

Japan Finance Corporation
Annual Report

2026



JAPAN FINANCE CORPORATION

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Presentation of quantities and amounts in this Report:

1. Quantities and amounts less than one standard unit

Quantities, monetary amounts and other numerical figures presented in this report are truncated (rounded down) to the nearest standard unit of presentation.

Percentages are rounded up or down to the nearest decimal place presented. Consequently, some totals presented differ slightly from the sum of the component figures presented.

2. Method of presentation

In cases where quantities, numbers of items, monetary amounts and other numerical figures are less than one standard unit of presentation, such figures are presented as zero (0). In cases where there is no applicable amount, a hyphen (-) is shown.

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Message from the Governor & CEO

My name is Fujii, and I have recently been appointed Governor & CEO of Japan Finance Corporation. I am humbled by the responsibility of this position, and while I am well aware of my modest abilities, I am determined to devote my utmost efforts to fulfilling this important duty. I sincerely ask for your guidance and support.

Roles and Mission of Japan Finance Corporation

Japan Finance Corporation is a policy-based financial institution that carries out financing within a scope determined by applicable laws and budgets, which are based on government policy for SMEs and micro/small businesses, agriculture, forestry, and fisheries policy, etc., with the aim to complement financing carried out by private financial institutions.

JFC has responded to financing needs from small amounts upward for those starting new businesses and for those responding to disasters and changes in the business environment, and plays an important role in the financing of Japan's SMEs, micro/small businesses, and people engaged in agriculture, forestry, and fisheries.

In order to steadily fulfill this role, JFC will work as one organization to support business operators under the mission of "As an expert in policy-based financing, creating futures together by providing support for reassurance and challenges."

Exercise of Safety Net Functions

Businesses continue to face a challenging operating environment due to the impact of natural disasters, rising prices, labor shortages, and other factors.

Many businesses that utilized COVID-19 related loans are in the repayment phase. In response, JFC is implementing initiatives focused on business improvement and revitalization, including support measures aimed at easing the burden of repayment on existing debt.

At present, in light of the situation in the Middle East, there are concerns over impacts such as rising prices for crude oil and petroleum-related products. In response, JFC is handling consultations on loans and repayments from affected businesses.

The future outlook remains unclear, but JFC will continue to further strengthen collaboration with private financial institutions, Chambers of Commerce and Industry, Societies of Commerce and Industry, and others, working with all supporting organizations to support businesses in order to smoothly carry out financing support.

Future Measures

With a strong awareness of its role as a policy-based financial institution, JFC will establish frameworks that can respond to any crisis, including natural disasters such as earthquakes and typhoons, pandemics, and changes in the business environment due to economic circumstances, and consistently implement safety net functions in any situation.

Additionally, we will perform our risk-taking functions and continue to focus our efforts on supporting business fields that need prioritized support, including start-ups and new businesses, business start-ups, productivity improvement, structural transformation of agriculture, forestry, and fisheries, overseas expansion, social business, business succession, and business revitalization, thereby contributing to the growth and development of the local economy while supporting businesses that are willing to take on challenges.

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

JFC has actively supported business start-ups, start-ups, and new businesses through pioneering efforts in the area of start-up support. Some of these companies have later been listed on the stock exchange after having had transactions with JFC and have become leading forces in the Japanese economy. Start-ups are positively impacting society in terms of economic growth and job creation while also becoming the solution to new social issues. We will continue collaborating with private financial institutions, venture capital, universities, higher professional schools, and other organizations to provide financial support tailored to the diverse needs of businesses at each stage of growth, while organizing business matching and other events to support growth.

(Support for productivity improvement, etc.)

JFC provides support to businesses working on labor-saving measures, DX, digitalization, and other initiatives to improve productivity. JFC is also supporting businesses working to enhance human capital through environmental and energy measures, including GX, as well as wage increases and health management.

In addition, JFC will provide proactive growth support, from both financial and informational perspectives, according to company size and growth ambitions, including support for businesses seeking dramatic growth through declaring a 10-billion-yen sales target.



