

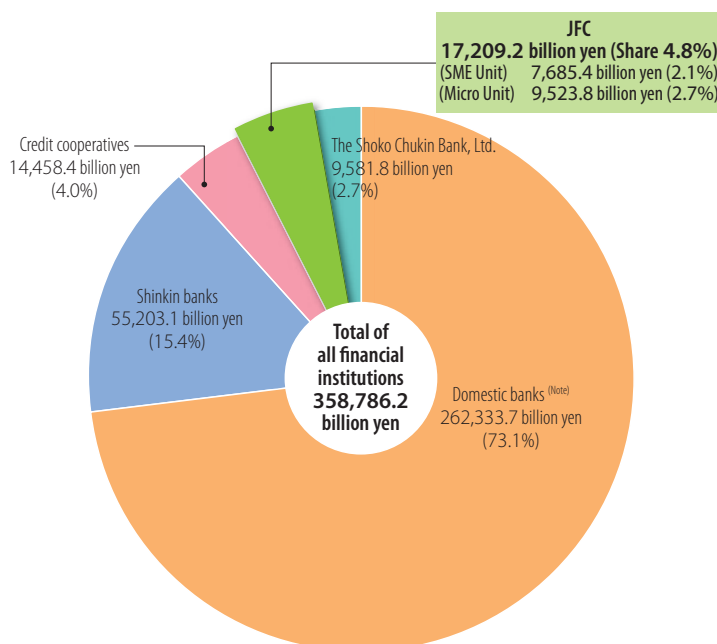
JFC Activities

Financing Structure of JFC	10
Exercise of Safety Net Functions	11
Supporting Business Fields That Need Prioritized Support	12
Cooperation with Private Financial Institutions and Relevant Organizations	19
Service Improvement and Local Community Support	22
Overview of Operations in FY2024 and Outline of Financial Statements	23
Funding	25

Financing Structure of JFC

JFC's share of the balance of financing to SMEs (Micro Unit and SME Unit) is **4.8%**.

Share of balance of financing to SMEs (as of March 31, 2025)

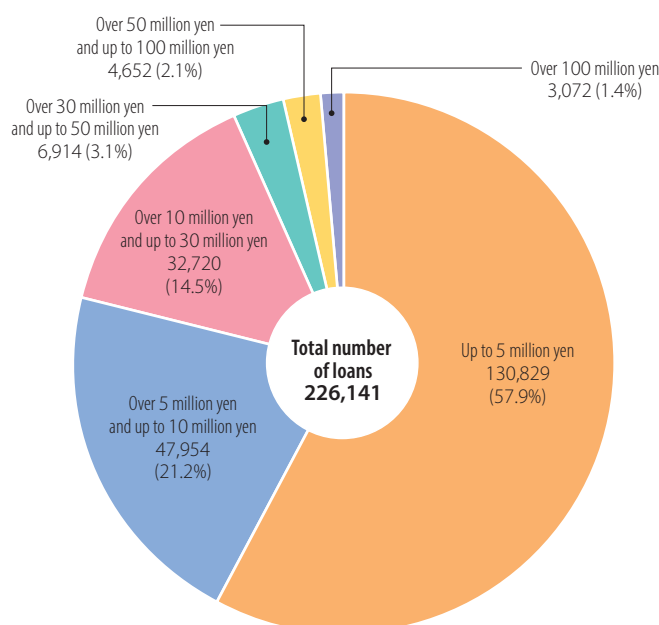


Note: Total of city banks, regional banks, regional banks II, and trust banks
Sources: Bank of Japan, "Loans by Borrower," "Cash, Deposits, and Loans"; Shinkumi Bank, "Main Accounts of Nationwide Credit Unions"; Japan Finance Corporation, "Business Statistics"; Shoko Chukin Bank, "Business Statistics"

The composition of JFC's financing by loan amount in FY2024 was as follows. Of the total of approximately 230,000 business loans, **58% had loan amounts up to 5 million yen, and 94% were for 30 million yen or less.**

JFC also provides educational loans to the public (approximately 70,000 loans annually).

Financial results by loan amount in FY2024 ^(Note)



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

Exercise of Safety Net Functions



Responses to the Spread of COVID-19

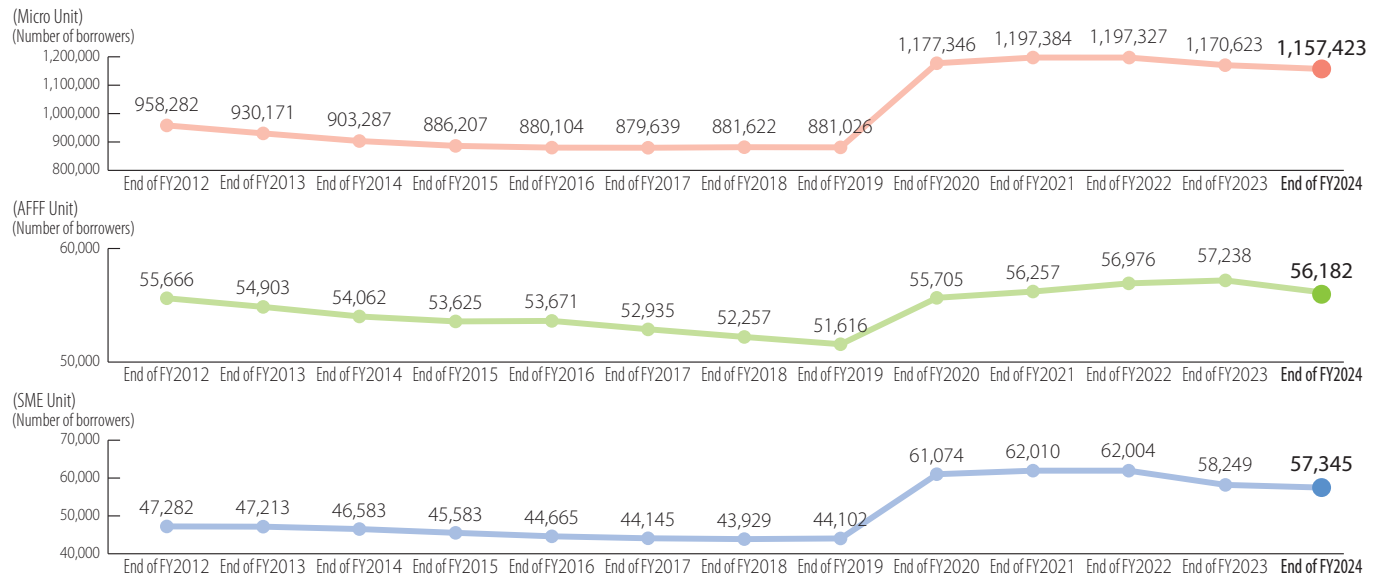
(1) COVID-19 related loan

The cumulative total of COVID-19 related loans from January 29, 2020, the day when the consultation desks were established, to March 31, 2025, amounted to **1,319,977 loans** for a total of **21,684.4 billion yen**.

(2) Change in number of borrowers

Until the outbreak of the COVID-19 pandemic, the number of JFC customers was trending downward, but as a result of responding to the unprecedented large number of inquiries concerning loans in response to COVID-19, the numbers of borrowers as of the end of FY2024 increased by **approximately 280,000** in the Micro Unit, **approximately 5,000** in the AFFF Unit, and **approximately 13,000** in the SME Unit compared to the end of FY2019.

