

Cabinet Office
Financial Services Agency
Ministry of Finance
Ministry of Health, Labour and Welfare
Ministry of Agriculture, Forestry and Fisheries
The Small and Medium Enterprise Agency
April 28, 2021

To association representatives

Cash Flow Support for Companies in Response to the Declaration of a State of Emergency and
Responses Required during the Golden Week Holidays

We understand that public and private financial institutions have given due consideration to companies in response to our repeated requests, but due to the further expansion of the impact of the COVID-19 infection, the national government issued the declaration of a state of emergency again. Accordingly, financial institutions are requested to fully ascertain companies' business conditions in light of the influence of the declaration and make the utmost efforts to meticulously and promptly offer cash flow support to them. We would like to ask for your cooperation to thoroughly disseminate the following, in addition to our requests so far, among sales personnel and other officials of your association and your member financial institutions.

1. Government financial institutions, etc. are requested to give the utmost consideration in positively providing new loans, including subordinated loans recognizable as capital, so as to promptly respond to demand for funds from companies affected by the COVID-19 infection, while taking into account the influence of the declaration of a state of emergency.

Upon loan screening, etc., they are expected to respond to companies meticulously, provide loans appropriately on a timely basis, flexibly secure collateral, and alter conditions for existing loans, such as deferment of payments of principal and interest, including in cases where deferment terms are expiring, in consideration of individual companies' actual circumstances and efforts for business improvements, instead of making judgments only based on their current financial statuses and histories of alteration of loan conditions. Government financial institutions, etc. should make responses as flexibly as possible, such as positively proposing long-term extensions of repayment terms or deferment terms and meticulously providing loans for funds necessary until the cooperation money and other benefits are actually paid and for funds required thereafter, in particular.

Additionally, it is required to develop a system to respond to consultations on loans from companies also during the Golden Week holidays from April 29 to May 5.

2. Private financial institutions are also requested to ascertain cash-flow situations of companies, including those providing accommodation and eating and drinking services and those operating commercial facilities, on a timely basis and provide cash-flow support as flexibly as possible, also in collaboration with government financial institutions, etc., in response to individual companies' needs in accordance with their actual circumstances, not formally based on their current financial statuses or on whether loan conditions have been altered in the past. Specifically, private financial institutions are expected to positively provide new loans, including those for funds necessary until the cooperation money and other benefits are actually paid, offer support for filing applications for those benefits, grant long-term moratoriums, and promote active utilization of subordinated loans recognizable as capital provided by the Japan Finance Corporation, etc.