



住宅金融支援機構

Japan Housing Finance Agency

(Former GHLC)

**Disclosure Booklet
2010**

Disclosure

Contents



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1. This Booklet is a disclosure material (explanatory material related to the operational and financial situations) prepared based on the "Law related to public disclosure of information held by incorporated administrative agencies" (Law No. 140, 2001).

2 Explanatory notes

(1) Rounding of figures

Amounts are rounded to the nearest unit. Percentages (%) are rounded off at the second decimal point in principle. Components do not sum to the totals because of rounding.

(2) Indication method

Items with values less than a unit are indicated as "0" while items with no statistical figures are indicated as "-".

3. Information on JHF, including those in this booklet, is available on its website (<http://www.jhf.go.jp/>).

4. If there is any material difference between Japanese original version and this English translation, the Japanese original version shall prevail.

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Message from the President



Three years have passed since the Japan Housing Finance Agency (JHF), an incorporated administrative agency, was established in April 2007.

In April 2006, when the JHF was still called the Government Housing Loan Corporation (GHLC), it set the following management concept:

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

In line with this concept, various measures have been promoted under a transparent management system, including the improvement of product features of the “Flat 35,” fixed rate mortgages. We also implemented cost reductions and productivity improvements through drastic reconstruction of the IT system and the streamlining of the organizational structure, as well as improvements in the risk management system and compliance.

Last year, as part of the “Emergency Economic Countermeasures for Future Growth and Security” program by the national government, the interest-rate reduction for “Flat 35S” was expanded, prompting acquisition of high quality houses. We are committed to improve the nation’s living environment through housing finance.

As this year marks the fourth year of the first medium-term plan, which runs from FY 2007 to 2011, we consider it a very important time for ensuring the achievement of our targets. In FY 2009, a single-year balance of payments surplus of 1.2 billion yen was posted in accounts other than the outstanding loan management account (legacy assets inherited from GHLC, except for accounts related to the succession of the defunct Housing Loan Guarantee Association), which was one of the important goals in the medium-term plan. We will continuously work hard to improve the single-year balance of the outstanding loan management account not to depend on government subsidies soon.

The global economy is facing significant change. We will strive to meet the persistent need of the Japanese people for long-term fixed-rate mortgages, and contribute to the promotion of durable housing, the reduction of carbon dioxide emissions and the expansion of Japan’s RMBS (residential mortgage-backed securities) market. We also intend to provide workout plans for customers who seek consultation on existing mortgage terms. All our executives and staff are committed to make steady efforts toward new growth for the Japanese economy and meet the expectations of customers, accredited financial institutions, the housing industry and related organizations.

We appreciate your continuing support.

July 2010
Seiichi Shimada
President
Japan Housing Finance Agency

Management concept

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

JHF profile

Establishment: April 1, 2007

Mission: JHF shall provide liquidity to housing market by secondary market operation, purchasing mortgages originated by private lenders and securitizing those loans into MBS. JHF shall also provide information to public to enhance financial literacy and knowledge on good quality houses that meet the changing environment regarding living standard of Japanese people. JHF shall also provide liquidity to housing market by direct loan origination as well, for such areas which are difficult for private financial institutions to handle as disaster mitigation. JHF is committed to improve the safety and soundness of the living of Japanese people and thus enhance the social welfare.

Capital: 697.655 billion yen

(estimation for the end of FY 2010*, fully paid in by the government)

*A value reflecting a redemption to the national coffers of 230 billion yen after reviewing the implementation of the first supplementary budget for FY 2009 and the budget for FY 2010

Number of directors and employees: 955 (as of April 1, 2010)

Operations: securitization, housing loan insurance service, loan origination

Offices: Head Office: 1-4-10, Koraku, Bunkyo-ku, Tokyo, 112-8570

Branches: 11 branches in major cities nationwide

Size of mortgage portfolio

34.2318 trillion yen (as of March 31, 2010)

(of which 4.54 trillion yen represents mortgages purchased
through secondary market operation and 30.137 trillion
yen represents loans originated by GHLC and JHF)



Logo concept

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

※ JHF is an abbreviation of Japan Housing Finance Agency.