

## ● Status of Business Execution

### Business Plan and Actual Performance

#### ● Securitization support business

Under the FY 2013 business plan for securitization support business (after revision), the number of loans purchased for the Purchase Program was 86,000 units amounting to ¥2,052.1 billion and the insurance value for the Guarantee Program was ¥47.1 billion (for 2,000 units) representing coverage for specific mortgage insurance.

The actual number of loans was 72,517 units amounting to ¥1,855.3 billion and the actual insurance value was ¥4 billion for 159 units.

(Unit: houses, million yen)

Item	FY 2012				FY 2013					
	Business plan		Actual record		Business plan				Actual record	
	No. of houses	Amount	No. of houses	Amount	Initial		After revision		No. of houses	Amount
					No. of houses	Amount	No. of houses	Amount		
Purchase Program	63,000	1,582,900	84,345	2,184,300	64,000	1,506,900	86,000	2,052,100	72,517	1,855,270
Guarantee Program	1,000	25,100	222	5,199	2,000	47,100	2,000	47,100	159	3,992

\*The FY 2013 business plan (after revision) was formulated based on the supplementary budget for FY 2013.

#### ● Housing loan insurance business

Under the FY 2013 business plan (after revision), ¥284.9 billion was authorized for housing loan insurance; however, ¥186 billion was actually committed for insurance for 25,576 policies.

(Unit: houses, million yen)

Item		FY 2012	FY 2013
For total insurance value		288,000	284,900
Insurance contracts concluded	No. of contracts	25,519	25,576
	Amount	255,137	185,975

## ● Housing loan origination business

Under the FY 2013 business plan (after revision), ¥437.1 billion was planned for 31,610 units.

Ultimately, the business committed to provide ¥159.9 billion in loans for 16,799 units, and ¥154.3 billion in loans was disbursed.

(Unit: houses, million yen)

Category		FY 2012				
		Business plan		Committed loans		Distributed loans
		No. of houses	Amount	No. of houses	Amount	Amount
Natural disaster, etc.	Post-disaster reconstruction	17,000	300,000	4,511	70,507	68,442
	Disaster prevention	100	1,000	44	264	361
	Subtotal	17,100	301,000	4,555	70,771	68,803
Urban rehabilitation		5,000	55,000	9,326	69,520	84,498
Rental houses		16,000	155,000	1,713	7,466	87,079
Property accumulation saving scheme-tied houses		500	9,000	16	209	184
Owner occupied houses (provisional measures)		10	100	5	7	6
Total		38,610	520,100	15,615	147,974	240,570

Category		FY 2013				
		Business plan		Committed loans		Distributed loans
		No. of houses	Amount	No. of houses	Amount	Amount
Natural disaster, etc.	Post-disaster reconstruction	15,000	264,000	3,200	57,807	66,733
	Disaster prevention	100	1,000	52	335	349
	Subtotal	15,100	265,000	3,252	58,142	67,081
Urban rehabilitation		5,000	55,000	7,750	48,296	33,470
Rental houses		11,000	108,000	5,764	52,856	53,104
Property accumulation saving scheme-tied houses		500	9,000	37	604	599
Owner occupied houses (provisional measures)		10	100	△ 4	△ 39	5
Total		31,610	437,100	16,799	159,859	154,259

\* "Committed loans" is the amount of financing the agency approved.

For "committed loans," negative figures represent situations where the actual total of loans such as those that were not accepted (including approved financing for loans such as those that were accepted in previous fiscal years but were not accepted in subsequent years) surpassed the approved financing for the given fiscal year. The FY 2012 committed loans for rental houses exclude those that were not accepted (¥39,495 million for 3,466 houses) while those newly approved financing for loans were ¥46,961 million for 5,179 houses.

\* Numbers presented in the tables above do not always sum to 100% due to rounding to units of less than those indicated.

## ● Group credit life insurance business

In FY 2013, the group credit life insurance business held around 1.66 million policies for around ¥18,916.9 billion. The business provided 54,293 new policies for around ¥1,357 billion and paid off on 10,203 policies for around ¥84.4 billion.

