



## Mitsubishi Corporation

*(incorporated with limited liability under the laws of Japan)*

## Mitsubishi Corporation Finance PLC

*(Incorporated with limited liability in England under the Companies Acts 1948 to 1981 Registered No. 1865061)*

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

## Euro Medium Term Note Programme

guaranteed in respect of Notes issued by Mitsubishi Corporation Finance PLC by

## Mitsubishi Corporation

Pursuant to this U.S.\$5,000,000,000 Euro Medium Term Note Programme (the “Programme”), each of Mitsubishi Corporation (“Mitsubishi”) and Mitsubishi Corporation Finance PLC (“MCF” and together with Mitsubishi, the “Issuers” and each, in relation to Notes (as defined herein) issued by it, an “Issuer”), may from time to time issue Euro Medium Term Notes (the “Notes”) denominated in any currency agreed by the relevant Issuer and the relevant Purchaser(s) (as defined below). Notes may be issued in bearer or registered form. Notes in bearer form may be issued in new global note (“NGN”) form. Notes in bearer form not issued in NGN form shall be referred to herein as notes in classic global note (“CGN”) form. Notes in registered form may be held under the New Safekeeping Structure (the “NSS”). Notes issued by MCF will be guaranteed by Mitsubishi (in such capacity, the “Guarantor”), being the parent company of MCF.

The Notes will be issued on a continuing basis to one or more of the Dealers specified in “Description of the Programme and Terms and Conditions of the Notes” (each a “Dealer” and together the “Dealers”, which expression shall include any additional Dealer appointed under the Programme from time to time). Notes may also be issued to persons other than Dealers. Dealers and such other persons are referred to as “Purchasers”.

**An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks, see “Risk Factors” beginning on page 11.**

Application has been made to the Financial Conduct Authority in its capacity as competent authority under the Financial Services and Markets Act 2000, as amended (the “FSMA”) (the “UK Listing Authority”) for the Notes during the period of 12 months from the date of this Offering Circular under this Programme 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 that are listed, and all related references, shall be to Notes that 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 Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments. Notice of the aggregate nominal amount of, interest (if any) payable in respect of, the issue price of, and any other terms and conditions which are applicable to each Tranche (as defined herein) will be set forth in a final terms document (the “Final Terms”). The relevant Final Terms will specify whether or not the relevant Notes are to be listed. **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 Programme also provides for the issue of Notes that will not be admitted to the Official List or to trading on the Market or that may be listed or admitted to trading on other stock exchanges or markets as may be agreed between the relevant Issuer, the Guarantor and the relevant Dealer.

Mitsubishi has been rated long-term: A2/short-term: P-1 by Moody’s Japan K.K., long-term: A/short-term: A-1 by S&P Global Ratings Japan Inc. and long-term: AA-/short-term: a-1+ by Rating and Investment Information, Inc. (“Rating and Investment”). The Programme has been rated A2 by Moody’s Japan K.K., A by S&P Global Ratings Japan Inc. and AA- by Rating and Investment Information, Inc. Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated such rating will not necessarily be the same as the rating assigned to the Programme. A security 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. Moody’s Japan K.K., S&P Global Ratings Japan Inc. and Rating and Investment Information, Inc. are not established in the European Union and are not registered under Regulation (EC) No 1060/2009 (as amended) on credit rating agencies (the “CRA Regulation”). However, Moody’s Investor Services Ltd. and Standard & Poor’s Credit Market Services Europe Limited, which are affiliates of Moody’s Japan K.K. and S&P Global Ratings Japan Inc., respectively, are established in the European Union and registered under the CRA Regulation indicating an intention to endorse the ratings of certain of their respective non-EU affiliates. Moody’s Japan K.K., S&P Global Ratings Japan Inc. and Rating and Investment Information, Inc. are registered with the Financial Services Agency of Japan.

### Arranger Citigroup

### Dealers

Barclays  
BofA Merrill Lynch  
Crédit Agricole CIB  
Deutsche Bank  
HSBC  
Mizuho Securities  
MUFG  
SMBC Nikko

UBS Investment Bank

BNP PARIBAS  
Citigroup  
Daiwa Capital Markets Europe  
Goldman Sachs International  
J.P. Morgan  
Morgan Stanley  
Nomura  
Société Générale Corporate & Investment Banking

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended, from 1 January 2018, to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the European Economic Area has been or will be prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.

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 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) such information 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 the documents which are deemed to be incorporated herein by reference (see "Documents Incorporated by Reference" beginning on page 22). This Offering Circular shall be read and construed on the basis that such documents are so incorporated and form part of this Offering Circular.

No representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealers as to the accuracy or completeness of the financial information contained in this Offering Circular, or any other financial statements or any further information supplied in connection with the Programme or the Notes. The Dealers accept no liability in relation to the financial or other information contained or incorporated by reference in this Offering Circular or any other financial statements or any further information supplied in connection with the Programme or the Notes or their distribution.

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

Neither this Offering Circular nor any other financial statements nor any further information supplied in connection with the Programme or the Notes are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuers or the Guarantor or any of the Dealers that any recipient of this Offering Circular or any other financial statements or any further information supplied in connection with the Programme or the Notes should purchase any of the Notes. Each investor contemplating purchasing Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and the Guarantor.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuers or the Guarantor is correct at any time subsequent to the date hereof or that any other financial statements or any further information supplied in connection with the Programme or the Notes is correct as of any time subsequent to

the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuers or the Guarantor and their respective subsidiaries during the life of the Programme or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recent financial statements of the relevant Issuer and the Guarantor when deciding whether or not to purchase any of the Notes.

The Issuers, the Guarantor and the Dealers do not represent that this Offering Circular may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers or the Guarantor or the Dealers which would permit a public offering of the Notes outside the European Economic Area or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms.

The distribution of this Offering Circular and the offer, sale or delivery of the Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Offering Circular or any Notes come must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Offering Circular and the offer, sale or delivery of the Notes in the United States, the European Economic Area (including the United Kingdom), Singapore and Japan (see “Subscription and Sale” beginning on page 91).

None of this Offering Circular, any other financial statements or any further information supplied in connection with the Programme or the Notes constitutes an offer or invitation by or on behalf of the Issuers, the Guarantor or the Dealers or any of them to any person to subscribe for or to purchase any of the Notes.

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (the “FIEA”) and the Notes issued by (i) Mitsubishi or (ii) MCF, in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MCF in the manner provided for in the Act on Special Measures Concerning Taxation of Japan (Act No. 26 of 1957, as amended) (the “Act on Special Taxation Measures”), will be subject to tax laws and regulations of Japan including the Act on Special Taxation Measures. See “Subscription and Sale” beginning on page 91.

EACH PURCHASER OF NOTES ISSUED BY (I) MITSUBISHI OR (II) MCF, IN THE FOREGOING CIRCUMSTANCES, IN THE INITIAL DISTRIBUTION OF SUCH NOTES WILL BE DEEMED TO REPRESENT THAT IT IS NOT A SPECIALLY-RELATED PARTY OF MITSUBISHI. SEE “TAXATION” BEGINNING ON PAGE 86.

The Notes and the guarantee thereof (the “Guarantee”) have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”) and 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 to or for the benefit of “U.S. persons” unless the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act is available (see “Subscription and Sale” beginning on page 91).

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

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

- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

In this Offering Circular, all references to "\$", "U.S.\$" and "U.S. dollars" are to United States dollars, references to "¥" and "Yen" are to Japanese Yen, references to "Renminbi" and "CNY" are to the currency of the People's Republic of China (excluding Hong Kong, Macau and Taiwan) (the "PRC"), references to "Sterling" and "£" are to pounds sterling and references to "€", "Euro" and "euro" are to the currency which was introduced at the commencement of the third stage of European Economic and Monetary Union pursuant to the Treaty on the Functioning of the European Union, as amended.

In this Offering Circular, references to the "Group" are to Mitsubishi together with its subsidiaries and affiliates.

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, 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 of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes.**

**Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**

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## DESCRIPTION OF THE PROGRAMME AND TERMS AND CONDITIONS OF THE NOTES

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined in “Form of the Notes” beginning on page 24 and the “Terms and Conditions of the Notes” beginning on page 37 shall have the same meaning in this overview:*

<b>Issuers:</b>	Mitsubishi Corporation Mitsubishi Corporation Finance PLC
<b>Guarantor:</b>	Mitsubishi Corporation (in respect of Notes issued by Mitsubishi Corporation Finance PLC)
<b>Arranger:</b>	Citigroup Global Markets Limited
<b>Dealers:</b>	Barclays Bank PLC BNP Paribas Citigroup Global Markets Limited Crédit Agricole Corporate and Investment Bank Daiwa Capital Markets Europe Limited Deutsche Bank AG, London Branch Goldman Sachs International HSBC Bank plc J.P. Morgan Securities plc Merrill Lynch International Mizuho International plc Morgan Stanley & Co. International plc MUFG Securities EMEA plc Nomura International plc SMBC Nikko Capital Markets Limited Société Générale UBS Limited  and any other Dealers appointed from time to time by Mitsubishi and MCF, either generally for the Programme or in relation to a particular issue of Notes (including as a Manager in relation to a particular underwritten issue of Notes).
<b>Agent:</b>	The Bank of Tokyo-Mitsubishi UFJ, Ltd., London Branch
<b>Registrar and Transfer Agent:</b>	The Bank of Tokyo-Mitsubishi UFJ, Ltd., London Branch
<b>Amount:</b>	Up to U.S.\$5,000,000,000 (or its equivalent in other currencies) outstanding at any one time. Under the Programme Agreement (as defined in “Subscription and Sale” beginning on page 91) the nominal amount of Notes outstanding under the Programme may be increased, subject to the satisfaction of certain conditions set out therein.
<b>Description:</b>	Continuously offered Euro Medium Term Note Programme.
<b>Method of distribution:</b>	Subject to applicable selling restrictions, Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

<b>Currencies:</b>	<p>Euro, Sterling, U.S. dollars, Renminbi, Hong Kong dollars, Singapore dollars, Australian dollars, New Zealand dollars, Canadian dollars, Swiss francs, Swedish kronor, Norwegian krone, Danish kroner, Czech koruna, South African rand and Yen (or, subject to any applicable legal or regulatory restrictions, such other currency or currencies as may be agreed between the relevant Issuer and the relevant Purchaser(s)).</p>
<b>Certain Restrictions:</b>	<p>Each Tranche of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “Subscription and Sale” beginning on page 91) including the following restrictions applicable at the date of this Offering Circular.</p>
<b>Notes with a maturity of less than one year:</b>	<p>Notes which have a maturity of less than one year from the date of their issue may constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent in any other currency — see “Subscription and Sale” beginning on page 91.</p>
<b>Maturities:</b>	<p>Any maturity between one month and 40 years, as may be agreed between the relevant Issuer and the relevant Purchaser(s) and as indicated in the applicable Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency.</p>
<b>Issue Price:</b>	<p>Notes may be issued at par or at a discount to, or premium over, par.</p>
<b>Form:</b>	<p>The Notes will be in bearer form or registered form and may be issued in NGN or CGN form (in the case of Notes in bearer form) or held under the NSS (in the case of Notes in registered form), each as indicated in the applicable Final Terms – see “Form of the Notes” beginning on page 24.</p>
<b>Fixed Rate Notes:</b>	<p>Fixed rate interest will be payable on such day(s) as agreed between the relevant Issuer and the relevant Purchaser(s) as indicated in the applicable Final Terms, and on redemption.</p> <p>Unless otherwise specified in the applicable Final Terms, interest will be determined on the basis of the Fixed Coupon Amount(s) and/or Broken Amount(s) specified in the applicable Final Terms or will be calculated on the basis of the Day Count Fraction determined in accordance with the Terms and Conditions or as specified in the applicable Final Terms.</p>
<b>Floating Rate Notes:</b>	<p>Floating Rate Notes will bear interest at a rate determined on either:</p> <ul style="list-style-type: none"> <li>(i) the same basis as the floating rate under a notional interest-</li> </ul>

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. and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or

- (ii) the basis of a reference rate appearing on the agreed screen page of a commercial quotation service.

The Margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Purchaser(s) for each Series of Floating Rate Notes.

**Foreign Exchange Interest Notes:**

Foreign Exchange Interest Notes will bear interest at a rate determined on the basis of the arithmetic mean of the offered and the bid rate for the exchange rate appearing on the agreed screen page of a commercial quotation service.

**Variable Interest Notes:**

Variable Interest Notes will bear interest at a rate determined on the basis of a formula either adding or subtracting a reference floating rate appearing on the agreed screen page of a commercial quotation service to or from a pre-determined fixed or floating rate with or without a margin ratchet.

**CMS Interest Notes:**

CMS Interest Notes will bear interest at a rate determined on the basis of a formula either adding or subtracting one constant maturity swap rate as against another constant maturity swap rate, both as defined by reference to the 2006 ISDA Definitions.

**Other provisions in relation to Floating Rate Notes, Foreign Exchange Interest Notes, Variable Interest Notes and CMS Interest Notes:**

Floating Rate Notes, Foreign Exchange Interest Notes, Variable Interest Notes and CMS Interest Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes, Foreign Exchange Interest Notes, Variable Interest Notes and CMS Interest Notes in respect of each Interest Period, as selected prior to issue by the relevant Issuer and the relevant Purchaser(s) or determined in accordance with the Terms and Conditions, will be payable on such Interest Payment Dates specified in, or determined pursuant to, the applicable Final Terms, and will be calculated on the basis of the Day Count Fraction determined in accordance with the Terms and Conditions.

**Dual Currency Interest Notes:**

Interest in respect of Dual Currency Interest Notes will be payable on such day(s) as agreed between the relevant Issuer and the relevant Purchaser(s) (as indicated in the applicable Final Terms, and on redemption.

Unless otherwise specified in the applicable Final Terms, interest will be determined on the basis of the Fixed Coupon Amount(s) and/or Broken Amount(s) specified in the applicable Final Terms or will be calculated on the basis of the Day Count Fraction determined in accordance with the Terms and Conditions or as specified in the applicable Final Terms.

The currency of payment of interest shall be in the currency specified in the applicable Final Terms. Principal on Dual



Currency Interest Notes shall be payable in the currency of denomination.

**Zero Coupon Notes:**

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest other than in relation to interest due after the Maturity Date.

**Extendible Notes:**

Notes may be issued with an Initial Maturity Date which may be extended from time to time upon the election of the holders on specified Election Date(s) specified in the applicable Final Terms.

**Instalment Notes:**

Instalment Notes are Fixed Rate Notes for which payments combining principal and interest are made in instalments over the life of the Note. Payments with respect to Instalment Notes will be applied first to interest due and payable thereon and then to the reduction of the unpaid principal amount thereof.

Notes may be redeemed in two or more instalments of such amounts and on such dates as may be indicated in the applicable Final Terms.

**Redemption:**

The Final Terms applicable to each Tranche of Notes will indicate whether such Notes may be redeemed prior to their stated maturity (other than in specified instalments (see above), if applicable, or for taxation reasons or following an Event of Default), or that such Notes will be redeemable at the option of the relevant Issuer and/or the relevant Noteholder(s), upon giving not less than 15 nor more than 30 Business Days or calendar days' irrevocable notice, as specified in the applicable Final Terms, to the relevant Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices indicated in the applicable Final Terms.

Notes which have a maturity of less than one year from their date of issue may be subject to restrictions on their denomination and distribution — see "Certain Restrictions" and "Notes with a maturity of less than one year" beginning on page 7.

**Denominations of Notes:**

Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Purchaser(s) save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency — see "Certain Restrictions" and "Notes with a maturity of less than one year" beginning on page 7, and save that the minimum denomination of each Note which is offered to the public in the European Union in circumstances that 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). If the Notes are denominated in a currency other than euro, each of the amounts referred to in this paragraph shall mean the equivalent amount in such currency.

**Taxation:**

Subject to customary exceptions, all payments by the Issuers in respect of the Notes will be made without withholding or

deduction for or on account of Japanese withholding taxes (in the case of Mitsubishi or, in certain circumstances, MCF) or United Kingdom withholding taxes (in the case of MCF).

**Status of the Notes:**

The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and will rank *pari passu* and rateably, without any preference among themselves, and equally with all its other unsecured obligations (other than statutorily preferred or subordinated obligations (if any) from time to time outstanding).

**Status of the Guarantee:**

The Guarantee of the Notes issued by MCF will constitute a direct, unconditional and unsecured obligation of the Guarantor ranking equally with its other unsecured obligations (other than statutorily preferred or subordinated obligations (if any) from time to time outstanding).

**Cross Default:**

The terms of the Notes will contain a cross default clause in respect of indebtedness for borrowed money of the relevant Issuer or the Guarantor.

**Rating:**

The Programme has been rated A2 by Moody's Japan K.K., A by S&P Global Ratings Japan Inc. and AA- by Rating and Investment Information, Inc. Tranches of Notes issued under the Programme may be rated or unrated. The rating, if any, applicable to a Tranche of Notes shall be set out in the relevant Final Terms. Where a Tranche of Notes is rated such rating will not necessarily be the same as the rating assigned to the Programme. A security 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. Moody's Japan K.K., S&P Global Ratings Japan Inc. and Rating and Investment Information, Inc. are not established in the European Union and are not registered under the CRA Regulation. However, Moody's Investor Services Ltd. and Standard & Poor's Credit Market Services Europe Limited, which are affiliates of Moody's Japan K.K. and S&P Global Ratings Japan Inc., respectively, are established in the European Union and registered under the CRA Regulation indicating an intention to endorse the ratings of certain of their respective non-EU affiliates.

Moody's Japan K.K., S&P Global Ratings Japan Inc. and Rating and Investment Information, Inc. are registered with the Financial Services Agency of Japan.

**Listing:**

Application has been made to the UK Listing Authority for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the Market.

**Governing Law:**

English.

**Selling Restrictions:**

There are restrictions on the sale of Notes and the distribution of offering material — see “Subscription and Sale” beginning on page 91.

## **RISK FACTORS**

*Each of the Issuers and the Guarantor believe that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme or the Guarantee, as applicable. 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.*

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

*Each of the Issuers and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of each Issuer to pay interest, principal or other amounts on or in connection with any Notes or of the Guarantor to make any payments under the Guarantee may occur for other reasons and neither the Issuers nor the Guarantor represents 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 the documents incorporated by reference) and reach their own views prior to making any investment decision.*

### **Factors that may affect Mitsubishi's ability to fulfil its obligations under the Notes issued by it under the Programme and under the Guarantee**

#### ***Risks of Changes in Global Macroeconomic Conditions***

As the Group conducts business on a global scale, its operating results are impacted by economic trends in overseas countries as well as in Japan.

For instance, a decline in prices of energy and metal resources could have a large impact on the Group's resource-related import transactions and earnings from business investments. Furthermore, the worldwide economic slowdown or any further downturn could affect the Group's entire export-related business, including plants, construction machinery parts, automobiles, steel products, ferrous raw materials, chemical products and other products.

In addition, in Thailand and Indonesia, the Group has various automobile businesses, including automobile assembly plants, distribution and sales companies and financial services companies jointly established with Japanese automakers. Because automobile sales volume reflects domestic demand in each of these countries, economic trends in both Thailand and Indonesia may have a significant bearing on earnings from the Group's automobile operations.

In the year ended 31 March 2017, the global economy saw increasing volatility in financial markets, mainly due to concerns about the forecast for the Chinese economy, uncertainty about the outlook for negotiations surrounding the UK decision to leave the European Union, along with rising geopolitical risk in the Middle East and other areas. In emerging countries, the pace of economic growth has slowed even among major countries such as China and Brazil, mainly due to slower growth in investment and exports, compounded by structural problems within these countries. Uncertainty remained in the international financial markets due to continued rise in geopolitical risk in North Korea and the Middle East.

Accordingly, negative changes in global macroeconomic conditions have had, and may continue to have, a significant impact on the Group's businesses and consolidated operating results.

#### ***Commodity Market Risk***

In the ordinary course of business, the Group is exposed to various risks relating to movements in prices of commodities as a trader, owner of rights to natural and energy resources, and a producer and seller of industrial products of the Group's investees. Product categories that have had, and may continue to have, a large impact on the Group's operating results are as follows:

- *Energy Resources.* The Group holds upstream rights to crude oil and/or liquefied natural gas (“LNG”) in North America, South East Asia and Australia and other regions. Movements in the prices of these resources have had, and may continue to have, a significant impact on the Group’s operating results.

Crude oil prices (Brent) was in the lower U.S.\$50 (per barrel) range in April to May 2017, which increased to the middle U.S.\$50 range in May before the Organization of the Petroleum Exporting Countries meeting held in May 2017 due to expectation that an agreement to decrease in oil production would be made. However, following a decision to extend the reduction of production for a further nine months, oil prices decreased to the middle U.S.\$40 range. Since then, oil prices recovered to upper U.S.\$40 in June 2017 due to an outlook that the oil production in the United States would decrease. Nevertheless, market conditions remain unclear as prices may fluctuate due to continued lower production of oil-producing nations, as well as production levels of shale gas in the United States and supply levels.

Fundamentally, LNG prices are linked to crude oil prices. As an estimate, a U.S.\$1/BBL (barrel) fluctuation in the price of crude oil would have a ¥2 billion effect on the Group’s profit for the year for LNG and crude oil combined in a given year, mainly through a change in equity-method earnings. However, fluctuations in the price of LNG and crude oil might not be immediately reflected in the Group’s operating results because of timing differences.

- *Metal Resources.* Through a wholly-owned subsidiary, Mitsubishi Development Pty Ltd. (“MDP”) in Brisbane, Australia, the Group sells coking coal, which is used for steel manufacturing and thermal coal, which is used for electricity generation. Fluctuations in the price of coking coal have affected, and may continue to affect, the Group’s operating results through MDP’s earnings. However, MDP’s operating results cannot be determined by the coal price alone since MDP’s operating results are also significantly affected by other factors besides coal prices, such as fluctuations in exchange rates for the Australian dollar, U.S. dollar and Yen, as well as adverse weather and labour disputes.

In addition, as a producer, the Group is exposed to the risk of price fluctuations in copper. As an estimate, a U.S.\$100 fluctuation in the price per metric tonne of copper would have a ¥1.3 billion effect on the Group’s profit for the year (a U.S. ten cent price fluctuation per pound of copper would have a ¥2.9 billion effect on the Group’s profit for the year). However, variables besides price fluctuations such as the grade of mined ore, the status of production operations, and reinvestment plans (capital expenditures) can have an impact on the Group’s operating results. As such, the impact on earnings cannot be determined by the copper price alone.

- *Petrochemical Products.* The Group is engaged in a broad range of trading activities for petrochemical products, such as polyethylene, ethylene glycol, paraxylene, and methanol, manufactured from raw materials such as naphtha and natural gas in countries including Saudi Arabia, Malaysia, and Venezuela. The prices of petrochemical products are largely determined for each product on an individual basis, based on the prices of raw materials, supply-demand dynamics and other factors beyond the Group’s control. Fluctuations in the prices of these raw materials may affect the Group’s earnings from these businesses trading transactions.

### ***Foreign Currency Risk***

The Group bears the risk of fluctuations in foreign currency rates relative to the Yen in the course of our trading activities, such as export, import and offshore trading. While the Group uses forward contracts and other hedging, there is no assurance that the Group can completely avoid foreign currency risk.

In addition, dividends received from overseas businesses and equity in earnings of overseas consolidated subsidiaries and equity-method investees are relatively high in proportion to the Group’s profit

for the year. Because most of these earnings are denominated in foreign currencies, which are converted into Yen solely for financial reporting purposes, an appreciation in the Yen relative to these foreign currencies has a negative impact on the Group's profit for the year. In terms of sensitivity, a ¥1 change relative to the U.S. dollar would have a ¥2.5 billion effect on the Group's profit for the year.

