**FIRST SUPPLEMENTARY OFFERING CIRCULAR DATED 2 JANUARY 2026**

Development Bank of Japan Inc.

*(incorporated with limited liability under the laws of Japan)*

# Global Medium Term Note Programme

**in the case of Notes specified to be guaranteed Notes in the relevant Final Terms, unconditionally and irrevocably guaranteed as to payment of principal and interest by**

# Japan

This Supplement (the "**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the offering circular dated 13 August 2025 (the "**Offering Circular**") and is prepared by Development Bank of Japan Inc. ("**DBJ**") in connection with its Global Medium Term Note Programme (the "**Programme**") for the issuance of Medium Term Notes ("**Notes**"). Terms given a defined meaning in the Offering Circular shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement is issued in order to (i) incorporate by reference into the Offering Circular certain unaudited semi-annual consolidated financial information (in English) of DBJ as of and for the six-month period ended 30 September 2025 (the "**Unaudited Interim Financial Information**"); (ii) add a risk factor relating to the Unaudited Interim Financial Information and (iii) update certain disclosure relating to DBJ and the Guarantor.

This Supplement has been approved as a supplement issued in compliance with Part 2 of the rules and regulations of the Luxembourg Stock Exchange by the Luxembourg Stock Exchange in its capacity as competent authority under Part IV of the Luxembourg law of 16 July 2019 on prospectuses for securities for the purposes of giving information with regard to the issue of Notes under the Programme.

DBJ accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Offering Circular by this Supplement and (b) any other statement in, or incorporated by reference into, the Offering Circular, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new fact, material mistake or inaccuracy relating to the information included in the Offering Circular which is capable of affecting the assessment of the Notes issued under the Programme has arisen or been noted, as the case may be, since publication of the Offering Circular.

## DOCUMENTS INCORPORATED BY REFERENCE

A copy of the Unaudited Interim Financial Information has been filed with the Luxembourg Stock Exchange and, by virtue of this Supplement, the Unaudited Interim Financial Information is incorporated in, and forms part of, the Offering Circular.

A copy of the Unaudited Interim Financial Information incorporated by reference in the Offering Circular by virtue of this Supplement may be inspected, free of charge, at the website of the Luxembourg Stock Exchange at *www.LuxSE.com*, and may be obtained, free of charge, at the registered office of DBJ and the office of the Fiscal Agent. Information contained in or accessible from the website in this paragraph that is not incorporated by reference in this Supplement as set out above does not form part of and is not incorporated by reference into this Supplement. For the avoidance of doubt, the exclusion from this Supplement of information contained in or accessible from the website referred to above does not apply to the Unaudited Interim Financial Information being incorporated by reference.

## RISK FACTORS

### Unaudited Interim Financial Information

This Supplement incorporates by reference the Unaudited Interim Financial Information. The Unaudited Interim Financial Information has not been audited or reviewed and could be subject to material revisions or corrections. As a result, DBJ's consolidated financial statements (in English) for the six-month period ended 30 September 2025, which are expected to be published by DBJ in the future, may differ materially from the Unaudited Interim Financial Information, and the Unaudited Interim Financial Information, as well as the financial information derived therefrom, may not reveal matters of significance to an investor regarding DBJ's financial condition or results of operations. Investors should therefore not place undue reliance on such Unaudited Interim Financial Information or the financial information derived therefrom.

## UPDATES ON JAPAN

### General

The following information updates information in Japan's annual report on Form 18-K for the year ended 31 March 2025, which has been incorporated by reference into the Offering Circular. References herein to Japanese fiscal years ("JFYs") are to 12-month periods commencing in each case on 1 April of the year indicated and ending on 31 March of the following year. References to years not specified as being JFYs are to calendar years.

### *Area and Population*

Japan, an archipelago in the western Pacific, consists of four main islands (Hokkaido, Honshu, Kyushu and Shikoku). The total area of Japan is approximately 146,000 square miles. It is bordered by the Sea of Japan to the west and north, and by the Pacific Ocean to the east and south.

Japan has a total population of approximately 123 million (estimated as of 1 December 2025). It has one of the highest population densities in the world and approximately 24.6% of its people (estimated as of 1 October 2024) are concentrated in three metropolitan areas (Tokyo, Osaka and Nagoya). Japan's rate of population decrease during the years 2020-2024 was 1.9%. Japan's population decreased 0.4% during the 12 months ended 1 October 2024 (estimated as of 1 October 2024).

### *Political Parties*

The following tables set forth the membership by political party of the House of Representatives as of 28 November 2025 and the House of Councillors as of 24 December 2025.

| | House of Representatives |
|---|---|
| Liberal Democratic Party and the Group of Independents | 199 |
| The Constitutional Democratic Party of Japan and the Independent | 148 |
| Nippon Ishin (Japan Innovation Party) | 34 |
| Democratic Party For the People and the Club of Independents | 27 |
| Komeito | 24 |
| REIWA SHINSENGUMI | 9 |
| Japanese Communist Party | 8 |
| Yushi no Kai | 4 |
| SANSEITO | 3 |
| GENZEI HOSHU KODOMO | 3 |
| Independents | 6 |
| Vacancies | 0 |
| Total | 465 |

Source: House of Representatives.

| | House of Councillors |
|---|---|
| Liberal Democratic Party | 100 |
| The Constitutional Democratic Party of Japan and Social Democratic Party and the Independent | 42 |
| Democratic Party For the People and The Shin-Ryokufukai | 25 |
| Komeito | 21 |
| Nippon Ishin (Japan Innovation Party) | 19 |
| SANSEITO | 15 |
| Japanese Communist Party | 7 |
| REIWA SHINSENGUMI | 6 |
| Conservative Party of Japan | 2 |
| Okinawa Whirlwind | 2 |
| Independents | 9 |
| Vacancies | 0 |
| Total | 248 |

Source: House of Councillors.

### *Leadership*

Japan's current Prime Minister is TAKAICHI Sanae, a member of the Liberal Democratic Party of Japan and member of the House of Representatives in the Diet. TAKAICHI Sanae was elected as Japan's 104th Prime Minister on 21 October 2025, succeeding the former Prime Minister ISHIBA Shigeru.

## The Economy

### *General*

According to the Monthly Economic Report published by the Cabinet Office of Japan for December 2025 published on 19 December 2025, the Japanese economy is recovering at a moderate pace, while the effects of U.S. trade policies are being seen mainly in the automotive industry. Regarding the economic outlook, it is expected that improvements in the environment surrounding employment and incomes, as well as the effects of various policies, can support a moderate recovery. However, attention must be given to the potential downside economic risks relating to the impact of U.S. trade policies. In addition, the continued rise in prices and the effects on personal consumption also pose risks that could impact economic conditions in Japan. Furthermore, fluctuations in financial and capital markets also need to be closely monitored.

In addition, the global economy has recently been affected by Russia's large-scale military activity against Ukraine that was initiated in February 2022 and the related economic sanctions imposed on certain Russian entities and persons by many major countries. In particular, financial and commodity markets have experienced significant volatility and energy prices have sharply increased mainly due to concerns regarding disruptions in oil and natural gas supply. Driven in part by increases in energy prices as well as increases in raw materials prices, there has been a significant inflationary trend in consumer prices in many major economies including Japan, and monetary authorities in some major economies have been tightening monetary policy in response to this trend. Depending on how the conflict develops and any additional economic sanctions imposed on Russia, as well as the impact of inflation and monetary policy developments, economic conditions in Japan and globally may be negatively affected for an uncertain period of time.

According to a report on the Outlook for Economic Activity and Prices published by the BOJ in October 2025, the year-on-year rate of increase in the consumer price index (the "CPI") (all items less fresh food) has been at around 3% recently, mainly due to the rise in food prices such as rice prices and other factors. The year-on-year rate of increase in the CPI (all items less fresh food) is expected to decelerate to a level below 2% through the first half of JFY 2026, with the waning of the effects of the rise in food prices, and underlying CPI inflation is likely to be sluggish, mainly affected by the growth rate of the overall economy. Thereafter, under the assumption that a sense of labour shortage will grow as the economic growth rate rises and that medium- to long-term inflation expectations rise, it is expected that underlying CPI inflation and the rate of increase in the CPI (all items less fresh food) will increase gradually and, in the second half of JFY 2026, be at a level that is generally consistent with the BOJ price stability target of 2%. While it is not clear how inflation will affect the Japanese economy, it is possible that inflationary trends may negatively affect private consumption through weak consumer sentiment.

