
<b>Investment and fundraising flow (non-consolidated)</b>			
Loans and investments (flow)	1,733.4	3,793.1	2,116.6
Loans	1,670.3	3,682.0	2,034.4
Investments	63.1	111.1	82.2
Funds raised (flow)	1,733.4	3,793.1	2,116.6
Of which, recovery, etc.	184.3	840.9	1,212.8



(¥100 million)

	2011-2013 Second Medium-Term Management Plan Endeavor 2013			2014-2016 Third Medium-Term Management Plan: Supporting Japan's Sustained Growth as a Global Innovator		
	Fiscal 2011 (April 1, 2011 to March 31, 2012)	Fiscal 2012 (April 1, 2012 to March 31, 2013)	Fiscal 2013 (April 1, 2013 to March 31, 2014)	Fiscal 2014 (April 1, 2014 to March 31, 2015)	Fiscal 2015 (April 1, 2015 to March 31, 2016)	Fiscal 2016 (April 1, 2016 to March 31, 2017)
	318.7	340.0	361.6	339.0	358.6	285.4
	99.2	115.6	165.7	153.0	185.1	122.5
	(1.3)	30.0	30.3	32.1	70.8	41.1
	10.9	0.6	0.2	0.6	1.5	(0.0)
	110.2	116.2	166.0	153.6	186.7	122.4
	(31.9)	(44.5)	(40.8)	(58.9)	(57.6)	(34.6)
	77.3	71.3	124.3	92.7	128.9	87.6
	37.3	35.2	30.8	22.5	29.2	19.7
	15,579.8	16,248.7	16,310.7	16,360.6	15,907.1	16,570.4
	13,645.4	13,918.2	13,838.4	13,261.3	12,952.5	13,039.5
	1,176.6	1,357.0	1,637.5	1,887.9	1,803.0	1,750.3
	13,118.8	13,710.1	13,682.9	13,613.3	13,022.9	13,584.2
	9,170.5	9,448.3	9,182.6	8,598.2	7,892.1	8,472.3
	3,671.8	3,924.5	4,237.4	4,569.3	4,727.9	4,711.8
	2,461.0	2,538.5	2,627.7	2,747.2	2,884.2	2,986.2
	1,187.7	1,206.9	1,206.9	1,206.9	1,000.4	1,000.4
	18.56%	—	—	—	—	—
	—	15.52%	15.83%	16.80%	17.87%	17.47%
	1.47%	1.23%	0.99%	0.77%	0.64%	0.54%
	0.51%	0.45%	0.76%	0.57%	0.80%	0.54%
	3.18%	2.86%	4.83%	3.47%	4.60%	2.99%
	1,270	1,315	1,391	1,407	1,435	1,546
	2,927.0	2,652.4	2,943.3	2,544.2	3,027.7	4,012.6
	2,849.0	2,524.5	2,805.1	2,262.7	2,861.3	3,805.8
	78.0	127.8	138.2	281.4	166.3	206.7
	2,927.0	2,652.4	2,943.3	2,544.2	3,027.7	4,012.6
	691.7	502.2	1,307.5	1,129.9	1,639.7	1,526.1

# Capital Strategy

## Human Capital

### Vision

We aim to become a “human resource development bank” with diverse human resources, and help employees develop skills while raising their motivation.

As of March 31, 2017

Number of employees (consolidated)	1,546
Number of employees (non-consolidated)	1,192
Average length of service (non-consolidated)	14.3 years



### Basic Policy

We believe the sustained creation of economic and social value hinges on the hiring and training of talented personnel who can put into practice our unique business model of integrated investment and loan services, while sharing DBJ Group's corporate philosophy. It is also vital that we create

a framework where diverse personnel can engage in work with high levels of motivation. Under the Fourth Medium-Term Management Plan, we are advancing specific initiatives to improve the value of human capital as a high-priority issue.

### Specific Initiatives to Improve Value of Human Capital

#### (1) Intensification of Hiring

DBJ will secure the personnel necessary across the entire Group to implement its sector strategy, function strategy, and area strategy.

#### (2) Skills Development

DBJ prioritizes human resource development across the Group.

- Help employees shape career paths for personalized growth
- Strategically rotate employees so they steadily develop highly specialized skills by gaining practical experience in multiple departments
- Develop skills through practical on-the-job training
- Dispatch employees to central government agencies, Group companies inside and outside Japan, and companies that have received investments
- Enhance quality and quantity of spending on human resource development (career development, management ability, global awareness, etc.)

- Provide abundant opportunities for training through combinations of rank-based training, business-related training, and self-improvement training
- Augment study abroad program at overseas universities and international training programs to nurture globally aware employees
- Implement measures to strengthen management abilities

#### (3) Motivation and Health Management

We focus efforts on promoting employee motivation and sound physical and mental health.

- Maintain an optimal human resource system, share our corporate philosophy, and focus on improving productivity as factors that affect motivation
- In addition to periodic health checkups, introduce counseling services staffed by external professionals as a part of management that cares for the physical and mental well-being of employees

## DBJ's Human Resource Development System

Training by Rank		Business-Related Training		External Assignments, etc.	Business-Related (Self-Training)	
Position ↑	Leadership program	<ul style="list-style-type: none"> <li>Financial skill-related training (Valuation, corporate reorganization, real estate finance, accounting, monetary policy, corporate finance, etc.)</li> </ul>		Domestic and overseas exchange students, trainees, seconding, etc.	<b>Common skill areas</b> <ul style="list-style-type: none"> <li>Communication</li> <li>Logical thinking</li> <li>Facilitation</li> <li>Presentation</li> <li>Design thinking</li> <li>English conversation, etc.</li> </ul>	
	Life plan training					Management training
	Career development plan training	Manager training	<ul style="list-style-type: none"> <li>Compliance training</li> <li>Training on finance-related laws</li> </ul>			<ul style="list-style-type: none"> <li>Accounting standards training</li> <li>Tax basics training, etc.</li> </ul>
	Introductory training for new employees		<b>Financial analysis training</b> <ul style="list-style-type: none"> <li>Bookkeeping and accounting knowledge</li> </ul>			<ul style="list-style-type: none"> <li>Corporate analysis</li> <li>Individual company analysis</li> <li>Case studies</li> </ul>
Autonomous career track	Cultivation of management and leadership skills	Acquisition of financial skills, legal and financial accounting knowledge		Cultivation of business-related knowledge, acquisition of specialized knowledge, human resource training	Mastery of knowledge and skills needed for work	
Planned and ongoing HR development						

## DBJ's Work-Life Balance Systems

### Pregnancy, Childbirth, and Child-Rearing

Balance support systems	Pregnancy and childbirth	Child-rearing
	<ul style="list-style-type: none"> <li>Maternity leave before and after childbirth</li> <li>Special leave when spouse gives birth</li> </ul>	<ul style="list-style-type: none"> <li>Leave for child-rearing</li> <li>Shortened working hours for childcare</li> <li>Flextime system for childcare</li> <li>Special vacation for helping with childcare</li> <li>Exemption from or reduction of overtime</li> <li>Time off for nursing babies</li> </ul>

Training and support	Advice for returning to work after taking leave
	Preparation seminars for returning to work
	Seminars for managers with subordinates raising children
	Return entry system (registration system for employees returning to work)

### Caring for Family Members

Balance support systems	Leave to care for the elderly
	Shortened working hours to care for the elderly
	Flextime system to care for the elderly
	Exemption from or reduction in overtime
	Nursing care leave
	Accumulation of unused paid vacation

Training and support	Nursing care seminars
	Return entry system
	System for rehiring retired employees

### (4) Workstyle Reforms and Employee Diversity

The way people work has continued to evolve as productivity improves through business reforms, work-life balance becomes more important, and diverse human resources work together.

- Create Work Reform Project to improve productivity
- Enhance work and leave systems for childcare and elderly care (flextime system, leave for helping with childcare)
- Career training for supporting women in management positions, training for managers to support subordinates with childbirth and childcare issues, and seminars aimed at workstyle reforms for employees preparing to return to work after taking leave
- Set targets for empowering women, specifically for hiring women and promoting them to management positions

Note: Ratio of women in management positions: Target a 50% increase in the number of women in management positions by the end of fiscal 2018 compared with April 1, 2014, and target a ratio of 5% for women in management positions by the end of fiscal 2020

### (5) Worry-Free Work Environments

We take proactive steps to maintain worry-free work environments.

- Proactively hire people with disabilities, maintain work environments for diverse human resources
- Raise awareness of measures to prevent sexual harassment and power harassment, set up a consultation service
- Mandate human rights training to deepen understanding of human rights issues, compliance training, and information security training, and focus on improving morale

# Capital Strategy

## Intellectual Capital



### Vision

DBJ aims to build on strengths in knowledge, the wellspring for value-added operations such as research, analyses, and risk management, as well as strengths in frameworks, including processes, information and communication technology (ICT) systems, and organizations.

### Basic Policy

#### (1) Knowledge

We strive to improve skills as a core element of operations necessary to differentiate our business model through surveys, research, analyses, and risk management centered on industry.

#### (2) Processes

We will improve operations, including via investments in ICT, by clarifying and simplifying business processes from the customer's standpoint in order to rapidly and properly address customer needs.

### Specific Initiatives to Improve Value of Intellectual Capital

#### (1) Knowledge

##### Industry analysis

In April 2017, DBJ established the Chief Research Officer and placed under it the Economic & Industrial Research Department and the Sustainability Planning & Support Department (formerly the Environmental Initiative & Corporate Social Responsibility–Support Department). We provide knowledge-based solutions to customers in various industries, including from an ESG perspective, based on our broad knowledge of industry.

##### Research Institute of Capital Formation

The Research Institute of Capital Formation (RICEF) was established in 1964 with Dr. Osamu Shimomura, who advocated for the principles behind Japan's stage of high economic growth after the 1940s, as its first executive director. The institute serves as a venue for creating intellectual capital through

cooperation and collaboration between DBJ and external experts at universities and other organizations. Research focuses on the formation of a sustainable economy and society from an academic and liberal standpoint. The outcomes of this research are reflected back in the operations of DBJ Group and shared with the general public with the aim of creating both economic and social value. RICEF, a pioneer in identifying issues, is highly regarded by academia for its impartiality and the robustness of its research. It is well known as a center for industry, academia, and government knowledge. In recent years, the institute has expanded the means for creating intellectual capital by establishing new committees for researching sustainability, publishing research papers through Springer, an international academic publishing company, and holding international academic conferences in conjunction with foreign academic journals and think tanks.

## Screening

While engaging in high-risk operations, such as integrated investment and loan services and crisis response, DBJ Group must have excellent screening capabilities to evaluate corporations and businesses, in addition to economic and industry analysis, in order to continue carrying out its mission. To enhance the value of this intellectual capital, arguably the biggest distinguishing factor for a financial institution, DBJ offers a variety of training programs for new employees, including financial analysis training. As employees gain experience in financing deals and share it with others, they become the screening ability of DBJ as it addresses social issues.

## (2) Processes, etc.

### Business processes

DBJ established the Work Reform Project in fiscal 2016 to look into measures to enhance productivity and increase added value for customers, including reforming workstyles, streamlining how meetings are run, and reviewing the decision-making process.

### Rebuilding of backbone systems

DBJ is advancing projects to rebuild backbone systems, including core systems for financing and decision-making.