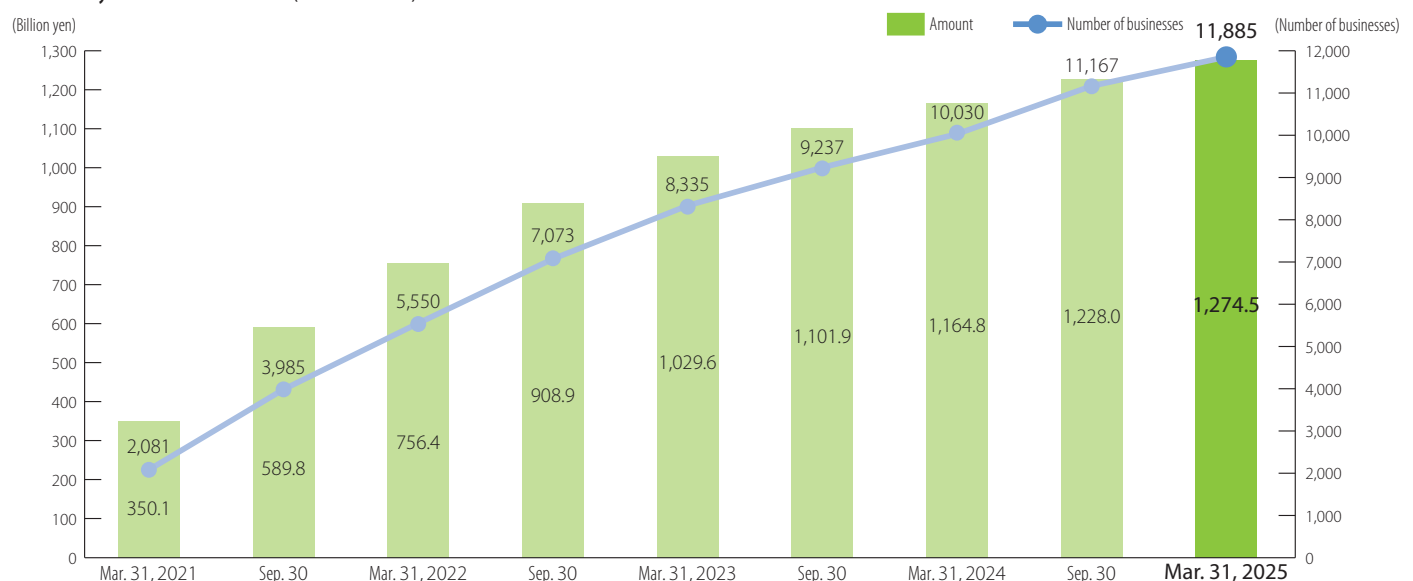
Change in number of borrowers



(3) COVID-19 Hybrid Subordinated Loan Program

In August 2020, we began handling COVID-19 Hybrid Subordinated Loan Program, which provides funds for reinforcing financial foundations, for companies that plan to develop and maintain business with support from relevant organizations, under an economic environment that was greatly affected by the COVID-19 pandemic. As of March 31, 2025, a total of **1,274.5 billion yen in financial to 11,885 businesses** has been provided.

COVID-19 Hybrid Subordinated Loans (cumulative total)



Response to the 2024 Noto Peninsula Earthquake

On January 4, 2024, we set up a “special consultation desk for damage suffered as a result of the 2024 Noto Peninsula Earthquake” to promptly and meticulously respond to consultations on loans and repayments from SMEs, micro/small businesses, agriculture, forestry, and fisheries businesses, etc. affected by the disaster. Furthermore, we support those affected by the earthquake by offering “Special Loans for the 2024 Noto Peninsula Earthquake” for SMEs and micro/small businesses and “Special Provisions for Reduction of Interest Burden” for agriculture, forestry, and fisheries businesses, etc.

Loans related to the 2024 Noto Peninsula Earthquake

FY2024	
Number of loans	Amount
1,071	13.4 billion yen

Safety Net related Loans ^(Note)

In FY2024, financing related to Safety Net Loans to those facing obstacles due to international financial instability and economic contraction, and those impacted by the Great East Japan Earthquake, the 2024 Noto Peninsula Earthquake, typhoon, and other disasters came to **45,815 loans for 853.5 billion yen**.

Note: The loans related to Safety Net Loans include COVID-19 Special Loan Program, 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 Business Fields That Need Prioritized Support



(1) Support for business foundation, start-ups and new businesses

(i) Loans to start-ups

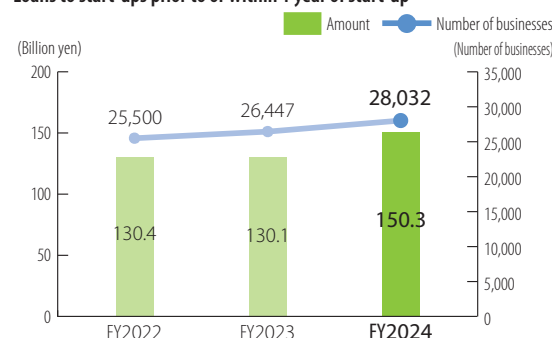
In FY2024, loans to start-ups (consisting of those that have yet to start and those that are within 1 year of start-up) came to: **28,032 businesses (106% compared to the previous fiscal year), 150.3 billion yen (116% compared to the previous fiscal year)**.

Start-up loans to women, youth, and senior entrepreneurs

	FY2022	FY2023	FY2024	Compared to the previous fiscal year
Women	6,367 businesses	6,631 businesses	7,208 businesses	109%
Youth (aged under 35)	7,368 businesses	7,368 businesses	7,742 businesses	105%
Seniors (aged 55 and older)	2,386 businesses	2,521 businesses	2,846 businesses	113%

Note: Women who also qualify as youth or seniors included in the women category.

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



(ii) Loans to Foster Growth of New Businesses ^(Note 1) and Loans to Support Start-up Businesses ^(Note 2)

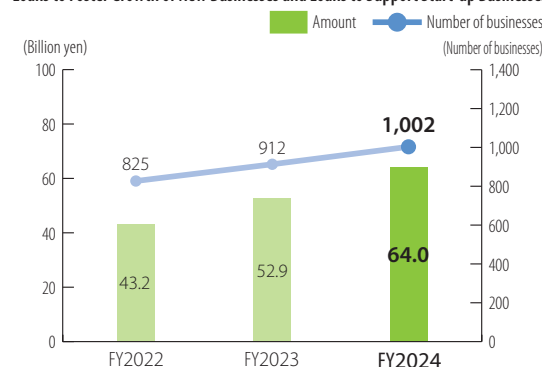
In FY2024, Loans to Foster Growth of New Businesses and Loans to Support Start-up Businesses ^(Note 3) came to: **1,002 businesses (110% compared to the previous fiscal year), 64.0 billion yen (121% compared to the previous fiscal year)**.

Notes: 1. A special program that provides support to venture SMEs working to develop new businesses with high growth potential.

2. A special loan program that provides support to start-ups expected to lead Japan's economic growth and the resolution of social issues.

3. Loan performance includes Hybrid Subordinated Loan Program.

Loans to Foster Growth of New Businesses and Loans to Support Start-up Businesses



(iii) Stock Acquisition Rights Loans

Loans to Foster Growth of New Businesses and Loans to Support Start-up Businesses include Stock Acquisition Rights Loans, a program to provide necessary loans through the acquisition of new company-issued share options by the SME Unit aimed at start-ups intending to offer stocks publicly.