(Support for structural transformation of agriculture, forestry, and fisheries)

In the agriculture, forestry, fisheries, and food industries, new initiatives are spreading, including the development of new varieties that respond to climate change, the introduction of smart agriculture technologies, and the development of large-scale production areas for exports. At the same time, the business outlook remains uncertain for many businesses due to persistently high production costs, worsening labor shortages, natural disasters, and other factors. In response to these changes in the business environment, JFC is committed to supporting the structural transformation of agriculture, forestry, and fisheries by providing financial support and assistance in developing sales channels.

(Support for business succession)

In Japan, business succession has become an urgent issue due to the aging of management personnel and other factors. To provide support for business succession in fields critical to local regions, we will enhance our information-collecting abilities and identify key needs-acting as a bridge linking local hopes to the next generation. We will also collaborate with the Chamber of Commerce and Industry, Societies of Commerce and Industry, and other relevant organizations in each region to conduct initiatives such as business matching.

(Cooperation with private financial institutions and relevant organizations)

Last year, the Financial Services Agency formulated the “Regional Financial Power Enhancement Plan,” and supporting organizations such as regional financial institutions are strongly expected to contribute to regional economies not only in financial areas but also in non-financial areas. JFC will promote the conclusion of “Memorandums on Business Cooperation in the Event of a Crisis” with private financial institutions, while also collaborating with relevant organizations to help resolve the challenges faced by local communities and businesses by organizing seminars and business meetings, as well as providing business matching support utilizing its nationwide network of 152 branches.

Going forward, JFC will continue to provide broad-ranging support so that businesses can view environmental changes as opportunities for growth and become a source of vitality for industry in each region. We sincerely hope for your further understanding and support in the future.

July 6, 2026

藤井健志

FUJII Takeshi
Governor & CEO

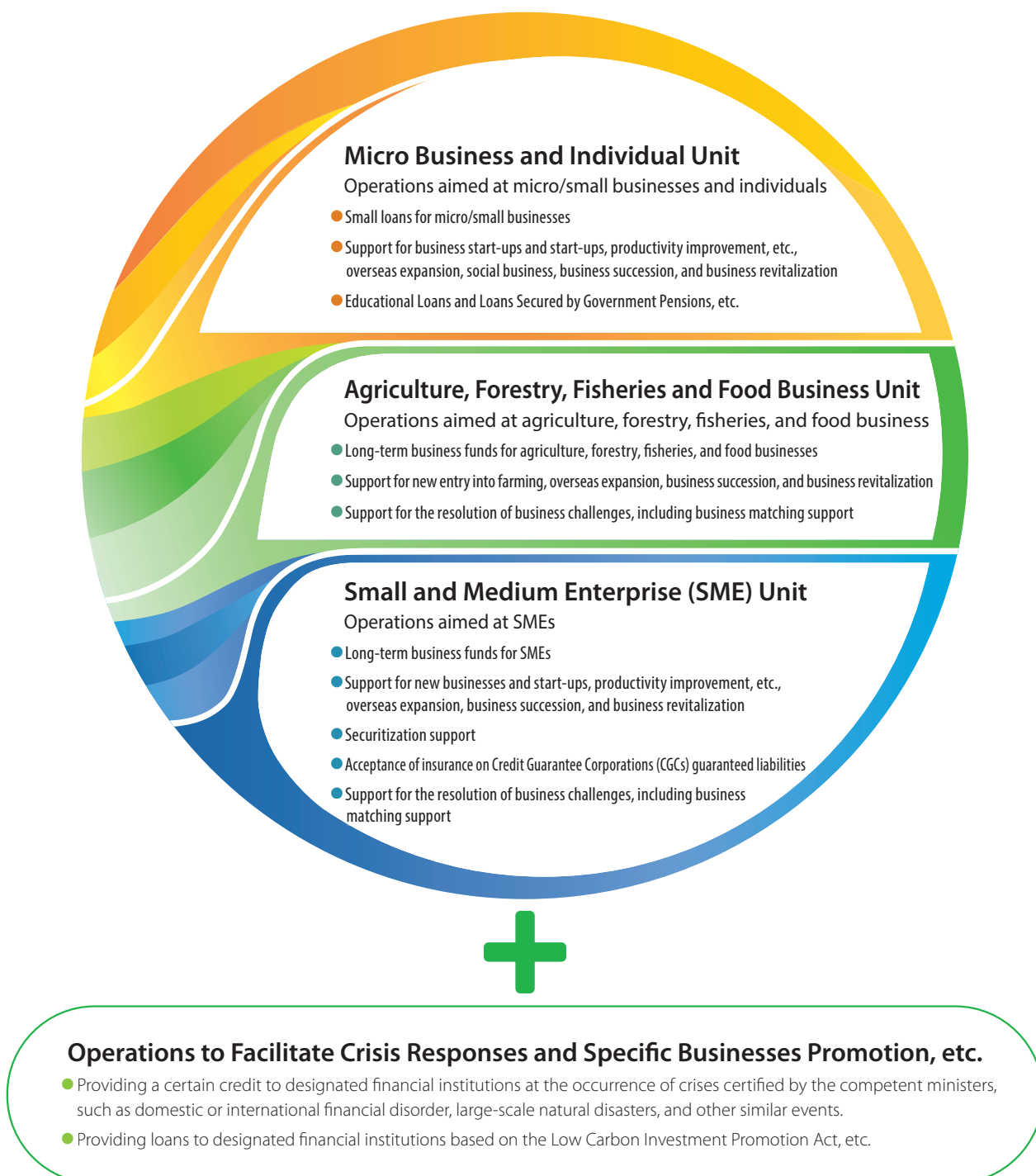
Profile (as of March 31, 2026)

