



**MITSUMI & CO.**  
**MITSUMI & CO., LTD.**

*(Incorporated with limited liability in Japan)*

**MITSUMI & CO. FINANCIAL SERVICES (ASIA) LTD.**

*(Incorporated with limited liability in the Republic of Singapore)*

**U.S.\$5,000,000,000**

**Euro Medium Term Note Programme**

**Guaranteed (in respect of Notes issued by Mitsui & Co. Financial Services (Asia) Ltd.)**

**by Mitsui & Co., Ltd.**

Under the Euro Medium Term Note Programme described in this Offering Circular (the “Programme”), Mitsui & Co., Ltd. (“Mitsui & Co.”) and Mitsui & Co. Financial Services (Asia) Ltd. (“Mitsui Asia”, together with Mitsui & Co., the “Issuers” and each, in relation to Notes (as defined below) issued by it, an “Issuer”), subject to compliance with all relevant laws, regulations and directives, from time to time, may issue Euro Medium Term Notes (the “Notes”) denominated in such currencies as may be agreed with the Dealers (as defined below). The Notes will have maturities from one month to 30 years from the date of issue (the “Settlement Date”) (except as set out herein). Subject as set out herein, the maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed U.S.\$5,000,000,000 (or its equivalent in other currencies at the time of agreement to issue subject as further set out herein). Notes issued by Mitsui Asia will be unconditionally and irrevocably guaranteed as to payment of principal, interest and any additional amounts by Mitsui & Co. (in such capacity, the “Guarantor”). This Offering Circular supersedes all previous offering circulars and prospectuses issued in connection with the Programme. Any Notes issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions herein. This Offering Circular does not affect any Notes issued prior to the date hereof.

The Notes may be issued on a continuing basis to one or more of the Dealers specified in “Overview of the Programme” and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a “Dealer” and together the “Dealers”). References in this Offering Circular to the “relevant Dealers” shall, in the context of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers so subscribing.

Application has been made to the Financial Conduct Authority in its capacity as competent authority under the Financial Services and Markets Act 2000 (“FSMA”) (the “UK Listing Authority”) for Notes issued under the Programme within 12 months of the date of this Offering Circular to be admitted to the official list of the UK Listing Authority (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 Professional Securities Market (the “Market”). References in this Offering Circular to Notes being “listed” (and all related references) shall mean that such Notes have been admitted to trading on the Market and have been admitted to the Official List. The Market is not a regulated market for the purposes of Article 4.1(14) of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments. Unlisted Notes may also be issued pursuant to the Programme. The relevant Final Terms (as defined in the “Overview of the Programme”) in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Official List and admitted to trading on the Market (or any other stock exchange).

**Information contained in this Offering Circular relating to unlisted Notes is not required to comply with the Financial Conduct Authority’s Listing Rules and has not been reviewed or approved by the UK Listing Authority.**

The Notes shall be issued in bearer form or in registered form. Each Tranche (as defined in the “Overview of the Programme”) of Notes in bearer form will initially be represented on issue by a temporary Global Note or a permanent Global Note (each a “Global Note”). Each Tranche of Notes in registered form will initially be represented on issue by a registered global certificate (a “Global Certificate”) representing one or more Tranches of the same Series (as defined in “Overview of the Programme”). Each Global Note and each Global Certificate will be deposited (a) in the case of a Tranche intended to be cleared through Euroclear (as defined below) and/or Clearstream, Luxembourg (as defined below), on or about the Settlement Date with a common depositary on behalf of Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream Banking, *société anonyme* (“Clearstream, Luxembourg”) (together, the “Common Depositary”) and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear or Clearstream, Luxembourg or delivered outside a clearing system, as otherwise agreed between the relevant Issuer and the relevant Dealer(s). Interests in temporary Global Notes will be exchangeable for interests in permanent Global Notes, or if so stated in the relevant Final Terms, for definitive Notes in bearer form (“Definitive Notes”) but, if the D Rules (as defined herein) of the U.S. Internal Revenue Code apply, only on or after the Note Exchange Date, upon certification as to non-U.S. beneficial ownership and U.S. securities law matters (if applicable), and interests in permanent Global Notes may be exchangeable for Definitive Notes, in each case, as described in the “Summary of Provisions Relating to the Notes while in Global Form”. Global Certificates will be exchangeable for definitive registered certificates (“Definitive Certificates”) representing a Noteholder’s entire holding of Notes in registered form as described in the “Summary of Provisions Relating to the Notes while in Global Form”.

Tranches of Notes may be rated or unrated. Where a Tranche of Notes is rated, the ratings will be specified in the Final Terms. Such rating will not necessarily be the same as ratings assigned to the Programme. Mitsui & Co. has been rated long-term: AA-/short-term: a-1+ by Rating and Investment Information, Inc., long-term: A2/short-term: P-1] by Moody’s Japan K.K. and long-term: A+/short-term: A-1 by Standard & Poor’s Ratings Japan K.K. The Programme is rated AA- by Rating and Investment Information, Inc., is rated A2 by Moody’s Japan K.K. and is rated A+ by Standard & Poor’s Ratings Japan K.K. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

An Issuer may agree with any Dealer(s) that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event an offering circular, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

**Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Offering Circular.**

*Arrangers*

**Nomura**

**BofA Merrill Lynch**  
**Daiwa Capital Markets Europe**  
**HSBC**  
**Mizuho Securities**  
**MUFG**  
**Nomura Singapore Limited**

*Dealers*

The date of this Offering Circular is 7th September, 2015.

**Nomura Singapore Limited**

**Citigroup**  
**Goldman Sachs International**  
**J.P. Morgan**  
**Morgan Stanley**  
**Nomura**  
**SMBC Nikko Capital Markets Limited**

*This Offering Circular comprises listing particulars in relation to each Issuer and the Guarantor given in compliance with the listing rules made under Section 73A(2) of the FSMA by the UK Listing Authority and for the purpose of giving information with regard to each Issuer, the Guarantor, the Guarantor's consolidated subsidiaries (together with the Guarantor, "Mitsui") and the Notes, which, according to the nature of each Issuer, the Guarantor and the Notes, is 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 the Guarantor and the rights attaching to the Notes.*

*Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Offering Circular. To the best of the knowledge and belief of each Issuer and the Guarantor (each of whom has taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.*

*This Offering Circular is to be read in conjunction with all documents which are incorporated herein by reference (see "Documents Incorporated by Reference" below).*

*No person has been authorised to give any information or to make any representation other than those contained in this Offering Circular in connection with the issue or sale of the Notes and, if given or made, such other information or representation must not be relied upon as having been authorised by the Issuers, the Guarantor or any of the Dealers or the Arrangers (as defined in "Overview of the Programme"). Neither the delivery of this Offering Circular nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuers or the Guarantor since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuers or the Guarantor since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.*

*The distribution of this Offering Circular and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuers, the Guarantor, the Dealers and the Arrangers to inform themselves about and to observe any such restriction. The Notes and the Guarantee (if applicable) have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and include Notes that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or its possessions or to 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 (the "Internal Revenue Code")).*

*The Notes have not been and will not be registered under the Financial Instruments and Exchange Law (as defined in "Subscription and Sale") and the Notes issued by Mitsui & Co. are subject to the Special Taxation Measures Law (as defined in "Taxation - Japanese Taxation"). The Notes may not be offered or sold in Japan or to residents of Japan or to others for re-offering or re-sale, directly or indirectly, in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law to certain financial institutions and persons holding Notes through such institutions. Interest payments on the Notes issued by Mitsui & Co. generally will be subject to Japanese withholding tax unless the holder establishes that such Notes are held by or for the account of a holder that is (i) for Japanese tax purposes, not an individual resident of Japan or a Japanese corporation, or an individual non-resident of Japan or a non-Japanese corporation that is a person having a special relationship with Mitsui & Co. as Issuer as described in Article 6, Paragraph 4 of the Special Taxation Measures Law (the "specially related person of Mitsui & Co."), or (ii) a Japanese designated financial institution described in*

*Article 6, Paragraph 9 of the Special Taxation Measures Law which complies with the requirement for tax exemption under that Paragraph, see “Taxation-Japanese Taxation” below.*

*Each purchaser of Notes issued by Mitsui & Co. in the initial distribution of such Notes is deemed to represent that it is not a specially-related person of Mitsui & Co.*

*This Offering Circular is not a prospectus for the purposes of the Prospectus Directive. This Offering Circular has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes.*

*For a description of certain restrictions on offers and sales of Notes and on distribution of this Offering Circular, see “Subscription and Sale”.*

*This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuers, the Guarantor or the Dealers to subscribe for or purchase any Notes.*

*None of the Dealers or the Arrangers accept any responsibility for the contents of this Offering Circular or for any other statement, made or purported to be made by the Arrangers or a Dealer or on its behalf in connection with the Issuers, the Guarantor or the issue and offering of the Notes. The Arrangers and each Dealer accordingly disclaim all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Offering Circular or any such statement.*

*Neither this Offering Circular nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuers, the Guarantor, the Arrangers or the Dealers that any recipient of this Offering Circular or any financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arrangers undertakes to review the financial condition or affairs of the Issuers or the Guarantor during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arrangers.*

*In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the “Stabilising Manager(s)”) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms 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 for a limited period after the Settlement Date. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. 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 is made and, if begun, may be ended at any time and must be brought to an end after a limited period.*

*In this Offering Circular, unless otherwise specified or the context otherwise requires, references to “euro” and “€” are to the currency introduced at the start of the third stage of the European economic and monetary union pursuant to the Treaty establishing the European Community, as amended from time to time. References to “Yen” and “¥” are to Japanese yen, references to “Sterling”, “Pounds” and “£” are to United Kingdom pounds sterling, references to “S\$” are to Singapore dollars, references to “Chinese Yuan”, “Renminbi” and “CNH” are to the currency of the People’s Republic of China, which for the purpose of this Offering Circular, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan (“PRC”), references to “Roubles” are to the currency of the Russian Federation, references to “Australian dollars” and “AUD” are to the currency of Australia, and references to “U.S. dollars”, “U.S.\$” and “\$” are to United States dollars.*

## **Documents Incorporated by Reference**

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

- (A) the audited consolidated financial statements of Mitsui & Co. for the year ended 31st March, 2014 (and the audit report thereon) included on pages 116 to 196 (inclusive) and on pages 199 and 200 of Mitsui & Co.'s Annual Securities Report in English for the year ended 31st March, 2014;
- (B) the audited consolidated financial statements of Mitsui & Co. for the year ended 31st March, 2015 (and the audit report thereon) included on pages 120 to 183 (inclusive) and on pages 186 and 187 of Mitsui & Co.'s Annual Securities Report in English for the year ended 31st March, 2015;
- (C) the audited financial statements of Mitsui Asia for the year ended 31st March, 2014, together with the relevant audit report relating thereto; and
- (D) each of the terms and conditions of the Notes as contained in the following:
  - (i) pages 15 to 41 (inclusive) of the offering circular relating to the Programme dated 31st October, 2002;
  - (ii) pages 14 to 40 (inclusive) of the offering circular relating to the Programme dated 26th October, 2004;
  - (iii) pages 24 to 51 (inclusive) of the offering circular relating to the Programme dated 26th October, 2005;
  - (iv) pages 24 to 50 (inclusive) of the offering circular relating to the Programme dated 20th October, 2006;
  - (v) pages 24 to 51 (inclusive) of the offering circular relating to the Programme dated 19th October, 2007;
  - (vi) pages 25 to 52 (inclusive) of the offering circular relating to the Programme dated 12th September, 2008;
  - (vii) pages 26 to 54 (inclusive) of the offering circular relating to the Programme dated 4th September, 2009;
  - (viii) pages 26 to 54 (inclusive) of the offering circular relating to the Programme dated 2nd September, 2010;
  - (ix) pages 26 to 56 (inclusive) of the offering circular relating to the Programme dated 1st September, 2011;
  - (x) pages 27 to 56 (inclusive) of the offering circular relating to the Programme dated 3rd September, 2012;
  - (xi) pages 26 to 53 (inclusive) of the offering circular relating to the Programme dated 3rd September, 2013; and
  - (xii) pages 27 to 54 (inclusive) of the offering circular relating to the Programme dated 3rd September, 2014,

respectively, each of which has been previously published or are published simultaneously with this Offering Circular and which have been approved by the Financial Conduct Authority or filed with it. Such documents shall be incorporated in, and form part of, this Offering Circular, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained herein modifies or supersedes such earlier statement

(whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular. Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular. Only the sections or pages of the documents referred to above shall be incorporated by reference in, and form part of, this Offering Circular. Any sections or pages which have been omitted therefrom are either not relevant for the investor or covered elsewhere in this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular may be obtained without charge from the registered office of Mitsui & Co. being, at the date hereof, 1-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8631, the offices of Citibank, N.A., London Branch, as Issuing and Principal Paying Agent being, at the date hereof, 13th Floor, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, and are available 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](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html)

## **Supplemental Listing Particulars**

Each of the Issuers (in respect of itself) and the Guarantor has given an undertaking with regard to itself to the Dealers that, if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Offering Circular, which is capable of affecting the assessment of any Notes, whose inclusion would reasonably be required by investors and their professional advisers, and would reasonably be expected by them to be found in this Offering Circular, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of any of the Issuers or the Guarantor, and the rights attaching to the Notes, the inclusion of which is required by Section 81 of the FSMA or by the UK Listing Authority, the relevant Issuer shall, or in the case of the Guarantor it shall direct the relevant Issuer to, prepare an amendment or supplement to this Offering Circular or publish a replacement Offering Circular for use in connection with any subsequent offering of the Notes as may be required by Section 81 of the FSMA and the UK Listing Authority, and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

## **General Overview of the Programme**

Under the Programme, an Issuer may from time to time issue Notes denominated in any currency (including euro) and having a maturity of one month to 30 years from the date of original issue, subject as set out herein. Notes issued by Mitsui Asia will be unconditionally and irrevocably guaranteed as to payment of principal, interest and any additional amounts by the Guarantor. An overview of the Programme appears in “Overview of the Programme”. The applicable terms of any Notes will be agreed between the relevant Issuer and the relevant Dealer(s) prior to the issue of the Notes and will be set out in the terms and conditions of the Notes which, as modified and supplemented by the relevant Final Terms with respect of a Tranche, will be endorsed on such Notes.

This Offering Circular and any supplement will only be valid for listing Notes on the Official List and admitting them to trading on the Market in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed U.S.\$5,000,000,000 or its equivalent in other currencies, subject to increases as provided in the Dealer Agreement (as defined in “Subscription and Sale”). For the purpose of calculating the U.S. dollar equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

- (A) the premium of Notes to be redeemed at a premium shall be added to their nominal amount;
- (B) the nominal amount of Notes issued at a discount as at any time shall equal their nominal amount or, if defined and provided for in the Conditions (as defined in “Terms and Conditions of the Notes”) of

such Notes, their Amortised Face Amount (as defined in “Terms and Conditions of the Notes”) as at such time; and

- (C) the U.S. dollar equivalent of the nominal amount of Notes denominated in a currency other than U.S. dollars shall be determined on the basis of the spot rate for the sale of the U.S. dollar against the purchase of the relevant currency in the London foreign exchange market quoted by any leading bank, selected by the relevant Issuer, at any time selected by the relevant Issuer during the five-day period ending on the date of agreement to issue such Notes.

### **Notes may not be a suitable investment for all investors**

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (A) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (B) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;
- (C) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor’s currency;
- (D) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (E) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to an investor’s overall portfolio. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact an investment in the Notes will have on the potential investor’s overall investment portfolio.

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## OVERVIEW OF THE PROGRAMME

The following overview is qualified in its entirety by the remainder of this Offering Circular.

Issuers:	Mitsui & Co., Ltd. Mitsui & Co. Financial Services (Asia) Ltd.
Guarantor:	Mitsui & Co., Ltd. (in the case of Notes issued by Mitsui Asia)
Guarantee and Status of the Guarantee:	<p>In respect of Notes issued by Mitsui Asia, the Guarantor will unconditionally and irrevocably guarantee payment of all sums payable by Mitsui Asia under Notes, Receipts and Coupons (as defined in “Terms and Conditions of the Notes”) issued by Mitsui Asia (the “Guarantee”). The Guarantee will be a direct, unconditional, unsubordinated and unsecured obligation of the Guarantor and will rank equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Guarantor, present and future (subject to certain statutory exceptions under Japanese law).</p> <p>Notes issued with the benefit of a Guarantee are referred to herein as “Guaranteed Notes”.</p>
Description:	Euro Medium Term Note Programme.
Programme Size:	Up to U.S.\$5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Arrangers:	Nomura International plc Nomura Singapore Limited
Dealers:	<p>Citigroup Global Markets Limited Daiwa Capital Markets Europe Limited Goldman Sachs International The Hongkong and Shanghai Banking Corporation Limited J.P. Morgan Securities plc Merrill Lynch International Mitsubishi UFJ Securities International plc Mizuho International plc Morgan Stanley &amp; Co. International plc Nomura International plc Nomura Singapore Limited SMBC Nikko Capital Markets Limited</p> <p>The Issuers may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more tranches (each a “Tranche”) or in respect of the whole Programme. References in this Offering Circular to “Permanent Dealers” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “Dealers” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p>



Issuing and Principal Paying Agent:	Citibank, N.A., London Branch
Registrar:	Citigroup Global Markets Deutschland AG
Fiscal Agent and Transfer Agent:	Citibank, N.A., London Branch
Method of Issue:	<p>The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “Series”) having one or more issue dates and on terms otherwise identical with the other Notes in the Series (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in Tranches on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the final terms to this Offering Circular (the “Final Terms”).</p>
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Form of Notes:	<p>The Notes shall be issued in bearer form or in registered form.</p> <p>Each Tranche of Notes in bearer form will initially be represented on issue by a temporary Global Note or a permanent Global Note. Each (i) temporary Global Note will be exchangeable in whole or in part for interests in a permanent Global Note or, if so provided in the relevant Final Terms and subject to such notice period as specified in the relevant Final Terms, for Definitive Notes and (ii) permanent Global Note will be exchangeable in whole or in part for Definitive Notes. In the case of a temporary Global Note, such exchange shall be made on or after the Note Exchange Date and upon certification of non-U.S. beneficial ownership as required by the U.S. Treasury Regulations and U.S. securities law matters (if applicable).</p> <p>Each Tranche of Notes in registered form will initially be represented on issue by a Global Certificate registered in the name of a nominee for one or more clearing systems. Each Global Certificate will be exchangeable for Definitive Certificates in the limited circumstances specified in such Global Certificate. Definitive Certificates and Global Certificates are collectively referred to as “Certificates”.</p>
Clearing Systems:	<p>Euroclear, Clearstream, Luxembourg and, in relation to any Tranche, such other clearing system as may be agreed between the relevant Issuer, the Issuing and Principal Paying Agent and the relevant Dealer(s).</p> <p><i>Note: Persons seeking to hold a beneficial interest in CNH denominated Notes through the Central Moneymarkets Unit Service (the “CMU”) operated by the Hong Kong Monetary Authority are advised to contact a relevant CMU member to</i></p>

*establish eligibility.*

**Initial Delivery of Notes:**

On or before the Settlement Date for each Tranche, the Global Note or Global Certificate representing the Notes may be deposited with (and in the case of a Global Certificate, registered in the name of a nominee for) a Common Depositary for Euroclear and Clearstream, Luxembourg. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the relevant Issuer, the Issuing and Principal Paying Agent and the relevant Dealer(s).

**Currencies:**

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the relevant Issuer, the Guarantor (in the case of Notes issued by Mitsui Asia) and the relevant Dealer(s).

**Maturities:**

Subject to compliance with all relevant laws, regulations and directives, any maturity between one month and 30 years as may be agreed between the relevant Issuer, the Guarantor (in the case of Notes issued by Mitsui Asia) and the relevant Dealer(s) and as set out in the relevant Final Terms.

At the date of this Offering Circular, it is intended that the maximum maturity of any Notes to be issued by Mitsui Asia will be 10 years.

**Denomination:**

Definitive Notes will be in such denominations as may be specified in the relevant Final Terms, save that (i) Notes will have a minimum denomination of €1,000 (or its equivalent in other currencies), (ii) unless otherwise permitted by then current laws, regulations and directives (a) Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in any other currency), and (b) Notes denominated in Singapore dollars will have a minimum denomination of S\$250,000 and (iii) Notes which are offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a prospectus under the Prospectus Directive shall be at least €100,000 (or its equivalent in any other currency as at the date of issue of the Notes).

**Fixed Rate Notes:**

Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

**Floating Rate Notes:**

Floating Rate Notes will bear interest determined separately for each Series 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 the 2006 ISDA Definitions, as published by the International Swaps and

	Derivatives Association, Inc. or by reference to the benchmark reference rate specified in Condition 4 and the relevant Final Terms, as adjusted for any applicable margin.
	Interest periods will be specified in the relevant Final Terms.
Zero Coupon Notes:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest, other than in the case of late payment as provided in Condition 4(c).
Interest Periods and Interest Rates:	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. All such information will be set out in the relevant Final Terms.
Redemption:	The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in any other currency, and no part of such Note may be transferred unless the redemption value of that part is not less than £100,000 or such equivalent amount).
Optional Redemption:	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
Redemption by Instalments:	The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed*.
Status of Notes:	The Notes will constitute direct, unconditional, unsubordinated and (subject to the Negative Pledge - see below) unsecured obligations of the relevant Issuer, all as described in “Terms and Conditions of the Notes - [Guarantee and] Status of Notes”.
Negative Pledge:	See “Terms and Conditions of the Notes - Negative Pledge”.
Cross Default:	See “Terms and Conditions of the Notes - Events of Default”.
Early Redemption:	Except as provided in “Optional Redemption” above, Notes will be redeemable at the option of the relevant Issuer prior to maturity only for tax reasons. See “Terms and Conditions of the Notes - Redemption, Purchase and Options”.
Withholding Tax:	Interest payments on the Notes issued by Mitsui & Co. generally will be subject to Japanese withholding tax unless the

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\* Currently, Mitsui & Co. may not issue Instalment Notes.

holder of such Notes is neither an individual resident of Japan nor a Japanese corporation for Japanese tax purposes, nor a non-resident of Japan or a non-Japanese corporation being a specially related person of Mitsui & Co. as Issuer, as prescribed in Article 6, Paragraph 4 of the Special Taxation Measures Law. However, interest on Notes issued by Mitsui & Co. of which the amount of interest is to be calculated by reference to certain indexes (as prescribed in the Cabinet Order relating to Article 6, Paragraph 4 of the Special Taxation Measures Law) relating to Mitsui & Co. or a specially-related person of Mitsui & Co. will be subject to the withholding tax even if paid to an individual non-resident of Japan or a non-Japanese corporation that is not a specially-related person of Mitsui & Co., subject to Condition 7(a). See “Terms and Conditions of the Notes - Taxation”. All payments of principal and interest in respect of the Notes will be made without withholding or deduction for any taxes or duties of whatever nature imposed by Japan (in the case of Mitsui & Co.) and Singapore (in the case of Mitsui Asia), as the case may be, and, by Japan, in respect of the Guarantee, in the case of Mitsui Asia, and if payments under the Guarantee were required to be made, subject to the exceptions described in “Terms and Conditions of the Notes - Taxation”, unless such withholding or deduction is required by law whereupon, subject to the exceptions (including the ICMA Standard EU Exceptions), all as described in “Terms and Conditions of the Notes - Taxation”, the relevant Issuer will pay such additional amounts as will result in the receipt by the payee of such amounts as would have been received by it had not such withholding or deduction been required.

Payments of interest, discount income, “prepayment fee”, “redemption premium” or “break cost” (as such terms are defined in the Income Tax Act, Chapter 134 of Singapore (the “Income Tax Act”)) on Notes issued by Mitsui Asia may be made free of Singapore taxes if such Notes constitute “qualifying debt securities” within the meaning of Section 13(16) of the Income Tax Act in the circumstances and subject to the conditions described herein. See “Taxation - Singapore Taxation”.

Governing Law:

English.

Listing:

Application has been made to list Notes issued under the Programme on the Official List and to admit such Notes to trading on the Market, or as otherwise specified in the relevant Final Terms. Notes which will be neither listed nor admitted to trading on any market may also be issued.

Ratings

Tranches of Notes may be rated or unrated. Where a Tranche of Notes is rated, the ratings will be specified in the Final Terms. Such rating will not necessarily be the same as ratings assigned to the Programme. The Programme is rated AA- by Rating and Investment Information, Inc., is rated A2 by Moody’s Japan

K.K. and is rated A+ by Standard & Poor's Ratings Japan K.K. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Selling Restrictions:**

United States, European Economic Area (including the United Kingdom), Singapore, Japan, Hong Kong, the PRC, Australia, South Africa and Russia as provided in "Subscription and Sale".

Regulation S under the Securities Act.

Notes in bearer form are subject to U.S. tax law requirements ("TEFRA") 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 applicable U.S. Treasury Regulations.

Notes in bearer form will be issued in compliance with U.S. Treasury Regulation ("U.S. Treas. Reg.") §1.163-5(c)(2)(i)(D) (the "D Rules") unless (i) the relevant Final Terms states that the Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the "C Rules") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations", within the meaning of Section 163(f)(2)(A) of the Internal Revenue Code, which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

In connection with the offering and sale of a particular Tranche of Notes, additional or alternative restrictions may be imposed which will be set out in the applicable Final Terms.

## RISK FACTORS

*The Issuers and the Guarantor believe that the following factors may affect their ability to fulfil their obligations under the Notes issued under the Programme and the Guarantee, respectively. All of these factors are contingencies which may or may not occur and neither the Issuers nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring.*

*Factors which the Issuers and the Guarantor believe may be material for the purpose of assessing the market risks associated with the Notes issued under the Programme and the Guarantee are also described below.*

*The Issuers and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme. However, the Issuers may be unable to pay interest, principal or other amounts on or in connection with any Notes and the Guarantor may be unable to fulfil its obligations under the Guarantee for other reasons and the Issuers and the Guarantor do not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Offering Circular (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

### **Risks Related to Mitsui's Business**

***Declines in volume of trade and the flow of goods and materials resulting from worldwide or specific region's economic downturns may adversely affect Mitsui's business, operating results and financial condition.***

Mitsui's global business activities are affected by economic conditions both globally and regionally. Among other locations, Mitsui is particularly vulnerable to downward economic trends in Europe, Japan, China, the United States and emerging countries. An economic downturn may cause a reduction in the flow of goods and materials, a decline in consumer spending and capital investment, and subsequently a decline in demand from Mitsui's customers for Mitsui's products and services, which may have an adverse impact on Mitsui's business, operating results and financial condition.

***Fluctuations in commodity prices, especially crude oil, iron ore, coal and copper, may adversely affect Mitsui's business, operating results and financial condition.***

Mitsui is engaged in trades in and, as the case may be, production of a variety of commodities in the global commodities market including mineral resources and energy products. Among others, operating results from Mitsui's mineral resources and energy producing activities account for a significant portion of Mitsui's overall operating results. These commodity markets can be volatile in a short period or seasonally fluctuate by various factors such as imbalance of supply and demand, economic fluctuation, inventory adjustment, and exchange rate fluctuations. These factors are beyond Mitsui's control. Unexpected market fluctuations may adversely affect Mitsui's business, operating results and financial condition, as follows.

- At businesses such as mineral resources and/or energy development projects, in which large amounts of investment have been made, it may occur that the invested amount is not recoverable through sales of the produced products due to a fall in price or Mitsui may have difficulty in divesting Mitsui's proprietary equity at a reasonable price.
- A decline in the value of Mitsui's investments in LNG projects which are designated as at fair value through other comprehensive income ("FVTOCI"), could adversely affect Mitsui's operating results and financial condition due to the decline of other comprehensive income.
- In trading of commodities or derivative instruments losses may occur as a result of unexpected fluctuations.

- Fluctuations in a commodity market may cause a reduction of trading transactions in which Mitsui acts as a principal or an agent.

***Exchange rate fluctuations may adversely affect Mitsui's operating results.***

Mitsui is exposed to the risk of exchange rate fluctuations and exchange rate fluctuations may have an adverse effect on Mitsui's operating results. Although Mitsui's reporting currency is the Japanese yen, a significant portion of Mitsui's business operations, consolidated revenues and operating expenses is denominated in currencies other than the Japanese yen. As a result, appreciation or depreciation in the value of other currencies as compared to the Japanese yen could result in material transactional gains or losses. As most revenues, costs of revenues, and selling, general and administrative expenses incurred from regular business activities at overseas subsidiaries and associated companies are quoted in the U.S. dollar, the Australian dollar, the Brazilian real, or other currencies, Mitsui's profit for the year may be affected by the fluctuations of these currencies and Mitsui is exposed to translation risk in Mitsui's assets and liabilities denominated in foreign currencies. In addition, exchange rate fluctuations may reduce the value of investments in overseas subsidiaries and associated companies as well as in FVTOCI, and adversely affect Mitsui's accumulated other comprehensive income.

***Mitsui is subject to substantial amount of counterparty credit risks from diversified clients with which Mitsui has business transactions or financial dealings and/or credit risks from various projects.***

Mitsui is exposed to large-scale counterparty credit risks, including the following:

- While many of Mitsui's customers purchase products and services from Mitsui on credit, Mitsui may also provide financing programs or debt guarantees for customers associated with sales contracts. At 31st March, 2015, Mitsui's current trade receivables (less allowance for doubtful receivables—current) were ¥1,949.8 billion, representing 16.0 per cent. of Mitsui's total assets. The balance of the allowance for doubtful receivables—current for the year ended 31st March, 2015 was ¥17.0 billion.
- Mitsui engages in significant project financing activities as a lender or guarantor whereby Mitsui assumes repayment risk.
- Mitsui has counterparty payment risk from various derivative transactions Mitsui enters into as part of Mitsui's hedging activities.