In FY2024, loans came to: **75 businesses (100% compared to the previous fiscal year), 14.3 billion yen (108% compared to the previous fiscal year).**

Results of Stock Acquisition Rights Loans included in Loans to Foster Growth of New Businesses and Loans to Support Start-up Businesses

	FY2022	FY2023	FY2024	Compared to the previous fiscal year
Number of businesses	69	75	75	100%
Amount	7.5 billion yen	13.3 billion yen	14.3 billion yen	108%

(iv) Capital Subordinated Loans (new businesses-type)

In FY2024, Capital Subordinated Loans (new businesses-type) came to: **63 businesses (147% compared to the previous fiscal year), 12.9 billion yen (205% compared to the previous fiscal year).**

Results of Capital Subordinated Loans (new businesses-type)

	FY2022	FY2023	FY2024	Compared to the previous fiscal year
Number of businesses	23	43	63	147%
Amount	2.1 billion yen	6.3 billion yen	12.9 billion yen	205%

(v) Cooperation with regional start-up support institutions

We are working on discovering and supporting regional start-ups by holding presentation events for the start-ups in local areas in cooperation with regional start-up support institutions (private financial institutions, venture capitals, universities, etc.).

(vi) Holding of the High School Student Business Plan Grand Prix

JFC has been conducting the High School Student Business Plan Grand Prix since FY2013 with the aim of nurturing the ability to independently develop one's future through the process of creating a business plan.

For the 12th High School Student Business Plan Grand Prix, a total of 5,151 entries from 536 schools were received. Business start-up support centers nationwide took the lead in providing on-site classes to 478 schools, offering support for business plan creation to approximately 36,000 students.

At the final screening, held in January 2025, 10 groups of finalists gave enthusiastic presentations. The Grand Prix was awarded to Miyagi Prefecture Agriculture High School's "Team Onkochishin" for their plan titled "Re: Onkochishin," which drew the attention of various media. In addition, Prime Minister Ishiba sent a video message in response to the presentations.

Amid growing interest in entrepreneurship education, the Department of Behavior Informatics, Faculty of Informatics, Shizuoka University will, for the first time among all national universities, designate the Grand Prix as part of the admissions materials for the first round of the comprehensive selection process starting from FY2027 and beyond.



Team Onkochishin at Miyagi Prefecture Agriculture High School, which received the 12th Grand Prix award



Presentation at the final screening



Video message by Prime Minister Ishiba

The 13th High School Student Business Plan Grand Prix

Application period: August 20 to September 24, 2025

Announcement of ten finalist groups: Late November 2025

Final competition and award ceremony: January 11, 2026

- Please visit the JFC website for more information. Also, the High School Student Business Plan Grand Prix Facebook page and Instagram page are frequently updated with the latest information.



High School Student Business Plan Grand Prix website
(<https://www.jfc.go.jp/n/grandprix/index.html>)
(Available only in Japanese)



High School Student Business Plan Grand Prix Facebook
(<https://www.facebook.com/grandprix.jfc/>)
(Available only in Japanese)

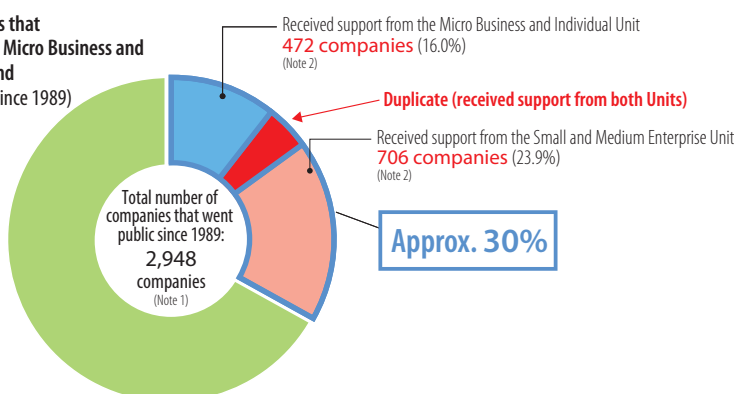


High School Student Business Plan Grand Prix Instagram
(https://instagram.com/grandprix_kouko/)
(Available only in Japanese)

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 the Small and Medium Enterprise Unit were 472 companies and 706 companies, respectively, with 1,024 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, 2025 (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.

(2) Support for business revitalization

Results of financing relating to business revitalization in FY2024 came to **1,183 businesses (191% compared to the previous fiscal year) and 87.2 billion yen (184% compared to the previous fiscal year)** for Corporate Revitalization Loans, whereas Capital Subordinated Loans (revitalization-type) came to **89 businesses (178% compared to the previous fiscal year) and 8.2 billion yen (195% compared to the previous fiscal year)**. In addition, financing support relating to revitalization was provided to **288 businesses (143% compared to the previous fiscal year)**.

Results of loans related to support for revitalization

		FY2022	FY2023	FY2024	Compared to the previous fiscal year
Corporate Revitalization Loans	Number of businesses	450	619	1,183	191%
	Amount	40.1 billion yen	47.5 billion yen	87.2 billion yen	184%
Capital Subordinated Loan (revitalization-type)	Number of businesses	21	50	89	178%
	Amount	2.8 billion yen	4.2 billion yen	8.2 billion yen	195%

Results of financial support relating to revitalization

		FY2022	FY2023	FY2024	Compared to the previous fiscal year
Methods of financing for comprehensive revitalization such as DDS and DES ^(Note)	Number of businesses	136	202	288	143%

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.

(3) Support for business succession

The Business succession-related loans in FY2024 came to **3,488 loans (125% compared to the previous fiscal year) and 133.2 billion yen (146% 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.

Business succession-related loans

	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Number of loans	176	707	1,492	2,467	5,593	9,047	1,442	2,380	2,610	2,790	3,488
Amount	11.9 billion yen	18.6 billion yen	29.6 billion yen	42.4 billion yen	88.2 billion yen	150.3 billion yen	47.8 billion yen	76.6 billion yen	84.2 billion yen	91.3 billion yen	133.2 billion yen

Notes: 1. JFC is expanding financing subjects in order to respond to broader demand for funds such as providing funds for business succession preparations from April 2017 and environmental health-related businesses from FY2020.

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.

3. Loans used for funding necessary for business succession other than Business Success, Consolidation, and Revitalization Funds, etc. (certified loans) have been added to the total since FY2018.

Examples of Measures to Raise Manager Awareness

Gift vol. 4, a collection of "Tsugu-sta" business succession cases



This booklet introduces the process of business succession of four entrepreneurs who achieved "Tsugu-sta"^(Note) by utilizing JFC's business succession matching support, as well as the thoughts of both the successors and predecessors, and key points that led to the successful matches. (Issued in March 2025)

Note: A form of launching a business by succeeding an existing one.

Business Succession Diagnosis Sheet



A booklet designed not only to help customers perform a self-diagnosis regarding business succession, but also to encourage them to consider the succession readiness of their suppliers, such as the customers' vendors and subcontractors, and to facilitate the sharing of the issues and direction of their own succession with JFC staffs. (Revised in March 2024)

Agrifood Support



A booklet introducing business succession methods, challenges experienced during succession, and the support provided by JFC, together with case studies organized by type of succession, such as intra-family succession and third-party succession. (Issued in July 2024)

Business Succession Matching Support

Business succession matching support is a support program for business succession by the third party. This program supports for matching micro/small businesses that do not have a successor with people who wish to start their own businesses.

As of FY2024, the program has received 17,465 applications with 2,058 successful matches made, of which 331 contracts have been concluded.

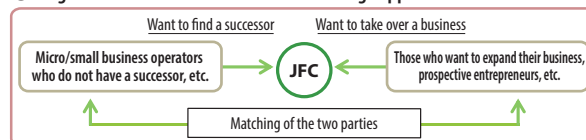
In addition, to further promote the matching of companies lacking successors, "business succession matching events" were held online at 32 locations nationwide by FY2024, where companies publicly solicited successors with their names openly disclosed. At these events, a total of 124 companies wishing to transfer their businesses have showcased their businesses to a total of 4,196 participants (those interested in business transfers and those who support business succession) and publicly solicited successors.

In FY2025, these events will be held at 14 locations and are scheduled to be held in all prefectures within JFC's service area by the end of FY2025.

