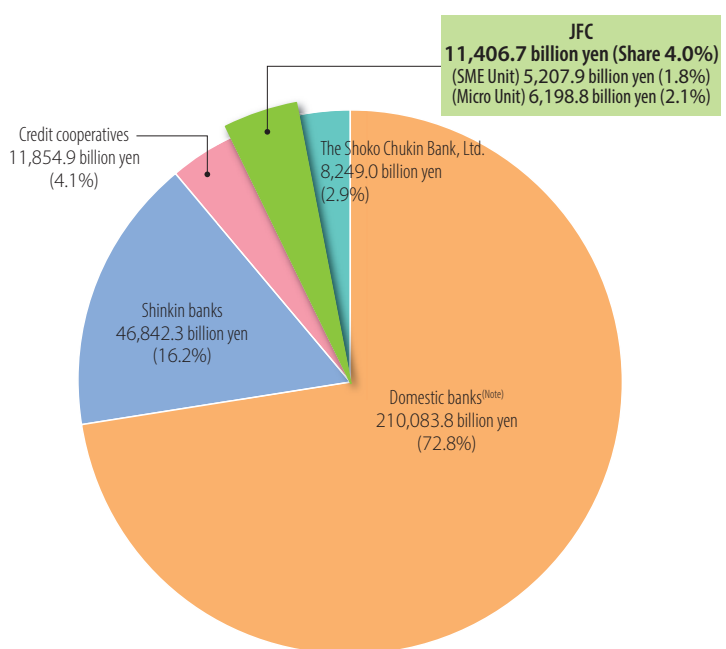


JFC has steadily and agilely performed the role of exhibiting safety net functions, including measures to respond to clients affected by the COVID-19 crisis and recovery and restoration from earthquakes, typhoons, and other natural disasters. At the same time, JFC works for the future development of the Japanese economy and provides support in five strategic fields of growth, etc.: (i) support for startups and new business, (ii) support for business revitalization, (iii) support for business succession, (iv) support for social business (NPOs, etc.), (v) support for overseas expansion, and (vi) support for new expansion by agricultural, forestry, and fisheries businesses.

Financing Structure of JFC

JFC's share of the balance of financing to SMEs (Micro Unit and SME Unit) is **4.0%**.

Share of balance of financing to SMEs^(Note) (as of March 31, 2020)

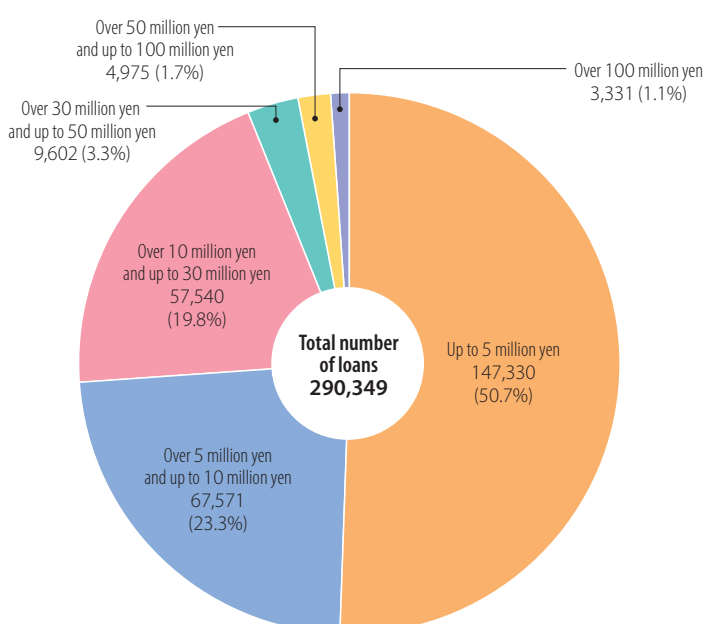


Note: Total of city banks, regional banks, regional banks II, and trust banks
 Sources: Bank of Japan, "Loans by Borrower," "Cash, Deposits, and Loans"; Shinkumi Bank, "Main Accounts of Nationwide Credit Unions"; Japan Finance Corporation, "Business Statistics"; Shoko Chukin Bank, "Business Statistics"

The composition of JFC's financing by loan amount in FY2019 was as follows. Of the total of approximately 300,000 business loans, **51% had loan amounts of 5 million yen or less, and 94% were for 30 million yen or less.**

JFC also provides educational loans to the public (approximately 120,000 loans annually).

Financial results by loan amount in FY 2019^(Note)



Note: Total of Micro Unit, AFFF Unit, and SME Unit (financing) business loans

Responses to the Spread of COVID-19

COVID-19 Related Loan

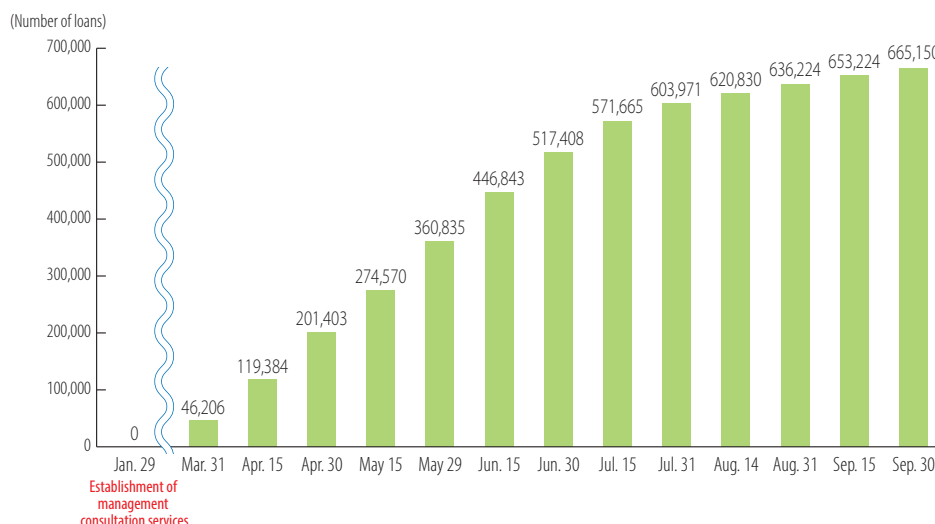
As of September 30, 2020, a total of 665,150 COVID-19 related loan decisions were made worth a total of 11,395.7 billion yen.

The number of loan decisions exceeded last year's result and even substantially surpassed the level of FY2009 when there was considerable impact from the collapse of Lehman Brothers and the subsequent financial crisis.

COVID-19 related loan decision results
(as of September 30, 2020)

Number of loans	Amount
665,150	11,395.7 billion yen

Changes in number of COVID-19 related loan decisions (January–September 30, 2020)



Measures to Reinforce Consultation Systems and Address the Spread of COVID-19

We are reinforcing consultation systems and taking measures to prevent infection of clients and employees in order to respond to the rapid increase in financing inquiries from businesses affected by the COVID-19 pandemic.

