

Amendment to Programme Information

Japan Finance Organization for Municipalities

AMENDMENT TO PROGRAMME INFORMATION

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This amendment, consisting of this cover page and the Supplement No. 1 dated 19 December 2025 to the Base Prospectus dated 18 July 2025, is filed to update the information included in the Programme Information dated 3 February 2025 as amended by the amendment dated 22 July 2025 (the "**Programme Information**"). This document constitutes an integral part of the Programme Information and shall be read together with it.



JAPAN FINANCE ORGANIZATION FOR MUNICIPALITIES

(Incorporated under the Japan Finance Organization for Municipalities Law of Japan)

¥3,000,000,000,000

Global Medium Term Note Programme

This Supplement (the "**Supplement**") is supplemental to, forms part of and must be read and construed in conjunction with, the base prospectus dated 18 July 2025 (the "**Base Prospectus**") and is prepared by Japan Finance Organization for Municipalities ("**JFM**") in connection with its Global Medium Term Note Programme (the "**Programme**") for the issuance of up to ¥3,000,000,000,000 in aggregate principal amount of notes ("**Notes**"). Terms given a defined meaning in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

This Supplement is issued in order to (i) incorporate by reference into the Base Prospectus JFM's unaudited semiannual financial statements in respect of the six months ended 30 September 2025, (ii) provide information with regard to JFM's capitalisation and indebtedness as of 30 September 2025, (iii) provide information with regard to JFM's selected historical financial information as of 30 September 2025 and for the six months ended 30 September 2024 and 2025 and (iv) provide information with regard to JFM's operating and financial review as of 30 September 2025 and for the six months ended 30 September 2024 and 2025.

This Supplement has been approved as a supplement issued in compliance with Part 2 of the rules and regulations of the Luxembourg Stock Exchange by the Luxembourg Stock Exchange in its capacity as competent authority under Part IV of the Luxembourg law of 16 July 2019 on prospectuses for securities for the purposes of giving information with regard to the issue of Notes under this Programme.

JFM accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, no significant new fact, material mistake or inaccuracy relating to the information included in the Base Prospectus which is capable of affecting the assessment of the Notes issued under the Programme has arisen or been noted, as the case may be, since publication of the Base Prospectus.

Document Incorporated by Reference

On 16 December 2025, JFM published its unaudited semiannual financial statements in English in respect of the six months ended 30 September 2025 (the "**Document**"). A copy of the Document has been filed with the Luxembourg Stock Exchange and, by virtue of this Supplement, the Document is incorporated in, and forms part of, the Base Prospectus.

Copies of the Document incorporated by reference in the Base Prospectus by virtue of this Supplement can be obtained without charge from the registered office of JFM, JFM's website at <https://www.jfm.go.jp/en/investors/financial/index.html> and the website of the Luxembourg Stock Exchange at www.LuxSE.com. Information contained in or accessible from the websites set out above does not form part of and is not incorporated by reference into this Supplement. For the avoidance of doubt, the exclusion from this Supplement of information contained in or accessible from the websites referred to above does not apply to the Document being incorporated by reference.

Capitalisation and Indebtedness

The following table sets out the capitalisation and indebtedness of JFM as of 30 September 2025, and has been derived from JFM's unaudited semiannual financial statements as of the same date:

	As of 30 September 2025 (Millions of yen)
Indebtedness:	
Bonds ⁽¹⁾⁽²⁾	¥18,365,806
Borrowed money.....	523,800
Total indebtedness.....	<u>18,889,606</u>
Funds and Reserves:	
Fund for lending rate reduction ⁽³⁾	931,870
<i>Of which:</i>	
Basic fund for lending rate reduction.....	931,870
Reserves under special laws.....	2,948,301
<i>Of which:</i>	
Reserve for interest rate volatility ⁽⁴⁾	2,200,000
Management account reserve for interest rate volatility ⁽⁴⁾	747,860
Reserve for interest rate reduction ⁽⁵⁾	441
Net Assets:	
Capital.....	16,602
Retained earnings.....	416,308
<i>Of which:</i>	
General account appropriated surplus reserve	406,639
General account semiannual unappropriated retained earnings	9,668
Valuation, translation adjustments and others	(27,718)
Management account surplus reserve	57,808
Total net assets.....	<u>463,001</u>
Total capitalisation and indebtedness ⁽⁶⁾⁽⁷⁾	<u>¥23,232,780</u>