Name	Japan Finance Corporation (JFC)	
Establishment	October 1, 2008	
Statutory Law	The Japan Finance Corporation Act	
Head Office	Otemachi Financial City North Tower, 1-9-4, Otemachi, Chiyoda-ku, Tokyo, Japan	
Governor & CEO	FUJII Takeshi (appointed June 23, 2026)	
Capital, etc.	Capital: 11,780.9 billion yen Reserve fund: 5,376.8 billion yen	
Branch Offices	Branch offices in Japan: 152 Overseas representative offices: 3	
Employees	7,423 (budgetary fixed number for FY2026)	
Total of Outstanding Loans	Total of Outstanding Loans:	23,140.0 billion yen
	Micro Business and Individual Unit:	9,837.6 billion yen
	Agriculture, Forestry, Fisheries and Food Business Unit:	3,507.1 billion yen
	Small and Medium Enterprise (SME) Unit (Finance Operations):	7,576.7 billion yen
	Operations to Facilitate Crisis Responses:	2,144.2 billion yen
	Operations to Facilitate Specific Businesses Promotion, etc.:	74.2 billion yen
Outstanding Amounts of Insurance	Small and Medium Enterprise (SME) Unit (Credit Insurance Programs): 33,229.9 billion yen	

Main Business Activities

JFC is a policy-based financial institution that aims to complement financial activities carried out by private financial institutions and contributes to the improvement in the living standards of Japanese people.

Major Business Operations of JFC



Mission

The roles and purpose of Japan Finance Corporation (JFC) are stipulated as its “mission.”

As an expert in policy-based financing, creating futures together by providing support for reassurance and challenges.

As a leading provider of policy-based financing, we will continue to serve our customers, support their reassurance and challenges, and work together with relevant local institutions to create the future of Japan.

Our mission statement

As an Expert in Policy-based Financing

- Always maintain a sense of pride in the role as an expert in policy-based financing, conduct business with integrity, and strive to become a trusted presence in society.
- Serve our customers with an attentive attitude, gain a deep understanding of their actual situations and requests, and accurately provide policy-based financing.
- Constantly pursue self-transformation in response to changes of the times and environment, think proactively, and act swiftly.

