
JFC Activities

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Response to the Great East Japan Earthquake

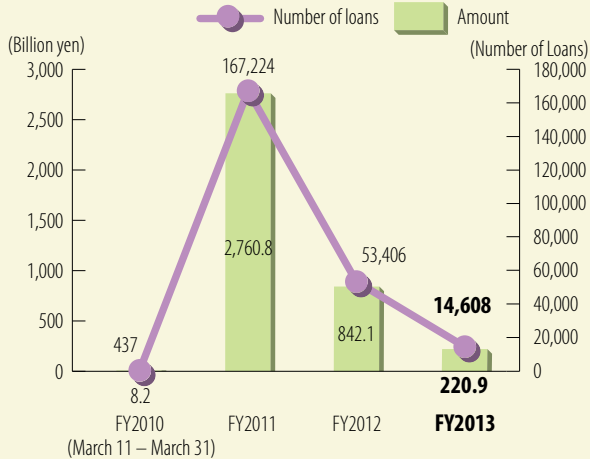
Supporting Reconstruction Following the Great East Japan Earthquake

Within safety net-related loans, earthquake-related loans in FY2013 numbered **14,608 loans (27% of the number in the previous fiscal year)** with a value of **220.9 billion yen (26% of the value in the previous fiscal year)**, bringing the cumulative total (March 11, 2011 to March 31, 2014) to **235,675 loans** with a value of **3,832.1 billion yen**.

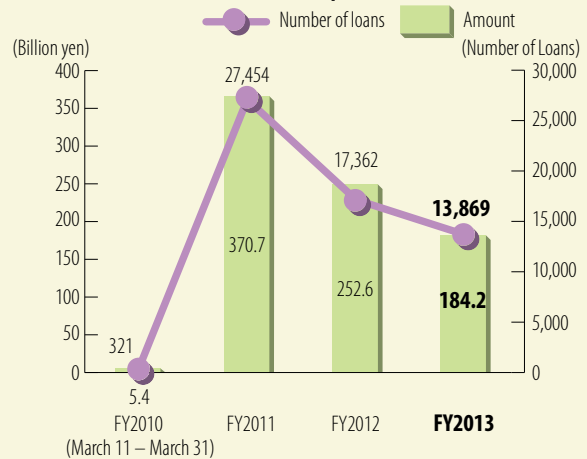
Earthquake-related loans in the five affected prefectures (Aomori, Iwate, Miyagi, Fukushima, and Ibaraki) in FY2013 numbered **13,869 loans (80% of the number in the previous fiscal year)** with a value of **184.2 billion yen (73% of the value in the previous fiscal year)**, bringing the cumulative total (March 11, 2011 to March 31, 2014) to **59,006 loans** with a value of **813.1 billion yen**. Amid a significant decrease at the national scale, the provision of loans in the five affected prefectures remains at a high level.

Otherwise, the number of supported start-ups in five of the affected prefectures was **1,555 companies**, representing a **46% increase** over 2010 before the earthquake.

Trend in Nationwide Earthquake-related Loans



Loans in the Affected Area (5 prefectures)



Educational Loans

JFC has implemented a Special Disaster Measure for those people currently residing in a designated disaster-stricken area who have received a Disaster Victim Certificate (or a Disaster Certificate, etc., for those who received an evacuation order, etc., due to the nuclear power plant accident).

Credit Insurance

JFC underwrites insurance related to the Great East Japan Earthquake Recovery Emergency Guarantee Program (commenced May 23, 2011), as well as the Disaster-related Guarantee Program provided by CGCs throughout Japan when SMEs and micro businesses that suffered damage from the earthquake borrow funds from financial institutions needed to rebuild their business, etc.

Operations to Facilitate Crisis Responses

Development Bank of Japan Inc. and The Shoko Chukin Bank, Ltd. as designated financial institutions have been implementing Crisis Response Operations since Cases related to the Great East Japan Earthquake were designated as crises.

