



Integrated Report 2026



Japan Housing
Finance Agency

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Working with you to create homes filled with joy.

There are homes that offer tranquility and peace of mind, and homes that offer space to play and have fun.

Everyone's needs are different, and those needs change with the times.

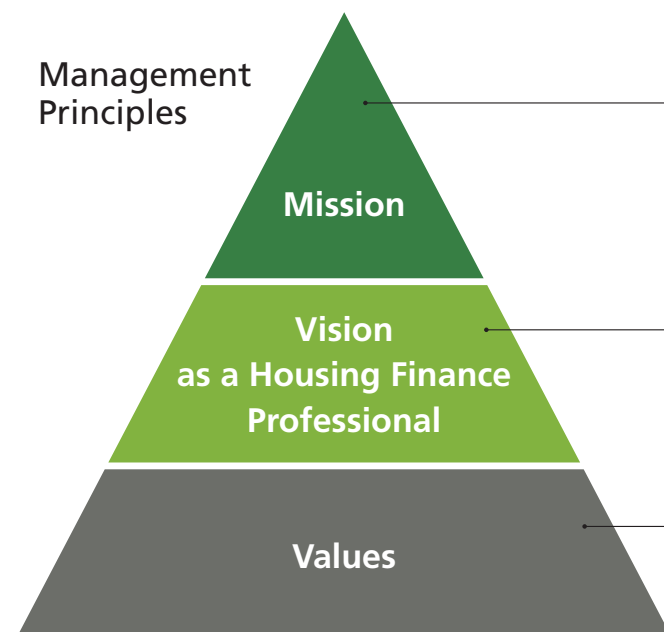
That's why we work closely with our partners to finance homes that bring joy to everyone and make housing more accessible to all.

The Japan Housing Finance Agency.

Working with you to create homes filled with joy.



Management Principles



Mission

We support the stable supply of funding to the housing finance market and contribute to improving residential living in Japan by providing diverse financial services in the aim of creating customer value based on highly transparent, highly efficient independent management.

**Vision
as a Housing Finance
Professional**

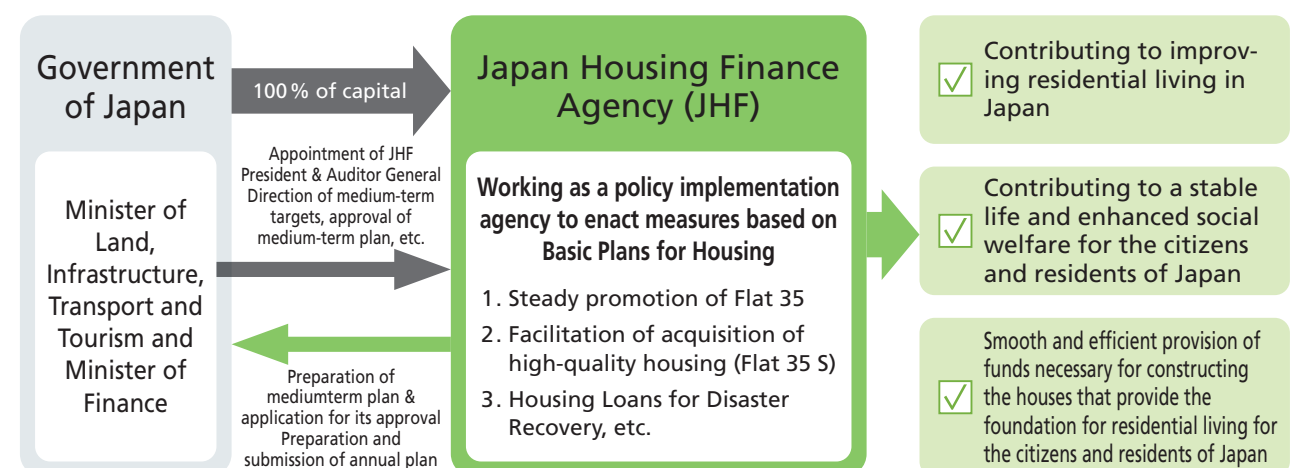
We aim to maintain our role as a professional organization working with you to create homes filled with joy, whatever shape that joy takes in our changing world.

Long-Term Vision: Japan Housing Finance Agency Vision 2035

Values

We value integrity, swiftness, and action for the sake of customers' security and satisfaction.

Integration with government and policy





President
Incorporated Administrative Agency Japan
Housing Finance Agency

毛利 信二
MOURI Shinji

JHF's contribution to realize the new Basic Plans for Housing by enhancing the “power of empathy of our people” and the “power of our organizational resonance” and by responding to a world with positive interest rates

I am Shinji Mouri, President of the Incorporated Administrative Agency Japan Housing Finance Agency. I would like to take this opportunity to express my heartfelt gratitude for your understanding and support of JHF's operations.

In fiscal 2026, JHF will,

- (1) by complementing market functions, respond appropriately to changes in the housing market created by the full-fledged arrival of a world with positive interest rates; and
- (2) fulfill the diverse roles expected under the new Basic Plans for Housing and actively contribute to the realization of those plans.

And, by enhancing the “power of empathy of our people” and the “power of our organizational resonance” that are the key to achieve the aforementioned goals, we will be the entity to realize our Long-Term Vision, “working with you to create homes filled with joy.”

I Adapting to “a world with positive interest rates” by complementing market functions

(1) What lies beyond the emerging changes in the housing loan market

• Changes in the housing loan market

The escalating situation in the Middle East and other factors have had a variety of impacts on our daily lives and the economy. While the housing market is no exception, the full-fledged return to a world with positive interest rates is already bringing about clear changes in the housing loan market, ahead of broader changes in the world.

Specifically, concern about rising interest rates is spreading among more than half of borrowers with variable-rate housing loans, and a clear preference is emerging for fixed-rate housing loans, which enable predetermined repayment amounts. What lies behind is a growing sense of burden on household expenses resulting from continued inflation and stagnation of real wages.

• Inherent risks in the housing loan market

Ultra-long-term housing loans, with loan tenor exceeding 40 years, are also utilized to reduce monthly repayment amounts. Extending the repayment period increases exposure to interest rate fluctuation risk, particularly for variable-rate loans, which leads to the importance of borrowers to fully understand that risk. On the other hand, we are also witnessing changes in the lending stance of private financial institutions, including increasing the interest rates applied at loan underwriting.

If borrowers will still continue repayments in their later years even when their income declines, repayment of remaining principal upon inheritance or refinancing into a reverse-mortgage-type loan which enables reduction of

the remaining balance to zero through the sale of assets can be an effective option. If interest-only payments lead to easing of the burden of monthly household expenses, borrowers could allocate funds to renovations and other means of maintaining the value of their housing assets.

• The importance of improving financial literacy

In response to these circumstances, to enable the appropriate selection and use of housing loans, the Japan Housing Finance Agency is working to improve financial literacy among current and prospective housing loan borrowers. These efforts include collaborations with the Japan Financial Literacy and Education Corporation (J-FLEC) and others, the launch of dedicated websites, and posting of YouTube videos.

Our initiatives are aligned with various government policies, including “efforts to facilitate the use of fixed-rate mortgages” (Basic Policy on Economic and Fiscal Management and Reform, June 2025) and “Increasing Awareness of Interest Rate Risks” (Comprehensive Economic Measures, November 2025). Readers should also be aware that, at the end of last fiscal year, the government issued a notification urging financial institutions and housing industry entities to accurately and specifically communicate to housing loan borrowers about interest rate fluctuation risk, in light of the vulnerability of a housing loan market heavily skewed toward variable-rate housing loans.

• **Stabilization of long-term fixed interest rates and countermeasures against high prices**

JHF's efforts go beyond financial literacy proliferation activities. We have also worked to contain the increase of Flat 35 interest rates through improved funding raising and other measures. In addition, we have enhanced subsidized interest rate programs for childrearing families and introduced easing of interest rates for refinancing, and launched a new "Retained Value Housing Loan"..." Through these and other initiatives, we have worked to provide housing loans that can serve as realistic options even in a world with positive interest rates and increasing prices. Further, as a way to adapt to soaring prices, for the first time in 20 years, we raised the limit of loan amounts to 120 million Yen.

• **Expectations for the restoration of sound market functions and beyond**

Recognizing that these initiatives are part of the process of adapting to a full-fledged world with positive interest rates, we have undertaken them from the perspective of complementing market functions as a public financial institution. Witnessing the increase in the use of Flat 35 loans since last year, we believe that these efforts have contributed to forming a gradual adaptation process and to a certain extent.

Going forward, while setting interest rates for Flat 35 and other products in line with prevailing long-term interest rate

(2) For stable fund raising

On the other hand, during periods of rising interest rates, JHF MBS and Japanese Government Bonds face similar issue that newly issuance in the bond market becomes difficult.

In fact, JHF MBS spreads have been increasing amid heightened market volatility following the sharp rise in long-term Japanese Government Bond yields since last autumn. Because the funding cost of JHF MBS affects the

increase, we hope to witness the gradual adaptation process to a world with positive interest rates and proceed as gradually as possible, in tandem with envisaged policy rate hikes. We also hope that this will help a formation of market where borrowers will choose appropriate loan products that suit their repayment capacity, rather than making decisions based solely on interest rates.

Against the backdrop of rising prices and similar circumstances, we believe that homebuyers will continue to require various kinds of policy-based support. For this reason, JHF will also continue to offer a diverse range of realistic options by further enhancing our Flat 35 loans and other products, including making online applications more broadly available. At the same time, we plan to provide other services throughout the housing lifecycle, including providing information useful when renovating or moving to a new home. Further, we are also considering developing a system to enable appropriate valuation of the asset by incorporating the renovation history and other relevant factors, foreseeing to offer full-fledged Retained Value Housing Loan.

By providing these services and products, JHF continues its contributions toward "working with you to create homes filled with joy", while complementing market functions in any era.

interest rates of Flat 35 and other loan products, in addition to keeping up active dialogue with investors, we will make further efforts to ensure stable funding of business funds, including issuing new types of bonds such as "E55 Bonds" and "Green MBS."

JHF has secured a diverse funding methods other than JHF MBS, so bond market conditions will not immediately lead to financing issues.

housing lifecycle, and (2) the enhancement of customer services leveraging generative AI and other relevant technologies.

First, by offering a points service scheduled to be launched this autumn, we will accumulate home renovation records provided by our customers, and we will start considering new services that will benefit customers at the timing of selling their homes or moving to a new home in the future.

We will also work toward leveraging generative AI to provide services to customers such as loan selection advise.

• **Expansion of sound use of AI**

The AI screening model introduced last year with the objective of eliminating submission of disqualified applications has already demonstrated more than expected with accuracy and speed that is leading to increased credibility.

We will eventually proceed to introducing AI across our overall underwriting processes.

With the introduction of COMPASS, JHF's proprietary IT support system, we are working to expand the application of generative AI. For example, such system is increasingly used to produce documents for non-Japanese customers and to draft FAQs for complex products. Further, as part of

(2) Human capital investment strategy

• **Securing and developing highly empathetic people**
Investment in our people is essential to the advancement of JHF's digital transformation (DX) and to ensuring that JHF continues to be a "policy realizing organization." Alongside DX, human capital investment is one of the two wheels driving JHF's management. It is a never ending challenge aimed to enhance corporate value.

JHF's human capital investment utilizes the characteristics of our organization, which is a "public financial institution having its own frontlines." We have defined our ideal talent profile as "people with the high ability to empathize with the frontlines." On that basis, in addition to appointing people in ways that take maximum advantage of their frontline experience and incorporating recommendation from young employees constituting project team, we are taking bold steps to reform our existing personnel and compensation program and improve the workplace environment. By such measures, we have already achieved a major series of reforms, including three consecutive years salary increases that exceed those for national civil servants, increased bonus payout coefficients for top performers, a more flexible program that allows employees to take on side jobs, the introduction of a "work suspension program to allow employees to relocate with their spouses to another location," "a childrearing holiday program that allows family members to participate," and a transfer supporting allowance program, and the installment of staff cafeterias and others.

our annual "Kaizen activities (activities to change for the better)," which have continued for 20 plus years, we are promoting to create a workplace that encourages employees to compete application of generative AI when developing user interfaces.

We are hoping to be an organization that "continues evolving and never stops."

• **Securing and developing of digital talent**

In the securing and development of specialized talent across seven fields, including architecture, we will place particular emphasis on digital talent that creates added value. We will clarify the standard of skills required for each level ranging from business architects to data scientists, while actively promoting recruitment from outside, secondments to IT companies, and the enhancement of organizational support for effective training and professional certification.

• **Toward better engagement through thorough health and productivity management**

In my messages from the President, I have repeatedly conveyed to our staff members that their health and that of their families are the most valued. In addition, as well as placing efforts into preventive healthcare, such as bringing annual health check items up to the same level as those included in comprehensive medical checkups, we are working actively to improve engagement, such as the creation of a "Childcare Leave Sumairu Support Allowance."

Going forward, we will aim to fundamentally strengthen our planning functions by shifting away from the conventional concept of personnel management, which is focused primarily on recruitment and assignment, toward an approach that "maximizes the utilization and development of human resources (HR)."

II Maximizing customer value by integrated promotion of DX and human capital investment

(1) Digitalization moving towards a new stage

• **Progress of digitalization**

The expanded use of AI and digital technologies is essential for the enhancement of our customer value and the realization of the vision for the future outlined in our Long-Term Vision: "Japan Housing Finance Agency Vision 2035."

As about a quarter of applications are submitted online from the disaster affected areas, digitalization at JHF is already on par with major financial institutions. We are also preparing for cyberattacks, which occur once every ten to twenty seconds, and we are also preparing to launch full-scale digital services supervised by the "Digital Strategy Headquarters" aimed to realize our Long-Term Vision.

