

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.

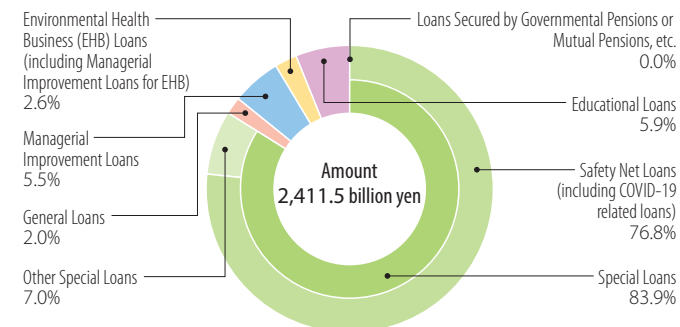
The Micro Unit acts as a community-based financial institution. It provides business loans to micro/small businesses, as well as educational loans to individuals who are in need of funds for school entrance fees and other educational expenses.

Business loans were provided to 1.19 million businesses as of March 31, 2022. Most of the loans are for small amounts, with an average loan balance per business of 9.80 million yen, and more than 90% of the loans were 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. To perform our safety net functions, we provided support to micro/small businesses affected by the COVID-19 pandemic, and since January 29, 2020, when the business consultation desks were established, we have made approximately 950,000 loan decisions worth a total of approximately 11 trillion yen through March 31, 2022.

In FY2021, the Micro Unit provided approximately 90,000 educational loans, which are intended to reduce household economic burdens relating to education and provide equal educational opportunities.

In addition to appropriately performing safety net functions, the Micro Unit is actively committed to supporting start-ups, business succession, and social businesses that are principally linked to revitalizing regional economies as well as those who need funds for their children's tuition and other educational expenses.

Breakdown of Loans (FY2021)



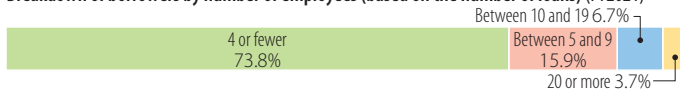
Number of business borrowers and average loan balance per business (as of March 31, 2022)

	Micro Business and Individual Unit	Total for Shinkin banks (254 credit associations)	Total for domestic banks (132 banks)
Number of business borrowers (million)	1.19	1.24	2.23
Average loan balance per business (million yen)	9.80	42.78	102.57

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 banks II, and trust banks.
 3. Figures for shinkin banks (based on "total" in Deposits and Loans Market statistics by the Bank of Japan) and for domestic banks (based on "SMEs" in Deposits and Loans Market statistics by the Bank of Japan) 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.
 4. Number of businesses for shinkin banks and domestic banks are based on "the number of loans" in Deposits and Loans Market statistics by the Bank of Japan.

Source: Bank of Japan website

Breakdown of borrowers by number of employees (based on the number of loans) (FY2021)



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

Agriculture, Forestry, Fisheries and Food Business Unit

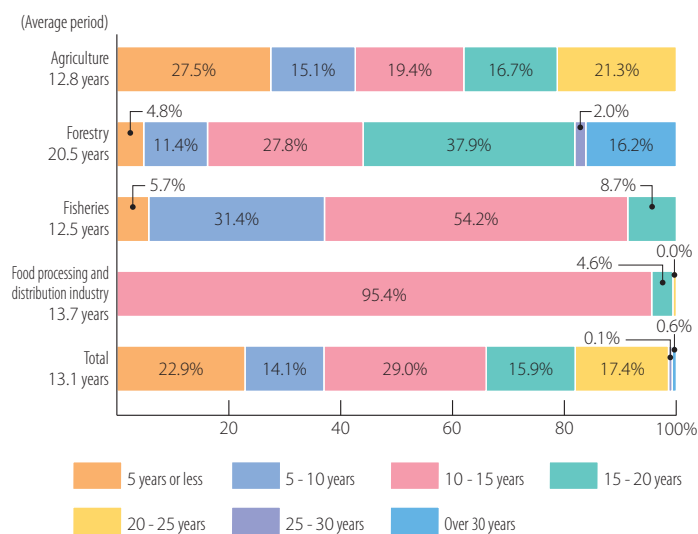
Supporting business development in the agricultural, forestry, fisheries, and food sectors that ensure Japan's food supply.

The Agriculture, Forestry, Fisheries and Food Business Unit (AFFF 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 AFFF 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.

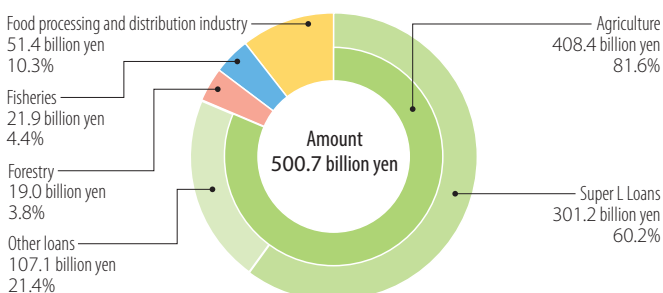
Besides loans and investments, JFC supports businesses through various efforts such as business consultation by business consultants who are familiar with agriculture, forestry, fishery industries, business matching support by Agri-Food EXPOs, and supports for customers who are engaged in exporting.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

