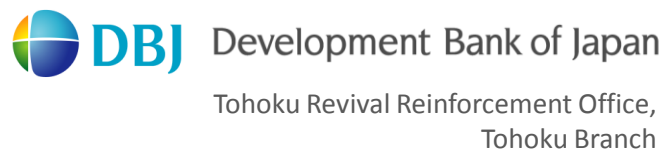


Rebuilding Japan after the Great East Japan Earthquake:

The Situation Today, Issues for the Future, and Initiatives by DBJ

January 21, 2013



Almost 2 Years Since March 2011

The Affected Areas Today ①

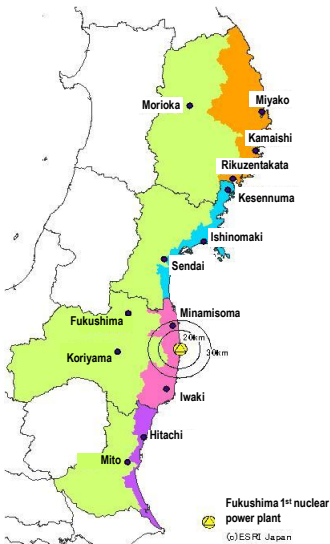


Figure 1: Estimated Damage to Capital Stock (DBJ figures issued April 28, 2011)

		in trillion yen		
		Estimated capital stock A	Estimated capital stock damage B	Damage rate B/A
Iwate Pref.	Inland	26.4	0.8	2.9%
	Coastal	7.4	3.5	47.3%
	Total	33.8	4.3	12.6%
Miyagi Pref.	Inland	31.4	1.6	5.1%
	Coastal	23.2	4.9	21.1%
	Total	54.6	6.5	11.9%
Fukushima Pref.	Inland	34.3	1.3	3.7%
	Coastal	15.9	1.9	11.7%
	Total	50.3	3.1	6.2%
Ibaraki Pref.	Inland	47.8	1.0	2.1%
	Coastal	21.7	1.5	6.8%
	Total	69.6	2.5	3.6%
Total 4 prefectures	Inland	140.0	4.6	3.3%
	Coastal	68.3	11.8	17.2%
	Total	208.3	16.4	7.9%

Notes: 1. "Coastal" indicates cities, towns and villages having a shoreline; "inland" indicates other cities, towns and villages.
 2. Estimates of stock and damage are calculated on a replacement-cost basis.
 3. Damage resulting from the Fukushima No. 1 power plant accident is not included in these estimates.

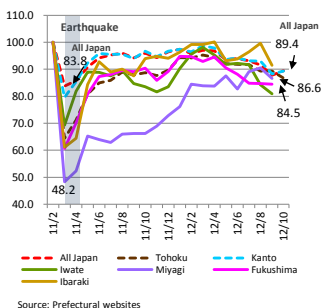
The Affected Areas Today ②

Figure 2 Status of Disaster Waste Disposal (37 coastal communities in Iwate, Miyagi and Fukushima prefectures. As of October 31, 2012)

As of October 31	Est. amount (A)	Amount removed (B)	Removal rate (B/A)	Amount processed/disposed (C)	Process/disposal ratio (C/A)
Disaster waste	18,020,000 t	15,160,000 t	84%	5,380,000 t	30%
Tsunami sediment	9,560,000 t	5,550,000 t	58%	1,070,000 t	11%

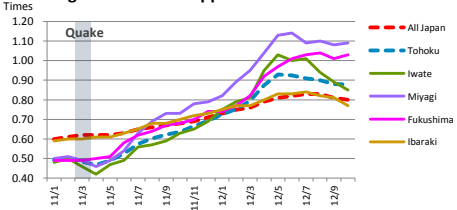
Source: Reconstruction Agency Website

Figure 3 Mining and Industrial Production Indexes (pre-disaster = 100)



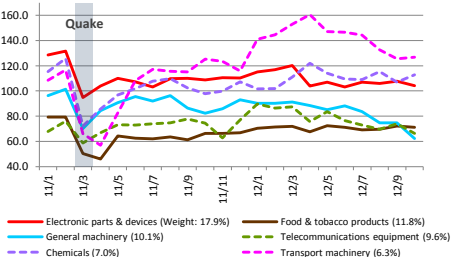
Source: Prefectural websites

Figure 5 Jobs-to-Applicants Ratio



Source: Status of General Employment Placement (MHLW)

Figure 4 Mining and Industrial Production Indexes, by Sector (top six sectors)



Source: Mining and Industrial Production Trends in Tohoku, Tohoku Bureau of Economy, Trade and Industry.