## Case Studies

### Case Study 1 Analysis of economic and industrial trends

In addition to analyzing macroeconomic and financial trends around the world, DBJ conducts industry surveys and research about market trends inside and outside Japan through its network of contacts in the industry, as well as surveys about the latest technological developments and the international competitive landscape. DBJ puts its findings in research reports and disseminates them to customers as well as investment and loan departments and offices.

#### Research about the aerospace industry, the IoT, "Industry 4.0"

Lately, we have been following the latest trends in the aerospace industry, which shows promise as a growth field, while publishing reports containing the entire Group's cumulative knowledge of the aerospace industry. We have also conducted field research on the latest IoT trends and the "Industry 4.0" initiative, and shared this information with our customers and the general public through discussions, study sessions, and lectures. In May 2017, DBJ set up the Cross-Sector Conference as a platform for sharing information about the entire industry, including our periodical reports on industry trends and sector analysis.



These reports are available on DBJ's website.

### Case Study 2 Capital Investment Planning Survey

With a history of more than 60 years (since 1956), DBJ's Capital Investment Planning Survey looks at trends in corporate capital investment in Japan, capital investment overseas, and spending on R&D. The results of the survey are used for many purposes, such as furthering education at universities and research at R&D organizations, in addition to serving as a reference for national economic policy and corporate planning.

#### Fiscal 2016 Capital Investment Planning Survey, 60th anniversary symposium

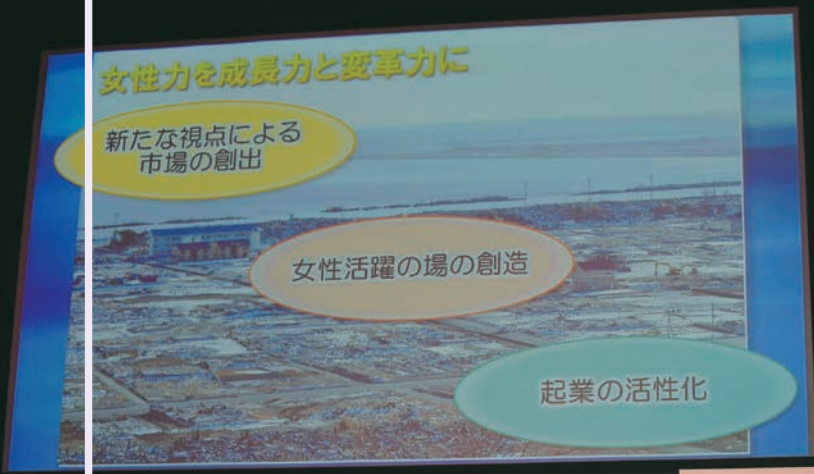
In fiscal 2016, the survey was designed to illuminate corporate activities based on the "broad definition of investment," covering intangible fixed asset investment in Japan and overseas, as well as spending on R&D, M&A, and human resources. This was a new trial aligned with current corporate activities that split budgets between investments and corporate acquisitions flexibly—that is, without setting specific amounts. The results of the survey will be reflected in future surveys after a frank exchange of opinions between management at DBJ and corporate managers.

On September 16, 2016, in celebration of the 60th anniversary of the Capital Investment Planning Survey, DBJ and *Nihon Keizai Shimbun* sponsored the "How Investment for the Future Is Changing the Japanese Economy" symposium, with this "broad definition of investment" as the main topic.



# Capital Strategy

## Relationship Capital



**Vision**

DBJ aims to create value by cooperating with other parties to enhance the value of its network and brand.

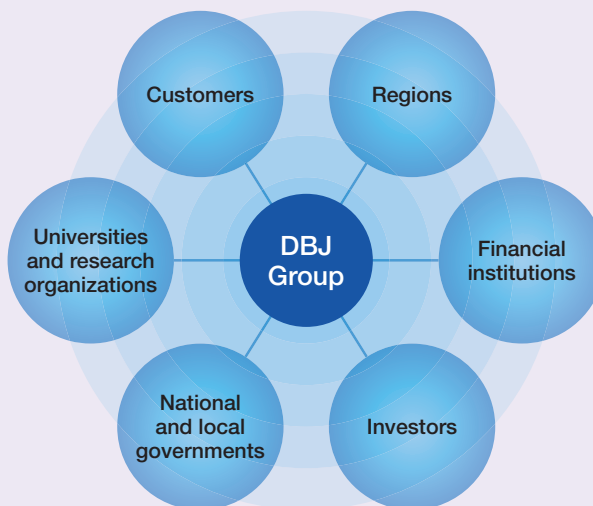
### Basic Policy

**(1) Networks and Relationships**

DBJ Group has built diverse networks with customers, financial institutions, investors, and national and local government agencies for the purpose of exchanging information and avoiding conflicts of interest. DBJ Group utilizes its unique networks to identify issues affecting the economy and society and to conduct investment and loan operations.

**(2) Brand and Reputation**

We aim to maintain our reputation and improve our brand value through the services DBJ Group provides to customers.



### Specific Initiatives to Improve Value of Relationship Capital

**Regional Financial Institutions**

In fiscal 2007, DBJ began borrowing money from local financial institutions as a part of its credit-raising activities. In addition to its fund-raising relationships, DBJ has enhanced and diversified its network of relationships by establishing

collaborative funds and introducing investment products such as syndicated loans. As a part of initiatives to revitalize regions, DBJ creates M&A opportunities for local companies through its network of regional banks (75 regional banks as of March 31, 2017). DBJ also helps local companies get a toehold in Asian

markets through its Asia Financial Support Center (67 regional banks as of March 31, 2017). Moreover, DBJ has formed a total of 20 funds with regional financial institutions through initiatives to supply risk capital to regions. Lately, DBJ has promoted new money flows by creating diverse investment opportunities for regional financial institutions, jointly investing in overseas private equity funds along with six regional financial institutions through its overseas private equity investment program.

### National and Local Governments

With the aim of solving regional issues, DBJ has deepened its relationships with leading organizations and broadened the scope of its relationships by planning and holding seminars at its PPP/PFI Academy for local governments and regional financial institutions, as well as by putting in place platforms for local industry, government, and academia collaboration with the national government. In its fifth year, the PPP/PFI Academy counts 63 local governments and 125 people as participants (as of March 31, 2017). DBJ also supports the public asset management functions of a number of local governments through advisory services and help creating PPP/PFI projects.

### Universities and Research Organizations

Our network of over 430 academics at 115 universities around the world, centered on the social science field, helps with our research activities and human resource training. From an early stage, we have worked to internationalize our network. Our guest foreign researcher system, which began in 1991, has welcomed 34 researchers from the U.S., Canada, the U.K., Germany, Denmark, Singapore, Malaysia, Thailand, China, South Korea, Taiwan, Australia, and New Zealand. Leveraging this diverse relationship capital, DBJ invited around 50 foreign professors from over 20 universities in six countries and regions, including Japan, to give lectures at seminars and conferences held in fiscal 2016. The events were uniformly hailed as excellent venues for sharing research outside the university setting. The DBJ Financial Academy is a part of our human resource training program that focuses on advanced financial operations for DBJ employees as well as students accepted from outside the Bank. Over the past 10 years, the DBJ Financial Academy has welcomed over 550 students from outside the Bank and 20 guest professors from 11 universities who represent their respective fields.

### iHub (innovation Hub)

Along with Japan Economic Research Institute, DBJ engages in management of technology training and innovation Hub (iHub) activities. Using its impartial position and broad network, DBJ aims to resolve social issues through logical and innovative business solutions.



### DBJ Women Entrepreneurs Center (DBJ-WEC)

DBJ provides comprehensive support, including entrepreneurial know-how and networking opportunities, to nurture growth businesses led by women from new vantage points that could change society and the economy for the better. As a part of these efforts, DBJ holds a business plan competition every year for women entrepreneurs. New business ideas that evince excellent business potential and innovativeness are awarded business grants of up to ¥10 million. After the competition finishes, the winners are connected with outside experts and venture capitalists who help them turn their business plans into reality by supporting the growth and development of their business ideas. More than 1,800 business plans have been submitted over the past five competitions, expanding the scope of opportunity for women entrepreneurs.

More information is on the Women Entrepreneurs Center website (<https://www.jeri.or.jp/wec/>).



# Capital Strategy

## Social Capital



### Vision

DBJ Group aims to achieve sustainable growth in business and corporate value while developing social capital for society as a whole.

### Basic Policy

DBJ Group defines social capital as a resource shared across society that underpins the foundations of market economics. Increasing the value of social capital is a basic tenet for realizing a sustainable society. DBJ specifically engages in unique initiatives within the context of (1) the natural environment, (2) social infrastructure, and (3) system capital.

Social capital	Details	Example of initiatives
(1) Natural environment	Forests, mountains, rivers, lakes, soil, air	Environmentally Rated Loan Program DBJ Green Building Certification
(2) Social infrastructure	Energy, transportation, urban infrastructure, industrial value chains	Loans and investments for infrastructure and industrial projects BCM Rated Loan Program
(3) System capital	Stabilization and stimulation of the financial system, development and invigoration of financial markets	Crisis Response Operations Supply of risk capital Socially responsible investing bond issuance

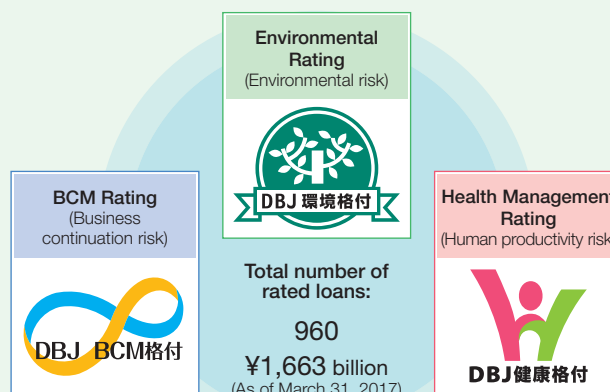
### Specific Initiatives to Improve Value of Social Capital

DBJ undertakes the following unique initiatives to support a sustainable society through loan and investments for infrastructure and industrial projects and its legally mandated Crisis Response Operations and Special Investment Operations.