Reassurance and Challenges

- Ensure customers' reassurance by providing a safety net functions in the event of any crisis.
- Support customers' new initiatives, growth, and reattempts.
- Respect diverse ideas and values, and support the reassurance and challenges of each and every employee.

Creating a Future Together

- Demonstrate teamwork, support customers together with relevant organizations, contribute to the maintenance and development of local communities, and create the future of Japan.

Basic Philosophy

The basic philosophy represents the fundamental values of JFC.

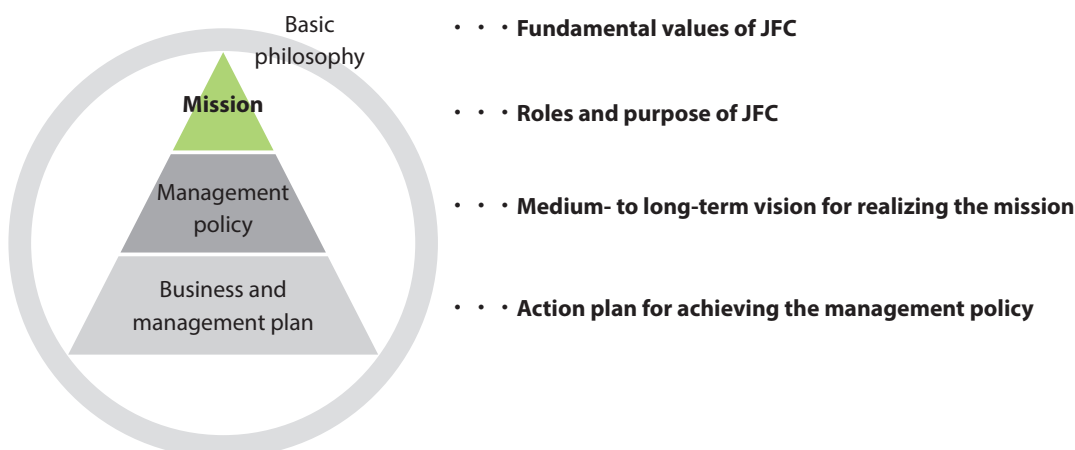
● **Focused policy-based financing**

Following the national policy, provide flexible policy-based financing by utilizing a variety of financing programs and schemes to meet the needs of society, while complementing the activities of private financial institutions.

