

**Issuance Conditions of the Bonds Pertaining to
the Initial Listing Application**

Japan Finance Organization for Municipalities

**ISSUANCE CONDITIONS OF THE BONDS PERTAINING TO
THE INITIAL LISTING APPLICATION**

Type of Information:	Issuance Conditions of the Bonds Pertaining to the Initial Listing Application
Date of Announcement:	17 April 2024
Issuer Name:	Japan Finance Organization for Municipalities
Name and Title of Representative:	SATO Fumitoshi, President and Chief Executive Officer
Address of Head Office:	Shisei Kaikan 1-3, Hibiya Koen Chiyoda-ku, Tokyo 100-0012 Japan
Telephone:	+81-3-3539-2697
Contact Person:	IBARAKI Yuko, Manager, Finance, Finance Department
Type of Securities:	Unsecured and unsubordinated notes
Total Issuance Value of Securities:	U.S.\$1,500,000,000
Contents of Programme Information:	
Date of Announcement:	2 February 2024
Scheduled Issuance Period:	3 February 2024 to 2 February 2025
Maximum Outstanding Issuance Amount:	¥3,000,000,000,000
Matters related to Financial Instruments Exchange Market, etc.:	Not Applicable
Address of Website for Announcement:	https://www.jpx.co.jp/english/equities/products/tpbm/announcement/index.html
Status of Submission of Annual Securities Reports:	Not Applicable
Names of the Joint Lead Managers (the " Joint Lead Managers "):	Daiwa Capital Markets Europe Limited Barclays Bank PLC Merrill Lynch International Nomura International plc

Notes to Investors:

1. TOKYO PRO-BOND Market is a market principally for professional investors and bonds listed on the market ("**TOKYO PRO-BOND Market Listed Bonds**") may involve high risk. Investors should act with responsibility and be aware of the listing qualification, timely disclosure requirements that apply to issuers of TOKYO PRO-BOND Market Listed Bonds and associated risks such as the fluctuation in market prices. Prospective investors should make an investment judgement only after having carefully considered the contents of these Issuance Conditions of the Bonds Pertaining to the Initial Listing Application.
2. The regulatory framework for TOKYO PRO-BOND Market is different in certain fundamental respects from the regulatory framework applicable to existing exchange markets in Japan. Investors should be aware of the rules and regulations of the TOKYO PRO-BOND Market, which are available on the website of Tokyo Stock Exchange, Inc.

3. The notes issued pursuant to these Issuance Conditions of the Bonds Pertaining to the Initial Listing Application fall within disclosure exempt securities under Article 3, item 2 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the "**FIEA**"), and as such, no "specified securities information" (*tokutei shouken jouhou*) specified in Article 27-31, Paragraph 1 of the FIEA is required to be delivered or made public in respect of the offering of such notes in Japan under the FIEA. These Issuance Conditions of the Bonds Pertaining to the Initial Listing Application therefore do not comprise a "specified securities information" (*tokutei shouken jouhou*) specified in Article 27-31, Paragraph 1 of the FIEA or any amendment thereto specified in Article 27-31, Paragraph 4 of the FIEA.
4. The Tokyo Stock Exchange, Inc. does not make any representations or warranties with regard to any part of these Issuance Conditions of the Bonds Pertaining to the Initial Listing Application (including, but not limited to, whether these Issuance Conditions of the Bonds Pertaining to the Initial Listing Application (a) contain a false statement on important matters or (b) lack a statement on: (i) important matters that should be stated or (ii) a material fact that is necessary for avoiding misunderstanding), and will not be liable to any damages or any other liabilities.
5. These Issuance Conditions of the Bonds Pertaining to the Initial Listing Application have been prepared solely by, and is the sole responsibility of, the Issuer, and its contents have not been independently verified by the Joint Lead Managers. To the fullest extent permitted by law, none of the Joint Lead Managers accepts any responsibility for the contents of these Issuance Conditions of the Bonds Pertaining to the Initial Listing Application or for any other statement, made or purported to be made by any Joint Lead Manager or on its behalf in connection with the Issuer or the issue and offering of the notes described herein. The Joint Lead Managers accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of these Issuance Conditions of the Bonds Pertaining to the Initial Listing Application or any such statement.