Main measures to reinforce consultation systems

- Freeze on periodic personnel transfers
- Hiring of former employees
- Dispatch of personnel from the head office and other sites to branches to provide support
- Telephone consultation on holidays
- Operations on holidays
- Increase in the number of toll-free consultation lines
- Simplification of documents to be submitted
- Simplification of screening procedures

Main measures to prevent infection of clients and employees

- Measures to reduce visits to branches
 - Enhancement of websites (posting of explanatory videos and updating of FAQs as needed)
 - Launch of branch visit reservation system
 - Encouragement of mailing documents and online applications
- Measures in response to visits to branches
 - Creation of environments that avoid the "Three Cs" (closed spaces, crowded places, close-contact settings)
 - Installation of transparent acrylic panels at consultation desks
 - Thorough preventive measures (wearing masks, provision of alcohol-based sanitizers, etc.)
- Measures to continue branch operations when employees are infected
 - Prompt disinfection of branches
 - Securing alternative consultation sites until disinfection is completed

Measures to Provide Funds to Businesses in Collaboration with Private Financial Institutions

- Supported by private financial institutions concerning preparation of documents necessary for businesses to submit an application to JFC
- Provision of bridge loans by private financial institutions until JFC provides financing to businesses
- Provision of information on the JFC website concerning programs for substantially interest-free loans without requiring collateral provided by private financial institutions and on COVID-19 related support by individual financial institutions



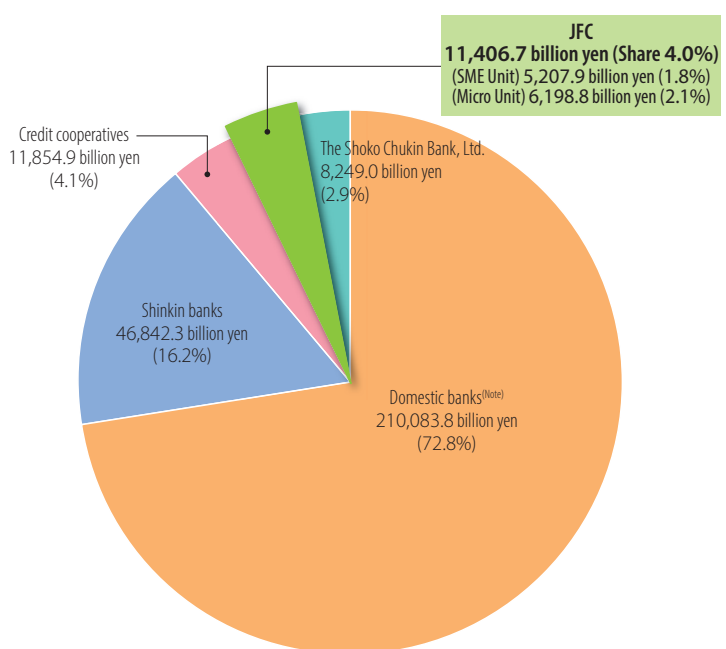
We provide information on COVID-19 related support handled by private financial institutions. (184 financial institutions as of September 30)

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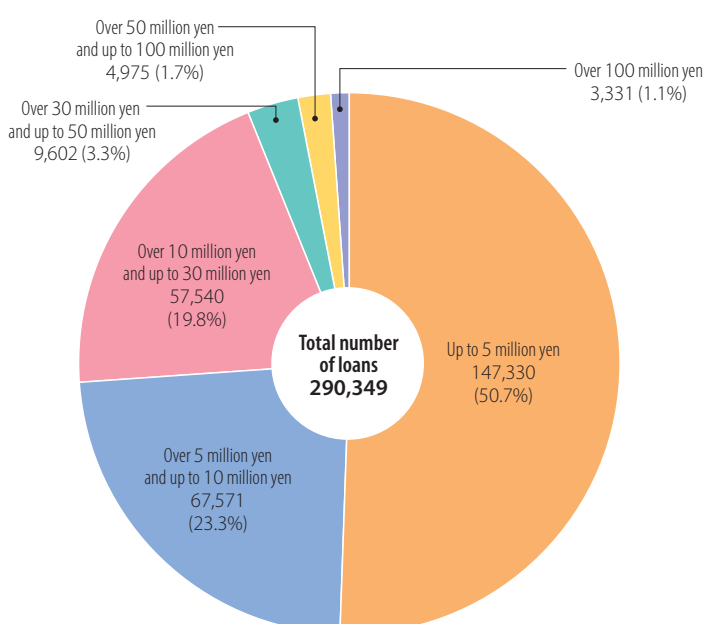


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COVID-19 Related Loan

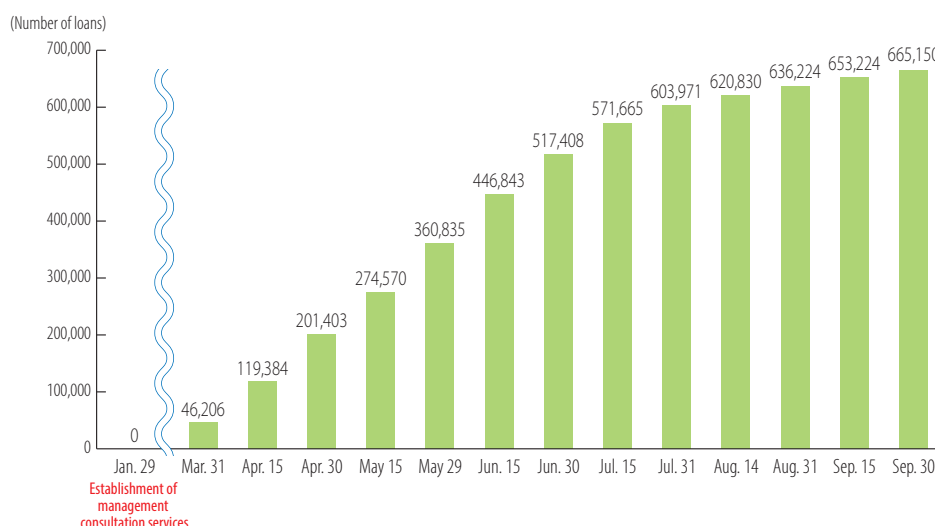
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Working in Cooperation with Private Financial Institutions

(1) Purpose of cooperation with private financial institutions

JFC supports SMEs, micro/small businesses, agricultural, forestry, and fishery businesses, and other businesses based on the premise of complementing the activities of private financial institutions. We strive to increase convenience to customers in collaboration with private financial institutions by providing various services that combine their respective strengths and expertise.

(2) MOU conclusion status on business partnerships and collaboration

JFC has been promoting business partnerships with many private financial institutions. **As of March 31, 2020**, MOUs on business cooperation and collaboration have been concluded with **489 financial institutions**.

(3) Creation of cooperative loan programs

Since FY2014, JFC has been focusing on establishing loan schemes^(Note) in cooperation with private financial institutions to enhance partnership effectiveness and the number of private financial institutions which established the cooperative loan schemes reached **441 institutions as of March 31, 2020**. For some of the cooperative loan scheme, private financial institutions and the JFC collaborate to establish cooperative loan programs to support businesses. **As of March 31, 2020, 402 programs** were created in collaboration with **281 financial institutions**.

Note: A specific introduction rules are set for projects treated as cooperative loans.

Creation of cooperative loan programs (as of March 31, 2020)

	City banks	Regional banks	Regional banks II	Shinkin banks	Credit cooperatives	Others	Total ^(Note)
Number of financial institutions created cooperative loan programs	—	33	28	158	57	5	281
Number of cooperative loan programs ^(Note)	—	44	45	236	75	5	402

Note: Some cooperative loan programs were created jointly by multiple institutions, and as a result, the total number of programs does not equal the total of programs in each category.

(4) Total cooperative loans^(Note)

In FY2019, total cooperative loans from private financial institutions came to: **28,736 loans (93% compared to the previous fiscal year), 1,255.6 billion yen (97% compared to the previous fiscal year)**.

Note: Loans (guarantees) that are disbursed or decided by JFC and private financial institutions after consultation by both parties for loan plans with identical objectives (Calculated by JFC. Including loans made on different dates between both parties).

Cooperative loans by business category (FY2019)

	City banks	Regional banks	Regional banks II	Shinkin banks	Credit cooperatives	Others	Total ^(Note)	Reference FY2018 results
							Compared to the previous fiscal year	
Number of loans	1,996	9,015	3,431	12,375	1,864	602	28,736	93%
Amount	238.7 billion yen	592.5 billion yen	145.9 billion yen	296.9 billion yen	34.9 billion yen	60.4 billion yen	1,255.6 billion yen	97%

Note: In cases where cooperative loans are provided with multiple private financial institutions, the number of loans and loan amounts indicated in the breakdown are totaled for each financial institution, and as a result, the totals do not match.

Example: In the case of a 100 million yen loan provided by a regional bank and regional bank II, the amounts for both the regional bank and regional bank II are reported as 100 million yen, and the total is reported as 100 million yen.

