

HOUSING WARRANTY SCHEME IN JAPAN

SEPTEMBER 2022

The Foundation for Housing Warranty

Housing Warranty Scheme in Japan

The purpose of this series of notes is to help people who are interested in the Housing Warranty System in Japan. We hope this will contribute to a mutual understanding of the housing warranty system and housing policies with people outside of Japan.

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Abbreviation	
AEDWL	Act for Execution of Defect Warranty Liability under HQAA
CHORD	The Center for Housing Renovation and Dispute Settlement Support
HQAA	Housing Quality Assurance Act
HQAS	Housing Quality Assurance System
JPA	Japan Prefabricated Construction Suppliers and Manufacturers Association
LSCF	Large-scale Loss Compensation Fund
MC	Ministry of Construction
MLIT	Ministry Infrastructure, Land and Transportation
OWH	Organization of Housing Warranty
SDS	Security Deposit Scheme

Fiscal Year : One year from April to March

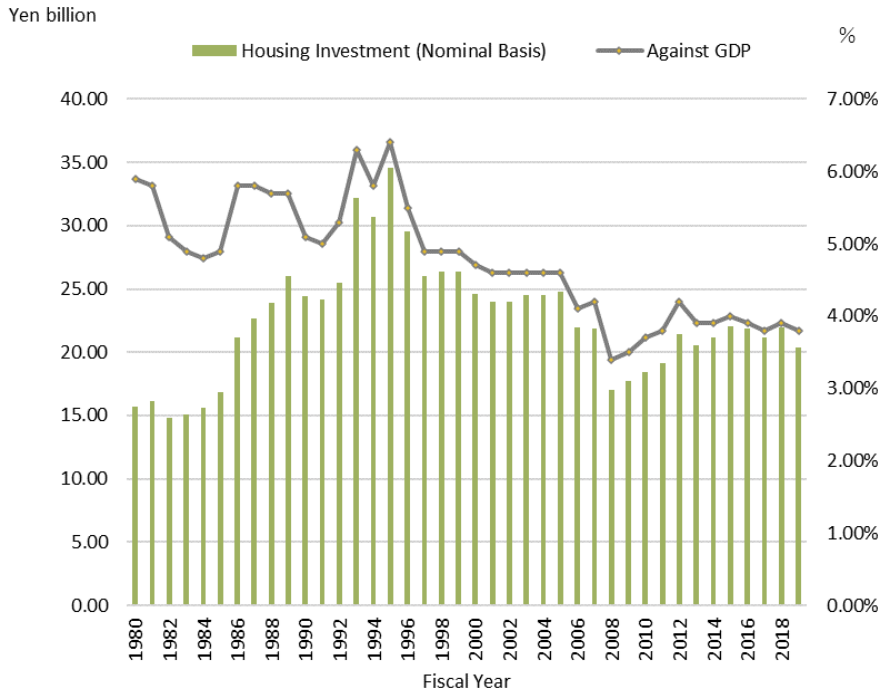
Housing business providers include home builders, suppliers or licensed real estate agents

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1. Background of the Housing Warranty System

During the latter stage of Japan's period of rapid economic growth after WW II (1955 to 1973), investments in the housing sector increased more than five times, and its share against GDP stayed in the range of 6 - 9% (vs 3 - 4% at present). This period also saw an increase in housing demand due to a shortage of housing, and many companies who produced prefabricated houses contributed to the launch of the market. In 1975, the housing bureau of the Ministry of Construction (Ex-entirety of Ministry of Land, Infrastructure and Transportation (MLIT)) formed the Study Committee of the Housing Warranty System. At that time, just after the 1st Oil Crisis, the housing sector experienced an increase in housing defects arising from a shortage of construction materials, a decrease in the quality of materials, and lower-quality works.

Diagram1 Housing Investment and its share against GDP



In 1976, the Ministry of Construction ("MC") provided guidance to the prefabricated housing industry in order to introduce a voluntary two-year warranty system. Quality standards in the housing industry were not unified at the time, and as such the quality control system was different for each company. During this period, the population in cities was increasing significantly and the residential areas surrounding large cities were expanding, facing medium and small companies with various structural changes. Prior to the period of rapid economic growth after WW II, housing supply relied on medium- and small-sized companies in the region, which normally constructed five houses per year.

Statistical methodology: 1980-1993 based on 2000 rule, 1994 and onwards based on 2015 rule

However, with the rapidly growing market, large companies supplying prefabricated houses also saw an increase in business. Consumers were also faced with the problem of there being high numbers of people moving to urban areas, making it harder for them to find an appropriate and qualified house builder as a newcomer.

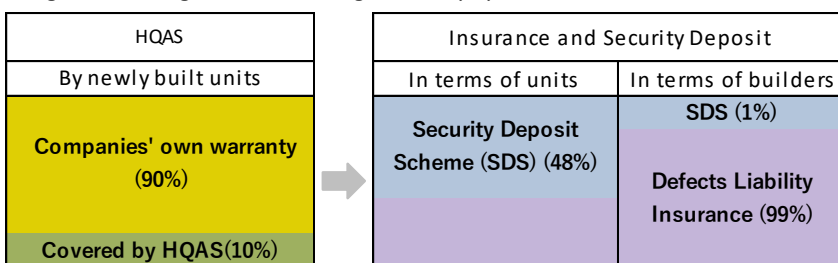
Taking this into consideration, MC introduced the Housing Quality Assurance System ("HQAS") in order to improve housing performance and consumer protections, as well as to sustain qualified housing suppliers.

Through pilot tests in Hokkaido, the Registration Organization for Warranted Houses (ROWH), the sole operator of HQAS, was established in 1982, before HQAS was subsequently implemented on a national basis. ROWH was renamed to the Organization of Housing Warranty (OWH) in 1999. HQAS was mainly used by medium- and small-sized builders, and the scheme was succeeded by the Defect Liability Insurance System (DLI) in 2009.

In 1963, several companies which had produced prefabricated housing in the early stage formed the Japan Prefabricated Construction Suppliers and Manufacturers Association ("JPA"). JPA set up their own customer service code, which provided a 10-year warranty for structural parts and water ingress, a 2-year warranty for equipment and finishing and a 5-year warranty for termite damage. JPA members also have set up their own customer service code. Thereafter, large-sized builders and contractors introduced their own after-sale services, including warranties. This is attributed to the Security Deposit Scheme (SDS) based on the Act for Execution of Defects Warranty Liability under HQAA ("AEDWL").

AEDWL was fully enforced in October 2008. HQAS ceased accepting new contracts in June 2008, and was subsequently succeeded by DLI. The diagram below shows that newly-built houses are covered by HQAS and a financial securing scheme based on AEDWL. Under the current system, the percentage of newly-built houses covered by SDS and DLI are around 50%. However, only 1% of contractors has been using SDS.

Diagram2 Changes in the Housing Warranty System



Accompanying societal changes, such as the combination of an aging society with a low birth rate and a decrease in the number of households, the National Plan on Housing has been working since 2006 to develop good-quality residential stock instead of increasing the number of houses.

Residential stock has reached a sufficient level of supply—however, improvement is still needed in the areas of earthquake resistance, insulation, and other matters related to energy efficiency. Regenerating housing stock that is both higher-quality and longer-life needs to be achieved by way of proper maintenance work, remodeling, rebuilding, and a distribution system.

Based on the Basic Plan for Housing effective during fiscal year 2021 ~ 2030, major challenges from the perspective of housing stock/industries are: constructing housing circulation systems, procurement of high-quality housing stock, management, and the elimination and utilization of vacant houses. On the strategy front, disseminating durable and manageable houses and remodeling to increase the trading volume of existing houses is key. To cope with this, the housing warranty system is expected to increase the variety of defect liability insurance products for existing houses and other relevant services, such as a housing inspection scheme for existing houses#1.

1 Housing Inspection scheme for existing houses

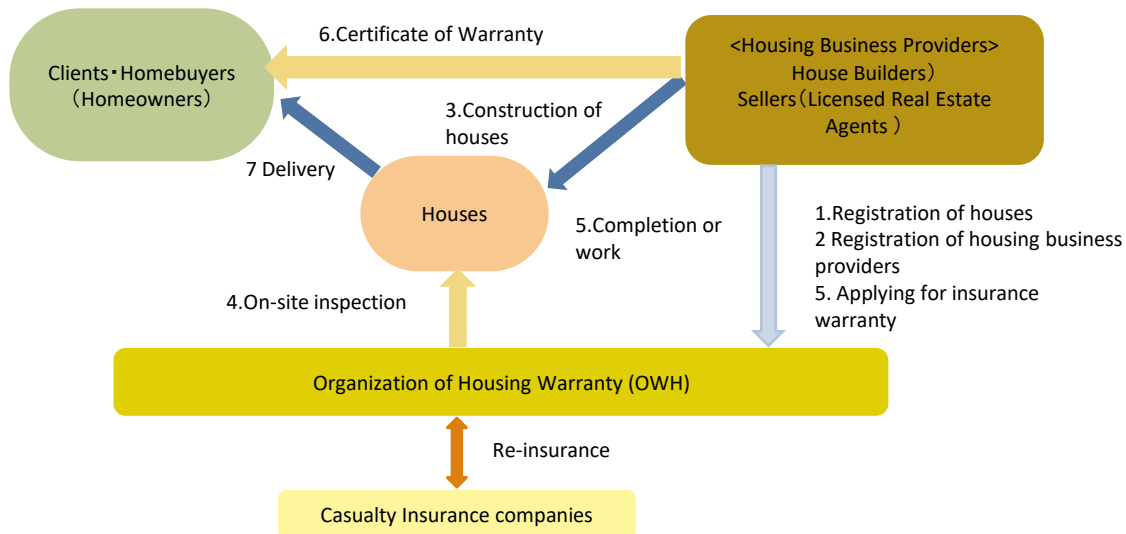
Licensed architects who completed the required training course determined by MLIT, conduct inspections to find cracks, deterioration and defects in the area of major structural parts (foundation, and walls) and water ingress.

2 . Housing Quality Assurance Scheme (HQAS) (1980~2008)

The HQAS was a voluntary system. At the beginning, the system only covered newly-built houses—including apartments and houses for lease—and then extended to existing houses in 2003. 99% of registered house builders are medium- and small-sized companies (i.e. their paid-up capital is less than Yen 300mil, or their number of regular employees is less than 300.)