For more information regarding business succession matching support, please visit the JFC website. (Available only in Japanese)



● Diagram of the business succession matching support



● Business succession matching support results

Actual results	Transferrer	Transferee
Number of registered applications	5,462	12,003 (2,875)
Number of successful matches	2,058	
Number of contracts concluded	331	

Note: The results of business succession matching support are the cumulative results from April 2019 to March 2025. The figure shown in parentheses next to the number of registered applications is the number of registered applications from those who wish to start their own businesses.

● A scene from one of the business succession matching events



Introducing the business from the transferrer (Yamagata Prefecture)

Example of Successful Business Succession Matching Support

The transferrer is a sewing business with over 50 years of history, primarily manufacturing bags and small accessories. Based on the guidance from a JFC branch staff, the company registered with JFC's business succession matching support program and took the stage at the business succession matching event held in Tochigi Prefecture in September 2023.

The transferee established a correspondence high school in 2019 that provides education tailored to students with developmental disabilities. Recognizing the potential for creating employment opportunities for students with good manual skills, the transferee expressed interest in negotiating with the transferrer.

Following top-level meetings and negotiations, and with support from the Tochigi Prefecture Business Succession and Transfer Support Center in preparing the business transfer agreement, the succession was realized.



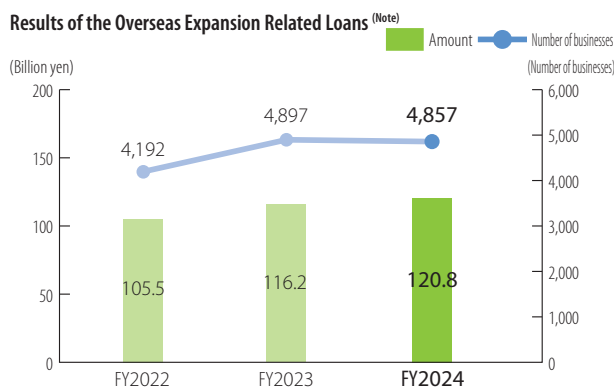
Scene from the signing ceremony for the transfer agreement

(4) Support for Overseas Expansion

(i) The Overseas Expansion Related Loans

In FY2024, the Overseas Expansion Related Loans were provided to **4,857 businesses (99% compared to the previous fiscal year)**, totaling **120.8 billion yen (104% compared to the previous fiscal year)**; of which cross-border loans ^(Note) were provided to **97 businesses** in FY2024, in the amount of **6.7 billion yen**. The totals since the program was launched in January 2021 (through March 31, 2025), stood at **395 businesses and 27.7 billion yen**.

Note: A program under which JFC provides direct loans to overseas subsidiaries that work with their domestic parent companies (SMEs and others) to improve management capabilities, implement management innovations, and revitalize local economies in order to adapt to structural changes in the economy. The countries and regions where this program can be used are Thailand, Viet Nam, Hong Kong, Singapore, the Philippines, and Mexico.



Note: Total number of loans provided to recipients of Loans for Overseas Investment and Expansion (including cross-border loans) and those who met the eligibility requirements for such loans, and the number of uses of the Standby Letter of Credit Program.

Breakdown of business target countries and regions utilizing the Overseas Expansion Related Loans

	FY2022		FY2023		FY2024		
	Number of businesses	Ratio	Number of businesses	Ratio	Number of businesses	Ratio	Compared to the previous fiscal year
China (including Hong Kong)	1,392	33%	1,502	31%	1,452	30%	97%
ASEAN	869	21%	1,063	22%	1,043	21%	98%
Viet Nam	235	6%	266	5%	262	5%	98%
Thailand	239	6%	287	6%	285	6%	99%
Philippines	106	3%	113	2%	135	3%	119%
Malaysia	80	2%	77	2%	87	2%	113%
Other ASEAN countries	209	5%	320	7%	274	6%	86%
Others	1,931	46%	2,332	48%	2,362	49%	101%
Total	4,192	100%	4,897	100%	4,857	100%	99%

Among the Overseas Expansion Related Loans, in FY2024, the Standby Letter of Credit Program ^(Note) was utilized by **66 businesses**, with letters of credit issued to the affiliated financial institutions in Thailand, China, Republic of Korea, Indonesia, Taiwan, Malaysia, and Mexico. The cumulative usage (until March 31, 2025) of this program since its start in FY2012 has reached **1,026 businesses**.

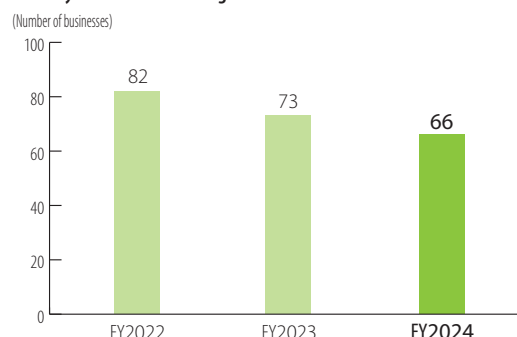
As of March 31, 2025, the number of affiliated financial institutions expanded to 16 institutions.

In order to allow more SMEs to make use of this program, JFC established a scheme to partner regional financial institutions throughout Japan.

As of March 31, 2025, we have business partnerships with 61 regional financial institutions in Japan, and since the start of the program, letters of credit have been issued to a total of **65 businesses (3 businesses in FY2024)** through this partnership scheme.

Note: The Standby Letter of Credit Program supports overseas subsidiaries that work with their domestic parent companies (SMEs and others) to improve management capabilities, implement management innovations, and revitalize local economies, can smoothly procure the 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



(ii) Performance of Trial Export Support Project

As part of the business support services to customers who have JFC loan balance, the Trial Export Support Project was established by JFC AFFF Unit in FY2013 and the Micro Business and Individual Unit in FY2022 to support customers attempting to export agricultural and fisheries products for the first time, in cooperation with experienced export trading companies.

In partnership with trading companies, the Trial Export Support Project has coordinated to provide support to small businesses, agriculture, forestry, fisheries, and food businesses showing an eagerness to export their products. This has resulted in support for **96 cases** of trial exports in FY2024.

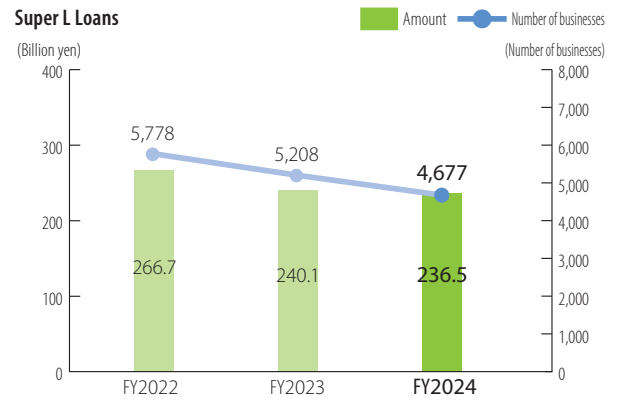
	FY2022	FY2023	FY2024
Number of supported cases	75	95	96

(5) Support for sustainable growth of agriculture, forestry, and fisheries businesses

(i) Supporting leaders of agriculture (new entrants into farming, large family businesses, corporations)

Performance of Agricultural Management Framework Reinforcement Loan (name: Super L Loan) in FY2024, came to: **4,677 businesses (90% compared to the previous fiscal year), 236.5 billion yen (99% compared to the previous fiscal year).**

Super L Loans



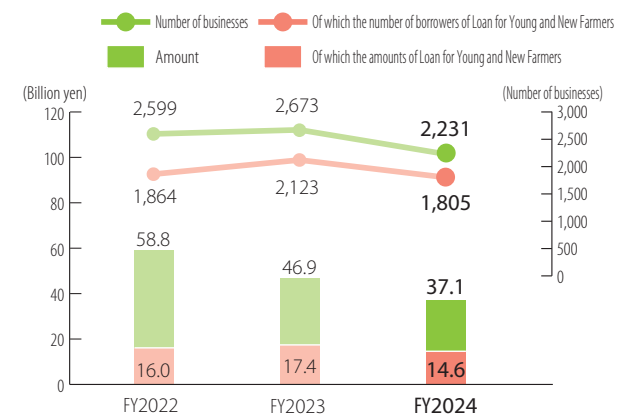
(ii) Supporting new entrants into agriculture business and new farmers

In FY2024, performance of loans to new entrants into agriculture business and new farmers came to: **2,231 businesses (83% compared to the previous fiscal year), and 37.1 billion yen (79% compared to the previous fiscal year).**

Performance of Loan for Young and New Farmers ^(Note) which was launched in FY2014 came to: **1,805 businesses (85% compared to the previous fiscal year), 14.6 billion yen (84% compared to the previous fiscal year).**

Note: Loans to support new farmers who are about to start their businesses and are certified by municipalities under the Young and New Farmers Plan.