(Unit: houses, million yen)

Category		FY 2012		FY 2013	
Policies held as of March, 31st	No. of contracts	1,814,230		1,660,727	
	Amount	20,443,767		18,916,948	
New Policies	No. of contracts	63,152		54,293	
	Amount	1,593,188		1,356,952	
Capital Policies paid off on	No. of contracts	10,745		10,203	
	Amount	88,980		84,411	

## Result of Funding Activities

In FY 2013, the amount for loan origination and the purchase of loans totaled ¥2.0223 trillion, which was 19.6% less than for the previous fiscal year.

Funding of loan origination and the purchase of loans were raised through the issuance of bonds (¥1.8438 trillion, down 25.6% from the previous fiscal year), borrowings from the Fiscal Investment and Loan Program (¥67.5 billion, down 3.8%), borrowings from private institutions (¥90.8 billion, down 17.6%), and repayments from borrowers (¥3.5972 trillion, down 15.3%), less redemption of ¥2.3313 trillion (down 4.9% from the previous fiscal year) on borrowings and ¥1.484 trillion (down 12.7%) on bonds.

JHF received ¥34.5 billion as capital from government and ¥14.6 billion as treasury subsidies (for promotion projects for development of high-quality housings) from the government's general account.

In accordance with Section 1, Paragraph 2, Article 46 of the Law on General Rules on Independent Administrative Institutions, the ¥80 million capitals from government's general account was returned to the national treasury as a response to houses not satisfying the technical criteria set by JHF.

The actual figures are shown in the following table.

(Unit: million yen)

Category		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Expenditure	Purchased loans, etc.*1	1,326,280	2,907,562	3,164,639	2,515,508	2,022,253
	Repayments of borrowings*2	3,824,665	3,301,298	4,058,312	2,450,326	2,331,334
		(300,000)	(-)	(-)	(-)	(-)
	Redemption of bonds	1,128,271	2,080,555	1,627,465	1,700,724	1,484,011
	Other	4,942,507	4,128,884	2,188,075	2,217,547	1,653,044
	<b>Total</b>	<b>11,221,722</b>	<b>12,418,298</b>	<b>11,038,491</b>	<b>8,884,106</b>	<b>7,490,643</b>
Income	Capital from the General Account	495,600	26,355	10,908	50,403	34,511
	Capital from the Special Account	-	-	-	-	-
	Collection of loans	5,345,900	5,273,621	4,672,855	4,249,350	3,597,236
	Borrowings	165,700	143,600	139,000	180,400	158,300
	Bonds	2,188,804	2,385,932	2,917,547	2,477,974	1,843,767
	Treasury subsidies, etc.	531,405	326,666	310,925	59,452	14,588
	Other	2,494,314	4,262,124	2,987,255	1,866,526	1,842,241
		<b>Total</b>	<b>11,221,722</b>	<b>12,418,298</b>	<b>11,038,491</b>	<b>8,884,106</b>

\*1 The figure in the "purchased loans, etc." item of the expenditure section is the portion of cash flow statement calculated by the sum of purchased loans and loan originations. Amount of purchased loans and loan origination for FY 2013 were ¥1,867,994 million and ¥154,259 million, respectively.

\*2 The figure in parenthesis included in the "repayment of borrowing" item of the expenditure section is the portion of outstanding loan management special account's liabilities related to funds lent to the treasury by the government through March 31, 2005, based on paragraph 13, article 7 of the Supplementary Regulation of JHF Law, whose maturity was set based on discussions by the competent minister and the Minister of Finance and will be repaid. JHF was exempted from paying penalties, which amounted to ¥425,688 million in FY 2005, ¥330,866 million in FY 2006, 412,719 million in FY 2007, ¥96,063 million in FY 2008 and ¥45,555 million in FY 2009.

Of the above figures, borrowings and government subsidies, etc. (receipts from the General Account) are as follows:

[Borrowings]

(Unit: million yen)

Category	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Borrowings from Fiscal Investment and Loan Program	100	-	16,800	70,200	67,500
Borrowing from Private-sector Lenders	165,600	143,600	122,200	110,200	90,800
<b>Total</b>	<b>165,700</b>	<b>143,600</b>	<b>139,000</b>	<b>180,400</b>	<b>158,300</b>

[Government subsidies, etc.]

