



Disclosure Booklet 2018

2018
Disclosure

Profile of Japan Housing Finance Agency (JHF)

Establishment	April 1, 2007
Mission	Japan Housing Finance Agency (JHF) strives to provide smooth and efficient provision of funds necessary for constructing houses and thus contributes to stable living and enhanced social welfare of the Japanese citizens by purchasing mortgages to assist lending of funds necessary for constructing houses provided by private financial institutions and lending funds required for constructing buildings for disaster recovery to supplement lending by private financial institutions.
Capital	701.475 billion yen (as of the end of the fiscal year 2017; 100% of the capital is provided by the Japanese government.)
Number of directors and employees	896 (as of April 1, 2018)
Businesses	Securitization support, housing loan insurance service, loan origination businesses
Offices	Head office: 1-4-10 Koraku, Bunkyo-ku, Tokyo, Japan 112-8570 Branches: 8 branches in major cities nationwide
Size of mortgage portfolio	23.3188 trillion yen (as of March 31, 2018) (Including: purchased housing loans amounting 14.7979 trillion yen and originated loans amounting 8.472 trillion yen)



1. This booklet is a disclosure material prepared based on the "Law Concerning Access to Information Held by Incorporated Administrative Agencies." (Law No. 140 of 2001).
2. Figures in this booklet
 - (1) Rounding of figures
Amounts are rounded to the nearest unit.
Percentages (%) are rounded off at the second decimal point in principle. Thus, a figure in the total section may not equal the sum of the itemized amounts.
 - (2) Indication method
Items with values less than the unit are indicated as "0" while items with no statistical figures are indicated as "-."
3. Information on Japan Housing Finance Agency (JHF), including that on this booklet, is available on JHF's website (<https://www.jhf.go.jp>).
4. Fiscal year (FY) begins in April and ends in March, therefore, financial results of FY are figures as of March end.
5. 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

JHF will contribute to improvement of Japan's housing life.

I would like to express our appreciation for your continuous patronage.

JHF's 12th fiscal year has started since this April. I appreciate patronage of many customers and understanding and cooperation of stakeholders, including private financial institutions, home-builders, local governments, and investors.

"Flat 35", a housing loan having a long-term fixed-interest rate applicable during the tenor, has been lent to almost 950,000 housing units as of the end of FY 2017 since its launch in October 2003. For the purpose of increasing customer usability, JHF improved product feature of "Flat 35" by enabling Group Credit Life Insurance premium to be paid as a part of monthly payment from October 2017. JHF will continue our effort to sustain the customer viewpoints and will strive to meet customer demands.

During the third period for the medium-term , which started in April 2017, JHF is expected to maximize its ability to execute government policies in order to improve the standard of housing life in Japan by providing financial support to realize the measures based on the Outline of Basic Act for Housing set by the Government of Japan while maintaining sound financial base established throughout the first and second medium-term target periods.

From this point of view, in last fiscal year, JHF launched a new program called "Flat 35" Childrearing

Support Type and Regional Vitalization Type to support acquisition of houses in line with local governments' measures including support for childrearing households, UIJ Turn promotion, and Compact City formation from this fiscal year, JHF added vacant house countermeasure to the lending criteria of "Flat 35" Regional Vitalization Type in order to utilize vacant houses more efficiently.

In order to continue to be a useful resource to the local communities, JHF will continue our effort to further address local policy issues.

JHF has been offering "Flat 35" Renovation Type in order to promote existing home sales and contribute to building safer and higher quality stock of existing homes.

In addition, from the viewpoint of developing housing and towns in a society with a declining birth rate and aging, JHF has been supporting financial institutions to provide reverse mortgage type housing loan, to which JHF's housing loan insurance applies. JHF will continue product improvements reflecting the needs from financial institutions, and beginning from May 2018, JHF applied a product name of "Reverse 60" in order to facilitate customer recognition and JHF will further take necessary steps to meet variety of demands in houses.

In alignment with the amendment of the Act to Promote the Supply of Rental Housing for People Who Require Consideration in Securing Housing and



from October 2017, JHF started providing insurance on guarantee for rent payment obligations of people who require consideration in securing housing. For FY2018, JHF will continue to promote the program and support securement of rental homes for people who require consideration in securing housing.

Furthermore, JHF will offer, in collaboration with private financial institutions, the housing finance including common space renovation loans to support maintenance and management of condominium stock, urban development loans, which are required as a public-sector institution.

In March 2018, the Business Management Deliberative Council, which was established to advise JHF's business management from a neutral position, submitted a comprehensive report on JHF's past business performance. In the Council's evaluation, JHF received positive evaluation on supplementing private businesses and our efforts as a policy implementation organization. JHF appreciates the Council's continued deliberation on the appropriateness of our business management and JHF will refer to the results of the deliberation for JHF's future business management.

JHF has been stably and efficiently issuing mortgage-backed securities (MBS) to finance "Flat 35" with the support from the increasing number of investors. JHF's cumulative MBS issuance amount has

surpassed 26 trillion yen, which enabled JHF MBS to achieve benchmark status in the securitization market in Japan. JHF will properly and carefully communicate with investors in order to stably and continuously issue MBS, and contribute to the development of the securitization market in Japan.

With regards to the support of recovery from disasters, such as the Great East Japan Earthquake, which occurred 7 years ago, and the Kumamoto Earthquake, JHF will carefully consult with the disaster affected customers and provide Housing Loans for Disaster Recovery and others. JHF will strive to provide one-stop service in collaboration with local governments.

I would appreciate the continued understanding and patronage from all customers who use our loans and stakeholders such as private financial institutions, home-builders, local governments, and investors.

July 2018
Toshio Kato

加藤 利男

President
Japan Housing Finance Agency (JHF)
Incorporated Administrative Agency

Business Overview

JHF focuses on securitization support business, a business to support origination of fixed-rate housing loans by private financial institutions, but also conducts housing loan insurance business to promote smooth origination of housing loans by private financial institutions, and loan origination business in areas important from the policy perspective, yet difficult for private financial institutions to enter.

JHF strives to upgrade the housing life standards and serves its corporate social responsibility (CSR) by smooth and efficient origination of housing loans required to construct houses, the foundations of housing life of the customers.

① Securitization support business (Provision of Flat 35)

Support origination of fully fixed-rate housing loans of private financial institutions by the following programs:

- Flat 35 (Purchase Program): JHF purchases fully fixed-rate housing loans from private financial institutions and securitizes them.
- Flat 35 (Guarantee Program): Private financial institutions securitize fully fixed-rate housing loans insured by JHF, and JHF guarantees interest and principal payment to investors.

② Housing loan insurance business

Support smooth origination of housing loans of private financial institutions by establishing a framework to pay insurance monies to private financial institutions pursuant to previously concluded insurance policy that covers housing loan losses due to unexpected events.

③ Loan origination business (Policy-related loans including loans for disaster recovery and urban development loans)

Support housing-reconstruction in areas affected by the Great East Japan Earthquake and other natural disasters, urban development projects and projects that facilitate the updating of urban functions and improve disaster-resilience including rebuilding of condominiums and enhancing earthquake resilience, and promotion of rental housing for stable living for families with children and the elderly by providing direct loan from JHF.

④ Group credit life insurance business

Provide security for borrowers of Flat 35 (Purchase Program) and JHF originated loans by applying insurance money payable from the life insurance company in case of borrower's death or disability and repay the remaining amount of housing loan of the borrower.

⑤ Promotion of quality housing

Promote installment of quality housing by requiring the house eligible for Flat 35 and JHF loans to fulfil the technical standards.

⑥ Management of outstanding loans

Conduct appropriate management of outstanding loans by carefully responding to loan repayment modification for borrowers facing difficulties in paying back their housing loan, and by reduction of delinquent loans.

⑦ International business

Utilize information collected from overseas to JHF's business, disseminate information at international conferences, and provides knowledge to foreign countries, such as Southeast Asia.

⑧ Research and surveys on housing finance

Conduct research and surveys on domestic housing finance markets.

Mission Statement

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

About JHF

Activities of JHF

Corporate Governance

Details of JHF Business

Appendix

Logo concept



住宅金融支援機構
Japan Housing Finance Agency

The letters J, H, and F represent pillars supporting the roof, the horizontal line represents the ground and is intended to create an uplifting feeling, while the sphere symbolizes security and expansiveness. The green color represents growth and vitality. The logo symbolizes a fusion between JHF and the world of housing.

*JHF is the abbreviation for the Japan Housing Finance Agency.

Activities of JHF

Provide Fixed-rate Housing Loans through Collaboration with Private Financial Institutions

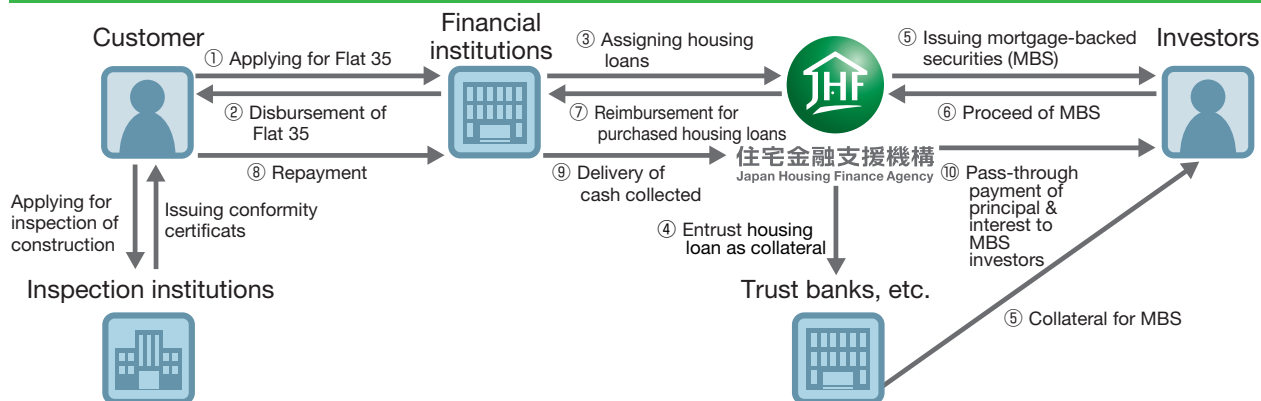
Security of “Flat 35” by fixing the interest rate until the maturity

“Flat 35” is a fixed interest rate mortgage that JHF offers to people in collaboration with private financial institutions. Because a fixed interest rate mortgage is a type of loan having the borrowing rate and the amount of installments fixed until the maturity as soon as the loan is closed, which enables customers to make long term plans for living.