• **Movement toward a new stage**

For the immediate future, the main pillar will be (1) the provision of various housing-related services across the





III Realization of our Purpose and solving policy issues stated in the new Basic Plans for Housing

• Contributions to the new Basic Plans for Housing

The new Basic Plans for Housing (National Plan) finalized in a Cabinet decision in March this year calls on JHF to demonstrate a diverse range of policy implementation functions. Meeting these expectations is nothing less than the realization of JHF's Purpose of "working with you to create homes filled with joy."

• Action for a sustainable society, particularly responses to energy constraints

The worsening situation in the Middle East has brought renewed recognition of the constraints on energy supplies. However, the more fundamental requirements for Japan are the reduction of greenhouse gases and the acceleration of steps in the residential and commercial sector aimed to achieve carbon neutrality by 2050.

JHF has made energy efficiency standards a basic lending condition ahead of government regulations. Furthermore, we have also continued to offer preferential interest rates to ZEH in line with the government's policy of mandating fulfilment of ZEH-level standards for all newly built housing by fiscal 2030. As a result of our effort, the

proportion of newly built homes financed by JHF that meet ZEH-level standards has already exceeded 75 %.

On the other hand, proactive support for the enhancement of energy efficiency performance in existing housing is also necessary. To this end, JHF has raised the limit of loan amounts and streamlined inspections to encourage the active use of its Green Renovation Loans to promote energy-efficient home renovations.

Additionally, we have been issuing green bonds for many years as a funding measure, leading Japan's green bond market growth. Since last autumn, we began issuing Green MBS as a measure to finance housing with higher energy efficiency performance features. This measure was subsequently recognized as superior innovation, and we were honored to receive the award of "Innovative Debt Deal of the Year" under the Corporate Bonds category of the DEALWATCH AWARDS 2025.

• Contributions to achieve more robust market for existing housing

The Flat 35 for Existing Housing Plus program, which JHF launched to promote the effective use of good-quality

housing stock in response to soaring housing prices, is an innovative product that reduces the interest rate by conducting a simple visual inspection. The program now accounts for around 70 % of existing homes financed by JHF loans.

Additionally, we will continue to aggressively allocate JHF resources toward existing housing by initiatives such as expanding the support framework for the home purchase-and-resale business applying the inspection framework for Flat 35 Renovation loans and the housing loan insurance program and promotion of Reverse 60 for renovations.

As these initiatives also serve as countermeasures against the growing number of vacant homes, we will deepen our collaboration with local governments' financial support policies and partnership with housing market operators, and expand effective measures in various regions. Furthermore, by providing point service which I mentioned earlier, we will appropriately support housing-related events such as renovations, relocation, and home sales. By this, we hope to contribute to the establishment of a sound housing circulation system in Japan.

• Initiatives to solve the "two aging issues" of condominiums

Soaring construction costs are a major issue for condominium management associations foreseeing future large-scale repairs. We provide effective investment measures, such as drastically increasing the interest rate for Mansion Sumairu Bonds and increasing the number of guarantee institutions aimed to actively provide loans for renovating common elements of condominiums, so that management associations can conduct repair work at the appropriate timing, even if they lack the fund to do so.

Further, following the Amendment Act for Facilitating Management and Revitalization of Condominiums, new support programs such as whole-building renovations and demolition have been added to JHF's operations, giving us a range of support options available for condominiums. Going forward, we will work closely with local governments, management associations, and the property management industry, to resonate to vast range of needs, including increasing the number of Properly Managed

Condominiums and providing financial and technical support for renovations and rebuilding. In doing so, we will also support elderly residents through a reverse mortgage-type lending program aimed to help maintain the value of their assets and make use of those assets for appropriate moves to new homes or relocation to temporary housing.

• Disaster preparedness and mitigation initiatives and close-by support for affected people

In Japan, where the nation's land and community structures are constantly prone to disaster risks, we have already discontinued applying preferential interest rates to properties located in red zones. Further, from the perspective of disaster preparedness, we will also actively contribute to disaster prevention and mitigation by expanding awareness-raising activities in Nankai Trough Earthquake priority areas and by promoting the use of the interest-rate subsidized Reverse 60 program aimed to encourage aseismic retrofiting.

Meanwhile, in areas affected by the Noto Peninsula Earthquake and the following heavy rain disasters, over 70 % of disaster affected people still cannot feel a complete recovery. We continue to engage in disaster case management partnering with relevant organizations, even on weekends, until all those affected have regained homes filled with joy. Conducting an outreach-based approach, we will provide attentive support customized to address the individual circumstances of those affected, including relocation to disaster-recovery public rental homes or to newly restored home of their own.

We will also continue to provide attentive support to all regions and people affected by disasters.

• Securitization expertise sharing to Asian countries and supporting overseas business expansion of Japanese companies

We will actively share JHF's expertise and track record in green bonds issuance and other areas with countries across Asia and other regions according to their requests. In addition, we will provide broad support to Japanese companies in their overseas business expansion by providing housing market data of overseas country and by partnering with overseas government organizations.

IV In closing: Enhancing the "power of empathy of our staff and our organizational resonance"

Agilely complementing market functions as discussed in Section I in response to the latest needs, and continuing to demonstrate our policy implementation functions as discussed in section III, while adapting to medium to long-term changes in socioeconomic conditions—these are JHF's two fundamental missions for the fulfillment of our responsibility to society.

However, over the medium to long term, we will strive to realize the future vision that we created in the Long-Term Vision: "Japan Housing Finance Agency Vision 2035" based on the opinions of our younger staff members.

To realize all of the above, we will further enhance the "power of empathy" of our staff aimed to resolve front-line issues. And at the same time, we also require the "power of our organizational resonance" that will allow us to unite with our stakeholders to respond to a diverse range of needs.

By enhancing both the "power of empathy of our staff" and the "power of our organizational resonance," we hope to continue realizing people's housing dreams and continue to be an entity solving challenges as a presence that is "working with you to create homes filled with joy."

The History of the Japan Housing Finance Agency

FY 1950	● Establishment of the Government Housing Loan Corporation
FY 2003	● Launch of Securitization Support Business (Purchase program) *Currently Flat 35 (Purchase program)
FY 2004	● Launch of Securitization Support Business (Guarantee program) *Currently Flat 35 (Guarantee Program)
FY 2005	● Launch of support scheme to facilitate acquiring of high-quality housing through the securitization business *Currently Flat 35 S
FY 2007	● Abolition of the Government Housing Loan Corporation ● Established Japan Housing Finance Agency as an incorporated administrative agency
FY 2009	● Launch of specific individual loan insurance (lump-sum repayment loan program for seniors) *Currently Reverse 60
FY 2011	● Expanded Housing Loans for Disaster Recovery and repayment modification programs to support recovery from the Great East Japan Earthquake (0% interest for the first five years, etc.)
FY 2016	● Launch of Housing Loans for Disaster Recovery (special repayment program for the elderly) to support recovery from the 2016 Kumamoto Earthquake
FY 2017	● Launch of Flat 35 Childrearing Support Program and Regional Revitalization program *Currently Flat 35 Regional Partnership program
FY 2018	● Launch of international business under the Act on Promoting Entry of Japanese Business Operators into Overseas Social Capital Projects ● JHF issues green bonds to fund the purchase of housing loans that were granted specifically for newly built housing with superior energy efficiency
FY 2021	● Formulation of JHF's Purpose: Working with you to create homes filled with joy.
FY 2022	● Launch of Green Renovation Loans to promote energy-efficient home renovations for the purpose of improving thermal insulation performance or energy efficiency ● Launch of Flat 35 S (ZEH)
FY 2023	● Launch of Flat 35 Childrearing Support Plus Program ● Increased the limit of loan amounts for Housing Loans for Disaster Recovery to support recovery from the 2024 Noto Peninsula Earthquake ● Formulation of Long-Term Vision: Japan Housing Finance Agency Vision 2035
FY 2024	● Launch of Reverse 60 long-term fixed interest rate type
FY 2025	● Launch of Flat 35 for Existing Housing Plus program ● Establishment of retained value housing loan insurance



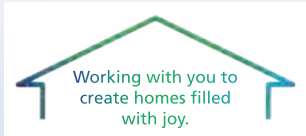
Flat 35 naming ceremony



Ceremony for the establishment of JHF



On-site consultation after the Great East Japan Earthquake



Formulation of JHF's Purpose



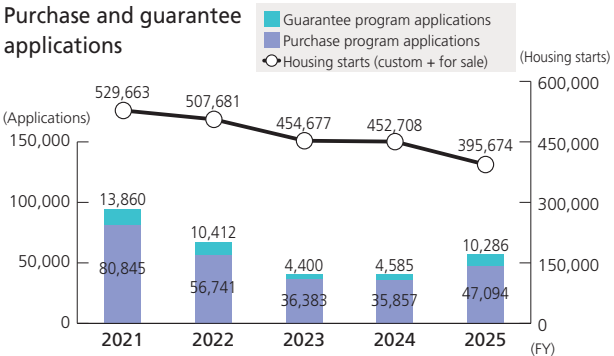
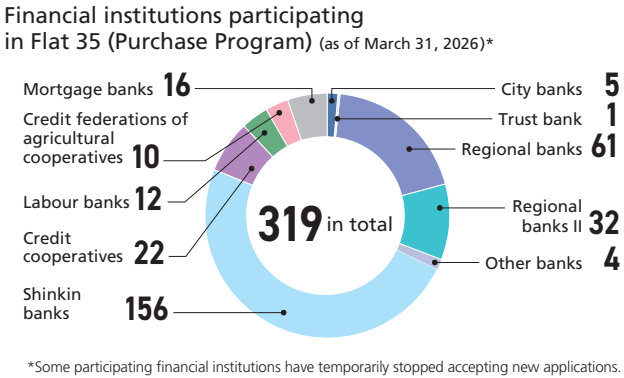
Full country-wide provision of financial services for residential living through JHF's three businesses



Facilitation of the supply of long-term fixed-rate housing loans by private financial institutions

JHF conducts a Securitization Support Business to support private financial institutions in offering long-term fixed interest rate housing loan products such as Flat 35 and Reverse 60 (long-term fixed interest rate type). Flat 35, etc. helps homeowners create their financial plans on a long-term basis because their interest rates and payments are fixed for the entire life of their loan when customers receive the loan.

In addition, JHF has been contributing to the realization of housing policies by offering products that reduce interest rates for a certain period of time under specific conditions. These include the Flat 35 Childrearing Support Plus program, which offers reduced interest rates based on the number of children and other factors, Flat 35 S, which is available for the acquisition of highly energy-efficient homes such as ZEH (net Zero Energy Houses) or long-lasting quality housing, and Flat 35 for Existing Housing Plus Program, which is available for the acquisition of high-quality existing housing.

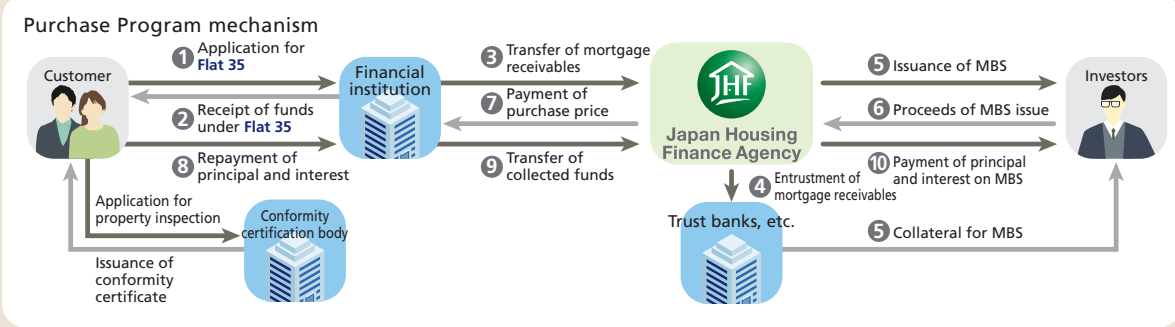


Flat 35 (purchase program) mechanism

JHF purchases mortgage receivables for housing loans from private financial institutions and entrusts them to trust banks and other institutions. Using these entrusted mortgage receivables as collateral, JHF issues mortgage-backed securities (MBS) and procures funds from the bond market (investors) with which to purchase mortgage receivables for housing loans (see the figure below).

By utilizing this mechanism, private financial institutions are also better able to offer long-term fixed interest rates. These housing loans must meet certain criteria (purchase criteria) set by JHF, and the mortgage receivables are transferred to JHF simultaneously with the loans' execution.

Loan interest rates are determined by the individual private financial institutions based on the MBS interest rate and other factors.



Housing Loan Insurance Business

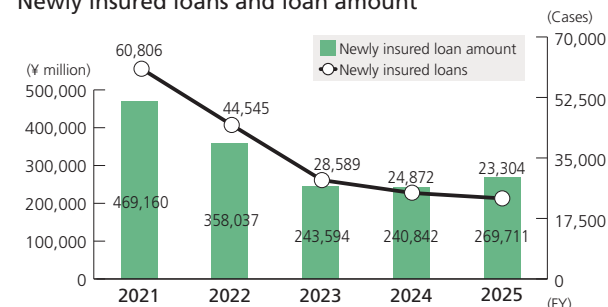
- **Reverse 60**
(variable interest rate and other types)
- **Flat 35 Package**
- **Flat 35 Bridge loan**
- **Specified purchase and resale insurance**
- **Rent guarantor protection insurance**
- **Retained value housing loan insurance**

Facilitation of the supply of private sector funding through a housing loan insurance program

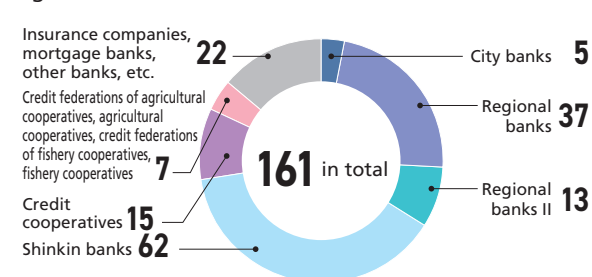
JHF supports private financial institutions with a housing loan insurance program to enable the financial institutions to uninterruptedly provide housing loans. If unforeseen circumstances result in a borrower being unable to repay a loan, JHF pays insurance claims in accordance with a housing loan insurance agreement entered in advance with the financial institution.

