Department for International Trade

British Embassy Tokyo

Japanese Government Support to Companies

Registered companies based in Japan, paying into the national employer's insurance scheme, should be eligible **further information should be sought directly from organisations below** *(links in Japanese unless otherwise stated)*

We are interested to hear about your experience in applying for this support in order to share learning among the UK business community. We would be grateful if you could share your experience.

When the second supplementary budget comes into effect (around mid-June), more support will be available: the number of loans will be increased, basic interest rates lowered and/or interest subsidy limits raised. Further details will be posted on this site.

- COVID-19 Support Packages [Summary] (English)
  - Maximum ¥2m to SME corporations and ¥1m to sole proprietors, whose revenue falls by >50% in any month of 2020 compared to previous year. Link to application page (English summary)
    Applications accepted until Friday 15 January 2021.
    Call centre (includes support for filing an application) – (Link to English Summary)
    (0830-1900, 6 days a week (not Sat and public holidays))
    <For those who applied by 31 August> Tel: 0120-115-570, IP phones: 03-6831-0613
    <For those who will apply after 1 September> Tel: 0120-279-292, IP phones: 03-6832-6631
  - For large companies, Development Bank of Japan: +81 (0)120-598-600
    More for larger companies in the second supplementary budget – details yet to be announced

- Zero and low interest loans Examples of loans (type of loan will depend on your specific circumstances.)

  (1) Special loans from the Japan Finance Corporation
  Maximum ¥ 680 million: max interest-free ¥ 240 million, initially for 3 years[1] (when applying for both loans for a) small and medium-sized businesses and b) national life finance corporations)
  Special Business Loan for business operators related to 'life hygiene':
  Max ¥60 million (can be combined with the above): interest-free max ¥30 million, initially for 3 years[1]
  (2) Crisis response loans from the Shoko Chukin Bank Ltd (Central Bank for Commercial and Industrial Cooperative)
  Maximum ¥ 600 million: maximum interest-free ¥ 200 million, initially for 3 years[1]
  (3) Interest-free financing from private financial institutions
  System loans from each prefecture etc: interest-free maximum ¥ 40 million, initially for 3 years[2]
  Loans are also available from private banks. Speaking to your own banks is recommended too.

- Apply to tax offices (Eng link) and local governments to **Defer Tax and Social Security Contributions**
- **Payment of Welfare Pension Insurance Premiums, Can Be Postponed**
- 2021 fixed property tax and city planning tax for buildings and equipment will be reduced to zero or 1/2 according to the amount of decrease in business income.
- Grants for rent payment – Maximum ¥6m for SMEs and ¥3m for sole proprietors.
- Consultation centres can be found here.

[1] Sales reduction requirements: Sole proprietors 5% reduction, small businesses 15% reduction, medium-sized businesses 20% reduction

[2] Sales reduction requirements: Sole proprietors 5% reduction, small / medium-sized businesses 15% reduction

- Unemployment Benefit
  Depending on age and years of service, 45-80% of the average wage for the last 6 months can be paid for up to about a year. For employers who go bankrupt, salaries and retirement payments that have not been received, can be claimed under the 'Unpaid Wage Replacement Payment System' of the MHLW.

- The Ministry of Health, Labour and Welfare have further expanded special measures so that all business owners can use employment adjustment subsidies to maintain employment. Up to ¥15,000 per day; Maximum 100% of the cost (if employment maintained); for any day(s) between 1 April 2020 and 30 September 2020.

- Public offering - Productivity Innovation Promotion Programme
  - Support for capital investment to improve new products/services/production processes, up to 10 million yen <Deadline 17:00 on Thursday 26 November>
  - Subsidy Programme for small businesses to expand distribution channels, up to ¥500,000. Additional subsidy up to ¥500,000 for each of 1) re-opening business and 2) additional measures to prevent infection at certain businesses such as nightclubs and live houses.
    <Deadline: Friday 5 February 2021>
  - Subsidy Programme for small businesses to overcome impact of COVID-19, such as exploring sales channels, up to ¥1m. Additional subsidy up to ¥500,000 for each of 1)re-opening business and 2) additional measures to prevent infection at certain businesses such as nightclubs and live houses.
    <Deadline: Thursday 10 December>
  - Subsidy for introduction of IT tools to improve business efficiency etc, ¥300,000-4,500,000.
    <Deadline: 17:00 Friday 18 December 2020 (FINAL)>

A number of providers might be able to assist you in assessing eligibility and accessing the loans, for example:

- **Call centre for English speakers: JETRO Invest Japan Hotline**
  (0900-1200/1300-1700, Monday to Friday)
  Tel: 03 6628 7264
  https://www.jetro.go.jp/en/invest/covid-19/helpline.html
  When the line is busy, you can send in enquiries via this Enquiry Form.

- Deloitte are able to provide assistance to overseas organisations in applying for Japanese Government grants, please email yabo.cui_ex@tohmatsu.co.jp for more information.

- Money Forward provide information (in Japanese) regarding support for SMEs.

- Procedures can be complicated, particularly unemployment benefit. METI themselves recommend consulting accountants when you apply for all these support measures.