- Registered entities: housing business providers such as house builders, suppliers and housing sale companies
- Eligible houses: Newly-built housing (Detached house, non-detached houses, non-detached houses for lease)
- Warranty covered area: Major structural parts and water ingress
- Duration: 10 years from the commencement date of the scheme

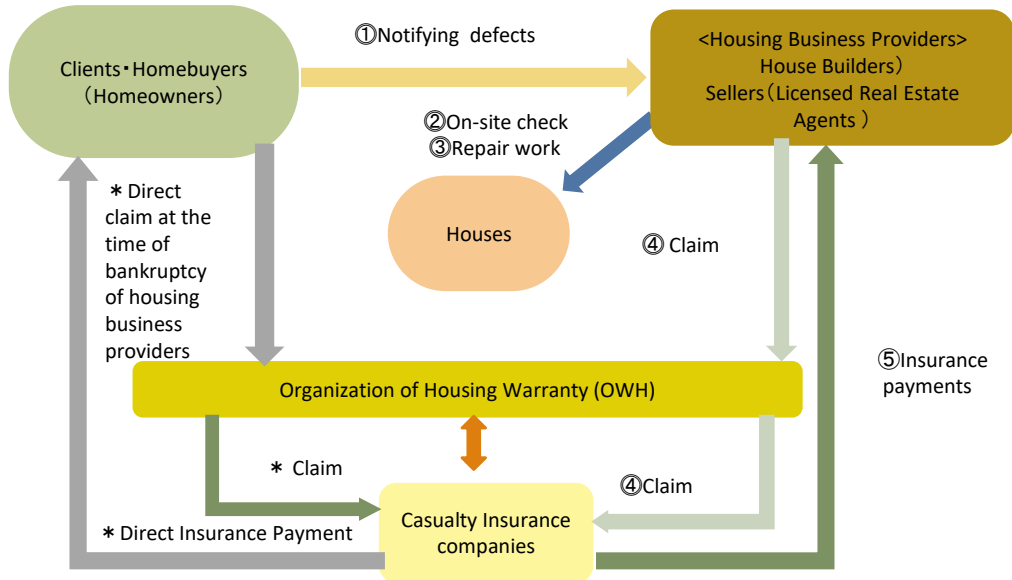
Diagram3-1 Housing Quality Assurance Scheme



- Flow of HQAS**
1. Registration of housing business providers
 2. Registration of houses to HQAS
 3. Construction of houses
 4. On-site inspection
 5. Completion of construction work · Applying for issuance of warranty
 6. Issuing of warranty certificate
 7. Delivery of houses

Fee
 Registration fee for housing business providers:
 About yen 30,000 per year
 Warrantee premium :
 Detached house - Yen 70,000 ~ 80,000
 Non-detached houses: depending on the size and the structure

Diagram3-2 Housing Quality Assurance Scheme



Flow of events ensured occurred

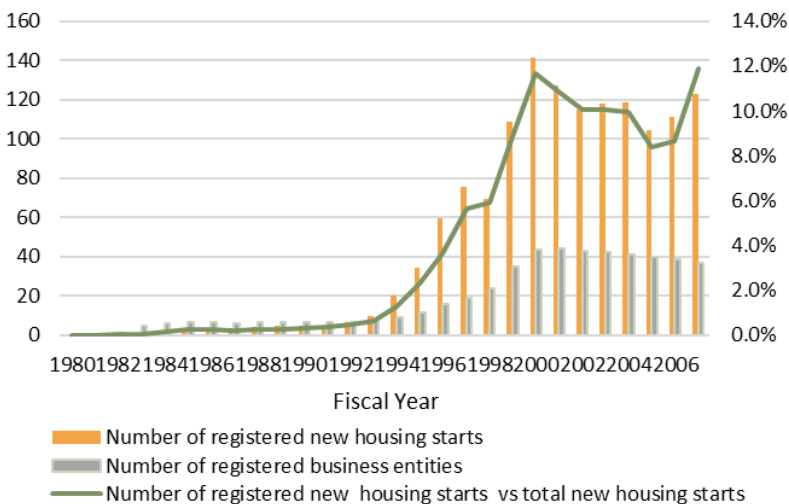
- ① Homeowner notifies housing business providers of defects
 - ② Registered housing business providers conduct an on-site check, then submit the report to OWH.
 - ③ Registered housing business providers conduct repair works
 - ④ Registered housing business providers claim insurance payments to OWH
 - ⑤ OWH and Casualty insurance companies make the insurance payment upon notice of completion of repair work.
- * 80% of the payments is paid by Casualty insurance companies, and 20% is paid by registered entities

Clients and Homebuyers’ Direct claim and payments:

In the event that housing business providers filed for bankruptcy and failed to complete repair work, clients or Homebuyers can directly claim payments to OWH.

Diagram 4 HQAS –by housing units & registered housing business providers

1000 Units



Although there were less than 5,000 registered housing business providers before 1993, the number of registrations gradually increased as highly durable houses became popular, especially after the Hanshin-Awaji Earthquake Disaster. At its peak, the number of registered housing business providers reached 44,000. There were 140,000 units recorded in 2000, or 12% of total new housing starts.

Defects related to water ingress accounted for 90% of total defects, of which water ingress incurred in walls accounted for 75% of total defects.

Regarding defects of structural parts, defects in foundations were the highest at 6%.

3. The Housing Quality Assurance Act (“HQAA”)

The Housing Quality Assurance Act (“HQAA”) was approved in 1999 and became effective in April 2000.

Major points are as follows:

(1) Establishment of the Housing Performance Indication System (Voluntary)

This System allows a private organization to conduct an evaluation through document review and on-site investigation, and to indicate the performance of newly-built housing and existing housing including quake resistance and energy efficiency.

(2) Establishment of Designated Housing Dispute Resolution Bodies.

The Center for Housing Renovation and Dispute Settlement Support (CHORD) was approved as a designated dispute resolution body with the aim of providing a range of support for housing related problems regarding contracts, and the construction of houses with Performance Evaluation Reports after the Completion of Construction between the housing company and clients.

(3) Introduction of the mandatory 10- year defect guarantee liability for the fundamental structure and prevention of water ingress.

In order to enhance HQAS, the following two funds were set up with government financial assistance.

① Defect Warranty Financial Assistance Fund :

This fund enables small- and medium-sized companies (paid-up capital is less than Yen 300million, or the number of full-time employees is less than 300) or individuals to utilize HQAS with a 15% discount off registration fees.

② Completion Warranty Fund: the Completion Warranty Program was set up in 1999. This program enables consumers to complete the house with a limited amount of expense when small- and medium-sized companies fall into bankruptcy or otherwise. 1,500 cases were covered by the scheme from 2000 to 2007, and at present, three insurance corporations provide the program.

4. Act for Execution of Defects Warranty Liability under HQAA (“AEDWL”)

An incident in which an architect made fake building structure statements was disclosed in November 2005. This caused a crisis of confidence among Japanese people towards the safety and quality of buildings.

A Japanese first-class architect was convicted for falsifying data regarding earthquake resistance for 71 buildings (including some residential ones) out of the 208 he designed. This resulted in rebuilding and large-scale rehabilitation work on apartments.

In this sort of situation, warranty liability usually falls on the sales company which sold the apartments based on HQAA. However, because a sizable number of apartment units were affected by this incident, the sales company filed for bankruptcy. As a result, the owners of these apartments had to take out additional loans to buy a new unit on top of having already bought the one which was built based on the fake structure statement.

This issue revealed that even though sale companies have an obligation to cover defect warranties, without the appropriate financial resources, consumers are not protected in this kind of event. To ensure defect guarantee liability as well as consumer protection, the Act for Execution of Defect Warranty Liability under HQAA was approved in December 2007 and became effective as of October 1, 2009. This Act obligates housing business providers to deposit money or provide complete defect warranty insurance.

(1) Securing financial resources

The Act obligates housing business providers (home builders, suppliers, or licensed real estate agents) to participate in deposit schemes or defect liability insurance.

(2) Appointment of Insurance Corporations

Insurance corporations who underwrite new house defect liability insurance must be appointed by MLIT in order to secure consumer protection. The Act includes provisions regarding operation and supervision of insurance corporations.

(3) Reinforcement of Dispute Resolution System

MLIT appointed CHORD as its specified Dispute Resolution Body, in order to properly handle problems and to speed up the process. CHORD also provides support for the solving of disputes between homebuyers or clients and sellers or house builders, etc., through the Review Board of Housing dispute.

5. Securing financial resources under AEDWL

AEDWL obligates housing business providers to set aside funds for fulfilling 10 years of defect warranty liability (including the right of purchasers and other parties to demand repairs). To ensure that funding is available, housing business providers are obliged to participate in deposit schemes or defect liability insurance. AEDWL requires any housing business providers who have delivered or sold newly built houses over the past 10 years to submit their status of securing funding resources (security deposits and defects liability insurance) as of March 31 every year to MLIT.

Companies who are obliged to secure financial resources based on AEDWL are as follows:

Builders: builders having licenses from the Minister of MLIT or a prefectural governor based on the Construction Business Act.

Licensed Real Estate Agents: agents having licenses from the Minister of MLIT or a prefectural governor based on the Construction Business Act.

Based on these schemes, the buyer of a new house can claim reimbursement of repair costs and other necessary expenses from deposits placed by house builders or suppliers, or make a direct claim to insurance corporations if the home builder, supplier or licensed real estate agent goes bankrupt, or for other reasons.

(1). Deposit system

Housing business providers who have delivered or sold newly built houses must place deposits or designated types of securities to a Depository such as a Local Legal Affairs Bureau) to prevent a situation in which they fail to conduct repairs due to bankruptcy or other reasons. The size of the deposit of the Housing Defects Warranty is determined based on the number of units delivered or sold over the past 10 years on the calculation date (March 31 of each year). If deposits are put in the Depository, such deposits cannot be refunded for 10 years.

Diagram 5 Security Deposit Scheme

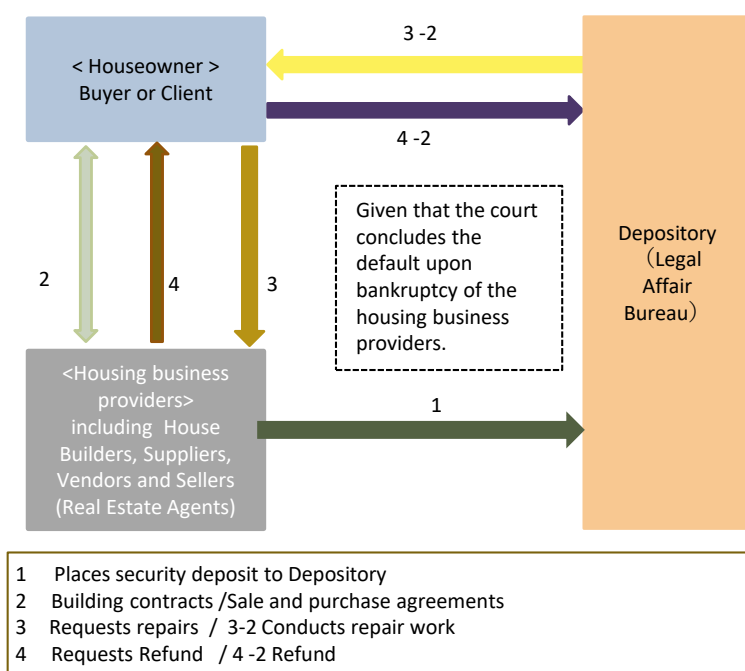


Table 1 Security Deposit Calculation

Warranty amount = A x B + C (Note 1 & 2)		
Number of newly built houses per year (1,000) - A	Amount to be multiplied (Yen, 1,000) - B	Addition (Yen, 1,000) - C
Less than 1	20,000	0
1 < units ≤ 10	2,000	18,000
10 < units ≤ 50	8,500	30,000
100 < units ≤ 500	600	40,000
500 < units ≤ 1,000	100	90,000
1,000 < units ≤ 5,000	80	100,000
1,000 < units ≤ 5,000	40	140,000
5,000 < units ≤ 10,000	20	240,000
10,000 < units ≤ 20,000	19	250,000
20,000 < units ≤ 30,000	18	270,000
30,000 < units ≤ 40,000	17	300,000
40,000 < units ≤ 50,000	16	340,000
50,000 < units ≤ 100,000	15	390,000
100,000 < units ≤ 200,000	14	490,000
200,000 < units ≤ 300,000	13	690,000
units < 300,000	12	990,000

Note related to Table 1

(Note 1): A security deposit is required for all newly built houses except houses covered by New House Defect Liability Insurance (Type I) or newly built houses which were delivered to clients before October 1, 2009.

(Note 2): In the event that the calculated amount exceeds Yen 12billion, the security deposit is limited at Yen 12billion.

(2). Housing Defect Liability Insurance Scheme

Through insurance contracts with Insurance Corporations, house builders, suppliers, and sellers who are licensed real estate agents provide the buyer of houses with the means to claim the reimbursement of repair costs and other necessary expenses. The buyer of houses can make a direct claim for insurance money from the insurance corporation if the home builder, the supplier, or real estate agent goes bankrupt, or for other reasons.

At present, there are five insurance corporations that provide Defect Liability Insurance products.

There are two type of New House Defect Liability Insurance products, Mandatory and Voluntary. If the buyer of a newly built house is an individual or a corporation which does not have a real estate agency license, the seller must take out insurance. If the buyer is a licensed real estate agent (regardless of whether they are an individual or a corporation), the seller can take out insurance voluntarily.

① New Housing Defect Liability Insurance (Type I) - Mandatory

Newly built houses based on AEDWL are defined as follows:

- The date of sale of the newly built house should be within one year from the completion date, and the house has never been used for residential purposes.
- Both newly built detached houses and non-detached houses (apartments, residence for lease) are eligible.