#### DBJ Certification Programs

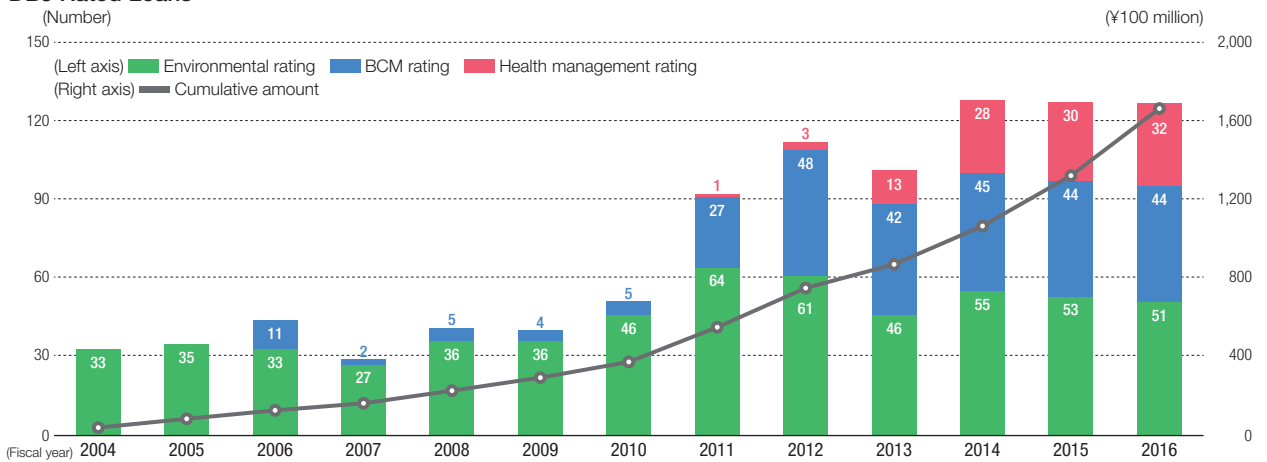
DBJ has more than 40 years of experience facilitating over ¥3 trillion in financing for environmental conservation projects. Using this knowledge, we launched the Environmentally Rated Loan Program in 2004, the first such program in the world. Using an independently developed screening system, DBJ evaluates companies' track records in environmental management. The environmental rating system entails the setting of loans' terms and conditions based on their environmental ratings. In 2006, DBJ launched the BCM Rated Loan Program to evaluate disaster preparedness and measures to ensure business continuation. We help companies devise comprehensive crisis management policies in addition to providing loans for disaster prevention measures and disaster recovery for critical social infrastructure. In 2012, DBJ began to offer the Employees' Health Management Rated Loan Program, which assesses a company's efforts at health management to

improve the productivity of its employees through workstyle reforms and measures to raise employee awareness of health issues. Our screening sheet for rating loans was created with the cooperation of public institutions, experts, and top runner companies. This screening sheet is revised every year by a panel of advisors consisting of external experts with due attention paid to the latest issues and trends around the world.





## DBJ Rated Loans



DBJ has provided over 900 rated loans to customers while engaging in dialogue with them to broadly support their environmental, social, and governance (ESG) initiatives. These loans have contributed to increasing the value of social infrastructure and natural capital through sustainable corporate activities.

DBJ certification programs facilitate dialogue and coordination between companies and their stakeholders with the aim of encouraging financial markets to appreciate companies based on their long-term growth potential.

### DBJ Green Building Certification

Applying the expertise and networks accumulated over many years of real estate financing, DBJ inaugurated DBJ Green Building Certification in fiscal 2011. Real estate that takes environmental and societal considerations (green buildings) is comprehensively evaluated for its environmental performance, disaster preparedness, and community considerations, including engagement with various stakeholders. The real estate is assessed and certified based on this evaluation within the context of social and economic needs. Along with Japan Real Estate Institute, DBJ currently certifies four types of properties comprising office buildings, logistics centers, retail facilities, and residences. Moreover, in 2014 DBJ became an investor member in the Global Real Estate Sustainability Benchmark (GRESB),\* a first in Japan, and was appointed to GRESB's Real Estate Advisory Board in 2016. Through its Green Building Certification system, DBJ will promote sustainability and ESG investment in the real estate industry.



\* GRESB is a benchmark for assessing the sustainability performance of real estate firms and asset managers. It was created by major pension funds in Europe in 2009. GRESB's Real Estate Advisory Board provides diverse information to GRESB management that is pertinent to strategy formulation and product development.

### DBJ Socially Responsible Investment Bond (SRI Bond)

In 2014, DBJ became the first issuer in Japan to issue a green bond. Also, DBJ has issued DBJ Sustainability Bond each year since 2015. The raised funds are allocated toward the creation of a sustainable society through DBJ Green Building Certification and the Environmentally Rated Loan Program. DBJ has contributed to the development of the SRI bond market in various ways. In January 2017, DBJ became an issuer member, the first Japanese firm with an issuer status, of the Green Bond Principles\* and in March participated on a committee created by the Ministry of the Environment to draw up the Green Bond Guidelines, 2017. DBJ will continue to support the sustainable growth of this market by continuing to issue SRI bonds as well as proactively engaging in the international and/or domestic initiatives.



**Issuance of SRI bonds**  
(As of March 31, 2017)

\$500 million in 2016  
€300 million in 2015  
€250 million in 2014

\* Green Bond Principles  
The Green Bond Principles (GBP) are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond market by clarifying the approach for issuance of a Green Bond. Members consist of the International Capital Market Association, investors, issuers, and underwriters across the globe. The GBP are updated annually and intended for broad use by the market. The official link is <https://www.icmagroup.org/Regulatory-Policy-and-Market-Practice/green-social-and-sustainability-bonds/green-bond-principles-gbp/>.

Details about these initiatives are available on DBJ's website.

## Fiscal 2016 Topics

# 2016

### April

Established the Kumamoto Recovery Office within the Kyushu Branch to support the restoration and reconstruction of regions affected by the Kumamoto earthquakes

### May

Former President Toru Hashimoto awarded the ADFIAP Distinguished Person Award in the individual category of the ADFIAP Awards 2016, which took place at the annual meeting of the Association of Development Financing Institutions in Asia and the Pacific

Ceremony for Second Social Value and Capital Formation M&A Awards

Winner: Shizuoka Gas Co., Ltd.  
Special mention: Sekishinkai

### June

Held Fifth DBJ Women Entrepreneurs New Business Plan Competition award ceremony



### July

Created Kumamoto Reconstruction Assistance Fund

### August

Released survey results for 60th Capital Investment Planning Survey (national and by region)

### September

Appointed to Global Real Estate Sustainability Benchmark's Real Estate Advisory Board

Held "How Investment for the Future Is Changing the Japanese Economy" symposium to commemorate 60th anniversary of the DBJ Capital Investment Planning Survey

### October

Issued second DBJ Sustainability Bond

Held Invest in Japan 2030–2050 at annual conference of Young Global Leaders at World Economic Forum

### December

Became signatory of Principles for Responsible Investment



Participated in Eco-Products 2016, one of the largest environmental exhibitions in Japan (16 years running)



# 2017

### January

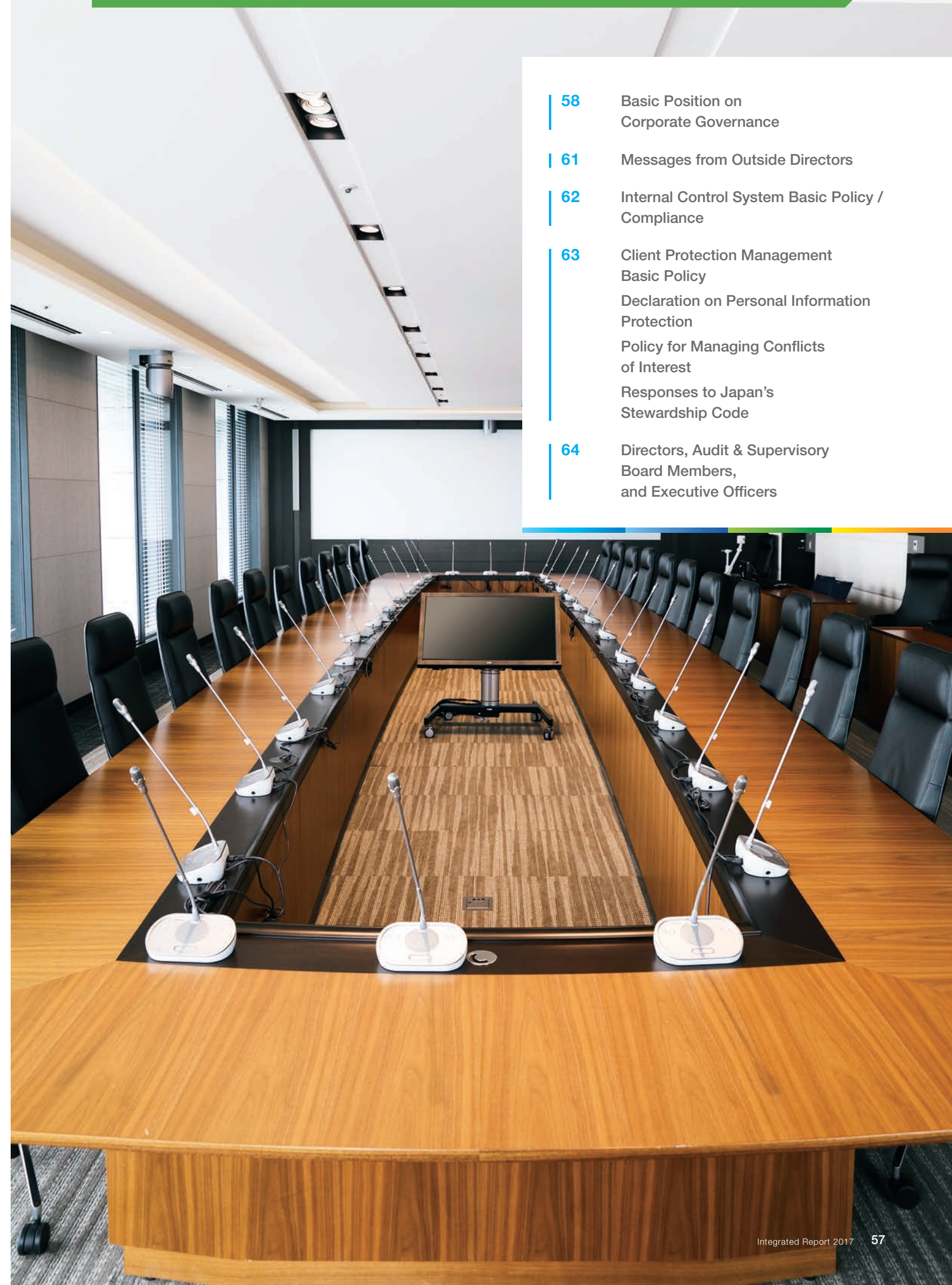
Became an issuer member of the Green Bond Principles



Received two awards as an exemplary financial institution that contributes to regional revitalization from the Cabinet Office's Creation of Towns, Human Resources, and Employment Secretariat

- Support for PPP/PFI and public asset management
- Creation of a collaboration framework for invigorating the tourism industry in the Setouchi region

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- 64 Directors, Audit & Supervisory Board Members, and Executive Officers



### Basic Position on Corporate Governance

DBJ is governed by the Development Bank of Japan Inc. Act (DBJ Act) in accordance with the following objective.

**Article 1**

Development Bank of Japan Inc. (hereinafter referred to as the “Corporation”) shall be a joint-stock company (*kabushiki-kaisha*) whose objective is to contribute to the smooth supply of funds to those needing long-term business funds, as well as to the sophistication of financial functions.

DBJ is working to enhance its unique governance system in addition to usual management supervision as a company with a board of directors and company auditors (Audit & Supervisory Board) through a business model built upon features such as integrated investments and loans and proper execution of the preceding objective in order to raise the value of tangible and intangible management resources to be invested and to realize sustainable management that aims for both economic and social value.

