

JFC Activities

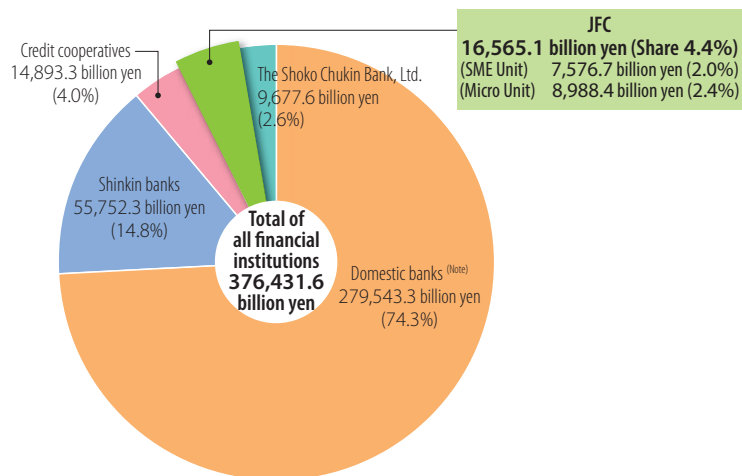
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Financing Structure of JFC

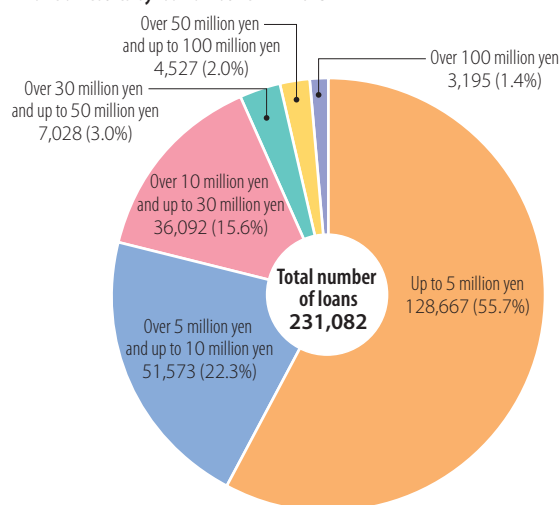
JFC's share of the balance of financing to SMEs (Micro Unit and SME Unit) is **4.4%**.

Furthermore, the composition of JFC's financing by loan amount in FY2025 was as follows. Of the total of approximately 230,000 business loans, **56% 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 60,000 loans annually).

Share of balance of financing to SMEs (as of March 31, 2026)



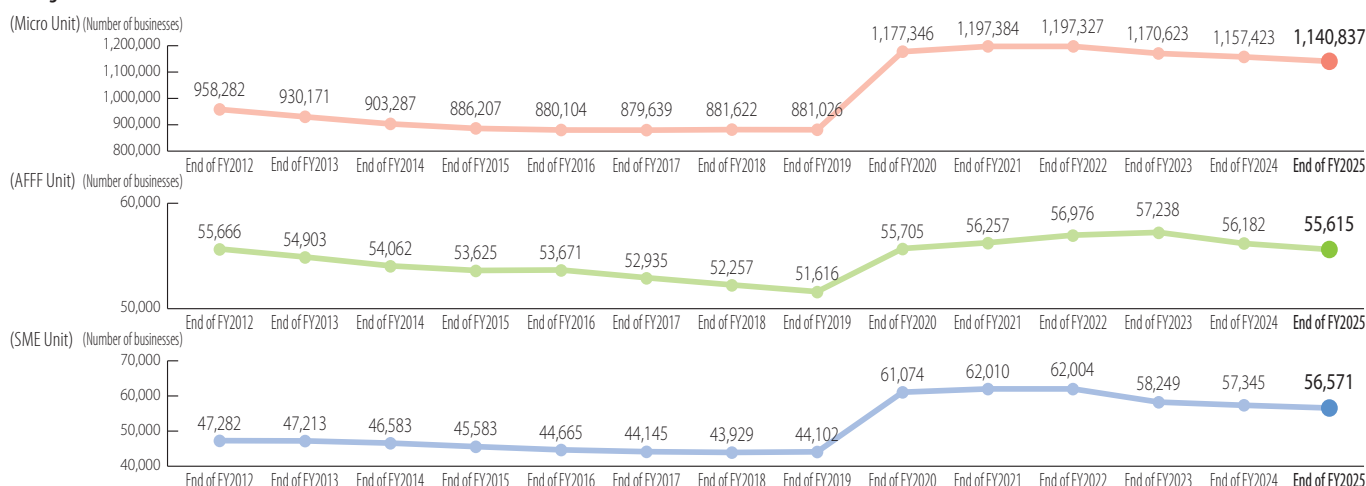
Financial results by loan amount in FY2025 (Note)



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 FY2025 increased by **approximately 260,000** in the Micro Unit, **approximately 4,000** in the AFFF Unit, and **approximately 12,000** in the SME Unit compared to the end of FY2019.

Change in number of borrowers



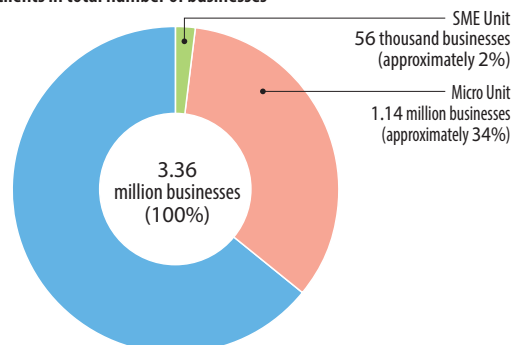
Share of JFC Customers

SMEs and micro/small businesses account for approximately 99% of all businesses in Japan, and underpin regional economies, acting as a source of Japanese economic vitality.

JFC has business relationships with 1.19 million (Notes) of Japan's 3.36 million SMEs and micro/small businesses, accounting for approximately 36% of the total number of SMEs and micro/small businesses.

Notes: 1. Total number of customers of the Micro Unit and the SME Unit.
2. Includes customers that do business with both the Micro Unit and the SME Unit.

Share of SME Unit's clients in total number of businesses



Exercise of Safety Net Functions



Safety Net-related Loans ^(Note)

In FY2025, financing related to Safety Net Loans to those facing obstacles in cash flow due to earthquakes, typhoons, and other natural disasters, as well as the adverse effects of international financial instability and economic contraction, came to **15,065 loans for 453.6 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.

Safety Net-related Loans in FY2025

FY2025	
Number of loans	Amount
15,065	453.6 billion yen

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

FY2025	
Number of loans	Amount
377	4.9 billion yen

Initiatives to Support Disaster-Affected Areas (The 2024 Noto Peninsula Earthquake)

(1) Ishikawa Prefecture Support Catalog

To support the development of sales channels for customers in Ishikawa Prefecture affected by the 2024 Noto Peninsula Earthquake, JFC published a catalog booklet introducing corporate information, products, and services. The catalog is posted on JFC’s website and distributed to relevant organizations and customers through all branches nationwide. The first edition was published in April 2024, the second in July, the third in December, and the fourth in July 2026, featuring a total of 55 customers.