In addition, JHF supports the supply of funds necessary for housing policy. This support includes Reverse 60 (variable interest rate and other types), which addresses diverse housing needs due to changes in the lifestyles of the elderly, specified purchase and resale insurance for revitalizing the existing home and renovation market. It also provides rent guarantor protection insurance to help persons requiring special assistance in securing housing.

Newly insured loans and loan amount



Financial institutions with housing loan insurance agreements (as of March 31, 2026)



Loan Origination Business

- **Housing Loans for Disaster Recovery**
- **Mansion Sumairu Bond**
- **Mansion Sumairu Housing Loan**
- **Urban Development Loan**
- **JHF Sumairu Loan for Rental Housing**
- **Green Renovation Loans**

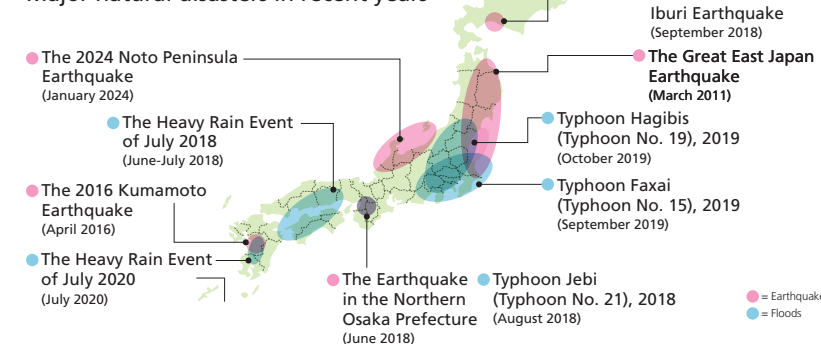
Loan origination in market segments less easily financed by private financial institutions

JHF lends directly to borrowers but only in market segments that are both important from a policy standpoint and underserved by private financial institutions. The types of projects JHF funds directly include early rebuilding of disaster-affected housing, support for planned accumulation of condominium repair reserve funds, holding and management of such funds, facilitation of renovation and improvement of aging condominium buildings, and support for the supply of rental housing with sufficient space for child-rearing families and high energy-efficiency.

For example, JHF provides funding for the repair, building or purchase of housing for those affected by earthquakes, typhoons, flooding, windstorms and other natural disasters. JHF also supports maintenance management and renovation of the condominium housing stock with a suite of services offered in collaboration with local governments, private financial institutions, and groups involved in condominium management to promote appropriate maintenance management, and renovation /repair

of condominiums. JHF also provides its Green Renovation Loans in order to promote energy efficiency renovations that fulfill certain standards, for example, upgrading thermal insulation and adopting energy efficient equipment.

Major natural disasters in recent years



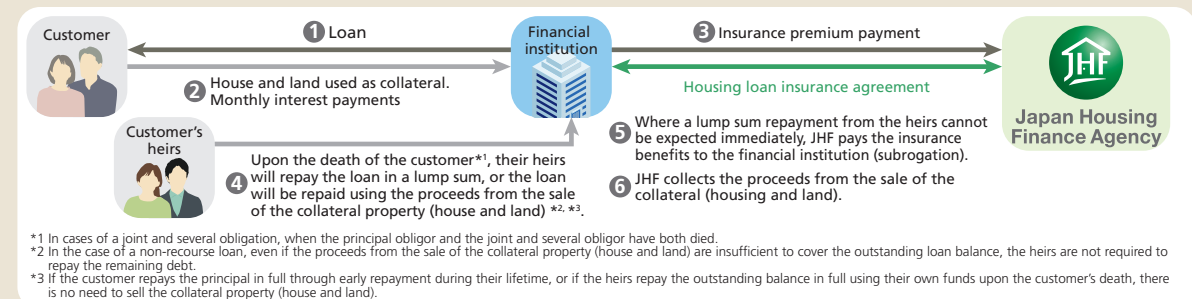
Number of applications received for Housing Loans for Disaster Recovery* (Cases)

The Great East Japan Earthquake	21,484
The 2016 Kumamoto Earthquakes	4,143
The Earthquake in the Northern Osaka Prefecture	813
The Heavy Rain Event of July 2018	958
Typhoon Jebi (Typhoon No. 21), 2018	665
Hokkaido Eastern Iburi Earthquake	108
Typhoons Faxai and Hagibis	728
The Heavy Rain Event of July 2020	240
The 2024 Noto Peninsula Earthquake	350

*Accumulated number of cases from the occurrence of disasters to the end of March 2026

Reverse 60 Program mechanism

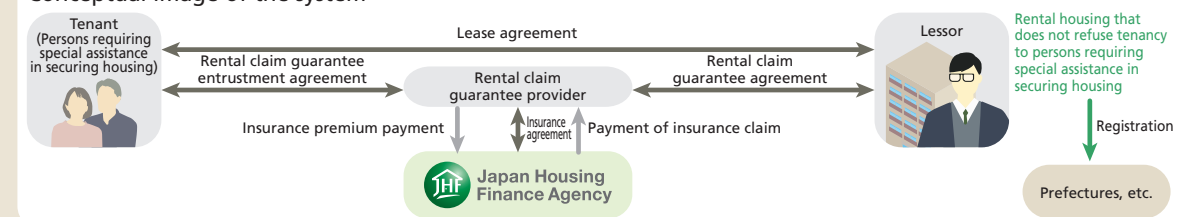
With the conclusion of a housing loan insurance agreement in advance between the JHF and the private financial institution, JHF agrees to pay insurance benefits to the financial institution in cases where, for example, full repayment by the customer's heirs cannot be expected (see the figure below).



Rent guarantor protection insurance mechanism

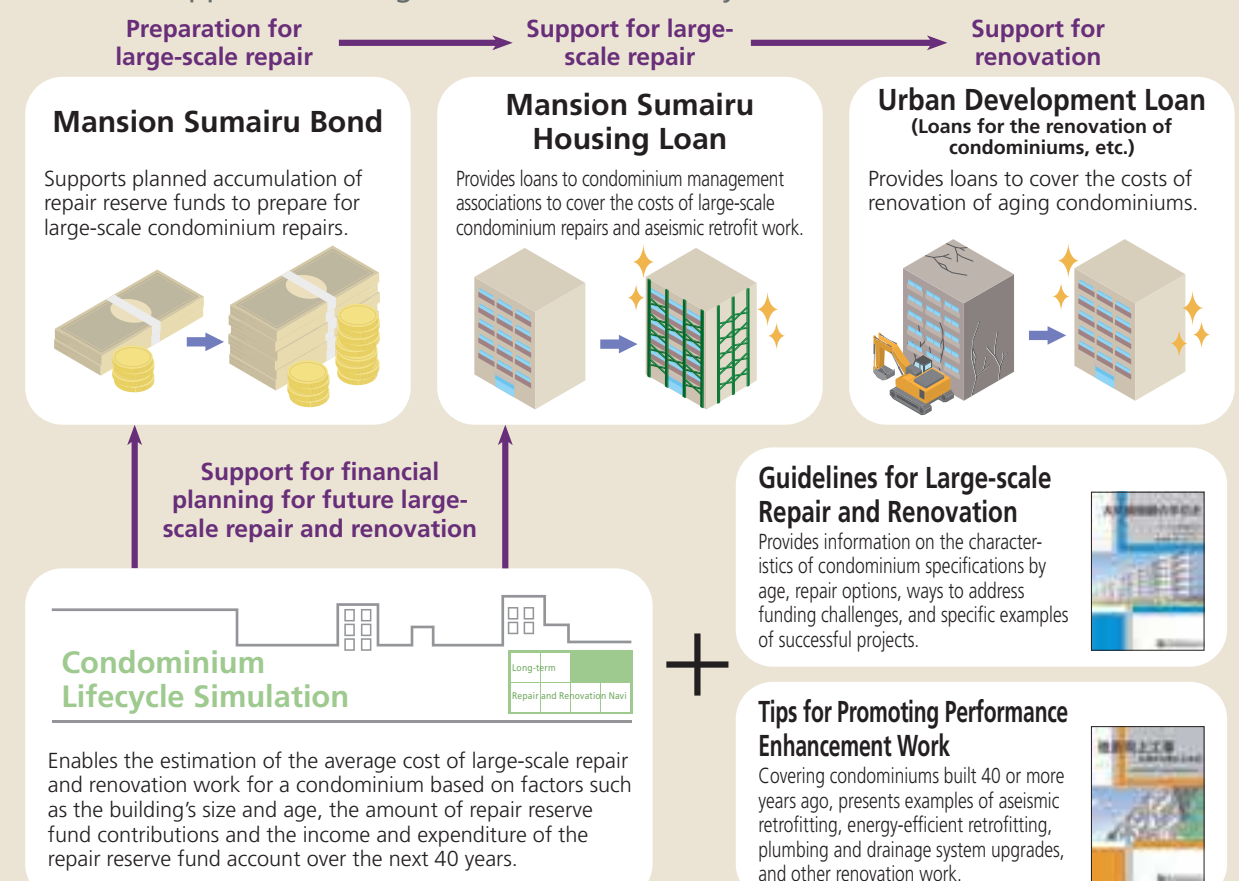
Rent guarantor protection insurance is an insurance scheme established under the Act on Promotion of Offering of Rental Housing to Persons Requiring Special Assistance in Securing Housing (Act No. 112 of 2007; also known as the Residential Safety Net Act). Under this program, when a rental claim guarantee provider guarantees the rent obligations of a person requiring special assistance in securing housing who moves into safety net registered housing, etc.*, JHF provides insurance coverage for the provider's guarantee obligations.

Conceptual image of the system

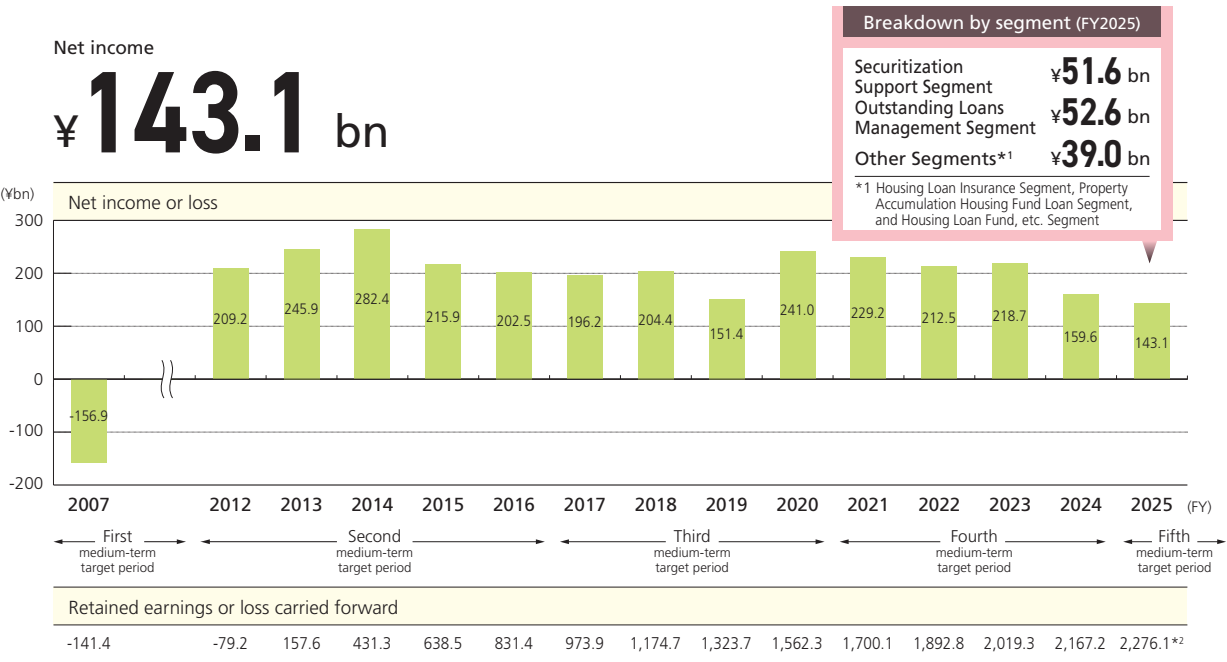


*(1) Safety net registered housing: Housing that the lessor has registered with the prefecture as rental housing that does not refuse tenancy to persons requiring special assistance in securing housing (registered housing as defined in Article 10, Paragraph 5 of the Residential Safety Net Act)
 (2) Safety net certified housing (residential support housing): Housing that the lessor has registered with the prefecture as housing that does not refuse tenancy to persons requiring special assistance in securing housing, where a housing support corporation or other organization provides services such as welfare check-ins, daily living consultation and support, and referrals to appropriate welfare services (certified housing as defined in Article 43, Paragraph 2 of the Residential Safety Net Act)
 (3) Other rental housing: General rental housing that does not fall under (1) or (2)

Financial support according to condominium lifecycle



Net income or loss/Retained earnings or loss carried forward (overall for the five segments)

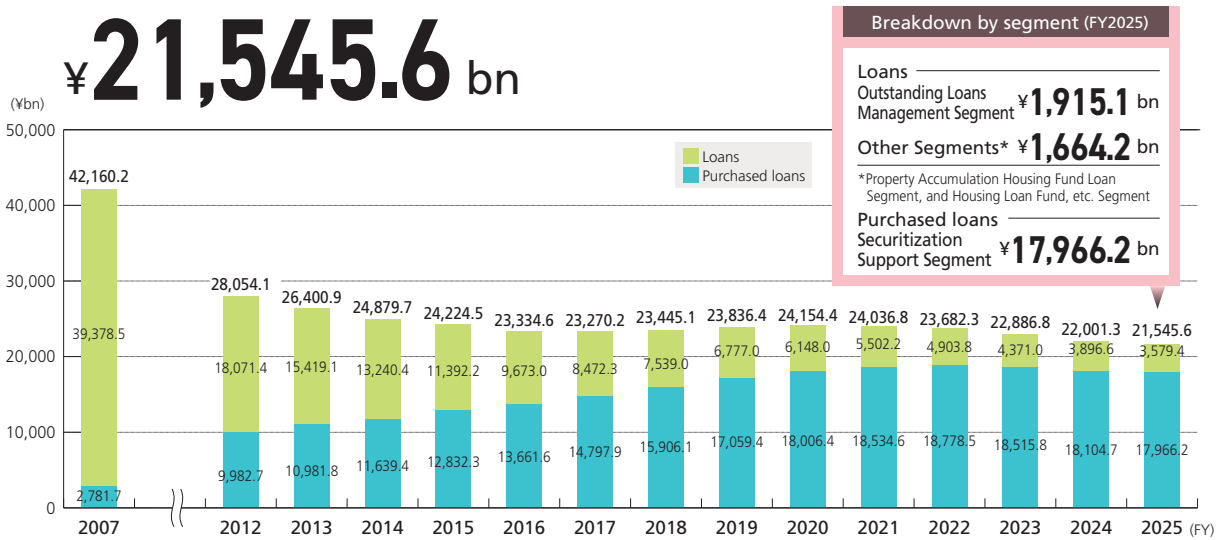


* 2 The breakdown of retained earnings by segment for FY2025 is ¥748.2 billion for Securitization Support Segment, ¥935.3 billion for Outstanding Loans Management Segment, and ¥592.6 billion for Other Segments.

