

Third-Party Opinion



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Profile

Graduated from Hitotsubashi University Faculty of Law in 1989 and joined the Development Bank of Japan in the same year. After appointments as Chief Representative for the Frankfurt Office and Manager of the Environment and CSR Division, he was appointed to his current position in 2017. He has been working for many years in the field of environmental finance planning, including creation of DBJ's environmental rating-based financing program. At present, he supervises the bank's industrial research activities. He also holds many public posts, including membership of the Study Group on Long-term Investment toward Sustainable Growth of the Ministry of Economy, Trade and Industry and the Study Group on Environmental Industry Growth Engine of the Ministry of the Environment. He co-authored the book "Renewable Energy and New Growth Strategy," Energy Forum 2015, and others.

Sustainability Report 2018 is structured to focus on the new CSR Plan, SVP 2030, and the Medium-Term Plan, VISION 2019. Symbolized by the commitment of top management that "a business corporation must be an entity that contributes to resolving social issues through its business activities developing and supplying its own technologies, products and services," the Company's policy to integrate solutions to social issues into its growth strategy is clearly shown throughout the report.

Both resolving social issues and achieving growth was emphasized also in the previous plan, SVP 2016. However, SVP 2030 reorganizes the concept over a long time span, taking steps worthy of a global corporation and refining it by integrating the SDGs and adding a message to make it worthy of presentation as a new concept. In integrating the SDGs, the Company demonstrates its stance on perceiving social issues as opportunities for business growth to prevent its reasoning from becoming arbitrary and unilateral. In addition, the report's structure, which describes the values to be realized outside the corporate organization and improvements to be made to its business processes at the same time, with the focus on the priority issues of the environment, health, daily life and work style, is clear and easy to understand in the presentation of its "outside-in" approach. Its system to reinforce these through building a stronger CSR foundation consisting of its supply chain and governance is also effective and convincing.

In terms of style, the attention paid to the readers' standpoint is impressive, such as the chapter cover created to show each goal under SVP 2030, the corresponding social issues to be addressed and SDG targets, specific key points in activities, etc., and placement of a summary at the top with a more detailed description of each theme. For a report that must cover a wide range of information, I believe this is an effective method.

Specifically, the report presents in concrete detail what the Company aspires to in SVP 2030; namely, (1) a wide range of activities related to climate change, such as reduction in CO₂ emissions backed by SBT certification, commitment to the contribution volume

to be achieved at its clients, etc., (2) development of various solutions underway in response to unmet medical needs, (3) supply of nondestructive inspection systems that contribute to improvements in the safety of the social infrastructure and (4) "Smart Work Innovation" that aids work style reform for its users, etc. At the same time, through its carefully planned structure, the report sheds light on the fact that these efforts are driven by the Company's spirit described in its slogan "Value from Innovation," its ability to create various functional values through combination of fundamental technologies and its core technologies that had been made possible through past business restructuring.

It is clear that the report as a whole is a narrative on the long-term sustainability of its business model, specifying the fields where the Group will exercise its strengths over the long run and presenting its technological strength to power its competitiveness in the fields. Since this is exactly the information sought by ESG investors, the report is certain to satisfy the demands of the time.

Next, I would like to proceed to what is expected in the future by expanding on the aforementioned characteristics of the report. First, I would like to see more in-depth information on the top management policy regarding upgrading its human capital and the actual state of human resources development, such as how to build a system that enables innovation and serves as the driving force for competitiveness and what corporate culture will achieve this. In relation to this, spotlighting diversity in its global corporate organization will help in communicating the Group's strengths. As a long-term issue, I would like to see further examination of how to present the accomplishments of its activities. In the current issue, the effort to portray the key points in its activities on priority issues by extending from OUTPUT to OUTCOME was impressive. Considering that the Company shows strong awareness of its association with the SDGs, I look forward to the visualization of its accomplishments ultimately in the form of "impact" vis-à-vis each goal. In view of the very high quality of this report, I look forward with excitement to new developments in the future.