With respect to the Group's investments in overseas businesses, an appreciation in the Yen poses the risk of lowering shareholders' equity through a negative effect on exchange differences on translating foreign operations. Consequently, the Group implements various measures to prevent increased exposure to foreign currency risk on investments, such as by hedging foreign currency risks with respect to new large investments. However, there is no assurance that the Group can completely avoid these risks.

Fluctuations in foreign currency exchange rates in such situations have had, and may continue to have, a significant impact on the Group's businesses and consolidated operating results.

### ***Share Price Risk***

As at 31 March 2017, the Group owned approximately ¥1,290.0 billion (fair value basis) of marketable equity securities, mostly equity issues of customers, suppliers and affiliated companies. These investments expose the Group to the risk of fluctuations in their prices. In respect of the Group's corporate pension fund, a portion of the pension assets managed are marketable equity securities. Accordingly, a decline in the price of such securities may reduce pension assets.

### ***Interest Rate Risk***

As at 31 March 2017, the Group's gross interest-bearing liabilities were approximately ¥5,383.9 billion. Since almost all of these liabilities bear floating interest rates, an increase in interest expenses caused by a rise in interest rates could negatively impact the Group's businesses and consolidated operating results.

However, a majority of these interest-bearing liabilities correspond to trade receivables, loans receivable and other operating assets that are positively affected by changes in interest rates. Since a rise in interest rates produces an increase in income from these assets, the Group is able to offset the risks associated with interest rate fluctuations to a certain extent, although there is a time lag for the loss to be offset. For the remaining interest-bearing liabilities exposed to interest rate risk without such offsets, commensurate asset holdings such as investment securities, property and equipment generate trading income as well as other income streams, such as dividends that are strongly correlated with economic cycles. Accordingly, even if interest rates increase as the economy improves, leading to higher interest expenses, the Group anticipates that a majority of any increase in interest expenses would be offset by an increase in income from the corresponding asset holdings. However, there can be no assurance as to whether the Group's operating results may be negatively affected temporarily if there is a rapid rise in interest rates because increased income from commensurate asset holdings would fail to offset the effects of a preceding increase in interest expenses.

In order to monitor market movements in interest rates and respond flexibly to market risks, the Group has established an Asset Liability Management ("ALM") committee, which establishes fund procurement strategies and manages the risk of interest rate fluctuations.

### ***Credit Risk***

The Group extends credit to customers in the form of trade credit, including accounts receivable and advance payments, finance, guarantees and investments appertaining to the Group's various operating transactions. As a consequence, the Group is exposed to credit risk in the form of losses arising from deterioration in the credit of, or bankruptcy, of customers. Furthermore, the Group utilises derivative instruments, primarily swaps, options and futures, for the purpose of hedging risks, which exposes the Group to the credit risk of the counterparties to these derivative instruments.

To manage this risk, the Group has established credit and transaction limits for each customer as well as introduced an internal rating system. Based on internal rules determined by internal rating and the amount of credit, the Group also requires collateral or a guarantee depending on the credit profile of a counterparty.

Where there is a deterioration in the credit condition of its customers, the Group reduces transactions and takes measures to protect its receivables and has in place a policy for dealing with bankrupt customers.

Notwithstanding the Group's efforts to manage these risks, there can be no guarantee that the Group will be able to completely avoid credit risks. Failure to collect receivables and other credit would affect the Group's businesses and consolidated operating results.

### ***Country Risk***

The Group bears country risk in relation to transactions with, and investments in, overseas companies in the form of delays in collecting, or an inability to collect, money owed to the Group, as well as risks in relation to conducting business activities due to political and socioeconomic conditions in the countries where they are domiciled.

The Group takes appropriate risk hedging measures that involve, in principle, hedges via third parties through such means as taking out insurance, depending on the nature of the project. Furthermore, the Group has established a country risk committee, under which country risk is managed through a country risk countermeasure system. The country risk countermeasure system classifies countries with which the Group conducts business into eight categories based on creditworthiness by country. Country risk is controlled through the establishment of risk limits for each category.

Notwithstanding the Group's efforts to manage country risk, there can be no assurance as to whether the Group can completely avoid risks caused by deterioration in the political, economic or social conditions in the countries or regions where the Group's customers, portfolio companies or the Group have ongoing projects. Such eventualities may have a significant impact on the Group's businesses and consolidated operating results.

### ***Business Investment Risk***

The Group participates in the management of various companies by acquiring equity and other types of interests. These business investment activities are carried out with the aim of increasing commercial rights and deriving capital gains. However, the Group bears various risks related to such business investments, including a possible inability to recover investments and exit losses and being unable to earn the planned profits. In order to manage business investment risk, the Group employs holding rules to effectively manage the portfolio of such equity and other types of interests and controls the risks involved through, where necessary, an early exit by way of sales or winding-up of such interests. New investments are selected by evaluating the significance and purpose of each project and relevant risks, and are then quantitatively measured by an internally-set minimum expected rate of return. After investments are made, each project is managed under a specific management plan on a yearly basis to achieve its investment goals.

While the Group follows strict standards for the selection and management of investments, the Group is not able to completely avoid the risks arising from its investments and there can be no assurance that the Group will achieve increased commercial rights and capital gains from all its investments, or that any failure to deliver expected profits, or losses associated with such investments, or the exit from any such investments, will not have a materially adverse impact on the Group's businesses and consolidated operating results.

### ***Risks Related to Investment in and Operations with Mitsubishi Motors Corporation ("MMC")***

Following requests from MMC, Mitsubishi injected a total of ¥140.0 billion in MMC during the period from June 2004 to January 2006 by subscribing for ordinary shares and preferred shares issued by MMC. The Group invested a portion of MMC's preference shares in an anonymous association and converted the remaining shares into MMC's common shares on 5 March 2014. In advance of the receipt of new shares in MMC by Nissan Motor Co., Ltd. through a third-party allotment (executed on 20 October 2016), on 6 July 2016, the Group agreed to dissolve the anonymous association agreement and the Group has received from MMC shares provided as investment in kind. As the returned shares were included in the risk exposure announced by the Group, the return of these shares has no impact on the Group's risk exposure. Mitsubishi's

direct risk exposure to MMC, including the holding of its shares prior to June 2004, was approximately ¥100.0 billion as at 31 March 2017.

The Group also co-operates with MMC through developing business at sales companies mainly outside of Japan and across the related value chain. Risk exposure in connection with these dealings, such as investments in businesses, finance, trade receivables and other related business, was approximately ¥250.0 billion as at 31 March 2017 (of which, risk exposure in connection with the sales finance business was approximately ¥120.0 billion).

As a consequence, the Group's total MMC-related risk exposure, including both direct risk and risk relating to related business, was approximately ¥350.0 billion as at 31 March 2017.

### ***Risks relating to Investments in Australian Coking Coal and other Metal Resource Interests***

In November 1968, Mitsubishi established MDP, headquartered in Brisbane, Australia, to engage in coal development. In 2001, through MDP, Mitsubishi acquired a 50 per cent. interest in the BHP Billiton Mitsubishi Alliance ("BMA") coking coal business in Queensland, Australia and engage in this business with a partner, BHP Billiton Limited, headquartered in Melbourne, Australia. The BMA coking coal business has grown into one of the world's largest coking coal businesses, currently producing 69 million tons per year. In addition to coking coal, MDP engages in the exploration, development, production and sale of other metal resources (thermal coal, iron ore and uranium). As of 31 March 2017, the book value of MDP's fixed assets amounted to approximately ¥970.0 billion. MDP's commodity market risks have the potential to affect the Group's operating performances.

### ***Risks Related to Acquisition of Anglo American Sur, S.A.***

Mitsubishi holds shares in Anglo American Sur, S.A. ("AAS"), which holds Chilean copper resource interest, together with Anglo American Plc ("AAC"), headquartered in London, United Kingdom, and a joint venture between Corporación Nacional del Cobre de Chile, a nationally operated copper production company headquartered in Santiago, and Mitsui & Co., Ltd. Ownership interests in AAS are 50.1 per cent. by AAC, 29.5 per cent. by the Joint Venture and 20.4 per cent. by Mitsubishi.

AAS holds a significant portfolio of copper assets in Chile, including the Los Bronces mine, the El Soldado mine, the Chagres copper smelter and large-scale prospective exploration properties. AAS' total copper production was approximately 350,000 tonnes in 2016.

Mitsubishi applies the equity method to its investment in AAS. As an investment accounted for using the equity method, during the year Mitsubishi conducted an impairment test on the investment in AAS. As AAS' production and development plans are long-term, Mitsubishi judged that an evaluation was necessary from a medium- to long-term perspective, including revisions in copper price forecasts. In relation to copper prices, Mitsubishi formulated a forecast, taking into account fundamentals such as the future supply/demand environment and the data provided by external financial institutions and other organisations. Because AAS' production and development plans are long-term, medium- to long-term price forecasts have a more significant impact on the valuation of the investment in AAS than do price fluctuations in short term. Taking into overall consideration sluggish copper market prices and the extended timeframe for the development of mining projects, on 31 March 2016, Mitsubishi recorded an impairment loss of ¥271.2 billion, resulting in a book value of its interests in AAS of approximately ¥180.0 billion as at 31 March 2017.

In addition to the items mentioned above, Mitsubishi is evaluating other investments in copper asset interests, as well as investments related to crude oil, gas and LNG in order to recognise key risks. As production and development plans are long-term, medium- to long-term price forecasts have a greater impact on the value of investments than short-term price fluctuations.

### ***Risks Related to Compliance***

The Group is engaged in operations in a variety of industries through many offices around the world. These activities subject the Group to a wide variety of laws and regulations. Specifically, the Group must

comply with the Companies Act of Japan (Act No. 86 of 2005, as amended) (the “Companies Act”), tax laws, the FIEA, anti-monopoly laws, international trade-related laws, environmental laws and various other laws and regulations in Japan and the laws and regulations in the countries and regions in which the Group operates overseas.

The Group has established a compliance committee, which is headed by a chief compliance officer, who is at the forefront of the Group’s efforts to raise awareness of compliance. This officer also directs and supervises compliance with laws and regulations on a consolidated basis.

Notwithstanding the Group’s initiatives relating to compliance, the Group is not able to completely avoid risks relating to compliance with laws and procedures in its many operations and in the event that the Group is unable to fulfil any of its obligations under related laws and regulations, the Group’s businesses and consolidated operating results could be materially and negatively affected.

### ***Risks from Natural and Other Types of Disasters***

A natural disaster, such as an earthquake, heavy rain or flood, abnormal climatic conditions or infectious disease such as a new strain of influenza, or a large-scale accident, acts of terrorism or riots that affects the Group’s employees and damages the Group’s offices, facilities or systems could hinder the Group’s sales and production activities.

The Group has established adequate countermeasures, having implemented an employee safety check system; formulated a disaster contingency manual and a business contingency plan; implemented earthquake-proof measures for buildings, facilities or systems (including the backup of data); introduced a programme of disaster prevention drills; prepared stocks of necessary goods; and collaborated and shared information with offices, subsidiaries and affiliated companies both in Japan and overseas. However, no amount of preparation of this sort can completely avoid the risk of damage caused by a natural disaster. Accordingly, damage from a natural disaster could affect the Group’s operating results.

### ***Risks Relating to Forward-looking Statements***

Statements in this Offering Circular with respect to the Group’s plans, strategies and beliefs, as well as other statements that are not historical facts, are forward-looking statements involving risks and uncertainties. The important factors that could cause actual results to differ materially from such statements include, but are not limited to: the impact of general economic and market conditions in the markets where the Group operates; the level of consumer spending and demand for the Group’s products; the level of competition against the Group; and the Group’s ability to comply with various governmental regulations, along with the Group’s ability to adapt itself to market, industry and general economic, political and business conditions.

## **Factors that may affect MCF’s ability to fulfil its obligations under Notes issued by it under the Programme**

### ***Counterparty Risk***

MCF will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. Any inability of the counterparties to fulfil their credit obligations or contract duties could negatively impact business results and the financial condition of MCF.

### ***Credit, Liquidity and Interest Rate Risk***

MCF invests in structured and corporate debt securities which are subject to risk of loss of principal and interest. Structured debt securities may be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the borrower and general market liquidity risk (market risk). MCF will therefore be subject to credit, liquidity and interest rate risks. In addition, evaluating credit risk for debt securities involves uncertainty because credit rating agencies throughout the world have



different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, which can make it difficult to accurately calculate discounting spreads for valuing financial instruments.

### ***Derivatives***

MCF utilises over-the-counter derivatives, including, but not limited to, futures, forwards, swaps, options and contracts for differences, as part of its hedging operations. When used for hedging purposes there may be an imperfect correlation between these instruments and the debt securities and other instruments being hedged. Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of a position or to assess the exposure to risk. Contractual asymmetries and inefficiencies can also increase risk, such as break clauses, whereby a counterparty can terminate a transaction.

### ***Forward Foreign Exchange Contracts***

MCF may enter into forward foreign exchange contracts. A forward foreign exchange contract is a contractually binding obligation to purchase or sell a particular currency at a specified date in the future. Forward foreign exchange contracts are not uniform as to the quantity or time at which a currency is to be delivered and are not traded on exchanges and are individually negotiated transactions. There is no limitation as to daily price movements on this market and in exceptional circumstances there have been periods during which certain banks have refused to quote prices for forward foreign exchange contracts or have quoted prices with an unusually wide spread between the price at which the bank is prepared to buy and that at which it is prepared to sell. Transactions in forward foreign exchange contracts are not regulated by any regulatory authority nor are they guaranteed by an exchange or clearing house. MCF will be subject to the risk of the inability or refusal of their counterparties to perform with respect to such contracts. Any such default could eliminate profit potential and could result in losses.

## **Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

### ***Risks related to the structure of a particular issue of Notes***

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

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

An optional redemption feature of Notes is likely to limit their market value. During any period when the relevant Issuer 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.

An Issuer 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.

#### ***Foreign Exchange Interest Notes and Dual Currency Interest Notes***

The Issuers may issue Notes with interest determined by movements in currency exchange rates. In addition, the Issuers may issue Notes with interest payable in a currency which may be different from the currency in which the Notes are denominated. Potential investors should be aware that the market price of such Notes may be volatile.

### *Variable rate Notes with a multiplier or other leverage factors*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

### *Inverse Floating Rate Notes*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR (as defined herein). The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where an Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

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

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

### ***Risks related to Notes generally***

Set out below is a brief description of material risks relating to the Notes generally:

#### *Modification*

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

#### *Notes Linked to LIBOR (including Floating Rate Notes)*

The Programme allows for the issuance of Notes that reference LIBOR. The Final Terms for Notes will specify whether LIBOR is applicable. The UK Financial Conduct Authority has announced that after 2021 it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark and that the continuation of LIBOR on the current basis could not and would not be guaranteed after 2021 by the UK Financial Conduct Authority. The Notes contain fallback provisions in the event that LIBOR rates are not available, however the potential elimination of the LIBOR benchmark, or changes in the manner in which the LIBOR benchmark is administered, could result in discrepancies in the rates calculated according to the Notes and those based on any substitute or alternate benchmark that has become the market standard by or after 2021. Any such consequence could have a material adverse effect on the value and marketability of, and return on, any Notes linked to LIBOR.

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

The conditions of the Notes and the Guarantee are based on English law in effect as at the date of this Offering Circular. 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 this Offering Circular.

### ***Notes where denominations involve integral multiples: Definitive Notes***

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

If Definitive Notes are issued, holders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade. However, this will not affect Noteholders’ entitlements to interest and principal in respect of any Note.

### ***The Notes are unsecured obligations***

The Notes are unsecured obligations of the relevant Issuer and as a consequence their repayment may be compromised if:

- (i) the relevant Issuer enters into bankruptcy, liquidation, rehabilitation or other winding-up proceedings;
- (ii) there is a default in payment under the relevant Issuer’s indebtedness; or
- (iii) there is otherwise an acceleration of any of the relevant Issuer’s indebtedness.

If any of these events occurs, the relevant Issuer’s assets may not be sufficient to pay amounts due on any of the Notes.

Further, upon any Event of Default (as defined under “Terms and Conditions of the Notes” beginning on page 37) occurring with respect to the Notes a declaration that the principal and interest shall be forthwith due and payable is only effective seven days after delivery by a holder and receipt by the agent of a notice to such effect.

### ***The Notes are not protected by restrictive covenants***

The Notes do not contain restrictive financial, operating or other covenants or restrictions, including those on change of control, payment of dividends, the incurrence of indebtedness or the issuance or repurchase of securities by the relevant Issuer, and the Terms and Conditions impose no negative pledge obligation on the Issuers. Therefore the Noteholders will have no influence on the taking of any such corporate action by the relevant Issuer.

### ***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 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 currencies that are limited in their availability, which in turn may affect the liquidity of Notes denominated in such currencies and the relevant Issuer’s ability to source such currencies to service the Notes. In addition, unanticipated changes in government regulation can, and may, further impact the availability and convertibility of certain

currencies, which will impact the suitability of such Notes as well as the relevant Issuer's ability to source such currencies to service the Notes.

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 completing certain regulatory procedures. 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 Terms and Conditions, payments in respect of Notes denominated in Renminbi are subject to restrictions, including a restriction that payment will be made solely by transfer to an account denominated in Renminbi with a bank in Hong Kong.

*Notes in NGN form or held under the NSS may not be recognised as eligible collateral*

The NGN form and the NSS has been introduced to allow for the possibility of Notes being issued and held in a manner which will permit them to be recognised as eligible collateral for the monetary policy of the European Central Bank and the national central banks of the monetary union countries (the "Eurosysteem") and intra-day credit operation by the Eurosysteem either upon issue or at any or all times during their life. However in any particular case such recognition will depend upon satisfaction of the Eurosysteem eligibility criteria at the relevant time. Investors should make their own assessment as to whether the Notes meet such Eurosysteem eligibility criteria.

### ***Risks related to the market generally***

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

#### *The secondary market generally*

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

#### *Exchange rate risks and exchange controls*

The relevant Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) 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 the Fixed Rate Notes.

*Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the 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.

## **DOCUMENTS INCORPORATED BY REFERENCE**

The following documents which have previously been published or are published simultaneously with this Offering Circular and have been approved by the Financial Conduct Authority or filed with it shall be deemed to be incorporated in, and to form part of, this Offering Circular:

- (1) the auditors' reports and financial statements of MCF for the financial years ended 31 March 2016 and 31 March 2017, included on pages 9 to 50 (inclusive) of MCF's annual report 2016 and pages 10 to 51 (inclusive) of MCF's annual report 2017, respectively;
- (2) the consolidated financial statements of Mitsubishi as of and for the financial year ended 31 March 2016 and auditor's report thereon, included on pages 24 to 25 and 32 to 141 (inclusive) of Mitsubishi's Annual Financial Report 2016 for the year ended 31 March 2016;
- (3) the consolidated financial statements of Mitsubishi as of and for the financial year ended 31 March 2017 and auditor's report thereon, included on pages 20 to 21 and 29 to 137 (inclusive) of Mitsubishi's Annual Financial Report 2017 for the year ended 31 March 2017;
- (4) section 1. "Results of Operations" on pages 1 to 3; section 2. "Year Ended March 2017 Segment Information" on pages 3 to 5; and section 6. "Liquidity and Capital Resources" on pages 10 to 11 of Mitsubishi's Annual Financial Report 2017 for the year ended 31 March 2017;
- (5) section 1.(1). "Results of Operations", section 1.(2). "Financial Position" and section 1.(3). "Cash Flows" included on pages 2 to 3 (inclusive) of Mitsubishi's unaudited financial information for the six months ended 30 September 2017 entitled "Financial Results for the six months ended September 2017"; and
- (6) the condensed unaudited financial information for the six months ended 30 September 2017 included on pages 5 to 11 (inclusive) of Mitsubishi's financial report entitled "Financial Results for the six months ended September 2017".

In addition to the above, the Terms and Conditions of the Notes set out on the respective pages of the Offering Circulars listed below shall be incorporated by reference in, and form part of, this Offering Circular:

- (1) pages 33 to 50 of the Offering Circular dated 16 November 2009;
- (2) pages 34 to 51 of the Offering Circular dated 16 November 2010;
- (3) pages 41 to 66 of the Offering Circular dated 16 November 2011;
- (4) pages 38 to 67 of the Offering Circular dated 16 November 2012;
- (5) pages 47 to 77 of the Offering Circular dated 15 November 2013;
- (6) pages 50 to 81 of the Offering Circular dated 14 November 2014;
- (7) pages 40 to 74 of the Offering Circular dated 13 November 2015; and
- (8) pages 37 to 66 of the Offering Circular dated 11 November 2016.

Only the sections or pages of the documents referred to in (1) to (6) and (1) to (8) above, respectively, shall be incorporated by reference in, and form part of, this Offering Circular. Any sections or pages of the documents which have been omitted therefrom are either not relevant for investors or are covered elsewhere in 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.

Copies of the documents incorporated by reference in this Offering Circular can be obtained from the registered or principal offices of each of the Issuers, as set out at the end of this Offering Circular and the principal office in England of The Bank of Tokyo-Mitsubishi UFJ, Ltd., London Branch. In addition, copies of this Offering Circular, each Final Terms relating to Notes which are listed on the London Stock Exchange and each document incorporated by reference herein are available on the website of 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).

Following the publication of this Offering Circular, a supplement may be prepared by the Issuers and approved by the UK Listing Authority. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

The Issuers will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes. Each of the Issuers has undertaken to the Dealers in the Programme Agreement that it will comply with section 81 of FSMA.

## FORM OF THE NOTES

### **Bearer Notes**

Each Tranche of Notes in bearer form (a “Bearer Note”) will be initially represented by a temporary bearer global Note (a “Temporary Bearer Global Note”) without receipts, interest coupons or talons or a permanent bearer global Note (a “Permanent Bearer Global Note”) without receipts, interest coupons or talons.

If the Temporary Bearer Global Note or Permanent Bearer Global Note, as the case may be, is stated in the applicable Final Terms to be issued in NGN form (together, the “NGNs”), the Temporary Bearer Global Note or Permanent Bearer Global Note will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the “Common Safekeeper”) for Euroclear and Clearstream, Luxembourg. Temporary Bearer Global Notes or Permanent Bearer Global Notes which are not issued in NGN form (“CGNs”) will be deposited on the issue date of the relevant Tranche with a common depositary on behalf of Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal and interest (if any) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of such Note are not United States persons or persons who have purchased for resale to any United States person, as required by U.S. Treasury regulations has been received by Euroclear and/or Clearstream, Luxembourg, as applicable, and Euroclear and/or Clearstream, Luxembourg has given a like certificate (based on the certifications it has received) to the Agent (as defined in “Terms and Conditions of the Notes” beginning on page 37).

On and after the date (the “Exchange Date”) which is 40 days after the date on which a Temporary Bearer Global Note is issued, interests in a Temporary Bearer Global Note will be exchangeable (free of charge to the Noteholder) upon a request as described therein (a) unless otherwise specified in the applicable Final Terms, for interests in a Permanent Bearer Global Note or (b) if specified in the applicable Final Terms and subject to such notice period as specified in the Final Terms, for Definitive Notes in bearer form (“Definitive Bearer Notes”), in each case against certification of beneficial ownership as described in the second sentence of the preceding paragraph unless such certification has already been given.