Net income decreased ¥16.4 billion year on year to ¥143.1 billion. The primary factors were a provision for policy reserves in the Securitization Support Segment, and a decrease in interest income on loans in the Outstanding Loans Management Segment. Of the net income in FY2025, the amount deemed necessary to prepare for potential future losses due to interest rate fluctuations has been allocated to reserves. The remaining ¥8.6 billion was paid into the national treasury*3

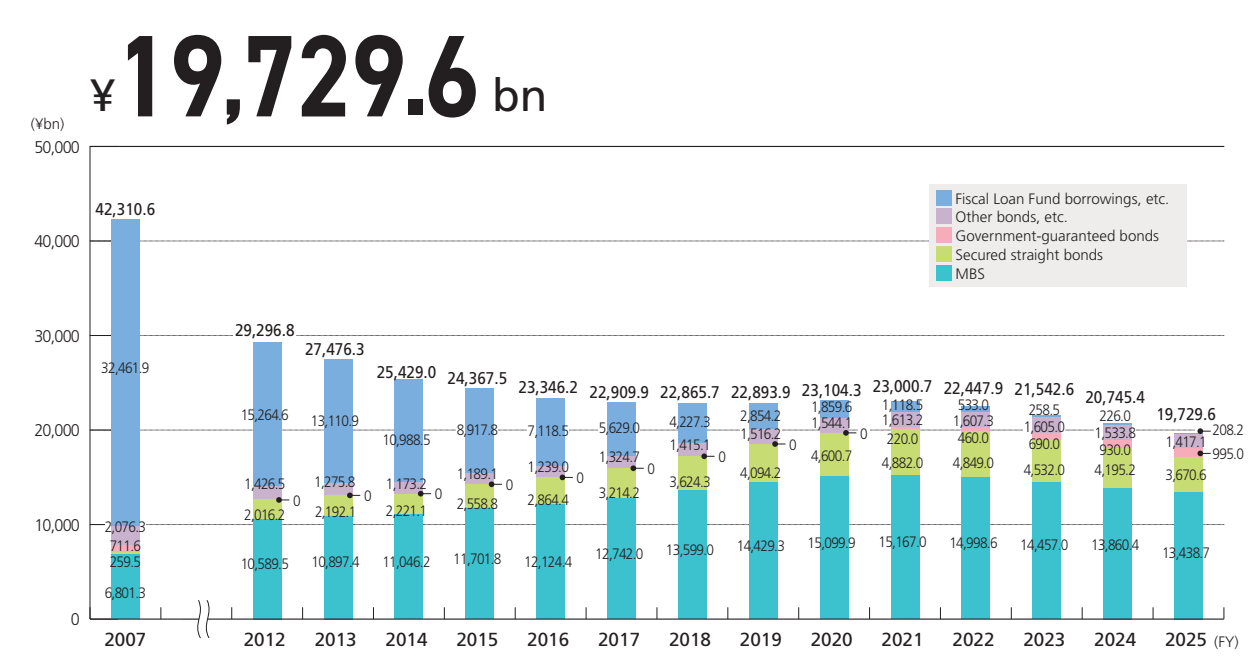
* 3 The cumulative amount paid into the national treasury through fiscal 2024 was ¥283 billion, and the amount paid into the national treasury in fiscal 2025 was ¥14.8 billion.

Assets (total of loans purchased and originated)



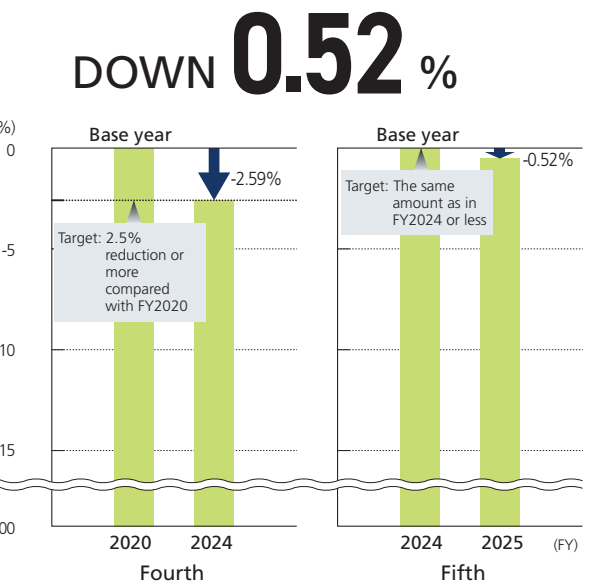
Assets (total of loans purchased and originated) as of the end of FY2025 amounted to approximately ¥22 trillion. Of this, the outstanding balance of Flat 35 (Purchase program) was about ¥18 trillion, accounting for 83 % of JHF's assets (total of loans purchased and originated).

Liabilities (balance of bonds and borrowings)



Liabilities (balance of bonds and borrowings) as of the end of FY2025 amounted to approximately ¥19.7 trillion. Of this, the outstanding balance of JHF's MBS, secured straight bonds, and other financing from financial markets was approximately ¥19.5 trillion, accounting for 99 % of JHF's liabilities (balance of bonds and borrowings). In addition, the outstanding balance of JHF borrowings from the Fiscal Loan Fund, which is managed by the government, was approximately ¥0.2 trillion.

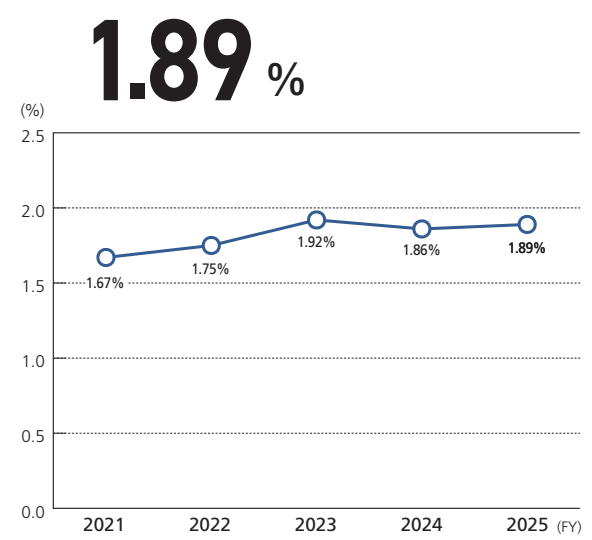
Administrative expenses



In the final year of the fifth medium-term target period (fiscal 2025 to fiscal 2028), we have set a target of administrative expenses to the same level as fiscal 2024 or lower. In fiscal 2025, our efforts to manage expenditures appropriately resulted in a decrease of 0.52 %. We will continue these efforts to achieve this target.

Note: Administrative expenses refer to operating expenses minus expenses related to business execution, personnel expenses, tax and public dues, digitalization related expenses, mandatory expenses for business operations, and expenses based on special factors.

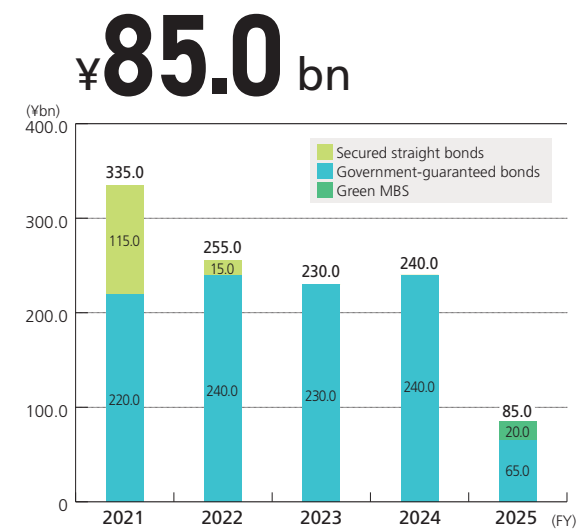
Proportion of risk-managed loans



During the fifth medium-term target period (fiscal 2025 to fiscal 2028), we set a target of 3.2 % or lower for the proportion of risk-managed loans to purchased loan balance at the end of the fifth period (fiscal 2028). Against that target, we achieved 1.89 % in fiscal 2025 (the target in the fiscal 2025 plan was 2.2 %). We will continue our efforts to achieve this target.

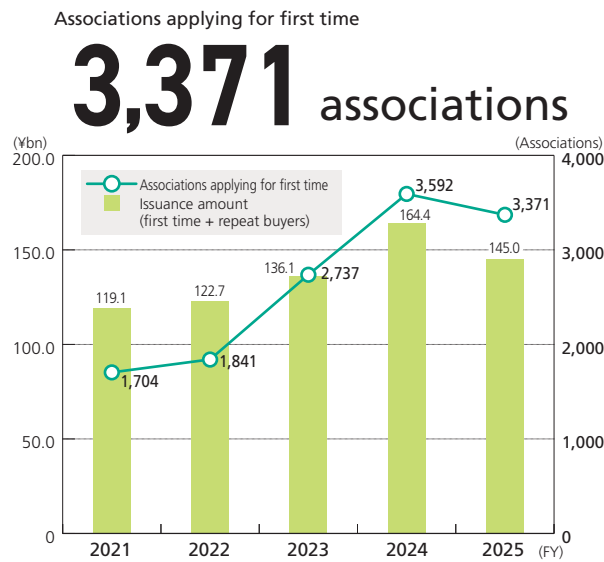
Note: Proportion of risk-managed loans is calculated by dividing bankruptcy or reorganization claims and equivalent claims, claims with risks, and substandard claims, which are classified in accordance with the disclosure standards under the Financial Revitalization Act, by the total amount of claims, based on the results of self-assessment.

Green bond issuance



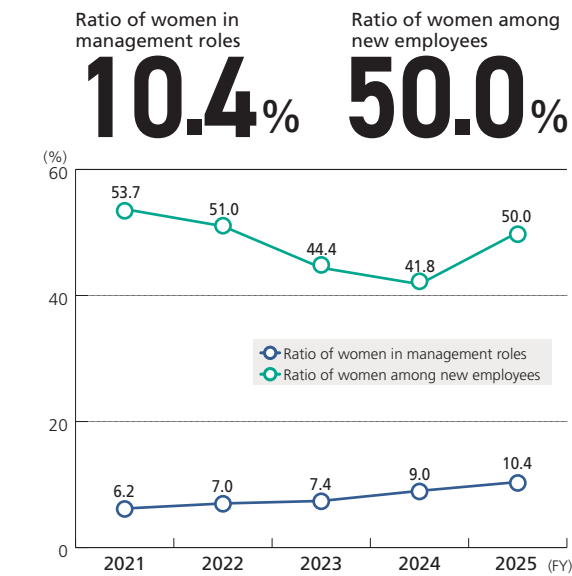
JHF issued Japan's first green bond (a secured straight bond) for housing loans in fiscal 2018 and has continued to issue green bonds since. We began to issue government-guaranteed bonds in fiscal 2021 and green MBS in fiscal 2025.

Usage of Mansion Sumairu Bond



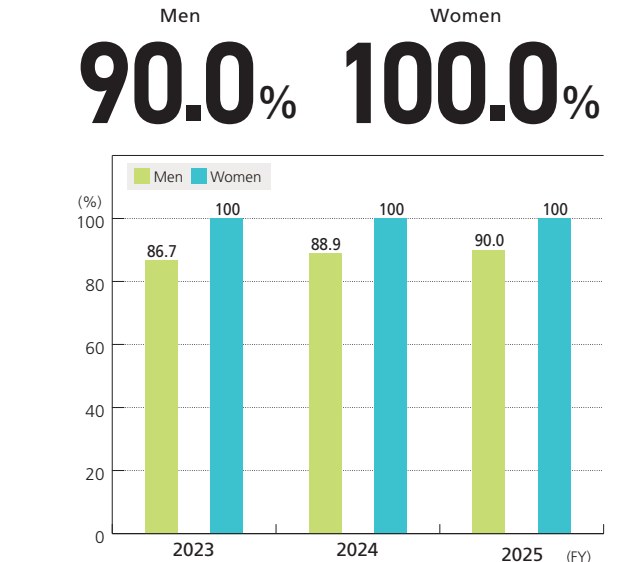
JHF issues Mansion Sumairu Bond, the bond which supports planned accumulation of reserve funds for repairs by condominium management associations. In addition to condominiums with management plan certifications, in fiscal 2026, JHF expanded the system to provide an interest rate premium to condominiums that meet or exceed certain standards under the Condominium Management Evaluation System or Condominium Management Assessment Service.