► Please visit the JFC website for more information.

<https://www.jfc.go.jp/n/finance/saftynt/202401saigai/notofukko.html#list-01>
(Available only in Japanese)



(2) Ishikawa Prefecture Successor Recruitment Project

JFC has launched a special webpage for the “Connecting Hopes to the Future—Ishikawa Prefecture Successor Recruitment Project,” which provides information on business operators in Ishikawa Prefecture who wish to transfer their businesses. The page also introduces initiatives by various support organizations and successful cases in Ishikawa Prefecture.

► Please visit the JFC website for more information.

<https://www.jfc.go.jp/n/finance/jigyosyokei/matching/ishikawa/index.html>
(Available only in Japanese)



(3) Business Matching Meeting to Support Recovery from the 2024 Noto Peninsula Earthquake

To support the development of sales channels for companies affected by the 2024 Noto Peninsula Earthquake, we held a business matching meeting, continuing from FY2024.

This time as well, the meeting was co-hosted with financial institutions in the affected areas (The Hokkoku Bank, Ltd.; The Hokuriku Bank, Ltd.; Noto Kyoei Shinkin Bank; and Kono Shinkin Bank), with their customers participating as sellers, among other arrangements. A total of 75 business meetings were conducted.

Event Data		
	Current Event	Previous Event
Period	July 23–25, 2025	March 26–27, 2025
Event / Business Meeting Format	Online / Individual Meeting Format	Online / Individual Meeting Format
Number of Participating Companies ^(Note)	Sellers	17
	Buyers	11
Total Number of Business Meetings ^(Note)	75	61

Note: The number of participating companies with business meetings reserved in advance and the number of such business meetings.

► Please visit the JFC website for more information.

<https://www.jfc.go.jp/n/finance/saftynt/202401saigai/notofukko.html#list-01>
(Available only in Japanese)



Supporting Business Fields That Need Prioritized Support



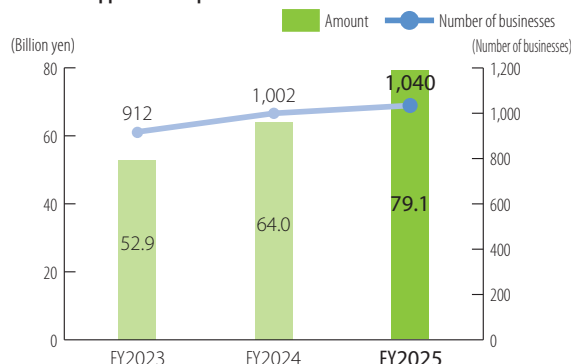
(1) Support for start-ups and new businesses

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

In FY2025, Loans to Foster Growth of New Businesses and Loans to Support Start-up Businesses ^(Note 3) came to: **1,040 businesses (104% compared to the previous fiscal year), 79.1 billion yen (124% compared to the previous fiscal year).**

Notes: 1. A special loan 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 the Hybrid Subordinated Loan Program and the Syndicated Loan Program.

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



(ii) 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 FY2025, loans came to: **90 businesses (120% compared to the previous fiscal year), 20.1 billion yen (141% 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

	FY2023	FY2024	FY2025	Compared to the previous fiscal year
Number of businesses	75	75	90	120%
Amount	13.3 billion yen	14.3 billion yen	20.1 billion yen	141%

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

In FY2025, Capital Subordinated Loans (new businesses-type) came to: **212 businesses (337% compared to the previous fiscal year), 19.6 billion yen (152% compared to the previous fiscal year).**

Results of Capital Subordinated Loans (new businesses-type)

	FY2023	FY2024	FY2025	Compared to the previous fiscal year
Number of businesses	43	63	212	337%
Amount	6.3 billion yen	12.9 billion yen	19.6 billion yen	152%

(iv) 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 capital, universities, higher professional schools, etc.).

(2) Support for business start-ups

(i) Loans to start-ups

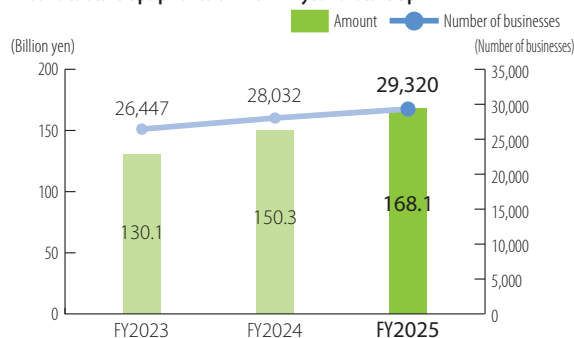
In FY2025, loans to start-ups (consisting of those that have yet to start and those that are within 1 year of start-up) came to: **29,320 businesses (105% compared to the previous fiscal year), 168.1 billion yen (112% compared to the previous fiscal year).**

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

	FY2023	FY2024	FY2025	Compared to the previous fiscal year
Women	6,631 businesses	7,208 businesses	7,870 businesses	109%
Youth (aged under 35)	7,368 businesses	7,742 businesses	8,268 businesses	107%
Seniors (aged 55 and older)	2,521 businesses	2,846 businesses	3,135 businesses	110%

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) 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 13th High School Student Business Plan Grand Prix, a total of 5,640 entries from 639 schools were received. Business start-up support centers nationwide took the lead in providing on-site classes and offering support for business plan creation.

At the final competition, held in January 2026, 10 groups of finalists gave enthusiastic presentations. The Grand Prix was awarded to Kyoritsu Girls' Senior High School's "Shonin Yokkyu girls" for their plan titled "Admic: Turn Your Desire for Recognition into Your Own Comic," which drew the attention of various media. In addition, Prime Minister Takaichi sent a message to the high school students presenting their business plans, which was read aloud by the emcee on the day of the event.

Amid growing interest in entrepreneurship education, scenes from and details of the High School Student Business Plan Grand Prix have been featured in high school Public textbooks, and Japanese language illustrated reference materials used as supplementary teaching materials, demonstrating the growing presence of JFC's business start-up support in educational settings.



Members of Kyoritsu Girls' Senior High School's "Shonin Yokkyu girls," winners of the 13th Grand Prix award



Message from Prime Minister Takaichi (read aloud by the emcee on the day of the event)

The 14th High School Student Business Plan Grand Prix

Application period: August 19 to September 24, 2026

Announcement of 10 finalist groups: Late November 2026

Final competition and award ceremony: January 10, 2027

- 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

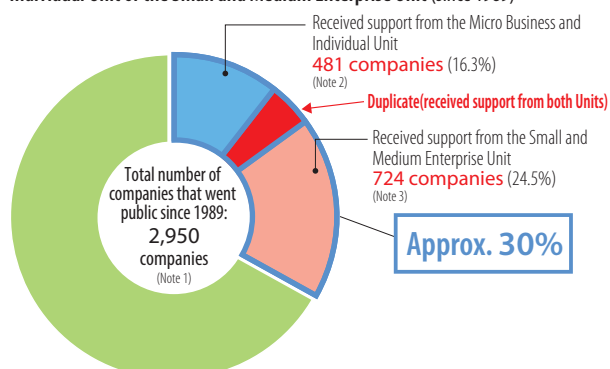
https://www.instagram.com/grandprix_kouko/
(Available only in Japanese)



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 481 companies and 724 companies, respectively, with 1,056 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 the 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, 2026 (according to JFC investigations).
2. Of those companies indicated in Note 1, companies confirmed to have received support from the Micro Business and Individual Unit.
3. Of those companies indicated in Note 1, companies confirmed to have received support from the Small and Medium Enterprise Unit.