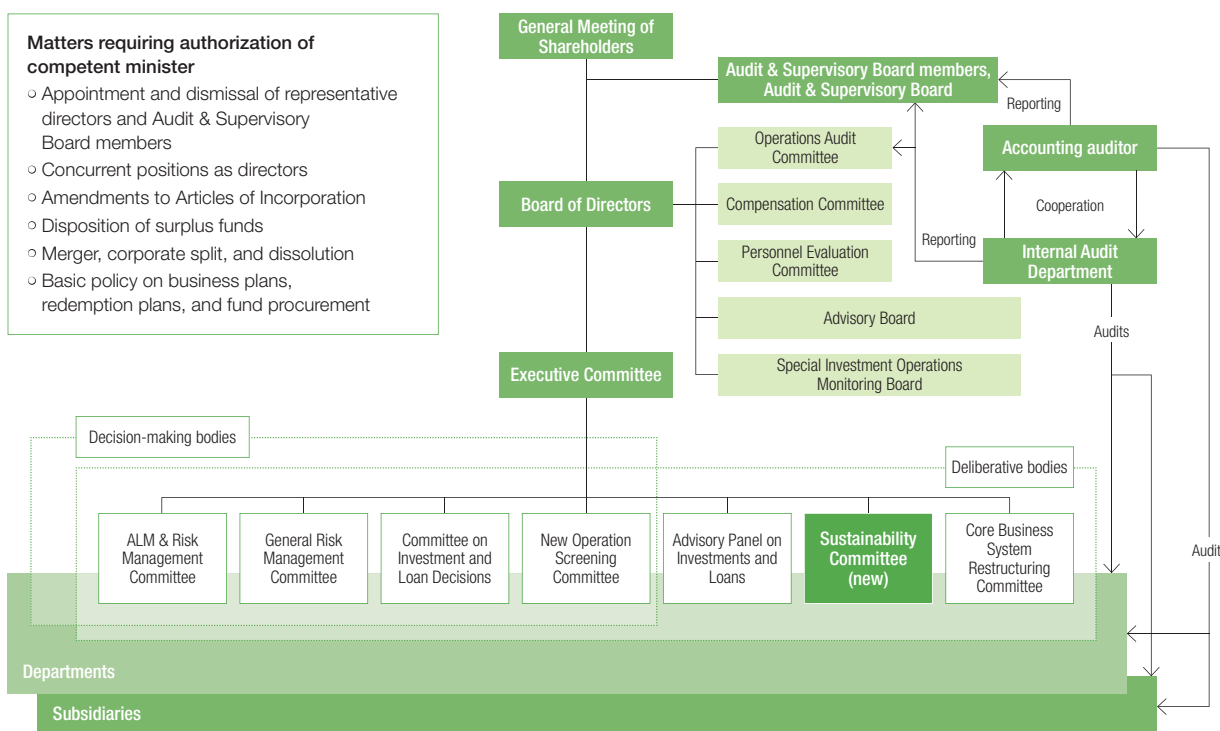
Specifically, the 2015 revisions to the DBJ Act established the creation of Special Investment Operations and obligatory measures to be considered, requiring that DBJ conduct its operations in a manner that does not obstruct appropriate competitive relations with other entities, in particular, applying these requirements to the Advisory Board, made up of outside experts and directors, and the Special Investment Operations Monitoring Board, composed of outside experts, which function as advisory bodies to the Board of Directors. These bodies provide advice on DBJ’s overall management and

deliberate and evaluate business results, including consistency with the policy objectives of Special Investment Operations, ensuring that appropriate competitive relations are maintained with private financial institutions.

**DBJ’s Corporate Governance System**

Institutional design configuration	A company with a board of directors and company auditors (Audit & Supervisory Board)
Number of directors	10
Of whom are outside directors	2
Number of Board of Directors’ meetings this fiscal year	13
Number of Audit & Supervisory Board members	5
Of whom are outside Audit & Supervisory Board members	3
Number of Audit & Supervisory Board meetings this fiscal year	14
Adoption of executive officer system	Yes
Accounting auditor	Deloitte Touche Tohmatsu Limited

**Overview of DBJ’s Corporate Governance System**



## Audit & Supervisory Board Members, Audit & Supervisory Board

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The Audit & Supervisory Board comprises five members. The Companies Act prescribes that a majority of Audit & Supervisory Board members be outside members (in DBJ's case, three of the five). DBJ offices contribute three members (two members proper to DBJ and one an outside member). Also, DBJ has created the Audit & Supervisory Board Office, which under the board's direction, assists board members, including outside members, in performing their duties. The

Audit & Supervisory Board and Audit & Supervisory Board members audit the execution of duties by directors, based on their audit policy and audit plans.

Audit & Supervisory Board members attend Board of Directors' and other important meetings and may query the execution of business by directors, peruse documents, and conduct branch audits.

## Advisory Bodies to the Board of Directors

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In pursuit of sustainability management and DBJ's corporate objectives, the following committees have been established as advisory bodies to the Board of Directors for the purpose of maintaining transparency in management and to reflect the knowledge of outside experts.

### Operations Audit Committee

The Board of Directors has established the Operations Audit Committee, delegating to this body the authority to deliberate important matters related to internal audits. This committee met two times during the fiscal year ended March 31, 2017.

### Compensation Committee

The Compensation Committee, whose members include outside directors, considers the type of executive compensation structure that befits DBJ from the standpoint of ensuring transparency and objectivity regarding compensation.

### Personnel Evaluation Committee

The Personnel Evaluation Committee, composed of outside directors and other outside experts, evaluates personnel proposals on the selection of directors and Audit & Supervisory Board members.

### Advisory Board

Since DBJ's establishment as a joint-stock company in October 2008, the Advisory Board has been in place as an advisory body to advise the Executive Committee, providing advice on overall management. Revisions in 2017 to the DBJ Act stipulate for an indefinite period obligatory measures to be considered, in particular, requiring that DBJ conduct its operations in a manner that would not obstruct appropriate competitive relations with other entities. Accordingly, this board is positioned anew as an advisory body to the Board of Directors. As one of its roles, even more than before, the Advisory Board is tasked with deliberating and evaluating important affairs related to ensuring that appropriate competitive relations are maintained with private financial institutions. This board convened twice during the fiscal year ended March 31, 2017. This board is composed of the following outside directors and experts in fields including manufacturing, infrastructure, regional communities, and finance.

### Outside Experts

Reiko Akiike, Senior Partner and Managing Director,  
The Boston Consulting Group

Masayuki Oku, Honorary Advisor of  
Sumitomo Mitsui Financial Group, Inc.

Kazuaki Kama, Executive Corporate Advisor, IHI Corporation

Katsunori Nakanishi, Chairman and CEO,  
The Shizuoka Bank Ltd.

Yoshizumi Nezu, President, Tobu Railway Co., Ltd.

Note: Sakie Fukushima-Tachibana, president of G&S Global Advisors Inc., left the Advisory Committee on June 29, 2017, to be replaced by Reiko Akiike on the same day.

### Outside Directors

Akio Mimura, Senior Advisor, Honorary Chairman of  
Nippon Steel & Sumitomo Metal Corporation

Kazuo Ueda, Professor and Head of Office for New Department  
Planning, Kyoritsu Women's University,  
Faculty of International Studies

**Special Investment Operations Monitoring Board**

One of the measures of the 2015 revisions to the DBJ Act was in regard to Special Investment Operations. The act stipulates the establishment of a Special Investment Operations Monitoring Board as an advisory body to the Board of Directors. This monitoring board is tasked with deliberating projects and evaluating their performance in terms of appropriateness against policy objectives and with emboldening private-sector enterprises and complementing their operations while maintaining appropriate competitive relations. This board, whose members include outside experts in fields such as manufacturing, infrastructure, regional communities, and finance, convened twice during the fiscal year ended March 31, 2017.

In order to examine whether appropriate competitive relations with other entities are being maintained, roundtable discussions are held regularly with the Japanese Bankers Association, the Regional Banks Association of Japan, and the Second Association of Regional Banks, including these

entities' private financial institution members. Each group met twice in fiscal 2016, for a total of six meetings. Disputes and opinions raised in these meetings are reported to and deliberated by the Advisory Board and the Special Investment Operations Monitoring Board.

**Outside Experts**

- Masayuki Oku, Honorary Advisor of Sumitomo Mitsui Financial Group, Inc.
- Shin Takagi, Vice Chairman & Senior Executive Director of Japanese Bankers Association
- Katsunori Nakanishi, Chairman and CEO, The Shizuoka Bank Ltd.
- Takashi Yamanouchi, Advisor, Mazda Motor Corporation
- Keisuke Yokoo, Vice Chairman & President of Japan Association of Corporate Executives
- Fumiaki Watari, Honorary Executive Consultant of JXTG Holdings, Inc.

**Executive Committee**

The Board of Directors has vested in the Executive Committee decision-making authority regarding the execution of business. Accordingly, the Executive Committee makes important management decisions. The committee met 36 times during the fiscal year ended March 31, 2017.

**Committees under the Executive Committee**

Name	Role
ALM & Risk Management Committee	This committee deliberates and makes decisions pertaining to portfolio risk management and asset-liability management.
General Risk Management Committee	This committee deliberates and makes decisions on important items related to operational risk management, system risk management, legal compliance, responses to antisocial forces, client protection management, and other important items.
Committee on Investment and Loan Decisions	This committee handles, deliberates, and makes decisions related to investments and loans, overseas business strategy, and operations and management conditions.
New Operation Screening Committee	This committee deliberates and makes decisions on the commencement of initiatives involving new businesses.
Advisory Panel on Investments and Loans	This panel handles the advance deliberation on and monitoring of investments and loans as well as deliberations on overseas business strategy and operations and management conditions.
<b>Sustainability Committee</b>	This committee deliberates on items related to both economic and social value as well as dialogues with stakeholders.
Core Business System Restructuring Committee	This committee deliberates items related to policies for restructuring core business systems.

DBJ established the Sustainability Committee, which will operate from fiscal 2017 onward, as part of efforts to contribute to a sustainable society, in accordance with DBJ's Basic Policy on Sustainability (please refer to page 12). This committee will approach important social issues from an ESG perspective and incorporate this attitude into business activities, including investments and loans as well as asset management.

**Matters Requiring Authorization of Competent Minister**

The DBJ Act prescribes matters for which Minister of Finance authorization is required. Major items requiring such authorization are as follows:

- Appointment and dismissal of representative directors and Audit & Supervisory Board members
- Amendments to Articles of Incorporation
- Disposition of surplus funds; Merger, corporate split, and dissolution; Basic policy on business plans, redemption plans, and fund procurement

Outside Director

Akio Mimura



- April 1963: Joined Fuji Iron & Steel Co., Ltd.
- April 2000: Representative Director and Executive Vice President of Nippon Steel Corporation
- April 2003: Representative Director and President of Nippon Steel Corporation
- April 2008: Representative Director and Chairman of Nippon Steel Corporation
- October 2008: Director at DBJ (current position)
- October 2012: Director, Member of the Board and Senior Advisor of Nippon Steel & Sumitomo Metal Corporation
- June 2013: Senior Advisor of Nippon Steel & Sumitomo Metal Corporation
- November 2013: Senior Advisor, Honorary Chairman of Nippon Steel & Sumitomo Metal Corporation (current position)  
Chairman of the Japan Chamber of Commerce & Industry (current position)  
Chairman of the Tokyo Chamber of Commerce & Industry (current position)

### Strengthening Corporate Governance in Pursuit of DBJ's Fourth Medium-Term Management Plan

I have served as an outside director for DBJ since it made a new start as a joint-stock company in 2008. I have also recently become a member of the Advisory Board, a part of DBJ's own corporate governance, tasked with incorporating the knowledge of outside experts into management. The Advisory Board has played an important role of not only evaluating whether appropriate competition with private financial institutions are maintained, but also checking if the management and the governance system are

effective for the goal of creating both economic and social value from a third-party perspective. For fulfilling the DBJ's role in this time of drastically changing economic and social environments, I believe that it is dispensable for the DBJ management to adequately incorporate the knowledge of outside experts—who are also stakeholders in DBJ—in the fields of manufacturing, infrastructure, regional communities, and finance.