Promotion of female staff members



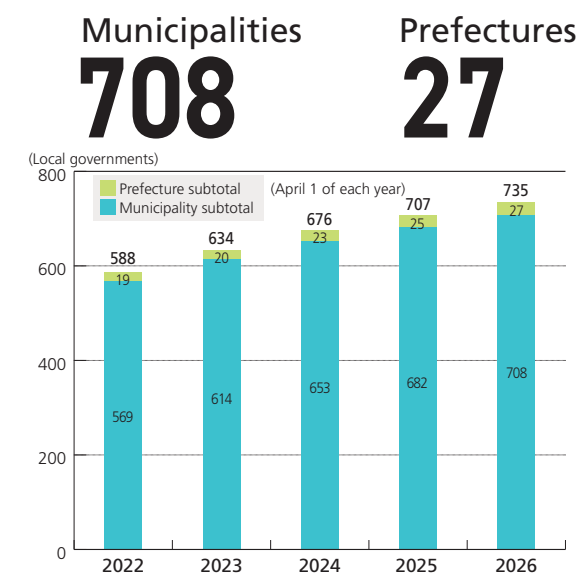
JHF is implementing initiatives for the empowerment of women in the workplace with the aim of creating an organization where a diverse workforce can play an active role and where each and every employee can achieve work-life balance. The ratio of women in hiring in FY2025 was 50%.

Ratio of employees taking childcare leave



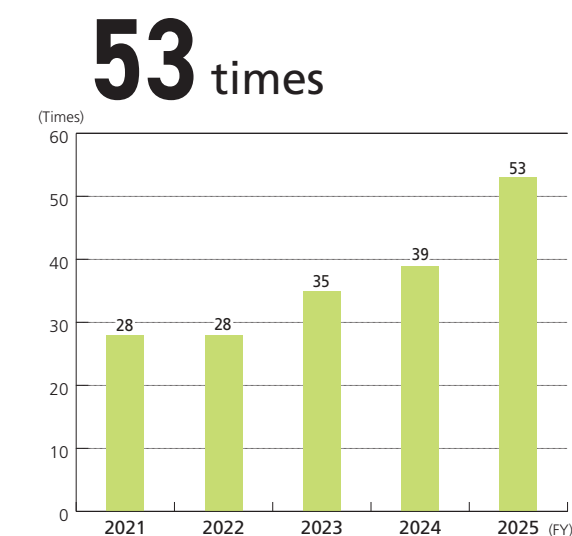
JHF is working toward a workplace environment that is considerate of the needs of each and every employee. This involves establishing support systems for work-life balance, including a childcare leave program.

Collaboration with local governments



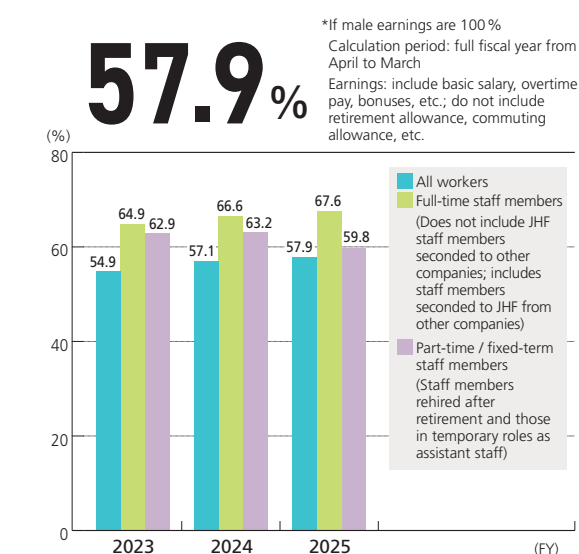
Through the Flat 35 Regional Partnership Program, JHF supports home purchases together with local governments proactively engaging in solving regional policy issues such as childrearing support, rural in-migration support, compact city formation, utilization of vacant housing, disaster preparedness and mitigation, use of locally produced timber, local scenery promotion, and a push for housing with high thermal insulation performance.

Support/information exchanges with institutions inside/outside Japan



JHF is supporting the overseas expansion of Japanese businesses by increasing collaboration with various institutions, through training for institutions outside Japan, presentations at international conferences, information exchanges with institutions inside and outside Japan, etc.

Female earnings as a proportion of male earnings*



JHF previously hired many female staff members for non-transferable positions. This, among other factors, has contributed to an earnings ratio of 67.6% for female full-time staff members. In recent years, new graduates have been hired under the same conditions regardless of gender. As a result of this and other factors, the JHF gender pay gap is narrowing, with the female-male earnings ratio for staff members in their 20s at 95.8%.

Kaizen cases



JHF is working to ensure that each and every employee takes action mindful of the fact that Kaizen activities (activities to change for the better) result in higher-added-value work through their own creative ingenuity and streamlining. These efforts are ongoing and involve JHF's entire workforce.

JHF is required to prepare a medium-term plan and to have it approved by the Minister of Land, Infrastructure, Transport and Tourism and the Minister of Finance pursuant to the medium-term targets presented by these same ministers as an agency under medium-term targets of Japan's Incorporated Administrative Agency System.

Fifth medium-term targets and medium-term plan (FY2025 to FY2028)

Securitization Support Business

- Steady implementation of Flat 35 and development and promotion of the housing loan securitization market
- Support for the acquisition of high-quality housing, including ZEH with superior energy-efficient performance and long-lasting quality housing
- Support for the acquisition of existing housing
- Support for the acquisition of housing by childrearing families
- Support for initiatives to resolve local policy issues
- Facilitating the supply of funds to the elderly for residential living

Quantitative targets	Plans
Proportion of long-lasting quality housing among Flat 35 applications for newly built homes	30% or higher
Proportion of ZEH-level homes among Flat 35 applications for newly built homes (Difficulty: High)	19 points or more above the national compliance rate in fiscal 2026
Proportion of existing housing units to Flat 35 applications	30%* or higher *36% to every extent possible
Number of promotional activities carried out for Reverse 60 (long-term fixed interest rate type)	450 or more
Number of financial institutions participating in the Reverse 60 program (long-term fixed interest rate type)	9 or more
Number of days required for underwriting for Flat 35	80% or higher processed in 3 days or less

All quantitative targets were steadily achieved.
We also undertook a range of initiatives to disseminate appropriate knowledge on housing finance. They included launching a website dedicated to assist with appropriate housing loan selection from a neutral perspective, holding seminars in collaboration with Japan Financial Literacy and Education Corporation (J-FLEC), and creating videos that allow customers to learn the basic mechanism of housing loans, including the respective advantages and disadvantages of variable interest rates and fixed interest rates.

Quantitative targets	Plans	Results
Proportion of long-lasting quality housing among Flat 35 applications for newly built homes	30% or higher	51.8%
Proportion of ZEH-level homes among Flat 35 applications for newly built homes (Difficulty: High)	22 points or more above the national compliance rate in fiscal 2023	+30.3 points
Proportion of existing housing units to Flat 35 applications	30% or higher	31.9%
Number of promotional activities carried out for Reverse 60 (long-term fixed interest rate type)	110 or more	182 times
Number of financial institutions participating in the Reverse 60 program (long-term fixed interest rate type)	6 or more	6 institutions
Number of days required for underwriting for Flat 35	80% or higher processed in 3 days or less	92.5%

Housing Loan Insurance Business

- Facilitating the supply of funds to the elderly for residential living
- Supporting the provision of housing funds in coordination with programs such as Flat 35
- Supporting the provision of funds for businesses engaged in purchase and resale
- Supporting stable housing for persons requiring special assistance in securing housing

Quantitative targets	Plans
Number of promotional activities carried out for Reverse 60 (variable interest rate and other types)	570 or more
Number of financial institutions participating in the Reverse 60 program (variable interest rate and other types)	86 or more

All quantitative targets were steadily achieved.
We also made efforts to raise awareness of Reverse 60 by creating new commercials and product videos. As a result, awareness of Reverse 60 increased to 21.8%, up 4.7% from fiscal 2024.

Quantitative targets	Plans	Results
Number of promotional activities carried out for Reverse 60 (variable interest rate and other types)	140 or more	301 times
Number of financial institutions participating in the Reverse 60 program (variable interest rate and other types)	86 or more	86 institutions

Loan Origination Business

- Supporting the rebuilding of housing for disaster-stricken people
- Support for disaster damage prevention measures
- Financing for reconstruction and renovations of aged condominiums
- Support for planned accumulation of reserve funds for repairs
- Financing for energy-efficient rental housing for childrearing families, including ZEH-compliant properties

Quantitative targets	Plans
Number of promotional activities related to disaster response and prevention	160 or more
Number of condominium management associations using Mansion Sumairu Bond	8,700 or more
Proportion of ZEH-compliant units among accepted applications for Loans for Construction of Energy-Efficient Rental Housing for Childrearing Families (Difficulty: High)	47% or higher

All quantitative targets were steadily achieved.
To support the reconstruction of housing damaged in the 2024 Noto Peninsula Earthquake, JHF will continue its initiatives to support recovery from disasters.
To apply the lessons learned from our reconstruction support efforts to date to disaster preparedness throughout Japan, JHF also actively provided support to prevent damage from natural disasters, such as visiting prefectures requiring priority support in a Nankai Trough earthquake.

Quantitative targets	Plans	Results
Number of promotional activities related to disaster response and prevention	40 or more	59 times
Number of condominium management associations using Mansion Sumairu Bond	2,500 or more	3,371 associations
Proportion of ZEH-compliant units among accepted applications for Loans for Construction of Energy-Efficient Rental Housing for Childrearing Families (Difficulty: High)	38% or higher	64.8%

Targets for streamlining operations, etc.

Administrative expenses

Maintaining sound financial standing

Promoting digitalization

Further promotion of digitalization and implementation of support through the housing lifecycle by using IT

Thorough risk management and establishment of an operational framework

Appropriate and efficient execution of loan management operations
Establishment of an appropriate operational framework in response to changes in the organizational arrangements of outsourced institutions

Securing and developing human resources

Promotion of health and productivity management, women's empowerment, and work-style reforms to secure and develop diverse human resources

Quantitative targets	Plans
Administrative expenses	Equal to or less than the FY2024 amount at the end of the fifth medium-term target period
Proportion of risk-managed loan balance to purchased loan balance	3.2% or less

FY2025 initiatives
Regarding administrative expenses, we scrutinized the necessity of expenditures and made efforts to execute appropriate spending. As a result, administrative expenses were kept at or below the fiscal 2024 level (a decrease of 0.52%).
By formulating and implementing the Japan Housing Finance Agency Digital Strategy 2035, JHF worked to reduce the burden on customers and improve convenience.
Through such measures as changing repayment methods for customers in arrears and proposing voluntary sales to those who are unable to continue their repayments, JHF achieved its target for the proportion of risk-managed loan balance to purchased loan balance.
Based on the Policy for Securing and Developing Human Resources, JHF has undertaken initiatives that help to secure diverse human resources, promote the advancement of women, and improve the professional skills of employees.

Quantitative targets	Plans	Results
Administrative expenses	Equal to or less than the FY2024 amount at the end of the fifth medium-term target period	Compared to FY 2024 -0.52%
Proportion of risk-managed loan balance to purchased loan balance	2.2% or less	1.89%

During the fifth medium-term target period, JHF will work to maximize its policy implementation functions in response to social issues such as the promotion of carbon neutrality, as well as changes in the housing loan market resulting from changes in the interest rate environment and rising prices.

FY2025 results

JHF has declared as its mission its Purpose of working together with all its stakeholders to create “homes filled with joy.”

To remain a sustainable organization for the future amid major changes in the socioeconomic environment, JHF formulated the Long-Term Vision: Japan Housing Finance Agency Vision 2035 to serve as a compass for its business operations.

