

# Appendix

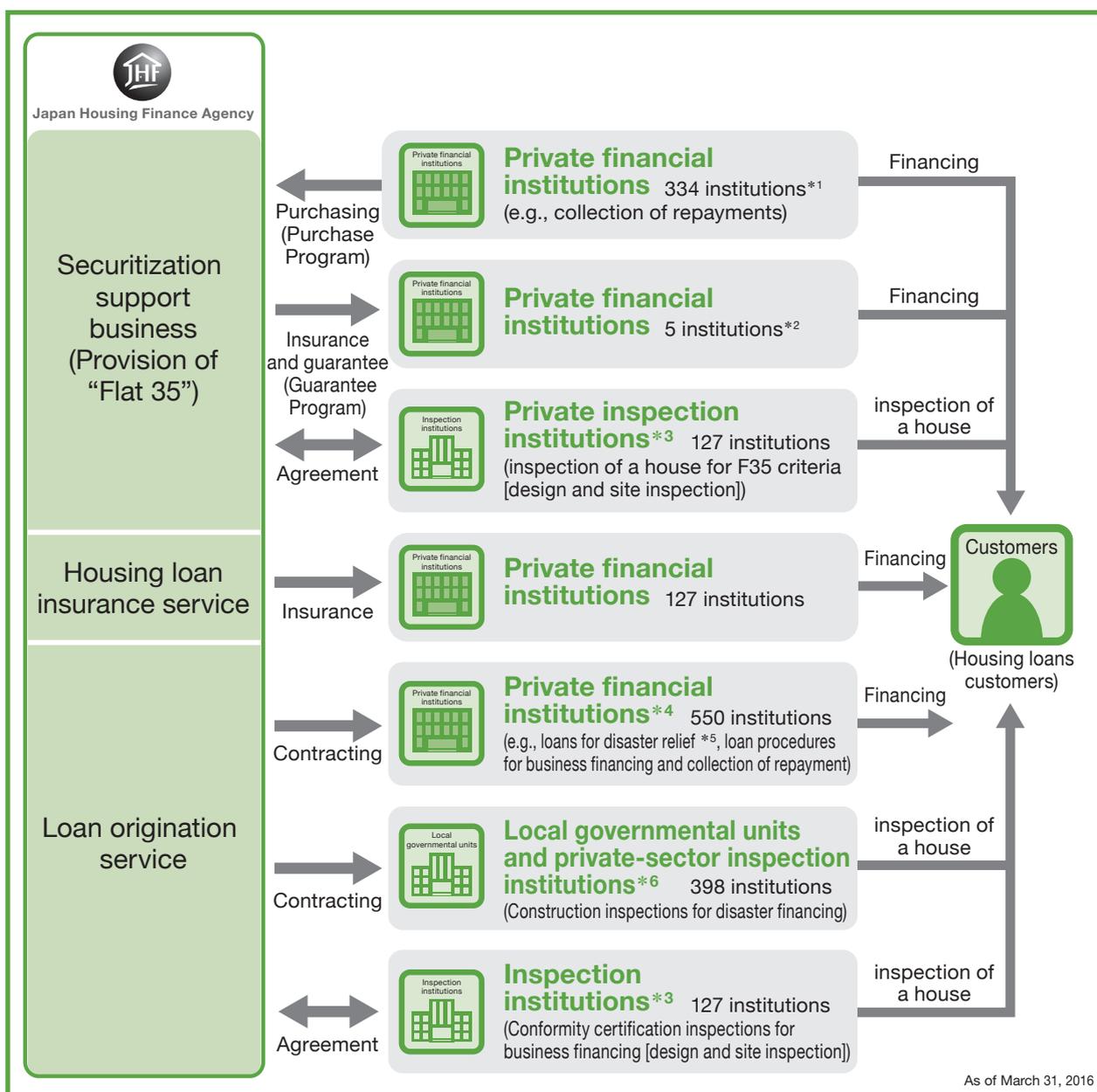
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# Business Operations Framework

Business operations are efficiently run through a network of related organizations.

By contracting out some operations to private financial institutions, private inspection institutions, local government units and so on, JHF efficiently implements its business operations.

〈Business Operations Framework〉



- \*1 This includes three institutions to which JHF outsources only collection of repayments related to the securitization support business, and from which JHF does not purchase housing loans. JHF also contracts with three collection agencies for recovery of defaulted loans.
- \*2 This includes four institutions that have stopped new application acceptance.
- \*3 Private inspection institutions are specified inspection institutions and registered housing performance evaluation institutions that have concluded an agreement of conformance certificate services with JHF. Architects who are registered with the Japan Association of Architectural Firms and Japan Federation of Architects & Building Engineers Associations also perform conformance certificate inspections for existing houses and renovations.
- \*4 This excludes seven institutions to which JHF outsources only group credit life insurance business. In addition to private financial institutions, JHF contracts with four special servicers for recovery management of defaulted loans.
- \*5 Applications for disaster relief housing loans and loans for housing lot recovery for recovery from disasters concerning the Great East Earthquake are contracted out to 126 institutions as of March 31, 2016.
- \*6 This refers to designated construction inspection institutions and registered housing performance evaluation institutions that have agreements with JHF.

# Key Performance Indicators

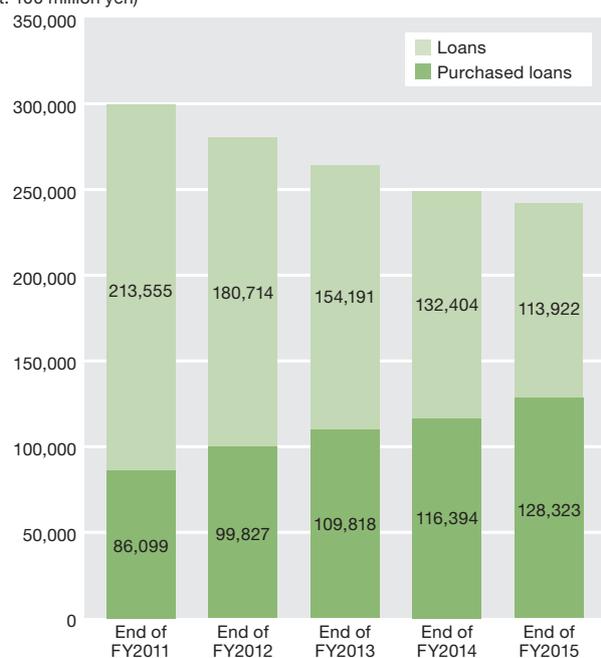
The key performance indicators are summarized in the table below.

(Unit: 100 million yen)

Category	End of FY2011	End of FY2012	End of FY2013	End of FY2014	End of FY2015
Ordinary income	12,031	10,490	10,009	9,438	8,221
Interest on purchased loans and loans	9,481	8,547	7,687	6,941	6,229
Ordinary expenses	10,823	8,479	7,644	6,827	6,129
Interest expense on borrowings and bonds	8,910	6,715	5,999	5,247	4,514
Net income	1,323	2,092	2,459	2,824	2,159
Outstanding balance of purchased loans	86,099	99,827	109,818	116,394	128,323
Outstanding balance of loans	213,555	180,714	154,191	132,404	113,922
Outstanding balance of borrowings	176,447	153,748	132,017	110,767	90,396
Outstanding balance of bonds	131,452	139,190	142,733	143,518	153,274
Capital	6,567	6,706	7,050	7,117	7,117

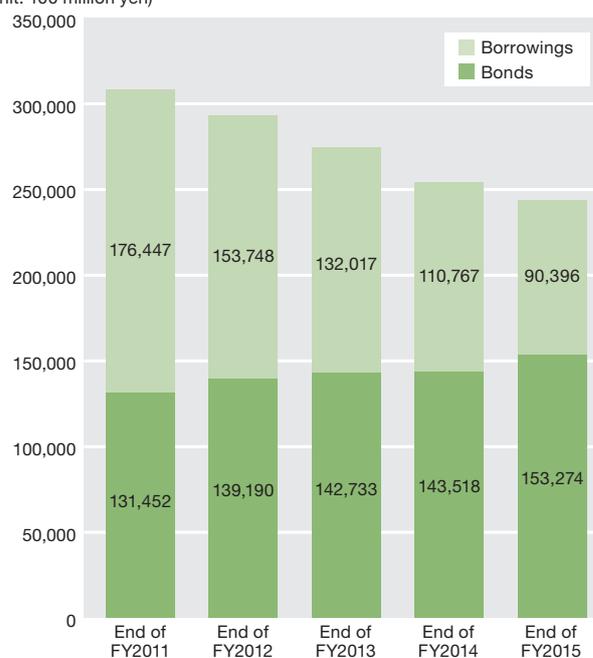
### Outstanding balance of purchased loans and loans

(Unit: 100 million yen)



### Outstanding balance of bonds and borrowings

(Unit: 100 million yen)





## Income Statement

(Unit: million yen)

Item	FY2014	FY2015
Ordinary income	943,767	822,071
Income from asset management	709,319	636,919
Interest on purchased loans	189,244	191,342
Interest on GHLC originated loans	504,863	431,563
Changes on claims for indemnity, etc.	104	74
Interest on transferred claims (pension)	2,987	2,561
Interest and dividends on securities	12,074	11,345
Interest on receivables under repurchase agreement	0	—
Interest on deposits	46	34
Income from underwriting insurance	92,725	85,509
Net insurance premium revenue	2,061	1,882
Reimbursement of unused reserve for outstanding claims	283	8
Reimbursement of unused policy reserve	7,208	1,025
Fee from riders on group credit life insurance	69,073	65,138
Revenue from group credit life insurance	2,833	2,932
Dividends on group credit life insurance	11,267	14,523
Income from service transactions	736	666
Guarantee fee	170	146
Other income from services	566	520
Income from subsidies	78,859	86,593
Subsidies for emergency measures to facilitate housing finance	53,996	49,373
Subsidies for promotion projects for development of high-quality housing	19,361	31,131
Subsidies for emergency measures including loans for recovery from disasters	5,503	6,089
Income from other operating activities	48	42
Contract termination fees	48	42
Other ordinary income	62,079	12,342
Reversal of reserve from possible loan losses	51,438	1,593
Reversal of reserve from refund of guarantee fees	3,531	3,108
Reversal of reserve from mortgage transfer registration	—	4
Income from written-off claims recovered	4,418	3,892
Other ordinary income	2,692	3,745
Ordinary expenses	682,748	612,880
Fund raising expenses	524,969	451,896
Interest on borrowings	308,715	243,576
Interest on bonds	216,008	207,828
Other interest paid	246	492
Insurance underwriting expenses	96,495	92,681
Net insurance paid	2,784	1,821
Group credit insurance premium paid	90,862	87,852
Payment of group credit life insurance claims	2,849	3,008
Service transaction expenses	24,699	26,573
Service expenses	24,699	26,573
Other operating expenses	8,879	12,334
Amortization of bond issuing expenses	4,521	7,861
Financial derivative products expenses	4,358	4,473
Business expenses	25,542	27,319
Business expenses	25,542	27,319
Other ordinary expenses	2,164	2,078
Mortgage transfer registration reserves carried over	95	—
Other ordinary expenses	2,069	2,078
Ordinary income	261,018	209,191
Extraordinary income	12,747	147
Other extraordinary income	12,747	147
Reimbursement from insolvent customers based on restructuring plan	730	147
Profit from return of substitution part of Employees' Pension Funds	12,017	—
Extraordinary losses	12	2,170
Loss on disposal of tangible fixed assets	—	599
Impairment loss	12	1,571
Net income	273,754	207,168
Transfer from reserve of previous mid-term target	8,686	8,770
Gross income	282,440	215,938

## Cash Flows Statement

(Unit: million yen)

Item	FY2014	FY2015
<b>I . Cash flow from operating activities</b>		
Outlays on the purchase of loans	△ 1,612,291	△ 2,320,230
Loan disbursement	△ 148,897	△ 185,674
Outlays on personnel expenses	△ 13,539	△ 9,890
Outlays on insurance	△ 2,784	△ 1,821
Outlays on group credit life insurance premium	△ 91,150	△ 87,992
Outlays on payment on group credit life insurance claims	△ 2,888	△ 3,025
Other operating outlays	△ 44,783	△ 46,046
Income from collection of purchased loans	1,004,991	1,142,993
Income from collection of loans	2,288,823	2,006,242
Income from interest on purchased loans	189,193	191,189
Income from interest on loans	511,536	437,258
Loan origination fees and other revenues	89	67
Income from insurance premiums	2,140	1,809
Income from riders on group credit life insurance	66,677	63,673
Income from group credit life insurance	2,649	2,755
Dividends received from group credit life insurance	8,648	11,267
Income from other operations	27,091	24,505
Income from treasury subsidies	130,869	23,800
Outlays on the repayment of treasury subsidies	△ 2,009	△ 25,839
<b>Subtotal</b>	<b>2,314,367</b>	<b>1,225,039</b>
Interest and dividends received	72,554	72,087
Interest paid	△ 604,971	△ 524,548
<b>Cash flow from operating activities</b>	<b>1,781,950</b>	<b>772,577</b>
<b>II . Cash flow from investing activities</b>		
Outlays on acquisition of securities (bonds)	△ 76,359	△ 36,904
Income from redemption of securities (bonds)	70,961	426,596
Net change in securities (certificates of deposits) (△ indicates negative amount.)	352,000	137,000
Outlays on acquisition of tangible fixed assets	△ 701	△ 2,053
Gain on disposal of tangible fixed assets	—	310
Outlays on acquisition of intangible fixed assets	—	△ 5,197
Outlays on depositing of term deposit	—	△ 120,000
Income from withdrawal of term deposit	—	50,000
Outlays on increase of monetary trusts	△ 112,800	△ 0
Income from decrease of monetary trusts	59,689	88,868
Other income	2	△ 93
<b>Cash flow from investing activities</b>	<b>292,792</b>	<b>538,529</b>
<b>III . Cash flow from financing activities</b>		
Income from long-term borrowings from private institutions	88,200	112,700
Outlays on payment of long-term borrowings from private institutions	△ 90,800	△ 79,050
Income from issuance of bonds (after deducting insurance expense)	1,436,676	2,474,259
Outlays on redemption of bonds	△ 1,357,241	△ 1,506,654
Income from FILP borrowings	49,500	39,600
Outlays on payment of FILP borrowings	△ 2,171,957	△ 2,110,300
Outlays on payment of lease obligation	△ 722	△ 715
Income from government injection monies	6,689	0
Outlays for return to the national treasury concerning unnecessary estates	△ 84	△ 120
<b>Cash flow from financing activities</b>	<b>△ 2,039,739</b>	<b>△ 1,070,281</b>
<b>IV . Increase (or Decrease) in cash</b>	<b>35,004</b>	<b>240,825</b>
<b>V . Opening balance of cash</b>	<b>324,242</b>	<b>359,245</b>
<b>VI . Closing balance of cash</b>	<b>359,245</b>	<b>600,070</b>

