

COVID-19: Japan Government Financial Assistance Measures

May 2020

In response to the challenges arising from the novel coronavirus (“**COVID-19**”) pandemic, the Japanese Government has released the Cabinet Decision entitled “Emergency Economic Measures To Cope With COVID-19” (issued on 7 April 2020, amended on 20 April 2020) (the “**Cabinet Decision**”), which has prompted the various government authorities and governmental or quasi-governmental financial institutions to extend financing support and take tax and other temporary relief measures with the intention to help Japanese businesses survive the dramatic short term effects of COVID-19 and assist the Japanese economy in recovering after the COVID-19 crisis passes.

This paper outlines several of such governmental financial assistance and other relief measures that have been introduced in Japan as of 30 April 2020.

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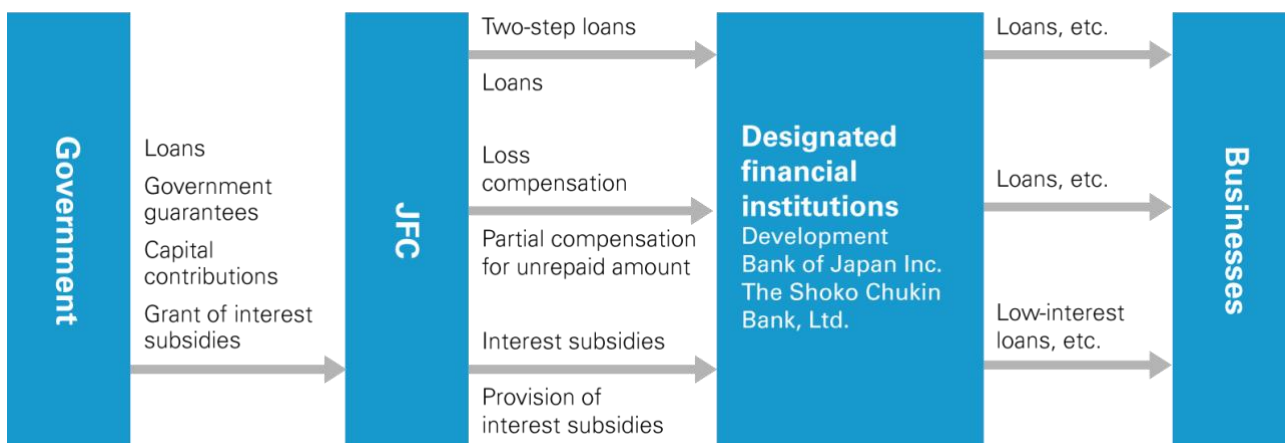
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Crisis Response Operations by DBJ and SCB

As governmental or quasi-governmental financial institutions, Development Bank of Japan Inc. (日本政策投資銀行) (“**DBJ**”)¹ and The Shoko Chukin Bank, Ltd. (商工中央金庫) (“**SCB**”)² each extends credit to the Japanese companies in need of financial assistance as part of their respective Crisis Response Operations (危機対応業務). It was stressed in the Cabinet Decision that DBJ and SCB’s Crisis Response Loans should be utilised in order to meet the financial need of the Japanese companies affected by the COVID-19 pandemic. Unlike the lending schemes offered by Japan Finance Corporation (“**JFC**”) which are targeted at small-and-medium-sized enterprises (“**SMEs**”) and small enterprises (see the next section below for the details), DBJ’s Crisis Response Loans (危機対応融資) can be provided to mid-to-large sized companies (including large corporations), and its financing may be joined by commercial banks and other financial institutions. It is reported that DBJ provided loans as much as 2.5 billion yen (approx. USD23 million)³ to four Japanese companies under the Crisis Response Operations during March 2020⁴.

The financing provided by DBJ and SCB (each of them being designated as “Designated Financial Institution” for the purpose of this scheme) by way of their Crisis Response Operations is backed by JFC⁵, which in turn is covered by the Japanese Government’s funding. The funding support granted by JFC to the Designated Financial Institutions is made in the following three ways: (i) loans (two-step loans) by which the Designated Financial Institutions on-lend JFC’s loan proceeds to the borrower companies; (ii) partial risk complementation (loss compensation transaction) by which JFC will, in return for charged premium, cover losses suffered by the Designated Financial Institutions when the borrower fails to repay the loan; and (iii) interest subsidies whereby JFC effectively pays the amount (in part or in full) of interest to the Designated Financial Institutions for the borrower in respect of the loan made to it by the Designated Financial Institutions. With the backing from such governmental support, the Crisis Response Operations can be considered as indirect governmental financial assistance for private companies. The overall outline of the scheme is illustrated below.