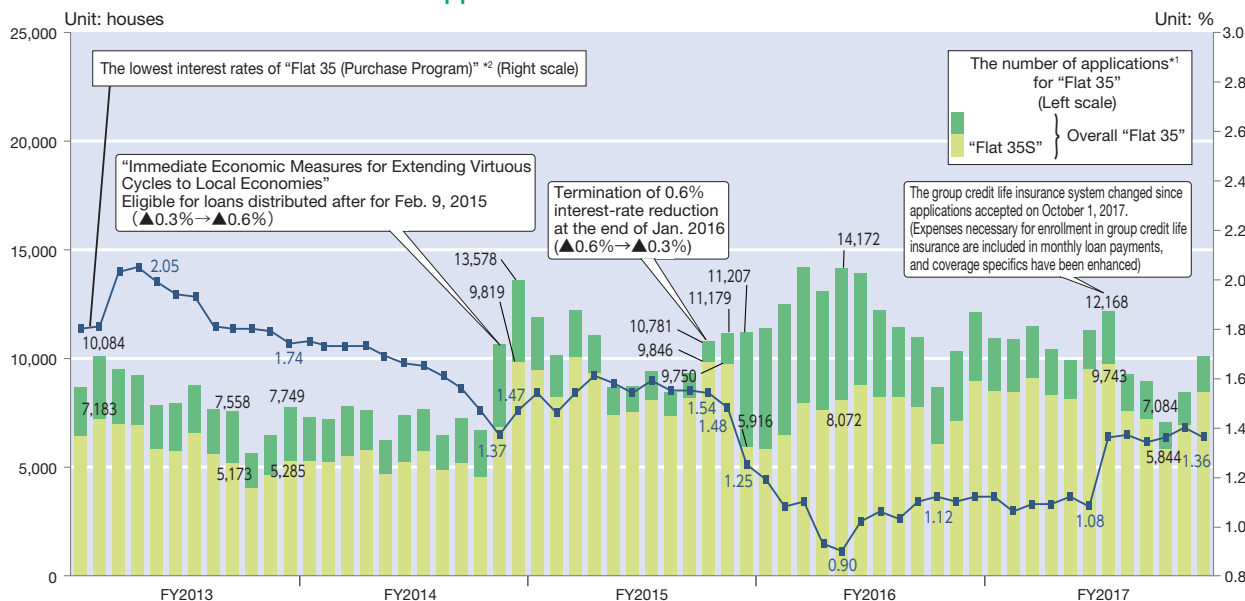
Four merits of “Flat 35”

- ① Security of fixed interest rate until the maturity
- ② Support acquisition of high quality housing by reducing interest rates
- ③ No guarantee fee and no fee for prepayment
- ④ Extend consultation during the repayment period

Scheme of Purchase Program



<Trend of applications for “Flat 35” and interest rates>

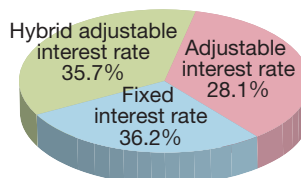


*1 Total number of houses applying for “Flat 35 (Purchase Program / Guarantee Program)”.

*2 The lowest interest rates indicated are those offered by financial institutions and applicable to loans having tenors between 21 years and 35 years. Interest rates vary according to loan-to-value ratio (90% or lower, or over 90%) for loans since February 2014, therefore indicated are interest rates of loan-to-value ratio 90% or lower. In addition, as interest rates differ depending on the type of group credit life insurance, indicated are interest rates of JHF group credit life insurance applied since October 2017. Many financial institutions provide lower interest rate to the loans having 20 years or less tenor than those having 21-35 years.

Interest rate type desired by prospective loan-applicants

Approximately one-third of prospective loan-applicants desire fixed interest rate housing loan.



(Source) JHF “The second survey of borrowers of private-sector housing loans in FY 2017 targeting prospective loan-applicants (conducted in April 2018)”

Support Local Governments That Are Striving to Support Childrearing, Support Relocation or Implement Measures for Vacant Houses

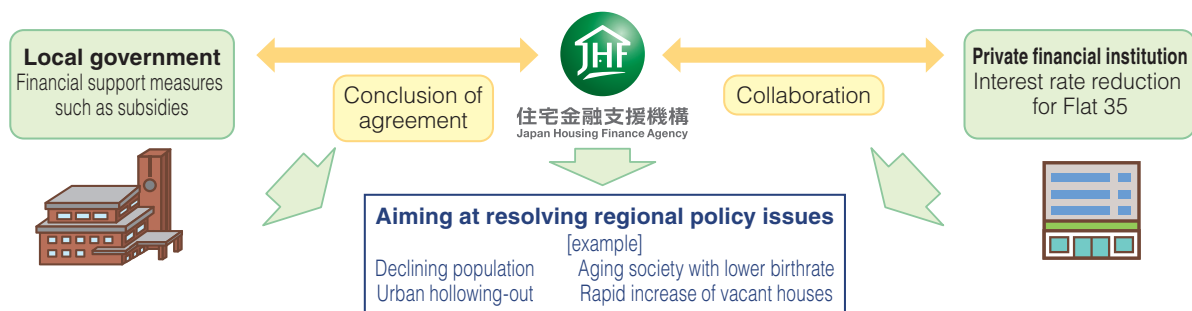
“Flat 35” Childrearing Support Type, Regional Vitalization Type

Local governments provide proprietary financial aid for home acquisition by conducting measures such as Childrearing Support, promotion of relocation and settlement via UIJ Turn, Compact City Formation, or vacant housing measures and others.

In April 2017, JHF created a new product called Flat35 Childrearing Support Type and Regional Vitalization Type, which lowers the loan interest rate of Flat 35 for a certain period by a joint financial support from local gov-

ernments and by a conclusion of an agreement with such local government. From April 2018, measures for vacant houses also become applicable.

JHF has aggressively addressed collaboration with local communities by concluding agreements with 267 local governments (as of the end of April 2018), and will keep on supporting efforts of local government toward resolving policy issues.



“Flat 35” Status of conclusion of agreement with local governments relating to Childrearing Support Type or Regional Vitalization Type

JHF has been promoting conclusion of agreements with local governments since May 2017, and the total number of local governments that concluded agreements with JHF amounted to 267 (as of the end of March 2018).

<Number of local governments that had signed agreements by the end of March 2018>

Total of 267 governments (11 prefectures, 165 cities, 82 towns, 9 villages)

Childrearing Support Type: total 201 governments

Regional Vitalization Type: total 193 governments

(Note) Some governments overlap so the total does not add up.

<Agreement Signing Ceremony with 19 city and town governments in Ehime Prefecture> (October 31, 2017)



● Comments from local governments that concluded agreements, efforts in collaboration with financial institutions

[Ebetsu City, Hokkaido]

“By collaboration with JHF on the Flat 35 Childrearing Support Type, advantage of acquiring a house inside the city improved, which led to 232 household applications, an increase of 70 households from the previous year, to our promotion services” (Ebetsu City, FY2017)

A user of Flat 35 Childrearing Support Type (nearby living), mentioned to us that “Having small children and both of us working, we find our parents taking care of our children is very helpful” (PR Ebetsu 2018 March edition).

[Nabari City, Mie Prefecture]

Three parties, Nabari city and regional financial institutions and JHF, have concluded the nationwide first “Cooperation Agreement on Financial Support for the Utilization and Prevention of Vacant Houses,”. After the conclusion of the Agreement, the parties are jointly making efforts towards “utilization of vacant houses,” “demolition of dangerous vacant houses,” and “prevention of vacant houses” by participating in vacant house consulting sessions held by Nabari City or holding financial study sessions for local real estate business operators.

[Nishio Shinkin Bank]

“Soon after Nishio City and JHF started affiliation and began providing Flat 35 with preferential interest rate targeting childrearing households and people relocating into Nishio City to vitalize the region, our bank started cooperating by decreasing loan handling charges by 0.5%.” (Nishio Shinkin Bank Disclosure, FY2017 version)

[Taku City, Saga Prefecture]

Related parties jointly created leaflets showing Flat 35 childrearing Support Type and housing loan provided by regional financial institutions that concluded agreements with Taku City in order to jointly promote regional measures by collaboration of Taku City and regional financial institutions and JHF.

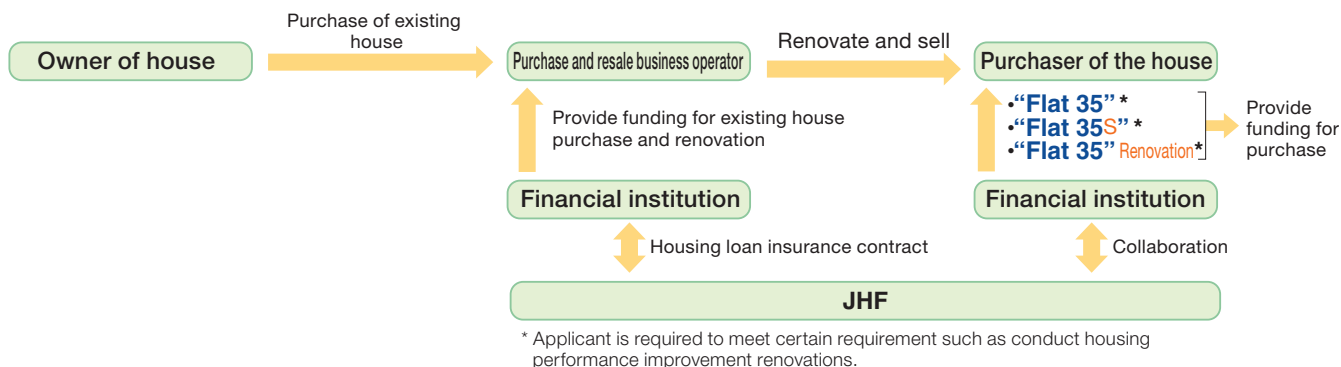
Stimulate the Market of Existing Houses

Specified purchase and resale loan insurance so called “Flat 35” Renovation

To stimulate existing house sales and the renovation market, JHF began insurance coverage for purchase and resale business operators from FY2016 to promote liquidity of the existing houses market. In addition, when

an existing house is bought using “Flat 35”, interest rate reduction can be applied if the performance feature of the house satisfies the requirements of “Flat 35S” or “Flat 35” Renovation.

Ordinary flow of purchase and resale of housing



Special provision accompanied interest rate assumable “Flat 35”

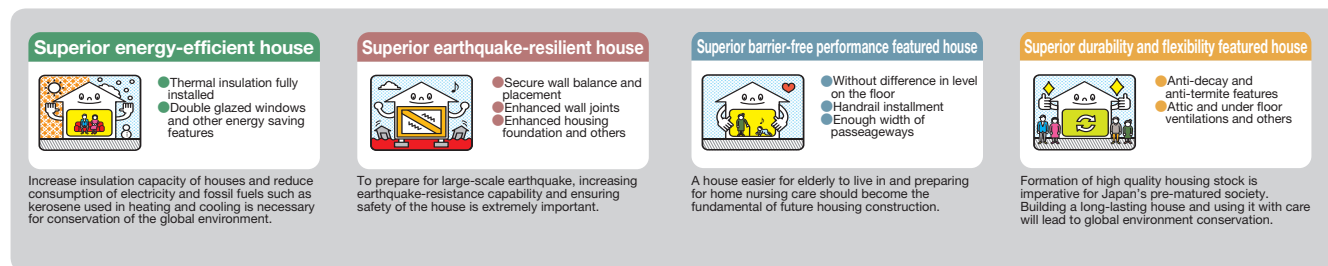
To stimulate the market of existing houses, JHF introduced “Flat 35” associated with a special provision to enable the purchaser of the house to assume “Flat 35” of

the seller, who is the owner of the long-life quality housing, applying the same interest rate.

Promote dissemination of high quality housing, such as long-life quality housing by introducing “Flat 35S”

JHF introduced “Flat 35S”, a lowered interest rate applied “Flat 35” and applied for a certain period, to customers purchasing high quality housing, such as long-life quality housing, and to contribute to formation of high quality housing stock.

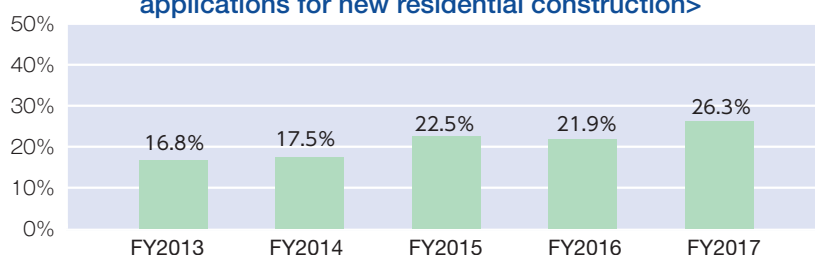
<Four performance features applicable for “Flat 35S”>



JHF endeavors to promote high quality housing by introducing “Flat 35.”