## Statement of Administrative Cost Calculations

(Unit: million yen)

Item	FY2014	FY2015
<b>I . Operating expenses</b>		
<b>(1) Expenses recorded in income statement</b>		
Fund raising expenses	524,969	451,896
Insurance underwriting expenses	96,495	92,681
Service transaction expenses	24,699	26,573
Other operating expenses	8,879	12,334
Business expenses	25,542	27,319
Other ordinary expenses	2,164	2,078
Loss on disposal of tangible fixed assets	—	599
Impairment loss	12	1,571
Subtotal	682,760	615,050
<b>(2) (Deduction) Non-subsidy revenues, etc.</b>		
Income from asset management	△ 709,319	△ 636,919
Income from insurance underwriting	△ 92,725	△ 85,509
Income from service transactions, etc.	△ 736	△ 666
Income from other operating activities	△ 48	△ 42
Other ordinary income	△ 62,079	△ 12,342
Gain on disposal of tangible fixed assets	—	—
Reimbursement from insolvent customers based on restructuring plan	△ 730	△ 147
Profit from return of substitution part of Employees' Pension Funds	△ 12,017	0
Subtotal	△ 877,655	△ 735,625
Total operating expenses	△ 194,895	△ 120,575
<b>II . Impairment loss not recorded in income statement</b>	106	0
<b>III . Differences on removal/sales not recorded in income statement</b>	—	△ 532
<b>IV . Expected increase in retirement benefits not recorded in allowances</b>	△ 4	6
<b>V . Opportunity costs</b>		
Opportunity costs related to items such as central and local government injection monies	2,837	0
<b>VI . (Deduction) Payment for corporation tax and return to the national treasury</b>	△ 83	△ 120
<b>VII . Administrative cost</b>	△ 192,039	△ 121,222

## Significant Accounting Policies (Overall Agency)

### 1. Application of Accounting Standards, etc. for Incorporated Administrative Agency after revision

A From this fiscal year, JHF has applied the Accounting Standard for Incorporated Administrative Agency after revision and the Annotations of Accounting Standard for Incorporated Administrative Agency (revised on January 27, 2015), and the Q&A about Accounting Standard for Incorporated Administrative Agency and the Annotations of Accounting Standard for Incorporated Administrative Agency (Final revision in February 2016) (the "Incorporated Administrative Agency Accounting Standards, etc.") in preparation of financial statements.

However, concerning the provisions of No. 43 (Annotation 39) of the Accounting Standard for Incorporated Administrative Agency, since transitional measures are applied pursuant to Article 8 of the Supplementary Provisions of the Act for Partial Revision of Act on General Rules for Incorporated Administrative Agencies (Act No. 66 of 2014), until the completion of transitional measures, segment information is disclosed in accordance with the ongoing segment categories.

### 2. Depreciation

#### (1) Tangible fixed assets

Straight line method is applied.  
The usual life terms of major assets are given below:  
Building: 2 – 50 years  
Other tangible fixed assets: 2 – 43 years

#### (2) Intangible fixed assets

Straight line method is applied.  
For software used internally at the Agency, this is based on usable years (5 years) internally at the Agency.

### 3. Criteria for reporting Reserves

#### (1) Reserves for Possible Loss on Loans

Borrowers are categorized into six groups, normal borrowers, borrowers requiring caution other than those requiring management, borrowers requiring management, borrowers with high probability of default, substantially defaulted borrowers, and borrowers in default, and reserves are recorded as below in order to cover loss on purchased loans and loans:

- For "substantially defaulted borrowers" and "borrowers in default," the difference between the balance of the loan and the expected recoverable amount from the collateral is recorded for each loan.
- For "borrowers with high probability of default," the expected recoverable amount from the collateral is deducted from the balance, and the amount considered necessary out of the remaining amount is recorded.
- For "borrowers requiring management" and "borrowers requiring caution other than those requiring management" concerning loans of which cash flow in collection of loan principle and receipt of interest can be rationally estimated, the difference between the amount of the cash flow discounted by an agreed interest rate and the book value is recorded.
- For loans other than listed above, an amount is recorded based on the expected loss rate calculated by past loan losses during a particular period.

#### (2) Allowance for Bonuses

In order to pay bonuses to directors and employees, the amount of expected bonus payments for the following year that is attributable to the current year is recorded.

#### (3) Allowance for Retirement Benefits

In order to pay retirement benefits to directors and employees, an allowance is recorded based on retirement benefit obligations and projected pension assets at the end of the particular business year. In calculation of retirement benefit obligations, concerning the method of having the projected retirement benefit amount be attributed to the period until the end of this fiscal year, a straight-line method is applied.

For prior service expenses, an amount equally divided under the straight-line method by a set number of years within the average number of working years remaining for directors and employees at the time the liability was generated (10 years) is recorded as expense.

The amount of actuarial difference equally divided under the straight-line method by a set number of years within the average number of working years remaining for directors and employees at the time when the difference is generated (10 years) is recorded as expense, starting from the business year following the year when the difference is generated.

#### (Change of Accounting Policy)

From this fiscal year, JHF has applied Accounting Standard for Incorporated Administrative Agency after revision and so forth, and changed the method of determining the discount rate from the method of determination based on the number of years approximation of the average number of working years remaining for employees to the method of using the single weighted average discount rate reflecting the projected period for payment of retirement benefits and the amount for each projected period for payment.

This change does not affect financial statements.

#### (4) Allowance for Refund of Guarantee Fees

Out of guarantee fees that parties who receive loans that are part of the account for loans for

property accumulation saving scheme-tied houses and the outstanding loan management account, as well as those who receive loans related to transferred claims (from pension) described in Notes 1 (2) for the housing loan account, paid when entrusting a guarantee to the Housing Loan Guarantee Corporation on their loans as stipulated by Article 6, Paragraph 1 of the Supplementary Provisions of the Japan Housing Finance Agency Law (Law No. 82 of 2005, hereafter referred to as the JHF Law), the expected amount of refund is recorded in order to cover the necessary expenses for refund of prepaid fees.

#### (5) Reserve for Mortgage Transfer Registration

The estimated cost to cover registration fees for future mortgage transfers of the Government Housing Loan Cooperation (GHLCo)-originated loans and purchased loans inherited from GHLCo as stipulated by Article 3, Paragraph 1 of the Supplementary Provisions of the JHF Law and transferred claims (from pension) described in Notes 1 (2) is recorded.

#### 4. Criteria for Recording Mandatory Policy Reserves

In order to pay for future liabilities related to insurance relations stipulated by Article 3 of the Home Mortgage Insurance Law (Law No. 63 of 1955), the amount calculated by the method designated by the competent minister in accordance with Article 13 of the Ministerial Ordinance related to the Japan Housing Finance Agency (Ministry of Finance and Ministry of Land, Infrastructure, Transport and Tourist Ministerial Ordinance No. 1 of 2007, hereafter referred to as "the Ministerial Ordinance") ("Calculation method designated by the competent minister based on Article 13 of the Ministerial Ordinance Related to Business Operation and Accounting and Finances of the Japan Housing Finance Agency" (Finance No. 245 and National Housing Material No. 30: May 7, 2015)) is recorded.

#### 5. Criteria and Method for Valuing Marketable Securities (including marketable securities invested as trust assets in the money in trust)

- Securities held to maturity  
The amortized cost method (straight-line method) is applied.

- Other securities  
The purchase price is recorded.

#### 6. Method for Valuing Financial Derivative Products (Derivative Transactions)

The market value method is applied.

#### 7. Treatment of Interest Rate Swap Transactions

- Interest rate swap transactions on the securitization account

For gains and losses from interest rate swaps contracted to hedge the pipeline risk of JHF bonds issued to procure funds needed to purchase mortgages from lenders, the amount calculated by the method designated by the competent minister pursuant to the stipulations of Article 12 of the Ministerial Ordinance ("Method designated by the competent minister based on Article 12 of the Ministerial Ordinance Related to Business Operation and Accounting and Finances of the Japan Housing Finance Agency" (Finance No. 174 and National Housing Material No.122: April 1, 2007)) is recorded as gains from deferred derivative products and losses from deferred derivatives products.

- Interest rate swap transactions on the housing loan account

Deferred hedge accounting is used to account for interest rate swap transactions contracted to hedge the pipeline risk of JHF bonds issued to procure funds for loans to finance rental housing constructions.  
Hedge effectiveness is assessed based on the variation in the amount of hedged objects and hedging instruments.

#### 8. Depreciation of Bond Issue Premiums

Bond issue premiums are amortized using a straight-line method over the maturity of the bond.

#### 9. Method for Recording Opportunity Costs in the Statement of Administrative Cost Calculations

For calculating the opportunity costs to central government investments and local government investments, in accordance with the "Concerning Handling of Calculation of Opportunity Costs in the Statement of Administrative Cost Calculations in FY2015 Financial Statements upon the Introduction of "Quantitative and Qualitative Monetary Easing with Negative Interest Rates" (Matters to be Noted)" the business communication as of April 1, 2016 (Administrative Management Bureau, Ministry of Internal Affairs and Communications, Public Accounting Office, Legal Division, Budget Bureau, Ministry of Finance), 0.00% was applied.

#### 10. Accounting for Leases

Finance leases with a total lease fee of 3 million yen or larger are accounted for as regular purchases. Finance leases with a total lease fee less than 3 million yen are accounted for as normal leases.

#### 11. Accounting for Consumption Tax

The tax inclusive method is applied.

# Notes (Overall Agency)

## 1. Matters Relating to the Balance Sheet

### (1) Collateralized assets

Purchased loans and loans are entrusted as collateral for mortgage backed securities.

(Unit: yen)

	Assets entrusted as collateral		Collateral related to liabilities	
	Item	Amount	Item	Amount
Securitization Account	Purchased loans	12,180,075,673,777	MBS	10,068,403,780,990
Housing Loan Account	Loans	22,308,371,037	MBS	24,988,093,235
Outstanding Loan Management Account	Loans	1,748,943,933,591	MBS	1,608,445,850,775
Total		13,951,327,978,405		11,701,837,725,000

### (2) Transferred claims (from pension)

Based on Article 7, Paragraph 1, Item 3 of the Supplementary Provisions of the Japan Housing Finance Agency Law (Law No. 82 of 2005; hereafter referred to as the "JHF Law"), the balance of claims transferred from the Welfare and Medical Service Agency is recorded.

### (3) Gains and losses from deferred derivative products

Gains and losses on interest rate swaps stipulated by Article 12 of the Ministerial Ordinance Related to Business Operation and Accounting and Finances of Japan Housing Finance Agency (Ministry of Finance and Ministry of Land, Infrastructure and Transportation Ministerial Ordinance No. 1 of 2007).

## 2. Matters Relating to the Cash Flows Statement

### (1) Breakdown of closing balance of cash on the balance sheet by item

Cash and due from bank: 670,070,373,641 yen

Term deposit:  $\Delta$  70,000,000,000 yen

Closing balance of cash: 600,070,373,641 yen

### (2) Material non-cash transactions

The value of assets and liabilities related to finance leases, which are significant non-cash transactions, newly recorded during FY2015 were both 8,341,680 yen.

## 3. Matters Relating to Statement of Administrative Cost Calculations

The expected increase in retirement benefits not included in allowances is related to parties seconded from the central government.

## 4. Matters Relating to Retirement Benefits

### (1) Overview of the retirement benefit plan

JHF has adopted the Corporate Pension Fund plan and lump-sum retirement allowance plan as the defined-benefit system and the Defined-contribution Pension plan as the defined-contribution system. Although JHF has adopted the multi-employer plan for its Corporate Pension Fund plan, since the amount of pension assets can be reasonably calculated based on the ratio of the retirement benefit obligations, related notes are stated and included in the notes on defined-benefit systems below.

Under the Corporate Pension Fund plan (reserve system), pensions are paid based on remuneration and salaries to directors and employees, and their years of service. Under the lump-sum retirement allowance plan (non-reserve system), lump-sum moneys are paid based on remuneration and salaries to directors and employees as retirement allowances, and reserves for retirement benefits and net pension expenses are calculated based on the simplified method for directors and on the basic method for employees.

Note that the Minister of Health, Labour and Welfare has approved exemption from returning the previous portion for the substitution part of Employees' Pension Funds on October 1, 2014. With this, JHF abolished its Employees' Pension Funds plan as of October 1, 2014 and transferred the system to a Defined-benefit Corporation Pension plan and Defined-contribution Pension plan.

### (2) Defined-benefit system

① Reconciliation of opening balance and closing balance of retirement benefit obligations	
Opening balance of retirement benefit obligations	30,396,840,841 yen
Service cost	737,076,300
Interest cost	182,328,791
Current term's actuarial difference	701,906,517
Retirement benefit payment	$\Delta$ 867,052,535
Current term's prior service cost	0
Contribution from participants	0
Closing balance of retirement benefit obligations	31,151,099,914
② Adjustment table for opening balance and closing balance of pension assets	
Opening balance of pension assets	16,606,452,690 yen
Expected return on plan assets	415,161,317
Current term's actuarial difference	$\Delta$ 345,092,211
Contribution by employer	360,368,680
Retirement benefit payment	$\Delta$ 501,178,735
Contribution from participants	0
Closing balance of pension assets	16,535,711,741
③ Adjustment table of retirement benefit obligations and pension assets, and reserve for retirement benefit and prepaid pension cost recorded on the balance sheet	
Retirement benefit obligations under reserve system	20,387,262,116 yen
Pension assets	$\Delta$ 16,535,711,741
Unfunded retirement benefit obligations under reserve system	3,851,550,375
Unfunded retirement benefit obligations under non-reserve system	10,763,837,798
Subtotal	14,615,388,173
Unrecognized actuarial difference	$\Delta$ 3,564,953,408
Unrecognized prior service cost	1,900,277,096
Net asset and liabilities amount recorded on balance sheet	12,950,711,861
Reserve for retirement benefits	12,950,711,861
Prepaid pension costs	0
Net asset and liabilities amount recorded on balance sheet	12,950,711,861
④ Retirement benefit-related income	
Service cost	737,076,300 yen
Interest cost	182,328,791
Expected return on plan assets	$\Delta$ 415,161,317
Current term's amortization of actuarial differences	610,699,723
Current term's amortization of prior service cost	$\Delta$ 251,925,590
Extra retirement benefits extraordinarily paid	0
Total	863,017,907
⑤ Primary breakdown of pension assets	
Ratio of primary categories for total pension assets is as follows:	
Bonds	39%
Stock	12%
General account	8%
Cash and deposits	41%
Total	100%
⑥ Method of configuration of ratio of long-term expected return on assets	
In order to decide on the ratio of long-term expected return on pension assets, the distribution of current and predicted pension assets and the ratio of long-term return expected currently and in the future from a variety of assets that compose pension assets are taken into account.	

