

**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:	26 August 2020
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:	31 January 2020
Scheduled Issuance Period:	3 February 2020 to 2 February 2021
Maximum Outstanding Issuance Amount:	¥3,000,000,000,000
Matters related to Financial Instruments Exchange Market, etc.:	Not Applicable
Address of Website for Announcement:	<a href="https://www.jpx.co.jp/english/equities/products/tpbm/announcement/index.html">https://www.jpx.co.jp/english/equities/products/tpbm/announcement/index.html</a>
Status of Submission of Annual Securities Reports:	Not Applicable
Names of the Joint Lead Managers (the " <b>Joint Lead Managers</b> "):	J.P. Morgan Securities plc BNP Paribas BofA Securities, Inc. Daiwa Capital Markets Europe Limited
Notes to Investors:	
1.	TOKYO PRO-BOND Market is a market principally for professional investors and bonds listed on the market (" <b>TOKYO PRO-BOND Market Listed Bonds</b> ") 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.

25 August 2020

**FINAL TERMS**

**PROHIBITION OF SALES TO EEA AND 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 European Economic Area ("**EEA**") or in the United Kingdom (the "**UK**"). 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, "**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 MiFID II. Consequently no key information document required by Regulation (EU) No. 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

**MiFID II 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 eligible counterparties and professional clients only, each as defined in MiFID II; 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 MiFID II 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 (Chapter 289) of Singapore (as modified or amended from time to time, 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 77****U.S.\$1,500,000,000****0.625 per cent. Notes due 2025****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 Article 3 of the Prospectus Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, 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 7 August 2020 (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.bourse.lu](http://www.bourse.lu)).

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| 1. | (i) Series Number:   | 77 |
|    | (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 Nominal 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:	99.432 per cent. of the Aggregate Nominal Amount plus accrued interest, if any, from 2 September 2020
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:	2 September 2020
(ii) Interest Commencement Date:	Issue Date
7. Maturity Date:	2 September 2025
8. Interest Basis:	0.625 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 nominal amount
10. Put/Call Options:	Not Applicable
11. Date President's approval for issuance of Notes obtained:	25 August 2020

#### **PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

12. Fixed Rate Note Provisions:	Applicable
(i) Rate of Interest:	0.625 per cent. per annum payable semi-annually in arrear on each Interest Payment Date
(ii) Interest Payment Date(s):	2 March and 2 September in each year subject to the Following Business Day Convention (Unadjusted) with Additional Business Centre being Tokyo
(iii) Fixed Coupon Amount:	U.S.\$6.25 per Calculation Amount
(iv) Broken Amount(s):	Not Applicable
(v) Day Count Fraction:	30/360
(vi) Determination Dates:	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
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| 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**

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| 19. | Form of Notes:  | Registered Notes, evidenced by: <ul style="list-style-type: none"> <li>(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</li> <li>(ii) In the case of Registered Notes sold in the United States to QIBs in reliance on Rule 144A, Restricted Global Registered Note(s),</li> </ul> <p style="margin-left: 40px;">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 &amp; 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   |

**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: 黒田 夏子  
*Duly authorised*

Date: 25 August 2020

## 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 EUR6,000
5. **YIELD**  
Indication of yield: Calculated as 0.741 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): US471068AS59  
Unrestricted Global Registered Note: XS2224639802  
Common Code: Restricted Global Registered Note(s): 222582709  
Unrestricted Global Registered Note: 222463980  
FISN: Restricted Global Registered Note(s): JAPAN FIN ORGAN/NT 2025 UNSEC 144A  
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): DBFUFR  
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 AS5  
Legal Entity Identifier 5493007YYYNZ4NMEOD64  
Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Not Applicable



Banking S.A. and/or DTC and the relevant identification number(s):

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: J.P. Morgan Securities plc  
BNP Paribas  
BofA Securities, Inc.  
Daiwa Capital Markets Europe Limited

(B) Date of Subscription Agreement: 25 August 2020

(C) Stabilising Managers (if any): BofA Securities, Inc.

(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 Nominal 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