FINAL TERMS

PROHIBITION OF SALES TO EEA RETAIL INVESTORS: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No. 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS: The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the UK Financial Services and Markets Act 2000, as amended ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 (the "**SFA**"), JFM has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

Japan Finance Organization for Municipalities
Issue of Series 106
U.S.\$1,500,000,000 5.000 per cent. Notes due 2029
under the ¥3,000,000,000,000
Global Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for JFM or any Dealer to publish a prospectus pursuant to the Prospectus Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**") or the Prospectus Regulation (EU) 2017/1129 (as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018) (the "**UK Prospectus Regulation**"), as applicable, or supplement a prospectus pursuant to the EU Prospectus Regulation or the UK Prospectus Regulation, as applicable, in each case, in relation to such offer.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 21 July 2023 and the supplement to it dated 21 December 2023 (the "**Base Prospectus**"). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus. In order to get the full information on JFM and the offer of the Notes, both the Base Prospectus and this Final Terms must be read in conjunction. The Base Prospectus is available for viewing on the website of the Luxembourg Stock Exchange (www.LuxSE.com).

- | | | |
|-----|---|--|
| 1. | (i) Series Number: | 106 |
| | (ii) Tranche Number: | 1 |
| | (iii) Date on which the Notes become fungible: | Not Applicable |
| 2. | Specified Currency or Currencies: | U.S. Dollars (" U.S.\$ ") |
| 3. | Aggregate Principal Amount: | U.S.\$1,500,000,000 |
| | (i) Series: | U.S.\$1,500,000,000 |
| | (ii) Tranche: | U.S.\$1,500,000,000 |
| 4. | Issue Price: | 99.716 per cent. of the Aggregate Principal Amount plus accrued interest, if any, from 23 April 2024 |
| 5. | (i) Specified Denominations: | U.S.\$200,000 and integral multiples of U.S.\$2,000 in excess thereof |
| | (ii) Calculation Amount: | U.S.\$2,000 |
| 6. | (i) Issue Date: | 23 April 2024 |
| | (ii) Interest Commencement Date: | Issue Date |
| 7. | Maturity Date: | 23 April 2029 |
| 8. | Interest Basis: | 5.000 per cent. Fixed Rate |
| 9. | Redemption Basis: | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their principal amount |
| 10. | Put/Call Options: | Not Applicable |
| 11. | Date President's approval for issuance of Notes obtained: | 16 April 2024 |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- | | | |
|-----|--------------------------------|--|
| 12. | Fixed Rate Note Provisions: | Applicable |
| | (i) Rate of Interest: | 5.000 per cent. per annum payable semi-annually in arrear on each Interest Payment Date |
| | (ii) Interest Payment Date(s): | 23 April and 23 October in each year subject to the Following Business Day Convention (Unadjusted) with Additional Business Centre being Tokyo |
| | (iii) Fixed Coupon Amount: | U.S.\$50.00 per Calculation Amount |
| | (iv) Broken Amount(s): | Not Applicable |

- | | |
|------------------------------------|---|
| (v) Day Count Fraction: | 30/360 |
| (vi) Determination Dates: | Not Applicable |
| (vii) Unmatured Coupons void: | Condition 10(f) (<i>Unmatured Coupons void</i>) is Not Applicable |
| 13. Floating Rate Note Provisions: | Not Applicable |
| 14. Zero Coupon Note Provisions: | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