The Affected Areas Today ③

Figure 6 Population Trends in Four Affected Prefectures

1st day of each month. In thousand persons.

	11/3	11/4	11/5	11/6	11/7	11/8
Iwate	1,327	1,322	1,320	1,319	1,319	1,316
Miyagi	2,347	2,334	2,325	2,324	2,322	2,322
Fukushima	2,024	2,015	2,006	2,001	1,997	1,994
Ibaraki	2,967	2,961	2,958	2,957	2,957	2,957

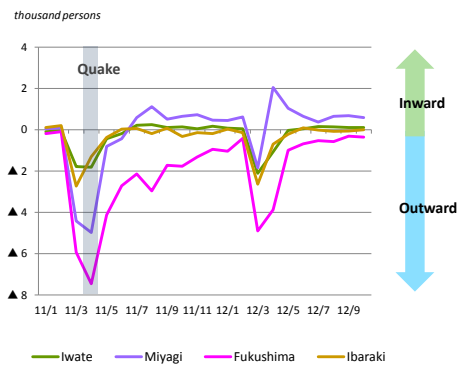
	11/9	11/10	11/11	11/12	12/1	12/2
Iwate	1,313	1,313	1,312	1,312	1,311	1,310
Miyagi	2,323	2,323	2,324	2,324	2,324	2,324
Fukushima	1,992	1,989	1,987	1,985	1,983	1,981
Ibaraki	2,957	2,957	2,956	2,955	2,954	2,953

	12/3	12/4	12/5	12/6	12/7	12/8
Iwate	1,310	1,305	1,305	1,305	1,304	1,304
Miyagi	2,324	2,316	2,323	2,324	2,324	2,324
Fukushima	1,979	1,970	1,968	1,967	1,965	1,964
Ibaraki	2,951	2,946	2,946	2,946	2,946	2,946

	12/9	12/10	11/7--12/10
Iwate	1,304	1,303	-1.2%
Miyagi	2,325	2,325	0.1%
Fukushima	1,963	1,962	-1.8%
Ibaraki	2,946	2,946	-0.4%

Source: Population Trends, Basic Resident Register (Ministry of Internal Affairs and Communications)

Figure 7 Estimated Excess Inward and Outward Migration in Four Affected Prefectures

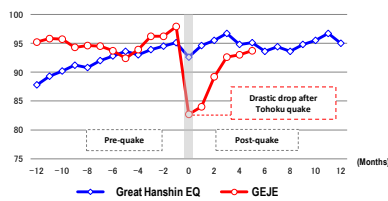


Source: Population Trends, Basic Resident Register (Ministry of Internal Affairs and Communications)



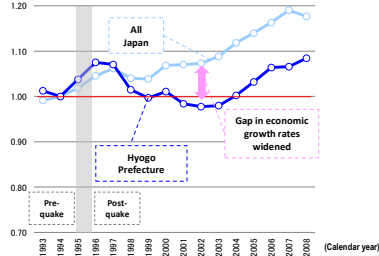
After the Great Hanshin Earthquake of 1995 (Reference)

Figure 8 Changes in Monthly Mining & Industrial Production Indexes Before and After Hanshin and Tohoku Earthquakes



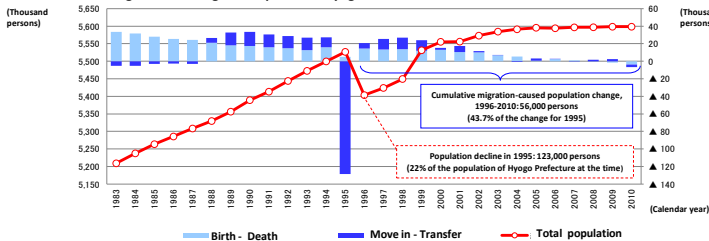
Note: On horizontal axis, month of earthquake = 0.
On vertical axis, 2005 = 100; figures are seasonally adjusted.
Prepared by DBJ based on Mining and Industrial Production Indexes (METI).