(Unit: million yen)

Category	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Government subsidies	111,400	82,000	79,000	-	-
Government grants	20,000	20,000	8,325	-	-
Treasury subsidies	400,005	224,666	223,600	59,452	14,588
<b>Total</b>	<b>531,405</b>	<b>326,666</b>	<b>310,925</b>	<b>59,452</b>	<b>14,588</b>

\* JHF received, from the government's general account, government subsidies to smoothly manage operations, grants to cover extraordinary losses incurred according to Paragraph 17 of the Supplementary Provisions of the GHLC Law before the Law was abolished based on Article 10 of the Supplementary Provisions of JHF Law, and treasury subsidies as subsidies for emergency measures to facilitate housing finance, subsidies for the promotion of activities such as the creation of a housing market, subsidies for promotion projects for development of high-quality housings (subsidies for securitization support business between FY 2010 and FY 2012), and subsidies for emergency measures including loans for recovery from disasters based on the provisions of the Law Concerning the Reasonable Execution of Budget Relating to Subsidies, etc.

Provisions of government subsidies and government grants ended in the end of FY 2011.

## Outstanding Balance of Purchased Loans, etc.

At the end of FY 2013, the outstanding balance of purchased loans, etc., stood at ¥26,492.1 billion (including ¥10,981.8 billion in loans purchased from private lenders under secondary market operation).

(Unit: houses, million yen)

Category	FY 2009		FY 2010		FY 2011	
	No. of houses	Amount	No. of houses	Amount	No. of houses	Amount
<b>Purchased loans</b>	207,389	4,054,039	308,686	6,437,220	401,159	8,609,873
<b>GHLC originated loans</b>	2,492,852	30,013,750	2,200,130	25,347,339	1,932,765	21,355,489
<b>Owner-occupied houses</b>	2,174,362	23,122,595	1,915,274	19,368,794	1,679,063	16,222,344
<b>Rental houses</b>	26,992	3,592,668	25,145	3,127,197	22,677	2,692,545
<b>Urban rehabilitation</b>	65,826	1,503,607	58,037	1,276,622	50,374	1,067,247
<b>Restoration and improvement</b>	127,406	801,500	112,092	705,634	99,928	631,830
<b>Related public facilities, etc.</b>	–	–	–	–	–	–
<b>Subdivision lot development</b>	21	48,777	18	44,654	17	33,879
<b>Property accumulation saving scheme-tied houses</b>	98,245	944,603	89,564	824,438	80,706	707,644
<b>Claim on pension transfer</b>	39,739	164,037	35,855	141,612	32,047	121,690
<b>Total</b>	<b>2,739,980</b>	<b>34,231,825</b>	<b>2,544,671</b>	<b>31,926,171</b>	<b>2,365,971</b>	<b>30,087,052</b>

Category	FY 2012		FY 2013	
	No. of houses	Amount	No. of houses	Amount
<b>Purchased loans</b>	460,819	9,982,719	508,693	10,981,806
<b>GHLC originated loans</b>	1,705,408	18,071,402	1,505,559	15,419,090
<b>Owner-occupied houses</b>	1,479,681	13,746,345	1,306,704	11,720,011
<b>Rental houses</b>	19,542	2,219,987	17,183	1,851,981
<b>Urban rehabilitation</b>	42,177	848,920	35,113	689,349
<b>Restoration and improvement</b>	91,852	621,058	81,892	613,867
<b>Related public facilities, etc.</b>	–	–	–	–
<b>Subdivision lot development</b>	17	32,655	16	26,349
<b>Property accumulation saving scheme-tied houses</b>	72,139	602,437	64,651	517,535
<b>Claim on pension transfer</b>	28,767	105,310	25,927	91,199
<b>Total</b>	<b>2,194,994</b>	<b>28,159,431</b>	<b>2,040,179</b>	<b>26,492,096</b>

At the end of FY 2013, the outstanding number of guarantees for the securitization business (Guarantee Program, insurance value of loans for which insurance is valid) was 8,278 units for ¥217.3 billion, and the outstanding number of guarantees for the housing loan insurance business (insurance value of loans for which insurance is valid) was 128,664 for ¥2,283 billion.