JHF steadily contributes to the promotion of long-life quality housing, and others by applying reduced interest rate to “Flat 35S” in particular.

<“Flat 35” share of long-term high quality housing within applications for new residential construction>



Develop an Environment Where the Elderly Can Live with Security

“Reverse 60” (reverse mortgage type housing loan insured by housing loan insurance applicable to persons of age 60 or older)

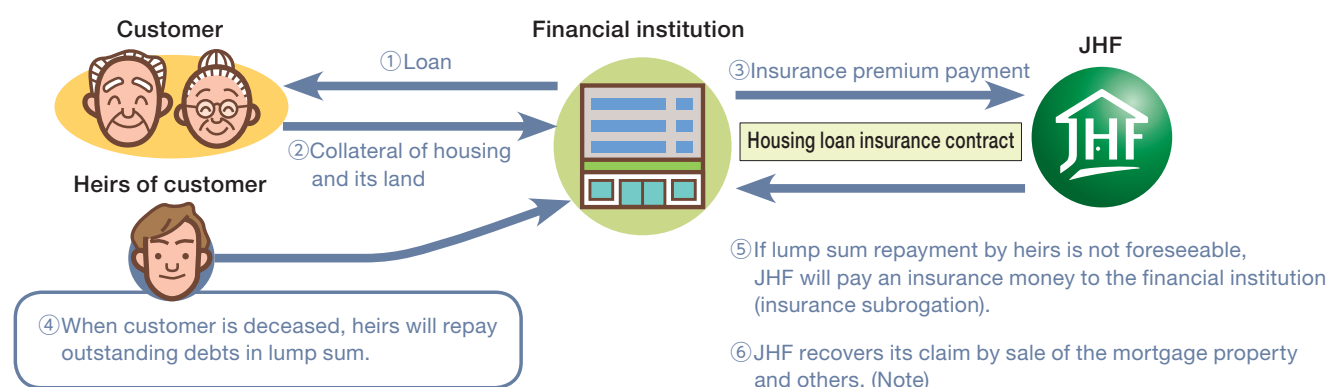
JHF has been supporting the lending of reverse mortgage type housing loans by providing housing loan insurance from a viewpoint of supporting local residences and urban development in an aging society with a declining birth rate.

By product improvements and others reflecting needs of financial institutions every year, the number of partici-

pating financial institutions has increased year by year, and the number of application for insurance coverage in FY2017 reached 174 (446.2% of the previous year) and is increasing.

In addition, from May 2018, JHF applied a nickname of “Reverse 60” to foster customer recognition and respond to diverse housing needs.

Scheme of “Reverse 60”



(Note) Recourse type and non-recourse type

When the sale price of the mortgaged property is less than the outstanding debts, claim against the heirs will become either of the following:

Recourse type : outstanding debts will be charged.

Claim will be made to the uncollected portion of the debt.

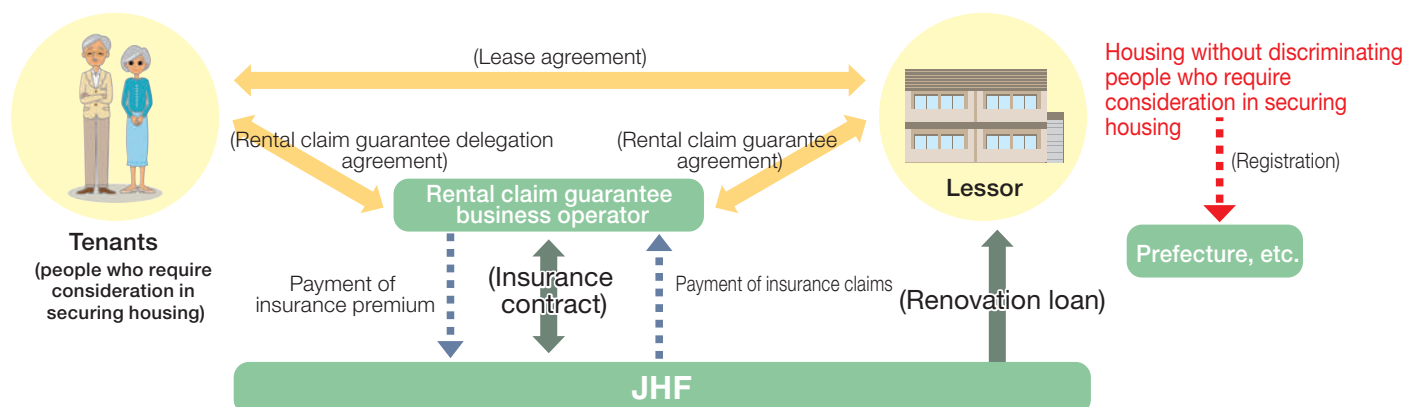
Non-recourse type : No claim will be made to the uncollected portion of the debt.

(*) The type differs between the financial institution.

Rental housing renovation loan insured by rental claim guarantee insurance (residential safety net)

As a result of revision of the Act to Promote the Supply of Rental Housing for People who Require Consideration in Securing Housing, a new residential safety net system has been implemented utilizing private rental housing or vacant houses, by introducing a registration system for rental housing, so called registered housing, available without discriminating people who require consideration in securing housing, such as the elderly, low-income groups, or households with children and others.

Consequently, JHF introduced renovation loans for registered housing and insurance for rental claim guarantee provided by rental claim guarantee business operators guaranteeing rental claim payable to the lessor (rental claim guarantee insurance) for the rent provided to those requiring consideration in securing housing.



Support Maintenance, Management and Renovation of Condominium Stocks

Condominium Sumairu Bond



Support planned accumulation of repair reserve fund and its investment.

JHF supports planned accumulation and investment of monies for repair funds of condominium management association by issuing JHF bonds to the association. Moreover, if a management association that purchased JHF bond applies for a condominium common areas renovation loan, the loan interest rate will be lowered by 0.2% per year.

Loans for renovating common areas of condominiums



Support large-scale renovation construction work, and others by providing loans.

If fund shortage is inevitable due to large-scale renovation and others, JHF provides loans for renovation and others for the condominium management associations. In the case of conducting earthquake-resistant renovation construction, JHF will lower the loan interest rate.



Urban development loans (short-term business loan)



Support reconstruction of condominiums by loans

When reconstruction of a condominium becomes necessary due to aged deterioration and others of the condominium, JHF provides business loans for reconstruction and others to the condominium rebuilding associations.

Support earthquake-resistant reinforcement of condominiums with insufficient earthquake-resistant capabilities (Toda City, Saitama Prefecture)

In order to resolve various problems, such as unreceived management fees and others, associated with operation of management association, the Skylark Warabi Management Association resolved the problems by coordinating with condominium management consultants, external advisors, and the board of directors of the management association. Furthermore, by conducting earthquake-resistant reinforcement construction work utilizing subsidy

from Saitama Prefecture and JHF's loans for renovating common areas of condominiums contributing not only to the safety of residents of the condominium but also to improvement of disaster prevention performance of the area as the condominium was a building built on the side of emergency transportation road.

This was reported on television by local broadcaster as a pioneering case and contributed to realization of measures by local governments.

<Outer appearance before construction>



<Outer appearance after construction>



Support self-reconstruction of superannuated condominiums by providing business loans (Shibuya-ku, Tokyo)

Before the reconstruction, the building was a condominium build on the land with a leasehold right and has aged 45 years since its construction in 1970. Although a location of 6 minutes walking distance from Shibuya station was an advantage, the site area was small and the number of dwelling units increased only by 20 units before and after the reconstruction, which failed to

receive business cooperation from developers and others and led to consideration of a business plan to conduct self-reconstruction initiated by consultant business operators and owners. JHF provided business loans to the condominium rebuilding association.

<Before development>



<After development>



Support Housing and Urban Development to Withstand Disasters and Rebuilding of Housing from Disasters

► Prepare for disasters (disaster prevention)

Loans for renovation (earthquake-resistant renovation construction), loans for disaster-prevention works in residential lots and loans for works to protect housings from landslide and others.

JHF aims to enhance housing durability against earthquake by providing loans to earthquake-resistant renovation construction and to secure protection against landslide disasters by following the advice from the local government and by providing loans to reinforcement construction on residential sites.

Urban development loans

Reconstruction to enforce earthquake-resistance and flame-resistance in a highly dense urban area promotes disaster resistance capability of urban areas. JHF provides loans to such reconstruction projects.

► Reconstruction of housing after disasters

Loans for recovery from disasters

JHF provides low interest rate loans to reconstruct houses for people living in houses affected by natural disasters such as the Great East Japan Earthquake and the 2016 Kumamoto Earthquake. In addition and in collaboration with local governments, JHF carefully consults with customers affected by disasters.

Response to Kumamoto Earthquake in 2016

JHF endeavors for early recovery of houses and support for life rebuilding of disaster affected people in collaboration with local governments.

► Consultation sessions in collaboration with local governments

JHF has dispatched our staff members to counseling desks arranged by local government for disaster affected people and provided consultations on loans for recovery from disasters and others. (816 dispatches to 19 cities and towns until the end of March 2018 resulted to consultation to 4,609 groups).

In addition, in order to support rebuilding of the everyday lives of people who faced difficulty in repaying housing loans and others, JHF provides information or conduct consultations on repayment at various seminars and consultation sessions. Collaborating with the Kumamoto Bar Association and the Kyushu Finance Bureau and others, JHF hosted the House Rebuilding Free Consultation Sessions in Kumamoto City in June and Mifunecho in September, 2017, and in Mashiki-cho in February 2018.

<Consultation sessions counter>



► Collaboration with Kumamoto Prefecture and others

JHF has contributed to realization of projects in Kumamoto Prefecture and Kumamoto City aimed to subsidize the loan interest on JHF's housing loans for recovery from disaster (preferential payment arrangement for elderly) and to support reconstruction of housing for the elderly.

In addition and in collaboration with Kumamoto Prefecture and local housing business operator organizations, JHF issued a booklet introducing Recovery House in Kumamoto, proposing earthquake resistant house with lowered cost tailored for disaster affected people and supporting the reconstruction of houses.

<Recovery House in Kumamoto>



Support reconstruction of condominium that suffered Kumamoto Earthquake (Kumamoto City, Kumamoto Prefecture)

Kamikumamoto Heights condominium was damaged by April 2016 Kumamoto Earthquake and a condominium rebuilding union was established following the approval under the Act on Facilitation of Reconstruction of Condominiums in December 2017.*

JHF consulted with the city of Kumamoto to enable application of urban development loans (preferential payment arrangement for elderly) and conducted several explanatory sessions

for residents and 36 counseling sessions for elder residents to support for consensus formation.

JHF will continue to support early recovery in cooperation with local financial institutions, consulting companies and developers and others.

* Became the first example of rebuilding case pursuant to the Act and applied to for-sales type of condominiums affected in Kumamoto City

<The fourth building had the largest inclination as pilings were damaged to cause inclination>



<Damaged pilings>



<Subsidence caused by liquefaction>



Financial highlights, points in performance results

Financial Conditions (FY2017 results)

Status of profit and loss

<Securitization Support Account>

JHF posted gross income of 77 billion yen in the Securitization Support Account by increasing the balance of purchased loans and by conducting appropriate loan management and by other reasons.