Status of loans by repayment period (FY2021)



Note: Aggregated by loan amount

Breakdown of Loans (FY2021)

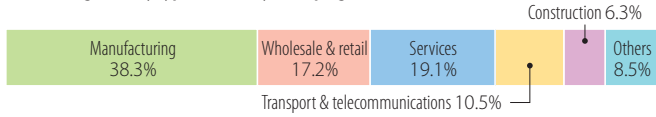


Small and Medium Enterprise (SME) Unit

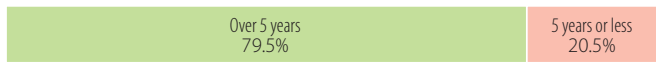
Through its various functions such as Loan Programs and Credit Insurance Programs, the Small and Medium Enterprise Unit (SME Unit) supports the growth and development of SMEs and micro/small businesses which are the source of Japan's economic vitality at both the national and regional levels.

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.

Outstanding loans by type of industry (loan programs) (End of FY2021)



Breakdown of loans by lending period (share in terms of value) (FY2021)



Note: Data are for fixed interest rate loans only.

Businesses that have utilized JFC funds are flourishing in many fields

A total of 746 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 578 ^(Note), accounting for roughly 20% of the total number of businesses that went.

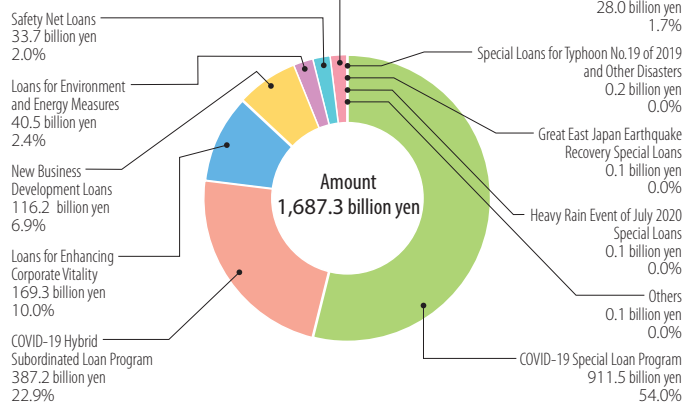
Note: The number of publicly listed businesses is as of April 3, 2022 (excluding delisted businesses and businesses that have dissolved due to merger, etc.).

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 1.58 million SMEs and micro/small businesses, accounting for 44% of all SMEs in Japan, through the Credit Guarantee System (as of March 31, 2022). It is designed so that these two systems together facilitate the smooth supply of business funds for SMEs and micro/small businesses.

Breakdown of Loans (FY2021)

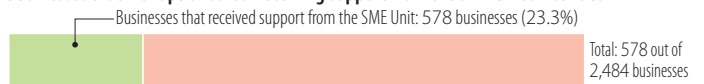


Note: Loans include corporate bonds, but excluding loans to Small and Medium Business Investment & Consultation Co., Ltd. Also, performance for respective loans is calculated while disregarding amounts of under 100 million yen.

Businesses that went public after receiving support from the SME Unit

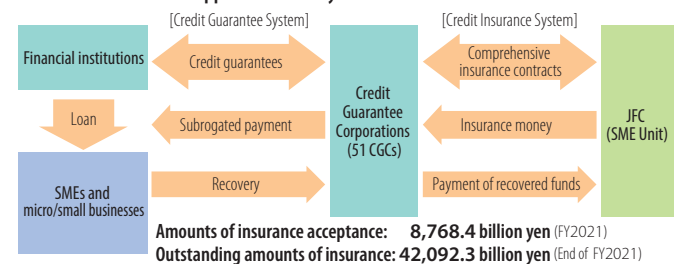


Businesses that went public after receiving support from the SME Unit since 1989



Note: JFC SME Unit. The number of publicly held businesses is as of April 3, 2022. Businesses in agriculture, forestry, fisheries, finance, and insurance, as well as foreign-owned corporations are excluded.

Overview of the Credit Supplementation System



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

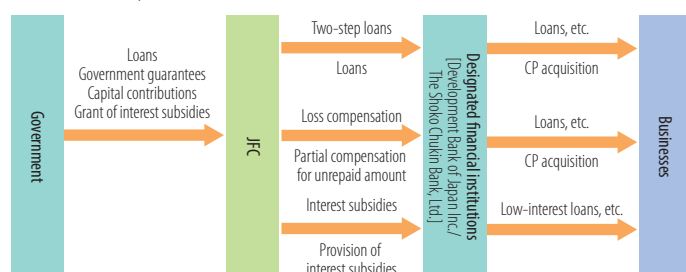
Operations to Facilitate Crisis Responses

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



Results of operations to facilitate crisis responses

	FY2019	FY2020	FY2021
Two-step loans	35.0 billion yen	3,549.4 billion yen	291.2 billion yen
Loss compensation	0.8 billion yen	2,364.5 billion yen	593.1 billion yen
Interest subsidies	2.7 billion yen	4.6 billion yen	18.2 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 2022, with loss compensation underwritten by JFC for losses incurred until May 10, 2022.



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