● **Mainstreaming governance**

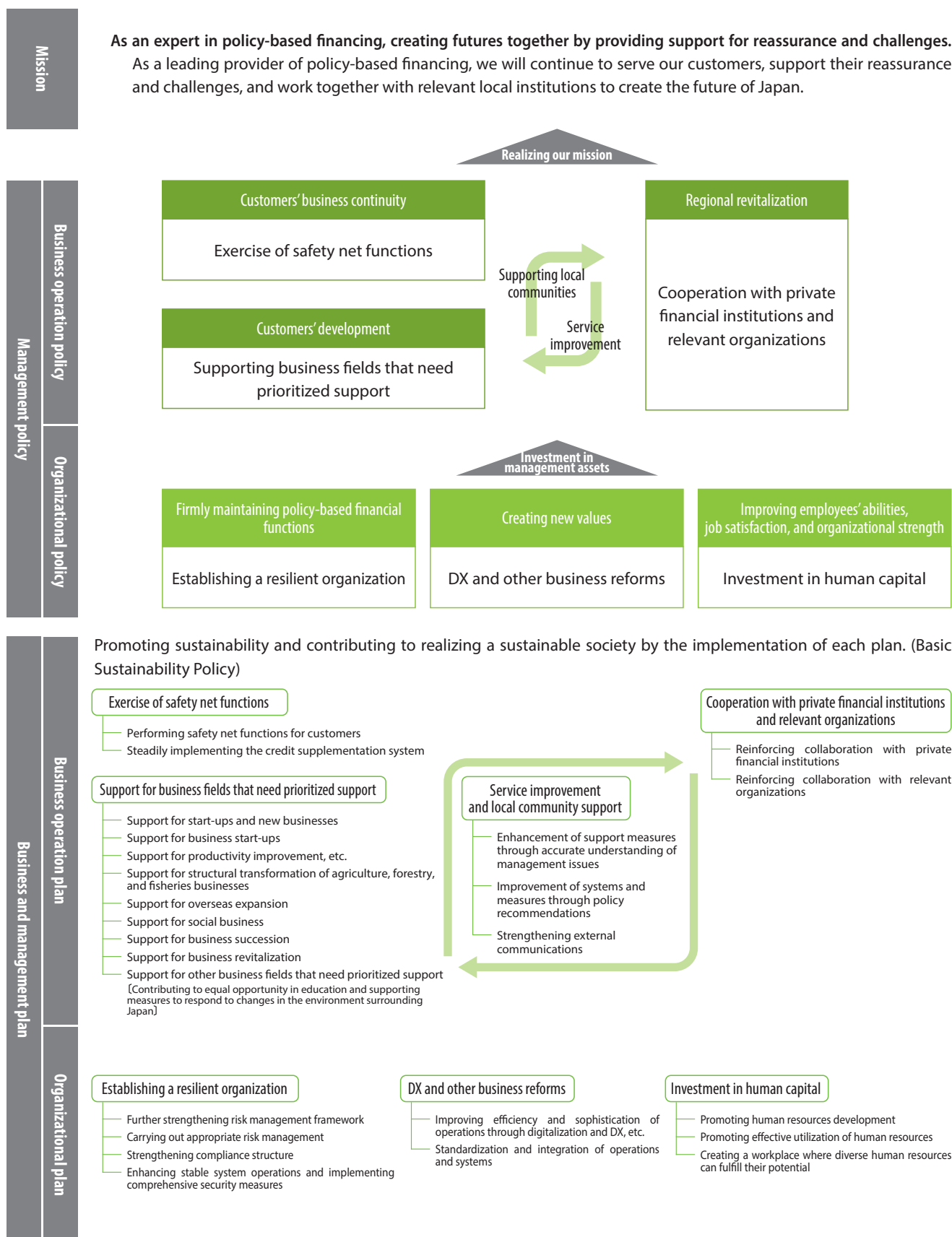
Strive to conduct highly transparent and efficient business operations based on a high level of corporate governance and hold itself accountable to the public.

Furthermore, JFC is committed to becoming a self-governing organization continuously evaluating and improving its activities.



Management Policy, Business and Management Plan

JFC formulates the management policy and business management plan toward realizing its mission.



▶ Please visit the JFC website for more information.
<https://www.jfc.go.jp/n/english/about/philosophy.html>
 (Basic Philosophy, Mission, and Management Policy)



▶ Please visit the JFC website for more information.
<https://www.jfc.go.jp/n/english/about/business.html>
 (Business and Management Plan)



Sustainability Initiatives

Basic Sustainability Policy

JFC established the Basic Sustainability Policy in 2023. Based on this Basic Policy, JFC will promote sustainability and contribute to the realization of a sustainable society.

Basic Sustainability Policy

JFC shall contribute to the realization of a sustainable society by striving to support SMEs, small businesses, agricultural, forestry and fisheries businesses, among others, through the appropriate provision of policy-based financing, and to manage its operations in consideration of regional revitalization and the environment through cooperation with relevant organizations.

▶ Please visit the JFC website for the full text of the policy.
<https://www.jfc.go.jp/n/english/about/philosophy.html>



Contributions to the SDGs Through JFC Initiatives

As a policy-based financial institution, JFC is committed to contributing to the achievement of the Sustainable Development Goals (SDGs) as advocated by the United Nations.

