



Moody's Investors Service

NEWS

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Moody's affirms Aaa rating on Japan Finance Organization for Municipal Enterprises

Tokyo, October 1, 2008 -- Moody's Investors Service has affirmed the Aaa foreign and local currency issuer ratings assigned to the Japan Finance Organization for Municipal Enterprises (New JFM). The outlook is stable.

Effective today, the Japan Finance Corporation for Municipal Enterprises(Former JFM)has been converted to a new institution (New JFM), jointly established by all local governments in Japan. All the assets and liabilities of the former entity have been transferred to the New JFM.

The affirmation of the rating reflects the New JFM's important role in local government finance and the continued involvement of the central government in its operations, despite changes in ownership and oversight procedures. The Aaa ratings also reflect a high quality loan portfolio,, comprising loans to local governments in Japan.

The New JFM is the only public specialized institution providing low-cost, long-term funds to local governments in Japan. The size of the loan portfolio exceeds 22 trillion yen and account for more than 10% of total local government debt.

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