(5) Results of JFC customer referrals to private financial institutions

To respond to the diversifying capital needs of customers and increased customer options for capital procurement, JFC refers customers to private financial institutions.

In FY2019, **JFC referred 6,972 customers to private financial institutions**.

(6) Results of private financial institution customer referrals to JFC

JFC actively responds to referrals of customers from private financial institutions so that it can implement the stable provision of capital to more businesses.

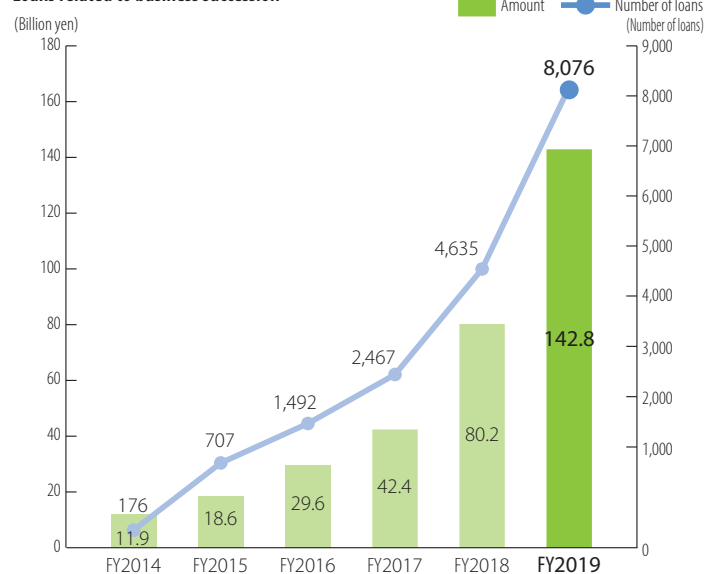
In FY2019, **private financial institutions referred 26,774 customers to JFC**. Of these, in addition to cooperative loans, **JFC independently provided 11,093 loans** to start-ups and businesses in the agricultural, forestry, and fishery sectors.

Supporting Business Succession

The Business Succession-related Loans in FY2019 came to **8,076 loans (174% compared to the previous fiscal year) and 142.8 billion yen (178% compared to the previous fiscal year)**.

As the managers of SMEs and micro/small businesses age, JFC is responding to diverse demands for funds relating to business succession so that valuable management assets including the technologies and know-how that businesses have accumulated can be effectively transferred.

Loans related to business succession



Notes: 1. JFC is expanding financing subjects in order to respond to broader demand for funds such as providing funds for business succession preparations as of April 2017.

2. The figure above includes results from the New Business Activity Promotion Funds (business succession-related*) established in February 2015.

*Integrated into Business Success, Consolidation, and Revitalization Funds in 2017, etc.

Examples of measures to raise manager awareness

Gift, a collection of examples of third-party business succession



A pamphlet that introduces the ideas and efforts of prior managers who successfully implemented business succession to third parties who were not relatives or employees and of the current managers who acquired the businesses (Issued in December 2019)

Baton for the Future



A pamphlet that encourages self-diagnosis concerning business succession and provides information on sharing information with JFC officials concerning issues regarding business success and the direction the company should take (Issued in June 2018)

Business succession support video



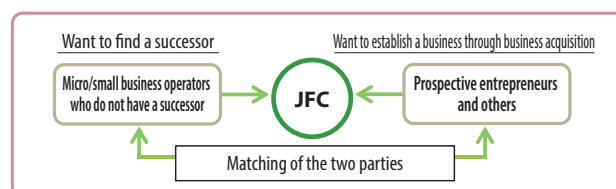
A video that provides information on the significance of business succession, the importance of preparation, and other topics (Currently available on the JFC website)

Business succession matching support

Business succession matching support is an initiative that identifies the needs of micro/small business operators who do not have a successor and want to transfer their business to a third party, searches for potential entrepreneurs or businesses that want to acquire a business and have matching wishes, and introduces them to each other.

The program was launched on a trial basis in Tokyo in FY2019, and it was confirmed that there is a certain level of need for support. There are many people in urban areas who wish to start a business, but it is said that the problem of business succession is particularly severe in regional areas.

In light of these circumstances and taking into consideration changes in the business environment due to the impact of the COVID-19 pandemic, JFC began matching support on a nationwide scale.



Notes: 1. In principle, the program is intended for businesses that have an outstanding loan balance owed to JFC (including those who register for this service within five years from the date of final repayment of a loan), but even businesses that do not have a loan balance can make use of this service through introduction by an organization or expert working to support SMEs and micro/small businesses such as a Societies of Commerce and Industry, Chamber of Commerce and Industry, Environmental Health Trade Associations, or tax accountant.

2. This program is not available to certain business types.

Business succession matching support results in FY2019

Number of matches	Want to transfer business	Want to acquire business
Number of application registrations	93	238 (72)
Number of inquiries		32

Note: The figure in parentheses for application registrations is the number of registrations from persons wishing to establish a business.

Provision of Policy-based Financing (Exercise of Safety Net Functions)

Responses to Typhoon No. 19 of 2019 and Other Disasters

In response to Typhoon No. 19 of 2019 and other disasters, JFC established special consultation desks at branches in the affected regions and other areas. We provided timely and detailed financing and economic consultations on loans and repayments from SMEs, micro/small businesses, and agricultural, forestry, and fishery businesses that were damaged by these disasters. We also provided support to clients that incurred damage through programs such as the Special Loans for the Typhoon No. 19 of 2019 and Other Disasters for SMEs and micro/small businesses.

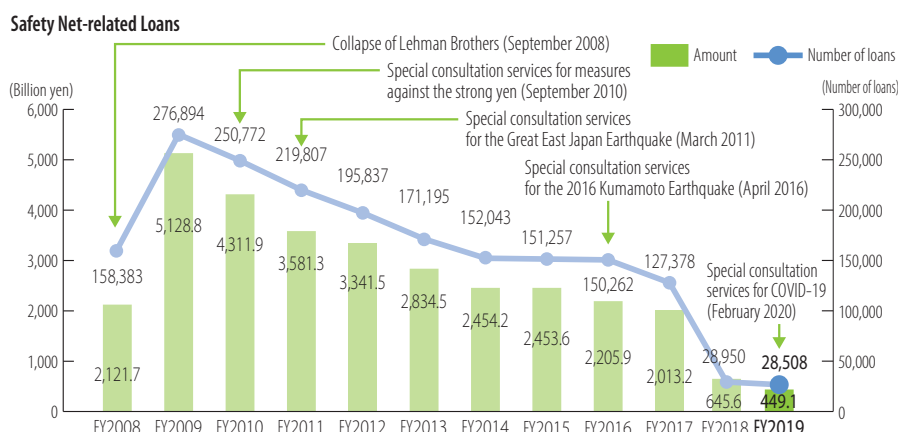
Typhoon No. 19 of 2019 related loan results

FY2019	
Number of loans	Amount
1,489	21.4 billion yen

Safety Net-related Loans

In FY2019, financing related to Safety Net Loans ^(Note) to those facing obstacles due to international financial instability and economic contraction, and those impacted by the Great East Japan Earthquake, the 2016 Kumamoto Earthquake, typhoon and other disasters came to **28,508 loans (98% compared to the previous fiscal year) for 449.1 billion yen (70% compared to the previous fiscal year).**

Note: The loans related to Safety Net Loans include Disaster Recovery Loans, Great East Japan Earthquake Recovery Special Loan, funds for changes in operating environments, funds for changes in financial environment, and funds for Safety Net Loans to agricultural, forestry, and fisheries businesses, etc.



Supporting Strategic Fields of Growth, etc.