The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest or principal due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for Definitive Bearer Notes (as the case may be) is improperly withheld or refused. Following such exchange, payments of principal and interest (if any) on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for further certification.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge to the Noteholder), in whole but not in part, for Definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (i) not less than 45 days’ written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Agent as described therein or (ii) upon the occurrence of an Exchange Event. For these purposes, “Exchange Event” means that (i) an Event of Default (as defined in Condition 7) has occurred and is continuing, (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative clearing system is available or (iii) the relevant Issuer has or will become obliged to pay additional amounts as provided for or referred to in Condition 6 which would not be required were the Notes represented by Definitive Notes. The relevant Issuer will promptly give notice to



Noteholders in accordance with Condition 11 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 60 days after receipt of the first relevant notice by the Agent.

The “exchange upon 45 days’ written notice” option shall not be expressed to be applicable in the relevant Final Terms if the Specified Denomination of the Notes includes language substantially to the following effect: “€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000”. Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Bearer Global Note exchangeable for Definitive Bearer Notes.

### **Registered Notes**

Each Tranche of Notes in registered form (“Registered Notes”), will initially be represented by a Global Note (as defined in “Terms and Conditions of the Notes” beginning on page 37) in registered form or, if so specified in the applicable Final Terms, Definitive Notes in registered form (“Definitive Registered Notes”).

If a Global Note in registered form is held under the NSS, the relevant Global Note will be delivered on or prior to the original issue date of the relevant Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. Global Notes in registered form which are not held under the NSS will be deposited on the issue date of the relevant Tranche with a common depositary on behalf of Euroclear and Clearstream, Luxembourg. Persons holding beneficial interests in Global Notes in registered form will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Definitive Registered Notes.

Payments of principal, interest and any other amount in respect of a Global Note in registered form will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 1(a)) as the registered holder of the relevant Global Note in registered form. None of the relevant Issuer, the Agent, any Paying Agent, the Registrar or any transfer agent will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in a Global Note in registered form or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of a Definitive Registered Note will, in the absence of provision to the contrary, be made to the person(s) shown on the Register on the relevant Record Date (as defined in Condition 5(d)) immediately preceding the due date for payment in the manner provided in the “Terms and Conditions of the Notes” beginning on page 37.

Interests in a Global Note in registered form will be exchangeable (free of charge), in whole but not in part, for Definitive Registered Notes without receipts, interest coupons or talons attached either (i) upon not less than 45 days’ written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Global Note in registered form) to the Registrar as described therein), (ii) upon the occurrence of an Exchange Event or (iii) at any time with the consent of the relevant Issuer, in each case as specified in the applicable Final Terms.

### **Uridashi Notes**

Notes may be issued to be sold back into Japan to Japanese investors (“Uridashi Notes”). Uridashi Notes shall be denominated in a currency other than Japanese Yen and shall be issued subject to the Terms and Conditions contained herein.

## Legends

The following legend will appear on all Bearer Notes and on all coupons, receipts and talons relating to Notes with a maturity of one year or more:

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

The following legend will appear on all Notes and on all coupons, receipts and talons relating to Bearer Notes issued by (i) Mitsubishi or (ii) MCF in circumstances where the interest on the Notes is attributable to a business in Japan conducted by MCF in the manner provided for in the Act on Special Taxation Measures:

*“Interest payments on this Note will be subject to Japanese withholding tax unless the holder establishes that this Note is held by or for the account of a holder that is (i) for Japanese tax purposes, neither an individual resident of Japan or a Japanese corporation, nor an individual non-resident of Japan or a non-Japanese corporation that, in either case, is a party having a special relationship with the Issuer as described in Article 6, Paragraph (4) of the Act on Special Measures Concerning Taxation of Japan (a “specially-related party of the Issuer”), or (ii) a Japanese designated financial institution described in Article 6, Paragraph (9) of the Act on Special Measures Concerning Taxation of Japan which complies with the requirement for tax exemption under that paragraph.*

*Interest payments on this Note paid to an individual resident of Japan, to a Japanese corporation not described in the preceding paragraph, or to an individual non-resident of Japan or a non-Japanese corporation that, in either case, is a specially-related party of the Issuer will be subject to Japanese income tax at a rate of 15 per cent. (an additional rate 0.315 per cent. will be added thereto as a special income surtax for reconstruction) of the amount specified in paragraph (A) or (B) below, as applicable:*

*(A) if interest is paid to an individual resident of Japan, to a Japanese corporation not described in paragraph (B) below, or to an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of the Issuer (except as provided in paragraph (B) below), the amount of such interest will be subject to Japanese income tax at a rate of 15 per cent. (for the period up to and including 31 December 2037, an additional 0.315 per cent. is added thereto as special income surtax for reconstruction), provided that an individual resident of Japan or an individual non-resident of Japan having a permanent establishment in Japan that is a specially-related person of the Issuer (except as provided in paragraph (B) below), either of whom meets certain requirements, although initially subject to such Japanese income tax, will ultimately be subject to Japanese income tax on income calculated by offsetting certain capital losses against certain incomes, including such interest, at a rate of 15 per cent. (for the period up to and including 31 December 2037, an additional 0.315 per cent. is added thereto as special income surtax for reconstruction); and*

*(B) if interest is paid (i) to a designated financial institution which has complied with the requirement under the Act on Special Measures Concerning Taxation of Japan or (ii) to a Japanese public corporation, a Japanese financial institution, a Japanese financial instruments business operator or certain other entities through a Japanese payment handling agent as provided in Article 3-3, Paragraph (6) of the Act on Special Measures Concerning Taxation of Japan in compliance with the requirement for tax exemption under that paragraph, the amount of such interest will not be subject to Japanese income tax.”*

## NGNs and Notes held under the NSS

If any Global Notes are stated in the applicable Final Terms to be issued in NGN form or to be held under the NSS (as the case may be), the relevant clearing systems will be notified whether or not such Global

Notes are intended to be held in a manner which would allow Eurosystem eligibility. Depositing the Global Notes with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

If any Bearer Notes are stated in the applicable Final Terms to be issued in NGN form, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

## **General**

Pursuant to the Agency Agreement, the Agent shall arrange that, where a further Tranche of Notes is issued, the Notes of such Tranche shall be assigned a common code and ISIN by Euroclear and Clearstream, Luxembourg which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least 40 days as notified by the Agent after the completion of the distribution of the Notes of such issue to the relevant Purchaser(s).

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the relevant Issuer and the Agent and specified in the applicable Final Terms. In the case of Global Notes issued in NGN form or to be held under the NSS, such alternative clearing system must be authorised to hold such Notes as eligible collateral for Eurosystem monetary policy and intra-day credit operations.

Any Note may be accelerated by the holder thereof in certain circumstances described in the Terms and Conditions of the Notes. In the case of an Event of Default (as defined under “Terms and Conditions of the Notes” beginning on page 37 below), where such Notes are still represented by a Global Note and a holder with an interest in such Note credited to his securities account with Euroclear or Clearstream, Luxembourg gives notice that it wishes to accelerate such Notes, unless within a period of 15 days from the giving of such notice payment has been made in full in accordance with the terms of the relevant Global Note, the relevant Global Note will become void. At the same time, holders of interests in such Note with Euroclear or Clearstream, Luxembourg credited to their accounts will become entitled to proceed directly against the relevant Issuer on the basis of statements of account provided by Euroclear and/or Clearstream, Luxembourg under the terms, as applicable, of a deed of covenant dated 11 November 2016, executed by Mitsubishi or MCF (together, the “Deeds of Covenant”).

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s), and any specified integral multiples, only. Noteholders who hold Notes in the relevant clearing system in amounts that are not integral multiples of a Specified Denomination may need to purchase or sell, on or before the relevant date of exchange, a principal amount of Notes such that their holding is an integral multiple of a Specified Denomination.

## FORM OF FINAL TERMS

[Date]

[Mitsubishi Corporation/  
Mitsubishi Corporation Finance PLC]  
[Title of relevant Series of Notes]

Issued pursuant to the U.S.\$5,000,000,000 Euro Medium Term Note Programme  
[Guaranteed by Mitsubishi Corporation]

### 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 Conditions set forth in the offering circular dated [●] (the "Offering Circular") [and the Supplemental Offering Circular dated [●] (the "Supplemental Offering Circular")] 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 [and such supplement to the Offering Circular]. Full information on the Issuer[, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms [and/,] the Offering Circular [and the supplement to the Offering Circular dated [●]]. The Offering Circular [and such supplement] [is/are] available for viewing at [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html) and copies may be obtained from [●].]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "Conditions") set forth in the offering circular dated [●], which is incorporated by reference into the offering circular dated [●] (the "Offering Circular"). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Offering Circular [and the Supplemental Offering Circular dated [●] (the "Supplementary Offering Circular"),] which [together] constitute[s] listing particulars for the purposes of Chapter 4 of the Financial Conduct Authority's Listing Rules. Full information on the Issuer[, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms [and/,] the Offering Circular [and the Supplementary Offering Circular]. Copies of such Offering Circular [and such Supplementary Offering Circular] are available for viewing at [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html) and copies may be obtained from [●].]

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended[, from 1 January 2018] to be offered, sold or otherwise made available to and[, with effect from such date,] should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.



Notes obtained:

## Provisions Relating to Interest (if any) Payable

- 14 **Fixed Rate Note Provisions:** [Applicable/Not Applicable]
- (i) Rate(s) of Interest: [ ] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear] in respect of the period from and including [ ] to but excluding [ ]  
[[ ] per cent. per annum [payable [annually/semi-annually/quarterly] in arrear] in respect of the period from and including [ ] to but excluding [ ]]
- (ii) Interest Payment Date(s): [ ] in each year up to and including the Maturity Date
- (iii) Fixed Coupon Amount(s): [ ] per Calculation Amount [payable on each Interest Payment Date] [from and including [ ] to and including [ ]]  
[ ] per Calculation Amount [payable on each Interest Payment Date] [from and including [ ] to and including [ ]]
- (iv) Broken Amount(s): [[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]  
[[ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]][Not Applicable]
- (v) Day Count Fraction: [ ]
- (vi) Determination Date(s): [Not Applicable][ ]
- 15 **Floating Rate Note Provisions:** [Applicable/Not Applicable]
- (i) Specified Interest Payment Dates or (where the Floating Rate Convention is the applicable Business Day Convention) Specified Period(s): [ ]
- (ii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [(unadjusted)]
- (iii) Additional Business Centre(s): [Not Applicable][ ]
- (iv) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (v) Party responsible for calculating the Rate of Interest and Interest Amount: [Not Applicable][Calculation Agent]
- (vi) Screen Rate Determination: [Not Applicable/Applicable]  
– Reference Rate: [duration] [currency]  
[LIBOR/EURIBOR/BBSW/CAD  
BA/HIBOR/STIBOR/NIBOR/TIBOR/any other reference rate as defined in the ISDA Definitions]

- Interest Determination Date(s): [ ]
- Relevant Screen Page(s): [ ]
- Relevant Time: [ ]
- Relevant Location: [ ]
- (vii) ISDA Determination: [Not Applicable/Applicable]
  - Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (viii) Margin(s): [ +/- ] [ ] per cent. per annum
- (ix) Minimum Rate of Interest: [ ] per cent. per annum
- (x) Maximum Rate of Interest: [ ] per cent. per annum
- (xi) Day Count Fraction: [ ]
- 16 **Zero Coupon Note Provisions:** [Applicable/Not Applicable]
  - (i) Accrual Yield: [ ] per cent. per annum
  - (ii) Reference Price: [ ]
  - (iii) Day Count Fraction in relation to Early Redemption Amounts and late payment: [ ]
- 17 **Other Interest Note Provisions:** [Applicable/Not Applicable]
  - (i) Foreign Exchange Interest: [Applicable/Not Applicable]
    - Variable: [ ]
    - First Currency: [ ]
    - Second Currency: [ ]
    - Amount per Specified Denomination: [ ]
    - Relevant Time: [ ]
    - Relevant Location: [ ]
    - Relevant Screen Page: [ ]
    - Back-up Relevant Screen Page: [ ]
    - Interest Determination Date: [ ]
  - (ii) Variable Interest: [Applicable/Not Applicable]
    - Reference Rate: [duration][currency]  
[LIBOR/EURIBOR/BBSW/CAD  
BA/HIBOR/STIBOR/NIBOR/TIBOR/*any other reference rate as defined in the ISDA Definitions*]
    - Interest Determination Date(s): [ ][ ]
    - Relevant Screen Page(s): [ ][ ]
    - Relevant Time: [ ]
    - Relevant Location: [ ]
    - Initial Rate: [For the period from and including [ ] to but excluding [ ]: [ ] per cent. per annum]

	For the period from and including [ ] to but excluding [ ]: [ ] per cent. per annum
	For the period from and including [ ] to but excluding [ ]: [ ] per cent. per annum
	For the period from and including [ ] to but excluding [ ]: [ ] per cent. per annum] [Second Reference Rate]
-- Second Reference Rate:	[duration][currency] [LIBOR/EURIBOR/BBSW/CAD BA/HIBOR/STIBOR/NIBOR/TIBOR/ <i>any other reference rate as defined in the ISDA Definitions</i> ]
-- Second Interest Determination Date(s):	[ ][ ]
-- Second Relevant Screen Page(s):	[ ][ ]
-- Second Relevant Time:	[ ]
-- Second Relevant Location:	[ ]
(iii) CMS Interest:	[Applicable/Not Applicable]
-- Variable per annum:	[ ] per cent. per annum
-- First CMS Rate:	[ ]
-- First Designated Maturity:	[ ]
-- Second CMS Rate:	[ ]
-- Second Designated Maturity:	[ ]
-- Multiple:	[ ]
(iv) Calculation Agent:	[ ]
(v) Party responsible for calculating the Rate of Interest and Interest Amount:	[Not Applicable/Calculation Agent]
(vi) Specified Interest Payment Dates or (where Floating Rate Convention is the applicable Business Day Convention) Specified Period(s):	[ ]
(vii) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [(unadjusted)]
(viii) Additional Business Centre(s):	[ ]
(ix) Minimum Rate of Interest:	[ ] per cent. per annum
(x) Maximum Rate of Interest:	[ ] per cent. per annum
(xi) Day Count Fraction:	[ ]
18 <b>Convertible Interest Basis Provisions:</b>	[Applicable/Not Applicable]
(i) First Interest Basis:	[ ] in accordance with paragraph [ ] above
(ii) Second Interest Basis:	[ ] in accordance with paragraph [ ] above
(iii) Interest Basis Conversion Date:	[ ]



- (iv) Automatic conversions: [Yes/No]
- (v) Conversion at Issuer's option: [Yes/No]
- 19 **Dual Currency Interest Note Provisions:** [Applicable/Not Applicable]
  - (i) Currency of Interest: [ ]
  - (ii) Rate of Exchange: [ ]
  - (iii) Party, if any, responsible for calculating the interest due: [Not Applicable/Calculation Agent ]

**Provisions Relating to Redemption**

- 20 Issuer Call: [Applicable/Not Applicable]
  - (i) Optional Redemption Date(s): [ ]
  - (ii) Notice period: [ ] [calendar days/Business Days]
  - (iii) Optional Redemption Amount(s): [ ] per Calculation Amount
  - (iv) If redeemable in part:
    - (a) Minimum Redemption Amount: [ ]
    - (b) Higher Redemption Amount: [ ]
- 21 Investor Put: [Applicable/Not Applicable]
  - (i) Optional Redemption Date(s): [ ]
  - (ii) Option Redemption Amount(s): [[ ] per Calculation Amount][ ]
- 22 Final Redemption Amount: [[ ] per Calculation Amount]
- 23 Early Redemption Amount(s) payable on redemption for taxation reasons or on an Event of Default: [[ ] per Calculation Amount]
- 24 [Extendible Notes: [Applicable/Not Applicable]]
  - (i) Initial Maturity Date: [ ]
  - (ii) Election Date(s): [ ]
  - (iii) Final Maturity Date: [ ]

**General Provisions Applicable to the Notes**

- 25 Form of Notes:
  - (i) Form: [Bearer:]
 

[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Bearer Notes [on 45 days' notice/only upon an Exchange Event.]]

[Temporary Bearer Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date.]

[Permanent Bearer Global Note exchangeable for Definitive Bearer Notes [on 45 days' notice/only upon an Exchange Event.]]

[Registered:]

[Global Note in registered form exchangeable for Definitive

- Registered Notes [on 45 days' notice/only upon an Exchange Event/with the consent of the Issuer]/Definitive Registered Notes]
- (ii) New Global Note or New Safekeeping Structure: [Not applicable]  
[New Global Note]  
[The Global Certificate will be registered in the name of a Common Safekeeper for Euroclear and Clearstream, Luxembourg (that is, held under the new safekeeping structure)]
- 26 Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable][Where a date for payment is postponed to the next following Payment Day and such next following Payment Day falls in the calendar month following the date for payment, the date for payment shall be on the immediately preceding Payment Day][ ]
- 27 Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature): [Yes/Not Applicable]
- 28 Details relating to Instalment Notes:
- (i) Instalment Amount(s): [Not Applicable][ ]
- (ii) Instalment Date(s): [Not Applicable][ ]
- 29 Calculation Agency Agreement: [Not Applicable/Applicable]
- (i) Standard Calculation Agency Agreement applies: [Yes/No]
- (ii) Existing Calculation Agency Agreement applies: [Yes/No]
- (iii) Calculation Agency Agreement specific to the Notes applies: [Yes/No]

Signed on behalf of the Issuer:

**[MITSUBISHI CORPORATION/MITSUBISHI CORPORATION FINANCE PLC]**

By: .....

Duly authorised

[Signed on behalf of the Guarantor:

By: .....

Duly authorised]

## PART B – OTHER INFORMATION

### 1. Listing

- (i) Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's professional securities market and listing on the Official List of the UK Listing Authority with effect from [    ].] [Not Applicable.]
- (ii) Estimate of total expenses related to admission to trading: [    ]

### 2. Ratings

Ratings: The Notes to be issued [have been/are expected to be] rated by:

### 3. Interests of Natural and Legal Persons Involved in the Issue

Save for the fees and commissions payable to the relevant [Purchasers]/[Dealers]/[Managers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer, including conflicting interests.

### 4. Yield

Indication of yield: [    ]

### 5. Operational Information

- (i) ISIN Code: [    ]
- (ii) Common Code: [    ]
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/Applicable]
- (iv) Names and addresses of additional Paying Agent(s) (if any): [    ]
- (v) U.S. Selling Restrictions: [TEFRA D/TEFRA not applicable]
- (vi) Intended to be held in a manner which would allow Eurosystem eligibility [Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of Euroclear Bank SA/NV and Clearstream Banking S.A. (together, the "ICSDs") as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] [include this text for registered notes] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by

the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]/ [No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper) *[include this text for registered notes]*. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

## 6. Distribution

- |   |                             |
|---|-----------------------------|
| (i) If syndicated, names of Managers:             | [Not Applicable/give names] |
| (ii) Stabilising Manager(s) (if any):             | [Not Applicable/give names] |
| (iii) If non-syndicated, name of relevant Dealer: | [Not Applicable/give name]  |

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each Definitive Note (as defined below), in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer and the relevant Purchaser(s) at the time of issue but if not so permitted and agreed, such Definitive Note will have endorsed upon or attached thereto such Terms and Conditions.*

*The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and Definitive Note. Reference should be made to “Form of Final Terms for a description of the content of Final Terms which will include the definitions of certain terms used in the following Terms and Conditions or specify which of such terms are to apply in relation to the relevant Notes.*

The Notes are issued pursuant to and with the benefit of the amended and restated Agency Agreement dated 11 November 2016 (as amended and/or supplemented and/or restated from time to time, the “Agency Agreement”) made, in each case, among Mitsubishi Corporation (“Mitsubishi”), Mitsubishi Corporation Finance PLC (“MCF”), Mitsubishi Corporation (in respect of Notes issued by MCF, the “Guarantor”), The Bank of Tokyo-Mitsubishi UFJ, Ltd., London Branch as issuing and principal paying agent and agent bank (the “Agent”, which expression shall include any successor agent) and the paying agents named therein (together with the Agent, the “Paying Agents”, which expression shall include any additional or successor paying agents) and The Bank of Tokyo-Mitsubishi UFJ, Ltd., London Branch as registrar (the “Registrar”, which expression shall include any successor registrar) and the transfer agents named therein (together with the Registrar, the “Transfer Agents”, which expression shall include any additional or successor transfer agents). References to the “Issuer” herein shall be to the Issuer of the Notes to which these Terms and Conditions relate. References to the Guarantor and Guarantee (as defined below) only apply in respect of Notes issued by MCF. Notes in definitive form are referred to as “Definitive Notes”. References herein to the “Notes” shall be references to the Notes of this Series (as defined below) and shall mean:

- (i) in relation to any Notes represented by a global Note (a “Global Note”), units of the lowest Specified Denomination in the Specified Currency;
- (ii) any Global Note;
- (iii) any Definitive Notes in bearer form (“Definitive Bearer Notes”) issued in exchange (or partial exchange) for a Global Note in bearer form; and
- (iv) any Definitive Notes in registered form (“Definitive Registered Notes”) whether or not issued in exchange for a Global Note in registered form,

in each case for the time being outstanding, or as the context may require or specific number of them.

Global Notes in bearer form may be issued in new global note (“NGN”) form and Global Notes in registered form may be held under the New Safekeeping Structure (“NSS”). Global Notes issued in NGN form are referred to as “NGNs” and all other Global Notes in bearer form are referred to as “CGNs”.

Interest bearing Definitive Bearer Notes (unless otherwise indicated in the applicable Final Terms have interest coupons (“Coupons”) and, if indicated in the applicable Final Terms, talons for further Coupons (“Talons”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts (“Receipts”) for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes (as defined below) and Global Notes in registered form do not have Receipts, Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached hereto or endorsed hereon and which supplement these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and

Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References herein to the applicable Final Terms” are, unless otherwise stated, to Part A of the Final Terms (or the relevant provisions thereof) attached hereto or endorsed hereon.

[The payment of all amounts in respect of Notes issued by the Issuer have been guaranteed by the Guarantor pursuant to a guarantee (the “Guarantee”) dated 11 November 2016 and executed by the Guarantor. The original of the Guarantee is held by the Agent on behalf of the relevant Noteholders, the relevant Receiptholders and the relevant Couponholders at its specified office.]<sup>1</sup>

Any reference herein to a “Noteholder” shall mean the bearer of the Bearer Note (as defined below), or the person in whose name the Registered Note is registered, as the case may be, and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to “Receiptholders” shall mean the holders of the Receipts and any reference herein to “Couponholders” shall mean the holders of the Coupons, and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, “Tranche” means Notes which are identical in all respects (including as to listing and admission to trading) and “Series” means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the “Deed of Covenant”) executed by the Issuer on 11 November 2016. The original of the Deed of Covenant is held on behalf of Euroclear Bank SA/NV (“Euroclear”), and Clearstream Banking S.A. (“Clearstream, Luxembourg”).

Copies of the Agency Agreement[, the Guarantee]<sup>1</sup> and the Deed of Covenant are available for inspection during normal business hours at the specified office of the Agent, the Registrar, the Transfer Agents and any other Paying Agents. Copies of the applicable Final Terms for listed Notes are available for viewing and copies may be obtained from the registered office of the Issuer and from the specified office for the time being of the Agent. If this Note is not a listed Note, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder producing evidence satisfactory to the Issuer and the Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Deed of Covenant, the Agency Agreement[, the Guarantee]<sup>1</sup> and the applicable Final Terms which are binding on them.

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

## **1. Form, Denomination, Title and Transfers of Registered Notes**

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

The Notes are in bearer form (“Bearer Notes”) or in registered form (“Registered Notes”) as specified in the applicable Final Terms and, in the case of Definitive Notes, serially numbered, in the Specified Currency and the Specified Denomination(s). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

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<sup>1</sup> All references to the Guarantor and the Guarantee shall be deleted for Notes issued by Mitsubishi.