As expenses tend to be realized later than earnings due to credit risk, etc. of the Securitization Support Business (Purchase Program), the loss in the latter half will be offset by profit in the first half of the loan period, therefore, in order to prepare against future emergence of credit risk, etc., JHF has carried over the entire amount of gross income as reserve funds (Article 44, paragraph 1 of the Act on General Rules for Incorporated Administrative Agencies).

<Outstanding Loans Management Account*>

JHF posted gross profit of 104.5 billion yen, a 16.5 billion yen decrease year-on-year basis, in the Outstanding Loan Management Account, due to decrease in the loan balance and by other reasons.

From the perspective of concluding the business smoothly without incurring new liabilities to National Treasury, and to prepare against future emergence of credit risk, etc., JHF has carried forward the entire amount of surplus as reserves (Article 7, paragraph 7 of supplementary provisions of Act on the Japan Housing Finance Agency, Independent Administrative Agency).

<Housing Loan Insurance Account>

JHF posted gross profit of 7.5 billion yen, 0.2 billion yen increase year-on-year basis, in the Housing Loan Insurance Account and retained earnings of 8.9 billion yen.

<Property Accumulation Housing Fund Loan Account>

JHF posted gross profit of 0.6 billion yen, 0.6 billion yen decrease year-on-year basis, in the Property Accumulation Housing Fund Loan Account and retained earnings of 36.4 billion yen.

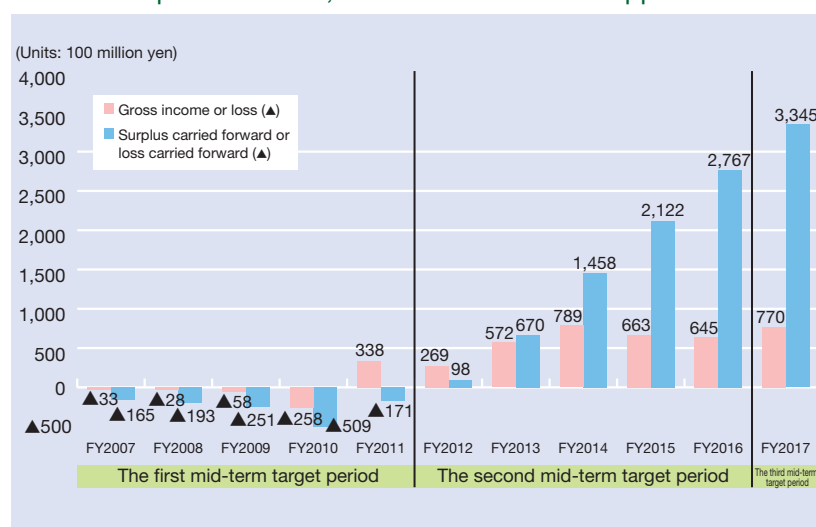
<Housing Loan Fund, etc. Account>

JHF posted gross profit of 6.6 billion yen, 1.8 billion yen decrease year-on-year basis, in the Housing Loan Fund, etc. Account, and retained earnings of 346.3 billion yen (including 298.9 billion yen reserve for the group credit life insurance business).

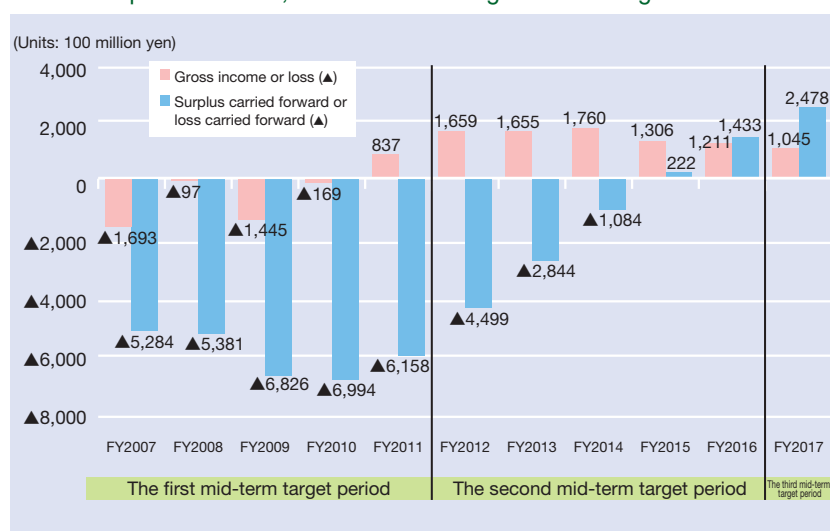
Together with the previously mentioned three accounts plus the Securitization Support Account and Outstanding Loans Management Account, JHF as a whole posted gross profit of 196.2 billion yen.

* Since the Outstanding Loans Management Account is the account that manages the loans originated by the former Government Housing Loan Corporation before FY2004, therefore, the outstanding loan amount will continue decreasing as no new loans will be originated.

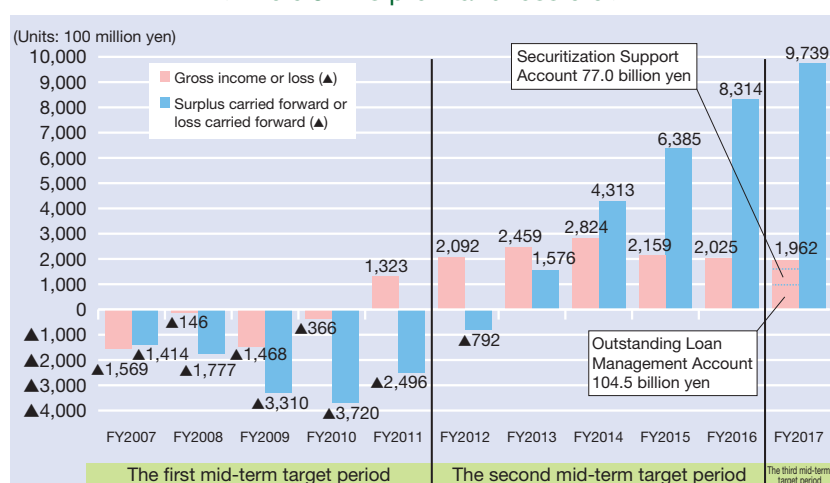
<Status of profit and loss, etc. of Securitization Support Account>



<Status of profit and loss, etc. of Outstanding Loans Management Account>



<Whole JHF's profit and loss etc.>



* As a result of distributions from the reserve fund (retained earnings) for the previous mid-term target period, JHF paid 30.9 billion yen for FY2012 and 44.7 billion yen for FY2017 to the National Treasury.

Status of assets and debts

Total assets as of end of FY2017 amounted approximately 26 trillion yen, and total debts amounted approximately 24 trillion yen. Status of major assets and debts is as follows.

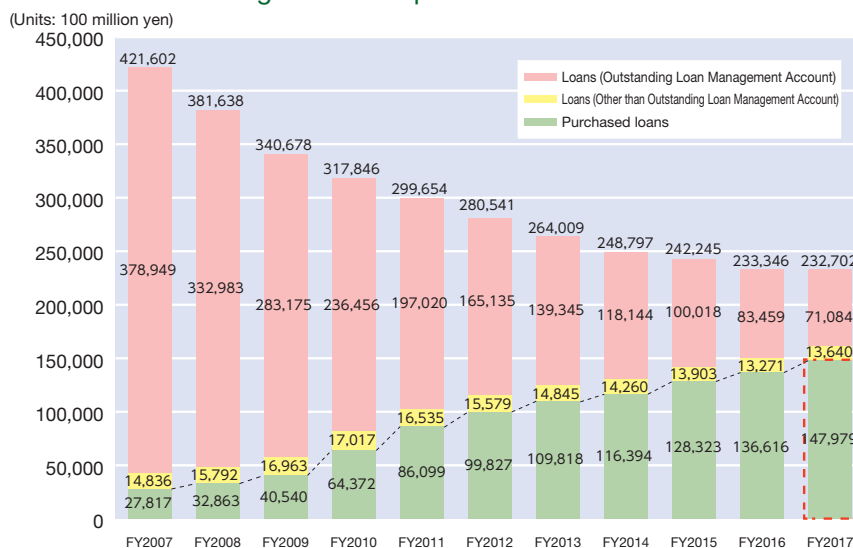
▶ Status of outstanding balance of purchased loans and other loans

The outstanding balance of “Flat 35 (purchased loans)” at the end of FY2017 was approximately 15 trillion yen. The outstanding balance of purchased loans has been increasing year by year and now accounts for 60% of the outstanding balance of the housing loans that JHF holds.

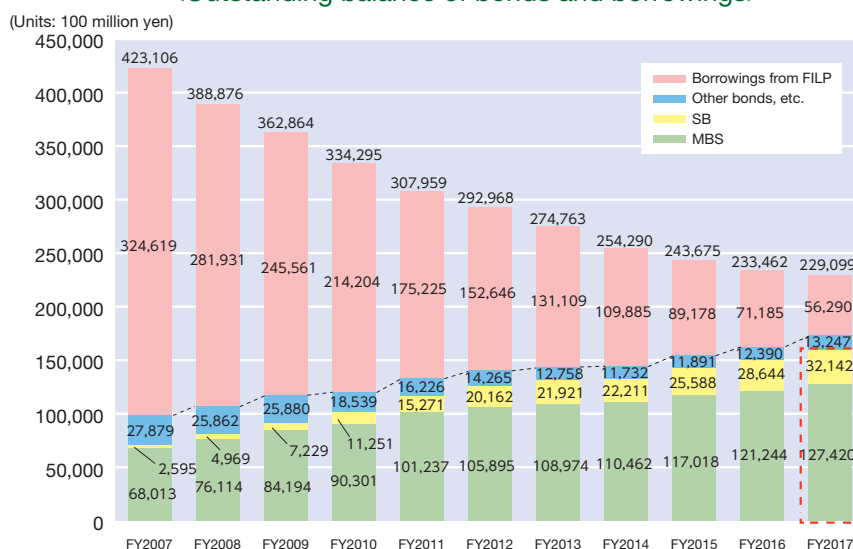
▶ Status of outstanding balance of bonds and borrowings

Fundraising from the financial markets by issuing mortgage-backed securities (MBS) or straight bond (SB) has increased due to business growth of “Flat 35 (purchased loans).” Meanwhile, borrowings from Fiscal Investment and Loan Program (FILP), which are borrowings from the Japanese government, have declined due to the decrease in the balance in the Outstanding Loans Management Account.

<Outstanding balance of purchased loans and other loans>

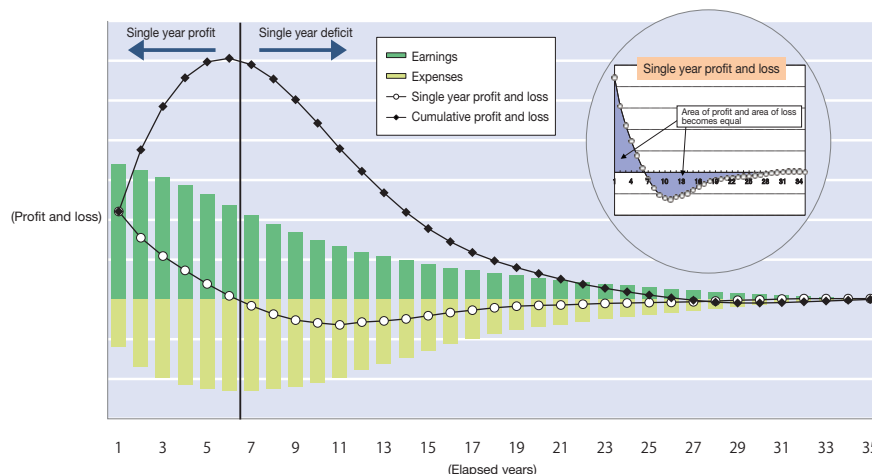


<Outstanding balance of bonds and borrowings>



cf. Credit risk profit loss structure (image)

As expenses tend to be realized later than earnings due to credit risk and interest rate fluctuation risk associated with the Securitization Support Business, etc., the loss in the latter half will be offset by profit in the first half of the loan period.