Insurance

② New Housing Defect Liability Insurance (Type II) - Voluntary

Based on AEDWL, Type II, newly built houses are defined as follows:

(a) The date of sale of the newly built house should be within two years from the completion date.

(b) Even if the house qualifies as a “newly built house” (the date of sale of the newly built house is within one year from the date of completion) under AEDWL, if the buyer or seller’s situation falls into the following category, both parties can take out Type II insurance.

- The house was built by a house builder who does not have a construction business license#2
- The house was sold by an individual who does not have a real estate agency license
- The house builder obtained building work from a licensed real estate agent
- A licensed real estate agent has sold the newly built house to another licensed real estate agent

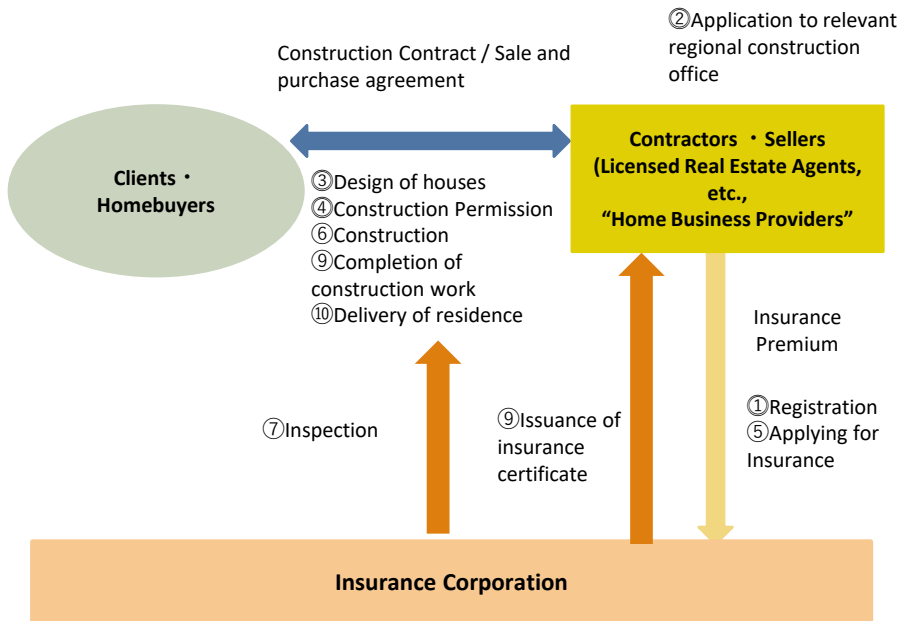
Table 2 New House Defect Liability Insurance Mandatory vs. Voluntary

Contract	Seller	Buyer	Securing Financial Resources required? (Y/N)	Mandatory or Voluntary	Insurance	Relevant Clause
Building contracts	Construction Company (Licensed)	Individual or Corporations (no real estate agency license)	Yes	Mandatory	New Housing Defects Liability Insurance (Type I)	Art 19-1 of SEDWL
		Individual or Corporations (with real estate agency license)	No	Voluntary	New Housing Defects Liability Insurance (Type II)	Art 19-1 of SEDWL
	Construction company #2 or individual	License is not relevant	No	Voluntary	New Housing Defects Liability Insurance (Type II)	Art 19-1 of SEDWL
Purchase and sale agreements	Licensed real estate agents	Individual or Corporations (no real estate agency license)	Yes	Mandatory	New Housing Defects Liability Insurance (Type I)	Art 19-1 of SEDWL
		Individual or Corporations (with real estate agency license)	No	Voluntary	New Housing Defects Liability Insurance (Type II)	Art 19-1 of SEDWL
	Construction company #2 or individual	License is not relevant	No	Voluntary	New Housing Defects Liability Insurance (Type II)	Art 19-1 of SEDWL

#2 Construction companies which only undertake simple construction work do not require a business license as stipulated in Article 3 of Construction Business Act. “Simple construction work” is defined as follows:

1. Contract amount per work is less than yen 15million, or
2. The building is a wooden house with a total floor space less than 150 m²

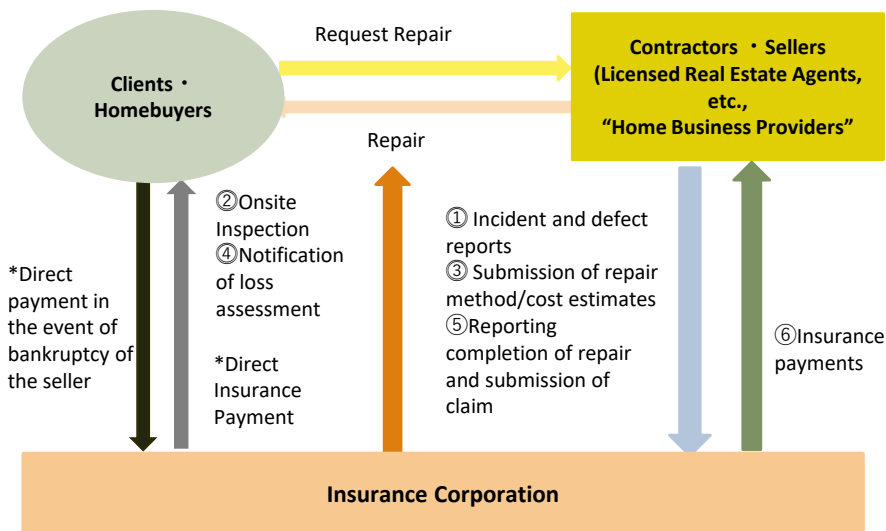
Diagram 6-1 New Housing Defect Liability Insurance (Type I) Scheme



- Flow of New House Defects Liabilities Insurance**
- ① Housing business providers' registration to Insurance Corporation
 - ② Housing business providers' application to relevant regional construction office
 - ③ Design of houses
 - ④ Construction permission
 - ⑤ Applying for insurance
 - ⑥ Commencement of construction - housing business providers must follow the Unified Design and Building Standard prepared by insurance corporations
 - ⑦ Onsite inspections
 - ⑧ Completion of construction work
 - ⑨ Issuance of insurance certificate
 - ⑩ Delivery of residence

- Insurance premium varies by insurance corporation. Insurance premium includes pure premium, expense loading, and inspection expense.
- Total insurance contracts per one business entity per fiscal year is capped at yen 12.5billion.
- Total insurance payments per fiscal year to all housing business providers is capped at yen 12.5billion for both detached houses and non-detached houses.

Diagram 6-2 New Housing Defect Liability Insurance (Type I) Scheme



- Flow of insurance payment at the time of events insured:**
- ① Submission of incident and defect reports
 - ② Onsite inspection done by loss examiners (if necessary)
 - ③ Submission of repair method as well as cost estimates
 - ④ Notification of loss assessment
 - ⑤ Reporting completion of repair and submission of insurance claim
 - ⑥ Insurance payment (80% of losses are paid by the insurance corporation and the remaining 20% should be borne by the business entity.)
- *Direct claim from clients • buyer :**
In the event that sellers fall into bankruptcy or other situations, etc., clients and homebuyers can make a claim to insurance corporations.

Diagram 7 Parts in housing for which 10 years liability is mandatory

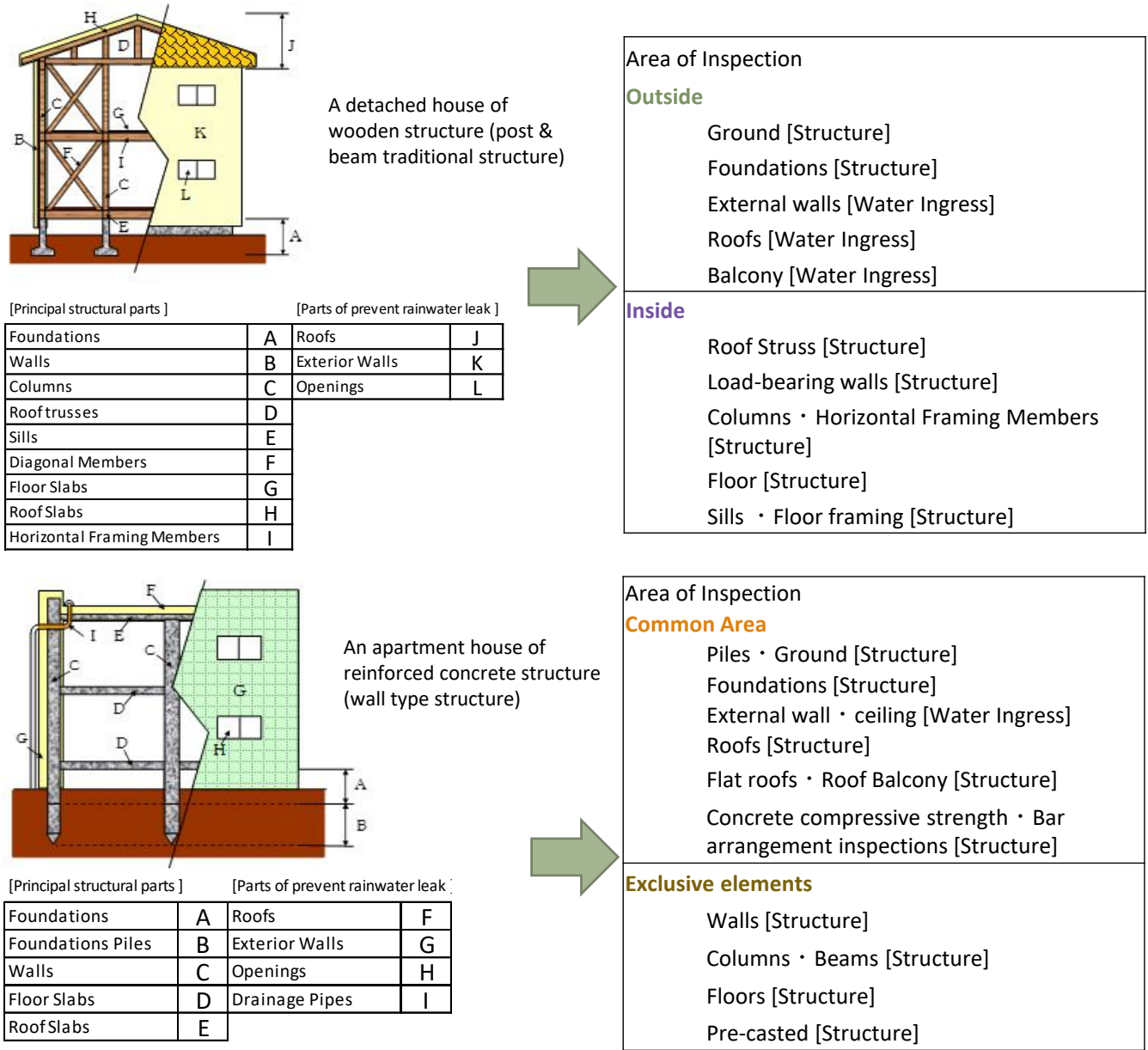
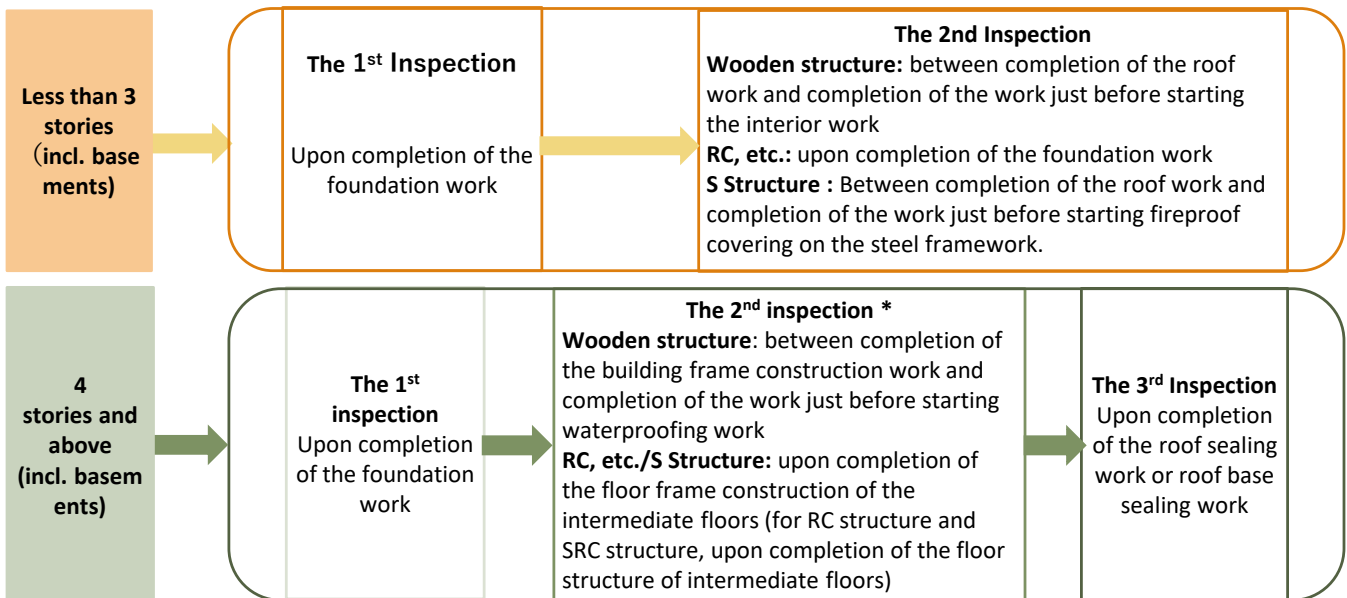