Provision of Policy-based Financing

Exercising Safety Net Functions

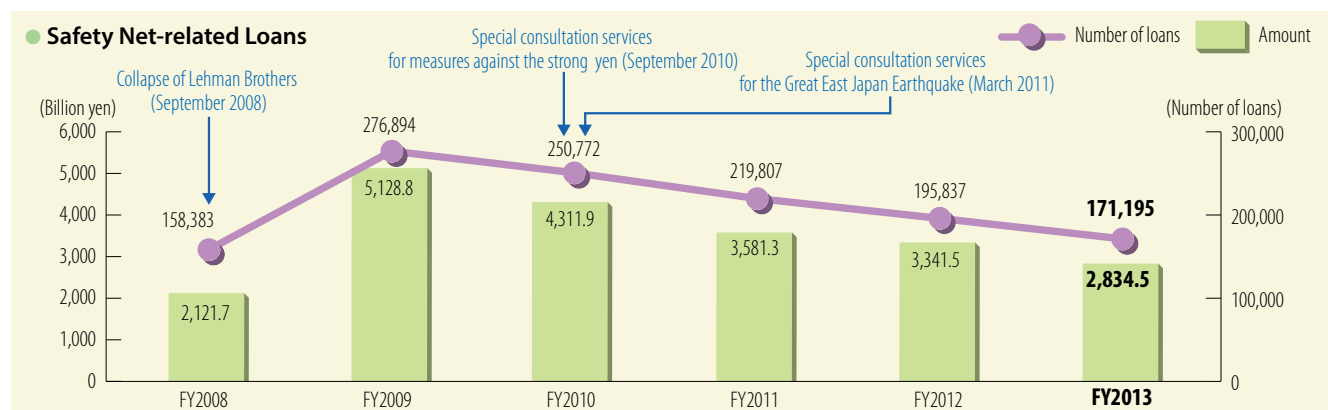
(1) Safety net-related loans

Safety net-related loans in FY2013^(Note 1) numbered **171,195 loans (87% of the number in the previous fiscal year)** with a value of **2,834.5 billion yen (85% of the value in the previous fiscal year)**.

Management Support-Type Safety-Net Loans which JFC began handling in March 2013 as an expansion of existing programs^(Note 2), numbered **18,374 loans** in FY2013 with a value of **984.6 billion yen**.

(Note 1) Including earthquake-related loans.

(Note 2) Management Support-Type Safety-Net Loans are loans to support SMEs that have received guidance from tax accountants or other accreditation support bodies that are accredited by the Small and Medium Enterprise Agency for the performance of support businesses requiring a high level of expertise.



(2) Status of initiatives for facilitation of loans for SMEs, etc.

Modified loans numbered a cumulative **444,000 cases** as of March 31, 2014.

The Act Concerning Temporary Measures to Facilitate Financing for Small and Medium-Sized Enterprises enacted on December 4, 2009, reached its limit on March 31, 2013. However, as a policy financing institution, JFC is responding promptly and attentively to financing consultations from SMEs and other parties.

Loan condition Modifications	FY2009	FY2010	FY2011	FY2012	FY2013	As of March 31, 2014 (cumulative)
Number of modifications Performed	44,567 cases	110,011 cases	113,252 cases	90,785 cases	86,175 cases	444,790 cases
Value of modifications Performed	517.2 billion yen	1,478.0 billion yen	1,614.6 billion yen	1,458.2 billion yen	1,387.8 billion yen	6,456.1 billion yen
Performance ratio (based on number of modifications)	99.7%	99.6%	99.6%	99.5%	99.7%	99.6%

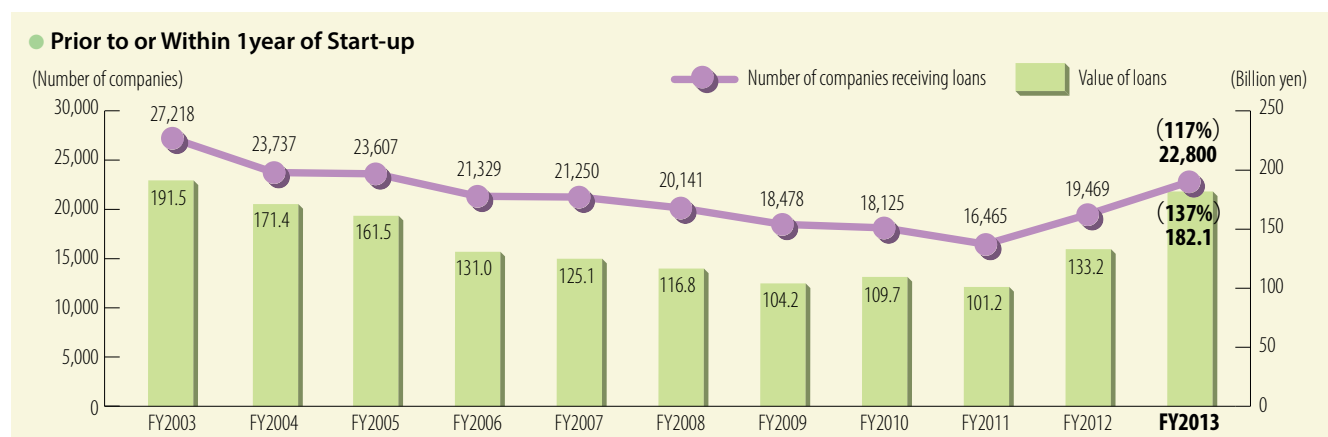
Note: These results have been totaled from December 4, 2009. Performance ratio is calculated as number of modifications performed / (number of modifications performed + number of modifications rejected).

Supporting Strategic Areas of Growth, etc.

(1) Support for start-ups and new business

(i) Start-ups

Loans for start-ups in FY2013 were provided to **22,800 companies (117% of the number in the previous fiscal year)**, totaling **182.1 billion yen (137% of the value in the previous fiscal year)**, marking a considerable increase for two straight years, and a high number of companies continuing from FY2006. Loans to the female-run companies increased to **4,630 companies (124% compared to the previous fiscal year)**.



