OFFERING CIRCULAR

MITSUBISHI HC CAPITAL INC.

(incorporated with limited liability in Japan)
as Issuer and Guarantor

and

MITSUBISHI HC CAPITAL UK PLC

(incorporated with limited liability in England and Wales)
as Issuer

and

MITSUBISHI HC FINANCE AMERICA LLC

(incorporated with limited liability in the State of Delaware)
as Issuer

U.S.$12,500,000,000
Euro Note Programme

Arranger

MUFG

Programme Dealers

BNP PARIBAS
Daiwa Capital Markets
HSBC
J.P. Morgan
Mizuho
MUFG
NatWest
Nomura
SMBC

27 August 2026

This Offering Circular replaces and supersedes the Offering Circular dated 29 August 2025 describing the Programme (as defined below). Any Notes (as defined below) issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions contained herein. This does not affect any Notes already issued.

Under this U.S.$12,500,000,000 Euro Note Programme (the "**Programme**"), each of Mitsubishi HC Capital Inc. ("**MHC**"), Mitsubishi HC Capital UK PLC ("**MHCUK**") and Mitsubishi HC Finance America LLC ("**MHFA**") (each, in its capacity as issuer, an "**Issuer**" and together the "**Issuers**") may from time to time issue notes ("**Notes**") denominated in any currency agreed between the Issuer of such Notes (the "**relevant Issuer**") and the relevant Dealer (as defined below).

Notes which are denominated in Australian dollars and are issued by MHCUK in the Australian domestic wholesale capital market are referred to as "**AMTNs**". MHC and MHFA will not issue AMTNs.

Payments under the Notes issued by each of MHCUK and MHFA will be unconditionally and irrevocably guaranteed by MHC (in its capacity as guarantor, the "**Guarantor**").

References in this Offering Circular to the "**Group**" are to MHC and its consolidated subsidiaries.

The Notes may be issued on a continuing basis to one or more of the Programme Dealers specified under "*Description of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuers (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe to such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*".

As at the date of this Offering Circular, MHC has been assigned a rating of "A-" by S&P Global Ratings Japan Inc. ("**S&P Japan**"), a rating of "A3" by Moody's Japan K.K. ("**Moody's Japan**"), a rating of A- by Fitch Ratings Japan Limited ("**Fitch Japan**"), a rating of "AA" by Rating and Investment Information, Inc. ("**R&I**"), a rating of "AA" by Japan Credit Rating Agency, Ltd. ("**JCR**"), a short-term rating of "A-2" by S&P Japan, a short-term issuer default rating of F1 by Fitch Japan, a short-term rating of "a-1+" by R&I and a short-term rating of "J-1+" by JCR, MHCUK has been assigned a rating of A- by Fitch Ratings Ltd. ("**Fitch UK**"), a rating of "AA" by JCR, a short-term rating of "A-2" by S&P Global Ratings UK Limited and a short-term issuer default rating of F1 by Fitch UK. MHFA has not been assigned a public rating by a credit rating agency. References in this Offering Circular to "**S&P**" and "**Fitch**" are to the relevant entity assigning the appropriate rating.

None of S&P Japan, Moody's Japan, Fitch Japan, R&I and JCR is established in the European Economic Area (the "**EEA**") or the United Kingdom (the "**UK**"). JCR is certified under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the "**CRA Regulation**") and the CRA Regulation as it forms part of domestic UK law (the "**UK CRA Regulation**"). None of S&P Japan, Moody's Japan and Fitch Japan is registered under the CRA Regulation or the UK CRA Regulation; however, ratings issued by S&P Japan, Moody's Japan and Fitch Japan are endorsed, in the EEA, by S&P Global Ratings Europe Limited, Moody's Deutschland GmbH and Fitch Ratings Ireland Limited, respectively, each of which is established in the EEA and registered under the CRA Regulation, and in the UK, by S&P Global Ratings UK Limited, Moody's Investors Service Ltd and Fitch UK, each of which is established in the UK and registered under the UK CRA Regulation. R&I is not registered under the CRA Regulation or the UK CRA Regulation and its ratings are not endorsed by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation or the UK CRA Regulation.

The European Securities and Markets Authority ("**ESMA**") is obliged to maintain on its website, https://www.esma.europa.eu/supervision/credit-rating-agencies/risk, a list of credit rating agencies registered and certified in accordance with the CRA Regulation. This list must be updated within five working days of ESMA's adoption of any decision to withdraw the registration of a credit rating agency under the CRA Regulation. The Financial Conduct Authority (the "**FCA**") is obliged to maintain on its website, https://www.fca.org.uk/firms/credit-rating-agencies, a list of credit rating agencies registered in accordance with the UK CRA Regulation. Any such lists are not conclusive evidence of the status of the relevant rating agency as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list or FCA list.

In general, European and UK regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA or in the UK, respectively, and registered under the CRA Regulation or the UK CRA Regulation (as applicable) unless (1) the rating is provided by a credit rating agency not established in the EEA or in the UK, respectively, but is endorsed by a credit rating agency established in the EEA or in the UK, respectively, and registered under the CRA Regulation or the UK CRA Regulation (as applicable) or (2) the rating is provided by a credit rating agency not established in the EEA or in the UK, respectively, but which is certified under the CRA Regulation or the UK CRA Regulation (as applicable).

A rating reflects only the views of the relevant rating agency, is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Application has been made to the FCA under Part VI of the Financial Services and Markets Act 2000 ("FSMA") for Notes issued by MHC and MHCUK under the Programme (other than Exempt Notes, as defined below) during the period of 12 months from the date of this Offering Circular to be admitted to the official list of the FCA (the "**Official List**") and to the London Stock Exchange plc (the "**London Stock Exchange**") for such Notes to be admitted to trading on the London Stock Exchange's regulated market. References in this Offering Circular to Notes issued by MHC and MHCUK being "**listed**" (and all related references) shall mean that such Notes have been admitted to the Official List and admitted to trading on the London Stock Exchange's regulated market. MHFA will not issue listed Notes admitted to the Official List or to trading on the London Stock Exchange's regulated market.

This Offering Circular has been approved by the FCA in accordance with the rules in the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook (the "**PRM**") made pursuant to its rule-making powers under the Public Offers and Admissions to Trading Regulations 2024 (the "**POATRs**"). The FCA only approves this Offering Circular as meeting the standards of completeness, comprehensibility and consistency imposed by the rules in the PRM, and such approval should not be considered to be an endorsement of the Issuers, the Guarantor or the quality of the Notes that are the subject of this Offering Circular. Investors should make their own assessment as to the suitability of investing in the Notes.

MHC and MHFA may issue exempt Notes ("**Exempt Notes**") which will not be admitted to the Official List or to trading on the London Stock Exchange's regulated market, and which will only be offered in circumstances falling within Part 1 of Schedule 1 to the POATRs. The FCA has neither approved nor reviewed information contained in this Offering Circular in connection with Exempt Notes issued by MHC and MHFA. MHCUK will not issue Exempt Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and the terms of each Tranche of Notes will be set out in a final terms document (the "**Final Terms**") or (in the case of Exempt Notes issued by MHC or MHFA) a pricing supplement (the "**Pricing Supplement**") or in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms, Pricing Supplements and Drawdown Prospectuses*" below which, with respect to Notes issued by MHC

or MHCUK to be listed on the London Stock Exchange, will be delivered to the FCA and the London Stock Exchange and, in the case of a Drawdown Prospectus in respect of such Tranche of Notes, will be approved by the FCA. In the case of a Tranche of Notes which is the subject of a Pricing Supplement or a Drawdown Prospectus, each reference in this Offering Circular to information being specified or identified in the applicable Final Terms shall be read and construed as a reference to such information being specified or identified in the applicable Pricing Supplement or Drawdown Prospectus unless the context requires otherwise.

MHC and MHCUK may issue Notes in bearer form or in registered form. MHFA will only issue Notes in registered form.

Each Tranche of Notes in bearer form will either initially be represented by a Temporary Global Note (as defined in "*Form of Notes*") or, if agreed between the relevant Issuer and the relevant Dealer, be represented by a Permanent Global Note (as defined in "*Form of Notes*") which, in either case, will be deposited on the issue date thereof with a common depositary or common safekeeper, as the case may be, on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or any other agreed clearance system. A Temporary Global Note so issued will be exchangeable, as specified in the applicable Final Terms, for either a Permanent Global Note or definitive Bearer Notes (as defined in "*Form of the Notes*"), in each case upon certification as to non-U.S. beneficial ownership as required by U.S. Treasury Regulations and applicable U.S. securities laws. A Permanent Global Note will be exchangeable for definitive Bearer Notes, upon request or upon the occurrence of an Exchange Event, all as further described in "*Form of the Notes*".

Each Tranche of Notes in registered form (other than AMTNs) will initially be represented by a Global Registered Note (as defined in "*Form of the Notes*") or, if so specified in the applicable Final Terms, definitive Registered Notes (as defined in "*Form of the Notes*"). A Global Registered Note will be exchangeable for definitive Registered Notes, upon request or upon the occurrence of an Exchange Event, all as further described in the "*Form of Notes*". Notes in bearer form may not be exchanged for Notes in registered form and *vice versa*.

AMTNs will be issued by MHCUK in registered uncertificated form and will take the form of entries on a register established and maintained by a registrar in Australia and may be lodged with the clearing system ("**Austraclear System**") operated by Austraclear Ltd ("**Austraclear**"). AMTNs lodged with the Austraclear System will be registered in the name of Austraclear.

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Offering Circular and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of each of the Issuers and of the Guarantor, the information contained in this Offering Circular is in accordance with the facts and the Offering Circular makes no omission likely to affect its import.

Copies of Final Terms will be available for viewing and copies may be obtained from the registered office of the relevant Issuer and the specified office of the Principal Paying Agent (as defined herein) save that, if a Note is not admitted to trading on a UK regulated market (including Exempt Notes issued by MHC or MHFA), the applicable Final Terms will only be available to a Noteholder holding one or more such Notes upon such Noteholder producing evidence as to identity satisfactory to the Principal Paying Agent. Copies of each Final Terms relating to Notes admitted to trading on a UK regulated market will be published on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html. Such Final Terms will also be available for viewing on the UK National Storage Mechanism (https://data.fca.org.uk/#/nsm/nationalstoragemechanism).

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are so incorporated and form part of this Offering Circular.

The relevant Issuer and, in the case of Notes issued by MHC and MHFA, the Guarantor may agree with any Dealer that Notes may be issued in a form not contemplated in "*Terms and Conditions of the Notes*" (except that MHFA shall not issue Notes in bearer form), in which event a Drawdown Prospectus will be made available which will describe the effect of the agreement reached in relation to such Notes. In the case of Exempt Notes, the relevant provisions relating to such Exempt Notes will be included in the applicable Pricing Supplement.

The Dealers have not independently verified all of the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any Dealer as to the accuracy or completeness of the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuers or the Guarantor. The Dealers do not accept any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by the Issuers or the Guarantor in connection with the Programme.

No person is or has been authorised by the Issuers or the Guarantor to give any information or to make any representation not contained in or inconsistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, the Guarantor or any of the Dealers.

Neither this Offering Circular nor any other information supplied in connection with the Programme (1) is intended to provide the basis of any credit or other evaluation or (2) should be considered as a recommendation by the Issuers, the Guarantor or any of the Dealers that any recipient of this Offering Circular or any other information supplied in connection with the Programme should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and, in the case of Notes issued by MHC and MHFA, the Guarantor and must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular, any applicable supplement or Drawdown Prospectus;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms and conditions of the Notes and be familiar with the behaviour of any relevant financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors (including those set forth in the section headed "*Risk Factors*" below) that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as standalone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk based capital or similar rules.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuers or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Programme Dealers expressly do not undertake to review the financial condition or affairs of the Issuers or the Guarantor during the life of the Programme or to advise any investor in the Notes of any information coming to their attention.

Neither this Offering Circular nor any other information supplied in connection with the Programme constitutes an offer or invitation by or on behalf of the Issuers, the Guarantor or any Dealer to any person to subscribe for or to purchase any Notes. This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any relevant Dealer or any parent company or affiliate of such Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the relevant Dealer or the relevant parent company or affiliate of such Dealer on behalf of the relevant Issuer in such jurisdiction. The Issuers, the Guarantor and the Dealers do not represent that this Offering Circular may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers, the Guarantor or the Dealers which is intended to permit a public offering of the Notes or distribution of this document in any jurisdiction where action for that purpose is required.

Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material relating to the Programme or Notes issued thereunder may be distributed or published in any jurisdiction except in circumstances that will result in compliance with any applicable laws and regulations. Each Dealer has represented or, as the case may be, will be required to represent that all offers and sales by it will be made on the same terms. Persons into whose possession this Offering Circular or any Notes come must inform themselves about, and observe, any such restriction. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of the Notes in the United States, the EEA, the UK, the People's Republic of China, Hong Kong, Singapore, Japan and Taiwan (see "*Subscription and Sale*").

The Notes and the Guarantees (as defined in the Conditions) have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). The Notes are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes and the Guarantees may not be offered, sold or delivered within the United States or its possessions or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act and Section 7701(a)(30) of the United States Internal Revenue Code of 1986, as amended) (see "*Subscription and Sale*").

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**") and the Notes (if issued by MHCUK or MHFA, only in circumstances where any interest on the Notes is attributable to a business in

Japan conducted by MHCUK or MHFA, as the case may be, through its permanent establishment in Japan as provided for in the Act on Special Measures Concerning Taxation of Japan (Act No. 26 of 1957, as amended, the "**Act on Special Taxation Measures**")) are subject to the Act on Special Taxation Measures. The Notes may not be offered or sold in Japan or to, or for the benefit of, any person resident in Japan, or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a person resident in Japan, for Japanese securities law purposes (including any corporation or other entity organised under the laws of Japan) except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and governmental guidelines of Japan. In addition, the Notes (if issued by MHCUK or MHFA, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHCUK or MHFA, as the case may be, through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures) may not, as part of the distribution by the Dealers under the programme agreement or applicable subscription agreement relating to the Notes, at any time be directly or indirectly offered or sold to, or for the benefit of, any person other than a beneficial owner that is, (i) for Japanese tax purposes, neither (a) an individual resident of Japan or a Japanese corporation, nor (b) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with the Issuer as described in Article 6, Paragraph (4) of the Act on Special Taxation Measures (a "specially-related person of the issuer") (excluding an underwriter designated in Article 6, Paragraph (12), item 1 of the Act on Special Taxation Measures which purchases unsubscribed portions of the Notes (if issued by MHCUK or MHFA, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHCUK or MHFA, as the case may be, through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures) from the other underwriters) or (ii) a Japanese financial institution, designated in Article 3-2-2, Paragraph (29) of the Cabinet Order (Cabinet Order No. 43 of 1957, as amended, the "Cabinet Order"), relating to the Act on Special Taxation Measures.

BY SUBSCRIBING FOR THE NOTES (IF ISSUED BY MHCUK OR MHFA, ONLY IN CIRCUMSTANCES WHERE ANY INTEREST ON THE NOTES IS ATTRIBUTABLE TO A BUSINESS IN JAPAN CONDUCTED BY MHCUK OR MHFA THROUGH ITS PERMANENT ESTABLISHMENT IN JAPAN AS PROVIDED FOR IN THE ACT ON SPECIAL TAXATION MEASURES), AN INVESTOR WILL BE DEEMED TO HAVE REPRESENTED THAT IT IS A PERSON WHO FALLS INTO THE CATEGORY OF (i) OR (ii) ABOVE.

Interest payments on the Notes (if issued by MHCUK or MHFA, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHCUK or MHFA, as the case may be, through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures) will be subject to Japanese withholding tax unless it is established that the Notes are held by or for the account of a beneficial owner that is (i) for Japanese tax purposes, neither an individual resident of Japan or a Japanese corporation, nor an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of the issuer, or (ii) a Japanese financial institution, designated in Article 3-2-2, Paragraph (29) of the Cabinet Order which complies with the requirement for tax exemption under Article 6, Paragraph (11) of the Act on Special Taxation Measures or (iii) a Japanese public corporation, a Japanese financial institution or a Japanese financial instruments business operator, etc. which has received such payments through a payment handling agent in Japan, as provided in Article 3-3, Paragraph (6) of the Act on Special Taxation Measures, in compliance with the requirement for tax exemption under that paragraph.

Interest payments on the Notes (if issued by MHCUK or MHFA, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHCUK or MHFA, as the case may be, through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures) to an individual resident of Japan, to a Japanese corporation not described in the preceding paragraph, or to an individual non-

resident of Japan or a non-Japanese corporation that in either case is a specially-related person of the issuer will be subject to deduction in respect of Japanese income tax.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS: If the Pricing Supplement and/or the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA 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 EEA. 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**"); (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation 2017/1129 (as amended or superseded, the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS: If the Pricing Supplement and/or the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic UK law; or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs. Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

MiFID II PRODUCT GOVERNANCE / TARGET MARKET: The Pricing Supplement and/or the Final Terms in respect of any Notes may include a legend entitled "MiFID II Product Governance/Target Market" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the 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 target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET: The Pricing Supplement and/or the Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance/Target Market" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate

distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

All references in this document to (i) "**USD**", "**U.S. dollars**" and "**U.S.$**" are to the currency of the United States of America, (ii) "**EUR**", "**euro**" and "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended, (iii) "**JPY**", "**Yen**" and "**¥**" are to the currency of Japan, (iv) "**GBP**", "**Sterling**" and "**£**" are to the currency of the United Kingdom, (v) "**Renminbi**", "**RMB**" and "**CNH**" are to the currency of the People's Republic of China (excluding Hong Kong, Macau and Taiwan) (the "**PRC**"), (vi) "**Singapore dollars**", "**S$**" and "**SGD**" are to the currency of the Republic of Singapore, (vii) "**Canadian dollars**" and "**CAD**" are to the currency of Canada, (viii) "**NZD**" and "**New Zealand dollars**" are to the currency of New Zealand, (ix) "**AUD**" and "**Australian dollars**" are to the currency of the Commonwealth of Australia, (x) "**SEK**" and "**Swedish krona**" are to the currency of the Kingdom of Sweden, (xi) "**NOK**" and "**Norwegian krone**" are to the currency of the Kingdom of Norway and (xii) "**HKD**" and "**Hong Kong dollar**" are to the currency of Hong Kong Special Administrative Region of the PRC.

Presentation of Financial Information for MHC: Effective 1 April 2026, MHC's Mobility segment was integrated into MHC's Logistics segment and the reportable segments starting from the first quarter of the year ending 31 March 2027 consist of the following six reportable segments (i) Customer Solutions, (ii) Global Customer Business, (iii) Environment & Energy, (iv) Aviation, (v) Logistics and (vi) Real Estate. The change has not been applied retrospectively to (a) the audited consolidated financial statements of MHC for the year ended 31 March 2026, (b) the audited consolidated financial statements of MHC for the year ended 31 March 2025, or (c) any other information in this Offering Circular for those fiscal periods. Unaudited interim consolidated financial information for MHC incorporated by reference in this Offering Circular has not been subject to an audit or review and should not be relied upon by investors to provide the same assurance associated with information that has been subject to an audit or review.

In connection with the issue of any Tranche of Notes (other than AMTNs issued by MHCUK and/or in circumstances where such action could reasonably be expected to affect the price of Notes traded in Australia or on a financial market (as defined in the Corporations Act 2001 of Australia) operated in Australia), the Dealer or Dealers (if any) acting as stabilising manager (the "**Stabilisation Manager(s)**") (or persons acting on behalf of any Stabilisation Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules. Any such stabilisation action may only be conducted outside Australia and on a market operated outside Australia.

BENCHMARK REGULATION: Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 as it forms part of domestic UK law (the "**UK Benchmark Regulation**"). If any such reference rate does constitute such a benchmark, the Pricing Supplement and/or the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the UK Benchmarks Register established and maintained by the FCA pursuant to Article 36 of the UK Benchmark Regulation (the "**UK Benchmarks Register**"). Transitional provisions in the UK Benchmark Regulation may have the result that the

administrator of a particular benchmark is not required to appear in the UK Benchmarks Register at the date of the Pricing Supplement and/or the Final Terms. The registration status of any administrator under the UK Benchmark Regulation is a matter of public record and, save where required by applicable law, the relevant Issuer will not update the Pricing Supplement and/or the Final Terms to reflect any change in the registration status of the administrator.

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DESCRIPTION OF THE PROGRAMME

The following description of the Programme does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms of any particular Tranche of Notes, the applicable Final Terms. The relevant Issuer and, in the case of Notes issued by MHCUK and MHFA, the Guarantor may agree with the relevant Dealer that Notes shall be issued in a form other than that contemplated in "Terms and Conditions of the Notes", in which event a Drawdown Prospectus or new offering circular will be published or, in the case of Exempt Notes issued by MHC and MHFA, the relevant provisions relating to such Exempt Notes will be included in the applicable Pricing Supplement. Words and expressions defined in "Form of the Notes", specified in capitalised terms in "Form of the Final Terms" and "Form of the Pricing Supplement" and defined in "Terms and Conditions of the Notes" have the same meaning when used herein.

This overview constitutes a general description of the Programme for the purposes of Appendix 1, Annex 3.2 of the PRM.

Issuers:	Mitsubishi HC Capital Inc. (LEI: 353800MZ3QX9RLMH7B09) Mitsubishi HC Capital UK PLC (LEI: 549300P4PHVCL0EZU771) Mitsubishi HC Finance America LLC (LEI: 3538008O2MCHLB9FAL82)
Guarantor of Notes issued by MHCUK and MHFA:	Mitsubishi HC Capital Inc. (LEI: 353800MZ3QX9RLMH7B09)
Description:	Euro Note Programme
Arranger:	MUFG Securities EMEA plc
Programme Dealers:	BNP PARIBAS Daiwa Capital Markets America Inc. Daiwa Capital Markets Europe Limited HSBC Bank plc J.P. Morgan Securities plc Mizuho International plc MUFG Securities EMEA plc NatWest Markets Plc Nomura International plc SMBC Bank International plc
Principal Paying Agent, Registrar, Paying Agent and Transfer Agent (in respect of Notes other than AMTNs):	HSBC Bank plc
Paying Agent and Registrar (in respect of AMTNs):	EQT Australia Pty Ltd (ABN 88 111 042 132)
Programme Size:	Up to U.S.$12,500,000,000 (or its equivalent in other currencies calculated as described in the Dealer Agreement) outstanding at any one time. The Issuers and the Guarantor may increase or decrease the amount of the Programme in accordance with the terms of the Dealer Agreement.

Legal and Regulatory Requirements:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Offering Circular. ***Notes having a maturity of less than one year*** Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 (or its equivalent in other Specified Currencies) (see "*Subscription and Sale*").
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies:	Euro, Sterling, U.S. dollars, Yen, Renminbi, Canadian dollars, New Zealand dollars, Australian dollars, Singapore dollars, Hong Kong dollars, Swedish krona, Norwegian krone and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the relevant Issuer, the Guarantor and the relevant Dealer. Condition 5(f) (*Payments - Payment of U.S. Dollar Equivalent*) applies to Renminbi Notes. Although the relevant Issuer's and the Guarantor's primary obligation is to make all payments in respect of such Notes in Renminbi, in the event that, by reason of Inconvertibility, Non-transferability or Illiquidity, the relevant Issuer or the Guarantor is not able to satisfy in full payments of principal or interest in respect of Renminbi Notes when due in Renminbi, the relevant Issuer or the Guarantor may settle any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi amount, all as provided for in more detail in Condition 5(f) (*Payments - Payment of U.S. Dollar Equivalent*).
Maturities:	Such maturities as may be agreed between the relevant Issuer, the Guarantor and the relevant Dealer and as indicated in the applicable Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer, the Guarantor or the relevant Specified Currency.
Issue Price:	Notes may be issued at an issue price which is at par or at a discount to, or premium over, par.

Form of Notes:	MHC and MHCUK may issue Notes in bearer form or in registered form. MHFA will only issue Notes in registered form. ***Notes other than AMTNs:*** Notes issued in bearer form will on issue be represented by either a Temporary Global Note or a Permanent Global Note as specified in the applicable Final Terms. Each Temporary Global Note will be exchangeable either for (i) interests in a Permanent Global Note or (ii) for definitive Bearer Notes as indicated in the applicable Final Terms, in each case upon certification of non-U.S. beneficial ownership as required by U.S. Treasury Regulations and applicable U.S. securities laws. Each Permanent Global Note will be exchangeable (free of charge) for definitive Bearer Notes either upon (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Principal Paying Agent as described therein or (ii) the occurrence of an Exchange Event as described under "*Form of the Notes – Bearer Notes*". Notes issued in registered form will on issue be represented by either a Global Registered Note or definitive Registered Notes, in each case as specified in the applicable Final Terms. Each Global Registered Note will be deposited on or around the relevant issue date with, and registered in the name of, a depositary or a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable (free of charge) for definitive Registered Notes either upon (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Global Registered Note) to the Registrar as described therein or (ii) the occurrence of an Exchange Event as described under "*Form of the Notes – Registered Notes*". Notes in bearer form may not be exchanged for Notes in registered form and *vice versa*. ***AMTNs:*** AMTNs will only be issued by MHCUK in registered uncertificated form. and will take the form of entries on a register established and maintained by a registrar in Australia and may be lodged with the Austraclear System. AMTNs lodged with the Austraclear System will be registered in the name of Austraclear.
Fixed Rate Notes:	Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption, and will be calculated on the basis of such Day

	Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer and indicated in the applicable Final Terms.
Floating Rate Notes:	Floating Rate Notes will bear interest at a rate determined: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating either the 2006 ISDA Definitions or the 2021 ISDA Interest Rate Derivatives Definitions (in each case, as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or (iii) on such other basis as may be agreed between the relevant Issuer and the relevant Dealer. The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes and indicated in the applicable Final Terms.
Benchmark Discontinuation:	In the event that a Benchmark Event occurs, such that any Rate of Interest (or any component part thereof) cannot be determined by reference to the Original Reference Rate specified in the applicable Final Terms, then the relevant Issuer shall use its reasonable endeavours to appoint an Independent Adviser to determine a Successor Rate or an Alternative Rate, together with any Adjustment Spread (which could be positive, negative or zero) and consequent Benchmark Amendments to the terms of such Series of Notes. See Condition 4(b)(iv) (*Benchmark Discontinuation*) for further information.
Other Provisions in Relation to Floating Rate Notes and Index Linked Notes:	Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer and indicated in the applicable Final Terms.
Index Linked Notes:	Notes may be Index Linked Notes, where the interest rate, early redemption and/or Index Linked Redemption Amount shall be determined depending on the level of an underlying index or indices. The return (if any) on Index Linked Notes is linked to the performance of the underlying index or indices and the investor in such Notes will be exposed to the performance of, and the market in, such underlying index or indices.

Changes of Interest Basis: Notes may be converted from one Interest Basis to another and any change of interest basis in respect of any Notes will be indicated in the applicable Final Terms, as will any Step Up Event or Step Down Event in relation to the Notes.

Dual Currency Notes: Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the relevant Issuer and the relevant Dealer may agree and will be indicated in the applicable Final Terms.

Zero Coupon Notes: Zero Coupon Notes will be offered and sold at a discount, or at a premium, to their nominal amount and will not bear interest.

Redemption: The Final Terms relating to each Tranche of Notes will indicate either that the Notes cannot be redeemed prior to their stated maturity (other than in specified denominations, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving not less than 30 nor more than 60 days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Final Terms) to the Noteholders or, as the case may be, the relevant Issuer on a date or dates specified prior to such stated maturity and at a price or prices as are indicated in the applicable Final Terms.

The applicable Final Terms may provide that Notes may be repayable in two or more instalments of such amounts and on such dates as indicated therein ("**Instalment Notes**").

Notes having a maturity of less than one year are subject to restrictions on their denomination and distribution, see "*Legal and Regulatory Requirements – Notes having a maturity of less than one year*" above.

Denomination of Notes: Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer and as indicated in the applicable Final Terms save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or other equivalent regulatory body) or any laws or regulations applicable to the relevant Specified Currency, see "*Legal and regulatory requirements – Notes having a maturity of less than one year*" above, and save that where the applicable Final Terms specify that a Temporary Global Note or a Permanent Global Note is exchangeable for definitive Bearer Notes or a Global Registered Note is exchangeable for definitive Registered Notes on not less than 60 days' notice given at any time, Notes will be issued only in denominations which are a multiple of the minimum Specified Denomination.

AMTNs:

	AMTNs will be issued by MHCUK in a single denomination as specified in the Final Terms. Notes issued in, or into, Australia may be issued in such denominations as may be agreed save that: (i) the aggregate consideration payable to MHCUK by each offeree is at least AUD500,000 (or the equivalent in other currencies, but disregarding any monies lent by MHCUK or its associates to the purchaser) or the issuance results from an offer or invitation of those Notes which otherwise does not require disclosure to investors under Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia (the "**Australian Corporations Act**"); (ii) the issuance is not made to a "retail client" for the purposes of section 761G of the Australian Corporations Act; (iii) the issuance complies with all other applicable laws; and (iv) the issuance does not require any document to be lodged with the Australian Securities and Investments Commission or ASX Limited.
Taxation:	All payments in respect of the Notes and the Guarantees will be made without withholding or deduction for or on account of any withholding taxes imposed by any Tax Jurisdiction (as defined in Condition 7), unless such withholding or deduction is required by law. In such event, the relevant Issuer or the Guarantor will, as the case may be, save in certain circumstances, be required to pay additional amounts to cover the amounts so withheld or deducted.
Negative Pledge:	The Notes will contain a negative pledge provision given by the relevant Issuer and, in the case of Notes issued by MHCUK and MHFA, the Guarantor as described in Condition 3.
Cross Default:	The Notes will contain a cross-default provision relating to indebtedness for money borrowed of the relevant Issuer or, in the case of Notes issued by MHCUK and MHFA, the Guarantor as defined and further described in Condition 9.
Status of the Notes:	The Notes will constitute (subject to Condition 3) direct, unconditional and unsecured obligations of the relevant Issuer and shall at all times rank *pari passu* and without preference among themselves and (with the exception of obligations in respect of applicable statutory exceptions and subject as aforesaid) equally with all of its other unsecured obligations (other than subordinated obligations, if any) from time to time outstanding.
Status of the Guarantees:	Payments in respect of the Notes issued by MHCUK and MHFA will be unconditionally and irrevocably guaranteed by the Guarantor under the Guarantees. The obligations of the Guarantor under the Guarantees will constitute (subject to Condition 3) direct, unconditional and unsecured obligations of the Guarantor and shall at all times rank *pari passu* and without any preference among themselves and (with the exception of

	obligations in respect of national and local taxes and certain other statutory exceptions and subject as aforesaid) equally with all of its other unsecured obligations (other than subordinated obligations, if any) from time to time outstanding.
Rating:	Tranches of Notes to be issued under the Programme may be rated or unrated. As at the date of this Offering Circular, Notes issued under the Programme are expected to be assigned a rating of "A-/A-2" by S&P, "A-" by Fitch and AA by JCR. None of S&P Japan, JCR or Fitch Japan is established in the EEA or in the UK. Neither S&P Japan nor Fitch Japan is registered under the CRA Regulation or the UK CRA Regulation; however, ratings issued by S&P Japan and Fitch Japan are endorsed by S&P Global Ratings Europe Limited and Fitch Ratings Ireland Limited, respectively, each of which is established in the EEA and registered under the CRA Regulation, and by S&P Global Ratings UK Limited and Fitch UK, each of which is established in the UK and registered under the UK CRA Regulation. JCR is certified under the CRA Regulation and the UK CRA Regulation. The Issuers and the Guarantor cannot assure investors that such rating will not change in the future. Where a Tranche of Notes is rated, the applicable rating(s), which will not necessarily be the same as the rating(s) applicable to the Programme or any Notes already issued, will be specified in the applicable Final Terms. A rating reflects only the views of the relevant rating agency, is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.
Final Terms, Pricing Supplement or Drawdown Prospectus:	Notes issued under the Programme may be issued either: (i) pursuant to this Offering Circular and the associated Final Terms; or (ii) in the case of Exempt Notes issued by MHC or MHFA, pursuant to this Offering Circular and the associated Pricing Supplement; or (i) pursuant to a Drawdown Prospectus. The terms of any particular Tranche of Notes will be the Terms and Conditions of the Notes as completed by the applicable Final Terms or the applicable Pricing Supplement, or as supplemented, amended and/or replaced to the extent described in the applicable Drawdown Prospectus.
Listing and Admission to Trading:	This Offering Circular has been approved by the FCA as a base prospectus. Application has been made to the FCA for Notes issued by each of MHC and MHCUK under the Programme (other than Exempt Notes) to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange' regulated market.

	Exempt Notes issued by MHC and MHFA may be unlisted and/or may be admitted to trading on a market or stock exchange in circumstances where the provisions of the PRM do not apply.
Governing Law:	***Notes other than AMTNs:*** The Notes and any non-contractual obligations arising out of or in connection with them will be governed by, and shall be construed in accordance with, English law. ***AMTNs:*** AMTNs will be governed by the laws of New South Wales, Australia. ***Guarantees***: The Guarantees and any non-contractual obligations arising out of or in connection with them will be governed by, and shall be construed in accordance with, English law.
Selling Restrictions:	There are specific selling restrictions in relation to the United States, the EEA, the UK, the People's Republic of China, Hong Kong, Singapore, Japan, Taiwan and Australia. See "*Subscription and Sale*".

RISK FACTORS

Each of the Issuers and the Guarantor believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme and, in the case of the Guarantor, its ability to fulfil its obligations under the Guarantees. All of these factors are contingencies which may or may not occur and individually or together could affect the relevant Issuer's or Guarantor's ability to fulfil its obligations under Notes issued under the Programme or the Guarantees, as the case may be.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Each of the Issuers and the Guarantor believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuers or the Guarantor to pay interest, principal or other amounts on or in connection with any Notes or the Guarantees, as the case may be, may occur for other reasons which may not be considered significant risks by the Issuers or the Guarantor based on information currently available to them or which they may not currently be able to anticipate. Investors may lose the value of their entire investment in Notes, or part of it. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular (including any documents incorporated by reference) and reach their own views prior to making any investment decision.

Words and expressions defined in the "Terms and Conditions of the Notes" on pages 68 to 169 of this Offering Circular, "Description of Mitsubishi HC Capital Inc." on pages 180 to 201 of this Offering Circular, "Description of Mitsubishi HC Capital UK PLC" on pages 202 to 205 of this Offering Circular and "Description of Mitsubishi HC Finance America LLC" on pages 206 to 208 of this Offering Circular have the same meanings when used herein.

Risks relating to each Issuer's ability to fulfil its obligations under Notes issued under the Programme and/or the Guarantor's ability to fulfil its obligations under the Guarantees

Risks related to the Guarantor's and each Issuer's financial situation

Credit Risk of the Group

The Group conducts business that extends credit over the medium to long term through leases, instalment sales, monetary loans, and other financial services of various forms. Depending on future business trends and the financial landscape, additional provisions of allowance for doubtful receivables could be necessary with increasing non-performing loans due to deterioration in a counterparty's credit status, which could impact the Group's business results and financial position.

Credit Risk from MHCUK Trading Operations

While MHCUK has in place a number of controls and practices to manage customer default risk, there is a risk that the customers (and their sureties) of MHCUK and its subsidiaries (the "**MHCUK Group**") default on their payment obligations to the MHCUK Group, resulting in the loss of the capital amount outstanding on an agreement at the time the customer defaults. If the level of defaults were severe enough, resulting credit losses could exceed the MHCUK Group's equity capital and endanger the repayment of principal and interest of Notes issued under the Programme.

Risks related to the Guarantor and each Issuer's business activities and industry

Currency Risk of the MHCUK Group

The MHCUK Group may sometimes take borrowings in a currency that is not in the same denomination as the assets that are going to be created using the funding. If such borrowings were not hedged and the currency of

the borrowings were to strengthen significantly, then there is a risk that the MHCUK Group could suffer a significant loss due to requiring significantly more currency that the asset is denominated in to repay the borrowings than the amount of currency that the asset is valued at. In other words, the combination of a significant weakening of the currency of the assets with un-hedged currency borrowing could cause the MHCUK Group to run out of cash to repay maturing borrowings. However, the MHCUK Group's policy is to eliminate 100 per cent. of all such foreign exchange rate risk. This is mainly achieved by entering into cross currency swaps at the time of issuance of the debt that exactly matches the terms of the borrowings. Currency risk will therefore only arise in such circumstances if a cross-currency swap counterparty defaulted. A system of credit exposure monitoring based on counterparty credit ratings and mark to market valuations is in place to manage the exposure to swap counterparties arising from this hedging activity, as described in the following paragraph headed "*Risk from Counterparties to MHCUK's Financial Derivative Transactions*".

Risk from Counterparties to MHCUK's Financial Derivative Transactions

There is a risk that a counterparty to one or more of MHCUK's financial derivative transactions defaults on its payment obligations to the MHCUK Group. The size of the MHCUK Group's exposure to each counterparty, its credit rating and credit default swap spread are all monitored, with the credit quality monitored at least quarterly and the individual counterparty and overall limits reviewed annually. While the MHCUK Group only deals with counterparties approved by its Treasury Committee and Board of Directors and which have a credit rating assigned by an international credit rating agency that meets a minimum standard, any default could, when combined with a significant adverse market rate movement (such as a severe weakening in foreign exchange markets of the currency of the denomination of the assets compared against that of the borrowings), potentially cause a significant loss to the MHCUK Group. If large enough, such a loss could endanger the MHCUK Group's future operations.

Asset Risk

In addition to general movable property, the Group holds global assets such as aircraft as well as real estate, such as buildings, and conducts business leasing of these assets in and outside Japan in the form of operating leases and others. In this business the Group is exposed to asset risk, in addition to credit risk discussed above under "*Credit Risk of the Group*", so fluctuation in revenue from asset management and disposals could impact the profitability of the leases. For this reason, when engaging in operating leases, the Group carefully assesses the future value according to asset type in addition to the customer's credit standing prior to working on each deal. Even after entering into transactions, the Group continues monitoring the status of the leasing and secondary markets for the assets along with the status of asset use by the lessee, striving to prevent risks from emerging or to mitigate their impact if they occur.

(i) Global Assets

The Group holds global assets such as aircraft and aircraft engines, containers and railcars and conducts business leasing of these assets in and outside Japan in the form of operating leases and others. In the business related to global assets, the Group is exposed to price fluctuation risk pertaining to the assets in addition to the credit risk discussed above under "*Credit Risk of the Group*". With operating leases, in addition to lease fee revenue received from the customer, the Group recovers funds by selling the asset at the end of the lease period. Additionally, in the event of a customer default, the Group takes the asset back and collects funds by leasing it to another customer or selling it. As for selling assets, in addition to business trends and the financial landscape, major incidents arising from technical problems, obsolescence due to technological change, revisions to laws and regulations, increased concern over global pandemics or terrorism, natural disasters, war, or geopolitical risk may render the asset irrecoverable or cause its selling price to fluctuate. Furthermore, the recording of impairment loss or increased costs associated with property management could also impact the Group's business results and financial position.

(ii) Real Estate

The Group invests in and provides financing for commercial real estate such as offices, residences, commercial facilities, logistics facilities, hotels, and data centers in Japan and overseas, and engages in leasing and other business operations using real estate it owns. These assets are subject to revenue fluctuation risk and price fluctuation risk. In the real estate-related business, in addition to rental income from tenants and other sources, the Group seeks to recover funds by selling assets not intended to be held over the long term at an appropriate time. Rent revenue and revenue from sale of assets may fluctuate depending on the market environment, such as business trends, the financial landscape, and the rent market in the specific location of the asset, and this could impact the Group's business results and financial position.

(iii) Residual Value Risk of the MHCUK Group

There is a risk that the sale of a physical asset at the end of or termination of leases that are not fully amortising, yields an amount that is less than the value that was assumed would be recovered in the relevant finance agreement. For the MHCUK Group, residual value risk occurs primarily within the Vehicle Solutions business unit (as described in "*Description of Mitsubishi HC Capital UK PLC*"). The residual value portfolio of the MHCUK Group is relatively small compared to the overall size of the MHCUK Group's assets, and future residual value positions are determined after being assessed individually. Residual value positions are frequently monitored with reference to various industry wide sources so that maturities can be managed effectively. Residual values are then updated and prospective depreciation is applied to reflect the updated valuation. However, a large fall in second-hand market price of the MHCUK Group's assets that are assumed to have a residual value in rental agreements (such as agreements for the rental of cars and other vehicles) would cause the MHCUK Group to realise losses. Residual value risk is influenced by changes in the market dynamic for new and second-hand vehicles brought about by the transition from internal combustion engine vehicles to electric vehicles and related governmental policies.

Investment Risk

The Group makes investments in projects including solar power, wind power, and other renewable energy businesses in Japan and overseas as well as various businesses and funds. These investing activities are subject to such risks as risk of changes in the business environment including declining demand, risk of revenue falling below the plan and diminished recoverability of the investment amount due to sluggish performance of investees or partners, risk of investees' stock value falling below a certain level, and risk of investees' stock value staying below a certain level for a considerable period of time due to unexpected changes in the economic or financial situation or a major disruption of the financial markets regardless of the investee's performance. These risks could result in a total or partial loss of the investment, including through valuation loss, or create the necessity of additional funding. In addition, there is the risk that the Group may be unable to exit or restructure the business at the desired time or using the desired method due to differences with the partner's management policy or low liquidity of the investment asset and the risk that the Group's position may be adversely affected by not being able to obtain relevant information from the investee, and these risks could impact the Group's business results and financial position.

Market Risk

(i) Interest Rate Fluctuation Risk

The fees for leases and instalment sales conducted by the Group are set based on the purchase price for the transacted property and the market interest rates at the time of contract. Most of these basically do not fluctuate during the contract term. The cost of funds for acquiring the leased property, on the other hand, is affected by fluctuations in the market interest rate as the funds are procured at both fixed and variable interest rates for fundraising diversification and reduction of funding costs. As such, a sharp rise in the market interest rate

resulting from sudden changes in the financial situation could impact the Group's business results and financial position.

The assets of the MHCUK Group are virtually all written at a fixed rate of interest and consequently there is a risk of reduced future profitability if the cost of the MHCUK Group's borrowings taken out to fund its assets were to rise above that which had been assumed at the time when the assets were written. This could potentially create losses over a period of time which could negatively impact the MHCUK Group's business results and financial position.

(ii) Exchange Rate Fluctuation Risk

The Group actively conducts business outside Japan, and as foreign currency-denominated assets increase, so does their percentage of consolidated operating assets. The financial statements of the Group's consolidated subsidiaries outside Japan are expressed in the local currency while the Guarantor's consolidated financial statements are expressed in Japanese Yen. As such, although fundraising is, in principle, conducted in the same currency as the asset, should a large fluctuation occur in exchange rates, it could impact the Group's business results and financial position in Japanese Yen terms.

Liquidity Risk

When engaging in acquisition of lease properties for leases, instalment sales, and monetary lending, the Group raises a large amount of funds in Japanese Yen and other currencies. The Group attempts to balance the period of leases and other credit transactions and investments with the period of fundraising, but should it experience difficulty securing enough funds because of heightened risk aversion on the part of financial institutions and investors due to a free fall in economic and financial conditions and major confusion in the financial markets or a decline in the Group's creditworthiness, it could impact the Group's business results and financial position.

The MHCUK Group funds itself from the following variety of sources (in order of size): notes issued under the Programme to both the private and public debt markets to investors in both Europe and the Asia Pacific regions, and, bilateral bank term loans from multiple long term relationship banks, two on-balance sheet securitisation programmes, commercial paper and short-term uncommitted money market facilities from banks. The MHCUK Group's borrowing strategy is to firstly ensure continuity of funding but also at the same time to minimise cost and risk whilst preserving flexibility through the use of borrowings with a range of different maturities. The availability of the above and other types of funding depends on the willingness of investors to purchase debt and lenders to extend loans to MHCUK. Any severe adverse change to the credit rating of MHC or significant and severe market instability could impact upon MHCUK's ability to issue certain types of debt and hence lead to either increased cost due to increased credit spreads or the use of sub-optimal sources to fund new borrowings and refinance existing borrowings. This would adversely impact the cost of borrowing and potentially reduce the profitability of the MHCUK Group when the economic situation is such that these increases could not be passed on to the MHCUK Group's customers. Significant global financial market disruptions could prevent the roll-over of maturing funding and compromise the ability of the MHCUK Group's banking partners to provide short-term financing. This could then force the MHCUK Group to temporarily cease writing new business in order to conserve cash to meet liabilities as they become due, and as a result would also reduce the future profitability of the MHCUK Group, which would in turn erode the amount of insulation from default that is provided by the size of the MHCUK Group's share capital and reserves.

Country Risk

As the Group conducts business globally, it is exposed to the risk of incurring losses depending on political and economic conditions in the countries and regions where its customers and investees are located. In addition to changes in economic conditions, such as rapid declines in currency or stock prices or sovereign defaults in a given country, various factors such as conflict, civil unrest, or changes in the political situation could require

additional provisions for allowance for doubtful receivables or the recognition of impairment losses related to credit transactions or investments in that country or involving customers or investees located in that country. These could impact the Group's business results and financial position.

Operational Risk

(i) Risk Related to Earthquakes, Wind and Flood Damage, Pandemics, War and Terrorism

The Group uses facilities, including sites and systems, in and outside Japan to conduct its operations. Earthquakes, wind and flood damage, or other natural disasters as well as pandemics, war, terrorism, or other unpredictable circumstances could cause a reduction of activities or prevent operations at those sites by damaging the sites themselves or the systems or by injuring employees or preventing them from coming to work, thereby disrupting business operations. Moreover, depending on the extent of the damages or how long the event lasts, significant costs may be required to restore the systems or other facilities, or it may take a long time for business operations to recover. Such a situation could impact the Group's business results and financial position.

(ii) System Risk

The Group utilises email as well as a variety of information systems to conduct account processing, management of various contracts, customer management, asset management of leased properties, and other operations. An outage or failure of these information systems arising from poor maintenance, poor development, or other such problems could cause an interruption of contract and collection operations or services provided to customers, which in turn could cause a suspension of operating activities and economic loss, thereby impacting the Group's business results and financial position.

(iii) Cybersecurity Risk and Information Security Risk

The Group utilises e-mail as well as a variety of information systems to conduct account processing, management of various contracts, customer management, asset management of leased properties, and other operations. These information systems are subject to risk of business e-mail scams, malware infections, unauthorised access by outside parties, and other cyberattacks. Unauthorised access by outside parties, malware infections, human error, fraud, scams, and other problems could result in system outages or failures, monetary damages, leaks or unauthorised use of confidential information or customer information, or other incidents. These could cause an interruption of contract and collection operations or services provided to customers, which in turn could cause a suspension of operating activities, economic loss, or loss of social confidence from leakage of important information, thereby impacting the Group's business results and financial position.

In relation to operations of MHCUK and the MHCUK Group, there is a risk that a security breach could lead to a loss or theft of customer, employee, supplier or the Group's confidential data. A major data security breach could lead to significant reputational damage and business disruption and result in regulatory intervention and/or fines, especially considering the implementation of the General Data Protection Regulation (Regulation (EU) 2016/679) regarding the protection of natural persons with respect to the processing of personal data and on the free movement of such data. However, this risk is mitigated by MHCUK's real-time system monitoring that detects system compromises, perimeter firewalls and security controls together with its strict identity validation checks, device identification software and frauds, and by employing dedicated and suitably skilled information security and financial crime prevention support teams.

(iv) Legal Risk

The Group's operations are subject to a range of relevant laws and regulations in Japan and overseas. As the primary examples, in Japan its operations must comply with the Companies Act of Japan (Act No. 86 of 2005, as amended) (the "**Companies Act**"), tax laws, the Financial Instruments and Exchange Act, the Anti-Monopoly Act of Japan (Act No. 54 of 1947, as amended), anti-bribery laws, the Personal Information Protection Act of Japan (Act No. 57 of 2003, as amended) (the "**Personal Information Protection Act**"), the Money Lending Business Act of Japan (Act No. 32 of 1983, as amended), the Instalment Sales Act of Japan (Act No. 159 of 1961, as amended) (the "**Instalment Sales Act**"), the Act on Prevention of Transfer of Criminal Proceeds of Japan (Act No. 22 of 2007, as amended) (the "**Act on Prevention of Transfer of Criminal Proceeds**"), and environmental laws and regulations. Outside Japan, the Group's operations are subject to the legislation of each country and region as well as to oversight by regulatory authorities. Should there be a failure of compliance with legislation, social norms or company rules, it could impact the Group's business results and financial position by causing restriction on or interruption of operations, a claim for damages from customers or others, and a fall in social confidence.

MHCUK is authorised and regulated by the FCA to provide consumer credit products and services and insurance mediation services to consumers and small businesses. There is a risk that if the MHCUK Group fails to comply with registration or regulations it could eventually lead to penalties or other enforcement action, and such losses could potentially reduce MHCUK's ability to repay Notes. In this regard, MHCUK's Board ensures that appropriate mechanisms, committees, subject-matter experts and responsibilities are in place or assigned to identify, evaluate and manage the legal and regulatory risks and furthermore maintains an adequate level of share capital and reserves to absorb some or all of such losses.

MHCUK is required to follow the final decisions of the UK Financial Ombudsman Service ("**FOS**") in respect of complaints escalated by eligible customers to the FOS and to take account of those final decisions in the handling of other complaints it receives. Despite steps taken by MHCUK to minimise related exposure by seeking to provide good outcomes to customers in the handling of such complaints, in the event that MHCUK is held liable for compensation to eligible customers, MHCUK may incur significant liabilities which could have a negative impact on MHCUK's financial position. In addition, as part of its regulatory powers the FCA may implement industry wide consumer redress schemes if it considers firms to have failed in their regulatory obligations to consumers.

In exercising its regulatory powers, on 30 March 2026, the FCA published its Policy Statement PS26/3 setting out the final design of its Motor Finance Consumer Redress Scheme. Consequently, as at 31 March 2026, MHCUK recognised a total motor finance redress provision of £61.0 million (including the provision of £5.0 million made during the year ended 31 March 2025). In establishing the provision estimate, a range of probability weighted scenarios were applied, with the FCA redress scheme accounting for more than 80 per cent. of the total weighting and an assumed claim rate of 70 per cent. The claim rate is a key assumption that has a significant impact on the provision estimate. A movement of approximately 5 percentage points in the redress rate would result in an increase or decrease in the provision of approximately £4.2 million. After MHCUK's financial statements were approved and published in June 2026, legal challenges to the scheme were submitted to the Upper Tribunal of the High Court by four separate parties. The scheme has been partially suspended pending the outcome of the Upper Tribunal hearing. Until the court has determined whether the scheme is lawful or (in whole or in part) unlawful, there remains significant estimation and uncertainty, and the eventual financial impact could differ materially from the amount currently provided.

(v) Changes in Laws, Regulations, Accounting Standards and Tax Systems

The Group's operations are subject to a range of relevant legislation, accounting and tax regulations, and other regulatory, accounting and tax systems in Japan and overseas. Should there be substantial changes or revisions to any of the various systems closely related to the Group's operations that the Group was unable to properly

address, there could be penalties for non-conformance, suspension of product offering, restrictions on business activities, sales losses, or other negative consequences that could impact the Group's business results and financial position.

(vi) Administrative Risk

The Group conducts transactions in various forms and various administrative work arises with each transaction. Improper administrative work, including human error, fraud, and other irregularities, could cause an interruption of contract and collection operations or services provided to customers, which in turn could cause a suspension of operating activities or loss of customer trust, thereby impacting the Group's business results and financial position.

Other Risks (Business and Operating Environment Risks)

(i) Compliance Risk

The Group seeks to ensure that all officers and employees act with high ethical standards, complying not only with laws and regulations but also with social norms. However, in the unlikely event that any actions in violation of such laws, regulations and social norms occur, it could impact the Group's credibility, business results, and financial position.

(ii) Risk Related to Conduct

The Group is implementing various measures based on the theme of "transformation" to achieve its 10-year Vision of "Together we innovate, challenge and explore the frontiers of the future". During this process, any actions by its officers and employees that compromise customer protection, fair and effective competition, market integrity, public interest, or social norms and cause harm to stakeholders could impact the Group's credibility, business results, and financial position.

(iii) Risk Related to Talent Recruitment

The Group must secure sufficient human resources on a stable basis, to maintain and strengthen its competitiveness in the various businesses it operates in and outside Japan. The Group strives to continuously recruit and train capable talent, but should it not be able to adequately secure and train the needed talent this could impact the Group's business results and financial position.

(iv) Risk Related to Labour and Employment Management

The Group employs a large number of staff in its business operations. This involves the risk of long working hours having a negative effect on the mental or physical health of employees or other negative impacts, making them unable to fulfil the expected duties, and the risk of legal infringement due to failure to appropriately monitor legal requirements relating to employment and related areas. Additionally, there is the possibility of these risks resulting in damage to public trust. If the Group were to face difficulties retaining and recruiting staff it could impact the Group's ability to conduct business operations and, in turn, the Group's business results and financial position.

(v) Risk related to Expansion of Operating Base, Strategic Partnerships and M&As

In pursuit of continued growth through expansion of its operating base, the Group engages, in and outside Japan, in strategic partnerships with outside entities aimed at the enhancement of various services and seeks to diversify and expand the Group's business portfolio through mergers and acquisitions ("**M&As**") in addition to expanding business on its own. The Group endeavours to diversify its business and enhance its services

through this kind of approach. However, changes in domestic or international economic and financial conditions, intensification of competition, changes in the business environment or strategy of partners, revision of relevant legislation, and other factors could cause a failure to achieve expected results or result in the need to record additional expenses, such as impairment of goodwill recorded at the time of an M&A. Such a situation could impact the Group's business results and financial position.

(vi) Risk Associated with Expansion of Business Domains and Development of New Services

The Group is expanding the scope of its operations on a global basis, including new business domains and services, within the scope permissible under laws, regulations, and various other conditions. Should the expanded business and service not develop as envisioned within the expanded scope of operations, or if risks emerge within that process that exceed the Group's initial assumptions, it could impact the Group's business results and financial position.

(vii) Intensifying Competition

Competition in the Group's leasing and other businesses in Japan and overseas could intensify not only from companies in the same business but also from financial institutions and others. In addition, the competitive landscape could change due to a shift in business models of other industries, technological innovation, or other factors. If competition intensifies further, it could impact the Group's business results and financial position due to a decline in market share or reduced profitability.

MHCUK's main competitors are UK banks. In periods of rising interest rates, MHCUK is exposed to margin compression on rates offered to customers as competitors have customer deposit funding and are therefore not as dependent on wholesale market pricing.

(viii) Climate Change Risk

Transition risks arising from evolving regulations, policy changes, market shifts, technological advances, changing customer preferences associated with the transition to a low-carbon society, as well as physical risks resulting from the increasing frequency and severity of extreme weather events and other climate-related impacts, may adversely affect the Group's business, operating results and financial position. Such impacts may arise through their impact on the wider economy, including worsened financial performance and increased credit risk of customers, business partners and other counterparties, declines in the value of assets owned by the Group, operational and supply chain disruptions, and changing demand for products and services as markets transition towards a lower carbon economy. Moreover, if the Group's response to climate-related risk and opportunities, support for the transition to a low-carbon economy, or climate-related disclosures are inadequate or are perceived to be inadequate, the Group's reputation, stakeholder confidence and long-term corporate value may be adversely affected.

(ix) Human Rights Violation Risk

With corporate responsibility extending throughout the supply chain and the emphasis on sustainability initiatives, the prevailing view is that companies should recognise stakeholders as broadly encompassing ordinary individuals and local residents. Under these circumstances, if the Group were to neglect these stakeholders, and human rights violations were to occur within the Group or be committed by customers, partners, and suppliers of the Group, it could be perceived as the Group itself causing, contributing to, or being directly linked to those human rights violations. In turn, this could lead to damage to the Group's corporate value.

Consumer Finance Customer Claim Risk

MHCUK is jointly and severally liable under the Consumer Credit Act 1974 to consumer finance customers who have claims against suppliers for misrepresentation or breach of contract in respect of certain types of consumer credit contracts. If the level of supplier failure was severe enough MHCUK may become solely liable for significant levels of compensation which could impact the Group's business results and financial position and endanger the repayment of principal and interest of Notes issued under the Programme. The credit risk to MHCUK in the case of a supplier failing and MHCUK becoming solely liable for compensation to the consumer customer is minimised by taking third party indemnities, security deposits and carrying out regular monitoring of suppliers through which the consumer finance products are sold. MHCUK will also cease to accept credit applications from customers of any supplier in situations where there is higher potential risk of misrepresentation, breach of contract or risk of insolvency by the supplier or the supplier's sureties.

Risks associated with Notes linked to rates, benchmark reform and the discontinuance of "IBORS"

The EU Benchmarks Regulation and the UK Benchmarks Regulation

Interest rate benchmarks play an important role in financial markets, it is therefore critical that extensively used benchmarks are robust and are based on active, liquid underlying markets. As a consequence, interest rates and indices or other figures which are deemed to be "benchmarks" (including but not limited to various interbank offered rates ("**IBORS**"), have been the subject of international and national regulatory reform.

Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the "**EU Benchmarks Regulation**") and the EU Benchmarks Regulation as it forms part of UK domestic law (the "**UK Benchmarks Regulation**") could have a material impact on any Notes linked to or referencing a "benchmark". For example:

- a rate or index which is a "benchmark" within the meaning of the EU Benchmarks Regulation may not be used in certain ways by an EU supervised entity if (subject to applicable transitional provisions) its administrator does not obtain authorisation or registration from any EU competent authority (or, if a non-EU entity, does not satisfy the "equivalence" conditions and is not "recognised" pending an equivalence decision and the benchmark is not endorsed). If the benchmark administrator does not obtain or maintain (as applicable) such authorisation or registration or, if a non-EU entity, "equivalence" is not available and it is not recognised and the benchmark is not endorsed, then the Notes may be redeemed prior to maturity;

- a rate or index which is a "benchmark" within the meaning of the UK Benchmarks Regulation may not be used in certain ways by a UK supervised entity if (subject to applicable transitional provisions) its administrator does not obtain authorisation or registration from the FCA (or, if a non-UK entity, does not satisfy the "equivalence" conditions and is not "recognised" pending an equivalence decision and the benchmark is not endorsed). If the benchmark administrator does not obtain or maintain (as applicable) such authorisation or registration or, if a non-UK entity, "equivalence" is not available and it is not recognised and the benchmark is not endorsed, then the Notes may be redeemed prior to maturity; and

- the methodology or other terms of the "benchmark" could be changed in order to comply with the requirements of the EU Benchmarks Regulation or UK Benchmarks Regulation, as applicable, and such changes could reduce or increase the rate or level or affect the volatility of the published rate or level, and (depending on the terms of the particular Notes) could lead to adjustments to the terms of the Notes.

Any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements. Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to the "benchmark"; (ii) trigger changes in the rules or methodologies used in the "benchmark" and/or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to or referencing a "benchmark" resulting in corresponding adjustments to the conditions of the Notes.

Differences in methodologies

Risk-free rates may differ from IBORs in a number of material respects, including (without limitation) by being backwards-looking in most cases and being calculated on a compounded or weighted average basis, whereas such interbank offered rates are generally expressed on the basis of a forward-looking term and include a risk-element based on interbank lending. As such, potential investors should be aware that IBORs and any risk-free rates may behave materially differently as interest reference rates for the Notes.

Interest on Notes which reference a backwards-looking risk-free rate is not determined until the end of the relevant interest calculation period. Therefore, Noteholders may be unable to reliably estimate in advance the amount of interest which will be payable on such Notes. Also, some investors may be unable or unwilling to trade such Notes without changes to their information technology or other operational systems, which could adversely impact the liquidity of such Notes. Further, if such Notes become due and payable following an Event of Default or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Interest Rate payable in respect of such Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable or are scheduled for redemption.

Developing markets for risk-free reference rates and potential impact on performance and returns

The market continues to develop in relation to adoption of risk-free reference rates (including those which are relevant to this Programme), and their adoption as alternatives to the relevant interbank offered rates. In addition, market participants and relevant working groups are exploring alternative reference rates based on risk-free rates which seek to measure the market's forward expectation of these rates over a designated term.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the Conditions and used in relation to Notes that reference such risk-free rates issued under this Offering Circular. The development of new risk-free rates could result in reduced liquidity or increased volatility or could otherwise affect the market price of any Notes that reference a risk-free rate issued under this Offering Circular from time to time.

New risk-free rates may have no established trading market, and an established trading market may never develop or may not be very liquid. Market terms for Notes indexed to new risk-free rates may evolve over time, and may lead to impacts on trading prices and values, and such Notes may not be able to be sold or may not be able to be sold at prices that will provide a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

Similarly, the manner of adoption or application of risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Potential investors should carefully consider how any mismatch between the adoption of such reference rates in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which may be put in place in connection with any acquisition, holding or disposal of Notes referencing such risk-free rates.

The unavailability, disruption or discontinuance of any interest rate to which the Notes are linked will result in the application of certain fallback provisions

Investors should be aware that, if an applicable benchmark is discontinued or otherwise was to become unavailable, the rate of interest on any Notes which reference such benchmark will be determined for the relevant period by the fallback provisions applicable to such Notes. There is a risk that the determination of the relevant interest rate in accordance with any of these fallback provisions may result in lower amounts payable to holders under the Notes and a reduction in their market value.

Such determination of a fallback rate may a material adverse effect on the value and liquidity of and return on any such Notes. Moreover, any significant change to the setting or existence of any relevant benchmark could affect the ability of the relevant Issuer to meet its obligations under the Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Notes. Investors should note that if the fallbacks specified in Condition 4(b)(iv) apply following a Benchmark Event, the relevant Issuer, in consultation with the Independent Adviser, will have discretion to adjust the reference rate in the circumstances provided under the Terms and Conditions of the Notes. Other risk free rate benchmarks may have bespoke fallback provisions (as described herein) pursuant to which adjustments may be made to the applicable reference rate. Any such adjustment could have unexpected commercial consequences and there can be no assurance that, due to the particular circumstances of each Noteholder, any such adjustment will be favourable to each Noteholder. Investors should consider all of these matters when making their investment decision with respect to the relevant Notes.

Risks associated with Notes Issued under the Programme

In respect of any Notes issued by MHCUK with a use of proceeds for Green Bonds, there can be no assurance that such use of proceeds will be suitable for the investment criteria of an investor

In the case of Notes issued by MHCUK, the applicable Final Terms relating to any specific issue of Notes may, provided that MHCUK's intention is to apply an amount equal to the proceeds from such offer of Notes to finance or refinance a portfolio of qualifying projects (the "**Eligible Project Portfolio**"), which is selected based on categories and criteria under the Green Finance Framework of MHCUK, as updated from time to time (the "**Green Finance Framework**"). Prospective investors should have regard to the information in the applicable Final Terms and the Green Finance Framework regarding such use of proceeds (or an amount equal thereto) and consult with their legal and other advisers before making an investment in any such Notes and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary.