Diagram 8 Inspection at the time of underwriting



* Depending on the number of floors, inspection may need to be conducted every 7 floors, such as the 10th floor and 17th floor.

* RC, etc. in the above includes SC, SRC, and reinforced concrete block structures.

For houses less than three stories, onsite inspections are conducted twice. For houses more than 4 stories, the number of inspections is determined based on the number of floors.

6. Defects Liability Insurance Products

Increasing penetration is needed when it comes to Existing House Defect Liability Insurance products. In 2015, Insurance Corporations started marketing the Extension of New House Defect Liability Insurance. This allows homeowners to extend housing warranty following an appropriate inspection and maintenance work specified by inspectors. With regard to Existing House Sale Warranty Insurance, three type of products have been marketed: 1) A Licensed Real Estate Agent (the seller) is the policy holder, 2) a Real Estate Broker has become the policy holder due to trading between individuals, 3) the Inspection Company has become the policy holder due to trading between individuals. In addition, Defects Liability Insurance related to large-scale repair work for common areas of apartments and remodeling has been marketed from 2009 and 2010.

a. Registration, a. Request for inspection & warranty, b. Applying for insurance incl. inspection c. Inspection, d. Inspection results, e. Insurance contract f. Insurance payments, g. Direct payments in the event of bankruptcy of contractors, h. Maintenance work

Diagram 9 Extension of New House Defects Warranty Insurance

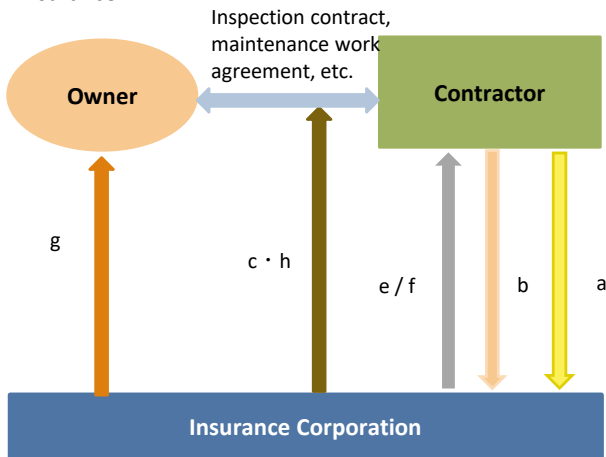


Diagram 10 Existing House Sale Warranty Insurance for real estate agents

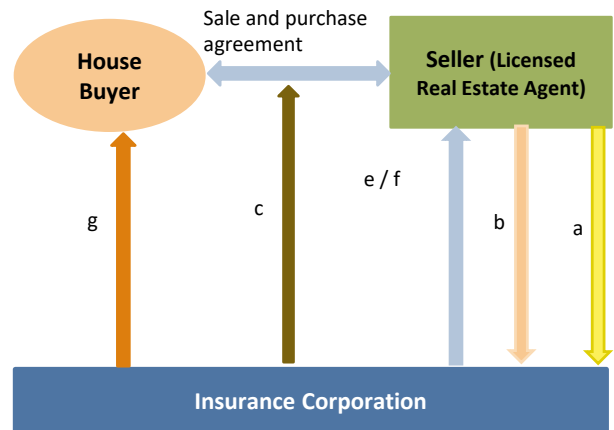


Diagram 11 Existing House Sale Warranty Insurance for transitions between individuals (real estate broker type)

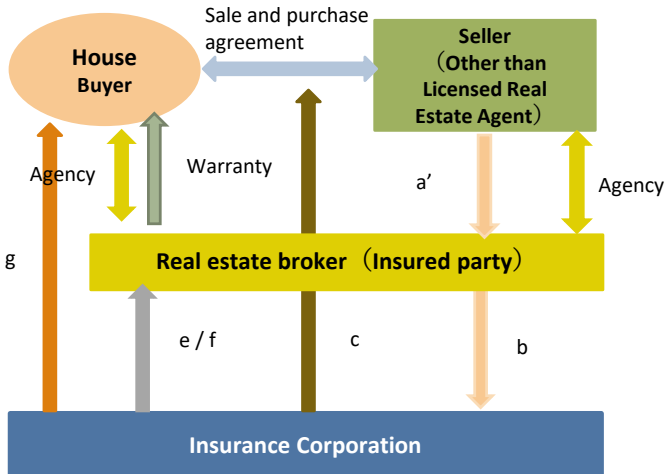


Diagram 12 Existing House Sale Warranty Insurance for transactions between individuals (Inspection Company type)

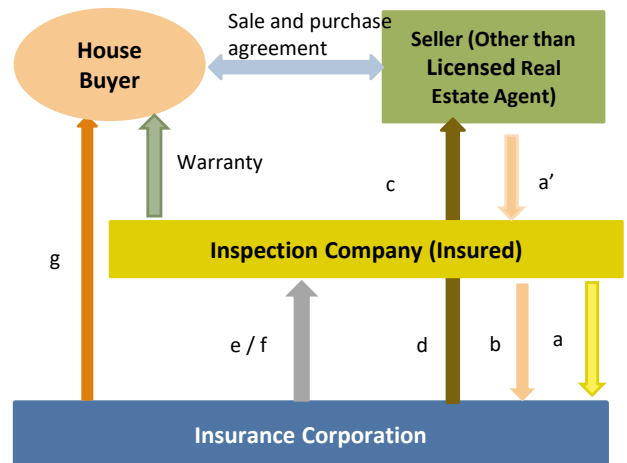


Diagram 13 Remodeling Defect Liability Insurance

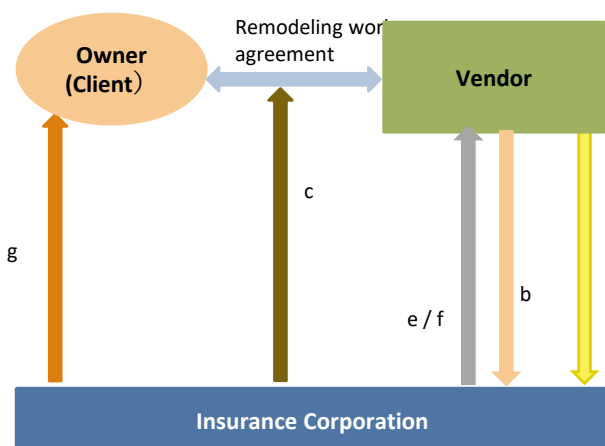
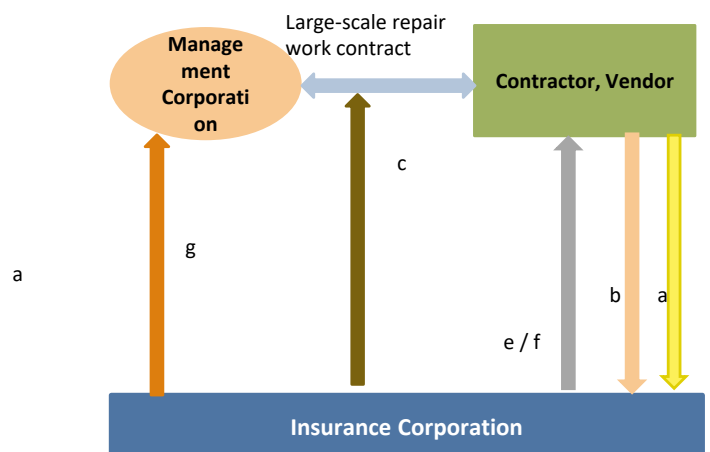


Diagram 14 Large-scale Repair Work Liability Insurance



Defect Liability Insurance for existing houses is voluntary. In order to be insured, an inspection is required. At the time of events insured, the Insurance Corporation pays 80% of the insurance amount and the insured Housing Business Providers have to pay the rest of 20%. In the event of bankruptcy of the Housing Business Providers, house owners can request compensation directly from the Insurance Corporation.

Table 3 Housing Defect Liability Insurance Products

	New Housing Defects Liability Insurance (Compulsory) "Type I"	New Housing Defect Liability Insurance "Type II"	Extension of New Housing Defects Warranty Insurance	Remodeling Defects Liability Insurance
Products approved by MLIT	Oct-09	Oct-09	Apr-15	Mar-10
Mandatory (Y/N)	Mandatory	Voluntary	Voluntary	Voluntary
Policyholder / Insured entities	Licensed Contractors, Suppliers, Licensed Real Estate Agents	Contractor who does not require license, individual who sells newly built house	House Owners	Remodeling Contractors
Contract insured	Construction Contract, Sale and Purchase Agreement	Construction Contract, Sale and Purchase Agreement	Houses insured by New Housing Defects Liability Insurance which is beyond 10 years	Remodeling contracts
Insurable houses	Detached houses and individual unit of non-detached houses	Detached houses and individual unit of non-detached houses	New Houses, Apartments, Residence for lease, Small-sized apartments (floor space less than 500 m ² with 3 floors low)	Detached houses and individual unit of non-detached houses
Do contractors, vendors, real estate agents need to register?	Necessary	Necessary	Necessary	Necessary
Covered Area	Major Structural Elements & Parts Preventing Water Ingress	Major Structural Elements & Parts Preventing Water Ingress	Major Structural Elements & Parts Preventing Water Ingress (coverage can be extended to facilities depending on contract)	Remodeling parts · Major Structural Elements · Water Ingress (except defects related to facilities and equipment)
Insurance Coverage	Repair cost, Investigation fee, Temporary accommodation and moving cost	Repair cost, Investigation fee, Temporary accommodation and moving cost	Repair cost, Investigation fee, Temporary accommodation and moving cost	Repair cost, Investigation fee, Temporary accommodation and moving cost
Site Inspection	Required	Required	Condition is implementation of inspection and specified maintenance work	Required
Duration	10 years	10 years	5 years, 10 years	1year ~10years (depending on the type of conditions)
Compensation ratio	80% of insurance amount per one contract, 100% in the event of bankruptcy of contractors, vendors and sellers.	80% of insurance amount per one contract, 100% in the event of bankruptcy of contractors, vendors and sellers.	80% of insurance amount per one contract, 100% in the event of bankruptcy of contractors, vendors and sellers.	80% of insurance amount per one contract, 100% in the event of bankruptcy of contractors
Insurance premium	Varies depending on Insurance Corporation	Varies depending on Insurance Corporation	Varies depending on Insurance Corporation	Varies depending on Insurance Corporation
Max amount insured	Regulatory limit: ¥20million / varies depending on Insurance Corporation	Regulatory limit: ¥20million / varies depending on Insurance Corporation	1 million, 10 million, 20 million	¥en 1million ~ ¥20million (depending on contract amounts)
Rider	Transfer of contract (Note 1)		Remodeling contract	
Deductible	¥en 100,000	¥en 100,000	¥en 100,000	¥en 100,000

(Source: MLIT and HP of Insurance Corporations)

Note 1: In the event the deed of transfer is attached to New House Defect Liability Insurance (Compulsory), when the house owner sells the house, the buyer of the house can succeed the insurance policy from the seller.