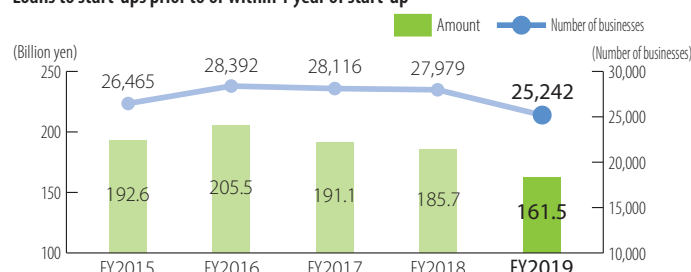
Support for Start-ups and New Business

(i) Loans to start-ups

The FY2019 loans to start-ups (consisting of those that have yet to start and those that are within 1 year of start-up) came to: **25,242 businesses (90% compared to the previous fiscal year), 161.5 billion yen (87% compared to the previous fiscal year).**

The loans to women entrepreneurs came to: **5,513 businesses (90% compared to the previous fiscal year)**; to senior entrepreneurs (aged 55 and older): **2,603 businesses (85% compared to the previous fiscal year)**; and to youth entrepreneurs (aged under 35): **6,954 businesses (89% compared to the previous fiscal year).**

Loans to start-ups prior to or within 1 year of start-up



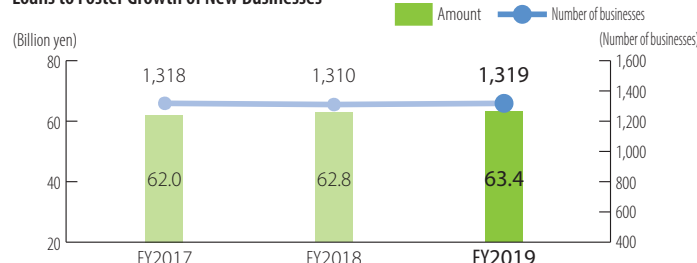
(ii) Loans to Foster Growth of New Businesses ^(Note)

In FY2019, Loans to Foster Growth of New Businesses came to: **1,319 businesses (101% compared to the previous fiscal year), 63.4 billion yen (101% compared to the previous fiscal year).**

Note: A special loan program that provides support to venture SMEs working to develop new businesses with high growth potential.

We are working on discovery and support for regional venture companies by holding information exchange events and presentation events for venture support in local areas in cooperation with regional venture support institutions (regional banks, venture capitalists, brokerages, etc.).

Loans to Foster Growth of New Businesses



(iii) Capital Subordinated Loans ^(Note)

In FY2019, Capital Subordinated Loans came to: **207 businesses (74% compared to the previous fiscal year), 18.9 billion yen (115% compared to the previous fiscal year).**

Note: A Loan Program for providing capital-like funds for reinforcing the financial standing of small and medium enterprises (SMEs). The feature of this loan program is unsecured/unguaranteed loans subordinated to other debts at the time of legal bankruptcy proceedings. In addition, it can be regarded as self-owned capital on financial inspection.

Results of Capital Subordinated Loans

	FY2017	FY2018	FY2019	Compared to the previous fiscal year
Number of businesses	373	279	207	74%
Amount	22.8 billion yen	16.4 billion yen	18.9 billion yen	115%

Support for Business Revitalization

The Corporate Revitalization Loans in FY2019 came to **6,466 businesses (84% compared to the previous fiscal year)** and **246.9 billion yen (111% compared to the previous fiscal year)**.

Results of loans related to support for revitalization

		FY2017	FY2018	FY2019	Compared to the previous fiscal year
Corporate Revitalization Loans	Number of businesses	4,564	7,669	6,466	84%
	Amount	175.7 billion yen	221.5 billion yen	246.9 billion yen	111%
Capital Subordinated Loans	Number of businesses	588	548	485	89%
	Amount	37.7 billion yen	34.5 billion yen	33.5 billion yen	97%

Results of financial support for revitalization

		FY2017	FY2018	FY2019	Compared to the previous fiscal year
Methods of financing for comprehensive revitalization such as DDS and DES ^(Note)	Number of businesses	160	165	160	97%

Note: These results are the total of DDS, DES, non-equivalent transfer of claims, secondary company method, and debt waiver; calculated by adding up the number of businesses agreed by JFC for the corresponding period.

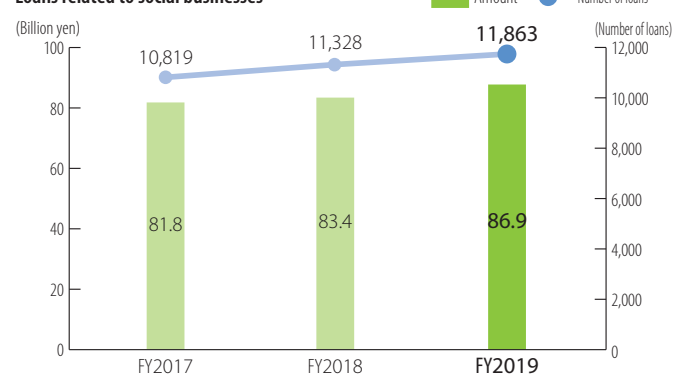
- **DDS (Debt Debt Swap):** A financial technique for exchanging a part of an existing debt for a subordinated debt.
- **DES (Debt Equity Swap):** A financial method that seeks to improve company's financial constitution by equitizing a portion of existing liabilities.
- **Non-equivalent transfer of claims:** A financial method where creditors exchange their claims to a regional revitalization fund for less than face value (market value).
- **Secondary company method:** A financial method where a profitable business is spun off through a corporation division or business transfer and assumed by another business. The excess debt and non-profitable business are retained by the original company and debt relief is obtained through special liquidation or other legal reorganization proceedings.
- **Debt waiver:** A financial method where creditors waive a portion of their claims to improve the cash flows and financial status of a reorganized company.

Support for Social Business ^(Note)

In FY2019, loans related to social businesses came to: **11,863 loans (105% compared to the previous fiscal year)**, **86.9 billion yen (104% compared to the previous fiscal year)**, of which **1,155 loans (84% compared to the previous fiscal year)**, **7.1 billion yen (82% compared to the previous fiscal year)** were loans to NPOs.

Note: Businesses that tackle regional and social issues, such as supporting the care and welfare of the elderly and disabled, child rearing, regional revitalization and environmental conservation, etc.

Loans related to social businesses



Breakdown of loans related to social businesses results by recipient

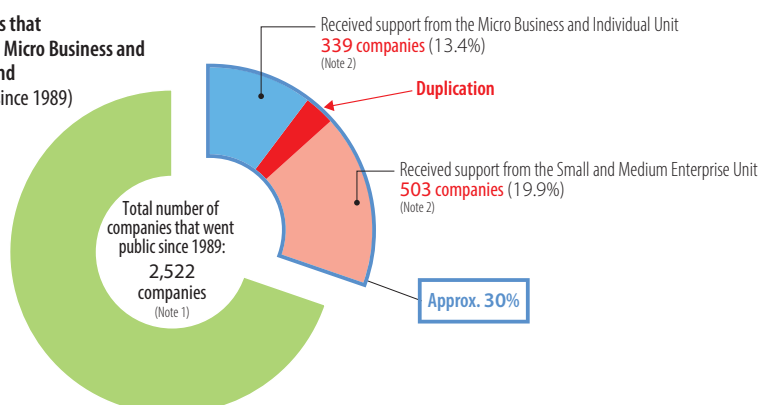
		FY2017	FY2018	FY2019	Compared to the previous fiscal year
Number of loans related to social businesses ^(Note)	Number of loans	10,819	11,328	11,863	105%
	Amount	81.8 billion yen	83.4 billion yen	86.9 billion yen	104%
	(i) For NPOs	Number of loans	1,552	1,155	84%
		Amount	9.7 billion yen	7.1 billion yen	82%
	(ii) For nursing care and welfare businesses	Number of loans	8,375	8,095	96%
		Amount	65.5 billion yen	59.2 billion yen	92%
	(iii) For businesses addressing social issues	Number of loans	2,021	3,447	136%
		Amount	14.2 billion yen	26.2 billion yen	154%

Note: Total for loan performance (excluding duplicate loans to (i), (ii) to (i), (ii), and (iii)).