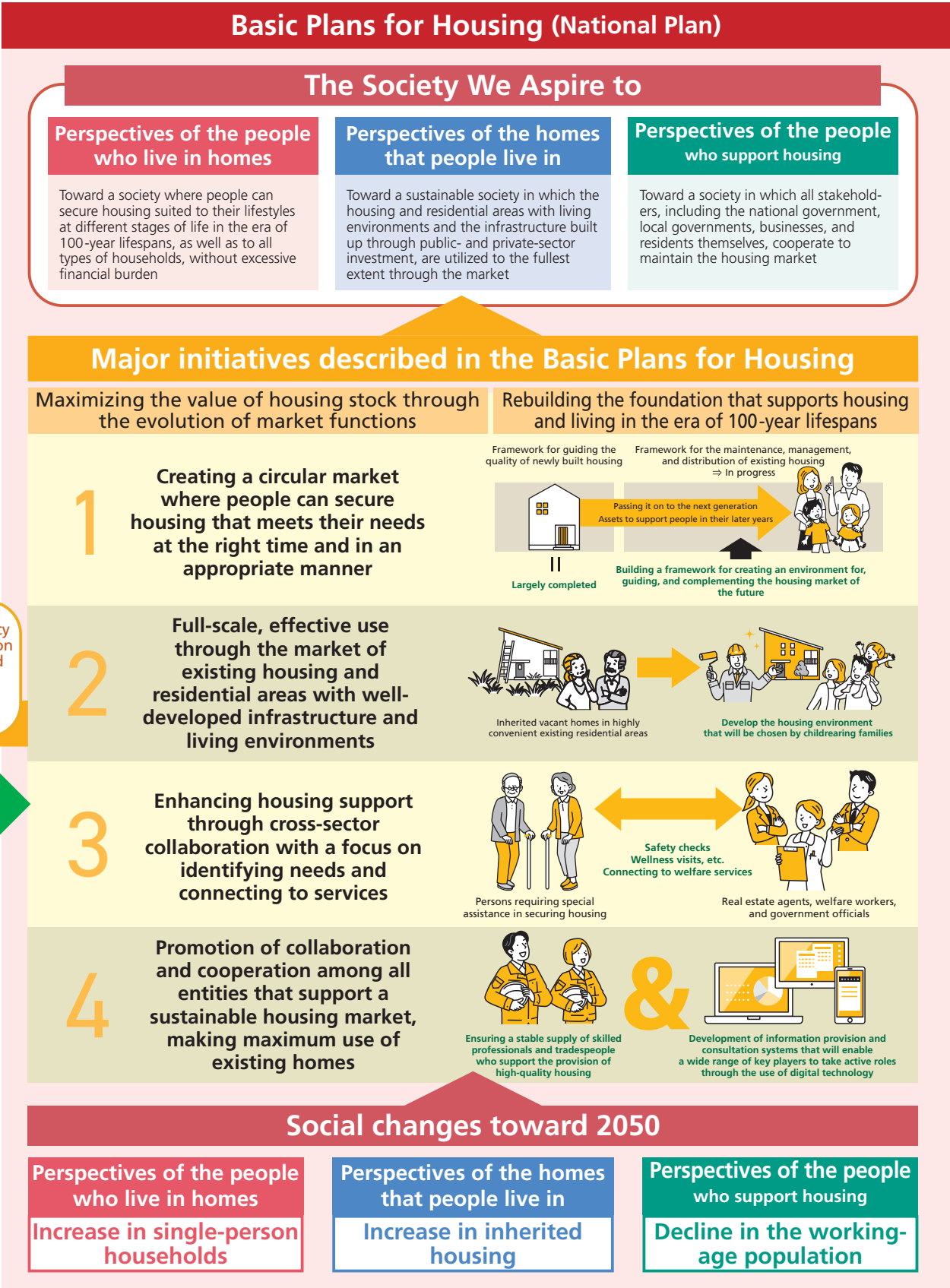
As part of this, JHF has defined “where it wants to be in 2035” and is working to realize that vision.



The new Basic Plans for Housing (National Plan) was established in March 2026.

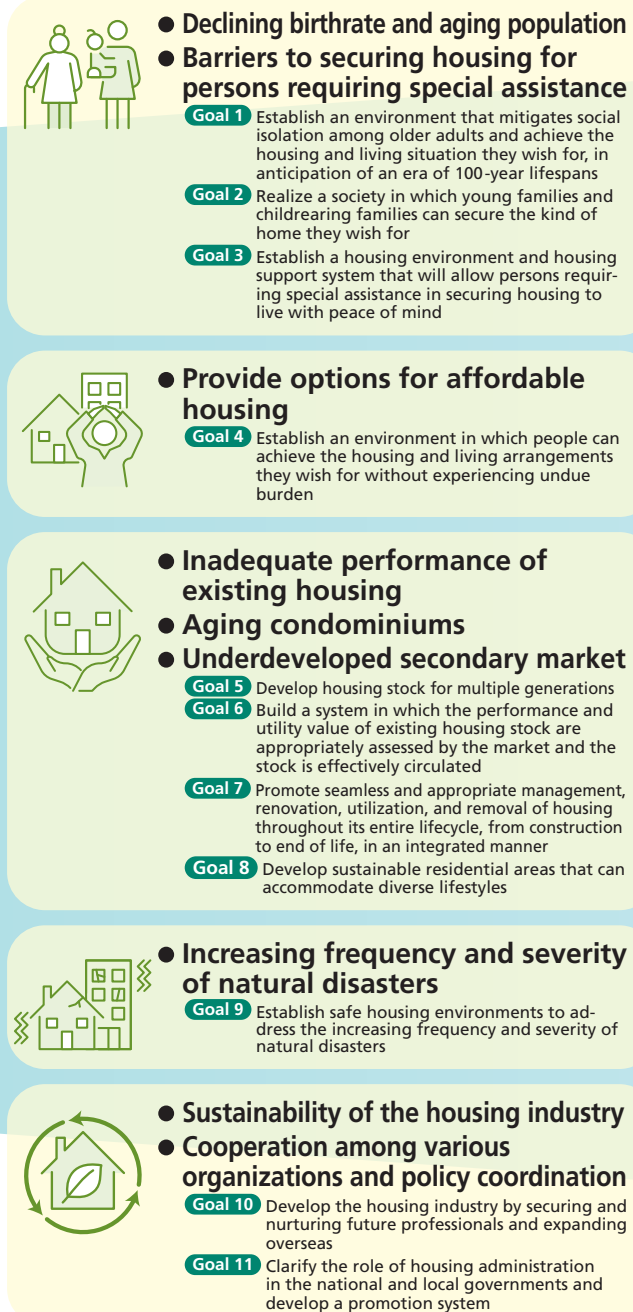
It includes several measures aimed at realizing JHF’s Long-Term Vision.

Through the realization of the Long-Term Vision, we will contribute to the improvement of residential living in Japan while maximizing our policy implementation functions.



Societal issues (policy issues)

JHF grapples with various societal issues related to housing, and, as a national policy implementation agency, has set the 11 goals of the Basic Plans for Housing established by the government as its key issues (material issues).



Management capital/inputs

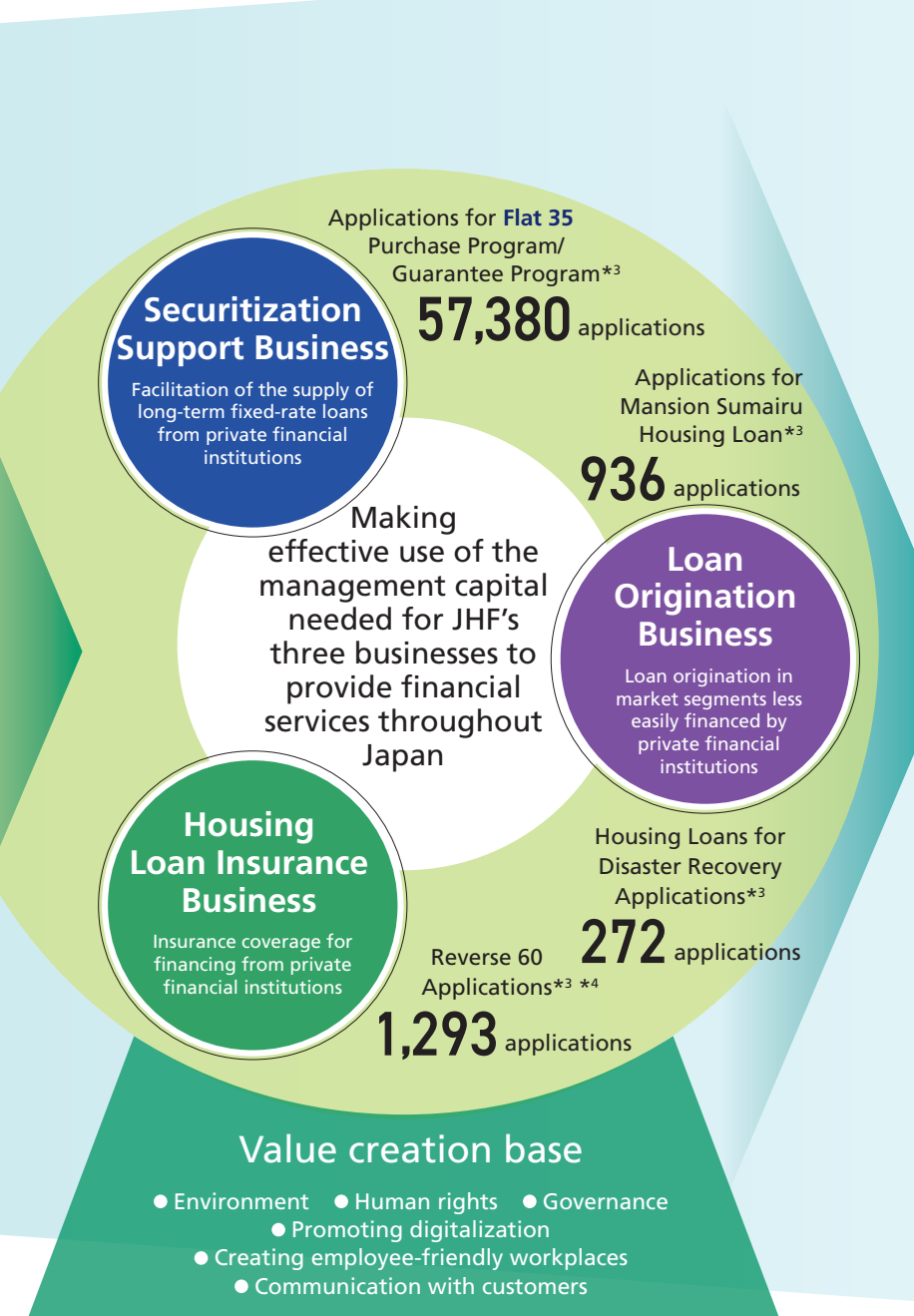
JHF engages in highly efficient business management which maximizes its various strengths and capital, including a network cultivated over a span of over 70 years as a national policy implementation agency, and know-how as a housing finance professional.



*¹ As of March 31, 2026 *² As of April 1, 2026

Business model/outputs

By making use of specialized financing methods such as housing loan securitization and housing loan insurance, and supporting the business of private financial institutions, JHF plays a role in complementing funding to market segments less easily financed by private financial institutions.



*³ FY2025

*⁴ Includes the long-term fixed interest rate type (securitization support business)

Value provided/Outcomes

JHF contributes to the realization of enriched residential living through such measures as the provision of security with long-term fixed rates; supporting the formation of high-quality housing stock with lower interest rates; and the smooth supply of funding to people of childrearing age, the elderly, and people affected by disasters.





Securing housing that accommodates the wishes of a wide range of generations and situations

- Goal 1** Establish an environment that mitigates social isolation among older adults and achieve the housing and living situation they wish for, in anticipation of the era of 100-year lifespans
- Goal 2** Realize a society in which young families and childrearing families can secure the kind of home they wish for
- Goal 3** Establish a housing environment and housing support system that will allow persons requiring special assistance in securing housing to live with peace of mind

In a society with a falling birth rate and people living long lives, there is an even greater need to develop housing environments where families can raise children with peace of mind and where older households can live healthy, secure lives without becoming socially isolated.

Housing needs are also changing in line with changes in household composition and lifestyles.

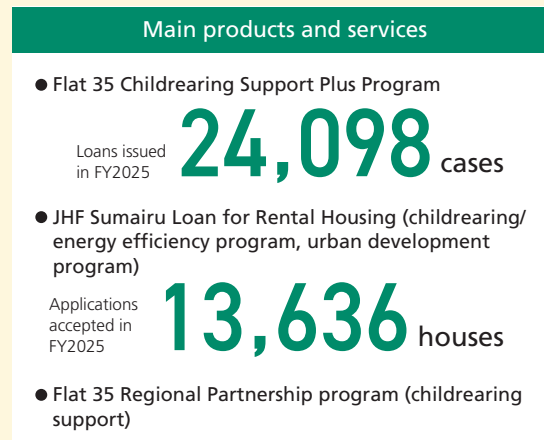
By providing a variety of financial services, JHF contributes to the realization of secure, enriching lifestyles and homes for people of a variety of generations and in a variety of situations.



Social Issue 1 Creating a social environment suitable for childrearing with security

JHF supports housing acquisition by childrearing families and contributes to an environment suitable for childrearing with security. In February 2024, JHF introduced the Flat 35 Childrearing Support Plus Program, which offers reduced interest rates for a certain period of time based on the number of children and other factors. From March 2026, families can also access the Flat 35 Childrearing Support Plus program when refinancing Flat 35 loans.

We are also contributing to the spread of rental housing where families can raise children with peace of mind by offering reduced interest rates for the construction of rental housing designed with safety and other considerations for childrearing families in mind and highly energy-efficient rental housing that is long-lasting quality housing or that meets the JHF's criteria for ZEH standards.

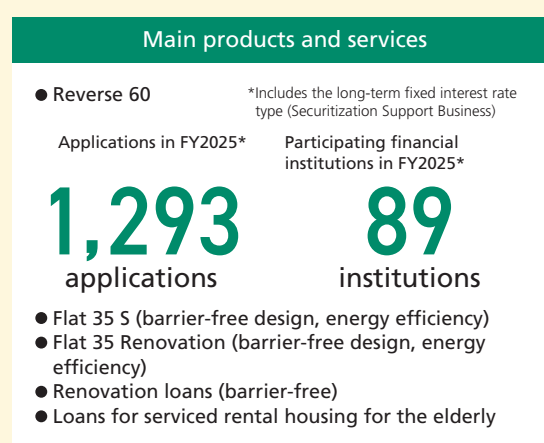


Social Issue 2 Creating housing tailored to senior's lifestyles

JHF offers Reverse 60 loans in order to develop an environment enabling older adults to live comfortably and with peace of mind. In general, Reverse 60 loans can be used by customers aged 60 or older for home renovations, home rebuilding, or moving to a new home. Currently, we offer variable interest rate loan type, hybrid adjustable-rate mortgage type, and long-term fixed interest rate type products.

In addition, through the Flat 35 program, borrowers can receive a lower interest rate for a portion of their loan term when purchasing a home with outstanding barrier-free design or when improving an existing home through barrier-free renovations.

Further, JHF provides financing for building, etc. of serviced rental housing for the elderly.