The Notes are Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Foreign Exchange Linked Interest Notes, Variable Interest Notes, CMS Interest Notes, Dual Currency Interest Notes or a combination of any of the foregoing, depending upon the Interest Basis specified in the applicable Final Terms.

The Notes may be Instalment Notes, Extendible Notes or a combination of the foregoing, depending on the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, the Coupons and Receipts will pass by delivery and title to the Registered Notes will pass upon registration of title in the register (the “Register”) that the Issuer shall ensure be kept by the Registrar in accordance with the provisions of the Agency Agreement. The holder of each Coupon or Receipt, whether or not such Coupon or Receipt is attached to a Note, in his capacity as such, shall be subject to and bound by all the provisions contained in the relevant Note. The Issuer[, the Guarantor]<sup>1</sup>, the Agent, the Registrar, any Transfer Agents and any Paying Agents may deem and treat the bearer of any Bearer Note, Coupon or Receipt and the registered holder of any Registered Note (except as otherwise required by law) as the absolute owner thereof (whether or not such Note, Coupon or Receipt shall be overdue and notwithstanding any notation of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out below.

For so long as any of the Notes are represented by a Global Note, each person who is for the time being shown in the records of Euroclear and/or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer[, the Guarantor]<sup>1</sup>, the Agent, the Registrar, any Transfer Agents and any other Paying Agents as a holder of such nominal amount of such Notes for all purposes other than for the payment of principal (including premium (if any)) and interest on such Notes, the right to which shall be vested, as against the Issuer[, the Guarantor]<sup>1</sup>, the Agent and any other Paying Agent, solely in the bearer of the Global Note in bearer form or the registered holder of the relevant Global Note in registered form in accordance with and subject to its terms (and the expressions “Noteholder”, “holder of Notes” and related expressions shall be construed accordingly). Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg, as the case may be.

If a Global Note in bearer form is an NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Any reference in these Terms and Conditions to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system.

**(b) Transfers of Registered Notes**

**(i) Transfers of Definitive Registered Notes**

Subject as provided in Condition 1(b)(vi) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Definitive Registered Note may be transferred in whole or in part (in the Specified Denominations set out in the applicable Final Terms). In order to effect any such transfer (a) the holder or holders must (i) surrender the Definitive Registered Note for registration of the transfer of the Definitive Registered Note (or the relevant part of the Definitive Registered Note) at the specified office of

the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (b) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in schedule 7 to the Agency Agreement).

(ii) *Transfers of interests in Global Notes in registered form*

Transfers of beneficial interests in Global Notes in registered form will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Global Note in registered form will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Definitive Registered Notes or for a beneficial interest in another Global Note in registered form only in the Specified Denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the Agency Agreement.

(iii) *Registration of transfer upon partial redemption*

In the case of a partial redemption of a holding of Registered Notes represented by a single Definitive Registered Note, a new Definitive Registered Note shall be issued to the holder to reflect the balance of the holding not redeemed. New Definitive Registered Notes shall only be issued against surrender of the existing Definitive Registered Notes to the Registrar or, as the case may be, the relevant Transfer Agent. In the case of a partial redemption of a holding of Registered Notes represented by a Global Note in registered form, the Global Note in registered form shall be endorsed to reflect such partial redemption.

(iv) *Delivery of New Definitive Registered Notes*

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

(v) *Costs of registration*

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(vi) *Exchanges and transfers of Registered Notes generally*

Holders of Definitive Registered Notes may exchange such Notes for interests in a Global Note in registered form of the same type at any time.

(vii) *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 prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 4(c), (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 below).

## **2. Status of the Notes [and the Guarantee]<sup>1</sup>**

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

The Notes and the relative Coupons and Receipts are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and rateably, without any preference among themselves, and equally with all its other unsecured obligations (other than statutorily preferred or subordinated obligations (if any) from time to time outstanding).

### **(b) [Status of the Guarantee]**

The obligations of the Guarantor under the Guarantee are direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor from time to time outstanding.]<sup>1</sup>

## **3. Interest**

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

- (i) Each Fixed Rate Note bears interest from the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest (in each case for the period(s) specified in the Final Terms) payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date if that does not fall on an Interest Payment Date.
- (ii) If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on an Interest Payment Date in respect of the Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the relevant Broken Amount(s) so specified. As used in these Terms and Conditions, “Interest Period” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.
- (iii) Except in the case of Definitive Notes where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:
  - (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
  - (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding. If no Day Count Fraction is specified in the applicable Final Terms, the applicable Day Count Fraction for Fixed Rate Notes shall be Actual/Actual (ICMA) other than for U.S. dollar denominated Notes where the applicable Day Count Fraction shall be “30/360”.

- (iv) In this Condition “sub-unit” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

**(b) *Interest on Floating Rate Notes, Foreign Exchange Interest Notes, Variable Interest Notes and CMS Interest Notes***

**(i) *Interest Payment Dates***

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

- (A) the Specified Interest Payment Date(s) (each an “Interest Payment Date”) in each year; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each an “Interest Payment Date”) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (as defined in Condition 3(a)(ii)).

**(ii) *Rate of Interest for Floating Rate Notes***

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

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

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), “ISDA Rate” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent or other person specified in the applicable Final Terms under an interest rate swap transaction if the Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of Notes (the “ISDA Definitions”) and under which:

- (1) the Floating Rate Option is as specified in the applicable Final Terms;
- (2) the Designated Maturity is a period specified in the applicable Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (“LIBOR”) or on the Euro-zone Inter-bank Offered Rate (“EURIBOR”) for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (A), (i) “Floating Rate”, “Calculation Agent”, “Floating Rate Option”, “Designated Maturity” and “Reset Date” have the meanings given to those terms in the ISDA Definitions and (ii) “Euro-zone” means the region comprised of Member States of the European Union that adopt the single currency in accordance with the Treaty on European Union.

**(B) *Screen Rate Determination***

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean (rounded if necessary to the fourth decimal place, with 0.00005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (which shall be LIBOR, EURIBOR, Australian Financial Markets Association bank-bill swap rate (“BBSW”), the Canadian Dollar Bankers’ acceptance rate (“CAD BA”), the Hong Kong inter-bank offered rate (“HIBOR”), the Stockholm inter-bank offered rate (“STIBOR”), the Norwegian inter-bank offered rate (“NIBOR”), the Tokyo inter-bank offered rate (“TIBOR”), or such other Reference Rate (defined by reference to the ISDA Definitions) and identified in the Final Terms), which appears or appear, as the case may be, on the Relevant Screen Page as at the Relevant Time in the Relevant Location (which shall be 11.00 a.m. London time, in the case of LIBOR, or 11.00 a.m. Brussels time, in the case of EURIBOR) on the Interest Determination Date (as defined below) in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

Unless otherwise specified in the applicable Final Terms, the “Interest Determination Date” shall be the second London Banking Day (as defined in the ISDA Definitions) prior to the first day of the relevant Interest Period or, in the case of Notes denominated in Sterling, the first day of the relevant Interest Period.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

(iii) *Interest Amount for Foreign Exchange Interest Notes*

The Interest Amount for each Interest Period shall be calculated by the Calculation Agent in accordance with the following formula, provided that the payments of interest shall never be less than the Minimum Rate of Interest.

(Variable x FX) - Amount per Specified Denomination

Where:

“FX” is the arithmetic mean of the offered and the bid rate for the exchange rate between the First Currency and the Second Currency on the Relevant Screen Page on each Interest Determination Date at the Relevant Time in the Relevant Location, as determined by the Calculation Agent, provided that:

- (i) if no such rate is published on the Relevant Screen Page on any Interest Determination Date, then the Calculation Agent shall obtain such exchange rate from the Back-up Relevant Screen Page on such Interest Determination Date at the Relevant Time in the Relevant Location; and
- (ii) if no such rate is published on the Back-up Relevant Screen Page on any Interest Determination Date, then the Calculation Agent will request five leading reference banks (selected by the Calculation Agent in its sole discretion) in the relevant interbank market for their mid market quotations of the spot

exchange rate between the First Currency and the Second Currency at the Relevant Time in the Relevant Location on such date.

The highest and the lowest quotation will be disregarded and the arithmetic mean of the remaining quotations will be FX. If only four quotations are so provided, then FX shall be the arithmetic mean of such quotations without regard to the highest and the lowest values quoted. If fewer than four but at least two quotations can be obtained, then FX will be the arithmetic mean of such quotations. If only one quotation is available, then the Calculation Agent may determine that such quotation is FX. If no such quotation is available or if the Calculation Agent determines in its sole discretion that no suitable reference bank who is prepared to quote is available, then the Calculation Agent will determine FX in its sole discretion acting in good faith and in accordance with standard market practice.

“Amount per Specified Denomination” means the amount specified in the applicable Final Terms.

“First Currency” means the currency specified in the applicable Final Terms as defined in the ISDA Definitions.

“Interest Determination Date” means the day specified in the applicable Final Terms.

“Second Currency” means the currency specified in the applicable Final Terms as defined in the ISDA Definitions.

“Variable” means the value specified in the applicable Final Terms.

(iv) *Rate of Interest for Variable Interest Notes*

The Rate of Interest for each Interest Period shall be calculated by the Calculation Agent in accordance with the following formula, provided that the payments of interest shall never be less than the Minimum Rate of Interest:

Initial Rate (being a Fixed Rate of interest or Floating Rate of interest) plus or minus the Reference Rate (being a Floating Rate of interest)

Where:

“Initial Rate” means the rate specified and for the periods indicated in the applicable Final Terms being, in the case of a fixed rate, either a constant rate of interest or a rate of interest which steps up across a pre-determined margin ratchet and in the case of a floating rate, the Second Reference Rate”.

“Interest Determination Date” shall mean the day specified in the applicable Final Terms.

“Reference Rate” is one of LIBOR, EURIBOR, BBSW, CAD BA, HIBOR, STIBOR, NIBOR, TIBOR or such other Reference Rate (defined by reference to the ISDA Definitions) and identified in the Final Terms) as displayed on the Relevant Screen Page at the Relevant Time in the Relevant Location on the Interest Determination Date.

“Second Reference Rate” is one of LIBOR, EURIBOR, BBSW, CAD BA, HIBOR, STIBOR, NIBOR, TIBOR or such other Second Reference Rate (defined by reference to the ISDA Definitions) and identified in the Final Terms as displayed on the Second Relevant Screen Page at the Second Relevant Time in the Second Relevant Location on the Second Interest Determination Date

(v) *Rate of Interest for CMS Interest Notes*

The Rate of Interest for each Interest Period shall be calculated by the Calculation Agent in accordance with the following formula, provided that the payments of interest shall never be less than the Minimum Rate of Interest.

First CMS Rate plus or minus a multiple of (as indicated in the applicable Final Terms) the Second CMS Rate (with the sum being multiplied by the Multiple).

Where:

“First CMS Rate” means the constant maturity swap rate calculated for the First Designated Maturity in the applicable Final Terms (and defined by reference to the ISDA Definitions).

“First Designated Maturity” means the maturity designated as such in the applicable Final Terms.

“Reset Date” means the first day of each Interest Period.

“Second CMS Rate” means the constant maturity swap rate calculated for the Second Designated Maturity in the applicable Final Terms (and defined by reference to the ISDA Definitions).

“Second Designated Maturity” means the maturity designated as such in the applicable Final Terms.

For the avoidance of doubt, the rate shall be determined two Business Days prior to each Reset Date. The provisions of Clause 3(b)(ii)(A) shall apply for determination of the Rate of Interest for CMS Interest Notes.

(vi) *Minimum and/or Maximum Rate of Interest*

If the applicable Final Terms specify a Minimum Interest Rate for any Interest Period and in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the above provisions is less than such Minimum Interest Rate, then (unless stated otherwise in the applicable Final Terms) the Rate of Interest for such Interest Period shall be such Minimum Interest Rate. If the applicable Final Terms specify a Maximum Interest Rate for any Interest Period and in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the above provisions is greater than such Maximum Interest Rate, then (unless stated otherwise in the applicable Final Terms) the Rate of Interest for such Interest Period shall be such Maximum Interest Rate.

(v) *Determination of Rate of Interest and Calculation of Interest Amount*

The Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of all other Notes in this Condition 3(b), will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of all other Notes in this Condition 3(b), the Calculation Agent will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same. The Agent will calculate the amount of interest (the “Interest Amount”) payable on the Floating Rate Notes, Foreign Exchange Interest Notes, Variable Interest Notes and CMS Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes, Foreign Exchange Interest Notes, Variable Interest Notes or CMS Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (B) in the case of Floating Rate Notes, Foreign Exchange Interest Notes, Variable Interest Notes or CMS Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit (as defined in Condition 3(a)(iv)) of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note, a Foreign Exchange Interest Note, a Variable Interest Note or a CMS Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

(vi) *Notification of Rate of Interest and Interest Amount*

The Agent will cause the Rate of Interest and the Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, and to any stock exchange or other relevant authority on which the relevant Floating Rate Notes or any other Note referred to in this Condition 3(b) may be, for the time being, listed and to be published in accordance with the provisions of Condition 11 as soon as possible but in any event not later than the fourth London Banking Day (as defined in Condition 3(b)(ii)(B)) after their determination. Each Interest Amount and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without publication as aforesaid in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange or other relevant authority on which this Note, if it is a Floating Rate Note or any other Note referred to in this Condition 3(b), is for the time being listed.

**(c) Zero Coupon Notes**

Where a Zero Coupon Note becomes due and repayable prior to the Maturity Date and is not paid when due, the amount due and repayable shall be the Amortised Face Amount of such Note as determined in accordance with Condition 4(e)(ii). As from the Maturity Date, any overdue principal of such Note shall bear interest at a rate per annum equal to the Accrual Yield. Such interest shall continue to accrue (as well after as before any judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the holder of such Note, and (ii) the day on which the Agent has notified the holder thereof (either in accordance with Condition 11 or individually) of receipt of all sums due in respect thereof up to that date. Such interest will be calculated on the basis of a 360 day year consisting of 12 months of 30 days each and in the case of an incomplete month the actual number of days elapsed.

**(d) Dual Currency Interest Notes**

In the case of Dual Currency Interest Notes, the Rate of Interest on any Interest Payment shall be determined in accordance with the provisions of Condition 3 in the Specified Currency, save that the payment of such interest will be made in the Currency of Interest as specified in the Final Terms converted into the Currency of Interest at the Rate of Exchange. Payments in respect of Dual Currency Interest Notes shall otherwise be made in accordance with Condition 5.

**(e) Instalment Notes**

In the case of an Instalment Note (other than an Instalment Note which is a Zero Coupon Note) interest will accrue as aforesaid on the original nominal amount of such Note less all Instalment Amounts which have been repaid.

**(f) Accrual of Interest**

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given in accordance with Condition 11 or individually.

**(g) Business Day Conventions**

- (i) If a Business Day Convention is specified in the applicable Final Terms as being applicable to Interest Payment Dates (or other dates) then, if the Business Day Convention specified is:
  - (A) in any case where Specified Periods are specified in accordance with Condition 3(b)(i)(B) above, the Floating Rate Convention, and (i) if there is no numerically corresponding day in the

calendar month in which an Interest Payment Date should occur, such Interest Payment Date shall be the last day that is a Business Day in the relevant month and the provisions of (2) below shall apply *mutatis mutandis* or (ii) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (1) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (2) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

- (B) the Following Business Day Convention, and if any Interest Payment Date (or other applicable date) would otherwise fall on a day which is not a Business Day, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, and if any Interest Payment Date (or other applicable date) would otherwise fall on a day which is not a Business Day, such Interest Payment Date (or other date) shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, and if any Interest Payment Date (or other applicable date) would otherwise fall on a day which is not a Business Day, such Interest Payment Date (or other date) shall be brought forward to the immediately preceding Business Day.

(ii) In these Terms and Conditions, “Business Day” means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and in any Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro and CNY, a day on which commercial banks and foreign exchange markets settle payments in the principal financial centre of the country of the relevant Specified Currency (if other than London and any Additional Business Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne and Wellington, respectively), (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open or (3) in relation to any sum payable in CNY, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments of Renminbi and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Hong Kong.

In these Terms and Conditions, “TARGET2 System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System and “CNY” or “Renminbi” means the lawful currency of the People’s Republic of China (excluding Hong Kong, Macau and Taiwan) (the “PRC”).

(iii) Where any date which is specified as being subject to adjustment in accordance with a Business Day Convention and “(unadjusted)” is specified in the applicable Final Terms in relation thereto the amount of any interest which would be payable on the date which is subject to adjustment shall not change by virtue of any adjustment of such date.

**(h) Day Count Fraction**

“Day Count Fraction” means, in respect of the calculation of an amount of interest for any period (whether or not an Interest Period):

- (i) if “Actual/Actual” or “Actual/Actual (ISDA)” is specified in the applicable Final Terms, the actual number of days in the relevant period divided by 365 (or, if any portion of that Interest Period falls in a

leap year, the sum of (A) the actual number of days in the portion of that period falling in a leap year divided by 366 and (B) the actual number of days in the portion of that period falling in a non-leap year divided by 365);

- (ii) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms in relation to Fixed Rate Notes:
- (A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “Accrual Period”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; or
  - (B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
    - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year; and
    - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year assuming interest was to be payable in respect of the whole of that year;

where

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

“Determination Date(s)” means, unless otherwise specified in the applicable Final Terms, the Interest Payment Date(s) specified in the applicable Final Terms.

- (C) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the relevant period divided by 365;
- (D) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the relevant period divided by 360;
- (E) if “30/360”, is specified in the applicable Final Terms in relation to Fixed Rate Notes only, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;
- (F) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms in relation to Floating Rate Notes, Foreign Exchange Interest Notes, Variable Interest Notes or CMS Interest Notes, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:



$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;
- “Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
- “M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;
- “M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
- “D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and
- “D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (G) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the relevant period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;
- “Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
- “M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;
- “M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
- “D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and
- “D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (H) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

- “Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;
- “Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day

of the Interest Period falls;

- “M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;
- “M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
- “D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and
- “D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

**(i) *Convertible Interest Basis Notes***

- (i) If specified in the applicable Final Terms, the basis upon which interest accrues in respect of the Notes may change from one interest basis (the “First Interest Basis”) to another (the “Second Interest Basis”) either at the option of the Issuer in accordance with Condition 3(i)(iii) or, if specified in the Final Terms, automatically with effect from the Interest Basis Conversion Date. Interest on the Notes will accrue on the First Interest Basis from (and including) the Interest Commencement Date to (but excluding) the Interest Basis Conversion Date. Interest on the Notes will accrue on the Second Interest Basis from (and including) the Interest Basis Conversion Date in accordance with Condition 3(f).
- (ii) If either the First Interest Basis or the Second Interest Basis is a Fixed Rate, the Interest Basis Conversion Date as specified in the applicable Final Terms shall not be adjusted in accordance with any Business Day Convention or otherwise.

If the First Interest Basis is a Floating Rate, Foreign Exchange Interest Note, Variable Interest Note or CMS Interest Note, interest in respect of the period from the Interest Payment Date preceding the Interest Basis Conversion Date (which period will be deemed to be an “Interest Period” for the purposes of Condition 3(b)) will be payable on the Interest Basis Conversion Date.

If the First Interest Basis is a Fixed Rate and the Interest Basis Conversion Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or, as the case may be, the Interest Commencement Date) to the Interest Basis Conversion Date will amount to the final Broken Amount which will be payable on the Interest Basis Conversion Date.

If the Second Interest Basis is a Fixed Rate and the Interest Basis Conversion Date is not an Interest Payment Date, interest from the Interest Basis Conversion Date to the Interest Payment Date next following the Interest Basis Conversion Date (or, as the case may be, the Maturity Date) will amount to the initial Broken Amount.

- (iii) If the Issuer is specified in the applicable Final Terms as having an option to convert the basis upon which interest accrues in respect of the Notes, the Issuer may exercise that option in respect of all or (but only if specified in the applicable Final Terms) some only of the Notes having given:
  - (A) notice to the Noteholders in accordance with Condition 11 at any time within the period from the 30th to the 15th day prior to the relevant Interest Basis Conversion Date; and
  - (B) not less than 15 days before the giving of the notice referred to in (A), notice to the Agent, which notices shall be irrevocable.

**(j) *Certificates to be Final***

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3, or otherwise for the purpose of establishing the amount of principal and/or interest payable in respect of the Notes or making any other determination required for the purposes of the Notes whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer[, the Guarantor,]<sup>1</sup> the Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer[, the Guarantor]<sup>1</sup>, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

**4. *Redemption and Purchase***

**(a) *Final Redemption***

Unless previously redeemed or purchased and cancelled as provided below, each Note will be redeemed at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the Specified Currency on the Maturity Date.

**(b) *Redemption for Tax Reasons***

If, as a result of an amendment to or change in the laws, regulations or rulings of a Tax Jurisdiction (as defined in Condition 6) or in the interpretation or administration of such laws, regulations or rulings which becomes effective on or after the Issue Date of the first Tranche of Notes of this Series [either]<sup>1</sup>:

- (i) the Issuer would, on the occasion of the next payment due in respect of the Notes, be required for reasons outside its control and after using such endeavours as may be reasonable to avoid such requirement, to pay any additional amounts pursuant to Condition 6[, or]<sup>1</sup>
- (ii) [the Guarantor would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts (and such requirement cannot be avoided by the Issuer using such endeavours as may be reasonable)]<sup>1</sup>,

[in each case]<sup>1</sup> then the Issuer may at any time (in the case of Notes other than Floating Rate Notes or any other Note referred to in Condition 3(b)) or on any Interest Payment Date (in the case of Floating Rate Notes or any other Note referred to in Condition 3(b)), at its option, upon giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption) in accordance with Condition 11, redeem all (but not some only) of the Notes then outstanding in accordance with paragraph (e) below together with accrued interest, if any, to the date of repayment.

**(c) *Redemption at the Option of the Issuer (Issuer Call)***

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

- (i) notice to the Noteholders in accordance with Condition 11 at any time within the period from the 30th to the 15th calendar day or Business Day, as specified in the applicable Final Terms, prior to the relevant Optional Redemption Date); and
- (ii) not less than 15 calendar days or Business Days, as specified in the applicable Final Terms, or such shorter period as may be agreed with the Agent before the giving of the notice referred to in (i), notice to the Agent (and, in the case of a redemption of Registered Notes, the Registrar);

(which notices shall be irrevocable), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the

manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s). Any redemption of some only of the Notes must be of a principal amount not less than the Minimum Redemption Amount or not more than a Higher Redemption Amount, both as indicated in the applicable Final Terms. In the case of redemption of some only of the Notes, the Notes to be redeemed (“Redeemed Notes”) will be selected individually by lot, in the case of Redeemed Notes represented by Definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in the nominal amount, at their discretion), in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the “Selection Date”). In the case of Redeemed Notes represented by Definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 11 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 11 at least five calendar days or Business Days, as specified in the applicable Final Terms, prior to the Selection Date.

**(d) *Redemption at the Option of the Noteholders (Investor Put)***

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving not less than 15 nor more than 30 day’s notice to the Issuer in accordance with Condition 11, the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

If a Note is in definitive form, to exercise the right to require redemption of the Note the holder of the Note must deliver such Note at the specified office of any Paying Agent (in the case of Definitive Bearer Notes) or the Registrar (in the case of Definitive Registered Notes) at any time during normal business hours of such Paying Agent or the Registrar falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a “Put Notice”) and in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition and, in the case of Definitive Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Definitive Registered Notes so surrendered is to be redeemed, an address to which a new Definitive Registered Note in respect of the balance of such Definitive Registered Notes is to be sent subject to and in accordance with the provisions of Condition 1(b)(iv). If the Note is represented by a Global Note, held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of the Note the holder of the Note must, within the notice period, give notice to any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if the Note is represented by a Global Note, at the same time present or procure the presentation of the relevant Global Note to the Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) (for Global Notes in bearer form, where the Global Note is a CGN) for notation accordingly. Where the Global Note is an NGN, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default (as defined in Condition 7) shall have occurred

and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 7.

