

# The Initiatives of Japan Finance Corporation

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JAPAN FINANCE CORPORATION

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\*Exchange Rate : 1€ ⇄ 160JPY (as of May 1<sup>st</sup> , 2025)

# 1. About Japan Finance Corporation (JFC)

## ➤ JFC (Overview)

### • Establishment



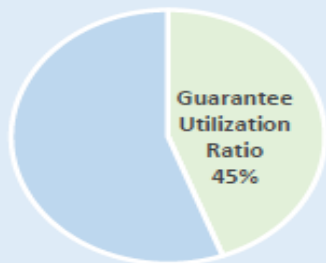
- Established in 2008
- 100% owned by government
- 152 branches (Japan)  
3 offices (overseas)
- 7,423 employees

### • Mission



- Focus on SMEs
- Exercise of safety net functions
- Contribution to the growth & development
- Contribution to regional revitalization

## (Reference) Guarantee Utilization Ratio<sup>(Note)</sup> (FY2023)



Number of guaranteed SMEs: 1.49mil.  
Total number of SMEs: 3.36mil.

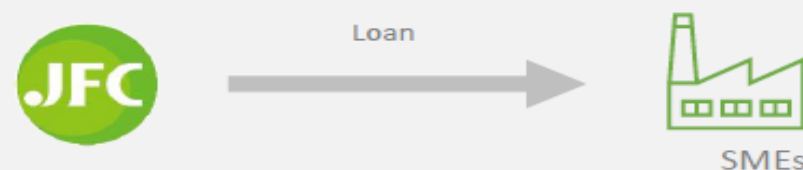
Note: Guarantee Utilization ratio is the number of SMEs utilizing guarantees divided by the total number of SMEs.

Sources: Ministry of Internal Affairs and Communications and Ministry of Economy, Trade and Industry, "2021 Economic Census for Business Activity," edited by the Small and Medium Enterprise Agency, and others.

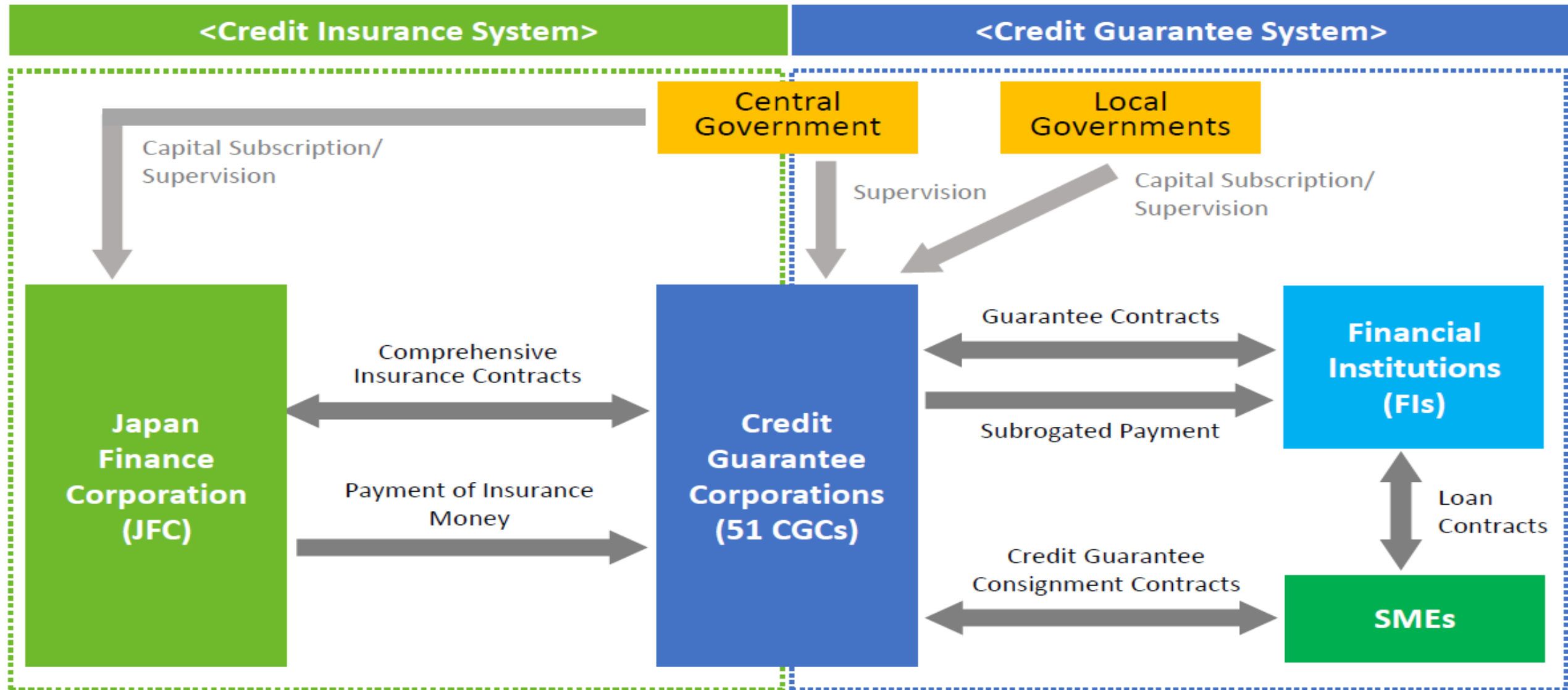
### • Credit Insurance (1.49 million businesses)