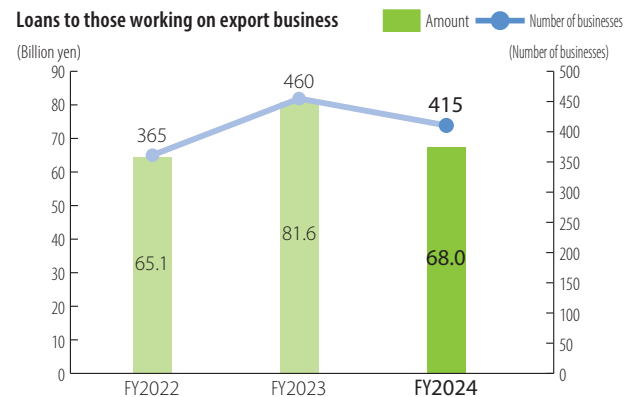
Loans to new farmers and new entrants into agriculture business



(iii) Supporting initiatives to export

In FY2024, loan performances to those who work on management improvement through exports came to: **415 businesses (90% compared to the previous fiscal year), 68.0 billion yen (83% compared to the previous fiscal year).**

Loans to those working on export business

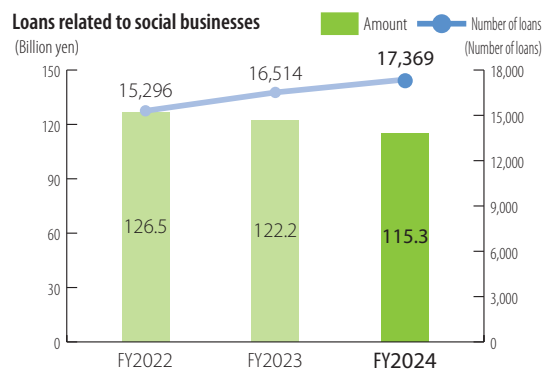


(6) Support for Social Business ^(Note)

(i) Loans related to social businesses

In FY2024, loans related to social businesses came to: **17,369 loans (105% compared to the previous fiscal year), 115.3 billion yen (94% compared to the previous fiscal year).**

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.



(ii) Information dissemination through the “Social Business Johokyoku” website

The interviews with people involved in social business and case studies of support for solving regional and social issues are introduced.



(Available only in Japanese)



(iii) Supporting business plan formulation for social business

To assist those engaged in social business with formulating their business plans, JFC has published a workbook and explanatory video on its website.

(Available only in Japanese)



Business Plan Visualization Book



This workbook explains the business planning process in six steps (organizational mission, understanding of current conditions, implementation hypotheses, results targets, financial foundations, and organizational foundations).

Explanatory Video on Business Plan Formulation



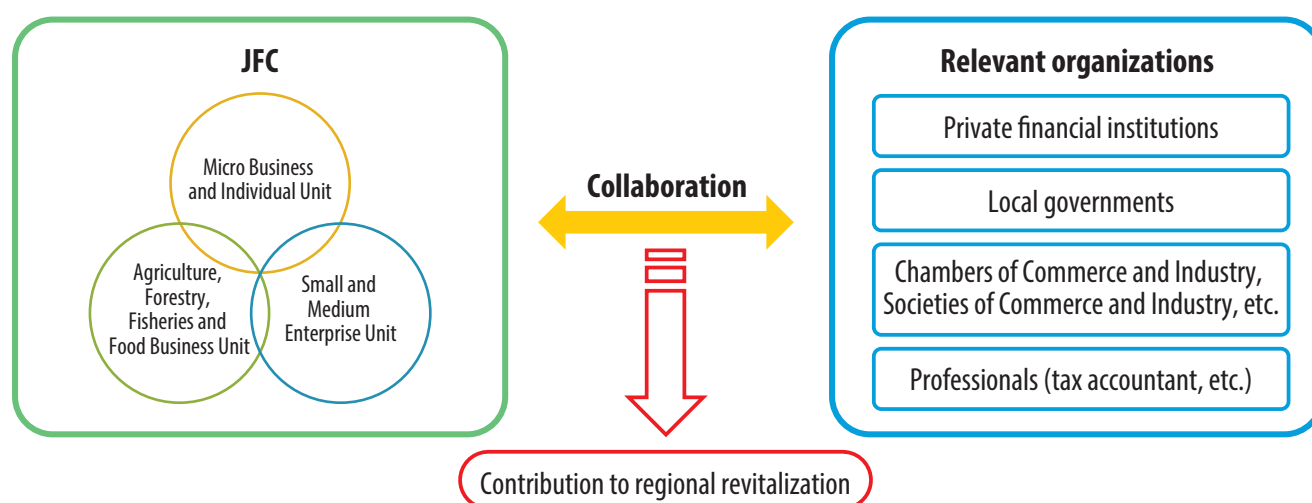
Based on the content of the Business Plan Visualization Book, this animated video allows users to learn important points of business plan formulation in an easy-to-understand manner.

Cooperation with Private Financial Institutions and Relevant Organizations



In cooperation with private financial institutions and relevant organizations, JFC provides its customers with a diverse range of services. In addition to active participation in various initiatives implemented by local governments for regional revitalization, JFC strives to revitalize local communities by promoting initiatives to resolve issues that local communities and customers face.