### ⑥ Calculation basis for actuarial calculations

Major calculation basis for actuarial calculation at closing of fiscal year

Discount rate	0.6%
Ratio of long-term expected return on plan assets	2.5%

(Note) Amount of a lump sum payment for directors processed by simple method is included

### (3) Defined-contribution system

Amount required to be contributed to defined-contribution system is 45,647,500 yen.

## 5. Impairment losses on fixed assets

### (1) Assets in which impairment is recognized

Impairment of the employee dormitories and branch offices in the table below is recognized in this fiscal year as the likelihood of use has significantly decreased and disposal is planned.

As buildings and land pertain to the profit and loss calculation, the amount of impairment is recorded in the income statement.

#### <Dormitory>

JHF branch	Dormitory	Location	Book value			Impairment	
			Buildings	Lands	Total	Buildings	Lands
1	Head office Wakamatsu Dorm	Shinjuku-ku	42,787,000	422,213,000	465,000,000	105,961,671	62,787,000
2	Head office Umegaoka Dorm	Setagaya-ku	0	178,000,000	178,000,000	33,562,351	50,000,000
3	Head office Shonan Dorm	Suginami-ku	0	168,000,000	168,000,000	21,332,965	34,000,000
4	Head office Asaka Dorm	Asaka-shi	22,686,000	51,714,000	74,400,000	74,615,088	52,286,000
5	Chugoku Sanjo Dorm	Nishi-ku, Hiroshima-shi	0	39,700,000	39,700,000	24,753,840	22,600,000
6	Shikoku Saiho Dorm	Takamatsu-shi	0	11,400,000	11,400,000	8,572,567	16,100,000
7	Kita-Kanto Kouun Dorm	Maebashi-shi	0	31,700,000	31,700,000	19,731,524	11,100,000
8	Kita-Kanto Minami-cho Dorm	Maebashi-shi	0	31,200,000	31,200,000	50,179,889	20,100,000
9	Kita-Kanto Minami-cho Dorm No. 2	Maebashi-shi	12,864,000	16,136,000	29,000,000	61,064,965	28,064,000
Total			78,337,000	948,063,000	1,026,400,000	399,774,860	297,037,000

(Note 1) Book values above are those at the end of this fiscal year.

(Note 2) Impairment amounts were calculated based on assessments of real estate appraisals measured by the net sale values.

#### <JHF branch>

JHF branch	Location	Book value			Impairment	
		Buildings	Lands	Total	Buildings	Lands
1	Kita-Kanto Chiyoda-cho, Maebashi-shi	0	41,100,000	41,100,000	58,196,904	109,900,000
2	Kyushu Chuo-ku, Fukuoka-shi	0	403,000,000	403,000,000	108,630,466	597,000,000
Total		0	444,100,000	444,100,000	166,827,370	706,900,000

(Note 1) Book values above are those at the end of this fiscal year.

(Note 2) Impairment amounts were calculated based on assessments of real estate appraisals measured by the net sale values.

### (2) Assets in which impairment is indicated

Indications of impairment of the employee dormitories (buildings and lands) in the table below were recognized since they are to be abolished by the end of FY2016.

As regular maintenance is done on these dormitories and they have functions pursuant to their usage, their impairment is not recognized.

#### <Dormitory>

JHF branch	Dormitory	Location	Book value			Impairment	
			Buildings	Lands	Total	Buildings	Lands
1	Kyushu Suizenji Dorm No.1	Chuo-ku, Kumamoto-shi	43,016,140	50,000,000	93,016,140		
2	Kyushu Obiyama Dorm	Chuo-ku, Kumamoto-shi	17,484,051	23,600,000	41,084,051		
Total			60,500,191	73,600,000	134,100,191		

(Note) Book values above are those at the end of this fiscal year as the date of abolishment is not fixed at the last day of the year.

#### <JHF branch>

JHF branch	Location	Book value			Impairment	
		Buildings	Lands	Total	Buildings	Lands
1	Kyushu Chuo-ku, Kumamoto-shi	97,826,474	212,000,000	309,826,474		
Total		97,826,474	212,000,000	309,826,474		

(Note) Book values above are those at the end of this fiscal year as the date of abolishment is not fixed at the last day of the year.

## 6. Financial Products

### (1) Matters relating to the situation of financial products

#### a. Policy on financial products

To support financing of private financial institutions providing monies required for housing construction, JHF conducts loan claim assignment business as well as lending business for financing construction of disaster recovery buildings to supplement lending by private financial institutions. In order to conduct these businesses, JHF procures funds by issuance of FILP (Fiscal Investment and Loan Program) bonds and borrowings from financial institutions and the FILP.

#### b. Description of financial products and their risk

The financial assets that JHF holds are mainly mortgages to individuals in Japan, which are exposed to credit risk that is caused by contractual default by borrowers. Most of the mortgages are long-term fixed rate loans, which are exposed to market risk including prepayment risk, refinancing risk, and pipeline risk. The securities held by JHF are mainly bonds, which are held to maturities and exposed to credit risk of the issuers and market risk.

JHF's sources of fundings are FILP bonds and borrowings, which are exposed to liquidity risk that can cause failures in fund raising under certain adverse market conditions.

#### c. Risk management system relating to financial products

##### (a) Efforts for risk management

In order to build a systematic, cross-sector risk management system, JHF has designated a specific executive and department to control overall risk management. It has also designated executives and departments that deal with individual risks both quantitatively and qualitatively and committees to support them. Specifically, the Credit Risk Management Committee has been established to manage credit risk and the ALM Risk Management Committee to deal with market risk, liquidity risk, and counterparty credit risk. These committees monitor status of each risk and deliberate planning and proposals related to management of each risk.

In addition, JHF assigns an executive and a department responsible for inclusive risk management in order to manage the risks from a comprehensive point of view and maintains a system to understand and evaluate assessment of individual risks and management of the risks as a whole and periodically report the results to the board of directors. As JHF's overall risk management, financial resilience to both credit risk and asset liability management risk is verified by conducting a lifetime income simulation with both risks taken into consideration in a cross-section way based on the same cash flow scenario incorporating the interest rate scenario and the probability of default scenario.

JHF also set up and implemented Risk Management Basic Manual that stipulates basics including definitions of individual risks, purposes of risk management, and framework and methods of risk management as well as risk management regulations that stipulates risk management framework and methods for individual risks. Individual risks are managed according to these regulations with their characteristics taken into account, and comprehensive risk management to understand and evaluate these individual risks inclusively is implemented.

##### (b) Credit risk management

In JHF, the section responsible for credit risk management secures independence from the sales promotion department and has an established framework to appropriately conduct: purchase loan screening, loan screening, management and servicing of loans retained by JHF, and self-assessment. In order to check and manage credit risk correctly, the agency

categorizes holding credits based on their risk profiles, analyzes the attributes of the borrowers contained in the portfolio by category, and estimates the amount of possible future losses and costs of dealing with credit risk.

(c) Market risk management

JHF has established a market risk management department independent from the market department to appropriately manage prepayment risk, refinance/reinvestment risk, and pipeline risk.

JHF manages prepayment risk by estimating prepayment amount utilizing prepayment models and by procuring funds with combination of housing loan securitization and issuance of various maturity bonds.

Refinancing/reinvestment risk and pipeline risk are managed by estimating the cash flow of assets and debts with future interest fluctuations taken into consideration, forecasting the periodical profit and loss according to the cash flow, and periodically monitoring risk indexes such as the duration.

Note that pipeline risks are managed by interest swap transactions for the purpose of hedging and so forth, when necessary.

(d) Liquidity risk management

In JHF, a risk management department, which is independent of the financing management department sets management indicators for financing of liquidity assets, etc. to implement monitoring. In addition, it secures fundraising methods such as emergency borrowing facilities, and also has established administrative categories according to cash management tightness, thereby the actions are predetermined depending on the category.

(e) Counterparty credibility risk management

JHF's risk management division, which is independent from the funding management division, sets the counterparty credibility risk management indicators and implement monitoring. The credit risk management methods are established for issuers of bonds held by JHF and the financial institutions that are the counterparties in interest rate swap transactions.

d. Supplementary explanation of the matters relating to mark-to-markets of financial products

Market values of financial products include values based on market prices and rationally calculated values if market prices are not available. As certain preconditions are applied for calculation of these values, the values may change depending on the preconditions.

(2) Matters relating to the mark-to-markets of financial products

The values of major financial products on the balance sheet as of the end of the fiscal year, their market prices, and differences between them are outlined in the table below. The values of products whose market prices are difficult to obtain are not included in the table (refer to Note. 2).

(Unit: yen)

	Book value on the value sheet	Market price	Difference
(1) Cash and due from banks	670,070,373,641	670,070,373,641	0
(2) Money in trust	679,536,069,302	686,667,258,669	7,131,189,367
(3) Securities			
Securities held to maturity	749,848,739,411	805,603,001,985	55,754,262,574
Other securities	569,000,000,000	569,000,000,000	0
(4) Purchased loans	12,832,280,940,445		
Reserve for possible loan losses (*1)	△ 53,041,456,706		
	12,779,239,483,739	13,470,001,307,409	690,761,823,670
(5) Loans	11,392,188,342,505		
Reserve for possible loan losses (*1)	△ 166,991,439,140		
	11,225,196,903,365	12,435,328,186,369	1,210,131,283,004
(6) Claims for indemnity (*1)	3,229,447,141	3,229,447,141	0
(7) Transferred claims (from pension) (*1)	66,540,965,287	73,077,179,092	6,536,213,805
Total assets	26,742,661,981,886	28,712,976,754,306	1,970,314,772,420
(1) Borrowings	9,039,633,044,000	9,612,019,287,331	572,386,243,331
(2) Bonds(*2)	15,327,396,820,089	16,413,296,749,802	1,085,899,929,713
(3) Accounts payable	284,354,410,000	284,354,410,000	0
Total liabilities	24,651,384,274,089	26,309,670,447,133	1,658,286,173,044
Financial derivative products (*3)	(5,651,483,349)	(5,651,483,349)	0
Total financial derivative products	(5,651,483,349)	(5,651,483,349)	0

(\*1) Accounts on general and individual reserves for possible loan losses for purchased loans and loans are deducted. Since reverses for possible loan losses for claims for indemnity and transferred claims (from pension) are less important, their values are subtracted directly from the amounts on the balance sheet.

(\*2) Since bond issue premiums are less important, the values are subtracted directly from the amounts on the balance sheet.

(\*3) The values of financial derivative products listed as assets or liabilities are indicated on bloc. The changes in values of assets or liabilities caused by transactions are indicated on a net basis, and if the sum of them results in negative, the item is indicated in parentheses.

(Note 1) Method of calculating the market price of financial products

Assets

(1) Cash and due from banks

As all dues from banks had no fixed maturity date and the market price was close to the book value, the book value was applied as the market price.

(2) Money in trust

The market price was based on values provided by counterparty financial institutions.

(3) Securities

The market price of bonds was based on market prices including quotation by market makers released by industry groups. As certificates of deposits have a short contract period and their market price was close to the book value, the book value was applied as the market price.

(4) Purchased loans

The future cash flow of purchased loans was estimated in terms of their type, borrowers and maturities. The future cash flow was then discounted at a rate that would be applied to a similar newly purchased mortgage to calculate the market value.

Regarding loans of borrowers in default, substantially defaulted borrowers, and borrowers with high probability of default, as the sum of loan losses was estimated based on an expected recoverable amount from the collaterals, the market price was close to the amount on the balance sheet on the settlement day with the current expected irrecoverable amount subtracted, and this price was applied as the market price.

(5) Loans

The future cash flow of loans was estimated in terms of their type, borrowers, and maturities. The future cash flow was then discounted at a rate that would be applied to a similar newly originated loan to calculate the market price.

Regarding loans of borrowers in default, substantially defaulted borrowers, and borrowers with high probability of default, as the sum of loan losses was estimated based on an expected recoverable amount from the collaterals and guarantees, the market price was close to the amount on the balance sheet on the settlement day with the current expected irrecoverable amount subtracted, and this price was applied as the market price.

As for loans on bills, because the maturities are short and the market value was close to the book value, the book value is applied as the market value.

(6) Claims for indemnity

As the sum of loan losses was estimated based on an expected recoverable amount from the collaterals, the market price was close to the amount on the balance sheet on the settlement day with the current expected irrecoverable amount subtracted, and this price was applied as the market price.

(7) Transferred claims from pension

The future cash flow of transferred claims from pension was estimated in terms of their type, borrowers, and maturities. The future cash flow was then discounted at a rate that would be applied to a similar newly transferred loan to calculate the market price.

Regarding loans of borrowers in default, substantially defaulted borrowers, and borrowers with high probability of default, as the sum of loan losses was estimated based on an expected recoverable amount from the collaterals, the market price was close to the amount on the balance sheet on the settlement day with the current expected irrecoverable amount subtracted, and this price was applied as the market price.

Liabilities

(1) Borrowings

The total amount of principal and interest was discounted at a rate that would be applied to a similar new borrowing to calculate the market price.

Because the contracted term for borrowings at private financial institutions about account for loans for property accumulation saving scheme-tied houses was short and the market price was close to the book value, the book value was applied as the market price.

(2) Bonds

The prices of mortgage-backed securities and general lien bonds were based on market prices including quotation by market makers released by industry groups.

Regarding property accumulation saving scheme-tied housing bonds, the total amount of principle and interest is discounted at a rate that would be applied to a similar new bond issue to calculate the market price.

For housing land bonds, estimated future cash flow was discounted at a rate that would be applied to a similar new bond issue to calculate the market price.

(3) Accounts payable

Because the term when the outstanding payment was unpaid was short and the market price was close to the book value, the book value was applied as the market price.

Financial derivative products

Financial derivative products JHF executes are an interest-rate swap agreement, and the market price was calculated based on the discount present value.

(Note 2) Unlisted stocks (value on the balance sheet: 16,150,000 yen) have no market price, which makes it difficult to estimate their market price. Accordingly, the market price is not required to be disclosed.