### • Direct Loans (About 1.23 million businesses)



## 2. Overview of Japan's Credit Supplementation System



### 3. Start-ups Support in Credit Supplementation System

- We support the financing necessary for start-ups (prospective entrepreneurs and newly established SMEs (those less than 5 years after starting their businesses) ).
- Each CGC is supporting start-ups by holding pre-establishment consultation meetings(on holidays and in the evening) and entrepreneurs' seminars.

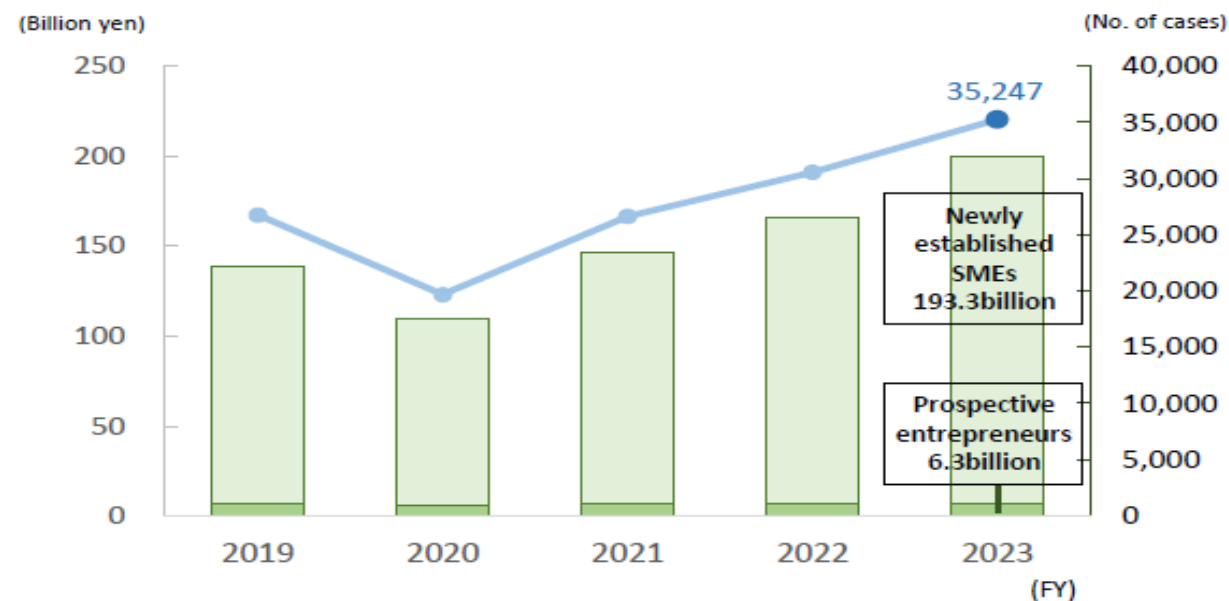
#### ● Outline of Start-ups Creation Promotion of Special Credit Guarantee Program (100% guarantee)