**(e) Early Redemption Amounts**

For the purpose of paragraph (b) above and Condition 7, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- (i) (other than Zero Coupon Notes but including Instalment Notes) at the amount specified in the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at their outstanding nominal amount; or
- (ii) in the case of Zero Coupon Notes, at an amount (the “Amortised Face Amount”) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = RP \times (1 + AY)^y$$

where:

“RP” means the Reference Price;

“AY” means the Accrual Yield expressed as a decimal; and

“y” is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360.

**(f) Purchases**

The Issuer or any of its subsidiaries may at any time purchase or otherwise acquire the Notes in the open market or otherwise. Notes purchased or otherwise acquired by the Issuer may be held or resold or, at the discretion of the Issuer, surrendered to the Agent for cancellation (together with (in the case of Definitive Bearer Notes) any unmatured Coupons or Receipts attached thereto or purchased therewith).

**(g) Cancellation**

All Notes redeemed shall, and all Notes purchased or otherwise acquired as aforesaid may, at the option of the Issuer, be cancelled (together, in the case of Definitive Bearer Notes, with all unmatured Coupons and Receipts and all unexchanged Talons presented therewith to a Paying Agent and, in the case of Definitive Registered Notes, by surrendering such Definitive Registered Notes to the Registrar and, in each case, if so surrendered, shall, 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)), and thereafter may not be re-issued or re-sold.

In the case of Global Notes in bearer form, such cancellation shall, in the case of a CGN, be effected by reduction in the nominal amount of the relevant Global Note and, in the case of an NGN, be entered *pro rata* in the records of the relevant clearing systems and, upon any such entry being made, the nominal amount of the Note recorded in the records of the relevant clearing systems and represented by the Global Note shall be reduced by the aggregate nominal amount of the Notes so cancelled.

**(h) Instalments**

If the Notes are repayable in instalments, they will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms. On each Instalment Date the outstanding nominal amount of each such Note shall be reduced by the applicable Instalment Amount for all purposes except where such Instalment Amount is not paid. In the case of a Global Note in bearer form that is a CGN, such

redemption shall be effected by reduction in the nominal amount of the relevant Global Note and, in the case of an NGN, be entered *pro rata* in the records of the relevant clearing systems and, upon any such entry being made, the nominal amount of the Note recorded in the records of the relevant clearing systems and represented by the Global Note shall be reduced by the aggregate nominal amount of the Notes so redeemed.

Each Definitive Bearer Note which is redeemable in instalments will be redeemed, in the case of all instalments other than the final instalment, by surrender of the relevant Receipt (which must be presented with the Note to which it appertains) and in the case of the final instalment by surrender of the relevant Note, all as more fully described in Condition 5. Each Definitive Registered Note which is redeemable in instalments will be redeemed by surrender of the relevant Definitive Registered Note, provided that in the case of all instalments other than the final instalment, a new Definitive Registered Note shall be issued to the holder to reflect the balance of the Definitive Registered Note not redeemed.

**(i) *Late payment on Zero Coupon Notes***

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 7 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(ii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 11.

**(j) *Extendible Notes***

Notes may be issued with an initial maturity date (the “Initial Maturity Date”) which may be extended from time to time upon the election of the holders on specified dates (each, an “Election Date”) up to a final maturity date (the “Final Maturity Date”) as set forth in the applicable Final Terms (“Extendible Notes”). The Final Terms relating to each issue of Extendible Notes will set forth the Initial Maturity Date, the Final Maturity Date and the Election Dates.

## **5. Payments and Exchange of Talons**

**(a) *Method of Payment***

Subject as provided below:

- (i) payments in a Specified Currency other than euro and CNY will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee outside the United States, or at the option of the payee by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne and Wellington, respectively);
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque; and
- (iii) payments in CNY will be made by transfer to an account with a bank in Hong Kong.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment or other laws to which the Issuer [or, as the case may be, the Guarantor]<sup>1</sup> agree to be

subject, but without prejudice to the provisions of Condition 6 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “Code”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 6) any law implementing an intergovernmental approach thereto.

Notwithstanding anything to the contrary herein, no cheque may be mailed to an address in the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Notwithstanding Condition 5(b) below, payments in respect of Bearer Notes will be made at the specified office of any Paying Agent in the United States (a) if (1) the Issuer shall have appointed Paying Agent(s) with specified offices outside the United States with the reasonable expectation that such Paying Agent(s) would be able to make payment at such specified offices outside the United States of the full amount due on the Bearer Notes in the manner provided above when due, (2) payment of the full amount due at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (3) such payment is then permitted under United States law, and (b) at the option of the relevant holder if such payment is then permitted under United States law, without involving, in either case, in the opinion of the Issuer, adverse tax consequences to the Issuer.

The holder of the relevant Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer [or, as the case may be, the Guarantor]<sup>1</sup> will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. In the case of an NGN, where payment is made to the holder of the relevant Global Note, any failure to make the corresponding entries in the records of the relevant clearing system shall not affect such discharge. Each of the persons shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of Notes must look solely to Euroclear and/or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer [or, as the case may be, the Guarantor]<sup>1</sup> to, or to the order of, the holder of the relevant Global Note. No person other than the holder of the relevant Global Note shall have any claim against the Issuer [or the Guarantor]<sup>1</sup> in respect of any payments due on that Global Note.

**(b) *Presentation of Definitive Bearer Notes, Receipts and Coupons***

Payments of principal and interest (if any) in respect of Definitive Bearer Notes (if issued) will (subject as provided below) be made in the manner provided in Condition 5(a) above only against presentation or surrender (or, in the case of part payment of any sum due, endorsement) of such Notes, Coupons, Talons or Receipts, as the case may be, at any specified office of any Paying Agent outside the United States.

Payments of principal in respect of instalments (if any) of Definitive Bearer Notes, other than the last instalment, will (subject as provided below) be made against surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt. Payment of the last instalment will be made in the manner provided in Condition 5(a) above only against surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note. Each Receipt must be presented for payment of such instalment together with the relevant Definitive Bearer Note against which the amount will be payable in respect of that instalment. If any Definitive Bearer Notes are redeemed or become repayable prior to the Maturity Date in respect thereof, principal will be payable on surrender of each such Note together with all unmatured Receipts appertaining thereto. Unmatured Receipts and Receipts presented without the Definitive Bearer Notes to which they appertain do not constitute obligations of the Issuer.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Interest Notes or Long Maturity Notes (as defined below)) should be presented for payment with all unmatured Coupons appertaining thereto (which expression shall include Coupons falling to be issued on exchange of Talons which will have matured

on or before the relevant redemption date), failing which the full amount of any missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of such missing unmatured Coupon which the sum so paid bears to the total amount due) will be deducted from the sum due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon within a period of 10 years from the Relevant Date (as defined in Condition 6) for the payment of such sum due for payment, whether or not such Coupon has become void pursuant to Condition 8 or, if later, five years from the due date for payment of such Coupon. Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Interest Note, any other Note referred to in Condition 3(b) or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A “Long Maturity Note” is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

**(c) *Payment in respect of Global Notes in bearer form***

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified in Conditions 5(a) and 5(b) above and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent. In the case of a Global Note which is a CGN, a record of each payment made against presentation or surrender of such Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which such Global Note is presented for the purpose of making such payment, and such record shall be *prima facie* evidence that the payment in question has been made. If the Global Note is an NGN, the Issuer shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note will be reduced accordingly. Each payment so made will discharge the Issuer’s obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

**(d) *Payments in respect of Registered Notes***

Payments of principal (other than instalments of principal prior to the last instalment) in respect of Definitive Registered Notes will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made in accordance with Condition 5(a) but only by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Definitive Registered Note appearing in the Register at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. For these purposes, “Designated Account” means the account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and “Designated Bank” means (1) in the case of payment in a Specified Currency other than euro and CNY, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne and Wellington, respectively), (2) in the case of a payment in euro, any bank which processes payments in euro and (3) in the case of a payment in CNY, a bank in Hong Kong.



Payments of interest and payments of instalments of principal (other than the last instalment and other than payments in CNY) in respect of Definitive Registered Notes will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Definitive Registered Note appearing in the Register at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the “Record Date”) at his address shown in the Register on the Record Date and at his risk. In the case of CNY, or for any other Specified Currency upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest or an instalment of principal (other than the final instalment) in respect of a Definitive Registered Note, the payment will be made in accordance with Condition 5(a) but only by transfer to a Designated Account on the due date in the manner provided in the preceding paragraph. Any application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Definitive Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Definitive Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Definitive Registered Note as set out in the first sentence of this Condition 5(d).

So long as the Registered Notes are in global form and such Registered Notes are held on behalf of a clearing system, the requirement that the relevant Global Notes in registered form shall be surrendered in order to receive payment shall not apply. Each payment in respect of Registered Notes in global form will be made in the same manner specified in this Condition 5(d) above provided that such payments 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 Clearing System Business Day immediately prior to the date for payment, where “Clearing System Business Day” means Monday to Friday inclusive except 25 December and 1 January.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of any cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post.

No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

**(e) *Payment Days***

If any date for payment of any amount in respect of any Note, Talon, Receipt or Coupon is not a Payment Day (as defined below), then the holder thereof shall not be entitled to payment at the place of presentation of the amount due until the next following Payment Day unless otherwise specified in the applicable Final Terms and shall not be entitled to any interest or other sum in respect of any such delay. For these purposes, unless otherwise specified in the applicable Final Terms, “Payment Day” means any day which is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (A) (in the case of Definitive Notes only) the relevant place of presentation;
  - (B) London;
  - (C) any Additional Financial Centres specified in the applicable Final Terms; and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro and CNY, a day on which commercial banks and foreign exchange markets settle payments and are open for general

business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation, London and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne and Wellington, respectively), or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open or (3) in relation to any sum payable in CNY, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments of Renminbi and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Hong Kong.

If the due date for redemption of any interest bearing Note in definitive form is not a due date for the payment of interest relating thereto, interest accrued in respect of such Note from (and including) the last preceding due date for the payment of interest (or from the Interest Commencement Date) will be paid only against surrender of such Note.

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

Notwithstanding the foregoing, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer or (if applicable) the Guarantor is not able to satisfy in full or in part payments of principal or interest in respect of Notes denominated in Renminbi when due in Renminbi, the Issuer or (if applicable) the Guarantor may, on giving not less than 10 or more than 30 days' irrevocable notice to the holders prior to the due date of the payment, settle any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi amount.

Any payment made in the U.S. Dollar Equivalent of a Renminbi amount under this Condition 5(f) will constitute valid payment, and will not constitute a default in respect of the Notes.

For the purposes of these Terms and Conditions, "U.S. Dollar Equivalent" of a Renminbi amount means the relevant Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Rate Calculation Date as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Rate Calculation Date and promptly notified to the relevant Issuer, the Guarantor and the Paying Agents.

In the event of a payment pursuant to this Condition 5(f), the following modifications shall be made in respect of these Terms and Conditions:

- (i) in place of payment by transfer to an account maintained by the holder in Renminbi with a bank in Hong Kong, payment shall be made by credit or transfer to a U.S. dollar account maintained by the payee outside the United States; provided that if any date for payment in respect of any Note or Coupon upon presentation is not a Payment Day, the holder shall not be entitled to payment until the next following Payment Day, unless otherwise specified in the applicable Final Terms, nor to any interest or other sum in respect of such postponed payment; and
- (ii) for this purpose of such payment under paragraph (i) above only, the definition of Payment Day shall mean a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) (x) in the relevant place of presentation (in the case of Definitive Notes only), or otherwise (y) in London, any Additional Financial Centres specified in the applicable Final Terms and New York City.

For the purposes of these Terms and Conditions:

"Governmental Authority" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong or the PRC.

"Illiquidity" means the general Renminbi exchange market in Hong Kong becomes illiquid, other than as a result of an event of Inconvertibility or Non-transferability, as determined by the relevant Issuer or

(if applicable) the Guarantor in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers, as a result of which the relevant Issuer or (if applicable) the Guarantor cannot, having used its reasonable endeavours, obtain sufficient Renminbi in order fully to satisfy its obligation to pay interest or principal (in whole or in part) in respect of the Notes.

“Inconvertibility” means that the relevant Issuer or (if applicable) the Guarantor determines (in good faith and in a commercially reasonable manner) that it is impossible or, having used its reasonable endeavours, impracticable, for it to convert any amount due in respect of the Notes denominated in Renminbi in the general Renminbi exchange market in Hong Kong, other than where such impossibility or impracticability is due solely to the failure of the relevant Issuer or (if applicable) the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of Notes of the relevant Series and it is impossible or, having used its reasonable endeavours, impracticable for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

“Non-transferability” means that the relevant Issuer or (if applicable) the Guarantor determines (in good faith and in a commercially reasonable manner) that it is impossible or, having used its reasonable endeavours, impracticable, for it to deliver Renminbi between accounts inside Hong Kong or from an account outside Hong Kong to an account inside Hong Kong, other than where such impossibility or impracticability is due solely to the failure of the relevant Issuer or (if applicable) the Guarantor to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of Notes of the relevant Series and it is impossible or, having used its reasonable endeavours, impracticable for the relevant Issuer or (if applicable) the Guarantor, 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 ten Rate Calculation Business Days before the due date of the relevant amount under these Terms and Conditions.

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

“Spot Rate” means, for a Rate Calculation Date, the spot mid USD/CNY exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Rate Calculation Date, on a deliverable basis by reference to Reuter Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF; and if a spot rate is not readily available, the Calculation Agent shall determine the rate taking into consideration all available information which the Calculation Agent deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Hong Kong or elsewhere and the USD/CNY exchange rate in the PRC domestic foreign exchange market. 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.

**(g) *Surrender of Talons***

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon

sheet does not include Coupons to, and including, the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 8. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

**(h) *Paying Agents, Registrar and Transfer Agents***

The names of the initial Agent, the initial Paying Agents, the initial Registrar and initial Transfer Agents and their initial specified offices are set out below. The Issuer reserve the right at any time to vary or terminate the appointment of any Paying Agent or Transfer Agent and to appoint additional or other Paying Agents or Transfer Agents and/or to approve any change in the specified office of any Paying Agent or Transfer Agent provided that it will, so long as any of the Notes is outstanding, maintain (i) an Agent, (ii) so long as any Notes are listed on any stock exchange or admitted to listing by any other relevant authority, a Paying Agent (which may be the Agent) having a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority, (iii) a Registrar and (iv) if a Calculation Agent is specified in the applicable Final Term, a Calculation Agent. Any such variation, termination or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 11 below and provided further that neither the resignation nor removal of the Agent or Registrar shall take effect, except in the case of insolvency as aforesaid, until a new Agent or Registrar, as the case may be, has been appointed and items (i), (ii), (iii) and (iv) of this Condition 5(h) are satisfied. In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the third paragraph of Condition 5(a).

**6. Taxation**

All payments of principal and/or interest by or on behalf of the Issuer [or the Guarantor]<sup>1</sup> in respect of the Notes, Receipts and Coupons shall be made without withholding or deduction for or on account of any present or future tax, duty or charge of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless the withholding or deduction is required by law. In that event, the Issuer [or as the case may be, the Guarantor]<sup>1</sup> shall pay such additional amounts as will result (after such withholding or deduction) in the receipt by the holders of the Notes, Receipts or Coupons of the sums which would have been receivable (in the absence of such withholding or deduction) from it in respect of their Notes, Receipts and Coupons; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon presented for payment:

- (i) by or on behalf of a person liable to such tax, duty or charge in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding or ownership of such Note, Receipt or Coupon;
- (ii) [by, or on behalf of a third party who is an individual non-resident of Japan or non-Japanese corporation controlling, or controlled by, the Issuer or otherwise having a prescribed special relationship with the Issuer as described in Article 6, Paragraph (4) of the Act on Special Measures Concerning Taxation of Japan (Act No.26 of 1957, as amended, the "Act on Special Taxation Measures") and the Order for Enforcement of the Act on Special Measures Concerning Taxation of Japan (Cabinet Order No.43 of 1957, as amended, the "Cabinet Order");]<sup>2</sup>
- (iii) [by, or on behalf of a third party who would otherwise be exempt from any such withholding or deduction but (i) who fails (x) to comply with any applicable requirement to provide Exemption Information to a Participant (each as defined below) or (y) to submit a Claim for Exemption (as defined below) to the Paying Agent to whom the relevant Note is presented for payment; or (ii) whose

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<sup>2</sup> Delete in respect of Notes issued by MCF (unless interest on the Notes is attributable to a business in Japan conducted by MCF in the manner provided for in the Act on Special Taxation Measures).

Exemption Information is not duly communicated through the Participant or the relevant international clearing organisation to such Paying Agent;]<sup>2</sup>

- (iv) [by, or on behalf of a third party who is for Japanese tax purposes treated as an individual resident of Japan or a Japanese corporation (except for (i) a Designated Financial Institution (as defined below) who complies with the requirement to provide Exemption Information or to submit a Claim for Exemption and (ii) an individual resident of Japan or a Japanese corporation who duly notifies (directly or through a Participant or otherwise) the relevant Paying Agent or the Issuer of its status as exempt from Taxes to be withheld or deducted by the Issuer by reason of such individual resident of Japan or Japanese corporation receiving interest on the relevant Note through a payment handling agent in Japan appointed by it);]<sup>2</sup> and/or
- (v) 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 last day of such 30 day period.

**(a) Definitions**

["Claim for Exemption" means a claim for exemption from withholding tax (*hikazei tekiyo shinkokusho*).

"Designated Financial Institution" means a Japanese financial institution falling under certain categories prescribed by the Act on Special Taxation Measures and the Cabinet Order.

"Exemption Information" means information prescribed by the Act on Special Taxation Measures, the Cabinet Order and the ministerial ordinance thereunder to enable the Participant to establish that such holder is exempted from the requirement for Taxes to be withheld or deducted.

"Participant" means a participant of an international clearing organisation or a financial intermediary.]<sup>2</sup>

"Relevant Date" in respect of any payment means the date on which such payment first becomes due or (if the full amount of the moneys payable has not been received by the Agent on or prior to such due date) the date on which notice is given to the Noteholders that such moneys have been so received.

["Taxes" means any present or future tax, duty or charge of whatever nature imposed or levied by or on behalf of Japan or any political subdivision or any authority thereof or therein having power to tax.]<sup>2</sup>

"Tax Jurisdiction" means [the United Kingdom or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Issuer) or Japan or any political subdivision or any authority thereof or therein having power to tax (in the case of payments by the Guarantor)]<sup>3</sup> / [Japan or any political subdivision or any authority thereof or therein having power to tax]<sup>2</sup>.

**(b) References to Principal or Interest**

Any reference in these Terms and Conditions to principal or interest or both in respect of the Notes shall be deemed to include (i) a reference to any additional amounts which may be payable under this Condition 6, (ii) in relation to Zero Coupon Notes, the Amortised Face Amount, (iii) the Final Redemption Amount, (iv) the Early Redemption Amount, (v) the Optional Redemption Amount(s) (if any), (vi) in relation to Dual Currency Interest Notes, the interest in the relevant Specified Currency, (vii) in relation to Notes redeemable in instalments, the Instalment Amount and (viii) any premium and any other amounts which may be payable under the Notes.

## **7. Events of Default**

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<sup>3</sup> Delete in respect of Notes issued by Mitsubishi.

If any one or more of the following events (“Events of Default”) shall have occurred and be continuing:

- (i) a default is made in the payment of principal or interest in respect of any of the Notes when and as the same ought to be paid in accordance therewith and for a period of 7 days thereafter in relation to principal and 14 days thereafter in relation to interest; or
- (ii) a default is made in the performance or observance by the Issuer [or the Guarantor]<sup>1</sup> of any other obligation under the Notes [or the Guarantee]<sup>1</sup> and (except where such failure is not capable of remedy, when no such notice shall be required) such default shall continue for 60 days after written notice requiring such default to be remedied shall have been given to the Agent by any holder of any Note of this Series; or
- (iii) (a) the obligation to repay any indebtedness for money borrowed by the Issuer [or the Guarantor]<sup>1</sup> is accelerated prior to its stated maturity (otherwise than pursuant to a provision permitting prepayment at the option of the Issuer[or the Guarantor]<sup>1</sup>), or any such indebtedness is not paid when due (or at the expiration of any applicable grace period as originally provided), or (b) the Issuer [or the Guarantor]<sup>1</sup> defaults in making any payment due under any guarantee and/or any indemnity given by it in respect of any obligation or indebtedness for money borrowed, provided that the aggregate amount in respect of which one or more of the events mentioned above in this Condition 7(iii) have occurred equals or exceeds U.S.\$10,000,000 (or its equivalent in any other relevant currency or currencies) and, in each case, such failure continues for a period of 5 days from and including the date of such failure; or
- (iv) a 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 for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction (including the establishment of a holding company) in which a continuing corporation effectively assumes all obligations of the Issuer [or the Guarantor]<sup>1</sup> under the Notes [or the Guarantee]<sup>1</sup>, as the case may be, or the terms whereof have previously been approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the holders of the Notes; or
- (v) the Issuer stops payment (within the meaning of Japanese, UK or any other applicable bankruptcy law) or (otherwise than for the purposes of such a consolidation, amalgamation, merger or reconstruction (including the establishment of a holding company) as is referred to in sub-paragraph (iv) above) ceases or through an official action of its Board of Directors threatens to cease to carry on business [or is unable to pay its debts as and when they fall due]<sup>3</sup>; or
- (vi) [the Guarantor stops payment (within the meaning of Japanese or any other applicable bankruptcy law) or (otherwise than for the purposes of such a consolidation, amalgamation, merger or reconstruction (including the establishment of a holding company) as is referred to in sub-paragraph (iv) above) ceases or through an official action of its Board of Directors threatens to cease to carry on business; or]<sup>1</sup>
- (vii) if an encumbrancer takes possession or a trustee, administrator or receiver is appointed of the whole or substantially the whole of the assets or undertaking of the Issuer [or the Guarantor]<sup>1</sup> and is not removed, discharged or paid out within 30 days; or
- (viii) a decree or order by a court having jurisdiction shall have been entered, adjudging the Issuer [or the Guarantor]<sup>1</sup> bankrupt or insolvent under any applicable bankruptcy, composition, reorganisation or insolvency law and such decree or order is not discharged or stayed within a period of 60 days; or
- (ix) if the Issuer [or the Guarantor]<sup>1</sup> initiates or consents to proceedings relating to itself under any applicable bankruptcy, composition, reorganisation or insolvency law or makes a conveyance or assignment for the benefit of, or enters into any composition with, its creditors; [or]<sup>1</sup>

- (x) [the Guarantee is modified or amended in a manner which is materially adverse to the interests of the Noteholders or is terminated or ceases to be, is claimed by the Issuer or the Guarantor not to be, in full force and effect]<sup>1</sup>;

then any Noteholder for the time being may, by written notice given to the Agent at its specified office, effective on the 7th day following the date of receipt thereof by the Agent (the “effective date” for such notice), declare the Early Redemption Amount (as described in Condition 4(e)), together with accrued interest (if any) to the date of repayment to be forthwith due and payable, whereupon the same shall become forthwith due and payable, without presentment, demand, protest or other notice of any kind unless such Event of Default shall have been cured prior to such effective date.

## **8. Prescription**

Claims for payment of principal in respect of the Notes shall be prescribed upon the expiry of 10 years, and claims for payment of interest (if any) in respect of the Notes shall be prescribed upon the expiry of five years, in each case from the Relevant Date (as defined in Condition 6) thereof, subject to the provisions of Condition 5. There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 8 or Condition 5 above.