Pursuant to the recommendations under the 2018 edition of the Green Bond Principles published by the International Capital Market Association ("**ICMA**"), prior to the issuance of any such Notes, MHCUK will engage a second party opinion provider to provide a second party opinion regarding its Green Finance Framework (the "**second party opinion**"). The Green Finance Framework, any second party opinions and associated reporting are available on MHCUK's website at https://www.mitsubishihccapital.co.uk/investors/. The Green Finance Framework and any second party opinions published are not incorporated in, and do not form part of, this Offering Circular. The second party opinions may not reflect the potential impact of all risks related to the issuance, market, additional risk factors and other factors that may affect the value of any specific issue of Notes. The second party opinions are not a recommendation to buy, sell or hold securities and is only current as of the date on which such opinion was initially issued.

There is no guarantee that the use of such proceeds (or an amount equal thereto) will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards to any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future

applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates (in particular with regard to any direct or indirect environmental, sustainable or social impact of any projects or uses, the subject of or related to, the relevant projects in the Eligible Project Portfolio).

No assurance can be given that Eligible Projects will meet investor expectations or requirements regarding such "green", "sustainable", "social" or similar labels (including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (the so called "EU Taxonomy") or Regulation (EU) 2020/852 as it forms part of domestic UK law) or that adverse environmental, social and/or other impacts may not occur during the implementation of any projects within the Eligible Project Portfolio. In addition, there is a risk that the Notes may not comply with any future standards or requirements regarding any "green", "social", "sustainable" or other equivalently-labelled performance objectives and, accordingly, the status of any Notes as being "green", "social" or "sustainable" (or equivalent) could be withdrawn at any time.

No assurance or representation is given by MHCUK, the Guarantor, the Dealers, the Paying Agents or any other person as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by MHCUK) which may or may not be made available in connection with the issue of any Notes and in particular with the Eligible Project Portfolio to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall it be deemed to be, incorporated in and/or form part of this Offering Circular. Any such opinion or certification is only current as of the date that it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification (if issued) and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in any such Notes. Currently, the providers of such opinions and certifications are not subject to any specific regulatory regime or oversight.

In the event that any such Notes are listed or admitted to trading on any dedicated "green", "social", "sustainable" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by MHCUK, the Guarantor, the Dealers, the Paying Agents or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards to any investment criteria or guidelines with which such investor or its investments are required to comply (including with regard to environmental impact and sustainability performance, the characteristics of the projects, including their environmental and sustainability criteria), whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, the Eligible Project Portfolio. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by MHCUK, the Guarantor, the Dealers, the Paying Agents or any other person that any such listing or admission to trading obtained in respect of any such Notes will be maintained during the life of the relevant Notes.

While an amount equal to the proceeds of any Notes may be applied to the Eligible Project Portfolio in the manner described in the applicable Final Terms, no representation or assurance is given by MHCUK, the Guarantor, the Dealers, the Paying Agents or any other person that the relevant project(s) or use(s) the subject of, or related to, the Eligible Project Portfolio will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly such proceeds (or an amount equal thereto) will be totally or partially disbursed for such projects in the Eligible Project Portfolio. Nor can there be any assurance that such projects in the Eligible Project Portfolio will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated.

Any such event or failure by MHCUK will not constitute an Event of Default under the relevant Notes. Any such event or failure to apply the proceeds of any issue of Notes (or an amount equal thereto) as aforesaid and/or withdrawal of any opinion or certification or any such opinion or certification attesting that MHCUK is not

complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Notes no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Notes and also potentially the value of any other Notes which may finance or refinance the Eligible Project Portfolio and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Investors should refer to MHCUK's website and the Eligible Project Portfolio for further information.

Modification, waivers and meetings of Noteholders

The Terms and Conditions of the Notes and the Agency Agreement contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

Dual Currency Notes

Each Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that the market price of such Notes may be volatile, they may receive no interest, payment of principal or interest may occur at a different time or in a different currency than expected and they may lose all or a substantial portion of their principal.

Notes may be issued in one or more currencies that are not freely convertible into other currencies, or are subject to restrictions on remittance and transfer or availability, which in turn may affect the liquidity of such Notes and the relevant Issuer's ability to source such currencies to service the Notes. In addition, unanticipated changes in government regulations could, and may, further impact the availability and convertibility of certain currencies, which will impact the suitability of such Notes as well as the relevant Issuer's ability to source such currencies to service the Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a

fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Index Linked Notes

Each Issuer may issue Index Notes where the Index Linked Redemption Amount, automatic early redemption or interest payable is dependent upon the level of an index or indices. The index or indices may comprise of reference equities, bonds, other securities, commodities, property, currency exchange rate or other assets or bases of reference, and may be a well-known and widely published index or indices or an index or indices established by an entity which may not be widely published or available. An investment in Index Linked Notes will entail significant risks not associated with a conventional fixed rate or floating rate debt security.

Potential investors in Index Linked Notes should be aware that, depending on the terms of the Index Linked Notes, (i) they may receive no or a limited amount of interest, (ii) payments may occur at a different time than expected and (iii) except in the case of principally protected Notes, they may lose all or a substantial portion of their investment if the value of the index/indices do not move in the anticipated direction.

In addition, the movements in the level of the index or indices may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant level of the index or indices may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the level of an index or result of a formula, the greater the effect on yield.

If the Index Linked Redemption Amount or interest payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the level of the index or the indices on the Index Linked Redemption Amount or interest payable will be magnified.

If the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred at any relevant time, such determination may have an effect on the timing of valuation and consequently the value of the Notes and/or may delay settlement in respect of the Notes.

Prospective purchasers should review the Additional Conditions relating to Index Linked Notes and the applicable Final Terms to ascertain whether and how such provisions apply to the Notes.

The market price of Index Linked Notes may be volatile and may depend on, among other things, the time remaining to the redemption date and the volatility of the level of the index or indices. The level of the index or indices may be affected by, among other things, the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which any securities comprising the index or indices may be traded.

Fixed Rate Notes

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Additional Disruption Events

If specified in the applicable Final Terms in relation to a Series of Index Linked Notes, and if the Calculation Agent determines that an event giving rise to an Additional Disruption Event has occurred at any relevant time, the relevant Issuer may either (i) require the Calculation Agent to, at its sole discretion, make such adjustments to the Terms and Conditions to account for the Additional Disruption Event or (ii) redeem the Notes by giving notice to the holders of Notes in accordance with Condition 13 (*Notices*).

Prospective purchasers should review the Terms and Conditions relating to such Notes and the applicable Final Terms to ascertain whether and how such provisions apply to the Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Further Risks relating to Renminbi denominated Notes

Notes denominated in Renminbi ("**Renminbi Notes**") may be issued under the Programme. Renminbi Notes contain particular risks for potential investors, including:

In the event that access to Renminbi becomes restricted to the extent that, by reason of Inconvertibility, Non-transferability or Illiquidity (as defined in Condition 5(f) (*Payments – Payment of U.S. Dollar Equivalent*)), the relevant Issuer or the Guarantor is unable, or it is impractical for it, to pay interest or principal in Renminbi, the Terms and Conditions of the Notes allow the relevant Issuer or the Guarantor to make payment in U.S. dollars at the prevailing spot rate of exchange, all as provided in more detail in Condition 5(f) (*Payments – Payment of U.S. Dollar Equivalent*). As a result, the value of these Renminbi payments may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of a Noteholder's investment in U.S. dollar or other foreign currency terms will decline.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The relevant Issuer will pay principal and interest on the Notes and, in the case of Notes issued by MHCUK and MHFA, the Guarantor will make any payments under the relevant Guarantee in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings may not reflect all risks

Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, the applicable rating(s) will be specified in the applicable Final Terms. Such rating(s) will not necessarily be the same as the ratings assigned to the relevant Issuer, to the Programme described in this Offering Circular or to Notes already issued.

The rating(s) assigned to any Notes may not reflect the potential impact of all risks related to the structure of the issue, market, additional factors discussed above, and other factors that may affect the value of the Notes. Accordingly, a credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

There are no guarantees that any rating assigned to an issue of Notes will be assigned or maintained. Any credit rating agency may lower its rating or withdraw its rating if, in the sole judgement of the credit rating agency, the credit quality of the Notes has declined or is in question. In addition, at any time a credit rating agency may revise its relevant rating methodology with the result that, among other things, any rating assigned to the Notes may be lowered. If any of the rating(s) assigned to the Notes is lowered or withdrawn, the market value of the Notes may be reduced.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with the following:

(a) the independent auditor's report and audited consolidated annual financial statements prepared in accordance with auditing standards generally accepted in Japan and in accordance with accounting principles generally accepted in Japan ("**Japanese GAAP**") of MHC for the financial years ended 31 March 2026 and 2025, in English (contained in pages 2 to 84 of the document titled Financial Information 2026);

(b) the independent auditor's report and audited consolidated annual financial statements prepared in accordance with auditing standards generally accepted in Japan and in accordance with Japanese GAAP of MHC for the financial years ended 31 March 2025 and 2024, in English (contained in pages 16 to 102 of the document titled Financial Information 2025);

(c) the unaudited interim consolidated financial information for the three months ended 30 June 2026 of MHC set out in the document named "Earnings Report (*Kessan Tanshin*) for the Three Months Ended June 30, 2026 (J-GAAP)", except for the following sections which are not incorporated in and do not form part of this Offering Circular:

- the tables (including the commentary underneath) titled "2. Dividends" and "3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 – March 31, 2027)";
- the explanatory notes titled "* Explanation regarding the appropriate use of the forecasts, etc."; and
- the subsection on page 5 titled "(4) Outlook".

MHC's interim consolidated financial statements have been prepared in accordance with the Article 4-1 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements and in accordance with accounting principles for interim financial statements generally accepted in Japan, omitting certain disclosures under the Article 4-2 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements. A part of the disclosures required under accounting principles generally accepted in Japan is omitted under the Article 4-2 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements.

(d) The audited consolidated annual financial statements prepared under International Accounting Standards as adopted by the United Kingdom for the year ended 31 March 2026 of MHCUK and the auditor's report for the year ended 31 March 2026 (appearing at pages 57 to 161 of MHCUK's 2026 Annual Report);

(e) The audited consolidated annual financial statements prepared under International Accounting Standards as adopted by the United Kingdom for the year ended 31 March 2025 of MHCUK and the auditor's report for the year ended 31 March 2025 (appearing at pages 70 to 211 of MHCUK's 2025 Annual Report);

(f) the terms and conditions contained in pages 67 to 168 of the offering circular dated 29 August 2025;

(g) the terms and conditions contained in pages 51 to 150 of the offering circular dated 30 August 2024;

(h) the terms and conditions contained in pages 51 to 136 of the offering circular dated 27 September 2023;

(i) the terms and conditions contained in pages 67 to 142 of the offering circular dated 29 September 2022;

(j) the terms and conditions contained in pages 63 to 119 of the offering circular dated 28 May 2021;

(k) the terms and conditions contained in pages 59 to 100 of the offering circular dated 17 December 2020;

(l) the terms and conditions contained in pages 53 to 107 of the offering circular dated 2 October 2019;

(m) the terms and conditions contained in pages 57 to 104 of the offering circular dated 8 August 2018;

(n) the terms and conditions contained in pages 54 to 101 of the offering circular dated 8 August 2017;

(o) the terms and conditions contained in pages 53 to 100 of the offering circular dated 11 August 2016;

(p) the terms and conditions contained in pages 53 to 100 of the offering circular dated 11 August 2015;

(q) future audited annual financial statements (together with the audit report thereon) and unaudited interim financial statements of each of MHC and MHCUK as and when such financial statements are published on the website of the Regulatory News Service ("**RNS**") operated by the London Stock Exchange at *http://www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html* in accordance with the requirements of the PRM after the date of, and during the 12-month period of validity of this Offering Circular,

in each case, excluding all information incorporated therein by reference (such information is not relevant for prospective investors or is covered elsewhere in this Offering Circular) which shall not form part of this Offering Circular; provided that any statement contained in a document all or the relative portion of which is incorporated by reference will be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained herein or in any supplement hereto, including any document incorporated therein by reference, modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

Where only certain parts of a document are incorporated by reference, the non-incorporated parts of the document are either not relevant for investors or are covered elsewhere in this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular can be obtained from the registered office of MHC and MHCUK and from the specified office of the Principal Paying Agent in London. In addition, copies of such documents will be published on the website of the RNS operated by the London Stock Exchange at *http://www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html*, and will be available on the websites of MHC (https://www.mitsubishi-hc-capital.com/english/investors) and MHCUK (https://www.mitsubishihccapital.co.uk/investors).

Any content of the websites referred to herein do not form part of this Offering Circular and have not been scrutinised or approved by the FCA, nor are they incorporated by reference in this Offering Circular.

OFFERING CIRCULAR SUPPLEMENT

If at any time MHC and/or MHCUK shall be required to prepare a supplement pursuant to PRM10.1, each of MHC and MHCUK, as the case may be, will prepare and make available an appropriate amendment or supplement to this Offering Circular which, in respect of any subsequent issue of Notes to be listed on the Official List and admitted to trading on the London Stock Exchange's regulated market, shall constitute a prospectus supplement as required by PRM 10.1.

FINAL TERMS, PRICING SUPPLEMENTS AND DRAWDOWN PROSPECTUSES

In this section "*Final Terms, Pricing Supplements and Drawdown Prospectuses*", the expression "necessary information" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the relevant Issuer and, in the case of Notes issued by MHCUK and MHFA, the Guarantor, and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme, the Issuers and the Guarantor have endeavoured to include in this Offering Circular all of the necessary information except for information relating to the Notes which is not known at the date of this Offering Circular and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Offering Circular and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the applicable Final Terms, Pricing Supplements or in a Drawdown Prospectus. Such information will be contained in the applicable Final Terms, Pricing Supplements unless any of such information constitutes a significant new factor relating to the information contained in this Offering Circular in which case such information, together with all of the other necessary information in relation to the relevant series of Notes, may be contained in a Drawdown Prospectus or a new offering circular.

For a Tranche of Notes which is the subject of Final Terms or Pricing Supplement, the Final Terms or Pricing Supplement will, for the purposes of that Tranche only, supplement this Offering Circular and must be read in conjunction with this Offering Circular. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Terms and Conditions of the Notes as completed by the applicable Final Terms and the terms and conditions applicable to any particular Tranche of Notes which is the subject of a Pricing Supplement are the Terms and Conditions of the Notes as completed, amended, modified or superseded by the applicable Pricing Supplement.

Each Drawdown Prospectus will be constituted by a single document containing the necessary information relating to the relevant Issuer and, in the case of Notes issued by MHCUK and MHFA, the Guarantor, and the relevant Notes. The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Terms and Conditions of the Notes as supplemented, amended and/or replaced to the extent described in the applicable Drawdown Prospectus.

In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Offering Circular to information being specified or identified in the applicable Final Terms shall be read and construed as a reference to such information being specified or identified in the applicable Drawdown Prospectus unless the context requires otherwise.

FORM OF THE NOTES

The following section applies to Notes, other than AMTNs.

General

The issue, exchange and transfer of Notes as described in this section "*Form of the Notes*" shall be effected pursuant to, and in accordance with, the provisions of the Agency Agreement (as defined under "*Terms and Conditions of the Notes*") and without charge to any holder of Notes (but against such indemnity as the Principal Paying Agent or Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such issue, exchange or transfer).

Notes which are represented by a global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Each Issuer may issue additional Tranches of Notes from time to time, which will be consolidated, form a single series and be interchangeable for trading purposes with the existing Tranche(s) of the Series on either (i) the issue date of the additional Tranche of Notes or (ii) on exchange of the Temporary Global Note representing the additional Tranche of Notes for interests in the Permanent Global Note. Upon issuance of additional Tranches of Bearer Notes (if any) prior to the Exchange Date for a particular Tranche of Bearer Notes (as it may be extended), such Exchange Date will be extended (or further extended), without the consent of the Noteholders, until the fortieth day after the completion of the distribution of such additional Tranche of Bearer Notes. Upon issuance of additional Tranches of Registered Notes (if any) prior to the date that is the fortieth day after the completion of the distribution of a particular Tranche of Registered Notes (as it may be extended), such fortieth day will be extended (or further extended), without the consent of the Noteholders, until the fortieth day after the completion of the distribution of such additional Tranche of Registered Notes.

Pursuant to the Agency Agreement, the Principal Paying Agent or the Registrar, as the case may be, shall arrange that, where an additional Tranche of Notes is issued which is intended to form a single series and be consolidated with an existing Tranche of Notes and such Notes will be represented on issue by a Temporary Global Note, the Notes of such additional Tranche shall be assigned a temporary common code and temporary ISIN by Euroclear and Clearstream, Luxembourg which are different from the common code and ISIN assigned to existing Notes of any other Tranche of the same Series until at least 40 days after the completion of the distribution of the Notes of such additional Tranche.

A Note may be declared due and payable by a Noteholder upon the occurrence of an Event of Default, as described in Condition 9 of the Notes. In such circumstances, where any Note is still represented by a global Note and a holder of such Note so represented and credited to his securities account with Euroclear or Clearstream, Luxembourg gives notice that he wishes to accelerate such Note, unless within a period of 15 days from the giving of such notice payment has been made in full of the amount due in accordance with the terms of such global Note, holders of interests in such global Note credited to their account with Euroclear or Clearstream, Luxembourg will acquire rights of enforcement against the relevant Issuer to compel the relevant Issuer to perform its obligations to the holder of the relevant global Note, including the obligation to make all payments when due at any time in respect of such global Note, on and subject to the terms of a deed of covenant (the "**Deed of Covenant**") dated 27 August 2026, executed by the relevant Issuer.

Bearer Notes

Only MHC and MHCUK may issue Notes in bearer form ("**Bearer Notes**").

The applicable Final Terms in relation to Bearer Notes will specify whether such Notes are issued in compliance with United States Treasury Regulation §1.163-5(c)(2)(i)(C) or any successor rules in substantially the same form for purposes of Section 4701 of the Internal Revenue Code of 1986, as amended ("**TEFRA C**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) or any successor rules in substantially the same form for purposes of Section 4701 of the Internal Revenue Code of 1986, as amended ("**TEFRA D**"). Bearer Notes must be issued in compliance with TEFRA C or TEFRA D unless they have a term of one year or less (taking into account any unilateral right to extend or rollover).

Each Tranche of Bearer Notes will either be initially represented by a temporary global Note (without Receipts, Coupons or Talons) (a "**Temporary Global Note**") or, if agreed between the relevant Issuer and the relevant Dealer, be represented by a permanent global Note (a "**Permanent Global Note**") which, in either case, unless otherwise agreed between the relevant Issuer and the relevant Dealer, will (i) if the Global Notes are intended to be issued in new global note ("**NGN**") form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear and Clearstream, Luxembourg; and (ii) if the Global Notes are not intended to be issued in NGN form, be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg. If the Notes are issued in compliance with TEFRA D, the Notes must be initially represented by a Temporary Global Note.

If a Temporary Global Note and/or Permanent Global Note is issued in NGN form, Euroclear and Clearstream, Luxembourg will be informed whether or not the Notes are intended to be held as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem ("**Eurosystem eligible collateral**"). The designation that Notes are intended to be held as Eurosystem eligible collateral means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. In the case of Notes which are not intended to be held as Eurosystem eligible collateral as of their issue date, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them, the Notes may then be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper. This does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. In either case, such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.

Prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to each Tranche of Notes, beneficial interests in a Temporary Global Note, a Permanent Global Note or definitive Bearer Notes may not be offered or sold to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the Securities Act).

Whilst any Bearer Note issued under TEFRA D is represented by a Temporary Global Note, payments of principal and interest (if any) and any other amount payable in respect of the Temporary Global Note due prior to the Exchange Date (as defined below) will be made outside the United States and its possessions (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owner of such Bearer Note is not a U.S. person or a person who has purchased for resale, directly or indirectly, to any U.S. person, as required by TEFRA D and applicable U.S. securities laws, has been received by Euroclear and/or Clearstream, Luxembourg, and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it/they has/have received) to the Principal Paying Agent.

On and after the date (the "**Exchange Date**") which is the later of (i) 40 days after the date on which any Temporary Global Note is issued and (ii) 40 days after the completion of the distribution of the relevant Tranche,

as certified by the relevant Dealer(s) (in the case of a non-syndicated issue) or the relevant lead manager (in the case of a syndicated issue), interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either (i) for interests in a Permanent Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, Receipts, Coupons and (if, at the time of exchange into definitive form, more than 27 coupon payments are left) Talons attached (as indicated in the applicable Final Terms), in each case if the Bearer Notes were issued under TEFRA D against certification of non-U.S. beneficial ownership as described above. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or definitive Bearer Notes is improperly withheld or refused. The exchange upon notice or at any time options should not be expressed to be applicable if the Specified Denomination of the Notes includes language substantially to the following effect: "U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof up to and including U.S.$399,000". Furthermore, such Specified Denomination construction is not permitted in relation to any issuance of Notes which is to be represented on issue by a Permanent Global Note exchangeable for Definitive Notes.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) outside the United States and its possessions of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge) in whole, but not in part, for definitive Bearer Notes with, where applicable, Receipts, Coupons and Talons attached upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Principal Paying Agent as described therein or (ii) only upon the occurrence of an Exchange Event. For these purposes, and in respect of Bearer Notes only, "**Exchange Event**" means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing, (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Global Note issued in definitive Bearer Note form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) may give notice to the Principal Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

No definitive Bearer Note delivered in exchange for a Temporary Global Note or a Permanent Global Note will be mailed or otherwise delivered to any location in the United States or its possessions in connection with any such exchange.

Registered Notes

Each of MHC, MHCUK and MHFA may issue Notes in registered form ("**Registered Notes**").

Each Tranche of Registered Notes will be in the form of either a global Registered Note (a "**Global Registered Note**") or definitive Registered Notes, without Receipts, Coupons or Talons attached, in each case as specified in the applicable Final Terms.

Prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to each Tranche of Notes, beneficial interests in a Global Registered Note or definitive Registered Notes may not be offered or sold to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the Securities Act).

Each Global Registered Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable for definitive Registered Notes in accordance with its terms.

Payments of principal, interest (if any) and any other amount in respect of a Global Registered Note will, in the absence of provision to the contrary, be made to the person shown on the Register as the registered holder of the relevant Global Registered Note. None of the Issuers, the Guarantor, the Principal Paying Agent, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in a Global Registered Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Payments of principal, interest (if any) or any other amount in respect of the Registered Notes in definitive form will be made to the persons shown on the Register on the relevant Record Date (as defined under "*Terms and Conditions of the Notes*") immediately preceding the due date for payment in the manner provided in the Terms and Conditions of the Notes.

If the applicable Final Terms specifies the form of Notes as being "Global Registered Note exchangeable for definitive Registered Notes", then the Notes will initially be in the form of a Global Registered Note which will be exchangeable (free of charge) in whole, but not in part, for definitive Registered Notes, without Receipts, Coupons or Talons attached, upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Global Registered Note) to the Registrar as described therein or (ii) only upon the occurrence of an Exchange Event. For these purposes, and in respect of Global Registered Notes only, "**Exchange Event**" means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing, (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Global Registered Note issued in definitive Registered Note form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Global Registered Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Registrar.

If the applicable Final Terms specifies the form of Notes as being "definitive Registered Notes", then the Notes will at all times be in the form of definitive Registered Notes issued to each Noteholder in respect of their respective holdings.

Taiwan Settlement and Trading

*The following summary of certain settlement and trading procedures is generally based on current law and practice and assumes that the Notes will be issued, offered, sold or re-sold, directly or indirectly, to professional investors as defined under Paragraph 1 of Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds of Taiwan ("**TPEx Rules**") only and pursuant to such TPEx Rules and other relevant rules and regulations of Taiwan.*

Initial subscription of the Notes by investors will be settled directly through Euroclear or Clearstream, Luxembourg. In order to purchase the Notes, an investor must have an account with Euroclear or Clearstream, Luxembourg and settle the Notes through such account with Euroclear or Clearstream, Luxembourg. For any Taiwanese investor having its own account with Euroclear or Clearstream, Luxembourg, the distributions of principal and/or interest for the Notes to such holders will be made to its own account with Euroclear or Clearstream, Luxembourg.

As of the date of this Offering Circular, the Issuers have not entered into any settlement agreement with the Taiwan Depository & Clearing Corporation ("**TDCC**") and have no intention to do so. In the future, if an Issuer enters into a settlement agreement with TDCC, an investor, if it has a securities book-entry account with a Taiwan securities broker and a foreign currency deposit account with a Taiwan bank, may settle the Notes issued by such Issuer through the account of TDCC with Euroclear or Clearstream, Luxembourg if it applies to TDCC (by filing in a prescribed form) to transfer the Notes issued by such Issuer in its own account with Euroclear or Clearstream, Luxembourg to such TDCC account with Euroclear or Clearstream, Luxembourg for trading in the domestic market or vice versa for trading in overseas markets. For settlement through TDCC, TDCC will allocate the respective Notes position to the securities book-entry account designated by such investor in Taiwan. The Notes will be traded and settled pursuant to the applicable rules and operating procedures of TDCC and the Taipei Exchange ("**TPEx**") as domestic bonds. For such investors who hold their interest in the Notes through an account opened and held by TDCC with Euroclear or Clearstream, Luxembourg, distributions of principal and/or interest for the Notes to such holders may be made by payment services banks whose systems are connected to TDCC to the foreign currency deposit accounts of the holders. Such payment is expected to be made on the second Taiwanese business day following TDCC's receipt of such payment (due to time difference, the payment is expected to be received by TDCC one Taiwanese business day after the distribution date). However, when the holders will actually receive such distributions may vary depending upon the daily operations of the Taiwan banks with which the holder has the foreign currency deposit account.

Legends

The following legend will appear on all Notes and (if applicable) Receipts, Coupons and Talons:

"THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR ITS POSSESSIONS OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE."

The following legend will appear on all global Bearer Notes, definitive Bearer Notes, Receipts, Coupons and Talons issued by MHC and MHCUK with an initial maturity of more than 1 year (taking into account any unilateral right to extend or rollover):

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code."

The sections of the Internal Revenue Code referred to provide that United States persons, with certain exceptions, will not be entitled to deduct any loss on Notes, Receipts or Coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Notes, Receipts or Coupons.

FORM OF THE AMTNs

The Austraclear System

AMTNs will be issued only as Registered Notes. AMTNs will be issued by MHCUK in registered uncertificated form, constituted by the Note (AMTN) Deed Poll (as defined under "*Terms and Conditions of the Notes*") and will take the form of entries on a register established and maintained by a registrar in Australia and may be lodged with the Austraclear System.

On issue of any AMTNs, MHCUK may, as specified in the applicable Final Terms, procure that the AMTNs are lodged in the Austraclear System. On lodgement, Austraclear will become the sole registered holder and legal owner of the AMTNs. Subject to the rules and regulations known as the "Austraclear System Regulations" established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear System, participants of the Austraclear System ("**Accountholders**") may acquire rights against Austraclear in relation to those AMTNs as beneficial owners and Austraclear is required to deal with the AMTNs in accordance with the directions and instructions of the Accountholders. Any prospective investors who are not Accountholders would need to hold their interest in the relevant AMTNs through a nominee who is an Accountholders. All payments by or on behalf of MHCUK in respect of AMTNs entered in the Austraclear System will be made directly to an account agreed with Austraclear or as it directs in accordance with the Austraclear System Regulations.

Holdings of AMTNs through Euroclear and Clearstream, Luxembourg

Once lodged with the Austraclear System, interests in the AMTNs may be held through Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in the AMTNs in Euroclear would be held in the Austraclear System by HSBC Custody Nominees (Australia) Limited as nominee of Euroclear, while entitlements in respect of holdings of interests in the AMTNs in Clearstream, Luxembourg would be held in the Austraclear System by BNP PARIBAS, Australia Branch as nominee of Clearstream, Luxembourg.

The rights of a holder of interests in AMTNs held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations of Euroclear and Clearstream, Luxembourg, the arrangements between Euroclear and Clearstream, Luxembourg and their respective nominees and the Austraclear System Regulations.

Transfers

Any transfer of AMTNs will be subject to the Corporations Act 2001 of Australia and the other requirements set out in the Conditions and, where the AMTNs are entered in the Austraclear System, the Austraclear System Regulations.

Secondary market sales of AMTNs settled in the Austraclear System will be settled in accordance with the Austraclear System Regulations.

Relationship of Accountholders and Austraclear

Accountholders who acquire an interest in AMTNs entered in the Austraclear System must look solely to Austraclear for their rights in relation to such AMTNs and will have no claim directly against MHCUK in respect of such AMTNs although under the Austraclear System Regulations, Austraclear may direct MHCUK to make payments direct to the relevant Accountholders.

Where Austraclear is registered as the holder of any AMTNs that are lodged in the Austraclear System, Austraclear may, where specified in the Austraclear System Regulations, transfer the AMTNs to the person in whose Security Record (as defined in the Austraclear System Regulations) those AMTNs are recorded and, as a consequence, remove those AMTNs from the Austraclear System.

Potential investors should inform themselves of, and satisfy themselves with, the Austraclear System Regulations and (where applicable) the rules of Euroclear and Clearstream, Luxembourg and the arrangements between their nominees in the Austraclear System.

AMTNs lodged with the Austraclear System will be transferable only in accordance with the rules and regulations (in force from time to time) of the Austraclear System. The transferor of an AMTN is deemed to remain the Noteholder of such AMTN until the name of the transferee is entered in the Register in respect of such AMTN.

FORM OF THE FINAL TERMS

[PROHIBITION OF SALES TO EEA 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**"). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF THE FOLLOWING:

(A) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU, AS AMENDED ("**MIFID II**"); OR

(B) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2016/97/EU (THE "**INSURANCE DISTRIBUTION DIRECTIVE**"), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR

(C) NOT A QUALIFIED INVESTOR AS DEFINED IN REGULATION (EU) 2017/1129, AS AMENDED OR SUPERSEDED.

CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014, AS AMENDED (THE "**PRIIPS REGULATION**") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.][1]

[PROHIBITION OF SALES TO UK RETAIL INVESTORS: THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD, DISTRIBUTED OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD, DISTRIBUTED OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE UNITED KINGDOM ("**UK**"). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS EITHER ONE (OR BOTH) OF THE FOLLOWING:

(A) NOT A PROFESSIONAL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014 AS IT FORMS PART OF DOMESTIC UK LAW; OR

(B) NOT A QUALIFIED INVESTOR AS DEFINED IN PARAGRAPH 15 OF SCHEDULE 1 TO THE PUBLIC OFFERS AND ADMISSIONS TO TRADING REGULATIONS 2024 ("**POATRS**").

CONSEQUENTLY, NO DISCLOSURE DOCUMENT REQUIRED BY THE FCA PRODUCT DISCLOSURE SOURCEBOOK ("**DISC**") FOR OFFERING, SELLING OR DISTRIBUTING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE UK HAS BEEN PREPARED AND THEREFORE OFFERING, SELLING OR DISTRIBUTING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE UK MAY BE UNLAWFUL UNDER THE DISC AND THE CONSUMER COMPOSITE INVESTMENTS (DESIGNATED ACTIVITIES) REGULATIONS 2024.][2]

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[1] Legend to be included on the front of the Final Terms if "Prohibition of Sales to EEA Retail Investors" (see Part B, paragraph 10(i)) is specified as "Applicable".

[2] Legend to be included on the front of the Final Terms if "Prohibition of Sales to UK Retail Investors" (see Part B, paragraph 10(ii)) is specified as "Applicable".

[MIFID II PRODUCT GOVERNANCE / TARGET MARKET: SOLELY FOR THE PURPOSES OF [THE/EACH] MANUFACTURER['S/S'] PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT:

(A) THE TARGET MARKET FOR THE NOTES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN MIFID II; AND

(B) 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 MANUFACTURER['S/S'] 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 MANUFACTURER['S/S'] TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.]

[UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET: SOLELY FOR THE PURPOSES OF [THE/EACH] MANUFACTURER['S/S'] PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT:

(A) THE TARGET MARKET FOR THE NOTES IS ONLY ELIGIBLE COUNTERPARTIES, AS DEFINED IN THE FCA HANDBOOK CONDUCT OF BUSINESS SOURCEBOOK, AND PROFESSIONAL CLIENTS, AS DEFINED IN REGULATION (EU) NO 600/2014 AS IT FORMS PART OF DOMESTIC UK LAW ("**UK MIFIR**"); AND

(B) 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 MANUFACTURER['S/S'] TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO THE FCA HANDBOOK PRODUCT INTERVENTION AND PRODUCT GOVERNANCE SOURCEBOOK (THE "**UK MIFIR PRODUCT GOVERNANCE RULES**") IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURER['S/S'] TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.]

Final Terms dated [*Date*]

[MITSUBISHI HC CAPITAL INC.
Legal Entity Identifier (LEI): 353800MZ3QX9RLMH7B09]

[MITSUBISHI HC CAPITAL UK PLC
Legal Entity Identifier (LEI): 549300P4PHVCL0EZU771]
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
[Guaranteed by Mitsubishi HC Capital Inc.]

under the
U.S.$12,500,000,000
EURO NOTE PROGRAMME

PART A - CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Offering Circular dated [●] which constitutes a base prospectus for the purposes of the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook ("**PRM**"). This document constitutes the Final Terms of the Notes described herein for the purposes of the PRM and must be read in conjunction with the Offering Circular [and the supplement[s] thereto dated [●]].

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Offering Circular dated [original date], which are incorporated by reference in the Offering Circular dated [●]. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook ("**PRM**") and must be read in conjunction with the Offering Circular dated [●] [and the supplement[s] thereto dated [●]] in order to obtain all the relevant information, save in respect of the Conditions which are extracted from the Offering Circular dated [original date] [and the supplement(s) to it dated [●]].]

[*Insert the following language for an issue by MHCUK of AMTNs:* The Notes will be constituted by a deed poll ("**Note (AMTN) Deed Poll**") dated 27 September 2023 executed by the Issuer and will be issued in registered uncertificated form by inscription on a register. The Notes are "AMTNs" for the purposes of the Offering Circular dated [●] and the relevant Conditions.

Notes will be offered in Australia only in the wholesale capital markets and on the basis that no disclosure to investors is required under Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia.]

1.	(i)	Issuer:	[Mitsubishi HC Capital Inc./Mitsubishi HC Capital UK PLC]
	(ii)	[Guarantor:]	[Mitsubishi HC Capital Inc.]
2.	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]
	[(iii)	Date on which the Notes become fungible:	[Not Applicable/[●]]
3.	Specified Currency [or Currencies]:		[●]
4.	Aggregate Nominal Amount:		
	(i)	Series	[●]
	(ii)	Tranche:	[●]
5.	Issue Price:		[●]
6.	(i)	Specified Denomination(s):	[●] [*If Notes issued by MHCUK are AMTNs insert the following:* Subject to the requirement that the amount payable by each person who subscribed for the Notes in Australia must be at least AUD500,000 (disregarding monies lent by the Issuer or its associates).]
	(ii)	Calculation Amount:	[●]
7.	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	[●]

8.	Maturity Date:	[●]
9.	Interest Basis:	[[●] per cent. Fixed Rate] [[●] +/- [●] per cent. Floating Rate] [Zero Coupon] [Dual Currency Interest] [Index Linked Interest]
10.	Redemption/Payment Basis:	[Redemption at par] [Dual Currency Redemption] [Instalment] [Index Linked Redemption]
11.	Change of Interest Basis or Redemption/Payment Basis:	[Applicable/Not Applicable]
12.	Put/Call Options:	[Not Applicable] [Investor Put] [Issuer Call]
13.	Date of Board Resolutions:	[●] [and [●] respectively]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	**Fixed Rate Note Provisions**		[Applicable/Not Applicable]
	(i)	Rate(s) of Interest:	[●] per cent. per annum payable on each Interest Payment Date [adjusted in accordance with the Interest Ratchet]
	(ii)	Step Up Event/Step Down Event:	[Yes/No]
	(iii)	Step Up Margin:	[Not Applicable/[●] per cent. per annum]
	(iv)	Interest Payment Date(s):	[●] [adjusted in accordance with the Business Day Convention specified below/(not adjusted)] (*Interest Payment Dates for Fixed Rate Notes are normally not subject to adjustment by any Business Day Convention*)
	(v)	Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
	(vi)	Additional Business Centre(s):	[●]
	(vii)	Fixed Coupon Amount(s):	[●] per Calculation Amount
	(viii)	Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
	(ix)	Fixed Day Count Fraction:	[Actual/Actual (ICMA) / 30/360 / Actual/365 (Fixed) / RBA Bond Basis]
	(x)	[Determination Dates:	[●] in each year]
15.	**Floating Rate Note Provisions**		[Applicable/Not Applicable]

(i)	Specified Period(s)/Specified Interest Payment Dates:	[[●] in each year, subject to adjustment in accordance with the Business Day Convention set out in (iii) below]
(ii)	First Interest Payment Date:	[●]
(iii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(iv)	Additional Business Centre(s):	[●]
(v)	Manner in which the Rate(s) of Interest and Interest Amount(s) is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(vi)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Principal Paying Agent):	[●]
(vii)	Screen Rate Determination:	[Applicable/Not Applicable]
	(a) Reference Rate:	[EURIBOR/ BBSW Rate/ AONIA Rate/ BKBM/ CMS/ CNH HIBOR/ Compounded Daily SONIA/ HIBOR/ NDBB/ NIBOR/ SOFR/ Compounded Daily SOFR/ Compounded SOFR Index/ SONIA/ SORF/ STIBOR/ TIBOR/ TONA/ Compounded Daily CORRA/ CORRA Compounded Index/ SARON/ WIBOR]
	(b) Interest Determination Date(s):	[[●]/[as per the Conditions]]
	(c) Relevant Screen Page:	[●]
	(d) Relevant Time:	[●] in the Relevant Financial Centre
	(e) Relevant Financial Centre:	[London/ Brussels/ Sydney/ Auckland/ Toronto/ Hong Kong/ Oslo/ New York/ Singapore/ Stockholm/ Tokyo/ Wellington/ Warsaw/ [●]]
	(f) Designated Maturity:	[●]
	(g) Compounded Daily SOFR:	[Not Applicable/ SOFR Lag/ SOFR Observation Shift/ SOFR Payment Delay/ SOFR Lockout] *(Only applicable in the case of Compounded Daily SOFR)*
	(h) Lookback Days:	[Not Applicable/[●] U.S. Government Securities Business Day(s)] *(Only applicable in the case of SOFR Lag)*
	(i) SOFR Observation Shift Days:	[Not Applicable/[●] U.S. Government Securities Business Day(s)] *(Only applicable in the case of SOFR Observation Shift or Compounded SOFR Index)*

	(j) Interest Payment Delay Days:	[Not Applicable/[●] U.S. Government Securities Business Day(s) *(Only applicable in the case of SOFR Payment Delay)*
	(k) SOFR Rate Cut-Off Date:	[Not Applicable/The day that is the [●] U.S. Government Securities Business Day(s) prior to the end of each Interest Period] *(Only applicable in the case of Compounded Daily SOFR: SOFR Payment Delay or Compounded Daily SOFR: SOFR Lockout)*
	(l) SOFR IndexStart:	[Not Applicable/[●] U.S. Government Securities Business Day(s)] *(Only applicable in the case of Compounded SOFR Index)*
	(m) SOFR $\text{Index}_{\text{End}}$:	[Not Applicable/[●] U.S. Government Securities Business Day(s)] *(Only applicable in the case of Compounded SOFR Index)*
	(n) Benchmark Discontinuation (SOFR)	[Applicable/Not Applicable]
	(o) Observation Look-Back Period:	[●]/[Not Applicable]
	(p) TONA Rate of Interest Determination method:	[TONA Lookback Compound][TONA Shift Compound]
	(q) Observation Shift Days:	[●] [Tokyo Banking Days][Bank of Canada Business Days][Zurich Banking Days] *(only applicable in the case of TONA Shift Compound, Compounded Daily CORRA and SARON)*
(viii)	ISDA Determination:	[2006 ISDA Determination/2021 ISDA Determination]
	(a) Floating Rate Option:	[●]
	(b) Designated Maturity:	[●]
	(c) Reset Date:	[●]
	(d) Compounding:	[Applicable/Not Applicable]
	(e) Compounding Method:	[Compounding with Lookback Lookback: [●] Applicable Business Days] [Compounding with Observation Period Shift Observation Period Shift: [●] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [●]/[Not Applicable]] [Compounding with Lockout Lockout: [●] Lockout Period Business Days Lockout Period Business Days: [●]/[Applicable Business Days]]

		(to be at least five Applicable Business Days/Observation Period Shift Business Days/Lockout Period Business Days unless *otherwise agreed with the Calculation Agent)*
	(f) Index Provisions:	[Applicable/Not Applicable]
	(g) Index Method:	[Compounded Index Method with Observation Period Shift Observation Period Shift: [●] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [●]/[Not Applicable]] *(To be at least five Observation Period Shift Business Days unless otherwise agreed with the Calculation Agent)*
(ix)	Linear Interpolation:	[Not Applicable]/[Applicable. The Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation.]
(x)	Margin(s):	[+/-] [●] per cent. per annum
(xi)	Minimum Interest Rate:	[●] per cent. per annum
(xii)	Maximum Interest Rate:	[●] per cent. per annum
(xiii)	Day Count Fraction:	[Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/365 (Sterling) / Actual/360 / 30/360 / 30E/360 / 30E/360 (ISDA)]
16.	**Zero Coupon Note Provisions**	[Applicable/Not Applicable]
(i)	Accrual Yield:	[●] per cent. per annum
(ii)	Reference Price:	[●]
(iii)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions 6(e)(iii) and 6(j) apply]
17.	**Dual Currency Interest Note Provisions**	[Applicable/Not Applicable]
(i)	Rate of Exchange:	[●]
(ii)	Party, if any, responsible for calculating the principal and/or interest due:	[Principal Paying Agent/[●]]
(iii)	Person at whose option Specified Currency(ies) is/are payable:	[●]
18.	**Index Linked Interest Note Provisions**	[Applicable/Not Applicable]
(i)	Index/Basket of Indices/Index Sponsor/Reference Source:	[The "Index" means [●]] [The Index is a Unitary Index/Multi-Exchange Index] [The Index Sponsor for the Index is [●]] [The Index Currency for the Index is [●]] [The Reference Source for the Index is [●]]
(ii)	Index Linked Interest Formula:	Additional Condition 1.3 [(A)/(B)][(I)/(II)] shall apply

		[For the purpose of each item of the Index Linked Interest Formula, [(x)/(y)] shall apply] [the applicable Interest Amount shall be [●]]
(iii)	Specified Period(s)/Specified Interest Period End Date(s):	[[●] in each year from and including [●] to and including the Maturity Date [subject to adjustment in accordance with the Business Day Convention/subject to no adjustment]/[●]/[same as Specified Interest Payment Date(s)]]
(iv)	Specified Interest Payment Dates:	[[●] in each year from and including [●] to and including the Maturity Date [subject to adjustment in accordance with the Business Day Convention/[●]]]
(v)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(vi)	Additional Financial Centre(s) relating to Business Days:	[[●]/Not Applicable]
(vii)	Minimum Rate/Amount of Interest:	[[●] per cent. per annum/Not Applicable]
(viii)	Medium Rate/Amount of Interest:	[[●] per cent. per annum/Not Applicable]
(ix)	Maximum Rate/Amount of Interest:	[[●] per cent. per annum/Not Applicable]
(x)	Day Count Fraction:	[Actual/Actual (ISDA) / Actual/Actual (ICMA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / 30E/360 (ISDA)]
(xi)	Exchange(s):	[●]
(xii)	Related Exchange:	[[●]/All Exchanges] [(Paragraph [(I)/(II)] of the definition of "Related Exchange" in Additional Condition 1.2 shall apply)]
(xiii)	Valuation Date(s):	[●] [(Paragraph [(b)(i)/(b)(ii)] of the definition of "Valuation Date" in Additional Condition 1.2 shall apply)]
(xiv)	Valuation Cut-Off Date(s):	[●]/[Paragraph (ii) of the definition of "Valuation Cut-Off Date" in Additional Condition 1.2 shall apply]
(xv)	Barrier Level:	[[●]/Barrier Level 1: [●]; Barrier Level 2: [●] /Not Applicable]
(xvi)	Base Price	[As defined in Additional Condition 1.2/Not Applicable]
(xvii)	Base Price Fixing Date:	[[●]/Not Applicable] [(Paragraph [(I)/(II)/(III)] of the definition of "Base Price Fixing Date" in Additional Condition 1.2 shall apply)]
(xviii)	Base Price Valuation Cut-Off Date:	[●]/[Paragraph (ii) of the definition of "Base Price Valuation Cut-Off Date" in Additional Condition 1.2 shall apply]

(xix)	Correction Publication Cut-Off Date:	[Applicable/Not Applicable] [The immediately following business day of the original date of publication/[●]]
(xx)	Additional Disruption Events:	Change in Law is [Applicable/Not Applicable] Hedging Disruption is [Applicable/Not Applicable] Increased Cost of Hedging is [Applicable/Not Applicable]

PROVISIONS RELATING TO REDEMPTION

19.	**Notice periods for Condition 6(b) (*Redemption and Purchase - Redemption for Tax Reasons*):**	[As set out in Condition 6(b)/Minimum period: [●] days; Maximum period: [●] days]
20.	**Issuer Call:**	[Applicable/Not Applicable]
(i)	Optional Redemption Date(s):	[●]
	- Par Redemption Date:	[●]
(ii)	Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount]/[Make-Whole Redemption Amount (Sterling)]/[Make-Whole Redemption Amount (Non-Sterling)]/[Par Redemption Amount]
(iii)	Reference Bond:	[●]
(iv)	Redemption Margin:	[●]
(v)	Quotation Time:	[●]
(vi)	If redeemable in part:	
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount
(vii)	Notice period:	[Minimum period: [●] days; Maximum period: [●] days]
21.	**Investor Put:**	[Applicable/Not Applicable]
(i)	Optional Redemption Date(s):	[●]
(ii)	Optional Redemption Amount:	[●]
(iii)	Notice period:	[Minimum period: [●] days; Maximum period: [●] days]
22.	**Final Redemption Amount:**	[●] per Calculation Amount
23.	**Index Linked Redemption Notes:**	[Applicable/Not Applicable]
(i)	Index Linked Automatic Early Redemption:	[Applicable/Not Applicable] [For the purpose of the Automatic Early Redemption Event, Additional Condition 1.4(a)[(i)(x)/(i)(y)/ (ii)(x)/(ii)(y)] shall apply]
(ii)	Index Linked Final Redemption:	
	(a) Index/Basket of Indices/Index Sponsor(s)/Reference Source:	[The "Index" means [●]] [The Index is a Unitary Index/Multi-Exchange Index]

	[The Index Sponsor for the Index is [●]] [The Index Currency for the Index is [●]] [The Reference Source for the Index is [●]] [As specified in item 18(i) in "Index Linked Interest Note Provisions" above]
(b) Index Linked Redemption Formula:	Additional Condition 1.4(b)[(I)/(II)/(III)/(IV)] shall apply [For the purpose of each item in the Index Linked Redemption Formula, [(x)/(y)] shall apply]
(c) Automatic Early Redemption Amount:	[●] per Calculation Amount
(d) Automatic Early Redemption Date(s):	[●]
(e) Automatic Early Redemption Valuation Date(s):	[●]
(f) Rounding (Index Performance):	[[Rounded down/Rounded up/Rounded to the [nearest [whole number [(with 0.5 being rounded up)]]]/[nearest [●] decimal places [(with [half of such number of decimal places] being rounded up)]]]] [Rounding Not Applicable]
(g) Exchange(s):	[[●]/As specified in item 18(xi) of "Index Linked Interest Note Provisions" above]
(h) Related Exchange:	[[●]/All Exchanges/As specified in item 18(xii) of "Index Linked Interest Note Provisions" above]
(i) Valuation Date(s):	[[●]/As specified in item 18(xiii) of "Index Linked Interest Note Provisions" above]
(j) Valuation Cut-Off Date:	[●]/[Paragraph (ii) of the definition of "Valuation Cut-Off Date" in Additional Condition 1.2 shall apply]/[As specified in item 18(xiv) of "Index Linked Interest Note Provisions" above]
(k) Observation Period:	[Applicable/Not Applicable]
(i) Observation Period Start Date:	[[Including/Excluding] [●]/Not Applicable]
(ii) Observation Period End Date:	[[Including/Excluding] [●]/Not Applicable]
(l) Barrier Event:	[Not Applicable/Barrier Event (intraday), Early Closure [applicable/not applicable]/Barrier Event (closing)] [For the purpose of the definition of the Barrier Event Determination Day, [(a)(i)/(a)(ii)/(b)] shall apply] [For the purpose of definition of the Barrier Event (closing), [(a)(x)/(a)(y)/(b)(x)/(b)(y)] shall apply] [For the purpose of definition of the Barrier Event (intraday), [(a)(x)/(a)(y)/(b)(x)/(b)(y)] shall apply]

(m)	Barrier Level:	[[●]/Not Applicable]
(n)	Knock-out Price:	[[●]/Not Applicable]
(o)	Strike Price:	[[●]/Not Applicable]
(p)	Base Price:	[[●]/Not Applicable/As specified in item 18(xvi) of "Index Linked Interest Note Provisions" above]
(q)	Base Price Fixing Date:	[[●]/Not Applicable] [(Paragraph [(I)/(II)/(III)] of the definition of "Base Price Fixing Date" in Additional Condition 1.2 shall apply] [As specified in item 18(xvii) of "Index Linked Interest Note Provisions" above]
(r)	Base Price Valuation Cut-Off Date:	[●]/[Paragraph (ii) of the definition of "Base Price Valuation Cut-Off Date" in Additional Condition 1.2 shall apply]/[As specified in item 18(xviii) of "Index Linked Interest Note Provisions" above]
(s)	Correction Publication Cut-Off Date:	[Applicable/Not Applicable] [The immediately following business day of the original date of publication/[●]]
(t)	Additional Disruption Events:	Change in Law is [Applicable/Not Applicable] Hedging Disruption is [Applicable/Not Applicable] Increased Cost of Hedging is [Applicable/Not Applicable]

24. **Early Redemption Amount**

Early Redemption Amount payable on redemption for taxation reasons or on event of default:	[[●] per Calculation Amount]/[Early Redemption (Market Value) is applicable/not applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes:

(i)	Form:	[Bearer Notes[3]: [Temporary Global Note exchangeable for [a Permanent Global Note which is exchangeable for Definitive Notes [on [●] days' notice given at any time/only upon an Exchange Event]]/Definitive Notes on and after the Exchange Date]/[Permanent Global Note exchangeable for Definitive Notes [on [●] days' notice given at any time/only upon an Exchange Event]].] [Global Registered Note exchangeable for definitive Registered Notes [on [●] days' notice given at any time/only upon the occurrence of an Exchange Event]/[Definitive Registered Notes].]

[3] If TEFRA D is applicable under "U.S. Selling Restrictions", the Notes must be initially represented by a Temporary Global Note.

		[*If Notes issued by MHCUK are AMTNs use the following alternative text:* The Notes are AMTNs as referred to in the Offering Circular and will be issued in registered uncertificated form, constituted by the Note (AMTN) Deed Poll and take the form of entries on a register to be maintained by the Australian Agent (as defined below). Copies of the Note (AMTN) Deed Poll are available from the Australian Agent at its principal office in Sydney.]
	(ii) New Global Note (NGN) / New Safekeeping Structure (NSS):	[Yes/No/Not Applicable] [NGN/NSS]
26.	Additional Financial Centre(s):	[Not Applicable/[●]]
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes. The Talons mature on [●]/No]
28.	Details relating to Instalment Notes:	[Applicable/Not Applicable]
	(i) Instalment Amount(s):	[Not Applicable/[●]]
	(ii) Instalment Date(s):	[Not Applicable/[●]]
29.	Additional Renminbi Clearing Financial Centre(s):	[Not Applicable/[●]]
30.	Calculation Agent:	[Principal Paying Agent/Australian Agent/[●]/Not Applicable]
31.	Governing Law:	[English law]/[*if Notes issued by MHCUK are AMTNs insert the following:* Laws of New South Wales, Australia]

SIGNATURES

Signed on behalf of [Mitsubishi HC Capital Inc./Mitsubishi HC Capital UK PLC]:

By: .....
Duly authorised

[By: .....
Duly authorised]

[Signed on behalf of Mitsubishi HC Capital Inc.:

By: .....
Duly authorised]

PART B - OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

(i)	Listing and admission to trading:	The Notes are expected to be admitted to trading on the London Stock Exchange plc's regulated market and to be listed on the Official List of the Financial Conduct Authority with effect from [●]
(ii)	Estimate of total expenses related to admission to trading:	[●]

2. **RATINGS**

[The Notes to be issued have not been rated.]/[The Notes to be issued have been rated:]

[[S&P Global Ratings Japan Inc.][*appropriate S&P entity*] ("**S&P [Japan]**"):	[●]. [S&P Japan is not established in the EEA or the UK and is neither certified nor registered under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the "**CRA Regulation**") or the CRA Regulation as it forms part of domestic UK law (the "**UK CRA Regulation**"). However, ratings issued by S&P Japan are endorsed by S&P Global Ratings Europe Limited, which is established in the EEA and registered under the CRA Regulation, and by S&P Global Ratings UK Limited, which is established in the UK and registered under the UK CRA Regulation.]]
[Japan Credit Rating Agency, Ltd. ("**JCR**"):	[●]. JCR is not established in the EEA or the UK. JCR is certified under [Regulation (EC) No 1060/2009 on credit rating agencies, as amended] / [the CRA Regulation] and [the CRA Regulation as it forms part of domestic UK law] / [the UK CRA Regulation].]
[[Fitch Ratings Japan Limited] [*appropriate Fitch entity*] ("**Fitch [Japan]**")	[●].[Fitch Japan is not established in the EEA or the UK and is neither certified nor registered under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the "**CRA Regulation**") or the CRA Regulation as it forms part of domestic UK law (the "**UK CRA Regulation**"). However, ratings issued by Fitch Japan are endorsed by Fitch Ratings Ireland Limited, which is established in the EEA and registered under the CRA Regulation, and by Fitch Ratings Ltd., which is established in the UK and registered under the UK CRA Regulation.]]

3. **REASONS FOR THE OFFER AND USE OF PROCEEDS**

[The net proceeds from the issue of the Notes will be applied by the Issuer for [the general corporate purposes of the Issuer which include making a profit.]/[[financing or refinancing, in whole or in part, the Eligible Project Portfolio, which comprises a portfolio of projects meeting the eligibility criteria set out

in the Green Finance Framework, as published on the Issuer's website and updated from time to time.]*[applicable to issuances by MHCUK only]]*/[●]]

4. **TOTAL NET PROCEEDS AND ESTIMATE OF THE TOTAL EXPENSES OF THE ISSUE/OFFER**

(i)	Total net proceeds:	[●]
(ii)	Estimate of the total expenses of the issue/offer:	[●]

5. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save for any fees payable to the [Manager[s]/Dealer[s]], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.]

6. **[THIRD PARTY INFORMATION**

[●] has been extracted from [●]. The Issuer [and the Guarantor] confirm[s] that such information has been accurately reproduced and that, so far as [the Issuer/each of them] is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

7. **YIELD** *(Fixed Rate Notes only)*

Indication of yield: [●]

8. **DESCRIPTION AND PERFORMANCE OF INDEX** *(Index-Linked or other variable-linked Notes only)*

[Details of the past and future performance and volatility of the [Index/Basket of Indices] are set out below: [●] [and can be obtained free of charge]/Not Applicable]

9. **OPERATIONAL INFORMATION**

(i)	ISIN Code:	[●]
(ii)	Common Code:	[●]
(iii)	Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A. and the Austraclear System and the relevant identification number(s):	[Not Applicable/[●]]
(iv)	Names and addresses of additional Paying Agent(s) (if any):	[Not Applicable/[●]] [*If Notes issued by MHCUK are AMTNs insert the following:* EQT Australia Pty Ltd (ABN 88 111 042 132) has been appointed under the Registry and Agency Services Agreement dated 27 September 2023 as issuing and paying agent and registrar (the "**Australian Agent**") in respect of the Notes. The Australian Agent's address is Level 4, 7 Macquarie Place, Sydney NSW 2000, Australia.]
(v)	Intended to be held in a manner which would allow eligibility for collateral purposes in credit operations of the central banking system for the Euro (the "**Eurosystem**"):	[Not Applicable] [Yes. Note that the designation "yes" means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper [*insert for Registered Notes which are to*

be held under the NSS:, and registered in the name of a nominee of Euroclear or Clearstream, Luxembourg acting as common safekeeper] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

[No. Whilst the designation is specified as "no" at the date of this Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper [*insert for Registered Notes which are to be held under the NSS*:, and registered in the name of a nominee of Euroclear or Clearstream, Luxembourg acting as common safekeeper]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

10. **DISTRIBUTION**

(i)	Prohibition of Sales to EEA Retail Investors:	[Applicable]/[Not Applicable] *(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the EEA, "Applicable" should be specified.)*]
(ii)	Prohibition of Sales to UK Retail Investors:	[Applicable]/[Not Applicable] *(If the Notes clearly do not constitute "CCIs" or the Notes do constitute "CCIs" and a disclosure document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "CCIs" s and no disclosure document will be prepared in the UK, "Applicable" should be specified.)*]

(iii)	U.S. selling restrictions:	[Regulation S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable][4]
(iv)	Prohibition of Sales to Belgian Consumers:	[Applicable]/[Not Applicable]
(v)	If syndicated, names of Managers:	[Not Applicable/[●]]
(vi)	If non-syndicated, name of relevant Dealer:	[Not Applicable/[●]]
(vii)	Additional selling restrictions:	[Not Applicable/[●]]

11. **POST-ISSUANCE INFORMATION** *(Index-Linked or other variable-linked Notes only)*

[The Issuer [intends to provide post-issuance information/does not intend to provide post-issuance information].]

12. **UK BENCHMARK REGULATION** [[*specify benchmark*] is provided by [*administrator legal name*]. As at the date hereof, [*administrator legal name*] [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of Regulation (EU) 2016/1011 as it forms part of domestic UK law (the "**UK Benchmark Regulation**"). [As far as the Issuer is aware, the transitional provisions in Article 51 of the UK Benchmark Regulation apply, such that [*administrator legal name*] is not currently required to obtain authorisation/registration (or, if located outside the United Kingdom, recognition, endorsement or equivalence).]]/[Not Applicable]

[4] TEFRA not applicable may be used only for offerings of Registered Notes, or Bearer Notes with a term of one year or less (taking into account any unilateral right to extend or rollover).

FORM OF THE PRICING SUPPLEMENT

NO PROSPECTUS IS REQUIRED IN ACCORDANCE WITH REGULATION (EU) 2017/1129 FOR THIS ISSUE OF NOTES.

THE OFFER OF THE NOTES IN THE UK IS MADE PURSUANT TO AN EXCEPTION TO THE PROHIBITION ON A PUBLIC OFFER UNDER THE PUBLIC OFFERS AND ADMISSIONS TO TRADING REGULATIONS 2024. ACCORDINGLY, THE FINANCIAL CONDUCT AUTHORITY HAS NEITHER APPROVED NOR REVIEWED THE INFORMATION CONTAINED HEREIN.

[**PROHIBITION OF SALES TO EEA 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**"). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF THE FOLLOWING:

(A) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU, AS AMENDED ("**MIFID II**");

(B) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2016/97/EU (THE "**INSURANCE DISTRIBUTION DIRECTIVE**"), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR

(C) NOT A QUALIFIED INVESTOR AS DEFINED IN REGULATION (EU) 2017/1129, AS AMENDED OR SUPERSEDED.

CONSEQUENTLY, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014, AS AMENDED (THE "**PRIIPS REGULATION**") FOR OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.][5]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS:** THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD, DISTRIBUTED OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD, DISTRIBUTED OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR IN THE UNITED KINGDOM ("**UK**"). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS EITHER ONE (OR BOTH) OF THE FOLLOWING:

(A) NOT A PROFESSIONAL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014 AS IT FORMS PART OF DOMESTIC UK LAW; OR

(B) NOT A QUALIFIED INVESTOR AS DEFINED IN PARAGRAPH 15 OF SCHEDULE 1 TO THE PUBLIC OFFERS AND ADMISSIONS TO TRADING REGULATIONS 2024 ("**POATRS**").

CONSEQUENTLY, NO DISCLOSURE DOCUMENT REQUIRED BY THE FCA PRODUCT DISCLOSURE SOURCEBOOK ("**DISC**") FOR OFFERING, SELLING OR DISTRIBUTING THE NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE UK HAS BEEN PREPARED AND THEREFORE OFFERING, SELLING OR DISTRIBUTING THE NOTES OR

[5] Legend to be included on the front of the Pricing Supplement if "Prohibition of Sales to EEA Retail Investors" (see Part B, paragraph 9(i)) is specified as "Applicable".

OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE UK MAY BE UNLAWFUL UNDER THE DISC AND THE CONSUMER COMPOSITE INVESTMENTS (DESIGNATED ACTIVITIES) REGULATIONS 2024.][6]

[MIFID II PRODUCT GOVERNANCE / TARGET MARKET: SOLELY FOR THE PURPOSES OF [THE/EACH] MANUFACTURER['S/S'] PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT:

(A) THE TARGET MARKET FOR THE NOTES IS ELIGIBLE COUNTERPARTIES AND PROFESSIONAL CLIENTS ONLY, EACH AS DEFINED IN MIFID II; AND

(B) 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 MANUFACTURER['S/S'] 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 MANUFACTURER['S/S'] TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.]

[**UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET:** SOLELY FOR THE PURPOSES OF [THE/EACH] MANUFACTURER['S/S'] PRODUCT APPROVAL PROCESS, THE TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES HAS LED TO THE CONCLUSION THAT:

(A) THE TARGET MARKET FOR THE NOTES IS ONLY ELIGIBLE COUNTERPARTIES, AS DEFINED IN THE FCA HANDBOOK CONDUCT OF BUSINESS SOURCEBOOK, AND PROFESSIONAL CLIENTS, AS DEFINED IN REGULATION (EU) NO 600/2014 AS IT FORMS PART OF DOMESTIC UK LAW ("**UK MIFIR**"); AND

(B) 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 MANUFACTURER['S/S'] TARGET MARKET ASSESSMENT; HOWEVER, A DISTRIBUTOR SUBJECT TO THE FCA HANDBOOK PRODUCT INTERVENTION AND PRODUCT GOVERNANCE SOURCEBOOK (THE "**UK MIFIR PRODUCT GOVERNANCE RULES**") IS RESPONSIBLE FOR UNDERTAKING ITS OWN TARGET MARKET ASSESSMENT IN RESPECT OF THE NOTES (BY EITHER ADOPTING OR REFINING THE MANUFACTURER['S/S'] TARGET MARKET ASSESSMENT) AND DETERMINING APPROPRIATE DISTRIBUTION CHANNELS.]