Eligible SMEs	<ul style="list-style-type: none"> <li>• Start-ups planning to establish a corporation in the future</li> <li>• Start-ups with less than 5 years since the establishment of the corporation</li> </ul>
Self-financing requirement	Holding more than 1/10 of the start-ups financing amount as self-financing.
Maximum Guarantee Amount	¥ 35million
Maximum Guarantee Period	10 years or less (Deferred Period: 1 year or less, loans without guarantee are acceptable within 3years.)
Loan Interest Rate	Prescribed by FIs
Credit Guarantee Fee Rate	Added 0.2% to the startup-related guarantee fee rate prescribed by the CGC.
Others	Start-ups after 3 <sup>rd</sup> or 5 <sup>th</sup> years must receive a checking the governance system.

Source: The Small and Medium Enterprise Agency, Japan

#### ● Changes in Insurance Acceptance for Strat-ups

- Total insurance acceptance since establishment of this program: 360,461cases, ¥ 1,888billion  
Of which, prospective entrepreneurs: 40,110cases, ¥ 193.7billion



## 4. Business Succession Support in Credit Supplementation System

- We support the financing necessary for business succession, such as holding company structure and M&A.
- Each CGC is supporting business succession by establishing a consultation center and holding entrepreneurship seminars.

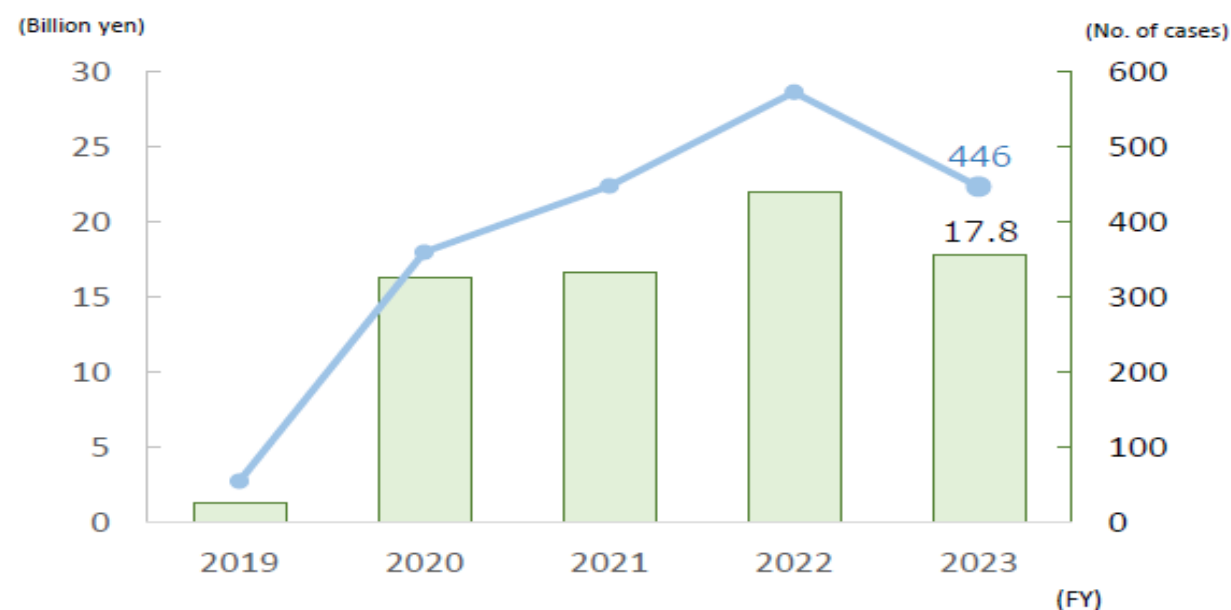
### ● Outline of Business Succession of Special Credit Guarantee Program (80% guarantee)