7. Securities

(1) Securities held to maturity

(Unit: yen)

Category	Type	Book value on the balance sheet	Market price	Difference
Securities whose market price exceeds the book value on the balance sheet	Government bonds	209,594,766,757	239,089,284,865	29,494,518,108
	Municipal bonds	157,981,296,054	170,438,170,720	12,456,874,666
	Government guaranteed bonds	45,495,242,552	46,897,018,400	1,401,775,848
	Corporate bonds	309,476,086,270	321,877,278,000	12,401,191,730
	Subtotal	722,547,391,633	778,301,751,985	55,754,360,352
Securities whose market price does not exceed the book value on the balance sheet	Government bonds	0	0	0
	Municipal bonds	0	0	0
	Government guaranteed bonds	17,500,000,000	17,500,000,000	0
	Corporate bonds	9,801,347,778	9,801,250,000	△ 97,778
	Subtotal	27,301,347,778	27,301,250,000	△ 97,778
Total		749,848,739,411	805,603,001,985	55,754,262,574

(2) Other securities

(Unit: yen)

Category	Type	Book value on the balance sheet	Acquisition cost	Difference
Securities whose book value on the balance sheet does not exceed the acquisition cost	Others	569,000,000,000	569,000,000,000	0

None of the book values on the balance sheet exceeds its acquisition cost.

8. Important Liability Incurring Activities

There is nothing to report.

9. Important Subsequent Events

There is nothing to report.

10. Payment to the National Treasury in Connection with Unnecessary Assets

(1) Outline of assets returned to the national treasury as unnecessary assets

a) Type

Cash and deposits

b) Book value

Cash and deposits: 120,436,869 yen

(2) Cause of becoming unnecessary assets

For the capital executed by FY2014, the assets above were recognized to have become unnecessary for conducting the business without uncertainty considering the future expected business volume.

(3) Method of return to the National Treasury

Payment into the National Treasury was made in accordance with the stipulations of Article 46-2, Paragraph 1 of the Act on General Rules for Independent Administrative Agency (Act No. 103 of 1999).

(4) Amount paid into the National Treasury

120,436,869 yen

(5) Date of return to the National Treasury

February 29, 2016

(6) Amount of reduction in capital

0 yen

## Risk Management Loans

Japan Housing Finance Agency is not a corporation to which Banking Act (1981 Law No. 59) is applied. However, it has disclosed risk management loans by referring to the disclosure standards in private financial institutions from 1997 fiscal year. In addition, after 2000 fiscal year it has disclosed risk management loans based on the criteria in self-assessment results.

**It should be noted that among these risk management loans not all of the disclosed outstanding balance is to be uncollectible, as the recovery from the first rank of mortgage and other collateral can be achieved.**

### 2011 fiscal year - 2015 fiscal year risk management loans

(Unit: 100 million yen,%)

Classification	FY2011			FY2012			FY2013		
	Outstanding loan etc*	Purchased loan	Total	Outstanding loan etc*	Purchased loan	Total	Outstanding loan etc*	Purchased loan	Total
Insolvent debtor loan(A)	1,245	51	1,296	1,050	64	1,113	883	83	966
Delinquent loan(B)	5,940	390	6,330	5,423	379	5,801	4,215	380	4,595
Delinquent loan more than 3 months(C)	1,415	174	1,590	1,284	185	1,469	1,118	171	1,289
Sub-total(D)=(A)+(B)+(C)	8,600	615	9,215	7,756	628	8,384	6,216	634	6,850
Ratio(D)/(G)×100	4.00	0.71	3.06	4.26	0.63	2.98	4.00	0.58	2.58
Restructured loan(E)	13,836	422	14,259	12,195	460	12,654	10,357	465	10,822
Total(F)=(A)+(B)+(C)+(E)	22,436	1,037	23,474	19,951	1,087	21,038	16,573	1,099	17,672
Ratio(F)/(G)×100	10.44	1.20	7.80	10.97	1.09	7.47	10.68	1.00	6.67
Principal balance(G)	214,972	86,099	301,071	181,920	99,827	281,747	155,224	109,818	265,042

(Unit: 100 million yen,%)

Classification	FY2014			FY2015		
	Outstanding loan etc*	Purchased loan	Total	Outstanding loan etc*	Purchased loan	Total
Insolvent debtor loan(A)	757	85	842	684	98	783
Delinquent loan(B)	3,542	379	3,921	3,038	375	3,413
Delinquent loan more than 3 months(C)	966	146	1,111	788	150	938
Sub-total(D)=(A)+(B)+(C)	5,265	609	5,875	4,510	623	5,133
Ratio(D)/(G)×100	3.95	0.52	2.35	3.93	0.49	2.11
Restructured loan(E)	8,333	444	8,777	6,862	446	7,308
Total(F)=(A)+(B)+(C)+(E)	13,599	1,053	14,652	11,373	1,069	12,442
Ratio(F)/(G)×100	10.20	0.90	5.87	9.92	0.83	5.12
Principal balance(G)	133,294	116,394	249,688	114,692	128,323	243,015

Note: The total may not match due to rounding.

For disclosure standards of risk management loans, they are to be disclosed based on the asset self-assessment results.

\* "Outstanding loan etc" means loans and reimbursement loans relating to loans other than purchased loans.

Note:

- Insolvent debtor loan(A)  
Loan principal outstanding amount of the borrowers who are categorized as insolvent debtors as a result of asset self-assessment.
- Delinquent loan(B)  
Loan principal outstanding amount loaned to borrowers who are categorized as actual insolvent debtors and potential insolvent debtors as a result of asset self-assessment.
- Delinquent loan more than 3 months(C)  
Loan principal outstanding amount which has become overdue and has passed the repayment period by more than three months, and which does not fall into Insolvent debtor loan(A) nor Delinquent loan (B).
- Restructured loan(E)  
Loan principal outstanding amount for which the beneficial arrangements for debtors such as reduction of interest rate, deferral of interest payments, and principle repayment grace (hereinafter "change of repayment conditions") were carried out in advance with the aim for the debtor's management reconstruction or support, and which does not fall into Insolvent debtor loan (A) nor Delinquent loan (B). However, among the amount which has passed 4 years since the repayment conditions were changed, the amount which has been repaid normally is not included in restructured loans as it is considered its credit risk becomes equal to normal loans. The total loan principal outstanding amount which falls into this category and therefore is not included in restructured loans is 104.0 billion yen. It should be noted that the disclosed restructured loan amount includes loans whose repayment conditions have been changed due to the request of the government's economic measures etc.
- Reference  
For loans of the Japan Housing Finance Agency, not all of the disclosed outstanding balance is to be uncollectible as the recovery from the first rank of mortgage and other collateral can be achieved.

#### [Restructured loans]

JHF carries out loan repayment counselling with care and encourage the continuation of repayment by changing repayment conditions in accordance with the circumstances of individual customers who obtained houses using our loans such as "Flat 35 (purchased program)," and who has found it temporarily difficult to repay the loan due to various circumstances, such as changes in the living environment or even in the case of large-scale natural disasters such as the Great Hanshin-Awaji Earthquake or the Great East Japan Earthquake, so that customers can continue to live in a house which is the foundation of life.

In addition, based on the cabinet decision of October 1998, for the loan repayment difficulty due to employer's bankruptcy etc, JHF provides special measures and the mitigation measures of lending conditions in accordance to the national policy.

Our restructured loans, which account for about 60% of the risk management loans, were caused by the implementation of the repayment terms amendment as a measure to fulfill the above-mentioned policy objectives. Moreover, restructured loans have a lower credit loss ratio compared to other risk management loans, and we believe it is unlikely to lead to the proliferation of bad debts.

JHF supports customers by changing repayment conditions so they can continue to live in their houses as long as they can. At the same time, JHF is committed to maintain sound financial conditions.

## 2015 fiscal year self-assessment and risk management loans

(Unit: 100 million yen)

	Self-assessment debtor classification	Self-assessment loan classification				Reserve funds (Reserve ratio)	Risk management loans
		Unclassified	Classification II	Classification III	Classification IV		
Outstanding loans etc	Insolvent debtors 689	Preserved part by collateral/ security 335	Full amount other than preserved part by collateral/ security is reversed 354		Individual bad debt reserve funds 354 (100%)	Insolvent debtors loan amount 684	
	Actual insolvent debtors 1,262	Preserved part by collateral/ security 581	Full amount other than preserved part by collateral/ security is reversed 681			681 (100%)	Delinquent loan amount 3,038
	Potential insolvent debtors 1,792	Preserved part by collateral/ security 1,106	Part other than preserved part by collateral/ security is reversed is reserved by the expected loss rate of next three years 686			263 (38.3%)	
	Attention needed debtors	Management needed debtors 7,735	Reserved by the expected loss rate of next three years based on past bad debt result rate 7,735			General bad debt reserve funds 316 (4.1%) 54 (1.1%)	Amount of delinquent loan more than 3 months 788
		Other attention needed debtors 4,989	Reserved by the expected loss rate of next one year based on past bad debt result rate 4,989				Restructured loan amount 6,862
	Normal debtors 98,571	Reserved by the expected loss rate of next three years based on past bad debt result rate 98,571			81 (0.1%)		
Purchased loans	Insolvent debtors 99	Preserved part by collateral/ security 48	Full amount other than preserved part by collateral/ security is reversed 51		Individual bad debt reserve fund 51 (100%)	Insolvent debtors loan amount 98	
	Actual insolvent debtors 351	Preserved part by collateral/ security 154	Full amount other than preserved part by collateral/ security is reversed 197			197 (100%)	Delinquent loan amount 375
	Potential insolvent debtors 29	Preserved part by collateral/ security 17	Part other than preserved part by collateral/ security is reversed is reserved by the expected loss rate of next three years 12			3 (21.0%)	
	Attention needed debtors	Management needed debtors 604	Reserved by the expected loss rate of next three years based on past bad debt result rate 604			General bad debt reserve fund 30 (4.9%) 9 (3.6%)	Amount of delinquent loan more than 3 months 150
		Other attention needed debtors 257	Reserved by the expected loss rate of next one year based on past bad debt result rate 257				Restructured loan amount 446
	Normal debtors 127,085	Reserved by the expected loss rate of next three years based on past bad debt result rate 127,085			241 (0.2%)		

### Note

- Amount less than the unit has been rounded.
- The reserve ratio is an reserve rate for the balance after deducting the preserved amount by collateral and securities for “actual insolvent debtors/ debtors” and “potential insolvent debtors.” It is a reserve rate for loans for “attention needed debtors” and “normal debtors.”
- Major differences between self-assessment and risk management loans
  - ・ The applicable loans are loans, reimbursement loans, accrued interest on loans, accrued interest on purchased loans, suspense payments, and advance receivables in self-assessment, whereas they include loans, purchased loans, and reimbursement loans in risk management loans.
  - ・ The debtor classification in self-assessment are classified by repayment situations and financial contents etc of debtors, whereas risk management loans are classified based on repayment situations of debtors excluding the amount of loans to insolvent debtors and delinquent loans.
- For the calculation of reserve funds of purchased loans, the increase in new purchased loans in recent years and the change in the future portfolio, in addition to bad debt results during a certain period in the past, etc, are taken into account.