It is not possible for Mitsui's credit risk management policy to eliminate risks completely relating to the deterioration of the financial positions of Mitsui's counterparties. Furthermore, factors such as insolvencies among Mitsui's customers caused by liquidity crises, sudden falls in real estate market or stock market prices, or increases in company bankruptcies may make it difficult for Mitsui to collect receivables.

***Changes in interest rates could have an adverse effect on Mitsui's operating results.***

Mitsui is exposed to risks associated with interest rate fluctuations, which may affect Mitsui's overall operational costs and the value of Mitsui's financial assets and liabilities, particularly Mitsui's debt obligations from the capital markets and borrowings from financial institutions, including ¥290.6 billion short-term debt and ¥4,503.3 billion long-term debt as of 31st March, 2015. An increase in interest rates, especially in Japan and the United States, may adversely affect Mitsui's operating results.

***If the value of assets for Mitsui's own use and/or rental to third parties, such as equipment and fixtures, land and buildings declines, Mitsui may record impairment losses.***

Assets for Mitsui's own use and/or rental to third parties, such as equipment and fixtures, land and buildings are exposed to potential significant impairment losses due to the decline in the value of these assets. The total of the carrying amounts of property, plant and equipment, investment property and intangible assets was ¥2,458.9 billion, as of 31st March, 2015. The carrying amounts of assets for Mitsui's own use and/or rental to third parties are affected by certain factors, which are beyond Mitsui's control such as changes in price, sales

volume, production volume and cost based on global or local supply and demand. When impairment losses on these assets occur, impairment losses may have an adverse effect on Mitsui's operating results and financial condition.

***Declines in the market value of domestic and foreign equity and/or debt securities may decrease the value of Mitsui's pension plan assets which in turn may increase defined benefit cost of Mitsui.***

Declines in the market value of domestic and foreign government bonds, other debt securities and marketable equity securities would reduce the value of Mitsui's pension plan assets. A decline in the value of Mitsui's pension plan assets or an increase in Mitsui's unfunded defined benefit obligation could adversely affect Mitsui's operating results and financial condition due to the decline of other comprehensive income and retained earnings.

***Mitsui's liquidity could be adversely affected by turmoil in financial markets, a downgrade in Mitsui's credit ratings, significant changes in the lending or investment policies of Mitsui's lenders or institutional investors.***

Turmoil in financial markets, a downgrade in Mitsui's credit ratings or significant changes in the lending or investment policies of Mitsui's lenders or institutional investors could result in constraints on Mitsui's fund procurement and an increase in funding costs, and could have an adverse effect on Mitsui's financial position and liquidity.

***Due to Mitsui's significant investments in marketable equity financial assets, a substantial decline in the stock market could negatively affect Mitsui's investment portfolio.***

A significant portion of Mitsui's investment portfolio consists of marketable equity financial assets. At 31st March, 2015, Mitsui's marketable equity financial assets recognised to designate as FVTOCI were carried at a fair value of ¥633.4 billion, representing 5.2 per cent. of Mitsui's total assets. While Mitsui periodically reviews its investment portfolio, a decline in the equity securities market could negatively impact the value of Mitsui's investment portfolio and operating results and financial condition due to the decline of other comprehensive income.

***Decrease in deferred tax assets due to changes in the assessment for recoverability of deferred tax assets may adversely affect Mitsui's operating results and financial condition.***

Mitsui determines the recoverability of deferred tax assets based on all currently available information, including tax deductibility of accounting losses, their timing as well as future taxable income at Mitsui. Deferred tax assets are recognised except for cases where such deferred tax assets are not recoverable, while the amount of recoverable net deferred tax assets may change if estimates of future taxable income are changed or if tax laws and regulations including statutory tax rates are revised.

A worsening of Mitsui's operating environment could negatively affect Mitsui's ability to achieve the goals set in Mitsui's business plan, and future taxable income may decrease compared to the amount anticipated in the current tax planning strategies. In such cases, decrease in deferred tax assets due to changes in assessment for recoverability of deferred tax assets may adversely affect Mitsui's operating results and financial condition.

***Some of Mitsui's operations are concentrated in a limited number of regions or countries, which could harm Mitsui's business, operating results and financial condition if activity levels in these regions or countries decline.***

Various types of businesses worldwide sometimes expose Mitsui to risks associated with regional political and economic instabilities, in addition to aspects of the global economic environment such as commodity market conditions, demand and supply for commodities, currency exchange rates and interest rates. Furthermore, some of Mitsui's business activities may be exposed to concentration risk in particular industries located in specific regions or countries. For example:



- In Brazil, Chile and Russia, Mitsui has significant interests in the exploration, development and production of mineral resources and energy.
- In Indonesia, Mitsui actively participates in infrastructure projects, including the operation of power plants, and maintains a nationwide motorcycle retail finance business.

As a result, declining levels of trading activities or asset volumes in specific sectors or in certain regions or countries, or unexpected political or economic instabilities could have a disproportionately negative effect on Mitsui's business, operating results and financial condition.

***Mitsui & Co. may not be able to successfully restructure or eliminate unprofitable or underperforming subsidiaries or associated companies in a timely manner.***

As of 31st March, 2015, Mitsui & Co. had 279 consolidated subsidiaries and 166 equity accounted investees. Mitsui & Co. has been continuously restructuring underperforming businesses of Mitsui & Co.'s consolidated subsidiaries and associated companies using a process Mitsui has introduced to assess their profitability. If Mitsui & Co. fails to successfully restructure or eliminate its underperforming subsidiaries and associated companies in a timely manner, or if these efforts fail to improve Mitsui's business operations as contemplated, Mitsui's business operations may become less efficient and Mitsui's operating results and financial condition may be adversely affected.

***Mitsui's alliances by forming joint ventures with third parties and strategic investments in third parties may not necessarily result in successful operations.***

Mitsui participates in various businesses directly or indirectly through joint ventures or by making strategic investments in other companies and business enterprises. The outcome of these joint ventures and strategic investments is unpredictable because:

- operational success is critically dependent on factors that are beyond Mitsui's control such as the financial condition and performance of the partner companies or the strategic investees; or
- with respect to certain associated companies, Mitsui may be unable to exercise adequate control over the management, operations and assets of the companies in which Mitsui invested or may be unable to make major decisions without the consent of other shareholders or participants due to lack of common business goals and strategic objectives with Mitsui's alliance partners.

Any occurrence of these events could have an adverse effect on Mitsui's operating results and financial condition.

***Mitsui's businesses in exploration, development and production of mineral resources and oil and gas may not develop in line with assumed costs and schedules, and are subject to the risks associated with estimating reserves and the operating performance of third party operators.***

Reflecting the rising prices of mineral resources and oil and gas as well as increased production in recent years, exploration, development and production of mineral resources and oil and gas are becoming more significant to Mitsui's operating results and financial condition. Mining and oil and gas projects involve risks, such as the following:

- development of projects may face schedule delays or cost overruns than originally planned, due to difficulties in technical conditions, procurement of materials, financial conditions and government regulations including environmental aspect;
- reserves are estimated based on available geological, technical, contractual and economic information, and thus actual development and production may significantly differ from originally estimated reserves; and

- exploration activities may not produce successful results and thus it is possible that reserve replacement cannot be achieved based on the assumed cost and time schedule.

Mitsui participates as a non-operator in many of these projects. Under these circumstances, Mitsui carefully considers the business potential and profitability of projects based on the information and data provided by operators, who substantially control operations of such projects, including decision-making in the course of development and production. In addition to the above-mentioned risks, an operator's failure in managing those projects may adversely affect Mitsui's operating results and financial condition.

***Intense competition from other Japanese general trading companies and others could have an adverse effect on Mitsui's operating results and financial condition.***

The products and services Mitsui provides are generally subject to competition. Other Japanese general trading companies as well as other competitors which engage in similar business activities in various fields may have stronger business associations and relationships with Mitsui's customers, suppliers and business partners in both domestic and global markets; or stronger global network and regional expertise, diversified global customer bases, greater financial engineering skills and market insights.

Unless Mitsui can successfully continue to meet the changing needs of Mitsui's customers by providing them with innovative and integrated services in a cost effective manner, Mitsui may lose its market share or relationships with its existing customers, and it may have an adverse effect on Mitsui's operating results and financial condition.

***Mitsui may lose opportunities for entry into new business areas because of the limitation of resources on business, particularly required human resources.***

In new businesses, Mitsui is investing human resources that are capable of planning and evaluating businesses, executing projects and managing and supervising workforce. However, in certain business areas, Mitsui may have a shortage of required human resources, which could cause a loss of opportunities to start new businesses, which in turn may adversely affect Mitsui's future business, operating results and financial condition.

***Restrictions under environmental laws and regulations may have a significant impact on Mitsui's business, operating results and financial condition.***

Various projects and business transactions worldwide Mitsui is involved in are subject to extensive environmental laws and regulations. In particular, the Mineral & Metal Resources Segment and Energy Segment may be adversely affected by present or future environmental regulations or enforcement in connection with Mitsui's exploration, development and production activities. For example, Mitsui is subject to complex sets of environmental regulations in Australia, Brazil, Chile, Russia, and the Middle East. These laws and regulations may require Mitsui to perform site clean-ups; require Mitsui to curtail or cease certain operations; impose fines and payments for significant environmental damage; require Mitsui to install costly pollution control equipment; and require Mitsui to modify its operations. Newly enacted environmental laws and regulations or changes therein and protests by environmental groups may materially impact the progress of these projects.

Once an environmental accident occurs, as the owner of mineral resource and energy interests, regardless of the degree of Mitsui's contribution to such accidents or acts of negligence, Mitsui may be imposed to bear fines or payments for compensation from environmental authorities or other concerned parties, even in situations where Mitsui has no involvement at all in actual operations as a non-operator. These fines and/or compensation payments may include clean-up costs, compensation for environmental damages, compensation for health hazard and/or property damage to those affected by the accident, compensation for absence from work and/or for loss of earnings.

As a result of an oil spill incident at an exploration project in the Gulf of Mexico for which BP Exploration & Production Inc. (“BP”) was the operator, civil lawsuits including those seeking recovery for alleged economic loss, property damages, the costs of and caused by the clean up and personal injuries as well as those seeking penalties were brought against Mitsui & Co.’s subsidiaries. Among the plaintiffs were private parties, the United States government, and state and local governmental entities.

In connection with this incident, Mitsui & Co.’s subsidiaries entered into a settlement with BP and its parent companies (the “BP Settlement”), under which Mitsui & Co. and its subsidiaries are to be fully indemnified by BP and its parent companies as to all claims arising from the incident except for punitive damages, but solely to the extent arising from the conduct of Mitsui & Co.’s subsidiaries, and fines, penalties and sanctions. However, there is a risk that the indemnity payments required by the BP Settlement may not be made.

The civil penalty claims filed by the United States and rights asserted by some of the Gulf Coast state governments to claim for civil penalties were resolved by an agreement reached between Mitsui & Co.’s subsidiaries and the United States (the “DOJ Settlement”).

Except for the punitive damage claims of individuals in connection with the personal injury claims, all asserted claims that are not covered by the BP Settlement or the DOJ Settlement have been dismissed by court orders. However, many of these court orders are not final and can be appealed.

Mitsui & Co. and its United States subsidiary, Mitsui & Co. (U.S.A.), Inc. are shareholders of Coronet Industries Inc. (“Coronet”), a former manufacturer of animal feed supplements, each with 18 per cent. and 12 per cent. share interest, respectively. Coronet has been working with the U.S. Environmental Protection Agency and the State of Florida in an investigation on environmental conditions related to its prior operations at its facility in the state of Florida. Currently deliberations continue with the environmental authorities in relation to appropriate environmental measures and concrete clean-up methods, as well as their implementation.

***Mitsui is subject to extensive laws and regulations in Japan and other countries throughout the world as well as various concession contracts. Changes in these laws and regulations or unilateral change of contractual terms by a government could adversely affect Mitsui’s business, operating results and financial condition.***

Mitsui’s business operations are subject to extensive laws and regulations in Japan and other countries throughout the world. Mitsui’s operations are subject to laws and regulations governing, among other things, commodities, consumer protection, business and investment approvals, environmental protection, currency exchange control, import and export (including restrictions from the viewpoint of national and international security), taxation, and antitrust. For instance, many of Mitsui’s infrastructure projects in developing countries are subject to less developed legal systems. As a result, Mitsui’s costs may increase due to factors such as the lack of a comprehensive set of laws and regulations, an unpredictable judicial system based on inconsistent application and interpretation of laws and regulations, and changing practices of regulatory and administrative bodies. For example, Mitsui is subject to sudden and unpredictable changes to: tariffs for products and services that Mitsui provides; technical specifications with respect to environmental regulations; income tax and duty rates; and foreign currency exchange controls with respect to repatriation of investments and dividends.

Furthermore, while Mitsui is involved in the exploration, development and production activities through various contractual arrangements for concessions, the contracts may not be honoured or extended when they expire. Moreover, the regulatory bodies of these areas may unilaterally intervene or even alter the contractual terms of Mitsui’s oil and gas as well as mineral resource producing operations involving production rates, pricing formulas, royalties, environmental protection cost, land tenure or otherwise. If these regulatory bodies unilaterally alter such contractual terms, or if the cost of complying with revised or newly established laws

and regulations increases, Mitsui's business, operating results and financial condition could be adversely affected. In order to comply with laws and regulations, Mitsui may bear considerable additional costs.

***Employee misconduct could adversely affect Mitsui's operating results and reputation.***

Due to Mitsui's size, as well as the operational and geographic breadth of Mitsui's activities, Mitsui's day-to-day operations are necessarily de-centralised. As a result, Mitsui cannot fully ensure that Mitsui's employees comply with all applicable laws and regulations as well as Mitsui's internal policies. For example, Mitsui's employees may engage in unauthorised trading activities and exceed the allotted market risk exposure for various commodities or extend an unauthorised amount of credit to a client, which, in either case, may result in unknown losses or unmanageable risks. Moreover, Mitsui's employees could engage in various unauthorised activities prohibited under the laws of Japan or other jurisdictions to which Mitsui is subject, including export regulations, anticorruption laws, antitrust laws and tax regulations. The efforts Mitsui undertakes to ensure employees' compliance with applicable laws and regulations as well as Mitsui's internal policies may not succeed in preventing misconduct by Mitsui's employees. Depending on its nature, employees' misconduct could have negative effects on Mitsui's operating results and reputation.

***Failure to maintain adequate internal control over financial reporting could negatively affect Mitsui's reputation.***

Mitsui is engaged in business activities in a variety of products and services worldwide and thus its internal control over financial reporting needs to be established for numerous transaction patterns. Mitsui may be unable to maintain adequate internal control over financial reporting, and thus not be able to assert that its internal control over financial reporting is effective. This could adversely affect the capital market's perception of Mitsui and may cause negative market reactions.

***Climate change and natural disaster may adversely affect Mitsui's operating results.***

Among extreme weather conditions which have been increasing recently due to climate change, intense storms, especially hurricanes and cyclones, which are strong tropical depressions in the Atlantic and South Pacific oceans, respectively, may have an adverse impact on production and shipments of Mitsui's mineral resources, oil and gas, and salt production operations, leading to increased costs and/or decreased revenues. In the case that production sites, production facilities, and infrastructure used for shipments such as roads, railways and ports are seriously damaged by extreme weather conditions, operations and shipments could stop for indeterminate periods until restoration work is completed. Extreme weather conditions such as drought could also adversely affect foods and raw material producing activities in which Mitsui has investments.

Initiatives to reduce greenhouse gases, which are said to be the root cause of climate change and global warming, are undertaken globally, such as the Kyoto Protocol, which came into effect for that objective. Introduction of government-imposed greenhouse gas emission restrictions including environmental tax, and cap and trade schemes of emission credit could adversely affect the operating results of Mitsui's businesses that use fossil fuel and emit a large amount of greenhouse gasses, such as overseas power producing businesses where Mitsui has minority share holdings.

Furthermore, natural disaster, such as earthquake, heavy rain or flood, that affects Mitsui's employees and damages Mitsui's offices or facilities, may adversely hinder Mitsui's business. Mitsui has implemented measures such as developing a disaster contingency manual, creating a Business Continuity Plan, introducing a safety confirmation system for employees, reinforcing earthquake resistance, and conducting emergency drills. However, despite these measures, there is no assurance that damage from disasters can be completely avoided.

***Information security incidents caused by unexpected information system malfunctions or unauthorised access or attacks from internal or external sources may adversely affect Mitsui's business, operating results and financial condition.***

Mitsui is working to strengthen the security of information systems used by Mitsui and to thwart external attacks through various measures, including the development of related regulations and response systems, and monitoring of Mitsui's IT networks. However, Mitsui cannot totally eliminate the possibility that unforeseeable information system malfunctions or security issues could cause serious problems in Mitsui's IT system infrastructure or communications networks, or that confidential business information could be destroyed or stolen. Such situations could seriously reduce Mitsui's operational efficiency or jeopardise its ability to maintain or expand Mitsui's business activities, with negative consequences, which may have an adverse impact on Mitsui's business, operating results and financial condition.

## **Risks Related to the Notes**

### ***Notes subject to optional redemption by the Issuers***

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuers may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuers may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

### ***Fixed/Floating Rate Notes***

Fixed/Floating Rate Notes may bear interest at a rate that the Issuers may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuers' ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuers may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuers convert from a fixed rate to a floating rate, 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 Issuers convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

### ***Notes issued at a substantial discount or premium***

The market value of securities issued at a substantial discount or premium to their nominal 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.

### ***Modification and waivers and substitution***

The Conditions and the Agency Agreement (as defined in the Conditions) 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.

### ***Integral multiples of less than the Specified Denomination***

In relation to any issue of Notes in bearer form which have a denomination consisting of the minimum Specified Denomination (as defined in the Conditions) of €100,000 plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of €100,000 (or its equivalent) that are not integral multiples of €100,000 (or its equivalent). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination

will not receive a Definitive Note in respect of such holding (should Definitive Notes be printed). If the Noteholder requires a Definitive Note for such holding, a Noteholder would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

#### ***EU Directive on the Taxation of Savings Income***

EC Council Directive 2003/48/EC on the Taxation of Savings Income (the “Savings Directive”, as amended) requires the Member States of the European Union (the “EU Member States”) to provide to the tax authorities of other EU Member States details of payments of interest (and other similar income) paid by a person established within its jurisdiction to (or secured by such a person for the benefit of) an individual resident or to (or secured for) certain other types of entity established in that other EU Member State, except that Austria will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period it elects otherwise. The Council of the European Union has adopted a Directive (the “Amending Savings Directive”) which would, when implemented, amend and broaden the scope of the requirements of the Savings Directive described above including by expanding the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities, and by expanding the circumstances in which payments must be reported or paid subject to withholding. For example, payments made to (or secured for) (i) an entity or legal arrangement effectively managed in an EU Member State that is not subject to effective taxation, or (ii) a person, entity or legal arrangement established or effectively managed outside of the EU (and outside any third country or territory that has adopted similar measures to the Savings Directive) which indirectly benefit an individual resident in an EU Member State, may fall within the scope of the Savings Directive, as amended. The Amending Savings Directive requires EU Member States to adopt national legislation necessary to comply with it by 1st January, 2016, which legislation must apply from 1st January, 2017.

The European Commission has published a proposal for a Council Directive repealing the Savings Directive from 1st January, 2016 (1st January, 2017 in the case of Austria) (in each case subject to transitional arrangements). The proposal also provides that, if it is adopted, EU Member States will not be required to implement the Amending Savings Directive.

If a payment were to be made or collected through an EU Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive, neither the relevant Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. Furthermore, if the Amending Savings Directive is implemented and takes effect in EU Member States, such withholding may occur in a wider range of circumstances than at present, as explained above.

The Issuers are required to maintain a Paying Agent with a specified office in an EU Member State that is not obliged to withhold or deduct tax pursuant to any law implementing the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000. However, investors should be aware that any custodians or intermediaries through which they hold their interest in the Notes may nonetheless be obliged to withhold or deduct tax pursuant to such laws unless the investor meets certain conditions, including providing any information that may be necessary to enable such persons to make payments free from withholding and in compliance with the Savings Directive as amended.

Investors who are in any doubt as to their position or would like to know more should consult their professional advisers.

### ***U.S. Foreign account tax compliance withholding***

Whilst the Notes are in global form and held within Euroclear and Clearstream, Luxembourg (together, the “ICSDs”), in all but the most remote circumstances, it is not expected that the foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act of 2010 (“FATCA”) will affect the amount of any payment received by the ICSDs. However, FATCA may affect payments on the Notes made to custodians or intermediary financial institutions in the subsequent payment chain leading to the ultimate investor of the Notes if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment on the Notes) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors in the Notes should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors in the Notes should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer’s obligations under the Notes are discharged once it has made payment to, or to the order of, the Common Depositary for the ICSDs (as bearer or registered holder of the Notes) and the relevant Issuer has therefore no responsibility for any amount thereafter transmitted through the hands of the ICSDs and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction which has entered into an intergovernmental agreement with the United States (an “IGA”) are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, neither the relevant Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. As a result, investors may receive less interest or principal than expected.

### ***The Proposed Financial Transaction Tax (“FTT”)***

On 14th February, 2013, the European Commission published a proposal (the “Commission’s Proposal”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “participating Member States”).

The Commission’s Proposal has a very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by participating Member States indicate an intention to implement the FTT by 1st January, 2016.

However, the proposed FTT remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

### ***Change of law***

The Conditions are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

### ***Delisting***

Where a particular issue of Notes has been listed, the relevant Issuer may where (A) the relevant Issuer or (in the case of issues of Notes by Mitsui Asia) the Guarantor, is unable to comply with the requirements for maintaining the listing of the relevant Notes or (B) if maintenance of such listing is agreed by the Arrangers or the relevant Dealer(s) or lead manager(s), as the case may be, to have become unduly onerous, the relevant Issuer and/or the Guarantor (as the case may be) may delist such Notes from the relevant stock exchange on which they are listed provided that the relevant Issuer uses all reasonable endeavours to obtain and maintain a listing of such Notes on some other major stock exchange or exchanges agreed between the relevant Issuer and/or the Guarantor and the Arrangers, relevant Dealer(s) or lead manager(s), as the case may be.

### ***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 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 Issuers will pay principal and interest on the Notes in the Specified Currency (as defined in the Conditions). 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.

### ***Interest rate risks***

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

### ***Certain currencies are not freely convertible; are subject to restrictions on transfer; and/or may be subject to other limitations.***

Notes may be issued in one or more Specified Currencies that are not freely convertible into other currencies, or are subject to restrictions on remittance and transfer. Notes may also be issued in one or more Specified Currencies that are limited in their availability, which in turn may affect the liquidity of Notes denominated in such Specified Currencies and the Issuers' ability to source such Specified Currencies to service the Notes. In



addition, unanticipated changes in government regulation can, and may, further impact the availability and convertibility of certain Specified Currencies, which will impact the suitability of such Notes as well as the Issuers' ability to source such Specified Currencies to service the Notes.

In particular, Renminbi is not freely convertible and is subject to certain conversion requirements. Subject to limited exceptions, the remittance of Renminbi into the PRC for settlement of capital account items is subject to restrictions, and foreign investors may only remit offshore Renminbi into the PRC for capital account purposes, such as shareholders' loan or capital contributions, upon obtaining prior regulatory approval. The Renminbi is also a developing market and the liquidity of the Renminbi market remains limited. There can be no assurances that further government regulation will not cause a contraction in such market. Renminbi products may suffer significant losses in liquidating the underlying investments if such investments do not have an active secondary market and their prices have large bid/offer spreads. Further, pursuant to the Conditions, payments in respect of Notes denominated in CNH are subject to restrictions, including a restriction that payment will be made solely by transfer to an account denominated in Renminbi.

Similarly, due to the lack of experience of the ICSDs with settling, clearing and trading debt instruments that are both denominated and settled in Roubles, there can be no guarantee that such clearing, settlement and trading procedures will progress smoothly or in a way which is comparable to procedures carried out with respect to instruments denominated in more conventionally settled currencies.

Although restrictions on the transfer and holding of Roubles offshore and their repatriation onshore have now been lifted for non-residents (save for some restrictions which apply to the regime of residents' accounts held outside of the Russian Federation), there is still no specific tested framework under Russian law for transferring or holding Roubles in offshore Rouble accounts. All payments of Roubles to, from, or between Rouble accounts located outside the Russian Federation will be made via onshore correspondent accounts within the Russian banking system. The Russian banking system is less developed than many of its Western counterparts and consequently there is a risk that payments of both principal and interest under relevant Notes, and proceeds from the sale of such Notes, will be subject to delays and disruptions which may not exist in more mature banking markets.

In order for Noteholders to remove Roubles received from payments of principal and interest on the relevant Notes and proceeds from the sale of such Notes from the ICSDs, they will need to hold a bank account denominated in Roubles. The administrative difficulties associated with (i) opening Rouble accounts outside the Russian Federation and (ii) non-resident Noteholders opening Rouble accounts onshore in the Russian Federation are significant.

As a result of the above, any unforeseen difficulties in dealing with Rouble payments and/or Rouble accounts may have an adverse effect on the liquidity, marketability or trading price of such Notes.

***Credit ratings may not reflect all risks.***

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. 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.

***Legal investment considerations may restrict certain investments.***

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 (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) 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.

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Conditions in respect of Notes which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A of the relevant Final Terms and save the paragraphs in italics, will be applicable to the Notes and, subject further to simplification by deletion of non-applicable provisions, will be endorsed upon, or attached to, Definitive Notes or Definitive Certificates, details of the relevant Series being shown on the relevant Notes and in Part A of the relevant Final Terms. References in the Conditions to “Notes” are to the Notes of one Series (as defined below) only, not to all Notes which may be issued under the Programme, and references to the “Issuer” are to the Issuer of such Notes.*

*References to Instalment Notes, Instalment Amounts and Receipts in these Terms and Conditions are currently only relevant to the Notes issued by Mitsui Asia.*

The Notes are issued pursuant to an amended and restated agency agreement dated 3rd September, 2013 (as amended or supplemented as at the Settlement Date, the “Agency Agreement”) among Mitsui & Co., Ltd. (“Mitsui & Co.”), Mitsui & Co. Financial Services (Asia) Ltd. (“Mitsui Asia” and together with Mitsui & Co., the “Issuers”), Mitsui & Co. as guarantor in relation to Notes issued by Mitsui Asia (the “Guarantor”), Citibank, N.A., London Branch, as issuing and principal paying agent (the “Issuing and Principal Paying Agent”) and as fiscal agent (the “Fiscal Agent”), Citigroup Global Markets Deutschland AG as registrar (the “Registrar”), and the transfer agents (the “Transfer Agent”), paying agents (the “Paying Agent” which expression shall include the Issuing and Principal Paying Agent) and other agents named in it, and with the benefit of deeds of covenant dated 3rd September, 2013 in relation to Mitsui & Co. and Mitsui Asia (as amended or supplemented as at the Settlement Date, the “Deeds of Covenant”). The initial Calculation Agent(s) (if any) is specified hereon. The Noteholders (as defined below), the holders of the interest coupons (the “Coupons”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “Talons”) (the “Couponholders”) and the holders of the instalment receipts (the “Receipts”) appertaining to the payment of principal by instalments of Notes in bearer form are deemed to have notice of all of the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement and the Deeds of Covenant are available for inspection at the specified offices of each of the Paying Agents, the Fiscal Agent, the Registrar and the Transfer Agents.

### 1. Form of Notes

#### (a) *Form, Denomination and Title*

The Notes are issued in bearer form (“Bearer Notes”) or in registered form (“Registered Notes”), in each case in the Specified Denomination(s) shown hereon.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Instalment Note or a combination of any of the foregoing, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes, in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes in bearer form are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates (“Certificates”) and, save as provided in Condition 1(b)(iii), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons relating to it shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be

kept by the Registrar in accordance with the provisions of the Agency Agreement (the “Register”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon, as the case may be, shall be deemed to be and may be treated as the absolute owner of such Note, Receipt, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Receipt, Coupon or Talon, as the case may be, shall be overdue and notwithstanding any notice of ownership, trust, theft or loss thereof (or of the Certificate representing it) or any writing thereon (or on the Certificate representing it) made by anyone and no person shall be liable for so treating the holder. In these Conditions, “Noteholder” means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), “holder” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

All capitalised terms which are not defined in these Conditions will have the meanings given to them in the Agency Agreement or relevant Final Terms.

**(b) *No Exchange of Notes and Transfers of Registered Notes***

- (i) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.
- (ii) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Registered Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Noteholders. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.
- (iii) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer’s or Noteholders’ option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Registered Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (iv) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 1(b)(ii) or (iii) shall be available for delivery within three business days of receipt of the form of

transfer or Exercise Notice (as defined in Condition 5(f)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 1(b)(iv), “business day” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

- (v) **Transfer Free of Charge:** Transfers of Registered Notes and issue of Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge to the Noteholder by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment by the Noteholder of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity by the Noteholder as the Registrar or the relevant Transfer Agent may require).
- (vi) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) 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, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 5(e), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date (as defined in Condition 6(b)).