## **9. Replacement of Notes, Coupons, Receipts and Talons**

If any Note (including any Global Note), Receipt, Coupon or Talon is mutilated, defaced, stolen, destroyed or lost it may be replaced at the specified office of the Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## **10. Meetings of Noteholders and Modification**

The Agency Agreement contains provisions for convening meetings of Noteholders (or the holders of Notes of any one or more Series) to consider matters affecting their interests, including modifications by Extraordinary Resolution of the terms and conditions of the Notes (or the Notes of any one or more Series). The quorum for any meeting convened to consider a resolution proposed as an Extraordinary Resolution shall be one or more persons holding or representing a clear majority in nominal amount of the Notes (or, as the case may be, the Notes of the relevant one or more Series) for the time being outstanding, or at any adjourned such meeting one or more persons being or representing Noteholders (or, as the case may be, holders of the Notes of the relevant one or more Series) whatever the nominal amount of the Notes (or, as the case may be, the Notes of the relevant one or more Series) for the time being outstanding so held or represented, except that at any meeting, the business of which includes, *inter alia*, (i) modification of the Maturity Date of the Notes (or, as the case may be, the Notes of the relevant one or more Series) or reduction or cancellation of the amount payable upon maturity, (ii) reduction of the amount payable or modification of the payment date in respect of any interest in respect of the Notes (or, as the case may be, the Notes of the relevant one or more Series) or variation of the method of calculating the rate of interest in respect of the Notes (or, as the case may be, the Notes of the relevant one or more Series), (iii) reduction of any Minimum Interest Rate and/or Maximum Interest Rate, (iv) modification of the currency in which payments under the Notes (or, as the case may be, the Notes of the relevant one or more Series) and/or the Coupons appertaining thereto are to be made, (v) modification of the majority required to pass an Extraordinary Resolution or (vi) modification of the provisions of the Agency Agreement concerning this exception, the necessary quorum for passing an Extraordinary Resolution will be one or more persons holding or representing not less than three-quarters, or at any adjourned such meeting not less than a clear majority, of the nominal amount of the Notes (or, as the case may be, the Notes of the relevant one or more Series) for the time being outstanding. Any resolution duly passed at any such meeting will be binding on all Noteholders (or, as the case may be, holders of the Notes of

the relevant one or more Series) (whether or not they are present at such meeting), and on all Receiptholders and Couponholders relating to the relevant Notes.

The Agent may agree, without the consent of the Noteholders, Receiptholders or Couponholders (or, as the case may be, the holders of Notes, Receipts or Coupons of the relevant one or more Series), to any modification to any of the provisions of the Agency Agreement or the Notes which is of a formal, minor or technical nature or is made to correct a manifest error. Any such modification shall be binding on all the Noteholders, Receiptholders and Couponholders (or, as the case may be, the holders of the Notes, Receipts or Coupons of the relevant one or more Series) and, if the Agent so requires, shall be notified to the Noteholders (or, as the case may be, the holders of the Notes of the relevant one or more Series) as soon as practicable thereafter in accordance with Condition 11.

## **11. Notices**

All notices regarding Bearer Notes will be valid if published in one leading London daily newspaper (which is expected to be the *Financial Times*) or, if this is not practicable, one other English language daily newspaper with general circulation in Europe as the Issuer may decide. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any notice published as aforesaid shall be deemed to have been given on the date of such publication or, if published more than once, on the date of the first such publication. Receiptholders and Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the holders of the Notes in accordance with this Condition.

All notices regarding Registered Notes will be valid if sent by (first class) mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of the stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading.

Until such time as any Definitive Notes are issued, there may, so long as all the Global Notes for this Series are held in their entirety on behalf of Euroclear and Clearstream, Luxembourg, be substituted, in relation only to such Series, for such publication as aforesaid, the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg or such shorter period as is specified in the Final Terms.

Notices to be given by any holder of any Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). Whilst any Notes of this Series are represented by a Global Note, such notice may be given by a holder of any of the Notes so represented to the Agent or the Registrar via Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg may approve for this purpose.

## **12. Agents**

In acting under the Agency Agreement, the Agent, the Paying Agent(s), the Registrar and the Transfer Agent(s) will act solely as agents of the Issuer [and the Guarantor]<sup>1</sup> and do not assume any obligations or relationships of agency or trust to or with the Noteholders, Receiptholders or Couponholders. The Agency



Agreement contains provisions for the indemnification of the Paying Agents and the Transfer Agents and for relief from responsibility in certain circumstances, and entitles any of them to enter into business transactions with the Issuer[, the Guarantor]<sup>1</sup> and any of its[/the Guarantor's]<sup>1</sup> subsidiaries without being liable to account to the Noteholders, Receiptholders or the Couponholders for any resulting profit.

### **13. 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 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 [or the Guarantor's]<sup>1</sup> 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.

### **14. Further Issues**

The Issuer is at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes or bonds (whether in bearer or registered form) either (a) ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the outstanding notes or bonds of any series (including the Notes) or (b) upon such terms as to ranking, interest, conversion, redemption and otherwise as the Issuer may determine at the time of the issue.

### **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.

### **16. Governing Law and Jurisdiction**

#### **(a) Governing Law**

The Notes, the Receipts, the Coupons, the Talons, the Agency Agreement[, the Guarantee]<sup>1</sup> and the Deed of Covenant and any non-contractual obligations arising out of or in connection with any of the above shall be governed by, and 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. The 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 submissions are 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) *Appointment of Process Agent***

Mitsubishi (as Issuer and as Guarantor) irrevocably appoints MCF at its registered office, for the time being in England (being at the date hereof, 8<sup>th</sup> Floor, Mid City Place, 71 High Holborn, London WC1V 6BA) as its agent for service of process. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by Mitsubishi). Mitsubishi undertakes that, in the event of MCF ceasing so to act, it will appoint another person as its agent for service of process in England in respect of any Proceedings and shall immediately notify Noteholders of such appointment. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

## BUSINESS - MITSUBISHI CORPORATION

### Overview

Mitsubishi, established in Tokyo, Japan on 1 July 1954, is Japan's largest general trading company (*sogo shosha*) in terms of market capitalisation, with the Group's operations in over 200 locations in approximately 90 countries around the world, including Japan, with seven business groups and more than 600 subsidiaries and affiliates. Mitsubishi's principal offices are located at Mitsubishi Shoji Building, 3-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8086, Japan (telephone number: +81-3-3210-2121) and 21-34 Floor, Marunouchi Park Building, 6-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8086, Japan (telephone number: +81-3-3210-2121). Mitsubishi was incorporated for an indefinite period with registration number 0199-01-008771 and operates under the laws of Japan.

The following summarises the business of the seven business groups of the Group:

- **Global Environmental & Infrastructure Business Group** conducts environmental and infrastructure projects, related trading operations and other activities in power generation, water, transportation and other fields that serve as a foundation for industry.
- **Industrial Finance, Logistics & Development Group** conducts an investment and asset operation business. This business includes corporate investment, leasing, real estate and logistics services.
- **Energy Business Group** conducts a number of activities including natural gas and oil exploration, production and development business; LNG business; trading of crude oil, petroleum products, carbon materials and products and liquefied petroleum gas ("LPG"); and planning and development of new energy businesses.
- **Metals Group** handles a wide range of steel products, such as sheets and plates, ferrous raw materials such as coking coal and iron ore, non-ferrous metals and products such as copper and aluminium, and engages in trading, business development and investment.
- **Machinery Group** is involved in sales, finance and logistics and investment in a wide range of fields, which include machine tools, agricultural machinery, construction machinery, mining equipment, elevators and escalators, ships, aerospace-related equipment and motor vehicles.
- **Chemicals Group** is developing trade and investment businesses in a broad scope of industries. The area of operations extends from raw materials used in industrial products such as ethylene, methanol and salt produced from crude oil, natural gas, minerals, plants, marine resources, to plastics, electronic materials, food ingredients, fertilizers and fine chemicals.
- **Living Essentials Group** provides products and services and develops businesses in various fields that directly impact quality of life. This business group covers a diverse range of products and services to consumers in various fields of business from the procurement of raw materials to the delivery of goods to consumer markets, these operations include foods, apparel, everyday products, healthcare and items central to consumer lifestyles.

The Group operates a separate Business Service Group that coordinates the Group's companywide IT strategies, covering everything from individual business strategies to planning, development, and administration. The Business Service Group's services provide vital IT support for the Group's business.

### History

**From foundation to 1970s:** In 1954, Mitsubishi Shoji was founded, and was listed that same year on both the Tokyo and Osaka stock exchanges. In 1967, the Group announced its first management plan, and in 1968, in response to its expanding organisations and businesses, introduced its Business Division System.

Also that year, the Group committed to a large project in Brunei to develop LNG. This was its first large-scale investment and was undertaken to help secure a stable supply of energy to Japan. Not content with conducting trade-based activities only, the Group began to expand its development and investment-based businesses on a global scale, as evidenced by an iron-ore and metallurgical coal projects in Australia and Canada, and a salt field business in Mexico. In 1971, Mitsubishi made “Mitsubishi Corporation” its official English name. Two years later, in 1973, the Group established what was ultimately to become its corporate social responsibility (“CSR”) and Environmental Affairs Office, clarifying a firm commitment to CSR.

**The 1980s:** As a result of the oil crisis in the late 1970s, the Group was required to construct new systems in order to generate profits. The Group began streamlining its established business procedures and developing more efficient operations. In 1986, the Group introduced a new policy, shifting its focus from operating transactions to profits. That same year a new management plan was drawn up. The “K-PLAN” placed emphasis on rebuilding commercial rights, selecting key business domains and developing high “value-added” functions. In 1989, Mitsubishi was listed on the London Stock Exchange.

**The 1990s:** With the 1990s came accelerated globalisation and, in 1992, the Group announced a new management policy, namely to re-establish the company as a “Sound, Global Enterprise”. The Group began placing greater focus on its consolidated operations and increasing the value of its assets. More efforts were made to globalise the Group’s operations and its people. Amid uncertainty about Japan’s financial system the Group established “MC2000” in 1998. The aim of this new management plan was “Self-reform for the 21st Century”. MC2000 introduced a “Select & Focus” approach to business, strengthened strategic fields and emphasised customer-oriented policies. The new plan was instrumental in shoring up the Group’s foundations and paving the way for a prosperous future.

**The 2000s:** In 2001, the Group updated its management plan in response to a growing global economy. “MC2003” came with a new theme: “Driven to Create Value”. The new plan introduced an aggressive new blueprint for growth, involving an expansion of the Group’s value chains, a strengthening of its profitability, and focused strategies to create new businesses. In the same year, the Business Unit System was introduced, which clarified the strategic mission of each of its businesses, the smallest units for organisational control and earnings management. Meanwhile, a new standard, Mitsubishi Corporation Value Added, was adopted to make performance evaluation more relevant, and the Group’s business portfolio was reshaped to allocate management resources more appropriately. In 2004, “INNOVATION 2007” was unveiled. This new management plan sought to establish the Group as a “New Industry Innovator”, with an aim to open up a new era and grow hand in hand with society.

**The 2010s:** In July 2010, the Group announced a new management plan, “Midterm Corporate Strategy 2012”, which sought to strengthen the Group’s management platform based on a diversification of business models. Then, in May 2013, the Group released a new corporate strategy “New Strategic Direction – Charting a new path toward sustainable growth”. In May 2016, the Group announced a new management plan, “Midterm Corporate Strategy 2018”.

## **Strategy**

In May 2016, the Group announced its new corporate strategy for the three years beginning with the fiscal year ending 31 March 2017. “Midterm Corporate Strategy 2018 – Evolving Our Business Model from Investing to Managing” sets forth the Group’s corporate vision pursuant to which the Group intends to leverage ingenuity (proactively innovating businesses, leveraging Group strengths and functions) to create new business models and generate value for societies, thereby developing the highest level of management expertise.

The Group has also adopted High-value Earnings and Efficiency/Financial Discipline as its basic approaches and objectives. With this in mind, the Group intends to execute a management approach with two priorities: Reforming the Management Platform and Pursuing Growth Initiatives.

### ***Reforming the Management Platform***

*Rebalancing of “Resources” and “Non-resources”*: In resources, the Group intends to focus its investments in metallurgical coal, copper, and natural gas, optimising the quality of its portfolios while maintaining their overall sizes. In non-resources, the Group intends to re-profile the composition of its portfolios but increase their sizes by investing in growing businesses where the Group can demonstrate its strengths. From the year ended 31 March 2017, the Group has revised its business categorisation which previously focused on the split between “resources” and “non-resources”, to “market-related” and “business-related”, based on market risk sensitivity and to clarify focus areas of the Group.

*Cash-flow-focused Management*: Over the strategy’s three-year period, the Group shall manage its investments and shareholder returns within its capacity to generate cash.

#### ***Pursuing Growth Initiatives***

*Further Evolution from “Investing” to “Managing”*: The Group’s new strategy intends to promote further growth-driver evolution, from “investing” in businesses to “managing” these businesses, to proactively demonstrate strengths and functions in management and generate greater value. The Group’s new strategy focuses more on proactively managing the businesses, enabling the Group’s management partners to benefit from the Group’s unique strengths and functions, and generating continuous value.

*Accelerated “Lifecycle-based” Portfolio Re-profiling*: Recognizing that businesses have lifecycles influenced by environmental and other factors, the Group shall re-profile its portfolios by proactively demonstrating the company’s strengths.

#### ***Initiatives Based on the Midterm Corporate Strategy Management Directions***

*Achievement of an optimal portfolio balance and visualization of the shift toward “managing” businesses*

The Group has revised its business categorisation to “market-related sector” and “business-related sector,” based on market risk sensitivity, thereby replacing the previous categorisation of resources and non-resources. By doing so, the Group will assume the achievement of an optimal portfolio balance by keeping the “market-related” portfolio size unchanged. In addition, the Group has introduced a framework to make the shift toward “managing” businesses visible by dividing the “business-related” sector into three subcategories.

#### ***Companywide capital allocation toward growth***

The Group will increase the number of options in its capital allocation policy and drive company-wide growth beyond the business segment boundaries by retaining a fixed percentage of business segment profits on the corporate level. The Group has steadily promoted autonomous management of the business segments by continuing cash-flow-focused management at the business segment level.

#### ***Introduction of “Investment Leverage Ratio”***

Commencing the year ended 31 March 2017, the Group introduced a “investment leverage ratio” (“investment assets” divided by “total equity and hybrid capital” expressed as a percentage, minus 100 per cent.) as an internal indicator for capital allocation and balance sheet strength. The Group’s investment leverage ratios as at 31 March 2015, 2016 and 2017 were 42 per cent., 49 per cent. and 40 per cent., respectively, against a target range of 25 per cent. to 35 per cent.

“Investment assets” are comprised of investments accounted for using the equity method, other investments, property, plant and equipment, investment property and intangible assets and goodwill, with a value determined by the Group as constituting loans receivable (within current and non-current trade and other receivables) being added and other financial assets (within other investments) deducted. Total equity and hybrid capital is the sum of (a) total equity and (b) the equity credit assigned to the Group’s hybrid finance (currently 50 per cent. by S&P Global Ratings Japan Inc. and Rating and Investment Information, Inc.).

## Group “Value Chain”

The Group has established strong relations with its customers through its operational history and has obtained intangible assets and expertise in many industries including, market and industry information, know-how and valuable human networks. The Group draws on these intangible assets and this expertise to execute a “value chain strategy”, through which the Group is shifting from a low-risk, low-return sales intermediary to a global business enterprise running whole businesses within the Group structure, generating higher returns. A value chain refers to a sequence of processes in which value is added at each stage of the life of Group products starting from development, procurement and production stages to sales, delivery and after-sales services. As part of the value chain strategy, the Group will look to take on the role of managing the value chain, and will also assist in the creation of value for its business partners through personnel and management support, product sales and marketing, support services for business process reform as well as the supply of products at competitive prices.

## Operations

The Group divides its operations into the following seven business groups: (i) Global Environmental & Infrastructure Business Group, (ii) Industrial Finance, Logistics & Development Group, (iii) Energy Business Group, (iv) Metals Group, (v) Machinery Group, (vi) Chemicals Group, and (vii) Living Essentials Group. The table below provides an overview of the products and services of the seven business groups:

Business Group	Division	Overview of products and services
Global Environmental & Infrastructure Business Group	• Environmental Business Division	<ul style="list-style-type: none"> <li>• Manufacturing and sale of lithium-ion batteries and next generation energies</li> <li>• Development of next generation energy business development and management</li> <li>• Renewable energy and emissions reduction businesses</li> <li>• Emissions reduction businesses</li> </ul>
	• New Energy & Power Generation Division	<ul style="list-style-type: none"> <li>• Conducting power generation in Japan and overseas</li> <li>• Engaging in onsite power generation and overseas power transmission</li> <li>• Exporting power generation and transmission equipment</li> </ul>
	• Infrastructure Business Division	<ul style="list-style-type: none"> <li>• Engaging in engineering and facilities management in the water and sewage and desalination fields</li> <li>• Railway, harbour and airport operations</li> <li>• Petroleum, gas and petrochemical plant equipment, FPSO chartering</li> <li>• Steel, non-ferrous metals and cement plant equipment</li> </ul>
Industrial Finance, Logistics & Development Group	• Asset Finance & Investment Division	<ul style="list-style-type: none"> <li>• Asset management for real estate investment funds and related finance business</li> <li>• Private equity investment management business</li> <li>• Asset management businesses for other real</li> </ul>

Business Group	Division	Overview of products and services
Energy Business Group		assets
		<ul style="list-style-type: none"> <li>• Infrastructure-related finance business</li> <li>• General leasing business in Japan and overseas, including auto leasing</li> <li>• Airline-related business including aircraft and aircraft engines leasing</li> </ul>
	• Real Estate Business Division	<ul style="list-style-type: none"> <li>• Commercial real estate development</li> <li>• Large-scale urban real estate development</li> <li>• Construction management</li> </ul>
	• Logistics Business Division	<ul style="list-style-type: none"> <li>• International intermodal transport</li> <li>• Bulk carrier ownership and operations</li> <li>• Solutions business for the logistics sector</li> <li>• Logistics consulting</li> </ul>
	• Energy Resources Division A/B	<ul style="list-style-type: none"> <li>• Exploration, development and production of crude oil and natural gas</li> <li>• Production, transportation and trading of LNG</li> <li>• Import agent for customers in Japan</li> </ul>
Metals Group	• Petroleum & Carbon Business Division	<ul style="list-style-type: none"> <li>• Procurement and sale of crude oil, petroleum products, biomass fuel products, carbon materials and carbon products</li> <li>• Management support for business investments (Mitsubishi Corporation Energy, Astomos Energy, etc.) and expansion of distribution business</li> </ul>
	• Steel Business Division	<ul style="list-style-type: none"> <li>• Engaging in development, distribution and processing of steel products</li> <li>• Developing manufacturing operations for automobile parts and components</li> </ul>
	• Mineral Resources Trading Division	<ul style="list-style-type: none"> <li>• Trading in mineral resources</li> <li>• Providing services for hedging price fluctuation risk in mineral resources</li> </ul>
	• Mineral Resources Investment Division	<ul style="list-style-type: none"> <li>• Investment in mineral resources and base metals, such as coking coal and thermal coal, iron ore, uranium, copper, aluminium, nickel, chrome and Platinum Group Metals (“PGM”)</li> </ul>
Machinery Group	• Industrial Machinery Business Division	<ul style="list-style-type: none"> <li>• Sales and maintenance business for elevators and escalators</li> <li>• Sales of machine tools, agricultural machinery, construction equipment and mining equipment</li> <li>• Rental of machinery</li> </ul>
	• Ship & Aerospace	<ul style="list-style-type: none"> <li>• Transactions in ships, special ships related to</li> </ul>

Business Group	Division	Overview of products and services
	Division	<p>offshore oil and gas, FPSOs/floating storage and offloading systems, marine equipment; finance; ship owning and management business</p> <ul style="list-style-type: none"> <li>• Sales of defence-related equipment</li> <li>• Data processing and sales of satellite imagery</li> </ul>
	• Motor Vehicle Business Division	<ul style="list-style-type: none"> <li>• Overseas local production and sales business</li> <li>• Overseas automobile finance, after-sales service and other related business</li> <li>• Automobile exports (built-up vehicles, assembly and spare parts)</li> </ul>
	• Isuzu Business Division	<ul style="list-style-type: none"> <li>• Overseas local production and sales business</li> <li>• Overseas automobile financing, after-sales servicing and other related business</li> <li>• Automobile exports from Thailand and Japan (built-up vehicles, assembly and spare parts)</li> </ul>
	• Petrochemicals Division	<ul style="list-style-type: none"> <li>• Trading and investments in competitive raw materials for petrochemical products, such as olefins and their derivatives, aromatic chemicals, plastics, urethane, synthetic rubber, etc.</li> </ul>
	• Basic Chemicals Division	<ul style="list-style-type: none"> <li>• Trading and investments in industrial salts, polyvinyl chloride (“PVC”) raw materials and resin, methanol, ammonia, ethanol, fertilisers, functional products, etc.</li> </ul>
	• Life Sciences Division	<ul style="list-style-type: none"> <li>• Trading and investments in food science, pharmaceuticals, agrochemicals, coating raw materials, etc.</li> </ul>
Living Essentials Group	• Retail Division	<ul style="list-style-type: none"> <li>• Sale of food, clothing, furniture and interior furnishings, daily goods and other products</li> <li>• Development and distribution of various consumer sales materials and services</li> <li>• Marketing business, coalition loyalty program and payment settlement-related service businesses</li> </ul>
	• Living Essential Distribution Division	<ul style="list-style-type: none"> <li>• Distribution and logistics of various products and services including processed foods, frozen and chilled foods, confectionery, liquor, paper products, packaging materials, and apparel</li> <li>• Various healthcare related businesses such as outsourcing services for hospitals, import and sale of medical equipment, and nursing care equipment rental</li> </ul>



Business Group	Division	Overview of products and services
	<ul style="list-style-type: none"> <li>Living Essential Consumer Products Division</li> </ul>	<ul style="list-style-type: none"> <li>Consumer necessities such as processed foods, confectionery, beverages, canned goods, instant noodles, seasonings, milled flour, sugar, starches, starched products, tires, and other daily necessities</li> </ul>
	<ul style="list-style-type: none"> <li>Fresh Food Products Division</li> </ul>	<ul style="list-style-type: none"> <li>Production, procurement, processing and sale of marine products</li> <li>Procurement and sale of rice, fresh produce and dairy products</li> <li>Production, procurement, manufacturing, processing and sale of meats</li> </ul>
	<ul style="list-style-type: none"> <li>Living Essential Resources Division</li> </ul>	<ul style="list-style-type: none"> <li>Production, collection, manufacturing, processing and sale of grains, feed, food and beverage raw materials as well as housing and construction materials</li> </ul>

### ***Global Environmental & Infrastructure Business Group***

The Global Environmental & Infrastructure Business Group mainly handles trade and related business operations in the power generation, water, transportation and other infrastructure sectors. The Global Environmental & Infrastructure Business Group is also involved in renewable energy and emissions reduction businesses, “smart community” projects and the manufacturing of lithium-ion batteries.

For the year ended 31 March 2017, revenues generated from the Global Environmental & Infrastructure Business Group were ¥69,088 million (accounting for 1.08 per cent. of the Group’s total consolidated revenue) and profit attributable to Mitsubishi was ¥23,420 million. As at 31 March 2017, the Global Environmental & Infrastructure Business Group accounted for 6.38 per cent. of the Group’s total assets.