Examples of publicly-traded companies that received support from JFC

Company name	Store or brand name	Establishment	Listing year (Note 4)	Stock market (Note 4)
Timee, Inc.	Timee	2017	2024	Tokyo Stock Exchange, Growth Market
BALMUDA Inc.	BALMUDA	2003	2020	Tokyo Stock Exchange, Growth Market
Spacemarket, Inc.	SPACEMARKET	2014	2019	Tokyo Stock Exchange, Growth Market
Bushiroad Inc.	CARDFIGHT!! Vanguard New Japan Pro-Wrestling	2007	2019	Tokyo Stock Exchange, Growth Market
Sansan, Inc.	Sansan	2007	2019	Tokyo Stock Exchange, Prime Market
Kushikatsu Tanaka Holdings Co. (Note 5)	Kushikatsu Tanaka	2002	2016	Tokyo Stock Exchange, Standard Market
Hotland Co., Ltd. (Note 6)	Tsukiji Gindaco	1991	2014	Tokyo Stock Exchange, Prime Market
Torikizoku Co., Ltd. (Note 7)	Torikizoku	1986	2014	Tokyo Stock Exchange, Prime Market
JINS Holdings Inc.	JINS	1988	2006	Tokyo Stock Exchange, Prime Market
Bic Camera Inc.	Bic Camera	1980	2006	Tokyo Stock Exchange, Prime Market
Pepper Food Service Co., Ltd.	Ikinari Steak	1985	2006	Tokyo Stock Exchange, Standard Market
Tempstaff Co., Ltd. (Note 8)	Tempstaff	1973	2006	Tokyo Stock Exchange, Prime Market
Bookoff Corporation Ltd. (Note 9)	BOOK · OFF	1991	2004	Tokyo Stock Exchange, Prime Market
Village Vanguard Co., Ltd.	VILLAGE/VANGUARD	1988	2003	Tokyo Stock Exchange, Standard Market
Seria Co., Ltd.	Seria	1987	2003	Tokyo Stock Exchange, Standard Market
Future Corporation	FUTURE	1989	1999	Tokyo Stock Exchange, Prime Market

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, 2026 (according to JFC investigations).

- Of those companies indicated in Note 1, companies confirmed to have received support from the Micro Business and Individual Unit.
- Of those companies indicated in Note 1, companies confirmed to have received support from the Small and Medium Enterprise Unit.
- The listing year is the year of the first listing, and the stock market is the main exchange on which the stock is currently traded.
- The company changed its trade name to Unisia Holdings Co. in 2026.
- The company changed its trade name to HOTLAND HOLDINGS Co., Ltd. in 2025.
- Currently, Eternal Hospitality Group Co., Ltd. is publicly traded.
- The company changed its trade name to Persol Tempstaff Co., Ltd. in 2017. Currently, Persol Holdings is publicly traded.
- Currently, BOOKOFF GROUP HOLDINGS LIMITED is publicly traded.

(3) Support for productivity improvement, etc.

(i) Support for labor-saving measures, DX and digitalization, environmental and energy measures, etc.

JFC is supporting customers' digitalization initiatives that lead to greater operational efficiency and productivity improvement through both financial and informational means.

JFC supports capital investment by SMEs and micro/small businesses working to digitalize their operations by utilizing loan programs such as Loans for Enhancing Corporate Vitality. In addition to providing information on digitalization and introducing case examples of related initiatives, JFC also uses its network with relevant organizations to make introductions to external specialists.

JFC is also supporting customers working on environmental and energy measures. In addition to support through Loans for Environment and Energy Measures, JFC provides information through pamphlets and videos to help customers introduce energy-saving and decarbonization initiatives.

First Digitalization Guidebook



This guidebook provides easy-to-understand explanations of various tools that can be adopted easily and at low cost and that lead to increased sales and cost reductions, based on implementation steps and reference examples.

Guide to Loans for Environment and Energy Measures



This pamphlet explains the loan program and introduces reference examples of how the program has been utilized.

(ii) Support of the creation of companies with annual sales of 10 billion yen

The SME Unit actively supports, through both financial and informational means, initiatives by customers seeking dramatic growth, including those that have declared a 10-billion-yen sales target.

To support the creation of companies with annual sales of 10 billion yen, the SME Unit provides pamphlets explaining the purpose of the policy and public support measures, as well as video content introducing the growth strategies of customers that have declared a 10-billion-yen sales target. The SME Unit also provides hands-on support for the development of customers' growth strategies, including assistance with applications for the Subsidy Program for Accelerating SME Growth.

Policy Information Pamphlet



Video Content

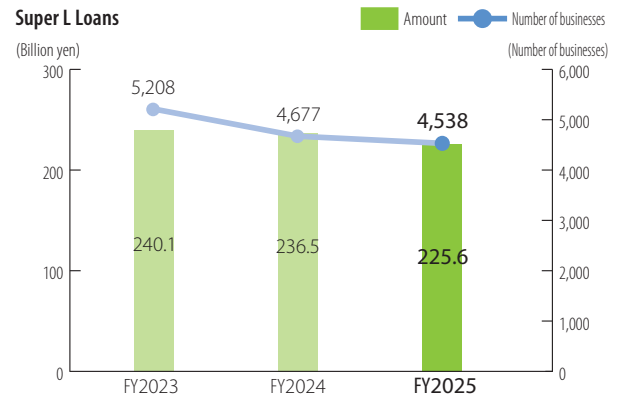


(4) Support for structural transformation of agriculture, forestry, and fisheries businesses

(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 FY2025, came to: **4,538 businesses (97% compared to the previous fiscal year), 225.6 billion yen (95% compared to the previous fiscal year).**

Super L Loans



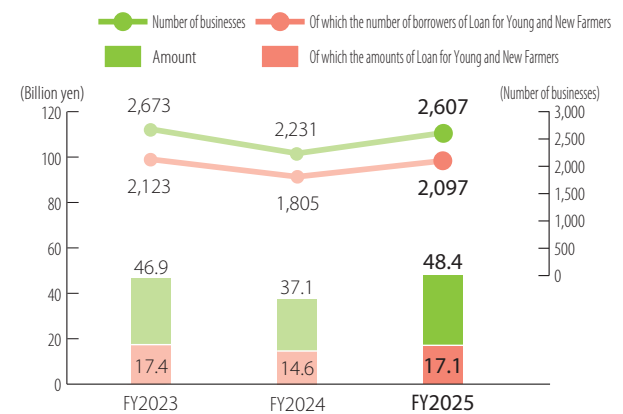
(ii) Supporting new entrants into agriculture business and new farmers

