Japan Finance Corporation

Guide to the Operations of the Micro Business and Individual Unit

2025

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Note: Figures used in this Report:

1. Figures for which the value is less than one whole unit.

Numbers of items and amounts are rounded down to the nearest whole unit. As a general rule, percentages (%) are rounded down to the nearest first decimal place when less than four and rounded up to the nearest first decimal place when five or more. Therefore, figures in the total column may not match the figure obtained by calculating all individual items.

2. Figures

Figures lower than the unit are shown as "0." *-" is shown when there is no applicable figure.

Message from the General Manager of the Micro Business and Individual Unit

First, I would like to express my sincere gratitude for your kind understanding and support to the operations of the Micro Business and Individual Unit, Japan Finance Corporation (JFC).

We offer life-based financing including business loans for micro/small businesses and educational loans.

In FY2024, we provided loans to support enterprises affected by natural disasters such as the 2024 Noto Peninsula Earthquake, and those coping with changes brought about by price hikes and labor shortages, and endeavored to perform our safety net functions. Going forward, we will continue to support the security of micro/small business operators by responding appropriately while closely monitoring changes in the global environment, such as U.S. tariff measures.

We are also putting efforts into providing support for our customers' core business so that we can support the business continuity and growth of those working to overcome a challenging business environment. For those affected by the Noto Peninsula Earthquake, we issued the Ishikawa Prefecture Support Catalog and held online business meetings to support the expansion of their sales channels. We will continue to share with customers their business strengths and challenges and offer a variety of information and useful management advice, as well as support in collaboration with outside experts.

We will also continue our work with regional financial institutions, Chambers of Commerce and Industry, Societies of Commerce and Industry, tax accountants, and other relevant regional organizations to support cash flow and core business. When cooperating with regional financial institutions, we will create and use cooperative loan programs, and when cooperating with Chambers of Commerce and Industry, Societies of Commerce and Industry, tax accountants, and others, we will hold consultation sessions and seminars and undertake other programs. In addition, we will play a role in connecting relevant regional organizations such as providing referrals to customers according to their management issues.

We also have been proactively supporting SMEs in business fields that need prioritized support such as "business start-up," "business revitalization," "business succession," "social business," and "overseas expansion."

Especially, support for business start-ups is crucial policy in local revitalization, so we enhance support for wide range of people, such as start-ups, female, young, and/or migrator entrepreneurs. Also, we established the Start-up Support Plazas in April 2024 to strengthen the support system for seed and early-stage start-ups. Also, we have held "High School Student Business Plan Grand Prix" to help foster entrepreneurship mindset in future generations of business leaders. We intend to continue passing on our experience and know-how of business start-up support to the field of entrepreneurial education.

In the field of business revitalization, we supported micro/small businesses which intend to reorganize their business management by flexibly responding to requests from customers, providing assistance on preparing management improvement plans. In the future, we will collaborate with regional financial institutions and other support organizations and bodies to support business revitalization for business continuation of micro/small businesses while using Capital Subordinated Loans that lead to increased capital.



At a time when the managers of SMEs and micro/small businesses age, business succession support is an important policy. In response, we strengthen our cooperation with some organizations related to commerce and industry for "business succession matching support" that connects micro/small businesses who do not have a successor with prospective entrepreneurs. And also, we held events and disseminate information on examples of success, etc. JFC will actively continue its efforts relating to business succession so that valuable management assets, including the technologies and know-how that micro/small businesses have accumulated, can be effectively transferred to the next generation.

We are making efforts to disseminate information concerning both social business support and overseas expansion support. Regarding the former, we have created and published an explanatory video to support the formulation of business plans by those working to address regional and social issues. Regarding the latter, among other things, we disseminate examples of companies engaged in exports. We will continue our efforts to tackle the solution of issues faced by local communities and society and overseas business expansion.

The Educational Loan program which aims to reduce the financial burden of educational expenses on households and contribute to equal educational opportunity has been used by many of our customers for more than 40 years. We will continue to promote assistance to people who require funds to enroll or maintain their children in school.

Through cooperation with relevant regional organizations, we will continue to make every effort to support micro/small business owners. We also will proactively tackle the digitalization policies being promoted by the government, such as by promoting the use of our online JFC Direct, Internet Application services, and JFC Electronic Contract Services, thereby fulfilling our policy-based financing function.

I sincerely hope for your continued understanding and support.

IWAMOTO Tatsuhiro

General Manager, Micro Business and Individual Unit Japan Finance Corporation

Overview of Japan Finance Corporation

Japan Finance Corporation (JFC) is a policy-based financial institution which developed out of the National Life Finance Corporation, the Agriculture, Forestry and Fisheries Finance Corporation and the Japan Finance Corporation for Small and Medium Enterprise.

Profile of JFC (as of Mar. 31, 2025)

• 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: TANAKA Kazuho

Capital, etc.: Capital: 11,768.6 billion yen

Reserve fund: 5,330.7 billion yen

• Branch Offices: Branch Offices in Japan: 152

Overseas representative offices: 3

• Employees: 7,423 (budgetary fixed number for FY2025)

Outstanding Loans: 24,477.9 billion yen
 Micro Business and Individual Unit: 10,426.8 billion yen
 Agriculture, Forestry, Fisheries and Food Business Unit: 3,609.0 billion yen
 Small and Medium Enterprise (SME) Unit (Finance Operations):

7,685.4 billion yen

Operations to Facilitate Crisis Responses: 2,689.4 billion yen
Operations to Facilitate Specific Businesses Promotion, etc.: 67.0 billion yen

Outstanding Amounts of Insurance

 $Small\ and\ Medium\ Enterprise\ (SME)\ Unit\ (Credit\ Insurance\ Programs):$

34,525.9 billion yen

Basic Philosophy

Focused policy-based financing

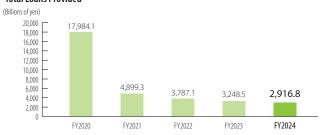
Following the national policy, provide flexible policy-based financing by utilizing a variety of financing programs and schemes to meet the needs of society, while complementing the activities of private financial institutions.

Mainstreaming governance

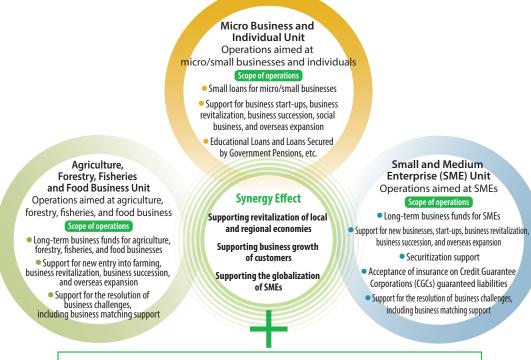
Strive to conduct highly transparent and efficient business operations based on a high level of corporate governance and hold itself accountable to the public.

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

Total Loans Provided



Major Business Operations of JFC



Operations to Facilitate Crisis Responses and Specific Businesses Promotion, etc.

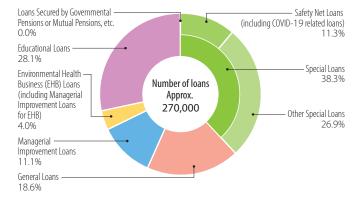
- Providing a certain credit to designated financial institutions at the occurrence of crises certified by the competent
 ministers, such as domestic or international financial disorder, large-scale natural disasters, and other similar events.
- Providing loans to designated financial institutions based on the Low Carbon Investment Promotion Act, etc.