*source: https://www.jfc.go.jp/n/english/pdf/jfc2019e_3.pdf

- 1 DBJ is a Japanese development bank incorporated under the Development Bank of Japan Inc. Act (Act No. 85 of 2007, as amended “**DBJ Act**”) and is wholly owned by the Japanese Government through the Minister of Finance. One of DBJ’s objectives is “conducting business activities utilising the methods of combing investments and financing and other sophisticated financial methodologies...thereby contributing to smooth supply of funds to those who need long-term business funds...” (Article 1 of DBJ Act).
- 2 SCB is a special government-backed financial institution specialising in lending to small and medium-sized enterprises. SCB is incorporated under the Shoko Chukin Bank Limited Act (Act No. 74 of 2007, as amended, “**SCB Act**”) and approximately 50% of its shares are owned by the Japanese Government.
- 3 All the references to US dollar amount provided in this alert is calculated based on JPY107/USD, FX rate as of April 30, 2020.
- 4 https://www.mof.go.jp/financial_system/fiscal_finance/kiki/jisseki/jyoukyou_20200417.html
- 5 Where the government declares the occurrence of a “crisis”, such as financial market turmoil, natural disasters, terrorism and epidemics, JFC will provide certain types of credit to the financial institutions designated by the government (the “**Designated Financial Institution**”). Each of DBJ and SCB is a Designated Financial Institution since its establishment, and the COVID-19 outbreak was declared as “crisis” on 19 March 2020. Other commercial banks and financial institutions may be designated as such by making an application to the Ministry of Finance on a case-by-case basis.

Eligibility requirements: DBJ and SBC's Crisis Response Operations are available to any of the following companies if (i) its monthly revenue in the most recent month has decreased by 5% or more in comparison with the corresponding month of the previous year or the year before the previous year due to the COVID-19 outbreak, and (ii) it is expected to recover its business conditions and develop its business in the mid-long term⁶.

- (a) SMEs (中小企業者等)⁷;
- (b) Food Manufacturers (食品製造事業者等)⁸; or
- (c) Mid-Large Sized Enterprises (中堅企業等)⁹.

Measures:

Crisis Response Operations for an eligible company may typically take form of a loan to the company or a guarantee of the company's debt obligations.

Maximum amount:

Subject to the credit due diligence and terms of the loan (including whether to require security/guarantee), DBJ and SBC's Crisis Response Operations may be provided to an eligible company in an amount up to:¹⁰

- (a) 300 million yen (approx. USD2.8 million) for an SME or, if provided to a partnership (組合), 900 million (approx. USD8.4 million);
- (b) 2 billion yen (approx. USD19 million) for a Food Manufacturer; and
- (c) no express limit for Mid-Large Sized Enterprises except that there is a cap at 2 billion yen (approx. USD19 million) in case where a loss compensation is provided to the Crisis Response Loan for mid-sized enterprises (also, in case of a commitment line facility, the loan amounts shall not exceed 50 billion yen (approx. USD467 million) and the term of facility shall be one year or less)

Other conditions:

Whilst general guidelines are published by the Ministry of Finance, the loan terms will be determined on a case-by-case basis.

For SMEs, the main terms of loan are substantially consistent with COVID-19 Special Loan provided by JFC (please refer to paragraph 1 of the next section below).

Interest subsidy: Interest subsidy program is applicable to loans provided to qualifying SMEs by 31 March 2021. The aggregate interest subsidies amount shall not be greater than 300 million yen (approx. USD2.8 million) (and not greater than 100 million yen (approx. USD935,000) for the period of three years from the drawdown date of the loan) per borrower¹¹. Also refer to paragraph 7 of the next section below.

⁶ Article 14 of the Ministerial Notice Concerning Declaration of Crisis Response (危機対応認定に係る通知文) (the "Notice").