Outside Director

Kazuo Ueda



- July 1980: Assistant professor at the University of British Columbia, School of Economics
- April 1982: Assistant professor at Osaka University, School of Economics
- April 1989: Assistant professor at Tokyo University, School of Economics
- March 1993: Professor at Tokyo University, School of Economics
- April 1998: Deliberative member of the Bank of Japan's Policy Board
- April 2005: Professor at Tokyo University, School of Economics
- October 2008: Outside director at DBJ (current position)
- April 2017: Professor and Head of Office for New Department Planning, Kyoritsu Women's University, Faculty of International Studies (current position)  
Director of Tokyo University's Center for Advanced Research in Finance (current position)

### Strengthening Corporate Governance in Pursuit of Sustainability Management

DBJ operates under the belief that to realize a modern, sustainable society, corporations will have to establish helpful stances and initiatives. Examples of such initiatives that DBJ has pursued to promote ESG activities from a financial perspective include building cutting-edge financial platforms, such as financial systems based on evaluations and certifications, and offering risk management via Special Investment Operations conducted thanks to complementary relationships with private financial institutions.

DBJ undertakes said initiatives with an eye to continuous economic and social development over the medium to long term. To support these goals, DBJ has included a Monitoring Board and an Advisory Board in its corporate governance system. As a member of the latter, I provide advice on overall management together with outside experts.

I will do my part in pursuit of sustainable social development and the sustainability management that DBJ strives for.

### Internal Control System Basic Policy

DBJ has established the following internal controls to ensure operational soundness, with the Board of Audit, Ministry of Finance, Financial Services Agency, and other institutions also conducting examinations of overall management.

#### Status of Internal Control System

In accordance with the Companies Act, the Board of Directors has established an internal control system under the Internal Control System Basic Policy. Specifically, this system is designed to determine the status of legal compliance, risk management, and internal audits, as well as other items of importance to management. The internal control system is designed to confirm applicable regulations and the status of their implementation in various departments.

The full text of the Internal Control System Basic Policy is also available on the DBJ website.

### Internal Audits

DBJ has established the Internal Audit Department under the direct supervision of the president of DBJ and independent from other operating departments. The department conducts inspections to ensure the appropriateness and effectiveness of internal controls, including overall operational compliance and risk management, and performs evaluations and recommends improvements. The Operations Audit Committee deliberates and decides audit plans, audit reports, and other important matters related to internal audits, and this information is reported to the Board of Directors. As of the end of June 2017, 21 people belonged to the Internal Audit Department.

### Accounting Audits

DBJ has in place an agreement whereby Deloitte Touche Tohmatsu LLC conducts accounting audits as its accounting auditor.

### Three-Pronged Auditing Approach

DBJ's Audit & Supervisory Board members, Internal Audit Department, and accounting auditor periodically and as necessary exchange opinions and information, and communicate in an effort to ensure effective and appropriate audits.

### Compliance

DBJ recognizes compliance as one of its most important management issues. As basic policies to ensure that the execution of duties by directors and regular employees complies with laws and regulations and the Articles of Incorporation, we have formulated a corporate philosophy, a Basic Compliance Policy and other compliance-related regulations. In addition to its basic regulations on compliance, DBJ has created and provided notice throughout the organization of a Compliance Manual and a compliance program. We seek to thoroughly implement the compliance activities outlined below.

#### Compliance Principles

DBJ has formulated the compliance principles indicated below as part of its creation of compliance regulations.

1) DBJ's executives and employees are keenly aware of DBJ's social mission and responsibilities as a public-sector bank and recognize that illegal acts or improper business operations harm the reputation of DBJ and interfere significantly with DBJ's ability to fulfill its objectives under the new DBJ Act. We also realize DBJ's need to always conduct activities appropriately and in compliance with the law.

- 2) DBJ's executives and employees are well aware that DBJ must conduct its businesses legally and appropriately and be responsible for explaining its actions to the general public.
- 3) DBJ refuses all advances from anti-social forces and cooperates with police and other related institutions to prevent any sort of relationship with such elements.

#### Compliance System

DBJ has established the Legal and Compliance Department to take overall responsibility for planning, preparing, and adjusting compliance activities. In addition, DBJ has established the General Risk Management Committee to reflect on legal compliance matters, determine the extent of compliance, and deliberate on improvements to DBJ's internal system. One specific initiative is the establishment of a compliance hotline. The objective of this internal reporting system is to swiftly identify and resolve any legal violations. DBJ is also preparing Conflicts of Interest Management Regulations as a basic policy in addition to systems to manage conflicts of interest.



## Client Protection Management Basic Policy / Declaration on Personal Information Protection / Policy for Managing Conflicts of Interest

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The establishment and maintenance of systems for client protection management and the protection of personal information are vital because doing so protects the people who use the financial institution's systems and raises their level of convenience. DBJ recognizes the extreme importance of such systems from the standpoint of operational soundness and appropriateness. DBJ has formulated a Client Protection Management Basic Policy to ensure strict compliance with laws and regulations, protect the interests of its clients, and raise the level of client convenience. We have also created internal regulations based on this policy, which we employ in briefings to raise in-house awareness.

We have incorporated a declaration on our policies into our Declaration on Personal Information Protection.

DBJ is a registered financial institution under the Financial Instruments and Exchange Act. In accordance with this act and the Cabinet Office Ordinance on Financial Instruments Business, etc., DBJ has drawn up a policy introduced for the management of conflicts of interest and provides an overview of the publicly announced policy.

**The Client Protection Management Basic Policy, Declaration on Personal Information Protection, and Policy for Managing Conflicts of Interest can also be found on the DBJ website.**

## Responses to Japan's Stewardship Code

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In August 2014, DBJ stated its acceptance of the "Principles for Responsible Institutional Investors (Japan's Stewardship Code)" (the "Code"). Under the Code, stewardship responsibilities refers to the responsibilities to enhance the medium- to long-term investment return for clients and beneficiaries by improving and fostering investee enterprises' corporate value and sustainable growth through constructive "purposeful dialogue" (engagement), based on an in-depth understanding of the investee enterprises and their business environments. DBJ recognizes that, in addition to operational selection and focus and the realization of growth strategies, calls for corporate governance are growing. Recognizing the importance of the meaning of equity, in our equity investments we support the long-term advancement of the investee enterprises that are our clients, taking particular note of their social responsibilities. When making investments, we endeavor to gain an in-depth understanding of investee enterprises, their business

environments, and their management teams' intention and to share with investee enterprises in their long-term strategies. After investing, we leverage our networks and strengths in information, industry research, and financing technologies to provide total financing solutions that address the issues they face. Through dialogue with investee enterprises, we work to realize their long-term development and maximize their corporate value over the long term.

DBJ believes that its investment operations have been conducted in close affinity with the spirit of the Code. In providing risk capital and knowledge, we consider the appropriate fulfillment of stewardship responsibilities by institutional investors to be of service from the perspective of working with diverse financial players to ensure the smooth formulation of financial and capital markets. Accordingly, we are in agreement with the meaning of the principles provided in the Code.

# Directors, Audit & Supervisory Board Members, and Executive Officers

(as of the End of June 2017)

## Directors



President and CEO

### Masanori Yanagi

1974: Joined The Japan Development Bank  
2015: President and CEO of DBJ



Director and Managing Executive Officer

### Satoshi Tomii

In charge of Strategic Finance Department Growth & Cross Border Investment Department  
1985: Joined The Japan Development Bank  
2015: Director and Managing Executive Officer of DBJ



Deputy President

### Yasushi Kinoshita

1979: Joined the Ministry of Finance  
2015: Deputy President of DBJ



Director and Managing Executive Officer

### Kenkichi Fukuda

In charge of Credit Analysis Department, Accounting Department, Economic & Industrial Research Department  
1983: Joined The Japan Development Bank  
2016: Director and Managing Executive Officer of DBJ



Deputy President

### Hajime Watanabe

1981: Joined The Japan Development Bank  
2015: Deputy President of DBJ



Director and Managing Executive Officer

### Koji Narita

In charge of Treasury Department, Syndication & Credit Trading Department, Sustainability Planning and Support Department  
1987: Joined the Ministry of Finance  
2017: Director and Managing Executive Officer of DBJ



Director and Managing Executive Officer

### Shin Kikuchi

In charge of Corporate Planning & Coordination Department, Information Resources Department, General Affairs Department  
1984: Joined The Japan Development Bank  
2015: Director and Managing Executive Officer of DBJ



Outside Director

### Akio Mimura

Senior Advisor, Honorary Chairman of Nippon Steel & Sumitomo Metal Corporation; Chairman of Tokyo Chamber of Commerce and Industry; Chairman of Japan Chamber of Commerce and Industry  
2008: Director at DBJ



Director and Managing Executive Officer

### Hideo Oishi

In charge of Business Planning and Coordination Planning, Financial Institutions Department, International Strategy & Coordination Department, Research Institute of Capital Formation  
1985: Joined The Japan Development Bank  
2015: Director and Managing Executive Officer of DBJ



Outside Director

### Kazuo Ueda

Professor and Head of Office for New Department Planning, Kyoritsu Women's University, Faculty of International Studies; Director of Tokyo University's Center for Advanced Research in Finance  
2008: Director at DBJ

## Audit & Supervisory Board Members



### Audit & Supervisory Board Member

#### Atsushi Kurashige

1986: Joined The Japan Development Bank  
2017: Audit & Supervisory Board Member at DBJ



### Audit & Supervisory Board Member

#### Mitsue Kurihara

1987: Joined The Japan Development Bank  
2015: Audit & Supervisory Board Member at DBJ



### Outside Audit & Supervisory Board Member

#### Tatsuya Tsuboi

1978: Joined Sumitomo Trust and Banking Co., Ltd.  
2009: Audit & Supervisory Board Member of Sumitomo Trust and Banking  
2013: President and CEO of Sumitomo Mitsui Trust Research Institute Co., Ltd.  
2014: Audit & Supervisory Board Member at DBJ



### Outside Audit & Supervisory Board Member

#### Makoto Ito

Advisor at Nagashima Ohno & Tsunematsu; Visiting Professor, Nihon University Law School  
2008: Audit & Supervisory Board Member at DBJ



### Outside Audit & Supervisory Board Member

#### Shinji Hatta

Professor of Graduate School of Professional Accountancy, Aoyama Gakuin University  
2008: Audit & Supervisory Board Member at DBJ

## Executive Officers (excluding those who are concurrently directors)

### Managing Executive Officer

#### Ikuro Hirozane

In charge of Corporate Finance Department: Division 5

### Managing Executive Officer

#### Hisanobu Sekine

In charge of Corporate Finance Department: Division 6, Hokkaido Branch, Tohoku Branch, Niigata Branch

### Managing Executive Officer

#### Takao Kaizu

In charge of Risk Management Department, Legal Affairs & Compliance Department

### Managing Executive Officer

#### Makoto Anayama

In charge of Corporate Finance Department: Divisions 1 and 2

### Managing Executive Officer

#### Seiji Jige

In charge of Regional Planning Department, Structured Finance Department, Hokuriku Branch, Tokai Branch, Kyushu Branch, Minami-Kyushu Branch

### Managing Executive Officer

#### Taketsugu Shinobe

In charge of Corporate Finance Department: Division 4

### Managing Executive Officer

#### Yoshinao Ikeda

In charge of Kansai Branch, Chugoku Branch, Shikoku Branch

### Managing Executive Officer

#### Masayuki Tsuda

In charge of Urban Development Department, Real Estate Finance Department, Corporate Finance Department: Division 3

### Executive Officer

#### Masafumi Aizawa

In charge of Financial Institutions Department

### Executive Officer

#### Takeshi Kiriya

Head of Growth & Cross Border Investment Department

### Executive Officer

#### Norifumi Sugimoto

Head of Corporate Planning & Coordination Department

### Executive Officer

#### Hiroshi Shimizu

Head of Business Planning & Coordination Department

### Executive Officer

#### Ryusei Segawa

In charge of Internal Audit

### Executive Officer

#### Tsutomu Murakami

Head of Human Resources Management Department

### Executive Officer

#### Keisuke Takegahara

Deputy Chief Research Officer, Chief Manager of Sustainability Management Office, Corporate Planning & Coordination Department

Notes: Of the 15 directors and Audit & Supervisory Board members, 14 are male and one is female, leaving the female to male ratio at 6.7%.