The Global Environmental & Infrastructure Business Group is divided into the following business divisions:

#### ***Environmental Business Division***

This division aims to utilise finite resources optimally and create viable businesses out of them. Operations include comprehensive battery and electricity storage businesses focusing on lithium-ion batteries for, among others, environmentally friendly vehicles and smart cities; the development of next generation energy such as hydrogen and marine energy; the establishment of viable new businesses for a low-carbon society and the provision of energy-conservation solutions, such as emissions reduction businesses.

#### ***New Energy & Power Generation Division***

This division strives to contribute to the building and improvement of power infrastructures worldwide through developing power generation and power transmission businesses and trading power generation and transmission plants. The power generation business constructs and owns power generation facilities and sells the electricity it generates to electricity companies and other customers. In Europe, the power transmission business transmits power generated by offshore wind farms to land-based users via an undersea cable. The division is developing its business in the areas of thermal power plants and renewable energies, including solar, solar thermal, wind and geothermal power.

### *Infrastructure Business Division*

This division is engaged in the fields of social infrastructure and industrial infrastructure in Japan and overseas, specifically water infrastructure, transportation infrastructure (such as railways, ports and airports), resource and energy infrastructure for the transportation of oil and gas on land and offshore and basic industry infrastructure for producing chemical products, steel products, cement and other products.

### *Industrial Finance, Logistics & Development Group*

The Industrial Finance, Logistics & Development Group is engaged in developing industrial finance businesses, targeting real assets and businesses where it can leverage the Group's expertise and networks as a global integrated business enterprise. The Industrial Finance, Logistics & Development Group provides comprehensive finance solutions in certain domains that are different to those offered by financial institutions, including asset management, infrastructure related financing, corporate investment and leasing. In addition, the Industrial Finance, Logistics & Development Group provides solutions in construction and real estate development focusing mainly on commercial facilities and urban development, condominium development and logistics.

For the year ended 31 March 2017, revenues generated from the Industrial Finance, Logistics & Development Group were ¥132,753 million (accounting for 2.07 per cent. of the Group's total consolidated revenue) and profit attributable to Mitsubishi was ¥35,531 million. As at 31 March 2017, the Industrial Finance, Logistics & Development Group accounted for 5.34 per cent. of the Group's total assets.

The Industrial Finance, Logistics & Development Group is divided into the following business divisions:

#### *Asset Finance & Investment Division*

This division provides and markets financial products to investors that focus on real assets and businesses and, in doing so, leverages the Group's deep knowledge of industry and global network.

The Group's asset management subsidiaries manage real estate investment trusts, private real estate funds, and other real asset-related funds, and serve as placement agents for a variety of alternative financial products, including funds managed by the Group's affiliates. Additionally, other subsidiaries provide advisory services to investors. Furthermore, the Group often commits seed assets or seed capital for the funds its affiliates manage.

In addition, the division operates a financial intermediary that provides risk capital to the industrial sector and varied investment opportunities to institutional investors and is engaged in automobile and aircraft engine leasing businesses.

#### *Real Estate Business Division*

This division is engaged in real estate development and investment. It is focused on executing a range of real estate development projects in Japan, North America, China and ASEAN countries, which include retail properties, industrial properties, condominiums and industrial parks. The division also provides sophisticated construction solutions to a broad range of customers, including medical industries, infrastructure and industry related facilities.

#### *Logistics Business Division*

This division meets the needs of its customers in the fields of global logistics for products and bulk cargo transportation and logistics consulting.

In the field of logistics for parts and products, this division covers a variety of services from procurement logistics to retail logistics in Japan and overseas. The division provides comprehensive logistics services for transporting parts and products domestically and internationally.

In the field of bulk cargo transportation, the division provides comprehensive bulk cargo logistics services, including owning, operating and managing bulkers, intermediary services for chartering vessels and terminal operations.

### ***Energy Business Group***

The Energy Business Group conducts a number of activities including oil and gas exploration, development and production business, investment in natural gas liquefaction projects, trading of crude oil, petroleum products, carbon materials and products, LNG and LPG and planning and development of new energy businesses. Based on information available to the Group and the Group's own estimates, the Group believes that its operations accounted for approximately 33 per cent. of the total volume of LNG imported into Japan by major Japanese trading companies during the financial year ended 31 March 2017.

For the year ended 31 March 2017, revenues generated from the Energy Business Group were ¥1,189,267 million (accounting for 18.51 per cent. of the Group's total consolidated revenue) and profit attributable to Mitsubishi was ¥55,477 million. As at 31 March 2017, the Energy Business Group accounted for 13.44 per cent. of the Group's total assets.

The Energy Business Group is divided into the following business divisions:

#### ***Energy Resources Division A/B***

This division has been involved in a multitude of projects and a variety of operations, including production, transportation and trading of LNG in areas such as Brunei, Malaysia, Australia, Oman, Indonesia and Russia, in addition to role as import agent for Japanese customers. This division has also been engaged in upstream business (exploration, development & production) for the crude oil and the natural gas in various regions.

#### ***Petroleum & Carbon Business Division***

This division has three business domains: petroleum, carbon, and LPG.

In petroleum business, this division purchases, sells and trades crude oil and petroleum products. Furthermore, the Group is engaged in wide variety of operations ranging from distribution business and retail sales to general consumers via service stations through affiliate companies.

In carbon business, this division imports, exports and trades offshore a wide range of carbon materials and products. The Group covers the entire industry with businesses active in both upstream and downstream sectors and enjoy a high market share in the respective markets. This division's upstream business links to petroleum and coal industries and downstream links to steel, aluminum and other industries.

In LPG business, this division supports the corporate management of Astomos Energy Corporation which was founded on 1 April 2006. This division aims to contribute to the sound development of Astomos Energy, while cooperating with the Japan's national LPG reserve plan being developed in Imabari City, Ehime Prefecture.

### ***Metals Group***

The Metals Group handles a wide range of commodities in ferrous raw materials, steel products and non-ferrous metals. The Metals Group also invests in mineral resources such as coking coal, thermal coal, iron ore, copper, aluminium, uranium and stainless steel new materials. Primary markets for these products include industries such as iron and steel, non-ferrous metals, electricity and gas, metal products, machinery, electric equipment, automobiles and construction.

The steel products business is conducted by the Group's joint business investment with Sojitz Corporation (formerly Nissho Iwai Corporation) and Metal One Corporation, which began its operations in January 2003.

As part of its Metals Group, the Group has invested in coking coal operations based in Australia. To meet the demands of the Japanese steel industry for coking coal, the Group established an Australian subsidiary in 1968 and began sourcing coking coal from coalfields in the Bowen Basin in northeast Queensland, Australia. In 2001, the Group made further investment into this mining operation by entering into a joint venture arrangement with BHP Billiton Ltd.

For the year ended 31 March 2017, revenues generated from the Metals Group were ¥936,580 million (accounting for 14.58 per cent. of the Group's total consolidated revenue) and profit attributable to Mitsubishi was ¥147,901 million. As at 31 March 2017, the Metals Group accounted for 23.51 per cent. of the Group's total assets.

The Metals Group is divided into the following business divisions:

#### *Steel Business Division*

The operations of this division include distribution and processing of steel products in general through Metal One Corporation. It is also developing steel related projects and investing in and operating manufacturing businesses such as those for automotive components.

#### *Mineral Resources Trading Division*

This division deploys trading business globally for items such as coal, iron ore, copper, aluminium, nickel and ferroalloy and precious metals, primarily led by Mitsubishi Corporation RtM1 International Pte., a subsidiary of the Group headquartered in Singapore. In addition, this division provides services for hedging price fluctuation risk through the London Metal Exchange (LME), supporting efforts to raise the Group's ability to respond to customers in the mineral resources trading business.

#### *Mineral Resources Investment Division*

This division invests in mineral resources in order to ensure a stable supply of raw materials for steelmaking and fuel for power generation, such as coal (coking coal and thermal coal), iron ore and uranium, to steel mills, electric power companies and other customers in countries around the world. In addition, the division actively invests in resource mine development to secure a stable supply of base metals, centred on copper, and also in the nonferrous metals business domain, including aluminium, nickel, chrome, and PGM. To this end, this division makes various investments to secure medium- to long-term resources.

#### ***Machinery Group***

The Machinery Group handles sales, finance and logistics and investments in a wide range of machinery in four key domains: industrial machinery, shipping, defence and aerospace, and motor vehicles. The Machinery Group handles products including machine tools, agricultural machinery, construction machinery, mining equipment, elevators and escalators, ships, space-related equipment and automobiles.

For the year ended 31 March 2017, revenues generated from the Machinery Group were ¥746,957 million (accounting for 11.62 per cent. of the Group's total consolidated revenue) and profit attributable to Mitsubishi was ¥29,437 million. As at 31 March 2017, the Machinery Group accounted for 11.04 per cent. of the Group's total assets.

The Machinery Group is divided into the following business divisions:

#### *Industrial Machinery Business Division*

This division conducts sales and services of construction machinery, mining machinery, machine tools, agricultural machinery, and elevators and escalators. This division also operates related businesses such as leasing and sales financing. In the construction machinery field, the division operates a machinery rental business in Japan and the ASEAN region. The division also has a presence in China, forming a joint venture with Hitachi Construction Machinery Co., Ltd. for manufacturing and distributing hydraulic excavators, as well as establishing a financial leasing company as a part of this value chain. In the industrial machinery field,

the division operates a global sales and service business that sells sheet metal machinery, machine tools and agricultural machinery through its own sales subsidiaries and provides after sales and other services to customers via its main business sites in Japan, the United States and India. The elevator business exports and sells elevators and escalators to 50 countries worldwide. It also manages and operates sales and maintenance companies overseas, develops new markets and conducts business investment.

#### *Ship & Aerospace Division*

In the commercial vessel business, this division handles bulk carriers, tankers, LNG/LPG carriers, special purpose ships for offshore energy exploration and ship-related machinery. This division also conducts trading and brokering transactions of newly built and second-hand ships as well as brokering charter agreements and chartering of company-owned bulkers and other vessels all on a global basis.

In the offshore and gas carrier business, the division owns and operates floating production, storage and offloading systems ("FPSO"), makes loans for deep-water undersea oil field drilling vessels, conducts other offshore businesses and promotes the ownership and operation of LNG and LPG carriers.

In the aerospace and defence business, this division is engaged in the trading of aerospace-related systems and equipment. This division also conducts services business such as the processing and selling of imagery data taken by earth observation satellites.

#### *Motor Vehicle Business Division*

The Motor Vehicle Business Division is engaged in automobile-related businesses, including manufacturing, vehicle assembly, automobile sales and automobile financing in various countries around the world.

#### *Isuzu Business Division*

This division is engaged in production, sales, servicing and distribution of Isuzu-brand cars and parts, and sales financing and other associated operations. This division also exports pick-up trucks from Thailand and trucks from Japan to countries and regions around the world. This division is also working on developing automobile manufacturing and sales businesses for Isuzu-brand vehicles.

#### ***Chemicals Group***

The Chemicals Group is active in three business segments: the Petrochemicals segment which handles raw material for petrochemical products, plastics, urethane, synthetic rubber; the Basic Chemicals segment which handles industrial salts, PVC raw materials and resin, methanol, ammonia, ethanol, fertilizers, functional products, etc.; and the Life Sciences segment which handles food science, pharmaceuticals, agrochemicals, coating raw materials.

Principal markets include industries such as petrochemical, industrial chemicals, energy, automobiles, construction, paint and adhesives, electrical products and electronics, semiconductors, communications equipment, textiles, apparel, fertilizer and agricultural chemicals, agriculture and livestock, food and foodstuffs, pharmaceuticals and medical supplies and distribution.

For the year ended 31 March 2017, revenues generated from the Chemicals Group were ¥1,134,110 million (accounting for 17.65 per cent. of the Group's total consolidated revenue) and profit attributable to Mitsubishi was ¥26,732 million. As at 31 March 2017, the Chemicals Group accounted for 5.99 per cent. of the Group's total assets.

The Chemicals Group is divided into the following business divisions:

#### *Petrochemicals Division*

This division primarily trades in raw material for petrochemical products, plastics, urethane and synthetic rubber.

### *Basic Chemicals Division*

This division primarily trades in industrial salts, PVC raw materials and resin, methanol, ammonia, ethanol, fertilizers and functional products.

### *Life Sciences Division*

This division is engaged in businesses related to cutting-edge chemicals used in many of the goods encountered in everyday life, including food materials, pharmaceutical- and agrochemical-related products and biotechnology-related products.

### *Living Essentials Group*

Operations in the Living Essentials Group involve the trading of daily consumer essentials relating to food, clothing and housing. Operations extend from the procurement of raw materials to distribution and retail.

For the year ended 31 March 2017, revenues generated from the Living Essentials Group were ¥2,204,248 million (accounting for 34.30 per cent. of the Group's total consolidated revenue) and profit attributable to Mitsubishi was ¥121,344 million. As at 31 March 2017, the Living Essentials Group accounted for 27.57 per cent. of the Group's total assets.

The Living Essentials Group is divided into the following business divisions:

#### *Retail Division*

This division handles a wide variety of products, from food to fashion apparel and household supplies.

This division also operates businesses in the retail and food service sectors including a convenience store chain operator LAWSON, INC., a supermarket chain Life Corporation and a restaurant chain Kentucky Fried Chicken Japan Ltd. In addition, this division engages in promotion using media content and point-based loyalty programmes including "Ponta" and is engaged in payment and settlement services.

#### *Living Essential Distribution Division*

This division handles the distribution and logistics operations of a wide range of products and services to customers in Japan and overseas across a number of fields: (i) food distribution, including processed, frozen and chilled foods, confectionary, liquor, pet food and beverages; (ii) paper and packaging, including raw materials for paper and packaging materials; (iii) textiles, such as clothing, footwear, furniture and interior products and household goods; and (iv) various healthcare related businesses such as outsourcing services and support businesses for hospitals, business relating to medical equipment, medical supplies and nursing care equipment rental business.

#### *Living Essential Consumer Products Division*

This division manufactures and sells a wide range of consumer necessities, such as processed foods, confectionary, beverages, canned foods, instant noodles, seasonings, milled flour, sugar, starches, starched products, tires and other daily necessities.

#### *Fresh Food Products Division*

This division is engaged in the production, procurement, manufacturing, processing and sales of fresh foods such as fish, meat, rice, vegetables and dairy products as well as processed goods.

#### *Living Essential Resources Division*

This division is engaged in the production, procurement, manufacturing, processing and sales of (i) raw materials related to grain, feed, food and beverage raw materials; and (ii) housing and construction materials such as lumber, cement, ready-mixed concrete, concrete products, silica sand and kaolin.

## **Funding**

The Group's policy concerning the procurement of funds to support business activities is to procure funds in a stable and cost-effective manner. For funding purposes, Mitsubishi selects and utilises, as needed, both direct financing, such as commercial paper and corporate bonds, and indirect financing, including bank loans. The Group seeks to use the most advantageous means and suitable terms, according to market conditions at the time.

Mitsubishi has a substantial amount of corporate bonds outstanding and the terms of these bonds do not impose any negative pledge obligations on Mitsubishi.

The Group has a group financing policy in which funds are raised principally by Mitsubishi, as well as domestic and overseas finance companies and certain overseas regional subsidiaries such as Mitsubishi International Corporation, Inc., and distributed to other subsidiaries through the Group's cash management system.

## **Risk Management**

In addition to managing risk on an individual project basis, risks are also assessed for the Group as a whole.

In order to manage the risks to which the Group's operations are generally exposed, the Group categorises the appropriate risks and has established particular departments designated to each type of risk to determine the policy, framework and procedures to manage the particular risk. The Group has identified in particular the following areas of risk with respect to its business: (i) credit risk, (ii) market risk, (iii) business investment risk, (iv) country risk, (v) compliance risk, and (vi) business continuity and crisis-related risk.

### *Credit Risk Management*

Credit and transaction limits for each customer have been established and an internal rating system has been introduced. Based on internal rules determined by internal ratings and the amount of credit, the Group also hedges these risks by requiring collateral or a guarantee depending on the credit profile of the counterparty. The Group reduces transactions and takes measures to protect receivables when there is deterioration in the credit condition of customers. The Group also has policies in place for dealing with bankrupt customers and collecting receivables.

### *Market Risk Management*

The Group monitors various types of transactions (commodities, fixed assets, interest and foreign exchange) according to limits set for exposure, loss and term. The Group adopted a management system which sets out policies on the purchase, holding and disposal of listed shares based on strategic holding purposes or its profitability.

### *Business Investment Risk Management*

With respect to the management of business investment risk, in the case of new business investments, the Group clarifies the investment purpose, quantitatively analyses the downside risk of investments and evaluates whether the investment return exceeds the minimum expected rate of return, which is determined internally according to the extent of the risk. After investing, risk with respect to business investments is managed on an individual basis to achieve the investment goals set forth in the business plans that are formulated every year. Furthermore, exit rules are applied for the early sale of equity interests or the liquidation of the investee in order to efficiently replace assets in the portfolio.

### *Country Risk Management*

The Group takes appropriate risk hedging measures that involve, in principle, hedges via third parties through means such as taking out insurance, depending on the nature of the project. Furthermore, the Group has established a Country Risk Committee, pursuant to which specific country risks are managed through a

country risk countermeasure system. The country risk countermeasure system adopted by the Group classifies countries into six categories based on risk money in terms of the sum total of the amount of investments, advances and guarantees, and the amount of trade receivables, net of hedges, as well as the creditworthiness of a country (the country rating). Country risk is controlled through the establishment of risk limits for each of the six identified categories.

#### *Compliance Risk Management*

The Group has established a Compliance Committee, which is headed by a Chief Compliance Officer who is at the forefront of the Group's efforts to raise awareness of compliance throughout the Group. The Chief Compliance Officer also directs and supervises compliance with laws and regulations on a Group-wide basis. The Group has formulated a Code of Conduct for all officers and employees, conducts training seminars for officers and employees and requires the submission of compliance pledges from officers and employees.

#### *Business Continuity and Crisis-Related Risk Management*

The Group engages in rigorous crisis management in light of the increasing diversity and complexity of risk that accompanies business expansion. The Group has formulated business continuity plans for different types of crises, such as natural disasters, new infectious diseases, international or political problems including terrorism, with the aim of preventing the stoppage of prioritized company operations or restoring and restarting them in as little time as possible.

In addition to the risk management above, to monitor market movements in interest rates and respond flexibly to market risks, the Group has established the ALM committee (as defined above). The ALM committee establishes the Group's funding procurement strategy and manages the risk of interest rate fluctuations on a Group-wide basis. Furthermore, the Group has policies, systems and procedures in place for managing other types of risks, such as legal risk, information management risk and environmental risk.

#### **Competition**

The markets for many of the Group's products and services are highly competitive. In particular, the Group primarily competes with general trading companies in Japan, including Mitsui & Co., Ltd., Sumitomo Corporation and Itochu Corporation. These trading companies may have stronger relationships and associations with certain of the larger Japanese companies, may have greater financial and other resources and may be stronger in certain of the market segments in which the Group seeks to compete.

For many of its businesses, the Group is involved at all levels of the supply chain, in upstream transactions, midstream transactions and downstream transactions, and competes with companies (other than general trading companies in Japan) which are engaged in certain of the same businesses as the Group, but which are more concentrated in individual business segments. For example, the Metals Group competes with Japanese and non-Japanese metal companies in Japan and elsewhere.

The Group has a commitment to enter new businesses and take certain investment risks. In this regard, risk controls adopted by Mitsubishi are important to remain competitive.

#### **Insurance**

The Group maintains a range of insurance policies which cover certain liability risks, including product liabilities, general liabilities in relation to movable property and certain liabilities related to Internet businesses. As is typical in Japan, the insurance policies maintained by the Group in Japan do not cover earthquake damages. Mitsubishi believes that the Group's insurance coverage is comparable to other companies with similar operations in Japan.

#### **CSR**

The Group is promoting a wide range of environmental and CSR-focused activities that cover various fields and geographical regions in order to grow together with the communities that it works in and to help



build a sustainable and prosperous society for the future. Greater expectations from society have motivated the Group to strengthen these efforts, and to further develop businesses aimed at sustainable growth and development.

## **Group Structure**

Mitsubishi is the parent of over 600 subsidiaries.

## **Material Contracts**

There are no material contracts which are not entered into in the ordinary course of Mitsubishi's business which might impact upon the Mitsubishi's ability to fulfil its obligations under the Notes as Issuer and the Guarantee as Guarantor.

## **Auditors**

Mitsubishi's auditors are Deloitte Touche Tohmatsu LLC, a member of JICPA (The Japanese Institute of Certified Public Accountants).

## **Management**

The Board of Directors of Mitsubishi determines the fundamental management policy and other important matters of management of Mitsubishi and supervises the performance of duties of the Directors. All Directors and Audit and Supervisory Board Members are elected at the general meeting of shareholders. The normal term of office of a Director expires at the close of the ordinary general meeting of shareholders held with respect to the last fiscal year ended within one year after such Director's election although each Director may serve any number of consecutive years. The normal term of office of Audit and Supervisory Board Members expires at the close of the ordinary general meeting of shareholders held with respect to the last fiscal year ended within four years after such Audit and Supervisory Board Member's election although each Audit and Supervisory Board Member may serve any number of consecutive years.

The Board of Directors elects from among its members Representative Directors, who have the authority individually to represent Mitsubishi. Under the Articles of Incorporation of Mitsubishi, the Board of Directors elects the Chairman of the Board of Directors. In addition, under the Articles of Incorporation of Mitsubishi, the Board of Directors appoints Executive Officers who carry out duties of Mitsubishi and elects the President and Chief Executive Officer and other senior Executive Officers from among the Executive Officers.

The Audit and Supervisory Board Members are not required to be certified public accountants, but may not serve as directors or employees of Mitsubishi or any of its subsidiaries at the same time. In addition, not less than half of the Audit and Supervisory Board Members must be outside Audit and Supervisory Board Members who have never been directors or employees of Mitsubishi or any of its subsidiaries. Under the Articles of Incorporation of Mitsubishi, the Audit and Supervisory Board Members are required to elect from among themselves full-time Audit and Supervisory Board Members, among whom Senior Audit and Supervisory Board Members shall be elected.

The Audit and Supervisory Board Members have the statutory duty of supervising the administration of Mitsubishi's affairs by the Directors and also of examining the financial statements and business reports to be submitted by a Representative Director to general meetings of shareholders. The Audit and Supervisory Board Members must attend meetings of the Board of Directors and express opinions thereat, if necessary, but they are not entitled to vote.

The Audit and Supervisory Board Members constitute Audit and Supervisory Board. The Audit and Supervisory Board has a statutory duty to prepare its audit report. The Audit and Supervisory Board is empowered to establish audit principles, the method of examination by Audit and Supervisory Board Members of Mitsubishi's affairs and the financial position and other matters concerning the performance of the Audit and Supervisory Board Members' duties.

Mitsubishi must appoint, by a resolution of a general meeting of shareholders, an independent auditor in addition to Audit and Supervisory Board Members. Such independent auditor has the statutory duty of examining the financial statements, prepared in accordance with the Companies Act, to be submitted by a Representative Director to general meetings of shareholders and reporting its opinion thereon to the relevant Audit and Supervisory Board Members and the relevant Directors, and examining the financial statements to be included in periodic reports to be filed by Mitsubishi with the Director of the Kanto Local Finance Bureau. Currently, Mitsubishi's independent auditors are Deloitte Touche Tohmatsu LLC.

In addition, under the Securities Listing Regulations of the Tokyo Stock Exchange, companies listed on the Tokyo Stock Exchange, including Mitsubishi, are required to have at least one independent officer. Such independent officer is required to be an outside director or outside corporate auditor (as defined under the Companies Act) who is unlikely to have conflicts of interest with shareholders of the relevant company.