Pricing Supplement dated [*Date*]

[MITSUBISHI HC CAPITAL INC.
Legal Entity Identifier (LEI): 353800MZ3QX9RLMH7B09]

[6] Legend to be included on the front of the Pricing Supplement if "Prohibition of Sales to UK Retail Investors" (see Part B, paragraph 9(ii)) is specified as "Applicable".

[MITSUBISHI HC FINANCE AMERICA LLC
Legal Entity Identifier (LEI): 3538008O2MCHLB9FAL82]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
[Guaranteed by Mitsubishi HC Capital Inc.]

under the
U.S.$12,500,000,000
EURO 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 the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of Regulation (EU) 2017/1129.

Any person making or intending to make any offer of the Notes in the UK may only do so pursuant to an exception to the prohibition on a public offer under the Public Offers and Admissions to trading Regulations 2024.

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Offering Circular dated [●]. This document constitutes the final terms of the Notes described herein and must be read in conjunction with the Offering Circular [and the supplement[s] thereto dated [●]].

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the "**Conditions**") set forth in the Offering Circular dated [*original date*], which are incorporated by reference in the Offering Circular dated [●]. This document constitutes the final terms of the Notes described herein and must be read in conjunction with the Offering Circular dated [●] [and the supplement[s] thereto dated [●]] in order to obtain all the relevant information, save in respect of the Conditions which are extracted from the Offering Circular dated [original date] [and the supplement(s) to it dated [●]].]

1.	(i)	Issuer:	[Mitsubishi HC Capital Inc./Mitsubishi HC Finance America LLC]
	(ii)	[Guarantor:]	[Mitsubishi HC Capital Inc.]
2.	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]
	[(iii)	Date on which the Notes become fungible:	[Not Applicable/[●]]
3.	Specified Currency [or Currencies]:		[●]
4.	Aggregate Nominal Amount:		
	(i)	Series	[●]
	(ii)	Tranche:	[●]
5.	Issue Price:		[●]
6.	(i)	Specified Denomination(s):	[●]
	(i)	Calculation Amount:	[●]
7.	(ii)	Issue Date:	[●]

(iii)	Interest Commencement Date:	[●]
8.	Maturity Date:	[●]
9.	Interest Basis:	[[●] per cent. Fixed Rate] [[●] +/- [●] per cent. Floating Rate] [Zero Coupon] [Dual Currency Interest] [Index Linked Interest]
10.	Redemption/Payment Basis:	[Redemption at par] [Dual Currency Redemption] [Instalment] [Index Linked Redemption]
11.	Change of Interest Basis or Redemption/Payment Basis:	[Applicable/Not Applicable]
12.	Put/Call Options:	[Not Applicable] [Investor Put] [Issuer Call]
13.	Date of Board Resolutions:	[●] [and [●] respectively]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	**Fixed Rate Note Provisions**	[Applicable/Not Applicable]
(i)	Rate(s) of Interest:	[●] per cent. per annum payable on each Interest Payment Date [adjusted in accordance with the Interest Ratchet]
(ii)	Step Up Event/Step Down Event:	[Yes/No]
(iii)	Step Up Margin:	[Not Applicable/[●] per cent. per annum]
(iv)	Interest Payment Date(s):	[●] [adjusted in accordance with the Business Day Convention specified below/(not adjusted)] (*Interest Payment Dates for Fixed Rate Notes are normally not subject to adjustment by any Business Day Convention*)
(v)	Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(vi)	Additional Business Centre(s):	[●]
(vii)	Fixed Coupon Amount(s):	[●] per Calculation Amount
(viii)	Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
(ix)	Fixed Day Count Fraction:	[Actual/Actual (ICMA) / 30/360 / Actual/365 (Fixed) / RBA Bond Basis]
(x)	[Determination Dates:	[●] in each year]
15.	**Floating Rate Note Provisions**	[Applicable/Not Applicable]

(i)	Specified Period(s)/Specified Interest Payment Dates:	[[●] in each year, subject to adjustment in accordance with the Business Day Convention set out in (iii) below]
(ii)	First Interest Payment Date:	[●]
(iii)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(iv)	Additional Business Centre(s):	[●]
(v)	Manner in which the Rate(s) of Interest and Interest Amount(s) is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(vi)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Principal Paying Agent):	[●]
(vii)	Screen Rate Determination:	[Applicable/Not Applicable]
	(a) Reference Rate:	[EURIBOR/ BBSW Rate/ AONIA Rate/ BKBM/ CMS/ CNH HIBOR/ Compounded Daily SONIA/ HIBOR/ NDBB/ NIBOR/ SOFR/ Compounded Daily SOFR/ Compounded SOFR Index/ SONIA/ SORF/ STIBOR/ TIBOR/ TONA/ Compounded Daily CORRA/ CORRA Compounded Index/ SARON/ WIBOR]
	(b) Interest Determination Date(s):	[[●]/[as per the Conditions]]
	(c) Relevant Screen Page:	[●]
	(d) Relevant Time:	[●] in the Relevant Financial Centre
	(e) Relevant Financial Centre:	[London/ Brussels/ Sydney/ Auckland/ Toronto/ Hong Kong/ Oslo/ New York/ Singapore/ Stockholm/ Tokyo/ Wellington/ Warsaw/ [●]]
	(f) Designated Maturity:	[●]
	(g) Compounded Daily SOFR:	[Not Applicable/ SOFR Lag/ SOFR Observation Shift/ SOFR Payment Delay/ SOFR Lockout] *(Only applicable in the case of Compounded Daily SOFR)*
	(h) Lookback Days:	[Not Applicable/[●] U.S. Government Securities Business Day(s)] *(Only applicable in the case of SOFR Lag)*
	(i) SOFR Observation Shift Days:	[Not Applicable/[●] U.S. Government Securities Business Day(s)] *(Only applicable in the case of SOFR Observation Shift or Compounded SOFR Index)*
	(j) Interest Payment Delay Days:	[Not Applicable/[●] U.S. Government Securities Business Day(s) *(Only applicable in the case of SOFR Payment Delay)*

	(k)	SOFR Rate Cut-Off Date:	[Not Applicable/The day that is the [●] U.S. Government Securities Business Day(s) prior to the end of each Interest Period] *(Only applicable in the case of Compounded Daily SOFR: SOFR Payment Delay or Compounded Daily SOFR: SOFR Lockout)*
	(l)	SOFR IndexStart:	[Not Applicable/[●] U.S. Government Securities Business Day(s)] *(Only applicable in the case of Compounded SOFR Index)*
	(m)	SOFR IndexEnd:	[Not Applicable/[●] U.S. Government Securities Business Day(s)] *(Only applicable in the case of Compounded SOFR Index)*
	(n)	Benchmark Discontinuation (SOFR)	[Applicable/Not Applicable]
	(o)	Observation Look-Back Period:	[●]/[Not Applicable]
	(p)	TONA Rate of Interest Determination method:	[TONA Lookback Compound][TONA Shift Compound]
	(q)	Observation Shift Days:	[●] [Tokyo Banking Days][Bank of Canada Business Days][Zurich Banking Days] *(only applicable in the case of TONA Shift Compound, Compounded Daily CORRA and SARON)*
(viii)		ISDA Determination:	[2006 ISDA Determination/2021 ISDA Determination]
	(a)	Floating Rate Option:	[●]
	(a)	Designated Maturity:	[●]
	(b)	Reset Date:	[●]
	(c)	Compounding:	[Applicable/Not Applicable]
	(d)	Compounding Method:	[Compounding with Lookback Lookback: [●] Applicable Business Days] [Compounding with Observation Period Shift Observation Period Shift: [●] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [●]/[Not Applicable]] [Compounding with Lockout Lockout: [●] Lockout Period Business Days Lockout Period Business Days: [●]/[Applicable Business Days]] *(to be at least five Applicable Business Days/Observation Period Shift Business Days/Lockout Period Business Days unless otherwise agreed with the Calculation Agent)*

	(e)	Index Provisions:	[Applicable/Not Applicable]
	(f)	Index Method:	[Compounded Index Method with Observation Period Shift Observation Period Shift: [●] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [●]/[Not Applicable]] *(To be at least five Observation Period Shift Business Days unless otherwise agreed with the Calculation Agent)*
(ix)	Linear Interpolation:		[Not Applicable]/[Applicable. The Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation.]
(x)	Margin(s):		[+/-] [●] per cent. per annum
(xi)	Minimum Interest Rate:		[●] per cent. per annum
(xii)	Maximum Interest Rate:		[●] per cent. per annum
(xiii)	Day Count Fraction:		[Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/365 (Sterling) / Actual/360 / 30/360 / 30E/360 / 30E/360 (ISDA)]
16.	**Zero Coupon Note Provisions**		[Applicable/Not Applicable]
	(i)	Accrual Yield:	[●] per cent. per annum
	(ii)	Reference Price:	[●]
	(iii)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions 6(e)(iii) and 6(j) apply]
17.	**Dual Currency Interest Note Provisions**		[Applicable/Not Applicable]
	(i)	Rate of Exchange:	[●]
	(ii)	Party, if any, responsible for calculating the principal and/or interest due:	[Principal Paying Agent/[●]]
	(iii)	Person at whose option Specified Currency(ies) is/are payable:	[●]
18.	**Index Linked Interest Note Provisions**		[Applicable/Not Applicable]
	(i)	Index/Basket of Indices/Index Sponsor/Reference Source:	[The "Index" means [●]] [The Index is a Unitary Index/Multi-Exchange Index] [The Index Sponsor for the Index is [●]] [The Index Currency for the Index is [●]] [The Reference Source for the Index is [●]]
	(ii)	Index Linked Interest Formula:	Additional Condition 1.3 [(A)/(B)][(I)/(II)] shall apply [For the purpose of each item of the Index Linked Interest Formula, [(x)/(y)] shall apply] [the applicable Interest Amount shall be [●]]

(iii)	Specified Period(s)/Specified Interest Period End Date(s):	[[●] in each year from and including [●] to and including the Maturity Date [subject to adjustment in accordance with the Business Day Convention/subject to no adjustment]/[●]/[same as Specified Interest Payment Date(s)]]
(iv)	Specified Interest Payment Dates:	[[●] in each year from and including [●] to and including the Maturity Date [subject to adjustment in accordance with the Business Day Convention/[●]]]
(v)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(vi)	Additional Financial Centre(s) relating to Business Days:	[[●]/Not Applicable]
(vii)	Minimum Rate/Amount of Interest:	[[●] per cent. per annum/Not Applicable]
(viii)	Medium Rate/Amount of Interest:	[[●] per cent. per annum/Not Applicable]
(ix)	Maximum Rate/Amount of Interest:	[[●] per cent. per annum/Not Applicable]
(x)	Day Count Fraction:	[Actual/Actual (ISDA) / Actual/Actual (ICMA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / 30E/360 (ISDA)]
(xi)	Exchange(s):	[●]
(xii)	Related Exchange:	[[●]/All Exchanges] [(Paragraph [(I)/(II)] of the definition of "Related Exchange" in Additional Condition 1.2 shall apply)]
(xiii)	Valuation Date(s):	[●] [(Paragraph [(b)(i)/(b)(ii)] of the definition of "Valuation Date" in Additional Condition 1.2 shall apply)]
(xiv)	Valuation Cut-Off Date(s):	[●]/[Paragraph (ii) of the definition of "Valuation Cut-Off Date" in Additional Condition 1.2 shall apply]
(xv)	Barrier Level:	[[●]/Barrier Level 1: [●]; Barrier Level 2: [●] /Not Applicable]
(xvi)	Base Price	[As defined in Additional Condition 1.2/Not Applicable]
(xvii)	Base Price Fixing Date:	[[●]/Not Applicable] [(Paragraph [(I)/(II)/(III)] of the definition of "Base Price Fixing Date" in Additional Condition 1.2 shall apply)]
(xviii)	Base Price Valuation Cut-Off Date:	[●]/[Paragraph (ii) of the definition of "Base Price Valuation Cut-Off Date" in Additional Condition 1.2 shall apply]
(xix)	Correction Publication Cut-Off Date:	[Applicable/Not Applicable] [The immediately following business day of the original date of publication/[●]]
(xx)	Additional Disruption Events:	Change in Law is [Applicable/Not Applicable]

		Hedging Disruption is [Applicable/Not Applicable] Increased Cost of Hedging is [Applicable/Not Applicable]
PROVISIONS RELATING TO REDEMPTION		
19.	**Notice periods for Condition 6(b) (*Redemption and Purchase - Redemption for Tax Reasons*):**	[As set out in Condition 6(b)/Minimum period: [●] days; Maximum period: [●] days]
20.	**Issuer Call:**	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	- Par Redemption Date:	[●]
	(ii) Optional Redemption Amount and method, if any, of calculation of such amount(s):	[[●] per Calculation Amount]/[Make-Whole Redemption Amount (Sterling)]/[Make-Whole Redemption Amount (Non-Sterling)]/[Par Redemption Amount]
	(iii) Reference Bond:	[●]
	(iv) Redemption Margin:	[●]
	(v) Quotation Time:	[●]
	(vi) If redeemable in part:	
	(g) Minimum Redemption Amount:	[●] per Calculation Amount
	(h) Maximum Redemption Amount:	[●] per Calculation Amount
	(vi) Notice period:	[Minimum period: [●] days; Maximum period: [●] days]
21.	**Investor Put:**	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount:	[●]
	(iii) Notice period:	[Minimum period: [●] days; Maximum period: [●] days]
22.	**Final Redemption Amount:**	[●] per Calculation Amount
23.	**Index Linked Redemption Notes:**	[Applicable/Not Applicable]
	(i) Index Linked Automatic Early Redemption:	[Applicable/Not Applicable] [For the purpose of the Automatic Early Redemption Event, Additional Condition 1.4(a)[(i)(x)/(i)(y)/ (ii)(x)/(ii)(y)] shall apply]
	(ii) Index Linked Final Redemption:	
	(a) Index/Basket of Indices/Index Sponsor(s)/Reference Source:	[The "Index" means [●]] [The Index is a Unitary Index/Multi-Exchange Index] [The Index Sponsor for the Index is [●]] [The Index Currency for the Index is [●]] [The Reference Source for the Index is [●]] [As specified in item 18(i) in "Index Linked Interest Note Provisions" above]

(b)	Index Linked Redemption Formula:	Additional Condition 1.4(b)[(I)/(II)/(III)/(IV)] shall apply [For the purpose of each item in the Index Linked Redemption Formula, [(x)/(y)] shall apply]
(c)	Automatic Early Redemption Amount:	[●] per Calculation Amount
(d)	Automatic Early Redemption Date(s):	[●]
(e)	Automatic Early Redemption Valuation Date(s):	[●]
(f)	Rounding (Index Performance):	[[Rounded down/Rounded up/Rounded to the [nearest [whole number [(with 0.5 being rounded up)]]]/[nearest [●] decimal places [(with [half of such number of decimal places] being rounded up)]]]] [Rounding Not Applicable]
(g)	Exchange(s):	[[●]/As specified in item 18(xi) of "Index Linked Interest Note Provisions" above]
(h)	Related Exchange:	[[●]/All Exchanges/As specified in item 18(xii) of "Index Linked Interest Note Provisions" above]
(i)	Valuation Date(s):	[[●]/As specified in item 18(xiii) of "Index Linked Interest Note Provisions" above]
(j)	Valuation Cut-Off Date:	[●]/[Paragraph (ii) of the definition of "Valuation Cut-Off Date" in Additional Condition 1.2 shall apply]/[As specified in item 18(xiv) of "Index Linked Interest Note Provisions" above]
(k)	Observation Period:	[Applicable/Not Applicable]
	(i) Observation Period Start Date:	[[Including/Excluding] [●]/Not Applicable]
	(ii) Observation Period End Date:	[[Including/Excluding] [●]/Not Applicable]
(l)	Barrier Event:	[Not Applicable/Barrier Event (intraday), Early Closure [applicable/not applicable]/Barrier Event (closing)] [For the purpose of the definition of the Barrier Event Determination Day, [(a)(i)/(a)(ii)/(b)] shall apply] [For the purpose of definition of the Barrier Event (closing), [(a)(x)/(a)(y)/(b)(x)/(b)(y)] shall apply] [For the purpose of definition of the Barrier Event (intraday), [(a)(x)/(a)(y)/(b)(x)/(b)(y)] shall apply]
(m)	Barrier Level:	[[●]/Not Applicable]
(n)	Knock-out Price:	[[●]/Not Applicable]
(o)	Strike Price:	[[●]/Not Applicable]

(p)	Base Price:	[[●]/Not Applicable/As specified in item 18(xvi) of "Index Linked Interest Note Provisions" above]
(q)	Base Price Fixing Date:	[[●]/Not Applicable] [(Paragraph [(I)/(II)/(III)] of the definition of "Base Price Fixing Date" in Additional Condition 1.2 shall apply] [As specified in item 18(xvii) of "Index Linked Interest Note Provisions" above]
(r)	Base Price Valuation Cut-Off Date:	[●]/[Paragraph (ii) of the definition of "Base Price Valuation Cut-Off Date" in Additional Condition 1.2 shall apply]/[As specified in item 18(xviii) of "Index Linked Interest Note Provisions" above]
(s)	Correction Publication Cut-Off Date:	[Applicable/Not Applicable] [The immediately following business day of the original date of publication/[●]]
(t)	Additional Disruption Events:	Change in Law is [Applicable/Not Applicable] Hedging Disruption is [Applicable/Not Applicable] Increased Cost of Hedging is [Applicable/Not Applicable]

24. **Early Redemption Amount**

Early Redemption Amount payable on redemption for taxation reasons or on event of default:	[[●] per Calculation Amount]/[Early Redemption (Market Value) is applicable/not applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes:

(i)	Form:	[Bearer Notes[7]: [Temporary Global Note exchangeable for [a Permanent Global Note which is exchangeable for Definitive Notes [on [●] days' notice given at any time/only upon an Exchange Event]]/Definitive Notes on and after the Exchange Date]/[Permanent Global Note exchangeable for Definitive Notes [on [●] days' notice given at any time/only upon an Exchange Event]].] [Global Registered Note exchangeable for definitive Registered Notes [on [●] days' notice given at any time/only upon the occurrence of an Exchange Event]/[Definitive Registered Notes].]
(ii)	New Global Note (NGN) / New Safekeeping Structure (NSS):	[Yes/No/Not Applicable] [NGN/NSS]

26. Additional Financial Centre(s): [Not Applicable/[●]]

[7] If TEFRA D is applicable under "U.S. Selling Restrictions", the Notes must be initially represented by a Temporary Global Note. Bearer Notes may not be issued by MHFA.

27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes. The Talons mature on [●]/No]
28.	Details relating to Instalment Notes:	[Applicable/Not Applicable]
	(i) Instalment Amount(s):	[Not Applicable/[●]]
	(ii) Instalment Date(s):	[Not Applicable/[●]]
29.	Additional Renminbi Clearing Financial Centre(s):	[Not Applicable/[●]]
30.	Calculation Agent:	[Principal Paying Agent/Australian Agent/[●]/Not Applicable]
31.	Governing Law:	English law

SIGNATURES

Signed on behalf of [Mitsubishi HC Capital Inc./Mitsubishi HC Finance America LLC]:

By: ..... [By: .....

Duly authorised *Duly authorised*]

[Signed on behalf of Mitsubishi HC Capital Inc.:

By: .....

Duly authorised]

PART B - OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

[The Notes to be issued are unlisted.]

(i)	[Listing and admission to trading:]	[[●]]
(ii)	[Estimate of total expenses related to admission to trading:]	[[●]]

2. **RATINGS**

[The Notes to be issued have not been rated.]/[The Notes to be issued have been rated:]

[S&P Global Ratings Japan Inc. ("**S&P Japan**"):	[●]. S&P Japan is not established in the EEA or the UK and is neither certified nor registered under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the "**CRA Regulation**") or the CRA Regulation as it forms part of domestic UK law (the "**UK CRA Regulation**"). However, ratings issued by S&P Japan are endorsed by S&P Global

	Ratings Europe Limited, which is established in the EEA and registered under the CRA Regulation, and by S&P Global Ratings UK Limited, which is established in the UK and registered under the UK CRA Regulation.]
[Japan Credit Rating Agency, Ltd. ("**JCR**"):	[●]. JCR is not established in the EEA or the UK. JCR is certified under [Regulation (EC) No 1060/2009 on credit rating agencies, as amended] / [the CRA Regulation] and [the CRA Regulation as it forms part of domestic UK law] / [the UK CRA Regulation].]
[[Fitch Ratings Japan Limited] [*appropriate Fitch entity*] ("**Fitch [Japan]**")	[●].[Fitch Japan is not established in the EEA or the UK and is neither certified nor registered under Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the "**CRA Regulation**") or the CRA Regulation as it forms part of domestic UK law (the "**UK CRA Regulation**"). However, ratings issued by Fitch Japan are endorsed by Fitch Ratings Ireland Limited, which is established in the EEA and registered under the CRA Regulation, and by Fitch Ratings Ltd., which is established in the UK and registered under the UK CRA Regulation.]]

3. **REASONS FOR THE OFFER AND USE OF PROCEEDS**

[The net proceeds from the issue of the Notes will be applied by the Issuer for the general corporate purposes of the Issuer which include making a profit.]

4. **TOTAL NET PROCEEDS AND ESTIMATE OF THE TOTAL EXPENSES OF THE ISSUE/OFFER**

(i)	Total net proceeds:	[●]
(ii)	Estimate of the total expenses of the issue/offer:	[●]

5. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

[Save for any fees payable to the [Manager[s]/Dealer[s]], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.]

6. **[THIRD PARTY INFORMATION**

[●] has been extracted from [●]. The Issuer [and the Guarantor] confirm[s] that such information has been accurately reproduced and that, so far as [the Issuer/each of them] is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

7. **YIELD** *(Fixed Rate Notes only)*

Indication of yield: [●]

8. **DESCRIPTION AND PERFORMANCE OF INDEX** *(Index-Linked or other variable-linked Notes only)*

[Details of the past and future performance and volatility of the [Index/Basket of Indices] are set out below: [●] [and can be obtained free of charge]/Not Applicable]

9. **OPERATIONAL INFORMATION**

(i)	ISIN Code:	[●]
(ii)	Common Code:	[●]
(iii)	Any clearing system(s) other than Euroclear Bank SA/NV, Clearstream Banking S.A. and the Austraclear System and the relevant identification number(s):	[Not Applicable/[●]]
(iv)	Names and addresses of additional Paying Agent(s) (if any):	[Not Applicable/[●]]
(v)	Intended to be held in a manner which would allow eligibility for collateral purposes in credit operations of the central banking system for the Euro (the "**Eurosystem**"):	[Not Applicable] [Yes. Note that the designation "yes" means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper [*insert for* Registered *Notes which are to be held under the NSS:*, and registered in the name of a nominee of Euroclear or Clearstream, Luxembourg acting as common safekeeper] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.] [No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper [*insert for Registered Notes which are to be held under the NSS*:, and registered in the name of a nominee of Euroclear or Clearstream, Luxembourg acting as common safekeeper]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.]

10. **DISTRIBUTION**

(i)	Prohibition of Sales to EEA Retail Investors:	[Applicable]/[Not Applicable] *(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the EEA, "Applicable" should be specified.)*]
(ii)	Prohibition of Sales to UK Retail Investors:	[Applicable]/[Not Applicable] *(If the Notes clearly do not constitute "CCIs" or the Notes do constitute "CCIs" and a disclosure document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "CCIs" s and no disclosure document will be prepared in the UK, "Applicable" should be specified.)*]
(iii)	U.S. selling restrictions:	[Regulation S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable][8]
(iv)	Prohibition of Sales to Belgian Consumers:	[Applicable]/[Not Applicable]
(v)	If syndicated, names of Managers:	[Not Applicable/[●]]
(vi)	If non-syndicated, name of relevant Dealer:	[Not Applicable/[●]]
(vii)	Additional selling restrictions:	[Not Applicable/[●]]

11. **POST-ISSUANCE INFORMATION** *(Index-Linked or other variable-linked Notes only)*

[The Issuer [intends to provide post-issuance information/does not intend to provide post-issuance information].]

12.	**UK BENCHMARK REGULATION**	[[*specify benchmark*] is provided by [*administrator legal name*]. As at the date hereof, [*administrator legal name*] [appears]/[does not appear] in the register of administrators and benchmarks established and maintained by the FCA pursuant to Article 36 of Regulation (EU) 2016/1011 as it forms part of domestic UK law (the "**UK Benchmark Regulation**"). [As far as the Issuer is aware, the transitional provisions in Article 51 of the UK Benchmark Regulation apply, such that [*administrator legal name*] is not currently required to obtain authorisation/registration (or, if located outside the United Kingdom, recognition, endorsement or equivalence).]]/[Not Applicable]

[8] TEFRA not applicable may be used only for offerings of Registered Notes, or Bearer Notes with a term of one year or less (taking into account any unilateral right to extend or rollover).

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which, save for paragraphs in italics, will be incorporated by reference into each Global Note and which will be endorsed on or attached to (or, if permitted by the relevant stock exchange or other relevant authority (if any) and agreed between the relevant Issuer and the relevant Dealer, incorporated by reference into) each definitive Note or applicable to AMTNs (as defined below). The applicable Final Terms or Pricing Supplement in relation to any Tranche of Notes will (in the case of Final Terms) complete or (in the case of a Pricing Supplement) complete, amend and/or replace the following Terms and Conditions for the purpose of such Notes.

The relevant sections of the applicable Final Terms or Pricing Supplement will be incorporated into, or attached to, each global Note and definitive Note. Reference should be made to "Form of the Final Terms" or "Form of Pricing Supplement" above for the form of the Final Terms and Pricing Supplement which will include the definitions of certain terms used in the following Terms and Conditions or specify which of such terms are to apply in relation to the relevant Notes.

This Note (other than a Note issued by Mitsubishi HC Capital UK PLC and which is specified in the applicable Final Terms as being denominated in Australian dollars and issued in the Australian domestic wholesale capital market (an "**AMTN**")) is one of a series of Notes issued by the issuer named in the applicable Final Terms (the "**Issuer**") pursuant to, and with the benefit of, an amended and restated agency agreement dated 27 August 2026 (such agency agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") and made among Mitsubishi HC Capital Inc. ("**MHC**"), Mitsubishi HC Capital UK PLC ("**MHCUK**"), Mitsubishi HC Finance America LLC ("**MHFA**"), HSBC Bank plc as principal paying agent and agent bank (in such capacity, the "**Principal Paying Agent**", which expression shall include any other successor principal paying agent) and as registrar (in such capacity, the "**Registrar**", which expression shall include any other successor registrar) and the other paying agents (together with the Principal Paying Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents) and transfer agents (together with the Registrar, the "**Transfer Agents**", which expression shall include any additional or successor transfer agents) named therein.

MHCUK and EQT Australia Pty Ltd as registrar and issuing and paying agent in Australia (the "**Australian Agent**") have entered into a registry and agency services agreement dated 27 September 2023 (such agency agreement as amended and/or supplemented and/or restated from time to time, the "**Australian Agency Agreement**") in relation to the issuance of AMTNs by MHCUK.

The final terms applicable to this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms endorsed on, attached to or, as the case may be, incorporated in this Note which supplement these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or, to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note.

The Noteholders, the Receiptholders and the Couponholders of Notes (other than AMTNs) are entitled to the benefit of the deed of covenant (the "**Deed of Covenant**") dated 27 August 2026 and executed by the Issuer. The Noteholders of AMTNs issued by MHCUK are entitled to the benefit of the deed poll ("**Note (AMTN) Deed Poll**") dated 27 September 2023 and executed by MHCUK.

In the case of Notes issued by MHCUK and MHFA, Noteholders (including the Noteholders of the AMTNs), the Receiptholders and the Couponholders are entitled to the benefit of the deed of guarantee (the "**Guarantee**") dated 29 August 2025 and executed by MHC as guarantor (MHC in such capacity, the "**Guarantor**").

Registered Notes (as defined below) (other than AMTNs) are constituted by the Deed of Covenant. The original of the Deed of Covenant is held by a common depositary on behalf of Euroclear (as defined below) and

Clearstream, Luxembourg (as defined below) and the originals of the Guarantee are held by the Principal Paying Agent at its specified office for the time being. AMTNs will be constituted by the Note (AMTN) Deed Poll. The original Note (AMTN) Deed Poll is held by the Australian Agent. The provisions of these Conditions (as defined below) relating to Bearer Notes, Certificates, Receipts, Coupons and Talons do not apply to Notes specified in the Final Terms as being AMTNs.

The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of (in respect of the holders of Notes (other than AMTNs)) all the provisions of the Deed of Covenant, (in respect of the AMTN holders only) the Note (AMTN) Deed Poll, the Agency Agreement, the Australian Agency Agreement, the Guarantee, in the case of Notes issued by MHCUK and MHFA, and the applicable Final Terms which are binding on them.

Copies of the Agency Agreement, the Deed of Covenant and in the case of Notes issued by MHCUK and MHFA, the Guarantee are available at the specified office of the Principal Paying Agent. Copies of the Australian Agency Agreement and the Note (AMTN) Deed Poll are available at the specified office of the Australian Agent.

References herein to:

(i) "**Agency Agreement**" includes the Agency Agreement and the Australian Agency Agreement, as the context permits;

(ii) "**Agents**" means the Principal Paying Agent, the Registrar, the Paying Agents, the Transfer Agents and the Australian Agent, as the context permits;

(iii) the "**applicable Final Terms**" means the Final Terms (or the relevant provisions thereof) applicable to, attached hereto or incorporated herein provided that, in the case of (i) a Tranche of Notes which is the subject of a pricing supplement (a "**Pricing Supplement**") or (ii) a Tranche of Notes which is the subject of a separate prospectus specific to that Tranche of Notes (a "**Drawdown Prospectus**"), each reference to Final Terms or to information being specified or identified in the applicable Final Terms shall be read and construed as a reference to the Pricing Supplement or Drawdown Prospectus or to such information being specified or identified in the applicable Pricing Supplement or Drawdown Prospectus unless the context requires otherwise;

(iv) "**Couponholders**" means the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons and references to "**Coupons**" shall, unless the context otherwise requires, be deemed to include a reference to Talons;

(v) "**Euroclear**" means Euroclear Bank SA/NV, "**Clearstream, Luxembourg**" means Clearstream Banking S.A. and "**Austraclear System**" means the clearing and settlement system operated in Australia by Austraclear Ltd and references to Euroclear and/or Clearstream, Luxembourg and/or the Austraclear System shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and (in respect of Note other than AMTNs) the Principal Paying Agent or Registrar, as the case may be, (in respect of AMTNs) the Australian Agent and specified in the applicable Final Terms;

(vi) "**Notes**" means the Notes of this Series and (1) any global Note, (2) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency, (3) any definitive Note (whether or not issued in exchange for a global Note) and (4) any AMTNs, in each case for the time being outstanding, or as the context may require or a specific number of them;

(vii) "**Noteholders**", "**Holders**", "**holders**", "**holders of Notes**" or "**holders of AMTNs**", in relation to any Notes, mean (1) in the case of Bearer Notes, holders of the Notes, (2) in the case of Registered Notes

(including AMTNs), the person in whose name such Registered Note (or such AMTN) is for the time being registered in the Register (as defined herein) (or, in the case of a joint holding, the first named thereof) or (3) in the case of any Notes represented by a global Note, be construed as provided in Condition 1;

(viii) "**Receiptholders**" means the holders of the Receipts;

(ix) "**Registrar**" includes, if applicable, in relation to any Series comprising Registered Notes, the Registrar or the Australian Agent;

(x) "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (1) expressed to be consolidated and form a single series and (2) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices; and

(xi) "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading).

Words and expressions defined in the Agency Agreement or used or specified in capitalised terms in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of any inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

1. Form, Denomination, Title and Transfer

(a) Form and Denomination

The Notes may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"), as specified in the applicable Final Terms, and, in the case of definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*. AMTNs will be issued only as Registered Notes in registered uncertificated form.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, a Dual Currency Interest Note, an Index Linked Interest Note or a combination of any of the foregoing, depending upon the Interest Basis specified in the applicable Final Terms.

This Note may be an Index Linked Redemption Note, an Instalment Note, a Dual Currency Redemption Note or a combination of any of the foregoing, depending on the Redemption/Payment Basis specified in the applicable Final Terms.

Interest bearing definitive Bearer Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable. Bearer Notes in definitive form which are Instalment Notes have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and global Notes do not have Receipts, Coupons or Talons attached on issue.

The holder of each Coupon, whether or not such Coupon is attached to a Bearer Note, in his capacity as such, shall be subject to, and bound by, all the provisions contained in the relevant Note.

(b) Title and Transfer

Subject as set out below, title to Bearer Notes, Receipts and Coupons will pass by delivery and title to Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer, the Guarantor and the Agents will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon or the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership for writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next paragraph.

For so long as any of the Notes is represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg each person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such Notes, for which purpose the bearer of the relevant global Bearer Note or the registered holder of the relevant global Registered Note shall be treated by the Issuer, the Guarantor and the Agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant global Note (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by a global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

(c) Transfers of Registered Notes (other than AMTNs)

In respect of Registered Notes other than AMTNs:

(i) *Register*: The Issuer will cause the Registrar to maintain a register (the "**Register**"), outside the United Kingdom, on which shall be entered the names and addresses of the holders of Registered Notes and the particulars of Registered Notes held by them and of all transfers of Registered Notes. Each Noteholder shall be entitled to receive only one definitive Registered Note certificate in respect of its entire holding of Registered Notes.

(ii) *Transfers of interests in global Registered Notes*: Transfers of beneficial interests in global Registered Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of transferors and transferees of such interests. A beneficial interest in a global Registered Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for definitive Registered Notes or for a beneficial interest in another global Registered Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

(iii) *Transfers of Definitive Notes in registered form*: Subject as provided in paragraphs (vii) (*Close periods*) and (viii) (*Regulations concerning transfers and registration*) below, a definitive Registered Note may be transferred in whole or in part (in the nominal amount of the lowest Specified Denomination or any integral multiple thereof) by the deposit by the transferor of the definitive Registered Note for registration of the transfer at the specified office of a Transfer Agent with the form of transfer endorsed on the definitive Registered Note duly completed and

executed by or on behalf of the transferor and upon the relevant Transfer Agent (after due and careful enquiry) being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer and the Registrar may prescribe. Subject as provided above, the relevant Transfer Agent will, within three days of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), deliver at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new definitive Registered Note of a like aggregate nominal amount to the definitive Registered Note (or the relevant part of the definitive Registered Note) transferred. In the case of the transfer of part only of a definitive Registered Note, a new definitive Registered Note in respect of the balance of the definitive Registered Note not transferred will be so delivered or (at the risk of the transferor) sent to the transferor.

(iv) *Registration of transfer upon partial redemption*: In the case of a partial redemption of a holding of Registered Notes represented by a single definitive Registered Note, a new definitive Registered Note shall be issued to the holder to reflect the balance of the holding not redeemed. New Definitive Notes in registered form shall only be issued against surrender of the existing Definitive Notes in registered form to the relevant Transfer Agent. In the case of a partial redemption of a holding of Registered Notes represented by a global Note in registered form, the global Note in registered form shall be endorsed to reflect such partial redemption.

(v) *Delivery of new Definitive Notes in registered form*: Subject as provided above, the Registrar or the relevant Transfer Agent will, within three Business Days (being for this purpose a day on which banks are open for business in the city where the specified office of the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new definitive Registered Note of a like aggregate nominal amount to the definitive Registered Note (or the relevant part of the definitive Registered Note) transferred. In the case of the transfer of part only of a definitive Registered Note, a new definitive Registered Note in respect of the balance of the definitive Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(vi) *Costs of registration*: Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than at the specified office of a Transfer Agent or by uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(vii) *Closed periods*: No Noteholder may require the transfer of a Registered Note to be registered (A) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (B) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(c), (C) after any such Note has been called for redemption or (D) during the period of seven days ending on (and including) any Record Date (as defined below).

(viii) *Regulations concerning transfers and registration*: All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior

written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

(d) AMTNs

In the case of AMTNs, the following provisions shall apply in lieu of the foregoing provisions of this Condition 1 in the event of any inconsistency.

AMTNs will be the debt obligations of the Issuer owing under the Note (AMTN) Deed Poll. AMTNs will take the form of entries in a Register to be established and maintained by the Australian Agent in Sydney unless otherwise agreed with the Australian Agent (pursuant to the Australian Agency Agreement). The Agency Agreement is not applicable to the AMTNs.

AMTNs will not be serially numbered. Each entry in the Register constitutes a separate and individual acknowledgement to the relevant Noteholder of the indebtedness of the Issuer to the relevant Noteholder. The obligations of the Issuer in respect of each AMTN constitute separate and independent obligations which the Noteholder is entitled to enforce in accordance with these Terms and Conditions and the Note (AMTN) Deed Poll. No certificate or other evidence of title will be issued by or on behalf of the Issuer unless the Issuer determines that certificates should be made available or it is required to do so pursuant to any applicable law or regulation.

No AMTN will be registered in the name of more than four persons. AMTNs registered in the name of more than one person are held by those persons as joint tenants. AMTNs will be registered by name only, without reference to any trusteeship and an entry in the Register in relation to an AMTN constitutes conclusive evidence that the person so entered is the registered owner of such AMTN, subject to rectification for fraud or error.

Upon a person acquiring title to any AMTNs by virtue of becoming registered as the owner of that AMTN, all rights and entitlements arising by virtue of the Note (AMTN) Deed Poll in respect of that AMTN vest absolutely in the registered owner of the AMTN, such that no person who has previously been registered as the owner of the AMTN has or is entitled to assert against the Issuer or the Australian Agent or the registered owner of the AMTN for the time being and from time to time any rights, benefits or entitlements in respect of the AMTN.

(e) Transfers of AMTNs

AMTNs may be transferred in whole but not part. Unless lodged in the clearing system operated by Austraclear Ltd, the AMTNs will be transferable by duly completed and (if applicable) stamped transfer and acceptance forms in the form specified by, and obtainable from, the Australian Agent or by any other manner approved by the Issuer and the Australian Agent. Each transfer and acceptance form must be accompanied by such evidence (if any) as the Australian Agent may require to prove the title of the transferor or the transferor's right to transfer the AMTNs and be signed by both the transferor and the transferee. The Australian Agent may refuse to register a transfer and acceptance form if it contravenes or fails to comply with these Terms and Conditions or the transfer of AMTNs pursuant to that transfer and acceptance form would result in a contravention of any applicable law.

AMTNs may only be transferred within, to or from Australia if:

(i) the aggregate consideration payable by the transferee at the time of transfer is at least AUD500,000 (or its equivalent in other currencies, but disregarding monies lent by the transferor or its associates) or the offer or invitation giving rise to the transfer otherwise does not require disclosure to investors in accordance with Part 6D.2 or Chapter 7 of the Corporations Act 2001 of Australia (the "**Australian Corporations Act**");

(ii) the transfer is not to a "retail client" for the purposes of section 761G of the Australian Corporations Act;

(iii) the transfer is in compliance with all applicable laws, regulations or directives (including, without limitation, in the case of a transfer to or from Australia, the laws of the jurisdiction in which the transfer takes place); and

(iv) in the case of a transfer between persons outside Australia, if a transfer and acceptance form is signed outside Australia. A transfer to an unincorporated association is not permitted.

A person becoming entitled to an AMTN as a consequence of the death or bankruptcy of a Noteholder or of a vesting order or a person administering the estate of a Noteholder may, upon producing such evidence as to that entitlement or status as the Australian Agent considers sufficient, transfer such AMTN or, if so entitled, become registered as the holder of the AMTN.

Where the transferor executes a transfer of less than all of the AMTNs registered in its name, and the specific AMTNs to be transferred are not identified, the Australian Agent may register the transfer in respect of such of the AMTNs registered in the name of the transferor as the Australian Agent thinks fit, provided the aggregate nominal amount of the AMTNs registered as having been transferred equals the aggregate nominal amount of the AMTNs expressed to be transferred in the transfer.

2. Status of the Notes and Guarantee

(a) ***Status of the Notes***

The Notes and the Coupons and Receipts, if any, relating to them constitute (subject to Condition 3) direct, unconditional and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without preference among themselves and (with the exception of obligations in respect of applicable statutory exceptions and subject as aforesaid) equally with all of its other unsecured obligations (other than subordinated obligations, if any) from time to time outstanding.

(b) ***Status of the Guarantee***

In the case of Notes issued by MHCUK and MHFA, the obligations of the Guarantor under the Guarantee constitute (subject to Condition 3) direct, unconditional and unsecured obligations of the Guarantor and shall at all times rank *pari passu* and without any preference among themselves and (with the exception of obligations in respect of national and local taxes and certain other statutory exceptions and subject as aforesaid) equally with all of its other unsecured obligations (other than subordinated obligations, if any) from time to time outstanding.

3. Negative Pledge

MHC will not, so long as any of the Notes remain outstanding (as defined in the Agency Agreement), create or permit to be outstanding any pledge, lien, mortgage or other charge upon the whole or any part of the property or assets, present or future, of MHC to secure for the benefit of the holders of any Securities (i) payment of any sum due in respect of Securities or (ii) any payment under any guarantee of Securities or (iii) any payment under any indemnity or other like obligation relating to Securities, in any such case in which either such Securities are by their terms payable, or confer a right to receive payment, in any currency other than Yen, or such Securities are denominated in Yen and more than 50 per cent. of the aggregate principal amount thereof is initially distributed outside Japan by or with the authorisation of MHC, without in any such case at the same time according to the Notes the same security as is granted to or is existing in respect of such Securities or such other security or guarantee as shall be approved by an Extraordinary Resolution of the holders of the Notes (as defined in the Agency Agreement).

In the case of Notes issued by MHCUK, so long as any of the Notes remain outstanding (as defined in the Agency Agreement), MHCUK will not create or permit to be outstanding any pledge, lien, mortgage or other charge upon the whole or any part of the property or assets, present or future, of MHCUK to secure for the benefit of the holders of any Securities (i) payment of any sum due in respect of Securities or (ii) any payment under any guarantee of Securities or (iii) any payment under any indemnity or other like obligation relating to Securities, in any such case in which either such Securities are by their terms payable, or confer a right to receive payment, in any currency other than Sterling, or such Securities are denominated in Sterling and more than 50 per cent. of the aggregate principal amount thereof is initially distributed outside the United Kingdom by or with the authorisation of MHCUK, without in any such case at the same time according to the Notes the same security as is granted to or is existing in respect of such Securities or such other security or guarantee as shall be approved by an Extraordinary Resolution of the holders of the Notes (as defined in the Agency Agreement).

In the case of Notes issued by MHFA, so long as any of the Notes remain outstanding (as defined in the Agency Agreement), MHFA will not create or permit to be outstanding any pledge, lien, mortgage or other charge upon the whole or any part of the property or assets, present or future, of MHFA to secure for the benefit of the holders of any Securities (i) payment of any sum due in respect of Securities or (ii) any payment under any guarantee of Securities or (iii) any payment under any indemnity or other like obligation relating to Securities, in any such case in which either such Securities are by their terms payable, or confer a right to receive payment, in any currency other than Yen, or such Securities are denominated in Yen and more than 50 per cent. of the aggregate principal amount thereof is initially distributed outside Japan by or with the authorisation of MHFA, without in any such case at the same time according to the Notes the same security as is granted to or is existing in respect of such Securities or such other security or guarantee as shall be approved by an Extraordinary Resolution of the holders of the Notes (as defined in the Agency Agreement)

For the purposes of this Condition 3:

"**Securities**" means bonds, debentures, notes or other similar investment securities of MHC, MHCUK and/or MHFA, as the case may be, or any other person which are capable of being listed on any stock exchange.

4. Interest

(a) ***Interest on Fixed Rate Notes***

(i) *General*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Terms and Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should

occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day (as defined in Condition 4(b)), then, if the Business Day Convention if specified is:

(1) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(2) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(3) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

Except in the case of Bearer Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount, is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

(A) in the case of Fixed Rate Notes which are Registered Notes in definitive form or represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Registered Notes in definitive form or global Note; or

(B) in the case of Fixed Rate Notes represented by Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

For Renminbi Notes (as defined in Condition 5(f)) which are Fixed Rate Notes, where the Interest Payment Dates specified in the applicable Final Terms are subject to modification, each Fixed Coupon Amount shall be calculated by multiplying the product of the relevant Rate of Interest and the relevant Calculation Amount by the relevant Day Count Fraction and rounding the resultant figure to the nearest CNH0.01, CNH0.005 for the case of Renminbi denominated Fixed Rate Notes being rounded upwards.

(ii) *Adjustment of Rate of Interest*

(A) If a Step Up Event or Step Down Event is specified in the applicable Final Terms, the Rate of Interest applicable to the Notes shall be the Rate of Interest at any time determined in accordance with this Condition 4 (the "**applicable Rate of Interest**"), subject to adjustment in accordance with the Interest Ratchet (each such adjustment, a "**Rate Adjustment**"). Any Rate Adjustment shall apply in respect of the Interest Period commencing on the Interest Payment Date falling on or immediately following the date of the relevant Step Up Event or Step Down Event, as the case may be, until either a further Rate Adjustment becomes effective or to the Maturity Date, as the case may be;

(B) the Issuer shall cause each Rate Adjustment to be notified to the Principal Paying Agent and notice thereof to be published in accordance with Condition 13 (*Notices*) as soon as possible after the occurrence of the relevant Step Up Event or Step Down Event, as the case may be, but in no event later than the tenth Business Day thereafter; and

(C) for so long as any of the Notes are outstanding, where the Notes are rated, the Issuer shall use its best efforts to maintain the Minimum Rating Requirement, and following a failure to meet the Minimum Rating Requirement, the Issuer shall use its best efforts to procure the reinstatement of the Minimum Rating Requirement as soon as reasonably practicable thereafter.

(iii) *Definitions*

In these Terms and Conditions:

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4:

(i) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

(a) in the case of Notes where the number of days in the relevant period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(ii) if "**30/360**" is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;

(iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365; and

(iv) if "**RBA Bond Basis**" is so specified, means one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest

Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:

(a) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and

(b) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)).

"**Determination Period**" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date);

"**Interest Ratchet**" means the following rates of interest:

(i) upon the occurrence of a Step Up Event, the applicable Rate of Interest (as defined in this Condition 4) plus the Step Up Margin; and

(ii) upon the occurrence of a Step Down Event, the applicable Rate of Interest (as defined in this Condition 4); and

"**Minimum Rating Requirement**" means that there shall be in existence Ratings equal to or higher than the Specified Threshold from at least two Rating Agencies at any particular time;

"**Rating**" means a rating of the Notes as specified in the applicable Final Terms;

"**Rating Agency**" means S&P Japan or any other rating agency generally recognised as such by banks, securities houses and investors operating in the international capital markets and appointed by or on behalf of the Issuer to maintain a Rating but excluding any rating agency providing a Rating on an unsolicited basis;

"**S&P Japan**" means S&P Global Ratings Japan Inc., or its Successor;

"**Specified Threshold**" means BBB- in the case of S&P Japan, or the equivalent rating level of any other Rating Agency;

"**Step Down Event**" means the reinstatement of the Minimum Rating Requirement following the occurrence of a Step Up Event;

"**Step Up Event**" means a failure to meet the Minimum Rating Requirement at any time, unless:

(i) the Minimum Rating Requirement has been reinstated by the earlier of (a) 120 days after the date on which the Minimum Rating Requirement was not met or (b) the Interest Payment Date immediately following the relevant failure to meet the Minimum Rating Requirement; or

(ii) the relevant failure to meet the Minimum Rating Requirement is due to a reason other than a reason related to the Issuer or, with respect to Notes issued by MHCUK and MHFA, the Guarantor;

"**Step Up Margin**" has the meaning given in the applicable Final Terms;

"**sub-unit**" means, with respect to any currency other than euro and Yen, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent and with respect to Yen means one Yen; and

"**Successor**" means the legal successor to any of the Rating Agencies continuing such Rating Agency's respective business activity.

(b) ***Interest on Floating Rate Notes***

(i) *Interest Payment Dates*

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention if specified is:

(1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, "**Business Day**" means a day which is both:

(A) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each Additional Business Centre specified in the applicable Final Terms; and

(B) either (1) in relation to interest payable in a Specified Currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than London) and which, if the Specified Currency is Australian dollars, shall be Sydney and Melbourne, or New Zealand dollars, shall be Auckland, respectively, (2) in relation to any sum payable in euro any day on which the real time gross settlement system operated by the Eurosystem or any successor system ("**T2**") is open for the settlement of payments in euro or (3) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments of Renminbi and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Hong Kong or an additional financial centre in which a Renminbi clearing bank clears and settles Renminbi (an "**Additional Renminbi Clearing Financial Centre**") as specified in the Final Terms.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of the Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (ii), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent or other party specified in the applicable Final Terms under an interest rate swap transaction if the Principal Paying Agent or that other party were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the relevant ISDA Definitions (as defined below) and under which:

(1) If the Final Terms specify either "2006 ISDA Definitions" or "2021 ISDA Definitions" as the applicable ISDA Definitions:

1. the Floating Rate Option (as defined in the relevant ISDA Definitions) is as specified in the applicable Final Terms;

2. the Designated Maturity (as defined in the relevant ISDA Definitions), if applicable, is a period specified in the applicable Final Terms;

3. the relevant Reset Date (as defined in the relevant ISDA Definitions) is as specified in the applicable Final Terms.

4. if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the relevant ISDA Definitions), Compounding is specified to be applicable in the relevant Final Terms and:

   (i) Compounding with Lookback is specified as the Compounding Method in the applicable Final Terms, then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b) Lookback is the number of Applicable Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Final Terms;

   (ii) Compounding with Observation Period Shift is specified as the Compounding Method in the applicable Final Terms, then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Final Terms and (c) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions), if applicable, are the days specified in the applicable Final Terms; or

   (iii) Compounding with Lockout is specified as the Compounding Method in the applicable Final Terms, then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period Business Days (as defined in the relevant ISDA Definitions) specified in the Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the applicable Final Terms; and

5. if the specified Floating Rate Option is an Index Floating Rate Option (as defined in the relevant ISDA Definitions) and Index Provisions are specified to be applicable in the relevant Final Terms, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Final Terms and (b) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions) are the days, if applicable, specified in the applicable Final Terms);

6. references in the relevant ISDA Definitions to:

   (i) "**Confirmation**" shall be deemed to be references to the applicable Final Terms;

   (ii) "**Calculation Period**" shall be deemed to be references to the relevant Interest Period;

   (iii) "**Termination Date**" shall be deemed to be references to the Maturity Date; and

   (iv) "**Effective Date**" shall be deemed to be references to the Interest Commencement Date; and

(2) if the Final Terms specify "2021 ISDA Definitions" as the applicable ISDA Definitions:

1. Administrator/Benchmark Event shall be disapplied; and

2. if the Temporary Non-Publication Fallback for any specified Floating Rate Option is specified to be "Temporary Non-Publication Fallback – Alternative Rate" in the Floating Rate Matrix of the 2021 ISDA Definitions, the reference to "Calculation Agent Alternative Rate Determination" in the definition of "Temporary Non-Publication Fallback – Alternative Rate" shall be replaced by "Temporary Non-Publication Fallback – Previous Day's Rate".

For the purposes of this sub-paragraph (A), "**Floating Rate**" and "**Calculation Agent**" have the meanings given to those terms in the ISDA Definitions.

In these Conditions, "ISDA Definitions" means (i) if "2006 ISDA Definitions" is specified in the applicable Final Terms, the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. ("ISDA"), as amended and updated as at the Issue Date of the first Tranche of the Notes; or (ii) if "2021 ISDA Definitions" is specified in the applicable Final Terms, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions, including any Matrices referred to therein, as published by ISDA as at the Issue Date of the first Tranche of the Notes.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(B) Screen Rate Determination for Floating Rate Notes – where the Reference Rate is not Compounded Daily SONIA, CMS, Compounded Daily SOFR, Compounded SOFR Index, TONA, Compounded Daily CORRA, CORRA Compounded Index or SARON.

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate Notes is not specified as being Compounded Daily SONIA, CMS, Compounded Daily SOFR, Compounded SOFR Index, TONA, Compounded Daily CORRA, CORRA Compounded Index or SARON, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(A) the offered quotation (if there is only one quotation on the Relevant Screen Page); or

(B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as of the Relevant Time on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or other party as specified in the applicable Final Terms. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the

Principal Paying Agent or that other party for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the Relevant Time, the Principal Paying Agent and the Issuer shall request each of the Reference Banks to provide the Principal Paying Agent and the Issuer with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Relevant Time on the relevant Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent and the Issuer with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent and the Issuer with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent and the Issuer by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Relevant Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Relevant Financial Centre plus or minus (as appropriate) the Margin (if any); or, if fewer than two of the Reference Banks provide the Principal Paying Agent and the Issuer with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Relevant Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Principal Paying Agent and the Issuer it is quoting to leading banks in the Relevant Financial Centre plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

The Principal Paying Agent shall not be responsible to the Issuer or to any third party (except in the event of negligence, default, misconduct or bad faith of the Principal Paying Agent) as a result of the Principal Paying Agent having acted in good faith on any quotation given by any Reference Bank which subsequently may be found to be incorrect.

(C) Screen Rate Determination for Floating Rate Notes – where the Reference Rate is Compounded Daily SONIA

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and if the Reference Rate is specified in

the applicable Final Terms as being Compounded Daily SONIA, then the Rate of Interest applicable to the Notes for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as indicated in the applicable Final Terms) the applicable Margin, all as determined by the Principal Paying Agent or other party as specified in the applicable Final Terms on the Interest Determination Date for such Interest Period.

If, in respect of any London Banking Day in the relevant Observation Period, the applicable SONIA reference rate is not made available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, then (unless the Principal Paying Agent or other party as specified in the applicable Final Terms has been notified of any Successor Rate or Alternative Rate (and any related Adjustment Spread and/or Benchmark Amendments) pursuant to Condition 4(c), if applicable) such SONIA reference rate shall be the sum of: (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at 5:00p.m. (or, if earlier, close of business) on such London Banking Day; plus (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five London Banking Days on which a SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads).

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions, the Rate of Interest shall be (i) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest and/or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest and/or Minimum Rate of Interest (as the case may be) relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest and/or Minimum Rate of Interest (as applicable) relating to that last preceding Interest Period) or (ii) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to the Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

If the Notes become due and payable as a result of an Event of Default (as defined under Condition 9), or are otherwise redeemed early on a date other than an Interest Payment Date in accordance with Condition 4, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which such Notes became due and payable or are to be redeemed, as applicable, and the Rate of Interest applicable to such Notes shall, for so long as any such Note remains outstanding, be that determined on such date.

(D) Screen Rate Determination for Floating Rate Notes – where the Reference Rate is CMS

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate Notes is specified as being CMS, the Rate of Interest for each Interest Period will, subject as provided below, be determined by the Principal Paying Agent or other party as specified in the applicable Final Terms by reference to the following formula:

CMS Rate + Margin

If the Relevant Screen Page is not available, the Principal Paying Agent and the Issuer shall request each of the CMS Reference Banks to provide the Principal Paying Agent and the Issuer with its quotation for the Reference Swap Rate at approximately the Relevant Time on the relevant Interest Determination Date in question. If at least three of the CMS Reference Banks provide the Principal Paying Agent and the Issuer with such quotations, the CMS Rate for such Interest Period shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest and the lowest quotation (or, in the event of equality, one of the lowest)).

If on any Interest Determination Date less than three or none of the CMS Reference Banks provides the Principal Paying Agent and the Issuer with such quotations, as provided in the preceding paragraph, the CMS Rate shall be determined by the Principal Paying Agent on such commercial basis as considered appropriate by the Principal Paying Agent in its absolute discretion, in accordance with standard market practice.

(E) Screen Rate Determination for Floating Rate Notes – where the Reference Rate is Compounded Daily SOFR

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and if the Reference Rate is specified in the applicable Final Terms as being Compounded Daily SOFR, then the Rate of Interest applicable to the Notes for each Interest Period will, subject as provided below, be Compounded Daily SOFR (as defined below) plus or minus (as indicated in the applicable Final Terms) the applicable Margin, all as determined by the Principal Paying Agent (or other party as specified in the applicable Final Terms) on the Interest Determination Date for such Interest Period.

"**Compounded Daily SOFR**" shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant Interest Period (where SOFR Lag, SOFR Payment Delay or SOFR Lockout is specified as applicable in the applicable Final Terms to determine Compounded Daily SOFR) or the SOFR Observation Period (where SOFR Observation Shift is specified as applicable in the applicable Final Terms to determine Compounded Daily SOFR).

Compounded Daily SOFR shall be calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) in accordance with one of the formulas referenced below depending upon which is specified as applicable in the applicable Final Terms:

(a) SOFR Lag:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_{i-\times USBD}\times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**$SOFR_{i-xUSBD}$**" for any U.S. Government Securities Business Day(i) in the relevant Interest Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day(i);

"**Lookback Days**" means such number of U.S. Government Securities Business Days as specified in the applicable Final Terms; provided that such number cannot be less than 5;

"**d**" means the number of calendar days in the relevant Interest Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers ascending from one to d_o, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period (each a "**U.S. Government Securities Business Day(i)**"); and

"**n_i**", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

(b) SOFR Observation Shift:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**$SOFR_i$**" for any U.S. Government Securities Business Day(i) in the relevant SOFR Observation Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i);

"**SOFR Observation Period**" means, in respect of an Interest Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Payment Date for such Interest Period;

"**SOFR Observation Shift Days**" means the number of U.S. Government Securities Business Days as specified in the applicable Final Terms; provided that such number cannot be less than 5;

"**d**" means the number of calendar days in the relevant SOFR Observation Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

"**i**" means a series of whole numbers ascending from one to d_o, representing each U.S. Government Securities Business Day from (and including) the first U.S. Government

Securities Business Day in the relevant SOFR Observation Period (each a "**U.S. Government Securities Business Day(i)**"); and

"**n_i**", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

(c) SOFR Payment Delay:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**$SOFR_i$**" for any U.S. Government Securities Business Day(i) in the relevant Interest Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i);

"**Interest Payment Date**" for the purpose of this Condition 4(b)(ii)(E)(c) shall be the number of Interest Payment Delay Days following each Interest Payment Date; provided that the Interest Payment Date with respect to the final Interest Period will be the Maturity Date or, if the Issuer elects to redeem the Notes prior to the Maturity Date, the relevant Optional Redemption Date;

"**Interest Payment Delay Days**" means the number of U.S. Government Securities Business Days as specified in the applicable Final Terms; provided that such number cannot be less than 5;

"**d**" means the number of calendar days in the relevant Interest Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers ascending from one to d_o, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period (each a "**U.S. Government Securities Business Day(i)**"); and

"**n_i**", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

For the purposes of calculating Compounded Daily SOFR with respect to the final Interest Period where SOFR Payment Delay is specified in the applicable Final Terms, the SOFR reference rate for each U.S. Government Securities Business Day in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Maturity Date or the relevant Optional Redemption Date, as applicable, shall be the SOFR reference rate in respect of such SOFR Rate Cut-Off Date.

(d) SOFR Lockout:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**$SOFR_i$**" for any U.S. Government Securities Business Day(i) in the relevant Interest Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i), except that the SOFR for any U.S. Government Securities Business Day(i) in respect of the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Interest Payment Date for such Interest Period shall be the SOFR reference rate in respect of such SOFR Rate Cut-Off Date;

"**d**" means the number of calendar days in the relevant Interest Period;

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers ascending from one to d_o, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period (each a "**U.S. Government Securities Business Day(i)**"); and

"**n_i**", for any U.S. Government Securities Business Day(i), means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day.

The following defined terms shall have the meanings set out below for purpose of Condition 4(b)(ii)(E):

"**Bloomberg Screen SOFRRATE Page**" means the Bloomberg screen designated "SOFRRATE" or any successor page or service;

"**Reuters Page USDSOFR=**" means the Reuters page designated "USDSOFR=" or any successor page or service;

"**SOFR**" means, in respect of a U.S. Government Securities Business Day, the reference rate determined by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) in accordance with the following provision:

(a) the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Bloomberg Screen SOFRRATE Page; the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Reuters Page USDSOFR=; or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator's Website;

(b) if the reference rate specified in (a) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred,

the SOFR reference rate shall be the reference rate published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website; or

(c) if the reference rate specified in (a) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 4(b)(v) shall apply as specified in the applicable Final Terms;

"**SOFR Rate Cut-Off Date**" means the date that is a number of U.S. Government Securities Business Days prior to the Interest Payment Date relating to the relevant Interest Period, the Maturity Date or the relevant Optional Redemption Date, as applicable, as specified in the applicable Final Terms; provided that such number cannot be less than 5; and

"**SOFR Determination Time**" means approximately 3:00 p.m. (New York City time) on the immediately following U.S. Government Securities Business Day.

(F) Screen Rate Determination for Floating Rate Notes – where the Reference Rate is Compounded SOFR Index

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and if the Reference Rate is specified in the applicable Final Terms as being Compounded SOFR Index, then the Rate of Interest applicable to the Notes for each Interest Period will, subject as provided below, be Compounded SOFR Index (as defined below) plus or minus (as indicated in the applicable Final Terms) the applicable Margin, all as determined by the Principal Paying Agent (or other party as specified in the applicable Final Terms) on the Interest Determination Date for such Interest Period.

"**Compounded SOFR Index**" shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant SOFR Observation Period as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) as follows:

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \times \left(\frac{360}{d_c}\right)$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**SOFR Index**" means, in respect of a U.S. Government Securities Business Day, the SOFR Index value as published on the SOFR Administrator's Website at the SOFR Index Determination Time on such U.S. Government Securities Business Day, provided that:

(a) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the "SOFR Index" shall be calculated on any Interest Determination Date with respect to an Interest Period, in accordance with the Compounded Daily SOFR formula described above in Condition 4(b)(ii)(E)(b) (SOFR Observation Shift), and the term

"SOFR Observation Shift Days" shall mean 5 U.S. Government Securities Business Days; or

(b) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 4(b)(v) shall apply as specified in the applicable Final Terms;

"**SOFR Index$_{End}$**" means, in respect of an Interest Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the applicable Final Terms prior to the Interest Payment Date for such Interest Period (or in the final Interest Period, the Maturity Date);

"**SOFR Index$_{Start}$**" means, in respect of an Interest Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the applicable Final Terms prior to the first day of such Interest Period;

"**SOFR Index Determination Time**" means, in respect of a U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

"**SOFR Observation Period**" means, in respect of an Interest Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Payment Date for such Interest Period;

"**SOFR Observation Shift Days**" means the number of U.S. Government Securities Business Days as specified in the applicable Final Terms; provided that such number cannot be less than 5; and

"**d_c**" means the number of calendar days in the applicable SOFR Observation Period.