### *Summary of Key Economic Indicators*

The following tables set forth information regarding certain of Japan's key economic indicators for the periods indicated:

| | JFY 2020 | JFY 2021 | JFY 2022 | JFY 2023 | JFY 2024 |
|---|---|---|---|---|---|
| | (yen amounts in billions, except percentages and index) | | | | |
| Percentage Changes of GDP from Previous Year | | | | | |
| At Nominal Prices | (2.9)% | 4.0% | 2.6% | 4.7% | 3.7% |
| At Real Prices[(a)] | (3.8) | 3.9 | 1.4 | (0.0) | 0.5 |
| Total Revenues of Consolidated General and Special Accounts[(b)] | ¥353,277 | ¥322,651 | ¥305,266 | ¥274,337 | ¥290,765 |
| Total Expenditures of Consolidated General and Special Accounts[(b)] | 305,846 | 285,348 | 269,810 | 248,820 | 281,797 |
| Surplus of Consolidated Revenues over Consolidated Expenditures[(b)] | 47,431 | 37,303 | 35,456 | 25,517 | 8,968 |
| Public Debt | 993,542 | 1,037,735 | 1,072,905 | 1,107,223 | 1,137,675 |

(a) Real prices are based on calendar year 2015.
(b) The data for JFY 2024 is the provisional results as of 31 December 2024.
Source: Economic and Social Research Institute; Cabinet Office; and Ministry of Finance.

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| | (yen or dollar amounts in billions, except percentages and index) | | | | |
| Unemployment Rate | 2.8% | 2.8% | 2.6% | 2.6% | 2.5% |

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| | (yen or dollar amounts in billions, except percentages and index) | | | | |
| Consumer Price Index[(a)] | 100.0 | 99.8 | 102.3 | 105.6 | 108.5 |
| Annual Change | 0.0% | (0.2)% | 2.5% | 3.2% | 2.7% |
| Corporate Goods Price Index[(b)] | 100.0 | 104.6 | 114.9 | 119.9 | 122.6 |
| Annual Change | (1.2)% | 4.6% | 9.8% | 4.4% | 2.3% |
| Current Account regarding Balance of Payments | ¥15,992 | ¥21,467 | ¥11,443 | ¥22,278 | ¥28,687 |
| Official Foreign Exchange Reserves | $1,395 | $1,406 | $1,228 | $1,295 | $1,231 |

(a) Calendar year 2020=100.
(b) Calendar year 2020=100. Indices are calculated using the monthly averages.
Source: Ministry of Internal Affairs and Communications "Labor Force Survey"; Consumer Price Index, Statistics Bureau, Ministry of Internal Affairs and Communications; Domestic Corporate Goods Price Index, Bank of Japan; and Ministry of Finance.

### *GDP and National Income*

The following table sets forth information pertaining to Japan's gross domestic product for JFY 2020 through JFY 2024. Nominal GDP increased by 3.7% during JFY 2024, and the annual growth rate of real GDP was 0.5%.

**GDP[(a)]**

| | JFY 2020 | JFY 2021 | JFY 2022 | JFY 2023 | JFY 2024 | Percentage of JFY 2024 GDP |
|---|---|---|---|---|---|---|
| | (yen amounts in billions) | | | | | |
| Total Consumption | | | | | | |
| Private sectors | ¥292,199 | ¥305,142 | ¥323,865 | ¥330,876 | ¥340,364 | 53.0% |
| Public sectors | 113,809 | 119,065 | 122,377 | 123,448 | 129,100 | 20.1 |
| | 406,007 | 424,207 | 446,243 | 454,324 | 469,464 | 73.1 |
| Total Gross Capital Formation | | | | | | |
| Private sectors | | | | | | |
| Producers' Durable Equipment | 96,288 | 102,164 | 110,252 | 114,401 | 119,187 | 18.6 |
| Residential Construction | 22,515 | 24,529 | 25,968 | 26,865 | 27,563 | 4.3 |
| Public sectors | 31,078 | 30,043 | 29,775 | 30,832 | 32,018 | 5.0 |
| | 149,881 | 156,736 | 165,994 | 172,097 | 178,768 | 27.8 |
| Additions to Business Inventories | | | | | | |
| Private sectors | (1,176) | 2,310 | 2,330 | (686) | 56 | 0.0 |
| Public sectors | 38 | (44) | (53) | (291) | (76) | (0.0) |
| | (1,138) | 2,266 | 2,276 | (977) | (20) | 0.0 |
| Net Exports of Goods and Services | (408) | (6,655) | (22,862) | (6,055) | (5,797) | (0.9) |
| Nominal Gross Domestic Expenditures | ¥554,342 | ¥576,554 | ¥591,651 | ¥619,390 | ¥642,415 | 100.0% |
| Real Gross Domestic Expenditures[(b)] | ¥554,311 | ¥576,080 | ¥584,335 | ¥584,049 | ¥586,858 | |
| Surplus of the Nation on Current Account | | | | | | |
| Exports of Goods and Services and Other Receipts from Abroad | 30,253 | 41,348 | 51,415 | 59,243 | 65,764 | |
| Less: Imports of Goods and Services and Other Payments Abroad | 10,463 | 12,357 | 16,606 | 22,887 | 26,036 | |
| | 19,791 | 28,991 | 34,809 | 36,355 | 39,727 | |
| Gross National Income | ¥574,133 | ¥605,545 | ¥626,460 | ¥655,746 | ¥682,142 | |
| Percentage Changes of GDP from Previous Year | | | | | | |
| At Nominal Prices | (2.9)% | 4.0% | 2.6% | 4.7% | 3.7% | |
| At Real Prices[(b)] | (3.8) | 3.9 | 1.4 | (0.0) | 0.5 | |
| Deflator[(c)] | 0.9 | 0.1 | 1.2 | 4.7 | 3.2 | |

(a) GDP financial data are subject to change.
(b) Real prices are based on calendar year 2015.
(c) Deflator is a price index used to convert nominal prices into real prices. Deflator is derived by dividing nominal GDP by real GDP.
Source: Economic and Social Research Institute, Cabinet Office.

The following table sets forth information pertaining to Japan's gross domestic product, as seasonally adjusted, for each of the eight quarters ended 30 September 2025.

**Quarterly GDP[(a)]**

| | 2023 | 2024 | | | | 2025 | | |
|---|---|---|---|---|---|---|---|---|
| | Fourth Quarter | First Quarter | Second Quarter | Third Quarter | Fourth Quarter | First Quarter | Second Quarter | Third Quarter |
| | (yen amounts in billions) | | | | | | | |
| Nominal Gross Domestic Expenditures[(b)] | ¥623,444 | ¥619,028 | ¥631,930 | ¥639,103 | ¥646,356 | ¥651,876 | ¥665,346 | ¥665,010 |
| Real Gross Domestic Expenditures[(b)(c)] | ¥584,165 | ¥581,006 | ¥582,395 | ¥586,251 | ¥588,234 | ¥590,458 | ¥593,597 | ¥590,141 |
| Percentage Changes of GDP from the Previous Quarter | | | | | | | | |
| At Nominal Prices[(d)] | 1.0% | (0.7)% | 2.1% | 1.1% | 1.1% | 0.9% | 2.1% | (0.1)% |
| At Real Prices[(c)(d)] | 0.4 | (0.5) | 0.2 | 0.7 | 0.3 | 0.4 | 0.5 | (0.6) |
| Deflator[(e)] | 0.5 | (0.2) | 1.8 | 0.5 | 0.8 | 0.5 | 1.5 | 0.5 |

(a) Quarterly GDP financial data are subject to change.
(b) Numbers are based on seasonally-adjusted GDP figures.
(c) Real prices are based on calendar year 2015.
(d) Percentage changes are based on seasonally-adjusted GDP figures.
(e) Deflator is a price index used to convert nominal prices into real prices. Deflator is derived by dividing nominal GDP by real GDP.
Source: Economic and Social Research Institute, Cabinet Office.