(ii) New business

Loans to nurture the growth of new businesses in FY2013 were provided to **677 companies (99% of the number in the previous fiscal year)**, totaling **35.7 billion yen (126% of the value in the previous fiscal year)**, marking a record high on a value basis. New business-oriented subordinated capital loans^(Note), which serve as “pump priming” for loans from private financial institutions, were provided to **664 companies (270% of the number in the previous fiscal year)**, with a significantly increased total of **51.4 billion yen (384% of the value in the previous fiscal year)**.

(Note) Subordinated capital loans are a program that supplies subordinated capital funds for the purpose of strengthening the financial constitution of SMEs, etc. Liabilities under the program are uncollateralized and unguaranteed, but are regarded as shareholder's capital for purposes of financial inspections, and have properties including subordination to other liabilities in the event of legal bankruptcy proceedings, etc.

(2) Support for business revitalization, etc.

Through FY2013, with the Act Concerning Temporary Measures to Facilitate Financing for Small and Medium-Sized Enterprises JFC reaching its limit, SMEs using subordinated capital loans to strengthen their financial constitution have increased and JFC's support for revitalization is on an upward trend.

To respond to diverse cases involving business revitalization, in September 2013 JFC began handling DES^(Note) as a new method of support for revitalization. (Number of cases in FY2013: 1 case)

(Note) DES (Debt Equity Swap) is a financing method that seeks to improve companies' financial constitution by equitizing a portion of existing liabilities.

(3) Support for social businesses (NPOs, etc.)

JFC supports those who seek to resolve regional and social issues and who undertake the social businesses^(Note) that create stable and continuous employment.

Loans related to social businesses in FY2013 numbered **4,987 cases (112% of the number in the previous fiscal year)**, totaling **44.9 billion yen (108% of the value in the previous fiscal year)**, for an increase in both number and value of loans.

(Note) A variety of diverse social issues are emerging within local communities, from environmental protection and nursing care and welfare for seniors and persons with disabilities, to support for child-rearing, urban development, tourism, and other issues. Social businesses seek to resolve such issues by using business methods in cooperation with citizens, NPOs, companies, and other diverse parties. (From the Ministry of Economy, Trade and Industry website)

Loans to Foster Growth of New Businesses

	FY2011	FY2012	FY2013	Compared to the previous fiscal year
Number of companies	636 companies	686 companies	677 companies	99%
Amount	23.1 billion yen	28.3 billion yen	35.7 billion yen	126%

Performance Concerning Support for Revitalization

	FY2011		FY2012		FY2013	
	Number of Companies	Amount	Number of Companies	Amount	Number of Companies	Amount
Corporate Revitalization Loan	845 companies	65.3 billion yen	1,011 companies	80.4 billion yen	1,316 companies (130%)	116.3 billion yen (145%)
Subordinated Capital Loans (revitalization -type)	308 companies	16.6 billion yen	405 companies	27.0 billion yen	654 companies (161%)	56.1 billion yen (208%)

Loans related to Social Businesses

		FY2011	FY2012	FY2013	Compared to the previous fiscal year
Loans related to Social businesses ^(Note 1)	Number of loans	3,693 cases	4,433 cases	4,987 cases	112%
	Amount	33.6 billion yen	41.4 billion yen	44.9 billion yen	108%
To NPOs	Number of loans	532 cases	640 cases	740 cases	116%
	Amount	3.8 billion yen	4.9 billion yen	5.8 billion yen	118%
To nursing care and welfare businesses ^(Note 2)	Number of loans	3,525 cases	4,231 cases	4,759 cases	112%
	Amount	32.5 billion yen	40.1 billion yen	43.4 billion yen	108%

(Note 1) Total of loans to NPOs and to nursing care and welfare businesses (excluding duplicated portion of loans to NPOs engaged in nursing care and welfare business).

(Note 2) Senior welfare and nursing care businesses, child welfare businesses, welfare businesses for persons with disabilities, and other social security, social welfare, and nursing care businesses.

(4) Support for overseas expansion

(i) Loans for Overseas Investment

Loans in FY2013 were provided to **908 companies (98% of the number in the previous fiscal year)**, totaling **27.7 billion yen (75% of the value in the previous fiscal year)**. Since JFC began handling Loans for Overseas Investment aimed at micro/small businesses in December 2011, the number of companies receiving loans has remained high.

● Loans for Overseas Investment

	FY2011	FY2012	FY2013	Compared to the previous fiscal year
Number of companies	515 companies	926 companies	908 companies	98%
Amount	39.6 billion yen	36.9 billion yen	27.7 billion yen	75%

(ii) Standby Letter of Credit Program

The Standby Letter of Credit Program ^(Note) in FY2013 was used by **35 companies (29 in Thailand, 3 in Republic of Korea, 2 in the Philippines, and 1 in Indonesia)**, and has been used by a cumulative 46 companies from the program's inception in FY2012 to March 31, 2014.