⁷ See footnote 13 below for the definition of SMEs.

⁸ "Food Manufacturer" is defined as those who operates a business of manufacturing, processing or distributing food and does not fall under SMEs (Article 3, Item 4 of the Notice and Item 12 of Appendix 1 of the JFC Act).

⁹ "Mid-Large Sized Enterprises" means (i) mid-sized enterprises, which are corporations not falling under SMEs and whose capital amount is less than 1 billion yen (approx. USD9.3 million) and (ii) large-sized enterprises, which are corporations not falling under SMEs or the mid-sized enterprises and whose capital amount is 1 billion yen (approx. USD9.3 million) or more (Article 3, Item 5 of the Notice).

¹⁰ Article 15 of the Notice.

¹¹ Article 17 of the Notice.

Lending Schemes Offered to SMEs by Japan Finance Corporation

Japan Finance Corporation (日本政策金融公庫) (“JFC”)¹², being a policy institution wholly owned by the Japanese Government, is tasked with the aim to address the financial needs of small-and-medium-sized enterprises (“SMEs”), small enterprises¹³ and business operators engaging in the agriculture, forestry and fisheries in a short supply of financing available from private financial institutions. In light of the fact that SMEs and small enterprises are particularly vulnerable to the COVID-19 shock, JFC offers a number of special lending schemes to them as outlined below.

1. COVID-19 Special Loan (新型コロナウイルス感染症特別貸付)

Eligibility requirements: COVID-19 Special Loan may be provided by JFC to any SME or small enterprise suffering a temporary deterioration of business condition due to COVID-19 and satisfying either of the following requirements:

- (a) its monthly revenue has decreased by 5% or more in comparison with the corresponding month of the previous year or the year before the previous year; or
- (b) (where it has been running its business only for more than a three and less than a 13 month-period or otherwise the comparison with the previous year (or the year before the previous year) is not meaningful¹⁴) its monthly revenue has decreased by 5% or more in comparison with any of the following:
 - (1) the average monthly revenue in the past three months (including the most recent month);
 - (2) its revenue in December 2019; or
 - (3) the average monthly revenue over the period from October 2019 to December 2019.

Maximum amount: The maximum amount of a loan is 300 million yen (approx. USD2.8 million) for SMEs and 60 million yen (approx. USD561,000) for other smaller business operators.

Low interest rate: The same interest rate is applied across all SMEs regardless of their creditworthiness. For the first three years, the interest rate is set at the applicable base rate¹⁵ minus 0.9%, after which it will be the base rate.

¹² JFC is established by Japan Finance Corporation Act (Act No. 57 of 2007, as amended).

¹³ In essence, Japan Finance Corporation Act defines the terms “SME” and “small enterprises” respectively as summarised below, depending on the business type of a company:

	SMEs (fulfilling either of the below)		Small enterprises
	Paid-in Capital Amount	No. of Employees	No. of Employees
Manufacturing, construction, transportation and other businesses	Up to 300 million yen (approx. USD2.8 million)	Up to 300	Up to 20
Wholesale	Up to 100 million yen (approx. USD935,000)	Up to 100	Up to 5
Service	Up to 50 million yen (approx. USD467,000)	Up to 100	Up to 5
Retail	Up to 50 million yen (approx. USD467,000)	Up to 50	Up to 5

¹⁴ E.g., a company who changed its business, made capital expenditure or increased employment, as a result of which there has been significant change in revenue.

¹⁵ The applicable base rate for SMEs is a fluctuated reference rate and 1.11% per annum as of 1 April 2020.

Other conditions: The loan proceeds may be used for the borrower's operating cost or capital expenditure in its business. No security is required from the borrower. The principal repayment is not required for the period up to first five years. The loan term is up to 20 years (in case of the loan for capital expenditure) or 15 years (in case of the loan for operating cost).

Interest subsidy: JFC's interest subsidy program is applicable in an aggregate subsidy amount up to 100 million yen (approx. USD935,000) for an SME which can effectively achieve zero-interest loan (subject to further conditions).