The following defined terms shall have the meanings set out below for purpose of Condition 4(b)(ii)(E) and Condition 4(b)(ii)(F):

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York (currently, being *https://www.newyorkfed.org/markets/reference-rates/sofr-averages-and-index*), or any successor source;

"**SOFR Benchmark Replacement Date**" means the Benchmark Replacement Date with respect to the then-current Benchmark;

"**SOFR Benchmark Transition Event**" means the occurrence of a SOFR Benchmark Event with respect to the then-current Benchmark; and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(G) Screen Rate Determination for Floating Rate Notes – where the Reference Rate is TONA

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and if the Reference Rate is specified in the applicable Final Terms as being TONA, then the TONA rate of interest determination

method, as specified in the applicable Final Terms (the "**TONA Rate of Interest Determination**"), in which the Rate of Interest is to be determined shall be either TONA Lookback Compound or TONA Shift Compound, as follows:

(a) if TONA Lookback Compound is specified as applicable in the applicable Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be TONA Lookback Compound plus or minus (as indicated in the applicable Final Terms) the Margin (if any); or

(b) if TONA Shift Compound is specified as applicable in the applicable Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be TONA Shift Compound plus or minus (as indicated in the applicable Final Terms) the Margin (if any);

For the purpose of Condition 4(b)(ii)(G):

"**TONA Lookback Compound**" means the rate of return of a daily compound interest investment (with TONA as the reference rate for the calculation of interest) which will be calculated by the Principal Paying Agent or other party as specified in the applicable Final Terms on the relevant Interest Determination Date, as follows:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{\mathrm{TONA}_{i-pTBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

with the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards and where:

"**d**" is the number of calendar days in the relevant Interest Period;

"$\mathbf{d_0}$" is the number of Tokyo Banking Days in the relevant Interest Period;

"**i**" is a series of whole numbers from one to d_o, each representing the relevant Tokyo Banking Day in chronological order from, and including, the first Tokyo Banking Day in the relevant Interest Period to, and including, the last Tokyo Banking Day in such Interest Period;

"$\mathbf{n_i}$" means, for any Tokyo Banking Day "i", the number of calendar days from, and including, such Tokyo Banking Day "i" up to, but excluding, the earlier of (a) the following Tokyo Banking Day ("i+1"); and (b) the last day of the relevant Interest Period;

"**Observation Look-Back Period**" means the period specified in the applicable Final Terms, such number representing a number of Tokyo Banking Days;

"**p**" means, in relation to any Interest Period, the number of Tokyo Banking Days included in the Observation Look-Back Period or if none is specified, five Tokyo Banking Days; and

"$\mathbf{TONA_{i\text{-}pTBD}}$", means for any Tokyo Banking Day "i" falling in the relevant Interest Period, the TONA in respect of the Tokyo Banking Day falling "p" Tokyo Banking Days prior to the relevant Tokyo Banking Day "i".

"**TONA Shift Compound**" means the rate of return of a daily compound interest investment (with TONA as the reference rate for the calculation of interest) which will be

calculated by the Principal Paying Agent or other party as specified in the applicable Final Terms on the Interest Determination Date, as follows:

$$\left(\prod_{i=1}^{d_0}\left(1+\frac{TONA_i \times n_i}{365}\right)-1\right)\times\frac{365}{d}$$

with the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards and where:

"**d**" is the number of calendar days in the relevant Observation Period;

"**d_0**" for any Observation Period, means the number of Tokyo Banking Days in the relevant Observation Period;

"**$TONA_i$**" means, in respect of any Tokyo Banking Day falling in the relevant Observation Period, the TONA in respect of that Tokyo Banking Day "i";

"**i**" is a series of whole numbers from one to d_0, each representing the relevant Tokyo Banking Day in chronological order from, and including, the first Tokyo Banking Day in the relevant Observation Period to, and including, the last Tokyo Banking Day in such Interest Period;

"**n_i**" for any Tokyo Banking Day "i" in the relevant Observation Period, means the number of calendar days from, and including, such day "i" up to, but excluding, the following Tokyo Banking Day ("i+1");

"**Observation Period**" means, in respect of each Interest Period, the period from, and including, the date falling a number of Tokyo Banking Days equal to the Observation Shift Days preceding the first day of such Interest Period to, but excluding, the date falling a number of Tokyo Banking Days equal to the Observation Shift Days preceding the last day of such Interest Period;

"**Observation Shift Days**" means the number of Tokyo Banking Days specified in the applicable Final Terms or if none is specified, five Tokyo Banking Days.

If, in respect of a relevant Tokyo Banking Day, the Principal Paying Agent or other party as specified in the applicable Final Terms determines that the TONA is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors and a TONA Index Cessation Event has not occurred, such TONA shall be the TONA in respect of the first preceding Tokyo Banking Day for which the TONA was published by the Bank of Japan or such authorised distributors.

If a TONA Index Cessation Effective Date occurs with respect to TONA, the rate for a relevant Tokyo Banking Day which occurs on or after such TONA Index Cessation Effective Date will be the JPY Recommended Rate.

If there is a JPY Recommended Rate before the end of the first Tokyo Banking Day following the TONA Index Cessation Effective Date with respect to TONA, but neither the TONA Reference Rate Administrator nor authorised distributors provide or publish the JPY Recommended Rate and a TONA Index Cessation Effective Date with respect to the JPY Recommended Rate has not occurred, then, in respect of any day for which the JPY Recommended Rate is required, references to the JPY Recommended Rate will be deemed to be references to the last provided or published JPY Recommended Rate.

However, if there is no last provided or published JPY Recommended Rate, then in respect of any day for which the JPY Recommended Rate is required, references to the JPY Recommended Rate will be deemed to be references to the last provided or published TONA.

If (i) there is no JPY Recommended Rate before the end of the first Tokyo Banking Day following the TONA Index Cessation Effective Date with respect to TONA, or (ii) there is a JPY Recommended Rate and a TONA Index Cessation Effective Date subsequently occurs with respect to the JPY Recommended Rate, the rate for a relevant Tokyo Banking Day which occurs on or after such applicable TONA Index Cessation Effective Date will be the rate determined by the Principal Paying Agent (or other party as specified in the applicable Final Terms) as a commercially reasonable alternative for TONA or the JPY Recommended Rate (as applicable), taking into account all available information that in good faith it considers relevant including a rate implemented by central counterparties and/or futures exchanges (if any), in each case with trading volumes in derivatives or futures referencing TONA or the JPY Recommended Rate (as applicable) that the Principal Paying Agent (or other party as specified in the applicable Final Terms) considers sufficient for that rate to be a representative alternative rate.

Any determination, decision or election pursuant to the terms and provisions set forth in the preceding paragraphs not made by the Principal Paying Agent (or other party as specified in the applicable Final Terms) or the Issuer's designee will be made by the Issuer in its sole discretion and will be conclusive and binding on the Principal Paying Agent (or other party as specified in the applicable Final Terms), the holders of the Notes and the beneficial owners of interests in the Notes, absent manifest error. In addition, the Issuer may designate an entity (which may be its affiliate) to make any determination or decision that the Issuer has the right to make in connection with such terms and provisions.

For the purpose of Condition 4(b)(ii)(G):

"**JPY Recommended Rate**" means, in respect of any relevant Tokyo Banking Day, the rate (inclusive of any spreads or adjustments) recommended as the replacement for TONA by a committee officially endorsed or convened by the Bank of Japan for the purpose of recommending a replacement for TONA (which rate may be produced by the Bank of Japan or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof, published by an authorised distributor, in respect of that day.

"**Tokyo Banking Day**" or "**TBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in Tokyo; and

"**TONA**" means, in respect of any Tokyo Banking Day, is a reference rate equal to the daily Tokyo Over Night Average rate in respect of such Tokyo Banking Day as published by the Bank of Japan on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, on the Tokyo Banking Day immediately following such Tokyo Banking Day.

"**TONA Applicable Rate**" means, as applicable TONA or the JPY Recommended Rate.

"**TONA Index Cessation Effective Date**" means:

(i) in respect of a TONA Applicable Rate and one or more TONA Index Cessation Events, the first date on which the TONA Applicable Rate would ordinarily have been published or provided and is no longer published or provided; or

(ii) if TONA Non-Representative applies and in respect of one or more TONA Index Cessation Events, the first date on which the TONA Applicable Rate would ordinarily have been published or provided and is either:

(a) TONA Non-Representative by reference to the most recent statement or publication contemplated in paragraph (iii) of the definition of TONA Index Cessation Event and even if the TONA Applicable Rate continues to be published or provided on such date; or

(b) no longer published or provided,

where "**TONA Non-Representative**" means that the regulatory supervisor for the administrator of the TONA Applicable Rate:

(1) has determined and announced that the TONA Applicable Rate is no longer representative of the underlying market and economic reality it is intended to measure and representativeness will not be restored; and

(2) is aware that certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts have been or are engaged,

provided that the TONA Applicable Rate will be "TONA Non-Representative" by reference to the date indicated in the most recent statement or publication contemplated in paragraph (iii) of the definition of TONA Index Cessation Event.

"**TONA Index Cessation Event**" means, with respect to a TONA Applicable Rate:

(i) a public statement or publication of information by or on behalf of the administrator of the TONA Applicable Rate announcing that it has ceased or will cease to provide the TONA Applicable Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the TONA Applicable Rate;

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the TONA Applicable Rate, the central bank for the currency of the TONA Applicable Rate, an insolvency official with jurisdiction over the administrator for the TONA Applicable Rate, a resolution authority with jurisdiction over the administrator for the TONA Applicable Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the TONA Applicable Rate, which states that the administrator of the TONA Applicable Rate has ceased or will cease to provide the TONA Applicable Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the TONA Applicable Rate (provided that, in each case, as used in this paragraph (ii), the definition of the TONA Applicable Rate shall exclude term-adjusted TONA for a designated maturity);

(iii) if TONA Non-Representative applies, a public statement or publication of information by the regulatory supervisor for the administrator of the TONA

Applicable Rate announcing that (I) the regulatory supervisor has determined that the TONA Applicable Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that the TONA Applicable Rate is intended to measure and that representativeness will not be restored and (II) it is being made in the awareness that the statement or publication will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such supervisor (howsoever described) in contracts.

"**TONA Reference Rate Administrator**" means the Bank of Japan or any successor administrator for TONA, as applicable.

(H) Screen Rate Determination for Floating Rate Notes – where the Reference Rate is Compounded Daily CORRA

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and if the Reference Rate is specified in the applicable Final Terms as being Compounded Daily CORRA, then the Rate of Interest applicable to the Notes for each Interest Period will, subject as provided below, be Compounded Daily CORRA (as defined below) plus or minus (as indicated in the applicable Final Terms) the applicable Margin, all as determined by the Principal Paying Agent (or other party as specified in the applicable Final Terms) on the Interest Determination Date for such Interest Period.

"**Compounded Daily CORRA**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with CORRA as the reference rate for the calculation of interest) and will be calculated by the Principal Paying Agent or other party as specified in the applicable Final Terms on the Interest Determination Date, as follows:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{CORRAi \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

with the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards and where:

"**d**" means the number of calendar days in the relevant Observation Period;

"**d_o**" means the number of Bank of Canada Business Days in the relevant Observation Period;

"**$CORRA_i$**" means, in respect of any Bank of Canada Business Day "i" in the relevant Observation Period, a reference rate equal to the daily CORRA rate for that day as published or displayed by the CORRA Reference Rate Administrator or an authorised distributor at 11:00 a.m. Toronto time (or an amended publication time, if any, as specified in the CORRA Reference Rate Administrator's methodology for calculating CORRA) on the immediately following Bank of Canada Business Day, which is Bank of Canada Business Day "i" +1;

"**i**" is a series of whole numbers from one to "d_o", each representing the relevant Bank of Canada Business Day in chronological order from, and including, the first Bank of Canada Business Day in the relevant Observation Period to, and including, the last Bank of Canada Business Day in the relevant Observation Period;

"$\mathbf{n_i}$" means, in respect of any Bank of Canada Business Day "i" in the relevant Observation Period, the number of calendar days from (and including) such Bank of Canada Business Day "i" to (but excluding) the first following Bank of Canada Business Day (which is Bank of Canada Business Day "i" +1);

If neither the CORRA Reference Rate Administrator nor authorised distributors provide or publish CORRA and a CORRA Index Cessation Effective Date with respect to CORRA has not occurred, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA.

If a CORRA Index Cessation Effective Date occurs with respect to CORRA, the Reference Rate for an Interest Determination Date which occurs on or after such CORRA Index Cessation Effective Date will be the CAD Recommended Rate, to which the most recently published spread will be applied and the Issuer or its designee shall make such adjustments as are necessary to account for any difference in the term, structure or tenor of the CAD Recommended Rate in comparison to CORRA.

If there is a CAD Recommended Rate before the end of the first Bank of Canada Business Day following the CORRA Index Cessation Effective Date with respect to CORRA, but neither the CORRA Reference Rate Administrator nor authorised distributors provide or publish the CAD Recommended Rate and a CORRA Index Cessation Effective Date with respect to the CAD Recommended Rate has not occurred, then, in respect of any day for which the CAD Recommended Rate is required, references to the CAD Recommended Rate will be deemed to be references to the last provided or published CAD Recommended Rate. However, if there is no last provided or published CAD Recommended Rate, then in respect of any day for which the CAD Recommended Rate is required, references to the CAD Recommended Rate will be deemed to be references to the last provided or published CORRA.

If (i) there is no CAD Recommended Rate before the end of the first Bank of Canada Business Day following the CORRA Index Cessation Effective Date with respect to CORRA, or (ii) there is a CAD Recommended Rate and a CORRA Index Cessation Effective Date subsequently occurs with respect to the CAD Recommended Rate, the Reference Rate for an Interest Determination Date which occurs on or after such applicable CORRA Index Cessation Effective Date will be the BOC Target Rate, to which the most recently published spread will be applied and the Issuer or its designee shall make such adjustments as are necessary to account for any difference in the term, structure or tenor of the BOC Target Rate in comparison to CORRA.

In respect of any day for which the BOC Target Rate is required, references to the BOC Target Rate will be deemed to be references to the last provided or published BOC Target Rate as of the close of business in Toronto on that day.

In connection with the implementation of a CORRA Applicable Rate, the Issuer or its designee may make such adjustments to the CORRA Applicable Rate or the spread thereon, if any, as well as the business day convention, the calendar day count convention, Interest Determination Dates, and related provisions and definitions (including observation dates for reference rates), in each case as are consistent with accepted market practice for the use of the CORRA Applicable Rate for debt obligations such as the Notes in such circumstances.

Any determination, decision or election pursuant to the terms and provisions set forth in the preceding paragraphs not made by the Principal Paying Agent (or other party as specified in the applicable Final Terms) or the Issuer's designee will be made by the Issuer in its sole discretion and will be conclusive and binding on the Principal Paying Agent (or other party as specified in the applicable Final Terms), the holders of the Notes and the beneficial owners of interests in the Notes, absent manifest error. In addition, the Issuer may designate an entity (which may be its affiliate) to make any determination or decision that the Issuer has the right to make in connection with such terms and provisions.

For the purpose of Conditions 4(b)(ii)(H) and 4(b)(ii)(I):

"**Bank of Canada Business Day**" means a day that Schedule I banks under the Bank Act (Canada) are open for business in Toronto, Ontario, Canada, other than a Saturday or a Sunday or a public holiday in Toronto (or such revised regular publication calendar for a CORRA Applicable Rate as may be adopted by the CORRA Reference Rate Administrator from time to time);

"**BOC Target Rate**" means the Bank of Canada's target for the overnight rate as set by the Bank of Canada and published on the Bank of Canada's website;

"**CAD Recommended Rate**" means the rate (inclusive of any spreads or adjustments) recommended as the replacement for CORRA by a committee officially endorsed or convened by the Bank of Canada for the purpose of recommending a replacement for CORRA (which rate may be produced by the Bank of Canada or another administrator) and as provided by the administrator of that rate or, if that rate is not provided by the administrator thereof (or a successor administrator), published by an authorised distributor;

"**CORRA Applicable Rate**" or "**CORRA Reference Rate**" means one of CORRA Compounded Index, CORRA, the CAD Recommended Rate or the BOC Target Rate, as applicable;

"**CORRA Index Cessation Effective Date**" means, in respect of a CORRA Index Cessation Event, the first date on which the CORRA Applicable Rate is no longer provided. If the CORRA Applicable Rate ceases to be provided on the same day that it is required to determine the rate for an Interest Determination Date, but it was provided at the time at which it is to be observed (or, if no such time is specified, at the time at which it is ordinarily published), then the CORRA Index Cessation Effective Date will be the next day on which the rate would ordinarily have been published;

"**CORRA Index Cessation Event**" means:

(a) a public statement or publication of information by or on behalf of the CORRA Reference Rate Administrator or provider of the CORRA Applicable Rate announcing that it has ceased or will cease to provide the CORRA Applicable Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor CORRA Reference Rate Administrator or provider of the CORRA Applicable Rate that will continue to provide the CORRA Applicable Rate; or

(b) a public statement or publication of information by the regulatory supervisor for the CORRA Reference Rate Administrator or provider of the CORRA Applicable Rate, the Bank of Canada, an insolvency official with jurisdiction over the CORRA

Reference Rate Administrator or provider of the CORRA Applicable Rate, a resolution authority with jurisdiction over the CORRA Reference Rate Administrator or provider of the CORRA Applicable Rate or a court or an entity with similar insolvency or resolution authority over the CORRA Reference Rate Administrator or provider of the CORRA Applicable Rate, which states that the CORRA Reference Rate Administrator or provider of the CORRA Applicable Rate has ceased or will cease to provide the CORRA Applicable Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor CORRA Reference Rate Administrator or provider of the CORRA Applicable Rate that will continue to provide the CORRA Applicable Rate;

"**CORRA Reference Rate Administrator**" means the Bank of Canada or any successor administrator for CORRA and/or the CORRA Compounded Index or the administrator (or its successor) of another CORRA Applicable Rate, as applicable;

"**Observation Period**" means, in respect of each Interest Period, the period from, and including, the date falling a number of Bank of Canada Business Days equal to the Observation Shift Days preceding the first day of such Interest Period to, but excluding, the date falling a number of Bank of Canada Business Days equal to the Observation Shift Days preceding the last day of such Interest Period;

"**Observation Shift Days**" means the number of Bank of Canada Business Days specified in the applicable Final Terms or if none is specified, five Bank of Canada Business Days.

(I) Screen Rate Determination for Floating Rate Notes – where the Reference Rate is CORRA Compounded Index

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and if the Reference Rate is specified in the applicable Final Terms as being CORRA Compounded Index, then the Rate of Interest applicable to the Notes for each Interest Period will, subject as provided below, be CORRA Compounded Index (as defined below) plus or minus (as indicated in the applicable Final Terms) the applicable Margin, all as determined by the Principal Paying Agent (or other party as specified in the applicable Final Terms) on the Interest Determination Date for such Interest Period.

"**CORRA Compounded Index**" shall be equal to the compounded daily reference rate for an Interest Period as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) as follows:

$$\left(\frac{CORRA\ Index_{End}}{CORRA\ Index_{Start}} - 1\right) \times \left(\frac{365}{d_c}\right)$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**CORRA Index**" means the measure of the cumulative impact of CORRA compounding over time as administered and a published by the Bank of Canada (or any successor CORRA Reference Rate Administrator) at 11:30 a.m. (Toronto time);

"**CORRA Index$_{End}$**" means, in respect of an Interest Period, the CORRA Index value on the date that is two Bank of Canada Business Days prior to the Interest Payment Date for such Interest Period (or in the final Interest Period, the Maturity Date);

"**CORRA Index$_{Start}$**" means, in respect of an Interest Period, the CORRA Index value on the date that is two Bank of Canada Business Days prior to the first day of such Interest Period; and

"**d_c**" means the number of calendar days from (and including) the day on which the relevant CORRA Index$_{Start}$ is determined to (but excluding) the day on which the relevant CORRA Index$_{End}$ is determined.

If with respect to any Interest Period, the CORRA Index$_{Start}$ value and/or CORRA Index$_{End}$ value is not published or displayed by the CORRA Reference Rate Administrator or an authorised distributor by 11:30 a.m. Toronto time (or an amended publication time, if any, as specified in the CORRA Reference Rate Administrator's methodology for calculating the CORRA Compounded Index) on the Interest Determination Date for such Interest Period and (i) a CORRA Index Cessation Effective Date with respect to the CORRA Compounded Index has not occurred, the CORRA Compound Index in respect of such Interest Period shall be calculated in accordance with the Compounded Daily CORRA formula as if the Observation Shift Days were specified as two Bank of Canada Business Days, or (ii) a CORRA Index Cessation Effective Date with respect to the CORRA Compounded Index has occurred, then the Reference Rate for the applicable Interest Period for which the CORRA Compounded Index is not available shall be "Compounded Daily CORRA" as if Compounded Daily CORRA had been specified in the applicable Final Terms in place of CORRA Compounded Index and as if the Observation Shift Days were specified as two Bank of Canada Business Days.

(J) Screen Rate Determination for Floating Rate Notes – where the Reference Rate is SARON

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and if the Reference Rate is specified in the applicable Final Terms as being SARON, then the Rate of Interest applicable to the Notes for each Interest Period will, subject as provided below, be the rate of return of a daily compound interest investment (with the overnight interest rate of the secured funding market for Swiss franc as the reference rate for the calculation of interest) plus or minus (as indicated in the applicable Final Terms) the Margin (if any) and which will be calculated by the Principal Paying Agent or other party as specified in the applicable Final Terms on the relevant Interest Determination Date, as follows:

$$\left(\prod_{i=1}^{d_0}\left(1+\frac{\text{SARON}_i \times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards and where:

"**d**" means the number of calendar days in the relevant Observation Period;

"**d_0**" for any Observation Period, means the number of Zurich Banking Days in the relevant Observation Period;

"**i**" is a series of whole numbers from one to d_0, each representing the relevant Zurich Banking Day in chronological order from, and including, the first Zurich Banking Day in the relevant Observation Period to, and including, the last Zurich Banking Day in such Interest Period;

"**n_i**" for any Zurich Banking Day "i" in the relevant Observation Period, means the number of calendar days from, and including, such day "i" up to, but excluding, the following Zurich Banking Day ("i+1");

"**Observation Period**" means, in respect of each Interest Period, the period from, and including, the date falling a number of Zurich Banking Days equal to the Observation Shift Days preceding the first day of such Interest Period to, but excluding, the date falling a number of Zurich Banking Days equal to the Observation Shift Days preceding the Interest Payment Date for such Interest Period;

"**Observation Shift Days**" means the number of Zurich Banking Days specified in the applicable Final Terms;

"**Relevant Time for SARON**" means, in respect of any Zurich Banking Day, close of trading on SIX Swiss Exchange on such Zurich Banking Day, which is expected to be on or around 6 p.m. (Zurich time);

"**SARON**" means, in respect of any Zurich Banking Day, the Swiss Average Rate Overnight for such Zurich Banking Day published by the SARON Administrator on the SARON Screen Page (as defined below) as at the Relevant Time for SARON on such Zurich Banking Day; and

"**$SARON_i$**" for any Zurich Banking Day "i" in the relevant Observation Period, is equal to SARON in respect of that day "i".

If (1) SARON is not published on the relevant screen page (the "**SARON Screen Page**") as at the Relevant Time for SARON on the relevant Zurich Banking Day and (2) the Principal Paying Agent or other party as specified in the applicable Final Terms determines that no SARON Index Cessation Event and no SARON Index Cessation Effective Date have occurred on or prior to the Relevant Time for SARON on the relevant Zurich Banking Day, SARON for such Zurich Banking Day shall be the rate equal to the Swiss Average Rate Overnight published by the SARON Administrator on the SARON Administrator Website for the last preceding Zurich Banking Day on which the Swiss Average Rate Overnight was published by the SARON Administrator on the SARON Administrator Website.

If (1) SARON is not published on the SARON Screen Page at the Relevant Time for SARON on the relevant Zurich Banking Day and (2) the Principal Paying Agent or other party as specified in the applicable Final Terms determines that both a SARON Index Cessation Event and a SARON Index Cessation Effective Date have occurred on or prior to the Relevant Time for SARON on the relevant Zurich Banking Day:

(A) if there is a SARON Recommended Replacement Rate within one Zurich Banking Day of the SARON Index Cessation Effective Date, SARON shall be the SARON Recommended Replacement Rate for such Zurich Banking Day, giving effect to the

SARON Recommended Adjustment Spread, if any, published on such Zurich Banking Day; or

(B) if there is no SARON Recommended Replacement Rate within one Zurich Banking Day of the SARON Index Cessation Effective Date, SARON shall be the policy rate of the Swiss National Bank (the "**SNB Policy Rate**") for such Zurich Banking Day, giving effect to the SNB Adjustment Spread, if any.

Any substitution of SARON by the SARON Recommended Replacement Rate or the SNB Policy Rate as specified above (the "**SARON Replacement Rate**") will remain effective for the remaining term to maturity of the Notes and shall be notified by the Issuer to the Noteholders in accordance with Condition 13.

If the Notes become due and payable in accordance with the Conditions, the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the applicable Final Terms, be deemed to be the date on which the Notes became due and payable and the Rate of Interest on the Notes shall, for so long as the Notes remain outstanding, be that determined on such date.

Any determination, decision or election that may be made by the Principal Paying Agent or other party as specified in the applicable Final Terms pursuant to Condition 4(b)(ii)(J), including any determination with respect to a rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (i) will be conclusive and binding absent manifest error; (ii) will be made in the sole discretion of the Principal Paying Agent or other party as specified in the applicable Final Terms, acting in good faith and in a commercial and reasonable manner; and (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the Noteholders or any other party.

Notwithstanding any other provision of Condition 4(b)(ii)(J), if the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Principal Paying Agent or other party as specified in the applicable Final Terms, no SARON Replacement Rate will be adopted by the Principal Paying Agent or other party as specified in the applicable Final Terms, and the SARON Replacement Rate for the relevant Interest Period will be equal to the last SARON available on the SARON Screen Page as determined by the Principal Paying Agent or other party as specified in the applicable Final Terms.

For the purposes of Condition 4(b)(ii)(J):

"**SARON Administrator**" means SIX Swiss Exchange or any successor administrator of the Swiss Average Rate Overnight;

"**SARON Administrator Website**" means the website of the SARON Administrator;

"**SARON Index Cessation Effective Date**" means the earliest of:

(1) in the case of the occurrence of a SARON Index Cessation Event described in paragraphs (1), (2) and (3) of the definition thereof, the date on which the SARON Administrator ceases to provide SARON;

(2) in the case of the occurrence of a SARON Index Cessation Event described in subparagraph (5) of the definition thereof, the latest of: (i) the date of such statement or publication, (ii) the date, if any, specified in such statement or publication as the

date on which SARON will no longer be representative, and (iii) if a SARON Index Cessation Event described either in clause (4) or (6) of the definition thereof has occurred on or prior to either or both dates specified in subclauses (i) and (ii) of this paragraph, the date as of which SARON may no longer be used; and

(3) in the case of the occurrence of a SARON Index Cessation Event described in clauses (4) and (6) of the definition thereof, the date as of which SARON may no longer be used,

in each case, as determined by the Principal Paying Agent or other party as specified in the applicable Final Terms and notified by the Principal Paying Agent or other party as specified in the applicable Final Terms to the Issuer;

"**SARON Index Cessation Event**" means the occurrence of one or more of the following events, as determined by the Principal Paying Agent or other party as specified in the applicable Final Terms and notified by it to the Issuer:

(1) SARON ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or

(2) a public statement by the SARON Administrator that it has ceased or that it will cease publishing SARON permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of SARON); or

(3) a public statement by the supervisor of the SARON Administrator, that SARON has been or will be permanently or indefinitely discontinued; or

(4) a public statement by the supervisor of the SARON Administrator as a consequence of which SARON will be prohibited from being used either generally, or in respect of the Notes;

(5) the making of a public statement by the supervisor of the SARON Administrator that SARON, in the opinion of the supervisor, is no longer representative of an underlying market or that its calculation method has significantly changed; or

(6) it has become unlawful for any Paying Agent, the Principal Paying Agent or other party as specified in the applicable Final Terms or the Issuer to calculate any payments due to be made to any Noteholder using SARON;

provided that in the case of sub-paragraphs (2), (3) and (4), the SARON Index Cessation Event shall occur on the date of the cessation of publication of SARON, the discontinuation of SARON, or the prohibition of use of SARON, as the case may be, and not the date of the relevant public statement;

"**SARON Recommended Adjustment Spread**" means, with respect to any SARON Recommended Replacement Rate, the spread (which may be positive, negative or zero), or formula or methodology for calculating such a spread,

(1) that the SARON Recommending Body has recommended be applied to such SARON Recommended Replacement Rate in the case of fixed income securities with respect to which such SARON Recommended Replacement Rate has replaced SARON as the reference rate for purposes of determining the applicable rate of interest thereon; or

(2) if the SARON Recommending Body has not recommended such a spread, formula or methodology as described in clause (1) above, to be applied to such SARON Recommended Replacement Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Noteholders as a result of the replacement of SARON with such SARON Recommended Replacement Rate for purposes of determining SARON, which spread will be determined by the Principal Paying Agent or other party as specified in the applicable Final Terms, acting in good faith and a commercially reasonable manner, and be consistent with industry-accepted practices for fixed income securities with respect to which such SARON Recommended Replacement Rate has replaced SARON as the reference rate for purposes of determining the applicable rate of interest thereon;

"**SARON Recommended Replacement Rate**" means the rate that has been recommended as the replacement for SARON by any working group or committee in Switzerland organised in the same or a similar manner as the National Working Group on Swiss Franc Reference Rates that was founded in 2013 for purposes of, among other things, considering proposals to reform reference interest rates in Switzerland (any such working group or committee, the "**SARON Recommending Body**");

"**SIX Swiss Exchange**" means SIX Swiss Exchange AG and any successor thereto;

"**SNB Adjustment Spread**" means, with respect to the SNB Policy Rate, the spread to be applied to the SNB Policy Rate in order to reduce or eliminate, to the extent reasonably practicable under the circumstances, any economic prejudice or benefit (as applicable) to Noteholders as a result of the replacement of the Swiss Average Rate Overnight with the SNB Policy Rate for purposes of determining SARON, which spread will be determined by the Principal Paying Agent or other party as specified in the applicable Final Terms, acting in good faith and a commercially reasonable manner, taking into account the historical median between SARON and the SNB Policy Rate during the two year period ending on the date on which the SARON Index Cessation Event occurred (or, if more than one SARON Index Cessation Event has occurred, the date on which the first of such events occurred); and

"**Zurich Banking Day**" means a day on which banks are open in the City of Zurich for the settlement of payments and of foreign exchange transactions.

(K) Screen Rate Determination for Floating Rate Notes – where the Reference Rate is BBSW Rate or AONIA Rate

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and if the Reference Rate is specified in the applicable Final Terms as being BBSW Rate or AONIA Rate, then the Rate of Interest applicable to the Notes for each Interest Period will, subject as provided below, be BBSW Rate (as defined below) or AONIA Rate (as defined below), as the case may be, plus or minus (as indicated in the applicable Final Terms) the applicable Margin, all as determined by the Australian Agent (or other party as specified in the applicable Final Terms) on the Interest Determination Date for such Interest Period.

Each Noteholder shall be deemed to acknowledge, accept and agree to be bound by, and consents to, the determination of, substitution for and any adjustments made to the BBSW Rate or the AONIA Rate, as applicable, in each case as described in this Condition

4(b)(ii)(K) (in all cases without the need for any Noteholder consent). Any determination, decision or election (including a decision to take or refrain from taking any action or as to the occurrence or non-occurrence of any event or circumstance), and any substitution for and adjustments made to, the BBSW Rate or the AONIA Rate, as applicable, and in each case made in accordance with this Condition 4(b)(ii)(K), will, in the absence of manifest or proven error, be conclusive and binding on the Issuer, the Noteholder and each Agent and, notwithstanding anything to the contrary in these Conditions or other documentation relating to the Notes, shall become effective without the consent of any person.

If the Calculation Agent is unwilling or unable to determine a necessary rate, adjustment, quantum, formula, methodology or other variable in order to calculate the applicable Interest Rate, such rate, adjustment, quantum, formula, methodology or other variable will be determined by the Issuer (acting in good faith and in a commercially reasonable manner) or, an alternate financial institution (acting in good faith and in a commercially reasonable manner) appointed by the Issuer (in its sole discretion) to so determine.

All rates determined pursuant to this Condition 4(b)(ii)(K) shall be expressed as a percentage rate per annum and the resulting percentage will be rounded if necessary to the fourth decimal place (i.e., to the nearest one ten-thousandth of a percentage point) with 0.00005 being rounded upwards.

However, if:

(a) a Temporary Disruption Trigger has occurred; or

(b) a Permanent Discontinuation Trigger has occurred,

then the "**Benchmark Rate**" for an Interest Period, whilst such Temporary Disruption Trigger is continuing or after a Permanent Discontinuation Trigger has occurred, means (in the following order of application and precedence):

(i) where BBSW Rate is the Applicable Benchmark Rate, if a Temporary Disruption Trigger has occurred with respect to the BBSW Rate, in the following order of precedence:

  (A) first, the Administrator Recommended Rate;

  (B) then the Supervisor Recommended Rate; and

  (C) lastly, the Final Fallback Rate;

(ii) where AONIA Rate is the Applicable Benchmark Rate or a determination of the AONIA Rate is required for the purposes of paragraph (i) above, if a Temporary Disruption Trigger has occurred with respect to AONIA, the rate for any day for which AONIA is required will be the last provided or published level of AONIA;

(iii) where a determination of the RBA Recommended Rate is required for the purposes of paragraph (i) or (ii) above, if a Temporary Disruption Trigger has occurred with respect to the RBA Recommended Rate, the rate for any day for which the RBA Recommended Rate is required will be the last rate provided or published by the Administrator of the RBA Recommended Rate (or if no such rate has been so provided or published, the last provided or published level of AONIA);

(iv) where BBSW Rate is the Applicable Benchmark Rate, if a Permanent Discontinuation Trigger has occurred with respect to the BBSW Rate, the rate for any day for which the BBSW Rate is required on or after the Permanent Fallback Effective Date will be the first rate available in the following order of precedence:

(A) first, if at the time of the BBSW Rate Permanent Fallback Effective Date, no AONIA Permanent Fallback Effective Date has occurred, the AONIA Rate;

(B) then, if at the time of the BBSW Rate Permanent Fallback Effective Date, an AONIA Permanent Fallback Effective Date has occurred, an RBA Recommended Rate has been created but no RBA Recommended Rate Permanent Fallback Effective Date has occurred, the RBA Recommended Fallback Rate; and

(C) lastly, if neither paragraph (A) nor paragraph (B) above apply, the Final Fallback Rate;

(v) where AONIA Rate is the Applicable Benchmark Rate or a determination of the AONIA Rate is required for the purposes of paragraph (iv)(A) above, if a Permanent Discontinuation Trigger has occurred with respect to AONIA, the rate for any day for which AONIA is required on or after the AONIA Permanent Fallback Effective Date will be the first rate available in the following order of precedence:

(A) first, if at the time of the AONIA Permanent Fallback Effective Date, an RBA Recommended Rate has been created but no RBA Recommended Rate Permanent Fallback Effective Date has occurred, the RBA Recommended Rate; and

(B) lastly, if paragraph (A) above does not apply, the Final Fallback Rate; and

(vi) where a determination of the RBA Recommended Rate is required for the purposes of paragraph (iv) or (v) above, respectively, if a Permanent Discontinuation Trigger has occurred with respect to the RBA Recommended Rate, the rate for any day for which the RBA Recommended Rate is required on or after that Permanent Fallback Effective Date will be the Final Fallback Rate.

When calculating an amount of interest in circumstances where a Fallback Rate other than the Final Fallback Rate applies, that interest will be calculated as if references to the BBSW Rate or AONIA Rate (as applicable) were references to that Fallback Rate. When calculating interest in circumstances where the Final Fallback Rate applies, the amount of interest will be calculated on the same basis as if the Applicable Benchmark Rate in effect immediately prior to the application of that Final Fallback Rate remained in effect but with necessary adjustments to substitute all references to that Applicable Benchmark Rate with corresponding references to the Final Fallback Rate.

For the purposes of this Condition 4(b)(ii)(K):

"**Adjustment Spread**" means the adjustment spread as at the Adjustment Spread Fixing Date (which may be a positive or negative value or zero and determined pursuant to a formula or methodology) that is:

(a) determined as the median of the historical differences between the BBSW Rate and AONIA over a five calendar year period prior to the Adjustment Spread Fixing Date using practices based on those used for the determination of the Bloomberg

Adjustment Spread as at 1 December 2022, provided that for so long as the Bloomberg Adjustment Spread is published and determined based on the five year median of the historical differences between the BBSW Rate and AONIA, that adjustment spread will be deemed to be acceptable for the purposes of this paragraph (a); or

(b) if no such median can be determined in accordance with paragraph (a), set using the method for calculating or determining such adjustment spread determined by the Calculation Agent (after consultation with the Issuer where practicable) to be appropriate;

"**Adjustment Spread Fixing Date**" means the first date on which a Permanent Discontinuation Trigger occurs with respect to the BBSW Rate;

"**Administrator**" means:

(a) in respect of the BBSW Rate, ASX Benchmarks Pty Limited (ABN 38 616 075 417);

(b) in respect of AONIA (or where AONIA is used to determine an Applicable Benchmark Rate), the Reserve Bank of Australia; and

(c) in respect of any other Applicable Benchmark Rate, the administrator for that rate or benchmark or, if there is no administrator, the provider of that rate or benchmark,

and, in each case, any successor administrator or, as applicable, any successor administrator or provider;

"**Administrator Recommended Rate**" means the rate formally recommended for use as the temporary replacement for the BBSW Rate by the Administrator of the BBSW Rate;

"**AONIA**" means the Australian dollar interbank overnight cash rate (known as AONIA);

"**AONIA Rate**" means, for an Interest Period and in respect of an Interest Determination Date, the rate determined by the Calculation Agent to be Compounded Daily AONIA for that Interest Period and Interest Determination Date plus, if determining the AONIA Rate for the purposes of a fallback from the BBSW Rate, the Adjustment Spread;

"**Applicable Benchmark Rate**" means the Benchmark Rate specified in the relevant Final Terms and, if a Permanent Fallback Effective Date has occurred with respect to the BBSW Rate, AONIA or the RBA Recommended Rate, then the rate determined in accordance with this Condition 4(b)(ii)(K);

"**BBSW Rate**" means, for an Interest Period, the rate for prime bank eligible securities having a tenor closest to the Interest Period which is designated as the "AVG MID" on the "Refinitiv Screen ASX29 Page" or the "MID" rate on the "Bloomberg Screen BBSW Page" (or any designation which replaces that designation on the applicable page, or any replacement page) at the Publication Time on the first day of that Interest Period;

"**Benchmark Rate**" means, for an Interest Period, either the BBSW Rate or the AONIA Rate as specified in the relevant Final Terms;

"**Bloomberg Adjustment Spread**" means the term adjusted AONIA spread relating to the BBSW Rate provided by Bloomberg Index Services Limited (or a successor provider as approved and/or appointed by ISDA from time to time as the provider of term adjusted AONIA and the spread) ("**BISL**") on the Fallback Rate (AONIA) Screen (or by other

means), or provided to, and published by, authorised distributors where **Fallback Rate (AONIA) Screen** means the Bloomberg Screen corresponding to the Bloomberg ticker for the fallback for the BBSW Rate accessed via the Bloomberg Screen <FBAK> <GO> Page (or, if applicable, accessed via the Bloomberg Screen <HP> <GO>) or any other published source designated by BISL;

"**Compounded Daily AONIA**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment as calculated by the Calculation Agent on the Interest Determination Date, as follows:

$$\left[\prod_{i=1}^{d_0}\left(1+\frac{AONIA_{i-5\ SBD}\times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

$\boldsymbol{AONIA_{i-5SBD}}$, means the per annum rate expressed as a decimal which is the level of AONIA provided by the Administrator and published as of the Publication Time for the Sydney Business Day falling five Sydney Business Days prior to such Sydney Business Day "i";

$\boldsymbol{d}$ is the number of calendar days in the relevant Interest Period;

$\boldsymbol{d_0}$ is the number of Sydney Business Days in the relevant Interest Period;

"$\boldsymbol{i}$" is a series of whole numbers from 1 to d_0, each representing the relevant Sydney Business Day in chronological order from (and including) the first Sydney Business Day in the relevant Interest Period to (and including) the last Sydney Business Day in such Interest Period;

"$\boldsymbol{n_i}$", for any Sydney Business Day "i", means the number of calendar days from (and including) such Sydney Business Day "i" up to (but excluding) the following Sydney Business Day; and

"**Sydney Business Day**" or "**SBD**" means any day on which commercial banks are open for general business in Sydney.

If, for any reason, Compounded Daily AONIA needs to be determined for a period other than an Interest Period, Compounded Daily AONIA is to be determined as if that period were an Interest Period starting on (and including) the first day of that period and ending on (but excluding) the last day of that period;

"**Fallback Rate**" means, where a Permanent Discontinuation Trigger for an Applicable Benchmark Rate has occurred, the rate that applies to replace that Applicable Benchmark Rate in accordance with this Condition 4(b)(ii)(K);

"**Final Fallback Rate**" means, in respect of an Applicable Benchmark Rate, the rate:

(a) determined by the Calculation Agent as a commercially reasonable alternative for the Applicable Benchmark Rate taking into account all available information that, in good faith, it considers relevant, provided that any rate (inclusive of any spreads or adjustments) implemented by central counterparties and / or futures exchanges with representative trade volumes in derivatives or futures referencing the Applicable Benchmark Rate will be deemed to be acceptable for the purposes of this paragraph

(a), together with (without double counting) such adjustment spread (which may be a positive or negative value or zero) that is customarily applied to the relevant successor rate or alternative rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for Benchmark Rate-linked floating rate notes at such time (together with such other adjustments to the Business Day Convention, interest determination dates and related provisions and definitions, in each case that are consistent with accepted market practice for the use of such successor rate or alternative rate for Benchmark Rate-linked floating rate notes at such time), or, if no such industry standard is recognised or acknowledged, the method for calculating or determining such adjustment spread determined by the Calculation Agent (in consultation with the Issuer) to be appropriate; provided that

(b) if and for so long as no such successor rate or alternative rate can be determined in accordance with paragraph (a), the Final Fallback Rate will be the last provided or published level of that Applicable Benchmark Rate;

"**Interest Determination Date**" means, in respect of an Interest Period:

(a) where the BBSW Rate applies or the Final Fallback Rate applies under paragraph (iv)(C) of this Condition 4(b)(ii)(K), the first day of that Interest Period; and

(b) otherwise, the third Business Day prior to the last day of that Interest Period;

"**Non-Representative**" means, in respect of an Applicable Benchmark Rate, that the Supervisor of that Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the AONIA Rate or the RBA Recommended Rate:

(a) has determined that such Applicable Benchmark Rate is no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Applicable Benchmark Rate is intended to measure and that representativeness will not be restored; and

(b) is aware that such determination will engage certain contractual triggers for fallbacks activated by pre-cessation announcements by such Supervisor (howsoever described) in contracts;

"**Permanent Discontinuation Trigger**" means, in respect of an Applicable Benchmark Rate:

(a) a public statement or publication of information by or on behalf of the Administrator of the Applicable Benchmark Rate announcing that it has ceased or that it will cease to provide the Applicable Benchmark Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider, as applicable, that will continue to provide the Applicable Benchmark Rate and, in the case of the BBSW Rate, a public statement or publication of information by or on behalf of the Supervisor of the BBSW Rate has confirmed that cessation;

(b) a public statement or publication of information by the Supervisor of the Applicable Benchmark Rate, the Reserve Bank of Australia (or any successor central bank for Australian dollars), an insolvency official or resolution authority with jurisdiction

over the Administrator of the Applicable Benchmark Rate or a court or an entity with similar insolvency or resolution authority over the Administrator of the Applicable Benchmark Rate which states that the Administrator of the Applicable Benchmark Rate has ceased or will cease to provide the Applicable Benchmark Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator or provider that will continue to provide the Applicable Benchmark Rate and, in the case of the BBSW Rate and a public statement or publication of information other than by the Supervisor, a public statement or publication of information by or on behalf of the Supervisor of the BBSW Rate has confirmed that cessation;

(c) a public statement by the Supervisor of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the AONIA Rate or the RBA Recommended Rate, as a consequence of which the Applicable Benchmark Rate will be prohibited from being used either generally, or in respect of the Notes, or that its use will be subject to restrictions or adverse consequences to the Issuer or a Noteholder;

(d) as a consequence of a change in law or directive arising after the Issue Date of the first Tranche of Notes of a Series, it has become unlawful for the Calculation Agent, the Issuer or any other party responsible for calculations of interest under the Conditions to calculate any payments due to be made to any Noteholder using the Applicable Benchmark Rate;

(e) a public statement or publication of information by the Supervisor of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the BBSW Rate, or the Administrator of the Applicable Benchmark Rate if the Applicable Benchmark Rate is the AONIA Rate or the RBA Recommended Rate, stating that the Applicable Benchmark Rate is Non-Representative; or

(f) the Applicable Benchmark Rate has otherwise ceased to exist or be administered on a permanent or indefinite basis;

"**Permanent Fallback Effective Date**" means, in respect of a Permanent Discontinuation Trigger for an Applicable Benchmark Rate:

(a) in the case of paragraphs (a) and (b) of the definition of "Permanent Discontinuation Trigger", the first date on which the Applicable Benchmark Rate would ordinarily have been published or provided and is no longer published or provided;

(b) in the case of paragraphs (c) and (d) of the definition of "Permanent Discontinuation Trigger", the date from which use of the Applicable Benchmark Rate is prohibited or becomes subject to restrictions or adverse consequences or the calculation becomes unlawful (as applicable);

(c) in the case of paragraph (e) of the definition of "Permanent Discontinuation Trigger", the first date on which the Applicable Benchmark Rate would ordinarily have been published or provided but is Non-Representative by reference to the most recent statement or publication contemplated in that paragraph and even if such Applicable Benchmark Rates continues to be published or provided on such date; or

(d) in the case of paragraph (f) of the definition of "Permanent Discontinuation Trigger", the date that event occurs;

"**Publication Time**" means:

(a) in respect of the BBSW Rate, 12.00 noon (Sydney time) or any amended publication time for the final intraday refix of such rate specified by the Administrator for the BBSW Rate in its benchmark methodology; and

(b) in respect of AONIA, 4.00 pm (Sydney time) or any amended publication time for the final intraday refix of such rate specified by the Administrator for AONIA in its benchmark methodology;

"**RBA Recommended Fallback Rate**" means, for an Interest Period and in respect of an Interest Determination Date, the rate determined by the Calculation Agent to be the RBA Recommended Rate for that Interest Period and Interest Determination Date;

"**RBA Recommended Rate**" means, in respect of any relevant day (including any day "i"), the rate (inclusive of any spreads or adjustments) recommended as the replacement for AONIA by the Reserve Bank of Australia (which rate may be produced by the Reserve Bank of Australia or another administrator) and as provided by the Administrator of that rate or, if that rate is not provided by the Administrator thereof, published by an authorised distributor in respect of that day;

"**Supervisor**" means, in respect of an Applicable Benchmark Rate, the supervisor or competent authority that is responsible for supervising that Applicable Benchmark Rate or the Administrator of that Applicable Benchmark Rate, or any committee officially endorsed or convened by any such supervisor or competent authority that is responsible for supervising that Applicable Benchmark Rate or the Administrator of that Applicable Benchmark Rate;

"**Supervisor Recommended Rate**" means the rate formally recommended for use as the temporary replacement for the BBSW Rate by the Supervisor of the BBSW Rate; and

"**Temporary Disruption Trigger**" means, in respect of any Applicable Benchmark Rate which is required for any determination:

(a) the Applicable Benchmark Rate has not been published by the applicable Administrator or an authorised distributor and is not otherwise provided by the Administrator, in respect of, on, for or by the time and date on which that Applicable Benchmark Rate is required; or

(b) the Applicable Benchmark Rate is published or provided but the Calculation Agent determines that there is an obvious or proven error in that rate.

(iii) *Definitions*

"**BKBM**" means the New Zealand Bank Bill Reference Rate;

"**CMS**" means the Constant Maturity Swap rate;

"**CMS Rate**" means, subject as provided in Condition 4(b)(ii)(D), the applicable swap rate for swap transactions in the relevant Specified Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page as at the Relevant Time

on the Interest Determination Date in question, all as determined by the Principal Paying Agent and the Issuer;

"**CMS Reference Banks**" means (i) where the Specified Currency is euro, the principal office of five leading swap dealers in the Euro-zone inter-bank market, (ii) where the Specified Currency is pounds sterling, the principal London office of five leading swap dealers in the London inter-bank market, (iii) where the Specified Currency is U.S. dollars, the principal New York City office of five leading swap dealers in the New York City inter-bank market, or (iv) in the case of any other Specified Currency, the principal Relevant Financial Centre office of five leading swap dealers in the Relevant Financial Centre inter-bank market, in each case selected by the Principal Paying Agent;

"**CNH HIBOR**" means the CNH Hong Kong interbank offered rate;

"**Compounded Daily SONIA**", with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the daily SONIA reference rate as the reference rate for the calculation of interest) as calculated by the Principal Paying Agent (or such other party responsible for the calculation of the Rate of Interest, as specified in the applicable Final Terms) as at the relevant Interest Determination Date in accordance with the following formula (and the resulting percentage will be rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards):

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SONIA_{i-pLBD}\times n_i}{365}\right)\right]\times\frac{365}{d}$$

where:

"**d**" means, in relation to any Interest Period, the number of calendar days in such Interest Period;

"**d_O**" means, in relation to any Interest Period, the number of London Banking Days in such Interest Period;

"**i**" means, in relation to any Interest Period, a series of whole numbers from one to d_O, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in such Interest Period;

"**London Banking Day**" or "**LBD**" means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"**n_i**" means, in relation to any London Banking Day "i", the number of calendar days from and including such London Banking Day "i" up to but excluding the following London Banking Day;

"**Observation Period**" means, in relation to an Interest Period, the period from and including the date which is "p" London Banking Days prior to the first day of such Interest Period and ending on, but excluding, the date which is "p" London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling "p" London Banking Days prior to such earlier date, if any, on which the Notes become due and payable);

"**p**" means the whole number specified as the Observation Look-Back Period in the applicable Final Terms, such number representing a number of London Banking Days, or if no such number is specified, five London Banking Days;

"**$SONIA_i$**" means, in respect of any London Banking Day "i", a reference rate equal to the daily SONIA rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors) on the London Banking Day immediately following such London Banking Day;

"**$SONIA_{i\text{-}pLBD}$**" means, in respect of any London Banking Day "i" falling in the relevant Interest Period, the SONIA reference rate for the London Banking Day falling "p" London Banking Days prior to such London Banking Day "i";

"**CORRA**" means the Canadian Overnight Repo Rate Average, as published by the Bank of Canada, as the administrator of CORRA (or any successor CORRA Reference Rate Administrator), on the website of the Bank of Canada or any successor website;

"**EURIBOR**" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Banking Federation based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks;

"**HIBOR**" means the Hong Kong interbank offered rate;

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China;

"**Interest Determination Date**" shall mean (except in the case of Condition 4(b)(ii)(K)) the date specified as such in the relevant Final Terms, or if none is so specified:

(1) if the Reference Rate is EURIBOR, the second day on which T2 is open for the settlement of payments in euro prior to the start of each Interest Period;

(2) if the Reference Rate is BKBM, the first day of each Interest Period;

(3) if the Reference Rate is CMS, (if the Notes are denominated in GBP) the first day of each Interest Period, (if the Notes are denominated in euro) the second day on which T2 is open for the settlement of payments in euro prior to the start of each Interest Period, or (if the Notes are denominated in a currency other than GBP or euro) the second business day in the Specified Currency prior to the start of each Interest Period;

(4) if the Reference Rate is CNH HIBOR, the second day on which Hong Kong is open prior to the start of each Interest Period;

(5) if the Reference Rate is HIBOR, the first day of each Interest Period;

(6) if the Reference Rate is NDBB, the first day of each Interest Period;

(7) if the Reference Rate is NIBOR, the first day of each Interest Period;

(8) if the Reference Rate is SOFR, the first day of each Interest Period;

(9) if the Reference Rate is SONIA, the first day of each Interest Period;

(10) if the Reference Rate is Compounded Daily SOFR (where SOFR Lag, SOFR Observation Shift or SOFR Lockout is specified as applicable in the applicable

Final Terms to determine Compounded Daily SOFR) or Compounded SOFR Index the third U.S. Government Securities Business Day prior to the last day of each Interest Period;

(11) if the Reference Rate is Compounded Daily SOFR (where SOFR Payment Delay is specified as applicable in the applicable Final Terms to determine Compounded Daily SOFR) the Interest Payment Date at the end of each Interest Period, provided that the Interest Determination Date with respect to the final Interest Period will be the U.S. Government Securities Business Day immediately following the relevant SOFR Rate Cut-Off Date;

(12) if the Reference Rate is Compounded Daily SONIA, the date falling at the end of the Observation Look-Back Period for each Interest Period;

(13) if the Reference Rate is SORF, the first day of each Interest Period;

(14) if the Reference Rate is STIBOR, the second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in Stockholm prior to the start of each Interest Period;

(15) if the Reference Rate is TIBOR, the second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in Tokyo prior to the start of each Interest Period;

(16) if the Reference Rate is TONA (where TONA Lookback is specified in the applicable Final Terms as the TONA rate of interest determination method), the date falling a number of Tokyo Banking Days equal to the number of Tokyo Banking Days included in the Observation Look-Back Period prior to the last Tokyo Banking Day in each Interest Period;

(17) if the Reference Rate is TONA (where TONA Shift Compound is specified in the applicable Final Terms as the TONA rate of interest determination method), the date falling at the end of the Observation Period for each Interest Period;

(18) if the Reference Rate is Compounded Daily CORRA, the date falling at the end of the Observation Period for each Interest Period;

(19) if the Reference Rate is CORRA Compounded Index, the date that is two Bank of Canada Business Days preceding each Interest Payment Date, or, in the case of the final Interest Period, preceding the maturity date of the Notes, or, if applicable, preceding the date of redemption of any Notes;

(20) if the Reference Rate is SARON, the date falling at the end of the Observation Period for each Interest Period;

(21) if the Reference Rate is WIBOR, the second day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in Warsaw prior to the start of each Interest Period;

"**Margin**" has the meaning given in the relevant Final Terms;

"**NDBB**" means the New Zealand Dollar Bank Bills Standard rate;

"**NIBOR**" means the Norwegian interbank offered rate;

"**Reference Banks**" means those banks whose offered rates were used to determine such quotation when such quotation last appeared on the Relevant Screen Page or, as the case may be, those banks whose offered quotations last appeared on the Relevant Screen Page when no fewer than three such offered quotations appeared;

"**Reference Rate**" shall mean (i) EURIBOR, (ii) BBSW, (iii) BKBM, (iv) CMS, (v) CNH HIBOR, (vi) Compounded Daily SONIA, (vii) HIBOR, (viii) NDBB, (ix) NIBOR, (x) SOFR, (xi) SONIA, (xii) SORF, (xiii) STIBOR, (xiv) TIBOR (xv) Compounded Daily SOFR, (xvi) Compounded SOFR Index, (xvii) TONA, (xvii) Compounded Daily CORRA, (xviii) CORRA Compounded Index, (xix) SARON and (xx) WIBOR, in each case for the relevant currency and for the relevant period, as specified in the relevant Final Terms;

"**Reference Swap Rate**" means:

(a) where the Specified Currency is euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions), with a designated maturity determined by the Principal Paying Agent by reference to standard market practice and/or the ISDA Definitions;

(b) where the Specified Currency is Sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating pounds sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-LIBOR-BBA with a designated maturity of three months;

(c) where the Specified Currency is U.S. dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating U.S. dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of three months; and

(d) where the Specified Currency is any other currency or if the relevant Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the relevant Final Terms;

"**Relevant Financial Centre**" shall mean (i) London, in the case of a determination of CMS (where the Relevant Currency is Sterling), Compounded Daily SONIA or SONIA, (ii) Brussels, in the case of a determination of CMS (where the Relevant Currency is euro) or EURIBOR, (iii)

Sydney, in the case of a determination of BBSW Rate or AONIA Rate, (iv) Auckland and Wellington, in the case of a determination of BKBM or NDBB, (v) Toronto, in the case of a determination of Compounded Daily CORRA or CORRA Compounded Index, (vi) Hong Kong, in the case of a determination of CNH HIBOR or HIBOR, (vii) Oslo, in the case of a determination of NIBOR, (viii) New York, in the case of a determination of CMS (where the Relevant Currency is U.S. dollar), Compounded Daily SOFR, Compounded SOFR Index or SOFR, (ix) Singapore, in the case of a determination of SORF, (x) Stockholm, in the case of a determination of STIBOR, (xi) Tokyo, in the case of a determination of TIBOR and TONA, (x) Zurich, in the case of a determination of SARON, (xi) Warsaw, in the case of WIBOR, as specified in the relevant Final Terms;

"**Relevant Time**" has the meaning given in the relevant Final Terms;

"**Representative Amount**" means an amount that is representative for a single transaction in the relevant market at the relevant time;

"**SARON**" means the Swiss Average Rate Overnight;

"**SOFR**" means the secured overnight financing rate;

"**SONIA**" means the sterling overnight index average, or any successor or replacement thereto;

"**SORF**" means the Association of Banks in Singapore Swap Offer Rate Fixing;

"**STIBOR**" means the Stockholm interbank offered rate;

"**TIBOR**" means the Tokyo interbank offered rate;

"**TONA**" means the daily Tokyo Over Night Average rate; and

"**WIBOR**" means the Warsaw interbank offered rate.

(iv) *Benchmark Discontinuation (other than Notes where the Rate of Interest is SOFR, Compounded Daily SOFR or Compounded SOFR Index)*

This Condition 4(b)(iv) applies only where Screen Rate Determination (other than SOFR, Compounded Daily SOFR, Compounded SOFR Index, TONA Lookback Compound, TONA Shift Compound, Compounded Daily CORRA, CORRA Compounded Index, SARON, BBSW Rate or AONIA Rate) is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined.

(A) *Independent Adviser*

Notwithstanding Conditions 4(b)(ii)(B), 4(b)(ii)(C) and 4(b)(ii)(D), if a Benchmark Event occurs (as determined by the Issuer) in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the Issuer shall use its reasonable endeavours to appoint and consult with an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer determining a Successor Rate, failing which an Alternative Rate (in accordance with Condition 4(b)(iv)(B)) and, in either case, an Adjustment Spread (if any) (in accordance with Condition 4(b)(iv)(C) and any Benchmark Amendments (in accordance with Condition 4(b)(iv)(D)).

An Independent Adviser appointed pursuant to this Condition 4(b)(iv) shall act in good faith and in a commercially reasonable manner as an expert and in consultation with the

Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Noteholders for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 4(b)(iv)(A).

If (i) the Issuer is unable to appoint an Independent Adviser, or (ii) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4(b)(iv)(A) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin (if any) or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin (if any) or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin (if any) or Maximum or Minimum Rate of Interest relating to the last preceding Interest Period. For the avoidance of doubt, this sub-paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and adjustment as provided in, this Condition 4(b)(iv).

(B) *Successor Rate or Alternative Rate*

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

(A) there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 4(b)(iv)(C)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(b)(iv)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate shall (subject to adjustment as provided in Condition 4(b)(iv)(C)) subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 4(b)(iv)).

(C) *Adjustment Spread*

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(D) *Benchmark Amendments*

If any Successor Rate or Alternative Rate (and in either case, the applicable Adjustment Spread) is determined in accordance with this Condition 4(b)(iv) and the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines (i) that amendments to these Terms and Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such

amendments, the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(b)(iv)(E), without any requirement for the consent or approval of Noteholders, vary these Terms and Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

At the request of the Issuer, but subject to receipt by the Agents of a certificate signed by authorised signatories of the Issuer pursuant to Condition 4(b)(iv)(E), the Agents shall (at the expense and direction of the Issuer), without any requirement for the consent or approval of the Noteholders, be obliged to concur with the Issuer in effecting any Benchmark Amendments and the Agents shall not be liable to any party for any consequences thereof, provided that the Agents shall not be obliged to concur if in the opinion of the Agents doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend rights and/or the protective provisions afforded to the Agents in these Terms and Conditions and/or any documents to which they are a party in any way.

In connection with any such variation in accordance with this Condition 4(b)(iv)(D), the Issuer shall comply with the rules of the London Stock Exchange or any stock exchange on which the Notes are for the time being listed or admitted to trading.

(E) *Notices*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(b)(iv) will be notified promptly by the Issuer to the Agents and, in accordance with Condition 13, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments (if any).

No later than notifying the Agents of the same, the Issuer shall deliver to the Agents a certificate signed by authorised signatories of the Issuer:

(A) confirming (a) that a Benchmark Event has occurred, (b) the Successor Rate or, as the case may be, the Alternative Rate, (c) where applicable, any Adjustment Spread and (d) the specific terms of any Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 4(b)(iv); and

(B) certifying that the Benchmark Amendments are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread.

The Agents shall be entitled to rely on such certificate (without enquiry or liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments (if any) and without prejudice to the Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Agents and the Noteholders.

(F) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under this Condition 4(b)(iv), the Original Reference Rate and the fallback provisions provided for in Condition 4(b)(ii) will continue to apply unless and until a Benchmark Event has occurred and the Agents have

been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with Condition 4(b)(iv)(E).