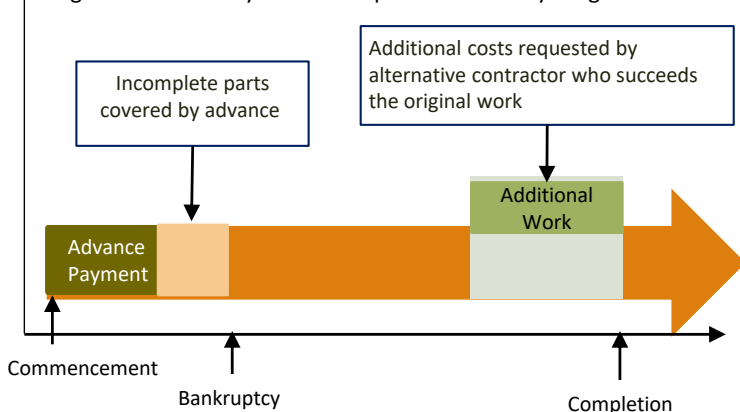
Table 3 Defect Liability Insurance Products (2)

	Existing House Sale Warranty Insurance			Large-scale repair work liability insurance
	For real estate agent	For transactions between individuals (Real Estate brokerage Type)	For transactions between individuals (Inspection Company Type)	
Products approved by MLIT	Dec-09	Apr-16	Jun-10	Dec-09
Mandatory (Y/N)	Voluntary	Voluntary	Voluntary	Voluntary
Policyholder / Insured entities	Licensed Real Estate Agent	Real Estate Broker	Inspection Company	Vendor or Contractor
Contract insured	Sale and Purchase Agreement (existing housing, seller is a licensed Real Estate Agent)	Sale and Purchase Agreement between individuals	Sale and Purchase Agreement between individuals	Repair Contract of common area of apartments
Insurable houses	Existing housing (detached houses and individual unit of non-detached houses)	Existing housing (detached houses and individual unit of non-detached houses)	Existing housing (detached houses and individual unit of non-detached houses)	Apartment houses
Do contractors, vendors, real estate agents need to register?	Necessary	Necessary	Necessary	Necessary
Covered Area	Major Structural Elements & Parts Preventing Water Ingress (covered area can be expanded to water supply and drainage lines)	Major Structural Elements & Parts Preventing Water Ingress (covered area can be expanded to water supply and drainage lines)	Major Structural Elements & Parts Preventing Water Ingress (covered area can be expanded to water supply and drainage lines)	Major Structural Elements & Parts Preventing Water Ingress, water supply and drainage, electrical equipment, steel parts such as railings, etc. (varies depending on product)
Insurance Coverage	Repair cost, Investigation fee, Temporary accommodation and moving cost	Repair cost, Investigation fee, Temporary accommodation and moving cost	Repair cost, Investigation fee, Temporary accommodation and moving cost	Repair cost, Investigation fee, Temporary accommodation and moving cost
Site Inspection	Required	Required	Required	Required
Duration	2years ~5 years (depending on the type of conditions)	2years ~5 years (depending on the type of conditions)	2years ~5 years (depending on the type of conditions)	1year ~10years (depending on the type of conditions)
Compensation ratio	80% of insurance amount per one contract, 100% in the event of bankruptcy of sellers	100%	100%	80% of insurance amount per one contract, 100% in the event of bankruptcy of contractors and vendors
Insurance premium	Varies depending on Insurance Corporation	Varies depending on Insurance Corporation	Varies depending on Insurance Corporation	Varies depending on Insurance Corporation
Max amount insured	Yen 5 million or 10 million per house or housing unit (depending on conditions)	Yen 5 million or 10 million per house or housing unit (depending on conditions)	Yen 5 million or 10 million per house or housing unit (depending on conditions)	Yen 10million ~ Y500Million (depending on contract amounts)
Rider				
Deductible	Yen 100,000	Yen 50,000	Yen 50,000	Yen 100,000

Completion Warranty Program:

Completion Warranty Programs are not widespread in Japan. At present, three Insurance Corporations provide a Completion Warranty Program. House builders or suppliers need to register at Insurance Corporations before obtaining services.

Diagram 15 Warranty under Completion Warranty Program



Insured area and warranty amounts vary depending on the Insurance Corporation.

Warranty:

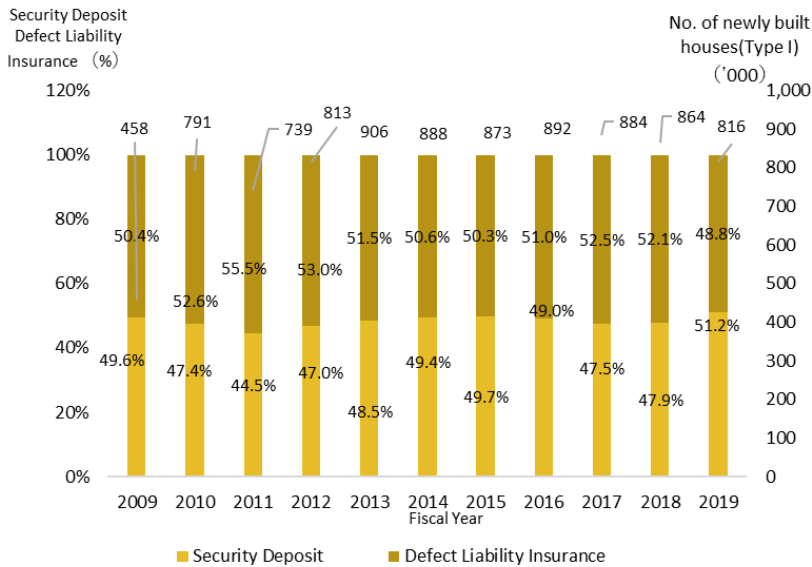
- 1) The loss of advance payment: Advance payment minus amount of construction work completed.
- 2) Additional cost done by alternative contractor to complete parts the original contractor did not complete.
- 3) Expenses related to the introduction of an alternative contractor.

Limits:

- 1) Advance payment: up to 30% of the contract amount or amount specified by the Insurance Corporation.
- 2) Additional cost: up to 10% of the contract amount or amount specified by the Insurance Corporation.

7. Defects Liability Insurance – Number of policies issued and defects by area

Diagram 16 Number of newly built houses with secured financial resources for New Housing Defect Liability Insurance (Type I)



- The number of newly built houses with secured financial resources is in the range of 800,000 ~ 900,000 per year.
- The number of newly built houses are covered by the Security Deposit system and the Defect Liability Insurance System on a 50:50 basis.
- Housing business providers who supply less than 1,000 units per year tend to choose Defect Liability Insurance as a measure of securing financial resources.

Diagram 17 Number of insurance policies issued by type of house

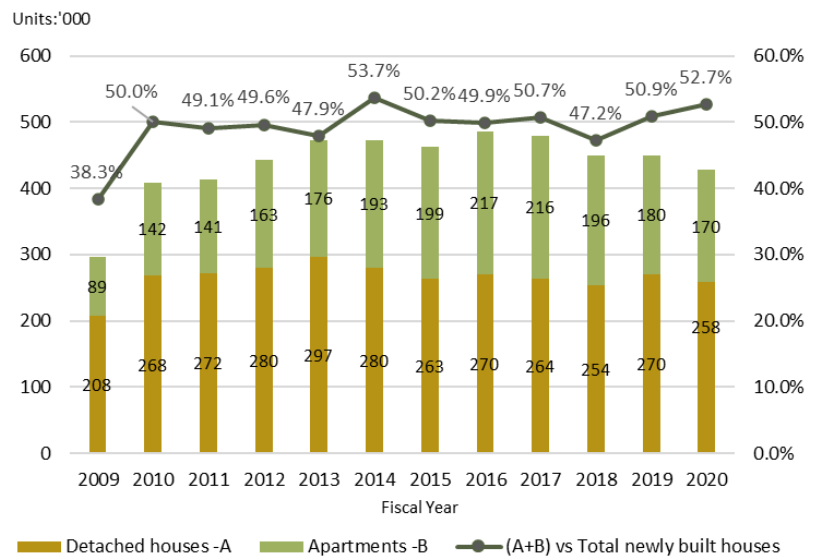


Diagram 18 Number of insurance policies related to existing houses and remodeling