- | | |
|---|--|
| 15. Call Option: | Not Applicable |
| 16. Put Option: | Not Applicable |
| 17. Final Redemption Amount of each Note: | U.S.\$2,000 per Calculation Amount |
| 18. Early Redemption Amount | Par (being U.S.\$2,000 per Calculation Amount) |
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- | | |
|-------------------------------------|---|
| 19. Form of Notes: | Registered Notes, evidenced by: <ul style="list-style-type: none"> (i) In the case of Registered Notes sold outside the United States to non-U.S. persons in reliance on Regulation S, Unrestricted Global Registered Note; and (ii) In the case of Registered Notes sold in the United States to QIBs in reliance on Rule 144A, Restricted Global Registered Note(s), <p>exchangeable in each case for Individual Note Certificates in the limited circumstances described in the relevant Global Registered Note. Each Note evidenced by an Unrestricted Global Registered Note will be registered in the name of a common depository (or its nominee) for Euroclear and/or Clearstream, Luxembourg and the Unrestricted Global Registered Note will be deposited on or about the Issue Date with the common depository. Each Note evidenced by a Restricted Global Registered Note will be registered in the name of Cede & Co. as nominee for DTC and the Restricted Global Registered Note(s) will be deposited on or about the Issue Date with the DTC Custodian.</p> |
| 20. New Global Note: | No |
| 21. Additional Financial Centre(s): | London and Tokyo |

22. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): No
23. Reserved Matters Quorum: 100 per cent. Quorum


HONG KONG SFC CODE OF CONDUCT

24. Hong Kong SFC Code of Conduct provisions: Not Applicable

LISTING AND ADMISSION TO TRADING APPLICATION

This Final Terms comprises the final terms required to have the Notes admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading to the Euro MTF Market of the Luxembourg Stock Exchange pursuant to JFM's Medium Term Note Programme.

Signed on behalf of Japan Finance Organization for Municipalities:

By: 
.....
Duly authorised

Date: 16 April 2024

PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

Application has been made for the Notes to be admitted to listing on the official list of the Luxembourg Stock Exchange and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange.

Application has been made for the Notes to be listed and admitted to trading on the TOKYO PRO-BOND Market of the Tokyo Stock Exchange with effect from the first business day in Tokyo following the Issue Date.
2. **RATINGS**

Ratings: The Notes to be issued are expected to be rated:

S&P: A+
Moody's: A1
3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

Save as discussed in "Subscription and Sale", so far as JFM is aware, no person involved in the offer of the Notes has an interest material to the offer.
4. **TOTAL EXPENSES**

Estimated total expenses: Estimated total expenses related to admission to trading is EUR7,325.
5. **YIELD**

Indication of yield: Calculated as 5.065 per cent. on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.
6. **OPERATIONAL INFORMATION**

ISIN: Restricted Global Registered Note(s): US471068AZ92.
Unrestricted Global Registered Note: XS2796523475.

Common Code: Restricted Global Registered Note(s): 279652312.
Unrestricted Global Registered Note: 279652347.

FISN: Restricted Global Registered Note(s):
See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN
Unrestricted Global Registered Note:
See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN

CFI Code: Restricted Global Registered Note(s):
See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN
Unrestricted Global Registered Note:
See the website of the Association of National Numbering

Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN

CUSIP: Restricted Global Registered Note(s): 471068 AZ9

Legal Entity Identifier: 5493007YYYYNZ4NMEOD64

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and/or DTC and the relevant identification number(s): Not Applicable

Names and addresses of additional Paying Agent(s) (if any): MUFG Bank, Ltd., London Branch
Ropemaker Place
25 Ropemaker Street
London EC2Y 9AN

Intended to be held in a manner which would allow Eurosystem eligibility: No

7. DISTRIBUTION

(i) Method of distribution: Syndicated

(ii) If syndicated:

(A) Names of Managers: Daiwa Capital Markets Europe Limited
Barclays Bank PLC
Merrill Lynch International
Nomura International plc

(B) Date of Subscription Agreement: 16 April 2024

(C) Stabilising Manager (if any): Merrill Lynch International

(iii) If non-syndicated, name of Dealer: Not Applicable

(iv) Indication of the overall amount of the underwriting commission and of the placing commission: 0.125 per cent. of the Aggregate Principal Amount

(v) U.S. Selling Restrictions (Categories of potential investors to which the Notes are offered): Reg. S Compliance Category 2; TEFRA not applicable; 144A

8. **USE OF PROCEEDS** As set out in the Base Prospectus