



# JFMM

Japan Finance Organization for Municipalities

Takeji Takei  
Senior Executive Director  
October 2011

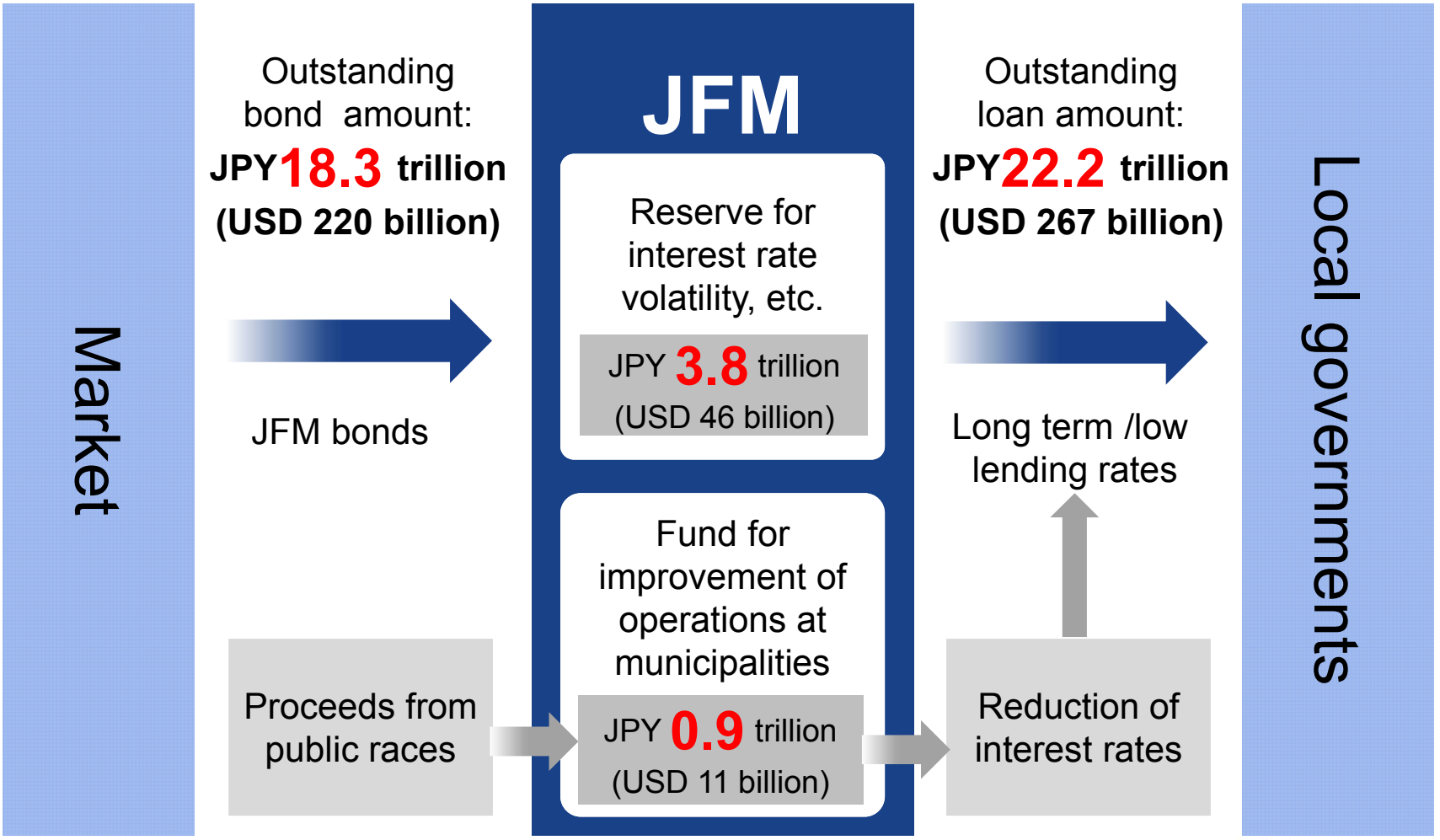
# About JFM

---

- A joint fund-raising organization for local governments
- Capitalized by ALL local governments in Japan
- Public institution established under the special legislation
  - Japan Finance Organization for Municipalities Law
- Established in August 2008
  - Originally founded as a national government financial institution in 1957