2. COVID-19 Managerial Improvement Fund Loan (新型コロナウイルスマル経融資(拡充))

Eligibility requirements: COVID-19 Managerial Improvement Fund Loan is available to any small enterprise if its monthly revenue has decreased by 5% or more compared with the corresponding month of the previous year or the year before the previous year due to the COVID-19 pandemic.

Maximum amount: A loan facility of up to 10 million yen (approx. USD93,000) can be provided by JFC to an eligible small enterprise in addition to the ordinary managerial improvement fund loan (小規模事業者経営改善資金融資(通称:マル経)) which JFC may provide to those who has been advised by the Chambers of Commerce and Industry or other regional commercial advisory bodies.

Low interest rate: For the first three years, the interest rate is set at the applicable base rate¹⁶ minus 0.9%, after which it will be the base rate.

Other conditions: The loan proceeds may be used for the borrower's operating cost or capital expenditure in its business. No security or guarantee is required from the borrower. No principal repayment is required for the first three years (in case of the loan for operating costs) or four years (in case of the loan for capital expenditure).

Interest subsidy: JFC's interest subsidy program is applicable (together with COVID-19 Special Loan, Environmental Health Industry-Specific COVID-19 Special Loan and Environmental Health Industry-Specific COVID-19 Managerial Improvement Fund Loan) in an aggregate subsidy amount up to 30 million yen (approx. USD280,000) for a small enterprise which can effectively achieve zero-interest loan (subject to further conditions).

3. Environmental Health Industry-Specific COVID-19 Special Loan (生活衛生新型コロナウイルス感染症特別貸付)

Eligibility requirements: Any SME or small enterprise in the environmental health industry is entitled to Environmental Health Industry-Specific COVID-19 Special Loan if it satisfies the eligibility requirements for COVID-19 Special Loan (see paragraph 1 above).

Maximum amount: An additional loan facility of up to 60 million yen (approx. USD561,000) may be provided to SMEs and small enterprises in the environmental health industry.

Low interest rate: The same interest rate is applied across all SMEs regardless of their creditworthiness. For the first three years, the interest rate is set at the applicable base rate¹⁷ minus 0.9%, after which it will be the base rate

Other conditions: Same as COVID-19 Special Loan (see paragraph 1 above).

Interest subsidy: JFC's interest subsidy program is applicable (see paragraphs 1 and 2 above).

¹⁶ The applicable base rate is a fluctuated reference rate and 1.21% per annum as of 1 April 2020.

¹⁷ The applicable base rate is a fluctuated reference rate and 1.36% per annum as of 1 April 2020.

4. Environmental Health Industry-Specific COVID-19 Managerial Improvement Fund Loan (新型コロナウイルス対策衛経融資)

Eligibility requirements: Any small enterprise in the environmental health industry if its monthly revenue in the most recent month has dropped by 5% or more in comparison with the corresponding month in the previous year or the year before the previous year due to the COVID-19 pandemic.

Maximum amount: An additional loan facility of up to 10 million yen (approx. USD93,000) can be provided by JFC to eligible small enterprises in the environmental health industry that have been advised by the regional environmental health associations.

Low interest rate: For the first three years, the interest rate is set at the applicable base rate¹⁸ minus 0.9%.

Other conditions: Same as COVID-19 Managerial Improvement Fund Loan (see paragraph 2 above).

Interest subsidy: JFC's interest subsidy program is applicable (see paragraphs 1 and 2 above).

5. Hygienic Environment Change Special Loan (衛生環境激変対策特別貸付)

Eligibility requirements: Any hotel, restaurant or cafe business enterprise may be offered the Hygienic Environment Change Special Loan by JFC if (i) it is in a financial difficulty due to the deterioration of business condition caused by the COVID-19 pandemic, and (ii) satisfying both of the following requirements:

- (a) its monthly revenue in the most recent month has decreased by 10% or more compared with the corresponding month of the previous year or the year before the previous year and it is likely to suffer further reduction in the future; and
- (b) it is expected to recover from the downturn and develop its business condition in the medium-to-long term.

Maximum amount: An additional loan facility of up to 10 million yen (approx. USD93,000) (30 million yen (approx. USD280,000) for hotel businesses) may be provided.