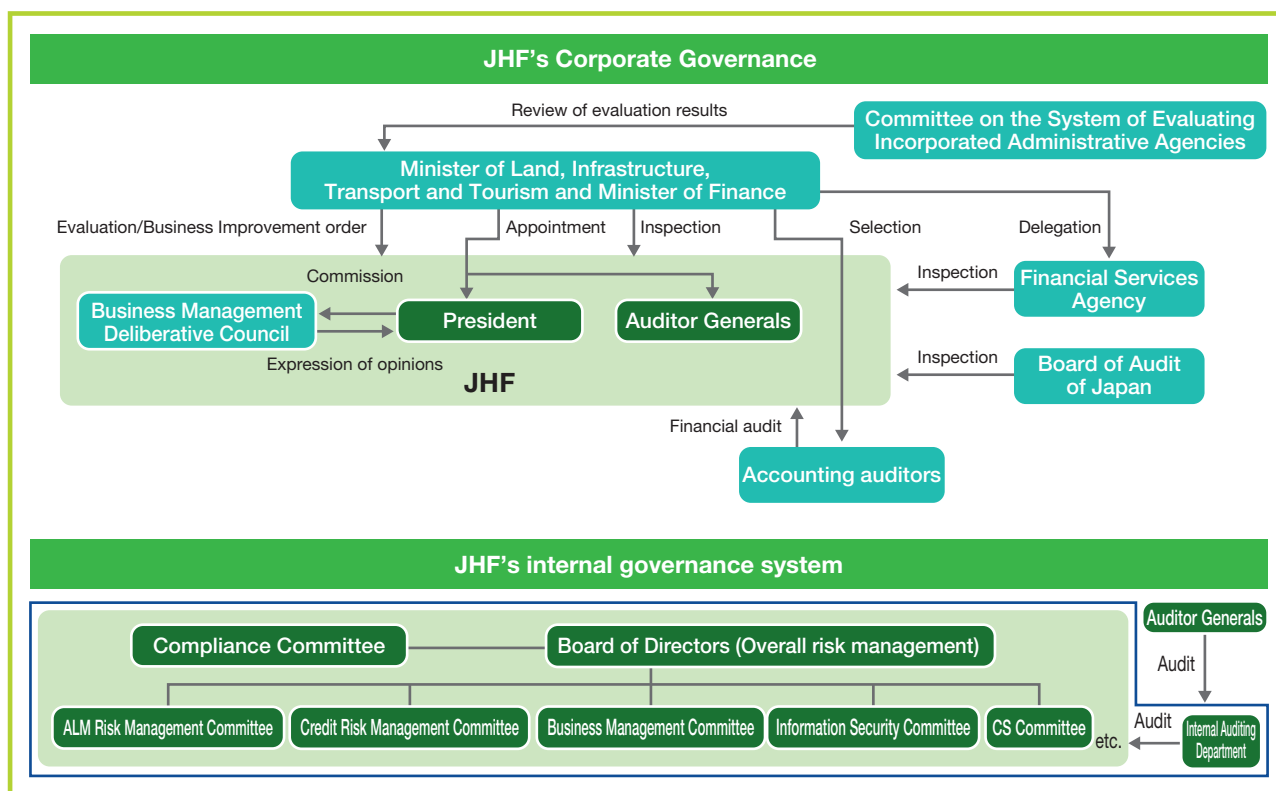
Corporate Governance

Governance Structure

Recognizing its basic mission and social responsibility as an Incorporated Administrative Agency, JHF acknowledges strengthening of corporate governance is an important business issue, therefore, actively implements activities to ensure sound and proper conduct of its business with high ethical standards and wisdom under transparent and efficient management based on the Act

on General Rules for Incorporated Administrative Agency.

Moreover, in order to develop its internal governance system to assure appropriate business operations, JHF has established the Basic Policy on Internal Governance and promotes appropriate internal governance by the PDCA cycle as well as further sophistication of internal governance by enhancing the governance environment.



Business Management Deliberative Council

The Business Management Deliberative Council was established to conduct review by external experts regarding the validity of the business management and by a neutral position in accordance with the Basic Policy on Reform of Incorporated Administrative Agencies (Cabinet decision on December 24, 2013).

<Business Management Deliberative Council Members>

As of April 1st, 2018

○Kazuhiro Ikee	Professor of Economics and Finance, Faculty of Economics, Ritssho University
Sayuri Kawamura	Advanced Senior Economist, Economics Department, The Japan Research Institute, Limited
Toru Kurahashi	Professor, Faculty of Economics, Dokkyo University
◎Takaaki Wakasugi	Professor Emeritus, The University of Tokyo, Co-director, Mitsui Life Financial Research Center, Ross School of Business, The University of Michigan
Kuniaki Watanabe	CEO, Winworks K. K.

(◎: Chairman, ○: Deputy Chairman)

(Honorific titles omitted)

About the Business Management Deliberative Council Report

Since the first meeting held in May 2014, JHF received from the Council suggestions related to improvement of the product feature of loans and business operations, and a report was issued by the Council in March 2018.

The report describes how JHF has been addressing the suggestions made by the Council along with an evaluation by the Council on the relevant JHF's effort.

Of the evaluations made by the Council, JHF received an evaluation that "JHF is sharing roles with private financial institutions" with regards to private-sector supplementation.

Meanwhile, challenges such as providing further assistance to resolve regional policy issues were also indicated. JHF prefers that the Council continues to deliberate on the validity of business operations, and JHF will refer to the results of such deliberations for future business operations.



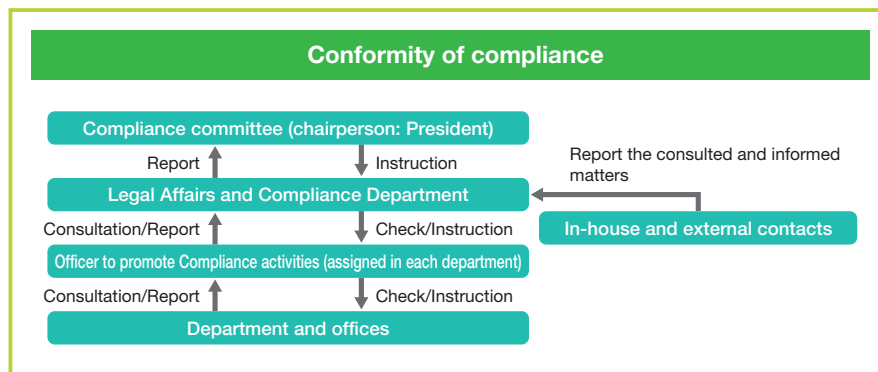
Compliance

Conformity of compliance

In order to surely implement JHF compliance, JHF established the Compliance Committee (chaired by the President) comprised of all of the executives and directors from related departments where JHF discuss and decide important matters related to compliance. In addition, JHF established the Compliance and Legal Department as the head department managing compliance and assigned officers to promote compliance activities within

each department.

Furthermore, in order to prevent compliance violations within JHF, an in-house contact (Compliance Help Line) and external contact for external persons were established.



JHF distributed a pocket-size edition of compliance manual to all of the executives and employees, which serves as a guide to reconsider the activity of JHF business and to make decision in difficult times.

Compliance activities

JHF has established the Compliance Charter as its basic principles of compliance and issued a compliance manual that stipulates the laws and regulations, rules, social requirements, and business related and concerned matters to conform, which has been notified to all of the executives and employees.

Every year, JHF stipulates and executes the Compliance Program as an active plan for our compliance.

Concrete activities under the Compliance Program include e-learning available to all of the executives and employees, compliance meeting conducted by each busi-

ness units (a small group case method discussion will be conducted), and compliance-related information sharing by using the internal LAN, which are dedicated to enhance individual understanding of compliance and promote self-awareness and action by themselves.

In addition, JHF has steadily promoted compliance activities conducting the PDCA cycle in a form of quarterly monitoring of the Compliance Program by the Compliance Committee and modifications of Compliance Program policies, if necessary.

The Compliance Charter (excerpts)

1. We comply with laws, rules and regulations as well as social norms, and strive to undertake all tasks properly in efforts to ensure public confidence.
 - (1) Compliance with laws and regulations as well as social norms
 - (2) Proactive and fair disclosure of information
 - (3) Strict information management
 - (4) Resistance against all anti-social parties
2. We thoroughly strive to pursue customer confidence and satisfaction.
 - (1) Provide comprehensive housing loan services
 - (2) Conduct appropriate and sufficient explanations
 - (3) Respond sincerely to customer voices
3. We respect the personality of each executive and employee and endeavor to secure a pleasant working environment.
 - (1) Respect the personality and character of individuals
 - (2) pleasant working environment

Responses to Anti-social Forces

To reject any relationship with anti-social forces such as organized crime syndicates, JHF has explicitly stated the resistance against all anti-social parties in its compliance charter and established the Basic Policy Against Anti-social Forces, which is available on our website. In addition, regulations and manuals for dealing with such anti-social forces have been prepared. Through these efforts, JHF has established a framework for reporting to and consulting immediately and properly with management and the Legal Affairs and Compliance Department, the department that oversees responses to anti-social forces, in case JHF identifies business related with such anti-social forces or undue

claim from such forces.

JHF also conducts training and other sessions to address undue claims in cooperation with the police and other relevant institutions.

JHF stipulates article on rejection of anti-social forces in its business contracts and eliminates any relationship not only with organized crime syndicates but also with individuals coexisting with anti-social forces trying to illegally receive loans for the benefit of anti-social forces related with organized crime syndicates.

As an organization, JHF will continue its commitment towards rejecting relationship with anti-social forces.

Basic Policy against Anti-social Forces

1. JHF commits to have no relationship with any anti-social forces, and the President, including the management and all employees shall never compromise with such forces.
2. JHF commits to establish a framework to reject anti-social forces and distribute to all of the management and employees the manual describing how to deal with such forces.
3. JHF commits to ensure the safety of management and employees who deal with undue claims from anti-social forces.
4. JHF commits to cooperate closely with external institutions, such as the police, National Center for Removal of Criminal Organization, and lawyers.
5. JHF commits to take both civil and criminal law related actions against undue claims from anti-social forces.
6. JHF commits to never conduct “backstage deals” to conceal facts that undue claims from anti-social forces were made to JHF due to misconduct of JHF’s business activities or its employees.
7. JHF commits to never provide funds to anti-social forces.

Information Security

JHF has been dedicated to conducting information security measures.

In FY2017, JHF enhanced the framework to promote information security measures as follows:

- JHF established information security measures in accordance with “FY2016 Common Standards for Information Security Measures for Government Agencies” established by NISC (National Center of Incident Readiness and Strategy for Cybersecurity).
- JHF implemented information security measures pursuant to FY2017 Information Security Measures Promotion Plan and defined FY2018 Information security Measures Promotion Plan to continue its effort on information security measures.
- JHF conducts training and drills to promote and maintain literacy of JHF’s managers and employees on information security measures but also revise the practice pursuant to self assessment and other results.

Risk Management

In order to maintain the healthiness of JHF's business and gain understanding and trust of the general public, JHF sustains an organizational structure to properly manage the various risks associated with its day-to-day operations.