### *Per Capita GDP*

The following table indicates per capita nominal GDP for the fiscal years set forth below.

| JFY | Per Capita GDP Amount (in thousands of yen) | Year-on-year change (%) |
|---|---|---|
| 2019 | ¥4,510 | 0.3% |
| 2020 | 4,394 | (2.6) |
| 2021 | 4,594 | 4.5 |
| 2022 | 4,736 | 3.1 |
| 2023 | 4,981 | 5.2 |
| 2024 | 5,190 | 4.2 |

Source: Economic and Social Research Institute, Cabinet Office.

### *Industry*

The following table sets forth the proportion of GDP contributed by major industrial sectors of the economy for calendar year 2020 through calendar year 2024.

| | GDP by Industrial Sectors (at nominal prices) | | | | |
|---|---|---|---|---|---|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| Industry: | | | | | |
| Agriculture, forestry and fisheries | 1.0% | 0.9% | 0.8% | 0.8% | 1.0% |
| Mining | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 |
| Manufacturing | 19.8 | 19.7 | 18.8 | 19.5 | 18.8 |
| Electricity, gas and water supply and waste management service | 3.1 | 2.9 | 2.5 | 2.4 | 2.6 |
| Construction | 6.0 | 5.8 | 5.7 | 5.7 | 5.3 |
| Wholesale and retail trade | 12.3 | 12.7 | 12.3 | 11.8 | 12.4 |
| Transport and postal services | 4.6 | 4.3 | 4.7 | 5.1 | 5.2 |
| Accommodation and food service activities | 1.5 | 1.3 | 1.6 | 1.7 | 1.8 |
| Information and communications | 6.1 | 6.0 | 6.4 | 6.3 | 6.2 |
| Finance and insurance | 4.0 | 3.9 | 4.2 | 4.3 | 4.4 |
| Real estate | 12.7 | 12.8 | 12.8 | 12.7 | 12.7 |
| Professional, scientific and technical activities | 8.3 | 9.0 | 9.4 | 9.2 | 9.2 |
| Public administration | 5.0 | 4.9 | 4.9 | 4.8 | 4.8 |
| Education | 3.8 | 3.8 | 3.7 | 3.6 | 3.6 |
| Human health and social work activities | 7.3 | 7.1 | 6.9 | 6.8 | 6.8 |
| Other service activities | 4.1 | 4.2 | 4.4 | 4.5 | 4.4 |
| Total | 99.8% | 99.5% | 99.2% | 99.3% | 99.2% |

Source: Economic and Social Research Institute, Cabinet Office.

### *Energy*

Japan has historically depended on oil for most of its energy requirements and almost all its oil is imported, mostly from the Middle East. Oil price movements thus have a major impact on the domestic economy. Although the oil price significantly declined soon after the outbreak of COVID-19 in 2020, below ¥20,000 per kilo-litre in May 2020, it has steadily increased since then, as the world economy has gradually recovered from the impact of COVID-19. Although the oil price has remained high since 2022 in part due to the conflict between Russia and Ukraine and the resulting disruption in the oil supply, recently the price has been highly volatile, marking ¥68,595 per kilo-litre in November 2025.

### *Labour*

The number of employees increased from 2004 to 2007 and decreased from 2008 to 2012. After recovering in 2013, the number of employees increased from 2014 to 2019, followed by a decrease in 2020, the first in eight years. Then it recovered and increased for four consecutive years from 2021 to 2024. In 2023, the average employment was estimated at 67.5 million, of which 22.8% were employed in mining, manufacturing and construction, 2.9% were employed in agriculture, forestry and fisheries, and 74.2% were employed in services and other sectors. In 2024, the average employment was estimated at 67.8 million, of which 22.5% were employed in mining, manufacturing and construction, 2.8% were employed in agriculture, forestry and fisheries, and 74.7% were employed in services and other sectors. The unemployment rate (seasonally adjusted) in Japan gradually increased from 2008 to the middle of 2009, but has gradually decreased since the end of 2009. The unemployment rate increased in 2020 for the first time in eleven years, decreased in 2022 for the first time in three years, maintained the same rate in 2023 and then slightly decreased in 2024. It ranged between 2.4% and 2.6% during 2024. The seasonally adjusted unemployment rate was 2.3% for July, 2.6% for August, 2.6% for September, 2.6% for October and 2.6% for November in 2025, the most recent five months for which statistics are available. Concerning short-term prospects, employment conditions in Japan are expected to continue to improve as the implementation of various policies brought positive effects to the entire economy while the level of labour shortage is high. However, both the duration and extent of the impact on employment in Japan remain highly uncertain.

**Foreign Exchange Rates**

In recent months, the exchange rate for the U.S. dollar against the yen has sharply increased. As of 24 December 2025, the spot rate quoted on the Tokyo foreign exchange market as reported by the BOJ at 5:00 p.m., Tokyo time, was ¥155.82-84= $1.00, and the noon buying rate on 19 December 2025 for cable transfers in New York City payable in yen, as reported by the Federal Reserve Bank of New York, was ¥157.4300 = $1.00.

No foreign exchange intervention operations by the Ministry of Finance were made in calendar year 2025 (through 24 December 2025). As of 30 November 2025, Japan's reserve assets totalled $1,359,358 million.

**Financial System**

***The BOJ and Monetary Policy***

The BOJ, with 55% of its capital owned by the government, is the central bank and sole issuing bank, as well as the depository and fiscal agent for the government. As of the end of September 2025, the BOJ had total assets of ¥695,782 billion.

In a statement released on 31 July 2025, the BOJ announced that it would continue to conduct market operations to encourage the uncollateralized overnight call rate to remain at around 0.5% for the interim period until the next Monetary Policy Meeting of the BOJ and that it would sell exchange-traded funds (ETFs) and Japan real estate investment trusts (J-REITs) held by it in the market in accordance with certain fundamental principles, including the principle of avoiding inducing destabilizing effects on the financial markets. In statements released on 19 September 2025 and 30 October 2025, the BOJ announced that it would continue to conduct market operations to encourage the uncollateralized overnight call rate to remain at around 0.5%. On 19 December 2025, the BOJ announced that it would encourage the uncollateralized overnight call rate to remain at around 0.75%.

***Private Financial Institutions***

According to the Financial Services Agency, as of 27 May 2025, the private banking system included four city banks, 13 trust banks, and 18 other banks, as well as 61 1st local banks as of 10 February 2025, 36 2nd local banks as of 1 January 2025 and the Saitama Resona Bank, which is categorized as neither a 1st nor 2nd local bank. In addition, 56 foreign banks had branches in Japan as of 6 November 2025.

There are also credit associations, credit cooperative associations, labor credit associations and the national federations of each of such associations, which are engaged mainly in making small business loans. Agricultural cooperatives, prefectural credit federations of such cooperatives and The Norinchukin Bank operate in the field of agricultural credit.

**Government Finance**

***Revenues, Expenditures and Budgets***

The fiscal and financial operations of the government and its agencies are budgeted and recorded in the following three sets of accounts:

- *General Account*. The general account is used primarily to record operations in basic areas of governmental activity.

- *Special Accounts*. The accounts of the central government consist of the general account and special accounts. Special accounts can be set up to carry out specific projects, to manage specific funds, and for other purposes. Special accounts can be set up when the government (i) implements a specific program such as insurance and public works, (ii) possesses and manages special funds such as Fiscal Loan Program Funds and Foreign Exchange Funds, and (iii) uses a certain revenue to secure a special expenditure and thus needs to deal with such revenue and expenditure on a separate basis from the general revenue and expenditure such as Local Allocation and Local Transfer Tax and Government Bonds Consolidation Funds. As of September 2025, the government had 14 special accounts for JFY 2026.