A funding scheme in cooperation with domestic regional financial institutions has been in effect since October 2013 to enable more SMEs to utilize this program. 30 regional financial institutions throughout Japan partnered in this program until the end of March 2014.

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

(5) Support for new expansion by agricultural, forestry, and fisheries businesses

Within Agricultural Management Framework Reinforcement Loan in FY2013, loans^(Note 1) based on the Farmers and Farmland Plans^(Note 2) were provided to **4,383 clients (156% of the number in the previous fiscal year)**, an increase due to the increasing creation of Farmers and Farmland Plans by municipalities (1,312 municipalities as of March 31, 2013, and 1,498 as of March 31, 2014). Total value of the loans increased significantly to **97.7 billion yen (150% of the value in the previous fiscal year)**.

(Note 1) In the Farmers and Farmland Plans, JFC launched measures in FY2012 enabling loans with zero interest rates for the first 5 years when qualified farmers use Agricultural Management Framework Reinforcement financing backed by key management bodies.

(Note 2) A "future blueprint" to resolve the issues of farmers and farmlands in agricultural villages, including the aging of communities, lack of successors on farms, and increasing abandoned farmland.

● Loans related to the Enhancement of Agricultural Production Sites

		FY2011	FY2012	FY2013	Compared to the previous fiscal year
Agricultural Management Framework Reinforcement funding	Number of clients	4,214 clients	4,454 clients	6,420 clients	144%
	Amount	98.3 billion yen	109.7 billion yen	151.3 billion yen	138%
Loans under the Farmers and Farmland Plan	Number of clients	—	2,806 clients	4,383 clients	156%
	Amount	—	65.1 billion yen	97.7 billion yen	150%

Working towards Improved Customer Service that Reflects Comprehensive Capabilities

In order to provide useful information that meets customer and regional needs, every unit at JFC is working together to strengthen services, utilizing each other's expertise and knowledge.

During FY2013, JFC formulated and actively advanced the Plan for Promoting the Demonstration of Comprehensive Capabilities for each integrated branch office, which totals 152 branches including independent branches. Specifically, JFC participated in 241 local projects spearheaded by regional public organizations, etc., as measures for regional revitalization, and of these, it provided loans to customers in 190 local projects. There were also 823 loans nationwide in which multiple units collaborated to meet the needs of the customers. Furthermore, JFC has also been working on services that better meet the diverse and multifaceted needs of customers, by combining the financial programs of each JFC unit which are most beneficial to customers.

JFC also matched a total of 2,909 pairs of businesses through collaboration between units. This is a result of providing its services through national business discussion events, such as the Agri-Food EXPO, as well as regional business discussion meetings across Japan. In addition, JFC conducts its Internet Business Matching service, which brings the needs of fellow customers together through the Internet.

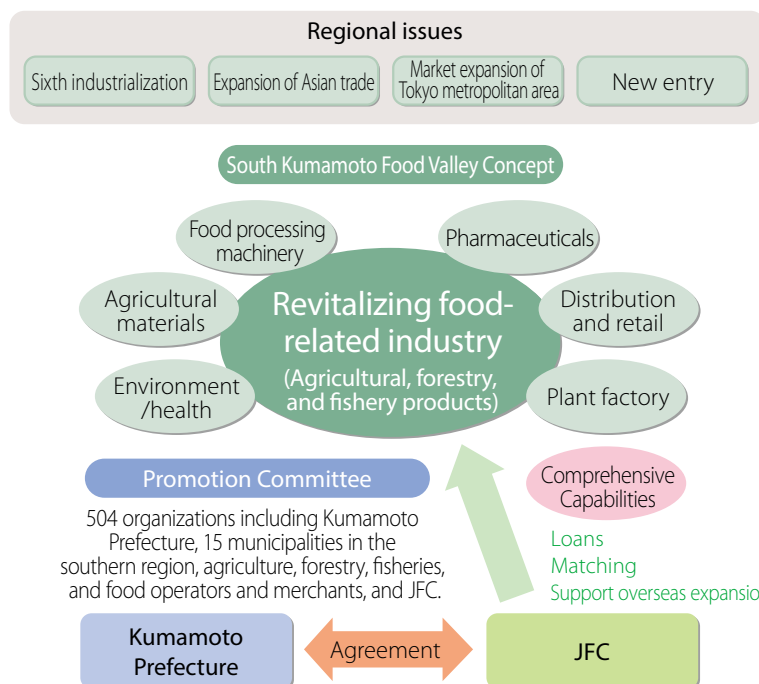
(Result represents FY2013)

Support for Regional Revitalization Initiatives

JFC coordinates with regional public organizations, etc. in order to respond to local issues, such as regional industrial revitalization, utilization of local resources, and collaboration between agriculture, commerce and industry.