To be specific, JHF has established risk management regulations, such as "Risk Management Basic Rules" that stipulate the purpose of risk management, characteristics and definitions of individual risks, and methods and audit-

ing of the status of risk management implementation and also "Credit Risk Management Rules" that stipulates specific risk management method of individual risks. Based on these rules, JHF implements risk management incorporating features of businesses, such as housing loans and others, and conducts comprehensive risk management by understanding and valuing the individual risks as a whole considering JHF's business and characteristics.

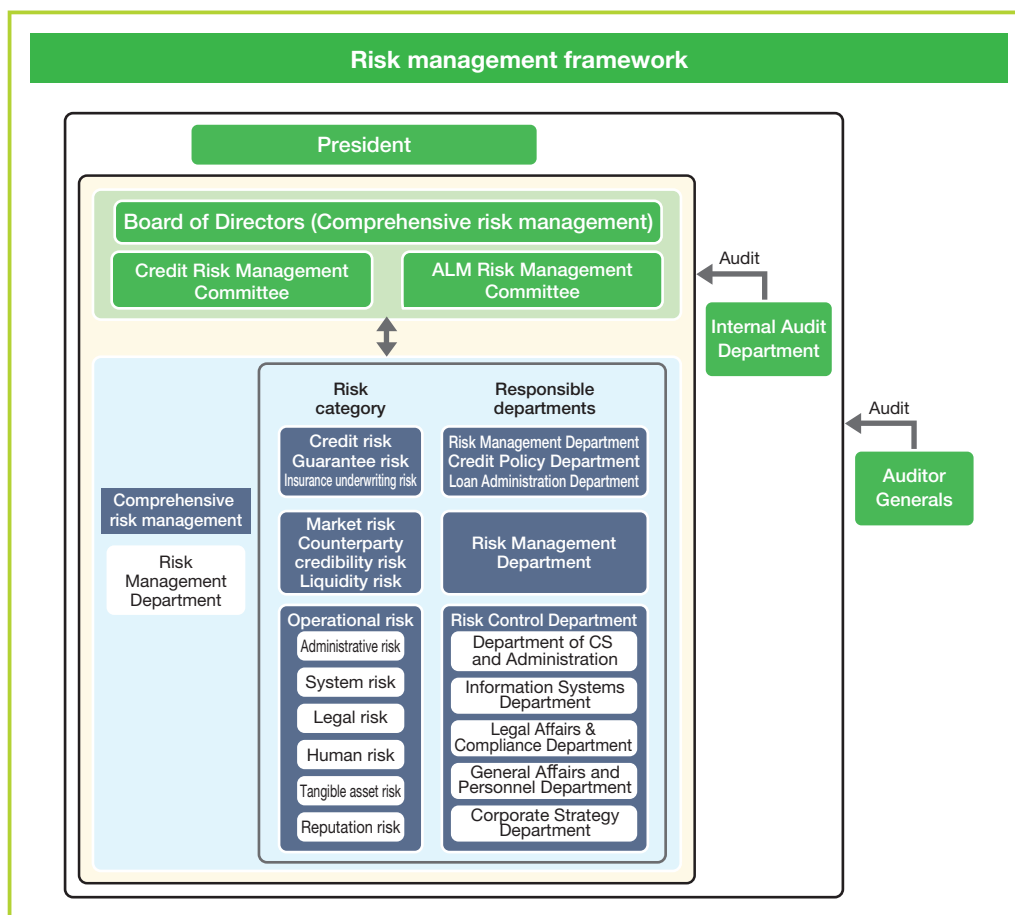
Risk management framework

JHF classifies risks as credit risk, guarantee risk, insurance risk, market risk, counterparty credibility risk, liquidity risk, and operational risk. In the event of a significant change in economic situation, JHF will correspondingly specify the new risk to be managed.

JHF sustains the framework to properly manage these risks in qualitative and quantitative aspects by appointing an executive and a department responsible for managing each risks. In particular, the "Credit Risk Management Committee" was established to manage credit risk, guarantee risk, and insurance risk, and the "ALM Risk Management Committee" was established to manage

market risk, counterparty credibility risk, and liquidity risk. These committees monitor the status of each risk and discuss the risk arrangement planning and proposals.

In addition, JHF assigns an executive and a department responsible for comprehensive risk management to conduct comprehensive risk management on each risk and maintains the framework to track and evaluate the quantified result and the management status of each risk and periodically report the results to the Board of Directors.



Risk categories

Credit risk

Credit risk is defined as the risk of JHF suffering from a loss due to decline or disappearance of asset value caused by deterioration of the creditworthiness of a debtor, which JHF holds as a loan receivable. Since housing loans constitutes major portion of JHF's assets, JHF endeavors to properly underwrite the credit risk of the loans JHF purchases or originates, and properly manage and perform self-assessment of the loans that JHF holds, and track, analyze, and manage the overall credit risk.

►► Underwriting of purchasing and original loans

JHF defines criteria and methods of underwriting and properly underwrites the credit risk of purchasing and originated loans.

►► Self-assessment

JHF properly manages the credit risk of retained loan claims and conducts self-assessment according to JHF defined self-assessment criteria complying with the "Financial Inspection Manual" of the Financial Service Agency in order to properly disclose financial information pursuant to the "Accounting Standards for Incorporated Administrative Agencies." To be specific, JHF calculates the necessary reserves for non-performing loans by classifying JHF's assets in accordance with the uncollectibility and loss severity and then multiplying the expected loss given default ratio calculated based on historical performance of non-performing loans.

►► Credit portfolio management

Using the credit portfolio management system for periodical monitoring, JHF analyzes the utilization status of housing loans, forecasts future losses, and reviews the necessary credit risk premium in order to accurately evaluate the overall credit risk of all the debts that JHF holds and the location of risks. JHF also endeavors to further improve risk quantification by utilizing the credit portfolio management system to strengthen credit risk management.

Guarantee risk

Guarantee risk is defined as risk of JHF suffering from a loss due to opposed fluctuation of a guarantee incident against the estimate made at the time of the guarantee fee calculation. JHF guarantees mortgage-backed securities (MBS) under the securitization support business (guarantee program). JHF performs proper underwriting and endeavors to track, analyze, and manage the overall guarantee risk.

Insurance underwriting risk

Insurance underwriting risk is defined as the risk of JHF suffering from a loss due to opposed fluctuation of an insurance incident against the estimates made at the time of the insurance premium calculation. JHF underwrites insurance for non-performing housing loans originated by private financial institutions. JHF performs proper underwriting and endeavors to track, analyze, and manage the overall insurance risk by monitoring utilizing the credit portfolio management system and by verifying whether the unused policy reserve is sufficient by conducting future cash flow analysis.

Market risk

Market risk is defined as the risk of fluctuation of periodic income and loss due to changes in the risk factors, such as the interest rates and others. Since housing loan constitutes major portion of JHF's asset, market risk includes prepayment risk, refinancing and reinvestment risks, and pipeline risk and others.

►► Prepayment risk

Prepayment risk is defined as the risk of deterioration of periodic income and loss due to loss of expected interest income caused by an increase in the loan prepayment amount triggered by a decline in the interest rate. JHF manages the risk by estimating the prepayment amount using the prepayment model and by securitizing the housing loans and by issuing bonds of various maturities.

►► Refinancing and reinvestment risks

Refinancing and reinvestment risks are defined as the risk for deterioration of periodic income and loss due to increased interest payment caused by increased funding cost or due to decreased interest income caused by decreased interest on investment under the circumstances of refinancing or reinvestment. JHF manages the risk by utilizing the interest model to estimate the cash flow of assets and debts incorporating future interest rate fluctuations and forecasting periodical income and loss according to such cash flow, and by periodically monitoring the risk indexes, such as duration and others.

►► Pipeline risk

Pipeline risk is defined as the risk of fluctuation of periodic income and loss due to fluctuation of interest rate between settlement of housing loan interest rate and determination of funding interest rate applicable to such housing loan. JHF manages the risk by conducting interest rate swaps for hedging purpose.

Counterparty credibility risk

Counterparty credibility risk is defined as the risk of JHF suffering from a loss due to decline or disappearance of asset values caused by financial deterioration of bond issuers which JHF invests its surplus funds and of JHF's interest rate swap transaction counterparties. JHF defines the counterparty credibility risk management methods of bond issuers and interest rate swap transaction counterparties and conducts monitoring.

Liquidity risk

Liquidity risk is defined as the risk of JHF forced to fund raise necessary monies at cost significantly higher than normal or JHF falls into cash shortage by financial deterioration and incur losses under such situations: or the risk of transaction unavailability in the market due to market turmoil or the risk of JHF forced to conduct transaction at adverse price and incur losses under such situations. JHF sets the minimum retained amount of liquidity assets as a management standard and as a measure against liquidity risk, which JHF conforms to maintain in daily operations, therefore, JHF conducts stable cash management operations. In addition, emergency credit line is set to achieve secured funding source and JHF sets liquidity management classifications (defined as normal, cautious, and crisis situations) according to the urgency of funding needs and sets actions of JHF under cautious and crisis situations." Furthermore, JHF sustains an organizational structure and defines an action plan so called contingency funding plan to enable prompt response when liquidity risk becomes eminent.

Operational risk

Operational risk is defined as the risk of JHF suffering from a loss due to improper operational processes, improper behavior of executives and employees, or improper operation of information systems, or an external event. The risk includes administrative risk, system risk, legal risk, human risk, tangible asset risk, and reputation risk. JHF is improving the organizational structure to manage the operational risk by tracking the occurrence of evident risks by collecting information, by defining measures based on causality analysis, by self-analyzing the internal risk of operations and the control method of constraining, and by implementing RCSA (Risk & Control Self-Assessment) to improve operations based on the results of self analysis. The following are the definitions and control methods of main operational risks.

▶▶ Administrative risk

Administrative risk is defined as the risk of JHF suffering from a loss due to inaccurate administration work, accident, or misconduct and others by the executives and employees (including others excluding JHF's executives and employees engaged in JHF's operations), or by misconduct of those not engaged in JHF's operations. JHF endeavors to reduce administrative risk by preparing administration work manuals, by improving administrative work, by completing crosschecking between employees, by providing instructions and training on administrative work, by performing internal self-check ups, and by collecting and analyzing information on administrative errors and taking preventive measures against recurrence.

▶▶ System risk

System risk is defined as the risk of JHF suffering from a loss due to failure, malfunction, defect, or misuse of information systems. JHF endeavors to reduce system risk by taking measures based on classifications according to importance and risk assessment, by developing systems with functionalities, reliability, and information security considered, and by collecting and analyzing information on system failures and taking preventive measures against recurrence. In preparation for serious failures, JHF prepared crisis management manual and endeavors to maintain stable operations by taking necessary measures, such as duplexing systems, establishing backup centers, and conducting emergency drills.

▶▶ Legal risk

Legal risk is defined as the risk of JHF suffering from a loss due to unlawful acts, inappropriate contracts, or uncertainty in legal matters related to business transactions. JHF endeavors to reduce legal risk by conducting legal check of Legal Affairs & Compliance Department performs before establishing internal regulations, creating contracts, and posting advertisements. JHF also prevents violations of laws and regulations by collecting information on new legislation, amendments and others, and business related legal precedents.

Others

As a measure for comprehensive risk management, JHF conducts simulation of life-time future income for mid-to-long term.

Based on cash flow incorporating future interest rates fluctuation, the cross-sectional risk simulation calculates whether losses resulting from both credit risk and market risk are covered by interest income.

The simulation also performs stress tests on the two risks and scenario analyses based on business volume change to verify financial resilience.