In FY2025, performance of loans to new entrants into agriculture business and new farmers came to: **2,607 businesses (117% compared to the previous fiscal year), and 48.4 billion yen (130% compared to the previous fiscal year).**

Of these, performance of Loan for Young and New Farmers ^(Note) came to: **2,097 businesses (116% compared to the previous fiscal year), 17.1 billion yen (117% 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 agricultural business



(5) Support for overseas expansion

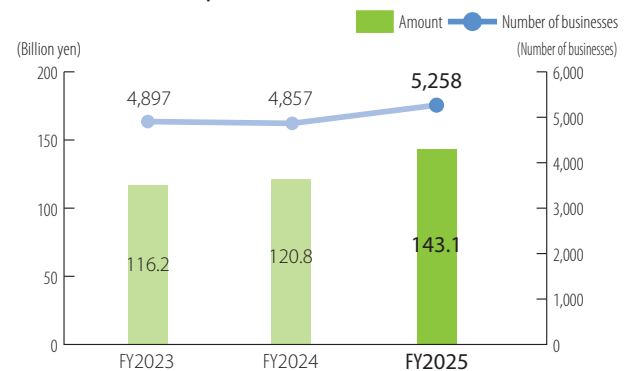
(i) The Overseas Expansion Related Loans

In FY2025, the Overseas Expansion Related Loans were provided to **5,258 businesses (108% compared to the previous fiscal year), totaling 143.1 billion yen (118% compared to the previous fiscal year)**; of which cross-border loans ^(Note 1) were provided to **106 businesses** in FY2025, in the amount of **8.3 billion yen**. The totals since the program was launched in January 2021 (through March 31, 2026), stood at **501 businesses and 36.0 billion yen**.

Notes: 1. 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.

2. 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.

Results of the Overseas Expansion Related Loans ^(Note 2)



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

	FY2023		FY2024		FY2025		
	Number of businesses	Ratio	Number of businesses	Ratio	Number of businesses	Ratio	Compared to the previous fiscal year
China (including Hong Kong)	1,502	31%	1,452	30%	1,505	29%	104%
ASEAN	1,063	22%	1,043	21%	1,162	22%	111%
Viet Nam	266	5%	262	5%	307	6%	117%
Thailand	287	6%	285	6%	292	6%	102%
Philippines	113	2%	135	3%	141	3%	104%
Malaysia	77	2%	87	2%	86	2%	99%
Other ASEAN countries	320	7%	274	6%	336	6%	123%
Others	2,332	48%	2,362	49%	2,591	49%	110%
Total	4,897	100%	4,857	100%	5,258	100%	108%

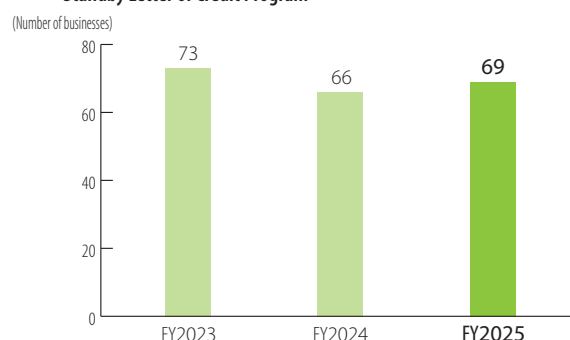
Among the Overseas Expansion Related Loans, in FY2025, the Standby Letter of Credit Program ^(Note) was utilized by **69 businesses**, with letters of credit issued to the affiliated financial institutions in Thailand, China, Republic of Korea, Indonesia, Viet Nam, Singapore, and Mexico. The cumulative usage (until March 31, 2026) of this program since its start in FY2012 has reached **1,095 businesses**.

As of March 31, 2026, the number of affiliated financial institutions expanded to 17 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, 2026, JFC has business partnerships with 60 regional financial institutions in Japan, and since the start of the program, letters of credit have been issued to a total of **68 businesses (3 businesses in FY2025)** 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) Dissemination of information via the "Overseas Expansion Zero to One +" website

The overseas expansion support website "Overseas Expansion Zero to One +" features useful materials such as the "Export Notebook" and the "Overseas Expansion Step Guide," as well as introductions of companies expanding overseas and helpful videos.



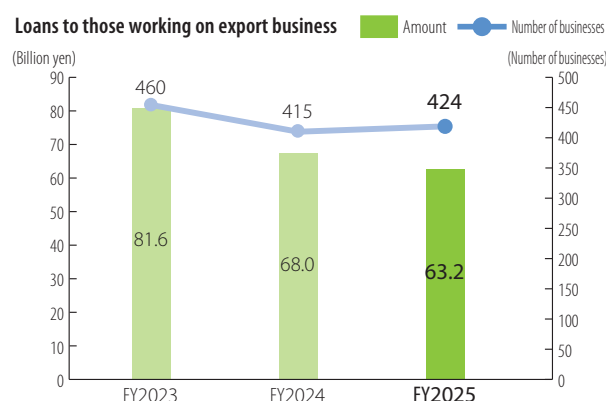
► Please visit the JFC website for more information.
https://www.jfc.go.jp/n/finance/keiei/kaigai_s.html (Available only in Japanese)



(iii) Supporting initiatives to export

The AFFF Unit provides support through loan programs such as the Agriculture, Forestry, and Fisheries Products and Food Export Framework Reinforcement Loan and the provision of information for initiatives by agriculture, forestry, and fisheries business operators and companies in the food industry to export domestic agriculture, forestry, and fisheries products and foods in order to improve their own management and promote domestic agriculture, forestry, and fisheries businesses

In FY2025, loan performances to those who work on management improvement through exports came to: **424 businesses (102% compared to the previous fiscal year)**, **63.2 billion yen (93% compared to the previous fiscal year)**.

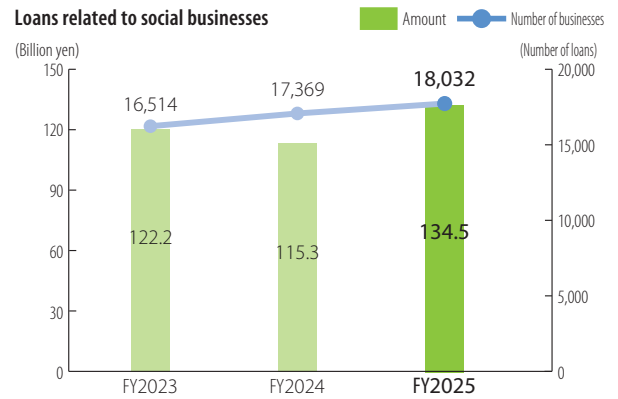


(6) Support for Social Business ^(Note)

(i) Loans related to social businesses

In FY2025, loans related to social businesses came to: **18,032 loans (104% compared to the previous fiscal year), 134.5 billion yen (117% 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

JFC publishes interviews with people involved in social business and case studies of support for solving regional and social issues on its website.