Support Example (Kumamoto Prefecture) — Collaboration with "South Kumamoto Food Valley Concept" —

- The economy of the southern region of Kumamoto Prefecture is severe, and so regional innovation is an important issue for Kumamoto Prefecture.
- Kumamoto Prefecture and the 15 municipalities in the southern region are promoting the "South Kumamoto Prefecture Food Valley Concept" to vitalize food-related industries by utilizing Yatsushiro Port, etc. as a logistics base for Asia, the Kyushu bullet train, and the abundant agriculture, forestry, fisheries, and food business resources in the southern region.
- Kumamoto Prefecture and the JFC Yatsushiro Branch signed an agreement to promote agriculture, forestry, fisheries, and food businesses in the southern region (July, 2013).
- In addition to providing loans to 21 agriculture, forestry, fisheries, and food operators and merchants participating in the promotion of this concept in 7 municipalities in the southern region, we have conducted business matching services, business discussions, and support for overseas expansion since the signing of this agreement.







(Support example)

- 1. Hold seminars for agriculture businesses, etc.**
 - Invite retail buyers, etc. from inside and outside the prefecture. Help bring instructors and participants together.
- 2. Business matching**
 - Support exhibitors of the "Agri-Food EXPO" sponsored by JFC to support market expansion of southern region agricultural products.
- 3. Loan support**
 - Loan of 50 million yen to agricultural corporation engaged in export of vegetables to Hong Kong to build an export agricultural warehouse with the objective to expand export business.
 - Loan of 40 million yen as a "Loan to Foster Growth of New Businesses" to an agri-venture company to manufacture and sell functional germinated soybeans previously researched and developed.

Network Integration

Business discussion meetings, seminars and other events are held jointly by JFC's individual units. Participants enjoy expanded business opportunities by utilizing JFC's networks.

	Title (venue)	Event date	Event details	Notes
Nationwide	The 6th Nationwide business discussion meeting (Yokohama) 	February 25, 2014	The largest business conference in Japan sponsored by a financial institution solely for its SME clients. Attended by 751 companies from a wide variety of industries from all over Japan.	The Small and Medium Enterprise (SME) Unit acted as secretariat.
	Agri-Food EXPO The 8th Agri-Food EXPO Tokyo 2013 (Tokyo) 	August 22 and 23, 2013	Exhibit and business fair for domestic agricultural products. Exhibited by 644 companies from all over Japan; attended by 13,085 visitors, with 34,349 business negotiations held.	The Agriculture, Forestry, Fisheries and Food Business Unit acted as secretariat.
	The 7th Agri-Food EXPO Osaka 2014 (Osaka) 	February 20 and 21, 2014	Exhibit and business fair for domestic agricultural products. Exhibited by 513 companies from all over Japan; attended by 13,860 visitors, with 26,012 business negotiations held.	
Regional	Second business discussion meeting with Shimane Prefecture commodities traders (Matsue City) 	July 19, 2013	Farmers who hold business accounts with the Matsue, Hamada, or Yonago branches, food manufacturers, and 34 buyers participated. Support development of suppliers and sales channels through tasting and exhibition of products, etc.	Matsue Branch served as secretariat.

Operation of Internet Business Matching Sites

Site name	Details
JFC Internet Business Matching https://match.jfc.go.jp/	Service that provides a platform for JFC customers to broaden their business chances via the Internet, such as by securing new sales channels or new suppliers of raw materials, etc.

Overview of Operations in FY2013 and Outline of Financial Statements

Overview of Operations in FY2013

Looking back at the Japanese economy in FY2013, a gradual recovery continued amidst signs of economic recovery under demonstration of the effects of monetary policy. Initially, consumer spending led the economy against the background of the improvement in consumer confidence and the wealth effect due to rising stock prices. Later in the year, improvements in corporate earnings due to movement of a weaker yen and recovery of production lead to increased net income and capital investment and creating a virtuous cycle of spending, production, and net income.

During such a time, Japan Finance Corporation (JFC) strove to fulfill its role of providing a safety net such as supporting reconstruction efforts following the Great East Japan Earthquake, improving customer services, and contributing to strategic growth areas, etc.

In efforts to improve customer service, in addition to the attentive support given to customers, in order to address the various management issues faced by customers, JFC also worked on strengthening its consulting functions, and strengthening financial services in terms of both loans and information through demonstrating the comprehensive capabilities of JFC such as participation in regional projects, integrated loans in collaboration with multiple units, and business matching services. Specifically, in FY2013, JFC participated in 241 regional projects, 190 of which provided loan support. We also conducted 2,909 cases of customer matching through collaboration between business units.

JFC provided various loans such as the Great East Japan Earthquake Recovery Special Loan to our customers affected by the Great East Japan Earthquake, responding as quickly and meticulously as possible to requests for financing and repayment from these loan recipients. Cumulative earthquake-related financing in FY2013 totaled 220.9 billion yen, and post-earthquake cumulative financing totaled 3,832.1 billion yen.