# Basic Framework of Business Operations

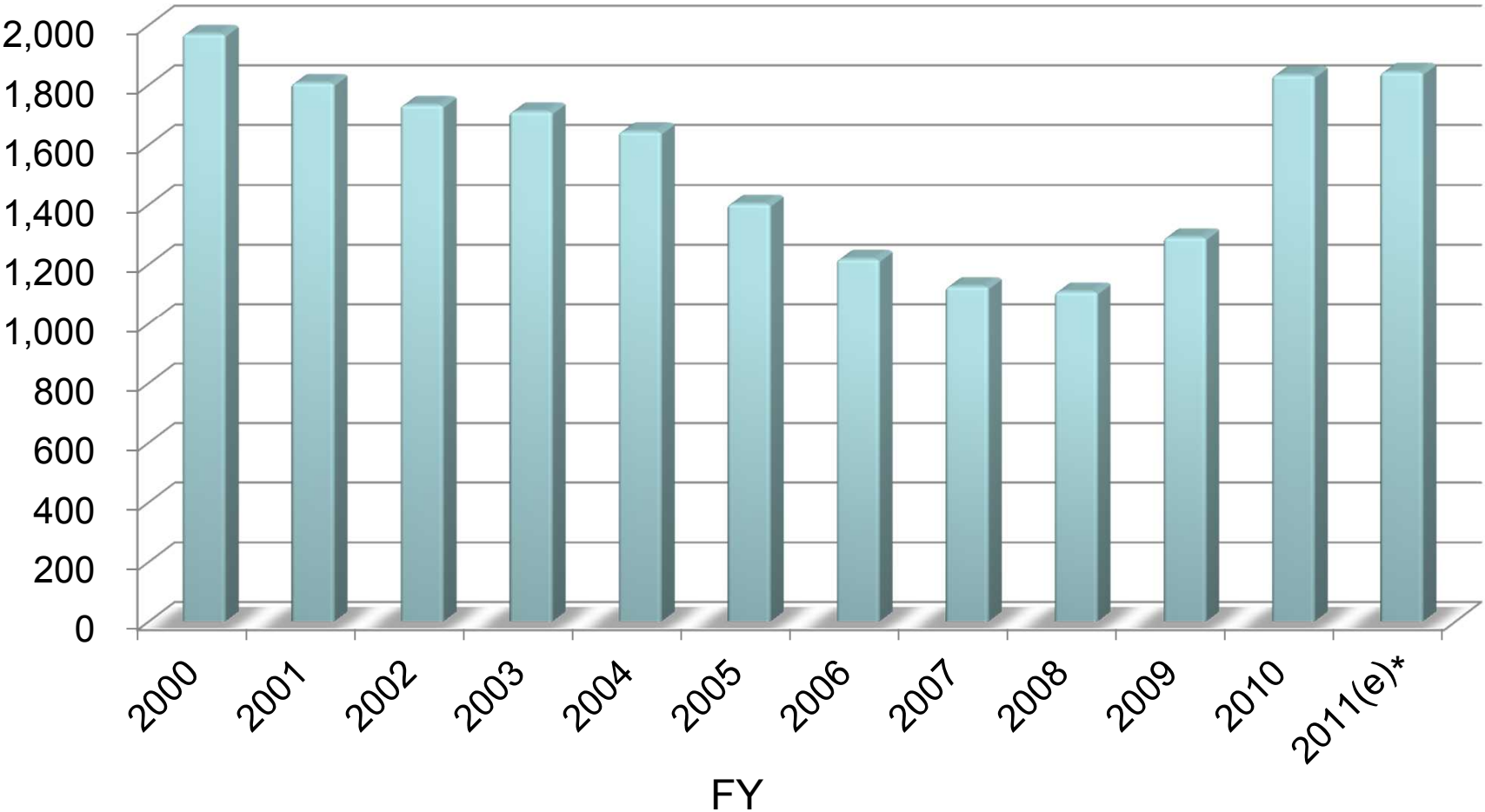


\* as of 31 Mar 2011  
 \* USD1=JPY83.22



# Loan Originated

(billion JPY)



\* subject to change depending on market circumstances.