► Please visit the JFC website for more information.

<https://www.jfc.go.jp/n/finance/social/jouhoukyoku/index.html> (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.

Business Plan Visualization Book



This workbook explains the business planning process in 6 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.

► Please visit the JFC website for more information.

<https://www.jfc.go.jp/n/finance/social/sakutei.html> (Available only in Japanese)



(7) Support for business succession

The Business succession-related loans in FY2025 came to **3,825 loans (110% compared to the previous fiscal year) and 178.0 billion yen (134% 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

	FY2023	FY2024	FY2025	Compared to the previous fiscal year
Number of loans	2,790	3,488	3,825	110%
Amount	91.3 billion yen	133.2 billion yen	178.0 billion yen	134%

Note: The figures include Business Succession, Consolidation, and Revitalization Funds, including Environmental Health Business Succession, Consolidation, and Revitalization Support Funds, and other loans used for funding necessary for business succession.

Examples of Measures to Raise Manager Awareness

M&A Navigate Book



A workbook for those engaging in small M&A for the first time to understand key points in the M&A process and organize and record their own thinking. (Issued in March 2026)

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 vendors and subcontractors, and to facilitate the sharing of issues and direction of their own succession with JFC staff. (Revised in March 2024)

Agrifood Support



A booklet introducing cases in which business succession served as an opportunity to develop management, cases of third-party succession, interviews with business succession support organizations, and JFC's business succession support. (Issued in July 2025)

Business Succession Matching Support

Business succession matching support is a program that supports third-party business succession by matching micro/small businesses that do not have a successor with people seeking business expansion, prospective entrepreneurs, and others.

As of FY2025, the program has received 21,019 applications with 2,788 successful matches made, of which 503 contracts have been concluded.

In addition, to further promote the matching of companies lacking successors, JFC held "business succession matching events" in all prefectures except Okinawa Prefecture through FY2025, where companies publicly solicited successors with their names openly disclosed. At these events, a cumulative total of 177 companies wishing to transfer their businesses showcased their businesses to a total of 5,780 participants, including those interested in business transfers and those who support business succession, and publicly solicited successors.

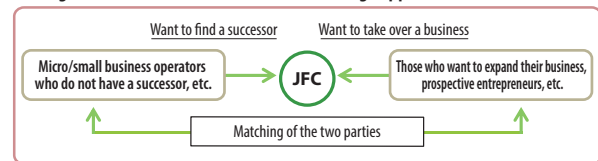
In FY2025, we also held "Regional Transportation Matching: Protecting and Connecting Local Mobility," a business succession matching event for transportation operators, in cooperation with the Ministry of Land, Infrastructure, Transport and Tourism and other organizations.

▶ For more information regarding business succession matching support, please visit the JFC website.

<https://www.jfc.go.jp/n/finance/jigyosyokei/matching/index.html>
(Available only in Japanese)



● Diagram of the business succession matching support



● Business succession matching support results

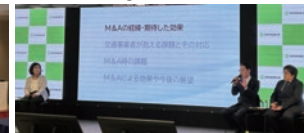
Actual results	Transferor	Transferee
Number of registered applications	6,649	14,370 (3,329)
Number of successful matches	2,788	
Number of contracts concluded	503	

Note: The results of business succession matching support are the cumulative results from April 2019 to March 2026. 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 Transferor
(Aomori Prefecture)



Regional Transportation Matching:
Protecting and Connecting Local Mobility

Example of Successful Business Succession Matching Support

The Transferor is a soba restaurant founded in 1989 in Minakami Town, Gunma Prefecture. Based on guidance from the Minakami Town Society of Commerce and Industry, the restaurant registered with JFC's business succession matching support program and took the stage at the business succession matching event held in Gunma Prefecture in September 2024.

The transferee is a prospective entrepreneur from Gunma Prefecture. Drawing on work experience at restaurants, the transferee was considering starting a restaurant business. After seeing the transferor, a restaurant the transferee had visited since childhood, take the stage at the event, the transferee expressed interest in negotiating with the transferor out of a desire to preserve a familiar taste.

JFC introduced the transferee to the transferor. After approximately 6 months of training, and with support from the Gunma Prefecture Business Succession and Transfer Support Center in completing the contract procedures, the transferee realized the business succession in December 2025.



Scene from the signing ceremony
for the transfer agreement

(8) Support for business revitalization

Results of financing relating to business revitalization in FY2025 came to **1,524 businesses (129% compared to the previous fiscal year) and 106.3 billion yen (122% compared to the previous fiscal year)** for Corporate Revitalization Loans, whereas Capital Subordinated Loans (revitalization-type) came to **289 businesses (325% compared to the previous fiscal year) and 24.3 billion yen (296% compared to the previous fiscal year)**. In addition, financing support relating to revitalization was provided to **368 businesses (105% compared to the previous fiscal year)**.

Results of loans related to support for revitalization

		FY2023	FY2024	FY2025	Compared to the previous fiscal year
Corporate Revitalization Loans	Number of businesses	619	1,183	1,524	129%
	Amount	47.5 billion yen	87.2 billion yen	106.3 billion yen	122%
Capital Subordinated Loans (revitalization-type)	Number of businesses	50	89	289	325%
	Amount	4.2 billion yen	8.2 billion yen	24.3 billion yen	296%

Results of financial support relating to revitalization

		FY2023	FY2024	FY2025	Compared to the previous fiscal year
Results of support for comprehensive revitalization, etc. ^(Note)	Number of businesses	242	352	368	105%

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. The figures for each fiscal year also include results of Rechallenge Support, which provides support through private workout procedures for business closure to businesses that were unable to achieve business revitalization.

- **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 in which profitable business operations are separated through a company split or business transfer and assumed by another business, etc., and debt relief is obtained for the remaining excess debt 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.