Furthermore, efforts to respond rapidly and carefully to requests from SMEs, micro businesses, and agriculture, forestry, fisheries and food businesses for advice on financing and repayments, were provided through consultation counters established in response to the end of the Act concerning Temporary Measures to Facilitate Financing for Small and Medium-Sized Enterprises, rising feed prices, and those affected by natural disasters such as heavy rains.

Contributions to strategic growth areas, etc. in FY2013 included, for example, the development of a new funding scheme in collaboration with domestic regional financial institutions via the "Standby Letter of Credit Program" supporting overseas expansion. Furthermore, support that more closely met frontline needs was provided with the promotion of one-stop services through the building of a network with regional public organizations, etc. to support start-ups. In addition, we held a business plan "Grand Prix" for high school students to support entrepreneurship education for young people.

Outline of Financial Statements for FY2013

1. Profit and Loss

At the closing of FY2013 (ended March 31, 2014), JFC recorded an improvement of 250.3 billion yen over the previous fiscal year, for a net loss of 35.9 billion yen.

The key factor of the improvement was that a net loss in the Account for Credit Insurance Programs of the Small and Medium Enterprise (SME) Unit decreased 218.1 billion yen to 13.2 billion yen due to an increase in reversal of reserve for insurance policy liabilities (profit) and a decrease in expenses on insurance claims.

● **Profit and Loss Statement** (FY2012: from April 1, 2012 to March 31, 2013; FY2013: from April 1, 2013 to March 31, 2014) (Unit: billion yen)

	Ordinary income		Ordinary expenses		Ordinary profit (losses)		Net income (loss)		
	FY ended March 31, 2013	FY ended March 31, 2014	FY ended March 31, 2013	FY ended March 31, 2014	FY ended March 31, 2013	FY ended March 31, 2014	FY ended March 31, 2013	FY ended March 31, 2014	
Japan Finance Corporation	665.5	788.2	951.4	824.0	(285.8)	(35.8)	(286.2)	(35.9)	
Micro Business and Individual Unit (Account for Micro Business and Individual Operations)	159.1	152.7	160.2	145.3	(1.0)	7.4	(1.3)	7.8	
Agriculture, Forestry, Fisheries and Food Business Unit (Account for Agriculture, Forestry, Fisheries and Food Business Operations)	63.9	58.7	63.8	58.1	0.0	0.5	0.0	0.0	
Small and Medium Enterprise (SME) Unit	Account for SME Loan Programs and Securitization Support Programs (Guarantee-type Operations)	118.9	114.0	144.0	128.6	(25.0)	(14.5)	(25.0)	(14.5)
	Account for Securitization Support Programs (Purchase-type Operations)	0.4	0.3	0.0	0.0	0.4	0.3	0.4	0.3
	Account for Credit Insurance Programs	272.9	415.0	504.3	428.3	(231.4)	(13.2)	(231.4)	(13.2)
Operations to Facilitate Crisis Responses (Account for Operations to Facilitate Crisis Responses)	50.4	47.5	79.2	63.8	(28.7)	(16.3)	(28.7)	(16.3)	
Operations to Facilitate Specific Businesses Promotion, etc. (Account for Operations to Facilitate Specific Businesses Promotion, etc.)	0.2	0.4	0.2	0.4	(0.0)	(0.0)	(0.0)	(0.0)	

2. Assets

Total assets were 24,653.4 billion yen, the majority of which were loans and bills discounted.

Loans and bills discounted decreased 571.8 billion yen from March 31, 2013, to 20,660.4 billion yen.

Total net assets stood at 4,507.7 billion yen, taking into account an increase from having received capital contributions from the government of 359.2 billion yen, against a net loss of 35.9 billion yen.

● Balance Sheet (as of March 31, 2014)

(Unit: billion yen)

Assets			Liabilities and net assets		
Items	Amount		Items	Amount	
	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014		Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Cash and deposits	4,083.4	3,732.5	Borrowed money	16,904.6	16,397.1
Securities	270.9	460.1	Corporate bonds	2,359.2	2,058.4
Loans and bills discounted	21,232.3	20,660.4	Trust funds	36.4	31.4
Other assets	63.6	59.5	Reserve for insurance payments	1,622.9	1,371.3
Property, plant and equipment	204.4	199.4	Other liabilities	43.7	41.7
Intangible assets	14.8	14.8	Provision for bonuses	3.9	4.3
Customers' guaranteed liabilities	3.1	3.7	Provision for directors' bonuses	0.0	0.0
Allowance for loan losses	(451.6)	(477.3)	Provision for retirement benefits	196.9	199.3
			Provision for directors' retirement benefits	0.1	0.0
			Provision for loss compensation	65.5	37.9
			Guaranteed liabilities	3.1	3.7
			Total liabilities	21,236.6	20,145.6
			Capital stock	3,455.0	3,709.5
			Capital surplus	2,178.4	2,051.7
			Retained earnings	(1,448.9)	(1,253.4)
			Total net assets	4,184.4	4,507.7
Total assets	25,421.1	24,653.4	Total liabilities and net assets	25,421.1	24,653.4