Figure 9 Comparison of Real GDP for All Japan and Hyogo Prefecture (1994 = 1)

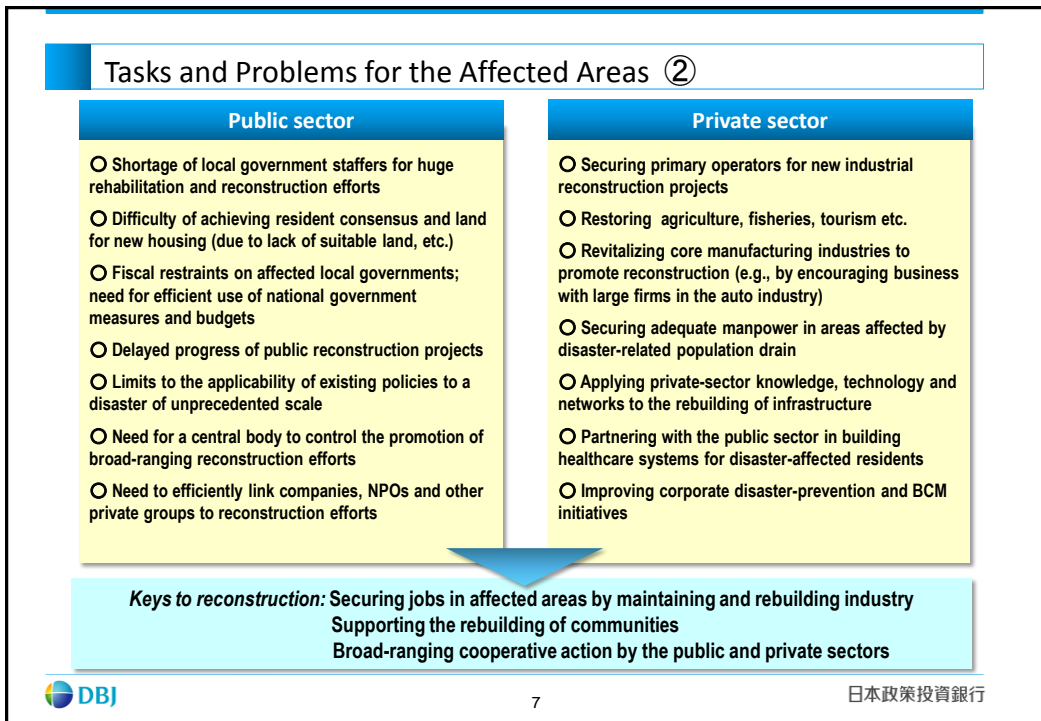
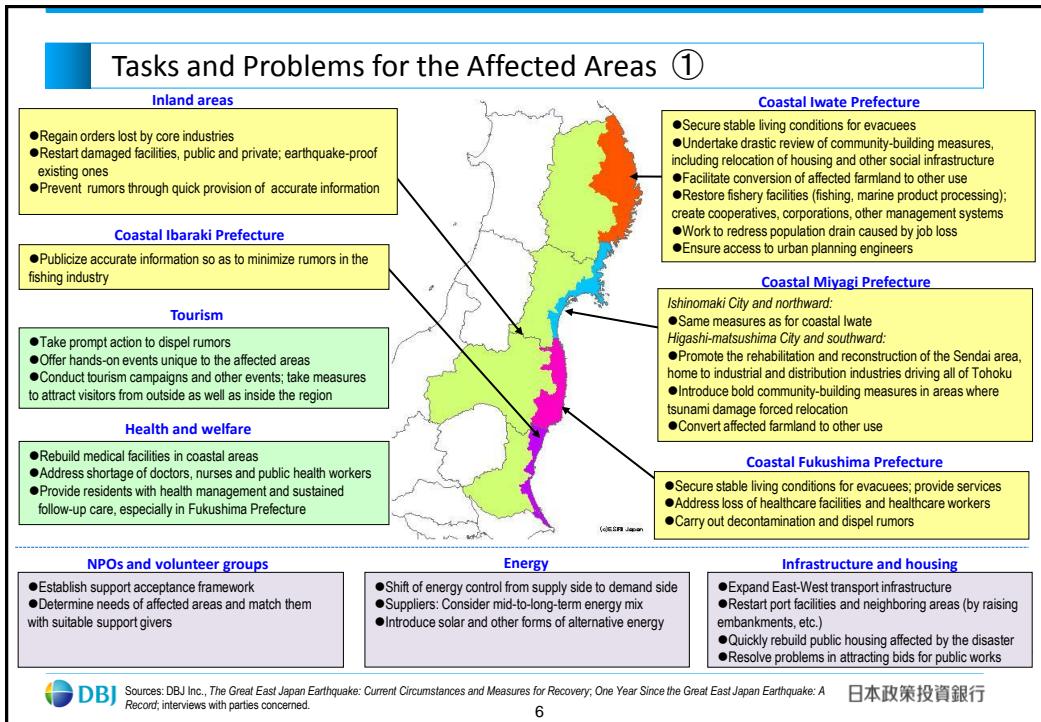