## 2. [Guarantee and]<sup>(1)</sup> Status of Notes

### (a) *Status of Notes*

The Notes and the Receipts and Coupons constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3(a)) unsecured obligations of the Issuer and rank *pari passu* and rateably without any preference among themselves and (subject to any applicable statutory exceptions and without prejudice as aforesaid) rank equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

### (b) *[Guarantee*

The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Notes, Receipts and Coupons. Its obligations in that respect (the “Guarantee”) are contained in the Deed of Covenant. The Guarantee is a direct, unconditional, unsubordinated and unsecured obligation of the Guarantor and will rank equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Guarantor, present and future (subject to certain statutory exceptions under Japanese law).]<sup>(1)</sup>

## 3. Negative Pledge

### (a) *the Issuer*

[So long as any Note remains outstanding (as defined in the Agency Agreement), the Issuer will not create or permit to be outstanding any pledge, mortgage, charge or other security interest for the benefit of the holders of any of the Issuer’s Relevant Debt (as defined below) upon the whole or any

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<sup>(1)</sup> Text only applicable to Notes issued by Mitsui Asia

part of the property or assets, present or future, of the Issuer to secure payment of any sum payable in accordance with the terms and conditions of such Relevant Debt, except for any security interest to secure any payment under any guarantee of, or indemnity or other like obligation relating to, such Relevant Debt, without in any such case at the same time according or procuring to be accorded to the Notes, Receipts and Coupons either (i) the same security as is granted to or is outstanding in respect of such Relevant Debt, or (ii) such other security or guarantee, as shall in each case be approved by an Extraordinary Resolution of Noteholders (as defined in the Agency Agreement).

For the purposes of this Condition, “Relevant Debt” means an issue of bonds, debentures, notes or other similar securities of the Issuer with a stated maturity (if any) of more than one year from the creation thereof which are for the time being, or are intended to be, quoted, listed or ordinarily dealt in or traded on any stock exchange or over-the-counter market or other similar organised market for securities.]<sup>(1)</sup>

**(b) [the Guarantor]<sup>(2)</sup>**

So long as any of the Notes remains outstanding (as defined in the Agency Agreement), [the Guarantor]<sup>(1)</sup> [the Issuer]<sup>(2)</sup> will not create or permit to be outstanding any pledge, mortgage, charge or other security interest for the benefit of the holders of Securities (as defined below) upon the whole or any part of its property or assets, present or future, of [the Guarantor]<sup>(1)</sup> [the Issuer]<sup>(2)</sup> to secure payment of any sum due in respect of any Securities, without in any such case at the same time according to the Notes, Receipts and Coupons either the same security as is granted to or is outstanding in respect of such Securities or such other security as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

For the purposes of this Condition, “Securities” shall mean an issue of bonds, debentures, notes or other similar securities which:

- (i) either (A) are by their terms payable, or confer a right to receive any payment, in any currency other than Yen or (B) are denominated in Yen and more than 50 per cent. of the aggregate nominal amount thereof is initially distributed outside Japan by or with the authorisation of [the Guarantor]<sup>(1)</sup> [the Issuer]<sup>(2)</sup> or (as the case may be) the other entity being the principal debtor in respect thereof; and
- (ii) are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded on any stock exchange or listing authority or over-the-counter or other similar securities market outside Japan.

#### **4. Interest and Other Calculations**

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

Each Fixed Rate Note bears interest on its outstanding nominal amount (or if it is repayable in instalments, its nominal amount outstanding) from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest (as defined below), such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(f).

Interest will cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment of principal is improperly withheld or refused, in which event interest will

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<sup>(1)</sup> Text only applicable to Notes issued by Mitsui Asia

<sup>(2)</sup> Text only applicable to Notes issued by Mitsui & Co.

continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date (as defined in Condition 7(c)).

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

- (i) Each Floating Rate Note bears interest on its outstanding nominal amount (or if it is repayable in instalments, its nominal amount outstanding) from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 4(f). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls on the number of months or other period shown hereon as the Specified Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day (as defined below), then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period (as defined below) shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.

**(A) ISDA Determination for Floating Rate Notes**

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “ISDA Rate” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions (as defined below) and under which:

- (x) the Floating Rate Option is as specified hereon
- (y) the Designated Maturity is a period specified hereon and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity”, “Reset Date” and “Swap Transaction” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

- (x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (which shall be LIBOR, EURIBOR, TIBOR, Shibor, BBSW, MosPrime Rate, JIBAR, SOR, SIBOR or CNH HIBOR) which appears or appear, as the case may be, on the Relevant Screen Page (as defined below) as at 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR), or 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m. (in the case of CNH HIBOR) or as at such other Relevant Time specified hereon, on the Interest Determination Date (as defined below) in question as determined by the Calculation Agent. If five or more of 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 Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

- (y) if the Relevant Screen Page is not available or if, Condition 4(b)(iii)(B)(x)(1) applies and no such offered quotation appears on the Relevant Screen Page or if Condition 4(b)(iii)(B)(x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks (as defined below) or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks or, if the Reference Rate is CNH HIBOR, the principal Hong Kong office of each of the Reference Banks, or, if the Reference Rate is other than LIBOR, EURIBOR or CNH HIBOR, the principal office of each of the Reference Banks in the location specified hereon, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is CNH HIBOR, at approximately 11.00 a.m. (Hong Kong time) or, if the Reference Rate is other than LIBOR, EURIBOR or CNH HIBOR, as at the Relevant Time specified hereon, in each case, on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period (as defined below) shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (z) if Condition 4(b)(iii)(B)(y) applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the

Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is CNH HIBOR, at approximately 11.00 a.m. (Hong Kong time) or, if the Reference Rate is other than LIBOR, EURIBOR or CNH HIBOR, as at the Relevant Time specified hereon, in each case, on the relevant Interest Determination Date, deposits in the Specified Currency (as defined below) for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is CNH HIBOR, the Hong Kong inter-bank market or, if the Reference Rate is other than LIBOR, EURIBOR or CNH HIBOR, the location for the Reference Banks specified hereon, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent 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 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, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) or, if the Reference Rate is CNH HIBOR, at approximately 11.00 a.m. (Hong Kong time) or, if the Reference Rate is other than LIBOR, EURIBOR or CNH HIBOR, as at such other Relevant Time specified hereon, in each case, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market or, if the Reference Rate is CNH HIBOR, the Hong Kong inter-bank market or, if the Reference Rate is other than LIBOR, EURIBOR or CNH HIBOR, the location for the Reference Banks specified hereon, as the case may be, 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 or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

**(c) *Interest Rate on Zero Coupon Notes***

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 5(d)(ii)).

**(d) *Accrual of Interest***

Interest (if any) shall cease to accrue on each Note (or in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption unless, upon due presentation,



payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 4 to the Relevant Date.

**(e) *Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding***

- (i) If any Margin is specified hereon (either (x) generally or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above, by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be. If no Minimum Rate of Interest for any Interest Period is specified in the relevant Final Terms, then the Minimum Rate of Interest in respect of such Interest Period shall be deemed to be zero (0) and in no event shall the Rate of Interest for such period calculated in accordance with (b) above be less than zero.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of Japanese yen, which shall be rounded down to the nearest Japanese yen. For these purposes “unit” means the lowest amount of such currency which is available as legal tender in the country(ies) of such currency.

**(f) *Calculations***

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period and, in the case of Notes denominated in CNH, rounding the resulting figure to the nearest cent (half a cent being rounded upwards). Unless an Interest Amount (or a formula for its calculation) is specified in respect of such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

**(g) *Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts***

The Calculation Agent shall, as soon as practicable on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the amount of interest payable in respect of each Specified Denomination of the Notes for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each

Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount, to be notified to the Issuer, the Issuing and Principal Paying Agent, each of the other Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes which is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination, in accordance with Condition 13.

The Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 9, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of each Rate of Interest, Interest Amount, Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

**(h) Definitions**

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Business Day” means:

- (i) in the case of a Specified Currency other than euro and CNH, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency; and/or
- (ii) in the case of euro, a day on which the TARGET System (as defined below) is operating (a “TARGET Business Day”); and/or
- (iii) in the case of CNH, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for business in Hong Kong, and on which commercial banks in Hong Kong are open for business and settlement of CNH payments; and/or
- (iv) in the case of a Specified Currency and/or one or more Business Centres, as specified hereon, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres so specified.

“CNH” or “Renminbi” or “Chinese Yuan” means the lawful currency of the PRC.

“Day Count Fraction” means, in respect of the calculation of an amount on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or Interest Accrual Period, the “Calculation Period”):

- (i) if “Actual/Actual” or “Actual/Actual-(ISDA)” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that 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);

- (ii) if “Actual/365 (Fixed)” is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (iii) if “Actual/360” is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (iv) if “30/360”, “360/360” or “Bond Basis” is specified hereon, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

- (v) if “30E/360” or “Eurobond Basis” is specified hereon, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

- (vi) if “30E/360 (ISDA)” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

“Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M2” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D1” is the first calendar day, expressed as a number, of the Calculation 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

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation 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; and

- (vii) if “Actual/Actual-ICMA” is specified hereon,
- (a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
  - (b) if the Calculation Period is longer than one Determination Period, the sum of:
    - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
    - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“Determination Period” means the period from and including a Determination Date in any year to but excluding the next Determination Date.

“Interest Accrual Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date (as defined below) and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“Interest Amount” means:

- (i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes (other than Notes denominated in CNH), and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and
- (ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

“Interest Commencement Date” means the date of issue of the Notes (the “Settlement Date”) or such other date as may be specified hereon.

“Interest Determination Date” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or CNH other than where the Specified Currency is CNH and the Reference Rate is CNH HIBOR or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro or (iv) the day falling two Business Days in Hong Kong prior to the first day of such Interest Accrual Period if the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR.

“Interest Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“Interest Period Date” means each Interest Payment Date unless otherwise specified hereon.

“ISDA Definitions” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

“PRC” means the People’s Republic of China which for the purpose of these Conditions shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan.

“Rate of Interest” means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon.

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in the case of a determination of CNH HIBOR, the principal Hong Kong office of four major banks dealing in Chinese Yuan in the Hong Kong inter-bank market, and in the case of a determination of a Reference Rate other than LIBOR, EURIBOR or CNH HIBOR, four major banks in the location for the Reference Banks specified hereon, in each case selected by the Calculation Agent or as specified hereon.

“Reference Rate” means such rate specified as such hereon.

“Relevant Screen Page” means such page, section, caption, column or other part of a particular information service as may be specified hereon.

“Relevant Time” means such time as specified hereon.

“Specified Currency” means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

“TARGET System” means the Trans European Automated Real Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19th November, 2007 or any successor thereto.

**(i) Calculation Agent and Reference Banks**

The Issuer will procure that there shall at all times be one or more Calculation Agents if provision is made for them in the Conditions applicable to the Notes and for so long as any Notes are outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts or comply with any other requirements, the Issuer will appoint the London office of a leading bank engaged in the London interbank market to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

**5. Redemption, Purchase and Options**

**(a) Final Redemption**

Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Noteholders' option, as specified in the relevant Final Terms, each Note will be redeemed at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) on the Maturity Date specified on each Note.

**(b) Redemption for Taxation Reasons**

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or at any time (if this Note is not a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (together with interest accrued to the date fixed for redemption), if (i) the Issuer [or, if the payments under the Guarantee were required to be made, the Guarantor]<sup>(1)</sup> has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of the jurisdiction in which the Issuer is incorporated [or, as the case may be, Japan]<sup>(1)</sup> and/or in which the Issuer [or the Guarantor, as the case may be,]<sup>(1)</sup> is resident for tax purposes or maintains a permanent establishment (each, the “Relevant Jurisdiction”) or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Settlement Date or any other date specified in the Final Terms, and (ii) such obligation cannot be avoided by the Issuer [or the Guarantor, as the case may be,]<sup>(1)</sup> 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 the Guarantor, as the case may be,]<sup>(1)</sup> would be obliged to pay such additional amounts were a payment in respect of the Notes [or the Guarantee, as the case may be,]<sup>(1)</sup> then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Issuing and Principal Paying Agent a certificate signed by a duly authorised officer of the Issuer [or the Guarantor, as the case may be,]<sup>(1)</sup> 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 advisors of recognised standing to the effect that the Issuer [or the

Guarantor, as the case may be,]<sup>(1)</sup> has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

**(c) Purchase**

Notes may be purchased by or on behalf of the Issuer[, the Guarantor]<sup>(1)</sup> and any of [its<sup>(2)</sup>/their respective<sup>(1)</sup>] subsidiaries at any time (provided that, if Bearer Notes are to be cancelled in accordance with Condition 5(h), all unmatured Receipts and Coupons and unexchanged Talons (if any) appertaining thereto are attached or surrendered therewith) in the open market or otherwise at any price.

**(d) Early Redemption of Zero Coupon Notes**

- (i) The Early Redemption Amount payable in respect of any Note which does not bear interest prior to the Maturity Date, upon redemption of such Note pursuant to Condition 5(b) or upon it becoming due and payable as provided in Condition 9, shall be the amortised face amount (“Amortised Face Amount”) (calculated as provided below) of such Note unless otherwise specified hereon.
- (ii) Subject to the provisions of Condition 5(d)(iii) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Settlement Date) compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.
- (iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(b) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in Condition (5)(d)(ii) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 4(c).

**(e) Redemption at the Option of the Issuer**

If Issuer Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days’ irrevocable notice to the Noteholders within the period as specified in the applicable Final Terms, redeem all or, if so provided, some of the Notes in their nominal amount on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed specified hereon and no greater than the Maximum Redemption Amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 5(e).

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<sup>(1)</sup> Text only applicable to Notes issued by Mitsui Asia

<sup>(2)</sup> Text only applicable to Notes issued by Mitsui & Co.

In the case of a partial redemption, the notice to Noteholders shall also contain the serial numbers of the Bearer Notes to be redeemed, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange requirements or the requirements of any other relevant authority.

**(f) *Redemption at the Option of Noteholders***

If Investor Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, giving not less than 15 nor more than 30 days' notice, redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Registered Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (an "Exercise Notice") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

**(g) *Redemption by Instalments***

Unless previously redeemed, purchased and cancelled as provided in this Condition 5 or the relevant Instalment Date (being one of the dates so specified on the Notes) is extended pursuant to any Issuer's or Noteholders' option, as specified in the relevant Final Terms, each Note which provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment Date at the Instalment Amount specified on it, whereupon the outstanding nominal amount of such Note shall be reduced by the Instalment Amount for all purposes.

**(h) *Cancellation***

All Notes purchased by or on behalf of the Issuer[, the Guarantor]<sup>(1)</sup> or any of [its<sup>(2)</sup>/their respective<sup>(1)</sup>] subsidiaries may be surrendered for cancellation (in the case of Bearer Notes) by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Issuing and Principal Paying Agent and (in the case of Registered Notes) by surrendering the Certificate representing such Registered Note(s) to the Registrar and, in each case, if so surrendered, will, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer [and the Guarantor]<sup>(1)</sup> in respect of any such Notes shall be discharged.

## **6. Payment and Talons**

**(a) *Bearer Notes***

Payments of principal and interest in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Coupons (in the case of interest, save as specified in Condition 6(f)(vi)), Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note) or Notes (in the case of all other payments of principal and, in the case of interest, as

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<sup>(1)</sup> Text only applicable to Notes issued by Mitsui Asia

<sup>(2)</sup> Text only applicable to Notes issued by Mitsui & Co.



specified in Condition 6(f)(vi)), at the specified office of any Paying Agent outside the United States of America and its possessions, other than in the case of Notes denominated in CNH, by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by transfer to an account denominated in that currency with, a bank in the principal financial centre of that currency or in the case of euro, in a city in which banks have access to the TARGET System; provided that in the case of Japanese yen, the transfer will be to a non-resident Japanese yen account with a bank in Tokyo (in the case of payment to a non-resident of Japan), or, in the case of Notes denominated in CNH, by transfer to an account denominated in Renminbi with a bank in Hong Kong.

**(b) *Registered Notes***

- (i) Payments of principal (which for the purposes of this Condition 6(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in this Condition 6(b).
- (ii) Interest (which for the purposes of this Condition 6(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business (i) on the fifteenth day before the due date for payment thereof or (ii) in the case of Renminbi, on the fifth Business Day before the due date for payment thereof (as applicable, the “Record Date”).

Payments of principal and interest on each Registered Note shall be made (1) in the case of a currency other than Renminbi, in the relevant currency by cheque drawn on a bank and mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of principal or interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank; and (2) in the case of Renminbi, by transfer to the registered account of the Noteholder.

**(c) *Payments in the United States of America***

Notwithstanding the foregoing, payments in respect of any Bearer Notes denominated in U.S. dollars may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if and only if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States of America and its possessions with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in U.S. dollars in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

**(d) *Payments Subject to Laws***

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, 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 Internal Revenue Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Internal Revenue Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 7) any law implementing an intergovernmental approach thereto.

**(e) *Appointment of Agents***

The Issuing and Principal Paying Agent, the other Paying Agents, the Registrar, the Transfer Agents, the Fiscal Agent and the Calculation Agent initially appointed by the Issuers [and the Guarantor]<sup>(1)</sup> and their respective specified offices which are (save in the case of the Fiscal Agent) located outside the United States and its possessions are listed below. The Issuing and Principal Paying Agent, the other Paying Agents, the Registrar, the Transfer Agents, the Fiscal Agent and the Calculation Agent act solely as agents of the Issuers [and the Guarantor]<sup>(1)</sup> and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuers [and the Guarantor]<sup>(1)</sup> reserve the right at any time to vary or terminate the appointment of the Issuing and Principal Paying Agent or any other Paying Agent, the Registrar, any Transfer Agent or the Fiscal Agent and to appoint additional or other Paying Agents, Transfer Agents or Fiscal Agents, provided that the Issuers will at all times maintain (i) an Issuing and Principal Paying Agent, (ii) a Fiscal Agent, (iii) a Registrar in relation to Registered Notes, (iv) a Transfer Agent in relation to Registered Notes, (v) one or more Calculation Agent(s) where the Conditions so require, (vi) such other agent as may be required by any stock exchange on which the Notes may be listed and (vii) a Paying Agent with a specified office in a European Union Member State that will not be obliged to withhold or deduct tax pursuant to any law implementing European Union Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000. No Issuing and Principal Paying Agent, however, shall be located within the United States or its possessions. Moreover, except as set forth in the immediately succeeding sentence, no Paying Agent shall be located within the United States or its possessions.

The Issuer [and the Guarantor]<sup>(1)</sup> shall forthwith appoint a Paying Agent in New York City in respect of payments in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 6(c).

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 13.

**(f) *Unmatured Coupons and Receipts and unexchanged Talons***

- (i) Upon the due date for redemption of any Bearer Note comprising a Fixed Rate Note, such Note shall be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).
- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

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<sup>(1)</sup> Text only applicable to Notes issued by Mitsui Asia

- (iv) Upon the due date for redemption of any Bearer Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note which provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender, if appropriate) of the relevant Note or Certificate representing it, as the case may be. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

**(g) Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Principal Paying Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons which may have become void pursuant to Condition 8).

**(h) Non-Business Days**

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “business day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “Additional Financial Centres” hereon and:

- (i) in the case of a payment (in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency;
- (ii) in the case of a payment in euro, which is a TARGET Business Day; or
- (iii) in the case of a payment in Renminbi, on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

**(i) Payment of U.S. Dollar Equivalent**

Notwithstanding the provisions of Condition 6(a) and Condition 6(b) and all other provisions in the Conditions, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able, or it would be impracticable for it, to satisfy payments of principal or interest (in whole or in part) in respect of Notes when due in Renminbi in Hong Kong, the Issuer, on giving not less than five or more than 30 days’ irrevocable notice to the Noteholders prior to the due date for payment, 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 denominated amount.

In such event, payments of the U.S. Dollar Equivalent of the relevant principal or interest in respect of the Notes shall be made by a U.S. dollar denominated cheque drawn on a bank in New York City or by transfer to a U.S. dollar bank account in New York City specified by the Noteholder.

The Issuing and Principal Paying Agent will notify the Issuer of the calculation of the U.S. Dollar Equivalent as soon as reasonably practicable following the calculation thereof by the Issuing and Principal Paying Agent.

In the event of a payment pursuant to this Condition 6(i), the following modification shall be made in respect of the Conditions:

The definition of “Business Day” in Condition 4(h) shall mean a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets are open for business in the relevant place of presentation and on which foreign exchange transactions may be carried out in U.S. dollars in New York City.

Under this Condition 6(i), in place of payment by transfer to an account maintained by the Noteholder in Renminbi with a bank in Hong Kong under Condition 6(a) and Condition 6(b), payment shall be made by transfer to a U.S. dollar account maintained by the Noteholder.

For the purposes of this Condition 6(i):

“CNH Dealer” means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong;

“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;

“Illiquidity” means the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest and principal (in whole or in part) in respect of the Notes, as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two CNH Dealers;

“Inconvertibility” means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes in the general Renminbi exchange market in Hong Kong, other than where such impossibility 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 Settlement Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

“Non-transferability” means the occurrence of any event that makes it impossible for the Issuer to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong, other than where such impossibility 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 Settlement Date and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation);

“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 in 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 Conditions;

“Spot Rate” means the spot Renminbi/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Rate Calculation Business Days, as determined by the Issuing and Principal Paying Agent in good faith and in a commercially reasonable manner at or around 11:00 a.m. (Hong Kong time) on the date of determination, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, 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 Issuing and Principal Paying Agent in good faith and in a commercially reasonable manner will determine the Spot Rate at or around 11:00 a.m. (Hong Kong time) on the date of determination as the most recently available Renminbi/U.S. dollar official fixing rate for settlement in two Rate Calculation Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=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; and

“U.S. Dollar Equivalent” means the Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Rate Calculation Date.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(i) by the Issuing and Principal Paying Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agents and all Noteholders.

## **7. Taxation**

- (a) [All payments of principal and interest in respect of the Notes and Coupons held by a Japanese non-resident or a designated financial institution will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Japan, or any authority thereof or therein having power to tax (the “Taxes”) if the Noteholder establishes that the Note is held by or for the account of a Japanese non-resident (not being a specially-related person of the Issuer) or a designated financial institution in compliance with requirements under Japanese tax laws. If such withholding or deduction in respect of the Notes held by such Japanese non-resident or designated financial institution is required by law, the Issuer shall pay such additional amounts (“Additional Amounts”) as will result in the receipt by the holders of such amounts as would have been received by them had no such deduction or withholding been required, except that no Additional Amounts shall be payable with respect to any payment in respect of any Note or Coupon:
  - (i) to, or to a third party on behalf of, a holder(s) (x) who is for Japanese tax purposes treated as an individual resident of Japan or a Japanese corporation (other than a designated financial institution which does not fall under item (y) below) or a Japanese non-resident being specially-related person of the Issuer, (y) who fails to comply with the Japanese tax law requirements in respect of the exemption from such withholding or deduction or (z) who is otherwise subject to such Taxes by reason of its having some connection with Japan other than the mere holding of such Note or Coupon;
  - (ii) presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such Additional Amounts on presenting the same for payment on such thirtieth day;
  - (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive

implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or

- (iv) (except in the case of Registered Notes) presented for payment by or on behalf of a Noteholder or a Couponholder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union.

However, interest on Notes issued by the Issuer of which the amount of interest is to be calculated by reference to certain indexes (as prescribed in the Cabinet Order relating to Article 6, paragraph 4 of the Special Taxation Measures Law) relating to the Issuer or a specially-related person of the Issuer will be subject to the withholding tax even if paid to a Japanese non-resident that is not a specially-related person of the Issuer.

For the purpose of this Condition 7(a), unless the context otherwise requires, the following defined terms shall have the meaning set out below:

“Japanese non-resident” means a person that is not an individual resident of Japan or a Japanese corporation for Japanese tax purposes;

“designated financial institution” means a Japanese financial institution or a Japanese financial instruments business operator designated by the Cabinet Order pursuant to Article 6, paragraph 9 of the Special Taxation Measures Law;

“specially-related person of the Issuer” means a person having a special relationship with the Issuer as prescribed in Article 6, paragraph 4 of the Special Taxation Measures Law; and

“the Special Taxation Measures Law” means the Special Taxation Measures Law of Japan (Law No. 26 of 1957, as amended).]<sup>(1)</sup>

- (b) [All payments of principal and interest in respect of the Notes, the Receipts, the Coupons and the Guarantee by the Issuer or, as the case may be, the Guarantor will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Singapore or Japan or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In such event (subject to the paragraph below), the Issuer or, as the case may be, the Guarantor will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and the Couponholders, after such withholding or deduction, shall equal the respective amounts of principal and interest which would have been received in respect of the Notes, Receipts or (as the case may be) Coupons, in the absence of such withholding or deduction.

No additional amounts as described above shall be payable with respect to any payment in respect of any Note, Receipt or Coupon:

- (i) to, or to a third party on behalf of, a holder 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 Singapore or Japan otherwise than merely by holding the Note, Receipt or Coupon (but including, without limitation, being a resident in Singapore or Japan for tax purposes and/or having a permanent establishment in Singapore or Japan in connection with which the Note, Receipt or Coupon is held);

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<sup>(1)</sup> Text only applicable to Notes issued by Mitsui & Co.

- (ii) presented (or in respect of which the Certificate representing it is presented) for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the thirtieth such day;
  - (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or
  - (iv) (except in the case of Registered Notes) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the European Union.]]<sup>(1)</sup>
- (c) As used in these Conditions, “Relevant Date” in respect of any Note, Receipt or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders in accordance with Condition 13 that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 or any amendment or supplement to it and (iii) “principal” and/or “interest” shall be deemed to include any additional amounts which may be payable under this Condition 7.

## 8. Prescription

Claims against the Issuer [and the Guarantor]]<sup>(1)</sup> for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect thereof.

## 9. Events of Default

If any of the following events (each an “Event of Default”) occurs and is continuing, the holder of any Note may give written notice (a “Default Notice”) to the Fiscal Agent at its specified office that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together with accrued interest to the date of payment shall become immediately due and payable upon the date falling seven days after the date on which such written notice is received by the Fiscal Agent unless within such seven days such Event of Default shall have been remedied:

- (a) default being made for a period of more than 7 days in the payment of principal in respect of any of the Notes when and as the same ought to be paid in accordance with the terms of the Notes; or
- (b) default being made for a period of more than 14 days in the payment of interest in respect of any of the Notes when and as the same ought to be paid in accordance with the terms of the Notes; or
- (c) a default is made in the performance or observance by the Issuer [or the Guarantor, as the case may be,]]<sup>(1)</sup> of any other obligation under the Notes [or the Guarantee relating to such Notes]]<sup>(1)</sup> and such

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<sup>(1)</sup> Text only applicable to Notes issued by Mitsui Asia

default shall continue for 60 days after the date on which written notice requiring such default to be remedied shall have been given to the Fiscal Agent at its specified office by the holder of any Note; or

- (d) any other bonds, debentures, notes or other indebtedness for money borrowed (together and individually, “Indebtedness”) of the Issuer [or the Guarantor]<sup>(1)</sup>, having an aggregate outstanding nominal amount of at least U.S.\$10,000,000 (or its equivalent in any other currency or currencies), 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 the Guarantor]<sup>(1)</sup> defaults in the repayment of any such Indebtedness at the maturity thereof and at the expiration of any applicable grace period therefor or any guarantee of or indemnity in respect of any Indebtedness of others given by the Issuer [or the Guarantor]<sup>(1)</sup> and having an aggregate outstanding nominal amount of at least U.S.\$10,000,000 (or its equivalent as aforesaid) shall not be honoured when due and called upon; or
- (e) an effective resolution is passed or an order of a court of competent jurisdiction is made that the Issuer [or the Guarantor]<sup>(1)</sup> be wound up or dissolved otherwise than (i) 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 Noteholders, or (ii) for the purposes of or pursuant to and followed by a consolidation, amalgamation, merger or reconstruction relating to such Issuer [or the Guarantor]<sup>(1)</sup> under which the continuing entity or the entity formed as a result thereof assumes the entire obligations of the Issuer [or the Guarantor]<sup>(1)</sup> under the Notes, the Coupons, the Receipts, the Dealer Agreement, the Agency Agreement and the Deed of Covenant [or the Guarantee, as the case may be,]<sup>(1)</sup> relating to such Issuer [and the Guarantor]<sup>(1)</sup>; or
- (f) a decree or order by a court having jurisdiction shall have been entered adjudging the Issuer [or the Guarantor]<sup>(1)</sup> to be bankrupt or insolvent, or approving a petition seeking reorganisation (such reorganisation being otherwise than for the purposes of a consolidation, amalgamation, merger or reconstruction for the purposes set out in paragraph (e) above) of the Issuer [or the Guarantor]<sup>(1)</sup> under any applicable bankruptcy or reorganisation law, and such decree or order shall have continued undischarged and unstayed for a period of 60 days; or if a decree or order of a court having jurisdiction for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Issuer [or the Guarantor]<sup>(1)</sup> or of all or substantially all of the property, or for the winding-up or liquidation of the affairs, of the Issuer [or the Guarantor]<sup>(1)</sup> shall have been entered, and such decree or order shall have continued undischarged and unstayed for a period of 60 days; or
- (g) the Issuer [or the Guarantor]<sup>(1)</sup> shall institute proceedings to be adjudicated a voluntary bankruptcy or shall consent to the filing of bankruptcy proceedings against it, or shall file a petition seeking reorganisation or arrangement (such reorganisation or arrangement being otherwise than for the purposes of a consolidation, amalgamation, merger or reconstruction for the purposes set out in paragraph (e) above) under any applicable bankruptcy or reorganisation law, or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Issuer [or the Guarantor (as the case may be)]<sup>(1)</sup> or its property, or shall make an assignment for the benefit of creditors, or there shall be a moratorium in respect of payments made by it, or shall admit in writing its inability to pay its debts generally as they become due, or corporate action shall be taken by the Issuer in furtherance of any of the aforesaid purposes; or
- (h) steps are taken to enforce any security or a distress, execution or seizure before judgment is levied or enforced upon or sued out against all or substantially all of the property of the Issuer or the Guarantor and is not discharged within 60 days thereof; or

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<sup>(1)</sup> Text only applicable to Notes issued by Mitsui Asia



- (i) an encumbrancer takes possession, or a trustee or receiver is appointed, of all or substantially all of the assets or undertaking of the Issuer [or the Guarantor; or <sup>(1)</sup>/<sup>(2)</sup>]
- (j) [the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.]<sup>(1)</sup>

For the purpose of Condition 9(d), any Indebtedness which is in a currency other than U.S. dollars may be translated into U.S. dollars at the spot rate for the sale of U.S. dollars against the purchase of the relevant currency quoted by the Fiscal Agent or any leading bank on any day when a quotation is required for such purpose.