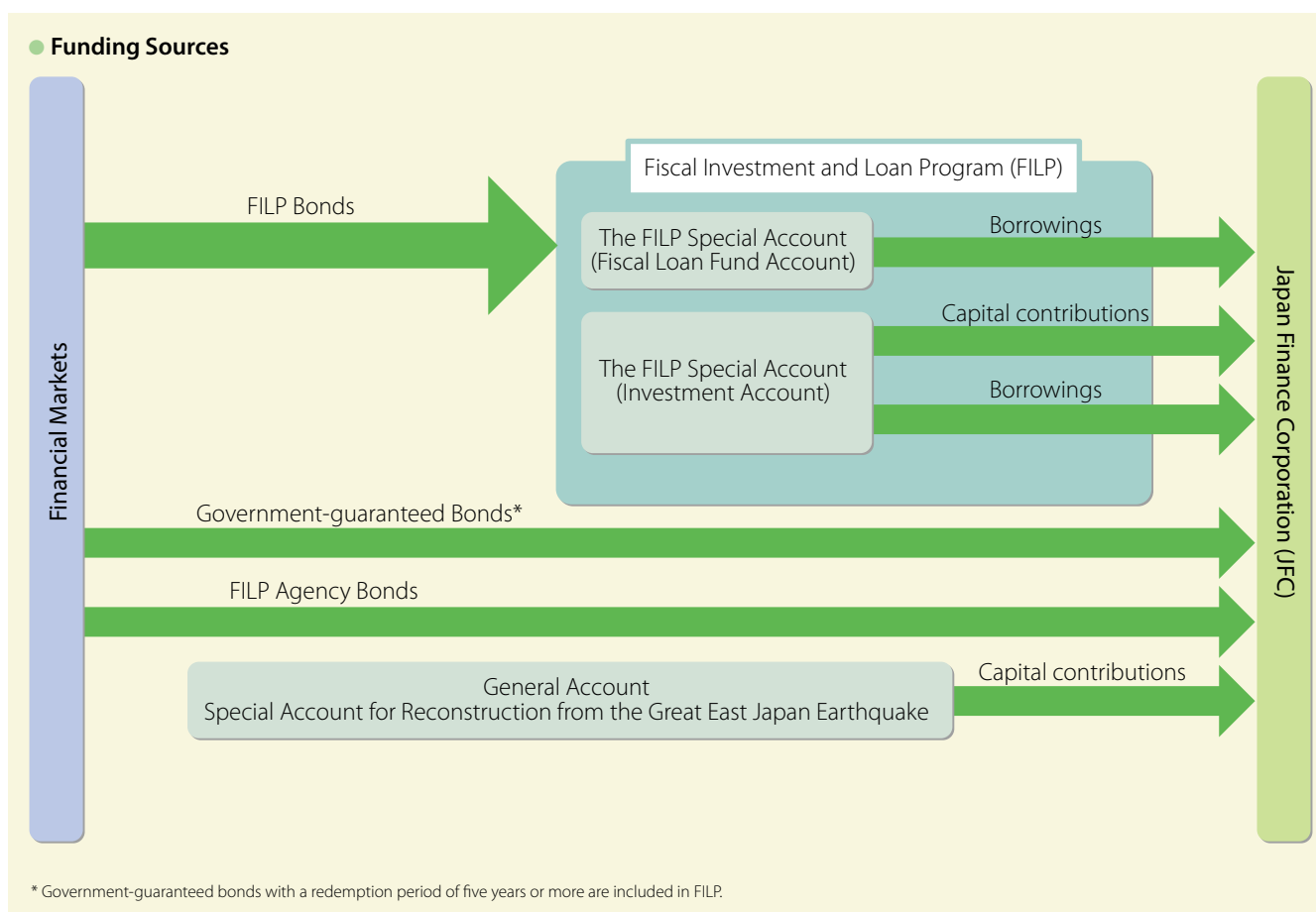
(Unit: billion yen)

	At end of previous fiscal year (March 31, 2013)	At end of current fiscal year (March 31, 2014)	Change
Total assets	25,421.1	24,653.4	(767.7)
Total liabilities	21,236.6	20,145.6	(1,091.0)
Total net assets	4,184.4	4,507.7	323.2

Funding

Funding Sources

JFC obtains funds through various sources such as borrowings from the Fiscal Loan Fund, Government-guaranteed Bonds, FILP Agency Bonds, and capital contributions from the government.



Breakdown of Funding Sources

(Unit: billion yen)

	FY2014 budget	FY2013 budget	FY2013 results
Borrowings from Fiscal Loan Fund, etc.	4,912.6	5,858.6	3,657.1
Government-guaranteed Bonds	385.0	585.0	125.0
Capital contributions from the government	115.5	359.7	359.2
Funding from the government (percentage of overall funding)	5,413.2 (94%)	6,803.4 (95%)	4,141.3 (95%)
FILP Agency Bonds	320.0	340.0	230.0
Total funding	5,733.2	7,143.4	4,371.3

Notes: 1. The FY2013 budget amounts are the revised levels following the supplementary budget.