Interest rate: The interest rate depends on the length of the loan term and on the security provided by the borrower. The base interest rate may be reduced by 0.9% if the borrower is a member of certain approved environmental health association (生活衛生同業組合).

Other conditions: The loan proceeds should be used for the borrower's operating cost. The loan term is up to seven years, and no principal repayment is required for the first two years at maximum.

6. Safety Net Loan (セーフティネット貸付)

Eligibility requirements: Safety Net Loan may be provided by JFC to any SME or small enterprise if it is suffering or is likely to suffer a temporary deterioration of its business condition. In light of the COVID-19 crisis, the eligibility requirements for Safety Net Loan have been loosened so that financial assistance can be offered to SEMs and small enterprises that are expected to be in a financial stress without having to provide any numerical evidence such as drop in revenue.

Maximum amount: The maximum amount of Safety Net Loan for an SME is 720 million yen (approx. USD6.7 million).

Other conditions: The loan proceeds should be used for the borrower's operating cost or capital expenditure. The interest rate is determined based on the applicable base rate¹⁹ and variable depending on the terms of loan such as loan term and security. The term of loan must not exceed 15 years in case of the loan for capital

¹⁸ The applicable base rate is a fluctuated reference rate and 1.21% per annum as of 1 April 2020.

¹⁹ The applicable base rate is a fluctuated reference rate and 1.11% per annum for SMEs as of 1 April 2020.

expenditure or eight years in case of the loan for operating cost. No principal repayment is required for the first three years.

7. Interest Subsidy Program (特別利子補給制度)

Eligibility requirements: Any SME may be granted interest subsidy if (i) it has utilised one or more of applicable JFC's lending schemes above or SCB/DBJ's Crisis Response Loan (see the preceding section), and (ii) its revenue has fallen by 20% or more (or 15% or more in case of smaller enterprises) due to the COVID-19 outbreak. (fix widow)

Maximum amount: An aggregate subsidy amount is up to 30 million yen (approx. USD280,000) for a small enterprise and 100 million yen (approx. USD935,000) for a SME for the first three years from the loan drawdown date. (fix widow)

Purpose: The other governmental financing assistance can be obtained effectively without interest. To help the borrowers better utilise this program, JFC is also amenable to the refinancing request in respect of the existing loans to the applicable lending scheme.

Credit Guarantee Programs by CGCs (SMEs only)

Credit Guarantee Corporations (信用保証協会) ("CGCs") are public institutions that support SMEs²⁰ by serving as guarantors to facilitate their borrowing from commercial banks and other private financial institutions²¹. Upon a borrower SME's request, CGC provides credit guarantee to the lender financial institution(s) when the borrower wishes to borrow funds from them. The provision of the guarantee is subject to the credit due diligence²², and guarantee fees are payable by the borrower SME to CGC.

Under CGC's general guarantee program, guarantee may be provided by CGC in a covered amount of up to 280 million yen (approx. USD2.6 million) per company. In addition to that, as part of the governmental

²⁰ SMEs who are entitled to utilise CGC Credit Guarantee Programs shall, depending on their business type, satisfy either of the below requirements regarding the capital amount or number of employees (the requirements are similar but slightly different to those for JFC's lending scheme):

Type of Business	Paid-in Capital Amount	No. of Employees
Manufacturing Industry (including construction industry, transport industry and real estate industry)	Up to 300 million yen (approx. USD2.8 million)	Up to 300 (in case of the rubber product-related industry, up to 900)
Wholesale Industry	Up to 100 million yen (approx. USD935,000)	Up to 100
Retail Industry, Restaurant Business	Up to 50 million yen (approx. USD467,000)	Up to 50
Service Industry	Up to 50 million yen (approx. USD467,000) (in case of the IT-related, up to 30 million yen (approx. USD280,000))	Up to 100 (in case of the IT-related, up to 300, and in case of the hotel business, up to 200)
Corporation whose main business is Medical Business	N/A	Up to 300

²¹ Credit Guarantee Association Act (Act No. 196 of 1953, as amended).

²² Eligible SMEs need to apply for certification with the municipality where the head office is located and obtain a written certification from such municipality before applying for a guaranteed loan from a financial institution.

responses to the COVID-19 crisis, the other three guarantee programs of CGCs may be available to SMEs as outlined below. These guarantee programs may be further supported by guarantee fee subsidy or exemption.

