

March 24, 2020

Cash Flow Support for Companies as Impact of COVID-19 (Novel Coronavirus) Outbreak
Grows (Request)

To avoid serious obstacles to financing for companies due to the increasing impact of the novel coronavirus outbreak, a Statement by ASO Taro, Minister of Finance and Minister of State for Financial Services, was announced and also a request from the Minister was issued on March 6. We are aware that all financial institutions are making quick, flexible efforts regarding financial support for business operators based on the request.

Amidst this situation, on March 10, the Japanese government decided on the Second Novel Coronavirus Disease (COVID-19) Emergency Response Package. For small- to medium-size enterprises and small businesses that are facing sudden declines in sales due to the impact of the novel coronavirus outbreak, a special loan system has been established by the Japan Finance Corporation and the Okinawa Development Finance Corporation (hereinafter, “Japan Finance Corporation, etc.”).

Currently, in addition to the establishment of this system, amidst preparations for the financial busy period of the end of the fiscal year, the special consultation desk of the Japan Finance Corporation, etc., is seeing a sudden increase in consultations from companies who are interested in making use of “Novel Coronavirus-related Special Loan Program.”

Taking into account of this situation, the FSA is requesting thorough response to financing support for companies through strengthening cooperation with the Japan Finance Corporation, etc., and private financial institutions.

Also, the Small and Medium Enterprise Agency has made an additional request to the Japan Federation of Credit Guarantee Corporations.

Taking all these facts into account, we are requesting the following issues so that all financial institutions will make further efforts with financing support for companies. Please properly inform the members of your association.

1. To perform the following kinds of measures, as examples, and to endeavor to strengthen cooperation with the Japan Finance Corporation, etc., in order to make every effort in financing support for companies.
 - When receiving a consultation involving funding from a client company, explain the outline of the “Novel Coronavirus-related Special Loan Program” offered by the Japan Finance Corporation, etc., as necessary.
 - If the client company is interested in making use of the loan, inform them of the necessary

documents based on the checklist that has been created by the Japan Finance Corporation.

- So that client companies may perform a smooth transaction with the Japan Finance Corporation, check the necessary documents (it is also acceptable to attach partial documents) and then submit them to the local Finance Corporation branch office.

2. For companies who have carried out a change in conditions concerning existing loans, to sincerely and conscientiously respond to continuing financing support even after the change in conditions as well as consultations for management improvements.

Also, regarding changes to conditions, to respond flexibly for the postponement of payment periods to allow for extra time and the extension of the period of deferment for principle payments based adequately on the future prospects of companies' businesses and needs.

Further, to comply more thoroughly with the Minister's request made on March 6 not to collect unnecessary documents, including the simplification of documents.

3. To actively cooperate with credit guarantee corporations, and make practical use of the safety net guarantee system and other systems based on additional requests of the Small and Medium Enterprise Agency.