# Product Outline

## Product outline of Flat 35 (Purchase Program)

As of April 1, 2016

Application requirements	<ul style="list-style-type: none"> <li>Those aged less than 70 at the time of application (if the two-generation loan repayment scheme (there are certain requirements) is applied, this loan applies also to people aged 70 years and over).</li> <li>Those who have Japanese nationality, the right of permanent residency in Japan, or a special permanent residence status.</li> <li>Those whose repayments on all loans*, including Flat 35, satisfy the annual DTI (debt to income) ratios set in the following table (income may be combined, but the repayment period may be shortened).</li> </ul>					
	<table border="1"> <thead> <tr> <th>Annual income</th> <th>Less than 4 million yen</th> <th>4 million yen or more</th> </tr> </thead> <tbody> <tr> <td>DTI</td> <td>30% or less</td> <td>35% or less</td> </tr> </tbody> </table> <p>* Besides loans under the Flat 35 program, all loans include those for other housing, cars, education and credit-card loans (including cash advances and purchases of goods by payment in installments) (including income of the co-borrowers, if any).</p> <ul style="list-style-type: none"> <li>In the case that the house and its lot covered by loan is co-owned, the applicant must retain a certain portion of the ownership of the property.</li> </ul> <p>(Note 1) The income of the year before the year of application (between January and December 2015 in the case of FY 2016) shall be examined in principle. The income stated in the official certificate is as follows:            ① For those with only salary income, amount of salary income            ② For those other than the above, amount of net incomes (a total income from business, real estate, interest, dividend income, and salary income)</p> <p>(Note 2) The number of applicants is limited to two people including a co-borrower.</p>	Annual income	Less than 4 million yen	4 million yen or more	DTI	30% or less
Annual income	Less than 4 million yen	4 million yen or more				
DTI	30% or less	35% or less				
Purpose of the loan	<ul style="list-style-type: none"> <li>Loans for construction/purchase of a new home or purchase of an existing home for occupation by the applicant or relatives</li> <li>Loans for construction/purchase of a house for weekends (a second house) to be used by the applicant</li> </ul>					
House covered by loan	<ul style="list-style-type: none"> <li>Houses that satisfy the technical criteria set by JHF</li> <li>Have either of the following floor area: *1</li> </ul> <table border="1"> <tbody> <tr> <td>Detached house, terrace house including semi-detached house and flat<sup>2</sup></td> <td>70 m<sup>2</sup> or more</td> </tr> <tr> <td>Apartment complex (condominium and similar)</td> <td>30 m<sup>2</sup> or more</td> </tr> </tbody> </table> <p>* 1 In the case of a multipurpose house such as dwelling with shop, the floor area of the residential space must be larger than that of the non-residential space (shop, office, etc.).            * 2 Terrace house style, including semi-detached houses: an architectural style other than a condominium style (a building where two or more houses share corridors, stairs, halls, etc.) that has a row of two or more houses sharing side walls.            Flat style: an architectural style other than a condominium style which has two or more stories and on each of the stories is a suite of rooms for one house.</p> <ul style="list-style-type: none"> <li>Costs of housing construction (including the land purchased for the house), or a purchase price of 100 million yen and under (including consumption tax).</li> <li>No conditions on the size of land for the house</li> </ul>	Detached house, terrace house including semi-detached house and flat <sup>2</sup>	70 m <sup>2</sup> or more	Apartment complex (condominium and similar)	30 m <sup>2</sup> or more	
Detached house, terrace house including semi-detached house and flat <sup>2</sup>	70 m <sup>2</sup> or more					
Apartment complex (condominium and similar)	30 m <sup>2</sup> or more					
Amount of the loan	<ul style="list-style-type: none"> <li>One to 80 million yen (in increment of 10 thousand yen), provided that the total LTV (loan to value) ratio is 100% or less of construction or purchase cost (excluding costs for the nonresidential space)*</li> </ul>					
Duration of the loan	<ul style="list-style-type: none"> <li>15 years (10 years if the applicant and/or a co-borrower is aged 60 and over at the*<sup>1,2</sup> time the application is filled) or over, and whichever is shorter between ① and ② below (increment: 1 year)</li> <li>① 80 years minus the age of the applicant at the time the application is filed with the part of the period less than one year counted as one year.</li> <li>* 1 If there is a co-borrower who uses over 50% of his/her income for debt repayments, the loan term shall be based on the age of whichever is higher between that of the applicant and that of the co-borrower.</li> <li>* 2 If the two-generation loan repayment scheme (there are certain requirements) is applied, the loan term shall be based on the age of the successor regardless of any co-borrower.</li> <li>② 35 years</li> </ul> <p>(Note 1) The loan is not available if whichever shorter between ① and ② is less than 15 years (10 years if the applicant and/or a co-borrower is aged 60 and over).            (Note 2) Customers who have selected a loan of 20 years or less cannot change the period to 21 years or more during the repayment period.</p>					
Borrowing rate	<ul style="list-style-type: none"> <li>Fixed rate*<sup>1</sup></li> <li>The borrowing rate differs according to its loan duration (20 years and under, or 21 years and over) and its loan-to-value ratio (90% or lower, or over 90%).</li> <li>* 1 Under Flat 35S, the interest rate is reduced for a certain period (please visit the Flat 35 website (www.flat35.com) for more information).</li> <li>* 2 Loan-to-value ratio is calculated with the following formula:  <math display="block">\text{Loan-to-value ratio} = \frac{\text{Borrowing amount of [Flat 35]}}{\text{Construction or purchase cost of a house (including the land purchased for the house)}}</math> </li> <li>* 3 Different interest rates are set by different financial institutions. Information on the rates is available at financial institutions and the Flat 35 website (www.flat35.com).</li> <li>* 4 The interest rate applied is that on the date of disbursement, not of application. The disbursement date shall be determined by the financial institution.</li> <li>* 5 Some financial institutions offer the same borrowing rate regardless of the loan duration and the loan-to-value ratio.</li> </ul>					
Amortization	<ul style="list-style-type: none"> <li>Monthly principal and interest equal repayment or monthly principal equal repayment.</li> <li>Recipients may choose to repay with bonuses every six months to the limit of 40% of the loan and in the unit of 10,000 yen.</li> </ul>					
Collateral	<ul style="list-style-type: none"> <li>JHF holds a first-lien mortgage on the house and land to which the loan is extended.</li> </ul> <p>(Note) Fees for closing the mortgage (registration license tax, compensation for an escrow agents, etc.) shall be paid by the borrower.</p>					
Guarantor	<ul style="list-style-type: none"> <li>Not required.</li> </ul>					
Group credit life insurance	<ul style="list-style-type: none"> <li>The use of JHF credit life insurance is recommended. It is strongly recommended to prepare for unexpected adverse events.</li> </ul> <p>(Note) A special contract premium shall be paid by the customer. Some customers may not be able to be accepted depending on their health conditions.</p>					
Fire insurance	<ul style="list-style-type: none"> <li>Customers of the scheme must take out fire insurance until the end of repayment of the funds (meaning either a fire insurance provided by an insurance company selected at the discretion of the borrower or a mutual aid fire insurance stipulated by laws; the same hereinafter) for the dwelling that is the purpose of borrowing loan.</li> <li>The insurance amount must at least equal the outstanding loan amount* and fire damage to the dwelling must be the subject of indemnification.</li> <li>* If the loan amount exceeds the amount (evaluation amount) calculated by evaluation criteria stipulated by an insurance company, the evaluation amount shall be applied.</li> <li>Insurance period, payment method of fire insurance premiums and handling of the pledge to the fire insurance claims vary by the financial institution offering the loan.</li> </ul> <p>(Note) A fire insurance premium shall be paid by the customer. JHF's special fire insurance is not applicable.</p>					
Fees for the Origination of the loan Fees for the inspection of the property	<ul style="list-style-type: none"> <li>Origination fees*<sup>1,2</sup> may differ between financial institutions offering loans.</li> <li>Different institutions/experts that certify suitability impose different fees for inspecting properties.*<sup>2</sup></li> <li>* 1 Information on origination fees is available at financial institutions and the Flat 35 website (www.flat35.com).</li> <li>* 2 Origination fees and property inspection fees shall be paid at the customer's expense.</li> </ul>					
Guarantee Fee and Prepayment Fee	<ul style="list-style-type: none"> <li>Not required.</li> </ul> <p>(Note) When the loan is prepaid partially, the day of the payment shall be on the monthly payment day.            In addition, the amount of prepayment shall be 100,000 yen or more through "Su-My Note" (Internet Service for customers during their repayment period), or 1,000,000 yen or more at counters of financial institutions.</p>					

Please note that the loan application may be rejected according to the results of underwriting conducted by the originating financial institution or JHF which purchases the loan. In addition, if loan-to-value ratio exceeds 90%, JHF more carefully examines repayment certainty and other matters than cases with the ratio of 90% or lower.

# Product outline of Flat 35 (Loan Refinance)

As of April 1, 2016

<p><b>Application requirements</b></p>	<ul style="list-style-type: none"> <li>● In principle, the applicant for loan refinance is the same person as the borrower of the outstanding loan. However, a co-borrower can be added at the time of refinancing (the number of borrowers is limited to two people).             <ul style="list-style-type: none"> <li>* If a borrower is added or if the proportion of the ownership to the house is changed at the time of refinancing, please consult with the local tax office or a tax accountant on housing loan tax credit and tax.</li> </ul> </li> <li>● In the case that the house or its lot covered by loan is co-owned, the applicant must retain a certain portion of the ownership.</li> <li>● Those aged less than 70 at the time of application (if the two-generation loan repayment scheme is applied (there are certain requirements), this loan applies also to people aged 70 years and over).</li> <li>● Those who have Japanese nationality, the right of permanent residency in Japan, or a special permanent residence status.</li> <li>● Those whose repayments on all loans, including* Flat 35, satisfy the annual DTI (debt to income) ratios set in the following table (income may be combined)</li> </ul> <table border="1" data-bbox="296 338 979 389"> <thead> <tr> <th>Annual income</th> <th>Less than 4 million yen</th> <th>4 million yen or more</th> </tr> </thead> <tbody> <tr> <td>DTI</td> <td>30% or less</td> <td>35% or less</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>* Besides loans under the Flat 35 program, all loans include those for other housing, cars, education and credit-card loans (including cash advances and purchases of goods by payment in installments) (including the income of the co-borrower, if any).</li> <li>● Those who have not missed a repayments on an outstanding loan for at least one year from the loan agreement date (*) to the refinance application date.</li> <li>* The loan agreement date is the date when a new borrower is registered in case the original borrower is changed due to inheritance or other reason (excluding the addition of a borrower).</li> </ul> <p>(Note 1) The property subject to the loan must be owned by the applicant and must be occupied by the applicant or relatives.              * Eligible for loan refinancing are also dwellings used as second residences (dwellings that are used during temporary long-distance job transfers or on weekends but are not rented out) provided that the applicant is the owner and the dwelling is used by the applicant.</p> <p>(Note 2) The income of the year before the year of application (between January and December 2015 in the case of FY 2016) shall be examined in principle. The income stated in the official certificate is as follows:              ① For those with only salary income, amount of salary income              ② For those other than the above, amount of net incomes (a total income from business, real estate, interest, dividend income, and salary income)</p>	Annual income	Less than 4 million yen	4 million yen or more	DTI	30% or less	35% or less
Annual income	Less than 4 million yen	4 million yen or more					
DTI	30% or less	35% or less					
<p><b>Purpose of the loan</b></p>	<ul style="list-style-type: none"> <li>● Refinancing for the housing loan of either ① or ② outlined below             <ul style="list-style-type: none"> <li>① Construction/purchase of a house that is owned and occupied by the applicant                 <ul style="list-style-type: none"> <li>* Eligible for loan refinancing are also dwellings used as second residences (dwellings that are used during temporary long-distance job transfers or on weekends but are not rented out) provided that the applicant is the owner and the dwelling is used by the applicant.</li> </ul> </li> <li>② Construction/purchase of a house that is owned by the applicant and occupied by relatives</li> </ul> </li> </ul> <p>(Note) Loans other than housing loans, e.g., multi-purpose loans and investment loans, are not eligible for refinancing, nor are housing loans for housing improvements.</p>						
<p><b>Requirements for the housing loan and house that are subject to refinancing</b></p>	<ul style="list-style-type: none"> <li>● The amount of the original loan taken out at the acquisition of a house shall meet the following requirements:             <ul style="list-style-type: none"> <li>① 80 million yen or less</li> <li>② The total LTV (loan to value*<sup>1,2</sup>) ratio is 100% or less.                 <ul style="list-style-type: none"> <li>* 1 The cost for acquiring the lot is included.</li> <li>* 2 The charges incurred at the acquisition of the house is excluded.</li> </ul> </li> </ul> </li> <li>● The cost for the construction or purchase of a house (including the lot purchased for the house) is 100 million yen or less (including consumption tax).</li> <li>● Have either of the following floor area : *<sup>1</sup></li> </ul> <table border="1" data-bbox="296 869 1161 925"> <tbody> <tr> <td>Detached house, terrace house including semi-detached house and flat<sup>2</sup></td> <td>70 m<sup>2</sup> or more</td> </tr> <tr> <td>Apartment complex (condominium and similar)</td> <td>30 m<sup>2</sup> or more</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>* 1 In the case of a multipurpose house such as dwelling with shop, the floor area of the residential space must be larger than that of the non-residential space (shop, office, etc.).</li> <li>* 2 Terrace house style, including semi-detached houses: an architectural style other than a condominium style (a building where two or more houses share corridors, stairs, halls, etc.) that has a row of two or more houses sharing side walls.              Flat style: an architectural style other than a condominium style which has two or more stories and on each of the stories is a suite of rooms for one house.</li> </ul> <ul style="list-style-type: none"> <li>● No conditions on the size of land for the house</li> <li>● Houses that satisfy the technical criteria etc. set by JHF.</li> </ul>	Detached house, terrace house including semi-detached house and flat <sup>2</sup>	70 m <sup>2</sup> or more	Apartment complex (condominium and similar)	30 m <sup>2</sup> or more		
Detached house, terrace house including semi-detached house and flat <sup>2</sup>	70 m <sup>2</sup> or more						
Apartment complex (condominium and similar)	30 m <sup>2</sup> or more						
<p><b>Amount of the loan</b></p>	<ul style="list-style-type: none"> <li>● One to 80 million yen. The lower of the outstanding amount of the current housing loan or 200% of the* assessment rate of collateral by JHF (in increment of 10 thousand yen)</li> <li>* The following costs can be included: ① costs for stamp duty affixed on the loan contract; ② origination fees for the refinance; ③ costs for registration and inundation of mortgage (registration license tax); ④ compensation for escrow agent who files the mortgage; ⑤ special premium for JHF's group credit life insurance (for the first year); and ⑥ costs for Flat 35 criteria inspection (fees for inspection of s house).</li> </ul>						
<p><b>Duration of the loan</b></p>	<ul style="list-style-type: none"> <li>● 15 years (10 years if the applicant and/or a co-borrower is aged 60 and over*<sup>1,2</sup> at the time the application is filed) or over, and whichever is shorter between ① and ② below for the upper limit (unit: 1 year)             <ul style="list-style-type: none"> <li>① 80 years minus the age of the applicant at the time the application is filed*<sup>1,2</sup> with the part of the period less than one year counted as one year.</li> <li>* 1 If there is a co-borrower who uses over 50% of his/her annual income for debt repayments, the loan term shall be based on the age of whichever is higher between that of the applicant and that of the co-borrower.</li> <li>* 2 If the two-generation loan repayment scheme is applied (there are certain requirements), the loan conditions shall be based on the age of the successor regardless of any co-borrower.</li> <li>② 35 years less the month elapsed on the outstanding mortgage rounded at one year increment</li> <li>* 1 Starting date of the calculation is the date of closing on the outstanding mortgage</li> <li>* 2 This treatment may not be applicable at some financial institutions. Please ask the financial institution originating the loan.</li> </ul> </li> </ul> <p>(Note 1) The loan is not available if whichever shorter between ① and ② is less than 15 years (10 years if the applicant and/or a co-borrower is aged 60 and over).              (Note 2) Customers who have selected a loan of 20 years or less cannot change the period to 21 years or more during the repayment period.</p>						
<p><b>Borrowing rate</b></p>	<ul style="list-style-type: none"> <li>● Fixed rate</li> <li>● The borrowing rate *<sup>1,2</sup> applicable to loans of 20 years and under is different from the rate applicable to loans of 21 years*<sup>3</sup> and over.             <ul style="list-style-type: none"> <li>* 1 Different interest rates are set by different financial institutions. Information on the rates is available at financial institutions and the Flat 35 website (www.flat35.com).</li> <li>* 2 The interest rate applied is that on the date of disbursement, not of application. The disbursement date when the recipient takes out the loan shall be determined by the financial institution.</li> <li>* 3 Some financial institutions offer the same borrowing rate regardless of the duration of the loan.</li> </ul> </li> </ul>						
<p><b>Amortization</b></p>	<ul style="list-style-type: none"> <li>● Monthly principal and interest equal repayment or monthly principal equal repayment.              Recipients may choose to repay with bonuses every six months to the limit of 40% of the loan and in the unit of 10,000 yen.</li> </ul>						
<p><b>Collateral</b></p>	<ul style="list-style-type: none"> <li>● JHF holds a first-lien mortgage on the house and land to which the loan is extended.</li> </ul> <p>(Note) Fees for filing the mortgage at the title recording office (registration license tax, compensation for an escrow agent, etc.) shall be paid by the borrower.</p>						
<p><b>Guarantor</b></p>	<ul style="list-style-type: none"> <li>● Not required.</li> </ul>						
<p><b>Group credit life insurance</b></p>	<ul style="list-style-type: none"> <li>● The use of JHF credit life insurance is recommended. It is strongly recommended to prepare for unexpected adverse events.</li> <li>● If the group credit life insurance is applied to the loan to be refinanced, the insurance will be terminated at the time of refinancing. Those who wish to have JHF credit life insurance must take out a new policy. However, some customers may not be able to take out a new policy depending on the results of inspections by insurance companies.</li> </ul> <p>(Note 1) A special contract premium shall be paid by the customer. Some customers may not be able to be accepted depending on their health conditions.              (Note 2) If customers who have JHF credit life insurance withdraw due to the discretionary early redemption, JHF refunds the customers the amount equivalent to unexpired guaranteed months of their prepaid fees as JHF set for a special contract premium. However, this may not be the case according to the period of withdrawal, etc.</p>						
<p><b>Fire insurance</b></p>	<ul style="list-style-type: none"> <li>● Customers of the scheme must take out fire insurance until the end of repayment of the funds (meaning either a fire insurance provided by an insurance company selected at the discretion of the borrower or a mutual aid fire insurance stipulated by laws; the same hereinafter) for the dwelling that is the purpose of borrowing loan.</li> <li>● The insurance amount must at least equal the outstanding loan amount* and fire damage to the dwelling must be the subject of indemnification.             <ul style="list-style-type: none"> <li>* If the loan amount exceeds the amount (evaluation amount) calculated by evaluation criteria stipulated by an insurance company, the evaluation amount shall be applied.</li> </ul> </li> <li>● Insurance period, payment method of fire insurance premiums and handling of the pledge to the fire insurance claims vary by the financial institution offering the loan.</li> <li>● If the fire insurance that is already taken out before refinancing meets requirements prescribed as above, the customer can keep the policy.</li> </ul> <p>(Note) A fire insurance premium shall be paid at the customers expense, JHF's special fire insurance is not applicable.</p>						
<p><b>Fees for loan origination and property inspection</b></p>	<ul style="list-style-type: none"> <li>● Origination fees*<sup>1,2</sup> may differ between financial institutions offering loans.</li> <li>● Fees for the inspection of the property are*<sup>1</sup> necessary to certify the conformity with technical standards prescribed by JHF in a document. Different institutions/experts that certify suitability impose different fees for inspecting properties.*<sup>2</sup> <ul style="list-style-type: none"> <li>* 1 Information on origination fees is available at financial institutions and the Flat 35 website (www.flat35.com).</li> <li>* 2 Origination fees and property inspection fees shall be paid by the borrower.</li> </ul> </li> </ul>						
<p><b>Guarantee Fee and Prepayment Fee</b></p>	<ul style="list-style-type: none"> <li>● Not required.</li> </ul> <p>(Note) When the loan is prepaid partially, the day of the payment shall be on the monthly payment day.              In addition, the amount of prepayment shall be 100,000 yen or more through "Su-My Note" (Internet Service for customers during their repayment period), or 1,000,000 yen or more at counters of financial institutions.</p>						
<p><b>Special matters in the case of refinance</b></p>	<ul style="list-style-type: none"> <li>● Flat 35 S is not applicable to loan refinancing.</li> </ul>						