Notes:

- (1) JFM regularly issues senior debt securities in a variety of currencies and issuance formats, including government guaranteed bonds as well as non-guaranteed bonds similar to the notes offered hereby.
- (2) Includes current maturities.
- (3) Funds for lending rate reduction pursuant to the JFM Law. This has been included in the above table although, under the JFM Law, this item is presented as a liability on JFM's balance sheets.
- (4) Reserves to prepare for interest rate risk associated with refinancing of bonds pursuant to the JFM Law. This has been included in the above table although, under the JFM Law, this item is presented as a liability on JFM's balance sheets.
- (5) Reserve for interest rate reduction pursuant to the JFM Law. This has been included in the above table although, under the JFM Law, this item is presented as a liability on JFM's balance sheets.
- (6) Total capitalisation and indebtedness comprises the aggregate of bonds, borrowed money, fund for lending rate reduction, reserves under special laws and total net assets.
- (7) Other than as described above, there has been no material change in JFM's capitalisation and indebtedness since 30 September 2025.

Selected Historical Financial Information

The following table, which supplements the selected historical financial information of JFM set out in the Base Prospectus, shows selected financial information of JFM as of the indicated date and for each of the indicated periods below. Such information is derived from JFM's unaudited semiannual financial statements as of the indicated date and for each of the indicated periods below. This information is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements, including the notes to the financial statements, that are included elsewhere or incorporated by reference in the Base Prospectus.

Statements of Income Data

	For the six months ended 30 September	
	2024	2025
	(Billions of yen)	
Income.....	¥94.5	¥99.8
Interest income.....	94.5	99.7
Fees and commissions	0.0	0.0
Other income	0.0	0.0
Expenses.....	61.1	70.5
Interest expenses	56.6	65.3
Fees and commissions	0.1	0.1
Other operating expenses.....	2.1	2.4
General and administrative expenses.....	2.1	2.5
Ordinary income	33.4	29.3
Special gains.....	31.1	0.8
Special losses.....	54.8	20.5
Net income	¥9.7	¥9.6

Balance Sheet Data

	As of 30 September 2025 (Billions of yen)
Assets:	
Loans.....	¥22,574.6
Securities	135.5
Cash and bank deposits	836.7
Cash collateral paid for financial instruments	0.3
Total assets	23,564.9
Liabilities:	
Bonds	18,365.8
Borrowed money.....	523.8
Cash collateral received for financial instruments	321.5
Other liabilities	10.4
Fund for lending rate reduction.....	931.8
Reserves under special laws.....	2,948.3
Reserve for interest rate volatility	2,200.0
Management account reserve for interest rate volatility.....	747.8
Total liabilities	23,101.9
Net Assets:	
Capital.....	16.6
Retained earnings.....	416.3
Valuation, translation adjustments and others	(27.7)
Management account surplus reserve	57.8
Total net assets.....	¥ 463.0

Operating and Financial Review

The following operating and financial review of JFM, which forms the remainder of the Supplement, is based on information contained in the unaudited semiannual financial statements of JFM as of and for the six months ended 30 September 2025 and, with respect to the amounts of loans under "— Overview" below and the

amounts of bonds issued under "— Liquidity and Capital Resources — Fundraising Operations for the Six Months Ended 30 September 2025" below, the accounting records of JFM, and is intended to convey management's perspective on the operating performance and financial condition of JFM as of the date and during the period under review, as measured in accordance with Japanese GAAP. The following supplements the operating and financial review as of and for the years ended 31 March 2024 and 2025 contained in the Base Prospectus.

Overview

JFM's net income for the six months ended 30 September 2025 decreased by 0.8 per cent. to ¥9.6 billion compared to ¥9.7 billion in the six months ended 30 September 2024. The decrease was primarily a result of an increase in bond interest that exceeded an increase in loan interest. JFM's ordinary income for the six months ended 30 September 2025 decreased by 12.4 per cent. to ¥29.3 billion compared to ¥33.4 billion in the six months ended 30 September 2024. The decrease was due primarily to an increase of 15.3 per cent. in interest expenses to ¥65.3 billion in the six months ended 30 September 2025, an increase of 16.6 per cent. in other operating expenses to ¥2.4 billion in the six months ended 30 September 2025 and an increase of 17.4 per cent. in general and administrative expenses to ¥2.5 billion in the six months ended 30 September 2025, partially offset by an increase of 5.6 per cent. in interest income to ¥99.7 billion.