Eligible SMEs	Planning to succeed the business in 3 years etc.
Financial requirements	①Excess assets ②EBITDA debt-to-equity ratio of 10 times or less ③Separation of corporations and individuals ④no loans eased to repay
Maximum Guarantee Amount	¥ 280million
Maximum Guarantee Period	10 years or less (Deferred Period: 1 year or less)
Guarantor	Not required
Loan Interest Rate	Prescribed by FIs
Credit Guarantee Fee Rate	0.45%~1.90% 0.20%~1.15% (confirmed by experts)

Source: The Small and Medium Enterprise Agency, Japan

### ● Changes in Insurance Acceptance for Business Succession

- Total insurance acceptance since establishment of this program: 1,918cases, ¥ 75.5 billion



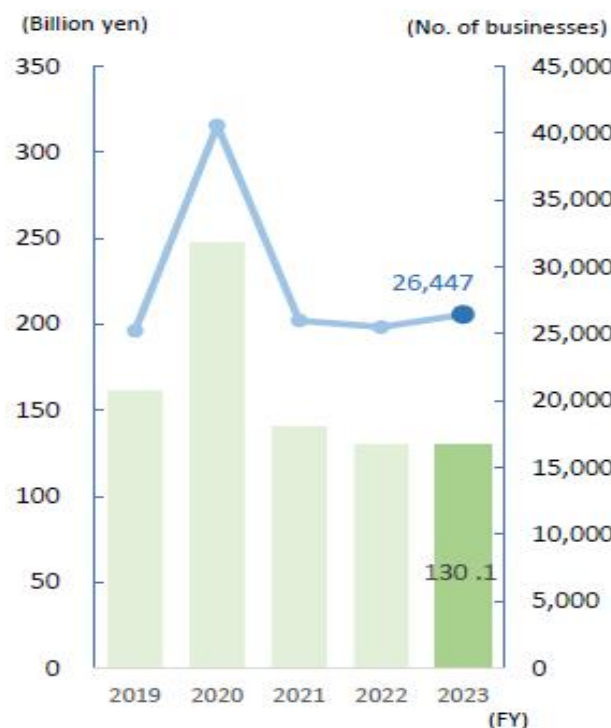


## 5. <Reference> Start-ups and Business Succession Support in Loan Program (1/2)

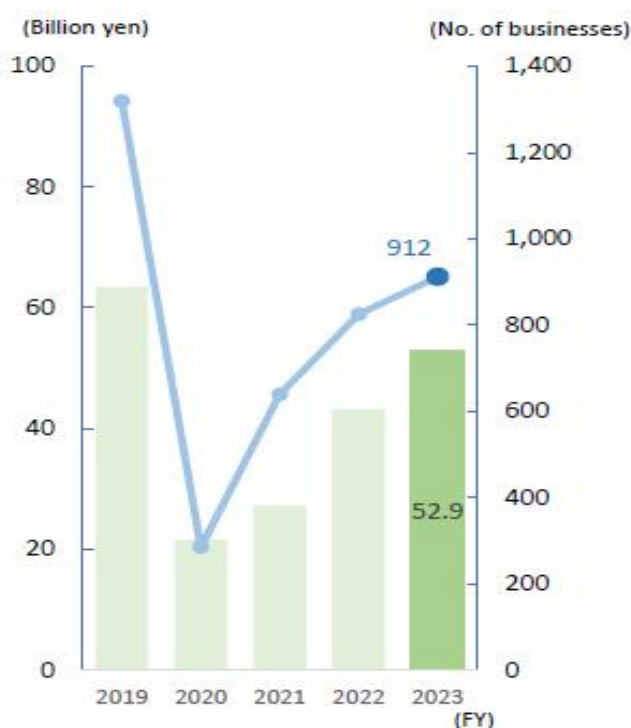
### (1) Initiatives related to Start-ups Support