Details of JHF Business

Funding

JHF's major funding sources are mortgage-backed securities ("MBS") and straight bonds with general mortgage ("SB").

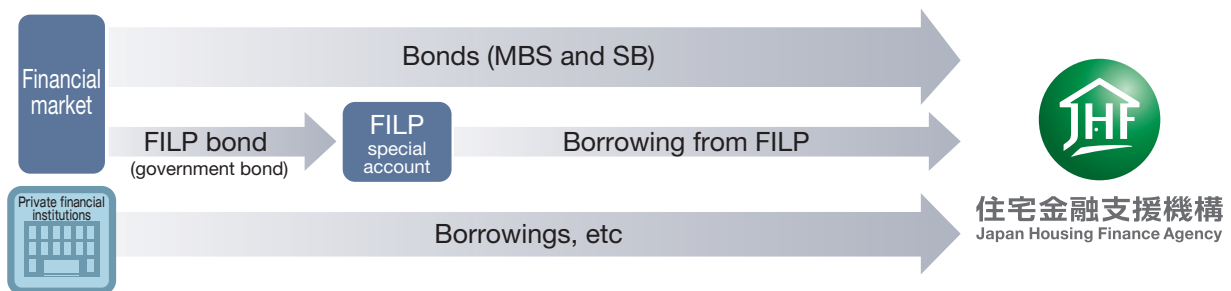
JHF procures funding required for operations such as the securitization support business mainly from the financial market by issuance of MBS and SB.

In addition, implementation of fundraising by syndicat-

ed loans etc. still continues.

JHF limits use of borrowings from Fiscal Investment and Loan Program (FILP) to loans for recovery from disasters requiring emergency measures.

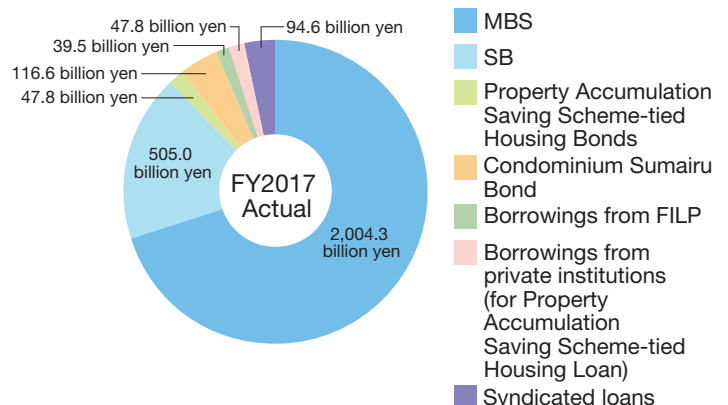
Overview of funding



Breakdown of funding

The majority of funds are procured by issuance of MBS and SB.

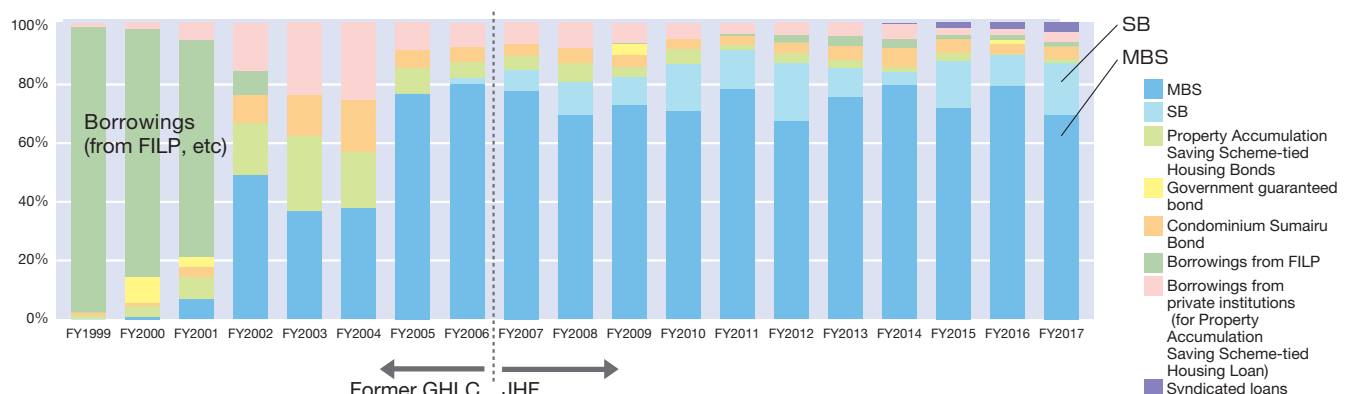
		Results of FY2017
Bonds	MBS	2,004.3 billion yen
	SB	505.0 billion yen
	Property Accumulation Savings Scheme-tied Housing Bonds	47.8 billion yen
	Condominium Sumairu Bond	116.6 billion yen
	From FILP	39.5 billion yen
Borrowings	From private institutions (for Property Accumulation Saving Scheme-tied Housing Loan)	47.8 billion yen
	Syndicated loans	94.6 billion yen
Total		2,855.6 billion yen



Trend of funding sources

JHF shifted its main business from direct loans of the former Government Housing Loan Corporation (GHLC) to Securitization Support Business aimed to support provision of mortgages with fixed interest rate throughout the

loan duration by private financial institutions. Due to this change, main funding sources also has shifted from borrowings from FILP to funding from the financial market by issuance of MBS and SB.



Product features of MBS and SB

	MBS	SB
Collateral	Housing loans ^{*1}	General mortgage ^{*2}
Rating at time of issuance ^{*3}	S&P: AAA R&I: AAA	S&P: A+ R&I: AA+
Redemption methods	Monthly pass-through redemption ^{*4}	Bullet payment on maturity date
BIS risk weight ^{*5}	10% (Standardized approach)	
Eligible collateral security under the requirements of the Bank of Japan	Eligible	
Large exposure restrictions ^{*6}	Out of target	
Amount paid (issuance price)	100 yen paid per 100 yen face value (issued at par)	

^{*}as of May 8, 2018

^{*1}. MBS entrusts housing loans “Flat 35” purchased by JHF as collateral at each issuance.

^{*2}. SB is a general mortgage bond in accordance with the provision of Article 19 Paragraph 4 of the Act on the Japan Housing Finance Agency, Independent Administrative Agency, and creditors (SB investors) have the right (lien) to receive repayment of their receivables in relation to JHF assets ahead of other creditors. This lien has the second highest order of priority, after a general lien, as defined by the provision of the Civil Code (Paragraph 5 of the Article above).

^{*3}. - S&P: S&P Global Ratings Japan Inc.
- R&I: Rating and Investment Information, Inc.
The rating of MBS given by S&P has an identifier (sf) that indicates structured finance.

^{*4}. See the following page for the monthly pass-through payment method.

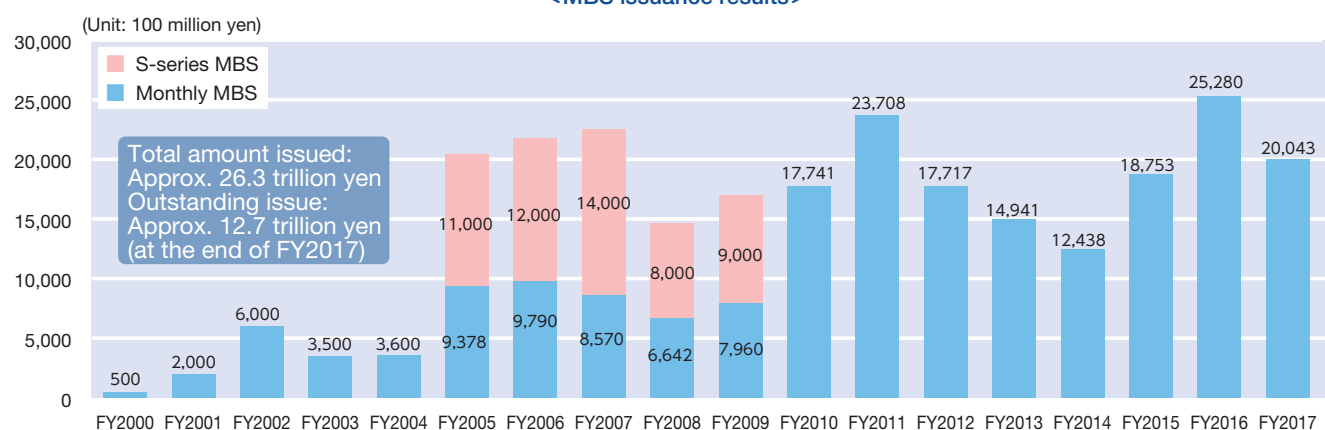
^{*5}. The capital adequacy ratio under the BIS regulations is obtained by dividing the stockholders' equity by risk assets. Each asset has a loanable value in accordance with the degree of risk, which is referred to as “risk weight.”

^{*6}. JHF falls under “a corporation that may issue bonds pursuant to a special Act, among corporations that were established pursuant to said special Act and do not have contributed funds from anyone other than the national government, a corporation and a local government set forth in that item,” as set forth in the Order for Enforcement of the Banking Act as an exception for application of this Regulation.

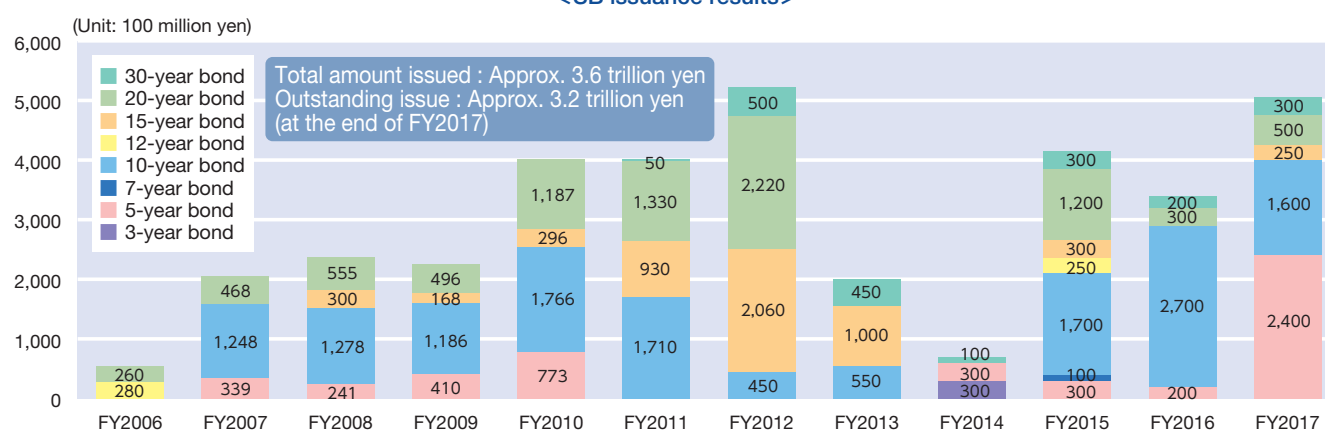
Issuance results of MBS and SB

Monthly MBS and SB are issued to procure funds for “Flat 35” and JHF loans while S-series MBS is issued for the purpose of refinancing outstanding loans from the former GHLC business.