- *Government-Affiliated Agencies*. The government-affiliated agencies are fully-government-funded corporations established by law. Budgets of government-affiliated agencies are subject to resolution by the Diet.

On 26 December 2025, the Japanese government proposed a budget for JFY 2026 that included a total of over ¥122 trillion in budgeted expenditures. The budget for JFY 2026 is currently under deliberation in the Diet. In addition, a supplementary budget for JFY 2025 that included a total of over ¥18.3 trillion in budgeted expenditures was approved by the Diet on 16 December 2025.

## CAPITALISATION AND INDEBTEDNESS

The following table, which supplements the consolidated capitalisation and indebtedness of the Group (which term when used in this Supplementary Offering Circular means DBJ and its consolidated subsidiaries taken as a whole) set out in the Offering Circular, shows the consolidated capitalisation and indebtedness of the Group as of 30 September 2025, which has been extracted without material adjustment from the Unaudited Interim Financial Information:

| | As of 30 September 2025 |
|---|---|
| | (millions of yen) |
| Borrowings: | |
| Debentures(1) | ¥2,969,247 |
| Borrowed money | 9,387,023 |
| Corporate bonds(2)(3) | 3,649,344 |
| Total borrowings(4)(6) | 16,005,615 |
| Equity: | |
| Common stock: | |
| Authorised — 160,000,000 shares | |
| Issued and outstanding(5) — 43,632,360 shares | 1,000,424 |
| Crisis response reserve | 206,529 |
| Special investment reserve | 1,724,573 |
| Special investment surplus | 71,205 |
| Capital surplus | 196,063 |
| Retained earnings | 1,007,124 |
| Unrealised gain on available-for-sale securities | 38,757 |
| Deferred gain on derivatives under hedge accounting | 4,058 |
| Foreign currency translation adjustments | 5,871 |
| Accumulated adjustments for retirement benefits | 908 |
| Non-controlling Interests | 15,339 |
| Total equity(6) | 4,270,854 |
| Total borrowings and equity(6) | ¥20,276,470 |

Notes:

(1) "Debentures" means all bonds and notes which were issued previously by Development Bank of Japan (the predecessor of DBJ) and government-guaranteed bonds which were issued by DBJ after 1 October 2008.

(2) "Corporate Bonds" means non-guaranteed bonds and notes which were issued by DBJ after 1 October 2008.

(3) DBJ has issued an aggregate principal amount of ¥80 billion of non-guaranteed bonds and notes (excluding short-term bonds and notes) since 30 September 2025, which are not reflected above.

(4) Includes current maturities.

(5) All of the issued and outstanding shares are shares of common stock (with full voting rights), fully paid and non-assessable.

(6) Other than as described above, there has been no material change in DBJ's capitalisation and indebtedness since 30 September 2025.

## SELECTED HISTORICAL FINANCIAL INFORMATION

The following tables, which supplement the selected historical financial information of DBJ set out in the Offering Circular, show selected financial information of DBJ as of the indicated date and for each of the indicated periods. The selected semi-annual consolidated financial information as of 30 September 2025 and for the six months ended 30 September 2024 and 2025 is derived from the Unaudited Interim Financial Information, prepared on a basis consistent with Japanese GAAP, but excluding the accompanying notes. This information is qualified in its entirety by, and should be read in conjunction with, the more detailed information included in the Unaudited Interim Financial Information.

The following table sets out selected historical consolidated financial information of DBJ for the periods indicated, prepared in accordance with Japanese GAAP:

| | Six Months Ended 30 September | |
|---|---|---|
| | 2024 | 2025 |
| | (in millions of yen) | |
| **Statement of Income Data:** | | |
| Total income | ¥211,214 | ¥274,922 |
| Interest income | 134,324 | 158,755 |
| Fees and commissions | 12,965 | 11,558 |
| Other operating income | 4,400 | 114 |
| Other income | 59,523 | 104,493 |
| Total expenses | 139,498 | 140,691 |
| Interest expense | 74,051 | 69,987 |
| Fees and commissions | 321 | 851 |
| Other operating expenses | 3,416 | 4,113 |
| General and administrative expenses | 34,453 | 36,752 |
| Other expenses | 27,254 | 28,985 |
| Income before income taxes | 71,716 | 134,230 |
| Net income attributable to owners of the parent | 50,961 | 93,972 |
| Total comprehensive income | 50,645 | 73,147 |

The following table sets out a summary of the consolidated balance sheet information of DBJ as of 30 September 2025, prepared in accordance with Japanese GAAP:

| | As of 30 September 2025 |
|---|---|
| | (in millions of yen) |
| **Balance Sheet Data:** | |
| Securities | ¥3,468,709 |
| Loans | 14,581,945 |
| Total assets | 21,263,266 |
| Debentures | 2,969,247 |
| Borrowed money | 9,387,023 |
| Corporate bonds | 3,649,344 |
| Total liabilities | 16,992,411 |
| Total equity | 4,270,854 |

## OPERATING AND FINANCIAL REVIEW

*The following operating and financial review is based on information contained in the Unaudited Interim Financial Information, and is intended to convey management's perspective on the operating performance and financial condition of DBJ during the periods under review, as measured in accordance with Japanese GAAP. This disclosure is intended to assist readers in understanding and interpreting the financial statements of DBJ incorporated by reference in the Offering Circular. The discussion should be read in conjunction with the "Selected Historical Financial Information" and the Unaudited Interim Financial Information, which is incorporated by reference in the Offering Circular. The following supplements the operating and financial review as of and for the years ended 31 March 2024 and 2025 contained in the Offering Circular. Unless otherwise indicated, all financial information included in this section is presented on a consolidated basis.*

*This discussion and analysis contains forward-looking statements that involve risks and uncertainties. DBJ's actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed below and elsewhere in the Offering Circular, particularly under the headings "Risk Factors" and "Forward-looking Statements".*

### Overview

DBJ is a governmental finance institution wholly owned by the Japanese Government. Under the DBJ Act, the activities of DBJ include providing loans and guarantees to, and making equity investments in, projects and entities in need of long term business funds. Consistent with the DBJ Act, DBJ considers whether or not to provide long-term financing and related services to a qualified project or entity in need of long term business funds based on relevant criteria, including the financial viability of such project or entity.

DBJ raises funds mainly by borrowing from the Japanese Government and private financial institutions, and also issuing both Japanese-Government guaranteed bonds and non-guaranteed bonds. DBJ has also raised funds by borrowing from JFC in relation to its Crisis Response Operations.

DBJ had total loans of ¥14,581.9 billion and securities of ¥3,468.7 billion as of 30 September 2025, which comprised 68.6% and 16.3% of its total assets as of that date. DBJ's net interest income was ¥88,767 million for the six months ended 30 September 2025. Net income attributable to owners of the parent was ¥93,972 million for the six months ended 30 September 2025.

DBJ operates primarily in Japan. As of 30 September 2025, DBJ had 19 domestic offices (including its head office and representative offices), and an overseas presence consisting of four subsidiaries (New York, London, Singapore and Beijing). Through its subsidiaries, DBJ provides regional support to Japanese firms in their overseas business development efforts.

As of 30 September 2025, DBJ had 42 consolidated subsidiaries, 63 non-consolidated subsidiaries and 153 affiliated companies.

### Results of Operations

The table below sets forth DBJ's results of operations for the six months ended 30 September 2024 and 2025.

| | Six Months Ended 30 September | |
|---|---|---|
| | **2024** | **2025** |
| | (in millions of yen) | |
| Interest income: | ¥134,324 | ¥158,755 |
| Fees and commissions | 12,965 | 11,558 |
| Other operating income | 4,400 | 114 |
| Other income | 59,523 | 104,493 |
| **Total income** | 211,214 | 274,922 |
| Interest expenses: | 74,051 | 69,987 |
| Fees and commissions | 321 | 851 |
| Other operating expenses | 3,416 | 4,113 |
| General and administrative expenses | 34,453 | 36,752 |
| Other expenses | 27,254 | 28,985 |
| **Total expenses** | 139,498 | 140,691 |
| **Income before income taxes** | 71,716 | 134,230 |

| | Six Months Ended 30 September | |
|---|---|---|
| | 2024 | 2025 |
| | (in millions of yen) | |
| Total income taxes | 20,251 | 39,824 |
| Net income | 51,464 | 94,405 |
| Net income attributable to non-controlling interests | ¥502 | ¥433 |
| Net income attributable to owners of the parent | ¥50,961 | ¥93,972 |

***Net Interest Income***

*Six Months Ended 30 September 2024 Compared to Six Months Ended 30 September 2025*

*Interest Income*

DBJ's total interest income increased by ¥24,431 million, or 18.2%, from ¥134,324 million for the six months ended 30 September 2024 to ¥158,755 million for the six months ended 30 September 2025. This increase was primarily due to an increase in the average interest rate earned on loans and securities.