Cooperation with Private Financial Institutions and Relevant Organizations



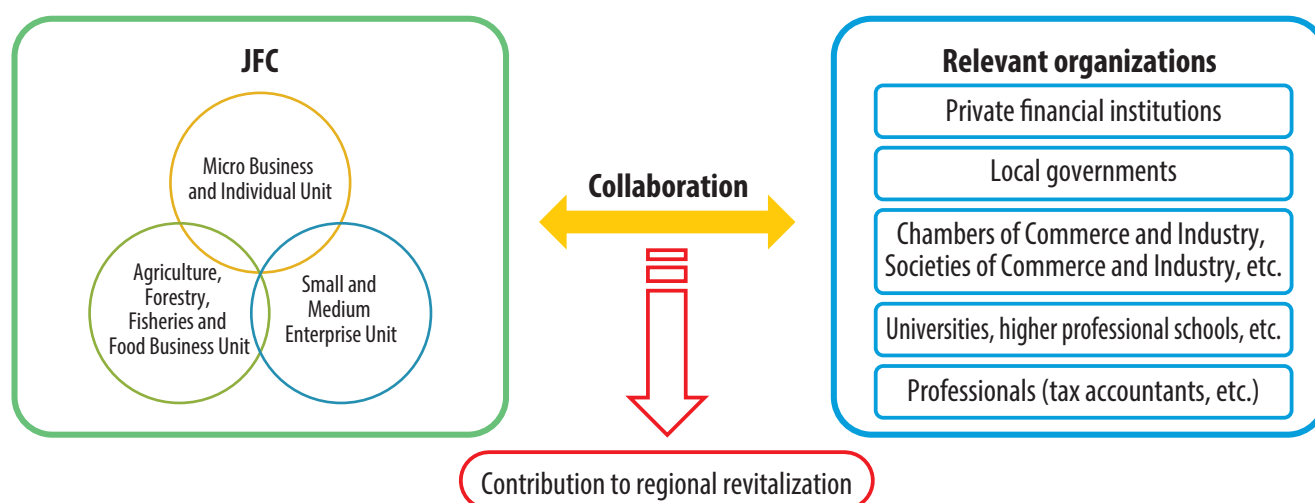
In cooperation with private financial institutions and relevant organizations, JFC provides its customers with a diverse range of services. In addition to active participation in various initiatives implemented by local governments for regional revitalization, JFC strives to revitalize local communities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

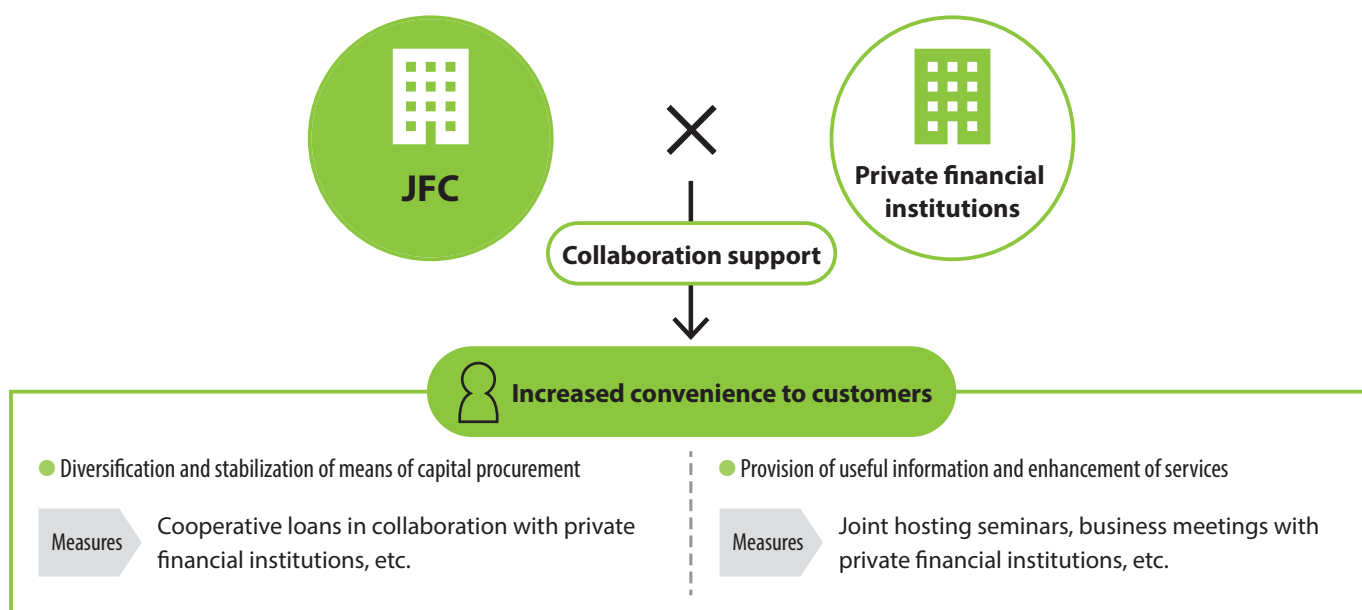
- Role performance of connecting relevant organizations
JFC promotes initiatives to resolve challenges which the region and customers are facing in cooperation with relevant local organizations.
- Reinforcement of collaboration with local governments
Through active involvement in various initiatives 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

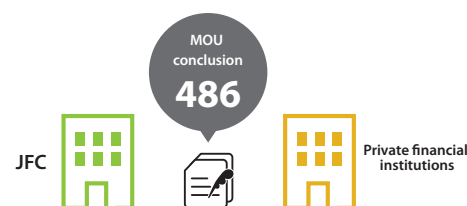
JFC supports SMEs, micro/small businesses and agricultural, forestry and fisheries businesses, and other businesses based on the premise of complementing the activities of private financial institutions. We strive to increase convenience to customers in collaboration with private financial institutions 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, 2026, MOUs on business cooperation and collaboration have been concluded with **486 financial institutions**.

Since FY2025, in preparation for the occurrence of crisis events such as pandemics and increasingly severe natural disasters, JFC has concluded MOUs on Business Cooperation in the Event of a Crisis with **323 financial institutions** as of March 31, 2026. By establishing policies for cooperation with private financial institutions in the event of a crisis, JFC is developing a framework that enables seamless financial services to be provided to local businesses, thereby contributing to the prompt support for businesses and disaster recovery.



(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 **433 financial institutions** as of March 31, 2026. 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, 2026, **488 programs** were created in collaboration with **306 financial institutions**.

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



(4) Total of cooperative loans ^(Note)

In FY2025, total cooperative loans from private financial institutions came to: **23,692 loans, 1,115.1 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

	FY2021	FY2022	FY2023	FY2024	FY2025
Number of loans	25,259	29,894	32,594	27,414	23,692
Amount	1,252.7 billion yen	1,264.5 billion yen	1,240.6 billion yen	1,162.1 billion yen	1,115.1 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 policy-based financial institution, JFC plays a role in connecting relevant local organizations and contributing to the resolution of challenges faced by customers and local communities. To this end, in FY2025, JFC organized the Regional Economic Revitalization Symposium in two locations, Tokyo and Tokushima, in collaboration with local financial institutions, educational institutions, support organizations, and local companies and organizations.