1. Safety Net Guarantee No. 5 (セーフティネット保証5号)

Eligibility requirements: SMEs falling under any of the designated business types²³ may apply for the provision of Safety Net Guarantee No. 5 if its revenue in the last three months has declined by 5% or more compared to the corresponding period of the previous year.

Maximum guaranteed amount: 280 million yen (approx. USD2.6 million) (to be shared with Safety Net Guarantee No. 4).

Percentage covered: 80% of the principal amount of the commercial borrowing.

2. Safety Net Guarantee No. 4 (セーフティネット保証4号)

Eligibility requirements: SMEs located in affected regions²⁴ are entitled to apply for the provision of Safety Net Guarantee No. 4 if its revenue in the most recent month has declined by 20% or more compared to the corresponding month of the previous year and its revenue in the coming three-month period (including the next two months) is expected to decline by 20% or more compared to the corresponding period of the previous year.

Maximum guaranteed amount: 280 million yen (approx. USD2.6 million) (to be shared with Safety Net Guarantee No.5).

Percentage covered: 100% of the principal amount of the commercial borrowing.

3. Crisis-related Guarantee (危機関連保証)

Eligibility requirements: SMEs engaged in almost all businesses and located in anywhere in Japan may apply for Crisis-related Guarantee if its revenue in the most recent month has decreased by 15% or more compared to the corresponding month of the previous year and its revenue in the three months that include the next two months is expected to decrease by 15% or more compared to the corresponding period of the previous year.

Maximum guaranteed amount: 280 million yen (approx. USD2.6 million) (in addition to the guaranteed amount under Safety Net Guarantee No. 4 and/or Safety Net Guarantee No. 5).

Percentage covered: 100% of the principal amount of the commercial borrowing.

Tax Deferral Measures

1. Extension of tax filing/payment deadline (税申告・納付期限延長)

The National Tax Agency announced that the competent tax authorities will take flexible approach regarding the tax return filings and tax payment which were supposed to fall due in March-April 2020.

Eligibility requirements: In case of the corporation tax and the corporation consumption tax, extension of the deadline of the relevant tax filing and payment may be granted if the corporation is unable to make the filing and/or payment by the deadline date due to COVID-19.

²³ While more than 700 businesses are designated by the Ministry of Economy, Trade and Industry ("METI") as of 24 April 2020, METI has announced its policy to expand the designation to all types of businesses.

²⁴ As of 2 March 2020, all regions across Japan are designated as affected region.

Extension period: The length of the extension is determined on a case-by-case basis. No interest tax or additional tax imposition will apply for the extension period.

2. Tax payment deferral (納税猶予)

Eligibility requirements: A one-year tax payment deferral will be available for any enterprise if (i) its monthly revenue after February 2020 has dropped by 20% or more in comparison with the corresponding month in the previous year, and (ii) it has difficulty in paying tax by the deadline.

Applicable tax types: The deferral is available for almost all taxes, including the corporation tax, the consumption tax and the fixed-asset tax that fall due between 1 February 2020 and 31 January 2021.

Maximum amount: There is no express limit applicable.

Deferral period: In principle, the tax payment due is deferred for one year. Interest tax will be exempted for the deferral period. No security is required.

Grant for Business Continuity (SMEs only)

To assist financially struggling SMEs more directly, the Ministry of Economy, Trade and Industry will provide Grant for Business Continuity (持続化給付金) to domestic small enterprises severely affected by the COVID-19 outbreak. (fix widow)

Eligibility requirements: All the following requirements must be satisfied to apply for the Grant for Business Continuity:

- (a) the applicant's monthly revenue has decreased by 50% or more in comparison with the corresponding month in the previous year due to COVID-19;
- (b) the applicant has been running its current business since year 2019 or before and it intends to continue the business going forward; and
- (c) (where the applicant is a corporation) either its capital amount is less than 1 billion yen (approx. USD9.3 million) or the number of its permanent employees is 2,000 or less.

Maximum amount: The maximum amount of the grant is 2 million yen (approx. USD19,000 million) for a corporation.

No conditions: There are no express conditions attached to the grant.