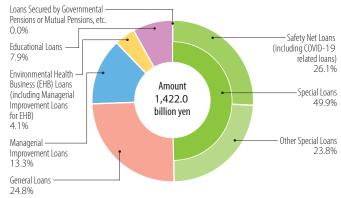
Overview of the Micro Business and Individual Unit

Providing Loans for a Wide Variety of Activities Closely Related to National Life, Including Business Financing

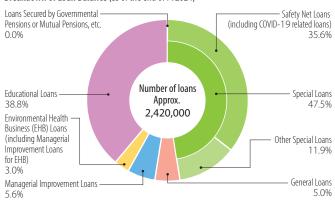
Eligible customers Loan Financing Programs General Loans Management Support **General Loans Special Loans Managerial Improvement Loans** Corporations/individuals in Corporations/individuals whose Corporations/individuals under Consultations on almost all types of business (may be unavailable to some people/ the managerial advice from business conditions are temporarily new business deteriorating, those involved in Chambers of Commerce and establishment Industry, Societies of Commerce businesses) business start-up, business revitalizaand Industry, etc. tion, business succession, social business, and overseas expansion, etc. Micro/small business operators Management Environmental Health Business Loans consultations Environmental Health Improvement Loans General Loans (Environmental Health Business (EHB) Loans) **Business Promotion Loans** Corporations/individuals Provided to environmental Corporations/individuals receivengaged in environmental ing management advice from health trade association members who have received health related businesses environmental health trade Information approval for business promotion associations, etc. sharing People who require Educational Loans (National Educational Loans) educational financing Provided to parents and guardians of students who have entered or are already matriculated at high schools, universities, etc. Those who receive a pension Loans Secured by Governmental Pensions or Mutual Pensions, etc. or mutual pension Provided to people who require funding for housing or businesses, etc.

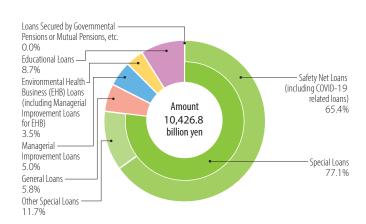
Breakdown of Loans (FY2024)





Breakdown of Loan Balance (as of the end of FY2024)





Financial Characteristics

Support for Micro/Small Businesses

Loans Used by Many Customers

JFC-Micro loans are used by many micro/small businesses, which are the source of vitality of the Japanese economy, employing many people, and support regional economies.

The number of SMEs and micro/small businesses nationwide declined to 3.85 million in 2012 and 3.57 million in 2016, and 3.36 million in 2021.

Under the circumstances, the number of loans provided by JFC-Micro has gradually declined and was 0.88 million at the end of FY2019. As a result of our full-scale efforts to support micro/small businesses that were impacted by the COVID-19 pandemic since 2020, the number of loans increased to 1.15 million as of March 31, 2025

Source: Prepared by the Small and Medium Enterprise Agency based primarily on Ministry of Internal Affairs and Communications and Ministry of Economy, Trade and Industry, "2012 Economic Census for Business Activity," "2016 Economic Census for Business Frame," "2021 Economic Census for Business Frame," and other sources.

FY2019 FY2020

FY2021

FY2022

FY2015

FY2017

Most Loans Are Small, Unsecured Loans

Approximately 90% of all loans are for 10 million yen or less and the average loan balance per business is 8.22 million yen. Also, more than 90% of all loans are unsecured.

Number of business borrowers and average loan balance per business (as of the end of FY2024)

	JFC-Micro	Credit associations (254 associations)	Domestic banks (130 banks)
Number of business borrowers	1.15 million businesses	1.24 million businesses	2.18 million businesses
Average loan balance per business	8.22 million yen	44.20 million yen	118.36 million yen

Notes: 1. Figures for JFC-Micro are the total of General Loans and Environmental Health Business Loans.

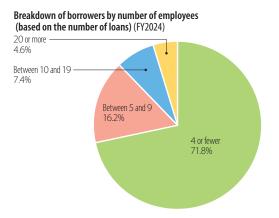
- 2. Domestic banks include major commercial banks, regional banks, regional banks II, and trust banks.
- 3. Figures for credit associations (based on "total" in Deposits and Loans Market statistics by the Bank of Japan) and for domestic banks (based on "SMEs" in Deposits and Loans Market statistics by the Bank of Japan) do not include loans to individuals (loans for housing, consumption, tax payments, etc.), loans to regional public organizations, overseas yen-loans, or loans made to businesses in foreign countries in name of their domestic branches.
- 4. Number of businesses for credit associations and domestic banks are based on the number of loans in Deposits and Loans Market statistics by the Bank of Japan. Source: Bank of Japan website

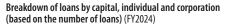
Promoting Loans That Do Not Rely on a Guarantor

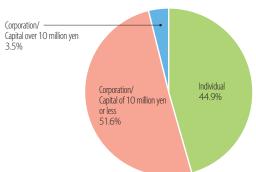
We are promoting loans that do not rely on a guarantor by preparing financing programs such as the Managerial Improvement Loans (MARUKEI Loans) and Manager Guarantee Exemption Special Program.

Most Borrowers Are Micro/Small Businesses, among Which Approximately 40% Are Sole Proprietorships

Approximately 90% of borrowers have nine or fewer employees, and many are sole proprietors.







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

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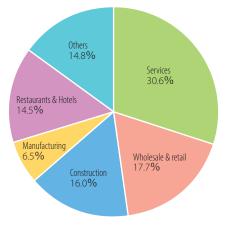
Providing Loans for Various Types of Micro/Small Businesses Through Our 152 Branch Offices

We provide a variety of loans for micro/small businesses by covering region widely through our 152 branch offices nationwide.

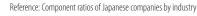
The ratio of loans by industry provided by JFC-Micro is almost the same as the ratio of companies in Japan by industry as a whole, and these loans are extensively used by a wide range of borrowers including micro/small businesses from companies with close relationships to local communities such as grocery stores of shopping streets, neighboring builders to those ready to be pioneers in new fields by using cutting-edge knowledge and technologies including biotech and Al.

Also, borrowers cover a wide range of micro/small businesses in various life stages such as those recently established that are aiming for growth to those with a solid management foundation and a stable business.

Breakdown of loans by type of business (based on the number of loans) (as of the end of FY2024)



Note: The breakdown is the total of General Loans and Environmental Health Business Loans.





Sources: Ministry of Internal Affairs and Communications and Ministry of Economy, Trade and Industry. "2021 Economic Census for Business Activity"

Exercise of Safety Net Functions

Measures against Disasters and Other Unforeseen Events

Special Consultation Desks Are Established to Quickly Respond to Affected Micro/Small Businesses

A special consultation desk is immediately established in case of natural disasters such as earthquakes, typhoons or torrential rains, deterioration of the economic environment, a major corporate bankruptcy, or other unforeseen events so that affected micro/small businesses can discuss their loan and repayment conditions.