Prepared by DBJ based on National Accounts, Prefectural Accounts (Cabinet Office).

Figure 10 Changes in Population: Hyogo Prefecture



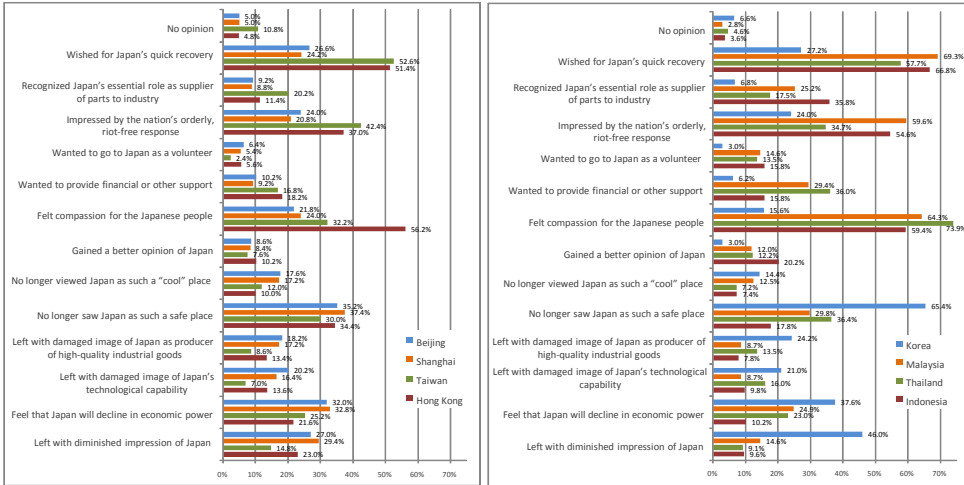
Note: "Migration-caused population change" includes other migrants as well as those who have made notification on a residence certificate. Since some calculations are made using estimates based on national census populations, figures for some years may not agree with the natural population even when the population change for that year is added.
Prepared by DBJ based on Trends in the Population of Hyogo Prefecture (Hyogo Prefecture).



Excerpts from the Report on Attitudes toward Visiting Japan after the 2011 Tohoku Earthquake and Tsunami ① (Reference)

The largest proportion of respondents – 47 percent – stated that they “wished for Japan’s quick recovery.” Many, particularly in Malaysia, Thailand, Indonesia, and Hong Kong, responded that they “felt compassion” for Japan.