Based on its lending plan, JFM extended 8,017 loans to local governments in an aggregate amount of ¥754.4 billion with the consent or approval of the Minister for Internal Affairs and Communications and prefectural governors in the six months ended 30 September 2025. These loans included:

- loans, for a total of ¥685.7 billion, for general account-related businesses such as local road construction and special municipal merger projects;
- loans, in the amount of ¥9.4 billion, for temporary financial countermeasures funding to make up for a shortfall of local allocation tax pursuant to the provisions of the Local Government Finance Law; and
- loans, for a total of ¥59.2 billion, for municipal enterprise-related businesses such as sewerage and water supply.

In accordance with its fundraising plan, during the six months ended 30 September 2025, JFM issued ¥677.1 billion (issue price) of public offering bonds without government guarantee and ¥212.5 billion of private placement bonds without government guarantee subscribed to by pension funds and mutual aids for local government officials, including the Pension Fund Association for Local Government Officials for lending.

Factors Affecting Results of Operations

Reduction of JFM's Reserves for Interest Rate Volatility through Transfers to the National Treasury

JFM manages assets and liabilities succeeded from the Predecessor in its management account. JFM manages its other assets and liabilities in its general account. For a breakdown, see note 12 to JFM's unaudited semiannual financial statements for the six months ended 30 September 2025. Total assets and liabilities in the management account are expected to decline as time passes because no new loans or bonds (other than bonds issued to refinance Predecessor bonds) have been issued in this account since October 2008 and no such loans or bonds are expected to be issued.

Under the JFM Law, if any assets remain when the asset management operations of the Predecessor are completed and the management account is closed, those assets shall be returned to the national treasury. Even before the management account is closed, in the event that the businesses of JFM are determined to have been executed smoothly in light of the condition of the management of JFM, the Minister for Internal Affairs and Communications and the Minister of Finance (the "**Ministers**") shall, if the management account reserve for interest rate volatility and the management account surplus reserve are determined to exceed the amount necessary for the smooth operation of the asset management operations of the Predecessor in the future, cause the amount that is determined to be in excess to be transferred to the national treasury. Accordingly, JFM has regularly made transfers of varying amounts to the national treasury from its reserve for interest rate volatility maintained in the management account. Under a current determination by the Ministers, ¥200.0 billion is to be transferred to the national treasury from JFM's reserves for interest rate volatility maintained in the management account by the end of the year ending 31 March 2026. The completed transfers have not had a material effect on JFM's business, results of operations or financial condition. This is due primarily to the fact that the margins on the management

account loan portfolio remain stable in the current low interest rate environment because bonds are being refinanced at lower rates and that interest rate risk in the management account is expected to decline overall as the size of that portfolio declines over time.

Results of Operations

The table below sets forth JFM's results of operations for the six months ended 30 September 2024 and 2025:

	For the six months ended 30 September	
	2024	2025
	(Billions of yen)	
Interest income.....	¥94.5	¥99.7
Interest expenses.....	56.6	65.3
Net interest income	37.8	34.4
Fees and commissions.....	0.0	0.0
Fees and commissions expenses.....	0.1	0.1
Net fees and commissions	(0.0)	(0.1)
Other operating income	0.0	0.0
Other income	0.0	0.0
Other operating expenses.....	2.1	2.4
General and administrative expenses.....	2.1	2.5
Ordinary income	33.4	29.3
Reversal of management account reserve for interest rate volatility	30.0	—
Reversal of reserve for interest rate reduction.....	1.1	0.8
Special gains.....	31.1	0.8
Provision for management account reserve for interest rate volatility	24.8	20.5
Payment to national treasury.....	30.0	—
Special losses.....	54.8	20.5
Net income	¥9.7	¥9.6

Net Interest Income

Six Months Ended 30 September 2024 Compared to Six Months Ended 30 September 2025. JFM's net interest income decreased by ¥3.4 billion, or 9.0 per cent., from ¥37.8 billion in the six months ended 30 September 2024 to ¥34.4 billion in the six months ended 30 September 2025. This decrease was mainly due to an increase in interest expenses caused by the rise in the average interest rate on loans.