Conclusions

A variety of direct and indirect financing support and other temporary relief measures have been introduced by a number of Japanese governmental and quasi-governmental authorities and financial institutions in order to ensure business continuity of the companies in Japan who are in urgent need of the financial assistance. At this stage, many of them are primarily intended to support SMEs and smaller enterprises who are particularly vulnerable to the external shock caused by the COVID-19 outbreak. Nonetheless, some other schemes, such as DBJ's Crisis Response Loan, are also available to large corporates. Besides, the financial assistance and other relief measures set out above are by no means exhaustive, albeit representing the most relevant measures. In view of the possibly prolonged and deeper impact of COVID-19 on various business sectors, more robust new measures are expected to be considered and implemented in the coming weeks or months. Given the rapidly changing social and economic circumstances, the currently implemented measures are also likely to be updated and amended in a frequent manner. Therefore, we encourage our clients to pay close attention to our updates, consider the opportunities presented by these supporting policies carefully and consult with us as appropriate. (fix widow)

In addition, White & Case has carried out an analysis of global governmental responses to the COVID-19 crisis. These vary considerably from country to country and are being updated and amended regularly.

We have prepared an in-depth and nuanced analysis for various major jurisdictions and pulled together a global response team.

For useful information on COVID-19, please consult the Coronavirus section of www.whitecase.com.

Annex I

The key points of the main governmental financing support measures available in Japan are summarised and compared below.

Scheme	Key Points
DBJ/SCB's Crisis Response Operations (available for large corporations as well as SMEs)	Summary: DBJ or SCB provides financial support typically in form of loan or guarantee to eligible companies in distress. For SMEs, JFC's interest subsidy program is available. DBJ's Crisis Response Loan may be joined by commercial banks.
	Eligible Beneficiaries: the following three categories of companies who satisfy certain requirements concerning COVID-19-related business deterioration: (a) Mid-Large Sized Enterprises; (b) Food Manufacturers; or (c) SMEs
	Maximum Amount: (a) No express limit with certain exceptions for Mid-Large Sized Enterprises; (b) JPY 2 billion for Food Manufacturers; or (c) JPY 300 million for SMEs
	Availability for foreign enterprises: Domestic enterprises only (no express restrictions applicable to foreign ownership/control).
	Restrictions on corporate activities (e.g., dividend distributions): For corporations other than SMEs, the available terms are subject to credit due diligence and determined on a case-by-case basis (including whether to allow dividend distributions). For SMEs, the terms of loan are substantially consistent with JFC's COVID-19 Special Loan.
JFC's COVID-19 Special Loan	JFC provides unsecured loans with low-rate interest and other favourable repayment terms. JFC's interest subsidy program is also applicable.
	Eligible Beneficiaries: SMEs and small enterprises satisfying certain requirements concerning COVID-19-related business deterioration.
	Maximum Amount: JPY 300 million for SMEs.
	Availability for foreign enterprises: Domestic enterprises only.
JFC's COVID-19 Managerial Improvement Fund Loan	JFC provides unsecured loans with low-rate interest and other favourable repayment terms. JFC's interest subsidy program is also applicable.
	Eligible Beneficiaries: Small enterprises satisfying certain requirements concerning COVID-19-related business deterioration.
	Maximum Amount: Additional loan facility of up to JPY 10 million.
	Availability for foreign enterprises: Domestic enterprises only.

