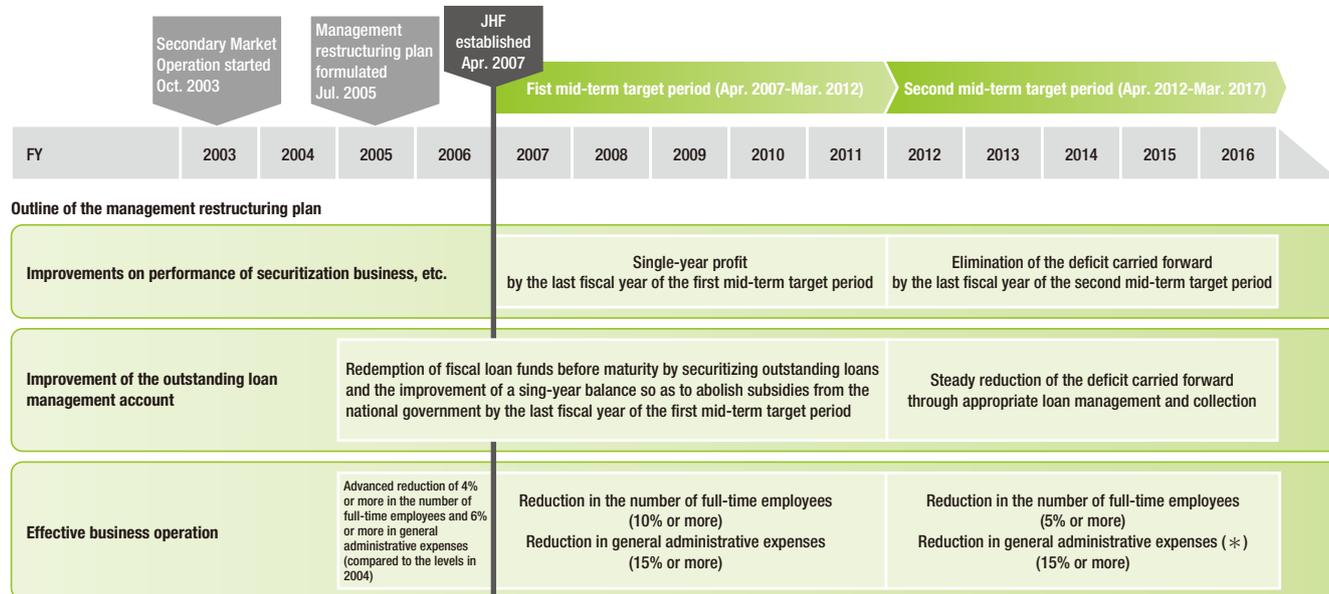


Efforts for Management Restructuring

JHF has steadily enhanced business performance and improved management by streamlining operations and cutting costs to support and complement private financial institutions as an independent organization in the housing market. As a result, JHF turned a single-year net income into surplus on the outstanding loan management account in FY 2011, and government subsidies were abolished. It also turned a single-year net income into surplus on aggregated accounts excluding the outstanding loan management account less the account related to operations taken over from the defunct Housing Loan Guarantee Association as well, and eliminated the deficit carried forward, a target to be achieved by the last fiscal year of the second mid-term target period.



● Reduction in general administrative expenses (personnel/non-personnel expenses)

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
General administrative expenses	¥16,369 million	¥15,070 million	¥14,491 million	¥13,857 million	¥12,900 million	¥12,674 million
Reduction rate (compared to the end of FY 2006)	—	△ 7.9%	△ 11.5%	△ 15.3%	△ 21.2%	△ 22.6%
Personnel expenses	¥11,397 million	¥10,411 million	¥10,118 million	¥9,867 million	¥9,584 million	¥9,478 million
Reduction rate (compared to the end of FY 2006)	—	△ 8.7%	△ 11.2%	△ 13.4%	△ 15.9%	△ 16.8%
Non-personnel expenses	¥4,972 million	¥4,659 million	¥4,373 million	¥3,990 million	¥3,316 million	¥3,197 million
Reduction rate (compared to the end of FY 2006)	—	△ 6.3%	△ 12.0%	△ 19.8%	△ 33.3%	△ 35.7%

● Reduction in information system expenses

	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Main system expenses	¥12.76 billion	¥9.42 billion	¥9.49 billion	¥7.77 billion	¥7.39 billion	¥6.81 billion
(Difference from FY 2006)	—	¥3.34 billion	¥3.27 billion	¥4.99 billion	¥5.37 billion	¥5.95 billion
(Rate compared to FY 2006)	—	△ 26.2%	△ 25.6%	△ 39.1%	△ 42.1%	△ 46.6%

● Reduction in personnel

	FY 2007		FY 2008		FY 2009		FY 2010		FY 2011	
	Beginning	End	Beginning	End	Beginning	End	Beginning	End	Beginning	End
Number of full-time employees	1,021 people	970 people	984 people	951 people	963 people	938 people	944 people	915 people	923 people	918 people
Reduction rate (compared to the beginning of FY 2009)	—	△ 5.0%	—	△ 6.9%	—	△ 8.1%	—	△ 10.4%	—	△ 10.1%

● Income Statements

(Unit: ¥100 million)

	Gross profit/loss					Surplus/deficit carried forward				
	FY 2007 closing account	FY 2008 closing account	FY 2009 closing account	FY 2010 closing account	FY 2011 closing account	FY 2007 closing account	FY 2008 closing account	FY 2009 closing account	FY 2010 closing account	FY 2011 closing account
Securitization support account	△ 33	△ 28	△ 58	△ 258	338	△ 165	△ 193	△ 251	△ 509	△ 171
Housing loan insurance account	3	△ 16	20	28	36	△ 47	△ 63	△ 44	△ 15	21
Account for loans for property accumulation saving scheme-tied houses	60	58	45	26	69	316	374	418	445	513
Housing loan account	94	△ 63	△ 29	7	43	3,766	3,486	3,392	3,354	3,299
Outstanding loan management account	△ 1,693	△ 97	△ 1,445	△ 169	837	△ 5,284	△ 5,381	△ 6,826	△ 6,994	△ 6,158
Overall Agency	△ 1,569	△ 146	△ 1,468	△ 366	1,323	△ 1,414	△ 1,777	△ 3,310	△ 3,720	△ 2,496
Overall Agency (excluding the outstanding loan management Account)	124	△ 50	△ 22	△ 197	487	3,869	3,604	3,516	3,274	3,662
Overall Agency (excluding the outstanding loan management account and the account for operations taken over from the Housing Loan Guarantee Association)	42	△ 15	12	△ 171	453	△ 111	△ 126	△ 114	△ 285	168