Record of JFC transactions with publicly-traded companies

Of those companies listed since 1989, the total numbers of companies that went public after receiving support from the Micro Business and Individual Unit or Small and Medium Enterprise Unit were 339 companies and 503 companies, respectively, with 750 companies receiving support from both (excluding duplication), accounting for approximately 30% of the total.

Publicly-traded companies that received support from the Micro Business and Individual Unit or Small and Medium Enterprise Unit (since 1989)



Notes: 1. Of those companies listed on each market since 1989, the total number of companies whose shares are publicly traded as of March 31, 2020 (according to JFC investigations)
2. Of those companies indicated in Note 1, companies confirmed to have received support from Micro Business and Individual Unit or Small and Medium Enterprise Unit.

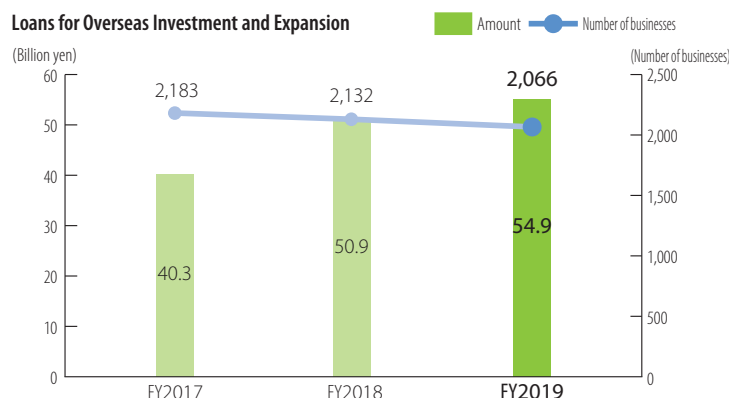
Measures Implemented in FY2019

Support for Overseas Expansion

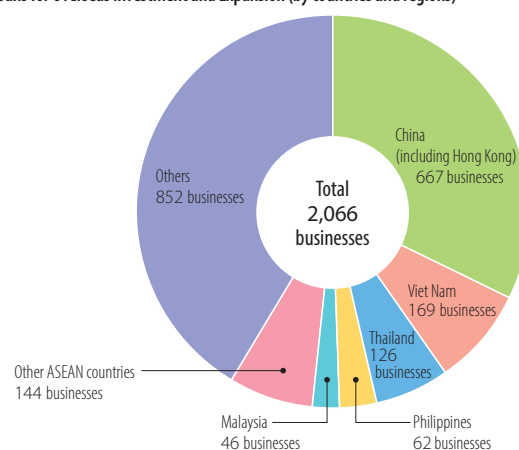
(i) Loans for Overseas Investment and Expansion

As a result of detailed financing support meeting the needs of SMEs and micro/small businesses actively undertaking imports and exports, in FY2019, Loans for Overseas Investment and Expansion were provided to **2,066 businesses (97% compared to the previous fiscal year), totaling 54.9 billion yen (108% compared to the previous fiscal year).**

Loans for Overseas Investment and Expansion



Loans for Overseas Investment and Expansion (by countries and regions)



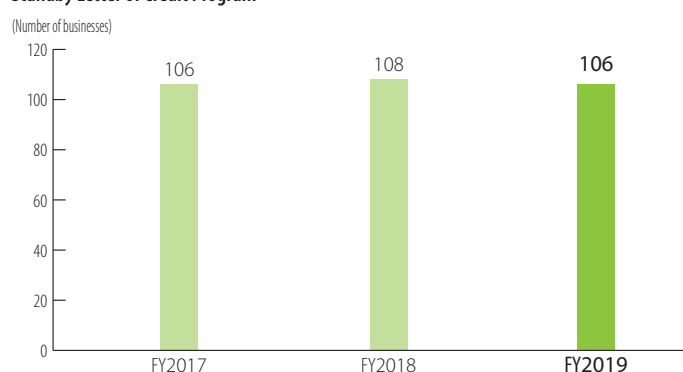
(ii) Standby Letter of Credit Program ^(Note)

As for FY2019, letters of credit were issued to the financial institutions in Thailand, China, Republic of Korea, the Philippines, Indonesia, Malaysia, Viet Nam, Hong Kong, Mexico, Singapore, and Taiwan, being utilized by **106 businesses**. The cumulative usage (until March 31, 2020) of this program since its start in FY2012 has reached **637 businesses**.

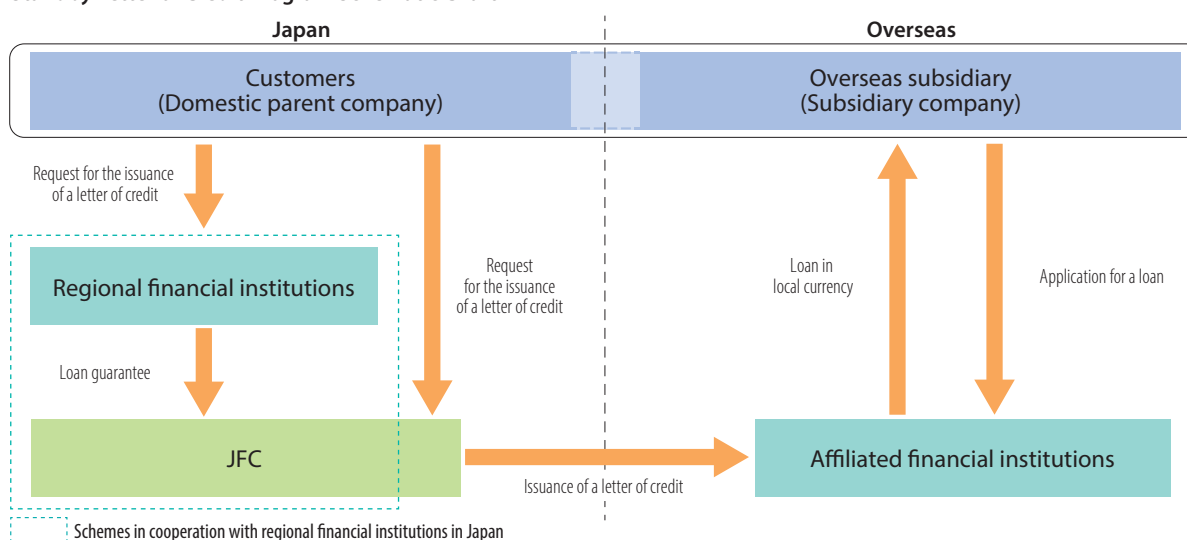
In order to allow more SMEs to make use of this program, JFC established a scheme to partner regional financial institutions throughout Japan in FY2013. As of March 31, 2020, we have business partnerships with 61 regional financial institutions in Japan, and letters of credit were issued to a total of **40 businesses** through this partnership scheme.

Note: The Standby Letter of Credit Program supports SMEs' overseas subsidiaries' and branches' smooth procurement of long-term local currency denominated funds from JFC's affiliated financial institutions by using JFC's standby letter of credit as a guarantee.