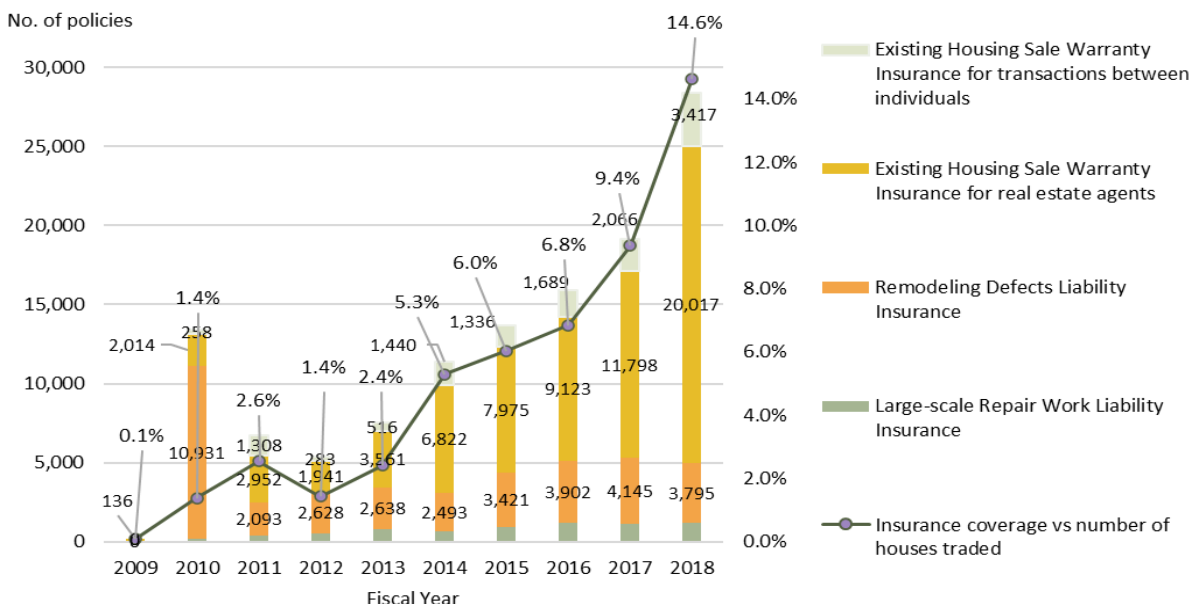


Diagram 19 Newly built houses - Defects by area

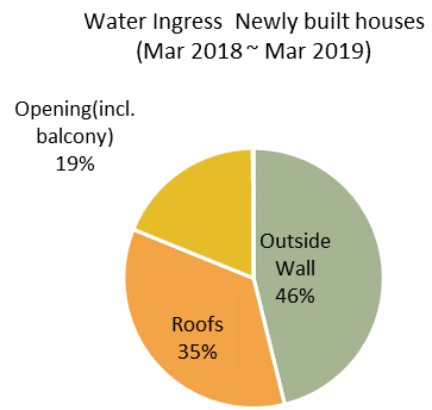
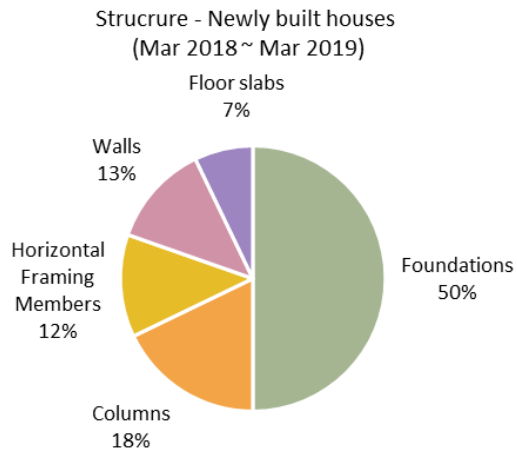
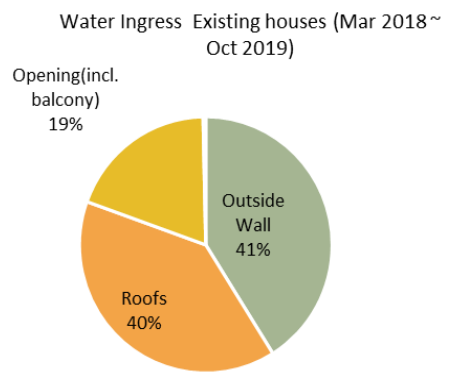
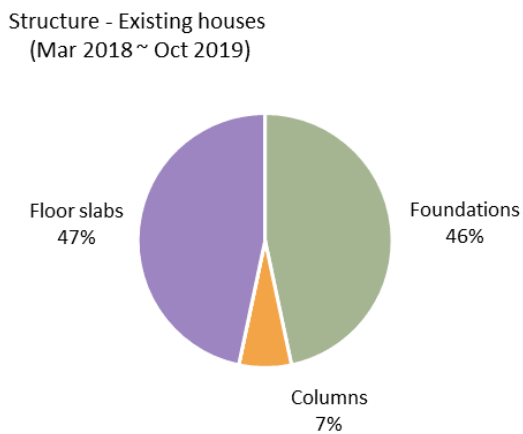


Diagram 20 Existing Houses - Defects by area



8. Safety Net of Housing Defect Liability Insurance

1. Rules related to business of insurance corporations

The Minister of MLIT designates insurance corporations in accordance with the designated criteria.

(1) In order to ensure the sound and appropriate management of insurance corporations' service, the business of insurance corporations is prescribed in AEDWL and the ordinance for enforcement of AEDWL. Major points are as follows:

- The Minister of MLIT must authorize the appointment of directors, dismissal of directors, business plans, and budgets of every business year.
- The insurance corporation must submit business reports and income and expenditure statements for every business year to the Minister of MLIT.
- The insurance corporation must establish the way of provision of valuation reserve, reserve for contingencies, and the methodology of asset management as prescribed in ordinance for enforcement of AEDWL.
- If the Minister of MLIT finds it to be necessary, the Minister of MLIT may issue supervision orders.
- The Minister of MLIT may have relevant officers enter the business office of insurance corporations and monitor its business on a quarterly basis.

(2) In the event that the insurance corporation falls into bankruptcy, the following action should be taken:

- Upon submission of the application for discontinuation of business from the insurance corporation, the Minister of MLIT may authorize the permission of discontinuation of the business based on the provision of Article 29.
- In the event that the minister of MLIT finds that the insurance corporation has not conducted business properly and fairly, the Minister of MLIT may order the cancellation of an appointment, the transfer of all contracts or part of a contract during the specified period of time based on the provision of Article 30.
- In the event that an insurance corporation's designation is revoked, the Minister of MLIT may authorize the transfer of all contracts to a designated insurance corporation based on the provision of Article 31.

2. Housing Warranty Fund

The Housing Warranty Fund takes the role of safety net for the Housing Defect Liability system in the event of occurrence of the extraordinary risks indicated below:

(1) Subsidy for small and medium-sized companies

Insurance premiums paid by small and medium-sized companies are set at a discounted level.

(2) Safety net regarding intention or gross negligence

Insurance corporations are exempted from insurance payments for losses arising from intention or gross negligence in order to protect from moral hazards: housing business providers should be responsible for such losses. However, if insurance corporations are exempted from insurance payments for this type of losses in the event that housing business providers fall into bankruptcy or otherwise, etc., clients and homebuyers have no way of redress.

In this type of situation (including the circumstance that housing business providers cannot implement repair work for certain periods of time due to financial stress), insurance corporations enter into reinsurance agreements with the Homebuyers' Rescue Fund ("the Fund") regarding intention or gross negligence. In the event that the Fund has insufficient levels of money and cannot make payments to the insurance corporations, the Housing Guarantee Fund may make zero interest-bearing loans to the Fund.

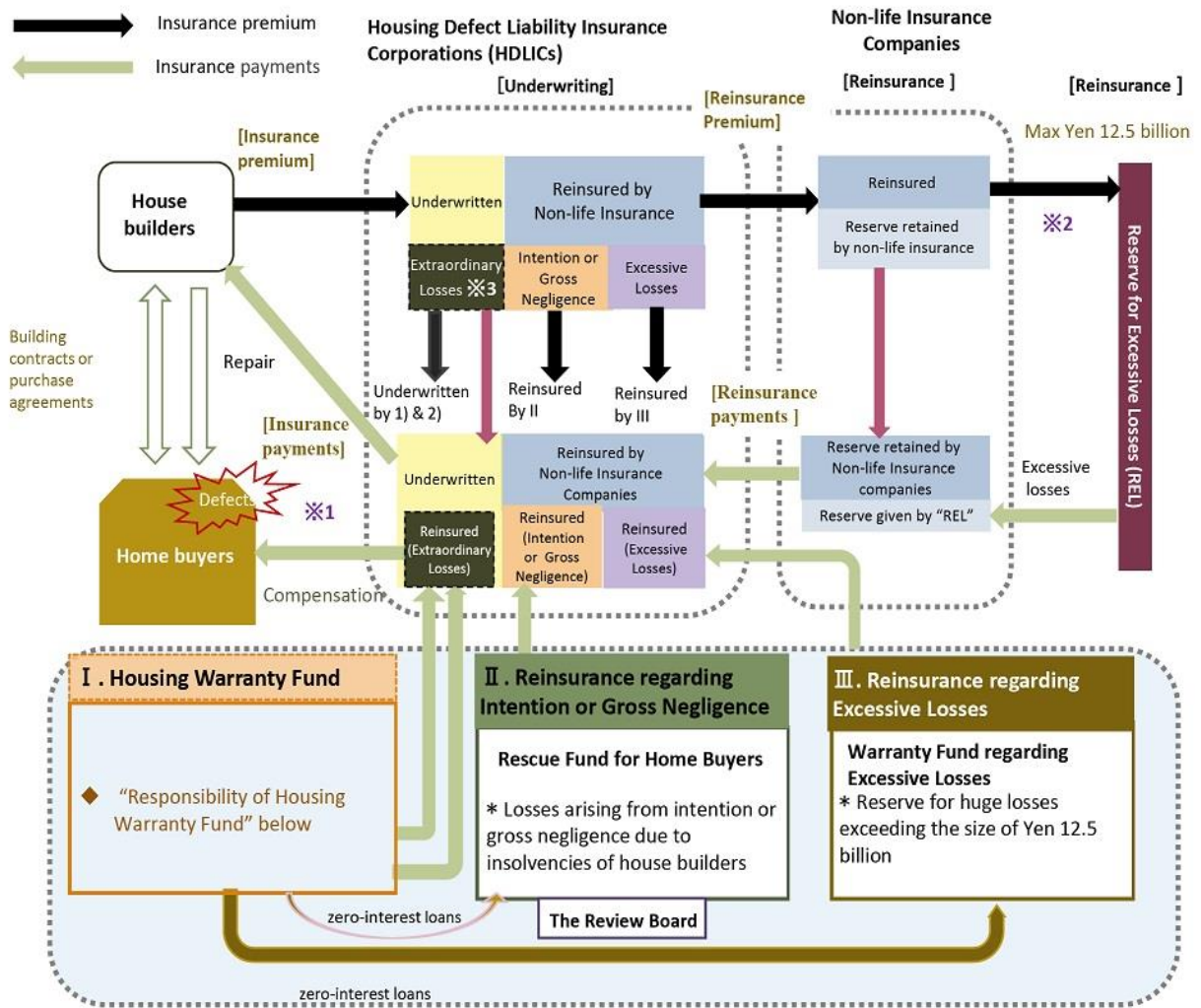
(3) Safety net regarding excessive losses

In order to cover risks related to new house defect liability insurance (Type I), insurance corporations enter reinsurance contracts with casualty insurance companies excepting risks arising from intention or gross negligence. For excessive losses up to yen12.5billion, casualty insurance companies jointly set up financing pools for excessive losses in order to manage risks. For losses exceeding yen12.5billion, casualty insurance companies have reinsurance contracts with the Large-scale Loss Compensation Fund ("LSCF"). In the event of losses exceeding yen 12.5billion, the Housing Guarantee Fund provides non-interest-bearing loans to the LSCF so that it can make reinsurance payments to casualty insurance companies.

(4) Support for new products

Regarding newly marketed insurance products for existing houses, events insured may occasionally occur at a higher level than initially estimated. This type of extraordinary risk can be covered by the Housing Warranty Fund.

Diagram 21 Safety net of Housing Defects Liability Insurance



9. Transactions of houses and defects liabilities

Table 4 Provision for defects liability between construction contracts and sale and purchase agreements

		Construction Contracts		Sale and Purchase Agreements		
		Civil Law	Housing Quality Assurance Scheme	Civil Law	Housing Quality Assurance Scheme	
Contractors, Vendors, and Sellers		All	Contractors of newly built houses (regardless of whether corporation or individual)	All	Contractors of newly built houses (regardless of whether corporation or individual)	
Responsible area		All	Major structural parts of newly built houses	All	Major structural parts of newly built houses	
Defects liability	Buyer's right to demand cure	Civil Law Art 559	Same as Civil Law (Construction)	Civil Law Art 562	Same as Civil Law (Sale and Purchase)	
	Compensation for loss or damage due to non-performance	Civil Law Art 415	Same as Civil Law (Construction)	Civil Law Art 415	Same as Civil Law (Sale and Purchase)	
	Buyer's right to demand reduction of price	Civil Law Art 559	Same as Civil Law (Construction)	Civil Law Art 563	Same as Civil Law (Sale and Purchase)	
	Non-performance due to grounds attributable to obligee	Civil Law Art 542, 543	Same as Civil Law (Construction)	Civil Law Art 542, 543	Same as Civil Law (Sale and Purchase)	
	Duration		—	10 years from the delivery date (no reduction of term allowed)	—	10 years from the delivery date (no reduction of term allowed)
			Notice of nonconformity to the terms of the contract within one year from the time when the party becomes aware of it. Civil Law Art 637	Notice of defects within one year from the time when the party becomes aware of it (HQAA 94-3)	Notice of nonconformity to the terms of the contract within one year from the time when the party becomes aware of it. Civil Law Art 566	Notice of defects within one year from the time when the party becomes aware of it (HQAA 95-3)
Special provision	Clauses which impair the interests of the client are effective	Clauses which impair the interests of the client are void	Clauses which impair the interests of the buyers are effective	Clauses which impair the interests of the buyer are void		

The law has both optional and mandatory provisions. Mandatory provisions cannot be excluded even if there is an agreement between parties; however, optional provisions can be excluded if there is an agreement between parties. Article 94 and Article 95 of the Housing Quality Act are mandatory provisions. Article 40 (1) of Real Estate Brokerage Act is also a mandatory provision. On the other hand, provisions related to defect liabilities of Civil Law regarding both construction contracts and sale and purchase agreements are optional provisions. This means that parties can place conditions based on mutual agreements. Therefore, special provisions which prescribe that the seller or the contractor are not liable for defects are valid.