Special consultation desks currently in operation (as of June 30, 2025)

	Number of consultation desks	Names of consultation desks	Date of establishment
		Special consultation desk for the Great East Japan Earthquake	Mar. 2011
		Special consultation desk for damage suffered as a result of heavy rain from July 3, 2020	Jul. 2020
		Special consultation desk for damage suffered as a result of the 2024 Noto Peninsula Earthquake	Jan. 2024
		Special consultation desk for damage suffered as a result of heavy rain from July 25, 2024	Jul. 2024
		Special consultation desk for damage suffered as a result of Typhoon No. 10 of 2024	Aug. 2024
		Special consultation desk for damage suffered as a result of heavy rain due to a low-pressure system and a stationary front	Sep. 2024
Disaster-related	13	Special consultation desk for damage suffered as a result of heavy rain from November 8, 2024	Nov. 2024
		Special consultation desk for damage suffered as a result of heavy snowfall from December 28, 2024	Jan. 2025
		Special consultation desk for damage suffered as a result of heavy snowfall from February 4, 2025	Feb. 2025
		Special consultation desk for damage suffered as a result of road collapse caused by damage to regional sewer pipes	Feb. 2025
		Special consultation desk for damage suffered as a result of heavy snowfall, mainly along the Sea of Japan coast from February 17, 2025	Feb. 2025
		Special consultation desk for damage suffered as a result of the large-scale fire in Ofunato City, Iwate Prefecture, in 2025	Feb. 2025
		Special consultation desk for damage suffered as a result of the forest fire on March 23, 2025	Mar. 2025
	3	Special consultation desk relating to situation in Ukraine and rising oil prices, etc.	Nov. 2021
Others		Special consultation desk for management, export, and other measures for disposal of ALPS-treated water	Aug. 2023
		Special consultation desk relating to U.S. automobile tariff measures, etc.	Apr. 2025

Consultations for Micro/Small Businesses Affected by U.S. Tariff Measures

In April 2025, we established a special consultation desk relating to U.S. automobile tariff measures, etc. We are providing consultations to those whose cash flow has been or may be affected by the U.S. tariff measures, etc.

Loan programs related to U.S. tariff measures (as of the end of June 2025)

Loan program	Eligible customers	Maximum loan amount	Repayment period (Grace period)
Funds for changes in operating environments (Safety Net Loans)	Those whose business conditions have temporarily deteriorated due to external factors such as changes in the social or economic environment	48 million yen	Equipment funds: Up to 15 years (up to 3 years) Working capital: Up to 8 years (up to 3 years)
Funds for changes in operating environments (Environmental Health Safety Net Loans)	Members of environmental health trade associations that have received approval for business promotion plans and whose business conditions have temporarily deteriorated due to external factors such as changes in the social or economic environment	57 million yen	Working capital: Up to 8 years (up to 3 years)

We Provide Support for the Recovery and Reconstruction Efforts of Micro/Small Businesses Affected by the 2024 Noto Peninsula Earthquake

Following the 2024 Noto Peninsula Earthquake, JFC-Micro promptly established the Special consultation desk for damage suffered as a result of the 2024 Noto Peninsula Earthquake and set up a consultation system to provide prompt support to micro/small businesses that suffered damages from the disaster.

Loans related to the 2024 Noto Peninsula Earthquake

From the occurrence of the disaster to the end of March 2025, 1,343 loans amounting to 10.9 billion yen have been disbursed to businesses affected by the 2024 Noto Peninsula Earthquake.

Loans to Businesses Affected by the 2024 Noto Peninsula Earthquake—Example: Support for Restoration from Earthquake Damage

Company A is a long-established oden restaurant in Ishikawa Prefecture. It attracts many tourists from inside and outside the prefecture, and sales, which had declined due to the effects of COVID-19, have been gradually recovering. In 2022, the company started the operation of a new factory and was working to increase the production of refrigerated and frozen packaged products and to develop room-temperature ready-to-eat products. However, due to the 2024 Noto Peninsula Earthquake, the store suffered damages, including ruptured gas pipes and rain leaks.



JFC-Micro provided loans for capital expenditures for repairing and restoring the store.

Ishikawa Prefecture Support Catalog

To support the development of sales channels for customers in Ishikawa Prefecture affected by the 2024 Noto Peninsula Earthquake, JFC-Micro 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, and the third in December, featuring a total of 34 companies.

Hokuriku 4 Prefectures Support Initiative: Online Business Meeting 2024 for Food

From October to December 2024, JFC-Micro held online business meetings connecting customers from areas affected by the 2024 Noto Peninsula Earthquake with buyers from across Japan, including department stores, supermarkets, and e-commerce businesses. A total of 85 seller companies and 301 buyers participated in the events, resulting in 347 business negotiations. JFC-Micro supported the expansion of sales channels for customers in the affected areas.





Measures to Address the COVID-19 Pandemic

We Provided Support to Micro/Small Businesses Affected by the COVID-19 Pandemic

COVID-19 related loans

From January 29, 2020, the day that the consultation desks were established, to March 31, 2025, we provided a total of 1,225,059 COVID-19 related loans worth a total of 13,840.9 billion yen.

Note: The special consultation desk relating to COVID-19 was closed at the end of March 2025.

Example of a Loan Disbursed to a Business Affected by COVID-19

Company B operates a Japanese-style restaurant in Yamaguchi Prefecture. The number of customers declined due to effects of the COVID-19 pandemic. In addition, the restaurant reduced its business hours in accordance with requests from the national and prefectural governments.

As the pandemic spread and sales revenues declined, the business implemented measures to prevent infection of customers and employees, such as disinfecting and thoroughly ventilating the restaurant and placing seats to avoid crowding. As a result of these measures, the restaurant was certified as the first COVID-19 Countermeasures Declaration Restaurant by the Prefecture. In addition, due to the temporary closure of schools, the business started selling lunch boxes for children in after-school clubs who were facing food shortages and also work to provide meals for families and children impacted by the pandemic.



JFC-Micro provided a loan of operating funds needed because of the decline in sales revenues so that the business could pay various other expenses including personnel expenses.

Support for Our Customers' Core Business Initiatives

We share information on our customers' managerial strengths and issues and provide various information and advice tailored to their challenges and needs, as well as support collaboratively with outside experts and matching services.

Provide Support in Collaboration with Outside Experts

Support provided in collaboration with Outside Experts

We use the JFC's network with relevant organizations to respond to customer managerial issues and provide support according to requests in cooperation with outside experts.

Examples of Outside Experts

- Chambers of Commerce and Industry, Societies of Commerce and Industry Japan External Trade Organization (JETRO)
- Environmental health trade associations
- · Prefectural environmental health business guidance centers
- Tax accountant organizations
- · Yorozu Support Centers
- · Business succession support centers

- Organization for Small & Medium Enterprises and Regional Innovation, Japan Japan Federation of Certified Management Consultants' Associations
- Bar associations
- Labor and social security attorney's associations
- · Shiho-shoshi (solicitor) associations
- · Certified administrative procedures legal specialist associations
- · Small and Medium Enterprises Revitalization Council
- Professional Human Resource Strategy Centers
- Industrial Employment Stabilization Center of Japan
- Japan International Trainee & Skilled Worker Cooperation Organization (JITCO)

Example of Core Business Support Provided in Cooperation with Outside Experts

INABA COLA (Mr. Miyazaki) manufactures and sells craft cola made from local specialties of Tottori Prefecture, such as Nijisseiki pears, peaches, and muscat grapes.

To support sales channel development, JFC identified the need for expert personnel and introduced the customer to the Tottori Professional Human Resources Strategy Base. Together with staff from the base, JFC explained Tottori Prefecture's unique initiative to utilize side-job personnel, the One-Day-a-Week Vice President Project, and the customer decided to recruit a side-job professional.

As a result, they were matched with an expert who had experience in the production and sale of craft gin. They held regular meetings with the expert to discuss web marketing strategies using e-commerce platforms and, based on that advice, succeeded in developing and launching a new product. This led to the acquisition of a broad fan base across various age groups and increased recognition of INABA COLA as a local craft cola brand from Tottori City.