<MBS issuance results>



<SB issuance results>



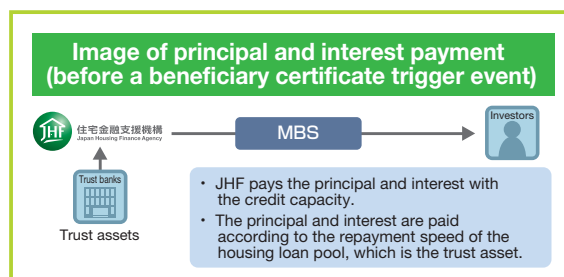
Key Features of MBS (Monthly MBS)

Asset-based Zaito Agency Bond

- Prior to a beneficiary certificate trigger event*, JHF pays the principal and interest with its credit capability, and when a beneficiary certificate trigger event occurs, the MBS is no longer a Zaito Agency Bond but converted to a beneficiary certificate.
- The risk weight under the Basel Capital Accords is 10% by the standard credit risk method.

* Beneficiary certificate trigger events

1. The successor of JHF Monthly MBS obligation is not determined by the act, and the dissolution of JHF is enforced by the act and JHF is dissolved by this act.
2. An act is enacted to designate as the successor of JHF Monthly MBS obligation a joint stock corporation (kabushiki kaisha) or a legal entity to which application of the Corporate Reorganization Act or other similar bankruptcy proceedings is legally permitted, and JHF is dissolved by such act.
3. An act is enacted to designate as JHF Monthly MBS obligor a joint stock corporation or a legal entity to which application of the Corporate Reorganization Act or other similar bankruptcy proceedings is legally permitted, and JHF MBS obligor becomes such legal entity.
4. JHF fails to fulfill its payment obligation under JHF Monthly MBS or other bond issued or assumed by JHF on the day such obligation is due and such condition is not cured within 7 days.



Homogeneous and regionally diversified housing loan pool

- JHF purchases mortgages nationwide to create housing loan pool with highly effective regional diversification.
- JHF applies standardized criteria for purchasing mortgages from private financial institutions to create homogeneous housing loan pool.



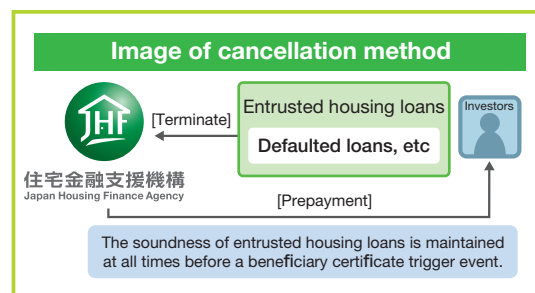
JHF bears credit risk of defaulted loans

- JHF pays MBS principal and interest on delinquent loans to investors for up to three months as if the loans were current.
- JHF will terminate defaulted loans including loans delinquent for four months from the trust. Therefore, such loans will be treated as prepayments and JHF removes such defaulted loans from the trust asset and repays an amount equivalent to the outstanding principal amount of the defaulted loan multiplied by the outstanding principal amount of the MBS divided by the outstanding amount of entrusted housing loans¹ [Prepayment Method]^{2, 3}.

^{*1}. The outstanding amount of the entrusted housing loan on assumption that there is no delinquency of the entrusted housing loan

^{*2}. As for S-series MBS and Monthly MBS issued by former GHLC, JHF maintains the soundness of the entrusted housing loan pool by replacing entrusted loans defaulted due to four-month delay and so on with equivalent housing loans. [Replacement method]

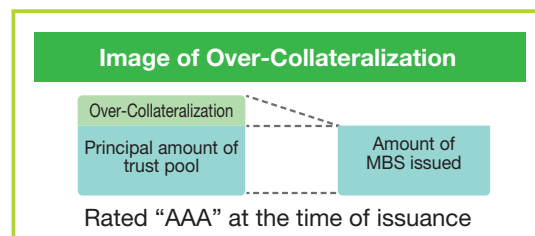
^{*3}. The “cancellation method” and the “replacement method” are applicable only prior to a beneficiary trigger event.



JHF achieves AAA rating by Over-Collateralization

- JHF receives AAA rating (the highest) from S&P and R&I at the time of issuance by setting a sufficient level of Over-Collateralization*.
- Minimizing the associated credit risk to the lowest level, investors are eligible to focus just on interest-rate risk and prepayment risk when deciding JHF MBS investment.

* Over-Collateralization is the amount of the total entrusted housing loan amount exceeding the amount of MBS issued, which functions as credit enhancement after a beneficiary certificate trigger event.



Monthly payment of MBS principal and interest according to the repayment of the entrusted housing loan pool (Monthly Pass-Through Payment Method)

- JHF pays MBS principal and interest to the investors according to the repayment amount of the entrusted housing loan pool that serves as the asset backing MBS.
- In general, repayment of the principal and interest of housing loans is made every month. Thus, the Monthly payment

of MBS principal and interest is paid monthly as well.

- Since prepayment is possible in addition to scheduled payment with housing loans, monthly payment of MBS principal and interest changes depending on the situation of prepayment of housing loans.

Efforts for International Business at JHF

International business was explicitly stated in the third Medium-term Target and Medium-term Plan, therefore, JHF established Office of International Affairs in the Corporate Strategy Department in April 2017. And in April 2018, Office of International Affairs was merged with Research and Survey Department to form the Department of International Affairs and Research to reinforce collaboration between JHF and domestic and/or foreign organizations.

Strengthening collaboration with foreign organizations

Practical Training for Government of the Republic of the Union of Myanmar (Myanmar) and Its Related Organizations and Others

Between late July and early August 2017, targeting the staff members of the Ministry of Construction and the Ministry of Planning and Finance of Myanmar, Central Bank of Myanmar, Myanmar Economic Bank, Construction and Housing Development Bank (CHDB)*, Yangon City Development Committee and Myanmar Engineering Society, a Housing Finance Workshop was held by JICA (Japan International Cooperation Agency) where JHF also participated, and practical training and information exchange were carried out.

In February 2018, Vice President of JHF visited the CHDB in Yangon, Myanmar, and discussed the future cooperation. In addition, a Country Focused Training for Myanmar Housing Economy for Myanmar government-related organizations and others was held in Tokyo in the same month where a staff member from JHF gave lectures on creating a housing finance system.

In March 2018, JICA concluded a Japanese ODA Loan Agreement (L/A) with the government of Myanmar in the capital city of NayPyiTaw. The scope of the L/A includes Housing Finance Development Project (loan amounting to 15 billion yen), a project expected to contribute to improvement of the lives of the citizens of Myanmar and the development of the housing sector.

*As of now, the name is changed to Construction, Housing & Infrastructure Development Bank (CHID Bank).

<Practical Training of Housing Finance Workshop>



<JHF's Vice President's visit to Myanmar>



Japan-US Joint Research with Ginnie Mae and Others

In Washington D.C., United States of America (USA), the first meeting of "Aging in Place", a joint research focusing on local residency of aged persons conducted together with the US Department of Housing and Urban Development (HUD), Ginnie Mae (Government National Mortgage Association), the Policy Research Institute for Land, Infrastructure, Transport and Tourism, and the Urban Renaissance Agency (UR), was held in February 2017 followed by a second meeting in June 2017.

These efforts were mentioned on the website of the Ministry of Foreign Affairs of Japan introducing the November 2017 Japan-USA Summit Meeting as "The two leaders shared the view that both countries will promote further cooperation in such areas as the exploration of space, health, and 'aging in place'."

The third meeting was held in Tokyo in December 2017.

In these research meetings, JHF staff members gave lectures on aging society situation in Japan and its impact on the Japanese economy, and the efforts of JHF, and also exchanged information with the attendees on the current situation of the reverse mortgage systems in Japan and in the USA.

<Lectures at the second meeting>



<Lectures at the third meeting>



Conclusion of Memorandum of Cooperation with the SMF of Indonesia

In July 2017, JHF concluded a Memorandum of Cooperation (MOC) on housing finance with PT Sarana Multigriya Finansial (Persero): (SMF) of the Republic of Indonesia.

SMF is a government-related financial institution established in 2005, fully capitalized by the government of the Republic of Indonesia, and is engaged in securitization support business.

In the fourth Asian Fixed Income Summit (AFIS) held by SMF in the Republic of Indonesia in September 2017, JHF staff member gave lectures.

<Conclusion of Memorandum of Cooperation>



<Lecture at Fourth AFIS>



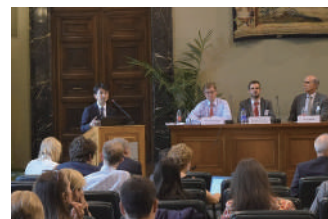
Research on overseas housing finance and dissemination of information to overseas

Communicating with international and overseas public and private organizations and attending international conferences, JHF provides information of JHF and Japanese housing finance market and contributes to facilitation of mutual and international understanding.

As one of JHF's major activities in FY2007, JHF attended the European Mortgage Federation (EMF) / European Covered Bond Council (ECBC) Energy Efficient Mortgage Action Plan kickoff meeting in Rome, Italian Republic, in June 2017, and lectured on energy conservation and earthquake-resistant performance features applicable to JHF's housing loans and on Housing Performance Indication System and others in Japan.

In addition, in February 2018, the Euromoney/ECBC Asian Covered Bond Forum was held in the Republic of Singapore, and JHF staff member participated in panel discussions on market trends of covered bonds.

<Lecture at the EMF/ECBC Energy Efficient Mortgage Action Plan kickoff meeting>



Dissemination of results of research and study with respect to Japan's housing finance Particularly in Asia to the whole world

■ International conferences overseas

April 2017	Norway EMF/ECBC Meeting
June 2017	Italy EMF/ECBC Meeting
June 2017	United States Aging in Place Research Project 2nd Meeting
September 2017	Indonesia Indonesia-Japan Urban Development and Housing Seminar 2017
September 2017	Indonesia ASHMA*1 Annual Meeting, AFIS
September 2017	Hong Kong ASIFMA*2 Meeting
February 2018	Singapore Euromoney/ECBC Meeting
February 2018	Myanmar Meeting with CHDB
February 2018	Thailand Meeting with SMC*3
March 2018	Myanmar Myanmar-Japan Vice Ministerial Level Meeting on Infrastructure Development

■ Visit to JHF

June 2017	Indonesia SMF President Director
July 2017	Indonesia SMF President Director
August 2017	Myanmar CHDB Managing Director
October 2017	Philippines Asian Institute of Management and Executives of Makati City
December 2017	Korea Korea Research Institute for Human Settlements

■ International conferences and workshops in Tokyo

April 2017	JICA Workshop for Respective Countries (Myanmar)
June 2017	JICA Workshop for Respective Countries (Cambodia)
August 2017	JICA Housing Finance Workshop (Myanmar)
August 2017	Japan-Korea Housing and Building Conference
October 2017	JICA Thematic Workshop (Improvement and Disaster Prevention of Housing and Living Environment)
November 2017	IHHWC*4
December 2017	Aging in Place Research Project 3rd Meeting
January 2018	Indonesia-Japan High Level Meeting on Infrastructure Development
February 2018	JICA Workshop for Respective Countries (Myanmar)
March 2018	JICA and National Graduate Institute for Policy Studies Strategic Policy Research and Innovation Program

*1 Asian Secondary Mortgage Market Association *2 Asia Securities Industry & Financial Markets Association

*3 Secondary Mortgage Corporation *4 International Housing & Home Warranty Conference

Efforts on "Act on Promoting Entry of Japanese Business Operators into Overseas Social Capital Projects"

As the Act on Promoting Entry of Japanese Business Operators into Overseas Social Capital Projects has been promulgated,* JHF will actively conduct a survey, study and information sharing on housing finance and in foreign countries but focusing on emerging countries and in accordance with the basic policies provided by the Minister of Land, Infrastructure, Transport and Tourism under the Act.

*The Act on Promoting Entry of Japanese Business Operators into Overseas Social Capital Projects was promulgated on June 1, 2018. The Act shall enter into force within three months from the day of promulgation.