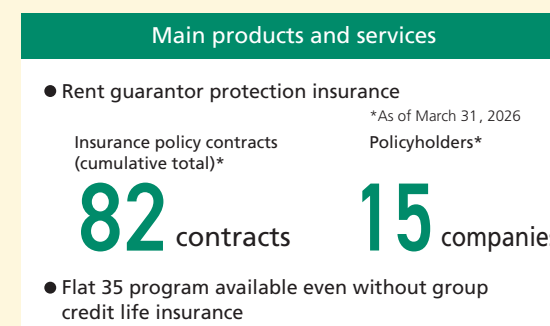


Social Issue 3 Securing housing for persons requiring special assistance in securing housing

When persons requiring special assistance in securing housing, such as the elderly, people with disabilities, and welfare recipients, move into safety net registered housing*, etc., there are cases when a rental claim guarantee provider guarantees the rental claims. JHF has established a program to provide the insurance for such guarantee obligations. In October 2025, we launched a new insurance product for government-certified rental claim guarantee providers, expanding the scope of insurance coverage to include restoration costs and other related expenses.

In addition, Flat 35 loans can be used even by people who cannot join group credit life insurance due to health reasons or other circumstances.

*Rental housing previously registered by the prefecture as being housing which does not refuse persons requiring special assistance in securing housing



Collaboration with Tokyo Metropolitan Government to support initiatives to improve the childrearing environment in housing

JHF is collaborating with the Tokyo Metropolitan Government (TMG) to support initiatives to improve the childrearing environment in housing. In addition to the provision of support for purchasing homes certified under the TMG's "Tokyo Kodomo Sukusuku (child friendly) Housing" program using Flat 35 loans, starting in April 2026, we have expanded support to cover cases where, alongside the home purchase, the homeowner takes advantage of the "Promotion Project to Secure Housing for Protecting Children" to carry out renovation work aimed at ensuring children's safety. The aim of these initiatives is to further enhance the housing environment for childrearing families. We will continue to actively disseminate the TMG's support programs and the Flat 35 Regional Partnership program initiatives through flyers, the Flat 35 website, and other various means in our effort to make housing-related businesses and customers more widely aware of these initiatives.



Flyer jointly produced with the Tokyo Metropolitan Government (extract)



Support for diverse housing options with a view to the future

Goal 4 Establish an environment in which people can achieve the housing and living arrangements they wish for without experiencing undue burden

Due to the impact of rising policy interest rates and soaring housing prices, the environment for homebuyers remains severe.

Amid such a challenging environment, JHF is working to make fixed-rate housing loans more accessible and to raise awareness about interest rate risk so that people planning to take out a housing loan can choose the loan that best suits their needs and purchase a home with a clear view of their financial outlook into the future, even in a world where interest rates are no longer near zero.



Social Issue 1 Providing relevant information in a world where interest rates are no longer near zero

From a fair and objective perspective of a public financial institution, we provide relevant information about housing loans, including interest rate risk in a world where interest rates are no longer near zero. Initiatives in this area include holding trainings on the improvement of housing financial literacy in collaboration with Japan Financial Literacy and Education Corporation (J-FLEC).

We are also actively disseminating information, including through the launch of a website dedicated to improving housing financial literacy.

Main products and services

- Training for the purpose of improving housing financial literacy

Social Issue 2 Providing support in the face of soaring housing prices

Within the framework of Comprehensive Economic Measures to Build a “Strong Japanese Economy” (Cabinet Decision of November 21, 2025), the Japanese Government cites the facilitation of the use of fixed-rate housing loans, such as raising the credit limit of Flat 35 loans as part of measures to address soaring prices. On that basis, we revised our programs in April 2026, including raising the credit limit for Flat 35 loans from ¥80 million to ¥120 million.

In addition, in March 2026, we established retained value housing loan insurance to promote the availability of loans with retained value. This product is designed to help childrearing families and other households to use such loans with peace of mind while reducing their monthly repayment burden, even amid soaring housing prices.

Main products and services

- Flat 35
- Retained value housing loan insurance



Social Issue 3 Developing a trust finance scheme

In conjunction with a trust company, JHF has created a trust finance scheme as part of the JHF Sumairu Loan for Rental Housing, to support the rebuilding of existing buildings in densely populated urban areas. Under this scheme, financing can be secured without relying on the creditworthiness of individual landowners by the landowners making use of real estate management trust agreements. This is contributing to solutions to the financial challenges of rebuilding, as well as the need to reconcile the conflicts of interests of multiple stakeholders.

Main products and services

- JHF Sumairu Loan for Rental Housing (childrearing/energy efficiency program, urban development program)



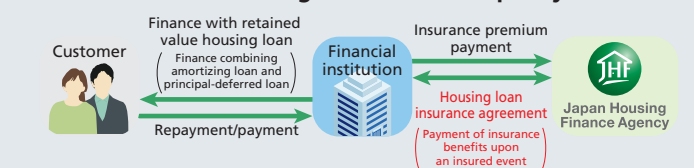
Overview of retained value housing loan insurance

As housing prices continue to rise, resulting in larger housing loan balances and longer repayment periods, we established retained value housing loan insurance in March 2026 to promote the availability of retained value housing loans. This will allow childrearing families and other households to make repayments with peace of mind while reducing their monthly repayment burden.

By combining two types of loans, namely an amortizing loan (regular principal and interest payments) and a principal-deferred loan (interest-only payments; principal repaid in a lump sum upon the borrower's death, etc.), and providing housing loan insurance for both loans, this program reduces the monthly repayment burden compared with borrowing the full amount through a conventional housing loan scheme alone.

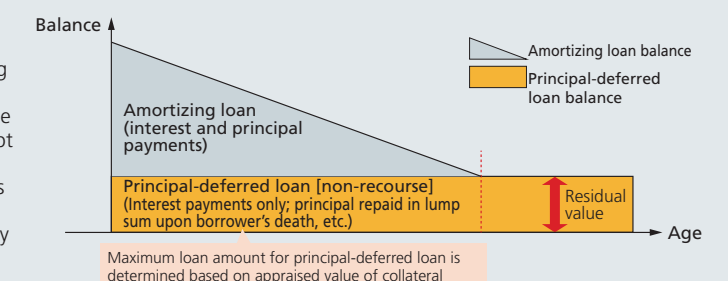
In addition, after the full repayment of the amortizing loan (in later life), only the interest payments on the principal-deferred loan will remain. Also, the loan will be structured as a non-recourse loan, meaning that no debt will remain upon the borrower's death or when the property is sold voluntarily after the amortizing loan has been fully repaid. This will help provide greater housing stability in later life and facilitate the sale of the property or a move to a new home.

Retained value housing loan insurance policy scheme



Conceptual diagram of changes in loan balance and major requirements

- Use of funds: Construction or purchase of a newly built home, purchase of an existing home, refinancing (second homes and renovations are not eligible)
- Eligible properties: Long-lasting quality housing, pre-certification condominiums, condominiums with management plan certification





Realization of high-quality housing stock and achievement of carbon neutrality

- Goal 5** Develop housing stock for multiple generations
- Goal 6** Build a system in which the performance and utility value of existing housing stock are appropriately assessed by the market and the stock is effectively circulated
- Goal 7** Promote seamless and appropriate management, renovation, utilization, and removal of housing throughout its entire lifecycle, from construction to end of life, in an integrated manner
- Goal 8** Develop sustainable residential areas that can accommodate diverse lifestyles

In recent years, poorly managed vacant houses and aged condominiums have increased, becoming a societal issue. There is an urgent need to properly manage condominiums, and to appropriately maintain, manage, and extend the life of housing.

There is also a need to accelerate the energy efficiency and generation capacity of housing to achieve a decarbonized society.

By providing a variety of financial services, JHF aims to expand quality housing stock and achieve carbon neutrality. JHF also supports the maintenance of the asset value of condominiums. Through these measures, JHF is working to solve these issues.



Social Issue 1 Creating and distributing high-quality housing stock

Flat 35 S, Flat 35 Renovation, and Flat 35 Maintenance program are housing loans that lower interest rates for a portion of their loan term when purchasing existing housing for which measures have been taken to ensure it can be used for a long time in good condition, when purchasing existing housing and making renovations that meet certain criteria, when purchasing housing with maintenance and management features, such as long-lasting quality housing, or when purchasing housing that contributes to the distribution of existing housing. In addition, in April 2025, JHF introduced Flat 35 for Existing Housing Plus, a new program that offers a reduced interest rate for a certain period when purchasing a high-quality existing home that meets specific quality standards.

Furthermore, JHF offers the Flat 35 Regional Partnership program (vacant home countermeasure) which lowers interest rates for a portion of their term in conjunction with financial support provided by collaborating local governments for borrowers who purchase and live in a vacant home.

JHF has also established a website, Vacant Housing Information Site. Through a function that allows information on local government subsidy programs, loan products offered by financial institutions, and vacant homes available in the region (nation-wide vacant home bank) to be filtered by municipality, this website provides information designed to promote the use of vacant homes.

Main products and services

- Flat 35 S (durability/modifiability [long-lasting quality housing])
- Flat 35 Renovation (durability/modifiability [long-lasting quality housing])
- Flat 35 Maintenance program
- Flat 35 for Existing Housing Plus program
- Flat 35 Regional Partnership program (vacant housing countermeasure)
- Vacant Housing Information Site (JHF site)

Social Issue 2 Maintaining and managing condominium stock

JHF offers Mansion Sumairu Bond, the bond which supports planned accumulation of reserve funds for large-scale condominium repairs, to condominium management associations.

In addition, JHF hosts and provides administrative staff for “the Implementation Council on Financial Support to Increase Condominiums’ Value,” whose members include organizations related to condominium management, private financial institutions, and government bodies. The council is advancing initiatives to support the maintenance/management and renewal of the condominium stock in response to market needs. These efforts include the release of resources such as the “Condominium Lifecycle Simulation - Long-term Repair and Renovation Navi,” and the booklets “Guidelines for Large-scale Repair and Renovation” and “Tips for Promoting Performance Enhancement Work.”

Main products and services

- Mansion Sumairu Bond
FY2025 new application amount

¥ **88.0** bn

Associations applying for first time in FY2025

3,371 associations

- Mansion Sumairu Housing Loan
- Condominium Lifecycle Simulation
- Guidelines for Large-scale Repair and Renovation
- Tips for Promoting Performance Enhancement Work

Social Issue 3 Promoting highly energy-efficient housing

In advance of mandatory compliance with energy efficiency standards under the revised Building Energy Efficiency Act that came into effect in April 2025, Flat 35 has required all newly built homes to meet energy efficiency standards since fiscal 2023. Also, the JHF Sumairu Loan for Rental Housing (childrearing/energy efficiency program) has required all newly built homes to meet the standards since fiscal 2017. Through these initiatives, JHF has contributed to the realization of a decarbonized society.

In addition, JHF supports the promotion of energy-efficient housing by offering products that reduce interest rates for a certain period of time when purchasing homes with high energy efficiency, such as ZEH, or long-lasting quality housing.

In addition, JHF offers Flat 35 Renovation, which reduces interest rates for a certain period when purchasing an existing home and carrying out renovations that meet requirements such as improved energy efficiency, and the Green Renovation Loans, a lending program for energy-efficient renovations that meet certain requirements.

Main products and services

- Flat 35 S (energy-efficiency), Flat 35 S (ZEH)

Applications in FY2025 **26,927** applications

- Flat 35 Maintenance program (long-lasting quality housing)

Applications in FY2025 **19,631** applications

- JHF Sumairu Loan for Rental Housing (childrearing/energy efficiency program)

Applications accepted in FY2025 **11,632** houses

- Flat 35 Renovation (energy efficiency)
- Green Renovation Loans

Social Issue 4 ESG investment market growth

JHF bonds (green bonds) are used, for example, as funds for the purchase price of mortgage receivables for housing loans for highly energy-efficient housing of Flat 35 loans.

JHF issues green bonds, providing extensive publicity on the promotion of highly energy-efficient housing through the Flat 35 program. In addition, with the support from investors in promoting highly energy-efficient housing through financing, as a policy implementation agency, JHF contributes to the growth of the ESG investment market.

The Green MBS issued by JHF in November 2025 was recognized as the Innovative Debt Deal of the Year in the Bonds category of the DEALWATCH AWARDS 2025, organized by the London Stock Exchange Group's DealWatch service.

Main products and services

- JHF bonds (green bonds)

FY2025 bond issuance ¥ **85.0** bn



Construction of safe, disaster-resilient housing and support for post-disaster reconstruction

Goal 9 Establish safe housing environments to address the increasing frequency and severity of natural disasters

Japan is a country where earthquakes, floods, and other disasters occur frequently, and disaster preparedness is essential.

Particularly in recent years, disasters have occurred more frequently and severely. Believed to be the result of climate change, this situation demands even further efforts to secure the safety and security of homes and communities.

JHF contributes to disaster preparedness and mitigation through a variety of products and services together with supporting recovery from disasters based on collaboration with relevant organizations.



Social Issue 1 Supporting the rebuilding of homes for disaster-stricken people

JHF provides funding for restoration of housing to people whose homes were damaged by earthquakes, typhoons, flooding, windstorms, and other natural disasters, supporting the victims of natural disasters in getting back to normal life as quickly as possible.

In addition, JHF offers a special lump-sum repayment program for the elderly (Recovery Reverse Mortgage) and a parent-child relay lump-sum repayment program, etc., thus meeting a diverse array of needs for home rebuilding.

Furthermore, in response to the recent surge in construction costs and requests from disaster-affected individuals, starting in March 2024, JHF has raised the loan limits and extended the maximum repayment period for repair loans under Housing Loans for Disaster Recovery, etc.

When a disaster strikes, JHF leverages its nationwide branch network to hold local consultation sessions in collaboration with local governments in disaster-stricken areas, supporting home rebuilding in accordance with the state of damage while supporting those affected.

Main products and services

● Housing Loans for Disaster Recovery

Consultations in FY2025

1,354
consultations

Applications in FY2025

272
applications

Special repayments for the elderly in FY2025

85 cases

Social Issue 2 Promoting homes resilient to disasters

JHF offers Flat 35 S, a program through which borrowers can obtain a lower interest rate than a Flat 35 loan for a portion of their loan term when they purchase housing which meets or exceeds certain standards for earthquake resistance.