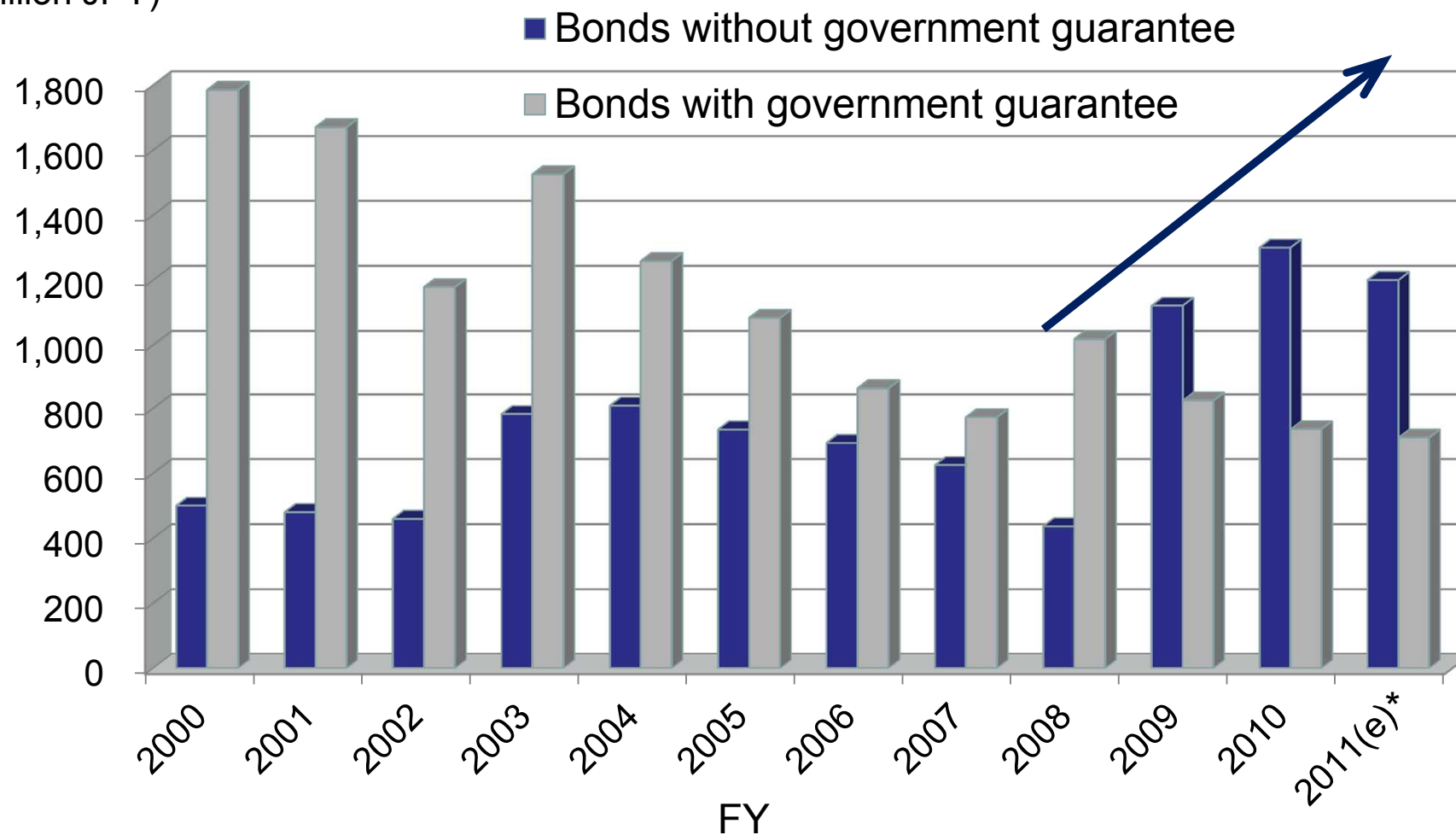
# Outstanding Loans by business sectors

Business Sectors	Share
Sewage	40%
Three Special Projects (Local road construction etc)	19%
Water supply	18%
Transportation	6%
Extraordinary Financial Countermeasures Funding	6%
Hospitals	3%
Public housing	3%
Industrial water supply	1%
Others	4%