Standby Letter of Credit Program



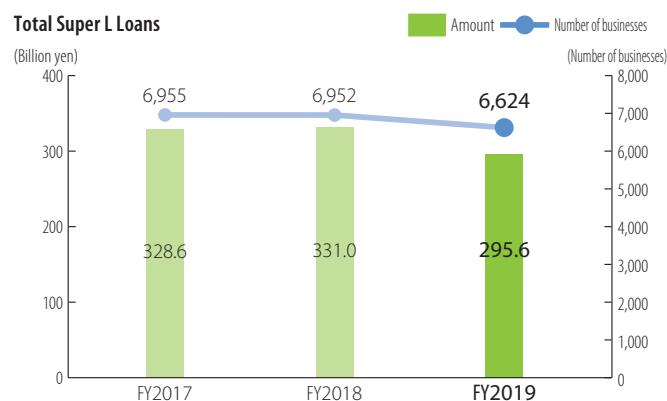
Standby Letter of Credit Program Schematic Chart



Support for New Expansion by Agricultural, Forestry, and Fisheries Businesses

(i) Supporting leaders of agriculture (new entry farmers, large family run businesses, corporations)

Agricultural Management Framework Reinforcement Loans (name: Super L Loan) in FY2019, came to: **6,624 businesses (95% compared to the previous fiscal year), 295.6 billion yen (89% compared to the previous fiscal year).**

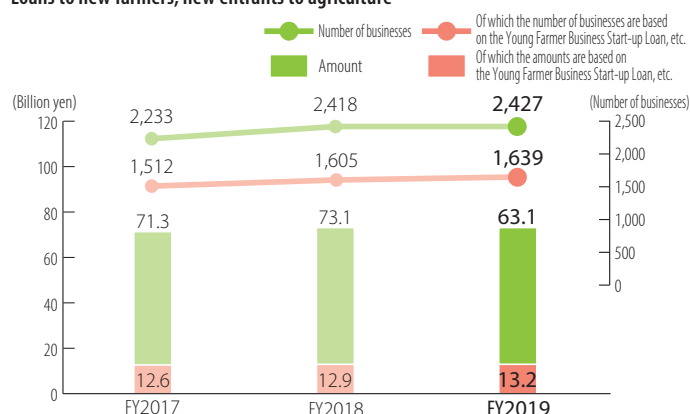


In FY2019, loans to new agricultural business and new entry farmers came to **2,427 businesses (100% compared to the previous fiscal year), and 63.1 billion yen (86% compared to the previous fiscal year).**

From FY2014, newly started loans to Young Farmer Business Start-up Loan, etc.^(Note) came to: **1,639 businesses (102% compared to the previous fiscal year), 13.2 billion yen (102% compared to the previous fiscal year).**

Note: Loans to support authorized new farmers certified by municipalities under the Young Farmers Plan as young people engaging in new farming businesses.

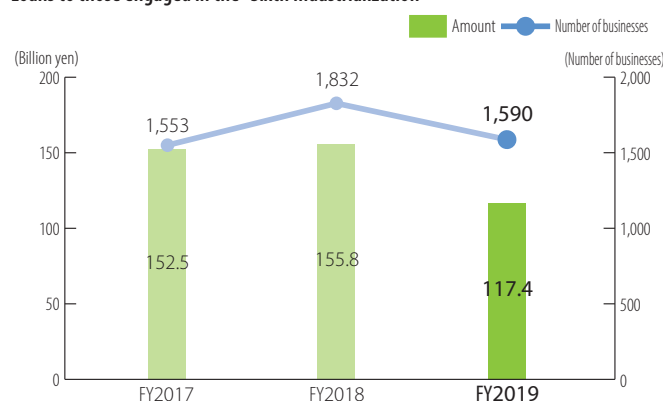
Loans to new farmers, new entrants to agriculture



(ii) Supporting the "Sixth Industrialization" activities

FY2019 loans to activities due to improved management by the "Sixth Industrialization" (e.g., processing, sales, and other business undertaken integrally by agricultural, forestry, and fishery businesses to increase the added value of products) increased to: **1,590 businesses (87% compared to the previous fiscal year), 117.4 billion yen (75% compared to the previous fiscal year).**

Loans to those engaged in the "Sixth Industrialization"



(iii) Providing investment support to agricultural corporations by private financial institutions, etc.

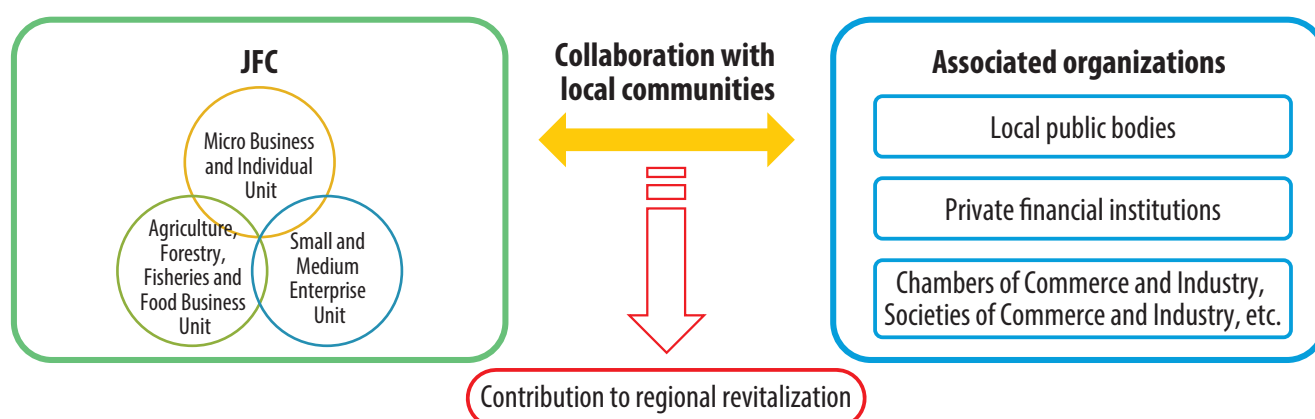
At the end of FY2019, investments came to **15 Limited Partnerships (LPS) (pledged investment amount by JFC: 3.56 billion yen),** established by private financial institutions based on agricultural corporation investment development businesses^(Note) and **1 stock company (investment amount by JFC: 2.03 billion yen).**

Note: Businesses providing management and technical guidance by acquisition/holding of stock from agricultural corporations based on the Act on Special Measures to Facilitate in Agricultural Corporations (Act No. 52 of 2002).

Contribution to Local and Regional Revitalization through Collaboration with Local Communities

JFC actively participates in regional comprehensive strategies and contributes to local and regional revitalization through programs such as matching, business discussion meetings, and seminars implemented through use of its nationwide network of 152 branches.

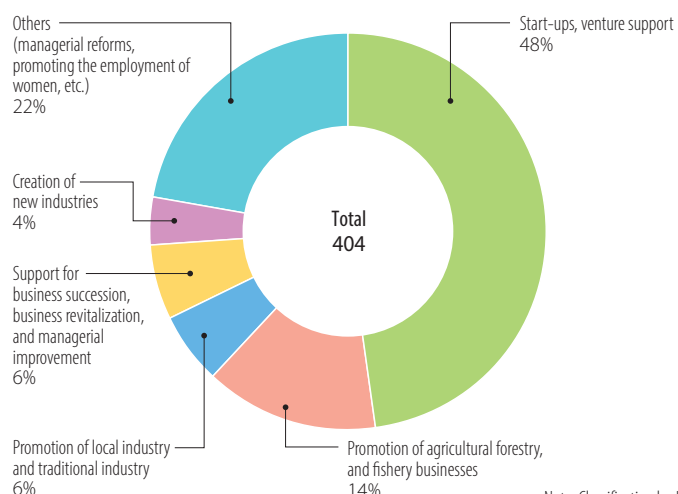
<p>(1) Reinforcement of collaboration with local government through active participation in regional comprehensive strategies</p>	<p>In order to contribute to regional revitalization, JFC supports the implementation and promotion of regional comprehensive strategies formulated by regional local governments through collaboration with private financial institutions and others based on requests from regional local governments under the national strategy for overcoming population decline and revitalizing local economies.</p>
<p>(2) Provision of useful services tailored to customer and local needs through use of its nationwide network of 152 branches</p>	<p>JFC conducts business discussion meetings and seminars to facilitate appropriate product matching for customers engaged in market and product development by using its nationwide network of 152 branches to better meet customer needs.</p>
<p>(3) Performance of the role of connecting related organizations</p>	<p>As a member of local communities, JFC participates in various networks and the like in order to strengthen collaboration with related organizations.</p>



Reinforcement of Collaboration with Local Government through Active Participation in Regional Comprehensive Strategies

- JFC is attentively responding to regional challenges, taking into consideration local circumstances and needs, at 152 branches nationwide.
- To support the implementation of regional comprehensive strategies, officers and branch managers visited prefectural governors to explain the efforts of JFC, request that they make use of JFC in regional revitalization, and work to strengthen collaboration with local communities.
- In FY2019, JFC participated in a total of **404 regional programs** nationwide. Partnership programs include start-ups and venture support, which at **48%** was the highest to date.

