



# News Release

October 19, 2016  
Development Bank of Japan Inc.

DBJ issued Euro-USD 500m second sustainability bond  
~Contributing to the development of SRI bonds market as the sole  
continuing SRI bonds issuer in Japan~

On 19 October 2016, Development Bank of Japan Inc. (DBJ; President and Chief Executive Officer: Masanori Yanagi) issued its USD 500 million second sustainability bond (the 63<sup>rd</sup> MTN). Sustainability bond is one type of Socially Responsible Investment bonds (SRI bonds) which has been rapidly growing in issuance amount especially among issuers in Europe and America. This bond is the first USD denominated SRI bonds by DBJ.

Beginning with antipollution measures implemented in the late 1960s and early 1970s, DBJ has provided more than ¥3 trillion in investments and loans for environmental projects over the past 40 years. [DBJ Environmentally Rated Loan Programme](#) was incorporated into our products in fiscal 2004, with [DBJ Green Building Certification](#) following in fiscal 2011 (As of the end of September 2016, the cumulative loan amount of DBJ Environmentally Rated Loan Programme is ¥1,047bn and the number of properties certified under DBJ Green Building Certification is 351).

Considering growing demand for SRI investment, DBJ, the sole continuing SRI bonds issuer in Japan, has issued the inaugural Green Bond in 2014 and the inaugural Sustainability Bond in 2015.

This transaction of the 2<sup>nd</sup> Sustainability Bond aims to meet the continuing investment needs from SRI investors. The net proceeds will be used to finance new loans and/or existing loans extended by DBJ to buildings highly rated under DBJ Green Building Certification and to companies under the DBJ Environmentally Rated Loan Programme. In terms of the framework including the Process for Project Evaluation and Selection, and Management of Proceeds, etc, Sustainalytics PTE LTD provides an independent third-party [opinion](#) to the DBJ Sustainability Bond. Please see the link for more information about DBJ SRI Bonds.

<http://www.dbj.jp/en/ir/credit/sri/index.html>

The transaction was placed with SRI investors including AP2(Second Swedish National Pension Fund), Fokoku Mutual Life Insurance Company, Meiji Yasuda Life Insurance Company. The distribution by investor type was as follows: Insurances/Pensions 29%, Asset Managers 25%, Central Banks/Official Institutions 25%, Banks 20%, and Others 1%. In addition, the distribution by geographical type was as follows: EMEA 37%, APAC 50%, and Americas (including US Offshore) 13%.

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



# News Release

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

## The main terms of the bonds

|                |  |
|----------------|--|
| Issuer         | Development Bank of Japan Inc.   |
| Market         | Euro Market  |
| Issue amount   | USD 500 million  |
| Maturity       | 5 years (due on October 19, 2021)  |
| Coupon         | 2.000%   |
| Re-offer price | 99.419%  |
| Listing        | Luxembourg Stock Exchange Euro MTF   |
| Lead Manager   | Goldman Sachs International<br>Merrill Lynch International<br>Daiwa Capital Markets Europe Limited<br>Morgan Stanley & Co. International plc |
| Signing date   | October 17, 2016   |
| Closing date   | October 19, 2016   |
| Bond Rating    | A1: Moody's, A: S&P  |

### Inquiries:

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

This communication does not contain or constitute an offer of securities for sale, or solicitation of an offer to purchase securities, in the United States, Japan or any other jurisdiction where such an offer or solicitation would be unlawful. Securities may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933, as amended (the "Securities Act") or an exemption from registration, and any public offering of securities to be made in the United States will be made by means of a prospectus that may be obtained from the issuer and that will contain detailed information about the issuer and management, as well as financial statements. The securities referred to herein have not been and will not be registered under the Securities Act.