	Restrictions on corporate activities (e.g., dividend distributions): Depending on applicable loan terms.
JFC's Environmental Health Industry-Specific COVID-19 Special Loan	In addition to COVID-19 Special Loan, JFC provides additional loan facilities to those engaging in the environmental health industry. JFC's interest subsidy program is also applicable.
	Eligible Beneficiaries: SMEs and small enterprises engaging in the environmental health industry and satisfying certain requirements concerning COVID-19-related business deterioration.
	Maximum Amount: Additional loan facility of up to JPY 60 million.
	Availability for foreign enterprises: Domestic enterprises only.
	Restrictions on corporate activities (e.g., dividend distributions): Depending on applicable loan terms.
JFC's Environmental Health Industry-Specific COVID-19 Managerial Improvement Fund Loan	In addition to COVID-19 Managerial Improvement Fund Loan, JFC provides additional loan facilities to those engaging in the environmental health industry. JFC's interest subsidy program is also applicable.
	Eligible Beneficiaries: Small enterprises engaging in the environmental health industry and satisfying certain requirements concerning COVID-19-related business deterioration.
	Maximum Amount: Additional loan facility of up to JPY 10 million.
	Availability for foreign enterprises: Domestic small enterprises only.
	Restrictions on corporate activities (e.g., dividend distributions): Same as COVID-19 Managerial Improvement Fund Loan.
JFC's Hygienic Environment Change Special Loan	JFC provides loans with low-rate interest and other favourable repayment terms.
	Eligible Beneficiaries: Hotel, restaurant or cafe business enterprises satisfying certain requirements concerning COVID-19-related business deterioration.
	Maximum Amount: Additional loan facility of up to JPY 30 million for hotel businesses and JPY 10 million for the others.
	Availability for foreign enterprises: Domestic enterprises only.
	Restrictions on corporate activities (e.g., dividend distributions): Depending on applicable loan terms.
JFC's Safety Net Loan	JFC provides loans with low-rate interest and other favourable repayment terms.
	Eligible Beneficiaries: SMEs and small enterprises in distress.
	Maximum Amount: JPY 720 million.
	Availability for foreign enterprises: Domestic enterprises only.
	Restrictions on corporate activities (e.g., dividend distributions): Depending on applicable loan terms.

CGC's Safety Net Guarantee No. 5	CGC provides guarantee in respect of 100% of the principal amount of the commercial borrowing of eligible companies.
	Eligible beneficiaries: SMEs satisfying certain requirements concerning designated business types and COVID-19-related business deterioration.
	Maximum amount: JPY 280 million (shared with Safety Net Guarantee No. 4).
	Availability for foreign enterprises: Domestic SMEs only.
	Restrictions on corporate activities (e.g., dividend distributions): Depending on the applicable guarantee terms.
CGC's Safety Net Guarantee No. 4	CGC provides guarantee in respect of 100% of the principal amount of the commercial borrowing of eligible companies.
	Eligible beneficiaries: SMEs located in Japan satisfying certain requirements concerning COVID-19-related business deterioration.
	Maximum amount: JPY 280 million (shared with Safety Net Guarantee No. 5).
	Availability for foreign enterprises: Domestic SMEs only.
	Restrictions on corporate activities (e.g., dividend distributions): Depending on the applicable guarantee terms.
CGC's Crisis-related Guarantee	As an additional measure to supplement CGC's other guarantee programs, CGC provides guarantee in respect of 100% of the principal amount of the commercial borrowing of eligible companies.
	Eligible beneficiaries: SMEs (almost all types of business) satisfying certain requirements concerning COVID-19-related business deterioration.
	Maximum amount: JPY 280 million.
	Availability for foreign enterprises: Domestic SMEs only.
	Restrictions on corporate activities (e.g., dividend distributions): Depending on the applicable guarantee terms.
Tax deadline extension	Tax return filings and tax payment which were supposed to fall due in March-April 2020 may be extended on a case-by-case basis
	Eligible beneficiaries: All enterprises that are unable to make the filing and/or payment in respect of the corporate tax and corporate consumption tax by the deadline date due to COVID-19.
	Availability for foreign enterprises: Available for those filing/paying tax in Japan.
	Restrictions on corporate activities (e.g., dividend distributions): N/A.
Tax payment deferral	One-year payment deferral is available for almost all taxes that fall due between 1 February 2020 and 31 January 2021
	Eligible beneficiaries: All enterprises satisfying certain requirements concerning COVID-19-related business deterioration.
	Maximum amount: No express limit.

	Availability for foreign enterprises: Available for those paying tax in Japan.
	Restrictions on corporate activities (e.g., dividend distributions): N/A.
Grant for Business Continuity	METI will provide cash grant to domestic small enterprises.
	Eligible beneficiaries: Domestic small enterprises satisfying certain requirements concerning COVID-19-related business deterioration and company size.
	Maximum amount: JPY 2 million.
	Availability for foreign enterprises: Domestic enterprises only.
	Restrictions on corporate activities (e.g., dividend distributions): N/A.

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