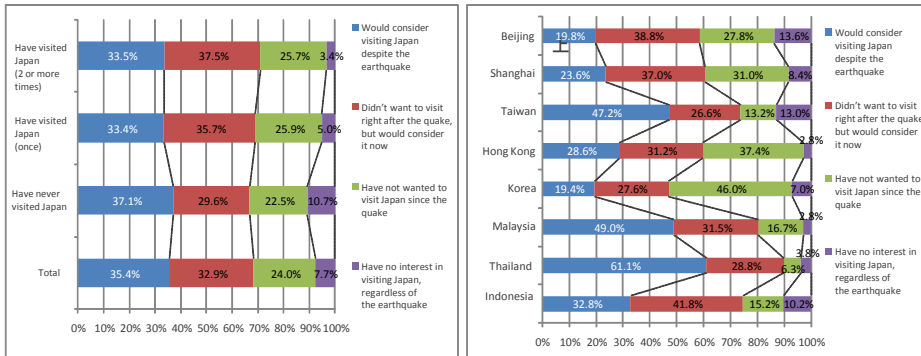
There were negative responses, however, including those from people who felt less assured of Japan’s safety than they had before the quake. Clearly, more accurate and timely information must be provided if Japan is to regain the reputation for safety which was damaged by the earthquake and nuclear reactor accident.



Excerpts from the Report on Attitudes toward Visiting Japan after the 2011 Tohoku Earthquake and Tsunami ② (Reference)

Seventy percent of respondents stated they “would consider visiting Japan despite the earthquake” or “didn’t want to visit right after the quake, but would consider it now,” while only 30 percent said they “have not wanted to visit Japan since the quake” or “have no interest in visiting Japan.” Little difference was seen between those who had visited Japan and those who had not (even some frequent visitors said they now were cautious about traveling there).

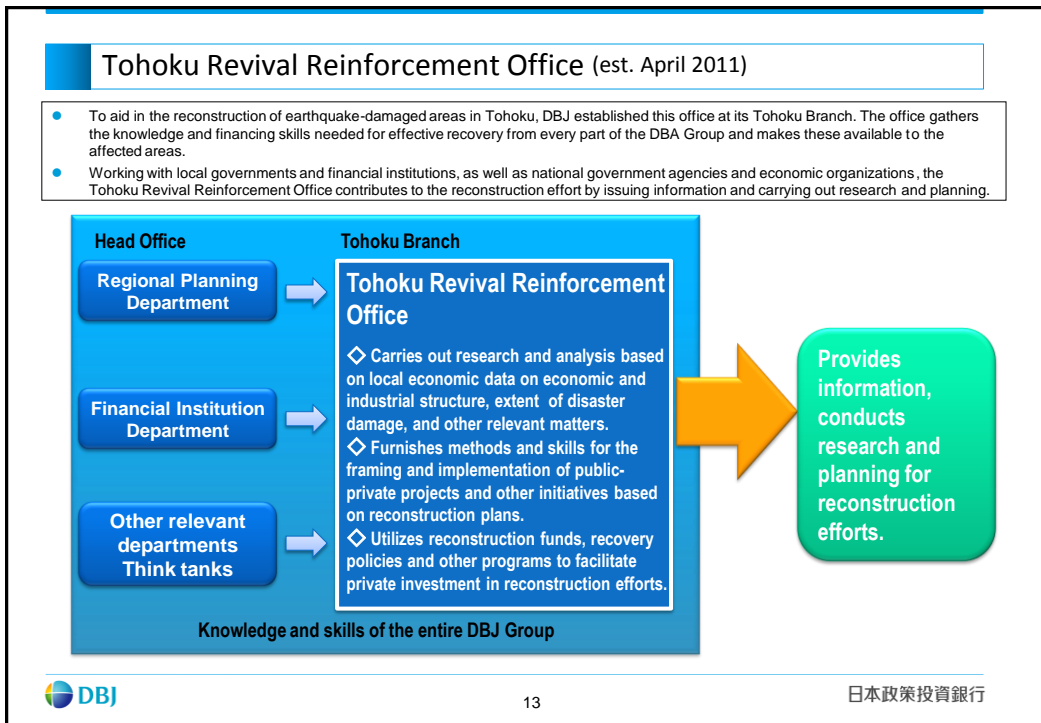
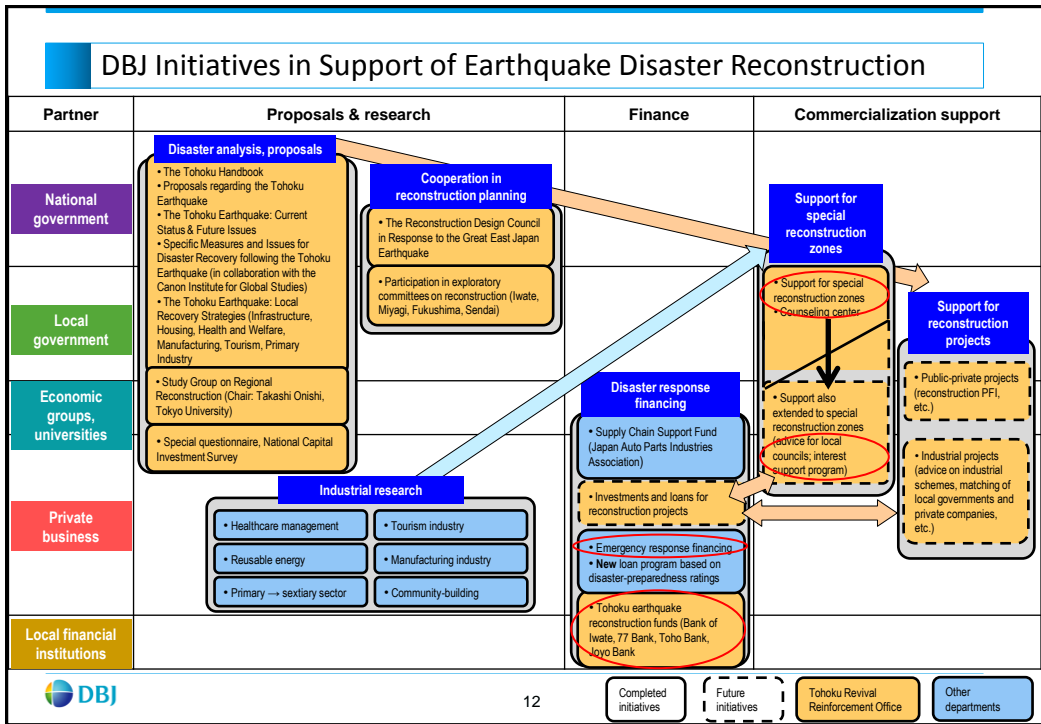
People from Thailand, Malaysia, Indonesia and Hong Kong expressed the greatest interest in visiting Japan. The survey showed these areas to be promising sources of future tourists, despite the relatively small number of Thais, Malaysians and Indonesians who have been to Japan to date. Japan has frequent visitors from Taiwan, where appreciation of Japan is well established.