Net Fees and Commissions

Six Months Ended 30 September 2024 Compared to Six Months Ended 30 September 2025. JFM's net fees and commissions expenses were relatively unchanged in the six months ended 30 September 2025 compared to the six months ended 30 September 2024.

Other Operating Income

Six Months Ended 30 September 2024 Compared to Six Months Ended 30 September 2025. JFM's other operating income was relatively unchanged in the six months ended 30 September 2025 compared to the six months ended 30 September 2024.

Other Income

Six Months Ended 30 September 2024 Compared to Six Months Ended 30 September 2025. JFM's other income was relatively unchanged in the six months ended 30 September 2025 compared to the six months ended 30 September 2024.

Other Operating Expenses

Six Months Ended 30 September 2024 Compared to Six Months Ended 30 September 2025. JFM's other operating expenses increased by ¥0.3 billion, or 16.6 per cent., from ¥2.1 billion in the six months ended 30 September 2024 to ¥2.4 billion in the six months ended 30 September 2025. The increase was due primarily to an increase in cash collateral received for financial instruments.

General and Administrative Expenses

Six Months Ended 30 September 2024 Compared to Six Months Ended 30 September 2025. JFM recorded general and administrative expenses increased by ¥0.3 billion, or 17.4 per cent., from ¥2.1 billion in the six months ended 30 September 2024 to ¥2.5 billion in the six months ended 30 September 2025. The increase was due primarily to an increase in depreciation expenses.

Ordinary Income

Six Months Ended 30 September 2024 Compared to Six Months Ended 30 September 2025. JFM's ordinary income decreased from ¥33.4 billion in the six months ended 30 September 2024 to ¥29.3 billion in the six months ended 30 September 2025, a decrease of ¥4.1 billion or 12.4 per cent. The decrease was due to an increase in interest expenses.

Special Gains and Losses

Six Months Ended 30 September 2024 Compared to Six Months Ended 30 September 2025. JFM recorded special gains of ¥0.8 billion in the six months ended 30 September 2025 compared to ¥31.1 billion in the six months ended 30 September 2024, a decrease of ¥30.2 billion or 97.2 per cent., which mainly reflected a decrease of ¥30.0 billion in the reversal of the management account reserve for interest rate volatility because the payment to the national treasury was not made during the first half of fiscal year 2025. Special losses decreased from ¥54.8 billion in the six months ended 30 September 2024 to ¥20.5 billion in the six months ended 30 September 2025, a decrease of ¥34.2 billion or 62.5 per cent., which mainly reflected the absence of a payment to the national treasury during the first half of fiscal year 2025.

Net Income

Six Months Ended 30 September 2024 Compared to Six Months Ended 30 September 2025. As a result of the foregoing, JFM's net income decreased from ¥9.7 billion in the six months ended 30 September 2024 to ¥9.6 billion in the six months ended 30 September 2025.

Allocation of Profit to the General and Management Accounts

Profits for each of the six months ended September 2024 and 2025 were allocated to the general account as general account semiannual unappropriated earnings and to the management account as management account semiannual unappropriated earnings.

General Account

Six Months Ended 30 September 2024 Compared to Six Months Ended 30 September 2025. Profits allocated to the general account decreased from ¥9.7 billion in the six months ended 30 September 2024 to ¥9.6 billion in the six months ended 30 September 2025.

Management Account

Six Months Ended 30 September 2024 Compared to Six Months Ended 30 September 2025. Profits allocated to the management account were relatively unchanged in the six months ended 30 September 2025 compared to the six months ended 30 September 2024.