Currently featured on "JFC Business Support Plus'

JFC-Micro Uses Its Nationwide Network of 152 Branches to Provide Matching Services

Overview of matching services

Holding business matching events

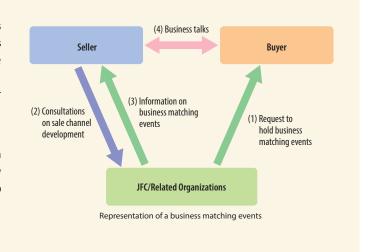
With the objectives of expanding customer sales channels and creating new business opportunities, JFC-Micro collaborates with relevant organizations to hold business matching events with buyers that have local roots as well as buyers with nationwide sales channels.

(Examples of events held) Nationwide online business meeting for food, buyer matching business meeting in the Tokyo Metropolitan Area, etc.

Operation of JFC Internet Business Matching site

JFC-Micro operates the JFC Internet Business Matching site (https://match.jfc.go.jp/), a matching website that provides a "place to find business partners." Customers can easily make inquiries and hold business talks with other members on the site according to

(https://match.jfc.go.jp/) (Available only in Japanese) Note: There is a prior screening before the site can be used.



Initiatives in the Business Fields That Need Prioritized Support

Initiatives to Support Business Start-ups

The Number of Loans Disbursed to Business Start-ups (Consisting of Those That Have Yet to Start and Those That Are Within 1 Year of Start-up) Has Reached Around 28,000 a Year

There are not a few business start-ups consisting of those that have yet to start and those that are newly start-up face difficulties in obtaining funds for such reasons as a lack of business track record. JFC-Micro actively provides loans to such business start-ups. Also, in order to enable people who want to start their own businesses to receive one-stop information related to start-up business in each region, JFC is constructing a nationwide start-up support network in cooperation with municipalities, Chambers of Commerce and Industry, Societies of Commerce and Industry, regional financial institutions, etc.

Changes of loans disbursed to businesses start-ups (number of businesses)

The number of loans disbursed to business start-ups (consisting of those that have yet to start and those that are within 1 year of start-up) in FY2024 totaled 28,032.

It can be considered that approximately 81,000 job creations have been made as a result of these loans disbursed to business start-ups.

[Job Creation Effects]

28,032 businesses × average of 2.9 employees (Note) = 81,292 employees

Note: The average number of employees at time of business start, based on Survey on Business Start-ups in Japan (FY2024) by the JFC Research Institute.

Changes of loans disbursed to businesses start-ups (number of businesses) (consisting of those that have yet to start and those that are within 1 year of start-up)



Support for Women, Youth, and Senior Entrepreneurs

As the economic society diversifies and the range of business start-ups expands, JFC-Micro supports a wide range of individuals, including women, youth, and senior entrepreneurs, to start their own businesses.

Loans for women, youth and senior entrepreneurs (number of businesses)

Women FY2024

7,208 businesses

Youth (aged under 35) FY2024 7,742 businesses Seniors (aged 55 and above) FY2024 2,846 businesses

Note: Women who qualify as Youth or Seniors are also included in both the Women and the corresponding age-related category.

Example of a Loan Disbursed to a Women Entrepreneur: Using Her Own Experiences to Launch a FemTech Business

Company C manufactures and sells functional undergarments for women. The head of the company, who had many years of experience in the apparel industry, moved to a rural area because of her hobby of surfing. In the past, she had personally encountered superabsorbent underwear and was impressed by the functionality, so she launched a FemTech brand and established the company with the hope of contributing to solutions to the health issues of working women. The company made a good start, including winning the grand prize in a local business plan contest, and recently started exporting its products overseas.

JFC-Micro provided a loan for operating funds necessary to produce products.





The head of Company C and its products

Example of a Loan Disbursed to a Youth Entrepreneur—Giving Back to the Community Through Craft Beer Inspired by University Experience

Company D is engaged in the manufacture and sale of craft beer. The representative became interested in craft beer and the community that forms around it during a study abroad program as a university student. Even after entering the workforce, the experience remained deeply influential, and the desire to "brew craft beer in my hometown, revitalize the local community, and give back to the region" continued to grow. After a period of trial and training, the representative established a brewery and taproom (a food and beverage space) and started the business. The company made a strong start, winning numerous awards at various competitions. More recently, it has begun offering canned beer and is expanding its sales channels nationwide.

JFC provided equipment funds for the establishment of the brewery.



Company D's brewery and taproom

Example of a Senior Entrepreneur: Addressing Local Issues through a Shopping Support Service

When the head of Company E went shopping on behalf of her aged mother, she realized that there were a lot of people in the region where she lived who had trouble with shopping. She created a shopping support service for seniors with the hope of eliminating this hardship from the lives of such people.

She also developed a Shopping Platform (a portal site with product photos) that supports online orders to enhance convenience to users and also provides an at-home ordering service so that users who are not familiar with IT will not be left out.





Using Company E's services

Consultation Week Held for Entrepreneurs

This event, which included seminars and individual consultations beneficial for those at the pre-business start-up stage, was held nationwide to help familiarize potential entrepreneurs with the concept of entrepreneurship. In FY2024, a total of 1,867 people participated, and the level of satisfaction among participants exceeded 90%.

In FY2025, in an effort to provide information and support to as many potential entrepreneurs and business start-ups as possible, JFC will organize events that leverage regional characteristics, as well as events in urban areas aimed at fostering entrepreneurial momentum in collaboration with entrepreneurs from regional areas.



Story: A Collection of Entrepreneurship Case Studies from Around the Country

Story: A Collection of Entrepreneurship Case Studies from Around the Country is a website with case studies of entrepreneurship from various regions around Japan. The page presents founding stories, such as the reasons for establishing the company and difficulties they faced at the time of establishment, using an interview format. Entrepreneurship case studies can be searched by industry, region, age, and topic, enabling users who are considering starting their own businesses to find case studies that will be useful.





JFC website

Story: A Collection of Entrepreneurship Case Studies from Around the Country (https://www.jfc.go.jp/n/finance/sougyou/case/) (Available only in Japanese)

Support for regional migrating entrepreneurs

JFC-Micro uses its nationwide network of 152 branches to support persons who wish to migrate from a city to a rural area in order to establish a business. We provide support according to the stage of business establishment from before to after regional migration.

[Overall image of JFC-Micro's support for regional migrating entrepreneurs]

Before	After regional migration	
Business establishment preparation	Consultations on the decision to establish a new business and start-up financing	Application-Financing
Cooperation with regional migration-related events Dissemination of information on websites	Provision of information to regional migrating entrepreneurs through case studies and leaflets Creation of agency schemes for regional migrating entrepreneurs	Provision of loan programs to regional migrating entrepreneurs

Reinforcing Our Structures for Responding to Inquiries from Customers

Business Start-up Support Desks have been established in the 152 branch offices nationwide

Business Start-up Support Desks provide services in which specialists offer advice on business start-up plans to people planning to start a business and offer a wide variety of information on starting a business.

Business Start-up Support Centers, Business Support Plazas, and Start-up Support Plazas have been established throughout the country

Business Start-up Support Centers organize diverse seminars targeted at customers in varying stages of their business cycle, both before and after starting business, and also provide timely support through collaboration with regional organizations that support start-ups. At Business Support Plazas, appointments for extensive consultation are available to persons planning to start a new business. In addition, since April 2024, Start-up Support Plazas have been established in Tokyo, Nagoya, Osaka, and Fukuoka to provide consultation services for seed and early-stage start-ups.

Contributing to the Growth and Development of Businesses through Loans and Other Activities

Of the companies that have got listed public since 1989, some 472 had received support from JFC-Micro before going public.