## **10. Meetings of Noteholders [<sup>(1)</sup>/and<sup>(2)</sup>] Modifications [and Substitution]<sup>(1)</sup>**

### **(a) Meetings of Noteholders**

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes (including these Conditions insofar as the same may apply to such Notes). Such a meeting may be convened by the Issuer at any time and shall be convened upon a request in writing by Noteholders holding not less than one-tenth in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing in the aggregate a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to amend the Maturity Date or the date of redemption of the Notes, any Instalment Date or any date for payment of interest thereon, (ii) to reduce or cancel the nominal amount or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest in respect thereof, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to change any method of calculating the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to change the currency or currencies of payment or Denomination of the Notes, (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution or (viii) to amend, vary or terminate the relevant Deed of Covenant of the Issuer or its obligations thereunder [or the Guarantee]<sup>(1)</sup> in a manner which would adversely affect any Noteholder, Couponholder, or holders of Receipts or Talons in which case the necessary quorum shall be two or more persons holding or representing in the aggregate not less than three-quarters, or at any adjourned meeting not less than one-quarter, in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

### **(b) Modification of Agency Agreement**

The Issuer [and the Guarantor]<sup>(1)</sup> shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

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<sup>(1)</sup> Text only applicable to Notes issued by Mitsui Asia

<sup>(2)</sup> Text only applicable to Notes issued by Mitsui & Co.

<sup>(1)</sup> Text only applicable to Notes issued by Mitsui Asia

(c) *[Substitution*

The Issuer, or any previously substituted company, may at any time, without the consent of the Noteholders or the Couponholders but subject to the conditions set out below, substitute for itself as principal debtor under any Series of the Notes, Receipts, Coupons and Talons relating to such Notes any company (the “Substitute”) which is the Guarantor or a Subsidiary (as defined in the Agency Agreement) of the Guarantor, provided that no payment in respect of the Notes, Receipts or Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the “Deed Poll”), to be substantially in the form scheduled to the Agency Agreement as Schedule 7, and may take place only if (i) the Substitute shall, by means of the Deed Poll, agree to indemnify each Noteholder and Couponholder against any tax, duty, assessment or governmental charge which is imposed on it (including, without restriction, by way of withholding), by (or by any authority in or of) the jurisdiction of the country of the Substitute’s residence for tax purposes and, if different, of its incorporation with respect to any Note, Receipt, Coupon, Talon or the Deed of Covenant executed by the Issuer and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution, (ii) where the Substitute is not the Guarantor, the obligations of the Substitute under the Deed Poll, the Notes, Receipts, Coupons, Talons and Deed of Covenant shall be unconditionally guaranteed by the Guarantor by means of the Deed Poll, (iii) all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that such Deed Poll, the Notes, Receipts, Coupons, Talons and Deed of Covenant represent valid, legally binding and enforceable obligations of the Substitute and in the case of the Deed Poll, have been taken, fulfilled and done and are in full force and effect, (iv) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it, (v) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Issuing and Principal Paying Agent) from a lawyer or firm of lawyers with a leading securities practice in each jurisdiction referred to in (i) above and in England as to the fulfilment of the preceding conditions of this paragraph (c) and the other matters specified in the Deed Poll and (vi) the Issuer shall have given at least 14 days’ prior notice of such substitution to the Noteholders, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the specified office of each of the Paying Agents. Following any such substitution, references in Condition 9 to obligations under the Notes shall be deemed to include obligations under the Deed Poll, and, where the Deed Poll contains a guarantee, the events listed in Condition 9 shall be deemed to include that guarantee not being (or being claimed by the Guarantor not to be) in full force and effect.]<sup>(1)</sup>

**11. Replacement of Notes, Certificates, Receipts, Coupons and Talons**

If a Bearer Note, Certificate, Receipt, Coupon or Talon, as the case may be, is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws and regulations including the regulations of any stock exchange or other relevant authority at the specified office of the Issuing and Principal Paying Agent (in the case of Bearer Notes, Receipts, Coupons and Talons) and of the Registrar (in the case of Registered Notes) or such other Paying Agent located outside of the United States and its possessions or such other Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for such purpose and notice of whose designation is given to Noteholders in accordance with Condition 13, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Bearer Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Bearer Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as

the Issuer may require. Mutilated or defaced Bearer Notes, Certificates, Receipts, Coupons or Talons, as the case may be, must be surrendered before replacements will be issued.

## **12. Further Issues**

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in these Conditions to “Settlement Date” shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to “Notes” shall be construed accordingly.

## **13. Notices**

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or Sunday) after the date of mailing. Notices to the holders of Bearer Notes will be valid if published in a daily newspaper of general circulation in London (which is expected to be the Financial Times). If any such publication is not practicable, notice will be validly given if published in another leading daily English language newspaper with general circulation in the UK. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes in accordance with this Condition.

## **14. Currency Indemnity**

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer [or the Guarantor]<sup>(1)</sup> or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer [or the Guarantor]<sup>(1)</sup> shall only constitute a discharge to the Issuer [or the Guarantor, as the case may be]<sup>(1)</sup>, to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer[, failing whom, the Guarantor]<sup>(1)</sup> shall indemnify it against any loss sustained by it as a result. In any event, the Issuer[, failing whom, the Guarantor]<sup>(1)</sup> shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it will be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer’s other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

## **15. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 but this does not affect any right or remedy of a third party which exists or may arise otherwise than pursuant to such Act.

## 16. Governing Law and Jurisdiction

### (a) *Governing Law*

The Agency Agreement, the Notes, the Receipts, the Coupons, the Talons 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) *Jurisdiction*

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (“Proceedings”) may be brought in such courts. [Each of the<sup>(1)</sup>/The<sup>(2)</sup>] Issuer [and the Guarantor]<sup>(1)</sup> irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. The submission[s]<sup>(1)</sup> [are<sup>(1)</sup>/is<sup>(2)</sup>] made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings 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).

### (c) *Service of Process*

[Each of the<sup>(1)</sup>/The<sup>(2)</sup>] Issuer [and the Guarantor]<sup>(1)</sup> irrevocably appoints Jordans Trust Company Limited of 20-22 Bedford Row, London, WC1R 4JS, United Kingdom to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer [or the Guarantor]<sup>(1)</sup>). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, [each of]<sup>(1)</sup> the Issuer [and the Guarantor]<sup>(1)</sup> irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 13. Nothing shall affect the right to serve process in any manner permitted by law.

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<sup>(1)</sup> Text only applicable to Notes issued by Mitsui Asia

<sup>(2)</sup> Text only applicable to Notes issued by Mitsui & Co.

## **SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM**

### **Initial Issue of Notes**

Each issue of Notes in bearer form will initially be represented by a temporary Global Note or a permanent Global Note in bearer form without Coupons which will be deposited on behalf of the subscribers of the relevant Note with a Common Depositary for the ICSDs on or about the Settlement Date. Upon issuance of any permanent Global Note (or earlier in certain circumstances), certification of non-U.S. beneficial ownership and U.S. securities law matters (if applicable) in the form set out in the Agency Agreement must be provided. Each issue of Notes in registered form will initially be represented by a Global Certificate, which will be deposited on behalf of the subscribers of the relevant Note with a Common Depositary for, and registered in the name of a nominee for, the ICSDs on or about the Settlement Date.

While the Notes are represented by a Global Note or Global Certificate, transfer of interests in such Notes will be governed by the rules and procedures of the relevant ICSDs. The ICSDs will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) such other clearing systems as agreed between the relevant Issuer, the Issuing and Principal Paying Agent and the relevant Dealer(s) through direct or indirect accounts with the ICSDs held by other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with the ICSDs or other clearing systems. For the purposes of these provisions, “Relevant Clearing System” means the ICSDs or such other clearing system as agreed between the relevant Issuer, the Issuing and Principal Paying Agent and the relevant Dealer(s).

### **Relationship of Accountholders with Clearing Systems**

Each of the persons shown in the records of a Relevant Clearing System as the holder of a Note represented by a Global Note or Global Certificate must look solely to such Relevant Clearing System for his share of each payment made by the Issuer to the bearer of such Global Note or the registered holder of the underlying Notes in registered form, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the rules and procedures of the Relevant Clearing System. Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the registered holder of the underlying Notes in registered form, as the case may be, in respect of each amount so paid.

### **Amendment to Conditions**

The temporary Global Notes, the permanent Global Notes and the Global Certificates contain provisions which apply to the Notes which they represent, some of which modify the effect of the terms and conditions of the Notes set out in this document. The following is a summary of certain of those provisions:

#### **1 Exchange**

##### **1.1 Temporary Global Notes**

Each temporary Global Note will be exchangeable (free of charge to the holder) on or after its Note Exchange Date (as defined below):

- (a) if the relevant Final Terms indicates that such temporary Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “Overview of the

Programme – Selling Restrictions”), in whole, but not in part, for interests in a permanent Global Note without Receipts, Coupons or Talons or, if so provided in the relevant Final Terms, for the Definitive Notes (as described below) of the same Series with, where applicable, Receipts, Coupons or Talons; and

- (b) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership and U.S. securities law matters (if applicable) in the form set out in the Agency Agreement for interests in a permanent Global Note without Receipts, Coupons or Talons or, if so provided in the relevant Final Terms, for Definitive Notes of the same Series with, where applicable, Receipts, Coupons or Talons.

## **1.2 Permanent Global Notes**

Each permanent Global Note is exchangeable (free of charge to the holder) on or after its Note Exchange Date in whole (or in part if the permanent Global Note is held by or on behalf of the ICSDs and the rules of the ICSDs then permit) for Definitive Notes (i) if the permanent Global Note is held on behalf of the ICSDs and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so, by a holder giving notice to the Issuing and Principal Paying Agent, (ii) on or following the giving of a Default Notice in the circumstances contemplated by Condition 9, by a holder giving notice to the Issuing and Principal Paying Agent or (iii) if there is a substantial likelihood that the Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) of any jurisdiction referred to in Condition 7 which would not be suffered were the Notes issued in definitive form and a certificate to such effect signed by a director of the Issuer is delivered to the Issuing and Principal Paying Agent for display to Noteholders, by the relevant Issuer giving notice to the Issuing and Principal Paying Agent and the Noteholders of its intention of such exchange (unless a Default Notice has been given).

## **1.3 Delivery of Definitive Notes**

On or after any Note Exchange Date the holder of a Global Note may, in the case of an exchange in whole, surrender such Global Note or, in the case of a partial exchange, present it for endorsement, to or to the order of the Issuing and Principal Paying Agent for exchange, for Definitive Notes, in each case, outside of the United States and its possessions. In exchange for such Global Note, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts which have not already been paid on the Global Note and a Talon), security printed in accordance with any applicable legal and stock exchange requirements, in or substantially in the relevant forms set out in the schedules to the Agency Agreement. On exchange in full of each Global Note, the Issuer will, if the holder so requests, procure that such Global Note is cancelled and returned to the holder together with the relevant Definitive Notes.

“Note Exchange Date” means, (a) in relation to a temporary Global Note, 40 days after the Settlement Date, and (b) in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of exchange following the giving of a Default Notice 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Principal Paying Agent is located and, except in the case of exchange pursuant to paragraph 1.2(i) above, in the cities in which the Relevant Clearing Systems are located.

If, for any actual or alleged reason which would not have been applicable had there been no exchange of a Global Note (or part of such Global Note) or in any other circumstances whatsoever, the Issuer does not perform or comply with any one or more of what are expressed to be its obligations under any Definitive Notes, then any right or remedy relating in any way to the obligation(s) in question may be exercised or pursued on the basis of such Global Note despite its stated cancellation after its exchange in full, as an alternative, or in addition, to the Definitive Notes (with the Coupons, Receipts or Talons appertaining to them,

as appropriate). With this exception, upon exchange in full and cancellation of such Global Note for Definitive Notes, such Global Note shall become void.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a nominal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a nominal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

#### **1.4 Global Certificates**

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 1(b)(ii) may only be made in part:

- (i) if the Notes are to be represented by a Global Certificate and held in the ICSDs and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) on or following the giving of a Default Notice in the circumstances contemplated by Condition 9,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 1.4(i) or 1.4(ii) above, the registered holder of the Notes has given the Registrar not less than 30 days' notice at its specified office of the registered holder's intention to effect such transfer. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

## **2 Payments**

No payment falling due after the Note Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes, as the case may be, is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Note Exchange Date will only be made outside the United States and its possessions against presentation of certification as to non-U.S. beneficial ownership and U.S. securities law matters (if applicable) in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Principal Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 6(e)(vii), Conditions 7(a)(iv) and 7(b)(iv) will apply to the Definitive Notes only. For the purposes of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 6(h) (Non-Business Days).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where "Clearing System Business Day" means Monday to Friday inclusive except 25th December and 1st January.

## **3 Notices**

So long as any Notes are represented by a Global Note or Global Certificate and such Global Note or Global Certificate is held on behalf of a Relevant Clearing System, notices to holders of such Notes of that Series may be given by delivery of the relevant notice to that Relevant Clearing System for communication by it to

entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or the Global Certificate.

#### **4 Prescription**

Claims against the Issuer in respect of Notes which are represented by a permanent Global Note shall be prescribed and become void unless it is presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date.

#### **5 Meetings**

The holder of a Global Note or of the Notes represented by a Global Certificate will (unless such Global Note or Global Certificate represents one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. All holders of Notes in registered form are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.

#### **6 Purchase and Cancellation**

Notes represented by a permanent Global Note may only be purchased by the Issuer, the Guarantor or any of their respective subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

Cancellation of any Note represented by a Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Global Note.

#### **7 Default**

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 9 by stating in a Default Notice to the Fiscal Agent the nominal amount of such Global Note which is becoming due and repayable.

If principal in respect of any Note is not paid when due, the holder of a Global Note or Notes in registered form represented by a Global Certificate may elect for direct enforcement rights against the Issuer under the terms of the Deeds of Covenant executed as a deed on 3rd September, 2013 (as amended or supplemented as at the relevant Settlement Date) to come into effect in relation to the whole or a part of such Global Note or one or more Notes in registered form in favour of the persons entitled to such part of such Global Note or such Notes in registered form, as the case may be, as accountholders with a Relevant Clearing System. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar, will become void as to the specified portion or Notes in registered form, as the case may be, and the persons entitled to such portion, as accountholders with a Relevant Clearing System, will acquire direct enforcement rights against the Issuer under the terms of such Deed of Covenant. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

#### **8 Issuer's Option**

Any option of the Issuer provided for in the Conditions of any Notes (including the terms set out in the relevant Final Terms) while such Notes are represented by a permanent Global Note or the Global Certificate shall be exercised by the Issuer giving notice to the Noteholders within the period set out in, and containing the information required by, the Conditions (including the terms set out in the relevant Final Terms), except that such notice shall not be required to contain the certificate numbers of Notes drawn in the case of a partial



exercise of an option and accordingly no drawing of Notes in bearer form shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a Relevant Clearing System will be governed by the standard procedures of the ICSDs or any other clearing system (as the case may be).

## **9 Noteholders' Option**

Any option of the Noteholders provided for in the Conditions of any Notes (including the terms set out in the relevant Final Terms) while such Notes are represented by a permanent Global Note or the Global Certificate may be exercised by the holder (i) giving an Exercise Notice (in the form obtainable from any Paying Agent, Registrar or Transfer Agent, as the case may be) to a Paying Agent, Registrar or a Transfer Agent within the period set out in the Conditions (including the terms set out in the relevant Final Terms), except that such notice shall not be required to contain the serial numbers of the Notes in bearer form, (ii) stating the nominal amount of Notes in respect of which the option is exercised, and (iii) at the same time presenting the permanent Global Note or the Global Certificate to the Issuing and Principal Paying Agent, or to such other Paying Agent acting on behalf of the Issuing and Principal Paying Agent or the Transfer Agent or the Registrar, for notation.

## **10 Electronic Consent and Written Resolution**

While any Global Note or Global Certificate is held on behalf of a Relevant Clearing System, then:

- (a) approval of a resolution proposed by an Issuer or the Guarantor (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the Relevant Clearing System(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an "Electronic Consent" as defined in the Agency Agreement) shall, for all purposes, take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, each Issuer and the Guarantor shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Guarantor, as the case may be, by accountholders in the clearing system with entitlements to such Global Note or Global Certificate or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Issuer or the Guarantor (as the case may be) have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, "commercially reasonable evidence" includes any certificate or other document issued by the Relevant Clearing System, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Notes. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the Relevant Clearing System (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. Neither the Issuer nor the Guarantor shall be liable to any person by reason of having accepted as valid or not

having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

## **USE OF PROCEEDS**

The net proceeds of each issue of Notes issued by Mitsui & Co. will be used by Mitsui & Co. for its general corporate purposes. The net proceeds of each issue of Notes by Mitsui Asia will be applied by Mitsui Asia for its general corporate purposes (including to fund loans to other subsidiaries of the Guarantor).

## MITSUI & CO., LTD.

### General

Mitsui & Co., Ltd. (Mitsui Bussan Kabushiki Kaisha) (“Mitsui & Co.”) was incorporated on 25th July, 1947, as Daiichi Bussan Kabushiki Kaisha, a corporation (Kabushiki Kaisha) under the Commercial Code of Japan. The shares of common stock of Mitsui & Co. were listed on the Tokyo Stock Exchange in May 1949. The registered office of Mitsui & Co. is located at 1-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8631, Japan, and the telephone number of Mitsui & Co. is +81 -3 -3285 -1111.

Mitsui is a general trading company engaged in a range of global business activities including worldwide trading of various commodities, arranging financing for customers and suppliers in connection with its trading activities, organising and coordinating international industrial projects by using its global office network and its ability to gather information. Mitsui’s business activities include the sale, import, export, offshore trading, production and a wide variety of comprehensive services such as retail, information and telecommunication, technology, logistics and finance in the areas of Iron & Steel, Mineral & Metal Resources, Machinery & Infrastructure, Chemicals, Energy, Lifestyle and Innovation & Corporate Development. Mitsui also participates in the development of natural resources such as oil, gas, iron and steel raw materials. Mitsui has been proactively making strategic business investments in certain new industries such as IT, renewable energy and environmental solution businesses.

The business units of Mitsui & Co.’s head office, which are organised based on “products and services”, plan overall and worldwide strategies for their products and services and conduct their worldwide operations. The business units also collaborate with overseas branches and overseas trading subsidiaries in planning and executing their strategies for products and regions. The overseas branches and overseas trading subsidiaries are separate operating units, which are delegated responsibility for the business of their regions as the centres of each particular regional strategy and operate diversified businesses together with their subsidiaries and associated companies in collaboration with the business units. Therefore, its operating segments consist of product-focused operating segments comprised of the business units of the head office and region-focused operating segments comprised of overseas branches and overseas trading subsidiaries.

### Subsidiaries and Associated Companies

Mitsui & Co. and its subsidiaries and associated companies form a group for which Mitsui & Co. is the parent company. In addition to holding shares in its direct subsidiaries, Mitsui & Co. conducts its own business activities. As at 31st March, 2015, Mitsui & Co. had 445 affiliated companies, of which 279 subsidiaries were consolidated and 166 equity accounted investees were accounted for by the equity method. The following table shows certain information with regard to Mitsui & Co.’s major consolidated subsidiaries and associated companies accounted for by the equity method, as of 31st March, 2015:

#### Major Subsidiaries

Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
Iron & Steel Products	Mitsui & Co. Steel Ltd.	Domestic sales, export, import of steel products	Japan	100.0
	Bangkok Coil Center Co., Ltd.	Steel processing	Thailand	99.1
	Regency Steel Asia Pte Ltd.	Wholesale and retail of steel products	Singapore	92.5

<b>Operating Segment</b>	<b>Registered Name</b>	<b>Principal Lines of Business</b>	<b>Jurisdiction of Incorporation</b>	<b>Ownership of Voting Shares (%)</b>
Mineral & Metal Resources	Mitsui-Itochu Iron Pty. Ltd.	Mining and sales of Australian iron ore	Australia	70.0
	Mitsui Iron Ore Development Pty. Ltd.	Mining and sales of Australian iron ore	Australia	100.0
	Mitsui Raw Materials Development Pty. Limited	Investment in Sims Metal Management Ltd., a scrap metal recycler	Australia	100.0
	Oriente Copper Netherlands B.V.	Investment in and loan to copper business in Chile through Inversiones Mineras Acrux SpA	Netherlands	100.0
	Japan Collahuasi Resources B.V.	Investment in Collahuasi copper mine in Chile	Netherlands	61.9
	Mitsui Bussan Copper Investment & Co., Ltd.	Investment in Caserones copper mine in Chile	Japan	100.0
	MITSUMI BUSSAN METALS CO., LTD.	Sales and trading of non-ferrous scrap, alloy and products	Japan	100.0
	Mitsui & Co. Mineral Resources Development (Asia) Corp.	Investments in nickel and cobalt smelting business in Philippines	Philippines	100.0
	Mitsui Coal Holdings Pty. Ltd.	Investments in Australian coal business	Australia	100.0
Machinery & Infrastructure	Mitsui & Co. Plant Systems, Ltd.	Sales of various plants, electric power facilities and transportation equipment	Japan	100.0
	KARUGAMO ENERGY MANAGEMENT PTY. LIMITED	Investments in power generation business	Australia	100.0
	MIT POWER CANADA LP INC.	Investment in Greenfield Power Generation Project in Ontario	Canada	100.0
	MITSUMI GAS E ENERGIA DO BRASIL LTDA.	Investments in gas distribution companies in Brazil	Brazil	100.0
	Mit Investment Manzanillo B.V.	Investment in LNG terminal in Mexico	Netherlands	100.0
	Drillship Investment B.V.	Investment in deepwater drilling service business	Netherlands	100.0
	MIT Gas Mexico, S. de R.L. de C.V.	Investments in gas distribution companies in Mexico	Mexico	100.0
	ME Servicos de Energia do Brasil Participacoes Ltda.	Cogeneration service business in Brazil	Brazil	90.0
	MIT Pipeline Investment Americas, Inc.	Investments in natural gas pipeline project in Arizona	U.S.A.	100.0
	ATLATEC, S.A. de C.V.	Designing, building and operation of wastewater treatment plants	Mexico	85.0
	MyPower Corp.	Investment and management of power projects in U.S.	U.S.A.	100.0
	MIZHA ENERGIA PARTICIPACOES S.A.	Investment in power producing business in Brazil	Brazil	100.0
	MIT SAFI COMPANY LIMITED	Investment in power generation business in Morocco	United Kingdom	100.0
	Portek International Private Limited	Development and operation of container terminal	Singapore	90.0
	Tokyo International Air Cargo Terminal Ltd.	Operation of air cargo terminal at Tokyo International Airport	Japan	100.0

<b>Operating Segment</b>	<b>Registered Name</b>	<b>Principal Lines of Business</b>	<b>Jurisdiction of Incorporation</b>	<b>Ownership of Voting Shares (%)</b>
	Toyota Chile S.A.	Import and sales of automobiles and auto parts in Chile	Chile	100.0
	Mitsui Automotriz S.A.	Retail sales of automobiles and auto parts	Peru	100.0
	MITSUI AUTO FINANCE CHILE LTDA.	Automobile retail finance	Chile	100.0
	TRANSFREIGHT, LLC	Auto parts logistics business	U.S.A.	100.0
	Veloce Logistica SA	Auto parts logistics	Brazil	100.0
	MBK Commercial Vehicles Inc.	Investment in full-service truck leasing, rental and logistics business	U.S.A.	100.0
	MBK USA Commercial Vehicles Inc.	Investment in full-service truck leasing, rental and logistics business	U.S.A.	100.0
	Mitsui Bussan Automotive (Thailand) Co., Ltd.	Sales, leasing and service of automobiles	Thailand	100.0
	BAF (Thailand) Co., Ltd.	Motorcycle retail finance	Thailand	100.0
	PT. Bussan Auto Finance	Motorcycle retail finance	Indonesia	70.0
	Mitsui Automotive CIS Investment B.V.	Investment in automotive-related companies in Russia	Netherlands	100.0
	Bussan Automotive Singapore Pte. Ltd.	Investment in two-wheeled vehicle related companies in India	Singapore	100.0
	Komatsu-Mitsui Maquinarias Peru S.A.	Sales of construction and mining equipment	Peru	60.0
	Road Machinery, LLC	Sales of construction and mining equipment	U.S.A.	100.0
	MITSUI BUSSAN MACHINE TEC CO., LTD.	Sale of machine tools and peripheral equipment	Japan	100.0
	Orient Marine Co., Ltd.	Shipping business	Japan	100.0
	OMC SHIPPING PTE. LTD.	Shipping business	Singapore	100.0
	Mitsui Bussan Aerospace Co., Ltd.	Import and sales of helicopters and defense and aerospace products	Japan	100.0
	Mitsui Rail Capital Holdings, Inc.	Freightcar leasing and management in North America	U.S.A.	100.0
	Mitsui Rail Capital Europe B.V.	Locomotive leasing and management in Europe	Netherlands	100.0
	Mitsui Rail Capital Participacoes Ltda.	Freightcar leasing and management in Brazil	Brazil	100.0
Chemicals	DAIICHI TANKER CO., LTD.	Operation of chemical tankers	Japan	100.0
	Japan-Arabia Methanol Company Ltd.	Investments in methanol producing business in Saudi Arabia and sales of products	Japan	55.0
	MMTX Inc.	Investment in methanol producing business in U.S. and sale of products	U.S.A.	100.0
	Shark Bay Salt Pty. Ltd.	Production of salt	Australia	100.0
	Mitsui & Co. Texas Chlor-Alkali, Inc.	Investments in chlor-alkali producing business in U.S.	U.S.A.	100.0
	Mitsui Bussan Chemicals Co., Ltd.	Sales and trading of solvents and coating materials	Japan	100.0
	MITSUI & CO. PLASTICS LTD.	Sales of plastics and chemicals	Japan	100.0

<b>Operating Segment</b>	<b>Registered Name</b>	<b>Principal Lines of Business</b>	<b>Jurisdiction of Incorporation</b>	<b>Ownership of Voting Shares (%)</b>
	Daito Chemical Co., Ltd.	Manufacture and sales of industrial chemicals	Japan	70.0
	Mitsui AgriScience International SA/NV	Investments in crop protection businesses in Europe	Belgium	100.0
	Mitsui AgriScience International Inc.	Investments in crop protection businesses in Americas	U.S.A.	100.0
	Mitsui Bussan Agro Business Co., Ltd.	Development and sales of fertilizers and agricultural products	Japan	100.0
	Mitsui Bussan Fertilizer Resources B.V.	Investment in phosphorus ore mining in Peru and global marketing business	Netherlands	100.0
Energy	Mitsui Oil Exploration Co., Ltd.	Exploration, development and production of oil and natural gas	Japan	74.3
	Mitsui E&P Middle East B.V.	Exploration, development and production of oil and natural gas	Netherlands	100.0
	Mitsui E&P Australia Pty Limited	Exploration, development and production of oil and natural gas	Australia	100.0
	Mitsui E&P UK Limited	Exploration, development and production of oil and natural gas in Europe & Africa	United Kingdom	100.0
	Mitsui E&P USA LLC	Exploration, development and production of oil and gas	U.S.A.	100.0
	MEP Texas Holdings LLC	Investment in oil and gas in Americas	U.S.A.	100.0
	Mitsui & Co. Energy Trading Singapore Pte. Ltd.	International trading of petroleum products and crude oil	Singapore	100.0
	Mitsui Sakhalin Holdings B.V.	Investments in Sakhalin Energy Investment Company Ltd.	Netherlands	100.0
	Mitsui & Co. LNG Investment USA, Inc.	Investment in natural gas liquefaction business in U.S. and sales of LNG	U.S.A.	100.0
	MITSUI & CO. LNG INVESTMENT LIMITED	Investment in LNG projects	United Kingdom	100.0
	Mitsui Gas Development Qatar B.V.	Exploration, development and production of oil and natural gas	Netherlands	100.0
	Mitsui E&P Mozambique Area 1 Limited	Exploration, development and production of oil and natural gas in Mozambique	United Kingdom	50.0
Lifestyle	PRIFOODS CO., LTD.	Production, processing and sales of broilers	Japan	46.4
	TOHO BUSSAN KAISHA, LTD.	Import and sales of agricultural and marine products	Japan	100.0
	WILSEY FOODS, INC.	Investments in processed oil food company	U.S.A.	90.0
	XINGU AGRI AG	Production and merchandising of agriproducts	Switzerland	100.0
	Multigrain Trading AG	Origination and merchandising of agricultural products	Switzerland	100.0
	San-ei Surochemical Co., Ltd.	Manufacture and sales of saccharified products, pharmaceuticals, feedstuffs and other products	Japan	70.0
	Mitsui Norin Co., Ltd.	Manufacture and sales of food products	Japan	100.0

Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
	MITSUI ALIMENTOS LTDA.	Export of coffee beans and domestic sales of roasted coffee	Brazil	100.0
	MITSUI FOODS CO., LTD.	Wholesale of foods and beverages	Japan	100.0
	Bussan Logistics Solutions Co., Ltd.	Operation and management of logistics centers	Japan	100.0
	VENDOR SERVICE CO., LTD.	Sales and distribution of food and packaging materials	Japan	100.0
	RETAIL SYSTEM SERVICE CO., LTD.	Sales of foods and groceries, services for retailers	Japan	100.0
	Mitsui & Co. Facilities Ltd.	Property management	Japan	100.0
	UHS Partners, Inc.	Investment in healthcare staffing business	U.S.A.	100.0
	Mitsui Bussan Woodchip Oceania Pty. Ltd.	Plantation, processing and sales of woodchip	Australia	100.0
	BUSSAN REAL ESTATE CO., LTD.	Real estate sales, leasing and management	Japan	100.0
	MBK Healthcare Partners Limited	Investment in IHH Healthcare Bhd.	United Kingdom	100.0
	MicroBiopharm Japan Co., Ltd.	Manufacture and sales of medicines and chemicals	Japan	80.0
	MITSUI BUSSAN INTER-FASHION LTD.	Planning and management for production and procurement of apparel	Japan	100.0
	Paul Stuart, Inc.	Luxury clothing retailer	U.S.A.	100.0
Innovation & Corporate Development	MITSUI KNOWLEDGE INDUSTRY CO., LTD.	Planning, development and sales of information and communication systems	Japan	100.0
	Mitsui Electronics Inc.	Sales of electronics device and equipment	Japan	100.0
	Asia Pacific Mobile Pte. Ltd.	Investment in high-speed mobile service business in Indonesia	Singapore	100.0
	Mitsuibussan Insurance Co., Ltd.	Non life and life insurance agency services	Japan	100.0
	Mitsui & Co. Global Investment Ltd.	Investment in venture businesses	Japan	100.0
	Mitsui & Co., Principal Investments Ltd.	Investment in private equity	Japan	100.0
	Mitsui Bussan Commodities Ltd.	Trading of non-ferrous metals	United Kingdom	100.0
	Mitsui & Co. Precious Metals, Inc.	Trading of precious metals	U.S.A.	100.0
	Mitsui & Co. Commodity Risk Management Ltd.	Trading of energy derivatives	United Kingdom	100.0
	TRI-NET (JAPAN) INC.	International integrated transportation services	Japan	100.0
	Trinet Logistics Co., Ltd.	Domestic warehousing business	Japan	100.0
Americas	Mitsui Foods, Inc.	Trading canned foods, chilled foods, juice ingredient and coffee	U.S.A.	100.0
	United Grain Corporation of Oregon	Grain merchandising	U.S.A.	100.0
	Champions Pipe & Supply, Inc.	Sales of oil and gas well tubular products	U.S.A.	100.0



Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
	MBK Real Estate LLC	Real estate-related business	U.S.A.	100.0
	mitsui PLASTICS INC.	Sales of chemicals	U.S.A.	100.0
	Novus International, Inc.	Manufacturing and sales of feed additives	U.S.A.	65.0
	Hydro Capital Corporation	Investment in water treatment plants in Mexico	U.S.A.	100.0
	Mit Wind Power Inc.	Investment in wind power generation company	U.S.A.	100.0
	Intercontinental Terminals Company LLC	Chemical tank leasing	U.S.A.	100.0
	Ellison Technologies Inc.	Sales of machine tools	U.S.A.	88.8
	Game Changer Holdings Inc.	Investment in steel processing company	U.S.A.	100.0
	Cinco Pipe and Supply, LLC	Sales of oil and gas well tubular products	U.S.A.	100.0
	Mitsui & Co. (U.S.A.), Inc.	Trading	U.S.A.	100.0
	Mitsui & Co. (Canada) Ltd.	Trading	Canada	100.0
	mitsui & CO. (BRASIL) S.A.	Trading	Brazil	100.0
Europe, the Middle East and Africa	EURO-MIT STAAL B.V.	Steel processing	Netherlands	90.0
	Mitsui & Co. Europe PLC	Trading	United Kingdom	100.0
	Mitsui & Co. Deutschland GmbH	Trading	Germany	100.0
	Mitsui & Co. Benelux S.A./N.V.	Trading	Belgium	100.0
	Mitsui & Co. Italia S.p.A.	Trading	Italy	100.0
	Mitsui & Co., Middle East Ltd.	Trading	United Arab Emirates	100.0
Asia Pacific	Mitsui Water Holdings (Thailand) Ltd.	Investment in water supply business	Thailand	100.0
	MIT POWER AUSTRALIA PTY LTD	Wind power generation	Australia	100.0
	Mitsui & Co. (Asia Pacific) Pte. Ltd.	Trading	Singapore	100.0
	Mitsui & Co. (Thailand) Ltd.	Trading	Thailand	100.0
	Mitsiam International Ltd.	Trading	Thailand	55.0
	Mitsui & Co. (Australia) Ltd.	Trading	Australia	100.0
All Other	Mitsui & Co. (Hong Kong) Ltd.	Trading	China	100.0
	Mitsui & Co. (China) Ltd.	Trading	China	100.0
	Mitsui & Co. (Shanghai) Ltd.	Trading	China	100.0
	Mitsui & Co. (Taiwan) Ltd.	Trading	Taiwan	100.0
	Mitsui & Co. Korea Ltd.	Trading	Korea	100.0
	Mitsui & Co. Financial Services Ltd.	Financing services within Mitsui	Japan	100.0
	Mitsui & Co. Financial Services (Asia) Ltd.	Financing services within Mitsui	Singapore	100.0

<b>Operating Segment</b>	<b>Registered Name</b>	<b>Principal Lines of Business</b>	<b>Jurisdiction of Incorporation</b>	<b>Ownership of Voting Shares (%)</b>
	Mitsui & Co. Financial Services (U.S.A.) Inc.	Financing services within Mitsui	U.S.A.	100.0
	Mitsui & Co. Financial Services (Europe) Plc	Financing services within Mitsui	United Kingdom	100.0
	MITSUI BUSSAN BUSINESS PARTNERS CO., LTD.	Provision of HR & GA services to Mitsui	Japan	100.0
	Mitsui Bussan Trade Services Ltd.	Provision of logistics-related services to Mitsui	Japan	100.0
	Mitsui & Co. Financial Management, Ltd.	Provision of accounting and treasury-related services to Mitsui & Co.	Japan	100.0

***Major Equity Accounted Investees***

<b>Operating Segment</b>	<b>Registered Name</b>	<b>Principal Lines of Business</b>	<b>Jurisdiction of Incorporation</b>	<b>Ownership of Voting Shares (%)</b>
Iron & Steel Products	Shanghai Bao-Mit Steel Distribution Co., Ltd.	Processing and sales of steel products	China	35.0
	Gestamp North America, Inc.	Manufacture of automotive components	U.S.A.	30.0
	Gestamp Holding Mexico, S.L.	Manufacture of automotive components	Spain	30.0
	Gestamp Brasil Industria De Autopecas S.A.	Manufacture of automotive components	Brazil	30.0
	Gestamp Holding Argentina, S.L.	Manufacture of automotive components	Spain	30.0
Mineral & Metal Resources	Valepar S.A.	Holding company of Vale S.A.	Brazil	18.2
	Inner Mongolia Erdos Electric Power & Metallurgical Co., Ltd.	Coal mining, power generation, ferrous alloy and chemical production and water pumping	China	25.0
	NIPPON AMAZON ALUMINIUM CO., LTD.	Investments in aluminum smelting business in Brazil	Japan	20.9
	SUMIC Nickel Netherlands B.V.	Investments in nickel smelting and refining business in New Caledonia and sales of products	Netherlands	47.6
	BHP Billiton Mitsui Coal Pty Ltd.	Mining and sales of Australian coal	Australia	16.8
Machinery & Infrastructure	Toyo Engineering Corporation	Engineering and construction for industrial facilities	Japan	22.9
	MYANMAR POWER PTE. LTD.	Investment in power generation business in Myanmar	Singapore	44.0
	Galaxy Newspring Pte. Ltd.	Investments in water business in China	Singapore	50.0
	JM ENERGY CO., LIMITED	Investment in power generation business in China	Hong Kong	50.0
	P.T. PAITON ENERGY	Power generation in Indonesia	Indonesia	40.5
	Compania de Generacion Valladolid, S. de R.L. de C.V.	Power generation in Mexico	Mexico	50.0
	IPM Eagle LLP	Investments in power generation business	United Kingdom	30.0

<b>Operating Segment</b>	<b>Registered Name</b>	<b>Principal Lines of Business</b>	<b>Jurisdiction of Incorporation</b>	<b>Ownership of Voting Shares (%)</b>
	IPM Holdings (UK) Limited	Power plant business in the United Kingdom	United Kingdom	26.3
	MT Falcon Holdings Company, S.A.P.I. de C.V.	Investment in power generation business in Mexico	Mexico	40.0
	VLI S.A.	Integrated freight transportation business	Brazil	20.0
	Penske Automotive Group, Inc.	Automotive retailer	U.S.A.	17.2
	Toyota Canada Inc.	Import and sales of Toyota automobiles and parts	Canada	49.0
	TOYOTA MANILA BAY CORPORATION	Retail sales of Toyota cars	Philippines	40.0
	PT. Yamaha Indonesia Motor Manufacturing	Manufacture and sales of motorcycles	Indonesia	15.0
	TAIYOKENKI RENTAL CO., LTD	Rental of construction machinery	Japan	25.9
	KOMATSU MARKETING SUPPORT AUSTRALIA PTY LTD	Sales of construction and mining equipment	Australia	40.0
	NATIONAL PLANT AND EQUIPMENT PTY LIMITED	Rental of mining equipment	Australia	49.9
Chemicals	Santa Vitoria Acucar e Alcool Ltda	Production and sales of bio-ethanol	Brazil	50.0
Energy	ENEOS GLOBE Corporation	LPG imports and marketing, fuel cell and photovoltaic systems marketing	Japan	30.0
	Japan Australia LNG (MIMI) Pty. Ltd.	Exploration, development and sales of crude oil and natural gas	Australia	50.0
Lifestyle	FEED ONE HOLDINGS CO., LTD.	Investments in compound feed manufacturing and sales companies	Japan	25.0
	Mitsui Sugar Co., Ltd.	Manufacture of refined sugar	Japan	32.5
	The Kumphawapi Sugar Co., Ltd.	Production and sales of sugar	Thailand	44.7
	AIM SERVICES CO., LTD.	Contract food services	Japan	50.0
	ARAMARK Uniform Services Japan Corporation	Rental and sales of uniforms	Japan	39.2
	Sumisho & Mitsuibussan Kenzai Co., Ltd.	Sales of building materials, contract of construction work and import of various building materials	Japan	50.0
	SOGO MEDICAL CO., LTD.	Dispensary pharmacy business, total solutions for medical institution management	Japan	21.5
	Fuji Pharma Co., Ltd.	Manufacture and sale of pharmaceutical products	Japan	22.9
	QVC JAPAN INC.	Multimedia retail business based on TV shopping	Japan	40.0
	CCTV Shopping Co., Ltd.	Service for TV shopping business in China	China	25.0
Innovation & Corporate Development	Moshi Moshi Hotline, Inc.	Comprehensive telemarketing and direct marketing operations	Japan	34.4
	JA Mitsui Leasing, Ltd.	Leasing and financing business	Japan	31.4

Operating Segment	Registered Name	Principal Lines of Business	Jurisdiction of Incorporation	Ownership of Voting Shares (%)
Europe, the Middle East and Africa	ITC RUBIS TERMINAL ANTWERP NV	Chemical tank leasing	Belgium	50.0
	GEG (Holdings) Limited	Fabrication, upgrading, inspection and maintenance of welded structures	United Kingdom	25.0

## Management

The Directors and Corporate Auditors of Mitsui & Co. as of the date hereof are as follows:

Name	Position
Masami Iijima <sup>1</sup>	Chairman of the Board of Directors
Tatsuo Yasunaga <sup>1</sup>	President and Chief Executive Officer
Daisuke Saiga <sup>1</sup>	Executive Vice President
Masayuki Kinoshita <sup>1</sup>	Executive Vice President
Shintaro Ambe <sup>1</sup>	Executive Vice President
Hiroyuki Kato <sup>1</sup>	Senior Executive Managing Officer
Yoshihiro Hombo <sup>1</sup>	Senior Executive Managing Officer
Makoto Suzuki <sup>1</sup>	Senior Executive Managing Officer
Keigo Matsubara <sup>1</sup>	Executive Managing Officer
Ikujiro Nonaka	External Director
Hiroshi Hirabayashi	External Director
Toshiro Muto	External Director
Izumi Kobayashi	External Director
Jenifer Rogers	External Director
Joji Okada	Corporate Auditor
Takashi Yamauchi	Corporate Auditor
Hiroyasu Watanabe	External Corporate Auditor
Haruka Matsuyama	External Corporate Auditor
Hiroshi Ozu	External Corporate Auditor

Notes:

1. Representative Director
2. None of the Directors or Corporate Auditors listed above, except for Mr. Nonaka, Mr. Hirabayashi, Mr. Muto, Ms. Kobayashi, Ms. Rogers, Mr. Watanabe, Ms. Matsuyama and Mr. Ozu performs any principal activities outside Mitsui, which are significant with respect to Mitsui.
3. All of the Directors, except for Mr. Iijima, Mr. Nonaka, Mr. Hirabayashi, Mr. Muto, Ms. Kobayashi and Ms. Rogers also serve as Executive Officers.
4. Mr. Nonaka is a Professor Emeritus at Hitotsubashi University, Xerox Distinguished Professor in Knowledge, Walter A. Haas School of Business, University of California, Berkeley and First Distinguished Drucker Scholar in Residence, Drucker School of Claremont Graduate University and Specially Appointed Professor at Waseda University. Mr. Hirabayashi is the Chairman of Japan Forum for Strategic Studies and the President of The Japan-India Association. Mr. Muto is the Chairman of Daiwa Institute of Research Ltd. Ms. Kobayashi is the Vice Chairperson of Japan Association of Corporate Executives. Ms. Rogers is the General Counsel of NEW Asurion

Asia Pacific Japan LLC.

5. Mr. Watanabe is a Professor at Waseda University, Graduate School of Finance, Accounting & Law. Ms. Matsuyama is a Partner of Hibiya Park Law Offices. Mr. Ozu is an attorney at law.

Mitsui & Co. has no material business relationship with Hitotsubashi University, University of California, Berkeley, Claremont Graduate University, Waseda University, Japan Forum for Strategic Studies, The Japan-India Association, Daiwa Institute of Research Ltd., Japan Association of Corporate Executives, NEW Asurion Asia Pacific Japan LLC or Hibiya Park Law Offices.

There are no potential conflicts of interest between the duties to Mitsui & Co. of the Directors except for External Directors and their private interests and/or other duties. Given that Mitsui & Co. is a general trading company with extensive business dealings, it makes efforts by the Board of Directors to handle likely conflicts of interest involving the External Directors in individual transactions with external parties appropriately. Mr. Watanabe, Ms. Matsuyama and Mr. Ozu are External Corporate Auditors under the Companies Law. When selecting candidates for External Corporate Auditors, the Board of Corporate Auditors shall confirm that no issues with independence arise by taking into consideration such factors as relations with the company, management and important staff members.

The business address as of the date hereof of all of the Directors, except for Mr. Nonaka, Mr. Hirabayashi, Mr. Muto and Ms. Rogers is 1-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8631, Japan. The business addresses of Mr. Nonaka, Mr. Hirabayashi, Mr. Muto and Ms. Rogers are: Gakujutsu Sougou Center 7F, 1-1, Hitotsubashi 2-chome, Chiyoda-ku, Tokyo 101-0003, Japan; 1-14, Kayabacho 2-chome, Nihonbashi, Chuo-ku, Tokyo 103-0025, Japan; and Gran Tokyo North Tower, 9-1, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-6756, Japan and Ark Hills South Tower 11F, 4-5, Roppongi 1-chome, Minato-ku, Tokyo 106-0032, Japan, respectively.

Managing Officers of Mitsui & Co. as of the date hereof are as follows:

<b>Name</b>	<b>Position</b>
Motomu Takahashi	Executive Vice President
Hironobu Ishikawa	Senior Executive Managing Officer
Atsushi Kume	Senior Executive Managing Officer
Satoshi Tanaka	Senior Executive Managing Officer
Takeshi Kanamori	Executive Managing Officer
Katsunori Aikyo	Executive Managing Officer
Yasushi Takahashi	Executive Managing Officer
Toru Suzuki	Executive Managing Officer
Yasushi Yoshikai	Executive Managing Officer
Shinjiro Sawada	Executive Managing Officer
Shinsuke Fujii	Executive Managing Officer
Akira Nakaminato	Managing Officer
Yasuyuki Fujitani	Managing Officer
Taku Morimoto	Managing Officer
Nobuaki Kitamori	Managing Officer
Shingo Sato	Managing Officer
Motoo Ono	Managing Officer
Yukio Takebe	Managing Officer
Noboru Katsu	Managing Officer
Katsurao Yoshimori	Managing Officer
Osamu Toriumi	Managing Officer
Takakazu Uchida	Managing Officer

Hiromichi Yagi	Managing Officer
Shinichiro Omachi	Managing Officer
Hiroyuki Tsurugi	Managing Officer
Hirotatsu Fujiwara	Managing Officer
Kenichi Hori	Managing Officer
Itaru Nishimura	Managing Officer
Masazumi Takahashi	Managing Officer
Shin Hatori	Managing Officer
Shinji Tsuchiya	Managing Officer
Hiroshi Meguro	Managing Officer
Kimiro Shiotani	Managing Officer
Miki Yoshikawa	Managing Officer
Yoshio Kometani	Managing Officer

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Notes:

1. There are no potential conflicts of interest between the duties to Mitsui & Co. of the Managing Officers and their private interests and/or other duties.
2. The business address as of the date hereof of all of the Executive Officers, except for the following Executive Officers, is 1-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8631, Japan:

<b>Name</b>	<b>Business address</b>
Motomu Takahashi	200 Park Avenue, New York, New York 10166-0130, U.S.A.
Hironobu Ishikawa	8th and 9th Floors, 1 St. Martin's Le Grand, London EC1A 4AS, United Kingdom
Atsushi Kume	3-33, Nakanoshima 2-chome Kita-ku, Osaka, 530-0005, Japan
Satoshi Tanaka	80 Robinson Rd #25-00 Singapore 068898
Katsunori Aikyo	16-21, Meieki Minami 1-chome, Nakamura-Ku, Nagoya 450-0003, Japan
Yasushi Takahashi	Level 15, 120 Collins Street Melbourne, 3000 Victoria Australia
Toru Suzuki	Plot No.D-1, Fourth Floor, Salcon Ras Vilas, District Centre, Saket, New Delhi-110017 India
Shinjiro Sawada	8th Floor, China World Tower, 1 Jianguomenwai Avenue, Beijing, 100004, China
Shingo Sato	15-17th Floor, Sathorn City Tower, 175 South Sathorn Road, Tungmahamek, Bangkok 10120, Thailand
Yukio Takebe	Menara BCA 52nd Floor, Grand Indonesia Jl.M.H. Thamrin No.1, Jakarta 10310, Indonesia
Shinji Tsuchiya	Avenida Paulista, 1842, 23º andar, Edifício Cetenco Plaza "Torre Norte", São Paulo - SP - Brasil - CEP 01310-923
Hiroshi Meguro	16th floor, Naberezhnaya Tower Block "B", 10 Presnenskaya Naberezhnaya, Moscow, 123317, Russia
Yoshio Kometani	80 Robinson Rd #25-00 Singapore 068898

## **mitsui & co. financial services (asia) ltd.**

### **General**

Mitsui & Co. Financial Services (Asia) Ltd. (“Mitsui Asia”) was incorporated under the Companies Act (Cap. 50) of Singapore as a limited liability company in Singapore on 7th December, 1995. Mitsui Asia changed its status from a private company to a public company on 9th December, 1997 in order to publicly issue medium term notes and changed its name to Mitsui & Co. Financial Services (Asia) Ltd. from Mitsui & Co., Asia Investment Ltd. on 24th July, 2006. Mitsui Asia is a wholly-owned subsidiary of Mitsui & Co. and is reliant upon Mitsui & Co. for establishing general management direction and strategy for Mitsui.

The registered office of Mitsui Asia is at 80 Robinson Road, #25-00, Singapore 068898 and its registration number in Singapore is 199508683N. The telephone number of the registered office is 65-6421-9254.

Mitsui Asia acts as a captive finance company in the Asia region. The principal activities of Mitsui Asia are “In-house Banking”, which includes lending funds such as working capital to, and borrowing excess money from, the direct and indirect subsidiaries and affiliate companies of Mitsui & Co. mainly in Asia (other than Japan). Mitsui Asia’s basic policy for fund-raising activities is to secure stable, medium-term funds and liquidity for the subsidiaries and affiliate companies and provide financial market research information.

### **Associated Undertakings and other Investments**

Mitsui Asia does not have any subsidiaries.

### **Management**

The Directors of Mitsui Asia as of the date hereof are as follows:

<b>Name</b>	<b>Title</b>
Takakazu Uchida	Executive Director
Naoki Nagano	Executive Director
Takashi Manabe	Executive Director
Omori Hiroshi	Non Executive Director

The business address of Mr. Takakazu Uchida is 1-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8631, Japan, Nippon Life Marunouchi Garden Tower and the business address of Mr. Naoki Nagano, Mr. Takashi Manabe and Mr. Omori Hiroshi is 80 Robinson Road, #25-00, Singapore 068898.

All the Directors are employed under the business of Mitsui on a full-time basis. There are no potential conflicts of interest between the duties to Mitsui Asia of the Directors and their private interests and or other duties. The Directors of Mitsui Asia in taking any decisions in their capacity as a member of the board do so after taking into account the best interests of Mitsui Asia.

## TAXATION

*The following statements are not intended to constitute a complete analysis of all tax consequences relating to the purchase, ownership and disposition of the Notes. Prospective purchasers should consult their own tax advisers concerning the tax consequences of their particular situations.*

### **Japanese Taxation**

#### ***Notes issued by Mitsui Asia***

Mitsui & Co. has been advised that under existing Japanese laws, payments of principal and interest in respect of the Notes issued by Mitsui Asia or by Mitsui & Co. pursuant to the Guarantees will not be subject to Japanese withholding tax.

#### ***Notes issued by Mitsui & Co.***

The following description of Japanese taxation (limited to national taxes) applies exclusively to interest and issue differential (as defined below) on the Notes issued or to be issued by Mitsui & Co. outside Japan and payable outside Japan. It is not intended to be exhaustive and Noteholders and/or Couponholders are recommended to consult their tax advisers as to their exact tax position.

Interest payments on the Notes to an individual resident of Japan or a Japanese corporation (except for a designated financial institution (the “designated financial institution”), designated by the Special Taxation Measures Law Enforcement Order (Cabinet Order No. 43 of 1957, as amended, the “Cabinet Order”) pursuant to Article 6 of the Special Taxation Measures Law of Japan (Law No. 26 of 1957, as amended) (the “Special Taxation Measures Law”) which has complied with the requirements for the tax exemption applications under Article 6 of the Special Taxation Measures Law) or to an individual non-resident of Japan or a non-Japanese corporation that is a person having a special relationship with Mitsui & Co. as Issuer as described in Article 6, paragraph 4 of the Special Taxation Measures Law (a “specially-related person”) will be subject to Japanese income tax under the Income Tax Law of Japan (Law No. 33 of 1965, as amended (the “Income Tax Law”)) on the amount specified in sub-paragraph (i) or (ii) below, as applicable:

- (i) If interest is paid to an individual resident of Japan or to a Japanese corporation, or to an individual non-resident of Japan or a non-Japanese corporation that is a specially-related person of Mitsui & Co. as Issuer (except as provided in sub-paragraph (ii) below), the amount of such interest; or
- (ii) If interest is paid to a public corporation designated by the relevant law, a financial institution or a financial instruments business operator, etc. designated by Article 3-3, paragraph 6 of the Special Taxation Measures Law (which has complied with the Japanese tax exemption requirements under the said paragraph 6) through a financial institution which handles the interest payments on the Notes as defined in the Special Taxation Measures Law (the “payment handling agent”) in Japan as provided in the said paragraph 6, the amount of such interest minus the amount accrued during the period in which the Notes have been held by such recipient as provided in the Cabinet Order relating to the said paragraph 6.

However, pursuant to the amendment of the Special Taxation Measures Law effective on 1st January, 2016, interest payments on the Notes to an individual resident of Japan or a Japanese corporation, or to an individual non-resident of Japan or a non-Japanese corporation that is a specially-related person of Mitsui & Co. as Issuer will be subject to income tax on the amount of such interest, except for (a) interest payments to the designated financial institution which has complied with the requirements for the tax exemption applications under Article 6 of the Special Taxation Measures Law, or (b) interest payments through the payment handling agent in Japan to (i) a public corporation designated under the Income Tax Law or (ii) a financial institution or a financial instruments business operator, etc. designated under Article 8 of the Special



Taxation Measures Law, which has complied with the requirements for tax exemption applications under Article 3-3, paragraph 6 of the Special Taxation Measures Law.

A legend containing a statement to the same effect as set forth in the preceding paragraphs will be printed on the Definitive Notes or Global Notes, as applicable, in compliance with the requirements of the Special Taxation Measures Law.

The original income tax rate applicable to the payment of the amount of the interest on the Notes to be withheld by Mitsui & Co. is 15 per cent.. However, effective from and including 1st January, 2013 to and including 31st December, 2037, such withholding tax rate has been increased to 15.315 per cent., since a special surtax measures on income tax were introduced to fund the restoration effort from the earthquake occurred in March 2011 under the Special Measures Law to Secure the Financial Resources Required to Implement Policy on Restoration After the East Japan Earthquake (Law No. 117 of 2011). Taxpayer of income tax and withholding tax needs to pay surtax, calculated by multiplying the base income tax amount of 15 per cent. with 2.1 per cent. in accordance the above law.

It should be noted that if the recipient of interest on the Notes is a Japanese corporation, the amount of such interest will be included in the recipient's income which is subject to Japanese corporate tax under the Corporate Tax Law of Japan (Law No. 34 of 1965, as amended); provided that the amount of Japanese income tax withheld under the Income Tax Law will be generally credited against the amount of Japanese corporate tax.

Under the Special Taxation Measures Law, payment of interest on the Notes outside Japan to a non-resident of Japan or a foreign corporation (not being specially-related persons of Mitsui & Co.) for Japanese tax purposes will not be subject to withholding of Japanese income tax, if such recipient of interest establishes that it is a non-resident of Japan or a foreign corporation (not being specially-related persons of Mitsui & Co.) in compliance with the requirements under the Special Taxation Measures Law as summarised below:

- (i) If the Notes or Coupons are held through 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 "Interest Recipient Information" (providing, *inter alia*, (x) that all recipients are non-residents of Japan or foreign corporations (not being specially-related persons of Mitsui & Co.) (if applicable); (y) the amount of the interest payable to the recipients that are non-residents of Japan or foreign corporations (not being specially-related persons of Mitsui & Co.)) which is prepared by such payment handling custodian based on the information provided by the recipient, to Mitsui & Co. or if the payment handling custodian has further sub-deposited Notes or Coupons with another payment handling agent including a clearing organisation (the "sub-depositary"), through such sub-depositary to Mitsui & Co., at the latest one day prior to the date on which such payment handling custodian receives from Mitsui & Co. the amount of the interest for the payments to the recipients; and (C) Mitsui & Co. prepares "Interest Recipient Confirmation" based upon Interest Recipient Information and submits it to the competent Japanese tax authority (the "tax authority"); or
- (ii) If the Notes or Coupons are held otherwise than through a payment handling custodian, upon each payment of the interest on the Notes, the Noteholder files a "Claim for Exemption from Taxation" (providing, *inter alia*, the name and address of the recipient of the interest) with the tax authority through Mitsui & Co. or (if payment of interest is made through the payment handling agent) through the payment handling agent and Mitsui & Co.

If the recipient of interest on the Notes is a non-resident of Japan or a foreign corporation (not being a specially-related person of Mitsui & Co.), failure by such non-resident or foreign corporation (not being a specially-related person of Mitsui & Co.) 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 on the interest payments of the Notes is also applied to a Japanese financial institution or a Japanese financial instruments business operator etc. designated by the Cabinet Order pursuant to Article 6, paragraph 9 of the Special Taxation Measures Law which receives the interest on the Notes outside of Japan (i.e. receives the interest otherwise than through the payment handling agent in Japan).

However, in all cases mentioned above, interest on Notes issued by Mitsui & Co. of which the amount of interest is to be calculated by reference to certain indexes (as prescribed in the Cabinet Order relating to Article 6, paragraph 4 of the Special Taxation Measures Law) relating to Mitsui & Co. or a specially-related person of Mitsui & Co. will be subject to the withholding tax even if paid to an individual non-resident of Japan or a non-Japanese corporation that is not a specially-related person of Mitsui & Co.

If the recipient of interest on the Notes is a non-resident of Japan or a foreign corporation (not being a specially-related person of Mitsui & Co.) which complies with the above requirements and if such non-resident or foreign corporation has a permanent establishment within Japan and the receipt of interest is attributable to the business of such non-resident or foreign corporation (not being a specially-related person of Mitsui & Co.) carried on within Japan through 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 difference between the issue price of Notes and the amount which the holder receives upon redemption of such Notes (hereinafter referred to as the “issue differential”) is a non-resident of Japan or a foreign corporation (not being a specially-related person of Mitsui & Co.) having no permanent establishment within Japan or having a permanent establishment within Japan but the receipt of such issue differential is not attributable to the business carried on within Japan by such non-resident or foreign corporation (not being a specially-related person of Mitsui & Co.) through such permanent establishment, no income tax or corporate tax is payable with respect to such issue differential. If the receipt of such issue differential is attributable to the business of any such non-resident or foreign corporation (not being a specially-related person of Mitsui & Co.) carried on within Japan through a permanent establishment maintained by it within Japan, such issue differential will be subject to Japanese income tax or corporate tax, as appropriate, payable other than by way of withholding.