Contributions to the SDGs Through JFC Initiatives (SDGs Mapping)

1 NO POVERTY [Project management] Reduction of the economic burden involved in education through support to single-parent families, etc.	2 ZERO HUNGER [Project management] - Support for structural transformation of agriculture, forestry, and fisheries - Support to persons newly embarking on agricultural management - Support for ensuring the sustainability of the food system	3 GOOD HEALTH AND WELL-BEING [Project management] Support for customers involved in health management
4 QUALITY EDUCATION [Project management] - Holding of the High School Student Business Plan Grand Prix - Contribution to equal opportunities in education - Transmission of research results by teaching at universities, etc. [Organization management] - Promotion of support for self-directed skills development	5 GENDER EQUALITY [Organization management] - Positive appointment of women managers - Promotion of men's participation in housework, child raising, and care	6 CLEAN WATER AND SANITATION [Project management] Support for maintaining the multilateral functions of forests (cultivation of water resources)
7 AFFORDABLE AND CLEAN ENERGY [Project management] - Support for decarbonization and other environmental and energy countermeasures - Two-step loans for specified projects based on the Low-Carbon Investment Promotion Act - Two-step loans for business adaptation (decarbonization) based on the Industrial Competitiveness Enhancement Act	8 DECENT WORK AND ECONOMIC GROWTH [Project management] - Exercise of safety net functions - Definite implementation of operations to facilitate crisis responses - Steady implementation of credit supplementation - Support for start-ups and new businesses - Support for business start-ups - Support for productivity improvement, etc. - Overseas expansion support - Social business support [Organization management] - Promotion of digitalization and DX - Further promotion of flexible workstyles, such as telecommuting - Practice of work-life management	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE [Project management] - Two-step loans relating to business reorganization, business adaptation, etc. based on the Industrial Competitiveness Enhancement Act - Two-step loans relating to the development, supply, and introduction of advanced information and communications systems - Two-step loans for securing stable supplies of specified goods of importance
10 REDUCED INEQUALITIES [Organization management] - Promotion of initiatives to respect human rights - Promotion of diversity - Steady implementation of the employment of disabled persons	11 SUSTAINABLE CITIES AND COMMUNITIES [Project management] Contribution to local and regional revitalization	12 RESPONSIBLE CONSUMPTION AND PRODUCTION [Organization management] Implementation of initiatives in consideration of the environment
13 CLIMATE ACTION [Organization management] - Strengthening of crisis management preparations - Strengthening of business continuity plan - Understanding the risks of climate change	14 LIFE BELOW WATER [Project management] Supporting the development of a sustainable fisheries industry into a growth business	15 LIFE ON LAND [Project management] Support for the sustained and sound development of the forestry industry
16 PEACE, JUSTICE AND STRONG INSTITUTIONS [Organization management] - Strengthening and embedding of compliance awareness - Strengthening of arrangements to exclude antisocial forces - Establishment of evaluation and examination committee comprising external learned persons	17 PARTNERSHIPS FOR THE GOALS [Project management] - Cooperation with private financial institutions, etc. through cofinancing and securitization - Cooperation with related bodies, such as Chambers of Commerce and Industry, Societies of Commerce and Industry, etc. - Participation in various measures undertaken by local governments based on national strategies	

▶ Please visit the JFC website for more information.

<https://www.jfc.go.jp/n/company/sdgs/index.html> (Available only in Japanese)



Initiatives to Respect Human Rights

In April 2026, JFC published its Human Rights Policy and stated its commitment to respect for human rights within the organization.

Human Rights Policy

In realizing its mission of "As an expert in policy-based financing, creating futures together by providing support for reassurance and challenges," JFC recognizes respect for human rights as an important management issue and is committed to making efforts to fulfill its responsibility to respect human rights in all of its business activities.

▶ Please visit the JFC website for the full text of the policy.
<https://www.jfc.go.jp/n/english/about/philosophy.html>



Based on this policy, JFC will promote initiatives to respect human rights, respect the human rights of management and staff as well as customers, suppliers, and other stakeholders, and strive to take appropriate action if adverse impacts are identified.

In addition, as a part of initiatives to respect the human rights of officers and employees, JFC will respond appropriately to customer harassment based on the Basic Policy on Customer Harassment published in April 2026.

▶ Please visit the JFC website for more information.

<https://www.jfc.go.jp/n/company/sdgs/pdf/CustomerHarassmentPolicy.pdf> (Available only in Japanese)



Consultations and other inquiries from stakeholders are accepted through the website, including the comment box.