Approximately 30% of companies listed on the Tokyo Stock Exchange Growth Market, a representative market of highgrowth and emerging stocks, have a history of support from JFC-Micro, indicating that JFC-Micro's support for businesses during the start-up and growth phases has produced certain results.

Examples of companies that went public after receiving support from JFC-Micro

Company name	Store or brand name	Establishment	Listing year (Note 1)	Stock market (Note 1)
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.	Kushikatsu Tanaka	2002	2016	Tokyo Stock Exchange, Standard Market
Hotland Co., Ltd. (Note 2)	Tsukiji Gindaco	1991	2014	Tokyo Stock Exchange, Prime Market
Torikizoku Co., Ltd. (Note 3)	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 4)	Tempstaff	1973	2006	Tokyo Stock Exchange, Prime Market
Bookoff Corporation Ltd. (Note 5)	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

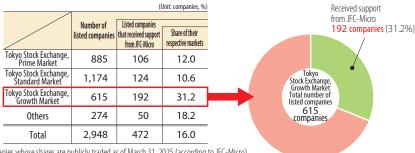
Notes: 1. The listing year is the year of the first listing, and the stock market is the main exchange on which the stock is currently traded.

- 2. The company changed its tradename to HOTLAND HOLDINGS Co., Ltd. in 2025.
- 3. Currently, Eternal Hospitality Group Co., Ltd. is publicly traded.
- 4. The company changed its tradename to Persol Tempstaff in 2017. Currently, Persol Holdings is publicly traded.
- $5. \ Currently, Book off Holdings is publicly traded.\\$

Publicly-traded companies that received support from JFC-Micro (since 1989)



Listed companies that received support from JFC-Micro (since 1989; by stock 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, 2025 (according to JFC-Micro).

2. Of those companies indicated in Note 1, companies confirmed to have received support from JFC-Micro (according to JFC-Micro).

Developing Entrepreneurship among Youth

We take measures to foster an entrepreneurial mindset among youth and develop future entrepreneurs.

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.

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)





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



Video message by Prime Minister Ishiba

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



Supporting Start-ups

We contribute to the growth and development of start-ups striving to achieve rapid growth that serve as a driving force for problem-solving and economic growth and provide original value with innovative ideas and uniqueness. In addition to providing financial support through capital subordinated loans and other startup-related financing, JFC-Micro offers core business support, such as business matching with large companies and seminars to share management expertise.

Example of a Loan Disbursed to a Start-up—Supporting the Development of Next-Generation Communication Devices

Company F is engaged in the development of a telepresence system that enables natural communication as if users were in the same space, overcoming the limitations of physical distance. The company was founded as a carve-out (Note) from a major corporation. Unlike conventional video calls that convey only "central visual field" information, such as facial expressions, speech, or presentation materials, the system features life-sized images on a vertical large screen, along with depth, physical presence, ambient sound, and other "peripheral visual field" information. The system is being used in situations where in-person visits are restricted, such as medical and nursing care facilities, as well as at construction sites and for remote financial consultations.



Next-generation communication device developed by Company F

JFC provided working capital for the purchase of materials for the company's products.

Note: A carve-out is a method whereby a company separates part of its business and establishes it as an independent legal entity.

Start-up growth support

JFC-Micro holds various events intended to grow and to solve management issues of start-ups.

"DeepTech Launchpad" Co-hosted by Three Government-affiliated Organizations

A talk event was held featuring a panel discussion by the heads of start-up support from JFC, Organization for Small & Medium Enterprises and Regional Innovation, Japan (SME Support, JAPAN), and New Energy and Industrial Technology Development Organization (NEDO). The event also included experience-based talks by start-up founders in the deep tech sector and a keynote speech by the editor of *Amazing Ventures 100*, published by Toyo Keizai Inc. Participants commented, "We were able to see that there is strong communication among government-affiliated organizations on a daily basis and that a collaborative support system for start-ups is in place."



"GLOBAL DAY ONE—Japanese Start-ups Targeting the World from Germany" Held

To support the overseas expansion of start-ups, JFC co-hosted an event with Germany Trade & Invest. The program featured a keynote speech by a start-up founder with experience establishing a business in Germany, a panel discussion on sustainable overseas expansion strategies, and, following the event, a networking session between local participants and speakers.



Collaboration with Incubation Facilities

Nagoya Start-up Support Plaza has opened a booth inside STATION Ai, one of Japan's largest open innovation facilities, launched in Nagoya City.

In collaboration with venture capitals, private financial institutions, and other entities based at STATION Ai, JFC is organizing regular consultation sessions and implementing coordinated support initiatives for start-ups.



Initiatives to Support Business Succession

Supporting the Business Succession of Micro/Small Businesses

Amid the aging of the owners of SMEs and micro/small businesses, JFC-Micro is supporting business succession in terms of both information and funds so that valuable management resources, including the technologies and know-how that businesses have accumulated, can be smoothly transferred.

Measures to raise awareness of owners

Encouraging third-party succession is necessary to facilitate business succession, but many micro/small businesses have a negative impression of third-party succession or believe that micro/small businesses are not suitable for third-party succession.

Our initiatives include providing business succession diagnoses, delivering successful examples, producing videos and holding events with relevant organizations to raise the awareness of owners and to foster an atmosphere making the business succession to a third-party.

Tools for Raising Awareness of Owners

Business succession diagnostic sheets



Check sheets for easy confirmation of the status of business succession preparation and issues

Tsunagu Notebook



A workbook that facilitates planning of measures for business succession

Yuzuru Note



This is a workbook for acquiring basic knowledge about third-party business succession and the transfer policy

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



A booklet introducing the perspectives of business owners who successfully completed a business succession through "Tsugu-sta" (Note:) and the key factors behind each agreement Note: A form of launching a business by succeeding an existing one

Initiatives in Collaboration with Relevant Organizations

Working in collaboration with Chambers of Commerce and Industry, Societies of Commerce and Industry, private financial institutions, business succession support centers, and other relevant organizations, we disseminate the advantages of third-party successions.

In May 2022, JFC signed the Collaborative Agreement on Business Succession Support with Central Federation of Societies of Commerce and Industry, with a view to providing optimal assistance on smooth business succession.

In addition, JFC works in cooperation with relevant organizations to support business succession such as creating collaborative schemes with all prefectural federations of societies of commerce and industry within its service area.



Cooperation agreement with Central Federation of Societies of Commerce and Industry signing ceremony in progress

Support finding successors

We help micro/small businesses without a successor find someone to take over the business.

Business Succession Matching Support

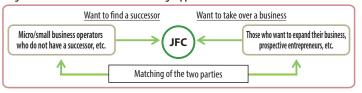
Business succession matching support is a support program for business succession by the third-party. This program supports for matching micro/small businesses that do not have a successor with people who wish to start their own businesses.

The program was launched on a trial basis in Tokyo in FY2019, and has expanded nationwide since FY2020. As of FY2024, the program has received 17,465 applications with 2,058 successful matches made, of which 331 contracts have been concluded.

"Business Succession Matching Support" 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	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.

Initiatives to Find Successor Using Actual Names

Persons who wish to transfer their business make comments such as, "I can openly use the company's actual name to search for a successor," while prospective transferees have made comments such as, "It is difficult to adequately convey the appeals of a business using only anonymous information."

In August 2022, JFC-Micro launched a "Business Successor Recruiting Initiative," which discloses on the JFC website the actual names of companies that wish to transfer their business, and has been supporting business matching.

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.