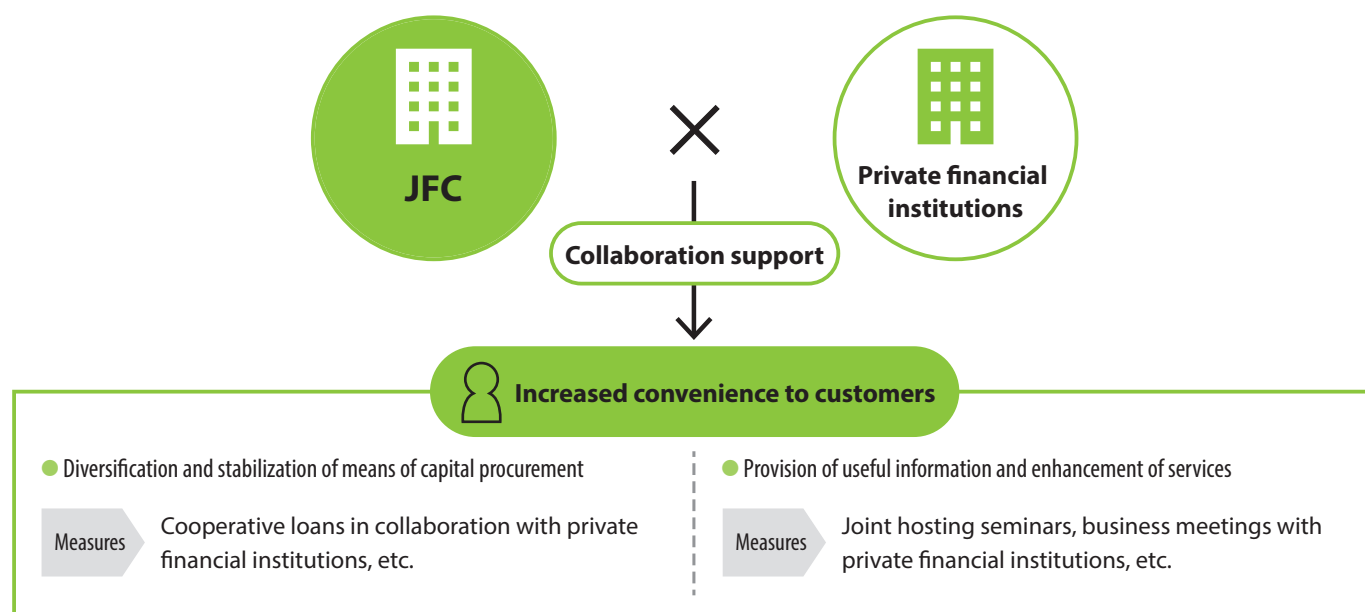
(1) Deeply reinforced collaborations with private financial institutions	● JFC supports SMEs, micro/small businesses and agriculture, forestry and fisheries businesses, and other businesses based on the premise of complementing the activities of private financial institutions. We strive to increase convenience to customers in collaboration with private financial institutions by providing various services that combine their respective strengths and expertise.
(2) Role performance of connecting relevant organizations	● JFC promotes initiatives to resolve challenges which the region and customers are facing in cooperation with relevant local organizations.
(3) Reinforcement of collaboration with local governments	● Through active involvement in various initiatives implemented by local governments for regional revitalization and dialogue with local government leaders, JFC works to strengthen collaboration with local governments.



Deeply Reinforced Collaborations with Private Financial Institutions

(1) Collaborations with private financial institutions

JFC supports SMEs, micro/small businesses and agricultural, forestry and fisheries 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.



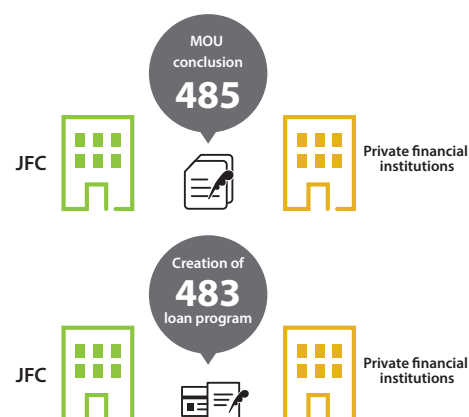
(2) MOU conclusion status on business partnerships and collaboration

JFC has been promoting business partnerships with many private financial institutions. As of March 31, 2025, MOUs on business cooperation and collaboration have been concluded with **485 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 **434 financial institutions** as of March 31, 2025. For some of the cooperative loan schemes, private financial institutions and the JFC collaborate to establish cooperative loan programs to support businesses. As of March 31, 2025, **483 programs** were created in collaboration with **305 financial institutions**.

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



(4) Total of cooperative loans ^(Note)

In FY2024, total cooperative loans from private financial institutions came to: **27,414 loans, 1,162.1 billion yen**.



Note: Loans (guarantees) that are disbursed or decided by both 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 loan results

	FY2020	FY2021	FY2022	FY2023	FY2024
Number of loans	24,467	25,259	29,894	32,594	27,414
Amount	1,684.7 billion yen	1,252.7 billion yen	1,264.5 billion yen	1,240.6 billion yen	1,162.1 billion yen

Role Performance of Connecting Relevant Organizations

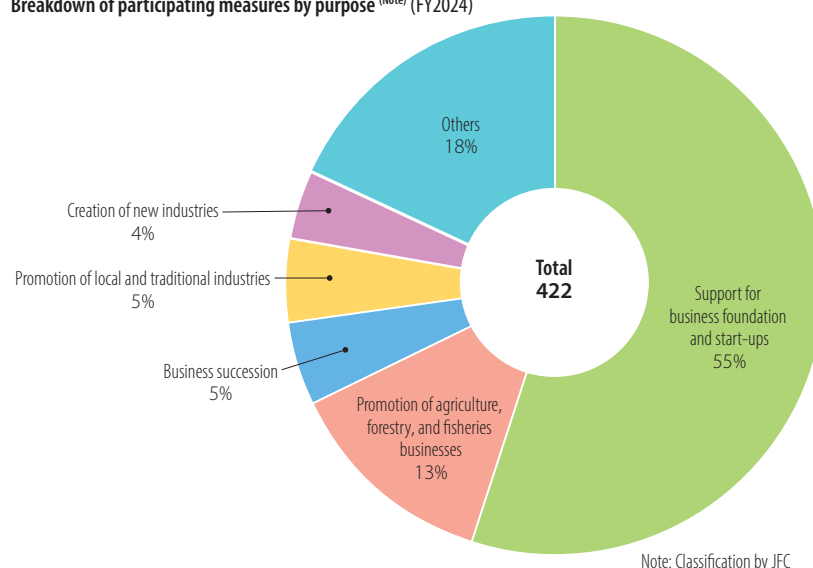
- In perspective to enhance the consulting functions for customers, JFC collaborates with relevant local organizations to proactively organize seminars or study sessions in various regions.
- As a role of policy-based financial institution, JFC performs to connect relevant local organizations and contribute to solving challenges customers and regions are facing. To this end, in FY2024, under the theme of “Business Succession: Passing Regional Assets to the Next Generation,” we organized the Regional Economic Revitalization Symposium in Tokyo, Shimane, and Iwate, collaborating with local financial institutions, support organizations, and local companies.

<p>Tokyo</p>	<ul style="list-style-type: none"> ◆ Date: September 17, 2024 ◆ Location: Iino Hall (Chiyoda-ku, Tokyo) ◆ Number of participants: Venue: 108 Live-streaming: 215 	 <p>A scene of the Tokyo venue</p>
<p>Shimane</p>	<ul style="list-style-type: none"> ◆ Date: October 30, 2024 ◆ Location: Matsue Terrsa (Matsue City) ◆ Number of participants: Venue: 162 Live-streaming: 138 	 <p>A scene of the Shimane venue</p>
<p>Iwate</p>	<ul style="list-style-type: none"> ◆ Date: November 26, 2024 ◆ Location: Art Hotel Morioka (Morioka City) ◆ Number of participants: Venue: 120 Live-streaming: 94 	 <p>A scene of the Iwate venue</p>

Reinforcement of Collaboration with Local Governments

- Taking consideration of local circumstances and needs, JFC is attentively responding to regional challenges at our 152 branches nationwide.
- In FY2024, JFC participated in various fields of **422 individual measures**, among which set forth in Regional Comprehensive Strategies, etc., such as support for business start-ups and the promotion of agriculture, forestry, and fisheries businesses. Furthermore, by understanding the challenges the region is facing through dialogue with local government leaders, we further strengthened our partnerships through promoting initiatives to resolution.

Breakdown of participating measures by purpose ^(Note) (FY2024)



Service Improvement and Local Community Support



Support Utilizing Nationwide Network of 152 Branches

To contribute to the expansion of customers' business opportunities and the revitalization of local regions, JFC is engaged in hands-on business matching support and the organization of business discussion meetings and seminars by using its nationwide network of 152 branches.