Breakdown of program participation by purpose ^(Note) (FY2019)



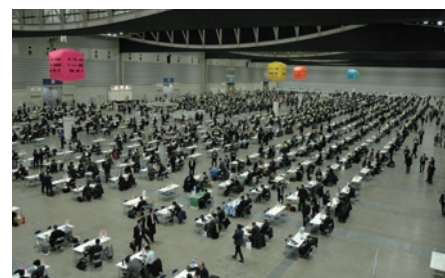
Note: Classification by JFC

Provision of Useful Services Tailored to Customer and Local Needs through Use of its Nationwide Network of 152 Branches

- The FY2019 number of customer matching partnerships came to: **5,447 partnerships**.
- The number of business meetings held in FY2019 in all regions nationwide came to: **74 meetings**.
- National-scale business discussion meetings such as the Agri-Food EXPO and National Business Discussion Meeting were held, and branches throughout Japan held business discussion meetings that made use of local characteristics, providing support for increased business opportunities by customers.
- Through its Internet business matching site, JFC provides a forum offering business opportunities to customers, including new buyers and new suppliers of raw materials.

JFC Internet Business Matching

<https://match.jfc.go.jp/> (Available only in Japanese)



The 12th National Business Discussion Meeting (February 12, 2020)

Performance of the Role of Connecting Related Organizations

- From the perspective of strengthening consulting functions for clients, we collaborate with relevant organizations and hold seminars for clients, study groups for the personnel of JFC and clients, and other programs in various regions.
- As a policy-based finance institution, we held regional economic revitalization symposiums at three locations nationwide (Nagoya, Niigata, and Sendai) in order to carry out our role of “connecting” regional organizations. Local financial institutions, support groups, and local companies and organizations presented at these symposiums, the themes of which were business succession in Nagoya, agricultural support in Niigata, and business start-ups in Sendai. JFC presented information on support options and exchanged information on current initiatives, issues, and future possibilities with regional organizations.



Regional economic revitalization symposium in Nagoya (December 20, 2019)

Hosting of the 7th High School Student Business Plan Grand Prix

JFC hosted the 7th Infinite ∞ Creativity High School Student Business Plan Grand Prix targeted for high school and higher professional school students all across the country.

The numbers of applicants in the event came to: **409 schools, 3,808 applicants** (396 schools, 4,359 applicants in the 6th Grand Prix). By the leading act by the Business Start-up Support Center nationwide, we promoted this event to many schools. Business Start-up Support Centers visited **353 schools** (331 schools in the 6th Grand Prix), and gave lectures about how to create a business plan.

At the final competition held in January 2020, ten finalist groups gave passionate presentations. The entry from Osaka Prefectural Mikunigaoka High School “PeriPeri: Don’t Make You Tell Me You’re Being Wasteful” won the Grand Prix and garnered much attention from the media.

Nurturing entrepreneurship to develop the leaders of next generation is crucial for Japan’s future, and JFC will continue to provide its business start-up experience and expertise to sites of entrepreneurial education.

(The 8th High School Student Business Plan Grand Prix)

The 8th High School Student Business Plan Grand Prix has been canceled due to COVID-19.

Please visit the JFC website for more information.

<https://www.jfc.go.jp/n/grandprix/> (Available only in Japanese)



The High School Student Business Plan Grand Prix Facebook page is frequently updated with the latest information.

<https://www.facebook.com/grandprix.jfc/> (Available only in Japanese)



Presentation in final competition



Students and teachers from Osaka Prefectural Mikunigaoka High School which received the Grand Prize award



Participants of the final competition and the award ceremony

Micro Business and Individual Unit

In addition to supporting the growth and development of micro/small businesses and business start-ups, the Micro Business and Individual Unit (Micro Unit) also supports the future of our children through Educational Loans.

The Micro Unit acts as a community-based financial institution. It provides business loans to micro/small businesses, as well as educational loans to individuals who are in need of funds for school entrance fees and other educational expenses.

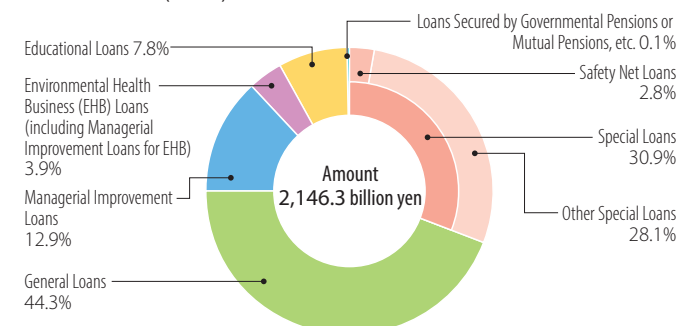
Business loans were provided to 0.88 million businesses as of March 31, 2020. Most of the loans are for small amounts, with an average loan balance per business of 7.03 million yen, which were mainly unsecured loans. Approximately 90% of the borrowers have nine or fewer employees, such businesses range from companies that are close to local community living like grocery stores, building contractors, etc., to new market pioneering businesses, such as venture companies, etc. These loans are utilized by a wide variety of business operators. In 2020, the Micro Unit is working to support businesses affected by COVID-19, and as of August 31, 2020, approximately 1.13 million businesses have received business loans.

The Micro Unit is actively committed to supporting start-ups and social businesses that are principally linked to activating regional economies, and also to demonstrate our safety net function.

Changes in Educational Loans (number of loans)



Breakdown of Loans (FY2019)



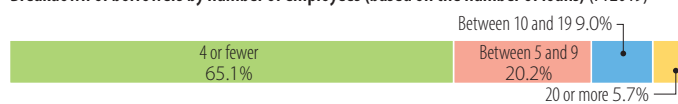
Number of business borrowers and average loan balance per business (as of March 31, 2020)

	Micro Business and Individual Unit	Total for Shinkin banks (255 credit associations)	Total for domestic banks (134 banks)
Number of business borrowers (million)	0.88	1.13	1.97
Average loan balance per business (million yen)	7.03	41.33	105.61

Notes: 1. Figures for Micro Unit are the total of General Loans and Environmental Health Business Loans.
2. Domestic banks include major commercial banks, regional banks, regional bank II, and trust banks.
3. Figures for shinkin banks and domestic banks do not include loans to individuals (loans for housing, consumption, tax payments, etc.), loans to regional public organizations, overseas yen-loans, or loans made to businesses in foreign countries in name of their domestic branches. Number of business borrowers for shinkin banks and domestic banks are based on the number of loans.

Source: Bank of Japan website

Breakdown of borrowers by number of employees (based on the number of loans) (FY2019)



Note: The breakdown is the total of General Loans and Environmental Health Business Loans (direct loans).

Agriculture, Forestry, Fisheries and Food Business Unit

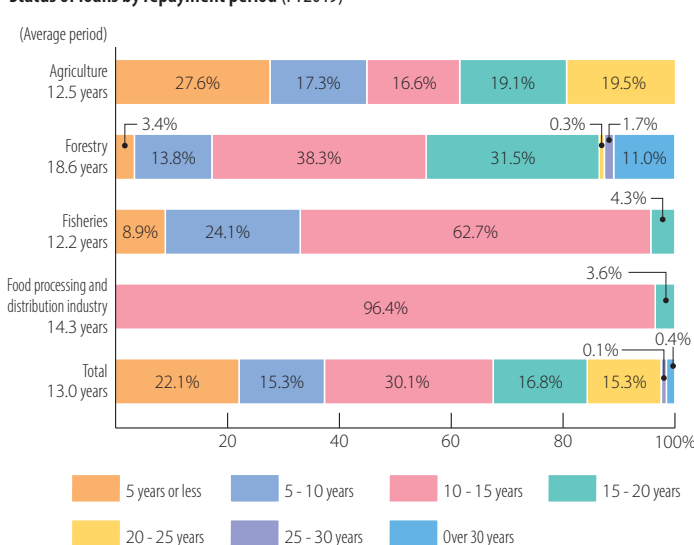
Supporting business development in the agricultural, forestry, fisheries, and food sectors that sustain Japan's food supply.