Please note that the loan application may be rejected according to the results of underwriting conducted by the originating financial institution or JHF which purchases the loan.

# Product outline of Loans for Recovery from Disasters (Great East Japan Earthquake)

As of April 1, 2016

<b>Purpose</b>	<ul style="list-style-type: none"> <li>● Fund to build, purchase or repair own housing or housing of parents damaged by disaster</li> <li>※Also covers housing to be leased to people affected by disasters.</li> <li>※Cannot be used to refinance housing loans.</li> </ul>
<b>Loan Amount</b>	<ul style="list-style-type: none"> <li>● The loan amount is the lower amount of the total of each required amount or the total loan limit of the following (in increment of ¥100,000, at least ¥100,000)</li> <li>◆Construction             <ul style="list-style-type: none"> <li>①Basic loan amount (construction fund) : ¥16.5 million <sup>(Note 1)</sup></li> <li>(Land acquisition fund) : ¥9.7 million <sup>(Note 2)</sup></li> <li>(Land leveling fund) : ¥4.4 million</li> <li>②Special additional amount (construction fund) : ¥5.1 million</li> </ul> <p>(Note 1) The loan limit when living with an affected relative is ¥22.8 million. "Living with an affected relative" refers to circumstances in which the candidate borrower and their lineal relative, previously living apart from the borrower, were both affected and now live together in a newly built house.</p> <p>(Note 2) The basic loan amount (Land acquisition fund) is up to ¥5.8 million when the candidate borrower obtains a leasehold right. Although the deposit for a fixed-term leasehold is also eligible for loans provided certain conditions are met, the basic loan amount (Land acquisition fund) in such cases is up to ¥3.8 million.</p> <ul style="list-style-type: none"> <li>※The total basic loan amount (construction fund) and special additional amount (construction fund) is up to the construction cost.</li> <li>※The basic loan amount (Land acquisition fund) and basic loan amount (Land leveling fund) are each up to the required cost amount.</li> <li>※The basic loan amount (Land acquisition fund) and basic loan amount (Land leveling fund) can be borrowed together with the basic loan amount (construction fund)</li> <li>※The cost to remove damaged houses can be included in the construction cost.</li> <li>※The basic loan amount (Land acquisition fund) is available only when the candidate borrower obtains land after the disaster.</li> <li>※The basic loan amount (Land leveling fund) is available for removing accumulated soil, earth cut, earth fill, or retaining wall construction, etc.</li> <li>※The loan amount for those who receive subsidies for housing construction from national or municipal governments may be reduced.</li> </ul> </li> <li>◆Purchase             <ul style="list-style-type: none"> <li>●Purchase a new house                 <ul style="list-style-type: none"> <li>①Basic loan amount (purchase fund) : ¥26.2 million <sup>(Note 1), (Note 2)</sup></li> <li>②Special additional amount (purchase fund) : ¥5.1 million</li> </ul> </li> <li>●Purchase an existing (second-hand) house                 <ul style="list-style-type: none"> <li>①Basic loan amount (purchase fund): good existing houses, good existing condominiums: ¥26.2 million <sup>(Note 1), (Note 2)</sup></li> <li>existing houses, existing condominiums: ¥23.2 million <sup>(Note 1), (Note 2)</sup></li> <li>②Special added amount (purchase fund): ¥5.1 million</li> </ul> <p>(Note 1) Out of the basic loan amount (purchase funds), 9.7 million yen of the basic loan amount (land acquisition funds) is included. Out of the basic loan amount (purchase funds), the limit to the basic loan amount (land acquisition funds) shall be 5.8 million yen, in the case when you get the leasehold right. Financing limit of the basic loan amount (purchase funds) shall be the above-mentioned amount of money which has been reduced by 3.9 million yen. The deposit for a fixed-term leasehold of land shall also be financed if certain conditions are met in the case of acquiring the leasehold. However, the loan limit of basic loan amount (purchase funds) shall be the amount of money that has been reduced by 5.9 million yen from the above-mentioned amount of money, as 3.8 million yen will be the limit for the basic loan amount (land acquisition funds) in this case.</p> <p>(Note 2) In the case of disaster-affected relatives living together and holding the ownership of its land, 32.5 million yen will be the limit for new housing purchase, re-use plus housing and re-use plus condominiums, and 29.5 million yen for re-use housing and re-use condominiums. Affected relatives living together refers to lineal relatives who had been estranged and affected, and when you live in newly constructed housing.</p> <ul style="list-style-type: none"> <li>* For the total amount of the basic loan amount (purchase funds) and special additional amount (purchase funds), the purchase price shall be the limit.</li> <li>* For basic loan amount (purchase funds), the basic loan amount (land acquisition funds) alone cannot be utilized by itself.</li> <li>* For applicants who are eligible to receive subsidies for residential construction from local governments, nation, etc, the loan amount may be reduced</li> </ul> </li> </ul> </li> <li>◆Repair             <ul style="list-style-type: none"> <li>Basic loan amount (repair fund) : ¥7.3 million</li> <li>(Relocation fund) : ¥4.4 million <sup>(Note)</sup></li> <li>(Land leveling fund) : ¥4.4 million <sup>(Note)</sup></li> <li>Special additional amount (Land leveling fund) : ¥2.3 million</li> </ul> <p>(Note) When the candidate borrower borrows both a basic loan (relocation fund) and basic loan (Land leveling fund), the total is up to ¥4.4 million.</p> <ul style="list-style-type: none"> <li>※The loan limits of basic loan account (repair fund), basic loan amount (Land leveling fund), and basic loan amount (relocation fund) is the required amount in each case.</li> <li>※The basic loan amount (repair fund) is also available for extension work and gate repairs carried out alongside the repair of the damaged part.</li> <li>※The basic loan amount (Land leveling fund) is available for removing accumulated soil, cut earth, earth fill, or retaining wall construction, etc.</li> <li>※The basic loan amount (Land leveling fund) and the basic loan amount (relocation fund) can be borrowed alongside the basic loan amount (repair fund.)</li> <li>※The special additional amount (Land leveling fund) can be borrowed for the portion that exceeds the basic loan amount (Land leveling fund.)</li> <li>※The loan amount for those who receive subsidies for housing repair from national or municipal governments may be reduced.</li> <li>※The loan amount may not be that the candidate borrower is expecting following the screening.</li> </ul> </li> </ul>
<b>Repayment Period</b>	<ul style="list-style-type: none"> <li>● The maximum repayment period is the shorter one of ① or ② below (one-year units.)</li> <li>①Maximum repayment period under the application category and structure of housing             <ul style="list-style-type: none"> <li>◆Construction or purchase of new house                 <ul style="list-style-type: none"> <li>· Fireproof, semi-fireproof, wooden (durability): 35 years, wooden (ordinary): 25 years</li> </ul> </li> <li>◆Purchase of an existing (second-hand) house                 <ul style="list-style-type: none"> <li>· Good existing house or condominium: 35 years</li> <li>· Existing house or condominium: 25 years</li> </ul> </li> <li>◆Repair: 20 years</li> </ul> <ul style="list-style-type: none"> <li>※The principal repayment deferment period (payment of interest only) can be set for up to five years (in one-year units) from the date of execution of the loan agreement when building or purchasing a house and the repayment period is extended for the deferment period. The principal repayment deferment period (payment of interest only) can be set for up to one year from the date of execution of the repair loan agreement (with no extension of the repayment period.)</li> </ul> </li> <li>②Maximum repayment period based on age             <ul style="list-style-type: none"> <li>"80 years old" — the highest age of applicant or combined-income earner (Note) (months and days less than one year are rounded up)</li> <li>(Note) Only applicable when more than 50% of the income of the combined-income earner is used toward the total combined income.</li> </ul> </li> </ul>
<b>Interest Rate</b>	<ul style="list-style-type: none"> <li>● Fixed interest rate (entire-term)</li> <li>※The applicable loan interest rate is as of the day of applying for the loan.</li> <li>※As the basic loan interest increases in stages, monthly repayment increases after the first five years and ten years (only after the first five years in case of repair.)</li> <li>※Visit the JHF website to find out the interest rate.</li> </ul>
<b>Repayment Method</b>	<ul style="list-style-type: none"> <li>● Equal monthly instalments of the principal and interest or equal monthly instalments of the principal</li> <li>※Payment at bonuses every six months (40% or less of basic loan amount or special added amount (in units of ¥0.5 million) can be used together. However, the payment during the deferment period is monthly when the principal payment is deferred.</li> <li>※When the loan amount is less than ¥1.3 million, combined payment methods with the bonus payment cannot be used.</li> </ul>
<b>Mortgage</b>	<ul style="list-style-type: none"> <li>● A first rank mortgage shall be imposed on the building and site subject to the JHF.</li> <li>※Although the mortgage for JHF shall be imposed on the building when the loan is for repair, the mortgage may be imposed on site following screening.</li> <li>※The cost of imposing a mortgage shall be borne by the borrower (fees for judicial scrivener, etc.)</li> </ul>
<b>Guarantor</b>	<ul style="list-style-type: none"> <li>● Not needed (A surety is needed to borrow the disaster-recovery loan to rent the property to affected persons.)</li> </ul>
<b>Property Inspection</b>	<ul style="list-style-type: none"> <li>● JHF requires the candidate borrower to have the housing inspected to ensure it complies with JHF technical standards. This is free of charge.</li> <li>※The inspection is carried out by the municipal government, etc.</li> </ul>
<b>Group Credit Life Insurance</b>	<ul style="list-style-type: none"> <li>● Borrowers are eligible to purchase JHF group credit life insurance, which is strongly recommended.</li> <li>※The special contract insurance premium shall be paid by the borrower.</li> </ul>
<b>Fire Insurance</b>	<ul style="list-style-type: none"> <li>● Customers of the scheme must take out fire insurance until the end of repayment of the funds (meaning either a fire insurance provided by an insurance company selected at the discretion of the borrower or a mutual aid fire insurance stipulated by laws; the same hereinafter) for the dwelling that is the purpose of borrowing loan.</li> <li>● The insurance amount must at least equal to the outstanding loan amount and fire damage to the dwelling must be the subject of indemnification.</li> <li>(Note) If the loan amount exceeds the amount (evaluation amount) calculated by evaluation criteria stipulated by the insurance company, the evaluation amount shall be applied.</li> <li>※Fire insurance premiums shall be paid at the customer's expense.</li> </ul>
<b>Fees to Change Repayment Method</b>	<ul style="list-style-type: none"> <li>● Not needed</li> </ul>
<b>Fees for Advanced Payment</b>	<ul style="list-style-type: none"> <li>● Not needed</li> </ul>
<b>Fund receipt</b>	<ul style="list-style-type: none"> <li>● In the case of construction, you can choose from any of the following methods:             <ul style="list-style-type: none"> <li>①The final funds only</li> <li>②Intermediate funds (Note 1) + the final funds</li> <li>③Advanced fund for land (Note 2) + the final funds</li> <li>④Advanced fund for land (Note 2) + intermediate funds (Note 1) + the final funds</li> </ul> <p>(Note 1) Funds may be received after prescribed procedures; after site visits (at the time of completion of framework) for intermediate funds, and after the housing construction is completed for final funds.</p> <p>(Note 2) It refers to the basic loan amount (land acquisition funds) received after booking for a loan for advanced fund for land and before the site review application.</p> <ul style="list-style-type: none"> <li>· For basic loan amount (land acquisition funds), either advanced fund for land, intermediate funds, or final funds can be selected to be received. The amount received is 100% of the basic loan amount (land acquisition funds).</li> <li>· For basic loan amount (construction funds), either 60% or 80% of the intermediate fund can be selected to be received. The outstanding balance may be received in the final funds.</li> <li>· For basic loan amount (leveling funds) either the intermediate funds or final funds can be selected to be received. The receipt amount is 100% of the basic loan amount (ground leveling funds).</li> <li>· Special additional amount may only be received as the final funds.</li> <li>● In the case of purchase or repair, the final funds can only be received.</li> </ul> </li> </ul>
<b>Loan Fee</b>	<ul style="list-style-type: none"> <li>● Not needed</li> </ul>
<b>Reapplication</b>	<ul style="list-style-type: none"> <li>● When the interest rate declines during the loan procedures below the level at the time of application, the applicant may cancel the application and reapply to benefit from the lower interest rate (reapplication.)</li> <li>However, since reapplications are screened based on the prevailing circumstances, there may be cases in which loans cannot be received or the amount is reduced following the screening.</li> <li>Fully confirm the warning provided in the Reapplication for Loans for Disaster Recovery in the Guide to Loans for Disaster Recovery &lt;Great East Japan Earthquake&gt; before commencing reapplication procedures.</li> </ul>

Please visit the JHF website for details.