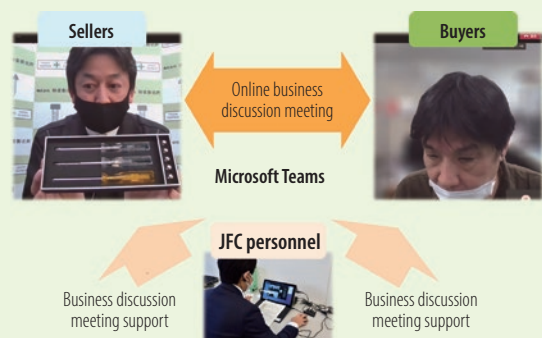
- In FY2024, in addition to nationwide-scale business meetings such as the "Nationwide Online Business Discussion Meetings" and "Agri-Food EXPO," our regional branches also organized online matching to connect customers in remote areas as well as business meetings and seminars that take advantage of regional characteristics. Furthermore, by organizing business matching and meetings for customers in areas affected by the 2024 Noto Peninsula Earthquake, JFC supported supply chain reconstruction and market expansion.
- JFC also offers a platform called Internet Business Matching site, which connects the needs of customers such as search into new buyers or suppliers.

JFC Internet Business Matching
<https://sp.match.jfc.go.jp>
(Available only in Japanese)



The 5th Nationwide Online Business Discussion Meetings

- To contribute to the expansion of customers' business opportunities, JFC organized online business discussion meetings. (February 3–7, 2025)
- This time, a record-high total of 866 business discussions were held, supporting participating companies to develop new sales channels. In addition, JFC invited supporting organizations to holding consultation sessions regarding foreign personnel employment, contributing to the solving business challenges and achieving high satisfaction among the participants.



(Image of a business discussion meeting on one of the event days)

Provision of Information through the PR Magazine "Connect JFC"

JFC is engaged in the provision of information through the PR magazine "Connect JFC," which aims to make the function, roles, and initiatives of JFC better known and connect policy with those involved in business. In "Connect JFC," we introduce case examples of innovative efforts by businesses based on special themes, as well as initiatives by related organizations that contribute to regional revitalization.

Please visit the JFC website for more information.
https://www.jfc.go.jp/n/findings/tsunagu_index.html
(Available only in Japanese)



Overview of Operations in FY2024 and Outline of Financial Statements

Overview of Operations in FY2024

Our country's economy is recovering at a moderate pace, although it remains pausing in part. Concerning short-term prospects, the economy is expected to continue recovering at a moderate pace with the improving employment and income situation, supported by the effects of the policies. However, the effect of continued price increases on private consumption through a downturn in consumer sentiment and the impact of policy trends in the U.S. such as trade policy are downside risks to Japanese economy. Also, full attention should be given to the effects of fluctuations in the financial and capital markets.

Under these circumstances, under the mission "As an expert in policy-based financing, creating futures together by providing support for reassurance and challenges," JFC engaged in initiatives such as exercising safety net functions, supporting business fields that need prioritized support, strengthening cooperation with private financial institutions and relevant organizations, and promoting service improvement and local community support.

Exercising Safety Net Functions

JFC provided support to customers affected by changes in the business environment due to natural disasters, pandemics, and economic conditions, as well as to those working on business improvement.

As a part of these efforts, JFC established new special consultation desks to provide prompt and detailed responses to financing and repayment inquiries to SMEs, micro/small businesses, agriculture, forestry, and fisheries businesses, etc., affected by the heavy rain disaster from July 9, 2024; the heavy rain from July 25, 2024; the disaster associated with Typhoon No. 10 of 2024; the heavy rain caused by a low-pressure system and a stationary front; the heavy rain from November 8, 2024; the heavy snowfall from December 28, 2024; the heavy snowfall from February 4, 2025; the road collapse caused by damage to regional sewer pipes; the heavy snowfall from February 17, 2025, mainly along the Sea of Japan coast; the large-scale fire in Ofunato City, Iwate Prefecture in 2025; and the forest fire that occurred on March 23, 2025.

We also continued to respond promptly and meticulously to consultations regarding financing and repayment from SMEs, micro/small businesses, and agriculture, forestry, and fisheries businesses, and others affected by the 2024 Noto Peninsula Earthquake. In addition to supporting customers in Ishikawa Prefecture, where the earthquake had a significant impact, JFC also worked on developing their sales channels by publishing the Ishikawa Prefecture Support Catalog multiple times.

In addition, JFC conducted credit guarantee underwriting to ensure the effective provision of guarantees by Credit Guarantee Corporations (CGCs) and carried out the Operations to the Facilitate Crisis Responses.

Supporting Business Fields That Need Prioritized Support

Based on the government's policies, JFC appropriately exercised its risk-taking function and engaged in supporting business foundation, start-ups, new businesses, business revitalization, business succession, overseas expansion, sustainable growth of agriculture, forestry, and fisheries businesses, and social business in hopes of contributing to the development and growth of the

Japanese economy.

As a part of these efforts, pertaining to business foundation, start-ups, and new businesses, JFC provided support for core business such as business matching events as well as financial support in cooperation with private financial institutions, venture capitals, and universities; for business succession, through collaboration with relevant organizations in each region, consulting services including business succession matching; for overseas expansion, we worked with relevant organizations to provide problem-solving support and financial support, as well as to gather and share information on the actual status of business activities utilizing foreign human resources; and for the sustainable growth of agriculture, forestry, and fisheries businesses, we supported initiatives such as the export of agriculture, forestry, fisheries, and food products, and crop-livestock collaboration.

Cooperation with Private Financial Institutions and Relevant Organizations

Based on the premise of playing a complementary role with private financial institutions as specified in Article 1 of the Japan Finance Corporation Law (Act No. 57 of 2007), JFC promoted partnerships with many private financial institutions.

In the current fiscal year, JFC maintained its existing actions in collaboration with private financial institutions, including the continued promotion of co-financing in business fields that need prioritized support and the organization of study sessions. At the same time, based on regional challenges and needs, JFC advanced new initiatives by working as a unified organization across Head Office and branches to propose and promote concrete collaboration in areas such as business foundation and start-ups, overseas expansion, agriculture, and business succession.

Furthermore, JFC not only collaborates with relevant local organizations to proactively organize seminars or study sessions in various regions, but as a role of policy-based financial institution, we also perform to connect relevant local organizations and contribute to solving challenges customers and regions are facing. To this end, we organized the Regional Economic Revitalization Symposium in Tokyo, Shimane, and Iwate.

Service Improvement and Local Community Support

JFC strived to provide useful information consistent with customer and local needs and enhance consultation capability, fully understanding its role in policy-based financing and appropriately operating systems.

In addition, the Unit also held nationwide business discussion meetings and held seminars and business discussion meetings tailored to local characteristics and worked to provide matching support by utilizing its network of 152 branches nationwide.

As a result, JFC's loan results for FY2024 were 2,916.8 billion yen. JFC's financial results during FY2024 were as follows: ordinary income was 629.0 billion yen and net loss including extraordinary incomes and losses was 200.8 billion yen.

Outline of Financial Statements for FY2024

(1) Profit and loss

At the closing of FY2024 (ended March 31, 2025), JFC recorded an increase of 118.5 billion yen under the previous fiscal year, for a net loss of 200.8 billion yen.

The key factor for the increase was a decrease of net income by 198.9 billion yen under the previous term in the Account for Credit Insurance Programs.