Reference: DBJ Profile and Initiatives in Support of Earthquake Disaster Reconstruction

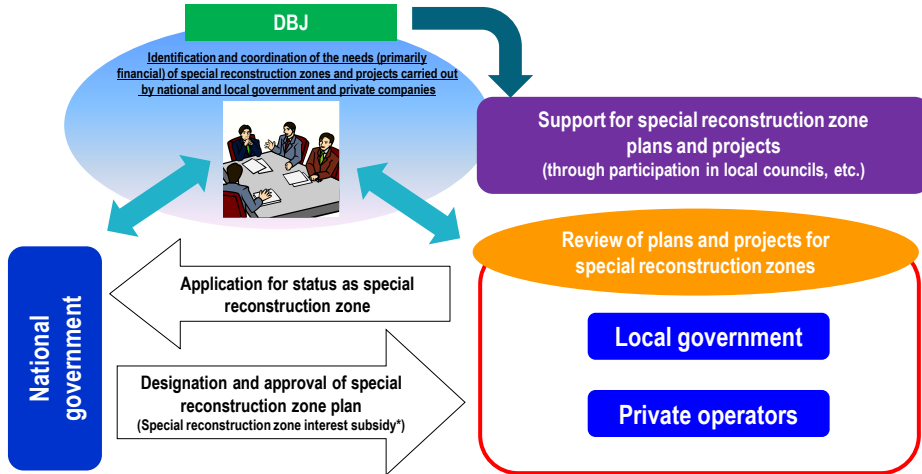
DBJ Profile (As of November 26, 2012)