Further, JHF contributes to the disaster prevention and risk mitigation of existing housing by offering Flat 35 Renovation. Through this program, borrowers can get a lower interest rate for a portion of their loan term when purchasing an existing home and making renovations that satisfy certain earthquake resistance criteria.

Main products and services

- Flat 35 S (earthquake resistance)
- Flat 35 Renovation (earthquake resistance)
- Flat 35 Regional Partnership Program (disaster preparedness and mitigation)

Social Issue 3 Disaster preparedness and mitigation through urban de-densification

JHF offers Urban Development Loans to finance projects such as the rebuilding of aging buildings in densely populated urban areas, urban redevelopment projects, and disaster-prevention block improvement projects. In addition, JHF provides Mansion Sumairu Housing Loan to condominium management associations to cover expenses for large-scale repair work aimed at improving seismic resistance.

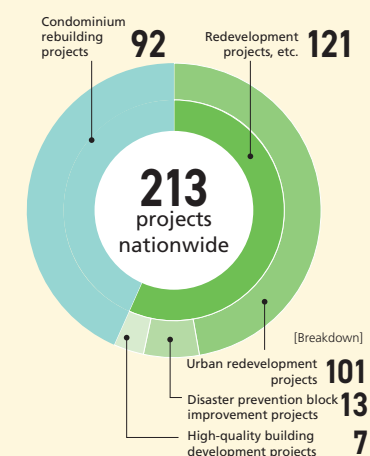
For individual customers, JHF also offers renovation loans for aseismic retrofitting work. In light of the significant human toll caused by building collapses during the 2024 Noto Peninsula Earthquake, JHF expanded the scope of eligible expenses in April 2025 to include the installation of seismic shelters and similar works.

Furthermore, starting in February 2025, JHF launched the Reverse 60 Interest Subsidy Program for Aseismic Retrofitting. Under this program, when customers use both a local government's aseismic retrofit subsidy and the Reverse 60 loan for aseismic retrofit work, JHF will pay all or part of the interest on their behalf.

Main products and services

- Urban Development Loan
- Mansion Sumairu Housing Loan
- Renovation loans for aseismic retrofitting work
- Reverse 60 interest subsidy program for aseismic retrofitting

Acceptance of Urban Development Loans as of the end of FY2025



Close Up !

Feedback from customers who took advantage of JHF's special repayment program for the elderly (Recovery Reverse Mortgage) after the 2024 Noto Peninsula Earthquake

It was our grandchildren's words, "It would be good to have a home where we can all gather," that prompted us to rebuild our home by ourselves. However, because of our advanced age, the pension is our only income source, and our efforts to rebuild did not go as planned, so we were on the verge of giving up. At that point, we learned about Housing Loans for Disaster Recovery. We were able to find out more at a consultation event, and we made the decision to proceed with the rebuilding on our own. Even as we struggled with the procedures, we attended consultation events on multiple occasions, and with the meticulous support extended to us, little by little, we were able to move forward. Although we had concerns, having somewhere to seek advice was a tremendous support, and we were able to rebuild our home without incident. On New Year's Day, when the whole family gathers together, we are reminded once again how glad we are that we rebuilt our home.



Customers who took advantage of JHF's special repayment program for the elderly (Recovery Reverse Mortgage)



Support for overseas expansion of housing-related businesses and creation of a favorable environment for such expansion

Goal 10 Develop the housing industry by securing and nurturing future professionals and expanding overseas

Goal 11 Clarify the roles of housing administration in the national and local governments and develop a promotion system

To promote the expansion of new businesses in overseas markets by Japan's housing-related businesses, JHF is working to create a favorable environment for overseas expansion through initiatives such as training seminars related to housing finance in emerging economies and other regions and the provision of Japanese expertise. In this way, we aim to contribute to both the Japanese economy and the global community.

Through our participation in the Study Group on Future Condominium Policy, the provision of online services for loan applications and repayment procedures, and other initiatives, we are helping to secure and develop the next generation of housing professionals, as well as promoting the streamlining of procedures through digital technologies. In these and other ways, we are contributing to the development of the housing industry.



Social Issue 1 Developing an environment that facilitates overseas expansion by housing-related businesses

Under the Act on Promoting Entry of Japanese Business Operators into Overseas Social Capital Projects (Act No. 40 of 2018), JHF is working to support the establishment and expansion of housing finance systems in emerging economies and to develop an environment that facilitates overseas expansion by Japan's housing-related businesses.

In emerging economies in particular, there is strong demand for initiatives to expand the availability of housing loans that support homeownership assistance programs, as well as for support in building high-quality housing. In response, JHF provides expertise on Japan's housing policies, the Flat 35 business model, and initiatives to improve housing quality through housing finance. In fiscal 2025, as an initiative to promote the adoption of energy-efficient housing and other initiatives in Mongolia, JHF entered into its first ever paid technical assistance agreement with the Mongolian Mortgage Corporation, under which we provided technical assistance for the issuance of green bonds.

In addition, based on our expertise in housing loan programs through our domestic operations, we conduct research on the housing markets and housing finance in emerging economies and provide training for housing finance institutions.

We are also strengthening our collaboration and cooperation with relevant overseas organizations by gathering information about housing finance overseas and presenting information about JHF's initiatives. Ways in which we achieve this include attendance at international conferences and the conclusion of memoranda of understanding with such organizations.

Main products and services

- Support/information exchanges with institutions inside/outside Japan

Fiscal 2025 **53** times

Social Issue 2 Collaboration aimed at advancing the development of the housing-related industry

In the Study Group on Future Condominium Policy hosted by the Ministry of Land, Infrastructure, Transport and Tourism, efforts are underway to identify the challenges facing condominiums today, including the "two aging" issues of the increasing number of aging buildings and the aging of residents. Broad discussions are also taking place on future condominium policies from the perspectives of promoting proper management and repairs and facilitating renovation, while also taking into account developments in the review of the legal framework governing condominium ownership. JHF employees also participate in the Study Group as members and are involved in the review of condominium policies.



Social Issue 3 Promoting the use of digital technology to further improve service

To provide simpler and more user-friendly housing loan procedures for customers and other stakeholders, JHF offers online application services for Flat 35 loans, Green Renovation Loans, and other programs.

For online applications, we leverage digital technologies such as eKYC (electronic Know Your Customer) for online identity verification, video services that allow customers to learn about product features and important considerations, and electronic contract services, in our efforts to provide services that will satisfy customers.

Main products and services

- Green Renovation Loans web application service

Percentage of online applications in FY2025 **84.0**%

Close Up !

Promotion of international collaboration at the Ninth Tokyo International Conference on African Development (TICAD 9)

In August 2025, JHF, together with the Ministry of Land, Infrastructure, Transport and Tourism, Shelter Afrique Development Bank (ShafDB), The Building Center of Japan, and the Japan International Association for the Industry of Urban Development, Building and Housing, hosted the Japan-Africa Housing, Building, and Urban Development Forum, a thematic side event of TICAD 9.

The forum featured a keynote speech by the Executive Director of the United Nations Human Settlements Programme (UN-Habitat) on global housing issues and a lecture by the Managing Director of ShafDB on related investment opportunities in Africa. Before these addresses, in his opening remarks on behalf of the organizers, JHF President, Shinji Mouri, presented JHF's diverse initiatives in Japan and overseas, and spoke about our commitment to continue disseminating to the world our knowledge and experience concerning green, social, and sustainable housing finance.

A roundtable discussion was also held on the same day, featuring a lively exchange of views about environmentally friendly housing and urban development.



Organizers' representatives on stage at the TICAD 9 thematic event

Response to the TCFD Recommendations

In line with the Japanese government's efforts toward achieving net-zero GHG emissions by 2050, JHF endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)* in June 2022. JHF has established initiatives relating to each of the core elements of the TCFD's recommended financial disclosures and will continue to periodically enhance these initiatives. JHF's current approach to each of these core elements is outlined below.

*Although the TCFD was disbanded in October 2023, its role has been taken over by the International Sustainability Standards Board (ISSB). As disclosures in accordance with the TCFD's recommendations are still possible, JHF continues to make disclosures in line with those recommendations.

Governance

JHF positions response to climate change as an important management issue amid efforts to maximize its functions as a national policy implementation agency. The risks and opportunities of climate change, along with policies in

response to both, are deliberated on and monitored by specific Risk Management Committees for each risk and the Board of Directors.

Strategy

- **Supporting the improvement of housing energy efficiency through loans**
JHF helps to lower CO₂ emissions through programs such as Flat 35 S, which support the acquisition of highly energy-efficient housing through interest rate reduction schemes.
- **Promoting the international adoption of green housing finance**
JHF leverages its expertise in promoting energy-efficient housing and issuing green bonds to support human resources development by providing training for overseas organizations.

- **CO₂ emissions reduction benefits from the issuance of green bonds**
JHF issues green bonds to fund the purchase of mortgage receivables that were granted specifically for superior energy-efficient housing.
It also began issuing green bonds in the form of MBS from fiscal 2025, in addition to government-guaranteed bonds and secured straight bonds.
New green bonds issued in FY2025 resulted in an annual reduction in CO₂ emissions of 2,857 tons.

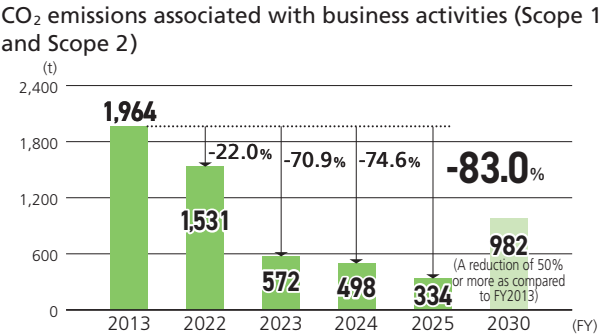
Risk management

JHF is working to identify, measure, and evaluate physical and transition risks related to climate change risks, with each of these areas reported in the Risk Management Committees for each type of risk and in the Board of

Directors. The results of measurement of physical and transition risks indicate that their impact on JHF's financial position is expected to be limited.

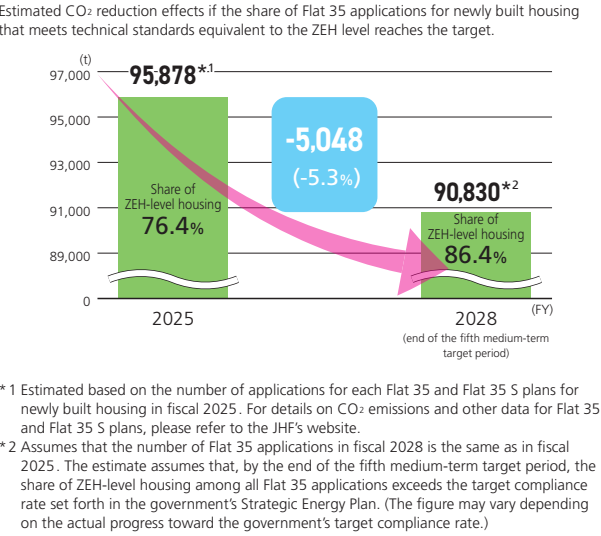
Metrics and targets

In fiscal 2022, JHF formulated its "Plan to Establish Measures that Should Be Implemented by the Japan Housing Finance Agency (JHF) to Reduce and Otherwise Mitigate the Greenhouse Gas Emissions Related to its Business Activities and Affairs."
This Plan also sets out JHF's goal to reduce its total GHG emissions by no less than 50% of 2013 levels by fiscal 2030.



*The graph above shows JHF's estimated CO₂ emissions based on energy consumption, in accordance with the Basic Guidelines on Accounting for Greenhouse Gas Emissions Throughout the Supply Chain established by the Ministry of the Environment and the Ministry of Economy, Trade and Industry.

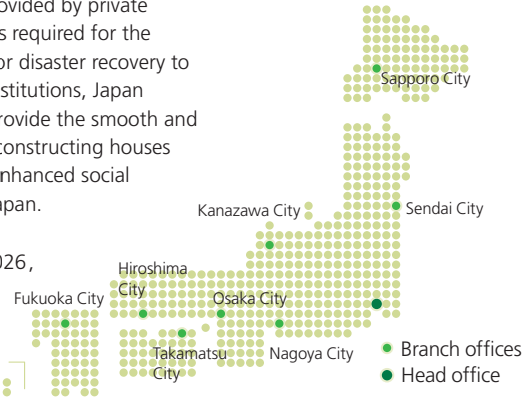
Quantitative target under the fifth medium-term targets



Corporate Data

About Japan Housing Finance Agency

Establishment	April 1, 2007
Purpose	By purchasing mortgages to assist in the lending of funds necessary for constructing houses, etc. provided by private financial institutions, and by lending funds required for the purposes such as constructing buildings for disaster recovery to supplement lending by private financial institutions, Japan Housing Finance Agency (JHF) strives to provide the smooth and efficient provision of funds necessary for constructing houses and thus contributes to a stable life and enhanced social welfare for the citizens and residents of Japan.
Capital	¥696,410.42 million (as of March 31, 2026, 100% of the capital is provided by the Japanese government)
Number of executive officers and employees	954 (as of April 1, 2026)
Businesses	Securitization Support Business, Housing Loan Insurance Business, Loan Origination Business, etc.
Offices	Head office: 1-4-10 Koraku, Bunkyo-ku, Tokyo, Japan 112-8570 Branch offices: 8 offices in major Japanese cities
Size of mortgage portfolio	¥21.5571 trillion (as of March 31, 2026) (Of which, purchased loans: ¥17.9662 trillion)



■ Japan Housing Finance Agency (JHF) website
<http://www.jhf.go.jp/english/index.html>