(G) *Definitions*

"**Adjustment Spread**" means (except in the case of Condition 4(b)(ii)(K)) either a spread (which may be positive, negative or zero), or a formula or methodology for calculating a spread, in either case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and being the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(ii) (if no such recommendation has been made, or in the case of an Alternative Rate) the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or

(iii) (if the Issuer determines that no such spread is customarily applied) the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(iv) (if the Issuer determines that no such industry standard is recognised or acknowledged) the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines to be appropriate;

"**Alternative Rate**" means an alternative benchmark or screen rate which the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines in accordance with Condition 4(b)(iv)(B) has replaced the Original Reference Rate in customary market usage in the international debt capital markets for the purposes of determining floating rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes;

"**Benchmark Amendments**" has the meaning given to it in Condition 4(b)(iv)(D);

"**Benchmark Event**" means:

(i) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or

(ii) the later of (a) the making of a public statement by the administrator of the Original Reference Rate that it has ceased or will (on or before a specified date) cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate) and (b) the date falling six months prior to the date specified in (a); or

(iii) the later of (a) the making of a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued and (b) the date falling six months prior to the date specified in (a); or

(iv) the later of (a) the making of a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will (on or before a specified date) be prohibited from being used either generally, or in respect of the Notes and (b) the date falling six months prior to the date specified in (a); or

(v) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is no longer representative of an underlying market; or

(vi) it has or will become unlawful for the Calculation Agent or the Issuer to calculate any payments due to be made to any Noteholders using the Original Reference Rate;

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer at its own expense under Condition 4(b)(iv)(A) and notified in writing to the Agents;

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes or, if applicable, any other successor or alternative rate (or any component part thereof) determined and applicable to the Notes pursuant to the earlier operation of Condition 4(b)(iv)(D);

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(v) *Benchmark Discontinuation (SOFR, Compounded Daily SOFR or Compounded SOFR Index)*

This Condition 4(b)(v) shall only apply where SOFR, Compounded Daily SOFR or Compounded SOFR Index is specified as the Screen Rate Determination and Benchmark Discontinuation (SOFR) is specified as applicable in the applicable Final Terms:

(A) Benchmark Replacement

If the Issuer or its designee determines on or prior to the relevant Reference Time that a SOFR Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the-then current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

(B) Benchmark Replacement Conforming Changes

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time. For the avoidance of doubt, any of the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required to give effect to this Condition 4(b)(v). Noteholders' consent shall not be required in connection with effecting any such changes, including the execution of any documents or any steps to be taken by any of the Agents (if required). Further, none of the Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(C) Decisions and Determinations

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 4(b)(v), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (i) will be conclusive and binding absent manifest error, (ii) will be made in the sole discretion of the Issuer or its designee, as applicable, and (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

(D) Definitions

The following defined terms shall have the meanings set out below for purpose of this Condition 4(b)(v):

"**Benchmark**" means, initially, the relevant SOFR benchmark specified in the applicable Final Terms; provided that if the Issuer or its designee determines on or prior to the Reference Time that a SOFR Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the relevant Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then "**Benchmark**" means the applicable Benchmark Replacement;

"**SOFR Benchmark Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is

no successor administrator that will continue to provide the Benchmark (or such component); or

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(i) the sum of:

(a) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and

(b) the Benchmark Replacement Adjustment;

(ii) the sum of:

(a) the ISDA Fallback Rate; and

(b) the Benchmark Replacement Adjustment; or

(iii) the sum of:

(a) the alternate reference rate that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted reference rate as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar-denominated Floating Rate Notes at such time; and

(b) the Benchmark Replacement Adjustment;

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been

selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated Floating Rate Notes at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determine that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(i) in the case of sub-paragraph (i) or (ii) of the definition of "SOFR Benchmark Event", the later of:

(x) the date of the public statement or publication of information referenced therein; and

(y) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(ii) in the case of sub-paragraph (iii) of the definition of "SOFR Benchmark Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**designee**" means a designee as selected and separately appointed by the Issuer in writing;

"**ISDA Definitions**" for the purposes of this Condition means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Reference Time**" with respect to any determination of the Benchmark means (1) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Compounded Daily SOFR is specified as applicable in the applicable Final Terms) or SOFR Index Determination Time (where Compounded SOFR Index is specified as applicable in the applicable Final Terms), or (2) if the Benchmark is not the SOFR Benchmark, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes;

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(vi) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the above provisions is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest. If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the above provisions is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

Notwithstanding any other provisions of these Conditions, unless otherwise stated in the applicable Final Terms the Rate of Interest may never be less than zero.

(vii) *Determination of Rate of Interest and Calculation of Interest Amounts*

The Principal Paying Agent or such other party specified in the applicable Final Terms (the "**Calculation Agent**") will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. The Calculation Agent, if applicable, will notify the Principal Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Principal Paying Agent or Calculation Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

(A) in the case of Floating Rate Notes which are Registered Notes in definitive form or are represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, the aggregate outstanding nominal amount of the Notes represented by such Registered Notes in definitive form or global Note; or

(B) in the case of Floating Rate Notes that are Bearer Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period:

(A) If "**Actual/Actual (ISDA)**" or "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(B) If "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(C) if "**Actual/365 (Sterling)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(D) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(E) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(F) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30; and

(G) if "**30E/360 (ISDA)**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 in which case D2 will be 30.

(viii) *Linear Interpolation*

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Principal Paying Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the relevant Interest Period, provided, however, that if there is no rate available for a period of time next shorter or (as the case may be) next longer, then the Principal Paying Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

For the purposes of this Condition 4(b)(vii), "**Designated Maturity**" means, in relation to Screen Rate Determination, the period designated in the Reference Rate.

(ix) *Notification of Rate of Interest and Interest Amount*

The Principal Paying Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(x) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), by the Principal Paying Agent or such other agent as is specified in the applicable Final Terms, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Guarantor, the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default, bad faith or manifest error) no liability to the Issuer, the Guarantor, the Noteholders, the Receiptholders or the Couponholders shall attach to the Principal Paying Agent or that other agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) ***Interest on Dual Currency Interest Notes***

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

(d) ***Index Linked Interest Notes***

If the applicable Final Terms specify that the Notes are Index Linked Interest Notes the provisions of Additional Condition 1 (*Index Linked Notes*) set out in the Annex to these Terms and Conditions shall apply and the Interest Rate and the Interest Amount per Calculation Amount with respect to the relevant Interest Period shall be determined by the Calculation Agent (i) by applying the applicable rate of interest to the Calculation Amount and multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or (ii) as otherwise specified in these Terms and Conditions, the relevant Additional Conditions and the applicable Final Terms.

(e) ***Accrual of Interest***

Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the due date for its redemption (or, in the case of an Instalment Note, in respect of each instalment of principal, on the due date for payment of the relevant Instalment Amount) unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(1) the date on which all amounts due in respect of such Note have been paid; and

(2) five days after the date on which the full amount of the monies payable has been received by the Principal Paying Agent and notice to that effect has been given in accordance with Condition 13 or individually.

5. Payments

(a) ***Method of Payment***

Subject as provided below:

(i) payments in a Specified Currency other than euro and Renminbi will be made at the option of the bearer either by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively), **provided, however, that** no payment will be made by transfer to an account in, or by cheque mailed to an address in, the United States;

(ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque, provided, however, that no payment will be made by transfer to an account in, or by cheque mailed to an address in, the United States;

(iii) payments of the U.S. Dollar Equivalent of the relevant Renminbi amount, determined in accordance with Condition 5(f), will be made by credit or transfer to a U.S. dollar account (or any other account to which U.S. dollar may be credited or transferred) specified by the payee or, at the option of the payee, by a U.S. dollar cheque, **provided, however, that** no payment will be made by transfer to an account in, or by cheque mailed to an address in, the United States; and

(iv) payments in Renminbi will be made by credit or transfer to an account denominated in that currency and maintained by the payee with a bank in Hong Kong or an Additional Renminbi Clearing Financial Centre specified in the Final Terms.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the United States Internal Revenue Code of 1986 or otherwise imposed pursuant to Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto (in each case without prejudice to the provisions of Condition 7).

(b) ***Payments in respect of Bearer Notes, Receipts and Coupons***

This Condition 5(b) is only applicable to Bearer Notes.

Payments of principal in respect of definitive Bearer Notes (if issued) will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant definitive Bearer Note, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Bearer Notes (if issued), other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant definitive Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Unmatured Receipts and Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive Bearer Note form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due but in no event thereafter. Upon any Fixed Rate Note in definitive Bearer Note form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Notes or Long Maturity Note in definitive Bearer Note form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the

case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Bearer Note.

Payments of principal and interest (if any) in respect of Notes represented by any global Bearer Note will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant global Bearer Note against presentation or surrender, as the case may be, of such global Bearer Note at the specified office of any Paying Agent outside the United States, subject as provided below. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such global Bearer Note either by such Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

The holder of a global Bearer Note shall be the only person entitled to receive payments in respect of Notes represented by such global Bearer Note and the Issuer or, in the case of Notes issued by MHCUK, the Guarantor will be discharged by payment to, or to the order of, the holder of such global Bearer Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such global Bearer Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or, in the case of Notes issued by MHCUK, the Guarantor to, or to the order of, the holder of such global Bearer Note. No person other than the holder of such global Bearer Note shall have any claim against the Issuer or, in the case of Notes issued by MHCUK, the Guarantor in respect of any payments due on that global Bearer Note.

Notwithstanding the foregoing, U.S. dollar payments of principal and interest in respect of the Notes may be made at the specified office of a Paying Agent in the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)) if:

(i) the Issuer and the Guarantor have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(ii) payment in U.S. dollars of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer and, in the case of Notes issued by MHCUK, the Guarantor, adverse tax consequences to the Issuer or, in the case of Notes issued by MHCUK, the Guarantor.

(c) ***Payments in respect of Registered Notes***

This Condition 5(c) is only applicable to Registered Notes.

Payments of principal (including the final instalment of principal) in respect of definitive Registered Notes will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant definitive Registered Note at the specified office of any of the Paying Agents. Such payments will be made in accordance with paragraph (a) above but only by transfer to the Designated Account (as defined below) of the holder (or, in the case of joint holdings, the first named thereof) of the definitive Registered Note appearing in the Register at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date for payment.

For these purposes, "**Designated Account**" means the account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (1) in the case of payment in a Specified Currency other than euro and Renminbi, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland respectively), (2) in the case of a payment in euro, any bank which processes payments in euro and (3) in the case of a payment in Renminbi, a bank in Hong Kong or an Additional Renminbi Clearing Financial Centre specified in the Final Terms.

Payments of interest and payments of instalments of principal (other than the final instalment of principal and other than any interest or instalment payments in Renminbi) in respect of definitive Registered Notes will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the relevant Paying Agent is located immediately preceding the relevant due date for payment to the holder (or, in the case of joint holdings, the first named thereof) of the definitive Registered Note appearing in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date for payment (the "**Record Date**") at his address shown in the Register at the close of business on the Record Date and at his risk. In the case of interest payments or instalments in Renminbi, and for any other Specified Currency upon application of the holder to the specified office of any Paying Agent not less than three business days in the city where the specified office of the relevant Paying Agent is located before the due date for any payment of interest or an instalment of principal (other than the final instalment) in respect of a definitive Registered Note, the payment will be made in accordance with paragraph (a) above but only by transfer to a Designated Account on the due date in the manner provided in the second paragraph of this Condition 5(c). Any application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the definitive Registered Note which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each definitive Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such definitive Registered Note as set out in the first sentence of the second paragraph of this Condition 5(c).

So long as the Registered Notes are represented by a global Registered Note and such global Registered Note is held on behalf of a clearing system, the requirement that the relevant global Registered Notes shall be surrendered in order to receive payment shall not apply. Each payment in respect of a global Registered Note will be made in the same manner specified in this Condition 5(c) provided that such payments will be made to the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means a day on which each clearing system for which the relevant global Registered Note is being held is open for business.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of any cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post.

(d) ***Payment Day***

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to any further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 8) is:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(A) the relevant place of presentation (in the case of Notes held in definitive form only); and

(B) each Additional Financial Centre specified in the applicable Final Terms

(ii) either (1) in relation to any sum payable in a Specified Currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars, shall be Sydney and Melbourne, or New Zealand dollars, shall be Auckland, respectively), (2) in relation to any sum payable in euro, any day on which T2 is open for the settlement of payments in euro or (3) in relation to any sum payable in Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments of Renminbi and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Hong Kong or an Additional Renminbi Clearing Financial Centre specified in the Final Terms,

provided, however, that in the case of any payment of any amount in respect of a Note represented by a global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, paragraph (i) above shall be disregarded for the purposes of this definition of "Payment Day".

(e) ***Interpretation of Principal and Interest***

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(i) any additional amounts which may be payable with respect to principal under Condition 7;

(ii) the Final Redemption Amount of the Notes;

(iii) the Early Redemption Amount of the Notes;

(iv) the Optional Redemption Amount(s) (if any) of the Notes;

(v) in relation to Instalment Notes, the Instalment Amounts;

(vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as designed in Condition 6(e)); and

(vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

(f) ***Payment of U.S. Dollar Equivalent***

This Condition 5(f) applies to Notes denominated in Renminbi (the "**Renminbi Notes**").

Notwithstanding the foregoing, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer or, in the case of Notes issued by MHCUK and MHFA, the Guarantor is not able to satisfy payments of principal or interest (in whole or in part) in respect of Renminbi Notes when due in Renminbi, the Issuer or, in the case of Notes issued by MHCUK and MHFA, the Guarantor may settle any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi amount. Upon the determination that a condition of Inconvertibility, Non-transferability or Illiquidity prevails, the Issuer shall no later than 10.00 a.m. (Hong Kong time) on the Rate Calculation Date, (i) notify the Calculation Agent and the Paying Agents, and (ii) notify the Noteholders in accordance with Condition 13 of such determination.

Any payment made in the U.S. Dollar Equivalent of a Renminbi amount under this Condition 5(f) will constitute valid payment, and will not constitute a default in respect of the Renminbi Notes.

For the purposes of these Terms and Conditions, "**U.S. Dollar Equivalent**" of a Renminbi amount means the relevant Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Rate Calculation Date as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Rate Calculation Date.

For this purpose:

"**Governmental Authority**" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong or the PRC.

"**Illiquidity**" means the general Renminbi exchange market in Hong Kong becomes illiquid, other than as a result of an event of Inconvertibility or Non-transferability, as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers, as a result of which the Issuer or, in the case of Notes issued by MHCUK and MHFA, the Guarantor cannot, having used its reasonable endeavours, obtain sufficient Renminbi in order fully to satisfy its obligation to pay interest or principal (in whole or in part) in respect of the Renminbi Notes.

"**Inconvertibility**" means that the Issuer or, in the case of Notes issued by MHCUK and MHFA, the Guarantor determines (in good faith and in a commercially reasonable manner) that it is impossible or, having used its reasonable endeavours, impracticable, for it to convert any amount due in respect of the Renminbi Notes in the general Renminbi exchange market in Hong Kong, other than where such impossibility or impracticability is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible or, having used its reasonable endeavours, impracticable for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

"**Non-transferability**" means that the Issuer or, in the case of Notes issued by MHCUK and MHFA, the Guarantor determines (in good faith and in a commercially reasonable manner) that it is impossible or, having used its reasonable endeavours, impracticable, for it to deliver Renminbi (i) between accounts inside Hong Kong or (ii) from an account outside Hong Kong to an account inside Hong Kong, other

than where such impossibility or impracticability is due solely to the failure of the Issuer or, in the case of Notes issued by MHCUK and MHFA, the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date and it is impossible or, having used its reasonable endeavours, impracticable for the Issuer or, in the case of Notes issued by MHCUK and MHFA, the Guarantor, due to an event beyond its control, to comply with such law, rule or regulation).

"**PRC**" means the People's Republic of China.

"**Rate Calculation Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong and New York City.

"**Rate Calculation Date**" means the day which is two Rate Calculation Business Days before the due date of the relevant amount under these Terms and Conditions.

"**Renminbi**", "**RMB**" or "**CNH**" means the official currency of the People's Republic of China.

"**Renminbi Dealer**" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong.

"**Spot Rate**" means, for a Rate Calculation Date, the spot USD/RMB exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on a deliverable basis by reference to Reuters Screen Page TRADCNH3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent will determine the spot rate at or around 11.00 a.m. (Hong Kong time) on the Rate Calculation Date as the most recently available USD/RMB official fixing rate for settlement on the due date for payment reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNH=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(f) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, in the case of Notes issued by MHCUK and MHFA, the Guarantor, the Agents and all Noteholders, Receiptholders and Couponholders.

(g) AMTNs

(i) The Australian Agent will act (through its office in Sydney) as paying agent for AMTNs pursuant to the Australian Agency Agreement.

(ii) Payments of principal and interest will be made in Australia, unless prohibited by law, in Australian dollars to the persons registered at the close of business in Sydney on the relevant Record Date (as defined below) as the holders of such AMTNs, subject in all cases to normal banking practice and all applicable laws and regulations. Payment will be made by the Australian Agent giving in Sydney irrevocable instructions for the effecting of a transfer of the relevant funds to an Australian dollar account in Australia specified by the Noteholder to the Australian Agent (or in any other manner in Sydney which the Australian Agent and the Noteholder agree).

(iii) Payment to Noteholders will be made: (A) if the AMTN is held in the Austraclear System, by crediting on the payment date, the amount due to (x) the account of Austraclear (as the

Noteholder) in Australia previously notified to the Issuer and the Australian Agent, or (y) if requested by Austraclear, the accounts in Australia of the persons in whose Security Record (as defined in the Austraclear Regulations) an AMTN is recorded as previously notified by Austraclear to the Issuer and the Australian Agent in accordance with the Austraclear Regulations; and (B) if the AMTN is not held in the Austraclear System, by crediting on the payment date, the amount then due under each AMTN to an account in the relevant jurisdiction or financial centre for the currency in which the payment is made previously notified by the Noteholder to the Issuer and the Australian Agent.

(iv) If a payment in respect of an AMTN is prohibited by law from being made in Australia, such payment will be made in an international financial centre for the account of the relevant payee, and on the basis that the relevant amounts are paid in immediately available funds, freely transferable at the order of the payee.

(v) In the case of payments made by electronic transfer, payments will for all purposes be taken to be made when the Australian Agent gives irrevocable instructions in Sydney for the making of the relevant payment by electronic transfer, being instructions which would be reasonably expected to result, in the ordinary course of banking business, in the funds transferred reaching the account of the Noteholder on the same day as the day on which the instructions are given.

(vi) If an electronic transfer for which irrevocable instructions have been given by the Australian Agent is shown, to the satisfaction of the Australian Agent, not to have reached the Noteholder and the Australian Agent is able to recover the relevant funds, the Australian Agent may make such other arrangements as it thinks fit for the effecting of the payment in Sydney.

(vii) Interest will be calculated in the manner specified in Condition 4 and will be payable to the persons who are registered as Noteholders at the close of business in Sydney on the relevant Record Date, unless instructions to the contrary are given by the Noteholder (or, in the case of joint Noteholders, by all the Noteholders) in such form as may be prescribed by the Australian Agent. Payments of principal will be made to the persons who are registered as Noteholders at the close of business in Sydney on the relevant Record Date, subject, if so directed by the Australian Agent, to receipt from them of such instructions as the Australian Agent may require.

(viii) If any day for payment in respect of any AMTN is not a Business Day, such payment shall not be made until the next following day which is a Business Day, and no further interest shall be paid in respect of the delay in such payment.

(ix) Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto. Neither the Issuer nor the Australian Agent shall be liable to any Noteholder or other person for any commissions, costs, losses or expenses in relation to or resulting from such payments.

In this Condition 5(g) in relation to AMTNs: "**Austraclear Regulations**" means the regulations known as the "Austraclear Regulations", together with any instructions or directions, (as amended or replaced from time to time) established by Austraclear to govern the use of the Austraclear System and binding on the participants in that system; and "**Record Date**" means, in the case of payments of principal or interest, the close of business in Sydney on the date which is the 15th calendar day before the due date of the relevant payment of principal or interest.

6. Redemption and Purchase

(a) ***At Maturity***

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed by the Issuer at (i) its Final Redemption Amount (or, in the case of Instalment Notes, such number of instalments and such Instalment Amounts) specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date as may be specified in, or determined in accordance with the provisions of, the relevant Final Terms or (ii) in the case of an Index Linked Redemption Note, its Index Linked Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date and in accordance with the provisions of Additional Condition 1 (*Index Linked Notes*) set out in the Annex to these Terms and Conditions.

(b) ***Redemption for Tax Reasons***

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes or Dual Currency Interest Notes) or on any Interest Payment Date (in the case of Floating Rate Notes or Dual Currency Interest Notes), on giving not less than 30 nor more than 60 days' notice (or such other period as is indicated in the applicable Final Terms) to the Noteholders in accordance with Condition 13 and to the Principal Paying Agent and the Registrar (which notices shall be irrevocable), if:

(i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 or, in the case of Notes issued by MHCUK or MHFA, the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7) or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and

(ii) such obligation cannot be avoided by the Issuer or, in the case of Notes issued by MHCUK or MHFA, the Guarantor (as the case may be) taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, in the case of Notes issued by MHCUK or MHFA, the Guarantor (as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes or, in the case of Notes issued by MHCUK or MHFA, the Guarantee (as the case may be) then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Principal Paying Agent and the Registrar a certificate signed by two Directors of the Issuer or, in the case of Notes issued by MHCUK or MHFA, a Representative Director of the Guarantor (as the case may be) stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer or, in the case of Notes issued by MHCUK or MHFA, the Guarantor (as the case may be) has or will become obliged to pay such additional amounts as a result of such change or amendment. Any such certificate shall be conclusive and binding on the Noteholders.

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) ***Redemption at the Option of the Issuer (Issuer Call)***

If Issuer Call is specified in the applicable Final Terms the Issuer may, having given:

(i) not less than 15 nor more than 30 days' notice (or such other period as is indicated in the applicable Final Terms) to the Noteholders in accordance with Condition 13; and

(ii) not less than 15 days' notice (or such other period as is indicated in the applicable Final Terms) before the giving of the notice referred to in (i), notice to the Principal Paying Agent and the Registrar,

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at either (i) the Optional Redemption Amount(s) specified in the applicable Final Terms together or (ii) in the case of Index Linked Redemption Notes, at their Early Redemption Amount referred to in paragraph (e) below, together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s). Upon expiry of such notice to the Noteholders, the Issuer shall be bound to redeem the Notes accordingly.

Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than a Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes (other than AMTNs), the Notes to be redeemed (the "**Redeemed Notes**") will be selected, in the case of Redeemed Notes represented by definitive Notes, individually by lot, and, in the case of Redeemed Notes represented by a global Note, in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) in each case not more than 20 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Bearer Notes, a list of the certificate numbers of such Redeemed Notes and, in the case of Redeemed Notes represented by definitive Registered Notes, the nominal amount of such Redeemed Notes will be published in accordance with Condition 13 not less than 10 days (or such other period as is indicated in the applicable Final Terms) prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

In the case of a partial redemption of AMTNs, the AMTNs to be redeemed must be specified in the notice and selected: (x) in a fair and reasonable manner; and (y) in compliance with any applicable law, directive or requirement of any stock exchange or other relevant authority on which the AMTNs are listed.

For the purpose of this Condition 6(c):

"**Gross Redemption Yield**" means, with respect to a security, the gross redemption yield on such security, expressed as a percentage and calculated by the Independent Financial Adviser on the basis set out by the UK Debt Management Office in the paper "Formulae for Calculating Gilt Prices from Yields – 3rd edition", page 5, Section One: Price/Yield Formulae "Conventional Gilts"; Double dated and Undated Gilts with Assumed (or Actual) Redemption on a Quasi-Coupon Date" (published 16 March 2005, as amended or updated from time to time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places).

"**IFA Selected Bond**" means a government security or securities selected by the Independent Financial Adviser as having an actual or interpolated maturity comparable with the remaining term of the Notes up to and including the Maturity Date or (if earlier) the Par Redemption Date specified in the applicable Final Terms, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Notes and of a comparable maturity to the remaining term of the Notes.

"**Independent Financial Adviser**" means an independent financial institution of international repute appointed by the Issuer at its own expense.

"**Make-Whole Redemption Amount (Non-Sterling)**" means an amount calculated by the Independent Financial Adviser equal to the higher of (i) 100 per cent. of the principal amount outstanding of the Notes to be redeemed; and (ii) the sum of the present values of the principal amount outstanding of such Notes to be redeemed and the Remaining Term Interest of such Notes (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on an annual basis at the Reference Bond Rate, plus the Redemption Margin (if applicable), **provided, however, that** if the Optional Redemption Date occurs on or after the Par Redemption Date (if any) specified in the applicable Final Terms, the Make-Whole Redemption Amount (Non-Sterling) will be equal to 100 per cent. of the principal amount outstanding of the Notes to be redeemed.

"**Make-Whole Redemption Amount (Sterling)**" means an amount calculated by the Independent Financial Adviser equal to the higher of (i) 100 per cent. of the principal amount outstanding of the Notes to be redeemed; and (ii) the nominal amount outstanding of the Notes to be redeemed multiplied by the price, as reported to the Issuer by the Independent Financial Adviser, at which the Gross Redemption Yield on such Notes on the Reference Date is equal to the Gross Redemption Yield (determined by reference to the middle market price) at the Quotation Time specified in the applicable Final Terms on the Reference Date of the Reference Bond, plus the Redemption Margin, all as determined by the Independent Financial Adviser, **provided, however, that** if the Optional Redemption Date occurs on or after the Par Redemption Date (if any) specified in the applicable Final Terms, the Make-Whole Redemption Amount (Sterling) will be equal to 100 per cent. of the principal amount outstanding of the Notes to be redeemed.

"**Par Redemption Amount**" means an amount equal to the principal amount of the Notes or (in case of a partial redemption of Notes) of the Redeemed Notes.

"**Optional Redemption Amount**" means (i) the Par Redemption Amount, (ii) the Make-Whole Redemption Amount (Sterling) or (iii) the Make-Whole Redemption Amount (Non-Sterling), in each case as specified in the applicable Final Terms.

"**Redemption Margin**" will be set out in the applicable Final Terms.

"**Reference Bond**" shall be as set out in the applicable Final Terms or, if no such bond is set out or if such bond is no longer outstanding, the IFA Selected Bond.

"**Reference Bond Price**" means, with respect to any date of redemption, (A) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption, after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (B) if the Independent Financial Adviser obtains fewer than four such Reference Government Bond Dealer Quotations, the arithmetic average of all such quotations.

"**Reference Bond Rate**" means, with respect to any date of redemption the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reference Bond Price for such date of redemption.

"**Reference Date**" will be set out in the relevant notice of redemption.

"**Reference Government Bond Dealer**" means each of five banks selected by the Issuer (or the Independent Financial Adviser on its behalf), or their affiliates, which are (A) primary government securities dealers, and their respective successors, or (B) market makers in pricing corporate bond issues.

"**Reference Government Bond Dealer Quotations**" means, with respect to each Reference Government Bond Dealer and any date for redemption, the arithmetic average, as determined by the Independent Financial Adviser, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) at the Quotation Time specified in the applicable Final Terms on the Reference Date quoted in writing to the Independent Financial Adviser by such Reference Government Bond Dealer.

"**Remaining Term Interest**" means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note up to and including the Maturity Date or (if earlier) the Par Redemption Date specified in the applicable Final Terms, determined on the basis of the rate of interest applicable to such Note from (and including) the date on which such Note is to be redeemed by the Issuer pursuant to this Condition 6(c).

(d) ***Redemption at the Option of the Noteholders (Investor Put)***

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than 30 nor more than 60 days' notice (or such other period as is indicated in the applicable Final Terms) or such other period of notice as is specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem (subject to, and in accordance with, the terms specified in the applicable Final Terms) such Note on the Optional Redemption Date and at either (i) the Optional Redemption Amount specified in the applicable Final Terms together or (ii) in the case of Index Linked Redemption Notes, at their Early Redemption Amount referred to in paragraph (e) below, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of the Note, the holder of the Note must, if this Note is a definitive Note and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) outside the United States and its possessions at any time during the business hours of such Paying Agent or the Registrar, as the case may be, falling within the notice period, a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or the Registrar (the "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition 6(d) and, in the case of definitive Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the definitive Registered Note so surrendered is

to be redeemed, an address to which a new definitive Registered Note in respect of the balance of such definitive Registered Note is to be sent subject to and in accordance with the relevant provisions of Condition 1.

If this Note is a global Note, held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) of such exercise in accordance with the standard procedures of Euroclear or Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to a Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) by electronic means) in a form acceptable to Euroclear or Clearstream, Luxembourg from time to time and at the same time present or procure the presentation of the relevant global Note to the Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) for notation accordingly.

Any Put Notice or other notice given by a holder of any Note pursuant to this paragraph (d) shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 9.

(e) ***Early Redemption Amounts***

For the purpose of paragraph (b) above and Condition 9, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

(i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or

(ii) in the case of Notes (other than Zero Coupon Notes and Index Linked Redemption Notes but including Instalment Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at their nominal amount;

(iii) in the case of Zero Coupon Notes, at an amount (the Amortised Face Amount) calculated in accordance with the following formula:

Early Redemption Amount = RP x $(1 + AY)^y$

where:

"**RP**" means the Reference Price;

"**AY**" means the Accrual Yield expressed as a decimal; and

"**y**" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360; or

(iv) in the case of Index Linked Notes, if Early Redemption (Market Value) is specified in the applicable Final Terms, the Specified Currency amount which is determined by the Calculation

Agent in its sole and absolute discretion to be the fair market value of such Notes immediately prior to such early redemption, adjusted to account fully for any reasonable expenses and costs to the Issuer of unwinding any underlying and/or related hedging and funding arrangements (including, without limitation, any equity or currency options hedging the Issuer's obligations under the Notes) together with accrued interest (if any) thereon.

(f) ***Automatic Early Redemption for Index Linked Redemption Notes***

If the applicable Final Terms specifies that automatic early redemption applies with respect to the Index Linked Redemption Notes, in the case that the Calculation Agent determines, in accordance with Additional Condition 1.4(a) that an Automatic Early Redemption Event occurs, the Notes shall be redeemed at the Automatic Early Redemption Amount as specified in the applicable Final Terms on the Automatic Early Redemption Date.

(g) ***Instalments***

If the Notes are repayable in instalments, they will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

(h) ***Purchases***

The Issuer, the Guarantor (in the case of Notes issued by MHCUK and MHFA) or any of their subsidiaries may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. Such Notes may be held, reissued, resold or, at the option of the Issuer or, in the case of Notes issued by MHCUK and MHFA, the Guarantor, surrendered to any Paying Agent for cancellation.

(i) ***Cancellation***

All Notes which are redeemed will forthwith be cancelled (together with (in the case of Bearer Notes) all unmatured Receipts and Coupons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and Notes purchased and cancelled pursuant to paragraph (h) above (together with (in the case of Bearer Notes) all unmatured Receipts and Coupons cancelled therewith) shall be forwarded to the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) and cannot be reissued or resold.

(j) ***Late Payment on Zero Coupon Notes***

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(ii) five days after the date on which the full amount of the moneys payable has been received by the Principal Paying Agent and notice to that effect has been given to the Noteholders either in accordance with Condition 13 or individually.

7. Taxation

All payments of principal and interest in respect of the Notes, Receipts and Coupons by the Issuer or, in the case of Notes issued by MHCUK or MHFA, under the Guarantee by the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction (as defined below), unless such withholding or deduction is required by law. In such event, the Issuer or, in the case of Notes issued by MHCUK or MHFA, the Guarantor, as the case may be, will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) in the case of Notes issued by MHC:

(i) in the case of a Noteholder or beneficial owner of Note (i) who is for Japanese tax purposes treated as an individual resident of Japan or a Japanese corporation or who is not an individual resident of Japan or a Japanese corporation but is a person having a special relationship as described in Article 6, Paragraph (4) of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended, the "**Act on Special Taxation Measures**") with the Issuer for purposes of the exemption from Japanese income tax, including withholding tax, applicable to private foreign issued notes (*minkan kokugaisai*) under Article 6 of the Act on Special Taxation Measures in effect at the time of issuance of the relevant Note or (ii) who is subject to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding or ownership of such Note, Receipt or Coupon;

(ii) on which the amount of interest is to be calculated by reference to certain indexes (as prescribed under the Cabinet Order related to the Act on Special Taxation Measures (Cabinet Order No. 43 of 1957, as amended, the "**Cabinet Order**")) relating to the Issuer or a specially-related person except where the recipient of interest is a Japanese designated financial institution falling under certain categories prescribed by the Act on Special Taxation Measures and the Cabinet Order who complies with the Japanese law requirements in respect of the exemption from such withholding or deduction;

(iii) if the Noteholder or beneficial owner of Note fails to comply with the Japanese law requirements in respect of the exemption from such withholding or deduction; or

(iv) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day;

(b) in the case of Notes issued by MHCUK:

(i) where the tax, duty, assessment or other governmental charge is imposed in respect of such Note, Receipt or Coupon by reason of the Noteholder, Receiptholder or Couponholder having some connection with a Tax Jurisdiction, in all cases other than a connection by the mere holding of

such Note, Receipt or Coupon or by the receipt of principal or interest in respect of any Note, Receipt or Coupon;

(ii) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day; or

(iii) in the case of payments made by the Issuer, presented for payment in the United Kingdom; and

(c) in the case of Notes issued by MHFA:

(i) where the tax, duty, assessment or other governmental charge is imposed by reason of a Noteholder's or beneficial owner of Note's past or present status for U.S. federal income tax purposes as (A) a personal holding company or a foreign personal holding company, (B) a corporation that accumulates earnings to avoid U.S. federal income tax, (C) a controlled foreign corporation that is related to the Issuer through stock ownership, (D) the owner, actually or constructively, of 10 per cent. or more of the total combined voting power of all classes of stock of MHFA entitled to vote or (E) a bank receiving interest described in Section 881(c)(3)(A) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**");

(ii) where the tax, duty, assessment or other governmental charge is imposed by reason of the Noteholder's or beneficial owner of the Note's failure to comply with any certification or other requirements under the United States tax laws and regulations for establishing entitlement to exemption from such tax, duty, assessment or other governmental charge;

(iii) where the tax, duty, assessment or other governmental charge is imposed in respect of such Note by reason of the Noteholder having some connection with a Tax Jurisdiction other than a connection by the mere holding of such Note or by the receipt of principal or interest in respect of any Note; or

(iv) where the tax, duty, assessment or other governmental charge is imposed on a United States person (as defined in Section 7701(a)(30) of the Code).

For the avoidance of doubt, and the purposes of paragraphs (a), (b) and (c) above, no additional amounts will be paid by the Issuer or, in the case of Notes issued by MHCUK or MHFA, the Guarantor on account of any deduction or withholding from a payment on, or in respect of, the Notes, Receipts or Coupons where such deduction or withholding is imposed pursuant to Sections 1471 through 1474 of the Code, or any regulations or agreements thereunder, official interpretations thereof, or intergovernmental agreement (including any implementing law, regulation or official guidance) with respect thereto. In addition, no additional amounts will be payable to any Noteholder who is a fiduciary or partnership or any person other than the sole beneficial owner of the Note to the extent that any fiduciary, member or beneficial owner would not have been entitled to such additional amounts had that beneficiary, settlor, partner or beneficial owner been the Noteholder.

As used herein:

(i) "**Tax Jurisdiction**" means (A) in the case of Notes issued by MHC, Japan or any political subdivision or any authority of any jurisdiction thereof or therein having power to tax, (B) in the case of Notes issued by MHCUK, the United Kingdom or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by MHCUK) or Japan or any political subdivision or any authority of any jurisdiction thereof or therein having power to tax (in the case of payments by the Guarantor), and (C) in the case of Notes issued by MHFA, the United States or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by MHFA) or Japan or any

political subdivision or any authority of any jurisdiction thereof or therein having power to tax (in the case of payments by the Guarantor); and

(ii) the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

8. Prescription

The Notes and relating Receipts and Coupons (if any, in the case of Bearer Notes) will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 7) therefor.

There shall be no prescription period for Talons but there shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

9. Events of Default and Enforcement relating to Notes

If any one or more of the following events (each an "**Event of Default**") shall have occurred, namely:

(a) a default is made for a period of more than 14 days in the payment of any principal (whether becoming due upon redemption or otherwise) or payment of interest when due in respect of the Notes;

(b) a default is made by the Issuer or, in the case of Notes issued by MHCUK and MHFA, the Guarantor in the performance or observance of any covenant, condition or provision contained in the Notes or, in the case of Notes issued by MHCUK and MHFA, the Guarantee and on its part to be performed or observed (other than the covenant to pay the principal and interest in respect of any of the Notes) and such default continues for the period of 30 days next following the service by any Noteholder on the Principal Paying Agent or the Registrar of notice requiring such default to be remedied;

(c) any other bonds, debentures or notes of the Issuer or, in the case of Notes issued by MHCUK and MHFA, the Guarantor (but not any other Issuer) having an aggregate outstanding principal amount of at least U.S.$20,000,000 (or its equivalent in any other currency or currencies) (hereinafter called "**Indebtedness**") become or becomes prematurely repayable following a default which shall not have been remedied, or steps are taken to enforce any security therefor, or the Issuer or, in the case of Notes issued by MHCUK and MHFA, the Guarantor (but not any other Issuer) defaults in the repayment of any such Indebtedness at the maturity thereof or at the expiration of any applicable grace period therefor or any guarantee of or indemnity in respect of any bonds, debentures or notes of others given by the Issuer or, in the case of Notes issued by MHCUK and MHFA, the Guarantor (but not any other Issuer) and having an aggregate outstanding principal amount of at least U.S.$20,000,000 (or its equivalent as aforesaid) shall not be honoured when due and called upon;

(d) a resolution is passed or an order of a court of competent jurisdiction is made for the winding-up or dissolution or administration of the Issuer otherwise than for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reconstruction the terms of which have previously been approved by an Extraordinary Resolution of the Noteholders;

(e) an encumbrancer takes possession or a trustee or a receiver or an administrative receiver is appointed of the whole or a material part of the assets or undertaking of the Issuer and is not discharged within 60 days thereof;

(f) a distress, execution or seizure before judgment is levied or enforced upon and sued out against a part of the property of the Issuer which is material in its effect upon the operations of the Issuer and is not discharged within 60 days thereof;

(g) the Issuer (i) stops payment within the meaning of bankruptcy law of the jurisdiction of its incorporation, or (ii) (otherwise than for the purposes of such a consolidation, amalgamation, merger or reconstruction as is referred to in paragraph (d) or where the Issuer transfers the whole or a substantial part of its business, undertaking or assets to the Guarantor or any other subsidiary of the Guarantor)) ceases or through an official action of the Board of Directors of the Issuer threatens to cease to carry on business or (iii) is unable to pay its debts as and when they fall due;

(h) a decree or order by any court having jurisdiction shall have been issued adjudging the Issuer bankrupt or insolvent, or approving a petition seeking with respect to the Issuer reorganisation, under bankruptcy, composition, reorganisation or insolvency law of the jurisdiction of its incorporation and such decree or order shall have continued undischarged and unstayed for a period of 60 days;

(i) the Issuer shall initiate or consent to proceedings relating to itself under bankruptcy, composition, reorganisation or insolvency law of the jurisdiction of its incorporation or shall make a conveyance or assignment for the benefit of, or shall enter into any composition with, its creditors generally;

(j) in the case of Notes issued by MHCUK and MHFA, a resolution is passed or an order of a court of competent jurisdiction is made that the Guarantor be wound up or dissolved otherwise than for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reconstruction the terms of which have previously been approved by an Extraordinary Resolution of the Noteholders;

(k) in the case of Notes issued by MHCUK and MHFA, an encumbrancer takes possession or a receiver is appointed of the whole or a material part of the assets or undertaking of the Guarantor and is not discharged within 60 days thereof;

(l) in the case of Notes issued by MHCUK and MHFA, a distress, execution or seizure before judgment is levied or enforced upon or sued out against a part of the property of the Guarantor which is material in its effect upon the operations of the Guarantor and is not discharged within 60 days thereof;

(m) in the case of Notes issued by MHCUK and MHFA, the Guarantor (i) stops payment (within the meaning of Japanese or any other applicable bankruptcy law) or (ii) (otherwise than for the purposes of such a consolidation, amalgamation, merger or reconstruction as is referred to in paragraph (j) or where the Guarantor transfers the whole or a substantial part of its business, undertaking or assets to any other subsidiary of the Guarantor) ceases or through an official action of the Board of Directors of the Guarantor threatens to cease to carry on business or (iii) is unable to pay its debts as and when they fall due;

(n) in the case of Notes issued by MHCUK and MHFA, proceedings shall have been initiated against the Guarantor under any applicable bankruptcy, reorganisation or insolvency law and such proceedings have not been discharged or stayed within a period of 60 days;

(o) in the case of Notes issued by MHCUK and MHFA, the Guarantor shall initiate or consent to proceedings relating to itself under any applicable bankruptcy, reorganisation or insolvency law or make an assignment for the benefit of its creditors generally; or

(p) in the case of Notes issued by MHCUK and MHFA, for any reason whatsoever the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect,

then any Noteholder may, by written notice to the Issuer and, in the case of Notes issued by MHCUK and MHFA, the Guarantor (with a copy to the Principal Paying Agent and the Registrar for information purposes

only), declare such Note held by the holder to be forthwith due and payable, whereupon the same shall become immediately due and payable at the Early Redemption Amount (as described in Condition 6I), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind, unless such Event of Default shall be cured within five business days of receipt of such written notice by the Issuer and, in the case of Notes issued by MHCUK and MHFA, the Guarantor.

For the purpose of paragraph (c) above, any indebtedness for borrowed money which is in a currency other than U.S. dollars shall be translated at the "spot" rate for the sale of the relevant currency against the purchase of U.S. dollars in London as quoted by a leading bank selected by the Principal Paying Agent for this purpose on the day in London on which such premature repayment becomes due or, as the case may be, such default occurs (or, if for any reason such a rate is not available on that day, on the earliest possible date thereafter).

10. Replacement of Notes, Receipts, Coupons and Talons

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Principal Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes), upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer and the Principal Paying Agent or the Registrar, as the case may be, may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

11. The Agents

The names of the initial Agents and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer and, in the case of Notes issued by MHCUK and MHFA, the Guarantor are entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(i) there will at all times be a Principal Paying Agent and a Registrar;

(ii) there will at all times be an Australian Agent in relation to AMTNs;

(iii) so long as the Notes are listed on any stock exchange or admitted to trading by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority), save to the extent that such requirement is met by virtue of (i) or (iii); and

(iv) there will at all times be a Paying Agent with a specified office in a principal financial centre in Europe and a Transfer Agent, save to the extent that such requirement is met by virtue of (i) or (ii).

In addition, the Issuer and, in the case of Notes issued by MHCUK and MHFA, the Guarantor shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 5(b). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 60 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13.

In acting under the Agency Agreement, the Agents will act solely as agents of the Issuer and the Guarantor and will not assume any obligations or relationships of agency or trust to or with the Noteholders, the Receiptholders and the Couponholders, except that (without affecting the obligations of the Issuer or the Guarantor, as the case may be, to the Noteholders, the Receiptholders and the Couponholders to repay the Notes and to pay interest thereon) funds received by the Agents for the payment of any sums due in respect of the Notes shall be held by

them on behalf of the Noteholders, the Receiptholders and the Couponholders until the expiry of the relevant period of prescription under Condition 8. The Agency Agreement contains provisions for the indemnification of the Agents and for their relief from responsibility in certain circumstances, and entitles any of them to enter into business transactions with the Issuer and the Guarantor without being liable to account to the Noteholders, the Receiptholders or the Couponholders for any resulting profit.

12. Exchange of Talons

On and after the Interest Payment Date, as appropriate, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Principal Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Bearer Note to which it appertains) a further Talon, subject to the provisions of Condition 8. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

13. Notices

All notices regarding the Bearer Notes shall be valid if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. Any such notice will be deemed to have been given on the first date on which publication shall have been made in such newspaper.

All notices regarding the Registered Notes will be deemed to be validly given if sent by (first class) mail or (if posted to an address overseas) by airmail to the holders (or, in the case of a joint holding, the first named thereof) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing.

In addition, for so long as any Notes are listed by or on a competent authority or stock exchange and the rules of that competent authority or stock exchange so require, the Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of that competent authority or stock exchange on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of publication or, if published more than once or if required to be published in more than one newspaper, on the date of the first publication in all the required newspapers.

Until such time as any definitive Notes are issued, so long as the global Note(s) is or are held in its or their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg provided that, for so long as such Notes are admitted to trading on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by that stock exchange or other relevant authority. Any such notice shall be deemed to have been given to the holders of the Notes on the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any holder of the Notes shall be in writing and (other than a notice under Condition 9) given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent (in the case of Bearer Notes), the Registrar (in the case of Registered Notes) or the Australian Agent (in the case of AMTNs). Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Principal Paying Agent or the Registrar, as the case may be, via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent or Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

So long as AMTNs are held on behalf of the Austraclear System, such notices may also be given by delivery to the Austraclear System for communication by it to the AMTN holders in accordance with the rules and regulations of the Austraclear System. Any such notice shall be deemed to have been given to the AMTN holders on the day on which the said notice was given to the Austraclear System.

14. Meetings of Noteholders, Modification and Waiver

In relation to Notes other than AMTNs:

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons (as applicable) or certain provisions of the Agency Agreement. Such a meeting may be convened by the Issuer, the Guarantor (in the case of Notes issued by MHCUK and MHFA) or by Noteholders holding not less than 10 per cent. in nominal amount of the Notes of any Series for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, Receipts or Coupons (as applicable) (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, Receipts or Coupons (as applicable)) or certain of the provisions of the Agency Agreement, the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders (as applicable).

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in principal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

The Principal Paying Agent and/or the Registrar, the Issuer and, in the case of Notes issued by MHCUK and MHFA, the Guarantor may agree, without the consent of the Noteholders, Receiptholders or Couponholders (as applicable), to:

(i) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Agency Agreement which is not materially prejudicial to the interests of the Noteholders; or

(ii) any modification of the Notes, the Receipts, the Coupons (as applicable) or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error; or

(iii) any modification of the Notes, the Receipts, the Coupons (as applicable) or the Agency Agreement to implement any change to an Original Reference Rate and any related Benchmark Amendments pursuant to Condition 4(b)(iv).

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders (as applicable) and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as is practicable thereafter.

In the case of AMTNs:

The Note (AMTN) Deed Poll contains provisions for convening meetings of holders of AMTNs to consider any matter affecting their interests.

15. Substitution

In the case of Notes issued by MHCUK and MHFA, the Guarantor and any of its subsidiaries (each a "**Substitute Obligor**") may, without the consent of the holders of any such Notes, Receipts or Coupons, assume the obligations of the Issuer (or any previous Substitute Obligor) under and in respect of any Notes upon and subject to:

(a) the execution of a deed poll (the "**Substitution Deed Poll**") by the Substitute Obligor and (if the Substitute Obligor is not the Guarantor) the Guarantor in a form which gives full effect to such assumption and which includes (without limitation):

(i) a covenant by the Substitute Obligor in favour of the holders of the Notes to be bound by these Terms and Conditions, the Notes, the Receipts, the Coupons, the Deed of Covenant and the Agency Agreement, with any consequential amendments, as if it had been named herein and therein as the principal debtor in place of the Issuer, and such other deeds, documents and instruments (if any) in order for the substitution to be fully effective and for the Substitute Obligor to be bound by all of the Issuer's obligations;

(ii) a warranty and representation (A) that the Substitute Obligor has obtained all necessary governmental and regulatory approvals and consents necessary for such substitution and for the performance by the Substitute Obligor of its obligations under the Substitution Deed Poll and under any other documents required to give full effect to the substitution, (B) that all such approvals and consents are in full force and effect, and (C) that the obligations assumed by the Substitute Obligor are valid and binding in accordance with their respective terms and enforceable by each Noteholder; and

(iii) an acknowledgment of the right of all Noteholders to the production of the Substitution Deed Poll;

(b) if the Substitute Obligor is not the Guarantor, the execution of a deed of guarantee (the "**Substitute Guarantee**" hereinafter for the purpose of this Condition 15 only) by the Guarantor on substantially the same terms as the Guarantee pursuant to which it undertakes to guarantee the performance of the obligations of the Substitute Obligor under the Substitution Deed Poll, the Terms and Conditions of the Notes and any other documents required to give full effect to the substitution;

(c) the delivery by the Issuer of an opinion of independent legal advisers of recognised standing addressed to the Fiscal Agent to the effect that:

(i) the Substitution Deed Poll constitutes legal, valid, binding and enforceable obligations of the Substitute Obligor and, if the Substitute Obligor is not the Guarantor, the Guarantor;

(ii) the Notes constitute legal, valid, binding and enforceable obligations of the Substitute Obligor;

(iii) if the Substitute Obligor is not the Guarantor, the Substitute Guarantee constitutes legal, valid, binding and enforceable obligations of the Guarantor in respect of all sums from time to time payable by the Substitute Obligor in respect of the Notes; and

(iv) each of the Substitute Obligor and, if the Substitute Obligor is not the Guarantor, the Guarantor, is duly incorporated and validly existing under the laws of its jurisdiction of incorporation and

the Substitution Deed Poll and, if the Substitute Obligor is not the Guarantor, the Substitute Guarantee are within the capacity and power of, and have been duly authorised by, the parties thereto;

(d) where the Substitute Obligor is subject to a different taxing jurisdiction (the "**Substituted Territory**") than that to which the Issuer is subject generally (the "**Issuer's Territory**"), the Substitute Obligor having given an undertaking in terms corresponding to Condition 7 with the substitution for the reference in that Condition to the Issuer's Territory of references to the Substituted Territory;

(e) each stock exchange or market on which the Notes are listed or admitted to trading having confirmed that following the proposed substitution the Notes will continue to be listed on such stock exchange;

(f) where the Substitute Obligor is not an English company, the Substitute Obligor having appointed a process agent with an office in England as its agent in England to receive service of process on its behalf in relation to any suit, action or proceedings arising out of or in connection with the Notes; and

(g) not later than 14 days after the execution of any such documents as aforesaid in paragraph (a), the Substitute Obligor causing notice thereof to be given to the Noteholders, which notice shall specify where copies of the Substitution Deed Poll, any deed of guarantee and any other documents entered into pursuant to Conditions 15(d) and (f) are available for inspection.

Upon the execution of such documents and compliance with the requirements stated in this Condition 15, the Substitute Obligor will be deemed to be named in these Terms and Conditions, the Notes, the Receipts and Coupons as if it had been named herein and therein as the principal debtor in place of the Issuer (or of any previous substitute under this Condition 15) and the Notes, the Receipts and the Coupons will be deemed to be amended in such manner as necessary to give effect to the substitution and any references in the Notes, the Receipts and the Coupons to the Issuer will be references to the Substitute Obligor.

16. Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single series with the outstanding Notes.

In the case of Bearer Notes issued in accordance with TEFRA D and initially represented by a Temporary Global Note exchangeable for interests in a Permanent Global Note or definitive Bearer Notes, consolidation can only occur following exchange of interests in the Temporary Global Note for interests in a Permanent Global Note or definitive Bearer Notes upon certification of non-U.S. beneficial ownership.

17. Contracts (Rights of Third Parties) Act 1999

This Condition 17 shall apply to Notes other than AMTNs.

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Note, but this does not affect any right or remedy of any person which exists or is available apart from the Contracts (Rights of Third Parties) Act 1999.

18. Governing Law and Submission to Jurisdiction

(a) ***Governing Law***

The Agency Agreement, the Deed of Covenant, the Guarantees, the Notes (other than AMTNs), the Receipts, the Coupons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) ***Submission to jurisdiction***

Each of MHC and MHFA irrevocably agrees, for the benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and/or the Coupons) and accordingly submit to the exclusive jurisdiction of the English courts.

Each of MHC and MHFA waives any objection to the courts of England on the grounds that they are an inconvenient or inappropriate forum. The Noteholders, the Receiptholders and the Couponholders, may take any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Notes, the Receipts and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and the Coupons), against MHC and MHFA in any other court of competent jurisdiction and concurrent Proceedings in any number of jurisdictions.

(c) ***Appointment of Process Agent***

Each of MHC and MHFA appoint Mitsubishi HC Capital UK PLC at its registered office at Novuna House, Thorpe Road, Staines-upon-Thames, Surrey TW18 3HP (attention: Legal Department) as their agent for service of process, and each undertakes that, in the event of Mitsubishi HC Capital UK PLC ceasing so to act, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

(d) ***Other documents and the Guarantor***

MHC has in the Agency Agreement, the Guarantee and the Deed of Covenant, and with regard to any non-contractual obligations arising out of or in connection with them, submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above. MHFA has in the Agency Agreement and the Deed of Covenant, and with regard to any non-contractual obligations arising out of or in connection with them, submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

(e) ***AMTNs***

This Condition 18(e) shall only apply to AMTNs.

(i) The AMTNs, the Australian Agency Agreement and the Note (AMTN) Deed Poll shall be governed by the laws in force in New South Wales, Australia.

(ii) The courts of New South Wales, Australia and the courts of appeal from them are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with them and any suit, action or proceedings arising out of or in connection with the AMTNs, the Australian Agency Agreement and the Note (AMTN) Deed Poll (together referred to as "**Australian Proceedings**") may be brought in such courts.

(iii) Without preventing any other method of service, any document in any Australian Proceedings may be served on the Issuer by being delivered or left for the Issuer with its process agent referred to in Condition 18(e)(iv).

(iv) For so long as any AMTNs are outstanding, the Issuer agrees that there is an agent appointed to accept service of process on its behalf in New South Wales, Australia in respect of any Australian

Proceedings. The Issuer appoints Dabserv Corporate Services Pty Ltd (ABN 73 001 824 111) of Level 61, Governor Phillip Tower, 1 Farrer Place, Sydney, New South Wales, 2000, Australia as its agent to receive any document referred to in Condition 18(e)(iii). If for any reason that person ceases to be able to act as such the Issuer will immediately appoint another person with an office located in New South Wales to act as its agent to receive any such document and will promptly notify the Australian Agent and the Noteholders of such appointment.

ANNEX TO THE TERMS AND CONDITIONS OF THE NOTES

Additional Terms and Conditions of the Notes

The following are additional conditions ("**Additional Conditions**") relating to the Notes:

1. Index Linked Notes

1.1 ***Interpretation***

Under the Programme, an Index Linked Note shall be an Note where the Interest Rate, automatic early redemption and/or Index Linked Redemption Amount shall be calculated or determined by reference to a single index or a basket of indices, including, without limitation, (i) Notes in respect of which all or any of the interest amounts are linked to a specified index or basket of specified indices, (ii) Notes in respect of which automatic early redemption and/or final redemption are linked to a specified index or basket of specified indices, or (iii) any combination of the foregoing. If the applicable Final Terms provide that the relevant Notes are Index Linked Notes, the terms and conditions applicable to Index Linked Notes are the Terms and Conditions, including the terms and conditions for Index Linked Notes set out in these Additional Conditions (the "**Index Linked Conditions**"), as completed by the applicable Final Terms. In the event of any inconsistency between the Terms and Conditions and the Index Linked Conditions, the Index Linked Conditions shall prevail.

1.2 ***Definitions***

For the purposes of these Index Linked Conditions:

"**Additional Disruption Event**" means, if so specified in the Final Terms, (i) a Change in Law, (ii) a Hedging Disruption and/or (iii) Increased Cost of Hedging.

"**Automatic Early Redemption Amount**" means the Automatic Early Redemption Amount specified in the applicable Final Terms.

"**Automatic Early Redemption Date**" means each Automatic Early Redemption Date specified in the applicable Final Terms.

"**Automatic Early Redemption Event**" has the meaning given to it in Additional Condition 1.4(a) below.

"**Automatic Early Redemption Valuation Date**" means each Automatic Early Redemption Valuation Date specified in the applicable Final Terms, or if that is not a Scheduled Trading Day or is a Disrupted Day, then the provisions related to a Disrupted Day in the definition "Valuation Date" shall apply as if the relevant Automatic Early Redemption Valuation Date were a Valuation Date.

"**Barrier Event**" shall be either Barrier Event (closing) or Barrier Event (intraday), as specified in the applicable Final Terms.

"**Barrier Event (closing)**" shall be deemed to have occurred if:

(a) where the Index Linked Notes relate to a single Index, the Calculation Agent determines in its sole and absolute discretion that the Index Level of the Index as of the Barrier Event Valuation Time (closing) on any Barrier Event Determination Day is (x) less than or equal to or (y) less than, as specified in the applicable Final Terms, the corresponding Barrier Level for the Index on such Barrier Event Determination Day.

(b) where the Index Linked Notes relate to a Basket of Indices, the Calculation Agent determines in its sole and absolute discretion that the Index Level of at least one of the Indices as of the Barrier

Event Valuation Time (closing) on any Barrier Event Determination Day is (x) less than or equal to or (y) less than, as specified in the applicable Final Terms, the corresponding Barrier Level for such Index on such Barrier Event Determination Day.

"**Barrier Event (intraday)**" shall be deemed to have occurred if:

(a) where the Index Linked Notes relate to a single Index, the Calculation Agent determines in its sole and absolute discretion that the Index Level of the Index as of the Barrier Event Valuation Time (intraday) on any Barrier Event Determination Day is (x) less than or equal to or (y) less than, as specified in the applicable Final Terms, the corresponding Barrier Level for the Index on such Barrier Event Determination Day.

(b) where the Index Linked Notes relate to a Basket of Indices, the Calculation Agent determines in its sole and absolute discretion that the Index Level of at least one of the Indices as of the Barrier Event Valuation Time (intraday) on any Barrier Event Determination Day is (x) less than or equal to or (y) less than, as specified in the applicable Final Terms, the corresponding Barrier Level for such Index on such Barrier Event Determination Day.

For the purpose of determining whether a Barrier Event (intraday) has occurred on any day, the definition of Market Disruption Event specified in these Index Linked Conditions shall be amended such that (i) all references to "**during the one hour period that ends at the relevant Valuation Time**" shall be deleted, and (ii) if Early Closure is specified to apply in the applicable Final Terms, in the definition of "**Early Closure**" appearing in these Index Linked Conditions, each reference to "**Valuation Time**" and "**Scheduled Closing Time**" shall be construed as a reference to "**Barrier Event Valuation Time (intraday)**".

"**Barrier Event Determination Day**" means, in respect of each Index and each Observation Period:

(a) if the applicable Final Terms provide that the Barrier Event (intraday) provisions shall apply, either:

(i) each day on which the level of such Index is published and/or disseminated by the Index Sponsor during such Observation Period that is not a Disrupted Day; or

(ii) each day on which the level of such Index is published and/or disseminated by the Index Sponsor during such Observation Period, regardless of whether or not such day is a Disrupted Day for such Index (and if the Calculation Agent in its sole and absolute discretion determines that a Market Disruption Event is occurring at any time on any Barrier Event Determination Day, it shall disregard the period during which it determines in its sole and absolute discretion that such Market Disruption Event has occurred and is continuing for the purposes of determining whether or not a Barrier Event (intraday) has occurred),

as specified in the applicable Final Terms; or

(b) if the applicable Final Terms provide that the Barrier Event (closing) provisions shall apply, each Scheduled Trading Day for such Index during such Observation Period that is not a Disrupted Day for such Index.

"**Barrier Event Valuation Time (closing)**" means:

(a) in relation to an Index which is specified in the applicable Final Terms as being a Unitary Index, the Scheduled Closing Time on the relevant Exchange on the relevant Barrier Event Determination Day, as the case may be, in relation to such Index to be valued. If the relevant

Exchange closes prior to its Scheduled Closing Time, then the Barrier Event Valuation Time (closing) shall be such actual closing time; and

(b) in relation to an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, (i) for the purposes of determining whether a Market Disruption Event has occurred: (x) in respect of any Component Security, the Scheduled Closing Time on the relevant Exchange and (y) in respect of any options contracts or futures contracts on the Index, the close of trading on the relevant Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

"**Barrier Event Valuation Time (intraday)**" means any time during the regular trading session (without regard to any after hours or any other trading outside of the regular session) on the Exchange.

"**Barrier Level**" means, in respect of an Index, such level for such Index as is specified in the applicable Final Terms, rounded, if necessary, to the second decimal place, with 0.005 being rounded upwards.

"**Barrier Level 1**" means, in respect of an Index, such level for such Index as is specified in the applicable Final Terms, rounded, if necessary, to the second decimal place with 0.005 being rounded upwards.

"**Barrier Level 2**" means, in respect of an Index, such level for such Index as is specified in the applicable Final Terms, rounded, if necessary, to the second decimal place with 0.005 being rounded upwards.

"**Base Price**" means:

(a) where the Index Linked Notes relate to a single Index, the Index Final on the Base Price Fixing Date as determined by the Calculation Agent and without regard to any subsequently published correction, subject to Condition 1.5; or

(b) where the Index Linked Notes relate to a Basket of Indices, in respect of each Index, the Index Final on the Base Price Fixing Date as determined by the Calculation Agent and without regard to any subsequently published correction, subject to Condition 1.5.

"**Base Price Fixing Date**" means, either (I), (II) or (III) below, as specified in the applicable Final Terms:

(I)

(a) where the Index Linked Notes relate to a single Index, such date as is specified in the applicable Final Terms, provided that, if the initially scheduled Base Price Fixing Date is a Disrupted Day, the Base Price Fixing Date shall be the immediately following Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days up to and including the Base Price Valuation Cut-Off Date is a Disrupted Day. In that case, such Base Price Valuation Cut-Off Date shall be deemed to be the Base Price Fixing Date, notwithstanding the fact that such day is a Disrupted Day, and the Calculation Agent shall determine in its sole and absolute discretion the Base Price of the Index by reference to such sources as it deems appropriate; or

(b) where the Index Linked Notes relate to a Basket of Indices, such date as is specified in the applicable Final Terms, provided that, if the initially scheduled Base Price Fixing Date is a Disrupted Day in relation to any Index, the Base Price Fixing Date shall be the immediately following Scheduled Trading Day that is not a Disrupted Day for each of the Indices, unless each of the Scheduled Trading Days up to and including the Base Price Valuation Cut-Off Date is a Disrupted Day in relation to any Index. In that case, such Base

Price Valuation Cut-Off Date shall be deemed to be the Base Price Fixing Date, notwithstanding the fact that such day is a Disrupted Day for any Index, and the Calculation Agent shall determine in its sole and absolute discretion the Base Price of each of the Indices by reference to such sources as it deems appropriate; or

(II)

(a) where the Index Linked Notes relate to a single Index, such date as is specified in the applicable Final Terms, provided that, if the initially scheduled Base Price Fixing Date is a Disrupted Day, the Base Price Fixing Date shall be the immediately following Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days up to and including the Base Price Valuation Cut-Off Date is a Disrupted Day. In that case, such Base Price Valuation Cut-Off Date shall be deemed to be the Base Price Fixing Date, notwithstanding the fact that such day is a Disrupted Day, and the Calculation Agent shall determine in its sole and absolute discretion the Base Price of the Index by reference to such sources as it deems appropriate; or

(b) where the Index Linked Notes relate to a Basket of Indices, such date as is specified in the applicable Final Terms, provided that, if the initially scheduled Base Price Fixing Date is a Disrupted Day in relation to any Index, the Base Price Fixing Date for such Index shall be the immediately following Scheduled Trading Day that is not a Disrupted Day for such Index, unless each of the Scheduled Trading Days up to and including the Base Price Valuation Cut-Off Date is a Disrupted Day in relation to such Index. In that case, such Base Price Valuation Cut-Off Date shall be deemed to be the Base Price Fixing Date of such Index, notwithstanding the fact that such day is a Disrupted Day for such Index, and the Calculation Agent shall determine in its sole and absolute discretion the Base Price of such Index by reference to such sources as it deems appropriate; or

(III)

(a) where the Index Linked Notes relate to a single Index, such date as is specified in the applicable Final Terms, provided that, if the Base Price Fixing Date is a Disrupted Day, the Base Price shall be such level of the Index as of the Valuation Time on the Base Price Fixing Date as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of an event giving rise to a Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Base Price Fixing Date of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the Base Price Fixing Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Base Price Fixing Date); or

(b) where the Index Linked Notes relate to a Basket of Indices, such date as is specified in the applicable Final Terms, provided that, if the Base Price Fixing Date is a Disrupted Day in relation to any Index, the Base Price shall be such level of the relevant Index as of the Valuation Time on the Base Price Fixing Date as determined by the Calculation Agent in accordance with the formula for and method of calculating the relevant Index last in effect prior to the occurrence of an event giving rise to a Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Base Price Fixing Date of each security comprised in the relevant Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on the Base Price Fixing Date, its good faith

estimate of the value for the relevant security as of the Valuation Time on the Base Price Fixing Date).