2. The item "borrowings from Fiscal Loan Fund, etc." refers to borrowings from Fiscal Loan Fund, borrowings from the FILP Special Account (Investment Account) of the national budget, and entrusted funds from the Agriculture, Forestry and Fisheries Credit Foundations.

Government-guaranteed Bonds

JFC has issued government-guaranteed general mortgage bonds within the issue-amount limits of the budget.

(Unit: billion yen)

Maturity	Fiscal year	FY2013		FY2012		FY2011	
	Budget	Budget	Results	Budget	Results	Budget	Results
10-year bond	60.0	50.0	45.0	40.0	30.0	50.0	10.0
6-year bond	125.0	135.0	80.0	145.0	90.0	135.0	70.0
Less than 5-year bond	200.0	200.0	—	900.0	—	1,360.0	—
Long-term bonds subtotal	385.0	385.0	125.0	1,085.0	120.0	1,545.0	80.0
Short-term bonds	—	200.0	—	200.0	—	200.0	—
Total	385.0	585.0	125.0	1,285.0	120.0	1,745.0	80.0

Notes: 1. The budget amounts for each fiscal year, except FY2014, are the revised levels following the respective supplementary budgets.
 2. Apart from short-term bonds, the budget amounts for each fiscal year are the issue-amount limits, that is, the maximum amount of the government guaranty in the relevant fiscal year.
 3. The budget amounts for short-term bonds are the maximum outstanding balances for the relevant fiscal year.

FILP Agency Bonds

JFC has issued general mortgage bonds within the issue-amount limits of the budget.

(Unit: billion yen)

Month of issue / Maturity	Fiscal year	FY2013				FY2012					FY2011		
	Amount of issue	(Budget 340.0)				(Budget 375.0)					(Budget 375.0)		
	Results 50.0	Results 230.0				Results 295.0					Results 245.0		
Month of issue	May	May	August	September	November	May	August	September	October	February	May	August	October
20-year bond	—	—	—	—	—	—	—	—	—	—	15.0	—	10.0
10-year bond	—	10.0	—	—	—	15.0	—	—	10.0	—	—	—	—
5-year bond	—	30.0	—	—	20.0	30.0	—	—	20.0	—	—	60.0	—
3-year bond	—	—	—	30.0	—	—	—	—	—	—	—	—	—
2-year bond	50.0	50.0	40.0	—	50.0	50.0	50.0	30.0	50.0	40.0	60.0	50.0	50.0

Notes: 1. The budget amounts for each fiscal year, except FY2014, are the revised levels following the respective supplementary budgets.
 2. The budget amounts and actual amounts for FY2011 exclude those bonds succeeded by the Japan Bank for International Cooperation (JBIC), which was separated from JFC on April 1, 2012.
 3. The budget amounts for each fiscal year are the issue-amount limits in the relevant fiscal year.
 4. The issue-result amounts for FY2014 are the amounts issued at the end of May 2014.

● Ratings of JFC (as of May 31, 2014)

Rating and Investment Information (R&I)	AA+ (Stable)
Moody's Japan (Moody's)	Aa3 (Stable)

Other Initiatives

Cooperation with APEC Financial Institutions Dealing with SMEs

To promote cooperation with SME-related financial institutions within the APEC region, JFC signed an MOU ^(Note) with 14 financial institutions in the region, including the China Development Bank (CDB) and the Small and Medium Enterprise Development Bank of Thailand (SME Bank). JFC attends the annual meeting and engages in technical cooperation and information exchange.

(Note) Memorandum of Understanding on Cooperation among APEC (Asia-Pacific Economic Cooperation) Financial Institutions Dealing with SMEs.

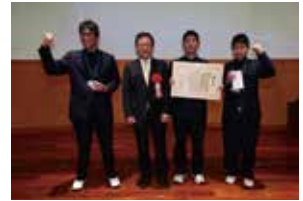


The 10th Annual Meeting of APEC Financial Institutions Dealing with SMEs (Singapore)

A JFC First! High School Student Business Plan Grand Prix

In FY2013 JFC held the first "Creativity Unlimited: High School Student Business Plan Grand Prix" that accepted entries from high school students from around Japan. 1,546 entries were received from 151 high schools and school visits were made to 82 schools to provide help with the creation of the students' business plans. Finalists from 8 schools gave enthusiastic presentations at the last round of judging, which took place in January 2014. The project presented by students from Uwajima Fisheries High School (Ehime Prefecture), "Presents from the Uwa Sea: Abalone raised by Uwajima Fisheries High School using ecologically-friendly methods" won the Grand Prize. The event was widely covered in the media. JFC is committed to continuing in its effort to increase the number of future entrepreneurs by planting the seeds of entrepreneurship among high school students and other young people.

● For details, see the JFC website ⇒ <http://www.jfc.go.jp/n/grandprix/>



Students at Uwajima Fisheries High School receiving their Grand Prize award