Relevant Provisions which govern defects liabilities

1. Civil Code

Article 559&562 (Buyer's Right to Demand Cure)

(1) If the subject matter delivered to the buyer does not conform to the terms of the contract with respect to the kind, quality or quantity, the buyer may demand that the seller cure the non-conformity of performance by repairing the subject matter, delivering a substitute or delivering a replenishment; provided, however, that the seller may cure the non-conformity of performance by a method that is different from the method demanded by the buyer if it does not impose any undue burden on the buyer.

Article 559&563 (Buyer's Right to Demand Reduction of Price)

(1) In the case prescribed in the main clause of paragraph (1) of the preceding Article, if the buyer demands that the seller cure nonconformity of performance by specifying a reasonable period of time but non-conformity of performance is not cured within that period, the buyer may request a reduction of the price in proportion to the degree of non-conformity.

Article 559&415 (Compensation for Loss or Damage Due to Non-Performance)

(1) If an obligor fails to perform consistent with the purpose of the obligation or the performance of an obligation is impossible, the obligee may claim compensation for loss or damage arising from the failure; provided, however, that this does not apply if the failure to perform the obligation is due to grounds not attributable to the obligor in light of the contract or other sources of obligation and the common sense in the transaction.

(2) If the obligee is entitled to claim compensation for loss or damage pursuant to the provisions of the preceding paragraph, and any of the following cases applies, the obligee may claim compensation for loss or damage in lieu of the performance of the obligation:

- (i) the performance of the obligation is impossible;
- (ii) the obligor manifests the intention to refuse to perform the obligation; or
- (iii) the obligation has arisen from a contract, and the contract is cancelled or the obligee acquires the right to cancel the contract on the ground of the obligor's failure to perform the obligation.

Article 559&541 (Cancellation After Demand)

If one of the parties does not perform that party's obligation, and the other party demands the performance of that obligation, specifying a reasonable period of time, but no performance is completed during that period, the other party may cancel the contract; provided, however, that this does not apply if the non-performance of the obligations upon the passage of the period is minor in light of the contract and the common sense in the transaction.

Article 559&542 (Cancellation Without Demand)

1. The obligee may immediately cancel the contract without making the demand referred to in the preceding Article:

- (i) if the performance of the whole of the obligation is impossible;
- (ii) if the obligor unequivocally manifests the intention to refuse to perform the obligation in whole;
- (iii) if the performance of part of the obligation is impossible, or if the obligor clearly manifests the intention to refuse to perform part of the obligation and the purpose of the contract cannot be achieved by the performance of the remaining part of the obligation;
- (iv) if, due to the nature of the contract or a manifestation of intention by the parties, the purpose of the contract cannot be achieved unless the obligation is performed at a specific time on a specific date or within a certain period of time, and the obligor fails to perform the obligation at that time or before that period of time expires; or

2. In the following cases, the obligee may immediately cancel a part of the contract without making the demand referred to in the preceding Article:

- (i) the performance of the part of the obligation is impossible; or
- (ii) the obligor clearly manifests the intention to refuse to perform the part of the obligation.

Article 566 (Limitation on Period of Warranty with Respect to Kind or Quality of Subject Matter)

If the subject matter delivered by the seller to the buyer does not conform to the terms of the contract in terms of quality, and the buyer fails to notify the seller of the non-conformity within one year from the time when the buyer becomes aware of it, the buyer may not demand cure of the non-conformity of performance, demand a reduction of the price, claim compensation for loss or damage, or cancel the contract on the grounds of the non-conformity

Article 637 (Limitation on Period of Warranty with Respect to Kind or Quality of Subject Matter)

If the party ordering work fails to notify the contractor of the non-conformity to the terms of the contract within one year from the time when the party becomes aware of it, the party ordering work may not demand cure of the non-conformity of performance, demand a reduction of the remuneration, claim compensation for loss or damage, or cancel the contract.

2. Housing Quality Assurance Act

Article 94 (Defects liability of Construction Contractor related to newly built houses)

Pursuant to construction contracts of newly built houses, contractors are responsible for defects regarding major structural parts and parts preventing water ingress for 10 years from the date of delivery as prescribed in Article 415, 541, 542 and 559 of the Civil Code as applied mutatis mutandis pursuant to Article 562 and 563 of the same Act

Article 95 (Defects liability of sellers related to newly built houses)

Pursuant to sale and purchase agreements of newly built houses, sellers are responsible for defects regarding major structural parts and parts preventing water ingress for 10 years from the date of delivery as prescribed in Article 415, 541, 542, 562 and 563 of the Civil Code of the same act.

3. Real Estate Brokerage Act

Article 40 (1) (Restrictions on special provisions concerning defect liability)

A Real Estate Broker is not to prescribe any special provisions in a sales agreement for a Building Lot or building for which the Real Estate Broker constitutes the seller in connection with defect liability concerning the subject matter thereof that, with the exception of special provisions setting forth a period as prescribed in Article 566, is at least two years from the date of the delivery of the subject matter thereof, would be more disadvantageous to the buyer than provisions as prescribed in the same article.

10. Housing Dispute Resolution System, Consultation and Advice

The Center for Housing Renovation and Dispute Settlement Support (CHORD), established in 1984, commenced the provision of dispute settlement support from 2000 designated by MLIT upon the Housing Quality Assurance Promotion Act. At present, CHORD engages in consultation services related to (1) housing issues, (2) support for housing dispute resolution, (3) improvement of the business environment of remodeling, (4) research and (5) development regarding dispute resolution for housing. Starting from October 2022, CHORD will be responsible for the resolution of disputes arising from existing houses/remodeling works which are covered by the Housing Defect Warranty Liability Insurance. Insurance Corporations pay fees to CHORD to support their operations.

(1) Disputes between house owners and House builders, vendors, realtors

Types of assistance offered are as follows:

- (1) Free telephone consultation for housing issues
- (2) Consultation by industrial experts (architects and designated lawyers).
- (3) Review board of housing disputes (RBHD): designated housing dispute resolution bodies, organized at local bar associations in 52 prefectures based on the Housing Quality Assurance Promotion Act.

In the event that trouble and disputes occur, relevant parties including the seller, the buyer, house builders, and owners of houses can apply to RBHD for an alternative dispute resolution (ADR) session. 97% of cases applied to RBHD have been solved through Arbitration.

With regard to disputes related to insurance payments, the relevant Insurance Corporation can be involved in the dispute. Therefore, the relevant parties may solve the problem without pursuing a separate resolution process. Once the relevant parties in the dispute agree on a settlement, the relevant Insurance Corporation respects and accepts the outcome. In the event that the Insurance Corporation is involved in the dispute as a relevant party or disputant, the Insurance Corporation usually accepts the offered settlement or arbitration proposal.

(2) MLIT's Housing Production Department handles consultation and complaints related to Insurance Corporations

The Housing Production Department of MLIT handles consultations and complaints from consumers and other parties regarding the operation of Insurance Corporations.

Diagram 22 Consultation and Dispute resolution system for houses and remodeled houses

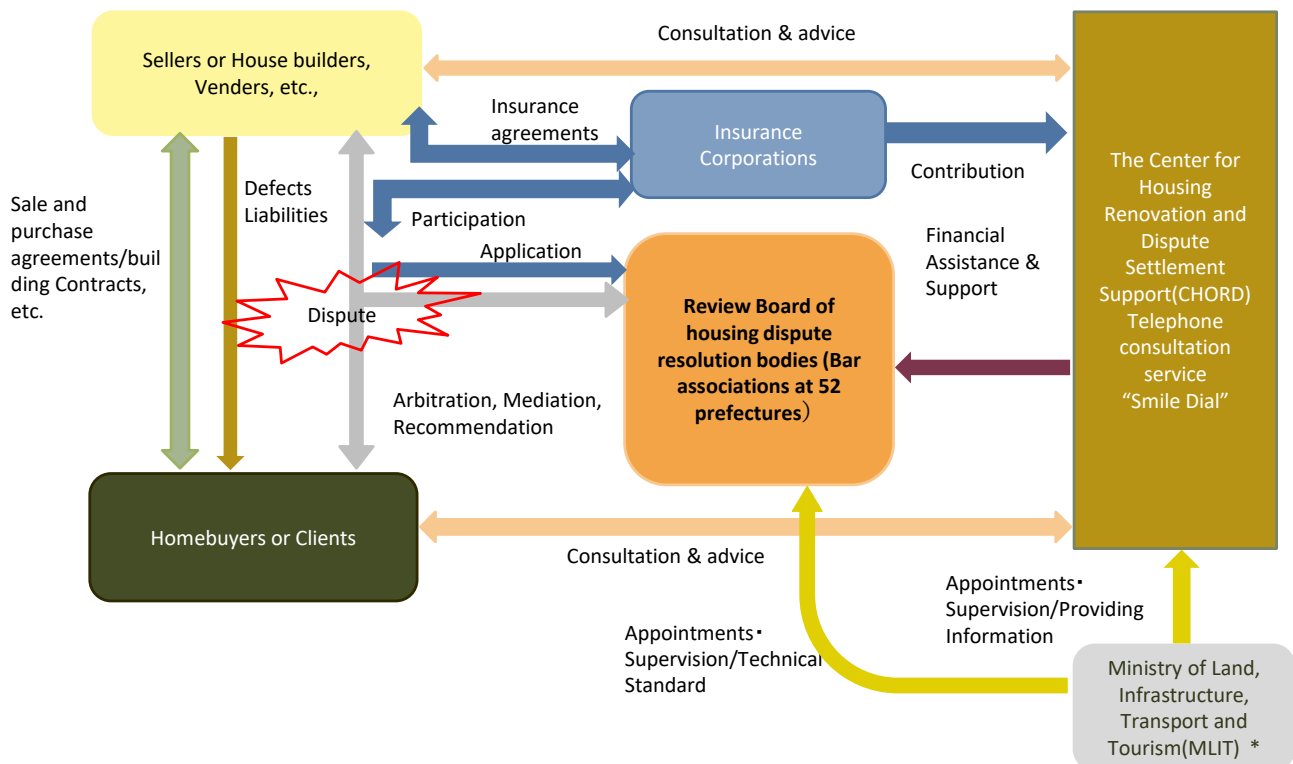


Table 5 Houses eligible for telephone consultation, consultation by Industrial Experts, and Review Board of Housing Disputes

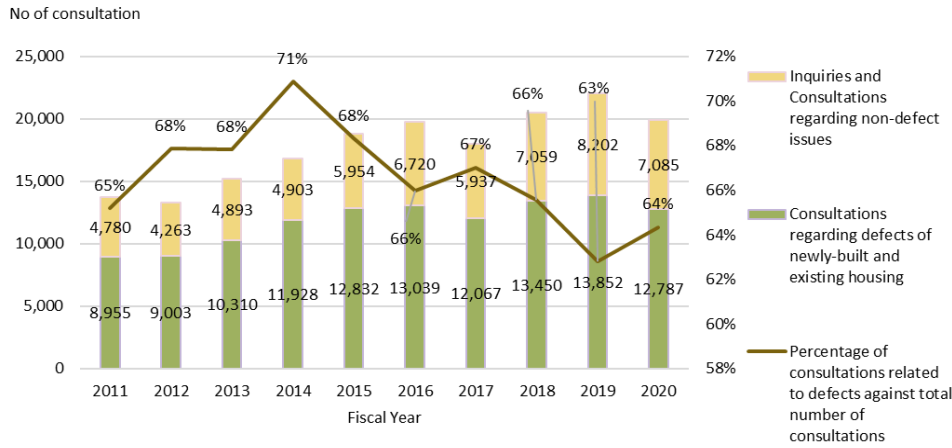
	Newly built houses			Existing houses	
	*1	with Defect Liab. Ins.	Other than a&b	Remodeling	Other
Telephone consultation	Covered by CHORD				
Consultation by industry experts	Covered by CHORD			Not covered	Not covered*2
Review Board of Housing Dispute (ADR)				Not covered	Not covered

Consultation, advice, handling complaints regarding construction agreements and sale and purchase agreements

*1 Houses covered by the Housing Performance Indication System

*2 There are exceptions

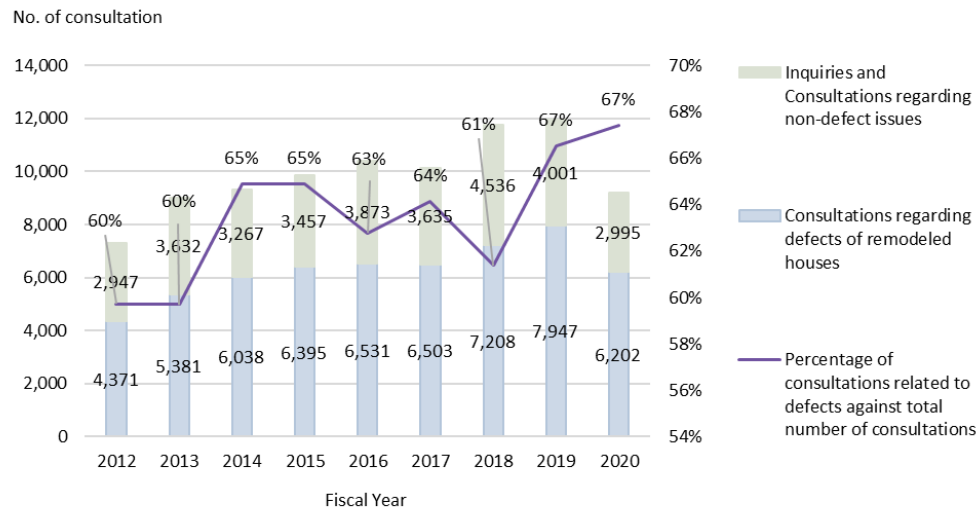
Diagram 23 Number of Telephone Consultations (new and existing houses)



“Consultations regarding defects of newly-built and existing houses” includes consultations for disputes related to contracts/agreements.