Financial Condition

Overview

The table below summarises selected balance sheet items of JFM as of 31 March 2025 and 30 September 2025:

	As of 31 March 2025	As of 30 September 2025
	(Billions of yen)	
Assets:		
Loans.....	¥22,700.1	¥22,574.6
Securities.....	272.0	135.5
Cash and bank deposits	908.7	836.7
Total assets	23,893.8	23,564.9
Liabilities:		
Bonds	18,677.6	18,365.8
Borrowed money.....	529.5	523.8
Cash collateral received for financial instruments	370.6	321.5
Other liabilities	6.3	10.4
Fund for lending rate reduction.....	931.8	931.8
Reserve under special laws	2,928.6	2,948.3
Total liabilities.....	23,444.8	23,101.9
Net Assets:		
Capital.....	16.6	16.6
Retained earnings.....	406.6	416.3
<i>Of which:</i>		
General account appropriated surplus reserve.....	406.6	406.6
General account semiannual unappropriated retained earnings	—	9.6
Valuation, translation adjustments and others	(32.0)	(27.7)
Management account surplus reserve	57.8	57.8
Total net assets.....	¥449.0	¥463.0

Assets. In the six months ended 30 September 2025, JFM's total assets decreased by ¥328.9 billion to ¥23,564.9 billion as of 30 September 2025 compared to ¥23,893.8 billion as of 31 March 2025. The decrease in total assets in the six months ended 30 September 2025 was mainly due to decreases in securities and loans.

Liabilities. In the six months ended 30 September 2025, JFM's total liabilities decreased by ¥342.8 billion to ¥23,101.9 billion as of 30 September 2025 compared to ¥23,444.8 billion as of 31 March 2025. This decrease was mainly due to a decrease in bonds.

Net Assets. In the six months ended 30 September 2025, JFM's total net assets increased by ¥13.9 billion to ¥463.0 billion as of 30 September 2025 compared to ¥449.0 billion as of 31 March 2025. The increase in total net assets in the six months ended 30 September 2025 was mainly due to an increase in retained earnings recorded in the general account. As of 30 September 2025, JFM's retained earnings were ¥416.3 billion.

Liquidity and Capital Resources

Fundraising Operations for the Six Months Ended 30 September 2025

In the six months ended 30 September 2025, JFM issued bonds in the amount of ¥979.6 billion (issue price, the same shall apply hereinafter in this section) and incurred ¥35.3 billion of long-term borrowed money. Bonds issued by JFM in the six months ended 30 September 2025, included:

- ¥417.0 billion of non-guaranteed domestic public offering bonds, of which ¥186.0 billion were 10-year bonds, ¥59.0 billion were 20-year bonds, ¥25.0 billion were 5-year bonds, ¥11.0 billion were 30-year bonds and ¥136.0 billion were FLIP bonds;
- ¥260.1 billion under the Programme; and

- ¥99.5 billion of 10-year private placement bonds and ¥113.0 billion of 20-year private placement bonds subscribed to by pension funds and mutual aids for local government officials, including the Pension Fund Association for Local Government Officials.

As a result of issuance and repayments, the outstanding balance of JFM bonds and borrowed money amounted to ¥18,365.8 billion and ¥523.8 billion, respectively, as of 30 September 2025.

Cash Flow Analysis for JFM for the Six Months Ended 30 September 2024 and 2025

The following table sets out selected cash flow information for the six months ended 30 September 2024 and 2025.

	For the six months ended 30 September	
	2024	2025
	(Billions of yen)	
Net cash provided by/(used in) operating activities.....	¥140.4	¥(208.0)
Net cash provided by/(used in) investing activities	(226.6)	136.1
Net cash used in financing activities.....	(30.0)	—
Net decrease in cash and cash equivalents	(116.1)	(71.9)
Cash and cash equivalents at beginning of period	873.6	908.7
Cash and cash equivalents at end of period.....	757.4	836.7

Cash Flow from Operating Activities

JFM's net cash flow from operating activities was a cash outflow of ¥208.0 billion in the six months ended 30 September 2025 compared with a cash inflow of ¥140.4 billion in the six months ended 30 September 2024. The cash outflow from operating activities in the six months ended 30 September 2025 primarily resulted from a net decrease in bonds.

Cash Flow from Investing Activities

JFM's net cash flow from investing activities was a cash inflow of ¥136.1 billion in the six months ended 30 September 2025, compared with a cash outflow of ¥226.6 billion in the six months ended 30 September 2024. The cash inflow from investing activities in the six months ended 30 September 2025 primarily resulted from a net inflow from redemption of securities.

Cash Flow from Financing Activities

JFM's net cash flow from financing activities was nil in the six months ended 30 September 2025, compared with a cash outflow of ¥30.0 billion in the six months ended 30 September 2024. The net cash flow from financing activities in the six months ended 30 September 2025 was nil due to the absence of cash outflow from payment to the national treasury.