Standards and policies related to independence in the selection of outside directors and outside Audit & Supervisory Board members are not applicable.

Akio Mimura, Senior Advisor, Honorary Chairman of Nippon Steel & Sumitomo Metal Corporation, is an outside director of DBJ. DBJ has no special relationship with Mr. Mimura, and its business with Nippon Steel & Sumitomo Metal Corporation is conducted normally. DBJ has no special-interest relationship with any other of its outside directors or outside Audit & Supervisory Board members.

DBJ has signed liability limitation agreements with its outside directors and outside Audit & Supervisory Board members, based on Paragraph 1, Article 427, of the Companies Act.

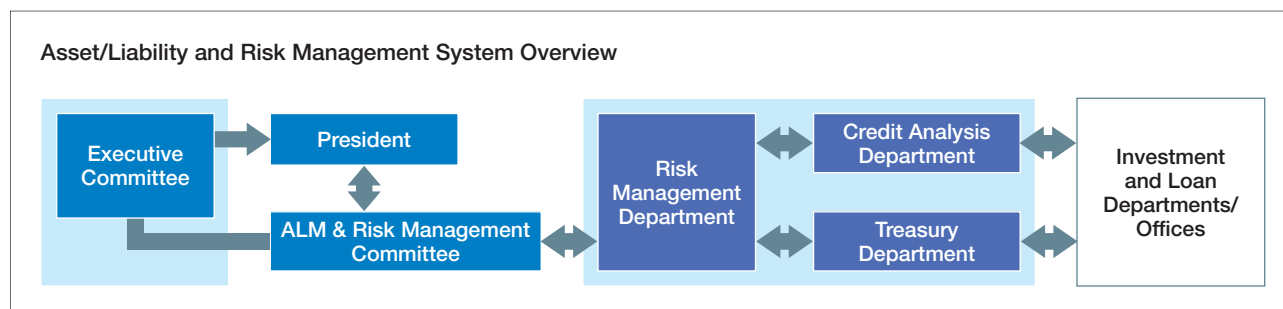
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## Risk Management System

DBJ conducts risk management from the perspective of ensuring management soundness. To ensure appropriate management of individual risk categories, DBJ has developed a vital risk management system that specifies and evaluates manageable risks and clarifies which department is responsible for each type of risk. The Risk Management Department oversees comprehensive risk management activities.

The ALM & Risk Management Committee and the General Risk Management Committee deliberate on important matters concerning risks and conduct regular monitoring, in line with the basic policy related to comprehensive risk management approved by the Board of Directors.



## Comprehensive Risk Management

The Risk Management Department assesses both comprehensive and individual risks. Based on risk guidelines that weigh Executive Committee business plans and the results of stress tests, the Risk Management Department controls the amount of comprehensive risk and that of individual risk

categories at a determined level. Furthermore, the Corporate Planning & Coordination Department has begun efforts to measure risk–return by such means as risk-adjusted return on capital.

### 1. Credit Risk Management

Credit risk refers to the risk of sustaining losses resulting from a decline in or loss of the value of assets due to deterioration in the financial condition of the borrower. DBJ provides corporate loans and non-recourse loans, making credit risk acquisition a source for profits. As such, it represents a significant risk category, with DBJ conducting credit management of individual projects as well as bank-wide portfolio management, accordingly.

#### i. Credit Administration of Individual Loans

When making an investment or loan, DBJ examines the entity's project viability and the project's profitability from a fair and impartial standpoint. DBJ is not subject to the Banking Act or the Act on Emergency Measures for the Revitalization of the Financial Functions (Act No. 132 of 1998), but carries out independent asset assessments in line with internal policies

for self-assessment of credit quality based on the Financial Services Agency's Financial Inspection Manual. The results of self-assessments are subject to an audit by an auditing corporation and are reported to management. Credit risk and amounts are monitored to confirm that they are within the limits established for individual borrowers.

The sales and credit analysis departments hold separate roles in the screening and administering of credit for individual projects, and each department keeps the operations of the other in check.

The Committee on Investment and Loan Decisions meets as needed to deliberate important issues concerning the management and operation of individual projects.

These mutual checking functions serve to ensure the appropriateness of the finance operation and management system.

### Borrower Rating System

DBJ's borrower rating system measures creditworthiness by combining an evaluation point rating and a borrower category rating with the results quantifying a potential client's credit circumstances.

The evaluation point rating selects indicator and evaluation categories that are common across all industries, scoring the creditworthiness of the potential borrower quantitatively and qualitatively. On the other hand, the borrower category rating measures specific items related to the borrower, looking at the borrower's realistic financial condition, cash flows, and debt repayment history, generating a comprehensive assessment of a borrower's repayment capacity.

### Asset Self-Assessment System

Asset self-assessments are used to define asset classifications that will offset recoverability risk or the degree of risk of value loss based on the borrower rating, the corresponding borrower category, and the collateral or guarantee status. Such assessments help DBJ establish timely and appropriate amortization schedules and reserve levels.

### Borrower Rating Classifications

Borrower Category	Borrower Rating	Definition	Claims Classified under the Financial Revitalization Act
Normal borrowers	1-8	Borrowers with favorable business conditions who have been confirmed to have no particular problematic financial circumstances.	Normal claims
Borrowers requiring caution	9-11	Borrowers experiencing weak business conditions, are unstable, or have issues with their finances. These borrowers need to be managed with caution.	
Substandard borrowers	12	Either some or all of the debt of these borrowers requiring caution is under management.	Substandard claims
Borrowers in danger of bankruptcy	13	Borrowers in this category are having financial difficulties but are not bankrupt. Management improvement plans and the like are progressing poorly, and these borrowers are highly likely to fall into bankruptcy.	Doubtful claims
Effectively bankrupt borrowers	14	Although not legally or formally in bankruptcy, these borrowers are experiencing severe financial difficulties and are realistically falling into bankruptcy as their lack of potential for restructuring has been confirmed.	Claims in bankruptcy, reorganization claims, and similar claims
Bankrupt borrowers	15	These borrowers are in bankruptcy, legally and formally. Specifically, these borrowers are in bankruptcy or liquidation, under corporate reorganization, bankruptcy proceedings or civil rehabilitation, or have had transactions suspended by a bill clearinghouse.	

### ii. Portfolio Management

DBJ performs a comprehensive analysis of data based on borrower ratings and calculates the loan portfolio's overall exposure to credit risk. Credit risk exposure can be classified as (1) expected loss (EL), the average loss expected during a specific loan period; and (2) unexpected loss (UL), the

maximum loss that could be incurred at a certain rate of probability minus the EL. The EL and UL calculations are reported to the ALM & Risk Management Committee.

Through such monitoring and the consideration of countermeasures, DBJ is committed to controlling risk and devising effective measures to improve risk return.

## 2. Investment Risk

Investment risk refers to the risk of sustaining losses resulting from a decline in or loss of the economic value of assets due to worsening financial conditions for entities receiving funds and to changing market environments. DBJ's investments include the provision of mezzanine and equity financing, particularly to unlisted entities, such as corporations, funds, infrastructure, and real estate. As a source of profits, investments represent one of DBJ's most significant risk categories. DBJ makes investment decisions and manages individual investments as well as its bank-wide portfolio accordingly.

In addition to investment analysis and management in line with credit risk management, investment decisions based on target returns in accordance with investment category and regular monitoring are utilized to manage individual investments. In terms of portfolio management, we conduct risk measurement that applies credit and market risk assessment methods, with a focus on differences between investment categories and recovery methods.

### 3. Market Risk

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The primary focuses in terms of market risk management are interest rate risk and exchange risk. DBJ classifies market risk as passive risk pertaining to investment and loan activities and implements management in the manner detailed below. DBJ does not have any trading-related risk because it does not engage in trading (specified transactions).

#### i. Interest Rate Risk

Interest rate fluctuations can create mismatches on rates of interest on assets and liabilities or on interest periods, creating the risk of reduced profits or the risk of losses. Interest rate risk can reduce the economic value of DBJ's assets or interest income.

Based on monitoring through multifaceted indexes, such as value at risk (VaR) and interest rate sensitivity analyses (basis point value), as well as ALM policies established by the Executive Committee, DBJ conducts comprehensive management of current assets and liabilities to optimize net interest expenses and economic value by adequately controlling

interest rate risk and financial liquidity risk. In regard to controlling interest risk, a portion of the interest rate risk is covered through interest rate swaps.

#### ii. Exchange Risk

Exchange risk is the risk of loss due to volatility in exchange rates, and this risk affects entities holding a net excess of assets or liabilities denominated in foreign currencies. DBJ's exchange risk derives from financing in foreign currencies and issuing foreign currency bonds. However, DBJ uses exchange swaps and other instruments to limit this risk in terms of assets and liabilities denominated in foreign currencies at a net-base position.

DBJ uses swap transactions to manage counterparty risk by continuously monitoring the creditworthiness of all parties and by setting a limit to financing for each counterparty. DBJ also conducts risk management through margin transfers by means of a centralized exchange and mutual credit support annex.

### 4. Liquidity Risk

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Liquidity risk is the risk of a mismatch occurring in the periods when funds are used and raised or of an unexpected outflow of funds, causing differences in the flow of funds (cash liquidity risk). Such situations make securing funds difficult and create situations in which interest rates on borrowed funds are substantially higher than usual rates. At other times, because of market complexities, entities in these circumstances may become unable to participate in market transactions, compelling them to conduct transactions under substantially less favorable terms than otherwise would be the case. The risk of losses for these reasons is known as market liquidity risk.

As its main methods of acquiring funds, in addition to issuing corporate bonds and taking out long-term loans, DBJ

relies on the stable procurement of long-term funds from the Japanese government's Fiscal Investment and Loan Program and government-guaranteed bonds rather than on short-term funds such as deposits. Contingency plans are established as appropriate to meet unexpected short-term funding requirements and cash flow shortfalls.

Additionally, DBJ maintains daytime liquidity by using the Bank of Japan's real-time gross settlement system, whereby settlement is made instantly for each transaction. Every effort is made to ensure that settlement conditions are managed appropriately.

In addition to credit risk, the ALM & Risk Management Committee deliberates DBJ's market risk and liquidity risk.

### 5. Operational Risk Management

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DBJ defines operational risk as the risk of loss arising from internal processes, people or systems that are inappropriate or non-functioning, or from external events. DBJ works to establish a risk management system to minimize risk and prevent

potential risks from materializing. The General Risk Management Committee has been established to deliberate topics concerning operational risk management.