“Inquiries and Consultations regarding non-defect issues” includes houses for lease, trouble with neighbors, inheritance, and inquiries for various housing related government schemes.

Diagram 24 Number of telephone consultations (remodeling)



“Consultations regarding defects of newly-built and existing houses” includes consultations related to disputes arising from contracts/agreements.

“Inquiries and Consultations regarding non-defect issues” includes houses for lease, trouble with neighbors, inheritance, and inquiries for various housing related government schemes.

Table 6-1 Clients’ desired resolution (new and existing houses)

Newly Built and Existing Housing				
(No. of cases)	Newly built housing	(%)	Existing housing	(%)
Repair	6,592	62	418	53
Repair and Compensation for damages	803	8	64	8
Compensation for damages	1,087	10	143	18
Cancellation of contract	689	6	60	8
Construction amounts, etc.	27	0	0	0
Other	1,484	14	100	13
Total	10,682	100	785	100

Table 6-2 Clients’ desired resolution (remodeling)

Remodelling				
(No. of cases)	Newly built houses	(%)	Existing houses	(%)
Repair	1,328	45	401	42
Repair and Compensation for damages	268	9	102	11
Compensation for damages	412	14	163	17
Cancellation of contract	341	11	108	11
Construction amounts, etc.	8	0	7	1
Other	620	21	172	18
Total	2,977	100	953	100

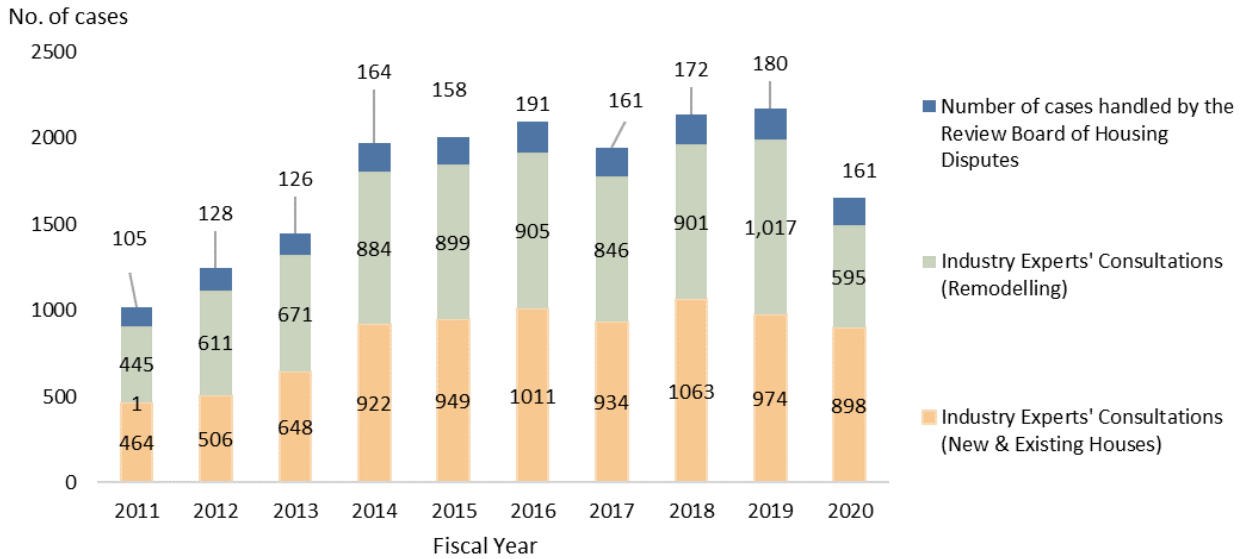
Table 7-1 Consultation by area (new and existing houses)

No. of cases	Newly Built and Existing Housing			
	Newly built	(%)	Existing	(%)
Exterior walls	1,728	13.4	82	8.9
Floor	1,490	11.6	145	15.7
Openings	1,441	11.2	65	7.0
Roofs, incl. attic	885	6.9	57	6.2
Equipment	853	6.6	89	9.6
Interior	858	6.7	51	5.5
Other	5,611	43.6	436	47.1
Total	12,866	100.0	925	100.0

Table 7-2 Consultation by area (remodeling)

No. of cases	Remodelling			
	Newly built	(%)	Existing	(%)
Exterior walls	625	21.0	95	10.0
Floor	243	8.2	196	20.6
Openings	224	7.5	99	10.4
Roofs, incl. attic	508	17.1	128	13.4
Equipment	243	8.2	130	13.6
Interior	150	5.0	130	13.6
Other	984	33.1	175	18.4
Total	2,977	100.0	953	100.0

Diagram 25 Number of cases handled by industry experts (fee charged) and the Review Board of Housing Dispute



11. Link

Organization	Contents	HP
Housing Production Department, Ministry of Land, Infrastructure, Transport and Tourism	Housing Warranty Scheme	https://www.mlit.go.jp/jutakukentiku/jutakukentiku.files/kashitanpocorner/
Center for Housing Renovation and Dispute Settlement Support (CHORD)	Dispute resolution	https://www.chord.or.jp/chord_official/index.html
Japan Federation of Bar Associations	Review Board of Housing dispute	https://www.nichibenren.or.jp/en.html

12. Source

Diagram	Name	Sources
Table 1	Security Deposit Calculation	MLIT: 10 years of implementation regarding Defects Liability Insurance (Japanese Only)
Table 2	New Housing Defects Liability Insurance Mandatory vs Voluntary	MLIT: 10 years of implementation regarding Defects Liability Insurance (Japanese Only)
Table 3	Housing Defect Liability Insurance Products	MLIT and HP from Insurance Corporations
Table 3	Housing Defect Liability Insurance Products (2)	MLIT and HP from Insurance Corporations
Table 4	Provisions for defects liability between construction contracts and sale and purchase agreements	MLIT Housing Bureau Housing Production Department : The Housing Quality Assurance Act - revised version 2020
Table 5	Houses eligible for telephone consultation, consultation by Industry Experts, and Review Board of Housing Disputes	MLIT: 10 years of implementation regarding Defects Liability Insurance (Japanese Only)
Table 6-1	Clients' desired resolution (new and existing houses)	Annual statistics regarding housing related issues 2021 Table 61
Table 6-2	Clients' desired resolution (remodeling)	Annual statistics regarding housing related issues 2021 Table 61
Table 7-2	Consultation by area (new and existing houses)	Annual statistics regarding housing related issues 2021 Table 64
Table 7-2	Consultation by area (remodeling)	Annual statistics regarding housing related issues 2021 Table 64

Diagram	Name	Sources
Diagram 1	Housing Investment and its share against GDP	Cabinet Office, National Accounts of Japan
Diagram 2	Changes in Housing Warranty System	Organization of Housing Warranty: Databook 2008
Diagram 3-1	Housing Quality Assurance Scheme1	Organization of Housing Warranty: Outline of Housing Quality Assurance Scheme
Diagram 3-2	Housing Quality Assurance Scheme2	Organization of Housing Warranty: Outline of Housing Quality Assurance Scheme
Diagram 4	HQAS - by housing units & registered business entities	Organization of Housing Warranty: Databook 2008
Diagram 5	Security Deposit Scheme	MLIT: 10 years of implementation regarding Defects Liability Insurance (Japanese Only)
Diagram 6-1	New Housing Defects Liability (Type I) Scheme	MLIT: 10 years of implementation regarding Defects Liability Insurance (Japanese Only)
Diagram 6-2	New Housing Defects Liability (Type I) Scheme	MLIT: 10 years of implementation regarding Defects Liability Insurance (Japanese Only)
Diagram 7	Parts in Housing, in which 10 years liability is mandatory	MLIT: 10 years of implementation regarding Defects Liability Insurance (Japanese Only)
Diagram 8	Inspection at the time of underwriting	Study Committee of the Housing Defects Assurance Regulation: The Housing Quality Assurance Act Q&A, 2008, /HP of Insurance Corporations
Diagram 9	Extension of New Housing Defects Warranty Insurance	MLIT: 10 years of implementation regarding Defects Liability Insurance (Japanese Only)
Diagram 10	Existing Housing Sale Warranty Insurance for real estate agents	MLIT: 10 years of implementation regarding Defects Liability Insurance (Japanese Only)
Diagram 11	Existing Housing Sale Warranty Insurance for transactions between individuals (Real estate brokerage type)	MLIT: 10 years of implementation regarding Defects Liability Insurance (Japanese Only)
Diagram 12	Existing Housing Sale Warranty Insurance for transactions between individuals (Inspection Company type)	MLIT: 10 years of implementation regarding Defects Liability Insurance (Japanese Only)
Diagram 13	Remodeling Defect Liability Insurance	MLIT: 10 years of implementation regarding Defects Liability Insurance (Japanese Only)
Diagram 14	Large-scale Repair Work Liability Insurance	MLIT: 10 years of implementation regarding Defects Liability Insurance (Japanese Only)
Diagram 15	Warranty under Completion Warranty Program	HP from insurance corporations
Diagram 16	Number of newly built houses with financial security resources for New Housing Defects Liability Insurance (Type I)	MLIT: 10 years of implementation regarding Defects Liability Insurance (Japanese Only)
Diagram 17	Number of insurance policies issued by type of house	Annual statistics regarding housing related issues 2021
Diagram 18	Number of insurance policies related to existing houses and remodeling	MLIT: 10 years of implementation regarding Defects Liability Insurance (Japanese Only)
Diagram 19	Newly built houses - Defects by area	MLIT: 10 years of implementation regarding Defects Liability Insurance (Japanese Only)
Diagram 20	Existing houses - Defects by area	MLIT: 10 years of implementation regarding Defects Liability Insurance (Japanese Only)
Diagram 21	Safety net of Housing Defects Liability Insurance	MLIT: 10 years of implementation regarding Defects Liability Insurance (Japanese Only)
Diagram 22	Consultation and Dispute resolution system for houses and remodeled houses	MLIT: 10 years of implementation regarding Defects Liability Insurance (Japanese Only)
Diagram 23	Number of Telephone Consultations (new and existing houses)	Annual statistics regarding housing related issues 2021 Table 4
Diagram 24	Number of telephone consultations (remodeling)	Annual statistics regarding housing related issues 2021 Table 5
Diagram 25	Number of cases handled by industry experts (fee charged) and the Review Board of Housing Dispute	Annual statistics regarding housing related issues 2021 ADR Table 1, Expert's Consultation 1