*Interest Expenses*

DBJ's total interest expenses decreased by ¥4,064 million, or 5.5%, from ¥74,051 million for the six months ended 30 September 2024 to ¥69,987 million for the six months ended 30 September 2025. This decrease was primarily due to a decrease in the average interest rate paid on debentures and corporate bonds.

*Net Interest Income*

As a result of the foregoing, net interest income increased by ¥28,495 million, or 47.3%, from ¥60,272 million for the six months ended 30 September 2024 to ¥88,767 million for the six months ended 30 September 2025.

***Interest Income and Average Interest-earning Assets***

The following tables show the average balances of DBJ's interest-bearing balance sheet items, related interest income and average interest rates for the periods indicated.

| | For the six months ended 30 September | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2025 | | |
| | Average balance(1) | Interest income | Average rate(2) | Average balance(1) | Interest income | Average rate(2) |
| | (in millions of yen/per cent.) | | | | | |
| **Interest-earning assets:** | | | | | | |
| Domestic offices | ¥17,989,461 | ¥131,361 | 1.46% | ¥18,338,377 | ¥155,928 | 1.70% |
| Foreign offices | 163,086 | 2,962 | 3.63% | 141,452 | 2,826 | 4.00% |
| Total(3) | ¥18,152,547 | ¥134,324 | 1.48% | ¥18,479,829 | ¥158,755 | 1.72% |
| Of which, | | | | | | |
| Loans:(4) | | | | | | |
| Domestic offices | ¥14,609,835 | ¥98,169 | 1.34% | ¥14,574,579 | ¥108,101 | 1.48% |
| Foreign offices | 35,366 | 799 | 4.52% | 25,318 | 387 | 3.06% |
| Total | ¥14,645,202 | ¥98,968 | 1.35% | ¥14,599,897 | ¥108,488 | 1.49% |
| Securities: | | | | | | |
| Domestic offices | ¥2,631,499 | ¥29,796 | 2.26% | ¥2,653,654 | ¥42,824 | 3.23% |
| Foreign offices | 126,789 | 2,149 | 3.39% | 114,929 | 2,428 | 4.23% |
| Total | ¥2,758,289 | ¥31,946 | 2.32% | ¥2,768,583 | ¥45,253 | 3.27% |
| Call loans and bills bought: | | | | | | |
| Domestic offices | ¥607,486 | ¥520 | 0.17% | ¥779,480 | ¥2,119 | 0.54% |
| Foreign offices | — | — | —% | — | — | —% |
| Total | ¥607,486 | ¥520 | 0.17% | ¥779,480 | ¥2,119 | 0.54% |
| Receivables under resale agreements: | | | | | | |
| Domestic offices | ¥74,376 | ¥54 | 0.15% | ¥247,642 | ¥588 | 0.48% |
| Foreign offices | — | — | —% | — | — | —% |
| Total | ¥74,376 | ¥54 | 0.15% | ¥247,642 | ¥588 | 0.48% |
| Due from banks: | | | | | | |
| Domestic offices | ¥66,263 | ¥150 | 0.45% | ¥83,020 | ¥168 | 0.41% |
| Foreign offices | 929 | 14 | 3.07% | 1,204 | 10 | 1.71% |
| Total | ¥67,193 | ¥164 | 0.49% | ¥84,224 | ¥178 | 0.43% |

Notes:
(1) Average balances are generally based on a daily average, except for domestic consolidated subsidiaries and foreign consolidated subsidiaries, for which amounts are based on the average of period-start and period-end balances.
(2) Calculated as interest income divided by average balance for the relevant item.
(3) Interest income from swaps is excluded from the disaggregation of interest-earning assets in this table. Hence, the total of interest-earning assets does not equal the sum of the individual items below.
(4) Loan balances exclude impaired loans but are not net of allowances for loan losses.

### *Interest Expenses and Average Interest-bearing Liabilities*

The following tables show the composition of DBJ's funding (interest-bearing liabilities) by average balances, related interest expense and average interest rates for the periods indicated.

| | For the six months ended 30 September | | | | | |
|---|---|---|---|---|---|---|
| | 2024 | | | 2025 | | |
| | Average balance(1) | Interest expense | Average rate(2) | Average balance(1) | Interest expense | Average rate(2) |
| | (in millions of yen/per cent.) | | | | | |
| **Interest-bearing liabilities:** | | | | | | |
| Domestic offices | ¥16,267,888 | ¥74,042 | 0.91% | ¥16,087,249 | ¥69,973 | 0.87% |
| Foreign offices | 360 | 9 | 5.36% | 562 | 14 | 5.18% |
| Total(3) | ¥16,268,248 | ¥74,051 | 0.91% | ¥16,087,812 | ¥69,987 | 0.87% |
| Of which, | | | | | | |
| Debentures: | | | | | | |
| Domestic offices | ¥2,961,185 | ¥44,232 | 2.99% | ¥2,963,655 | ¥37,012 | 2.50% |
| Foreign offices | — | — | —% | — | — | —% |
| Total | ¥2,961,185 | ¥44,232 | 2.99% | ¥2,963,655 | ¥37,012 | 2.50% |
| Call money and bills sold: | | | | | | |
| Domestic offices | — | — | —% | 546 | 1 | 0.53% |
| Foreign offices | — | — | —% | — | — | —% |
| Total | ¥— | ¥— | —% | 546 | 1 | 0.53% |
| Payables under repurchase agreements: | | | | | | |
| Domestic offices | ¥— | ¥— | —% | 1,073 | 2 | 0.49% |
| Foreign offices | — | — | —% | — | — | —% |
| Total | ¥— | ¥— | —% | 1,073 | 2 | 0.49% |
| Borrowed money: | | | | | | |
| Domestic office | ¥9,729,942 | ¥9,801 | 0.20% | ¥9,557,683 | ¥16,361 | 0.34% |
| Foreign offices | 0 | — | —% | — | — | —% |
| Total | ¥9,729,942 | ¥9,801 | 0.20% | ¥9,557,683 | ¥16,361 | 0.34% |
| Short-term corporate bonds: | | | | | | |
| Domestic offices | — | — | —% | — | — | —% |
| Foreign offices | — | — | —% | — | — | —% |
| Total | — | — | —% | — | — | —% |
| Corporate bonds: | | | | | | |
| Domestic offices | ¥3,576,554 | ¥19,808 | 1.11% | ¥3,564,055 | ¥16,090 | 0.90% |
| Foreign offices | — | — | —% | — | — | —% |
| Total | ¥3,576,554 | ¥19,808 | 1.11% | ¥3,564,055 | ¥16,090 | 0.90% |

Notes:
(1) Average balances are generally based on a daily average, except for domestic consolidated subsidiaries and foreign consolidated subsidiaries, for which amounts are based on the average of period-start and period-end balances.
(2) Calculated as interest expense divided by average balance for the relevant item.
(3) Interest expense from swaps is excluded from the disaggregation of interest-bearing assets in this table. Hence, the total of interest-bearing expenses does not equal the sum of the individual items below.