Tokyo	◆ Date: July 22, 2025 ◆ Location: Nikkei Hall (Chiyoda-ku, Tokyo) ◆ Theme: Start-ups (Deep Tech) ◆ Number of participants: Venue: 118 Live-streaming: 326
Tokushima	◆ Date: September 22, 2025 ◆ Location: Awagin Hall (Tokushima) ◆ Theme: Regional Revitalization × Start-ups ◆ Number of participants: Venue: 164 Live-streaming: 144



A scene of the Tokyo venue

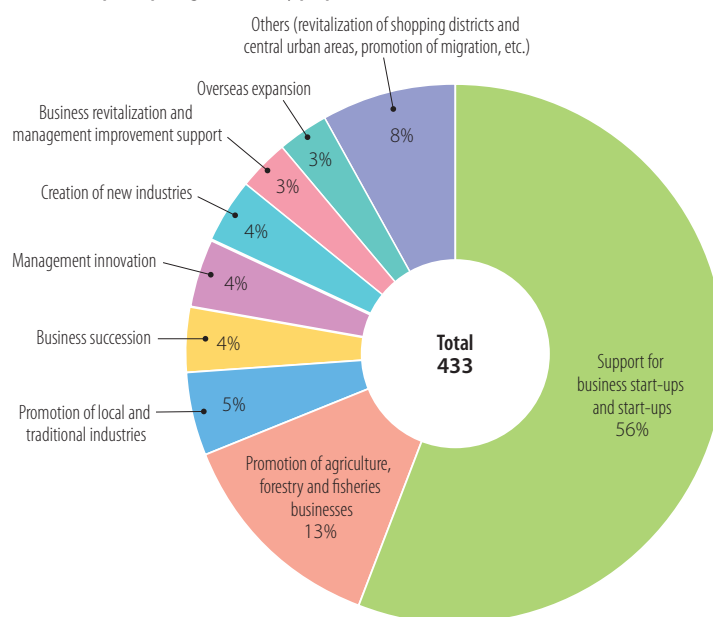


A scene of the Tokushima venue

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 FY2025, JFC participated in various fields of **433 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) (FY2025)



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 meetings and seminars by using its nationwide network of 152 branches.

- In FY2025, 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.

The 6th Nationwide Online Business Discussion Meetings

- To contribute to the expansion of customers' business opportunities, JFC organized online business discussion meetings. (February 2–6, 2026)
- This time, a record-high total of 1,038 business discussions were held by supporting participating companies in developing sales channels, while also helping resolve business challenges by inviting sponsoring organizations and others to hold consultation sessions on foreign human resources and intellectual property utilization.



JFC Direct App

JFC offers a variety of services through the JFC Direct App, including business-related information, email newsletters, seminar announcements, checking transaction status, and issuing balance certificates.

▶ Please visit the JFC website for more information.

<https://www.jfc.go.jp/n/finance/direct/app.html> (Available only in Japanese)



Also available via our website.

JFC Direct Search



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 functions, 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)



JFC's Official YouTube Channel

JFC's official YouTube channel provides videos useful for business management, as well as information on JFC initiatives.

日本公庫公式YouTubeチャンネル

▶ Please visit JFC's official YouTube channel.

<https://www.youtube.com/@日本政策金融公庫公式> (Available only in Japanese)



Overview of Operations in FY2025 and Outline of Financial Statements

Overview of Operations in FY2025

Japan's economy is recovering at a moderate pace. As for the outlook, although improvements in the employment and income environment and the effects of various policies are expected to support a moderate recovery, it is necessary to closely monitor the impact of the situation in the Middle East. Attention should also be given to the effects of fluctuations in the financial and capital markets, as well as developments surrounding U.S. trade policy.

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.

With respect to natural disasters, JFC established new special consultation desks relating to the earthquake with its epicenter near the Tokara Islands; the tsunami caused by the 2025 earthquake near the Kamchatka Peninsula; the disaster associated with heavy rain caused by a low-pressure system and a stationary front from August 6, 2025; the heavy rain from August 20, 2025; the disaster associated with Typhoon No. 12 of 2025; the heavy rain from September 2, 2025; the disaster associated with Typhoon No. 15 of 2025, etc.; the heavy rain from September 12, 2025; the disaster associated with Typhoon No. 22 of 2025; the large-scale fire in Saganoseki, Oita City on November 18, 2025; the disaster associated with the 2025 earthquake with its epicenter off the eastern coast of Aomori Prefecture; oyster mortality damage due to high water temperatures, etc.; and the disaster related to heavy snowfall from January 21, 2026. JFC provided prompt and detailed responses to financing and repayment inquiries from affected SMEs, micro/small businesses, agriculture, forestry, and fisheries businesses, and others. JFC also continued to respond promptly and meticulously to consultations regarding financing and repayment from SMEs, micro/small businesses, agriculture, forestry, and fisheries businesses, and others affected by the disaster caused by the 2024 Noto Peninsula Earthquake, while also working to support sales channel expansion by holding the business discussion meeting for reconstruction support following the 2024 Noto Peninsula Earthquake to support customers in Ishikawa Prefecture, where the earthquake had a significant impact.

Furthermore, regarding changes in the business environment due to economic conditions and other factors, JFC established the special consultation desk relating to U.S. automobile tariff measures, etc. in April 2025 and the special consultation desk on regional economic measures related to Nissan Motor in August 2025. In March 2026, JFC also expanded the special consultation desk relating to the situation in Ukraine and rising crude oil prices, etc., into the special consultation desk relating to the situation in the Middle East and Ukraine, and rising oil prices, etc., and responded promptly and carefully to consultations from affected businesses and others.

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 functions and engaged in supporting business

start-ups, start-ups, new businesses, business revitalization, business succession, overseas expansion, sustainable growth of agriculture, forestry, and fisheries businesses, social business, and enhancement of corporate vitality in hopes of contributing to the development and growth of the Japanese economy.

As a part of these efforts, pertaining to business start-ups, 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 capital, 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 understand and provide information on the current status and issues of foreign employment; 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; and for enhancement of corporate vitality, we supported SMEs aiming for dramatic growth.

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 continued initiatives such as promoting mutual understanding through organizational dialogue, including at the executive level; continuously promoting cofinancing, mainly in business fields that need prioritized support; holding study sessions; and, based on regional issues and needs, proposing and encouraging specific cooperation in areas such as business start-ups, start-ups, overseas expansion, agriculture, and business succession through integrated efforts by the head office and branches. JFC also newly concluded a MOU on Comprehensive Cooperation for Regional Economic Revitalization with the Second Association of Regional Banks. In addition, in preparation for natural disasters, pandemics, and other events, JFC concluded MOUs on Business Cooperation in the Event of a Crisis with private financial institutions, as well as with the TKC National Federation and TKC Corporation.

Furthermore, JFC actively held seminars, study sessions, and other events in cooperation with relevant local organizations. In addition to fulfilling its role as a policy-based financial institution in connecting relevant local organizations and contributing to resolving challenges faced by customers and local communities, JFC held the Regional Economic Revitalization Symposium in Tokyo and Tokushima.

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 FY2025 were 3,058.2 billion yen.

JFC's financial results during FY2025 were as follows: ordinary income was 624.5 billion yen and net loss including extraordinary incomes and losses was 292.5 billion yen.

Outline of Financial Statements for FY2025

(1) Profit and loss

At the closing of FY2025 (ended March 31, 2026), JFC recorded an increase of 91.6 billion yen under the previous fiscal year, for a net loss of 292.5 billion yen.

The key factor for the increase was a 40.1 billion yen increase in net loss from the previous fiscal year in the Account for Micro Business and Individual Operations.