Within operational risk management, DBJ conducts administrative risk management and systems risk management as described below.

**i. Administrative Risk Management**

Administrative risk refers to the risk of sustaining losses resulting from employees neglecting to perform their duties correctly or from accidents, fraud, and the like. To reduce or prevent administrative risk, DBJ prepares manuals, performs checks on administrative procedures, provides education and training, and uses systems to reduce the burden of administrative duties.

**ii. System Risk Management**

System risk refers to the risk of loss due to a computer system breakdown or malfunction, system defects, or improper computer use. DBJ has implemented the following internal processes to optimize system risk management and properly manage risk with regard to systems risk. The System Risk Management Division is responsible for managing DBJ's system risk centrally, based on its system risk management regulations. By determining security standards from a variety of viewpoints—from information system planning and development to operation and use—the department extends the risk management system bank-wide and addresses appropriate system risk management operations.

**Business Continuity Initiatives**

DBJ prepares a business continuity plan (BCP) to protect the interests of its stakeholders, including its clients, its shareholder, and its executives and employees, as well as to fulfill its social mission. The BCP aims to ensure the continuity and rapid recovery of core operations in the event of emergencies, such as natural disasters (in particular, large-scale earthquakes), influenza and other pandemics, system failures, and power outages.

When formulating policies to ensure the continuity and recovery of core operations, we took the approach of considering responses to cases in which important management resources were damaged due to a large-scale disaster, affecting head office (1) buildings and facilities, (2) executives and employees, and (3) systems, instead of considering responses to individual events such as earthquakes and fires.

**Measures to Ensure Business Continuity**

We have prepared a variety of measures to ensure business continuity.

**Enhanced System Robustness**

We ensured advanced security levels at the main center and created a backup center to operate in the event that the main center ceases to operate.

**Multilayered Communication Procedures**

We introduced a safety confirmation system to quickly determine the whereabouts and status of executives and employees even at night and on holidays. In addition, we distributed satellite telephones to key locations and personnel to ensure multilayered communication procedures.

**Chain of Command and Delegation of Authority**

To assure that decision-making concerning the continuity of core operations is prompt and certain, in the event that the Disaster Response Committee is established, we have put in place a chain of command and an alternative hierarchy by which authority can be delegated.

**Clarification of Initial Response and Procedures for Continuing or Recovering Core Operations**

For individual business units, we have established in advance the procedures for the initial response and the continuation or recovery of core operations so that relevant divisions can respond quickly and with certainty on core operations even when in a state of confusion.

**Initiatives to Maintain or Improve BCP Viability**

DBJ conducts various types of instruction and training of executives and regular employees to maintain or improve the viability of its BCP. Furthermore, employing a Plan-Do-Check-Act

cycle, we revise the BCP to reflect training results and recent information, and the Executive Committee reviews it regularly and amends it as necessary.



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## Timeline

### The Japan Development Bank, the Hokkaido-Tohoku Development Finance Public Corporation, and the Development Bank of Japan

Year	Month	Event
1951	April	The Japan Development Bank (JDB) established
1952		JDB branches opened in Osaka (now the Kansai Branch), Sapporo (now the Hokkaido Branch), Nagoya (now the Tokai Branch), and Fukuoka (now the Kyushu Branch)
1956	June	The Hokkaido Development Finance Public Corporation established
1957	April	The Hokkaido Development Finance Public Corporation, reorganized as the Hokkaido-Tohoku Development Finance Public Corporation (HTDFP) branches, opened in Sapporo (now the Hokkaido Branch) and Sendai (now the Tohoku Branch)
1960		JDB branch opened in Takamatsu (now the Shikoku Branch)
1961		JDB branches opened in Hiroshima (now the Chugoku Branch) and Kanazawa (now the Hokuriku Branch)
1962	April	JDB representative office opened in New York
1963		JDB representative offices opened in Kagoshima (renamed Minami-Kyushu Branch in October 1999) and Matsue
1964	July	JDB representative office opened in London
1972	January	HTDFP representative office opened in Niigata (renamed Niigata Branch in July 1989)
1985	June	The Japan Development Bank Law revised 1) Investment function (pertaining to business in such areas as research and development, urban development, and energy use stipulated by government ordinance) added 2) R&D fund investment function added
1987	September	Low interest rate loan system funded partially by sale of NTT shares created by JDB and HTDFP
1989		JDB representative offices opened in Oita, Matsuyama, Okayama, and Toyama HTDFP representative offices opened in Hakodate and Aomori
1995	February	JDB loans to assist disaster recovery commenced
1997	September	Bill entitled "Pertaining to Consolidation and Rationalization of Special-Purpose Companies, etc." approved by the Cabinet (decision dissolving JDB and HTDFP and consolidating them as a new bank approved)
1998	December	JDB and HTDFP loans in response to changes in the financial environment commenced (March 31, 2001, sunset clause introduced)
1999	June	The Development Bank of Japan Law (Law No. 73 of 1999) approved
	October	All rights and responsibilities of JDB and HTDFP and all financing operations of Japan Regional Development Corporation and Japan Environment Corporation transferred to the Development Bank of Japan DBJ representative offices opened in Kushiro and Singapore
2002	May	The Development Bank of Japan Law revised (additional spot inspections by the Financial Services Agency introduced)
2005	December	Important Policy of Administrative Reform approved by the Cabinet
2006	May	The Act on Promotion of Administrative Reform for Realization of Small and Efficient Government (Act No. 47 of 2006) approved
	June	Policy-Based Financing Reform Plan decided upon by DBJ head office for the Implementation of Policy Finance Reform
2007	June	The Development Bank of Japan Inc. Act (Act No. 85 of 2007) approved

### Development Bank of Japan Inc.

Year	Month	Event
2008	October	Development Bank of Japan Inc. (DBJ) established (Capital: ¥1 trillion)
		Crisis Response Operations begun by DBJ as a designated financial institution
	December	DBJ Singapore Limited launched
2009	June	Act for Partial Amendment of the Development Bank of Japan Inc. Act (Act No. 67 of 2009) approved
	September	Capital increased to ¥1,103,232 million
	November	DBJ Europe Limited launched
2010	March	Capital increased to ¥1,181,194 million
2011	May	The Development Bank of Japan Inc. Act partially amended based on establishment of the Act for Extraordinary Expenditure and Assistance to Cope with the Great East Japan Earthquake (Act No. 40 of 2011)
	December	Capital increased to ¥1,187,364 million
2012	March	Capital increased to ¥1,187,788 million
	June	Capital increased to ¥1,198,316 million
	December	Capital increased to ¥1,206,953 million
2014	June	DBJ Investment Consulting (Beijing) Co., Ltd. (formerly Japan Asia Investment Consulting (Beijing) Co., Ltd.) converted to wholly owned subsidiary
2015	May	Act for Partial Amendment of the Development Bank of Japan Inc. Act (Act No. 23 of 2015) approved Special Investment Operations started Advisory Board positioned as an advisory body to the Board of Directors Special Investment Operations Monitoring Board established
	August	Capital reduced by ¥206,529 million, and crisis response reserve increased by the same amount

As of March 31, 2017

Name	Address	Number of shares held (thousands of shares)	Percentage of total equity (%)
Finance Minister	1-1, Kasumigaseki 3-chome, Chiyoda-ku, Tokyo	43,632	100.00
Total	—	43,632	100.00

## Summary of Changes to the DBJ Act after Conversion to a Joint-Stock Company

On October 1, 2008, DBJ transitioned from a special public corporation to a joint-stock company. In preparation for full-scale privatization following the disposal of all Japanese government-owned shares, DBJ has continued working to enhance its corporate value through integrated investment and loan services. These activities include providing long-term loans; equity, mezzanine financing and other types of risk capital; and M&A advisory services.

On the other hand, shortly after DBJ's conversion to a joint-stock company, the global financial crisis and the Great East Japan Earthquake occurred. The Japanese government called on DBJ to steadily mount large-scale Crisis Response Operations. Due to these crises, the Development Bank of Japan Inc. Act (Act No. 85 of 2007: "DBJ Act") was amended twice, with DBJ accepting an additional increase in Japanese government capital. Also, by the end of fiscal 2014, the Japanese government was to review DBJ's organization, including its shareholdings, as stipulated by the revision.

Based on the deliberations by the Japanese government's Study Panel Concerning the Promotion of Expanding Growth Funding, the Act for Partial Amendment of the Development Bank of Japan Inc. Act, which was enacted on May 20, 2015, maintains the direction toward full-scale privatization. At the same time, in order to fully ensure the provision of funding in

response to large-scale disasters and economic crises, the amending act makes DBJ's Crisis Response Operations obligatory for an indefinite period. From the perspective of promoting the provision of growth capital to revitalize regional economies and increase the competitiveness of enterprises, the amending act calls for DBJ to accept a certain amount of capital from the Japanese government (industrial investment). This investment is to be used for a new scheme, Special Investment Operations, to strengthen and develop the Fund for Japanese Industrial Competitiveness. In addition, with regard to the application of DBJ's investment and loan functions toward crisis response and the provision of growth capital, measures were introduced obliging the Japanese government to hold at least a certain percentage of DBJ's shares.

As part of this structural revision, deliberations by the Japanese government's Study Panel Concerning the Promotion of Expanding Growth Funding covered such topics as DBJ's proper implementation of Crisis Response Operations, the importance of initiatives for providing growth capital (equity and mezzanine financing) to address shortages in Japanese financial and capital markets, and an evaluation of DBJ's initiatives following its conversion to a joint-stock company.

Note: For the full text of the DBJ Act, please refer to the data section

### Highlights of 2015 Revisions to the DBJ Act

#### 1. Measures maintaining direction toward full-scale privatization

Before revision	After revision
Full-scale privatization and disposal of all Japanese government-held shares, targeting around five to seven years from April 1, 2015	<ul style="list-style-type: none"> <li>No changes in the main provisions, including Article 1, which stipulates DBJ's objectives</li> <li>Disposal of shares as soon as practicable (considering its effect on achieving DBJ's objectives as well as on the market situation)</li> </ul>

#### 2. Measures ensuring appropriate implementation of Crisis Response Operations

Before revision	After revision
<ul style="list-style-type: none"> <li>Conducting Crisis Response Operations as a designated financial institution</li> <li>Enabling Japanese government recapitalization in crisis response by March 31, 2015</li> </ul>	<ul style="list-style-type: none"> <li>Assuming responsibility for Crisis Response Operations for an indefinite period (at the same time reflecting this obligation in the Articles of Incorporation)</li> <li>Extending for an indefinite period the scope of the Japanese government's recapitalization securing DBJ's financial structure, with the Japanese government having such obligations as holding more than one-third of DBJ's shares</li> </ul>