Profit and Loss Statement

(Billion yen)

		Ordinary income		Ordinary expenses		Ordinary profit (loss)		Net income (loss)	
		2024	2025	2024	2025	2024	2025	2024	2025
Japan Finance Corporation		749.3	629.0	831.6	829.7	(82.2)	(200.7)	(82.3)	(200.8)
Micro Business and Individual Unit (Account for Micro Business and Individual Operations)		132.1	143.3	349.0	303.3	(216.8)	(160.0)	(216.9)	(160.1)
Agriculture, Forestry, Fisheries and Food Business Unit (Account for Agriculture, Forestry, Fisheries and Food Business Operations)		48.9	52.6	50.7	49.5	(1.8)	3.1	(1.8)	3.1
Small and Medium Enterprise (SME) Unit	Account for SME Loan Programs and Securitization Support Programs (Guarantee-type Operation)	79.3	90.4	63.2	61.3	16.1	29.0	16.0	29.0
	Account for Securitization Support Programs (Purchase-type Operation)	0.5	0.5	0.5	0.4	0.0	0.0	0.0	0.0
	Account for Credit Insurance Programs	477.5	331.2	327.8	380.5	149.7	(49.2)	149.7	(49.2)
Operations to Facilitate Crisis Responses (Account for Operations to Facilitate Crisis Responses)		10.8	10.9	40.2	34.6	(29.3)	(23.7)	(29.3)	(23.7)
Operations to Facilitate Specific Businesses Promotion, etc. (Account for Operations to Facilitate Specific Businesses Promotion, etc.)		0.2	0.3	0.2	0.3	(0.0)	(0.0)	(0.0)	(0.0)

(2) Assets

Total assets were 31,285.7 billion yen, the majority of which were loans and bills discounted.

Loans and bills discounted decreased 1,753.2 billion yen from March 31, 2024, to 23,907.8 billion yen.

Total net assets stood at 15,168.8 billion yen, taking into account an increase from having received capital contributions from the government of 46.7 billion yen, against a net loss of 200.8 billion yen, etc.

Balance Sheet

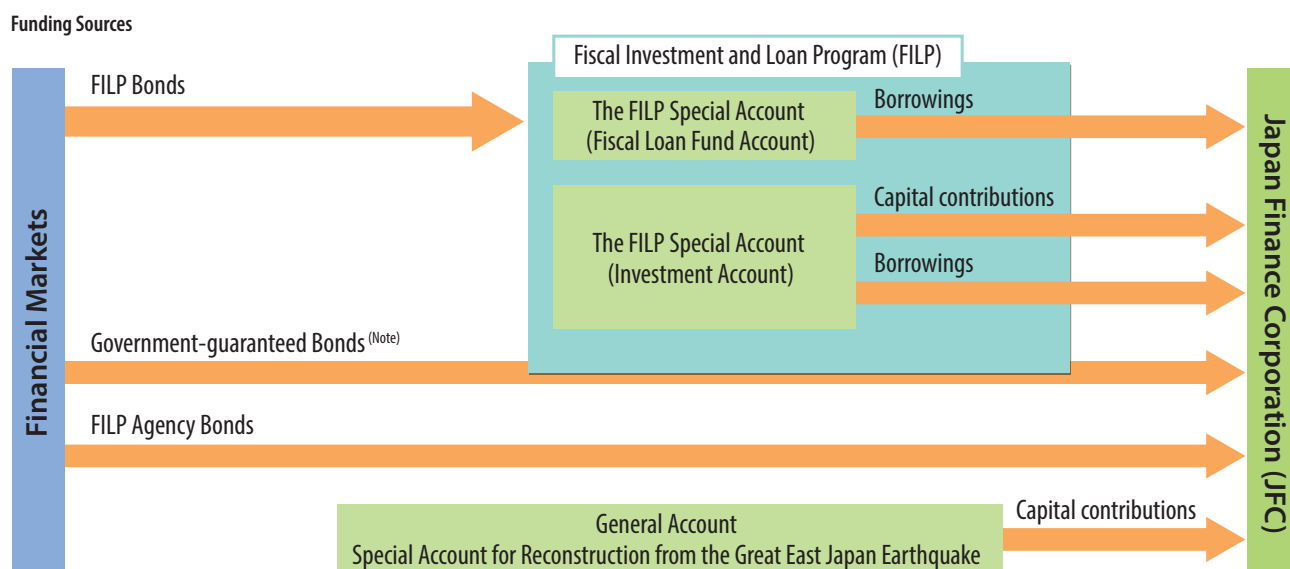
(Billion yen)

Assets			Liabilities and net assets		
Items	Amount		Items	Amount	
	2024	2025		2024	2025
Cash and due from banks	8,641.9	7,925.2	Borrowed money	15,783.5	14,024.4
Securities	45.5	244.9	Bonds payable	720.9	555.9
Loans and bills discounted	25,661.1	23,907.8	Entrusted funds	20.9	18.9
Other assets	33.8	42.6	Reserve for insurance policy liabilities	1,482.9	1,326.5
Property, plant and equipment	190.1	190.6	Other liabilities	26.4	29.0
Intangible assets	36.2	46.8	Provision for bonuses	5.4	5.7
Customers' liabilities for acceptances and guarantees	28.0	28.2	Provision for directors' bonuses	0.0	0.0
Allowance for loan losses	(1,118.0)	(1,100.8)	Provision for retirement benefits	98.4	97.9
			Provision for directors' retirement benefits	0.0	0.0
			Reserve for compensation losses	28.8	29.8
			Acceptances and guarantees	28.0	28.2
			Total liabilities	18,195.7	16,116.9
			Capital stock	11,768.4	11,768.6
			Capital surplus	5,465.6	5,512.2
			Retained earnings	(1,910.9)	(2,111.8)
			Valuation difference on available-for-sale securities	0.1	(0.1)
			Total net assets	15,323.2	15,168.8
Total assets	33,518.9	31,285.7	Total liabilities and net assets	33,518.9	31,285.7

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.



Note: Government-guaranteed bonds with a redemption period of five years or more are included in FILP.

Breakdown of funding sources

(Billion yen)

	FY2024 budget	FY2024 results	FY2025 budget
Borrowings from Fiscal Loan Fund, etc.	4,038.0	1,525.6	3,161.3
Government-guaranteed Bonds	100.0	—	100.0
Capital contributions from the government	46.8	46.7	46.2
Funding from the government (percentage of overall funding)	4,184.8 (94%)	1,572.4 (94%)	3,307.5 (92%)
FILP Agency Bonds	290.0	100.0	290.0
Total funding	4,474.8	1,672.4	3,597.5

Note: 1. The budget amounts for FY2024 are the revised amounts after the supplementary budget.

2. The item "Borrowings from Fiscal Loan Fund, etc." refers to borrowings from the 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.

(Billion yen)

Maturity	Fiscal year	FY2022		FY2023		FY2024		FY2025	
		Budget	Results	Budget	Results	Budget	Results	Budget	Results
Less than 5-year bond		100.0	—	100.0	—	100.0	—	100.0	—

Notes: 1. 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.

2. From FY2022 to FY2024, JFC has not issued any government-guaranteed bonds.

3. In FY2025, JFC has not issued government-guaranteed bonds as of May 31, 2025.

● FILP Agency Bonds

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

(Billion yen)

Month of issue/Maturity	Fiscal year	FY2022				FY2023				FY2024				FY2025
	Amount of issue	(Budget 290.0)				(Budget 290.0)				(Budget 290.0)				(Budget 290.0)
		Results 20.9				Results 20.0				Results 100.0				Results 10.0
Month of issue		May	August	November	March	May	August	November	March	May	August	November	March	May
5-year bond		—	—	—	10.9	—	—	—	—	—	—	—	10.0	—
3-year bond		—	—	—	10.0	—	—	—	10.0	—	—	10.0	—	—
2-year bond		—	—	—	—	—	—	—	10.0	—	30.0	40.0	10.0	10.0

Note: The budget amounts for each fiscal year are the issue-amount limits in the relevant fiscal year.

Ratings of JFC (As of May 31, 2025)

Rating and Investment Information (R&I)	AA+ (Stable)
Moody's Japan (Moody's)	A1 (Stable)