Establishment	October 10, 2008	Former Japan Development Bank est. 1951 Former Hokkaido-Tohoku Development Finance Public Co. est. 1956 Former Development Bank of Japan est. 1999
President & CEO	Tōru Hashimoto	
Number of employees	1,147 (as of March 31, 2012)	
Capital	JPY1,198,316,000,000 (wholly government-funded)	
Head office	1-9-6 Otemachi, Chiyoda-ku, Tokyo 100- 8178	
URL	http://www.dbj.jp/	
Associated offices	Branches (10), offices (8), overseas representative office (1), overseas subsidiaries (2)	
Total assets	JPY15,563,200,000,000 (as of March 31, 2012)	
Loans outstanding	JPY13,704,900,000,000 (as of March 31, 2012)	
Capital adequacy ratio	18.30% (Uniform International Standard; as of March 31, 2012)	
Issuer rating	Aa3 (Moody's), A+ (S&P), AA (R&I), AAA (JCR)	



Support Center for Special Reconstruction Zones (est. Dec. 2011)

Drawing on its unique attributes and long experience, DBJ works to facilitate the smooth and swift recovery of affected areas. DBJ participates in local councils as stipulated in the Act on Special Reconstruction Zones, and gives primarily financial support to local governments and operators considering special reconstruction zone plans and projects.



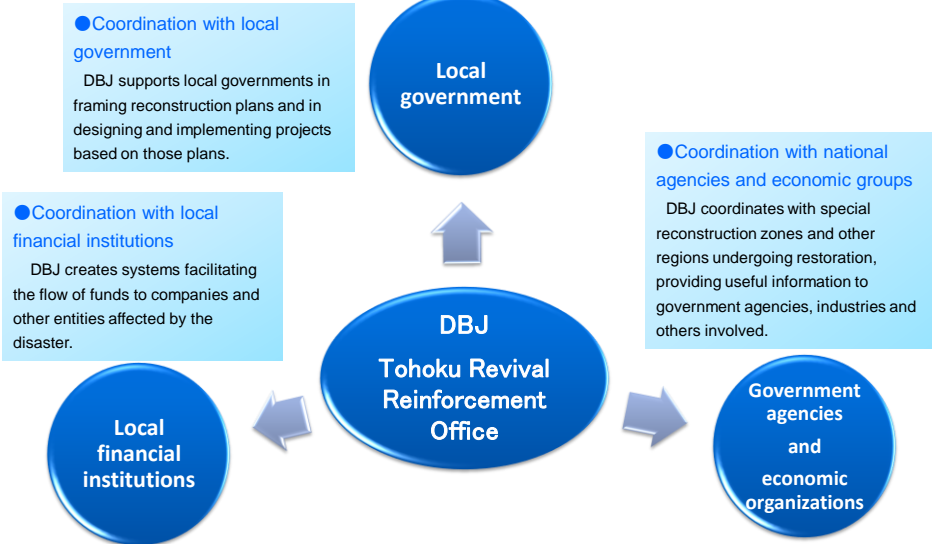
* Interest Subsidy Program for Special Reconstruction Zones (5-year, subsidy rate up to 0.7%)

14

日本政策投資銀行

14

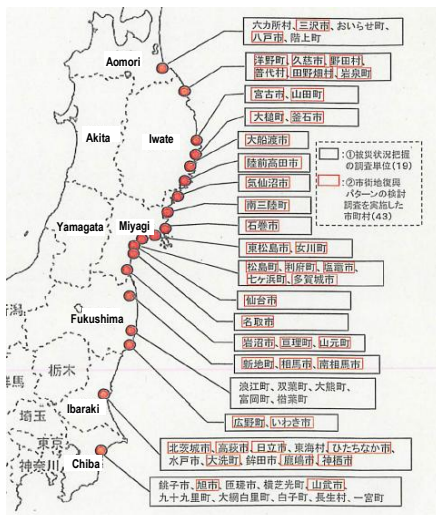
Coordination Framework with Relevant Organizations