Under the 2013 tax legislation, the individual income taxation of the bonds and shares, etc. applicable to an individual resident of Japan will be changed from 1st January, 2016. According to this legislation, the capital loss derived from the sale of listed shares and bonds will be able to be offset with income from the dividends from other listed shares and interests from other bonds, etc. In addition, under the same legislation, tax treatment regarding the interest payment on the Notes to a public corporation or other non-taxable entities and the relevant statement required to be described in the Notes and an offering circular with respect to the Notes will also be changed. These amendments are now scheduled to become effective from 1st January, 2016. Please note, however, that there is some possibility that the enforcement of these amendments may be postponed or the details of the amendments may be changed due to any future tax legislations.

Under the 2014 tax legislation, it is scheduled that Japanese taxation applicable to a non-resident taxpayer (both individual and corporation) which has a permanent establishment in Japan will change with effect from 1st April, 2016. In relation to the taxable income for the permanent establishment in Japan, the current “entire income approach” (under which all taxable Japanese source income is taxable regardless of its attribution to a permanent establishment in Japan) will be changed to the “attributable income approach” (under which only taxable Japanese source income attributable to a permanent establishment in Japan is taxable). In addition, a so-called arm’s length principle will apply to intra-company transactions between the overseas head office

(and the other permanent establishments located outside Japan) and the permanent establishment in Japan for the computation of the Japanese source income attributable to the permanent establishment in Japan. It is generally considered that, since the above change will only apply to treatment under Japanese domestic tax law and almost all tax treaties, which override the domestic tax law treatment, already adopt an “attributable income approach,” there will be no material difference in terms of the Japanese tax burden due to such a change, including the tax treatment with respect to payment of the interest on the Notes (and the issue differential) paid to a non-resident of Japan or a non-Japanese corporation having a permanent establishment in Japan, although the taxable income computation requirement for the tax filing and document retention requirement will be changed.

## **United States Foreign Account Tax Compliance**

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL INCOME TAX ISSUES IN THIS OFFERING CIRCULAR IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY ANY PERSON FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON SUCH PERSON UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUERS IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUERS OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) PROSPECTIVE PURCHASERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

Pursuant to FATCA, the Issuers and other non-U.S. financial institutions through which payments on the Notes are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made after 31st December, 2016 in respect of (i) any Notes issued or materially modified on or after the later of (a) 1st July, 2014, and (b) the date that is six months after the date on which the final regulations applicable to “foreign passthru payments” are filed in the Federal Register and (ii) any Notes which are treated as equity for U.S. federal tax purposes, whenever issued. Under existing guidance, this withholding tax may be triggered on payments on the Notes if (i) the relevant Issuer is a foreign financial institution (“FFI”) (as defined in FATCA) which enters into and complies with an agreement (an “FFI Agreement”) with the U.S. Internal Revenue Service (“IRS”) to provide certain information on its account holders (making the Issuer a “Participating FFI”), (ii) the relevant Issuer is required to withhold on “foreign passthru payments”, and (iii)(a) an investor does not provide information sufficient for the relevant Participating FFI to determine whether the investor is subject to withholding under FATCA, or (b) any FFI to or through which payment on such Notes is made is not a Participating FFI or otherwise exempt from FATCA withholding.

Whilst the Notes are in global form and held within the ICSDs, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs. However, FATCA may affect payments on the Notes made to custodians or intermediary financial institutions in the subsequent payment chain leading to the ultimate investor of the Notes if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment on the Notes) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors in the Notes should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding.

Investors in the Notes should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has made payment to, or to the order of, the Common Depositary for the ICSDs (as bearer or registered holder of the Notes) and the relevant Issuer has therefore no responsibility for any amount thereafter transmitted through the hands of the ICSDs and custodians or intermediaries. Further, foreign financial institutions in a jurisdiction which has entered into an IGA are generally not expected to be required to withhold under FATCA or an IGA (or any law implementing an IGA) from payments they make. If an amount in respect of U.S. withholding tax were to be deducted or withheld from interest, principal or other payments on the Notes as a result of FATCA, neither the relevant Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. As a result, investors may receive less interest or principal than expected.

## **Singapore Taxation**

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore, and administrative guidelines and circulars issued by the Monetary Authority of Singapore ("MAS") in force as at the date of this Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. Neither these statements nor any other statements in this Offering Circular are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own tax advisors as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that neither of the Issuers, Guarantors, Dealers or any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

### ***Notes issued by Mitsui Asia***

#### **1 *Interest Payments***

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, Chapter 134 of Singapore (the "Income Tax Act") the following payments are deemed to be derived from Singapore:

- (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is
  - (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore); or
  - (ii) deductible against any income accruing in or derived from Singapore; or
- (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Further, such payments where made to a person not known to be a resident in Singapore for tax purposes are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent.. The applicable rate for non-resident individuals

is currently 20 per cent. and is to be increased to 22 per cent. with effect from the year of assessment 2017. However, if the payment is derived by a person not resident in Singapore from sources other than its trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

## 2 *Qualifying Debt Securities*

With respect to any tranche of the Notes which are debt securities issued by Mitsui Asia under the Programme (the “Relevant Notes”) during the period from 1st January, 2014 to 31st December, 2018 where, pursuant to the Income Tax Act and the MAS Circular FSD Cir 02/2013 entitled “Extension and Refinement of Tax Concessions for Promoting the Debt Market” (the “MAS Circular”) issued by MAS on 28th June, 2013, more than half of the issue of such Relevant Notes are distributed by Financial Sector Incentive – Capital Market, Financial Sector Incentive – Standard Tier or Financial Sector Incentive – Bond Market companies, such Relevant Notes would be, pursuant to the Income Tax Act and the MAS Circular, qualifying debt securities (“QDS”) for the purposes of the Income Tax Act.

If the Relevant Notes are QDS:

- (a) subject to certain prescribed conditions having been fulfilled (including the furnishing of a return on debt securities for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require to the MAS and such other relevant authorities as may be prescribed and the inclusion by Mitsui Asia in all offering documents relating to the Relevant Notes a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost is derived from the Relevant Notes by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using funds and profits of that person’s operations through a permanent establishment in Singapore), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the “Qualifying Income”) from the Relevant Notes, paid by Mitsui Asia and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore, or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not funds and profits of that person’s operations through a permanent establishment in Singapore, are exempt from Singapore tax;
- (b) subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require to the MAS and such other relevant authorities as may be prescribed), Qualifying Income from the Relevant Notes paid by Mitsui Asia and derived by any company or a body of persons (as defined in the Income Tax Act) in Singapore is subject to tax at a concessionary rate of 10 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and
- (c) subject to:
  - (i) Mitsui Asia including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the Income Tax Act; and

- (ii) the furnishing of a return on debt securities for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require to the MAS and such other relevant authorities as may be prescribed,

payments of Qualifying Income derived from the Relevant Notes are not subject to the withholding of tax by Mitsui Asia.

Notwithstanding the foregoing:

- (i) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50 per cent. or more of the principal amount of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of Mitsui Asia, such Relevant Notes would not qualify as QDS; and
- (ii) even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenor of such tranche of Relevant Notes, 50 per cent. or more of such Relevant Notes which is outstanding at anytime during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of Mitsui Asia, Qualifying Income derived from such Relevant Notes held by:
  - (a) any related party of Mitsui Asia; or
  - (b) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of Mitsui Asia,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term “related party”, in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms “break cost”, “prepayment fee” and “redemption premium” are defined in the Income Tax Act as follows:

“break cost”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

“prepayment fee”, in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

“redemption premium”, in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to “break cost”, “prepayment fee” and “redemption premium” in this Singapore tax disclosure have the same meaning as defined in the Income Tax Act.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the Income Tax Act (as mentioned above) shall not apply if such person acquires such Relevant Notes using the funds and profits of such person’s operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. Qualifying Income) derived from the Relevant Notes is not exempt from Singapore income tax is required to include such income in a return of income made under the Income Tax Act.

Under the Qualifying Debt Securities Plus Scheme (the “QDS Plus Scheme”), subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities in respect of the QDS in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the QDS as the relevant authorities may require to the MAS and such other relevant authorities as may be prescribed), income tax exemption is granted on Qualifying Income derived by any investor from QDS (excluding Singapore Government Securities) which:

- (a) are issued during the period from 16th February, 2008 to 31st December, 2018;
- (b) have an original maturity of not less than 10 years;
- (c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and
- (d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of Relevant Notes are QDS which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Notes, 50 per cent. or more of such Relevant Notes which is outstanding at anytime during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of Mitsui Asia, Qualifying Income from such Relevant Notes derived by:

- (i) any related party of Mitsui Asia; or
- (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of Mitsui Asia,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

The MAS Circular states that, with effect from 28th June, 2013, the QDS Plus Scheme will be refined to allow QDS with certain standard early termination clauses (as prescribed in the MAS Circular) to qualify for the QDS Plus Scheme at the point of issuance of such debt securities. The MAS has also clarified that if such debt securities are subsequently redeemed prematurely pursuant to such standard early termination clauses before the 10th year from the date of issuance of such debt securities, the tax exemption granted under the QDS Plus Scheme to Qualifying Income accrued prior to such redemption will not be clawed back. Under such circumstances, the QDS Plus status of such debt securities will be revoked prospectively for such outstanding debt securities (if any), and holders thereof may still enjoy the tax benefits under the QDS scheme if the QDS conditions continue to be met.

The MAS has stated that, notwithstanding the above, QDS with embedded options with economic value (such as call, put, conversion or exchange options which can be triggered at specified prices or dates and are built into the pricing of such debt securities at the onset) which can be exercised within ten years from the date of issuance of such debt securities will continue to be excluded from the QDS Plus Scheme from such date of issuance.

### **3** *Investment Income*

Certain Singapore-sourced investment income such as:

- (a) interest from debt securities derived on or after 1st January, 2004;
- (b) discount income (not including discount income from secondary trading) on debt securities derived on or after 17th February, 2006; and
- (c) prepayment fee, redemption premium and break cost (as such terms are defined in the Income Tax Act) from debt securities derived on or after 15th February, 2007,

by individuals are exempted from tax, provided such income is not derived by individuals through a partnership in Singapore and is not considered as gains or profits from any trade, business or profession.

#### **4** *Capital Gains*

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who are adopting Singapore Financial Reporting Standard 39 ("FRS 39") for Singapore income tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39. Please see the section below on "Adoption of FRS 39 Treatment for Singapore Income Tax Purposes".

#### **5** *Adoption of FRS 39 Treatment for Singapore Income Tax Purposes*

The Inland Revenue Authority of Singapore has issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 - Financial Instruments: Recognition and Measurement" (the "FRS 39 Circular"). The Income Tax Act has since been amended to give effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain "opt-out" provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

#### **6** *Estate Duty*

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15th February, 2008.

### **Hong Kong Taxation**

#### ***Withholding Tax***

Under existing Hong Kong law, payments of principal and interest in respect of the Notes may be made without withholding for or on account of any Hong Kong taxes. In addition, no tax is withheld in Hong Kong in respect of any gains arising from resale of the Notes.

#### ***Profits Tax***

Profits tax is charged on every person carrying on a trade, profession or business in Hong Kong in respect of assessable profits arising in or derived from Hong Kong from such trade, profession or business.

Under the Inland Revenue Ordinance (Cap. 112) of Hong Kong as it is currently applied, interest on the Notes will be subject to Hong Kong profits tax where such interest has a Hong Kong source and is received by or accrued to:

- (i) a financial institution (as defined in the Inland Revenue Ordinance) and such interest arises through or from the carrying on by the financial institution of its business in Hong Kong, notwithstanding that the moneys in respect of which the interest is received or accrues are made available outside Hong Kong;
- (ii) a corporation carrying on a trade, profession or business in Hong Kong and such interest is derived from Hong Kong; or
- (iii) a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and such interest is derived from Hong Kong and is in respect of the funds of the trade, profession or business.



In addition, Hong Kong profits tax may be charged on profits arising on the sale, disposal or redemption of the Notes where the sale, disposal or redemption is or forms part of a trade, profession or business carried on in Hong Kong.

### **The Proposed Financial Transactions Tax ("FTT")**

On 14th February, 2013, the European Commission published the Commission's Proposal for a Directive for a common FTT in the participating Member States.

The Commission's Proposal has a very broad scope and could apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued by the participating Member States indicate an intention to implement the FTT by 1st January, 2016.

However, the proposed FTT remains subject to negotiation between the participating Member States and the scope of any such tax is uncertain. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

### **EU Directive on the Taxation of Savings Income**

The Savings Directive requires EU Member States to provide to the tax authorities of other EU Member States details of payments of interest (and other similar income) paid by a person established within its jurisdiction to (or secured by such a person for the benefit of) an individual resident, or to (or secured for) certain other types of entity established in that other EU Member State, except that Austria will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period it elects otherwise.

The Council of the European Union has adopted the Amending Savings Directive which would, when implemented, amend and broaden the scope of the requirements of the Savings Directive described above including by expanding the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities, and by expanding the circumstances in which payments must be reported or paid subject to withholding. For example, payments made to (or secured for) (i) an entity or legal arrangement effectively managed in an EU Member State that is not subject to effective taxation, or (ii) a person, entity or legal arrangement established or effectively managed outside of the EU (and outside any third country or territory that has adopted similar measures to the Savings Directive) which indirectly benefit an individual resident in an EU Member State, may fall within the scope of the Savings Directive, as amended. The Amending Savings Directive requires EU Member States to adopt national legislation necessary to comply with it by 1st January, 2016, which legislation must apply from 1st January, 2017.

The European Commission has published a proposal for a Council Directive repealing the Savings Directive from 1st January, 2016 (1st January, 2017 in the case of Austria) (in each case subject to transitional arrangements). The proposal also provides that, if it is adopted, EU Member States will not be required to implement the Amending Savings Directive.

If a payment were to be made or collected through an EU Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive, neither the relevant Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. Furthermore, if the Amending Savings Directive is implemented and takes effect in EU Member States, such withholding may occur in a wider range of circumstances than at present, as explained above.

The Issuers are required to maintain a Paying Agent with a specified office in an EU Member State that is not obliged to withhold or deduct tax pursuant to any law implementing the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000. However, investors should be aware that any custodians or intermediaries through which they hold their interest in the Notes may nonetheless be obliged to withhold or deduct tax pursuant to such laws unless the investor meets certain conditions, including providing any information that may be necessary to enable such persons to make payments free from withholding and in compliance with the Savings Directive, as amended.

Investors who are in any doubt as to their position or would like to know more should consult their professional advisers.

## SUBSCRIPTION AND SALE

### Summary of Dealer Agreement

Subject to the terms and the conditions contained in an amended and restated dealer agreement dated 7th September, 2015 (the “Dealer Agreement”) between the Issuers, the Guarantor, the Permanent Dealers and the Arrangers, the Notes will be offered on a continuous basis by an Issuer to the Permanent Dealers. However, each of the Issuers has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by an Issuer through the Dealers, acting as agents of such Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

Each of the Issuers has agreed to reimburse the Arrangers for certain of their expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

The Issuers have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the relevant Issuer.

### Selling Restrictions

#### *Japan*

##### *Notes issued by Mitsui & Co.*

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended; the “Financial Instruments and Exchange Law”) and are subject to the Special Taxation Measures Law. Accordingly, 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, the Notes in Japan or to any 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 Law and any other applicable laws, regulations and ministerial guidelines of Japan; and (ii) it (a) has not, directly or indirectly, offered or sold any of the Notes to, or for the benefit of, any person other than a Gross Recipient (as hereinafter defined), and (b) will not, directly or indirectly, offer or sell any of the Notes, (x) as part of its initial distribution, to, or for the benefit of, any person other than a Gross Recipient, and (y) otherwise until 40 days after the date of issue, to, or for the benefit of, any individual resident of Japan or Japanese corporation for Japanese tax purposes (except for a Japanese financial institution, designated in Article 3-2-2, paragraph 29 of the Cabinet Order) that will hold Notes for its own proprietary account (a “Designated Financial Institution”) and an individual resident of Japan or a Japanese corporation whose receipt of interest on the Notes will be made through a payment handling agent in Japan as defined in Article 2-2, paragraph 2 of the Cabinet Order relating to Article 3-3 of the Special Taxation Measures Law (an “Article 3-3 Japanese Resident”). A “Gross Recipient” as used in (ii) above means (a) a beneficial owner that is, 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 party having a special relationship with Mitsui & Co. as described in Article 6, paragraph 4 of the Special Taxation Measures Law, (b) a Designated Financial Institution, or (c) an Article 3-3 Japanese Resident.

*Notes issued by Mitsui Asia.*

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law. Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell, the Notes in Japan or to any 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 Law and any other applicable laws, regulations and ministerial guidelines of Japan.

***United States***

- (1) The Notes and the Guarantee have not been and will not be registered under the Securities Act and the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Each Dealer has represented and agreed, and each further 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 has not and will not offer, sell or deliver the Notes of any identifiable Tranche within the United States or to, or for the account or benefit of, U.S. persons, (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of such Tranche as determined and certified by the relevant Dealer, in the case of a non-syndicated issue, or the lead manager, in the case of a syndicated issue, and that, at or prior to confirmation of 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 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 meaning given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Each Dealer has also represented and agreed (and each further 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.

Notes in bearer form 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 Internal Revenue Code and regulations thereunder.

- (2) In respect of Notes in bearer form that are expressed in the applicable Final Terms to be subject to the C Rules, the following applies:

In addition, under U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the “C Rules”), the Notes must be issued and delivered outside the United States and its possessions in connection with their original issue. Each Dealer represents that it has not offered, sold or delivered, and agrees that it will not offer, sell or deliver, directly or indirectly, Notes within the United States or its possessions in connection with their original issue. Further, in connection with the original issue of Notes, each Dealer represents that it has not communicated, and agrees that it will not

communicate, directly or indirectly, with a prospective purchaser if either of such Dealer or such purchaser is within the United States or its possessions or otherwise involve such Dealer's U.S. office in the offer or sale of Notes.

Terms used in this paragraph have the meanings given to them by the Internal Revenue Code and regulations thereunder, including the C Rules.

- (3) In respect of Notes in bearer form that are expressed in the applicable Final Terms to be subject to the D Rules, the following applies:

In addition to the foregoing:

- (i) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (the "D Rules"), each Dealer (a) has represented that it has not offered or sold, and agrees that during the restricted period it will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (b) has represented that it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
- (ii) each Dealer has represented that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that such Notes may not be offered, sold or delivered during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;
- (iii) if it is a United States person, each Dealer has represented that it is acquiring the Notes for purposes of resale in connection with their original issuance and if it retains Notes for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(6); and
- (iv) with respect to each affiliate that acquires Notes from a Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer repeats and confirms that representations and agreements contained in sub-clauses (i), (ii) and (iii) on such affiliate's behalf.

Terms used in this paragraph has the meaning given to them by the Internal Revenue Code and regulations thereunder, including the D Rules.

### ***European Economic Area***

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State it has not made and will not make an offer of Notes which have a minimum denomination of less than €100,000 (or equivalent in another currency) except that it may make an offer of such Notes at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive.

For the purposes of this provision, the expression "Prospectus Directive" means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

### ***United Kingdom***

Each Dealer has represented and agreed that:

- (i) in relation to any Notes which have 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 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;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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 apply to the Issuer or, where applicable, the Guarantor; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

### *Singapore*

This Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes will not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

This Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Notes may not be circulated or distributed, nor may Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

“securities” (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;

- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

### ***People's Republic of China***

Each Dealer has represented, warranted and agreed that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People's Republic of China (for such purposes, not including Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the People's Republic of China.

### ***Hong Kong***

Each Dealer has represented and agreed that (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong other than (a) to "professional investors" as defined in the Securities and Futures (Winding Up and Miscellaneous Provisions) Ordinance (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 the 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.

### ***Australia***

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia) in relation to the programme or any debt instruments has been or will be lodged with the Australian Securities and Investments Commission ("ASIC"). Each Dealer represents and agrees, 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 debt instruments 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 draft, preliminary or definitive information memorandum, advertisement or other offering material relating to the debt instrument in Australia, unless (i) the aggregate consideration payable by each offeree or invitee is at least AUD 500,000 (or its equivalent in other currencies, but disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or 7.9 of the Corporations Act, (ii) the offer or invitation does not constitute an offer to a "retail client" as defined for the purposes of section 761G of the 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 any other regulatory authority in Australia.

### ***South Africa***

Each Dealer has represented, warranted and agreed that it will not make an "offer to the public" (as such expression is defined in the South African Companies Act, 2008 (the "SA Companies Act") and which expression includes any section of the public) of Notes (whether for subscription, purchase or sale) in South Africa. Offers of Notes by Dealers in South Africa may be made pursuant to section 96 of the SA Companies Act which section provides for offers that are not deemed to be "offers to the public".

This Offering Circular does not, nor is it intended to, constitute a prospectus prepared and registered under the SA Companies Act.

This Offering Circular does not constitute an offer to accept deposits from the “general public” in terms of the South African Banks Act, 1990.

Information made available in this Offering Circular should not be considered as “advice” as defined in the Financial Advisory and Intermediary Services Act, 2002.

### ***The Russian Federation***

Each Dealer has represented, warranted and agreed that the Notes will not be offered, transferred or sold as part of their initial distribution or at any time thereafter to or for the benefit of any persons (including legal entities) resident, incorporated, established or having their usual residence in the Russian Federation or to any person located within the territory of the Russian Federation unless and to the extent otherwise permitted under Russian law.

### ***General***

These selling restrictions may be modified by the agreement of the Issuers, the Guarantor and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Offering Circular or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with (and will obtain any consent, approval or permission required to be obtained by it by) all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Offering Circular, any other offering material or any Final Terms and neither the Issuers, the Guarantor nor any other Dealer shall have responsibility therefor.

Some of the Dealers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuers, the Guarantor or their affiliates. They 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 the Issuers, the Guarantor or their affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer and/or the Guarantor routinely hedge their credit exposure to the Issuer and/or the Guarantor 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 the Issuer’s and/or Guarantor’s securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. 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.



## **FORM OF FINAL TERMS**

### **Final Terms**



**MITSUI & CO., LTD.**  
**MITSUI & CO. FINANCIAL SERVICES (ASIA) LTD.**  
**U.S.\$5,000,000,000**  
**Euro Medium Term Note Programme**

**Guaranteed (in respect of Notes issued by Mitsui & Co. Financial Services (Asia) Ltd.)  
by Mitsui & Co., Ltd.**

SERIES NO: [       ]  
TRANCHE NO: [       ]  
[Brief Description and Amount of Notes]  
Issue Price: [       ] per cent.

[Dealer(s)]

Final Terms dated [●]

**[Mitsui & Co., Ltd./Mitsui & Co. Financial Services (Asia) Ltd.]**

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

[Guaranteed by Mitsui & Co., Ltd.]

under the **U.S.\$5,000,000,000 Euro Medium Term Note Programme**

## **PART A – CONTRACTUAL TERMS**

**[The Notes are not listed and as such the information contained in these Final Terms is not required to comply with the Financial Conduct Authority’s Listing Rules and has not been approved or reviewed by the UK Listing Authority.] *[Include in the case of unlisted Notes.]***

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 [●] [and the supplemental Offering Circular dated [●]] which [together] constitute[s] listing particulars for the purposes of Chapter 4 of the Financial Conduct Authority’s Listing Rules. This document constitutes the final terms of the Notes described herein and must be read in conjunction with the Offering Circular [as so supplemented]. [The Offering Circular [and the supplemental Offering Circular] [is] [are] available for viewing at [address] during normal business hours [and] [website] and copies may be obtained from [address].]

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an offering circular/a prospectus with an earlier date.]*

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] [and the supplemental Offering Circular dated [●]] incorporated by reference into the Offering Circular dated [current date] and which are attached hereto. This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Offering Circular dated [current date] [and the supplemental Offering Circular dated [●]], which [together] constitute[s] listing particulars for the purposes of Chapter 4 of the Financial Conduct Authority’s Listing Rules. [The Offering Circular[s] [and the supplemental Offering Circular[s]] are available for viewing at [address] during normal business hours [and] [website] and copies may be obtained from [address]].

- |    |   |  |
|----|---|--|
| 1  | (i) Issuer:   | [Mitsui & Co., Ltd.]<br>[Mitsui & Co. Financial Services (Asia) Ltd.]  |
|    | (ii) [Guarantor:]   | [Mitsui & Co., Ltd.]   |
| 2  | (i) Series Number:  | [●]  |
|    | (ii) [Tranche Number:]  | [●]  |
| 3  | Specified Currency or Currencies:   | [●]  |
| 4  | Aggregate Nominal Amount of Notes<br>[admitted to trading]:               |  |
|    | (i) Series:   | [●]  |
|    | (ii) [Tranche:  | [●]  |
| 5  | Issue Price:  | [●] per cent. of the Aggregate Nominal Amount [plus<br>accrued interest from [●]]  |
| 6  | (i) Specified Denominations   | [●]  |
|    | (ii) Calculation Amount   | [●]  |
| 7  | (i) Settlement Date:  | [●]  |
|    | (ii) [Interest Commencement Date:   | [●]/[Settlement Date]/[Not applicable]   |
| 8  | Maturity Date:  | [●]  |
| 9  | Interest Basis:   | [[●] per cent. Fixed Rate]<br>[[duration][currency]][LIBOR/EURIBOR/TIBOR/<br>Shibor/BBSW/MosPrimeRate/JIBAR/SOR/SIBOR/<br>CNH HIBOR]] +/- [●] per cent. Floating Rate]<br>[Zero Coupon]<br>(further particulars specified below) |
| 10 | Redemption/Payment Basis:   | [Redemption at par]<br>[Instalment]  |
| 11 | Change of Interest or Redemption/Payment<br>Basis:                        | [●]  |
| 12 | Investor Put/Issuer Call Option:  | [Investor Put]<br>[Issuer Call]<br>[(further particulars specified below)]   |
| 13 | [Date [board] approval for issuance of Notes<br>[and Guarantee] obtained: | [●] [and [●], respectively]  |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- |    |                                   |                             |
|----|-----------------------------------|-----------------------------|
| 14 | <b>Fixed Rate Note Provisions</b> | [Applicable/Not Applicable] |
|----|-----------------------------------|-----------------------------|

(i) Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
(ii) Interest Payment Date(s):	[●] in each year [adjusted in accordance with [●]]/[not adjusted]
(iii) Fixed Coupon Amount [(s)]:	[●] per Calculation Amount
(iv) Broken Amount(s):	[●] per Calculation Amount payable [in/on] [●]
(v) Day Count Fraction (Condition 4(h)):	[30/360/Actual/Actual (ICMA/ISDA)/[●]]
(vi) Interest Determination Date(s) (Condition 4(h)):	[●] in each year.
(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable]/[●]
<b>15 Floating Rate Note Provisions</b>	[Applicable/Not Applicable]
(i) Interest Period(s):	[●]
(ii) Specified Interest Payment Dates:	[●]
(iii) Interest Period Date:	[Not Applicable]/ [[●] in each year[, subject to adjustment in accordance with the Business Day Convention set out in (iv) below/, not subject to any adjustment[, as the Business Day Convention in (iv) below is specified to be Not Applicable]]
(iv) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[●]]
(v) Business Centre(s):	[●]
(vi) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/[●]]
(vii) Reference Banks:	[Not Applicable/Applicable] [●]
(viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Calculation Agent):	[●]
(ix) Screen Rate Determination (Condition 4(b)(iii)(B)):	
- Reference Rate:	[[duration]][currency][LIBOR/EURIBOR/TIBOR/Shibor/BBSW/MosPrimeRate/JIBAR/SOR/SIBOR/CNH HIBOR]
- Interest Determination Date(s):	[●]
- Relevant Screen Page:	[●]
- Relevant Time (for other than LIBOR, EURIBOR or CNH HIBOR):	[●][am/pm] [●] time

- Location for the Reference Banks (for other than LIBOR, EURIBOR or CNH HIBOR): [principal financial centre of the currency of the relevant currency][other]
- (x) ISDA Determination (Condition 4(b)(iii)(A)):
- Floating Rate Option: [●]
- Designated Maturity: [●]
- Reset Date: [●]
- (xi) Margin(s): [+/-] [●] per cent. per annum
- (xii) Minimum Rate of Interest: [●] per cent. per annum
- (xiii) Maximum Rate of Interest: [●] per cent. per annum
- (xiv) Day Count Fraction (Condition 4(h)): [●]
- (xv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●]

**16 Zero Coupon Note Provisions** [Applicable/Not Applicable]

- (i) Amortisation Yield (Condition 5(d)): [●] per cent. per annum
- (ii) Day Count Fraction (Condition 4(h)): [●]
- (iii) Any other formula/basis of determining amount payable: [●]

**PROVISIONS RELATING TO REDEMPTION**

**17 Issuer Call Option** [Applicable/Not Applicable]

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount
- (iii) If redeemable in part:
  - (a) Minimum Optional Redemption Amount: [●] per Calculation Amount
  - (b) Maximum Optional Redemption Amount: [●] per Calculation Amount
- (iv) Notice period: [●]

**18 Investor Put Option** [Applicable/Not Applicable]

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount

- (iii) Notice period: [●]
- 19 Final Redemption Amount of each Note** [●] per Calculation Amount
- 20 Early Redemption Amount**
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons (Condition 5(b)) or on an event of default (Condition 9) and/or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [●] per Calculation Amount

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 21 Form of Notes:** [Bearer Notes]
- [temporary Global Note exchangeable for a permanent Global Note which is exchangeable for definitive Notes in bearer form in the circumstances specified in the permanent Global Note ]
- [temporary Global Note exchangeable for definitive Notes in bearer form on [●] days' notice]
- [permanent Global Note exchangeable for definitive Notes in bearer form in the circumstances specified in the permanent Global Note]
- [Registered Notes]
- [Global Certificate exchangeable for definitive Certificates representing Registered Notes in the limited circumstances specified in the Global Certificate]
- 22 Financial Centre(s) (Condition 6(h)) or other special provisions relating to payment dates:** [Not Applicable/Applicable]/[●]
- 23 Details relating to Instalment Notes: Instalment Amount and Instalment Date on which each payment is to be made:** [Not Applicable/Applicable]/[●]

#### PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required to have admitted to the Official List of the UK Listing Authority and to trading to the PSM of the London Stock Exchange plc the issue of Notes described herein pursuant to the U.S.\$5,000,000,000 Euro Medium Term Note Programme of Mitsui & Co., Ltd. and Mitsui & Co. Financial Services (Asia) Ltd. [guaranteed by Mitsui & Co., Ltd.]