"**Base Price Valuation Cut-Off Date**" means (i) the date specified in the applicable Final Terms or, (ii) if not so specified, the second Scheduled Trading Day immediately following the initially scheduled Base Price Fixing Date.

"**Basket**" means a basket composed of indices in the relative proportions or number of indices specified in the applicable Final Terms.

"**Basket of Indices**" means, subject to adjustment in accordance with these Index Linked Conditions, a basket composed of indices in their relative proportions or number of indices, as specified in the applicable Final Terms.

"**Change in Law**" means that, on or after the Issue Date of the Notes (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that (a) it has become illegal to hold, acquire or dispose of one or more Component Securities, or (b) the Calculation Agent or its affiliates will incur a materially increased cost in performing its obligations in relation to the Notes (including, without limitation, due to any increase in tax liability, decrease in tax benefit or other adverse effect on its tax position).

"**Common Scheduled Trading Day**" means the day which is the Scheduled Trading Day for all of the Indices.

"**Component Security**" means, in respect of an Index, any share or other component security included in such Index as determined by the Calculation Agent and related expressions shall be construed accordingly.

"**Correction Publication Cut-Off Date**" means the Correction Publication Cut-Off Date specified in the applicable Final Terms.

"**Disrupted Day**" means:

(a) in relation to an Index which is specified in the applicable Final Terms as being a Unitary Index, any Scheduled Trading Day on which the Exchange or the Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred; or

(b) in relation to an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index (provided that the Calculation Agent may, in its discretion, determine that such event instead results in the occurrence of an Index Disruption), (ii) the Related Exchange fails to open for trading during its regular trading session or (iii) a Market Disruption Event has occurred.

The Calculation Agent shall, as soon as reasonably practicable under the circumstances, notify the Issuer, the Guarantor and the Principal Paying Agent or the Registrar, as the case may be, of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been the Base Price Fixing Date or a Valuation Date. Without limiting the obligation of the Calculation Agent to notify the parties as set forth in the preceding sentence, failure by the Calculation Agent to notify the parties of the occurrence of a Disrupted Day shall not affect the validity of the occurrence and effect of such Disrupted Day.

"**Early Closure**" means:

(a) in relation to an Index which is specified in the applicable Final Terms as being a Unitary Index, the closure on any Exchange Business Day of the Exchange relating to securities that comprises 20 per cent. or more of the level of the Index or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by the Exchange or the Related Exchange at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on the Exchange or the Related Exchange on such Exchange Business Day; and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day; or

(b) in relation to an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing is announced by such Exchange or Related Exchange, as the case may be, at least one hour prior to the earlier of: (i) the actual closing time for the regular trading session on such Exchange or Related Exchange, as the case may be, on such Exchange Business Day; or (ii) the submission deadline for orders to be entered into on the relevant Exchange or Related Exchange system for execution at the relevant Valuation Time on such Exchange Business Day.

"**Exchange**" means:

(a) in relation to an Index which is specified in the applicable Final Terms as being a Unitary Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, or any successor thereto or any substitute exchange or quotation system to which trading in the securities underlying the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the securities underlying the Index on such temporary substitute exchange or quotation system as on the original Exchange); or

(b) in relation to an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, in respect of each Component Security, the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent, or any successor thereto or any substitute exchange or quotation system to which trading in such Component Security has temporality relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Component Security on such temporary substitute exchange or quotation system as on the original Exchange).

"**Exchange Business Day**" means:

(a) where the relevant Index is specified in the applicable Final Terms to be a Unitary Index, any Scheduled Trading Day on which the Exchange and the Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the Exchange or Related Exchange closing prior to its Scheduled Closing Time; or

(b) where the relevant Index is specified in the applicable Final Terms to be a Multi-Exchange Index, any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the Index; and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time.

"**Exchange Disruption**" means:

(a) in relation to an Index which is specified in the applicable Final Terms as being a Unitary Index, any event (other than an Early Closure) which, in the discretion of the Calculation Agent, disrupts

or impairs the ability of market participants in general to: (i) effect transactions in, or obtain market values for, securities that comprise 20 per cent. or more of the level of the Index on the Exchange; or (ii) effect transactions in, or obtain market values for, futures or options contracts relating to the Index on the Related Exchange; or

(b) in relation to an Index which is specified in the applicable Final Terms as being a Multi-Exchange Index, any event (other than an Early Closure) which, in the discretion of the Calculation Agent, disrupts or impairs the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the Exchange in respect of such Component Security; or (ii) futures or options contracts relating to the Index on the relevant Related Exchange.

"**Final Index Final**" means the Index Final on the Final Valuation Date.

"**Final Valuation Date**" means the Valuation Date immediately preceding the Maturity Date.

"**Hedging Disruption**" means that the Hedging Entity is unable, after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of the Issuer issuing, and the Issuer performing its obligations with respect to or in connection with, the Index Linked Notes, or (ii) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"**Hedging Entity**" means any entity (or entities) engaged in any underlying or hedging transactions relating to the Index Linked Notes and/or the Index in respect of the Issuer's obligations under the Index Linked Notes.

"**Increased Cost of Hedging**" means that the Issuer or any of its agents would incur a materially increased (as compared with circumstances existing on the Issue Date) amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the risk of the Issuer issuing and performing its obligations with respect to the Index Linked Notes, or (ii) realise, recover or remit the proceeds of any transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer shall not be deemed an Increased Cost of Hedging.

"**Index**" and "**Indices**" mean, subject to adjustment in accordance with the Index Linked Conditions, the index or indices specified in the applicable Final Terms and related expressions shall be construed accordingly.

"**Index Final**" means the Index Level as of the Valuation Time on any date, as determined by the Calculation Agent, subject to Additional Conditions 1.5 and 1.6.

"**Index Level**" means the level of the Index as calculated and announced by the Index Sponsor or with reference to the Reference Source.

"**Index Performance**" means, in respect of each Index, the figure calculated as: *Final Index Final /Base Price*.

The Index Performance may, if so specified in the applicable Final Terms, be either (x) rounded down, (y) rounded up or (z) rounded, to the nearest whole number or any number of decimal places (in case of (z), with half of such whole number or number of decimal place, as applicable, being rounded up) as specified in the applicable Final Terms.

"**Index Sponsor**" means, in relation to an Index, the corporation or other entity that (i) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (ii) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, which as of the Issue Date is the index sponsor specified for such Index in the applicable Final Terms.

"**Knock-out Price**" means, in respect of an Index, such level for such Index as is specified in the applicable Final Terms, rounded, if necessary, to the second decimal place with 0.005 being rounded upwards.

"**Market Disruption Event**" means:

(a) in respect of any Unitary Index, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time, or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of a Unitary Index exists at any time, if a Market Disruption Event occurs in respect of a Component Security included in the Index at any time, then the relevant percentage contribution of such Component Security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to such Component Security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event; or

(b) in respect of any Multi-Exchange Index, either:

(i)

(A) the occurrence or existence, in respect of any Component Security, of:

(1) a Trading Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;

(2) an Exchange Disruption, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; or

(3) an Early Closure; and

(B) the aggregate of all Component Securities in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists, comprises 20 per cent. or more of the level of the Index; or

(ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of (A) a Trading Disruption, (B) an Exchange Disruption which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time in respect of the Related Exchange or (C) an Early Closure.

For the purposes of determining whether a Market Disruption Event in respect of a Multi-Exchange Index exists at any time, if a Share Disruption Event occurs in respect of a Component Security at that time, then the relevant percentage contribution of such Component Security, to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component Security, and (y) the overall level of the Index, (if applicable)

using the official opening weightings as published by the Index Sponsor as part of the market "opening data".

"**Maximum Rate**" has the meaning specified in the applicable Final Terms.

"**Medium Rate**" has the meaning specified in the applicable Final Terms.

"**Minimum Rate**" has the meaning specified in the applicable Final Terms.

"**Multi-Exchange Index**" means any Index which is specified as such in the applicable Final Terms, or, if not specified, any Index the Calculation Agent determines as such.

"**Observation Period**" means, in respect of an Index, each period commencing on the Observation Period Start Date, prior to any adjustment of such date pursuant to these Index Linked Conditions, if applicable (and including or excluding such Observation Period Start Date, as specified in the applicable Final Terms) and ending on the immediately following Observation Period End Date, prior to any adjustment of such date pursuant to these Index Linked Conditions, if applicable (and including or excluding such Observation Period End Date, as specified in the applicable Final Terms).

"**Observation Period End Date**" means, in respect of an Index, each date specified as such in the applicable Final Terms.

"**Observation Period Start Date**" means, in respect of an Index, each date specified as such in the applicable Final Terms.

"**Reference Index**" means the Index, the Index Performance of which is lowest of the Indices. If the Index Performances of two or more Indices are the same, the Calculation Agent shall determine the Reference Index in its sole discretion.

"**Reference Source**" means, in relation to an Index, the source as is specified in the applicable Final Terms.

"**Related Exchange**" means either (I) or (II) below, as specified in the applicable Final Terms:

(I) in relation to any Unitary Index or Multi-Exchange Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, or any successor thereto or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Index on such temporary substitute exchange or quotation system as on the original Related Exchange), **provided, however, that** where "**All Exchanges**" is specified as the Related Exchange in the applicable Final Terms, "**Related Exchange**" shall mean each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Index; or

(II) in relation to any Unitary Index, each exchange or quotation system specified as such for such Index in the applicable Final Terms, or any successor thereto or any substitute exchange or quotation system to which trading in futures or options contracts relating to the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to the Index on such temporary substitute exchange or quotation system as on the original Related Exchange); or, in relation to any Multi-Exchange Index, each exchange or quotation system located in the same country as the Exchange (as determined by the Calculation Agent in good faith acting in a commercially reasonable manner) where trading has a material effect (as determined by the

Calculation Agent in good faith acting in a commercially reasonable manner) on the overall market for futures or options contracts relating to the Index.

"**Scheduled Closing Time**" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"**Scheduled Trading Day**" means:

(a) in respect of any Unitary Index, any day on which the Exchange and the Related Exchange are scheduled to be open for trading for their respective regular trading sessions; or

(b) in respect of any Multi-Exchange Index, any day on which (i) the Index Sponsor is scheduled to publish the level of the Index, and (ii) the Related Exchange for the Index is scheduled to be open for trading for its regular trading session.

"**Scheduled Valuation Date**" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Valuation Date.

"**Share Disrupted Day**" means, for any exchange upon which the relevant Component Security is traded or any exchange or quotation system(s) upon which futures or options contracts relating to such Component Security are traded, any day upon which trading is scheduled to take place on such exchange or system, such exchange or system fails to open for trading during its regular trading session or on which a Share Disruption Event has occurred. The Calculation Agent shall as soon as reasonably practicable under the circumstances, notify the Issuer and the Agent of the occurrence of a Share Disrupted Day on any day that but for the occurrence of a Share Disrupted Day would have been the Valuation Date or any other date as is specified in the Final Terms to be applicable, provided that failure by the Calculation Agent to notify the parties of the occurrence of a Share Disrupted Day shall not affect the validity of the occurrence and effect of such Share Disrupted Day.

"**Share Disruption Event**" means, in relation to each relevant Component Security, the occurrence or existence of (i) a Share Trading Disruption, (ii) a Share Exchange Disruption or (iii) a Share Early Closure, as determined by the Calculation Agent in its sole and absolute discretion, if, in any such case, that Share Trading Disruption, Share Exchange Disruption or Share Early Closure is, in the determination of the Calculation Agent, material.

"**Share Early Closure**" means the closure on any day on which such exchange or quotation system is open for business, with respect to the exchange upon which the relevant Component Security is traded or any exchange or quotation system(s) upon which futures or options contracts relating to such Component Security are traded, prior to its scheduled closing time unless such earlier closing time is announced by such exchange or quotation system at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such exchange or quotation system on such day on which such exchange or quotation system is open for business, and (ii) the submission deadline for orders to be entered into such exchange or quotation system for execution at the scheduled closing time on the relevant exchange or quotation system on such day.

"**Share Exchange Disruption**" means any event (other than a Share Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (a) to effect transactions in, or obtain market values for, relevant Component Security on the exchange upon which the relevant Component Security is traded or (b) to effect transactions in, or obtain market values for, futures or options contracts relating to the relevant Component Security on any relevant exchange or quotation system(s) upon which futures or options contracts relating to such Component Security are

traded, in either case, at any time during the one-hour period that ends at the scheduled closing time on the relevant exchange or quotation system on the relevant Valuation Date.

"**Strike Price**" means, in respect of an Index, such level for such Index as is specified in the applicable Final Terms, rounded, if necessary, to the second decimal place, with 0.005 being rounded upwards.

"**Share Trading Disruption**" means any suspension of or limitation imposed on trading (by reason of movements in prices exceeding limits permitted by (a) the exchange upon which the relevant Component Security is traded for the purposes of the Index or (b) the exchange or quotation system upon which futures or options contracts relating to such Component Security are traded, or otherwise) in (i) the relevant Component Security or options contracts or (ii) futures contracts on the relevant Component Security, as applicable.

"**Trading Disruption**" means:

(a) in respect of any Unitary Index, any suspension or limitation imposed on trading by the Exchange or the Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or the Related Exchange or otherwise (i) on the Exchange relating to securities that comprise 20 per cent. or more of the level of the Index, or (ii) in futures or options contracts relating to the Index on the Related Exchange; or

(b) in respect of any Multi-Exchange Index, any suspension or limitation imposed on trading by any relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise: (i) relating to any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on the Related Exchange.

"**Unitary Index**" means any Index which is specified as such in the applicable Final Terms, or, if not specified, any Index the Calculation Agent determines as such.

"**Valuation Cut-Off Date**" means, (i) the date specified in the applicable Final Terms, or (ii) if not so specified, the second Scheduled Trading Day immediately following the Scheduled Valuation Date.

"**Valuation Date**" means each Valuation Date specified in the applicable Final Terms or if such date is not a Scheduled Trading Day or is a Disrupted Day, then:

(a) where the Index Linked Notes relate to a single Index, the Valuation Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date up to and including the Valuation Cut-Off Date is a Disrupted Day. In that case, (i) the Valuation Cut-Off Date shall be deemed to be the Valuation Date (notwithstanding the fact that such day may be a Disrupted Day) and (ii) the Calculation Agent shall determine in its sole and absolute discretion the relevant level or price of the Index using the level of the Index as of the Valuation Time on the Valuation Cut-Off Date in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Valuation Cut-Off Date of each security comprised in the Index (or, if an event giving rise to a Share Disrupted Day has occurred in respect of the relevant security on the Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Valuation Cut-Off Date); or

(b) where the Index Linked Notes relate to a Basket of Indices, either (i) or (ii) below, as specified in the applicable Final Terms, shall apply:

(i) the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the Scheduled Valuation Date and the Valuation Date for each Index affected by the occurrence of a Disrupted Day (each an "**Affected Index**") shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day with respect to the Affected Index, unless each of the Scheduled Trading Days immediately following the Scheduled Valuation Date up to and including the Valuation Cut-Off Date is a Disrupted Day relating to the Affected Index. In that case, (x) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for the Affected Index (notwithstanding the fact that such day is a Disrupted Day) and (y) the Calculation Agent shall determine in its sole and absolute discretion the relevant level or price using, in relation to the Affected Index, the level of that Index as of the Valuation Time on the Valuation Cut-Off Date in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Valuation Cut-Off Date of each security comprised in that Index (or, if an event giving rise to a Share Disrupted Day in relation to a share) has occurred in respect of the relevant security on the Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Valuation Cut-Off Date); or

(ii) the Valuation Date shall be the first succeeding Common Scheduled Trading Day that is not a Disrupted Day with respect to all Indices, unless there is no such Common Scheduled Trading Day that is not a Disrupted Day on or prior to the Valuation Cut-Off Date. In that case, (x) the Valuation Cut-Off Date shall be deemed to be the Valuation Date for all Indices (notwithstanding the fact that such day is a Disrupted Day for any of the Index) and (y) the Calculation Agent shall determine in its sole and absolute discretion the relevant level or price of the Index affected by the occurrence of the relevant Disrupted Day (the "**Affected Index**") using the level of that Index as of the Valuation Time on the Valuation Cut-Off Date in accordance with the formula for and method of calculating the Affected Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on the Valuation Cut-Off Date of each security comprised in the Affected Index (or, if an event giving rise to a Share Disrupted Day has occurred in respect of the relevant security on the Valuation Cut-Off Date, its good faith estimate of the value for the relevant security as of the Valuation Time on the Valuation Cut-Off Date).

"**Valuation Time**" means:

(a) in respect of any Unitary Index, (i) for the purposes of determining whether an Early Closure, an Exchange Disruption or a Trading Disruption has occurred in respect of (I) any Exchange, the Scheduled Closing Time of the Exchange (provided that, if the relevant Exchange closes prior to its Scheduled Closing Time then the Valuation Time shall be such actual closing time), and (II) any options contracts or futures contracts on such Index, the close of trading on the Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor; or

(b) in respect of any Multi-Exchange Index, (i) for the purposes of determining whether an Early Closure, an Exchange Disruption or a Trading Disruption has occurred in respect of (I) any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security (provided that, if the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time), and (II) any options contracts or futures contracts on the Index, the close of trading on the Related Exchange, and (ii) in all other

circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

1.3 ***Index Linked Interest***

If the applicable Final Terms provide that Index Linked Interest is applicable, the details of the method of the calculation and/or determination of the amount of such interest shall be the Index Linked Interest Formula specified in such Final Terms, and the dates of payment of such Index Linked Interest shall be specified in such Final Terms.

(A) Where the Index Linked Notes relate to a single Index, the Index Linked Interest Formula is either (I) or (II) below as specified in the applicable Final Terms.

(I) The interest amount per Calculation Amount payable on each Interest Payment Date shall be determined by the Calculation Agent in its sole discretion as follows:

(a) If on the Valuation Date immediately preceding the relevant Interest Payment Date, the Index Final is (x) equal to or higher than or (y) higher than, as specified in the applicable Final Terms, the Barrier Level, then the Interest Rate applicable for the relevant Interest Period shall be the Maximum Rate as specified in the applicable Final Terms and the Interest Amount shall be determined in accordance with Condition 4(d); or

(b) If on the Valuation Date immediately preceding the relevant Interest Payment Date, the Index Final is (x) lower than or (y) equal to or lower than, as specified in the applicable Final Terms, the Barrier Level, then the Interest Rate applicable for the relevant Interest Period shall be the Minimum Rate as specified in the applicable Final Terms and the Interest Amount shall be determined by the Calculation Agent in accordance with Condition 4(d).

(II) The interest amount per Calculation Amount payable on each Interest Payment Date shall be determined by the Calculation Agent in its sole discretion as follows:

(a) If on the Valuation Date immediately preceding the relevant Interest Payment Date, the Index Final is (x) equal to or higher than or (y) higher than, as specified in the applicable Final Terms, the Barrier Level 1, then the Interest Rate applicable for the relevant Interest Period shall be the Maximum Rate as specified in the applicable Final Terms and the Interest Amount shall be determined in accordance with Condition 4(d);

(b) If on the Valuation Date immediately preceding the relevant Interest Payment Date, the Index Final is (x) lower than or (y) equal to or lower than, as specified in the applicable Final Terms, the Barrier Level 1 but is (x) equal to or higher than or (y) higher than, as specified in the Final Terms, the Barrier Level 2, then the Interest Rate applicable for the relevant Interest Period shall be the Medium Rate as specified in the applicable Final Terms and the Interest Amount shall be determined in accordance with Condition 4(d); or

(c) If on the Valuation Date immediately preceding the relevant Interest Payment Date, the Index Final is (x) lower than or (y) equal to or lower than, as specified in the applicable Final Terms, the Barrier Level 2, then the Interest Rate applicable for the relevant Interest Period shall be the Minimum Rate as specified in the applicable Final Terms and the Interest Amount shall be determined in accordance with Condition 4(d).

(B) Where the Index Linked Notes relate to a Basket of Indices, the Index Linked Interest Formula is either (I) or (II) below as specified in the applicable Final Terms.

(I) The interest amount per Calculation Amount payable on each Interest Payment Date shall be determined by the Calculation Agent in its sole discretion as follows:

(a) If on the Valuation Date immediately preceding the relevant Interest Payment Date, the Index Final of each Index is (x) equal to or higher than or (y) higher than, as specified in the applicable Final Terms, the respective Barrier Level, then the Interest Rate applicable for the relevant Interest Period shall be the Maximum Rate as specified in the applicable Final Terms and the Interest Amount shall be determined in accordance with Condition 4(d); or

(b) If on the Valuation Date immediately preceding the relevant Interest Payment Date, the Index Final of at least one Index is (x) lower than or (y) equal to or lower than, as specified in the applicable Final Terms, the Barrier Level, then the Interest Rate applicable for the relevant Interest Period shall be the Minimum Rate as specified in the applicable Final Terms and the Interest Amount shall be determined in accordance with Condition 4(d).

(II) The interest amount per Calculation Amount payable on each Interest Payment Date shall be determined by the Calculation Agent in its sole discretion as follows:

(a) If on the Valuation Date immediately preceding the relevant Interest Payment Date, the Index Final of each Index is (x) equal to or higher than or (y) higher than, as specified in the applicable Final Terms, the respective Barrier Level 1, then the Interest Rate applicable for the relevant Interest Period shall be the Maximum Rate as specified in the applicable Final Terms and the Interest Amount shall be determined in accordance with Condition 4(d);

(b) If on the Valuation Date immediately preceding the relevant Interest Payment Date, the Index Final of at least one Index is (x) lower than or (y) equal to or lower than, as specified in the applicable Final Terms, the Barrier Level 1 but the Index Final of each Index is (x) equal to or higher than or (y) higher than, as specified in the applicable Final Terms, the respective Barrier Level 2, then the Interest Rate applicable for the relevant Interest Period shall be the Medium Rate as specified in the Final Terms and the Interest Amount shall be determined in accordance with Condition 4(d); or

(c) If on the Valuation Date immediately preceding the relevant Interest Payment Date, the Index Final of at least one Index is (x) lower than or (y) equal to or lower than, as specified in the applicable Final Terms, the Barrier Level 2, then the Interest Rate applicable for the relevant Interest Period shall be the Minimum Rate as specified in the applicable Final Terms and the Interest Amount shall be determined in accordance with Condition 4(d).

1.4 ***Index Linked Redemption***

(a) *Index Linked Automatic Early Redemption*

If the applicable Final Terms provide that Index Linked Automatic Early Redemption is applicable, it shall constitute an Automatic Early Redemption Event if the Calculation Agent determines that, as of any Automatic Early Redemption Valuation Date, either of the following events has occurred:

(i) where the Index Linked Notes relate to a single Index, the Index Final of the Index is (x) equal to or higher than or (y) higher than, as specified in the applicable Final Terms, the Knock-out Price; or

(ii) where the Index Linked Notes relate to a Basket of Indices, the Index Final of each Index of the Basket is (x) equal to or higher than or (y) higher than, as specified in the applicable Final Terms, the respective Knock-out Price,

and the Issuer shall redeem the Notes in whole or in part in an amount per Calculation Amount equal to the Automatic Early Redemption Amount on the relevant Automatic Early Redemption Date.

(b) *Index Linked Final Redemption*

If the applicable Final Terms provide that the Notes are the Index Linked Redemption Notes, the Notes shall be redeemed in accordance with the applicable Index Linked Redemption Formula specified in the applicable Final Terms.

Where the Index Linked Notes relate to a single Index, the Index Linked Redemption Formula is one of the items (I) through (IV) below as specified in the applicable Final Terms.

(I) The Index Linked Redemption Amount per Calculation Amount payable on the Maturity Date shall be calculated by the Calculation Agent in accordance with the following:

(i) if the Barrier Event has not occurred, the Index Linked Redemption Amount per Calculation Amount shall be the Calculation Amount;

(ii) otherwise, the Index Linked Redemption Amount per Calculation Amount shall be calculated in accordance with the following formula:

Calculation Amount x (Final Index Final /Strike Price).

(II) The Index Linked Redemption Amount per Calculation Amount payable on the Maturity Date shall be calculated by the Calculation Agent in accordance with the following:

Calculation Amount x (Final Index Final /Strike Price).

(III) The Index Linked Redemption Amount per Calculation Amount payable on the Maturity Date shall be calculated by the Calculation Agent in accordance with the following:

(i) if the Final Index Final is (x) equal to or higher than or (y) higher than, as specified in the applicable Final Terms, the Base Price, the Index Linked Redemption Amount per Calculation Amount shall be the Calculation Amount;

(ii) if the Final Index Final is (x) lower than or (y) equal to or lower than, as specified in the applicable Final Terms, the Base Price, the Index Linked Redemption Amount per Calculation Amount shall be calculated in accordance with the following formula:

Calculation Amount x (Final Index Final /Strike Price).

(IV) The Index Linked Redemption Amount per Calculation Amount payable on the Maturity Date shall be calculated by the Calculation Agent in accordance with the following:

(i) if the Barrier Event has not occurred, the Index Linked Redemption Amount per Calculation Amount shall be the Calculation Amount;

(ii) if the Barrier Event has occurred and the Final Index Final is (x) equal to or higher than or (y) higher than, as specified in the applicable Final Terms, the Base Price, the Index Linked Redemption Amount per Calculation Amount shall be the Calculation Amount;

(iii) if the Barrier Event has occurred and the Final Index Final is (x) lower than or (y) equal to or lower than, as specified in the Final Terms, the Base Price, the Index Linked

Redemption Amount per Calculation Amount shall be calculated in accordance with the following formula:

Calculation Amount x (Final Index Final /Strike Price).

Where the Index Linked Notes relate to a Basket of Indices, the Index Linked Redemption Formula is one of the items (I) through (IV) below as specified in the Final Terms.

(I) The Index Linked Redemption Amount per Calculation Amount payable on the Maturity Date shall be calculated by the Calculation Agent in accordance with the following:

(i) if the Barrier Event has not occurred, the Index Linked Redemption Amount per Calculation Amount shall be the Calculation Amount;

(ii) otherwise, the Index Linked Redemption Amount per Calculation Amount shall be calculated in accordance with the following formula:

Calculation Amount x (Final Index Final of Reference Index /Strike Price of Reference Index).

(II) The Index Linked Redemption Amount per Calculation Amount payable on the Maturity Date shall be calculated by the Calculation Agent in accordance with the following formula:

Calculation Amount x (Final Index Final of Reference Index /Strike Price of Reference Index).

(III) The Index Linked Redemption Amount per Calculation Amount payable on the Maturity Date shall be calculated by the Calculation Agent in accordance with the following:

(i) if the Final Index Final of each Index is (x) equal to or higher than or (y) higher than, as specified in the applicable Final Terms, the respective Base Price, the Index Linked Redemption Amount per Calculation Amount shall be the Calculation Amount;

(ii) if the Final Index Final of at least one Index is (x) lower than or (y) equal to or lower than, as specified in the applicable Final Terms, the Base Price, the Index Linked Redemption Amount per Calculation Amount shall be calculated in accordance with the following formula:

Calculation Amount x (Final Index Final of Reference Index /Strike Price of Reference Index).

(IV) The Index Linked Redemption Amount per Calculation Amount payable on the Maturity Date shall be calculated by the Calculation Agent in accordance with the following:

(i) if the Barrier Event has not occurred, the Index Linked Redemption Amount per Calculation Amount shall be the Calculation Amount;

(ii) if the Barrier Event has occurred and the Final Index Final of each Index is (x) equal to or higher than or (y) higher than, as specified in the applicable Final Terms, the respective Base Price, the Index Linked Redemption Amount per Calculation Amount shall be the Calculation Amount;

(iii) if the Barrier Event has occurred and the Final Index Final of at least one Index is (x) lower than or (y) equal to or lower than, as specified in the applicable Final Terms, the Base Price, the Index Linked Redemption Amount per Calculation Amount shall be calculated in accordance with the following formula:

Calculation Amount x (Final Index Final of Reference Index /Strike Price of Reference Index).

1.5 ***Correction of the Index***

In the event that the level of the Index published by the Index Sponsor and which is utilised for the calculation of the Index Final or the determination of the occurrence of a Barrier Event or an Automatic Early Redemption Event, is corrected or subsequently corrected and the correction is published by the Index Sponsor as a replacement to the level of the Index on the original date of publication or, if specified in the applicable Final Terms, on any date thereafter until the Correction Publication Cut-Off Date, then the Calculation Agent shall use such corrected level of the Index instead of the level of the Index that was originally published.

1.6 ***Discontinuance of the Index/Alteration of Method of Calculation***

If the Index is (A) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor (such successor sponsor will be deemed to be the Index Sponsor) acceptable to the Calculation Agent, or (B) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then in each case that index (the "**Successor Index**") will be deemed to be the Index.

If (a) on or prior to the Base Price Fixing Date, any Valuation Date or any Scheduled Trading Day during the Observation Period, the Index Sponsor (or its successor) announces that it will make a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stock and capitalisation and other routine events) (an "**Index Modification**") or permanently cancels the Index and no Successor Index exists (an "**Index Cancellation**") or (b) on the Base Price Fixing Date, any Valuation Date or any Scheduled Trading Day during the Observation Period, the Index Sponsor or a successor sponsor fails to calculate and announce the Index (an "**Index Disruption**" and together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**"), then:

(i) the Calculation Agent shall determine if any such Index Adjustment Event has a material effect on the Notes and, if so, shall calculate the level of the Index, using, in lieu of a published level for the Index, the level for the Index as at the relevant time as determined by the Calculation Agent in accordance with the formula for and method of calculating the Index last in effect prior to the change, failure or cancellation but using only those securities that comprised the Index immediately prior to such Index Adjustment Event, or

(ii) if the Calculation Agent determines, in its reasonable commercial discretion, that the application of the preceding paragraph would not achieve a commercially reasonable result, the Calculation Agent may determine that the Notes shall be redeemed, in which event the Issuer will, on giving not less than 3 nor more than 20 Business Days' notice to Holders of Notes in accordance with Condition 13 (*Notices*), redeem all but not some only of the Notes, each Note being redeemed by payment of an amount equal to the fair market value of the Note taking into account the Index Adjustment Event, less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements (including, without limitation, any equity options hedging the Issuer's obligations under the Notes), all as determined by the Calculation Agent in its sole discretion. Payments will be made in such manner as shall be notified to Holders of Notes in accordance with Condition 13 (*Notices*).

1.7 ***Additional Disruption Events***

(a) If an Additional Disruption Event occurs, the Issuer in its sole and absolute discretion may take the action described in (i) or (ii) below:

(i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to the multiplier and/or any of the other terms of these Conditions and/or the applicable Final Terms to account for the Additional Disruption Event and determine the effective date of that adjustment; or

(ii) redeem the Notes by giving notice to the Holders of Notes in accordance with Condition 13 (*Notices*). If the Notes are so redeemed the Issuer will pay an amount to each Holder in respect of each Note held by him which amount shall be the fair market value of the Note taking into account the Additional Disruption Event less the cost to the Issuer and/or its affiliates of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion. Payments will be made in such manner as shall be notified to the Holders of Notes in accordance with Condition 13 (*Notices*).

(b) Upon the occurrence of an Additional Disruption Event, the Issuer shall give notice as soon as practicable to the Holders in accordance with Condition 13 (*Notices*) stating the occurrence of the Additional Disruption Event, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

1.8 ***Calculations Binding***

The Calculation Agent has been appointed as such in order to determine in its sole discretion the calculations with respect to certain amounts payable under the Notes and the determination with respect to certain events as more fully specified herein in accordance with the calculation agency agreement entered into between the Issuer and the Calculation Agent which constitutes the "**Calculation Agency Agreement**". All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the determinations by the Calculation Agent shall, in the absence of manifest error, be binding on the Issuer, the Principal Paying Agent, the Registrar, the other Paying Agents and the Holders and (in the absence as aforesaid) no liability to the Issuer or the Holders shall attach to the Calculation Agent in connection with the exercise by it of its powers, duties and discretion pursuant to the provisions therein. Any notice to be given by the Calculation Agent shall be deemed to have been given if given in accordance with the Calculation Agency Agreement. The Calculation Agent shall notify the Principal Paying Agent or the Registrar, as the case may be, the Issuer and the Guarantor of the results of all calculations and determinations conducted or made pursuant to the provisions in these Index Linked Conditions as soon as practicably possible. The Principal Paying Agent or the Registrar, as the case may be, shall give notice to the Holders in accordance with Condition 13 (*Notices*) as soon as practicable thereafter.

Failure by the Calculation Agent to notify the parties of the occurrence of certain events shall not affect the validity of the occurrence and effect of such determination.

USE OF PROCEEDS

1. Notes issued by MHC

The net proceeds from each issue of Notes by MHC may be applied for the general corporate purposes of MHC which include making a profit, or such other reason as may be specified in the applicable Final Terms. If, in respect of any particular issue of Notes which are derivative securities, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

2. Note issued by MHCUK

In relation to Notes issued by MHCUK, the net proceeds of an issue of Notes may be applied by MHCUK for (i) the general corporate purposes of MHCUK, which include making a profit, (ii) financing or refinancing, in whole or in part, the Eligible Project Portfolio, which comprises a portfolio of projects meeting the eligibility criteria set out in the Green Finance Framework, as published on the website of MHCUK and updated from time to time, in which case the applicable Final Terms will provide additional information in relation to the intended use of proceeds in respect of such Notes (such issue of Notes, "**Green Bonds**"), or (iii) such other reason as may be specified in the applicable Final Terms.

MHCUK has established a Green Finance Framework, as published on its website (https://www.mitsubishihccapital.co.uk/investors/#investorreports), which has been prepared in alignment with ICMA's 2018 edition of the Green Bond Principles (the "**ICMA Green Bond Principles**"). MHCUK may amend or update the Green Finance Framework from time to time and will publicly announce any change to the Green Finance Framework on its website.

Pursuant to the Green Finance Framework, proceeds of a relevant issue of Notes will be allocated to finance or refinance assets within the Eligible Project Portfolio, which include:

1. clean transportation; and
2. renewable energy.

MHCUK has set up an Environmental Social Governance – Environmental ("**ESG**") committee to discuss ESG targets, to agree on activities to meet these targets, and to discuss the addition of any new categories of assets to be eligible for the Eligible Project Portfolio.

The allocation of net proceeds of the issue of Green Bonds will be managed on a portfolio basis by the Treasury team of MHCUK, and the finance of eligible green assets by MHCUK and its subsidiaries utilising these proceeds will be recorded and tracked centrally via internal reporting systems, in line with MHCUK's reporting requirements.

Prior to the issuance of any such Notes, MHCUK will engage a second party opinion provider to provide a second party opinion regarding its Green Finance Framework (the "**second party opinion**"). The Green Finance Framework, any second party opinion and associated reporting are available on MHCUK's website at https://www.mitsubishihccapital.co.uk/investors/#investorreports. For the avoidance of doubt, the Green Finance Framework and any second party opinions published are not incorporated in, and do not form part of, this Offering Circular.

In accordance with the ICMA Green Bond Principles, MHCUK will keep its investors updated on the allocation of proceeds and intends to also report on the expected impact of the eligible projects within the Eligible Project Portfolio.

While MHCUK will monitor and account for the net proceeds of an issue of Green Bonds relative to the Eligible Project Portfolio, no assurance is or can be given by MHCUK, the Guarantor, the Dealers, the Paying Agents

or any other person that the Eligible Project Portfolio will meet any criteria, expectations and objectives of investors regarding the environmental or social impact of sustainability performance of any "green", "social", "sustainable" or equivalently-labelled projects or that adverse environmental, social and/or other impacts will not occur during the implementation of any projects within the Eligible Project Portfolio.

None of the Dealers will verify the proposed use of proceeds of any issue of Notes, nor shall they be responsible for the ongoing monitoring of the use of proceeds in respect of any issue of such Notes.

None of MHCUK, the Guarantor, the Dealers, the Paying Agents or any other person shall be responsible for assuring that the use of such proceeds will satisfy, in whole or in part, any present or future investor expectations or requirements as regards to any investment criteria or guidelines with which any investor or its investments are required to comply (in particular with regard to any direct or indirect environmental, sustainable or social impact of any projects or uses, the subject of or related to, the relevant projects in the Eligible Project Portfolio).

3. Notes issued by MHFA

The net proceeds from each issue of Notes by MHFA may be applied for the general corporate purposes of MHFA which include making a profit, or such other reason as may be specified in the applicable Final Terms. If, in respect of any particular issue of Notes which are derivative securities, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

GUARANTEES

The following is the form of Guarantee given by the Guarantor in respect of Notes issued by Mitsubishi HC Capital UK PLC under the Programme:

This Deed of Guarantee is made on 29 August 2025 by **MITSUBISHI HC CAPITAL INC.** (the "**Guarantor**") in favour of the Beneficiaries (as defined in the Deed of Covenant referred to below) and the holders of AMTNs (as defined below) (collectively, the "**Beneficiaries**").

Whereas:

(A) Mitsubishi HC Capital UK PLC (the "**Issuer**") and, inter alia, the Guarantor and Mitsubishi HC Finance America LLC have entered into a Dealer Agreement (the "**Dealer Agreement**", which expression includes the same as may be amended, restated or supplemented from time to time) relating to a Euro Note Programme (the "**Programme**"), under which the Issuer has from time to time issued, and proposes from time to time to issue, Euro Notes and Notes denominated in Australian dollars and issued in the Australian domestic wholesale capital market (the "**AMTNs**") (collectively, the "**Notes**"), with the dealers named therein.

(B) The Issuer has entered into a Deed of Covenant (as amended and supplemented from time to time, the "**Deed of Covenant**") relating to the Notes (other than AMTNs).

(C) The Issuer has entered into a Note (AMTN) Deed Poll (as amended and supplemented from time to time, the "**Note (AMTN) Deed Poll**") relating to the AMTNs. The AMTNs will be constituted by the Note (AMTN) Deed Poll.

(D) The Issuer and, inter alia, the Guarantor and Mitsubishi HC Finance America LLC have entered into an Agency Agreement (the "**Agency Agreement**", which expression includes the same as may be amended, restated or supplemented from time to time) relating to the Programme with the agents named therein.

(E) This Guarantee is intended to replace, in respect of Notes issued on or after the date hereof, the Deed of Guarantee dated 27 September 2023 executed by the Guarantor (the "**Original Deed of Guarantee**"). With effect from the date of this Deed, the Original Deed of Guarantee shall for all purposes be amended and restated as set out in this Deed. This Deed shall apply to all Notes issued on or after the date of this Deed other than any Notes issued so as to be consolidated and form a single series with any Notes issued prior to the date of this Deed, and the Original Deed of Guarantee shall continue in full force and effect in respect of all Notes issued prior to the date of this Deed and any Notes issued under the Programme on or after the date hereof so as to be consolidated and form a single series with any Notes issued prior to the date of this Deed.

(F) In relation to any Series of Notes (other than AMTNs), terms defined in the Terms and Conditions of such Notes (the "**Conditions**", which term shall mean, in respect of Notes other than AMTNs, the Conditions set out in the Schedule of Forms relating to the Issuer's Euro Note Programme as in force on the date of issue of the first Tranche of the relevant Notes (as completed by the applicable Final Terms or as supplemented, amended and/or replaced to the extent described in the applicable Drawdown Prospectus) and in respect of AMTNs, the Conditions set out in the Offering Circular relating to the Issuer's Euro Note Programme as in force on the date of issue of the first Tranche of the relevant AMTNs (as completed by the applicable Final Terms or as supplemented, amended and/or replaced to the extent described in the applicable Drawdown Prospectus)) and in the Dealer Agreement and not otherwise defined in this Guarantee shall have the same meaning when used in this Guarantee.

Now this Deed witnesses as follows:

1. **Replacement of Previous Deed of Guarantee:** Any Notes issued on or after the date of this Guarantee shall have the benefit of this Guarantee but shall not have the benefit of any subsequent guarantee executed by the Guarantor (unless expressly so provided in any such subsequent guarantee). This does not affect any Notes issued prior to the date of this Guarantee or any Notes issued on or after the date of this Guarantee and which are consolidated with, and form a single Series with, the Notes of any Series issued prior to the date of this Guarantee.

2. **Guarantee:** The Guarantor irrevocably and unconditionally guarantees by way of deed poll to each Beneficiary that if for any reason the Issuer does not pay any sum payable by it to such Beneficiary in respect of any Note or Coupon or under the Deed of Covenant or the Note (AMTN) Deed Poll, as the case may be, (including any premium or any other amounts of whatever nature or additional amounts which may become payable under any of the foregoing) as and when the same shall become due under any of the foregoing, the Guarantor will pay to such Beneficiary on demand the amount (as to which the certificate of such Beneficiary shall in the absence of manifest error be conclusive) payable by the Issuer to such Beneficiary.

3. **Guarantor as Principal Debtor:** Without affecting the Issuer's obligations, the Guarantor will be liable under this Guarantee as if it were the sole principal debtor and not merely a surety. Accordingly, it will not be discharged, nor will its liability be affected, by anything which but for this provision might operate to affect its liability (including (a) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (b) any amendment to any Note, any Coupon or the Deed of Covenant or to any security or other guarantee or indemnity, (c) the making or absence of any demand on the Issuer or any other person for payment, (d) the enforcement or absence of enforcement of any Note, any Coupon, the Deed of Covenant or of any security or other guarantee or indemnity, (e) the release of any such security, guarantee or indemnity, (f) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person or (g) the illegality, invalidity or unenforceability of or any defect in any provision of any Note, any Coupon or the Deed of Covenant or any of the Issuer's obligations under any of them).

4. **Guarantor's Obligations Continuing:** The Guarantor's obligations under this Guarantee are and will remain in full force and effect by way of continuing security until no sum remains, or is capable of remaining, payable under any Note, any Coupon, the Deed of Covenant or the Note (AMTN) Deed Poll. Furthermore, these obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of a Beneficiary (or holder of AMTN), whether from the Guarantor or otherwise. The Guarantor irrevocably waives all notices and demands whatsoever.

5. **Repayment to the Issuer:** If any payment received by a Beneficiary is, on the subsequent liquidation or insolvency of the Issuer, avoided under any laws relating to liquidation or insolvency, such payment will not be considered as having discharged or diminished the liability of the Guarantor and this Guarantee will continue to apply as if such payment had at all times remained owing by the Issuer.

6. **Indemnity:** As a separate and alternative stipulation, the Guarantor unconditionally and irrevocably agrees that any sum expressed to be payable by the Issuer under any Note, any Coupon, the Deed of Covenant or the Note (AMTN) Deed Poll but which is for any reason (whether or not now known or becoming known to the Issuer, the Guarantor or any Beneficiary) not recoverable from the Guarantor on the basis of a guarantee will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Beneficiary on demand. This indemnity constitutes a separate and independent cause of action and will apply irrespective of any indulgence granted by any Beneficiary.

7. **Status of Guarantee:** The obligations of the Guarantor under this Guarantee constitute (subject to Clause 8 below) direct, unconditional and unsecured obligations of the Guarantor and shall at all times

rank *pari passu* and without any preference among themselves and (with the exception of obligations in respect of national and local taxes and certain other statutory exceptions and subject as aforesaid) equally with all of its other unsecured obligations (other than subordinated obligations, if any) from time to time outstanding.

8. **Negative Pledge:** So long as any of the Notes remains outstanding (as defined in the Agency Agreement) or any sum remains payable under the Deed of Covenant or the Note (AMTN) Deed Poll the Guarantor will not create or permit to be outstanding any pledge, lien, mortgage or other charge upon the whole or any part of the property or assets, present or future, of the Guarantor to secure for the benefit of the holders of any Securities (i) payment of any sum due in respect of Securities or (ii) any payment under any guarantee of Securities or (iii) any payment under any indemnity or other like obligation relating to Securities, in any such case in which either such Securities are by their terms payable, or confer a right to receive payment, in any currency other than Yen, or such Securities are denominated in Yen and more than 50 per cent. of the aggregate principal amount thereof is initially distributed outside Japan by or with the authorisation of the Guarantor, without in any such case at the same time according to the Notes the same security as is granted to or is existing in respect of such Securities or such other security or guarantee as shall be approved by an Extraordinary Resolution (as defined, in respect of the Notes other than AMTNs, in the Agency Agreement or, in respect of AMTNs, in the Note (AMTN) Deed Poll) of the holders of the Notes.

For the purposes of this Clause 8, "**Securities**" means bonds, debentures, notes or other similar investment securities of the Guarantor, or any other person which are capable of being listed on any stock exchange.

9. **Withholding or deduction:** All payments under this Guarantee by the Guarantor shall be made free and clear of, and without withholding or deduction for, or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the United Kingdom, Japan or any political subdivision or any authority of either jurisdiction thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by a Beneficiary after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction, except that no such additional amounts shall be payable:

(a) where the tax, duty, assessment or other governmental charge is imposed in respect of such Note, Receipt or Coupon by reason of the Beneficiary having some connection with Japan, in all cases other than a connection by the mere holding of such Note, Receipt or Coupon or by the receipt of principal or interest in respect of any Note, Receipt or Coupon; or

(b) more than 30 days after the Relevant Date (as defined in Condition 7 of the Conditions) except to the extent that the Beneficiary thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day.

10. **Power to execute:** The Guarantor hereby warrants, represents and covenants with each Beneficiary that it has all corporate power, and has taken all necessary corporate or other steps, to enable it to execute, deliver and perform this Guarantee, and that this Guarantee constitutes a legal, valid and binding obligation of the Guarantor in accordance with its terms.

11. **Deposit of Guarantee:** This Guarantee shall take effect as a Deed Poll for the benefit of the Beneficiaries from time to time and for the time being. This Guarantee shall be deposited with and held

by HSBC Bank plc as Principal Paying Agent until all the obligations of the Guarantor have been discharged in full.

12. **Production of Guarantee:** The Guarantor hereby acknowledges the right of every Beneficiary to the production of, and the right of every Beneficiary to obtain a copy (free of charge) of, this Guarantee, and further acknowledges and covenants that the obligations binding upon it contained herein are owed to, and shall be for the account of, each and every Beneficiary, and that each Beneficiary shall be entitled severally to enforce the said obligations against the Guarantor.

13. **Subrogation:** Until all amounts which may be payable under the Notes, the Coupons, the Deed of Covenant and/or Note (AMTN) Deed Poll have been irrevocably paid in full, the Guarantor shall not by virtue of this Guarantee be subrogated to any rights of any Beneficiary or claim in competition with the Beneficiaries against the Issuer.

14. **Governing Law and Jurisdiction:** This Guarantee and any non-contractual obligations arising out of or in connection with this Guarantee shall be governed by, and construed in accordance with, English law. The Guarantor irrevocably agrees for the benefit of each Beneficiary that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Guarantee (including a dispute relating to any non-contractual obligations arising out of or in connection with this Guarantee) and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with this Guarantee (including any Proceedings relating to any non-contractual obligations arising out of or in connection with this Guarantee) may be brought in the courts of England.

    The Guarantor irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any Proceedings in the courts of England, irrevocably agrees that a final judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Guarantor and irrevocably waives any objection to the enforcement of that judgment in the courts of any other jurisdiction. Nothing contained in this Clause shall limit any right to take Proceedings against the Guarantor in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

    The Guarantor has appointed the Issuer at its registered office for the time being in England (being at the date of execution hereof Novuna House, Thorpe Road, Staines-upon-Thames, Surrey TW18 3HP (attention: Legal Department)) as its agent for service of process in England in respect of any Proceedings and undertakes that in the event of it ceasing so to act it will appoint another person as its agent for that purpose.

The following is the form of Guarantee given by the Guarantor in respect of Notes issued by Mitsubishi HC Finance America LLC under the Programme:

This Deed of Guarantee is made on 29 August 2025 by **MITSUBISHI HC CAPITAL INC.** (the "**Guarantor**") in favour of the Beneficiaries (as defined in the Deed of Covenant referred to below).

Whereas:

(A) Mitsubishi HC Finance America LLC (the "**Issuer**") and, inter alia, the Guarantor and Mitsubishi HC Capital UK PLC have entered into a Dealer Agreement (the "**Dealer Agreement**", which expression includes the same as may be amended, restated or supplemented from time to time) relating to a Euro Note Programme (the "**Programme**"), under which the Issuer proposes from time to time to issue Euro Notes (the "**Notes**"), with the dealers named therein.

(B) The Issuer has entered into a Deed of Covenant (as amended and supplemented from time to time, the "**Deed of Covenant**") relating to the Notes.

(C) The Issuer and, inter alia, the Guarantor and Mitsubishi HC Capital UK PLC have entered into an Agency Agreement (the "**Agency Agreement**", which expression includes the same as may be amended, restated or supplemented from time to time) relating to the Programme with the agents named therein.

(D) This Deed shall apply to all Notes issued on or after the date of this Deed.

(E) In relation to any Series of Notes, terms defined in the Terms and Conditions of such Notes (the "**Conditions**", which term shall mean the Conditions set out in the Schedule of Forms relating to the Issuer's Euro Note Programme as in force on the date of issue of the first Tranche of the relevant Notes (as completed by the applicable Pricing Supplement or as supplemented, amended and/or replaced to the extent described in the applicable Drawdown Prospectus)) and in the Dealer Agreement and not otherwise defined in this Guarantee shall have the same meaning when used in this Guarantee.

Now this Deed witnesses as follows:

1. **Replacement of Previous Deed of Guarantee:** Any Notes issued on or after the date of this Guarantee shall have the benefit of this Guarantee but shall not have the benefit of any subsequent guarantee executed by the Guarantor (unless expressly so provided in any such subsequent guarantee).

2. **Guarantee:** The Guarantor irrevocably and unconditionally guarantees by way of deed poll to each Beneficiary that if for any reason the Issuer does not pay any sum payable by it to such Beneficiary in respect of any Note or under the Deed of Covenant (including any premium or any other amounts of whatever nature or additional amounts which may become payable under any of the foregoing) as and when the same shall become due under any of the foregoing, the Guarantor will pay to such Beneficiary on demand the amount (as to which the certificate of such Beneficiary shall in the absence of manifest error be conclusive) payable by the Issuer to such Beneficiary.

3. **Guarantor as Principal Debtor:** Without affecting the Issuer's obligations, the Guarantor will be liable under this Guarantee as if it were the sole principal debtor and not merely a surety. Accordingly, it will not be discharged, nor will its liability be affected, by anything which but for this provision might operate to affect its liability (including (a) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (b) any amendment to any Note or the Deed of Covenant or to any security or other guarantee or indemnity, (c) the making or absence of any demand on the Issuer or any other person for payment, (d) the enforcement or absence of enforcement of any Note, the Deed of Covenant or of any security or other guarantee or indemnity, (e) the release of any such security, guarantee or indemnity, (f) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or any other person or (g)

the illegality, invalidity or unenforceability of or any defect in any provision of any Note or the Deed of Covenant or any of the Issuer's obligations under any of them).

4. **Guarantor's Obligations Continuing:** The Guarantor's obligations under this Guarantee are and will remain in full force and effect by way of continuing security until no sum remains, or is capable of remaining, payable under any Note or the Deed of Covenant. Furthermore, these obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of a Beneficiary, whether from the Guarantor or otherwise. The Guarantor irrevocably waives all notices and demands whatsoever.

5. **Repayment to the Issuer:** If any payment received by a Beneficiary is, on the subsequent liquidation or insolvency of the Issuer, avoided under any laws relating to liquidation or insolvency, such payment will not be considered as having discharged or diminished the liability of the Guarantor and this Guarantee will continue to apply as if such payment had at all times remained owing by the Issuer.

6. **Indemnity:** As a separate and alternative stipulation, the Guarantor unconditionally and irrevocably agrees that any sum expressed to be payable by the Issuer under any Note or the Deed of Covenant but which is for any reason (whether or not now known or becoming known to the Issuer, the Guarantor or any Beneficiary) not recoverable from the Guarantor on the basis of a guarantee will nevertheless be recoverable from it as if it were the sole principal debtor and will be paid by it to the Beneficiary on demand. This indemnity constitutes a separate and independent cause of action and will apply irrespective of any indulgence granted by any Beneficiary.

7. **Status of Guarantee:** The obligations of the Guarantor under this Guarantee constitute (subject to Clause 8 below) direct, unconditional and unsecured obligations of the Guarantor and shall at all times rank *pari passu* and without any preference among themselves and (with the exception of obligations in respect of national and local taxes and certain other statutory exceptions and subject as aforesaid) equally with all of its other unsecured obligations (other than subordinated obligations, if any) from time to time outstanding.

8. **Negative Pledge:** So long as any of the Notes remains outstanding (as defined in the Agency Agreement) or any sum remains payable under the Deed of Covenant the Guarantor will not create or permit to be outstanding any pledge, lien, mortgage or other charge upon the whole or any part of the property or assets, present or future, of the Guarantor to secure for the benefit of the holders of any Securities (i) payment of any sum due in respect of Securities or (ii) any payment under any guarantee of Securities or (iii) any payment under any indemnity or other like obligation relating to Securities, in any such case in which either such Securities are by their terms payable, or confer a right to receive payment, in any currency other than Yen, or such Securities are denominated in Yen and more than 50 per cent. of the aggregate principal amount thereof is initially distributed outside Japan by or with the authorisation of the Guarantor, without in any such case at the same time according to the Notes the same security as is granted to or is existing in respect of such Securities or such other security or guarantee as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the holders of the Notes.

   For the purposes of this Clause 8, "**Securities**" means bonds, debentures, notes or other similar investment securities of the Guarantor, or any other person which are capable of being listed on any stock exchange.

9. **Withholding or deduction:** All payments under this Guarantee by the Guarantor shall be made free and clear of, and without withholding or deduction for, or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by the United States, Japan or any political subdivision or any authority of either jurisdiction

thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Guarantor will pay such additional amounts as shall be necessary in order that the net amounts received by a Beneficiary after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction, except that no such additional amounts shall be payable:

(a) where the tax, duty, assessment or other governmental charge is imposed by reason of a Noteholder's or beneficial owner of the Note's past or present status for U.S. federal income tax purposes as (A) a personal holding company or a foreign personal holding company, (B) a corporation that accumulates earnings to avoid U.S. federal income tax, (C) a controlled foreign corporation that is related to the Issuer through stock ownership, (D) the owner, actually or constructively, of 10 per cent. or more of the total combined voting power of all classes of stock of the Issuer entitled to vote or (E) a bank receiving interest described in Section 881(c)(3)(A) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**");

(b) where the tax, duty, assessment or other governmental charge is imposed by reason of the Noteholder's or beneficial owner of the Note's failure to comply with any certification or other requirements under the United States tax laws and regulations for establishing entitlement to exemption from such tax, duty, assessment or other governmental charge; or

(c) where the tax, duty, assessment or other governmental charge is imposed in respect of such Note by reason of the Beneficiary having some connection with Japan, other than a connection by the mere holding of such Note or by the receipt of principal or interest in respect of any Note; or

(d) where the tax, duty, assessment or other governmental charge is imposed on a United States person (as defined in Section 7701(a)(30) of the Code).

10. **Power to execute:** The Guarantor hereby warrants, represents and covenants with each Beneficiary that it has all corporate power, and has taken all necessary corporate or other steps, to enable it to execute, deliver and perform this Guarantee, and that this Guarantee constitutes a legal, valid and binding obligation of the Guarantor in accordance with its terms.

11. **Deposit of Guarantee:** This Guarantee shall take effect as a Deed Poll for the benefit of the Beneficiaries from time to time and for the time being. This Guarantee shall be deposited with and held by HSBC Bank plc as Principal Paying Agent until all the obligations of the Guarantor have been discharged in full.

12. **Production of Guarantee:** The Guarantor hereby acknowledges the right of every Beneficiary to the production of, and the right of every Beneficiary to obtain a copy (free of charge) of, this Guarantee, and further acknowledges and covenants that the obligations binding upon it contained herein are owed to, and shall be for the account of, each and every Beneficiary, and that each Beneficiary shall be entitled severally to enforce the said obligations against the Guarantor.

13. **Subrogation:** Until all amounts which may be payable under the Notes and/or the Deed of Covenant have been irrevocably paid in full, the Guarantor shall not by virtue of this Guarantee be subrogated to any rights of any Beneficiary or claim in competition with the Beneficiaries against the Issuer.

14. **Governing Law and Jurisdiction:** This Guarantee and any non-contractual obligations arising out of or in connection with this Guarantee shall be governed by, and construed in accordance with, English law. The Guarantor irrevocably agrees for the benefit of each Beneficiary that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Guarantee

(including a dispute relating to any non-contractual obligations arising out of or in connection with this Guarantee) and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with this Guarantee (including any Proceedings relating to any non-contractual obligations arising out of or in connection with this Guarantee) may be brought in the courts of England.

The Guarantor irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any Proceedings in the courts of England, irrevocably agrees that a final judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Guarantor and irrevocably waives any objection to the enforcement of that judgment in the courts of any other jurisdiction. Nothing contained in this Clause shall limit any right to take Proceedings against the Guarantor in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

The Guarantor has appointed Mitsubishi HC Capital UK PLC at its registered office for the time being in England (being at the date of execution hereof Novuna House, Thorpe Road, Staines-upon-Thames, Surrey TW18 3HP (attention: Legal Department)) as its agent for service of process in England in respect of any Proceedings and undertakes that in the event of it ceasing so to act it will appoint another person as its agent for that purpose.

DESCRIPTION OF MITSUBISHI HC CAPITAL INC.

The financial figures appearing herein have been prepared in accordance with accounting principles generally accepted in Japan, with the following exceptions:

MHC's interim consolidated financial statements have been prepared in accordance with the Article 4-1 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements and in accordance with accounting principles for interim financial statements generally accepted in Japan, omitting certain disclosures under the Article 4-2 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements. A part of the disclosures required under accounting principles generally accepted in Japan is omitted under the Article 4-2 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements.

Business

Overview

MHC was formerly known as Mitsubishi UFJ Lease & Finance Company Limited until it was renamed "Mitsubishi HC Capital Inc." following a merger with Hitachi Capital Corporation on 1 April 2021, following which MHC was the surviving entity.

MHC is an equity method affiliate of both Mitsubishi Corporation and Mitsubishi UFJ Financial Group (which includes MUFG Bank, Ltd. ("**MUFG Bank**", formerly The Bank of Tokyo-Mitsubishi UFJ, Ltd.)) ("**MUFG**"), which own 18.41 per cent. and 20.06 per cent., respectively, of MHC's voting rights (both as of 31 March 2026, on a consolidated basis).

MHC's registered head office is 5-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-6525, Japan, telephone number +81 3-6865-3000 and its company registration number is 0100-01-049866.

MHC was established in 1971 as Diamond Lease Company Limited by the Mitsubishi group companies and was listed on the Tokyo Stock Exchange in March 1985. On 1 April 2007, Diamond Lease Company Limited and UFJ Central Leasing Co., Ltd. merged and changed its corporate name to Mitsubishi UFJ Lease & Finance Company Limited. Thereafter, in February 2009, Mitsubishi Auto Leasing Corporation merged with Central Auto Leasing and became Mitsubishi Auto Leasing Corporation, the main company in the auto leasing business within the Group. On 1 April 2023, Mitsubishi Auto Leasing Corporation and Mitsubishi HC Capital Auto-Lease Corporation completed the merger with Mitsubishi Auto Leasing Corporation as the surviving company. From 2013 onwards, MHC acquired companies abroad, such as JSA International Holdings, L.P. (an aircraft leasing company), PT. Takari Kokoh Sejahtera (an Indonesian auto leasing company), Engine Lease Finance Corporation (an aircraft engine leasing company), Beacon Intermodal Leasing, LLC (a marine container leasing company) and ENGS Holdings Inc. (a customer finance company) ("**ENGS**") with the aim of growing its businesses internationally. As of 1 April 2023, Mitsubishi HC Capital America, Inc., Mitsubishi HC Capital (U.S.A.) Inc. and ENGS Commercial Finance Co. merged through an absorption-type merger with Mitsubishi HC Capital America, Inc. as the surviving company.

Hitachi Capital Corporation was established in 1957, and primarily engaged in the provision of financial services such as leasing and loans to customers. In 2000, Hitachi Credit Corporation and Hitachi Leasing Corporation merged to form Hitachi Capital Corporation, which has built its position as a manufacturer-based financing company. In recent years, in addition to conventional financial services, Hitachi Capital Corporation, as a "Social Values Creating Company", had been providing value-added services and businesses in response to the needs of its customers and the society. Hitachi Capital Corporation developed community-focused financial services and businesses and had been actively expanding its business on a global level.

Based on the capital and business alliance concluded in May 2016, MHC and Hitachi Capital Corporation had been in collaboration, including incorporation of the Japan Infrastructure Initiative Company Limited ("**JII**") in order to reinforce its overseas infrastructure investment business. As of 1 April 2023, JII was merged through an absorption type merger with MHC. Also, MHC and Hitachi Capital Corporation had considered business integration as one of the options and constructively continued discussions to strengthen this relationship. Through that process, MHC and Hitachi Capital Corporation recognised that JII's business had steadily progressed, and that MHC and Hitachi Capital Corporation's businesses had little duplication and were in an ideal complementary relationship. Eventually, MHC and Hitachi Capital Corporation reached an agreement, determining that business integration through merger is the optimal means to promptly adapt to drastic environmental changes and further open up new areas of their advanced asset businesses based on a constructive discussion in the spirit of mutual respect and fairness.

On 24 September 2020, both companies entered into a merger agreement and a business integration agreement, pursuant to which MHC and Hitachi Capital Corporation agreed to an absorption-type merger to integrate their businesses with MHC being the surviving entity. All relevant conditions have been fulfilled and the Merger duly took effect on 1 April 2021. After that, in November 2021, MHC obtained all shares of CAI International, Inc. and it became a wholly-owned subsidiary of MHC and in January 2023, CAI International, Inc. merged with Beacon Intermodal Leasing, LLC, with CAI International, Inc. being the surviving entity.