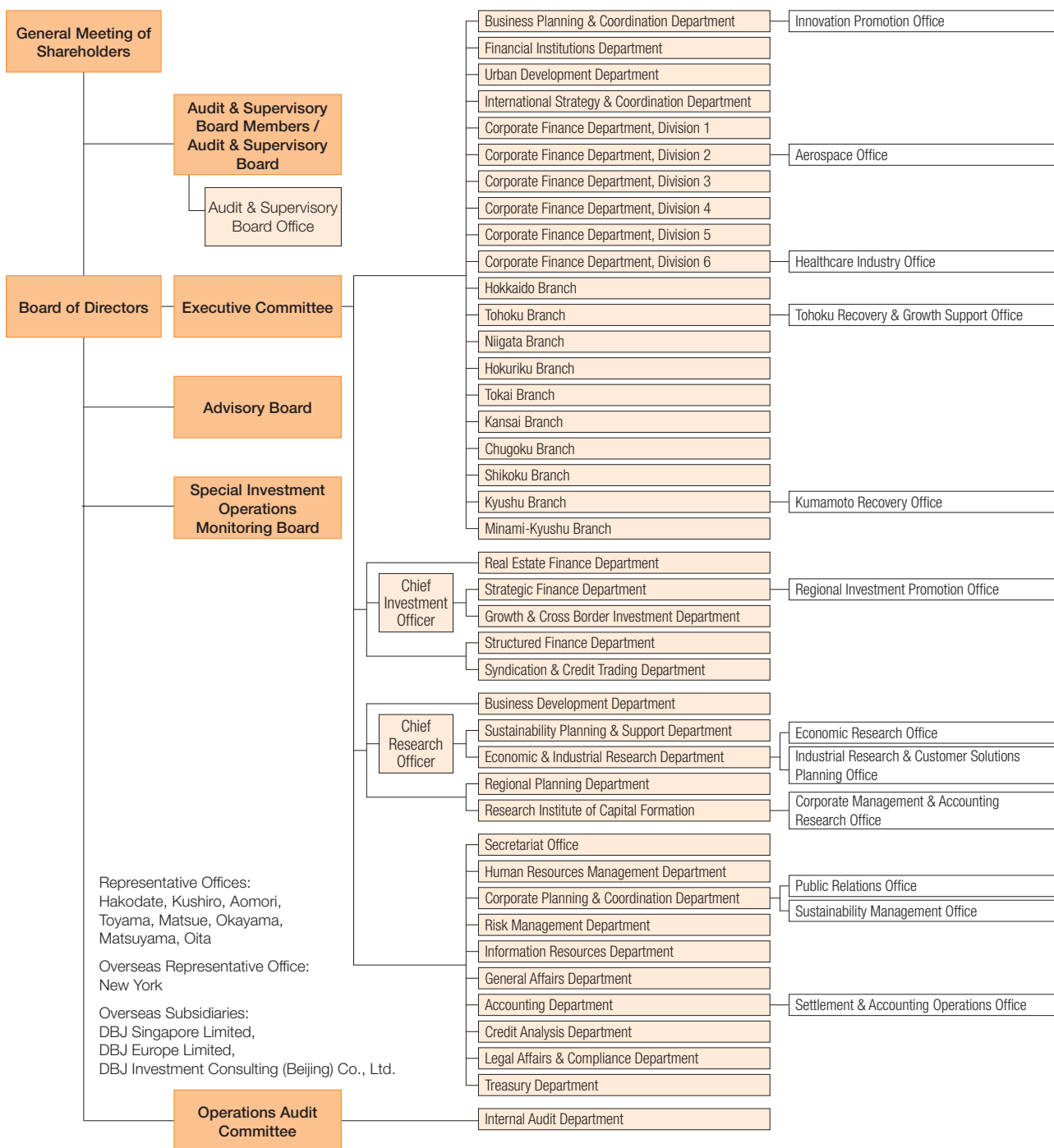
#### 3. Measures establishing new Special Investment Operations scheme to temporarily provide growth capital in a concentrated manner

Before revision	After revision
Provision of risk capital through the Fund for Japanese Industrial Competitiveness	<ul style="list-style-type: none"> <li>Reinforcement of the Fund for Japanese Industrial Competitiveness (a portion of the financial resources for which are provided through measures for industrial investment); implementation of Special Investment Operations as a measure for a limited period of time, through fiscal 2025 (at the same time reflecting this obligation in the Articles of Incorporation, complementing and encouraging private-sector enterprises, etc.)</li> <li>Obligation that the Japanese government shall hold one-half or more of shares until the conclusion of Special Investment Operations</li> </ul>

#### 4. Provisions referencing consideration for private financial institutions through ongoing Japanese government involvement

Before revision	After revision
As per the Third Medium-Term Management Plan, sustainment of close communications, maintaining a focus on operations in collaboration with other financial institutions	<ul style="list-style-type: none"> <li>The Corporation shall, for an indefinite period, pay special attention in conducting its business so that it will not affect its appropriate competitive relationships with other business entities</li> <li>The Japanese government shall hear the opinions of representatives of ordinary financial institutions and other relevant persons concerning Japanese government revisions on an as-needed basis regarding Crisis Response Operations and Special Investment Operations</li> </ul>

# Organizational Structure (as of April 1, 2017)



## Group Companies

DBJ Group offers diverse services in accordance with client needs.

<b>Overseas locations</b>	DBJ Singapore Limited	Current subsidiary based in Singapore
	DBJ Europe Limited	Current subsidiary based in London
	DBJ Investment Consulting (Beijing) Co., Ltd.	Current subsidiaries based in Beijing and Shanghai
<b>Investments and loans Asset management</b>	DBJ Capital Co., Ltd.	Venture capital to support the establishment of start-ups that apply a hands-on approach to increasing corporate value
	DBJ Investment Advisory Co., Ltd.	Company that performs advisory functions related to DBJ's value-added equity investment
	DBJ Securities Co., Ltd.	Subsidiary providing a securities function to complement DBJ Group's investment and loan functions
	DBJ Asset Management Co., Ltd.	Asset management company focused on real estate, private equity, etc.
<b>Research Consulting</b>	Japan Economic Research Institute Inc.	Comprehensive think tank that primarily conducts surveys and provides consulting services
	Value Management Institute, Inc.	Comprehensive think tank with analytical capabilities characterized by cutting-edge technical knowledge and original economic models
<b>Real estate management/ services, etc.</b>	DBJ Real Estate Co., Ltd.	Company that takes on administrative functions for DBJ Group
	Consist Inc.	Company that performs functions from consulting to development, maintenance, and operation of information systems

## Initiatives Addressing ESG Issues

To bring about a sustainable society and achieve both economic and social value, each and every employee at DBJ Group takes on business activities with an awareness of environmental, social, and governance (ESG) issues. The following table presents DBJ initiatives from an ESG standpoint. In pursuit of

Vision 2030, we are conducting Plan-Do-Check-Act cycles in accordance with targets for important economic issues that must be addressed in relation to the Fourth Medium-term Management Plan.

Issue	Main Initiative	Association with the Sustainable Development Goals
<b>Offering financial services to help address social issues</b>	<ul style="list-style-type: none"> <li>Enhancements to the transportation network (pages 20–21)</li> <li>Maintenance, renovation, and expansion of urban functions (pages 22–23)</li> <li>Support for transforming and growing industrial structures (pages 24–27)</li> <li>Creation of a resilient society through the Enterprise Disaster Resilience Rated Loan Program (pages 54–55)</li> <li>Improvements in companywide productivity through the Employees' Health Management Rated Loan Program (pages 54–55)</li> </ul>	 
<b>Provision of risk capital</b>	<ul style="list-style-type: none"> <li>Crisis Response Operations (pages 32–33)</li> <li>Special Investment Operations (pages 30–31)</li> </ul>	 
<b>Development of human resources with an emphasis on diversity</b>	<ul style="list-style-type: none"> <li>Development of human resources, improvements in motivation, and reforming of workstyles (pages 48–49)</li> </ul>	
<b>Contribution to a low-carbon society through investments and loans</b>	<ul style="list-style-type: none"> <li>Support for spreading the use of renewable energy (pages 18–19)</li> <li>Environmentally Rated Loan Program (pages 54–55)</li> <li>DBJ Green Building Certification (page 55)</li> </ul>	 
<b>Consideration for the environment in all of our business activities</b>	<ul style="list-style-type: none"> <li>Issue of DBJ Sustainability Bond (page 55)</li> <li>Promotion of environmental management (DBJ website)</li> </ul>	 

### Corporate governance

- Advisory Board (page 59)
- Special Investment Operations Monitoring Board (page 60)

### Risk management

- Enhancements to comprehensive risk management (pages 67–70)
- Business continuity initiatives (page 70)

COLUMN

## DBJ's Connection to Sustainability

### Sustainability Report

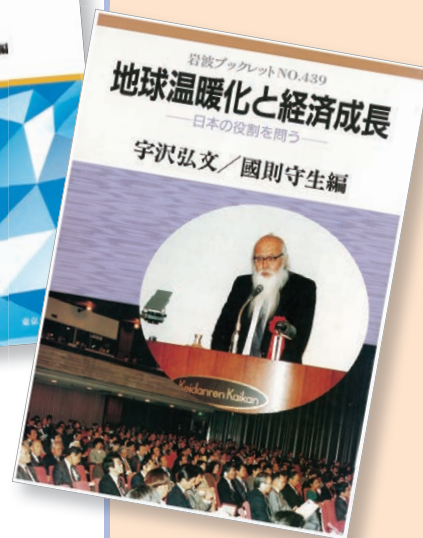
DBJ issued the *Environmental Report for a Sustainable Society* in 2003 as a way to communicate with its diverse stakeholders, a first for a state-run financial institution. In 2004, the name was changed to the *Sustainability Report*, showing DBJ's strong desire to use finance as a tool to contribute to the creation of a sustainable society. From then on, DBJ has not only remained compliant with laws and regulations while engaging in social contribution activities, it has conducted corporate social responsibility through its business operations. Based on its aspirations to realize a sustainable society, DBJ Group has united as one in the pursuit of business activities, with its current corporate philosophy as the foundation of the value system they reflect, through both its executives and its regular employees.



### Sustainability Research

DBJ's Research Institute of Capital Formation has been tackling sustainability from an academic standpoint for many years. Dr. Osamu Shimomura, who lent theoretical support to Japan's rapid growth following World War II and worked as the institute's first director, developed the "zero growth theory" after the first oil crisis as an approach to maintaining a sustainable economy under resource constraints. Furthermore, the world-renowned theoretical economist Dr. Hirofumi Uzawa, who worked as an advisor to the research institute for nearly 50 years, argued for an economy that allowed the natural environment and society to coexist in his 1974 work entitled "The Social Cost of Automobiles" and advocated for social common capital, an indispensable element to creating a sustainable society as the basis for a market economy.

The institute has inherited and developed similar lines of research with the cooperation of a number of scholars. For instance, it was responsible for the establishment of a climate change research center in 1993. In this way, the Research Institute of Capital Formation has led the way in research on sustainable economics and corporate management.



# Disclosure

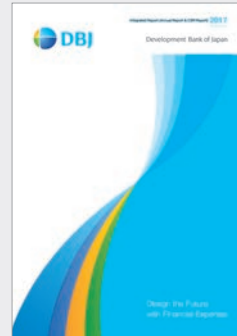
DBJ Group considers public relations and investor relations to be important functions for connecting management with each and every stakeholder. With the goal of gaining the trust of all its stakeholders, DBJ Group strives for disclosure through PR and IR to accurately convey information on its current status, operations policy, and more.

## Information Disclosure Materials

DBJ Group offers a wide range of information, using such media as newsletters and its website.

### 1. Materials legally required for disclosure

- Securities Report (Japanese)
- Stock Exchange Report (Japanese)
- Business Report (Japanese)



### 2. Voluntarily disclosed information

- Integrated Report (Annual Report & CSR Report)
- End-of-Period Financial Reports

### 3. Others

- DBJ Quarterly Journal (newsletter)
- DBJ News Digest (mail magazine; Japanese)
- Website

<http://www.dbj.jp/en/>



### Glossary (Japanese)

<http://www.dbj.jp/glossary/>