Signed on behalf of the Issuer:

By: \_\_\_\_\_

Duly authorised

[Signed on behalf of the Guarantor:

By: \_\_\_\_\_]  
Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Listing: [London/PSM/None]  
The PSM is not a regulated market.
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading  
[on the Professional Securities Market of the London Stock  
Exchange] with effect from [●].]
- (iii) Estimate of total expenses related to admission to trading: [●]

### 2. RATINGS

Ratings: The Notes to be issued have been rated:

### 3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

[●] “Save as discussed in [“Subscription and Sale”], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.”]

### 4. ESTIMATED TOTAL EXPENSES

[Estimated total expenses: [●]

### 5. [FIXED RATE NOTES ONLY – YIELD

Indication of yield: [●]  
The yield is calculated at the Settlement Date on the basis of the Issue Price. It is not an indication of future yield.]

### 6. OPERATIONAL INFORMATION

ISIN Code: [●]

Common Code: [●]

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the relevant identification number(s): [Not Applicable]/[●]

Additional Paying Agent(s) (if [ ] any):



## **7. GENERAL**

Applicable TEFRA exemption	[C Rules/D Rules/Not Applicable]
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## GENERAL INFORMATION

1. The listing of the Notes on the Official List and admission to trading on the Market will be expressed as a percentage of their nominal amount (exclusive of accrued interest). It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the Market will be admitted separately as and when issued, subject only to the issue of a temporary or permanent Global Note or a Global Certificate initially representing the Notes of each Tranche. The listing of the Programme in respect of Notes is expected to be granted on or around 10th September, 2015. Prior to listing and admission to trading, however, dealings will be permitted by the London Stock Exchange in accordance with its rules. Transactions on the Market will normally be effected for delivery on the third working day after the day of the transaction. However, unlisted Notes may be issued pursuant to the Programme.
2. Each of Mitsui & Co. and Mitsui Asia has obtained all necessary consents, approvals and authorisations in Japan and Singapore, respectively, in connection with the issue and performance of the Notes. The update of the Programme was authorised by a resolution of the Board of Directors of Mitsui Asia passed on 7th September, 2015. The accession to the Programme and giving of the Guarantee was authorised by a resolution of the Board of Directors of Mitsui & Co. passed on 30th October, 2002. No authorisation procedures are required with respect to Mitsui & Co. under Japanese law for the update of the Programme, however, the issue of each Tranche of Notes by Mitsui & Co. requires separate authorisation.
3. There has been no significant change in the financial or trading position of the Issuers and their respective consolidated subsidiaries taken as a whole, or the Guarantor and its consolidated subsidiaries taken as a whole, since the date of their respective last published audited financial statements being 31st March, 2015 and there has been no material adverse change in the prospects of each of the Issuers or the Guarantor, since the date of their respective last published audited financial statements being 31st March, 2015.
4. Save as disclosed on page 19 to 20 of the section of this Offering Circular entitled “Risk Factors” under the heading “Restrictions under environmental laws and regulations may have a significant negative impact on Mitsui’s business, operating results and financial condition” in relation to the oil spill incident in the Gulf of Mexico and the investigation and civil action concerning Coronet discussed therein, there are no governmental, legal or arbitration proceedings that may have, or have had during the 12 months preceding the date of this Offering Circular, significant effects on the financial position or profitability of, in the case of each Issuer, that Issuer, the Guarantor (in the case of Guaranteed Notes) and their respective subsidiaries as a whole, and none of the Issuers and the Guarantor is aware that any such proceedings are pending or threatened.
5. Each Note in bearer form and any Receipt, Coupon and Talon relating thereto with an original maturity of more than one year will bear the following legend:

“ANY UNITED STATES PERSON AS DEFINED IN THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “INTERNAL REVENUE CODE”) 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.”

Each Note and Coupon issued by Mitsui & Co. will bear the following legend:

(WITH RESPECT TO INTEREST DUE ON OR BEFORE (INCLUDING) 31ST DECEMBER 2015)

“INTEREST PAYMENTS ON THIS SECURITY WILL BE SUBJECT TO JAPANESE WITHHOLDING TAX UNLESS THE HOLDER ESTABLISHES THAT THE SECURITY IS HELD BY OR FOR THE ACCOUNT OF A HOLDER THAT IS NOT AN INDIVIDUAL RESIDENT OF JAPAN OR A JAPANESE CORPORATION OR AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NON-JAPANESE CORPORATION THAT IS A PERSON HAVING A SPECIAL RELATIONSHIP WITH THE ISSUER AS DESCRIBED IN ARTICLE 6, PARAGRAPH 4 OF THE SPECIAL TAXATION MEASURES LAW OF JAPAN (LAW NO. 26 OF 1957, AS AMENDED) (THE “SPECIAL TAXATION MEASURES LAW”) (A “SPECIALLY-RELATED PERSON OF THE ISSUER”) FOR JAPANESE TAX PURPOSES OR IS A DESIGNATED JAPANESE FINANCIAL INSTITUTION OR A FINANCIAL INSTRUMENTS BUSINESS OPERATOR, DESCRIBED IN ARTICLE 6, PARAGRAPH 9 OF THE SPECIAL TAXATION MEASURES LAW WHICH COMPLIES WITH THE REQUIREMENT FOR TAX EXEMPTION UNDER THAT PARAGRAPH.

INTEREST PAYMENTS ON THIS SECURITY TO AN INDIVIDUAL RESIDENT OF JAPAN OR A JAPANESE CORPORATION (OTHER THAN A DESIGNATED JAPANESE FINANCIAL INSTITUTION DESCRIBED IN THE PRECEDING PARAGRAPH) OR TO AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NON-JAPANESE CORPORATION THAT IS A SPECIALLY-RELATED PERSON OF THE ISSUER WILL BE SUBJECT TO DEDUCTION IN RESPECT OF JAPANESE INCOME TAX AT THE RATE OF 15 PER CENT. (FOR THE PERIOD TO AND INCLUDING 31ST DECEMBER, 2037, AN ADDITIONAL 0.315 PER CENT. WILL BE ADDED THERETO AS SPECIAL INCOME TAX FOR RECONSTRUCTION) ON THE AMOUNT SPECIFIED IN SUB-PARAGRAPH (A) OR (B) BELOW, AS APPLICABLE:

- (A) IF INTEREST IS PAID TO AN INDIVIDUAL RESIDENT OF JAPAN OR TO A JAPANESE CORPORATION OR TO AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NON-JAPANESE CORPORATION THAT IS A SPECIALLY-RELATED PERSON OF THE ISSUER (EXCEPT AS PROVIDED IN SUB-PARAGRAPH (B) BELOW), THE AMOUNT OF SUCH INTEREST; OR
- (B) IF INTEREST IS PAID TO A PUBLIC CORPORATION DESIGNATED BY THE RELEVANT LAW, A FINANCIAL INSTITUTION OR A FINANCIAL INSTRUMENTS BUSINESS OPERATOR, ETC. THROUGH A JAPANESE PAYMENT HANDLING AGENT AS PROVIDED IN ARTICLE 3-3, PARAGRAPH 6 OF THE SPECIAL TAXATION MEASURES LAW IN COMPLIANCE WITH THE REQUIREMENT FOR TAX EXEMPTION UNDER THAT PARAGRAPH, THE AMOUNT OF SUCH INTEREST MINUS THE AMOUNT PROVIDED IN THE CABINET ORDER RELATING TO SAID PARAGRAPH 6.

HOWEVER, INTEREST ON THIS SECURITY ISSUED BY THE ISSUER OF WHICH THE AMOUNT OF INTEREST IS TO BE CALCULATED BY REFERENCE TO CERTAIN INDEXES (AS PRESCRIBED UNDER THE CABINET ORDER RELATING TO ARTICLE 6, PARAGRAPH 4 OF THE SPECIAL TAXATION MEASURES LAW) RELATING TO THE ISSUER OR A SPECIALLY-RELATED PERSON OF THE ISSUER WILL BE SUBJECT TO THE WITHHOLDING TAX 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.”

(WITH RESPECT TO INTEREST DUE ON OR AFTER (INCLUDING) 1ST JANUARY 2016, SUBJECT TO ENFORCEMENT OF THE AMENDMENTS TO THE SPECIAL TAXATION MEASURES LAW AS OF SUCH DATE)

“INTEREST PAYMENTS ON THIS SECURITY WILL BE SUBJECT TO JAPANESE WITHHOLDING TAX UNLESS THE HOLDER ESTABLISHES THAT THE SECURITY IS HELD BY OR FOR THE ACCOUNT OF A HOLDER THAT IS NOT AN INDIVIDUAL RESIDENT OF JAPAN OR A JAPANESE CORPORATION OR AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NON-JAPANESE CORPORATION THAT IS A PERSON HAVING A SPECIAL RELATIONSHIP WITH THE ISSUER AS DESCRIBED IN ARTICLE 6, PARAGRAPH 4 OF THE SPECIAL TAXATION MEASURES LAW OF JAPAN (LAW No. 26 of 1957, AS AMENDED) (THE “SPECIAL TAXATION MEASURES LAW”) (A “SPECIALLY-RELATED PERSON OF THE ISSUER”) FOR JAPANESE TAX PURPOSES OR IS A DESIGNATED FINANCIAL INSTITUTION OR FINANCIAL INSTRUMENTS BUSINESS OPERATOR, DESCRIBED IN ARTICLE 6, PARAGRAPH 9 OF THE SPECIAL TAXATION MEASURES LAW WHICH COMPLIES WITH THE REQUIREMENT FOR TAX EXEMPTION UNDER THAT PARAGRAPH.

INTEREST PAYMENTS ON THIS SECURITY TO AN INDIVIDUAL RESIDENT OF JAPAN OR A JAPANESE CORPORATION (OTHER THAN A DESIGNATED JAPANESE FINANCIAL INSTITUTION DESCRIBED IN THE PRECEDING PARAGRAPH) OR TO AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NON-JAPANESE CORPORATION THAT IS A SPECIALLY-RELATED PERSON OF THE ISSUER (EXCEPT INTEREST THAT IS PAID TO A PUBLIC CORPORATION, A FINANCIAL INSTITUTION OR A FINANCIAL INSTRUMENTS BUSINESS OPERATOR, ETC. THROUGH A JAPANESE PAYMENT HANDLING AGENT AS PROVIDED IN ARTICLE 3-3, PARAGRAPH 6 OF THE SPECIAL TAXATION MEASURE LAW IN COMPLIANCE WITH THE REQUIREMENT FOR TAX EXEMPTION UNDER THAT PARAGRAPH) WILL BE SUBJECT TO DEDUCTION IN RESPECT OF JAPANESE INCOME TAX AT A RATE OF 15 PER CENT. (FOR THE PERIOD TO AND INCLUDING 31ST DECEMBER, 2037, AN ADDITIONAL 0.315 PER CENT. WILL BE ADDED THERETO AS SPECIAL INCOME TAX FOR RECONSTRUCTION) ON THE AMOUNT OF SUCH INTEREST.

HOWEVER, INTEREST ON THIS SECURITY ISSUED BY THE ISSUER OF WHICH THE AMOUNT OF INTEREST IS TO BE CALCULATED BY REFERENCE TO CERTAIN INDEXES (AS PRESCRIBED UNDER THE CABINET ORDER RELATING TO ARTICLE 6, PARAGRAPH 4 OF THE SPECIAL TAXATION MEASURES LAW) RELATING TO THE ISSUER OR A SPECIALLY-RELATED PERSON OF THE ISSUER WILL BE SUBJECT TO THE WITHHOLDING TAX 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.”

Each Note, Receipt, Coupon and Talon issued by Mitsui Asia where such Notes are issued as “Qualifying Debt Securities” for the purpose of Income Tax Act, Chapter 134 of Singapore will bear the following legend:

“Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the “Income Tax Act”), shall not apply if such person acquires such Notes using the funds and profits of

such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act."

Each Note, Certificate, Receipt, Coupon and Talon will bear the following legend:

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.

6. Notes have been accepted for clearance through the ICSDs. The common code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other Relevant Clearing System for each Series of Notes will be set out in the relevant Final Terms. The address of Euroclear is 1, Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42, Avenue JF Kennedy L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.
7. The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Term of each Tranche, based on then prevailing market conditions. The Issuers do not intend to provide any post-issuance information in relation to any issues of Notes.
8. Copies of the following documents will be available for inspection during usual business hours on any weekday (Saturdays and public holidays excepted) for so long as Notes may be issued under this Offering Circular at the registered office of Mitsui & Co. and the offices of Citibank, N.A., London Branch, as Issuing and Principal Paying Agent:
  - (i) the Amended and Restated Agency Agreement dated 3rd September, 2013 (which includes the forms of the Global Notes, the Global Certificates, the Definitive Notes, the Definitive Certificates, the Coupons, the Receipts and the Talons) (as further amended or supplemented);
  - (ii) the Deed of Covenant of each Issuer;
  - (iii) the constitutive documents (with English translations, if not in English) of each of the Issuers;
  - (iv) the published audited consolidated annual accounts of Mitsui & Co. and its consolidated subsidiaries in English for the years ended 31st March, 2014 and 2015;
  - (v) the published annual report and audited non-consolidated accounts of Mitsui Asia in English for the years ended 31st March, 2014 and 2015;
  - (vi) each set of Final Terms for Notes that are listed on the Official List of the UK Listing Authority and admitted to trading on the Market or any other stock exchange; and
  - (vii) a copy of the Offering Circular together with any amendment or supplement thereto.
9. Deloitte Touche Tohmatsu LLC, (Independent Auditors) (authorised and regulated by the Financial Services Agency (Japan)), has audited, and rendered unqualified reports on, the consolidated financial statements of Mitsui & Co. for the years ended 31st March, 2014 and 2015.
10. Deloitte & Touche LLP (Chartered Accountants) (authorised and regulated by The Accounting and Corporate Regulatory Authority in Singapore) has audited, and rendered unqualified audit reports on, the financial statements of Mitsui Asia for the years ended 31st March, 2014 and 2015.

## INDEX TO THE FINANCIAL STATEMENTS OF MITSUI ASIA

The audited annual financial statements of Mitsui Asia are prepared and presented in accordance with Singapore Financial Reporting Standards and Interpretations of Financial Reporting Standards (“Singapore GAAP”) and material differences exist between Singapore GAAP and IFRS which might be material to the financial information herein. Prospective investors must make their own assessment of any such differences. The audited financial statements of Mitsui Asia have been audited in accordance with Singapore Standards on Auditing.

### **Mitsui Asia**

*Page*

Financial Statements of Mitsui Asia as at and for the year ended 31st March, 2015 (including the audit report related thereto) ..... F-2

## **mitsui & co. financial services (asia) ltd.**

### **REPORT OF THE DIRECTORS**

The directors present their report together with the audited financial statements of the company for the financial year ended March 31, 2015.

#### **1 DIRECTORS**

The directors of the company in office at the date of this report are:

Mr Takakazu Uchida

Mr Omori Hiroshi

Mr Takashi Manabe

(Appointed on June 18, 2014)

Mr Nagano Naoki

(Appointed on April 6, 2015)

#### **2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES**

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in the company or any other body corporate.

#### **3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES**

The directors of the company holding office at the end of the financial year had no interests in the share capital and debentures of the company and related corporations as recorded in the register of directors' shareholdings kept by the company under Section 164 of the Singapore Companies Act except as follows:

<u>Ultimate holding company - Mitsui &amp; Co., Ltd</u>	<u>At beginning of year or date of appointment, if later</u>	<u>At end of year</u>
<u>Ordinary shares (Registered in name of director)</u>		
Mr Takakazu Uchida	4,432	8,107
Mr Omori Hiroshi	5,522	5,751
Mr Shinji Sato (Resigned on April 6, 2015)	11,915	12,517

## **mitsui & co. financial services (asia) ltd.**

### **REPORT OF THE DIRECTORS**

#### **4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS**

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except for salaries, bonuses and other benefits as disclosed in the financial statements. Certain directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

#### **5 SHARE OPTIONS**

##### **(a) Options to take up unissued shares**

During the financial year, no options to take up unissued shares of the company was granted.

##### **(b) Options exercised**

During the financial year, there were no shares of the company issued by virtue of the exercise of an option to take up unissued shares.

##### **(c) Unissued shares under option**

At the end of the financial year, there were no unissued shares of the company under options.



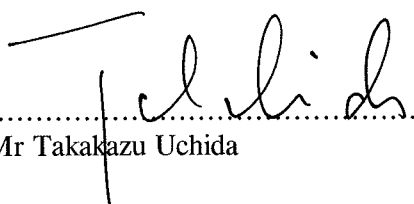
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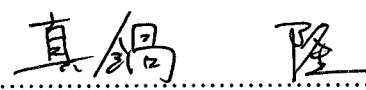
**REPORT OF THE DIRECTORS**

**6 AUDITORS**

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

**ON BEHALF OF THE DIRECTORS**

  
.....  
Mr Takakazu Uchida

  
.....  
Mr Takashi Manabe

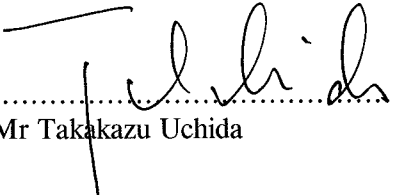
July 13, 2015

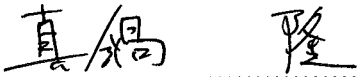
**mitsui & co. financial services (asia) ltd.**

**STATEMENT OF DIRECTORS**

In the opinion of the directors, the financial statements of the company as set out on a pages 7 to 43 are drawn up so as to give a true and fair view of the state of affairs of the company as at March 31, 2015 and of the results, changes in equity and cash flows of the company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts when they fall due.

ON BEHALF OF THE DIRECTORS

  
.....  
Mr Takakazu Uchida

  
.....  
Mr Takashi Manabe

July 13, 2015

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF MITSUI & CO. FINANCIAL SERVICES (ASIA) LTD.**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Mitsui & Co. Financial Services (Asia) Ltd. (the "company") which comprise the statement of financial position as at March 31, 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 7 to 43.

### **Management's Responsibility of the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF MITSUI & CO. FINANCIAL SERVICES (ASIA) LTD.

### Opinion

In our opinion, the financial statements of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the company as at March 31, 2015 and the financial performance, changes in equity and cash flows of the company for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

*Deloitte & Touche LLP*

Public Accountants and  
Chartered Accountants  
Singapore

July 13, 2015



OFFICIAL PROFESSIONAL  
SERVICES PARTNER

**mitsui & co. financial services (asia) ltd.**

**STATEMENT OF FINANCIAL POSITION**  
**March 31, 2015**

	<u>Note</u>	<u>2015</u> US\$	<u>2014</u> US\$
<b><u>ASSETS</u></b>			
<b>Current assets</b>			
Cash and cash equivalents	7	3,787,011	1,817,582
Loan receivables	8	1,032,116,605	1,491,176,598
Derivative financial instruments	9	2,250,364	64,829
Other receivables and prepayments	10	5,088,443	3,753,273
Total current assets		<u>1,043,242,423</u>	<u>1,496,812,282</u>
<b>Non-current assets</b>			
Loan receivables	8	135,179,558	165,054,755
Club membership	11	261,063	261,063
Equipment	12	10,963	10,713
Total non-current assets		<u>135,451,584</u>	<u>165,326,531</u>
<b>Total assets</b>		<u>1,178,694,007</u>	<u>1,662,138,813</u>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>Current liabilities</b>			
Loan payables	13	706,656,896	1,195,598,779
Derivative financial instruments	9	-	300,661
Other payables	14	2,747,493	2,183,469
Income tax payable		654,497	1,111,424
Total current liabilities		<u>710,058,886</u>	<u>1,199,194,333</u>
<b>Non-current liability</b>			
Loan payables	13	448,612,788	438,735,126
Total non-current liability		<u>448,612,788</u>	<u>438,735,126</u>
<b>Equity</b>			
Issued capital	15	15,000,000	15,000,000
Retained earnings		5,022,333	9,209,354
Total equity		<u>20,022,333</u>	<u>24,209,354</u>
<b>Total liabilities and equity</b>		<u>1,178,694,007</u>	<u>1,662,138,813</u>

See accompanying notes to financial statements.

**MITSUI & CO. FINANCIAL SERVICES (ASIA) LTD.**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**Year ended March 31, 2015**

	<u>Note</u>	<u>2015</u> US\$	<u>2014</u> US\$
Interest income	16	14,302,040	18,433,411
Interest expense	17	<u>(6,006,592)</u>	<u>(10,273,491)</u>
<b>Net interest income</b>		8,295,448	8,159,920
Other operating income		38,405	3,246,856
Staff costs		(665,167)	(669,951)
Depreciation		(6,718)	(6,935)
Other operating expenses	18	<u>(2,516,983)</u>	<u>(1,159,493)</u>
<b>Profit before income tax</b>	19	5,144,985	9,570,397
Income tax expense	20	<u>(632,006)</u>	<u>(1,012,901)</u>
<b>Profit for the year, representing total comprehensive income for the year</b>		<u><u>4,512,979</u></u>	<u><u>8,557,496</u></u>

See accompanying notes to financial statements.

**mitsui & co. financial services (asia) ltd.**

**STATEMENT OF CHANGES IN EQUITY**  
**Year ended March 31, 2015**

	<u>Note</u>	<u>Issued capital US\$</u>	<u>Retained earnings US\$</u>	<u>Total US\$</u>
Balance at April 1, 2013		15,000,000	6,051,858	21,051,858
Profit for the year, representing total comprehensive income for the year		-	8,557,496	8,557,496
Transaction with owners, recognised directly in equity				
Dividend paid	22	<u>-</u>	<u>(5,400,000)</u>	<u>(5,400,000)</u>
Balance at March 31, 2014		15,000,000	9,209,354	24,209,354
Profit for the year, representing total comprehensive income for the year		-	4,512,979	4,512,979
Transaction with owners, recognised directly in equity				
Dividend paid	22	<u>-</u>	<u>(8,700,000)</u>	<u>(8,700,000)</u>
Balance at March 31, 2015		<u>15,000,000</u>	<u>5,022,333</u>	<u>20,022,333</u>

See accompanying notes to financial statements.

**mitsui & co. financial services (asia) ltd.**

**STATEMENT OF CASH FLOWS**

**Year ended March 31, 2015**

	<u>2015</u> US\$	<u>2014</u> US\$
<b>Operating activities</b>		
Profit before income tax	5,144,985	9,570,397
Adjustments for:		
Net fair value (gain) loss from derivative financial instruments	(2,250,364)	235,832
Net fair value loss (gain) from hedged items in designated accounting relationship	76,570	(10,567)
Depreciation expense	<u>6,718</u>	<u>6,935</u>
Operating cash flows before movements in working capital	2,977,909	9,802,597
Loan receivables	488,935,190	(14,377,142)
Other receivables and prepayments	(1,335,170)	(2,360,005)
Derivative financial instruments	(235,832)	554,654
Loan payables	(479,140,791)	9,483,292
Other payables	<u>564,024</u>	<u>1,366,517</u>
Cash generated from operations	11,765,330	4,469,913
Income tax paid	<u>(1,088,933)</u>	<u>(614,451)</u>
Net cash from operating activities	<u>10,676,397</u>	<u>3,855,462</u>
<b>Investing activity</b>		
Purchases of equipment representing net cash used in investing activity	<u>(6,968)</u>	<u>-</u>
<b>Financing activity</b>		
Dividends paid representing net cash used in financing activity	<u>(8,700,000)</u>	<u>(5,400,000)</u>
Net increase (decrease) in cash and cash equivalents	1,969,429	(1,544,538)
Cash and cash equivalents at beginning of year	<u>1,817,582</u>	<u>3,362,120</u>
<b>Cash and cash equivalents at end of year</b>	<u><u>3,787,011</u></u>	<u><u>1,817,582</u></u>

See accompanying notes to financial statements.



## **mitsui & co. financial services (asia) ltd.**

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

#### **1 GENERAL**

The company (Registration No. 199508683N) is incorporated in Singapore with its principal place of business and registered office at 80 Robinson Road, #25-00, Singapore 068898. The financial statements are expressed in United States dollars.

The company is principally engaged in the financing of the operations of the companies in the Mitsui & Co, Ltd group.

The financial statements of the company for the year ended March 31, 2015 were authorised for issue by the Board of Directors on July 13, 2015.

#### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF ACCOUNTING** - The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

## **MITSUI & CO. FINANCIAL SERVICES (ASIA) LTD.**

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

#### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**ADOPTION OF NEW AND REVISED STANDARDS** – On April 1, 2014, the Company has adopted all the new and revised FRSs and Interpretations of FRS (“INT FRS”) that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the company’s accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of the authorisation of these financial statements, the following FRSs and amendments to FRS that are relevant to the company were issued but not effective:

- FRS 109 Financial Instruments<sup>1</sup>
- FRS 115 Revenue from contracts with customers<sup>2</sup>
- Improvements to Financial Reporting Standards (January 2014)<sup>3</sup>
- Improvements to Financial Reporting Standards (February 2014)<sup>3</sup>

<sup>1</sup>Applies to annual periods beginning on or after January 1, 2018, with early application permitted.

<sup>2</sup>Applies to annual periods beginning on or after January 1, 2017, with early application permitted.

<sup>3</sup>Applies to annual periods beginning on or after July 1, 2014, with early application permitted.

The management anticipates that the adoption of the above FRS, INT FRS and the amendments to FRS in future periods will not have a material impact on the financial statements of the company in the period of their initial adoption.

**FINANCIAL INSTRUMENTS** - Financial assets and financial liabilities are recognised on the company’s statement of financial position when the company becomes a party to the contractual provisions of the instrument.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense is recognised on an effective interest basis for debt instruments other than those financial instruments “at fair value through profit or loss”.

## **mitsui & co. financial services (asia) ltd.**

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

#### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

##### **Financial assets**

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets “at fair value through profit or loss”, “held-to-maturity investments”, “available-for-sale” financial assets and “loans and receivables”. The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and fixed deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

##### Loans and receivables

Loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as “loans and receivables”. Loans and receivables are initially recognised at fair value, and are subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate method, except for short-term receivables when the effect of discounting is immaterial.

Certain loans are stated at fair value, with any resultant gain or loss recognised in profit or loss. Fair value is determined in the manner described in Note 4. Such loans are designated in hedge accounting relationships.

## **mitsui & co. financial services (asia) ltd.**

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

#### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

##### Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial asset have been impacted.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of loan receivables where the carrying amount is reduced through the use of an allowance account. When a loan receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

##### Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

## **mitsui & co. financial services (asia) ltd.**

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

#### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

##### **Financial liabilities and equity instruments**

###### Classification as debt or equity

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

###### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

###### Euro medium term notes

Euro medium term notes (the "EMTNs") are measured at fair value, with any resultant gain or loss recognised in profit or loss. Fair value is determined in the manner described in Note 4. Certain EMTNs are in designated hedge accounting relationships.

###### Other financial liabilities

Other payables are initially recognised at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method, with interest expense recognised on an effective yield basis except for short-term payables where the effect of discounting is immaterial.

Interest-bearing loans and borrowings are initially recognised at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs.

###### Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or expired.

## **mitsui & co. financial services (asia) ltd.**

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

#### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

##### Derivative financial instruments and hedge accounting

The company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts and interest rate swaps. Further details of derivative financial instruments are disclosed in Note 9.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The company designates certain derivatives as either hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges).

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

##### Hedge accounting

The company designates certain hedging instruments, which include derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the company documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Note 4 contains details of the fair values of the derivative instruments used for hedging purposes.

**MITSUI & CO. FINANCIAL SERVICES (ASIA) LTD.**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss immediately, together with any changes in the fair value of the hedged item that is attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk are recognised in profit or loss in the line of the statement of profit or loss and other comprehensive income relating to the hedged item.

Hedge accounting is discontinued when the company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. The adjustment to the carrying amount of the hedged item arising from the hedged risk is amortised to profit or loss from that date.

**CLUB MEMBERSHIP** - Club membership, held on a long-term basis, is carried at cost less accumulated impairment losses (if any). Impairment loss is recognised for individual club memberships when the recoverable amount of the membership is estimated to be lower than its carrying amount.

**EQUIPMENT** - Equipment are carried at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, on the following bases:

Furniture and fittings	-	33 <sup>1</sup> / <sub>3</sub> % per annum
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The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

**mitsui & co. financial services (asia) ltd.**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**IMPAIRMENT OF NON-FINANCIAL ASSETS** - At the end of each reporting period, the company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.



## **mitsui & co. financial services (asia) ltd.**

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

#### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**PROVISIONS** - Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**LEASES** - Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**REVENUE RECOGNITION** - Revenue is measured at the fair value of the consideration received or receivable.

#### Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

## **MITSUI & CO. FINANCIAL SERVICES (ASIA) LTD.**

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

#### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

**RETIREMENT BENEFIT COSTS** - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

**INCOME TAX** - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

## **mitsui & co. financial services (asia) ltd.**

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

#### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively).

**FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION** - The financial statements of the company are measured and presented in United States dollar, which is the currency of the primary economic environment in which the company operates (its functional currency).

In preparing the financial statements of the company, transactions in currencies other than the company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

Exchange differences on transactions entered into in order to hedge certain foreign currency risks are described in the hedge accounting policies above.

## MITSUI & CO. FINANCIAL SERVICES (ASIA) LTD.

### NOTES TO FINANCIAL STATEMENTS

March 31, 2015

#### 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### (i) Critical judgements in applying the company's accounting policies

The following are the critical judgements apart from those involving estimations (see below) that management has made in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

##### *Functional currency*

The functional currency of the company has been re-evaluated based on the guidance to the FRS 21 (revised) and is determined to be United States dollars. Assessment of the primary and secondary indicators of the FRS 21 (revised) was mixed and management has exercised its judgement in concluding that the functional currency of the company is United States dollars.

##### (ii) Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing material adjustment to the financial statements within the next financial year are discussed below.

## MITSUI & CO. FINANCIAL SERVICES (ASIA) LTD.

### NOTES TO FINANCIAL STATEMENTS

March 31, 2015

#### 3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (cont'd)

*Estimation of the fair values of derivative financial instruments and of the changes in fair values of financial instruments attributable to the risks being hedged*

The fair values of financial instruments that are not traded in an active market is determined by obtaining market quotes from the various issuers. The company is of the view that the market quotes are given by departments independent of the issuers' marketing department and that the quotations given represent the best estimate of the instruments' fair value. However, due to the instruments not being actively traded, the realisation of the carrying values is predicated by market conditions at the time of realisation. The inputs and assumptions (such as interest rates, swap rates, foreign currency future rates and currency basis spreads etc.) used in valuation models require significant judgements and estimates. Accordingly, actual amounts realised may vary significantly from their estimated fair values.

Further details on the fair value of the derivative financial instruments are disclosed in Notes 4 and 9.

#### 4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

##### (a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	<u>2015</u> US\$'000	<u>2014</u> US\$'000
<b><u>Financial assets</u></b>		
Loan and receivables (including cash and cash equivalents)	1,171,528	1,658,879
Derivative financial instruments	<u>2,250</u>	<u>65</u>
<b><u>Financial liabilities</u></b>		
Amortised cost	1,149,633	1,578,280
Loan payables in designated hedge accounting relationships	8,384	58,237
Derivative financial instruments	<u>-</u>	<u>301</u>

## **mitsui & co. financial services (asia) ltd.**

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

#### **4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)**

##### *(b) Financial risk and management policies and objectives*

By its nature, the company's activities are principally related to financial activities for the Mitsui & Co. Group of Companies. These activities expose the company to a variety of financial risks, comprising mainly market risk (including interest rate risk and currency risk), credit risk, and liquidity risk.

Risk management at the company is a multi-faceted process with oversight that requires constant communication, judgement and knowledge of specialised products and markets. The company's senior management takes an active role in the risk management process.

The company uses a variety of derivative financial instruments to manage its exposure to market risk including forward and swap contracts to hedge a particular risk associated with the loan receivables and payables.

The company does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the company's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

The main financial risks that the company is exposed to and how it manages these risks are set out below:

##### *(i) Foreign exchange risk management*

Foreign exchange risk arises from a change in foreign currency exchange rate, which is expected to have an adverse effect on the company.

The company is engaged in financial activities for the Mitsui & Co. group of companies. The borrowings of the company are mainly denominated in US Dollars, Australian Dollars, Singapore Dollars and Japanese Yen. These funds are then on lent to the group companies.

**mitsui & co. financial services (asia) ltd.**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND  
CAPITAL RISKS MANAGEMENT (cont'd)**

The company partly uses natural hedges that arise from offsetting foreign currency loan receivables and loan payables, and partly through the use of derivative financial instruments such as forward contracts and currency swap contracts to hedge their exposure to foreign currency risk in local reporting currency.

As at the end of the reporting period, the carrying amount of monetary assets and monetary liabilities denominated in currencies other than the functional currency of the company are as follows:

	2015					2014			
	JPY US\$'000	SGD US\$'000	AUD US\$'000	EUR US\$'000	MYR US\$'000	JPY US\$'000	SGD US\$'000	AUD US\$'000	EUR US\$'000
<b>Non-derivative financial assets</b>									
Cash and cash equivalents	1,896	1,570	13	308	-	1,141	557	9	111
Loan receivables	59,350	33,168	29,528	36,883	46,486	148,753	47,378	24,037	28,791
Other receivables	47	4,719	82	51	5	134	78	81	48
Total	<u>61,293</u>	<u>39,457</u>	<u>29,623</u>	<u>37,242</u>	<u>46,491</u>	<u>150,028</u>	<u>48,013</u>	<u>24,127</u>	<u>28,950</u>
<b>Non-derivative financial liabilities</b>									
Loan payables	(165,390)	(11,078)	(29,528)	(87)	-	(149,229)	(4,086)	(24,037)	(6)
Other payables	(2,317)	(155)	(71)	-	-	(178)	(160)	(72)	-
Total	<u>(167,707)</u>	<u>(11,233)</u>	<u>(29,599)</u>	<u>(87)</u>	<u>-</u>	<u>(149,407)</u>	<u>(4,246)</u>	<u>(24,109)</u>	<u>(6)</u>
Net on balance sheet position	<u>(106,414)</u>	<u>28,224</u>	<u>24</u>	<u>37,155</u>	<u>46,491</u>	<u>621</u>	<u>43,767</u>	<u>18</u>	<u>28,944</u>
<b>Off balance sheet items <sup>1</sup></b>									
Assets	98,775	-	-	-	-	-	-	-	-
Liabilities	(3,974)	(23,418)	-	(35,432)	(46,978)	-	(44,281)	-	(28,620)
Net off balance sheet position	<u>94,801</u>	<u>(23,418)</u>	<u>-</u>	<u>(35,432)</u>	<u>(46,978)</u>	<u>-</u>	<u>(44,281)</u>	<u>-</u>	<u>(28,620)</u>

<sup>1</sup> Foreign exchange derivatives are represented at notional value

The sensitivity used when reporting foreign currency risk internally to key management personnel is 10%, which is the change in exchange rate that management deems reasonably possible which will affect outstanding foreign currencies denominated monetary items at year end.

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**NOTES TO FINANCIAL STATEMENTS**

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**4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND  
CAPITAL RISKS MANAGEMENT (cont'd)**

If the relevant foreign currencies strengthen by 10% against the functional currency of the company, profit or loss will increase (decrease) by:

	<u>2015</u> US\$'000	<u>2014</u> US\$'000
Japanese yen	(1,161)	62
Singapore dollar	481	(51)
Australian dollar	2	2
Euro	172	32
Malaysian Ringgit	(49)	-

If the relevant foreign currencies weakens by 10% against the functional currency of the company, it would have an equal opposite effect on the amounts shown above, in the basis that all variables remaining constant.

**(ii) Interest rate risk management**

The company is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets.

The company manages interest rate risk exposure partly by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities and partly through the use of derivative financial instruments such as interest rate swaps for the purpose of hedging, where necessary. Under the interest rate swaps, the company agrees with other parties to exchange, at specified intervals, the difference between the fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Interest differentials are accrued and recorded as adjustments to the interest expense relating to the hedged items.

In management's opinion, there is no material impact on profit or loss arising from the company's interest rate sensitivity as the interest rate risk exposure is managed using natural hedge and the use of the derivatives financial instruments as mentioned above.



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**4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND  
CAPITAL RISKS MANAGEMENT (cont'd)**

The table below summarises the range of interest rate for monetary financial instruments as at the end of reporting period:

	<u>Range of interest rates (%)</u>	
	<u>2015</u>	<u>2014</u>
<b>Assets</b>		
Cash and cash equivalents	0.001 to 0.05	0.001 to 0.05
Loan receivables	0.43 to 4.24	0.36 to 4.26
<b>Liabilities</b>		
Loan payables	0.02 to 3.45	0.22 to 3.76
<b>Off balance sheet</b>		
Cross currency interest rate swap	-	0.17 to 0.44
Interest rates swap	0.20 to 0.52	0.22 to 0.52

**(iii) Credit risk management**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted the policy of dealing only with creditworthy related counterparties and obtaining letters of guarantee from its holding company where appropriate, as a means of mitigating the risk of financial losses from defaults.

The company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics, except that the company has significant loan receivables from its group companies as disclosed in the accompanying notes to the financial statements. The credit risk on cash, fixed deposits and derivative financial instruments is limited because counterparties are banks with high credit-rating assigned by international credit-rating agencies.

The maximum exposure to credit risk in the event that the debtors fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

All the company's financial assets are neither past due nor materially impaired.

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**NOTES TO FINANCIAL STATEMENTS**

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**4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)**

**(iv) Liquidity risk management**

Liquidity risk is the risk that the company is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds in the market on an unsecured, or even secured basis at an acceptable price to fund actual or proposed commitments.

The company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the company's operations and to mitigate the effects of fluctuations in cash flows. The company also maintains available undrawn credit facilities to ensure sufficient liquid funds are maintained to meet its liquidity requirements.

The following table detail the remaining contractual maturity for non-derivative financial assets and liabilities. The tables have been drawn up based on the undiscounted cash flows of the individual categories based on the earliest date on which the company can be required to pay. The table include both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the non-derivative financial instruments on the statement of financial position.

**Non-derivative financial instruments**

	On demand/ less than <u>1 month</u> US\$'000	1 to 3 months US\$'000	3 to 12 months US\$'000	Over 1 year US\$'000	Adjustments US\$'000	Total US\$'000
<b>2015</b>						
<b><u>Assets</u></b>						
Cash and cash equivalents	3,787	-	-	-	-	3,787
Loan receivables	864,047	88,263	83,883	133,765	(2,662)	1,167,296
Other receivables	445	-	-	-	-	445
Total	<u>868,279</u>	<u>88,263</u>	<u>83,883</u>	<u>133,765</u>	<u>(2,662)</u>	<u>1,171,528</u>
<b><u>Liabilities</u></b>						
Loan payables	417,795	92,564	197,938	448,536	(1,563)	1,155,270
Other payables	2,747	-	-	-	-	2,747
Total	<u>420,542</u>	<u>92,564</u>	<u>197,938</u>	<u>448,536</u>	<u>(1,563)</u>	<u>1,158,017</u>
<b>Net liquidity gap</b>	<u>447,737</u>	<u>(4,301)</u>	<u>(114,055)</u>	<u>(314,771)</u>	<u>(1,099)</u>	<u>13,511</u>

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**4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)**

	On demand/ less than 1 month US\$'000	1 to 3 months US\$'000	3 to 12 months US\$'000	Over 1 year US\$'000	Adjustments US\$'000	Total US\$'000
<b>2014</b>						
<b><u>Assets</u></b>						
Cash and cash equivalents	1,818	-	-	-	-	1,818
Loan receivables	1,219,477	112,116	163,040	165,055	(3,457)	1,656,231
Other receivables	830	-	-	-	-	830
Total	<u>1,222,125</u>	<u>112,116</u>	<u>163,040</u>	<u>165,055</u>	<u>(3,457)</u>	<u>1,658,879</u>
<b><u>Liabilities</u></b>						
Loan payables	870,699	95,640	231,029	438,755	(1,789)	1,634,334
Other payables	2,183	-	-	-	-	2,183
Total	<u>872,882</u>	<u>95,640</u>	<u>231,029</u>	<u>438,755</u>	<u>(1,789)</u>	<u>1,636,517</u>
<b>Net liquidity gap</b>	<u>349,243</u>	<u>16,476</u>	<u>(67,989)</u>	<u>(273,700)</u>	<u>(1,668)</u>	<u>22,362</u>

The following table details the liquidity analysis for derivative financial instruments. The company's portfolio of derivative financial instrument comprise of interest rate swaps, cross currency interest rate swaps and forward contracts. The table has been drawn up based on the undiscounted cash flows of the derivative instruments.

**Derivative financial instruments**

	Less than 1 month US\$'000	1 to 3 months US\$'000	3 to 12 months US\$'000	Over 1 year US\$'000	Total US\$'000
<b>2015</b>					
<b>Net settled:</b>					
- Inflow	-	-	22	-	22
- Outflow	-	-	(8)	-	(8)
	<u>-</u>	<u>-</u>	<u>14</u>	<u>-</u>	<u>14</u>
<b>Gross settled:</b>					
- Inflow	162,397	47,187	-	-	209,584
- Outflow	(160,812)	(46,598)	-	-	(207,410)
	<u>1,585</u>	<u>589</u>	<u>-</u>	<u>-</u>	<u>2,174</u>

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**March 31, 2015**

**4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND  
CAPITAL RISKS MANAGEMENT (cont'd)**

	Less than 1 month US\$'000	1 to 3 months US\$'000	3 to 12 months US\$'000	Over 1 year US\$'000	Total US\$'000
<b>2014</b>					
<b>Net settled:</b>					
- Inflow		-	104	-	104
- Outflow	(50)	-	(11)	-	(61)
	<u>(50)</u>	<u>-</u>	<u>93</u>	<u>-</u>	<u>43</u>
<b>Gross settled:</b>					
- Inflow	72,675	-	-	-	72,675
- Outflow	(72,901)	-	-	-	(72,901)
	<u>(226)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(226)</u>

The following table details the liquidity analysis for the company's commitments. The table has been drawn up based on the undiscounted cash flows of the commitments.

	On demand/ less than 1 month US\$'000	1 to 3 months US\$'000	3 to 12 months US\$'000	Over 1 year US\$'000	Total US\$'000
<b>2015</b>					
Commitments (Note 21)	<u>1,015,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,015,859</u>
<b>2014</b>					
Commitments (Note 21)	<u>942,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>942,589</u>

The company expects that not all of the undrawn loan commitments will be drawn before expiry.

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**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND  
CAPITAL RISKS MANAGEMENT (cont'd)**

(v) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, current receivables and current payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

The fair values of financial assets and financial liabilities are determined as follows:

1. the fair value of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices;
2. the fair value of other financial assets and financial liabilities (excluding derivative instruments) are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments; and
3. the fair value of derivative instruments are calculated using quoted prices. Where such prices are not available, discounted cash flow analysis is used, based on the applicable yield curve of the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

The company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

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**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND  
CAPITAL RISKS MANAGEMENT (cont'd)**

***Financial instruments measured at fair value***

	<u>Total</u> US\$'000	<u>Level 1</u> US\$'000	<u>Level 2</u> US\$'000	<u>Level 3</u> US\$'000	<u>Valuation technique(s) and key inputs</u>
<b>2015</b>					
<b>Financial assets</b>					
Derivative financial instruments	<u>2,250</u>	<u>-</u>	<u>2,250</u>	<u>-</u>	Discounted cash flows. Future cash flows are estimated based on contractual rate discounted at observable yield curves at the end of the reporting period.
<b>Financial liabilities</b>					
Derivative financial instruments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	Discounted cash flows. Future cash flows are estimated based on contractual rate discounted at observable yield curves at the end of the reporting period.
<b>2014</b>					
<b>Financial assets</b>					
Derivative financial instruments	<u>65</u>	<u>-</u>	<u>65</u>	<u>-</u>	Discounted cash flows. Future cash flows are estimated based on contractual rate discounted at observable yield curves at the end of the reporting period.
<b>Financial liabilities</b>					
Derivative financial instruments	<u>301</u>	<u>-</u>	<u>301</u>	<u>-</u>	Discounted cash flows. Future cash flows are estimated based on contractual rate discounted at observable yield curves at the end of the reporting period.

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**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND  
CAPITAL RISKS MANAGEMENT (cont'd)**

There were no significant transfer between Level 1 and Level 2 of the fair value hierarchy during the financial year.

Except as detailed in the following table, management considers that the carrying amounts of financial assets and financial liabilities of the company recorded at amortised cost in the financial statements approximate their fair value:

	<u>2015</u>		<u>2014</u>	
	<u>Carrying</u> <u>amount</u> US\$'000	<u>Fair</u> <u>value</u> US\$'000	<u>Carrying</u> <u>amount</u> US\$'000	<u>Fair</u> <u>value</u> US\$'000
<b>Financial assets</b>				
Loan receivables				
- fixed interest rate	<u>29,414</u>	<u>30,124</u>	<u>67,810</u>	<u>70,477</u>
<b>Financial liabilities</b>				
Loan payables				
- fixed interest rate	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The fair values of the financial assets and financial liabilities included above are categorised in the level 2 and have been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

**(c) Capital risk management policies and objectives**

The company reviews its capital structure at least annually to ensure that the company will be able to continue as a going concern. The capital structure of the company comprises of issued capital, loan payables and retained earnings.

There have been no material changes in the company's overall strategy over management of capital from prior year.

## **mitsui & co. financial services (asia) ltd.**

### **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

#### **5 HOLDING COMPANY AND RELATED COMPANY TRANSACTIONS**

The company is a subsidiary of Mitsui & Co., Ltd, incorporated in Japan, which is also the company's ultimate holding company. Related companies in these financial statements refer to members of the ultimate holding company's group of companies.

Many of the company's transactions and arrangements and terms thereof are arranged by or between members of the group and the effects of these on the bases determined between the parties are reflected in these financial statements. The intercompany balances are unsecured and repayable on demand unless stated otherwise in the financial statements.

Significant intercompany transactions other than those disclosed elsewhere in the notes to the financial statements are as follows:

	<u>2015</u> US\$	<u>2014</u> US\$
With ultimate holding company:		
Interest income	-	(576,540)
Interest expense	<u>854</u>	<u>593</u>
With related companies:		
Interest income	(13,947,601)	(17,584,002)
Interest expenses	<u>2,736,277</u>	<u>4,834,553</u>

#### **6 OTHER RELATED PARTY TRANSACTIONS**

Some of the company's transactions and arrangements and terms thereof are with related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured and repayable on demand unless stated otherwise in the financial statements.

Significant related parties transactions other than those disclosed elsewhere in the notes to the financial statements:

	<u>2015</u> US\$	<u>2014</u> US\$
Interest income	<u>(220,848)</u>	<u>(232,040)</u>



**mitsui & co. financial services (asia) ltd.**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**6 OTHER RELATED PARTY TRANSACTIONS (cont'd)**

*Compensation of directors and key management personnel*

The remuneration of directors and key management during the year was as follows:

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Short-term employee benefits	<u>314,131</u>	<u>317,535</u>

The company considers its directors as members of its key management.

The remuneration of directors and key management is determined by the ultimate holding company having regard to the performance of individuals and market trends.

**7 CASH AND CASH EQUIVALENTS**

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Cash and bank balances	14,289	9,906
Fixed deposits	<u>3,772,722</u>	<u>1,807,676</u>
Total	<u>3,787,011</u>	<u>1,817,582</u>

The above fixed deposits bear interest at a prevailing market rates for an average tenure of one day (2014 : one day).

**mitsui & co. financial services (asia) ltd.**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**8 LOAN RECEIVABLES**

	<u>2015</u> US\$	<u>2014</u> US\$
<i>Loan receivables:</i>		
Ultimate holding company	-	-
Related companies	1,151,365,111	1,637,275,125
Related parties	<u>15,931,052</u>	<u>18,956,228</u>
Total	<u>1,167,296,163</u>	<u>1,656,231,353</u>
 Analysed as:		
Current	1,032,116,605	1,491,176,598
Non-current	<u>135,179,558</u>	<u>165,054,755</u>
Total	<u>1,167,296,163</u>	<u>1,656,231,353</u>

The loan receivables include:

- 1) Secured loan receivables from related companies and related parties amounting to US\$1,049,925,721 (2014 : US\$1,497,993,248). The loans are secured by letters of guarantee from the ultimate holding company;
- 2) Unsecured loan receivables from the ultimate holding company and related companies amounting to US\$117,370,442 (2014 : US\$158,238,105).

Except for fixed interest rate loan receivables whereby fair value is disclosed in Note 4(b), the carrying amounts of loan receivables not in designated hedge accounting relationships approximate their fair values as they are at floating rates.

**mitsui & co. financial services (asia) ltd.**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**9 DERIVATIVE FINANCIAL INSTRUMENTS**

Financial derivatives are off-balance sheet financial instruments which include forward contracts for the purchase and sale of foreign currencies, interest rate and currency swaps. The contract for underlying principal amounts of these financial derivatives and their corresponding gross positive and negative fair values at the end of reporting period are analysed below.

	Notional principal US\$	Year-end positive fair value US\$	Year-end negative fair value US\$	Net fair value gain/(loss) US\$
<b><u>2015</u></b>				
<b><u>Current</u></b>				
<b>Derivatives in designated hedge accounting relationships</b>				
Cross currency and interest rate swap	<u>8,307,718</u>	<u>76,570</u>	<u>-</u>	<u>76,570</u>
<b>Derivatives not in designated hedge accounting relationships</b>				
Forward foreign exchange contracts	<u>207,801,759</u>	<u>2,173,794</u>	<u>-</u>	<u>2,173,794</u>
<b>Total</b>	<u>216,109,477</u>	<u>2,250,364</u>	<u>-</u>	<u>2,250,364</u>
<b><u>2014</u></b>				
<b><u>Current</u></b>				
<b>Derivatives in designated hedge accounting relationships</b>				
Cross currency and interest rate swap	<u>58,247,728</u>	<u>9,480</u>	<u>(20,047)</u>	<u>(10,567)</u>
<b>Derivatives not in designated hedge accounting relationships</b>				
Forward foreign exchange contracts	<u>72,901,414</u>	<u>55,349</u>	<u>(280,614)</u>	<u>(225,265)</u>
<b>Total</b>	<u>131,149,142</u>	<u>64,829</u>	<u>(300,661)</u>	<u>(235,832)</u>

**mitsui & co. financial services (asia) ltd.**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**10 OTHER RECEIVABLES AND PREPAYMENTS**

	<u>2015</u> US\$	<u>2014</u> US\$
Accrued interest	411,370	793,194
Prepaid facility arrangement fee	2,619,592	2,905,926
Prepaid expenses	7,172	6,973
Facility amortization fee	1,999,502	-
Others	50,807	47,180
	<u>5,088,443</u>	<u>3,753,273</u>

**11 CLUB MEMBERSHIP**

	<u>2015</u> US\$	<u>2014</u> US\$
Club membership, at cost	<u>261,063</u>	<u>261,063</u>

Market value of club membership at end of the reporting period approximates its carrying amount.

**12 EQUIPMENT**

	<u>Furniture and fittings</u> US\$
Cost:	
At April 1, 2013	44,331
Disposal	(7,796)
At March 31, 2014	36,535
Addition	6,968
Disposal	-
At March 31, 2015	<u>43,503</u>
Accumulated depreciation:	
At April 1, 2013	26,683
Depreciation for the year	6,935
Disposal	(7,796)
At March 31, 2014	25,822
Depreciation for the year	6,718
Disposal	-
At March 31, 2015	<u>32,540</u>
Carrying amount:	
At March 31, 2015	<u>10,963</u>
At March 31, 2014	<u>10,713</u>

**mitsui & co. financial services (asia) ltd.**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**13 LOAN PAYABLES**

	<u>2015</u> US\$	<u>2014</u> US\$
<i>Amortised cost:</i>		
Ultimate holding company	45,000,000	-
Related companies	449,111,406	873,551,088
Outside parties	<u>652,773,990</u>	<u>692,545,656</u>
	<u>1,146,885,396</u>	<u>1,566,096,744</u>
<i>Loan payables not designated under hedge accounting relationships:</i>		
Euro medium term notes	<u>-</u>	<u>10,000,000</u>
<i>Loan payables in designated hedge accounting relationships:</i>		
Outside parties	8,384,288	9,698,126
Euro medium term notes	<u>-</u>	<u>48,539,035</u>
Total	<u>1,155,269,684</u>	<u>1,634,333,905</u>
	<u>2015</u> US\$	<u>2014</u> US\$
Current	706,656,896	1,195,598,779
Non-current	<u>448,612,788</u>	<u>438,735,126</u>
Total	<u>1,155,269,684</u>	<u>1,634,333,905</u>

Loan payables are unsecured, except for loans obtained from related companies amounting to US\$445,649,946 (2014 : US\$872,386,581), from Bank of Tokyo – Mitsubishi UFJ, Ltd. amounting to US\$200,000,000 (2014 : US\$100,000,000), and from Nippon Life Insurance Co., amounting to US\$8,307,718 (2014 : US\$9,718,173), which are all guaranteed by the Company's ultimate holding company.

**14 OTHER PAYABLES**

	<u>2015</u> US\$	<u>2014</u> US\$
Accrued interest	416,940	502,241
Facility arrangement fee payable	2,153,163	1,500,000
Others	<u>177,390</u>	<u>181,228</u>
	<u>2,747,493</u>	<u>2,183,469</u>

**mitsui & co. financial services (asia) ltd.**

**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**15 ISSUED CAPITAL**

	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	Number of ordinary shares		US\$	US\$
Issued and fully paid:				
Balance at beginning				
and end of year	<u>15,000,000</u>	<u>15,000,000</u>	<u>15,000,000</u>	<u>15,000,000</u>

The company has one class of ordinary shares which have no par value, carry one vote per share and carry a right to dividends as when declared by the company.

**16 INTEREST INCOME**

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Ultimate holding company, related companies		
and related parties	14,168,449	18,392,582
Other parties	<u>133,591</u>	<u>40,829</u>
Total	<u>14,302,040</u>	<u>18,433,411</u>

**17 INTEREST EXPENSE**

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Ultimate holding company and related companies	2,737,131	4,835,146
Other parties	<u>3,269,461</u>	<u>5,438,345</u>
Total	<u>6,006,592</u>	<u>10,273,491</u>

**18 OTHER OPERATING EXPENSES**

	<u>2015</u>	<u>2014</u>
	US\$	US\$
Foreign currency exchange adjustment loss, net	1,034,867	-
Professional service fees	568,997	486,430
Guarantee fee	14,568	17,538
Others	<u>898,551</u>	<u>655,525</u>
Total	<u>2,516,983</u>	<u>1,159,493</u>

**mitsui & co. financial services (asia) ltd.**

**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2015**

**19 PROFIT BEFORE INCOME TAX**

Profit before income tax has been arrived at after charging (crediting):

	<u>2015</u> US\$	<u>2014</u> US\$
Directors' remuneration	314,131	317,535
Staff costs (including directors' remuneration)	624,115	608,709
Costs of defined contribution plans	41,052	61,242
Loss (Gain) arising on adjustment for hedged items in designated accounting relationships	76,570	(10,567)
(Gain) Loss arising on derivatives not in designated hedge accounting relationships	(2,173,794)	225,265
(Gain) Loss arising on derivatives in designated hedge accounting relationships	<u>(76,570)</u>	<u>10,567</u>

**20 INCOME TAX EXPENSES**

	<u>2015</u> US\$	<u>2014</u> US\$
Current year tax	654,497	1,095,775
Adjustments recognised this year in relation to the current tax of prior years	<u>(22,491)</u>	<u>(82,874)</u>
Total tax expense	<u>632,006</u>	<u>1,012,901</u>

Income tax is calculated at the statutory rate of 17% (2014 : 17%) of the estimated assessable profit for the year.

The total charge for the year can be reconciled to the accounting profit as follows:

	<u>2015</u> US\$	<u>2014</u> US\$
Profit before income tax	<u>5,144,985</u>	<u>9,570,397</u>
Tax at the domestic income tax rate of 17%	874,647	1,626,967
Effect of tax concession	(220,150)	(531,192)
Overprovision in respect of prior year	<u>(22,491)</u>	<u>(82,874)</u>
Income tax expense	<u>632,006</u>	<u>1,012,901</u>

# **mitsui & co. financial services (asia) ltd.**

## **NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

### **20 INCOME TAX EXPENSES (cont'd)**

The company is awarded the Finance and Treasury Centre ("FTC") status in 2003 effective from July 1, 2003. Under the FTC status, the company is exempted from withholding tax on interest payments on foreign currency denominated borrowings from overseas banks and approved network companies, provided the funds raised are used for the conduct of qualifying FTC activities.

Under the FTC status a concessionary tax of 10% on fee income received by the FTC from its subsidiaries, related companies and associates (approved network companies) for the provision of qualifying FTC services and qualifying activities conducted on own account.

### **21 COMMITMENTS**

	<u>2015</u> US\$	<u>2014</u> US\$
Minimum lease payments paid under operating leases	<u>180,353</u>	<u>170,046</u>

As at the end of the reporting period, the company has the following outstanding commitments:

	<u>2015</u> US\$	<u>2014</u> US\$
a) Operating lease commitments:		
Within one year	141,526	76,172
In the second to fifth years inclusive	<u>94,497</u>	<u>158,692</u>
	<u>236,023</u>	<u>234,864</u>

Operating lease payments represent rentals payable by the company for office and apartment space. Operating leases are negotiated for an average term of 3 years and rentals are fixed for 3 years.

	<u>2015</u> US\$	<u>2014</u> US\$
b) Undrawn irrevocable credit lines	<u>1,015,859,129</u>	<u>942,588,657</u>

Undrawn irrevocable credit lines comprise mainly agreements to provide credit facilities to related companies and related parties.



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**NOTES TO FINANCIAL STATEMENTS**

**March 31, 2015**

**22 DIVIDENDS**

On September 25, 2014, a dividend of US\$0.58 per share (total dividend US\$8,700,000) was declared and paid to shareholders.

On September 25, 2013, a dividend of US\$0.36 per share (total dividend US\$5,400,000) was declared and paid to shareholders.

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