Description of Hitachi Capital Corporation

As a manufacturer affiliated financial services company, Hitachi Capital Corporation had consistently pursued a policy of a distinct emphasis on the products it had financed over its history of more than 50 years. The products Hitachi Capital Corporation had financed had gradually expanded from the original range of household appliances to automobiles, information equipment, industrial machinery, medical devices, agricultural equipment and housing. Hitachi Capital Corporation's conception of products had expanded to include those things that contribute to healthy economic activity. In addition, Hitachi Capital Corporation had expanded into areas used in corporate finance, such as discounting of receivables. The one strength that had differentiated Hitachi Capital Corporation from competitors had been its ability to capitalise on its extensive experience and knowledge of such areas and products to provide seamless services that range from leases, loans and other financial services to function-oriented services. These services were based on a new perspective of a greater need for utility value in a product as a service. This fitted with the shift from industrial economy to a knowledge-based economy in Japan and included services such as asset management, securitisation, sale of lease matured assets, credit guarantees, receivables collection, trust services, and tax representation which save customers' time and resources.

Recent Business

Summary Financial Information

The following is a summary of certain consolidated financial information of MHC as of 31 March 2025 and 31 March 2026 and for the years then ended.

	Year ended/as of 31 March (Consolidated) (audited)	
	2025	*2026*
	Millions of Yen	
Total current assets	¥6,018,651	¥6,616,807

	Year ended/as of 31 March (Consolidated) (audited)	
	2025	*2026*
	Millions of Yen	
Total property and equipment	4,771,529	5,451,803
Total investments and other assets(1)	968,505	1,017,160
Total assets	11,762,332	13,089,557
Total current liabilities	3,558,970	4,003,663
Total long-term liabilities	6,398,838	7,077,115
Total equity	1,804,523	2,008,779
Revenues	2,090,808	2,215,384
Operating income	187,126	240,428
Income before income taxes	195,685	232,807
Net income	135,641	162,818
Net income attributable to non-controlling interests	475	612
Net income attributable to owners of the parent	135,165	162,206

Note:

(1) "Total investments and other assets" as of 31 March 2025 and 31 March 2026 are derived from the audited consolidated annual financial statements for MHC and include intangible assets of ¥237,770 million and ¥253,284 million, respectively.

The following is a summary of certain consolidated financial information of MHC as of 30 June 2026 and for the three months then ended:

	Three months ended / as of 30 June (Consolidated) (unaudited)
	2026
	Millions of Yen
Total current assets	¥6,609,972
Total property, plant and equipment	5,648,780
Total investments and other assets(1)	799,751
Total assets	13,314,409
Total current liabilities	4,076,713
Total non-current liabilities	7,209,397
Total net assets	2,028,299
Revenues	539,102
Operating income	47,104
Income before income taxes	46,486

	Three months ended / as of 30 June (Consolidated) (unaudited)
	2026
	Millions of Yen
Net income	31,862
Net income attributable to non-controlling interests	252
Net income attributable to owners of the parent	31,609

Note:

(1) "Total investments and other assets" as of 30 June 2026 is derived from the Earnings Report (*Kessan Tanshin*) and does not include intangible assets.

Results

Consolidated results of MHC for the year ended 31 March 2026 compared to the year ended 31 March 2025

The volume of new transactions for the year ended 31 March 2026 was ¥3,361.5 billion, an 1.5 per cent. increase compared to the year ended 31 March 2025.

Total revenues

Total revenues for the year ended 31 March 2026 increased by ¥124,576 million, or 6.0 per cent., to ¥2,215,384 million, compared to ¥2,090,808 million for the year ended 31 March 2025.

Gross profit

Gross profit for the year ended 31 March 2026 increased by ¥37,526 million, or 8.1 per cent., to ¥500,163 million, compared to ¥462,637 million for the year ended 31 March 2025.

Selling, general and administrative expenses

Selling, general and administrative expenses for the year ended 31 March 2026 decreased by ¥15,775 million, or 5.7 per cent., to ¥259,735 million, compared to ¥275,510 million for the year ended 31 March 2025.

Operating income

Operating income for the year ended 31 March 2026 increased by ¥53,301 million, or 28.5 per cent., to ¥240,428 million, compared to ¥187,126 million for the year ended 31 March 2025.

Other income

Other expenses—net for the year ended 31 March 2026 was ¥7,620 million, compared to other income—net of ¥8,558 million for the year ended 31 March 2025.

Net income

Net income for the year ended 31 March 2026 increased by ¥27,177 million, or 20.0 per cent., to ¥162,818 million, compared to ¥135,641 million for the year ended 31 March 2025.

Net income attributable to owners of the parent

Net income attributable to owners of the parent for the year ended 31 March 2026 increased by ¥27,040 million, or 20.0 per cent., to ¥162,206 million, compared to ¥135,165 million for the year ended 31 March 2025.

Financial Condition

Consolidated balance sheet of MHC as of 31 March 2026 compared to consolidated balance sheet as of 31 March 2025

Total current assets as of 31 March 2026 increased by ¥598,155 million, or 9.9 per cent., to ¥6,616,807 million, compared to ¥6,018,651 million as of 31 March 2025. Cash and cash equivalents increased by ¥55,239 million, or 19.0 per cent. to ¥346,045 million, compared to ¥290,805 million as of 31 March 2025.

Total property and equipment as of 31 March 2026 increased by ¥680,274 million, or 14.3 per cent., to ¥5,451,803 million, compared to ¥4,771,529 million, as of 31 March 2025.

Total investments and other assets as of 31 March 2026 increased by ¥48,655 million, or 5.0 per cent., to ¥1,017,160 million, compared to ¥968,505 million as of 31 March 2025.

Total assets as of 31 March 2026 increased by ¥1,327,225 million, or 11.3 per cent., to ¥13,089,557 million, compared to ¥11,762,332 million as of 31 March 2025.

Total current liabilities as of 31 March 2026 increased by ¥444,692 million, or 12.5 per cent., to ¥4,003,663 million, compared to ¥3,558,970 million as of 31 March 2025.

Total long-term liabilities as of 31 March 2026 increased by ¥678,276 million, or 10.6 per cent., to ¥7,077,115 million, compared to ¥6,398,838 million as of 31 March 2025.

Total equity as of 31 March 2026 increased by ¥204,256 million, or 11.3 per cent., to ¥2,008,779 million, compared to ¥1,804,523 million as of 31 March 2025.

Liquidity and Capital Resources

Cash flows of MHC for the year ended 31 March 2026 compared to cash flows for the year ended 31 March 2025

Net cash used in operating activities for the year ended 31 March 2026 increased by ¥70,653 million, or 23.8 per cent. to ¥367,537 million, compared to ¥296,884 million for the year ended 31 March 2025.

Net cash used in investing activities for the year ended 31 March 2026 decreased by ¥63,039 million, or 65.0 per cent., to ¥33,398 million, compared to ¥96,977 million for the year ended 31 March 2025.

Net cash provided by financing activities for the year ended 31 March 2026 increased by ¥115,744 million, or 32.7 per cent., to ¥469,373 million, compared to ¥353,628 million for the year ended 31 March 2025.

As a result of the above, cash and cash equivalents as of 31 March 2026 increased by ¥55,239 million, or 19.0 per cent., to ¥346,045 million, compared to ¥290,805 million as of 31 March 2025.

Funding

The Group's policy concerning the procurement of funds to support business activities is to procure funds in a stable and cost-effective manner. For funding purposes, MHC selects and utilises, as needed, both direct financing, such as commercial paper and corporate bonds, and indirect financing, including bank loans. The Group seeks to use the most advantageous means and suitable terms, according to market conditions at the time. Substantially all of MHC's short-term bank loans are made under agreements as is customary in Japan, which provide that, at the request of such banks, MHC will provide additional collateral or guarantees with respect to the loan. As of 30 June 2026, MHC has not received any such request.

The Group's annual maturities of interest-bearing debt as of 31 March 2026 for the next five years were as follows:

31 March 2026	*Due in one year or less*	*Due after one year through two years*	*Due after two years through three years*	*Due after three years through four years*	*Due after four years through five years*
			Millions of Yen		
Short-term loans from banks and other financial institutions	¥458,492	—	—	—	—
Commercial paper	1,196,700	—	—	—	—
Bonds	529,412	¥596,400	¥444,591	¥276,780	¥325,301
Nonrecourse bonds	—	100	100	100	9,200
Long-term loans from banks and other financial institutions	961,356	1,079,077	915,810	794,210	441,894
Nonrecourse loans	3,274	12,600	13,053	12,614	208
Lease obligations	11,746	8,504	6,835	4,385	3,896
Loans from the securitisations of the minimum future rentals on lease contracts and other	279,976	229,182	109,856	57,156	17,217
Total	¥3,440,958	¥1,925,865	¥1,490,247	¥1,145,247	¥797,718

Strategy

Following the Merger, the Group formulated its basic management policy, including the following mission and vision:

- Mission. The Group will contribute to a prosperous and sustainable future by creating social value through maximising the potential of its assets.
- Vision.
    - The Group aims to solve social issues by developing unique and progressive businesses with consideration for the global environment.
    - The Group aims to achieve sustainable growth through value co-creation with diverse stakeholders across the globe.
    - The Group aims to enhance corporate value by evolving its business model through utilising digital technology and data.
    - The Group aims to foster an "open, creative and engaging" corporate culture that shapes each and every employee's motivation and pride.
    - The Group aims to be a trusted company by complying with laws and regulations, as well as implementing ethical corporate management.

The Group is implementing growth strategies aimed at realising the "Our 10-year Vision" (renamed "Our FY2031"), which was announced in May 2022. The Medium-term Management Plan (2028 MTMP), which commenced beginning in the fiscal year ending 31 March 2027, represents a crucial milestone toward achieving the Group's goals and is positioned as a phase aimed at enhancing profitability and accelerating the growth of

corporate value. To achieve this vision, the Group has defined four key elements - business, finance, digital, and talent and culture - as the main driving forces of the 2028 MTMP, to build a portfolio with high profitability and growth potential, optimise capital allocation, realise more advanced and agile management through digital utilisation, and transform the Group's corporate culture.

Reportable Segments

For the years ended 31 March 2025 and 2026, the Group conducted its business through the following seven segments: (i) Customer Solutions, (ii) Global Customer Business, (iii) Environment & Energy, (iv) Aviation, (v) Logistics, (vi) Real Estate and (vii) Mobility.

Effective 1 April 2026, the Mobility segment was integrated into the Logistics segment and the reportable segments starting from the first quarter of the year ending 31 March 2027 consist of the following six reportable segments (i) Customer Solutions, (ii) Global Customer Business, (iii) Environment & Energy, (iv) Aviation, (v) Logistics and (vi) Real Estate. The change has not been applied retrospectively to (a) the audited consolidated financial statements of MHC for the year ended 31 March 2026, (b) the audited consolidated financial statements of MHC for the year ended 31 March 2025, or (c) any other information in this Offering Circular for those fiscal periods.

The Group's six reporting segments are organised into three units as follows (a) the Customer Solutions unit consisting of the Customer Solutions segment; (b) the Global Customer Business unit consisting of the Global Customer Business segment; and (c) the Specialized Businesses unit, consisting of the Environment & Energy segment, the Aviation segment, the Logistics segment and the Real Estate segment.

Reportable segment	***Main service and business description***
Customer Solutions	Finance solution business for companies and government agencies, energy-saving solution business, sales finance business provided through collaboration with vendors, real estate leasing business, and financial service business
Global Customer Business	Finance solution business, and sales finance business provided through collaboration with vendors in Europe, the Americas, China, and ASEAN region
Environment & Energy.....	Renewable energy business and environment related finance solution business
Aviation	Aircraft leasing business, aircraft engine leasing business
Logistics	Marine container leasing business, railcar leasing business, and auto leasing business and supplementary services
Real Estate	Real estate finance business, real estate investment business, and real estate asset management business

The following tables set forth the segment profit (loss) and segment assets for each of the MHC's reportable segments as of 31 March 2025 and 2026 and for the years then ended (without adjustment for the new segments effective 1 April 2026).

	Reportable segments								
Year ended 31 March 2025	***Customer Solutions***	***Global Business[1]***	***Environment & Energy***	***Aviation***	***Logistics***	***Real Estate***	***Mobility***	***Adjustments[2]***	***Consolidated***
					Millions of yen				
Segment profit[3]	¥36,887	¥2,671	¥4,766	¥47,208	¥23,213	¥12,215	¥3,100	¥5,102	¥135,165
Segment assets[4]	3,004,569	3,074,970	486,366	2,448,114	1,289,344	570,575	58,869	829,522	11,762,332

	Reportable segments								
Year ended 31 March 2026	***Customer Solutions***	***Global Customer Business[1]***	***Environment & Energy***	***Aviation***	***Logistics***	***Real Estate***	***Mobility***	***Adjustments[2]***	***Consolidated***
					Millions of yen				
Segment profit (loss)[3]	¥41,117	¥8,384	¥(4,852)	¥54,538	¥29,313	¥26,176	¥3,382	¥4,144	¥162,206
Segment assets[4]	3,132,649	3,495,705	512,495	2,745,043	1,313,959	750,329	68,409	1,070,963	¥13,089,557

Notes:

(1) Effective 1 April 2025, the segment name of "Global Business" was changed to "Global Customer Business".

(2) Adjustments of segment profit (loss) consist mostly of adjustments of company-wide expenses and income not allocated to any reportable segments. For the year ended 31 March 2025, it also includes profit adjustments of ¥403 million, related to the merger with Hitachi Capital Corporation under the purchase method.

Adjustments of segment assets include goodwill recognised when Diamond Lease Company Limited and UFJ Central Leasing Company Limited merged and became Mitsubishi UFJ Lease & Finance Company Limited in 2007 and other segment assets not attributable to any reportable segments, such as investment securities related to corporate division and elimination of intersegment transactions, amounting to ¥2,842 million and ¥16,378 million as of 31 March 2025 and 2026, respectively, and the sum of such amount and the segment assets of all reportable segments amounted to ¥10,935,652 million and ¥12,034,972 million as of 31 March 2025 and 2026, respectively.

The remainder of the adjustments of segment assets of ¥826,680 million and ¥1,054,585 million as of 31 March 2025 and 2026, respectively, represents the difference between total segment assets including corporate division and total consolidated assets, which consists of assets other than segment assets such as cash and cash equivalents and own-used assets.

(3) Segment profit (loss) is reconciled to net income attributable to owners of the parent in the consolidated statements of income.

(4) Segment assets include operating assets, equity-method investments, goodwill and investment securities.

The following table sets forth transaction volume of the MHC for each of the business segments for the years ended 31 March 2025 and 2026 (without adjustment for the new segments effective 1 April 2026).

	Year ended 31 March	
	2025	***2026***
	Billions of yen	
Customer Solutions	¥919.9	¥1,014.4
Global Customer Business	1,379.8	1,572.1
Environment & Energy	29.9	21.4
Aviation	547.5	344.0
Logistics	221.2	133.7
Real Estate	201.6	259.6

	Year ended 31 March	
	2025	*2026*
	Billions of yen	
Mobility	11.6	16.8
Adjustments	-	(0.8)
Total	¥3,311.7	¥3,361.5

Collection and Credit Losses

Collection procedures

The Group has standardised collection procedures for its lease receivables and loans in compliance with applicable laws. In particular, the Group establishes internal standards for non-performing loans and loan loss reserving for such purposes.

Allowance for credit losses

An allowance for doubtful receivables is established from time to time as a reserve against potential losses on delinquent and uncollectible receivables. The allowance is stated in amounts considered to be appropriate based on past credit loss experience and an evaluation of potential losses in the receivables outstanding.

Compliance

MHC established the Mitsubishi HC Capital Group Code of Ethics and Code of Conduct in order to share fundamental values and ethics to be embraced by all members of the Group and reflect them in business. MHC also established a system for ensuring that the officers and employees of the Group comply with laws and regulations and the Articles of Incorporation, by establishing and announcing internal rules and the Compliance Manual.

The Compliance Committee deals with establishment, maintenance and management of the Group's compliance system, with the Chief Compliance Officer (Head of Risk Management Division), who is responsible for the compliance of the Group, and the Legal & Compliance Department, which is tasked with enforcing compliance. Each member of the Group cooperates with MHC as necessary if there are any legal risks inherent to the business activities of such member, and develops an appropriate compliance system.

MHC formulates compliance programmes (specific plans to ensure that the executives and employees of the Group comply with laws and regulations, including education for the Group's executives and employees) and MHC monitors how the Group's executives and employees are working on those programmes. In addition, MHC established the Compliance Hotline System as an internal whistleblowing system under which the Group's executives and employees can report to or seek consultations with MHC regarding unfair practices and other conduct.

The Group takes a resolute stance against anti-social forces, which threaten the peace and stability of civil society, and works to prevent transactions with such forces. MHC is aware of the possibility that funds transacted through the Group may be used for various criminal activities and/or terrorism, and it works to prevent money laundering.

Risk Management

The Group comprehensively manages risks of primary businesses that could have a substantial impact on investors' decisions. The important risks managed include, but are not limited to, credit risks, asset risks, investment risks, market risks, liquidity risks, country risks and operational risks.

To manage envisaged risk factors, the departments overseeing specific risks monitor issues arising from developments in the external environment or other changes, regularly consider measures to address such risks, and then report and deliberate them at meetings of each committee including the Risk Management Committee. In addition, the Group operates a risk management system in which important matters are reported to and discussed by the Executive Committee and the Board of Directors.

Credit Risk

When considering each transaction, the Group carefully reviews the customer's credit standing using its own rating system and makes a thorough study in light of the value of the leased property, country risk, and other factors, in an effort to ensure a reasonable return for the risk. Additionally, the Group continues monitoring the customers' credit standing on an ongoing basis after entering into transactions and has a system in place to take the necessary steps in the event that the customer's credit standing worsens. Moreover, its credit management with respect to the portfolio as a whole takes into account risk diversification to ensure that credit is not concentrated in certain customers, industries, countries and regions and regularly measures the credit risk of its portfolio and monitors to ensure that it is within a certain range of capital.

Asset Risk

When engaging in operating leases of global assets, the Group conducts a comprehensive review that includes a checklist for deals involving movable property and future asset liquidity prior to working on each deal to ensure a reasonable return for the credit risk and asset value fluctuation risk. Furthermore, the Group has established internal criteria to maintain a diversified portfolio, including asset types, geographic regions, and maturity dates. Moreover, the Group continues monitoring the customers' credit standing and industry trends on an ongoing basis after entering into transactions and has a system in place to take the necessary steps in the event that the customers' credit standing worsens, such as collecting a deposit from the customers to cover asset wear and tear as necessary. Additionally, a department in charge of risk conducts predictive monitoring for each major asset category through time series observation of industry trends and indicators that could impact asset value fluctuations, while also maintaining ongoing risk communication with the business divisions. The Group also regularly measures customer credit risk and asset value fluctuation risk of its portfolio to monitor whether it is within a certain range of capital, in an effort to ensure sound management.

The Group makes a careful decision based on a comprehensive review of future asset value and liquidity prior to working on each deal to ensure a reasonable return for the asset value fluctuation risk. Furthermore, the Group continues monitoring the status of asset management, price trends, and industry trends on an ongoing basis after entering into transactions and has a system in place to maximise revenue. Additionally, the Risk Management Division conducts predictive management monitoring through time series observation of industry trends and indicators that could impact asset value fluctuations, while also maintaining ongoing risk communication with the business divisions. The Group also regularly measures the asset value fluctuation risk of its portfolio to monitor whether it is within a certain range of capital, in an effort to ensure sound management.

Investment Risk

When considering each investment, the Group (i) holds investment meetings according to the individual investment amounts and severity of risk to gather the opinions of the relevant departments, (ii) makes a careful decision based on a comprehensive review of future investment value and liquidity from a broad point of view, to ensure a reasonable return for the risk, (iii) has a system in place to continue monitoring the status of investment management and industry trends on an ongoing basis after entering into business relations to maximise revenue and (iv) regularly measures the risk of fluctuations in the value of investments in its portfolio to monitor whether it is within a certain range of capital, in an effort to ensure sound management.

Market Risk

The Group constantly watches movements in the financial markets and, as needed, monitors through asset liability management ("ALM") any imbalances in the form of interest rates or foreign exchange for asset management and for procurement of funds. It then manages interest rate fluctuation risk through appropriate hedge operations while taking interest rate movements into account. To address exchange rate fluctuation risk, in principle, the Group raises funds in the same currency as the operating asset in an effort to minimise loss on currency valuation of assets. The Group also regularly measures the quantitative risk of the position of portfolio holdings incurring a loss over a certain period of time at a certain probability and to what extent in the event that interest or foreign exchange rates take a disadvantageous turn based on past statistics, and monitors whether it is within a certain range of capital in an effort to ensure sound management. Meanwhile, the ALM Committee meets quarterly or as required to analyse scenarios and data in connection with geopolitical risk, pandemics, and various other risk factors and to determine ALM policy based on trends in the financial market environment, the risk situation, and other considerations.

Liquidity Risk

With respect to the procurement of funds, the Group tries to ensure the liquidity of funds through efforts to diversify by procuring funds directly from the market including corporate bonds, commercial papers, and securitisation of lease receivables in addition to borrowing from financial institutions as well as balancing long- and short-term funding, careful management of cash flow, and measures to supplement liquidity during emergencies, such as through the acquisition of commitment lines.

Additionally, the Group conducts stage-by-stage management of liquidity, putting in place funding arrangements to ensure that the immediately necessary funds can be secured, including funds for repayment, even if the fundraising environment deteriorates, and reporting on the status of funding to the ALM Committee.

In addition to conducting interest rate sensitivity analysis (analysing the impact of interest rate fluctuations on revenue), the ALM Committee carries out comprehensive investigations of market risk and liquidity risk in the event of stress in the financial markets or other relevant areas, including the potential impact on profit and loss. It then determines a fund procurement strategy and risk response policies to implement a Group-wide strategy aligned with the market environment. Regarding risk management in particular, it coordinates with the Risk Management Committee, which is one arm of the Group-wide integrated risk management system. By strengthening the predictive management system and coordinating with contingency planning, it makes efforts to improve the flexibility and resilience of financial structures in the event of a crisis situation emerging.

Additionally, to enhance its foreign currency funding capacity, the Group has established a regional financial base in North America, and has put in place a Group financing system that includes the centralisation of financing. The regional financial base offers not only indirect financing but also various forms of fund procurement, including issuance of commercial papers and corporate bonds, thus providing funds to Group companies operating in North America through intra-group loans.

Country Risk

The Group sets upper limits on transaction volumes based on each country's economic strength and creditworthiness. Additionally, the Group monitors whether the balances of credit transactions and investments involving country risk remain within the prescribed limits. In this way, the Group works to diversify its reliance on specific countries and regions to reduce the impact of losses in the event that country risk materialises.

Operational Risk

Risk Relating to Earthquakes, Wind and Flood Damage, Pandemics, War, Terrorism

The Group has established responsible departments depending on the envisioned risk to prepare for such circumstances and has a system in place to establish a crisis response headquarters to respond to a critical situation. The Group is also working to establish a system for business continuity by putting together a business continuity plan, implementing redundancy measures for backbone systems, establishing a system infrastructure that allows work from home, and implementing office shifts limited to operations that must continue.

System Risk

The Group has a system in place to properly manage and maintain these systems through internal cooperation and partnership with other companies to ensure their stable operation. The Group is equipped with an integrated response system for failures that includes swift action and sharing of information internally and externally when the failure occurs as well as establishment and implementation of measures to prevent subsequent recurrence. Additionally, Group-wide IT control is implemented for system development at the Group companies in Japan and other countries by using standardised methods as part of a proprietary process.

Cybersecurity Risk and Information Security Risk

The Group has established a cross-organisational Security Incident Response Team (MHC-SIRT) to address these risks and has a system in place to prevent incidents at the entrance, internal, and exit stages and respond to them if they occur. Specifically, in preparation for cyberattacks that exploit vulnerabilities, the Group keeps software up to date to detect unauthorised access, malware, and other cyberattacks and maintains management preparedness to prevent problems. At the same time, the Group has established an internal and external coordination system and conducts drills to prepare for incidents. Moreover, targeted email training is provided for all employees, and internal education on information security is carried out on an ongoing basis. In the unlikely event of an incident, MHC-SIRT takes the lead in promptly implementing initial response, while also identifying the scope of impact, preventing the spread of damage, analysing the cause, restoring systems, etc., and formulating and deploying recurrence prevention measures in an integrated manner. This establishes a system to ensure the continuity and early recovery of critical operations and minimise the impact on the Group's business operations.

Legal Risk

The Group conducts its business activities in accordance with laws, regulations, and internal rules. To ensure legal compliance, the Group has established the necessary internal regulations and established the Legal Office that includes qualified legal professionals. This department provides various forms of legal support, conducts education and training for officers and employees, and works to strengthen the legal risk management framework on a consolidated basis. The Group is also implementing global financial crime countermeasures, including the exclusion of anti-social elements, prevention of money laundering and terrorist financing, and compliance with economic sanctions. Furthermore, taking into account changes in the global situation and regulatory trends, the Group is working to enhance its customer due diligence and customer management

framework and to utilise digital technologies such as eKYC in line with financial crime risks. eKYC refers to "electronic Know Your Customer" as a mechanism that completes identity verification electronically.

System Change Risk

The Group's corporate centres, business divisions, sales bases in Japan, and sites in each country continuously monitor revisions and changes to the various systems in and outside Japan, such as legal, accounting, and tax systems, applying to the relevant country and services. In addition, the Group gathers information on and implements measures to address changes and revisions as quickly as possible while reinforcing such monitoring by actively utilising outside experts.

Administrative Risk

The Group has established administrative rules for each transaction and conducts business according to these rules while reviewing them as needed. Additionally, an internal reporting system is in place for internal administrative incidents. Should such an incident occur, the system includes internal reporting, swiftly addressing the incident, identifying the cause, and establishing/implementing measures to prevent recurrence.

Compliance Risk

The Company has established the Legal & Compliance Department, which oversees the Group's compliance. Additionally, the Group has formulated and implemented a compliance program to ensure thorough adherence to laws and regulations. Specifically, to promote awareness and shared understanding of fundamental compliance-related values and ethics, the Group has established the Group Code of Ethics and Conduct as a set of guidelines for its officers and employees. Furthermore, the Group has prepared various policies and internal rules related to compliance to supplement the Code of Ethics and Conduct and conducts ongoing compliance education.

The Group also conducts regular compliance awareness surveys of officers and employees to verify the extent to which the Code of Conduct has been understood and embedded and the situation within the workplace environment.

In addition, the Group is working to strengthen its compliance system by preparing and operating an internal whistleblowing system that allows officers and employees to report and consult on misconduct (any violation of legislation, internal rules, or the Code of Ethics, including corruption, or any action that could potentially be a violation).

Risk Related to Conduct

The Group emphasises integrity as one of the core elements of the Action Principles, which set forth the values and attitude each employee should have along with the actions they should take within the Basic Management Policy. This means maintaining high ethical standards and constantly returning to the basics. The Group ensures that all officers and employees conduct themselves accordingly.

Risk Related to Talent Recruitment

The Group actively promotes recruitment through new graduate recruitment and mid-career recruitment. As part of strengthening the Group's recruitment system, the Group conducts internships and recruiter interviews where employees and students can interact for new graduate hiring, and the Group has introduced referral hiring through employee introductions and the rehiring of former employees for mid-career hiring, among other measures to recruit diverse talent. Additionally, to encourage each employee to take initiatives and continuously create value, the Group promotes talent development under themes such as "career", "job level", "digital

transformation (DX)", and "self-development". The Group supports employee growth through various opportunities, including training programs, assistance with obtaining qualifications, and the introduction of the Career Challenge Program (an internal and external open application system for various positions) that contributes to employees' career development, thereby fostering employee development.

Risk Related to Labor and Employment Management

The Group promotes operational improvements through the use of DX and introduces systems that enable diverse workstyles, such as flexitime without core hours, remote work, and satellite offices. In this way, the Group works not only to reduce long working hours but also to create a work environment that supports employees with childcare or nursing care responsibilities. Additionally, to address harassment and other personnel issues, the Group has introduced measures for employees in Japan and overseas, including internal whistleblowing systems and advice services. To enable employees to develop their abilities to the fullest, the Group is addressing workplace enhancement as a major focus of initiatives.

Risk Related to Expansion of Operating Base, Strategic Partnerships, and M&As

In addition to review by the relevant departments according to the individual investment amounts and severity of risks, the Group brings in outside experts for a comprehensive review of the appropriateness and rationality of the investment structure and the future investment effect from a broad point of view when considering each M&A or partnership deal. Even after an M&A deal is executed, the Group's rules are applied to establish a system for proper operational management, and monitoring is carried out on the business plan, results management, and other aspects so that the necessary actions can be taken in a timely manner.

Risk Associated with Expansion of Business Domains and Development of New Services

When entering new business areas or developing new services, the Group identifies potential risks based on a preliminary risk assessment and considers appropriate countermeasures before entering such business areas or introducing such services. In evaluating risks, the Group conducts multifaceted analysis of information and data while also working to enhance evaluation methods by leveraging experience and knowledge gained through existing businesses. Additionally, the Group continuously monitors the progress of its expanded business domains and the latest risk conditions and has a system in place in which relevant departments coordinate as necessary to implement prompt countermeasures.

Intensifying Competition

The Group is advancing various initiatives to maintain and strengthen its competitiveness, including the provision of higher value-added services to customers, enhanced value creation as an asset holder, low-cost funding, and the accelerated promotion of its digital strategy. Through these initiatives, the Group aims to mitigate risks associated with intensifying competition and achieve sustainable growth.

Climate Change Risk

The Group has positioned "Promote a decarbonised society" as one of its material issues, recognising it as a priority theme to address in achieving sustainable growth. Accordingly, the Group has expressed its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and has built a framework related to identifying, assessing and managing climate-related risk in line with the TCFD recommendations. The Group is actively working to disclose the related information through the ESG Data Book and other materials. Going forward, the Group will continue to review the analysis methods and the details

of the disclosure in response to changes in the external environment and as its analysis and assessment of climate change risks deepen.

Human Rights Violation Risk

The Group has established the Human Rights Policy, declaring that we "recognize that conducting business with the utmost respect for human rights is a major challenge, and we will fulfill our responsibilities in this regard across all our business activities". The Group is working to eliminate human rights violations through human rights due diligence, which identifies and engages in dialogue on human rights violation risks at customers, partners, and suppliers, and the operation of a human rights hotline that accepts consultations on human rights from outside the company.

Litigation

The Group is a party to routine litigation incidental to its business which does not have a material adverse effect on its financial condition or results of operations.

Regulation

Domestic operations

The Group's core lease and finance operations are subject to various regulations and oversight by relevant authorities, including the Financial Services Agency of Japan (the "**FSA**"). Among other laws and regulations, the principal laws that generally apply to the Group's core lease and finance operations in Japan are as follows:

- the Money-Lending Business Act;
- the Interest Rate Restriction Act (Act No. 100 of 1954, as amended);
- the Instalment Sales Act;
- the Secondhand Articles Dealer Act (Act No. 108 of 1949, as amended);
- the Financial Instruments and Exchange Act;
- the Act on Securing the Quality, Efficacy and Safety of Products including Pharmaceuticals and Medical Devices (Act No. 145 of 1960, as amended); and
- the Act on Prevention of Transfer of Criminal Proceeds.

Other industry rules and regulations deal with the certain aspects of the lease and finance operations, stipulate certain contractual arrangements and procedures, control advertisement and publicity, and regulate modes of debt collection. As a money lending business operator, the Group is also subject to the Act on Issuance, etc. of Bonds for Financial Corporations' Loan Business (Act No. 32 of 1999, as amended) in relation to bond issuances to raise funds for the money lending business operation. In addition, the tightening of regulations prohibiting transactions with so-called "anti-social forces" (criminal elements of society) may have further effects on the Group's business operations.

The Group is also subject to the Personal Information Protection Act and the FSA's guidelines related thereto. Under this legislation, companies that utilise databases containing a significant amount of personal information must generally notify persons whose personal information will be entered into such databases of the specific uses of such information and must not handle such personal information beyond the extent necessary to achieve

such specified uses or provide such personal information to third parties without obtaining consent from such persons. Given the nature of the Group's operations, data protection is of particular concern to the Group.

Overseas operations

The Group is subject to rules and regulations in each of the overseas jurisdictions in which it operates. In addition to lease and finance regulations (for example, licensing requirements), of particular concern to the Group are regulations which restrict the way in which foreign lease and finance providers may operate in any given jurisdiction.

The Japanese Leasing Industry

The history of the Japanese leasing industry dates from 1963 when the first three leasing companies were established by groups of commercial banks and general trading and manufacturing companies. After an initial period during which these companies successfully established themselves, the growth of the industry has rapidly attracted a large number of new participants to the industry, many of which are supported by major commercial banks (whose own direct participation in leasing or other activities akin to banking is restricted by banking regulations) and the general trading and manufacturing companies (attracted by the service characteristics of the industry in relation to their own equipment sales).

In 1971, a group of the largest Japanese leasing companies established the Japan Leasing Association (the "**JLA**"), which had 76 regular members and 150 associated members as of 1 August 2026. Members of the JLA now account for almost all leasing business in Japan.

The primary leasing arrangement for leasing companies in Japan is the "direct financing lease" on a full pay-out basis by which the total lease payments received cover the total cost of the leased equipment, including the interest and maintenance costs. In addition, "operating lease" is used in such areas as industrial machinery, computers and measuring equipment. The categories of equipment made available by Japanese leasing companies cover most areas of commercial and industrial activities.

Management

Under the Companies Act, joint stock corporations in Japan may adopt a corporate governance structure comprised of a board of directors and an Audit and Supervisory Committee, commonly referred to as the audit and supervisory committee system, in lieu of the traditional structure comprised of a board of directors and a board of corporate auditors or the alternative structure comprised of a board of directors and three statutory committees. The members of the Audit and Supervisory Committee consist of three or more directors. MHC adopted the audit and supervisory committee system since the Merger in April 2021, order to enhance the fairness and transparency of management, strengthen the supervisory functions of the Board of Directors, and enhance corporate governance.

Pursuant to the audit and supervisory committee system, the Board of Directors is comprised of Directors who are Audit and Supervisory Committee Members and Directors who are not. The articles of incorporation of MHC provide for a Board of Directors consisting of twenty-two Directors at most, including seven Directors of the Audit and Supervisory Committee at most. All Directors are elected by MHC's shareholders at a general meeting of shareholders, with Directors who are Audit and Supervisory Committee Members elected separately from other Directors. The term of office for Directors who are not Audit and Supervisory Committee Members expires at the close of the ordinary general meeting of shareholders held with respect to the last fiscal year ended within one year after their election, and the term of office for Directors who are Audit and Supervisory Committee Members expires at the close of the ordinary general meeting of shareholders held with respect to

the last fiscal year ended within two years after their election. All Directors may serve any number of consecutive terms.

The Board of Directors has the ultimate responsibility for the administration of MHC's affairs. The Board of Directors, however, may delegate by resolution some or all of its decision-making authority in respect of the execution of operational matters (excluding certain matters specified in the Companies Act) to individual Directors. The Board of Directors elects one or more Representative Directors from among its members who are not Audit and Supervisory Committee Members. Each of the Representative Directors has the authority to represent MHC in the conduct of MHC's affairs.

The Directors who are Audit and Supervisory Committee Members are not required to be certified public accountants. They may not serve concurrently as executive directors, managers or any other type of employee for MHC or for any of MHC's subsidiaries, or as accounting advisors or executive officers for any of MHC's subsidiaries. In addition, more than half of the Directors who are Audit and Supervisory Committee Members at any one time must be Outside Directors as defined under the Companies Act, who have not served as executive directors, executive officers, managers or any other type of employee for MHC or any of MHC's subsidiaries for ten years prior to their election and fulfil certain other requirements specified in the Companies Act.

The Audit and Supervisory Committee has a statutory duty to audit the administration of MHC's affairs by its Directors, to examine the financial statements and business reports to be submitted to the shareholders by a Representative Director, to prepare an audit report each year, to determine details of proposals concerning the appointment and dismissal of independent auditor and the refusal to reappoint independent auditor for submission to general meetings of shareholders and to determine the opinion on election, removal, resignation of or compensation for Directors who are not Audit and Supervisory Committee Members, which may be expressed at a general meeting of shareholders. An Audit and Supervisory Committee Member may note his or her opinion in the audit report issued by the Audit and Supervisory Committee if such an opinion differs from that expressed in the audit report.

MHC is required to appoint and have appointed an independent auditor, who has the statutory duties of auditing the financial statements to be submitted to the shareholders by a Representative Director and preparing its audit report thereon. Deloitte Touche Tohmatsu LLC currently acts as MHC's independent auditor.

As a company with an Audit and Supervisory Committee, MHC delegates business execution decisions to the Executive Committee (a body that will deliberate and decide on important management matters) within an appropriate scope, and expedites the decision-making process, in order to further strengthen the supervisory functions of the Board of Directors.

In addition, MHC has adopted an executive officer system in order to further enhance and invigorate the functions of the Board of Directors by clarifying the responsibilities related to the execution of business. The Executive Committee holds deliberations and makes decisions on important matters, including the business management of the Group, in addition to conducting preliminary deliberations of matters that are to be submitted to the Board of Directors to facilitate decision-making by the Board of Directors.

MHC established the Governance Committee, which consists of Outside Directors, Representative Directors, which exchanges a wide range of opinions on the improvement of the Board of Directors' effectiveness and other matters regarding the Board of Directors, in order to work on the improvement of the soundness, transparency, and fairness of MHC's management. Based on the understanding that appropriate involvement of Independent Outside Directors is important for resolutions related to nomination and compensation, MHC has established the Nomination Committee and Compensation Committee, of which Independent Outside Directors comprise the majority of each committee. In addition, from the perspective of enhancing the independence and objectivity of the functions of the Board of Directors and its accountability, MHC assigns

Independent Outside Directors as the chairpersons of the committees. The Nomination Committee discusses the appointment of Directors, the succession plan for the President and CEO, the knowledge, experience and skills that the Board of Directors should have, and other matters. Meanwhile, the Compensation Committee regularly monitors MHC officers' compensation in comparison with the market standard by using an external specialised agency, and discusses policies concerning the systems, standards for officers' compensation. The members and the chairperson of each committee shall be selected by the Board of Directors, and items discussed in the committees shall be resolved by a majority of committee members in attendance. It is stipulated in internal rules that the Board of Directors shall make decisions in deference to decisions made by the committees to the fullest extent possible.

The Directors and Audit and Supervisory Committee Members as of the date of this Offering Circular are set out in the table below:

Name	**Title**
Takahiro Yanai	Director, Chairman
Taiju Hisai[(1)]	Representative Director, President and CEO
Aiichiro Matsunaga[(1)]	Representative Director, Deputy President
Kazumi Anei[(1)]	Director, Deputy President
Kazuyoshi Kawakami[(1)]	Director, Managing Executive Officer
Hiroyasu Nakata[(2)(3)]	Director
Junko Takata[(2)(3)]	Director
Shota Kondo[(3)]	Director
Yoshitaka Shiba	Director, Audit and Supervisory Committee Member
Hiroko Kaneko[(2)(3)]	Director, Audit and Supervisory Committee Member
Masayuki Saito[(2)(3)]	Director, Audit and Supervisory Committee Member
Kayoko Kawamura[(2)(3)]	Director, Audit and Supervisory Committee Member

Notes:

(1) Director and Executive Officer

(2) Independent Director

(3) Outside Director

None of the Directors have any conflict between their duty to MHC and any private interests and/or other duties except in accordance with the appropriate procedures under the Companies Act.

The names of the Executive Officers of MHC as at the date of this Offering Circular are as follows:

Name	**Title**
Daisuke Ejima	Deputy President
Hiroshi Ikebe	Senior Managing Executive Officer
Kazuhiko Takeuchi	Senior Managing Executive Officer
Nozomu Naruse	Managing Executive Officer

Name	Title
Makoto Sawada	Managing Executive Officer
Masahiko Tanimura	Managing Executive Officer
Katsuji Okamoto	Managing Executive Officer
Toru Fukuyama	Managing Executive Officer
Takashi Yamaguchi	Managing Executive Officer
Naoshi Ogikubo	Managing Executive Officer
Yasuyuki Kusakari	Managing Executive Officer
Koji Goto	Managing Executive Officer
Isao Someya	Managing Executive Officer
Keigo Nakamura	Managing Executive Officer
Makoto Nishio	Managing Executive Officer
Toshiaki Maekawa	Managing Executive Officer
Takafumi Oka	Managing Executive Officer
Masaru Koike	Managing Executive Officer
Rui Koike	Managing Executive Officer
Manabu Yamada	Managing Executive Officer

The aggregate compensation paid to the Directors (excluding Audit and Supervisory Committee Members and Outside Directors) by MHC in their capacity as such was ¥454 million for the year ended 31 March 2026. The aggregate compensation paid to the Audit and Supervisory Committee Members (excluding Outside Directors) by MHC was ¥49 million for the year ended 31 March 2026. The aggregate compensation paid to the Outside Directors by MHC was ¥91 million for the year ended 31 March 2026.

The articles of incorporation of MHC provide that MHC may enter into agreements limiting liability with any of its Directors (excluding Executive Directors) in order to limit the maximum amount of such damages to the amount provided by applicable laws and regulations.

Subsidiaries and Affiliates

As of 31 March 2026, MHC's principal subsidiaries and affiliates are as set out below (without adjustment for the new segments effective 1 April 2026):

Name of subsidiary or affiliate	*Issued share capital (millions of yen or otherwise indicated)*	*Ownership or ownership ratio of voting rights*	*Principal business[1]*
Subsidiaries:			
JAPAN MEDICAL LEASE CORPORATION	¥100	100%	Customer Solutions
Mitsubishi HC Capital Estate Plus Inc.	¥251	100%	Customer Solutions
Capital Insurance Corporation[4]	¥6,200	79.36%	Customer Solutions
Mitsubishi HC Business Lease Corporation[4]	¥10,000	100%	Customer Solutions
Mitsubishi HC Capital UK PLC[4][6]	£116,168 thousand	100%	Global Customer Business

Name of subsidiary or affiliate	*Issued share capital (millions of yen or otherwise indicated)*	*Ownership or ownership ratio of voting rights*	*Principal business[1]*
Mitsubishi HC Capital America, Inc.[4][5]	U.S.$180,000 thousand	100% (100%)	Global Customer Business
Mitsubishi HC Capital Canada, Inc.[4][5]	CA$97,000 thousand	100% (100%)	Global Customer Business
Mitsubishi HC Capital Canada Leasing, Inc.[5]	CA$10,126 thousand	100% (100%)	Global Customer Business
Mitsubishi HC Capital (Shanghai) Co., Ltd.[4]	U.S.$55,000 thousand	100%	Global Customer Business
Mitsubishi HC Capital Leasing (Beijing) Co., Ltd.[2][4][5]	U.S.$170,000 thousand	100% (100%)	Global Customer Business
Mitsubishi HC Capital Management (China) Limited[4]	HK$1,585,516 thousand	100%	Global Customer Business
Mitsubishi HC Capital (Hong Kong) Limited[4][5]	HK$310,000 thousand	100% (100%)	Global Customer Business
Mitsubishi HC Capital Asia Pacific Pte. Ltd.[4]	S$126,400 thousand	100%	Global Customer Business
Mitsubishi HC Capital (Thailand) Co., Ltd.[4][5]	THB1,100,000 thousand	100% (51%)	Global Customer Business
PT. Mitsubishi HC Capital and Finance Indonesia[4][5]	Rp400,000 million	100% (15%)	Global Customer Business
Mitsubishi HC Capital Energy Inc.	¥150	100%	Environment & Energy
HSE Ltd.	¥50	85.1%	Environment & Energy
JSA International Holdings, L.P[4].	U.S.$742,183 thousand	100%	Aviation
Engine Lease Finance Corporation[5]	U.S.$1 thousand	100% (100%)	Aviation
CAI International, Inc.[5]	U.S.$0 thousand	100% (100%)	Logistics
PNW Railcars, LLC[3][5]	U.S.$1 thousand	100% (100%)	Logistics
Mitsubishi HC Capital Realty Inc.	¥500	100%	Real Estate
MHC America Holdings Corporation[4]	U.S.$0 thousand	100%	Group financing business
246 other companies[4]			
Affiliate companies accounted for by the equity method:			
Mitsubishi Electric Financial Solutions Corporation	¥1,010	45%	Customer Solutions
Chubu Electric Power & MHC Germany Transmission GmbH	EUR25 thousand	49%	Environment & Energy
European Energy A/S[5]	EUR50,591 thousand	20.07% (20.07%)	Environment & Energy
Mitsubishi Auto Leasing Corporation	¥960	50%	Mobility
63 other companies			
Other affiliated companies:		(Owned)	
Mitsubishi Corporation[7]	¥213,824	18.41%	General trading company

Name of subsidiary or affiliate	*Issued share capital (millions of yen or otherwise indicated)*	*Ownership or ownership ratio of voting rights*	*Principal business[(1)]*
Mitsubishi UFJ Financial Group, Inc.[(5)(7)]	¥2,141,513	20.06% (5.53%)	Bank holding company

Notes:

(1) The "Principal business" column of consolidated subsidiaries other than MHC America Holdings Corporation indicates the name of the reportable segment for the principal business operated by the consolidated subsidiaries. Since MHC America Holdings Corporation does not belong to any specific reportable segment, the business it operates is presented.

(2) Mitsubishi HC Capital Leasing (Beijing) Co., Ltd. changed its company name to MHC Capital Leasing (Beijing) Co., Ltd. on 9 May 2026.

(3) PNW Railcars, LLC changed its company structure from PNW Railcars, Inc. on 31 March 2026.

(4) These companies are specific subsidiaries (as defined in the Cabinet Office Order on Disclosure of Corporate Affairs of Japan). In addition, 12 companies included in other companies are specific subsidiaries.

(5) The figures in parentheses in "Ownership or ownership ratio of voting rights" is the included number of indirect ownership or the ownership ratio of indirect ownership.

(6) For Mitsubishi HC Capital UK PLC, net sales (excluding inter-company sales between consolidated companies) exceeds 10 per cent. of consolidated net sales.

(7) It is a company that submits annual securities reports.

Capitalisation and Indebtedness

The following table sets out the consolidated capitalisation and indebtedness of MHC as of 30 June 2026.

	As of 30 June 2026 (Consolidated) (unaudited)
	Millions of Yen
Long-term debt[1]:	
Bonds payable	¥1,990,054
Long-term borrowings	4,193,828
Long-term payables under securitisation of lease receivables	382,925
Total long-term debt	6,566,808
Equity:	
Share capital:	
Authorised – 4,800,000,000 shares, Issued – 1,466,912,244 shares	33,196
Capital surplus	545,153
Retained earnings	953,165
Treasury stock – at cost, 33,112,528 shares	(23,013)
Accumulated other comprehensive income:	

	As of 30 June 2026 (Consolidated) (unaudited)
	Millions of Yen
Valuation difference on available-for-sale securities	8,686
Deferred gains or losses on hedges	26,383
Foreign currency translation adjustment	447,795
Remeasurements of defined benefit plans	16,751
Total accumulated other comprehensive income	499,618
Share acquisition rights	1,222
Non-controlling interests	18,956
Total net assets	2,028,299
Total capitalisation and indebtedness[2]	8,576,151

Notes:

1 Long-term debt consists of bonds payable, long-term borrowings and long-term payables under securitisation of lease receivables excluding current maturities thereof.

2 Total capitalisation and indebtedness is a sum of total long-term debt and total net assets but excludes non-controlling interests.

DESCRIPTION OF MITSUBISHI HC CAPITAL UK PLC

General

MHCUK was incorporated on 21 April 1982 with an indefinite length of life, under the laws of England and Wales with registered number 1630491. The registered office of MHCUK is Novuna House, Thorpe Road, Staines-upon-Thames, Surrey TW18 3HP, telephone number +44 (0)1784 227300. MHCUK's share capital is 100 per cent owned by MHC. MHCUK has five business units operating in three main business sectors (consumer finance, vehicle leasing, and business finance). MHCUK, together with its European subsidiaries, forms the 'MHCUK Group'. MHCUK is authorised by the FCA to provide consumer credit, consumer hire, credit brokerage, debt collection services, and insurance mediation.

The MHCUK Group Strategy

MHCUK's vision is to be one of the most trusted financial services brands in the UK and Europe. As a subsidiary of MHC, MHCUK is part of one of the world's largest and most diversified financial groups. MHCUK works with consumers and small to medium enterprises ("**SMEs**") as well as corporate multinationals in the UK and mainland Europe. A focus on good outcomes for customers is central to MHCUK's business and is reflected in MHCUK's culture, management, controls, and communications.

Operational Organisation

The MHCUK Group operates through five business units servicing business to consumer and/or business to business markets.

(a) Novuna Consumer Finance

Novuna Consumer Finance is a UK provider of retail point of sale finance, working with over 3,500 online and high street retailers across a number of retail sectors. The business also has a significant presence in the personal loans sector, offering personal loans of between £1,000 and £35,000, which have a typical life of 2 to 5 years. Profit before tax for the year ended 31 March 2026 was £1.2 million (after an increase in provision for the cost of the motor finance commission redress scheme).

(b) Novuna Vehicle Solutions

Novuna Vehicle Solutions delivers vehicle leasing and fleet management services for small, large, and complex fleets. The business operates over 130,000 assets from cars and vans, to heavy goods vehicles and specialist equipment. The business unit offers end-to-end decarbonisation solutions to help businesses transition to new, lower carbon technologies. Profit before tax was £40.2 million in the year ended 31 March 2026.

(c) Novuna Business Finance

Novuna Business Finance provides asset finance to SMEs and larger corporations in the UK. The business has a number of routes to market including through brokers, distributors, and manufacturers, as well as directly. Its products include hire purchase, finance lease solutions, stocking, loans and block discounting. In the year ended 31 March 2026, Novuna Business Finance achieved a profit before tax of £18.2 million.

(d) Novuna Business Cash Flow

Novuna Business Cash Flow provides financial products and services to provide efficiencies via data driven, high technology solutions, and to support cash flow management to SME's and larger corporate clients across a wide range of sectors in the UK. The business provides innovative underwriting solutions and incorporates digital processes throughout the agreement journey to provide clients with fast on-boarding and flexible

contracts. In the year ended 31 March 2026, Novuna Business Cash Flow achieved a profit before tax of £0.7 million.

(e) Mitsubishi HC Capital European Vendor Finance ("**European Vendor Finance**")

European Vendor Finance provides tailored end-to-end finance solutions for specialist assets throughout the whole product lifecycle. Working with MHC in Japan, European Vendor Finance supports the sales and distribution channels for Mitsubishi and Hitachi group companies, as well as key Group and global accounts. The business operates in 25 countries, through its UK operations and a subsidiary of MHCUK in the Netherlands, and has a direct presence in London, Amsterdam, Dublin, Helsinki, and transactional capability in Belgium. In the year ended 31 March 2026, European Vendor Finance's profit before tax was £0.8 million in the UK and £0.6 million in Europe.

MHC Mobility

In 2022, the MHCUK Group incorporated a 100 per cent. owned subsidiary, MHC Mobility Europe B.V., which acquired the MHC Mobility subsidiaries from MHCUK's parent company, MHC, on 1 August 2022. MHC Mobility offers fully integrated, innovative leasing and mobility solutions, with a focus on providing end-to-end decarbonisation solutions to help its customers transition from internal combustion engine vehicles to electric vehicles. MHC Mobility Europe B.V. has operations in the Netherlands, Belgium, Luxembourg, Germany, Austria, Poland, and Hungary. In the year ended 31 March 2026, the business recorded profit before tax of £13.1 million.

The split of revenue and profit by each business unit is provided in note 3 to the year to end March 2026 MHCUK Group Consolidated Financial Statements.

Directors

As of the date of this Offering Circular, the Board of Directors of MHCUK comprises the following members:

Name	Title	Other principal activities
R. Gordon	Chief Executive Officer	Director of Mitsubishi HC Capital Europe B.V. Director of MHC Mobility Europe B.V.
A. Hughes	Chairman	None
S. Herbert	Non-Executive Director	None
H. Ikebe	Non-Executive Director (corporate representative of shareholder)	Senior Managing Executive Officer, In charge of Global Customer Business Unit and Head of Europe Customer Business Division of Mitsubishi HC Capital Inc.
D. Corbitt	Chief Financial Officer	None

The business address of the Directors is Mitsubishi HC Capital UK PLC, Novuna House, Thorpe Road, Staines-upon-Thames, Surrey TW18 3HP.

Other Members of Administrative, Management or Supervisory Bodies

Name	Title	Other principal activities
J. N. M. Sims	Chief Legal Officer and Company Secretary	None

The business address of Mr Sims is Mitsubishi HC Capital UK PLC, Novuna House, Thorpe Road, Staines-upon-Thames, Surrey TW18 3HP.

Conflicts of Interest

There are no potential conflicts of interest between the duties to MHCUK of the Directors or the persons listed above and their private interests and/or other duties.

Risk Management

The MHCUK Group mitigates the risk of unexpected increase in credit losses through a number of controls and practices, including the following:

- using internal and external data, internally developed scorecards, and other analytical tools to assess customer creditworthiness, affordability, and debt service capacity;
- focusing lending activities in segments and products where the MHCUK Group has clear and proven expertise;
- limiting concentration of lending by size, segment, and customer type;
- where appropriate, especially in commercial lending, obtaining appropriate levels of collateral or security cover;
- maintaining detailed lending and credit policies for each business unit;
- maintaining tightly-controlled and delegated credit authorities for each business unit;
- regularly reviewing portfolio performance against risk appetite;
- regularly re-grading or re-scoring customers to re-assess the default risk; and
- regularly reviewing retailers, vendors, and other business introducers in order to assess and manage contingent liabilities for MHCUK associated with the relationship.

Recent Developments

Following the Court of Appeal's judgement in October 2024 and the Supreme Court judgement in August 2025, the FCA published a Consultation Paper in October 2025 setting out the proposed structure, scope and methodology for compensating consumers affected by undisclosed motor finance commission arrangements. On 30 March 2026, the FCA published its Policy Statement PS26/3 setting out the final design of its Motor Finance Consumer Redress Scheme. As a result, the MHCUK Group updated the scenarios and assumptions used to calculate the amount of provision required for historic motor finance commission arrangements, including operational and legal costs of the scheme, which resulted in an additional charge of £56.0 million during the year ended 31 March 2026. As at 31 March 2026, the total motor finance redress provision was £61.0 million (including the provision of £5.0 million made during the year ended 31 March 2025).

The provision is based on the management's assessment of the expected redress rate to be applied to the identified customer population. Since 2007, the MHCUK Group has paid out £100 million in motor finance commissions within the scope of the FCA scheme. In establishing the provision estimate, a range of probability weighted scenarios were applied with the FCA published redress scheme accounting for more than 80 per cent. of the total weighting and an assumed claim rate of 70 per cent.

After MHCUK's financial statements were approved and published in June 2026, legal challenges to the scheme were submitted to the Upper Tribunal of the High Court by four separate parties. The Upper Tribunal has directed that the four legal challenges will be heard together in either mid-December 2026 or mid-February 2027 (depending on whether or not the parties wish to present detailed expert analysis in support of their case). The FCA has stated that it will defend the published redress scheme strongly and has told firms that they should continue preparing to implement the scheme. The scheme has been partially suspended pending the outcome of the Upper Tribunal hearing.

The MHCUK Group will continue to monitor developments, including any further clarifications from the FCA and the progress of the legal challenges brought against the scheme. Until the court has determined whether the scheme is lawful or (in whole or in part) unlawful, there remains significant estimation uncertainty, and the eventual financial impact could differ materially from the amount currently provided.

DESCRIPTION OF MITSUBISHI HC FINANCE AMERICA LLC

Overview

MHFA was incorporated in the State of Delaware in May 2021 as a wholly-owned subsidiary of MHC America Holdings Corporation ("**AHC**"), a wholly owned subsidiary of MHC.

The business of MHFA is to act as a finance subsidiary aiming to enhance U.S. dollar funding capacity which supports the Group's overseas expansion, especially in the United States. In this capacity, MHFA from time to time issues medium-term notes, issues commercial paper and/or obtains bank loans, and intends to use the proceeds of such financing activities to make intercompany loans to group companies of MHC through AHC. MHFA's business office is located at 140 East 45th Street, 30B-2, New York NY 10017, USA.

Selected Financial Data

The following table provides selected financial information extracted from MHFA's audited financial statements as of and for the year ended 31 December 2024 and as of and for the fifteen-month period ended 31 March 2026 prepared in accordance with generally accepted accounting principles in the United States, which are included elsewhere in this Offering Circular. During the fifteen-month period ended 31 March 2026, MHFA changed its fiscal year end from December 31 to March 31. Accordingly, the current reporting period represents a fifteen-month period from January 1, 2025 through March 31, 2026.

	As of 31 December 2024	*As of 31 March 2026*
	Thousands of U.S. dollars	
Assets		
Cash	$11,970	$156,427
Loans receivable – Parent	8,869,247	11,126,560
Accrued interest receivable – Parent	21,244	28,088
Other assets	4,442	2,674
Total assets	$8,906,903	$11,313,749
Liabilities and Member's Equity		
Liabilities:		
Debt	$7,776,947	$10,199,050
Accrued interest payable	52,765	55,679
Due to Parent and affiliate	1,853	3,638
Other liabilities	2,341	3,462
Total liabilities	7,833,906	10,261,829
Member's Equity:		
Member's equity	1,070,970	1,052,397
Accumulated other comprehensive income (loss)	2,027	(477)

	As of 31 December 2024	*As of 31 March 2026*
	Thousands of U.S. dollars	
Total member's equity	1,072,997	1,051,920
Total liabilities and Member's equity	$8,906,903	$11,313,749

	Year ended 31 December 2024	*Fifteen-Month period ended 31 March 2026*
	Thousands of U.S. dollars	
Statement of Income and Comprehensive Income		
Interest income	$438,537	$610,379
Interest expense	357,807	544,397
Net interest income	80,730	65,982
General and administrative expenses	9,761	13,586
Net income	70,969	52,396
Other comprehensive income (loss) – Unrealised gain (loss) on derivative instruments accounted for as cash flow hedge	3,747	(2,504)
Comprehensive income	$74,716	$49,892

Managers

The following are the names and titles of the managers of MHFA.

Name	**Title**
Kazuyoshi Kawakami	Manager & Chairman
Satoshi Tashiro	Manager & President
Kei Hashida	Manager

There are no potential conflicts of interest between the duties to MHFA of the persons listed in this section and their private interests or other duties.

Capitalisation and Indebtedness

The following table sets out the capitalisation and indebtedness of MHFA as of 31 March 2026.

	Thousands of U.S. dollars
	As of 31 March 2026
Debt	$10,199,050

	Thousands of U.S. dollars
	As of 31 March 2026
Member's equity:	
Member's equity	1,052,397
Accumulated other comprehensive income (loss)	(477)
Total member's equity	1,051,920
Total capitalisation and indebtedness[(1)]	$11,250,970

Note:

(1) Total capitalisation and indebtedness is defined as a total of debt and total member's equity.

TAXATION

GENERAL

The discussion of taxation under the headings "*Japan*", "*United Kingdom*" and "*United States*" in this section is only an indication of certain tax implications under the laws of those jurisdictions as they may affect investors. It applies only to persons who are beneficial owners of Notes and may not apply to certain classes of person (such as dealers). MHC, MHCUK and MHFA make no representations as to the completeness of the information nor undertake any liability of whatsoever nature for the tax implications for investors.

Potential investors are strongly advised to consult their professional advisers on the tax implications of investing in Notes.

JAPAN

The following general description of certain aspects of Japanese taxation (limited to those regarding national taxes) is applicable to the Notes. It is not intended to constitute a complete analysis of all the tax consequences relating to the purchase, ownership and disposition of the Notes. Prospective purchasers should consult their own tax advisers as to the exact tax consequences of their particular situations.

Interest payments on the Notes issued by MHC to an individual resident of Japan or a Japanese corporation (except for (i) a Japanese financial institution, designated in Article 3-2-2, Paragraph (29) of the Cabinet Order which complies with the requirement for tax exemption under Article 6, Paragraph (11) of the Act on Special Taxation Measures, and (ii) a Japanese public corporation, a Japanese financial institution or a Japanese financial instruments business operator, etc. which has received such payments thorough a payment handling agent in Japan, as provided in Article 3-3, Paragraph (6) of the Act on Special Taxation Measures), in compliance with the requirement for tax exemption under that paragraph, or a specially-related person of the issuer, will be subject to withholding tax pursuant to the Income Tax Law (Act No. 33 of 1965, as amended, the "**Income Tax Law**") at a rate of 15.315 per cent. until 31 December 2047 and 15.15 per cent. thereafter on the amount of such interest.

It should be noted that (i) if the recipient of interest on the Notes issued by MHC is a Japanese corporation, the amount of such interest will be included in the recipient's income which is subject to Japanese corporate tax (including surtax, if applicable, hereinafter the same) under the Corporate Tax Act of Japan (Act No. 34 of 1965, as amended) and other applicable Japanese tax law (collectively, the "**Corporate Tax Law**"), provided that the amount of Japanese income tax (including surtax, if applicable, hereinafter the same) withheld under the Income Tax Law will generally be credited against the amount of Japanese corporate tax; and (ii) if the recipient of interest on the Notes issued by MHC is an individual non-resident of Japan or a non-Japanese corporation that is a specially-related person and has any kind of permanent establishment in Japan, the amount of such interest attributable to such permanent establishment will be included in the recipient's income which is subject to Japanese income tax or corporate tax, as appropriate, payable other than by way of withholding tax, with any necessary adjustment, if applicable, pursuant to the Income Tax Law or the Corporate Tax Law, as appropriate, in consideration of the amount of the Japanese income tax withheld under the Income Tax Law.