A scene from one of the business succession matching events



Introducing the business from the transferred (Yamagata Prefecture)



Networking session with transferrer (Yamanashi 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

Business Succession Start-ups

We support business succession start-ups, which is a way of launching a new business by acquiring an existing business, rather than the conventional means of establishing a business from the ground up (start-up from zero). We name it "Tsugu-sta," start-up by succession.

Initiatives to Support Business Succession Start-up

JFC has launched a dedicated section on its website called "Tsugu-sta College" for those interested in pursuing a business succession start-up (Tsuqu-sta). Tsuqu-sta College features: "What's Tsuqu-sta," which explains the content and characteristics of the initiative; "Understanding the Process of Third-Party Succession Through Animation," which uses videos to explain the steps and key points of third-party succession; and "How to Prepare a Tsugu-sta Business Succession Plan," which provides guidance on writing a succession plan.

In addition, JFC held "Tsugu-sta School" in December 2024, a live-streamed event featuring lectures on relevant knowledge for Tsugu-sta and experience-sharing sessions by individuals who have completed a Tsugu-sta succession.



Tsugu-sta College (JFC website)



Flyer for "Tsugu-sta School 2024"

Loans for businesses addressing business succession

We extend various loans needed by micro/small businesses that are addressing business succession such as the funds necessary to acquire shares and business assets and the funds necessary to prepare for business succession, such as the development of successors.

Example of a Loan to Micro/Small Businesses Addressing Business Succession

Gohara Co., Ltd. is a construction company that specializes in traditional architecture such as temples and shrines.

Mr. Gohara, the head of the company, learned from a business partner that Hattori Construction Co., Ltd., a wood processing company, was considering shutting down operations because of the lack of a successor. He thought that it would be possible to increase productivity by taking over the wood pre-cutting business and performing in-house wood processing and storage, which had been an issue, so he approached Hattori Construction about acquiring the business. The succession process was conducted with support from a Chamber of Commerce and Industry and a business succession support center, and financing for purchase of the factory and machinery was secured from JFC-Micro to carry out a third-party succession.

Following the succession, Gohara has been working to acquire technology and develop and order acquisition system so it can respond to orders from the business partners that it acquired.



President Gohara (left) of the transferee company and President Hattori (right) of the transferrer company

Initiatives to Support Business Revitalization

Support for Micro/Small Businesses Seeking Business Revitalization

Business revitalization support staff have been deployed at 152 branches nationwide to respond flexibly to requests for relaxing repayment terms e.g., a reduction in the installment amount, temporary deferment of principal repayment, etc. In addition, by way of loan programs for business revitalization support, and by providing advice for the resolution of business issues and support for the enactment of business improvement plans, JFC-Micro supports the businesses undergoing corporate reorganization in cooperation with private financial institutions, outside experts, and public enterprise turnaround institutions.

"Signal" Business Status Self-diagnosis Tool

It is important to keep abreast of business issues even when things are going smoothly, and to detect the signs of business changes at an early stage in order to increase the possibility of business continuity. JFC created the "Signal" check notebook, which enables businesses to perform a self-diagnosis of their business status.



Signal has a checklist of events that are likely to occur before business changes for nine different industries.

In addition, by converting the result into a radar chart, it can be used as a tool for easily visualizing management awareness.

Collaboration with relevant organizations

JFC-Micro is reinforcing its collaboration with private financial institutions, outside experts, and public support organizations in order to encourage business revitalization in regional areas. We support the formulation of management improvement plans by customers and work with private financial institutions to provide long-term loans so that the relevant organizations can work together to support management improvement by customers.

[Support business revitalization in collaboration with relevant organizations]



Loan Case in Collaboration with the Small and Medium Enterprises Revitalization Council

Company G had been receiving support through revised loan terms from its main financial institution due to a decline in business performance. However, its recent performance had begun to show signs of recovery, and with the involvement of the Small and Medium Enterprises Revitalization Council, the company had started formulating a business revitalization plan, signaling the emergence of a clear path toward restructuring.

As the main bank considered refinancing in accordance with Company G's request, the company asked for support from JFC through Capital Subordinated Loans. In response, JFC provided the loan in order to strengthen the company's financial base and stabilize its cash flow.



Support through Capital Subordinated Loans

We support customers that seek to restructure management by using Capital Subordinated Loans, which lead to strengthened financial foundations.

		Capital Subordinated Loans	Conventional Financing Program
Features		 Monthly outflows of cash (principal repayment) are controlled Interest burdens are reduced when performance is poor 	 Monthly outflows of cash (principal repayment) occur Interest is fixed
	Repayment method	Certain term lump-sum repayment	Monthly installment payments (in principle)
	Applicable interest rate	Fixed interest rates according to annual performance	Fixed interest rate
	Impact on finances	Increase of equity ratio (Note 1)	Decrease of equity ratio
	Subordination clause (Note 2)	Yes	No

Notes: 1. During an asset assessment by a financial institution, Capital Subordinated Loans can be considered equity capital for a certain period, but are recorded as liabilities in the financial statements.

^{2.} There is a clause that subordinates the loan to all other liabilities in the redemption of liabilities in the event of legal bankruptcy.

Initiatives to Support Social Business

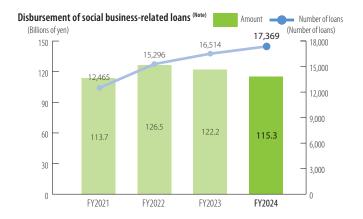
JFC-Micro Supports Social Business

JFC-Micro supports social business engaged in tackling regional and social issues such as nursing care and support for the elderly and disabled, child development, community revitalization, and environmental protection.

Disbursement of social business-related loans

The FY2024 loans to social business came to 17,369 loans, 115.3 billion yen.

Note: This is the total of financing to (i) NPO corporations, (ii) nursing and welfare businesses, and (iii) businesses whose purpose is resolution of social issues (other than (i) and (ii)) and excluding overlaps in (i) and (ii).



Information Dissemination through the "Social Business Johokyoku" web page

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



Scan here to visit the website. (Available only in Japanese)



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 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.

Scan here to visit the website. (Available only in Japanese)

Social Business Support Network

JFC-Micro takes measures to build a network linking regional public organizations, local financial institutions, and NPO support organizations to support resolution of management issues. Comprising the policy and service operations of the member institutions, the network offers one-stop provision. Also, by means of management support seminars and individual counselling, it offers assistance for resolving management issues which social business operators face such as corporate establishment, business plan formulation, fund procurement, and personnel education.

Consultation Month for Social Business

JFC-Micro designated the two months of September and October as Consultation Month for Social Business. By holding consultation meetings and other events, which the Social Business Support Network operates intensively during this period, JFC-Micro endeavors to improve consultation and support services for people engaged in social business.





Initiatives to Support Overseas Expansion

JFC-Micro Supports Micro/Small Businesses Seeking to Expand Overseas

By providing loans and information relating to overseas expansion, we are supporting overseas businesses such as strengthening export, outsourcing production and conducting direct investment and so on.

Support for micro/small businesses seeking to expand overseas

Overseas Development Support Desks are established at 152 branches nationwide to actively support businesses that are working to expand overseas. JFC-Micro cooperates with Japan External Trade Organization (JETRO), Organization for Small & Medium Enterprises and Regional Innovation, JAPAN (SME Support, JAPAN), Japan Federation of Bar Associations, and other organizations that support overseas expansion. We establish consultations systems that can provide detailed support information according to the needs of customers by providing advice for first-time overseas expansion, information on overseas exhibitions and business matching events, and confirmation of local laws and regulations, required permits and licenses, and the details of contracts.







