

INTERNATIONAL BUSINESS MACHINES CORP  
Form FWP  
October 27, 2016

Filed Pursuant to Rule 433

Registration Number 333-212685

**¥42,000,000,000 0.30% Notes Due 2026**

**International Business Machines Corporation  
October 27, 2016  
Pricing Term Sheet**

|                            |  |
|----------------------------|--|
| Issuer                     | International Business Machines Corporation  |
| Issuer Ratings*            | Aa3/AA-/A+ (Moody s/S&P/Fitch)   |
| Format                     | SEC Registered   |
| Form                       | Registered Form  |
| Trade Date                 | October 27, 2016   |
| Settlement Date**          | November 2, 2016 (which is T+4 Tokyo business days)  |
| Listing                    | Application will be made to list the Notes on the New York Stock Exchange  |
| Sole Bookrunner            | BNP Paribas  |
| Sole Co-Manager            | SMBC Nikko Securities America, Inc.  |
| Principal Amount           | ¥42,000,000,000  |
| Maturity                   | November 2, 2026   |
| Interest Payment Dates     | May 2 and November 2 of each year  |
| First Payment Date         | May 2, 2017  |
| Yield to Maturity          | 0.30%  |
| Coupon                     | 0.30% (payable semi-annually)  |
| Redemption                 | The Notes will not be redeemable prior to maturity unless certain events occur involving United States taxation as described in the Preliminary Prospectus Supplement dated October 26, 2016 |
| Price to Public            | 100%   |
| Underwriting Discount      | 0.35%  |
| Proceeds to Issuer         | ¥41,853,000,000  |
| Day Count                  | 30/360   |
| Minimum Denomination       | ¥100,000,000 and integral multiples of ¥10,000,000 in excess thereof   |
| CUSIP / ISIN / Common Code | 459200 JM4 / XS1512978112 / 151297811  |

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**\*Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.**

**\*\*We expect that delivery of the notes will be made to investors on or about November 2, 2016, which will be the fourth Tokyo business day following the date of this final term sheet (such settlement being referred to as T+4 ). Under Rule 15c6-1 under the Securities Exchange Act of 1934, as amended, trades in the secondary market are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade notes on the date of the prospectus supplement or the next succeeding business day will be required, by virtue of the fact that the notes initially settle in T+4, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the notes who wish to trade the notes on the date of the prospectus supplement or the next succeeding business day should consult their advisors.**

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The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling BNP Paribas toll-free at 1-800-854-5674.

This pricing term sheet supplements the preliminary form of prospectus supplement issued by International Business Machines Corporation on October 26, 2016 relating to its Prospectus dated July 26, 2016.

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