Profit and Loss Statement

(Billion yen)

		Ordinary income		Ordinary expenses		Ordinary profit (loss)		Net income (loss)	
		2025	2026	2025	2026	2025	2026	2025	2026
Japan Finance Corporation		629.0	624.5	829.7	917.1	(200.7)	(292.5)	(200.8)	(292.5)
Micro Business and Individual Unit (Account for Micro Business and Individual Operations)		143.3	155.9	303.3	356.2	(160.0)	(200.3)	(160.1)	(200.3)
Agriculture, Forestry, Fisheries and Food Business Unit (Account for Agriculture, Forestry, Fisheries and Food Business Operations)		52.6	67.4	49.5	69.6	3.1	(2.1)	3.1	(2.1)
Small and Medium Enterprise (SME) Unit	Account for SME Loan Programs and Securitization Support Programs (Guarantee-type Operation)	90.4	99.8	61.3	96.5	29.0	3.3	29.0	3.3
	Account for Securitization Support Programs (Purchase-type Operation)	0.5	0.6	0.4	0.4	0.0	0.2	0.0	0.2
	Account for Credit Insurance Programs	331.2	287.2	380.5	373.2	(49.2)	(85.9)	(49.2)	(85.9)
Operations to Facilitate Crisis Responses (Account for Operations to Facilitate Crisis Responses)		10.9	13.1	34.6	20.8	(23.7)	(7.6)	(23.7)	(7.6)
Operations to Facilitate Specific Businesses Promotion, etc. (Account for Operations to Facilitate Specific Businesses Promotion, etc.)		0.3	0.6	0.3	0.6	(0.0)	(0.0)	(0.0)	(0.0)

(2) Assets

Total assets were 29,700.6 billion yen, the majority of which were loans and bills discounted.

Loans and bills discounted decreased 1,464.1 billion yen from March 31, 2025, to 22,443.7 billion yen.

Total net assets stood at 14,931.9 billion yen, taking into account an increase from having received capital contributions from the government of 58.4 billion yen, against a net loss of 292.5 billion yen, etc.

Balance Sheet

(Billion yen)

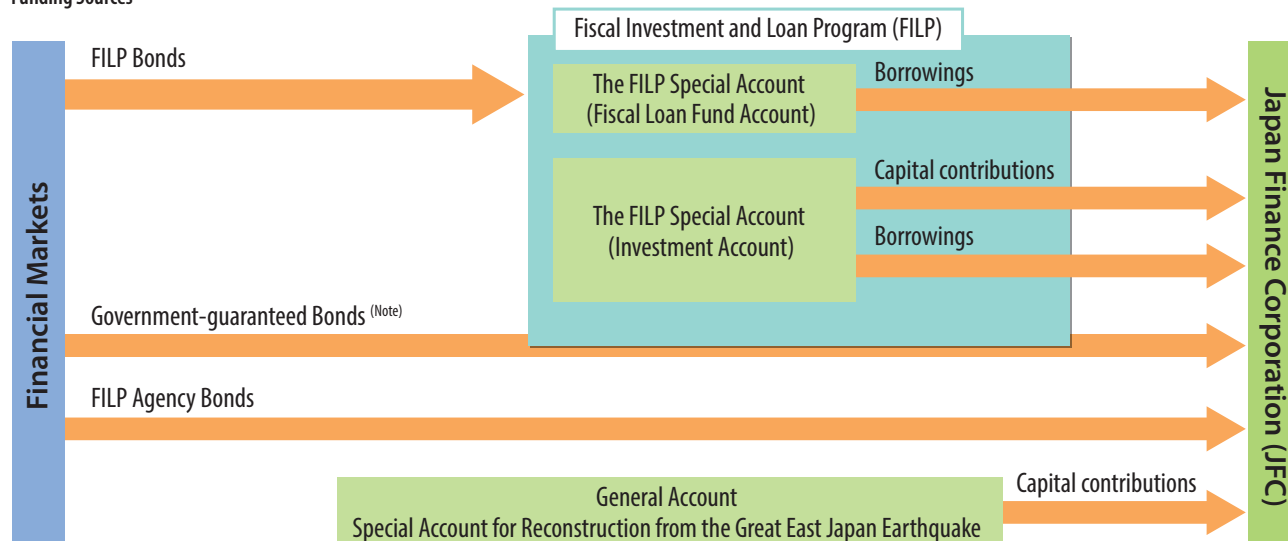
Assets			Liabilities and net assets		
Items	Amount		Items	Amount	
	2025	2026		2025	2026
Cash and due from banks	7,925.2	7,760.6	Borrowed money	14,024.4	12,770.9
Securities	244.9	339.6	Bonds payable	555.9	545.8
Loans and bills discounted	23,907.8	22,443.7	Entrusted funds	18.9	16.9
Other assets	42.6	51.0	Reserve for insurance policy liabilities	1,326.5	1,231.9
Property, plant and equipment	190.6	191.4	Other liabilities	29.0	33.3
Intangible assets	46.8	45.5	Provision for bonuses	5.7	6.2
Customers' liabilities for acceptances and guarantees	28.2	33.3	Provision for directors' bonuses	0.0	0.0
Allowance for loan losses	(1,100.8)	(1,164.8)	Provision for retirement benefits	97.9	100.4
			Provision for directors' retirement benefits	0.0	0.0
			Reserve for compensation losses	29.8	29.3
			Acceptances and guarantees	28.2	33.3
			Total liabilities	16,116.9	14,768.6
			Capital stock	11,768.6	11,780.9
			Capital surplus	5,512.2	5,558.3
			Retained earnings	(2,111.8)	(2,407.3)
			Valuation difference on available-for-sale securities	(0.1)	0.0
			Total net assets	15,168.8	14,931.9
Total assets	31,285.7	29,700.6	Total liabilities and net assets	31,285.7	29,700.6

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.

Funding Sources



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

Breakdown of funding sources

(Billion yen)

	FY2025 budget	FY2025 results	FY2026 budget
Borrowings from Fiscal Loan Fund, etc.	3,161.3	1,577.5	2,879.8
Government-guaranteed Bonds	100.0	—	100.0
Capital contributions from the government	58.4	58.4	44.8
Funding from the government (percentage of overall funding)	3,319.7 (92%)	1,635.9 (94%)	3,024.6 (91%)
FILP Agency Bonds	290.0	100.0	290.0
Total funding	3,609.7	1,735.9	3,314.6

Note: 1. The budget amounts for FY2025 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	FY2023		FY2024		FY2025		FY2026	
		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 FY2023 to FY2025, JFC has not issued any government-guaranteed bonds.

3. In FY2026, JFC has not issued government-guaranteed bonds as of May 31, 2026.

● FILP Agency Bonds

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

(Billion yen)

Month of issue/Maturity	FY2023				FY2024				FY2025				FY2026	
	(Budget 290.0)				(Budget 290.0)				(Budget 290.0)				(Budget 290.0)	
	Results 20.0				Results 100.0				Results 100.0				Results 0.0	
Month of issue	May	August	November	March	May	August	November	March	May	August	October	March	May	
5-year bond	—	—	—	—	—	—	—	10.0	—	—	—	—	—	
3-year bond	—	—	—	10.0	—	—	10.0	—	—	—	10.0	—	—	
2-year bond	—	—	—	10.0	—	30.0	40.0	10.0	10.0	50.0	20.0	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, 2026)

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

Memo