A leaflet on collaboration

日本の食

Various information tools for micro/small businesses expanding overseas

We support businesses that seek to expand overseas by providing useful information, such as booklets case studies and feature articles about overseas expansion by micro/small businesses as well as workbooks outlining key points for export.

Collection of Case Studies on Overseas Expansion

There are various challenges to be addressed and points to be considered when a company expands business overseas. The case study collection includes examples of businesses that have actually overcome these challenges describing how they addressed and solved them. In addition, it also includes feature articles on timely topics that are trending concerning overseas expansion.



Collection of Case Studies on Micro/Small Businesses Overseas Expansion

"Export Notebook" and "The First Step to Export"

We provide various informational materials for businesses planning to start an export business, including a booklet of work notes that summarizes key points to consider when starting an export business and a booklet featuring practical advice from trading companies who are export professionals.





Scan here to visit the website

「ゼロ」から「イチ」へ、そしてその先へ (Available only in Japanese) 海外展開



Overseas Expansion Zero to One + (JFC website)

Our website "Overseas Expansion Zero to One +" features examples of companies expanding overseas, various investigative reports, along with useful information that supports overseas expansion, which includes videos and columns on export-related information. The site provides valuable information for those who are pursuing overseas business expansion.

Trial Exports

JFC-Micro provides opportunities to micro/small businesses that want to export their products to export on a trial basis with support from trading companies that have export expertise. We support first-time exporters with acquisition of know-how on export procedures and insights on development of overseas markets.

Example of a Loan to a Micro/Small Business Expanding Overseas

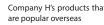
Company H, founded in 1949, is engaged in the manufacture and sale of noodle products. Utilizing local ingredients and through repeated trial and error, the company developed a line of original-design pasta and began pursuing overseas expansion around 2014.

In the early stages of its overseas expansion, the company actively participated in trade meetings in various countries with the support of organizations such as JETRO and the prefectural government. Gradually, it expanded its export destinations, and today it has developed sales channels across a wide range of countries and regions, including the U.S., France, and China. While the company's original pasta has attracted attention overseas, its signature dried soba noodles—recognized for their distinctively Japanese qualities—have also led to successful exports.

JFC provided a loan to support the introduction of equipment necessary for expanding overseas operations. Overseas Expansion Zero to One + (JFC website)



Company H's products that



Collaboration with Regional Financial Institutions and Relevant Organizations

JFC-Micro Actively Collaborates with Regional Financial Institutions

We actively cooperate with regional financial institutions, utilizing their respective strengths and expertise, to provide support to our customers as well as to revitalize the regional economy.

Cooperative loan scheme construction (Note) and creation of cooperative loan programs

As part of our efforts to enhance the effectiveness of cooperation with regional financial institutions, we are engaged in the development of the cooperative loan scheme in various fields such as business start-up and business revitalization. The number of regional financial institutions JFC-Micro has constructed the cooperative loan schemes with amount to 432 institutions as of the end of March 2025.

In addition, for some of the cooperative loan scheme, regional financial institutions and the JFC collaborates to establish cooperative loan programs to support businesses. Concrete results have already been generated from these programs.

Note: A cooperative loan scheme has specific referral rules for projects treated as cooperative loans.

Total cooperative loans (Note)

In FY2024, total cooperative loans with regional financial institutions amounted to 20,207 loans, 180.2 billion yen.

Note: Loans (guarantees) that are disbursed or decided by both parties after consultation between JFC and regional financial institutions about loan plans with identical objectives (Calculated by JFC. Including loans made on different dates between both parties).

Cooperative loans by business category (FY2024)(The monetary amounts and number of loans listed in the upper rows of the table indicate the results of JFC)

Total number of	er. I I	Regional banks	Regional banks II	Credit associations	Credit cooperatives	0.1	Total		Reference
cooperative loans	City banks					Others		Compared to the previous fiscal year	FY2023 results
Number of loans (Note)	1,558	7,682	2,612	13,747	1,672	652	27,414	84%	32,594
(Micro Business and Individual Unit)	205	4,286	1,800	12,208	1,492	216	20,207	81%	24,795
Amount (Note)	250.3 billion yen	542.7 billion yen	129.1 billion yen	274.7 billion yen	36.1 billion yen	49.0 billion yen	1,162.1 billion yen	94%	1,240.6 billion yen
(Micro Business and Individual Unit)	4.6 billion yen	43.7 billion yen	18.1 billion yen	99.1 billion yen	11.9 billion yen	2.4 billion yen	180.2 billion yen	70%	256.9 billion yen

Note: In cases where cooperative loans are provided with multiple regional financial institutions, the number of loans and loan amounts indicated in the breakdown are totaled for each financial institution, and as a result, the totals do not match.

Example: In the case of a 100 million yen loan provided by a regional bank and regional bank II, the amounts for both the regional bank and regional bank II are reported as 100 million yen. The total is reported as 100 million yen.

Measures to Contribute to Regional Revitalization

JFC's 152 branches located nationwide are strengthening their collaboration with local governments and actively participating in various initiatives implemented by local governments to promote regional revitalization. By leveraging our experience and know-how relating to business start-up support and business succession support, as well as our network of regional financial institutions, Chambers of Commerce and Industry, Societies of Commerce and Industry, tax accountants, and others, we are working to contribute to regional revitalization while taking into account the actual conditions and needs of each region.

Establishment of the Loan to Support the Future of Totsukawa Village to Address Regional Issues in Collaboration with Totsukawa, Nara Prefecture (Nara Branch)

In December 2024, the Nara Branch signed a MOU of understanding with Totsukawa, a village facing regional issues such as population decline and an aging business owner demographic, regarding comprehensive business cooperation for regional revitalization. In conjunction with the agreement, and to provide effective support, the branch worked with Totsukawa Village and the Totsukawa Village Society of Commerce and Industry to launch the Loan to Support the Future of Totsukawa Village, the first municipality-linked loan product of its kind in the prefecture. This loan program supports business start-ups, business succession, and initiatives by Regional Vitalization Cooperation Corps members, and promotes financing and business support for those working to solve local challenges.

In addition, an online consultation desk was set up inside the Totsukawa Village Office in collaboration with the Nara Branch, creating an environment that enables timely and appropriate support even from remote locations, part of JFC's efforts to implement initiatives that reflect local conditions and needs.

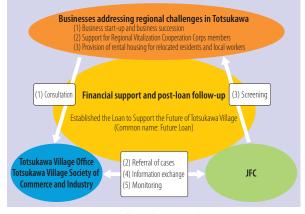


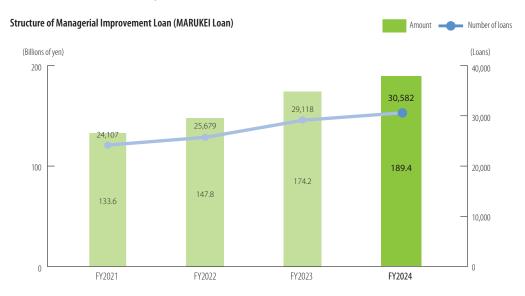
Diagram of the collaborative scheme

JFC-Micro Collaborates with Chambers of Commerce and Industry and Societies of Commerce and Industry

JFC-Micro works in close collaboration with regional Chambers of Commerce and Industry, and with Societies of Commerce and Industry throughout Japan to support business improvement of micro/small businesses via Managerial Improvement Loans (MARUKEI Loan) and consultation sessions.