The Agriculture, Forestry, Fisheries and Food Business Unit (AFFU Unit) contributes to the reinforcement of the domestic agriculture, forestry, and fisheries industries and stable supplies of safe and good-quality of foods by providing supports to individuals and businesses in these industries.

The AFFU Unit provides long-term financing that contributes to ensuring stable food supplies and the sustainable and sound development of the agricultural, forestry and fisheries sectors, taking into account the fact that these sectors have unique business characteristics such as long investment recovery periods and unstable income caused by the effects of weather.

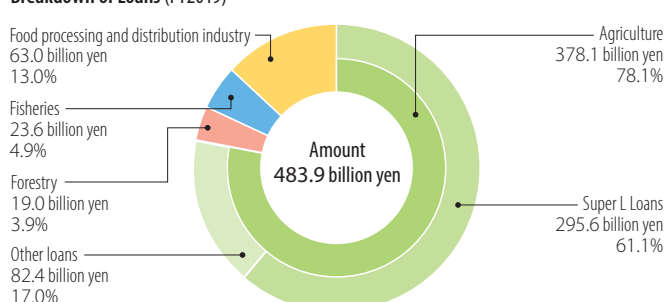
Besides loans and investments, JFC support businesses through various efforts such as business consultation by business consultants who are familiar with agriculture, forestry, fishery industries, business matching support by Agri-Food EXPOs, and support for customers who are engaged in exporting. JFC also provides useful information on a wide scale to all its customers through surveys and information magazines.

Status of loans by repayment period (FY2019)



Note: Aggregated by loan amount

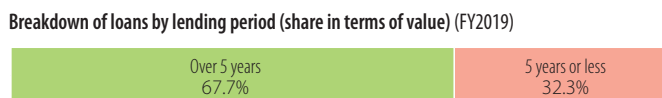
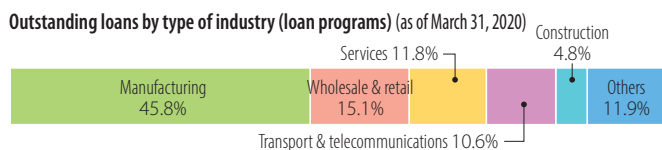
Breakdown of Loans (FY2019)



Small and Medium Enterprise (SME) Unit

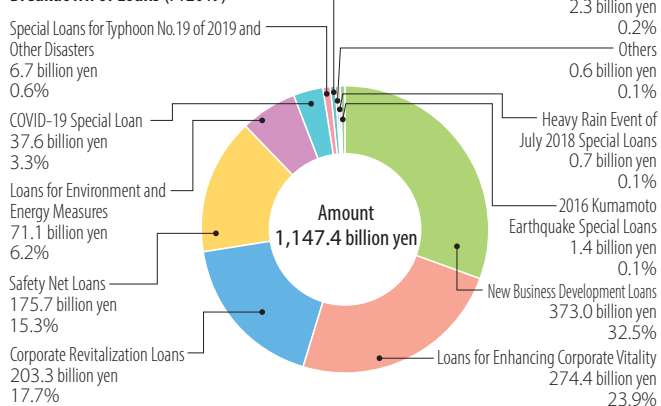
Through its various functions such as Loan Programs and Credit Insurance Programs, the Small and Medium Enterprise Unit (SME Unit) supports the growth and development of SMEs and micro/small businesses which are the source of Japan's economic vitality at both the national and regional levels.

The SME Unit complements the provision of loans by private financial institutions to various types of small and medium enterprises (SMEs) by the stable provision of business funding at long-term fixed interest rates and implementing special loans based on national policies.



Note: Data are for fixed interest rate loans only.

Breakdown of Loans (FY2019)



Note: Loans include corporate bonds, but excluding loans to Small and Medium Business Investment & Consultation Co., Ltd. Also, performance for respective loans is calculated while disregarding amounts of under 100 million yen.

Businesses that have utilized JFC funds are flourishing in many fields

A total of 676 businesses^(Note) have gone public after receiving support from the SME Unit, representing roughly 20% of all Japanese businesses that are publicly held. Many of these are flourishing as leading companies in Japan.

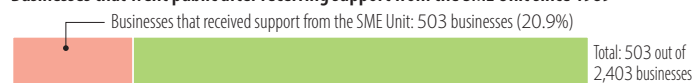
The number of businesses going public after receiving support from the SME Unit since 1989 is 503^(Note), accounting for roughly 20% of the total number of businesses that went.

Note: The number of publicly listed businesses is as of March 31, 2020 (excluding delisted businesses and businesses that have dissolved due to merger, etc.).

Businesses that went public after receiving support from the SME Unit



Businesses that went public after receiving support from the SME Unit since 1989



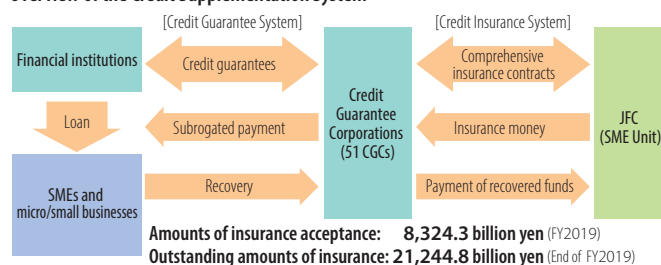
Source: JFC SME Unit. The number of publicly held businesses is as of March 31, 2020. Businesses in agriculture, forestry, fisheries, finance, and insurance, as well as foreign-owned corporations are excluded.

Facilitating the smooth flow of funds to SMEs and micro/small businesses by working together with the Credit Guarantee System

The SME Unit insures guaranteed liabilities (credit guarantees) provided by CGCs to SMEs and micro/small businesses that fall short in terms of collateral or creditworthiness when raising funds from financial institutions or issuing corporate bonds (Credit Insurance System).

The Credit Insurance System was used by 1.18 million SMEs and micro/small businesses, accounting for 33% of all SMEs in Japan, through the Credit Guarantee System (as of March 31, 2020). It is designed so that these two systems together facilitate the smooth supply of business funds for SMEs and micro/small businesses.

Overview of the Credit Supplementation System



Note: Amounts of insurance acceptance and outstanding amounts of insurance are those for Small Business Credit Insurance.

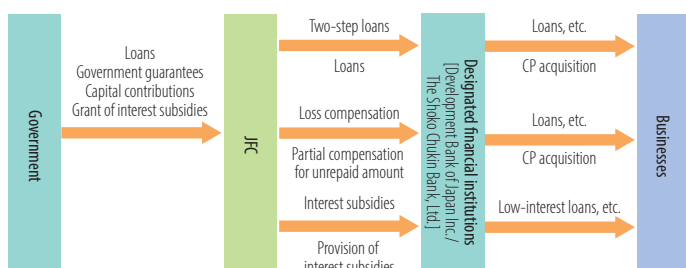
Operations to Facilitate Crisis Responses

At times of crisis designated by the competent minister—such as financial disorder in Japan or overseas or large-scale disaster—JFC carries out Operations to Facilitate Crisis Responses.

Since a business's credit risk generally increases at the time of a crisis, it is assumed that private financial institutions would be unable to provide a satisfactory amount of funds.

In order to counter this situation, JFC promotes the smooth provision of funds to business from designated financial institutions by granting them credit.

Overview of the system (as of July 31, 2020)



Results of operations to facilitate crisis responses

	FY2017	FY2018	FY2019
Two-step loans	85.4 billion yen	—	35.0 billion yen
Loss compensation	89.2 billion yen	1.0 billion yen	0.8 billion yen
Interest subsidies	12.6 billion yen	4.9 billion yen	2.7 billion yen

Note: With respect to loss compensation, the figures for loans, etc. represent the amounts of loans provided by designated financial institutions through the end of March 2020, with loss compensation underwritten by JFC for losses incurred until May 10, 2020.