

## Business Summary

JHF focuses on the securitization support business to support the provision of fixed-rate housing loans by private financial institutions, but also provides a housing loan insurance service to promote the smooth provision of private housing loans and provides a loan origination service in areas that are important from policy perspectives and difficult for the private sector to handle.

JHF makes its efforts to enhance living standards and fulfill its corporate social responsibilities by smoothly and effectively supplying housing loans necessary for the construction of houses to support people's lives.

### 1 Securitization support business (provision of Flat 35)

Support for private financial institutions to supply fixed rate housing loans through the following programs:

- \* Flat 35 (Purchase Program): JHF purchases and securitizes fixed-rate housing loans from private financial institutions
- \* Flat 35 (Guarantee Program): JHF insures fixed-rate housing loans securitized by private financial institutions, and guarantees interest and principal payment of bonds to investors.

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### 2 Housing loan insurance business

JHF supports the smooth supply of housing loans originated by private financial institutions with insurance paid to those institutions based on the insurance policies concluded beforehand if those housing loans should default due to unexpected situations.

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### 3 Loan origination business (government-policy-related loans for recovery from disasters, town development, etc.)

JHF provides housing-reconstruction loans in areas affected by the Great East Japan Earthquake or other natural disasters, urban development projects and projects that help improve disaster-prevention capacities in urban areas, such as rebuilding condominiums and renovating to enhance anti-seismic strength, etc., as well as rental housing contributing to a stable housing supply for families raising children and the elderly.

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### 4 Group credit life insurance business

This insurance system provides security for borrowers of Flat 35 (Purchase Program) or JHF loans. If the borrowers who have joined this system should die or incur a serious disability, etc., the outstanding loan balance is offset by the insurance, etc. paid by life insurance companies, etc.

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### 5 Promotion of quality housing

JHF helps improve living quality using its own technical criteria for housing, which are set as one of the requirements for Flat 35 and JHF loans.

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### 6 Management of outstanding loans

JHF appropriately manages outstanding loans through its fine and careful response, such as modifying the terms of loan repayment for borrowers who have difficulty in making mortgage repayments to reduce the number of delinquent loans.

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### 7 Research and surveys on housing finance

JHF conducts research and surveys on domestic and overseas housing finance markets etc.

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	Results of FY 2013	Initial plan for FY 2014
Securitization support business (Provision of Flat 35)	Purchase Program: 1,855.3 billion yen (72,517 houses) Guarantee Program: 4 billion yen (159 houses)	Purchase Program: 2,116.2 billion yen (89,000 houses) Guarantee Program: 23.8 billion yen (1,000 houses)
Housing loan insurance business	Insurance contracts: 167 institutions, 278.2 billion yen Insurance effected: 25,576 cases, 186 billion yen Insurance continuing: 128,664 cases, 2,283 billion yen	Limit of insurance contracts: 300.5 billion yen
Loan origination business	159.9 billion yen (16,799 houses)	396.1 billion yen (29,310 houses)

## Management Concept

Based on independent,  
transparent and efficient management,  
and in pursuit of the creation of customer value,  
we will provide various kinds of financial services  
to supply liquidity in the housing finance market,  
thus contributing to the improvement of housing in our country.

### Logo concept



## 住宅金融支援機構 Japan Housing Finance Agency

Pillars supporting a roof are represented by the letters J, H and F. The horizontal line representing the ground is intended to create an uplifting feeling, and the sphere symbolizes security and expanse. The green color represents growth and vitality. The logo symbolizes the fusion between JHF and the world of housing.

\* JHF is an abbreviation of Japan Housing Finance Agency.

## Prioritized Actions

### Prioritized actions in business operation

JHF provides its products and services, which are endorsed by customers, private financial institutions and housing industries and contribute to housing policy.

#### ● **Securitization support business**

JHF steadily implements its main business, securitization support business. JHF implements securitization support business, housing loan insurance business and the group credit life insurance, etc. as integral products by recognizing them as strongly interrelated.

- Improving products and procedures and quality of operations and underwriting, etc. by voluntary initiatives.

#### ● **Direct loan origination**

JHF steadily originates direct loans which are important from policy perspective and enhance its social contribution.

- Promoting business such as enhanced customer support in providing loans for rental housing to address an aging society with less birth, loans to reform the shared parts of condominiums and urban development.
- Improving products as well as procedures and quality of operations and underwriting, etc. by voluntary initiatives.

#### ● **Support for recovery from the Great East Japan Earthquake**

In close cooperation with national and local governments and local financial institutions, etc., JHF provides maximum financial support to disaster-affected people to help them recover from the Great East Japan Earthquake.

#### ● **Social contribution in a new field**

JHF also studies the possible social contributions in a new field, such as an international relationship in cooperation with the national government etc.

### Prioritized actions in corporate governance

To improve JHF's reliability and corporate value, we strive to fulfill our mission.

#### ● **Internal control**

JHF improves the overall internal control and governance.

#### ● **Compliance and response to anti-social forces**

JHF promotes compliance.  
JHF takes an uncompromising stance toward anti-social forces threatening social order and safety.

#### ● **CS, customer protection and information security**

By implementing concrete activities based on CS action guidelines, JHF improves its organizational capacity and strives to improve customer satisfaction.

JHF is committed to strictly manage information to protect our customers including prevention of leakage of personal information.

#### ● **Risk management**

JHF sophisticates risk management.  
JHF improves the emergency response.

#### ● **Enhancing practical capacity**

JHF improves its practical capacity to solve worksite problems on the ground and strengthens efforts to promote the empowerment of female employees, both of which are essential for our growth.