# Product outline of Town Development Loan (Short-Term Project Loan)

As of April 1, 2016

<b>Types of Town Development Loan</b>		Construction and Purchase Fund
	<b>Redevelopment Project</b>	● Fund needed for projects by redevelopment associations, etc., during the period from project design and planning to construction completion and transfer of the site and floor space retained by the project execution body
<b>Eligible Borrower</b>		● Individual or small and medium-sized corporations or associations implementing reconstruction projects (urban redevelopment associations, associations of disaster prevention area development, condominium rebuilding associations, etc.)
<b>Zone Requirement</b>		● Both the following conditions must be satisfied. Visit the JHF website for details. ① The zone shall be a residential, commercial or semi-industrial zone. ② The zone shall be a fire control or semi-fire control zone.
<b>Project Requirement / Structural Requirement</b>		● <b>[Project Requirement]</b> The projects listed below are eligible for the loan. Visit the JHF website for details. ① Condominium rebuilding project ② Joint rebuilding project ③ Rental structure rebuilding project ④ Comprehensive design and coordinated rebuilding project ⑤ Rebuilding project to comply with district plan, etc.  ● <b>[Structural Requirement]</b> Projects must meet all the following conditions. Visit the JHF website for details. ① The ratio of total area of the residential portion must exceed 50 percent of the total building area. ② The building must be either a fireproof or semi-fireproof structure. ③ More than 50 percent of the legal floor-area ratio must be used. ④ The floor area per residential unit must be 30m <sup>2</sup> or more and 280m <sup>2</sup> or less. ⑤ It must comply with the technical requirements provided by JHF.
<b>Loan Amount</b>	<b>Eligible Project Cost</b>	● Survey, design and planning cost, land or leasehold acquisition cost, construction cost, repair cost, contribution of participating members, etc. ※ The purchase fund is available for projects for which the purchaser is originally planning to obtain it from the beginning of the project.
	<b>Maximum Loan Ratio</b>	● 100% of the eligible project cost (Projects have JHF screening after loan applications and the loan amount may not be the expected following the screening of the evaluation of collateral, etc.) ※ The loan amount is in units of 100,000 yen and at least one million yen
<b>Interest Rate</b>	<b>Interest-Rate Level</b>	● 0.67% ※ The interest rate is reviewed monthly. The rate above is as of April 1, 2016. Visit the JHF website for the latest rate.
	<b>Interest-Rate Decision</b>	● The interest rate is that of the date of the fund delivery. (However, the interest rate at the time of refinancing applies when refinancing by renewing the bill.) ※ The interest rate applies until the delivery date of the second half in April of the following fiscal year to that of the fund delivery (as designated by JHF). However, in case of refinancing, it applies until one day before the delivery of the second half in April of the following year. ※ The interest rate after refinancing applies until the date of the fund delivery in the second half in April in the following fiscal year to that of the refinancing. (In case of further refinancing, it applies until one day before the delivery of the second half in April.)
<b>Loan Repayment maturity</b>		● The date is within two years of completion of the building and designated by JHF in accordance with each project.
<b>Loan Repayment Method</b>		● The principal and interest are repaid on the date designated by JHF upon discussion with JHF in accordance with the transfer condition of the site and floor space retained by the project execution body, etc. The repayment amount is calculated by JHF based on the sales price of the housing units subject to the loan (sales price when JHF approved the project plan and consumption tax is included) multiplied by the loan ratio <sup>①</sup> and the repayment ratio <sup>②</sup> set individually based on the JHF calculation and in accordance with the number of sold units ("50% + (loan ratio (%) - 50%) x 2" until 30% of housing units subject to the loan are sold <sup>③④</sup> and the same ratio as the loan ratio after 30% is sold in principle). Contact JHF for details. ※ 1 The loan ratio is the ratio of the JHF loan amount to the total sales price of housing units (consumption tax included) subject to the loan when JHF approved the project plan. ※ 2 The repayment ratio refers to the ratio of repayment amount to the sales price of housing units (consumption tax included) subject to the loan when JHF approved the project plan. ※ 3 The repayment ratio is 100% when the loan ratio is 75% or more and the same as the loan ratio when the loan ratio is below 50%. ※ 4 When there is minimal concern over repayment because of the debt guarantee by companies in good standing and provision of a separate mortgage, the loan ratio can be the repayment ratio. ● The principal and interest are to be paid in lump sum on the date in April designated by JHF every year. If lump-sum repayment is not possible because the project period exceeds the repayment date, the bill can be renewed on the repayment date for refinancing to continue borrowing. When refinancing on the repayment date, the loan shall be repaid with the loan based on the loan commitment of the following fiscal year on the repayment (refinancing) date. The accrued interest shall be paid on the same date or added to the principal. Contact JHF for the specific repayment amount and other details.
	<b>Repayment Resources: Examples</b>	● The sales proceeds of the site and floor space retained by the project execution body, settlement money of right holders for floor increase, subsidies, etc.
<b>Loan Contract Form</b>		● Promissory note
<b>Collateral</b>		● The first fixed mortgage shall be imposed on the land and building and the first pledge and assignment security right, etc. shall be imposed on the claims of the project executing body for JHF. It is individually consulted based on the project contents. The expense of imposing a mortgage (registration license tax and fees for judicial scrivener, etc.) shall be borne by the borrower.
<b>Guarantor</b>		● Following loan screening, the borrower may be required to obtain surety with sufficient guarantee capacity. ※ An individual can serve as the cosigner only when the applicant is the operator of the corporation. ※ When a corporation serves as the cosigner, guarantees of guarantee agencies approved by JHF at the time of application are available in addition to a eligible corporation. ※ A guarantee fee must be paid to a guarantee agency.
<b>Building Technical Requirement</b>		● The building must satisfy the technical requirements provided by JHF. (Visit the JHF website for details.) ※ The building needs to be inspected by a conformance certifying agency and inspection fees are levied. The fees differ according to the conformance certifying agency.
<b>Fire Insurance</b>		● The building shall have fire insurance when JHF deems it necessary. (The first pledge is imposed on the right to claim insurance money for JHF when it deems the pledge necessary.) ※ Fire insurance premiums shall be paid at the customer's expense.
<b>Fees for Partial Advanced Payment</b>		● ¥5,250
<b>Fees to Change Repayment condition</b>		● ¥5,250

※ JHF screens loan applications based on its own procedures and there may be cases in which applicants' expectations are not satisfied following the screening.

(Note) The guarantee agencies approved by JHF as of April 1, 2015, and their fees are listed below:

- Shutoken Funen Kenchiku Kosha and Jutaku Kaiyo Kaihatsu Kosha: 1% of loan amount p. a. (paid annually)
- Zenkoku Shigaichi Saikaihatsu Kyokai: 0.2 to 0.75% of loan amount p. a. (paid annually) (There are other requirements to be guaranteed.)

# Product outline of Loans for Construction of Rental Housing

As of April 1, 2016

<b>Loan Amount</b>	<ul style="list-style-type: none"> <li>● Up to 100% of the cost of construction projects eligible for the loan (in units of ¥100,000)</li> <li>※ The expectations of the applicants may not be met following screening of land and building evaluation and balance of payments plan, etc.</li> </ul>
<b>Loan Period</b>	<ul style="list-style-type: none"> <li>● Within 35 years (in one-year units)</li> <li>※ A one-year principal repayment deferment period (payment of interest only) can be set from the date of loan delivery for loans for serviced rental housing construction for the elderly. (The repayment period is not extended.)</li> </ul>
<b>Interest Rate</b>	<ul style="list-style-type: none"> <li>● There are two schemes — 35-year fixed interest rate or 15-year fixed interest rate.</li> <li>● The borrowing rate differs between the two schemes above.</li> <li>● The borrowing interest differs when the advanced repayment scheme is used.</li> <li>※ The borrowing interest is determined about two months after the end of the acceptance period.</li> <li>※ The interest-rate scheme cannot be changed after application.</li> <li>※ When an applicant chooses a 15-year fixed interest rate, the subsequent rate is reviewed 15 years after concluding the contract. The interest rate for the remaining repayment period is fixed after review and the rate for the shortest fixed period (although it needs to exceed the repayment period) among JHF interest schemes at the review is applied in principle.</li> <li>※ 35-year fixed interest rate and 15-year fixed interest rate can be combined.</li> <li>※ Visit the JHF website or JHF office for details of the borrowing interest.</li> </ul>
<b>Repayment Method</b>	<ul style="list-style-type: none"> <li>● Equal monthly instalments of the principal and interest or equal monthly instalments of the principal.</li> </ul>
<b>Collateral</b>	<ul style="list-style-type: none"> <li>● A first mortgage shall be imposed on the building and site subject to the JHF loan.</li> <li>※ Another mortgage may be requested in addition to the building and site subject to the loan following the screening of land and building evaluation and balance of payments plan, etc.</li> <li>※ The expense of imposing a mortgage (registration license tax and fees for judicial scrivener, etc.) shall be borne by the borrower.</li> </ul>
<b>Guarantor</b>	<ul style="list-style-type: none"> <li>● The borrower must have an individual (limited to the operator of the corporation when the applicant is a corporation) or corporate cosigner with sufficient guarantee capacity.</li> <li>※ The cosigner in the application may not be approved following JHF screening.</li> <li>※ When a corporation serves as the cosigner, guarantee of guarantee agencies approved by JHF at the time of application is available in addition to an eligible corporation. (A guarantee fee is required separately to use a guarantee agency. Rejection is possible following screening by the guarantee agency. See the Reference at the end of the Guide to Loans for Rental Housing to check the guarantee agencies approved by JHF.)</li> <li>※ No cosigner is required for loans to construct serviced rental housing for the elderly (communal facility type.)</li> </ul>
<b>Fire Insurance</b>	<ul style="list-style-type: none"> <li>● Customers of the scheme must take out fire insurance until the end of repayment of the funds (meaning either fire insurance provided by an insurance company selected at the discretion of the borrower or mutual aid fire insurance stipulated by laws; the same hereinafter) for the dwelling that is the purpose of borrowing loan.</li> <li>※ Fire insurance premiums shall be paid at the customer's expense.</li> </ul>
<b>Property Inspection</b>	<ul style="list-style-type: none"> <li>● The building shall have design and completion site inspections by a conformance certifying agency.</li> <li>※ The property inspection fees shall be borne by the borrower. (The fees differ according to the conformance certifying agency.)</li> </ul>
<b>Fees to Change Repayment Method</b>	<ul style="list-style-type: none"> <li>● ¥5,250 (tax included) is charged per change.</li> <li>※ When 35- and 15-year fixed interest rates are combined, the fees are charged for each interest scheme for which the borrower expects to change the repayment conditions.</li> </ul>
<b>Fees for Advanced Payment</b>	<ul style="list-style-type: none"> <li>[Advanced payment of total loan amount]</li> <li>No fees needed.</li> <li>[Advanced payment of partial loan amount]</li> <li>Fees differ according to the repayment scheme.</li> <li>· The amount of monthly instalments is unchanged after advanced payment and the borrowing period is shortened: ¥3,150 (tax included)</li> <li>· Cases other than above: ¥5,250 (tax included)</li> <li>※ When 35- and 15-year fixed interest rates are combined, the fees are charged for each interest scheme of advanced payment.</li> </ul>
<b>Fund receipt</b>	<ul style="list-style-type: none"> <li>● The fund can be received in portions when construction commences (within 30%), completion of roof work (within 30%), and completion (within 30%) and final payment.</li> <li>※ The amount of intermediate fund when construction commences and on completion of roof work depends on the land evaluation value by JHF.</li> <li>※ The fund cannot be received in the case of loans to construct serviced rental housing for the elderly unless the housing is registered as such pursuant to Article 5.1 of the Act to Secure a Stable Supply of Elderly Persons' Housing (Law No. 26 of 2001, hereinafter referred to as the "Act on Elderly Housing".)</li> </ul>
<b>Loan Fee</b>	<ul style="list-style-type: none"> <li>● Not needed</li> </ul>
<b>Compliance of Beginning of Construction</b>	<ul style="list-style-type: none"> <li>● The loan commitment may be canceled if the construction does not start by the time limit, and JHF sees no rational reason for it.</li> </ul>
<b>Registration of Serviced Housing for the Elderly</b>	<ul style="list-style-type: none"> <li>● To borrow loans to construct serviced rental housing for the elderly, all the units of the housing subject to the loan must be registered as such pursuant to Article 5.1 of the Act on Elderly Housing and a copy of the document confirming completion of registration shall be submitted to JHF before submitting the construction agreement on completion of the construction (or at the application to provide initial intermediate funds when fund payment is requested.)</li> <li>● When borrowing loans to construct serviced rental housing for the elderly, the registration as such needs to be renewed every five years pursuant to Article 5.2 of the Act on Elderly Housing for all the housing units subject to the loan and a copy of the document confirming completion of the renewal shall be submitted to JHF immediately after the renewal until the repayment is completed.</li> </ul>
<b>Contract with Residents of Serviced Rental Housing for the Elderly</b>	<ul style="list-style-type: none"> <li>● When borrowing loans to construct serviced rental housing for the elderly, the contract concerning the residency of all the units of the rental housing subject to the loan shall be a building lease contract and no other type of contract can be concluded until the loan repayment is completed.</li> </ul>
<b>Submission of Income-Tax Returns</b>	<ul style="list-style-type: none"> <li>● Applicants (cosigners also included hereinafter) for loans must submit the following document to JHF every year at its request (third parties commissioned by JHF included hereinafter.) The document concerns the "applicant" and the "corporation he/she operates" when he/she is an individual and "applicant", "representative of the applicant" and "corporations operated by the applicant's representative" when it is a corporation. When JHF requests a survey or report on the matters, the request shall be met immediately.</li> <li>· Copy of corporate financial statements (set of balance sheet, profit-and-loss statement, and statement of account items, etc.)</li> <li>· Copy of income-tax returns or corporate-tax returns with receipt seal of the taxation office</li> <li>· Copy of repayment schedule for any loans other than JHF loans</li> <li>· Survey report on the project of the building for which the loan is provided</li> <li>· Other document designated by JHF</li> <li>The above documents must be submitted to JHF also by the business operator that leases the entire building or service provider.</li> </ul>