### *Net Interest Margin*

The table below sets forth DBJ's net interest margin on loans (the difference between average rate on loans and the average rate on external liabilities) for the periods indicated, on a non-consolidated basis.

| | For the six months ended 30 September | |
|---|---|---|
| | 2024 | 2025 |
| | (per cent.) | |
| Average rate on loans(1) | 1.35% | 1.48% |
| Average rate on external liabilities(1)(2) | 0.92 | 0.88 |
| Net interest margin | 0.46 | 0.74 |

Notes:
(1) Calculated as interest income (for loans) or interest expense (for external liabilities) divided by respective average balances over the period. Average balances are based on a daily average.

(2) External liabilities includes debentures, call money sold, borrowed money, short-term corporate bonds and corporate bonds.

***Net Fees and Commissions***

*Six Months Ended 30 September 2024 Compared to Six Months Ended 30 September 2025*

DBJ's net fees and commissions decreased by ¥1,936 million, or 15.3%, from ¥12,643 million for the six months ended 30 September 2024 to ¥10,707 million for the six months ended 30 September 2025. This decrease was primarily due to a decrease in net fees and commissions related to DBJ's investment and financing business and other factors.

***General & Administrative Expenses***

*Six Months Ended 30 September 2024 Compared to Six Months Ended 30 September 2025*

DBJ's general and administrative expenses increased by ¥2,299 million, or 6.7%, from ¥34,453 million in the six months ended 30 September 2024 to ¥36,752 million in the six months ended 30 September 2025. This increase was primarily due to an increase in personnel costs and other factors.

***Other Income (Expenses)***

The following table sets forth DBJ's other income and other expenses for the periods shown:

| | Six months ended 30 September | |
|---|---|---|
| | **2024** | **2025** |
| | **(in millions of yen)** | |
| **Other income:** | | |
| Gains on sales of equities and other securities | ¥436 | ¥14,146 |
| Reversal of allowance for loan losses | 3,641 | — |
| Equity in earnings of affiliates | 4,191 | 2,648 |
| Gains on investments in limited partnerships and other similar partnerships | 28,874 | 29,673 |
| Rental income on land and buildings | 9,563 | 8,922 |
| Sales of electric power | 5,274 | 4,949 |
| Gains on redemption of securities | 2,507 | 30,211 |
| Income related to profit-sharing rights | 1,675 | 3,766 |
| Gains on sales of fixed assets | 70 | 5,303 |
| Other | 3,288 | 4,870 |
| Total | ¥59,523 | ¥104,493 |
| **Other expenses:** | | |
| Provision of allowance for loan losses | — | 2,006 |
| Write-off of equities | 3,153 | 2,204 |
| Losses on investments in limited partnerships and other similar partnerships | 9,260 | 12,310 |
| Depreciation | 4,570 | 3,806 |
| Write-off of loans | 1,513 | — |
| Losses on impairment of long-lived assets | 1,076 | 34 |
| Other | 7,679 | 8,623 |
| Total | 27,254 | 28,985 |
| Net other income | ¥32,269 | ¥75,508 |

*Six Months Ended 30 September 2024 Compared to Six Months Ended 30 September 2025*

DBJ's net other income increased by ¥43,239 million, or 134.0%, from ¥32,269 million in the six months ended 30 September 2024 to ¥75,508 million in the six months ended 30 September 2025. This increase was primarily due to gains on redemption of securities and gains on sales of equities and other securities recorded in the six months ended September 30, 2025.

***Income before Income Taxes***

*Six Months Ended 30 September 2024 Compared to Six Months Ended 30 September 2025*

DBJ's income before income taxes increased by ¥62,514 million, or 87.2%, from ¥71,716 million in the six months ended 30 September 2024 to ¥134,230 million in the six months ended 30 September 2025.

### *Income Taxes*

The following table sets forth information about income taxes for the periods shown:

| | For the six months ended 30 September | |
|---|---|---|
| | 2024 | 2025 |
| | (in millions of yen) | |
| Income taxes: | | |
| Current | ¥23,997 | ¥35,339 |
| Deferred | (3,745) | 4,485 |
| Total | ¥20,251 | ¥39,824 |
| Actual effective tax rate | / | / |

### *Net Income Attributable to Owners of the Parent*

*Six Months Ended 30 September 2024 Compared to Six Months Ended 30 September 2025*

As a result of the foregoing, DBJ's net income attributable to owners of parent increased by ¥43,010 million, or 84.4%, from ¥50,961 million in the six months ended 30 September 2024 to ¥93,972 million in the six months ended 30 September 2025.

## Financial Condition

### *Assets*

| | As of 30 September 2025 |
|---|---|
| | (in millions of yen) |
| Cash and due from banks | ¥1,149,952 |
| Call loans and bills bought | 785,000 |
| Receivables under resale agreements | 49,946 |
| Money held in trust | 23,660 |
| Securities | 3,468,709 |
| Loans | 14,581,945 |
| Other assets | 184,527 |
| Tangible fixed assets | 455,036 |
| Intangible fixed assets | 26,962 |
| Asset for retirement benefits | 11,685 |
| Deferred tax assets | 1,708 |
| Customers' liabilities for acceptances and guarantees | 605,822 |
| Allowance for loan losses | (81,690) |
| Allowance for investment losses | (0) |
| Total assets | ¥21,263,266 |

Total assets decreased by ¥286,063 million, or 1.3%, from ¥21,549,329 million at 31 March 2025 to ¥21,263,266 million at 30 September 2025. The decrease was mainly due to decreases in cash and due from banks due to an increase in call loans, decreases in securities due to the redemption of shares and decreases in loans due to progress on collections.

### *Loans*

The following table sets forth the total amounts of outstanding loans made by DBJ by industry of the borrowers as of 30 September 2025:

| | As of 30 September 2025 |
|---|---|
| | (in millions of yen) |
| **Domestic offices(2)(excluding Japan offshore banking accounts)** | |
| Manufacturing | ¥2,874,357 |
| Agriculture and forestry | 249 |
| Fisheries | 2,800 |
| Mining and quarrying of stone and gravel | 155,418 |
| Construction | 56,569 |
| Electricity, gas, heat supply and water | 3,000,527 |
| Information and communications | 247,178 |
| Transport and postal activities | 2,950,514 |
| Wholesale and retail trade | 967,479 |
| Finance and insurance | 675,401 |
| Real estate and goods rental and leasing | 3,316,782 |
| Services | 298,810 |
| Local public bodies | 9,657 |
| Others | 11 |
| Subtotal (domestic offices) | ¥14,555,759 |
| **Overseas offices(3) and offshore banking accounts** | |
| Governments | — |
| Financial institutions | — |
| Others | 26,185 |
| Subtotal (overseas offices) | ¥26,185 |
| Total | ¥14,581,945 |

Notes:

(1) Classification of loans by industry is based on the "Japan Standard Industrial Classification" defined by the Ministry of Internal Affairs and Communications applicable as of the relevant dates.

(2) "Domestic offices" means DBJ and its domestic consolidated subsidiaries.

(3) "Overseas offices" means DBJ's overseas consolidated subsidiaries. Note: DBJ has no overseas branch.

*Allowance for Loan Losses*

DBJ makes allowances for loan losses on the following bases:

- The allowance for claims on borrowers who are legally bankrupt, in special liquidation or substantially bankrupt is provided for based on the amount of claims, after write-off, net of amounts expected to be collected through disposal of collateral or execution of guarantees.

- The allowance for claims on borrowers who are not legally bankrupt at the moment, but likely to become bankrupt for which future cash flows cannot reasonably be estimated is provided for the amount considered to be necessary based on an overall solvency assessment performed on the claims, net of amounts expected to be collected through disposal of collateral or execution of guarantees.

- With respect to the claims on borrowers who are likely to become bankrupt or to be closely monitored, and for which future cash flows can reasonably be estimated, the allowance is provided for as the difference between the present value of expected future cash flows discounted at the contracted interest rate and the carrying value of the claims.

- The allowance for claims on borrowers other than those described above is provided for based on the historical default rate, which is calculated based on the actual defaults over a certain historical period (the average financing period for DBJ).

All claims are assessed initially by the investment and lending departments and then by the Credit Analysis Department, which is independent from the investment and lending departments, based on internal policies for self-assessment of credit quality. The allowance is provided based on the results of the self-assessment.