Under the Act on Special Taxation Measures, payment of interest on the Notes issued by MHC outside Japan to a beneficial owner that is an individual non-resident of Japan or a non-Japanese corporation, other than a specially-related person of the issuer, will not be subject to Japanese withholding tax, provided that the beneficial owner complies with procedures for establishing its eligibility for exemption from the imposition of Japanese income tax, including withholding tax, pursuant to the Act on Special Taxation Measures, as summarised below:

(1) if the Notes or Coupons are deposited with an agent which handles the interest payments on the Notes as defined in the Cabinet Order (the "**payment handling agent**") in accordance with the Cabinet Order, (A) the recipient of the interest provides such payment handling agent which holds the Notes or Coupons in its custody (the "**payment handling custodian**") with information including, inter alia, its name and address, and obtains confirmation from the payment handling custodian of the correctness of such information by presenting certain documentary or other evidence to such payment handling custodian; (B) such payment handling custodian notifies MHC of the interest recipient information (the "**Interest Recipient Information**") (providing, *inter alia*, (i) that all recipients are individual non-residents of Japan or non-Japanese corporations other than specially-related persons of the issuer (if applicable); or (ii) the amount of the interest payable to the recipients which are individual non-residents of Japan or non-Japanese corporations other than specially-related persons of the issuer), which is prepared by such payment handling custodian based on the information provided by the recipient, or (if the Notes or Coupons are further sub-deposited with another payment handling agent including a clearing organisation (the "**sub-depositary**") by such payment handling custodian) notifies MHC of the interest recipient information through the sub-depositary, at the latest one day prior to the date on which such payment handling custodian receives from MHC the amount of the interest for the payment to the recipients; and (C) MHC prepares an interest recipient confirmation based upon Interest Recipient Information and submits it to the relevant Japanese tax authority; or

(2) if the Notes or Coupons are held otherwise than through a payment handling custodian, upon each payment of interest on the Notes the recipient files a claim for exemption from taxation (including a claim for exemption from exemption in electronic form) (a "**Claim for Exemption from Taxation**") (providing, inter alia, the name and address of the recipient) with the relevant Japanese tax authority through MHC or (if payment of interest is made through the payment handling agent) through the payment handling agent and MHC. If the information required to be stated in the Claim for Exemption from Taxation is submitted to the relevant paying agent in an electronic form prescribed by the Act on Special Taxation Measures, it will be deemed to submit the Claim for Exemption from Taxation to the relevant paying agent.

If the recipient of interest on the Notes issued by MHC is an individual non-resident of Japan or a non-Japanese corporation other than a specially-related person of the issuer, failure by such individual non-resident of Japan or non-Japanese corporation to comply with the above requirements will result in the withholding of Japanese income tax. The above exemption from the withholding of Japanese income tax also applies to any Japanese financial institution, designated in Article 3-2-2, paragraph (29) of the Cabinet Order pursuant to Article 6, paragraph (11) of the Act on Special Taxation Measures which receives the interest on the Notes issued by MHC otherwise than through the payment handling agent in Japan.

However, the interest on the Notes issued by MHC in respect of which the amount of the interest is to be calculated by reference to certain indexes (as prescribed under the Cabinet Order relating to Article 6, paragraph (4) of the Act on Special Taxation Measures) relating to MHC or a specially-related person of the issuer will be subject to withholding tax at 15.315 per cent. until 31 December 2047 and 15.15 per cent. thereafter even if paid to an individual non-resident of Japan or a non-Japanese corporation that is not a specially-related person of the issuer.

If the recipient of interest on the Notes issued by MHC is an individual non-resident of Japan or a non-Japanese corporation other than a specially-related person of the issuer which complies with the above requirements and if such individual non-resident of Japan or non-Japanese corporation has a permanent establishment in Japan and the receipt of interest is attributable to such permanent establishment, such interest will be subject to Japanese income tax or corporate tax, as appropriate, payable other than by way of withholding.

If the recipient of the issue discount is an individual non-resident of Japan or a non-Japanese corporation other than a specially-related person of the issuer having no permanent establishment within Japan or having a permanent establishment within Japan but the receipt of such issue discount is not attributable to such permanent establishment, no income tax or corporate tax is payable with respect to the issue discount. If the receipt of such issue discount is attributable to a permanent establishment in Japan of any such individual non-resident of Japan or non-Japanese corporation other than a specially-related person of the issuer, such issue discount will be subject to Japanese income tax or corporate tax, as appropriate, payable other than by way of withholding. If the recipient of the issue discount is an individual non-resident of Japan or a non-Japanese corporation that is a specially-related person of the issuer, income tax or corporate tax, as appropriate, other than by way of withholding, may be payable with respect to such issue discount. The foregoing description does not address the tax treatment of the original issue discount of the Notes issued by MHC that fall under "discounted bonds" as presented by the Act on Special Taxation Measures.

Except in circumstances where any interest on the Notes issued by MHCUK or MHFA is attributable to a business in Japan conducted by MHCUK or MHFA, as the case may be, through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures, the payment of principal and interest in respect of the Notes issued by MHCUK or MHFA, as the case may be, to an individual non-resident of Japan or a non-Japanese corporation will not be subject to any Japanese income tax or corporation tax, unless the receipt of the relevant payment is the income of such individual non-resident or non-Japanese corporation from sources in Japan. If any interest on the Notes or any excess amount of the redemption price over the acquisition price of any Notes issued by MHCUK or MHFA is attributable to a business in Japan conducted by MHCUK or MHFA, as the case may be, as aforementioned, the consequences stated above relating to the Notes issued by MHC are also applicable to the Notes issued by MHCUK or MHFA, as the case may be.

Representation by Investor upon Distribution

The Notes (if issued by MHCUK or MHFA, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHCUK or MHFA, as the case may be, through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures) may not, as part of the distribution by the Dealers under the applicable subscription agreement relating to the Notes (if issued by MHCUK or MHFA, as the case may be, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHCUK or MHFA, as the case may be, through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures), at any time be directly or indirectly offered or sold to, or for the benefit of, any person other than a beneficial owner that is, (i) for Japanese tax purposes, neither (a) an individual resident of Japan or a Japanese corporation, nor (b) an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of the issuer (excluding an underwriter designated in Article 6, Paragraph (12), item 1 of the Act on Special Taxation Measures which purchases unsubscribed portions of the Notes (if issued by MHCUK or MHFA, as the case may be, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHCUK or MHFA, as the case may be, through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures) from the other underwriters), or (ii) a Japanese financial institution, designated in Article 3-2-2, Paragraph (29) of the Cabinet Order.

By subscribing for the Notes (if issued by MHCUK or MHFA, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHCUK or MHFA, as the case may be, through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures), an investor will be deemed to have represented that it is a person who falls into the category of (i) or (ii) above.

UNITED KINGDOM

The following applies only to persons who are the absolute beneficial owners of the Notes and is an overview of the Issuers' understanding of current United Kingdom law as applied in England and Wales and the practice of H.M. Revenue and Customs ("**HMRC**") in the United Kingdom (which may not be binding on HMRC, and which may be subject to change, sometimes with retrospective effect), in each case as at the latest practicable date before the date of this Offering Circular and relating to the withholding of tax from interest on the Notes. Prospective Noteholders should be aware that the particular terms of issue of any series of Notes as specified in the applicable Final Terms may affect the tax treatment of that and other series of Notes. The following is a general guide for information purposes and should be treated with appropriate caution. The following is not intended as tax advice and it does not purport to describe all of the tax considerations that may be relevant to a prospective purchaser. Some aspects do not apply to certain classes of taxpayer. The following relates only to the position of persons who hold the Notes, Receipts or Coupons as absolute beneficial owners thereof. The following does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or may be unsure as to their tax position should seek their own professional advice. In particular, Noteholders should be aware that they may be liable to taxation under the laws of other jurisdictions in relation to payments in respect of the Notes even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

A. Payment of Interest on Notes

Payment of interest on Notes by MHCUK may be made without deduction of or withholding on account of United Kingdom income tax where such payments have a UK source provided that such Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007 (the "**ITA**") or admitted to trading on a multilateral trading facility operated by a UK, Gibraltar or EEA regulated recognised stock exchange within the meaning of sections 987 and 1005 of the ITA. The London Stock Exchange is a recognised stock exchange for these purposes. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List of the FCA (within the meaning of and in accordance with the provisions of Part 6 of the FSMA) and admitted to trading on the London Stock Exchange's regulated market (excluding the High Growth Segment). Provided, therefore, that the Notes remain so listed, interest on such Notes will be payable without withholding or deduction on account of United Kingdom income tax.

Interest on the Notes which has a UK source may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Notes does not exceed 364 days and which are not issued with the intention of, and the Notes do not form part of a scheme or arrangement of borrowing with the effect of or intended to be capable of remaining, outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the Notes by MHCUK which have a UK source on account of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to any direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of an applicable double taxation treaty or to the interest being paid in circumstances in which any other exemption may apply. From April 2027, provisions in the Finance Act 2026 provide that the rate of withholding will be equal to the savings basic rate of income tax, and that such rate will increase to 22 per cent.

B Other Rules Relating to United Kingdom Withholding Tax

Notes may be issued at an issue price of less than 100 per cent. of their principal amount. Any discount element on any such Notes will not generally be subject to any United Kingdom withholding tax.

Where Notes are to be, or may fall to be, redeemed at a premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest and hence be subject to the United Kingdom withholding tax rules outlined above.

Where interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may depending on their specific circumstances be able to recover all or part of the tax deducted if there is an appropriate provision in any applicable double taxation treaty.

The United Kingdom withholding tax treatment of payments by the Guarantor under the terms of the Guarantee in respect of interest on the Notes (or other amounts due under the Notes other than the repayment of amounts subscribed for the Notes) is uncertain. In particular, such payments by the Guarantor may not be eligible for the exemption from withholding on account of United Kingdom tax in respect of securities listed on a recognised stock exchange described above in relation to payments of interest by MHCUK. Accordingly, if the Guarantor makes any such payments and they have a United Kingdom source, these may be subject to United Kingdom withholding tax either at the basic rate of 20 per cent. or potentially (on or after 6 April 2027 only) at the savings basic rate (which will be 22 per cent. from such date).

The references to "interest" in sections A and B mean "interest" as understood in United Kingdom tax law as applied in England and Wales. The statements in sections A and B do not take any account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation (e.g., see Condition 5 of the Notes). Where a payment on a Note does not constitute (or is not treated as) interest for United Kingdom tax purposes, it would potentially be subject to United Kingdom withholding tax if, for example, it constitutes (or is treated as) an annual payment for United Kingdom tax purposes (which will be determined by, amongst other things, the terms and conditions specified by the Final Terms of the Note). In such a case, the payment may fall to be made under deduction of United Kingdom tax, subject to such relief as may be available following a direction from HMRC pursuant to the provisions of any applicable double taxation treaty, or to any other exemption which may apply.

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of MHCUK or further issues of securities that will form a single series and does not consider the tax consequences of any such substitution or further issue (notwithstanding that such substitution or further issue may be permitted by the terms and conditions of the Notes).

UNITED STATES

The following is a general discussion of certain U.S. federal income tax consequences of the ownership and disposition of Notes issued by MHFA to Non-U.S. Holders (as defined below) that acquire Notes in their initial offering and hold them as capital assets within the meaning of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"). This discussion does not describe all of the tax consequences that may be relevant to a Non-U.S. Holder in light of its particular circumstances or to a Non-U.S. Holder subject to special tax rules (for example, if for U.S. federal income tax purposes the Non-U.S. Holder is a controlled foreign corporation or an expatriate of certain types).

This discussion is based on the Code, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury Regulations as of the date of this Offering Circular, changes to any of which subsequent to the date hereof may affect the tax consequences described herein, possibly with retroactive effect. Investors in the Notes should consult their tax adviser regarding the application of the U.S. federal income tax laws any particular situation, as well as any tax consequences arising under the laws of any state, local, or non-U.S. taxing jurisdiction.

An investor in the Notes is a Non-U.S. Holder if it is, for U.S. federal income tax purposes, a beneficial owner of a Note and:

- a non-resident alien individual;
- a foreign corporation; or
- a foreign estate or trust.

Investors in the Notes are not a Non-U.S. Holder if they are (i) individuals present in the United States for 183 days or more in the taxable year of disposition, (ii) certain former citizens or former residents of the United States or (iii) persons whose income with respect to a Note is effectively connected with the conduct of a trade or business in the United States, in any of which cases investors should consult their tax adviser regarding the U.S. federal income tax consequences of owning or disposing of a Note.

If an entity or arrangement classified as a partnership for U.S. federal income tax purposes owns Notes, the U.S. federal income tax treatment of its partners will generally depend upon the partners' status and the partnership's activities. Any partnership acquiring the Notes and its partners should consult their tax advisers regarding the consequences of owning and disposing of the Notes.

This discussion does not address the U.S. federal income tax consequences of owning and disposing of all Notes that may be issued under the Program, including without limitation certain types of Index Linked Notes. In addition, this discussion does not address the U.S. federal income tax consequences of owning and disposing of Notes that are not indebtedness for U.S. federal income tax purposes and assumes that the relevant series of Notes will constitute indebtedness for U.S. federal income tax purposes. Accordingly, additional disclosure may be included in a supplement to this Offering Circular.

Payments on the Notes

Subject to the discussion below under "Backup Withholding and Information Reporting" and "FATCA", payments of principal and interest (including original issue discount, if any) on the Notes generally will not be subject to U.S. federal income or withholding tax, provided that, in the case of interest,

- the Non-U.S. Holder does not own, actually or constructively, ten per cent. or more of the total combined voting power of all classes of stock of MHFA or AHC entitled to vote;
- the Non-U.S. Holder is not, for U.S. federal income tax purposes, a controlled foreign corporation related, directly or indirectly, to MHFA or AHC through stock ownership;
- the Non-U.S. Holder is not a bank receiving interest on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of its trade or business;
- the interest is not considered "contingent interest" under Section 871(h)(4)(A) of the Code and the Treasury Regulations thereunder; and
- the Non-U.S. Holder certifies on an appropriate and properly executed Internal Revenue Service ("IRS") Form W-8 (or applicable successor form), under penalties of perjury, that it is not a United States person.

If one of the requirements described above is not satisfied, payments of interest on the Notes (including payments made by MHC in its capacity as a Guarantor) will be subject to withholding tax at a rate of 30 per cent, or a lower rate specified by an applicable treaty.

Sale or Other Taxable Disposition of the Notes

Subject to the discussion below under "Backup Withholding and Information Reporting", Non-U.S. Holders generally will not be subject to U.S. federal income or withholding tax on gain realised on a sale, redemption or other taxable disposition of Notes, although any amounts attributable to accrued interest will be treated as described above under "Payments on the Notes".

Backup Withholding and Information Reporting

Information returns will be filed with the IRS in connection with payments of interest on the Notes. Unless the Non-U.S. Holder complies with certification procedures to establish that it is not a United States person, information reports may also be filed with the IRS in connection with the proceeds from a sale or other disposition of a Note. The Non-U.S. Holder may be subject to backup withholding on payments on the Notes or on the proceeds from a sale or other disposition of the Notes unless the Non-U.S. Holder complies with certification procedures to establish that it is not a United States person or otherwise establish an exemption. The certification procedures required to claim the exemption from withholding tax on interest described above will eliminate backup withholding as well.

Amounts withheld under the backup withholding rules are not additional taxes and may be refunded or credited against the Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

FATCA

Under rules commonly known as "FATCA" withholding of 30 per cent may be imposed on payments of interest on Notes issued by MHFA to "foreign financial institutions" (which is broadly defined for this purpose and in general includes investment vehicles and financial intermediaries) and certain other non-U.S. entities, unless various U.S. information reporting and due diligence requirements (generally relating to ownership by U.S. persons of interests in or accounts with those entities) have been satisfied, or an exemption applies. Under proposed regulations (the preamble to which specifies that taxpayers are permitted to rely on them pending finalisation), no withholding will apply to payments of gross proceeds. If FATCA withholding is required, the Issuer and the Guarantor will not be required to pay any additional amounts with respect to any amounts so withheld. If FATCA withholding is imposed, a beneficial owner that is not a foreign financial institution may be entitled to a refund of any amounts withheld by filing a U.S. federal income tax return (which may entail significant administrative burden). Non-U.S. Holders should consult their tax adviser regarding the effects of FATCA on their investment in the Notes.

TAIWAN

The following summary of certain taxation provisions under Taiwan law is based on current law and practice and assumes that the Notes will be issued, offered, sold or re-sold, directly or indirectly, to professional investors as defined under Paragraph 1 of Article 2-1 of the TPEx Rules only. It does not purport to be comprehensive and does not constitute legal or tax advice. Investors (particularly those subject to special tax rules, such as banks, dealers, insurance companies and tax-exempt entities) should consult with their own tax advisers regarding the tax consequences of an investment in the Notes.

Interest on the Notes

As none of the Issuers are Taiwanese statutory tax withholders, there is no Taiwanese withholding tax on the interest or deemed interest to be paid by an Issuer on the Notes issued by such Issuer.

Payments of interest or deemed interest under the Notes to a Taiwanese individual holder are not subject to Taiwan income tax as such payments received by him/her are not considered to be Taiwan-sourced income. However, such holder must include the interest or deemed interest in calculating his/her basic income for the

purpose of calculating his/her alternative minimum tax ("**AMT**"), unless the sum of the interest or deemed interest and other non-Taiwan-sourced income received by such holder and the person(s) who is(are) required to jointly file the tax return in a calendar year is below 1 million New Taiwan Dollar ("**NT$**"). If the amount of the AMT exceeds the annual income tax calculated pursuant to the Taiwan Income Basic Tax Act (also known as the AMT Act), the excess becomes such holder's AMT payable.

Taiwanese corporate holders must include the interest or deemed interest receivable under the Notes as part of their taxable income and pay income tax at a flat rate of 20 per cent. (unless the total taxable income for a fiscal year is under NT$ 500,000), as they are subject to income tax on their worldwide income on an accrual basis. The AMT is not applicable.

Sale of the Notes

In general, the sale of corporate bonds or financial bonds in Taiwan is subject to 0.1 per cent. securities transaction tax ("**STT**") on the transaction price. However, Article 2-1 of the Taiwan Securities Transaction Tax Act prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from 1 January 2010 to 31 December 2026. Therefore, the sale of any Notes in Taiwan will be exempt from STT if the sale is conducted on or before 31 December 2026. Starting from 1 January 2027, any sale of the Notes in Taiwan will be subject to STT at 0.1 per cent. of the transaction price, unless otherwise provided by the applicable tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from income tax. Accordingly, Taiwanese individual and corporate holders are not subject to income tax on any capital gains generated from the sale of the Notes. In addition, Taiwanese individual holders are not subject to AMT on any capital gains generated from the sale of the Notes. However, Taiwanese corporate holders should include the capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the annual income tax calculated pursuant to the AMT Act, the excess becomes the Taiwanese corporate holders' AMT payable. Capital losses, if any, incurred by such holders could be carried over 5 years to offset against capital gains of the same category of income for the purposes of calculating their AMT.

Non-Taiwanese corporate holders with a fixed place of business (e.g., a branch) or a business agent in Taiwan are not subject to income tax on any capital gains generated from the sale of the Notes. However, their fixed place of business or business agent should include any such capital gains in calculating their basic income for the purpose of calculating AMT.

As to non-Taiwanese corporate holders without a fixed place of business and a business agent in Taiwan, they are not subject to income tax or AMT on any capital gains generated from the sale of the Notes.

AUSTRALIA

The following is a summary of certain Australian withholding tax matters, at the date of this Offering Circular, in relation to AMTNs issued by MHCUK and certain other matters. It is a general guide and should be treated with appropriate caution. This summary is not intended to be, nor should it be construed as, legal or tax advice to any particular holder of Notes. Prospective holders of Notes should consult their professional advisers on the tax implications of an investment in the Notes for their particular circumstances.

Australian interest withholding tax

So long as MHCUK continues to be a non-resident of Australia and the Notes issued by it are not attributable to a permanent establishment of MHCUK in Australia, payments of principal and interest made under Notes issued by MHCUK should not be subject to Australian interest withholding tax imposed under Division 11A of Part III of the Income Tax Assessment Act 1936 of Australia) ("**Australian Tax Act**").

Other Australian tax matters

Under Australian laws as presently in effect:

- *stamp duty and other taxes* – no *ad valorem* stamp, issue, registration or similar taxes are payable in any Australian State or Territory on the issue or transfer of any Notes;
- *tax file number withholding* – so long as MHCUK continues to be a non-resident of Australia and does not issue the Notes at or through a permanent establishment in Australia, the tax file number requirements of Part VA of the Australian Tax Act and section 12-140 of Schedule 1 to the Taxation Administration Act 1953 of Australia should not apply to MHCUK;
- *supply withholding tax* – payments in respect of the Notes can be made free and clear of the "supply *withholding tax*" imposed under section 12-190 of Schedule 1 to the Taxation Administration Act 1953 of Australia; and
- *goods and services tax ("**GST**")* – neither the issue nor receipt of the Notes will give rise to a liability for GST in Australia on the basis that the supply of Notes will comprise either an input taxed financial supply, a GST-free supply or a supply that is outside the scope of GST law. Furthermore, neither the payment of principal or interest by MHCUK, nor the disposal of the Notes, would give rise to any GST liability in Australia.

SUBSCRIPTION AND SALE

The Programme Dealers have, in an amended and restated dealer agreement (the "**Dealer Agreement**") dated 27 August 2026, agreed with the Issuers and the Guarantor a basis upon which the Programme Dealers or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*" above. In the Dealer Agreement, each Issuer and, in the case of Notes issued by MHCUK and MHFA, the Guarantor has agreed to reimburse the Programme Dealers for certain of their expenses in connection with the establishment and any further update of the Programme and the issue of Notes under the Programme. Each Issuer may also agree to issue Notes to persons other than the Programme Dealers ("**Issue Dealers**") on, and subject to, the terms of the Dealer Agreement.

UNITED STATES

The Notes and the Guarantees have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States or its possessions or to, or for the account or benefit of, U.S. persons unless an exemption from the registration requirements of the Securities Act is available. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury Regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the U.S. Treasury Regulations thereunder, including TEFRA C and TEFRA D. MHFA may not issue Notes in bearer form.

Each Programme Dealer has represented and agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to represent and agree, that it will only offer, sell or deliver Notes in accordance with Regulation S under the Securities Act, and it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Programme Dealer has further agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to agree, that, at or prior to confirmation of the sale of Notes, it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Programme Dealer also has represented and agreed (and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to represent and agree) that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Note, and it, and they have complied and will comply with the offering restrictions requirement of Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issue of Index Linked Notes and Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealer shall agree as a term of the issue and purchase of such Notes. Each relevant Dealer has agreed that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

EUROPEAN ECONOMIC AREA

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Programme Dealer has represented and agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of this Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

  (ii) a customer within the meaning of Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Prohibition Under the Prospectus Regulation

If the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Programme Dealer has represented and agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to represent and agree that it has not made and will not make an offer of Notes which are the subject of this Offering Circular as completed by the Final Terms in relation thereto to the public in any member state of the EEA (each a "**Relevant State**"), except that it may make an offer of such Notes to the public in a Relevant State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) at any time to fewer than 150 persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (a) to (c) above shall require the relevant Issuer, the Guarantor or any Programme Dealer or Issue Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in the EEA means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

UNITED KINGDOM

Prohibition of Sales to UK Retail Investors

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Programme Dealer has represented and agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Notes which are the subject of this Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the UK. For the purposes of this provision:

(a) the expression "retail investor" means a person who is either one (or both) of the following:

  (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic UK law; or

  (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs; and

(b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes.

Prohibition Under the Public Offers and Admissions to Trading Regulations 2024

If the Final Terms in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Programme Dealer has represented and agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to represent and agree that it has not made and will not make an offer of Notes which are the subject of this Offering Circular as completed by the Final Terms in relation thereto to the public in the UK except that it may make an offer of such Notes to the public in the UK:

(a) at any time to any legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs;

(b) at any time to fewer than 150 persons (other than qualified investors as defined in paragraph 15 of Schedule 1 to the POATRs) in the UK subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time if the denomination per Note being offered amounts to at least GBP50,000 (or equivalent); or

(d) at any time in any other circumstances falling within Part 1 of Schedule 1 to the POATRs.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes in the UK means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to buy or subscribe for the Notes.

Other UK Regulatory Restrictions

Each Programme Dealer has represented and agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes having a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to

expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the relevant Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not or, in the case of MHCUK, would not if it were not an authorised person, apply to the Issuers or the Guarantor; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

JAPAN

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act and the Notes (if issued by MHCUK or MHFA, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHCUK or MHFA, as the case may be, through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures) are subject to the Act on Special Taxation Measures. Each Dealer has represented and agreed that (i) it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell, any Notes in Japan or to, or for the benefit of, any resident in Japan for Japanese securities law purposes (including any corporation or other entity organised under the laws of Japan), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and governmental guidelines of Japan, and (ii) it has not, directly or indirectly, offered or sold and will not, as part of its distribution under the dealer agreement or applicable subscription agreement relating to the Notes (if issued by MHCUK or MHFA, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHCUK or MHFA, as the case may be, through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures), at any time, directly or indirectly, offer or sell any of the Notes (if issued by MHCUK or MHFA, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHCUK or MHFA, as the case may be, through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures) to, or for the benefit of, any person other than a beneficial owner that is, (a) for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of the issuer (excluding an underwriter designated in Article 6, Paragraph (12), item 1 of the Act on Special Taxation Measures which purchases unsubscribed portions of the Notes (if issued by MHCUK or MHFA, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHCUK or MHFA, as the case may be, through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures) from the other underwriters) or (b) a Japanese financial institution, designated in Article 3-2-2, Paragraph (29) of the Cabinet Order.

PEOPLE'S REPUBLIC OF CHINA

Each Programme Dealer has represented and agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to represent and agree, that Notes will not be offered or sold directly or indirectly within the PRC. This Offering Circular or any information contained or incorporated by reference herein does not constitute an offer to sell or the solicitation of an offer to buy any securities in the

PRC. This Offering Circular, any information contained herein or the Notes have not been, and will not be, submitted to, approved by, verified by or registered with any relevant governmental authorities in the PRC and thus may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of the Notes in the PRC.

The Notes may only be invested by the PRC investors that are authorised to engage in the investment in the Notes of the type being offered or sold. Investors are responsible for obtaining all relevant governmental approvals, verifications, licences or registrations (if any) from all relevant PRC Government authorities, including, but not limited to, the State Administration of Foreign Exchange, the China Securities Regulatory Commission, the China Banking Regulatory Commission, and other relevant regulatory bodies, and complying with all relevant PRC regulations, including, but not limited to, any relevant foreign exchange regulations and/or overseas investment regulations.

HONG KONG

Each Programme Dealer has represented and agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to represent and agree, that (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

SINGAPORE

Each Programme Dealer has acknowledged, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act 2001 of Singapore (the "**SFA**") and accordingly, each Programme Dealer has represented and agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Notes or caused any Notes to be made the subject of an invitation for subscription or purchase nor will it offer or sell Notes or cause any Notes to be made the subject of an invitation for subscription or purchase, nor has it circulated or distributed nor will it circulate or distribute this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (b) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified

or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

TAIWAN

Subject to the paragraph below, the offering of the Notes has not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be offered or sold in Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorised to offer or sell the Notes in Taiwan.

With respect to the Notes to be listed on the TPEx in Taiwan pursuant to the TPEx Rules, the above selling restriction is not applicable and following selling restriction shall apply instead: the Notes have not been, and shall not be, offered, sold or re-sold, directly or indirectly, to investors other than "professional investors" as defined under Paragraph 1 of Article 2-1 of the TPEx Rules. Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to a professional investor.

AUSTRALIA

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the "**Australian Corporations Act**")) in relation to the Programme or any Notes has been or will be lodged with the Australian Securities and Investments Commission ("**ASIC**") or the Australian securities exchange operated by ASX Limited (ABN 98 008 624 691) ("**ASX Limited**"). Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it:

(a) has not offered, and will not offer for issue or sale and has not invited, and will not invite applications, for issue, or offers to purchase, the Notes in Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, any offering circular, advertisement or other offering material relating to the Notes in Australia,

unless:

(i) the aggregate consideration payable by each offeree or invitee is at least AUD500,000 (or its equivalent in other currencies, but disregarding monies lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to the investors in accordance with Part 6D.2 or Chapter 7 of the Australian Corporations Act;

(ii) the offer does not constitute an offer to a "retail client" for the purposes of section 761G of the Australian Corporations Act;

(iii) such action complies with all applicable laws, regulations and directives; and

(iv) such action does not require any document to be lodged with ASIC or ASX Limited.

GENERAL

Each Programme Dealer has agreed, and each further Programme Dealer or Issue Dealer appointed under the Programme will be required to agree, that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale

or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuers, the Guarantor nor any other Dealer shall have any responsibility therefor.

Without prejudice to the foregoing paragraph, none of the Issuers, the Guarantor or any Dealer represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche of Exempt Notes or Notes which are the subject of a Pricing Supplement or Drawdown Prospectus, the relevant Dealer will be required to comply with such other additional restrictions as the relevant Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Pricing Supplement or Drawdown Prospectus.

GENERAL INFORMATION

Listing of Notes

It is expected that each Tranche of Notes issued by MHC and MHCUK which is to be admitted to the Official List and to trading on the London Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of a Temporary Global Note, a Permanent Global Note, or a Global Registered Note, as the case may be, initially representing the Notes of such Tranche. The listing of the Programme in respect of Notes is expected to be granted on or around 1 September 2026. MHFA will not issue listed Notes admitted to the Official List or to trading on the London Stock Exchange's regulated market.

This Offering Circular has been approved by the FCA as a base prospectus. Application has been made to the FCA for Notes issued by MHC and MHCUK under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market.

Authorisations

The update of the Programme and the giving of guarantee by MHC in respect of Notes issued by MHCUK and MHFA during the one-year period from 27 August 2026 were authorised on 22 September 2023, by the Board of Directors of MHC, on 26 March 2026, by the Representative Director, President and CEO of MHC, and on 17 August 2026, by the Head of the Treasury & Accounting Division of MHC.

The update of the Programme and issue of Notes by MHCUK were authorised by resolutions of the Board of Directors of MHCUK dated 23 July 2026.

The update of the Programme and issue of Notes by MHFA were authorised by written consent of MHFA's board of managers dated 24 August 2026.

Accounting Standards

MHC's consolidated financial statements for the years ended 31 March 2024, 2025 and 2026 were prepared in accordance with the provisions set forth in the Financial Instruments and Exchange Act and its related accounting regulations and in Japanese GAAP.

MHCUK's consolidated financial statements for the years ended 31 March 2025 and 2026 were prepared under International Accounting Standards as adopted by the United Kingdom.

MHFA's financial statements for the year ended 31 December 2024 and for the fifteen-month period ended March 31, 2026 were prepared in accordance with generally accepted accounting principles in the United States.

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available (free of charge) at the website of the UK National Storage Mechanism (https://data.fca.org.uk/#/nsm/nationalstoragemechanism) or the websites of MHC (https://www.mitsubishi-hc-capital.com/english/corporate/csr/csr_download.html) or MHCUK (https://www.mitsubishihccapital.co.uk/investors/our-financial-performance/):

(i) the constitutional documents of MHC, MHCUK and MHFA (together with an English translation thereof, in the case of MHC's articles of incorporation);

(ii) the published audited consolidated annual financial statements of MHC for the two most recent financial years, in English (in each case together with the independent auditor's reports prepared in connection therewith);

(iii) the unaudited consolidated financial information of MHC for the three-month period ended 30 June 2026;

(iv) the published audited consolidated annual financial statements of MHCUK for the two most recent financial years (together with the audit reports prepared in connection therewith);

(v) the audited annual financial statements of MHFA for the financial year ended 31 December 2024 and for the fifteen-month period ended 31 March 2026 (together with the audit reports prepared in connection therewith);

(vi) the Schedule of Forms containing the forms of the global Notes, definitive Notes, the Receipts, the Coupons and the Talons from time to time issuable under the Programme;

(vii) a copy of this Offering Circular and each document incorporated by reference; and

(viii) each Final Terms (save that a Final Terms relating to a Note which are not admitted to trading on a regulated market in the UK (including Exempt Notes) will only be available for inspection by a holder of such Note and such holder must produce evidence of identity satisfactory to the Principal Paying Agent).

In addition, copies of each Final Terms relating to the Notes admitted to trading on a regulated market in the UK will be published on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html. Such Final Terms will also be available for viewing on the UK National Storage Mechanism (https://data.fca.org.uk/#/nsm/nationalstoragemechanism).

The translation into English of MHC's articles of incorporation is a direct and accurate translation of the document. In the event of any discrepancy between the English language version and the original language version of MHC's articles of incorporation, the original language version shall prevail.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The Issuer may also apply to have Notes accepted for clearance through the Austraclear System. The appropriate common code and ISIN for each Tranche allocated by Euroclear and/or Clearstream, Luxembourg and/or the Austraclear System will be specified in the applicable Final Terms. As of the date of this Offering Circular, no arrangements have been made for Renminbi Notes to be cleared through the CMU.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking S.A., 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for Determining Price and Yield

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the

Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes will be calculated on an annual or semi-annual basis using the relevant issue price at the relevant issue date. It is not an indication of future yield.

Significant or Material Change

There has been no significant change in the financial position or financial performance of MHC and its subsidiaries taken as a whole since the date of the last unaudited interim consolidated financial information or audited consolidated annual financial statements of MHC published on RNS, and no material adverse change in the prospects of MHC since the date of the last audited consolidated annual financial statements of MHC published on RNS.

There has been no significant change in the financial position or financial performance of the MHCUK Group since the date of the last unaudited quarterly financial results or audited financial statements of MHCUK published on RNS, and no material adverse change in the prospects of MHCUK since the date of the last published audited financial statements of MHCUK published on RNS.

There has been no significant change in the financial position or financial performance of MHFA since 31 March 2026, and no material adverse change in the prospects of MHFA since 31 March 2026.

Litigation

There are no, nor have there been any, governmental, legal, arbitration, administrative or other proceedings (including any such proceedings which are pending or threatened of which MHC is aware) in the 12 months preceding the date of this Offering Circular which may have or have in the recent past had a significant effect on the financial position or profitability of MHC or MHC and its subsidiaries.

There are no, nor have there been any, governmental, legal, arbitration, administrative or other proceedings (including any such proceedings which are pending or threatened of which MHCUK is aware) in the 12 months preceding the date of this Offering Circular which may have or have in the recent past had a significant effect on the financial position or profitability of MHCUK, the MHCUK Group.

There are no, nor have there been any, governmental, legal, arbitration, administrative or other proceedings (including any such proceedings which are pending or threatened of which MHFA is aware) in the 12 months preceding the date of this Offering Circular which may have or have in the recent past had a significant effect on the financial position or profitability of MHFA.

Independent Auditors

The auditor of MHC is Deloitte Touche Tohmatsu LLC (Registered Auditor and member of The Japanese Institute of Certified Public Accountants), who has audited MHC's consolidated annual financial statements, without qualification, as of 31 March 2024, 2025 and 2026 in accordance with auditing standards generally accepted in Japan.

Deloitte LLP (which is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales) audited MHCUK's financial statements, without qualification, for the financial years ended 31 March 2025 and 2026 in accordance with applicable law and International Standards on Auditing (UK).

Deloitte & Touche LLP has audited, and rendered unqualified audit opinions on, the financial statements of MHFA, in accordance with generally accepted auditing standards in the United States of America, for the financial year ended 31 December 2024 and for the fifteen-month period ended March 31, 2026.

Post Issuance Information

Save as set out in the Final Terms, the Issuers do not intend to provide any post-issuance information in relation to any issues of Notes.

Dealers Transacting with MHC, MHCUK and MHFA

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with and may perform services to MHC, MHCUK and MHFA and their affiliates in the ordinary course of business. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Notes issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of MHC, MHCUK and MHFA and their affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. Such Dealers and their affiliates have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of MHC, MHCUK and MHFA and their affiliates. Certain of the Dealers or their affiliates that have a lending relationship with MHC, MHCUK and MHFA routinely hedge their credit exposure to MHC, MHCUK and MHFA consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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Deloitte.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Managers of
Mitsubishi HC Finance America LLC

Opinion

We have audited the financial statements of Mitsubishi HC Finance America LLC (the "Company"), which comprise the balance sheet as of March 31, 2026, and the related statements of income and comprehensive income, changes in member's equity, and cash flows for the fifteen-month period ended March 31, 2026, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2026, and the results of its operations and its cash flows for the fifteen-month period ended March 31, 2026, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Company has significant transactions with the affiliated companies. Accordingly, the accompanying financial statements may not be indicative of the conditions that would have existed or the results of operations that would have occurred if the Company had operated without such affiliations. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material

misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

May 14, 2026

MITSUBISHI HC FINANCE AMERICA LLC
(A Wholly Owned Subsidiary of MHC America Holdings Corporation)

BALANCE SHEET
AS OF MARCH 31, 2026
(In thousands)

ASSETS	
CASH	$ 156,427
LOANS RECEIVABLE—Parent	11,126,560
ACCRUED INTEREST RECEIVABLE—Parent	28,088
OTHER ASSETS	2,674
TOTAL ASSETS	$ 11,313,749
LIABILITIES AND MEMBER'S EQUITY	
LIABILITIES:	
Debt	$ 10,199,050
Accrued interest payable	55,679
Due to Parent and affiliate	3,638
Other liabilities	3,462
Total liabilities	10,261,829
MEMBER'S EQUITY:	
Member's equity	1,052,397
Accumulated other comprehensive loss	(477)
Total member's equity	1,051,920
TOTAL LIABILITIES AND MEMBER'S EQUITY	$ 11,313,749

See accompanying notes to financial statements.

MITSUBISHI HC FINANCE AMERICA LLC
(A Wholly Owned Subsidiary of MHC America Holdings Corporation)

STATEMENT OF INCOME AND COMPREHENSIVE INCOME
FOR THE FIFTEEN-MONTH PERIOD ENDED MARCH 31, 2026
(In thousands)

INTEREST INCOME	$ 610,379
INTEREST EXPENSE	544,397
NET INTEREST INCOME	65,982
GENERAL AND ADMINISTRATIVE EXPENSES	13,586
NET INCOME	52,396
OTHER COMPREHENSIVE LOSS—Unrealized loss on derivative instruments accounted for as cash flow hedge	(2,504)
COMPREHENSIVE INCOME	$ 49,892

See accompanying notes to financial statements.

MITSUBISHI HC FINANCE AMERICA LLC
(A Wholly Owned Subsidiary of MHC America Holdings Corporation)

STATEMENT OF CHANGES IN MEMBER'S EQUITY
FOR THE FIFTEEN-MONTH PERIOD ENDED MARCH 31, 2026
(In thousands, except number of units)

	Units	Member's Equity	Accumulated Other Comprehensive Loss	Total Member's Equity
BALANCE—January 1, 2025	300	$ 1,070,970	$ 2,027	$ 1,072,997
Net income		52,396		52,396
Dividend paid		(70,969)		(70,969)
Other comprehensive loss			(2,504)	(2,504)
BALANCE— March 31, 2026	300	$ 1,052,397	$ (477)	$ 1,051,920

See accompanying notes to financial statements.

MITSUBISHI HC FINANCE AMERICA LLC
(A Wholly Owned Subsidiary of MHC America Holdings Corporation)

STATEMENT OF CASH FLOWS
FOR THE FIFTEEN-MONTH PERIOD ENDED MARCH 31, 2026
(In thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	$ 52,396
Adjustments to reconcile net income to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Accrued interest receivable—Parent	(6,844)
Other assets	(736)
Accrued interest payable	2,914
Due to Parent and affiliate	1,785
Other liabilities	1,121
Net cash provided by operating activities	50,636
CASH FLOWS FROM INVESTING ACTIVITIES:	
Loans extended to Parent	(3,249,834)
Collections of loans from Parent	746,521
Net cash used in investing activities	(2,503,313)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Net increase in debt with original maturities of three months or less	748,000
Proceeds from debt	2,149,202
Repayments of debt	(229,100)
Dividend paid	(70,969)
Net cash provided by financing activities	2,597,133
EFFECT OF EXCHANGE RATE CHANGES ON CASH	1
NET INCREASE IN CASH	144,457
CASH—Beginning of year	11,970
CASH—End of year	$ 156,427
CASH PAID DURING THE YEAR FOR INTEREST	$ 588,253
NONCASH INVESTING AND FINANCING ACTIVITIES:	
Net settlements of Loans Receivable from and Debt to Parent	$ 246,000

See accompanying notes to financial statements.

MITSUBISHI HC FINANCE AMERICA LLC
(A Wholly Owned Subsidiary of MHC America Holdings Corporation)

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE FIFTEEN-MONTH PERIOD ENDED MARCH 31, 2026

1. ORGANIZATION AND NATURE OF OPERATIONS

Organization—Mitsubishi HC Finance America LLC (the "Company") was formed in the state of Delaware on May 19, 2021, by MHC America Holdings Corporation (the "Parent"), sole member and a wholly owned subsidiary of Mitsubishi HC Capital Inc. ("MHC").

Nature of Operations—The Company's primary activities are to provide financing services to subsidiaries of MHC through the Parent. The Company's operations are funded through diversified sources, such as borrowings from financial institutions and funding within the international capital markets. The Company has service agreements with the Parent and MHC whereby they provide various operational and administrative services to the Company based on the service agreements.

The Company has extensive transactions with the Parent and MHC. Accordingly, the accompanying financial statements may not be indicative of the financial position or results of operations that would have occurred had the Company operated without such affiliation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

During the fifteen-month period ended March 31, 2026, the Company changed its fiscal year end from December 31 to March 31. Accordingly, the current reporting period represents a fifteen-month period from January 1, 2025 through March 31, 2026. The change in fiscal year was made to align the Company's reporting period with the Parent.

Estimates—The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the reported amounts of income and expenses during the reporting period and disclosure of contingent assets and liabilities at the date of the financial statements. Such estimates include the allowance for credit losses, valuation of derivative instruments, and accrual of contingent losses among others. Actual results could differ from those estimates.

Loans Receivable—Loans receivable are reported at the principal amount outstanding less allowance for credit losses. The Company periodically evaluates the collectability of receivable and provides an allowance for credit losses to reflect management's best judgment of the net realizable value of the receivable. Allowance for credit losses is determined based upon an assessment of individual loans, actual and anticipated losses, and current and forecasted economic conditions. The Company closely monitors the current payments and financial condition of the borrower, and evaluates the principal risks associated with loans receivable. Loans receivable are charged against allowance for credit losses when management believes that the receivables are not collectible.

Nonaccrual loans are those loans on which the accrual of interest ceases when principal or interest payments are past due 90 days or more, unless, in the opinion of management, based upon a review of the borrower's or guarantor's financial condition, collateral value or other factors, full repayments are expected. A loan may be placed on nonaccrual status prior to the 90-day period if, in management's opinion, conditions warrant nonaccrual status. Generally, accrued interest is reversed when a loan is placed on nonaccrual status. Interest collections on impaired loans for which the ultimate collectability of principal is uncertain are applied as principal reductions.

At March 31, 2026, the Company had no impaired loans and no allowance for credit losses.

Deferred Financing Costs—Direct financing costs, such as commissions and legal expenses, associated with debt facilities and financing transactions are deferred and amortized over the terms of related debt as an adjustment to interest expense.

Revenue Recognition—Interest income is recognized on an accrual basis in accordance with the terms of each loan agreement. Accrual of interest income is generally suspended (nonaccrual) when, in the opinion of management, full collection of all principal and interest due is doubtful (impaired). Any interest accrued is reversed and charged to earnings, and interest is thereafter included in earnings only to the extent actually received in cash. When there is doubt regarding the ultimate collectability of principal, all cash receipts are thereafter applied to reduce the balance of loans receivable. The accrual of interest income may be resumed when management believes that full collection of all principal and interest due is ensured. At March 31, 2026, there were no nonaccrual or impaired loans.

Income Taxes—The Company is a disregarded entity for U.S. federal and state income tax purposes. Income taxes on the Company's income are levied on the member at the member level. Accordingly, all profits and losses of the Company are recognized by the member on its respective tax returns.

Federal and state tax authorities generally have the right to examine and audit previous tax returns of the member within the applicable statute of limitations. Any interest or penalties assessed to the Company are recorded in operating and administrative expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements for the period presented.

Derivative Instruments and Hedging Activities—The Company enters into interest rate swaps to manage interest rate risk associated with variable-rate debt. Counterparties to these contracts are major financial institutions. The Company monitors the results of each hedging transaction and ensures that management's intent is satisfied. All derivative instruments, whether designated for hedging relationship or not, are recorded as derivative assets or liabilities on the balance sheet at fair value in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 815, *Derivatives and Hedging*. The Company has determined that the interest rate swaps and hedging activities qualify as cash flow hedges. For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of changes in fair value of the derivative instruments is reported as a component of other comprehensive income or loss and reclassified into earnings when the hedged transaction affects earnings. Changes in fair value of derivative instruments that do not qualify as hedges are recognized immediately in earnings.

Other Comprehensive Income (Loss)—Other comprehensive income (loss) consists of all changes to member's equity other than those resulting from net income (loss) and member transactions. For the Company, other comprehensive income (loss) consists of the effect of cash flow hedges and unrealized gain (loss) on derivative instruments accounted for as cash flow hedges.

3. LOANS RECEIVABLE—PARENT

Loans receivable—Parent represents loans receivable from the Parent outstanding at March 31, 2026, with interest rates ranging from 1.83% to 6.30% per annum. The interest income related to the loans receivable from the Parent was $606,971 thousand for the fifteen-month ended March 31, 2026.

Maturities of the loans receivable from the Parent at March 31, 2026, are as follows (in thousands):

Years Ending March 31	
2027	$ 2,042,967
2028	1,528,467
2029	1,899,916
2030	1,607,500
2031	1,249,790
2032 and thereafter	1,015,530
	$ 9,344,170

Effective April, 2025, the Parent implemented a Cash Management System ("CMS"). Under the CMS, the Parent may extend loans to group companies and may also receive surplus funds from them. Accordingly, both receivable and payable balances may arise. In addition, the Company maintains separate general ledger accounts to distinguish funding sources for group loans executed through CMS and those executed outside CMS. The Company had a net receivable balance under the CMS of $1,782,390 thousand at March 31, 2026. Loans under the CMS bear interest at market-based variable rates and are short-term in nature with no stated maturity.

4. DEBT

The Company's debt at March 31, 2026, consists of the following (in thousands):

Financial institutions—interest rates ranging from 1.83% to 5.51%	$ 4,773,068
Affiliated company—interest rates ranging from 2.73% to 5.80%	2,224,621
Commercial paper—interest rates ranging from 3.93% to 4.20%	932,344
Medium-term notes—interest rates ranging from 2.34% to 5.81%	2,269,017
	$ 10,199,050

The accrued interest payable and interest expense related to the debt with the affiliated company were $12,923 thousand at March 31, 2026, and $112,568 thousand for the fifteen-month period ended March 31, 2026, respectively. The Company had an unused line of credit of $120,000 thousand with an affiliated company at March 31, 2026.

The Company also had an unused line of credit of $80,000 thousand with financial institutions at March 31, 2026.

In August 2025, the Company participated in a medium-term note program established by MHC. Under the program, the Company can issue the term notes up to $12,500,000 thousand.

All of the Company's debts are guaranteed by MHC at March 31, 2026.

Maturities of debt for the future years subsequent to March 31, 2026, are as follows (in thousands):

Years Ending March 31	
2027	$ 2,423,767
2028	1,843,467
2029	2,052,916
2030	1,623,750
2031	1,250,000
2032 and thereafter	1,020,000
	10,213,900
Deferred financing costs	(14,850)
	$ 10,199,050

5. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company enters into derivative instruments, interest rate swaps, to manage the interest rate risk associated with variable-rate debt. The Company does not use derivative instruments for trading purposes. The derivative instruments involve, to varying degrees, credit and market risks. Credit risk is the possibility that a loss may occur if a counterparty to the transaction fails to perform according to the terms of the contract. To minimize credit risk exposure, the Company evaluates the creditworthiness of its counterparties through credit approvals, limits, and monitoring procedures. Market risk is the adverse effect of a change in interest rates, currency rates, or implied volatility rates on the value of a financial instrument. Market risk is managed by establishing exposure limits and monitoring types and degrees of risk that may be undertaken. Management does not anticipate any significant losses as a result of these transactions.

At March 31, 2026, the Company had interest rate swaps designated as cash flow hedges. The Company entered into the interest rate swaps to hedge the exposure to changes in future cash flows from variable-rate debt. The notional amount of the interest rate swaps was $1,120,000 thousand at March 31, 2026. The Company recorded the interest rate swaps at its fair value of $2,669 thousand within other assets and $3,145 thousand within other liabilities on the balance sheet at March 31, 2026. The cash flow hedges were determined to be highly effective, and as such, the net change in fair value of $2,504 thousand was recorded in other comprehensive loss for the fifteen-month period ended March 31, 2026.

The interest rate swaps are subject to enforceable master netting agreements or similar arrangements with counterparties. In general, the terms of the agreements provide that in the event of an early termination the counterparties have the right to offset amounts owed or owing under that and any other agreement with the same counterparty.

Agreements subject to master netting arrangements with various counterparties, and cash and non-cash collateral posted under such agreements as of March 31, 2026 are as follows:

	Gross Amounts of Recognized Assets/Liabilities	Gross Amounts Offset in the Balance Sheet	Net Amounts Presented in the Balance Sheet	Gross Amount Not Offset in the Balance Sheet		Net Amounts
				Financial Instruments	Cash Collateral Received/ Pledged	
Derivative assets	$ 2,669	$ -	$ 2,669	$ (949)	$ -	$ 1,720
Derivative liabilities	(3,145)		(3,145)	949		(2,196)

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

ASC 820, *Fair Value Measurements*, establishes a fair value hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value giving preference to quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs, such as a reporting entity's own data or information, or assumptions developed from this data (Level 3). Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets that are not active; observable inputs other than quoted prices, such as interest rates and yield curves; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Interest rate swap is measured at fair value on a recurring basis. The fair value of the interest rate swap is determined using the Level 2 inputs, such as market observable inputs or indices including forward rate interest rate curves. Credit risk related to the counterparty and the Company is considered when estimating the fair value. The fair value of interest rate swap is computed by discounting future cash flows, using market observable inputs or indices including forward rate interest rate curves.

7. SUBSEQUENT EVENTS

The Company has evaluated subsequent events from the balance sheet date through May 14, 2026, the date at which the financial statements were available to be issued, and determined that there have been no subsequent events that require recognition or disclosure in the financial statements.

* * * * * *

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INDEPENDENT AUDITOR'S REPORT

To the Board of Managers of
Mitsubishi HC Finance America LLC:

Opinion

We have audited the financial statements of Mitsubishi HC Finance America LLC (the "Company"), which comprise the balance sheet as of December 31, 2024, and the related statements of income and comprehensive income, changes in member's equity, and cash flows for the year then ended, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Company has significant transactions with the affiliated companies. Accordingly, the accompanying financial statements may not be indicative of the conditions that would have existed or the results of operations that would have occurred if the Company had operated without such affiliations. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte & Touche LLP

February 14, 2025

MITSUBISHI HC FINANCE AMERICA LLC
(A Wholly Owned Subsidiary of MHC America Holdings Corporation)

BALANCE SHEET
AS OF DECEMBER 31, 2024
(In thousands)

ASSETS	
CASH	$ 11,970
LOANS RECEIVABLE—Parent	8,869,247
ACCRUED INTEREST RECEIVABLE—Parent	21,244
OTHER ASSETS	4,442
TOTAL ASSETS	$ 8,906,903
LIABILITIES AND MEMBER'S EQUITY	
LIABILITIES:	
Debt	$ 7,776,947
Accrued interest payable	52,765
Due to Parent and affiliate	1,853
Other liabilities	2,341
Total liabilities	7,833,906
MEMBER'S EQUITY:	
Member's equity	1,070,970
Accumulated other comprehensive income	2,027
Total member's equity	1,072,997
TOTAL LIABILITIES AND MEMBER'S EQUITY	$ 8,906,903

See accompanying notes to financial statements.

MITSUBISHI HC FINANCE AMERICA LLC
(A Wholly Owned Subsidiary of MHC America Holdings Corporation)

STATEMENT OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2024
(In thousands)

INTEREST INCOME	$ 438,537
INTEREST EXPENSE	357,807
NET INTEREST INCOME	80,730
GENERAL AND ADMINISTRATIVE EXPENSES	9,761
NET INCOME	70,969
OTHER COMPREHENSIVE INCOME—Unrealized gains on derivative instruments accounted for as cash flow hedge	3,747
COMPREHENSIVE INCOME	$ 74,716

See accompanying notes to financial statements.

MITSUBISHI HC FINANCE AMERICA LLC
(A Wholly Owned Subsidiary of MHC America Holdings Corporation)

STATEMENT OF CHANGES IN MEMBER'S EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024
(In thousands, except number of units)

	Units	Member's Equity	Accumulated Other Comprehensive Income (Loss)	Total Member's Equity
BALANCE—January 1, 2024	300	$ 1,059,596	$(1,720)	$ 1,057,876
Net income		70,969		70,969
Dividend paid		(59,595)		(59,595)
Other comprehensive income			3,747	3,747
BALANCE—December 31, 2024	300	$ 1,070,970	$ 2,027	$ 1,072,997

See accompanying notes to financial statements.

MITSUBISHI HC FINANCE AMERICA LLC
(A Wholly Owned Subsidiary of MHC America Holdings Corporation)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
(In thousands)

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	$ 70,969
Adjustments to reconcile net income to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Accrued interest receivable—Parent	(1,018)
Other assets	918
Accrued interest payable	8,157
Due to Parent and affiliate	(74)
Other liabilities	(938)
Net cash provided by operating activities	78,014
CASH FLOWS FROM INVESTING ACTIVITIES:	
Loans extended to Parent	(1,472,000)
Collections of loans from Parent	50,000
Net cash used in investing activities	(1,422,000)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Net increase in debt with original maturities of three months or less	94,847
Proceeds from debt	1,594,968
Repayments of debt	(324,000)
Dividend paid	(59,595)
Net cash provided by financing activities	1,306,220
EFFECT OF EXCHANGE RATE CHANGES ON CASH	1
NET DECREASE IN CASH	(37,765)
CASH—Beginning of year	49,735
CASH—End of year	$ 11,970
CASH PAID DURING THE YEAR FOR INTEREST	$ 384,994
NONCASH INVESTING AND FINANCING ACTIVITIES:	
Net settlements of Loans Receivable from and Debt to Parent	$ 638,500

MITSUBISHI HC FINANCE AMERICA LLC
(A Wholly Owned Subsidiary of MHC America Holdings Corporation)

NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2024

1. ORGANIZATION AND NATURE OF OPERATIONS

Organization—Mitsubishi HC Finance America LLC (the "Company") was formed in the state of Delaware on May 19, 2021, by MHC America Holdings Corporation (the "Parent"), sole member and a wholly owned subsidiary of Mitsubishi HC Capital Inc. ("MHC").

Nature of Operations—The Company's primary activities are to provide financing services to subsidiaries of MHC though the Parent. The Company's operations are funded through diversified sources, such as borrowings from financial institutions and funding within the international capital markets. The Company has service agreements with the Parent and MHC whereby they provide various operational and administrative services to the Company based on the service agreements.

The Company has extensive transactions with the Parent and MHC. Accordingly, the accompanying financial statements may not be indicative of the financial position or results of operations that would have occurred had the Company operated without such affiliation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").

Estimates—The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the reported amounts of income and expenses during the reporting period, and disclosure of contingent assets and liabilities at the date of the financial statements. Such estimates include the allowance for credit losses, valuation of derivative instruments, and accrual of contingent loss among others. Actual results could differ from those estimates.

Loans Receivable—Loans receivable are reported at the principal amount outstanding less allowance for credit losses. The Company periodically evaluates the collectability of receivable and provides an allowance for credit losses to reflect management's best judgment of the net realizable value of the receivable. Allowance for credit losses is determined based upon an assessment of individual loans, actual and anticipated losses, and overall current economic conditions. The Company closely monitors the current payments and financial condition of the borrower, and evaluates the principal risks associated with loans receivable. Loans receivable are charged against allowance for credit losses when management believes that the receivables are not collectible.

Nonaccrual loans are those loans on which the accrual of interest ceases when principal or interest payments are past due 90 days or more, unless, in the opinion of management, based upon a review of the borrower's or guarantor's financial condition, collateral value or other factors, full repayments are expected. A loan may be placed on nonaccrual status prior to the 90-day period if, in management's opinion, conditions warrant nonaccrual status. Generally, accrued interest is reversed when a loan is

placed on nonaccrual status. Interest collections on impaired loans for which the ultimate collectability of principal is uncertain are applied as principal reductions.

At December 31, 2024, the Company had no impaired loans and recorded no allowance for credit losses.

Deferred Financing Costs—Direct financing costs, such as commissions and legal expenses, associated with debt facilities and financing transactions are deferred and amortized over the terms of related debt as an adjustment to interest expense.

Revenue Recognition—Interest income is recognized on an accrual basis in accordance with the terms of each loan agreement. Accrual of interest income is generally suspended (nonaccrual) when, in the opinion of management, full collection of all principal and interest due is doubtful (impaired). Any interest accrued is reversed and charged to earnings, and interest is thereafter included in earnings only to the extent actually received in cash. When there is doubt regarding the ultimate collectability of principal, all cash receipts are thereafter applied to reduce the balance of loans receivable. The accrual of interest income may be resumed when management believes that full collection of all principal and interest due is ensured. At December 31, 2024, there were no nonaccrual or impaired loans.

Income Taxes—The Company is a disregarded entity for income tax purposes. Income taxes on the Company's income are levied on the member at the member level. Accordingly, all profits and losses of the Company are recognized by the member on its respective tax returns. Federal and state tax authorities generally have the right to examine and audit previous tax returns within the statute of limitation. Any interest or penalties assessed to the Company are recorded in operating and administrative expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

Derivative Instruments and Hedging Activities—The Company enters into interest rate swaps to manage interest rate risk associated with variable-rate debt. Counterparties to these contracts are major financial institutions. The Company monitors the results of each hedging transaction and ensures that management's intent is satisfied. All derivative instruments, whether designated for hedging relationship or not, are recorded as derivative assets or liabilities on the balance sheet at fair value in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 815, *Derivatives and Hedging*. The Company has determined that the interest rate swap and hedging activity qualify as cash flow hedge. For derivative instruments that are designated and qualify as cash flow hedges, the effective portion of changes in fair value of the derivative instruments is reported as a component of other comprehensive income or loss and reclassified into earnings when the hedged transaction affects earnings. Changes in fair value of derivative instruments that do not qualify as hedges are recognized immediately in earnings.

Other Comprehensive Income (Loss)—Other comprehensive income (loss) consists of all changes to member's equity other than those resulting from net income (loss) and member transactions. For the Company, other comprehensive income (loss) consists of the effect of cash flow hedges and unrealized gain (loss) on derivative instruments accounted for as cash flow hedges.

3. LOANS RECEIVABLE—PARENT

Loans receivable—Parent represents loans receivable from the Parent outstanding at December 31, 2024, with interest rates ranging from 1.54% to 6.30% per annum. The interest income related to the loans receivable from the Parent was $434,340 thousand for the year ended December 31, 2024.

Maturities of the loans receivable from the Parent at December 31, 2024, are as follows (in thousands):

Years Ending December 31	
2025	$ 3,640,677
2026	605,000
2027	880,000
2028	1,140,750
2029	842,500
2030 and thereafter	1,760,320
	$ 8,869,247

4. DEBT

The Company's debt at December 31, 2024, consists of the following (in thousands):

Financial institutions—interest rates ranging from 1.54% to 6.07%	$ 3,979,443
Affiliated company—interest rates ranging from 2.73% to 5.8%	1,873,381
Commercial paper—interest rates ranging from 4.74% to 4.77%	154,412
Medium-term notes—interest rates ranging from 2.34% to 5.81%	1,769,711
	$ 7,776,947

The accrued interest payable and interest expense related to the debt with the affiliated company were $10,094 thousand at December 31, 2024, and $79,266 thousand for the year ended December 31, 2024, respectively. The Company had an unused line of credit of $120,000 thousand with an affiliated company at December 31, 2024.

The Company also had unused line of credit of $80,000 thousand with financial institutions at December 31, 2024.

In August 2024, the Company participated in a medium-term note program established by MHC. Under the program, the Company can issue the term notes up to $6,000,000 thousand.

All of the Company's debts are guaranteed by MHC at December 31, 2024.

Maturities of debt for the future years subsequent to December 31, 2024, are as follows (in thousands):

Years Ending December 31	
2025	$ 1,290,000
2026	715,000
2027	1,262,500
2028	1,552,500
2029	1,388,750
2030 and thereafter	1,581,250
	7,790,000
Deferred financing costs	(13,053)
	$ 7,776,947

5. DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

The Company enters into derivative instruments, interest rate swaps, to manage the interest rate risk associated with variable-rate debt. The Company does not use derivative instruments for trading purposes. The derivative instruments involve, to varying degrees, credit and market risks. Credit risk is the possibility that a loss may occur if a counterparty to the transaction fails to perform according to the terms of the contract. To minimize credit risk exposure, the Company evaluates the creditworthiness of its counterparties through credit approvals, limits, and monitoring procedures. Market risk is the adverse effect of a change in interest rates, currency rates, or implied volatility rates on the value of a financial instrument. Market risk is managed by establishing exposure limits and monitoring types and degrees of risk that may be undertaken. Management does not anticipate any significant losses as a result of these transactions.

At December 31, 2024, the Company had interest rate swaps designated as cash flow hedges. The Company entered into the interest rate swaps to hedge the exposure to changes in future cash flows from variable-rate debt. The notional amount of the interest rate swaps was $725,000 thousand at December 31, 2024. The Company recorded the interest rate swaps at its fair value of $4,275 thousand within other assets and $2,248 thousand within other liabilities on the balance sheet at December 31, 2024. The cash flow hedges were determined to be highly effective, and as such, the net change in fair value of $3,747 thousand was recorded in other comprehensive income for the year ended December 31, 2024.

The interest rate swaps are subject to enforceable master netting agreements or similar arrangements with counterparties. In general, the terms of the agreements provide that in the event of an early termination the counterparties have the right to offset amounts owed or owing under that and any other agreement with the same counterparty.

Agreements subject to master netting arrangements with various counterparties, and cash and non-cash collateral posted under such agreements as of December 31, 2024 are as follows:

	Gross Amounts of Recognized Assets/Liabilities	Gross Amounts Offset in the Balance Sheet	Net Amounts Presented in the Balance Sheet	Gross Amount Not Offset in the Balance Sheet		Net Amounts
				Financial Instruments	Cash Collateral Received/ Pledged	
Derivative assets	$ 4,275	$ -	$ 4,275	$ (799)	$ -	$ 3,476
Derivative liabilities	(2,248)		(2,248)	799		(1,449)

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

ASC 820, *Fair Value Measurements*, establishes a fair value hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value giving preference to quoted prices in active markets (Level 1) and the lowest priority to unobservable inputs, such as a reporting entity's own data or information, or assumptions developed from this data (Level 3). Level 2 inputs include quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets that are not active; observable inputs other than quoted prices, such as interest rates and yield curves; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Interest rate swap is measured at fair value on a recurring basis. The fair value of the interest rate swap is determined using the Level 2 inputs, such as market observable inputs or indices including forward rate interest rate curves. Credit risk related to the counterparty and the Company is considered when estimating the fair value. The fair value of interest rate swap is computed by discounting future cash flows, using market observable inputs or indices including forward rate interest rate curves.

7. SUBSEQUENT EVENTS

The Company has evaluated subsequent events from the balance sheet date through February 14, 2025, the date at which the financial statements were available to be issued, and determined that there have been no subsequent events that require recognition or disclosure in the financial statements.

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