## Product outline of Loans to Renovate Shared Parts of Condominiums [for condominium associations (in the case of Condominium Management Center Guarantee\*)]

\*To apply for this loan, it is required to be guaranteed by a guarantee institution or individuals recognized by JHF.  
(Visit the JHF website for details)  
As of April 1, 2016

<b>Purpose</b>	● Fund for condominium associations to reform shared parts of condominium
<b>Loan Amount</b>	● Lower amount of 80% of construction cost or ¥1.5 million (¥5 million for earthquake resistant improvement work)×the number of housing units (in unit of ¥0.1 million. ¥1 million as the minimum (less than ¥0.1 million is rounded off). Note that monthly repayment amount should be 80% or less of monthly-accumulated funds for future extensive repairs. ※ If repaying other loans at the same time, the total amount of repayment including this loan should be 80% or less of monthly-accumulated funds for future extensive repairs. ※ Visit the JHF website for details.
<b>Repayment Period</b>	● Between 1 year and 10 years (in unit of a year)
<b>Interest Rate</b>	● fixed-rate interest that is applicable at the time of application ※ Regarding the interest rate, please visit the JHF website.
<b>Repayment Method</b>	● Equal monthly instalments of the principal and interest or equal monthly instalments of the principal.
<b>Mortgage</b>	● Unnecessary.
<b>Guarantor</b>	● Guarantee institution that JHF recognizes (Condominium Management Center) ※ Guarantee fees are requested. Visit the JHF website for details.
<b>Fire Insurance</b>	● Insurance and pledge are Unnecessary.
<b>Submission of completion report</b>	● After the completion of the construction work, please submit the completion report on reform of shared parts to JHF.
<b>Fund receipt</b>	● It takes around 1 to 1.5 months after conclusion of loan agreement following the completion of the construction work.
<b>Loan Fee</b>	● Unnecessary.
<b>Prepayment penalty</b>	[Prepayment of all amount of loans] ● No fees are required. [Prepayment of a part of loans] ● Amount of fees depends the way of prepayment · Shortening redemption period without changing the amount of monthly installment after prepayment: ¥3,150 · Others: ¥5,250

# Corporate Data

## History of Former GHLC and JHF

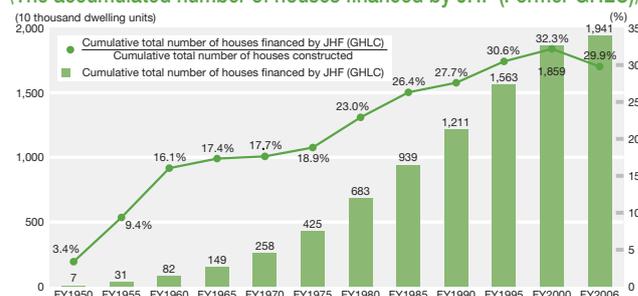
Year	Historical matter	Year	Historical matter
June 1950	• Establishment of the GHLC	May 2011	• Expansion of loans for recovery from disasters and loan modification for the people affected by the Great East Japan Earthquake (e.g. 0% of interest-rate for the first 5 years, a grace period for repayment, etc.)
March 2001	• Launch of MBS (Mortgage-backed Securities) issuance.	November 2011	• Launch of a loan program for serviced rental housing for the elderly.
October 2003	• Launch of securitization business (Purchase Program) (the current "Flat 35 (Purchase Program)").	December 2011	• Expansion of interest-rate reduction for the first 5 years for housing with high energy-saving performance concerning "Flat 35S" ( $\Delta 0.3\% \rightarrow \Delta 0.7\%$ ( $\Delta 1.0\%$ for the disaster-affected area)) (until the end of October 2012, as a provisional measure)
October 2004	• Launch of Securitization business (Guarantee Program) (the current "Flat 35S (Guarantee Program)")	April 2012	• Commencement of the second mid-term target period (5 years until March 2017).
June 2005	• Launch of support scheme to facilitate for acquiring high-quality housing through the securitization business (Purchase Program) (the current "Flat 35S (Purchased Program)").	February 2015	• Expansion of interest-rate reduction for the first 5 years for housing (the first 10 years for long-life quality housings) concerning "Flat 35S" ( $\Delta 0.3\% \rightarrow \Delta 0.6\%$ ) (will be terminated on the end of January 2016)
July 2005	• Promulgation of JHF Law		
September 2006	• Launch of SB (General Collateral Bonds) issuance		
April 2007	• Abolition of GHLC. • Establishment of JHF • Commencement of the first mid-term target period (5 years until March 2012)		
June 2009	• Launch of "Flat 35S" 20-year interest rate reduction (the service is currently terminated).		
February 2010	• Expansion of interest rate reduction in "Flat 35S" for the 10 years ( $\Delta 0.3\% \rightarrow \Delta 1.0\%$ ) until the end of September 2011, as a provisional measure).		

### (Reference) Roles Former GHLC has Played

Approximately 30% of all houses built after World War II were financed by JHF (formerly Government Housing Loan Corporation; GHLC)

The achievement of former GHLC loans reached 19.41 million dwellings for 57 years from its establishment in 1950 to its closure by the end of FY2006. This accounts for approximately 30% of dwellings built after World War II.

### (The accumulated number of houses financed by JHF (Former GHLC))



Source: Survey by former GHLC

## Related Data

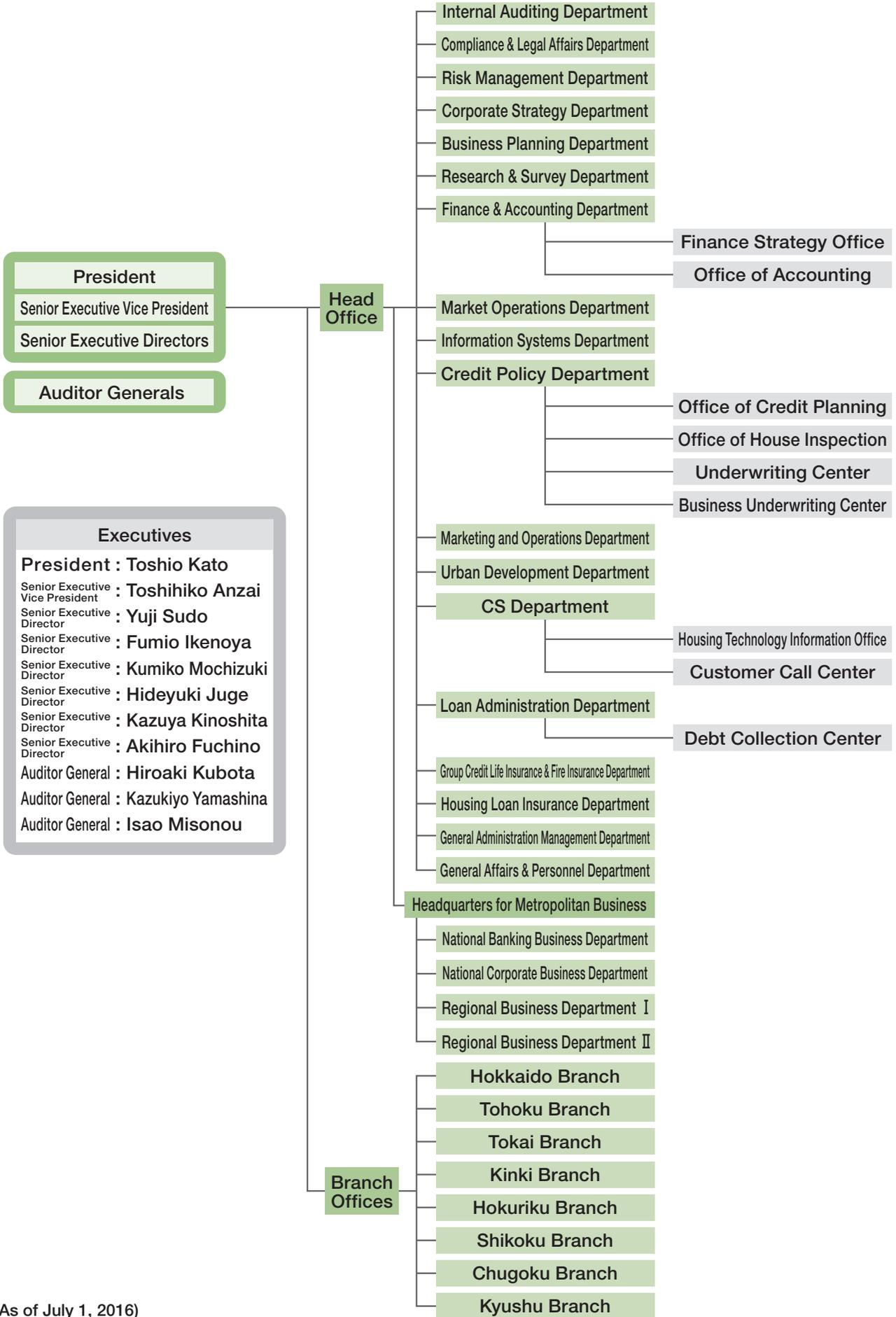
			FY2013	FY2014	FY2015
"Flat 35" (Purchased program, Guarantee Program)	Number of application	Purchased program	96,469 houses	95,796 houses	123,095 houses
		Guarantee program	630 houses	—	—
	Number of loans under purchased program		72,517 houses	64,770 houses	85,278 houses
	Number of loans with insurance for Guarantee program		159 houses	—	—
	Outstanding Balance of purchased loans		10,981.8 billion yen	11,639.4 billion yen	12,832.3 billion yen
Outstanding Balance of purchased loans with insurance		189.9 billion yen	165.2 billion yen	141.5 billion yen	
Loan for rental housing (note) * Accepting application for loans since 2005	Number of loan contracted		5,764 houses	8,618 houses	8,362 houses
	Amount of loans		52.9 billion yen	80.8 billion yen	86.3 billion yen
	Outstanding Balance of loans		670.8 billion yen	631.2 billion yen	605.9 billion yen
Great East Japan Earthquake related loans for recovery from the disaster and other loans	(Loans for recovery from the disaster) Number of loan contracted		3,190 houses	2,120 houses	1,788 houses
	Outstanding Balance of loans		140.7 billion yen	183.1 billion yen	210.9 billion yen
	Number of special repayment system approved cases		408cases	329cases	136cases
Outstanding loans * Loans that were accepted by former GHLC before FY 2004.	Number of Cases		1,419,192 cases	1,252,351 cases	1,116,869 cases
	Outstanding Balance of loans		13,934.5 billion yen	11,814.4 billion yen	10,001.8 billion yen

(Note) Figures of number of loan contracted and amount of loan that are shown here are calculated by number of loan contracted in the fiscal year minus number of contracts that were declined in the fiscal year (including declination of loans approved in the previous fiscal year). As for FY 2012, the shown figures are from 5,179 houses, 46,961 million yen of which loan contracts were made minus 3,466 houses, 39,495 million yen that were declined in the fiscal year.

		FY2013	FY2014	FY2015
MBS	Amount of issuing	1,494.1 billion yen	1,243.8 billion yen	1,875.3 billion yen
	Outstanding issue	10,897.4 billion yen	11,046.2 billion yen	11,701.8 billion yen

\* Throughout this document, numbers that are smaller than money amount unit were rounded.

# Executives and Organization Chart



**Executives**

**President :** Toshio Kato

**Senior Executive Vice President :** Toshihiko Anzai

**Senior Executive Director :** Yuji Sudo

**Senior Executive Director :** Fumio Ikenoya

**Senior Executive Director :** Kumiko Mochizuki

**Senior Executive Director :** Hideyuki Juge

**Senior Executive Director :** Kazuya Kinoshita

**Senior Executive Director :** Akihiro Fuchino

**Auditor General :** Hiroaki Kubota

**Auditor General :** Kazukiyo Yamashina

**Auditor General :** Isao Misonou

(As of July 1, 2016)

## ■ Customer Call Center

Hours: 9:00 – 17:00

(Open every day except national holidays and around the New Year period)

- For consultation on Flat 35, JHF loans, and technical criteria:

 **0120-0860-35** (toll-free)

- For consultation on loans for disaster relief, etc.:  
Dedicated Support Line for Disaster Victims

 **0120-086-353** (toll-free)

\*If you cannot access the above line (from PHS, international call, etc),  
please call the following number (regular call rate)

**TEL: +81-(0)48-615-0420**

## ■ JHF website

<http://www.jhf.go.jp>

## ■ Head Office and Regional Offices

(As of July 1, 2016)

JHF Offices	Address	Phone Number
Head Office	1-4-10 Koraku, Bunkyo-ku, Tokyo 112-8570	+81-(0)3-3812-1111 (operator)
Hokkaido Branch	13-3-13 Kita 3-jo Nishi, Chuo-ku, Sapporo-shi 060-0003	+81-(0)11-261-8301 (operator)
Tohoku Branch	1-3-18 Katahira, Aoba-ku, Sendai-shi 980-0812	+81-(0)22-227-5012 (operator)
Tokai Branch	3-20-16 Shinsakae, Chikusa-ku, Nagoya-shi 464-8621	+81-(0)52-263-2934 (operator)
Kinki Branch	4-5-20 Minami-Honmachi, Chuo-ku, Osaka-shi 541-8546	+81-(0)6-6281-9260 (operator)
Hokuriku Branch	2 Flr. Kanazawa Park Bldg., 3-1-1 Hirooka, Kanazawa-shi 920-8637	+81-(0)76-233-4251 (operator)
Shikoku Branch	2-10-8 Ban-cho, Takamatsu-shi 760-0017	+81-(0)87-825-0621 (operator)
Chugoku Branch	8-3 Moto-machi, Naka-ku, Hiroshima-shi 730-0011	+81-(0)82-221-8694 (operator)
Kyushu Branch	6 Flr. Hakataekimae Business Center, 3-25-21 Hakataekimae, Hakata-ku, Fukuoka-shi 812-8735	+81-(0)92-233-1203 (operator)



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

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