As of 30 September 2025, DBJ's allowance for loan losses totalled ¥81,690 million.

*Credit Related Costs (Gains)*

The following table sets forth certain information of DBJ's credit related costs. The amounts listed in the table below reflect the amounts in DBJ's consolidated financial statements prepared pursuant to Japanese GAAP:

| | **For the six months ended 30 September 2025** |
|---|---|
| | **(in 100 millions of yen)** |
| Amount transferred to (from) the general allowance for loan losses | ¥162 |
| Amount transferred to (from) the specific allowance for loan losses | (142) |
| Subtotal | 20 |
| Write-off of loans | — |
| Losses (gain) from disposals of loans | (0) |
| Amount transferred to (from) the allowance for contingent losses | — |
| Repayment of loans written off | (4) |
| Total sum of credit related costs (gains) | ¥15 |

*Non-performing Loans*

In cases where borrowers are unable to meet payments on their loans, DBJ may revise the terms of repayment in cooperation with other lenders.

DBJ has introduced self-assessment standards ("*jiko satei kijun*") to assess the credit quality of its assets in accordance with the Financial Inspection Manual of the FSA (now repealed) and discloses its non-performing loans calculated under the Banking Act and the Financial Revitalisation Act, although DBJ is not subject to either law. For example, where loans to legally bankrupt or substantially bankrupt borrowers are covered by collateral or guarantees, the loan amount is directly reduced by deducting the amount of the loan that is not deemed to be covered by the assessed value of the collateral and/or the amounts deemed to be recoverable through guarantees, from the amount of the loan.

DBJ assesses its loans in accordance with disclosure requirements which are based, in all material respects, on those set forth in the Banking Act and the Financial Revitalisation Act, respectively. DBJ discloses its non-performing loans and certain other claims calculated under the Banking Act and the Financial Revitalisation Act on a combined basis, in accordance with the presentation set forth under the Cabinet Office Order Partially Amending the Regulation for Enforcement of the Banking Act, etc., dated 24 January 2020, which came into effect on 31 March 2022.

The table below presents DBJ's non-performing claims as of 30 September 2025, which have been revised to reflect the combined presentation method under the partial amendment to the Banking Act in effect from 31 March 2022. Amounts are based on DBJ's consolidated financial statements prepared pursuant to Japanese GAAP.

| | **As of 30 September 2025** |
|---|---|
| | **(in millions of yen)** |
| Claims under bankruptcy/rehabilitation or similar proceedings(2) | ¥4,337 |
| Doubtful claims(3) | 42,965 |
| Loans past due three months or more(4) | 1,815 |
| Restructured loans(5) | 31,642 |
| Total non-performing claims | ¥80,760 |

Notes:

(1) The amounts of claims indicated above are stated as gross amounts, before reduction of allowance for loan losses. Claims are defined as corporate bonds included in "securities" in the consolidated balance sheet (of which the whole or part of the redemption of the principal and payment of interest are guaranteed and limited to the corporate bonds issued through private placement of the securities (defined in Article 2, Paragraph 3 of the Financial Instruments and Exchange Act)), loans, other assets and customers' liabilities for acceptances and guarantees.

(2) Claims to debtors under bankruptcy or similar proceedings due to reasons such as commencement of bankruptcy proceedings, commencement of rehabilitation proceedings, and petition for commencement of rehabilitation proceedings.

(3) Claims for which it is highly probable that the principal and interest cannot be collected and received according to the contract due to the deteriorated financial positions and operating performances of the debtors, although they have not yet gone bankrupt, excluding claims under bankruptcy/rehabilitation or similar proceedings.

(4) Loans whose principal or interest payment is three months or more past due from the contract due date, and which do not fall under the category of claims under bankruptcy/rehabilitation or similar proceedings nor doubtful claims.
(5) Loans whose repayment terms have been modified to the advantage of debtors through means such as a reduction or exemption of interest rates, postponement of principal and interest payments, and forgiveness of loans to support or restructure the debtors' businesses, and which do not fall under any of the above categories.

The ratio of DBJ's non-performing loans, as classified under the Banking Act, to consolidated total loans outstanding was 0.53 per cent. as of 30 September 2025.

The following table breaks down DBJ's outstanding non-performing loans by industry calculated and disclosed under the Banking Act. The amounts listed in the table below reflect the amounts in DBJ's consolidated financial statements prepared pursuant to Japanese GAAP.

| | **As of 30 September 2025** |
|---|---|
| | **(in 100 millions of yen)** |
| Manufacturing | ¥253 |
| Agriculture and forestry | — |
| Fisheries | 28 |
| Mining and quarrying of stone and gravel | — |
| Construction | — |
| Electricity, gas, heat supply and water | 14 |
| Information and communications | — |
| Transport and postal activities | 17 |
| Wholesale and retail trade | 112 |
| Finance and insurance | — |
| Real estate and goods rental and leasing | 213 |
| Services | 167 |
| Local public bodies | — |
| Others | — |
| Total | ¥807 |

Note:
(1) Classification of non-performing loans by industry is based on the "Japan Standard Industrial Classification" defined by the Ministry of Internal Affairs and Communications applicable as of the relevant dates.

***Securities***

The following tables show the book value (carrying amount) and fair value of, and the unrealised gain or loss on (difference), DBJ's investment securities portfolio as of 30 September 2025.

*Securities classified as held to maturity*

| | **As of 30 September 2025** | | |
|---|---|---|---|
| | **Carrying amount** | **Fair value** | **Difference** |
| | **(in millions of yen)** | | |
| **Held-to-maturity debt securities:** | | | |
| Fair value exceeds carrying amount: | | | |
| Japanese government bonds | ¥20,018 | ¥20,510 | ¥491 |
| Japanese local government bonds | — | — | — |
| Short-term corporate bonds | — | — | — |
| Corporate bonds | 97,600 | 98,398 | 798 |
| Other | 65,949 | 69,779 | 3,830 |
| Sub-total | 183,568 | 188,688 | 5,120 |
| Fair value does not exceed carrying amount: | | | |
| Japanese government bonds | 40,125 | 37,935 | (2,190) |
| Japanese local government bonds | — | — | — |
| Short-term corporate bonds | — | — | — |
| Corporate bonds | 107,910 | 106,731 | (1,179) |
| Other | 19,677 | 18,874 | (802) |
| Sub-total | 167,712 | 163,541 | (4,171) |
| Total | ¥351,280 | ¥352,229 | ¥948 |

*Securities classified as available-for-sale*

| | As of 30 September 2025 | | |
|---|---|---|---|
| | Carrying amount (fair value) | Acquisition cost | Difference |
| | (in millions of yen) | | |
| **Available-for-sale securities:** | | | |
| Carrying amount exceeds acquisition cost: | | | |
| Equities | ¥89,495 | ¥23,834 | ¥65,661 |
| Bonds | 68,397 | 66,530 | 1,867 |
| Japanese government bonds | — | — | — |
| Japanese local government bonds | — | — | — |
| Short-term corporate bonds | — | — | — |
| Corporate bonds | 68,397 | 66,530 | 1,867 |
| Other | 257,433 | 210,551 | 46,881 |
| Sub-total | 415,326 | 300,916 | 114,410 |
| Carrying amount does not exceed acquisition cost: | | | |
| Equities | 15,401 | 17,042 | (1,641) |
| Bonds | 1,236,009 | 1,286,844 | (50,835) |
| Japanese government bonds | 617,352 | 649,001 | (31,649) |
| Japanese local government bonds | 22,409 | 23,700 | (1,290) |
| Short-term corporate bonds | — | — | — |
| Corporate bonds | 596,248 | 614,143 | (17,895) |
| Other | 63,339 | 67,763 | (4,423) |
| Sub-total | 1,314,750 | 1,371,650 | (56,900) |
| Total | ¥1,730,076 | ¥1,672,567 | ¥57,509 |

***Liabilities***

| | As of 30 September 2025 |
|---|---|
| | (in millions of yen) |
| Debentures | ¥2,969,247 |
| Borrowed money | 9,387,023 |
| Corporate bonds | 3,649,344 |
| Other liabilities | 360,904 |
| Accrued bonuses to employees | 8,531 |
| Accrued bonuses to directors | 28 |
| Liability for retirement benefits | 7,360 |
| Reserve for directors' retirement benefits | 249 |
| Deferred tax liabilities | 3,900 |
| Acceptances and guarantees | 605,822 |
| Total liabilities | ¥16,992,411 |

Total liabilities decreased by ¥394,954 million, or 2.3%, from ¥17,387,366 million at 31 March 2025 to ¥16,992,411 million at 30 September 2025. The decrease was mainly due to a decrease in debentures, borrowed money and acceptances and guarantees, partially offset by an increase in corporate bonds.