#### ( i ) Loan Results

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



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



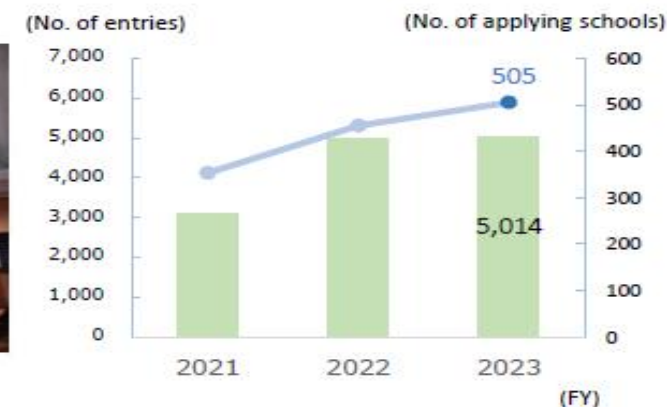
#### ( ii ) High School Student Business Plan Grand Prix

- JFC has held “High School Student Business Plan Grand Prix” to help foster entrepreneurship mindset in future generations of business leaders.
- JFC has taken the lead in providing on-site classes to support the creation of business plans.

(Presentation at the final screening)



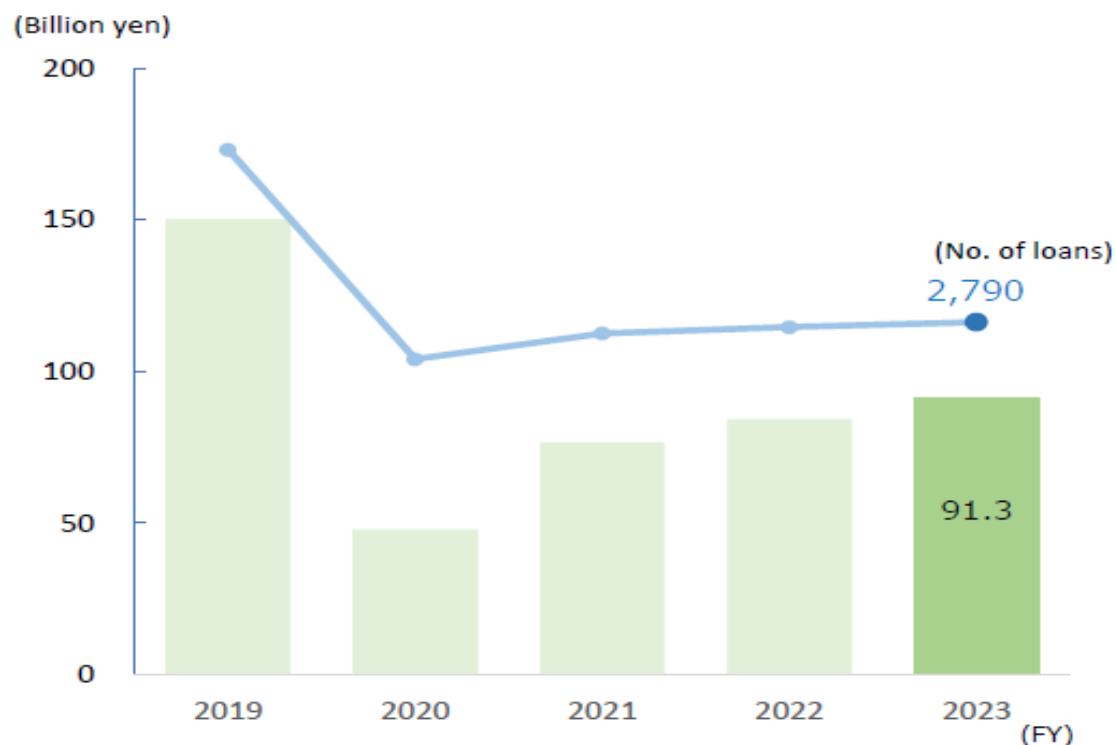
(Results of application)



## 5. <Reference> Start-ups and Business Succession Support in Loan Program (2/2)

### (2) Initiatives related to Business Succession

#### ( i ) Loan Results



#### ( ii ) 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.
- “Business succession matching events” were held.

The cumulative results from April 2019 to March 2024

- 13,518 applications received  
(Those who wish to start their own businesses: 2,187)
- 1,349 successful matches made
- 168 contracts have been concluded