15

日本政策投資銀行

Support for Reconstruction Planning



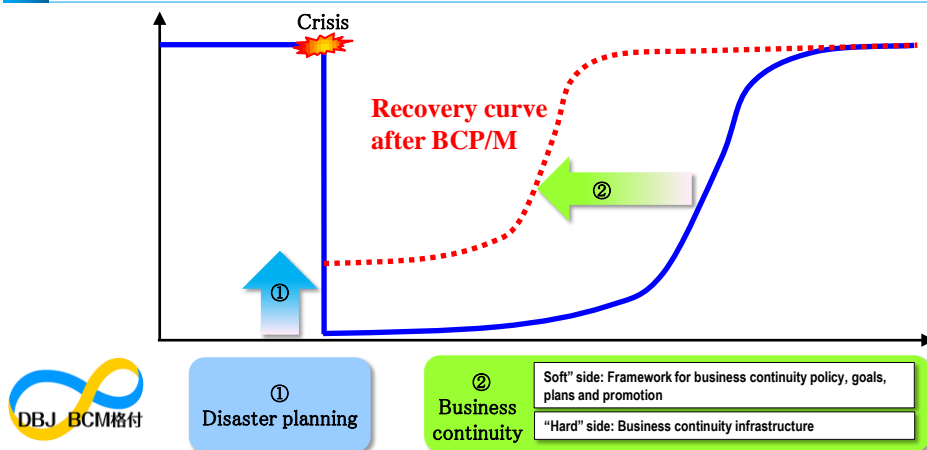
Source: Reconstruction Agency Website

National government	Reconstruction Design Council in Response to the Great East Japan Earthquake	Kōsuke Motani (Senior Vice President, Regional Development Group)	Member of the Study Group
Miyagi Prefecture	Miyagi Prefecture Earthquake Reconstruction Conference	Kōsuke Motani (Senior Vice President, Regional Development Group)	Member
Fukushima Prefecture	Exploratory Committee for Reconstruction Planning in Fukushima Prefecture	Ryō Ishimori (Managing Executive Officer)	Member
Iwate Prefecture	Iwate Prefecture Committee for Reconstruction after the Great East Japan Earthquake and Tsunami	Kōsuke Motani (Senior Vice President, Regional Development Group)	Expert Adviser
Sendai City	Sendai City Council for Earthquake Reconstruction	Kōsuke Motani (Senior Vice President, Regional Development Group)	Adviser
	Sendai City Reconstruction Council (Regional Council)	Katsumi Fukai (Director, Tohoku Revival Reinforcement Office, Tohoku Branch)	Member
Yamagata Prefecture	Yamagata Prefecture Great East Japan Earthquake Reconstruction Conference	Takahiro Suzuki (Head of Tohoku Branch)	Member

Titles are as of time of appointment.



BCM-rated Loan Program



BCP/BCM is a management strategy by which earnings stability and corporate value are maintained and enhanced through business continuity initiatives.
Goals: Preventing decline in capacity utilization and minimizing recovery time.

Reference: Survey of Business Continuity and Disaster Prevention Initiatives by Companies (Cabinet Office, March 2010).

Reference: DBJ loans to date
 FY2006-2010 (pre-quake)
 29 projects, JPY14.3 billion
 FY2011→(post-quake)
 35 projects, JPY41.6 billion



Support for Public-Private Projects (PFI/PPP)

① PFI Shinjo (Toyama City)

Provision of project finance for a PFI project in partnership with local financial institutions

Shinjo Elementary School and Community Center, Toyama City



- DBJ served as lead arranger along with the Hokuriku Bank for a project finance scheme for this PFI project carried out by Toyama City, involving new construction on the Shinjo Elementary School and the design, construction, maintenance and management of a new community center. The loan was executed jointly with the Toyama Bank, Toyama Shinkin Bank, and Niikawa Shinkin Bank.
- The project is notable for its having been completed locally by the principal operators and fund suppliers.
- Renewed vitality is expected for regions where PFI projects are locally-led.

② Yonezawa Shioi PFI (Yonezawa, Yamagata Prefecture)

Provision of project finance for a PFI project in partnership with local financial institutions

Shioi Public Housing Complex, Yonezawa City



- Working in cooperation with the Shonai Bank, DBJ concluded a co-financing agreement for project finance with the Yonezawa Shioi PFI, for the Yonezawa Public Housing Complex Reconstruction Project implemented by Yonezawa City.
- With its full participation in a PFI project in alliance with a local financial institution, DBJ helps to ensure that the housing needs of local residents are fulfilled.



Inquiries

Please contact us with any questions or comments.

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