Overview of Managerial Improvement Loan (MARUKEI Loan)

Managerial Improvement Loan (MARUKEI Loan) is a program whereby micro/small businesses receiving management advice, such as from Chambers of Commerce and Industry or Societies of Commerce and Industry, can utilize funds needed for managerial improvement without collateral and guarantors. In October 2023, JFC marked 50 years since the establishment of this program, and as of the end of FY2024, a cumulative total of 5.29 million loans has been provided.



Holding of "One-Day JFC" consultation sessions at Chambers of Commerce and Industry or at Societies of Commerce and Industry

Consultation sessions called "One-Day JFC," where staff from JFC-Micro consult on finance, are held at Chambers of Commerce and Industry and at Societies of Commerce and Industry. Every year, many micro/small businesses come to ask for advice.

In addition, we also conduct online consultations to enhance customer convenience.

JFC Collaborates with Various Organizations That Support Micro/Small Businesses

Signing of MOU for business cooperation

JFC has concluded MOU to collaborate with the Japan Federation of Certified Tax Accountants Associations and other organizations. We are actively involved in stabilizing and strengthening the business foundation of micro/small businesses in collaboration with specialist institutions e.g. information provision through the organization of study sessions and the dispatch of lecturers to seminars.

List of the main organizations signed MOU (as of the end of May 2025)

Japan Federation of Bar Associations	(Apr. 27, 2011)
Japan Federation of Labor and Social Security Attorney's Associations	(Sep. 1, 2011)
Japan Federation of Certified Tax Accountants Associations	(0ct. 14, 2011)
Japan Federation of Shiho-Shoshi Lawyer's Associations	(Nov. 11, 2011)
Japan Federation of Certified Administrative Procedures Legal Specialists Associations	(Mar. 29, 2012)
Japan External Trade Organization (JETRO)	(0ct. 25, 2012)
Organization for Small & Medium Enterprises and Regional Innovation, Japan (SME Support, JAPAN)	(Feb. 7, 2020)
Industrial Employment Stabilization Center of Japan	(Mar. 22, 2024)

Note: Dates within parentheses are the dates the MOU were concluded. \\

Cooperation with the Approved Management Innovation Support Organizations (Note), such as Tax Accountants, Certified Public Accountants, and SME Management Consultants

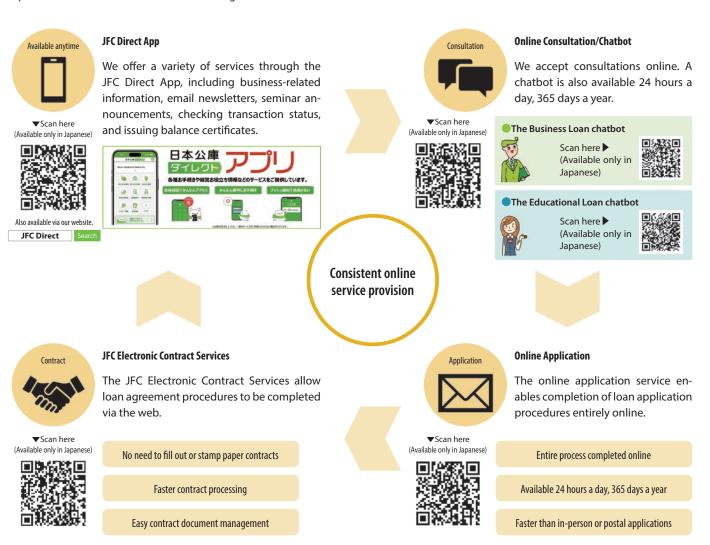
JFC's loan support, together with the management support provided by the Approved Management Innovation Support Organization comprised of tax accountants and other specialists that play an important role in the support for small and medium-sized enterprises (SMEs), micro/small businesses in such important areas as business start-ups, management improvement, and business reconstruction.

Note: The Approved Management Innovation Support Organization is a support organization (tax accountant, certified public accountant, SME management consultant, Societies of Commerce and Industry, Chambers of Commerce and Industry, etc.) based on the Small and Medium-sized Enterprises Business Enhancement Act. Please refer to the Small and Medium Enterprise Agency website for more information.

Working toward Improved Customer Service

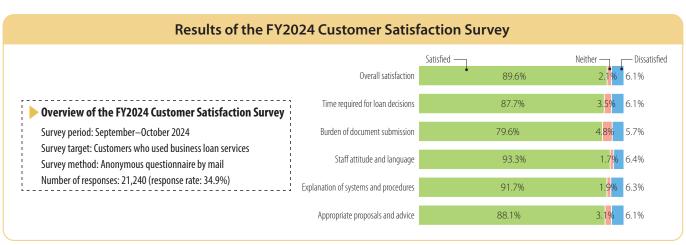
Promoting the Digitalization of Operation

With the aim of becoming a financial institution that offers even greater convenience to customers, we are undertaking the digitalization of operation to facilitate use of JFC's services regardless of time and location.



Commitment to Enhancing Customer Service

To improve service quality, JFC conducts an annual Customer Satisfaction Survey on customer service and support. Feedback and requests from customers are used to further enhance service quality.



Initiatives for International Cooperation

JFC-Micro Shares Expertise and Experience through International Cooperation

By sharing our accumulated credit analysis know-how and experience on finance for micro/small businesses, we also support developing and other countries.





For details on initiatives related to international cooperation, please refer to the IFC website

Supporting Developing Countries by ODA (Official Development Assistance)

JFC-Micro provides assistance to overcome issues which financial institutions in developing countries face through technical cooperation by Official Development Assistance (ODA). This assistance has been implemented by sharing our accumulated credit analysis know-how on micro/small businesses. In details, we are conducting seminars concerning SME finance in the foreign countries and in Japan in cooperation with Policy Research Institute, Ministry of Finance. To date, these have been implemented in Viet Nam, Malaysia, Laos, Myanmar, and Cambodia. Here is an overview of our technical cooperation to the SME Bank of Cambodia.

—Technical cooperation for SME Bank of Cambodia—

In June 2023, JFC-Micro commenced a technical cooperation project for SME Bank of Cambodia, which is a state-owned bank in Cambodia. As part of this project, a total of five seminars were held in Cambodia and Japan, including lectures on our loan screening methods. At the seminar held in Japan in May 2024, participants gained a deeper understanding of JFC-Micro's support for SMEs through lectures from headquarters' departments and visits to related organizations.





A scene from the seminar in Phnom Penh,



A scene from the seminar in Japan

Holding Information Exchange Meetings with Overseas Government Agencies, etc.

Currently, Micro, Small and Medium Enterprises (MSME) promotion is considered as one of the key policies in many countries. JFC-Micro has information exchange meetings with overseas government agencies and other organizations that are highly interested in supporting MSMEs. We share our accumulated know-how and experiences regarding MSME finance.

—Information Exchange Meetings with the Micro, Small and Medium Enterprises Promotion Agency (MSMEPA), Ministry of Industry and Commerce (MOIC), Lao PDR—

JFC-Micro has held virtual meetings with MSMEPA, MOIC, Lao PDR four times since July 2023, with the aim of promoting MSMEs in both countries. During the meetings, we shared support ways for MSMEs to become more competitive and grow in Lao PDR and Japan. Discussions including Q&A sessions were active, creating valuable opportunities for exchanging information regarding MSMEs support.



A scene from the information exchange meeting with the Ministry of Industry and Commerce, Lao PDR. (Online)

Accepting Foreign Missions, etc.

Every year, a lot of foreign missions from mainly developing countries visit Japan to learn Japan's experience. JFC-Micro provides lectures on such as its history, summaries of its activities, loan programs and various other operations to overseas government related persons coming for observation/inspection tours as part of the training sponsored by JICA and others.



Lecture for foreign missions