\* As of 31 Mar, 2011

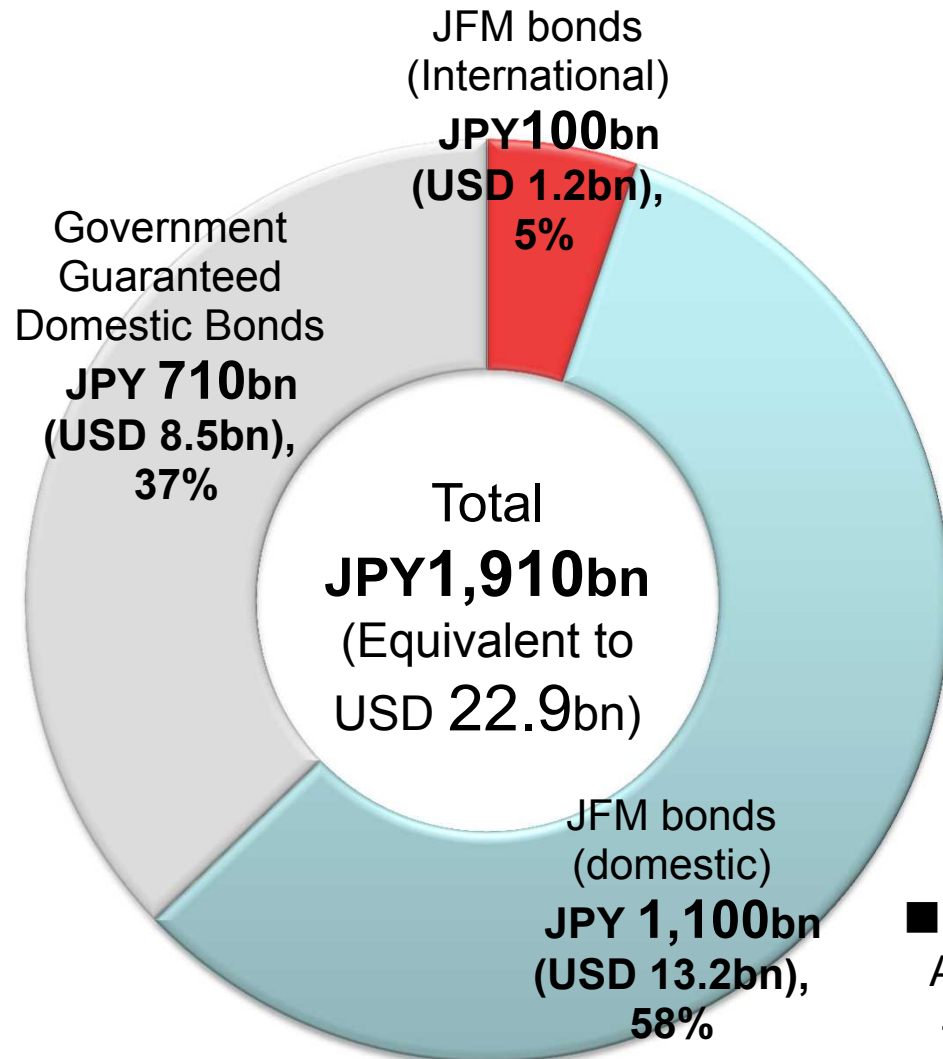
# Fund Raising

(billion JPY)



\* subject to change depending on market circumstances.

# Funding Strategy FY2011



## Domestic Bonds

- ✓ Strong presence in the domestic market

## International Bonds

- ✓ Diversification of investor base and funding sources

### ■ Ratings

- AA – (S&P), Aa3 (Moody's), AAA (R&I)
- The same ratings as the Japanese Government

\*USD 1=JPY 83.22

# Investment Highlights

---



**1 Solid Institutional Framework**



**2 High Asset Quality**



**3 Strong Financial Foundation**



# 1. Solid Institutional Framework

---



JFM has a very strong link with  
**the national government**

The local governments shall be  
**legally responsible for repaying**  
all remaining debts of JFM  
at JFM's dissolution

## 2. High Asset Quality

---

- Loans are provided **exclusively to the local governments by law**
- The national governments prepares **solid financial safety-nets** for local governments
- **No default** for more than **50 years** since JFM's establishment



(Toyama city)

# 3. Strong Financial Foundation

---

## ■ Sufficient Reserves

- Reserves for interest rate volatility: **JPY3,896 billion**  
(USD46.8 billion)
- Fund for improvement of operations at municipalities: **JPY915 billion**  
(USD11.0 billion)

## ■ Stable Earnings

- Ordinary income in FY2010: **JPY247billion**  
(USD 2.9billion)

# Investment Highlights

---

- 1. Solid Institutional Framework**
- 2. High Asset Quality**
- 3. Strong Financial Foundation**



# Contacts

---

- **Japan Finance Organization for Municipalities**  
**Finance, Finance Department**  
**Shisei Kaikan, 1-3 Hibiya Koen, Chiyoda-ku**  
**Tokyo 100-0012, Japan**

**Tel: 81-3-3539-2697**

**Fax: 81-3-3539-2615**

**E-mail: [funds-d@jfm.go.jp](mailto:funds-d@jfm.go.jp)**

**URL: <http://www.jfm.go.jp/en>**



(JFM in Tokyo)

# Disclaimer

---

Forward-looking statements including JFM's plans in this presentation material are based on information available for JFM at the time of this presentation and involve potential risks and uncertainties.

Actual results, therefore, may differ from those described in this presentation material due to changes in a variety of factors, such as market trends, economic conditions and regulations.

Accordingly, investors are advised to use their own discretion and exercise great caution when making investment decisions.