***Equity***

| | As of 30 September 2025 |
|---|---|
| | (in millions of yen) |
| Common stock | ¥1,000,424 |
| Crisis response reserve | 206,529 |
| Special investment reserve | 1,724,573 |
| Special investment surplus | 71,205 |
| Capital surplus | 196,063 |
| Retained earnings | 1,007,124 |

| | As of 30 September 2025 |
|---|---|
| | (in millions of yen) |
| Accumulated other comprehensive income: | |
| Unrealised gain on available-for-sale securities | 38,757 |
| Deferred gain on derivatives under hedge accounting | 4,058 |
| Foreign currency translation adjustments | 5,871 |
| Accumulated adjustments for retirement benefits | 908 |
| Total | 4,255,515 |
| Non-controlling interests | 15,339 |
| Total equity | ¥4,270,854 |

Total equity increased by ¥108,891 million, or 2.6%, from ¥4,161,963 million at 31 March 2025 to ¥4,270,854 million at 30 September 2025. The increase was mainly due to an increase in retained earnings and special investment reserves, offset partially by a decrease in capital surplus.

## Liquidity and Capital Resources

### *Sources of Funds*

The following table sets forth the outstanding amount of DBJ's borrowings and bonds as of the dates indicated, on a non-consolidated basis:

| | As of 31 March 2025 | As of 30 September 2025 |
|---|---|---|
| | (in 100 millions of yen) | |
| Long-term borrowings from the Government | ¥61,425 | ¥60,787 |
| Domestic government-guaranteed bonds | 9,300 | 9,400 |
| Overseas government-guaranteed bonds | 20,973 | 19,588 |
| Sub-total | 91,698 | 89,775 |
| Domestic government-guaranteed bonds with maturities of less than 5 years[1] | — | — |
| Non-guaranteed bonds issued prior to 1 October 2008 | 750 | 750 |
| Non-guaranteed bonds issued on or after 1 October 2008 | 35,049 | 36,443 |
| Long-term borrowings from other than the Government[2][3] | 33,941 | 31,308 |
| Total | ¥161,440 | ¥158,278 |

Notes:

(1) Not included in "Domestic government-guaranteed bonds" above.

(2) Of this, long-term borrowings from JFC amounted to ¥18,300 hundred million as of 31 March 2025 and ¥15,713 hundred million as of 30 September 2025.

(3) Excludes current maturities.

### *Operational and Funding Plans*

The following table sets forth funds raised (actual) or expected to be raised (budget) by DBJ pursuant to its funding and bond issuance plans for the periods indicated. The budgeted figures in respect of the year ending 31 March 2026 are amended budgeted numbers, following the passage of the Japanese Government's supplementary budget on 16 December 2025.

| | For the six months ended 30 September 2025 (Actual) | For the year ending 31 March 2026 (Budget)[1] |
|---|---|---|
| | (in 100 millions of yen) | |
| Long-term borrowings from the Government | ¥1,200 | ¥4,000 |
| Domestic government-guaranteed bonds | 500 | 1,300 |
| Overseas government-guaranteed bonds | 1,491 | 2,200 |
| Sub-total | 3,191 | 7,500 |
| Domestic government-guaranteed bonds with maturities of less than 5 years[2] | — | 1,000 |
| Non-guaranteed bonds issued on or after 1 October 2008 | 4,880 | 6,600 |
| Long-term borrowings from other than the Government | 2,453 | 2,800 |

| | For the six months ended 30 September 2025 (Actual) | For the year ending 31 March 2026 (Budget)[1] |
|---|---|---|
| | (in 100 millions of yen) | |
| Other | 7,466 | 8,200 |
| Total | ¥17,992 | ¥26,100 |

Notes:
(1) Does not include any amount budgeted in respect of the Crisis Response Operations.
(2) Not included in "Domestic government-guaranteed bonds" above.

### *Cash Flow Analysis*

The following tables set out selected cash flow information of DBJ for the six months ended 30 September 2024 and 2025.

| | For the six months ended 30 September | |
|---|---|---|
| | 2024 | 2025 |
| | (in billions of yen) | |
| Net cash provided by/(used in) operating activities | ¥(307.0) | ¥(248.2) |
| Net cash provided by/(used in) investing activities | (260.6) | 196.9 |
| Net cash provided by/(used in) financing activities | (37.1) | 35.6 |
| Foreign currency translation adjustments on cash and cash equivalents | (2.1) | 0.2 |
| Net change in cash and cash equivalents | (607.1) | (15.4) |
| Cash and cash equivalents at beginning of period | 1,839.0 | 1,149.9 |
| Cash and cash equivalents at end of period | 1,231.9 | 1,134.5 |

*Cash Flow from Operating Activities*

DBJ's net cash flow from operating activities was a cash outflow of ¥248.2 billion in the six months ended 30 September 2025, compared with a cash outflow of ¥307.0 billion in the six months ended 30 September 2024. The change was due primarily to cash outflows mainly from the repayment of borrowed money and increase in call loans.

*Cash Flow from Investing Activities*

DBJ's net cash flow from investing activities was a cash inflow of ¥196.9 billion in the six months ended 30 September 2025, compared with a cash outflow of ¥260.6 billion in the six months ended 30 September 2024. The change was due primarily to cash inflows mainly from the sales and redemption of securities which exceeded cash outflows from the purchases of securities.

*Cash Flow from Financing Activities*

DBJ's net cash flow from financing activities was a cash inflow of ¥35.6 billion in the six months ended 30 September 2025, compared with a cash outflow of ¥37.1 billion in the six months ended 30 September 2024. The change was due primarily to cash inflows mainly from industrial investment capital from the Government offset partially by cash outflows from contributions to the National Treasury and dividend payments.

### Capital Adequacy

Set forth below is a schedule of risk-adjusted assets and details of qualifying capital of DBJ (as measured pursuant to the Basel III guidelines (international standards)) as of 30 September 2025.

| | As of 30 September 2025 |
|---|---|
| | (in 100 millions of yen/per cent.) |
| **Tier 1 capital:** | |
| Common equity Tier 1 capital | ¥42,198 |
| Additional Tier 1 capital | 46 |
| Tier 1 capital | 42,245 |

| | As of 30 September 2025 |
|---|---|
| | (in 100 millions of yen/per cent.) |
| Tier 2 capital | 666 |
| Total qualifying capital | ¥42,911 |
| **Risk-adjusted assets:** | |
| Credit risk assets | ¥219,923 |
| Operational risk equivalent amount / 8% | 4,927 |
| Total risk-adjusted assets | ¥224,851 |
| Total capital ratio | 19.08% |
| Tier 1 capital ratio | 18.78% |
| Common equity Tier 1 capital ratio | 18.76% |

## Operations

The following table sets forth managerial accounting information used by DBJ as operational measures of the level of its investment and financing activities on a non-consolidated basis. The information below is on DBJ's managerial accounting basis only and not for financial accounting purposes, and should not be viewed as a substitute for any Japanese GAAP items.

| | As of 31 March 2025 | As of 30 September 2025 |
|---|---|---|
| | (in billions of yen) | |
| Loan balance | ¥15,314.6 | ¥15,090.8 |
| Investment balance | 2,177.2 | 1,953.2 |
| Total | ¥17,491.8 | ¥17,044.0 |

## General Information

There has been no material change in the prospects and financial position of DBJ or of the Group since 30 September 2025.