### **The names of the Directors and Audit and Supervisory Board Members**

<b>Name</b>	<b>Title</b>
Ken Kobayashi	Chairman of the Board
Takehiko Kakiuchi	President, Chief Executive Officer and Representative Director
Eiichi Tanabe	Senior Executive Vice President, Representative Director and Member of the Board
Yasuhito Hirota	Executive Vice President, Representative Director and Member of the Board
Kazuyuki Masu	Executive Vice President, Representative Director and Member of the Board
Masakazu Sakakida	Executive Vice President, Representative Director and Member of the Board
Iwao Toide	Executive Vice President and Member of the Board
Akira Murakoshi	Executive Vice President and Member of the Board
Hidehiro Konno	Outside Director
Akihiko Nishiyama	Outside Director
Hideaki Omiya	Outside Director
Toshiko Oka	Outside Director
Akitaka Saiki	Outside Director
Hideyuki Nabeshima	Senior Audit and Supervisory Board Member
Hiroshi Kizaki	Audit and Supervisory Board Member
Tadashi Kunihiro	Outside Audit and Supervisory Board Member
Ikuo Nishikawa	Outside Audit and Supervisory Board Member

Name	Title
Yasuko Takayama	Outside Audit and Supervisory Board Member

The current business address of each of the Directors is, 3-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan.

There are no potential conflicts of interest between the duties to Mitsubishi of the persons listed above and their private interests or other duties.

As at the date of this Offering Circular, there were no outstanding loans granted by Mitsubishi to the Directors or any guarantees provided by Mitsubishi for their benefit.

The Articles of Incorporation of Mitsubishi provide that Mitsubishi may enter into liability limitation contracts with any of its Outside Directors and Outside Audit and Supervisory Board Member in order to limit the maximum amount of such damages to the higher of the predetermined amount which is not less than ¥10 million or the amount provided by applicable laws and regulations.

## **BUSINESS - MITSUBISHI CORPORATION FINANCE PLC**

### **Overview**

MCF is a wholly-owned subsidiary of Mitsubishi, one of Japan's foremost general trading companies, and acts as its financial "flagship" in the international capital and money markets. MCF was incorporated in England on 20 November 1984 with registration number 1865061 and operates as a public limited company under the Companies Act 1985 of England and Wales and is now one of Mitsubishi's largest subsidiaries, in terms of assets under management, which exceeds U.S.\$4.1 billion as at 30 September 2017.

As a result of the experience gained from undertaking a sophisticated treasury function based in London, MCF has been able to play a pioneering role as a financial subsidiary of a Japanese industrial trading company.

The registered office of MCF is currently at Mid City Place, 71 High Holborn, London WC1V 6BA (Telephone: +44 20 7025 3400).

### **Directors**

The following are the names and functions of the directors of MCF:

<i>Name</i>	<i>Function</i>
Makoto Okawara	Chairman
Haruki Hayashi	Director
Hiroko Niwa	Director

The business address of Makoto Okawara is 12th Floor, Mitsubishi Corporation Building, 3-1, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan. The business address of Haruki Hayashi and Hiroko Niwa is Mid City Place, 71 High Holborn, London WC1V 6BA, United Kingdom.

There are no potential conflicts of interest between the duties to MCF of the persons listed in this section and their private interests or other duties.

## **USE OF PROCEEDS**

The net proceeds from the sale of the Notes will be used for the general corporate purposes of the relevant Issuer.

## TAXATION

### General

The discussion of taxation in this section is only an indication of certain tax implications under the laws of those jurisdictions as they may affect investors. It does not necessarily apply where the income is deemed for tax purposes to be the income of any other person. It applies only to persons who are beneficial owners of Notes and may not apply to certain classes of person (such as dealers). The Issuers and the Guarantor make no representations as to the completeness of the information nor undertake any liability of whatsoever nature for the tax implications for investors.

**Potential investors are strongly advised to consult their professional advisers on the tax implications of investing in Notes.**

### United Kingdom

#### *Notes issued by Mitsubishi*

The comments below are of a general nature based on current United Kingdom tax law as applied in England and Wales and HM Revenue & Customs practice (which may not be binding on HM Revenue & Customs) and are not intended to be exhaustive. They assume that Mitsubishi is not UK resident and does not act through a permanent establishment in the United Kingdom in relation to the Notes issued by it. Any Noteholders who are in doubt as to their own tax position should consult their professional advisers. On the basis that interest on the Notes issued by Mitsubishi is not expected to have a United Kingdom source, there should be no United Kingdom withholding tax on payments of interest in respect of such Notes.

#### *Notes issued by MCF*

The comments below, which are of a general nature and are based on current United Kingdom law as applied in England and Wales and HM Revenue & Customs practice (which may not be binding on HM Revenue & Customs), describe only the United Kingdom withholding tax treatment of payments of principal and interest by MCF in respect of the Notes issued by MCF, on the basis that interest on the Notes issued by MCF is expected to have a United Kingdom source. They are not intended to be exhaustive. They do not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes issued by MCF. The comments relate to the position of persons (other than dealers or persons connected with MCF) who are the absolute beneficial owners of their Notes issued by MCF and related Coupons. The United Kingdom tax treatment of prospective holders of Notes issued by MCF depends on their individual circumstances and may be subject to change in the future. Prospective holders of Notes issued by MCF who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom are strongly advised to consult their own professional advisers.

1. The Notes issued by MCF will constitute “quoted Eurobonds” within the meaning of section 987 of the Income Tax Act 2007 (the “Tax Act”) provided they carry a right to interest, and are listed on a “recognised stock exchange” within the meaning of section 1005 of the Tax Act. The London Stock Exchange is a recognised stock exchange for this purpose. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List by the United Kingdom Listing Authority (within the meaning of and in accordance with the provisions of Part 6 of the FSMA) and admitted to trading on the London Stock Exchange. Payments by MCF of interest on Notes issued by them which constitute “quoted Eurobonds” can be made without withholding or deduction for or on account of income tax by virtue of section 882 of the Tax Act.

Interest on the Notes issued by MCF may also be paid by MCF without withholding or deduction for or on account of United Kingdom tax where at the time the interest is paid, MCF reasonably believes that the person beneficially entitled to the income is a United Kingdom resident company or a non-United Kingdom resident company within the charge to United Kingdom corporation tax as regards the payment of interest or falls within a list of specified entities and bodies, provided that HM Revenue & Customs has not given a direction that this exemption shall not apply, having reasonable grounds for believing the conditions for this exemption will not be met at the time the payment is made.

Interest on the Notes issued by MCF may also be paid by MCF without withholding or deduction for or on account of United Kingdom tax where the maturity of such Notes is less than 365 days (and the Notes are not issued with the intention, or under a scheme or arrangement the effect of which is, that such Notes form part of a borrowing with a total term of 365 days or more).

In all other cases an amount must generally be withheld from payments by MCF of interest on the Notes issued by MCF on account of income tax at the basic rate (currently 20 per cent.), subject to the availability of other reliefs under domestic law or any direction to the contrary by HM Revenue & Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

2. Payments of interest in respect of Notes issued by MCF have a United Kingdom source and accordingly may be chargeable to United Kingdom income tax by direct assessment irrespective of the residence of the holder of such Notes. However, interest received without deduction or withholding will not be chargeable to United Kingdom tax in the hands of a holder of such Notes (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that holder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency in connection with which the interest is received or to which such Notes are attributable (or, in the case of a corporate holder of Notes issued by MCF, carries on a trade in the United Kingdom through a permanent establishment in connection with which the interest is received or to which the Notes are attributable). There are exemptions for interest received by certain types of agent in certain specified circumstances (for example brokers and investment managers).

Exemption from or reduction of such United Kingdom tax liability in relation to the Notes issued by MCF might be available under an applicable double taxation treaty.

3. If the Guarantor makes any payments in respect of interest on the Notes (or other amounts due under the Notes other than the repayment of amounts subscribed for the Notes) such payments may be subject to United Kingdom withholding tax at the basic rate subject to the availability of other reliefs under domestic law or to any direction to the contrary from HM Revenue & Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.

## **Japan**

### *Notes issued by Mitsubishi*

Payment of interest on the Notes paid to an individual resident of Japan or a Japanese corporation (except for a financial institution or a financial instruments business operator designated by the Cabinet Order which has complied with the requirements under Article 6 of the Act on Special Taxation Measures) or an individual non-resident of Japan or a non-Japanese corporation for Japanese tax purposes (a “non-resident holder”) that, in either case, is a party having a special relationship (as described in Article 3-2-2, Paragraphs

(5) through (7) of the Cabinet Order) with Mitsubishi (the “specially-related party of Mitsubishi”) will be subject to Japanese income tax at a rate of 15 per cent. (an additional 0.315 per cent. will be added thereto as special income surtax for reconstruction) of the amount specified in sub-paragraphs (a) or (b) below, as applicable:

- (a) If interest is paid to an individual resident of Japan or a Japanese corporation not described in sub-paragraph (b) below, or to a non-resident holder that is a specially-related party of Mitsubishi (except as provided in sub-paragraph (b) below), the amount of such interest will be subject to Japanese income tax at a rate of 15 per cent. (for the period up to and including 31 December 2037, an additional 0.315 per cent. is added thereto as special income surtax for reconstruction), provided that a non-resident holder having a permanent establishment in Japan that is a specially-related party of Mitsubishi (except as provided in sub-paragraph (b) below), either of whom meets certain requirements, although initially subject to such Japanese income tax, will ultimately be subject to Japanese income tax on income calculated by offsetting certain capital losses against certain incomes, including such interest, at a rate of 15 per cent. (for the period up to and including 31 December 2037, an additional 0.315 per cent. is added thereto as special income surtax for reconstruction); and
- (b) if interest is paid (i) to a designated financial institution which has complied with the requirement under the Act on Special Taxation Measures or (ii) to a Japanese public corporation, a Japanese financial institution, a Japanese financial instruments business operator or certain other entities through a Japanese payment handling agent as provided in Article 3-3, Paragraph (6) of the Act on Special Taxation Measures in compliance with the requirement for tax exemption under that paragraph, the amount of such interest will not be subject to Japanese income tax.

Payment of interest on the Notes outside Japan by Mitsubishi or a Paying Agent to a beneficial owner of the Notes who is a non-resident holder will not be subject to Japanese withholding tax, except for the following cases:

- (i) the amount of interest on the Notes is calculated or determined on the basis of or by reference to certain indicators including the amount of profit, income, earnings, revenue, assets and distribution of surplus, distribution of profit and other similar distributions of Mitsubishi or any specially related parties of Mitsubishi as provided in Article 3-2-2 of the Cabinet Order;
- (ii) the recipient of interest on the Notes is a specially-related party of Mitsubishi; or
- (iii) the recipient of interest on the Notes has a permanent establishment in Japan and such interest is attributable to a business in Japan of such recipient; provided, however, that if the recipient of interest on the Notes has submitted a claim for exemption from Japanese withholding tax (*hikazei tekiyo shinkokusho*) provided under the Act on Special Taxation Measures and such recipient is not a specially-related party of Mitsubishi, the provisions for withholding tax under Japanese income tax law are not applicable to such interest,

provided that such beneficial owner of the Notes complies with procedures for establishing its status as a non-resident holder in accordance with the requirements under the Act on Special Taxation Measures.

If the recipient of any excess amount of the redemption price over the acquisition cost of any Notes with coupon, defined in Article 41-13 of the Act on Special Taxation Measures as redemption premium (the “Redemption Premium”), is a non-resident holder with no permanent establishment in Japan that is not a specially-related person of the Issuer, no Japanese income or corporation taxes will be payable with respect to the Redemption Premium. If the recipient of the Redemption Premium is attributable to the business carried on in Japan by a non-resident holder through a permanent establishment maintained by it in Japan in certain



other cases provided by the Cabinet Order, however, the Redemption Premium will be subject to Japanese income or corporation taxes.

Under current Japanese practice, Mitsubishi may determine its withholding obligations in respect of the Notes held through a qualified clearing organisation in reliance on certifications received from such an organisation, and need not obtain certifications from any ultimate beneficial owners of such Notes. As part of the procedures under which such certifications are given, a beneficial owner may be required to establish that it is a non-resident holder and not a specially-related party of Mitsubishi to the person or entity through which it holds the Notes. A non-resident holder that holds the Notes otherwise than through a qualified clearing organisation may be required to deliver a duly completed claim for exemption from Japanese withholding tax, and to provide documentation concerning its identity, residence and any other required information, to a Paying Agent in order to receive interest from a Paying Agent free of Japanese withholding tax. Mitsubishi may adopt modified or supplemental certification procedures to the extent necessary to comply with changes in, or as otherwise permitted under, Japanese law or administrative practice.

#### *Notes issued by MCF*

Except in circumstances where any interest on the Notes issued by MCF is attributable to a business in Japan conducted by MCF in the manner provided for in the Act on Special Taxation Measures, the payment of principal and interest in respect of the Notes by MCF to a non-resident holder will, under Japanese tax laws currently in effect, not be subject to any Japanese income or corporation tax payable by way of withholding. If any interest on the Notes issued by MCF is attributable to a business in Japan conducted by MCF as aforementioned, the foregoing consequences relating to the Notes issued by Mitsubishi are also applicable to the Notes issued by MCF. Payment by the Guarantor under the Guarantee to a non-resident holder will, under Japanese tax laws currently in effect, not be subject to any Japanese income or corporation tax payable by way of withholding. Furthermore, none of such payments will be subject to any other Japanese income or corporation tax, unless such non-resident holder has a permanent establishment in Japan and the payment is attributable to the business of such non-resident holder carried on in Japan through such permanent establishment.

#### *Notes issued by Mitsubishi or MCF*

Gains derived from the sale outside Japan of Notes by a non-resident holder are in general not subject to Japanese income or corporation taxes. Gains derived from the sales in Japan of Notes and redemption premium of Zero Coupon Notes received by a non-resident holder not having a permanent establishment in Japan are in general not subject to Japanese income or corporation taxes. Japanese general inheritance and gift taxes at progressive rates may be payable by an individual, wherever resident, who has acquired Notes as legatee, heir or donee. No stamp, issue, registration or similar taxes or duties will, under present Japanese law, be payable by Noteholders in connection with the issue of the Notes.

### **FATCA Withholding**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting, or related requirements. Each Issuer believes that it is not a foreign financial institution for these purposes. A number of jurisdictions (including Japan and England) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes,

such withholding would not apply to payments prior to 1 January 2019. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

## **SUBSCRIPTION AND SALE**

The Dealers have in an amended and restated Programme Agreement dated 11 November 2016 (as amended and/or supplemented and/or restated from time to time, the “Programme Agreement”) agreed with the Issuers a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement for any particular purchase will extend to those matters stated under “Terms and Conditions of the Notes” beginning on page 37 and “Form of the Notes” beginning on page 24. In the Programme Agreement, the Issuers have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of the Notes.

### **United States**

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

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Certain terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and the regulations promulgated thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, except as permitted in the Programme Agreement, it will not offer, sell or deliver any Notes of any Tranche (i) as part of their distribution at any time or (ii) otherwise until the expiration of the 40 day period beginning on the later of their issue date and the completion of the distribution (the “Regulation S distribution compliance period”), as certified to the Agent by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each such Dealer as to the Notes of such Tranche purchased by or through it, in which case the Agent shall notify each such Dealer when all such Dealers have so certified, or, in the case of a syndicated issue, by the relevant Lead Manager (as defined in the Programme Agreement)), of all Notes of such Tranche, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during such Regulation S distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Certain terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, until 40 days after the later of their issue date and the completion of the distribution of all Notes of the Tranche of which such Notes are a part, an offer or sale of Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

### **European Economic Area**

From 1 January 2018, each Dealer shall represent and agree, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

- (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Prior to 1 January 2018, 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.

## **United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (i) in relation to any Notes which have a maturity of less than one year from the date of their issue, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer; 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 any Notes in, from or otherwise involving the United Kingdom.

## **Japan**

*Notes issued by Mitsubishi (and Notes issued by MCF in circumstance where any interest on such Notes is attributable to a business in Japan conducted by MCF in the manner provided for in the Act on Special Taxation Measures)*

The Notes have not been and will not be registered under the FIEA and will be subject to the Act on Special Taxation Measures. Each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to agree, 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, or for the benefit of, 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 FIEA and any other applicable law, regulations and ministerial guidelines; 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 defined below), and (b) will not, directly or indirectly, offer or sell any of the Notes (x) as part of its initial distribution at any time, to, or for the benefit of, any person other than a Gross Recipient, and (y) otherwise until 40 days after the closing date, to, or for the benefit of, any individual resident of Japan or a Japanese corporation for Japanese tax purposes (except for a Japanese financial institution or a Japanese financial instruments business operator, designated in Article 3-2-2, Paragraph (28) of the Cabinet Order relating to the Act on Special Taxation Measures that will hold the Notes for its own proprietary account 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 Act on Special Taxation Measures). A “Gross Recipient” for this purpose is (i) a beneficial owner that is, for Japanese tax purposes, neither (a) an individual resident of Japan or a Japanese corporation, nor (b) an individual non-resident of Japan or a non-Japanese corporation that in either case is a party having a special relationship with Mitsubishi as described in Article 6, Paragraph (4) of the Act on Special Taxation Measures, (ii) a Japanese financial institution or a Japanese financial instruments business operator, designated in Article 3-2-2, Paragraph (28) of the Cabinet Order relating to the Act on Special Taxation Measures that will hold the Notes for its own proprietary account, or (iii) 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 Act on Special Taxation Measures.

*Notes issued by MCF (except for the circumstance set out above)*

The Notes have not been, and will not be, registered under the FIEA and each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws, regulations and ministerial guidelines of Japan.

## **Hong Kong**

In relation to each Tranche of Notes issued by an Issuer, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to agree that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “Securities and Futures Ordinance”) other than (a) to “professional investors” as defined in the Securities and Futures 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 (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or

only to “professional investors” as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

## Singapore

Each Dealer has acknowledged that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore (the “MAS”). Accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, 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 MAS. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes may not be circulated or distributed, nor may any 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:

- (i) 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
- (ii) 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:

- (a) 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;
- (b) where no consideration is or will be given for the transfer;
- (c) where the transfer is by operation of law;
- (d) as specified in Section 276(7) of the SFA; or
- (e) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

## **General**

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers the Notes or possesses or distributes this Offering Circular or any other offering material and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the relevant Issuer nor any other Dealer shall have responsibility therefor.

None of the Issuers, the Guarantor and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche of Notes, the relevant Dealer(s) will be required to comply with such other additional restrictions as the relevant Issuer and the relevant Dealer(s) shall agree and as shall be set out in the applicable Final Terms.

## **GENERAL INFORMATION**

### **Listing**

1. The admission of Notes to the Official List will be expressed as a percentage of their nominal amount (excluding accrued interest). It is expected that each Series of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's professional securities market will be admitted separately as and when issued, subject only to the issue of the Notes of such Series. Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the Market. The listing of the Programme in respect of such Notes is expected to be granted on or about 16 November 2017.

### **Material Change**

2. There has been no significant change in the financial or trading position of MCF since 31 March 2017 and no significant change in the financial or trading position of Mitsubishi or of the Group, since 30 September 2017. There has been no material adverse change in the financial position or prospects of either of the Issuers and their respective subsidiaries, taken as a whole, since 31 March 2017, the date of the respective last published audited financial statements.

### **Financial Information**

3. The financial information relating to MCF does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006, as amended (the "Act"). Full accounts have been delivered to the Registrar of Companies for each of the two years up to and including the year ended 31 March 2017. Unqualified audit reports have been given by the auditors on these accounts and such reports did not contain a statement under section 498(2) or (3) of the Act.
4. Deloitte LLP of 2 New Street Square, London EC4A 3BZ have audited the accounts of MCF in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board for the financial years ended 31 March 2016 and 31 March 2017. No audited accounts of MCF have been prepared as at any date since 31 March 2017. MCF does not publish interim financial statements. Deloitte LLP have no material interest in MCF. The annual financial statements of MCF for the financial years ended 31 March 2016 and 31 March 2017 were prepared and presented in accordance with International Financial Reporting Standards and have been audited in accordance with International Standards on Auditing (UK and Ireland).
5. The consolidated financial statements of Mitsubishi as of and for the financial year ended 31 March 2016 have been audited by Deloitte Touche Tohmatsu LLC Independent Auditors, in accordance with the International Standards on Auditing. The consolidated financial statements of Mitsubishi as of and for the financial year ended 31 March 2017 have been audited by Deloitte Touche Tohmatsu LLC Independent Auditors, in accordance with auditing standards generally accepted in Japan. Deloitte Touche Tohmatsu LLC's reports on such consolidated financial statements express unqualified opinions. Mitsubishi publishes unaudited interim consolidated financial statements. Deloitte Touche Tohmatsu LLC have no material financial interest in Mitsubishi.

### **Authorisation**

6. The Programme with respect to MCF was authorised by resolutions of the Board of Directors of MCF passed on 16 December 1994, 15 December 1995, 30 July 1996, 1 August 1996, 2 July 1999, 28 June



2000, 5 July 2001, 1 July 2002, 27 June 2003, 25 June 2004, 21 September 2005, 8 September 2006, 11 September 2007, 10 September 2008, 12 November 2009, 15 November 2010, 14 November 2011, 12 November 2012, 12 November 2013, 11 November 2014, 10 November 2015, 9 November 2016 and 8 November 2017.

The Programme with respect to Mitsubishi was authorised by resolutions of the Board of Directors of Mitsubishi passed on 19 May 2017.

The entry into the Guarantee has been duly authorised pursuant to a resolution of the Board of Directors of Mitsubishi passed on 19 May 2017.

## **Litigation**

7. There are no governmental, legal or arbitration proceedings during the 12 months prior to the date hereof which may have or have in such period had a significant effect on the financial position or profitability of either Issuer and their respective subsidiaries (if any) taken as a whole nor, so far as the Issuers are aware, are such proceedings pending or threatened.

## **Euroclear and Clearstream, Luxembourg**

8. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate common code and ISIN for each issue allocated by Euroclear and Clearstream, Luxembourg will be contained in the relevant Final Terms. If the Notes are to be cleared through an additional or alternative clearing system, the appropriate information will be contained in the Final Terms. Each transaction will normally be effected for settlement not earlier than three days after the date of the transaction.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

## **Conditions for Determining Price**

9. The price and amount of the Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Purchaser(s) at the time of issue in accordance with prevailing market conditions.

## **Documents for Inspection**

10. For the period of 12 months following the date of this Offering Circular, copies of the following documents will be available free of charge at the registered office of each of the Issuers and at the offices of the Agent during usual business hours on any weekday (Saturdays and public holidays excepted):
- (i) the constitutional documents of Mitsubishi;
  - (ii) the memorandum and Articles of Association of MCF;
  - (iii) the audited financial statements of each of Mitsubishi and MCF for the years ended 31 March 2016 and 31 March 2017, in each case together with the independent auditors' reports prepared in connection therewith;
  - (iv) the unaudited consolidated financial statements of Mitsubishi for the six months ended 30 September 2017;

- (v) the Agency Agreement, the forms of the Global Notes and Definitive Notes, the Deeds of Covenant and the Guarantee;
- (vi) a copy of this Offering Circular including any documents incorporated by reference herein;
- (vii) any future offering circulars, prospectuses, information memoranda and supplements to this Offering Circular and any other documents incorporated herein or therein by reference; and
- (viii) each set of Final Terms (save that Final Terms will only be available for inspection by a holder of a Note and, in the case of Notes that are not listed, such holder must produce evidence satisfactory to the relevant Issuer and the Paying Agent as to its holding of Notes and identity).

In addition, copies of this Offering Circular, each Final Terms relating to listed Notes and each document incorporated by reference herein are available on the website of 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).

### **Post-issuance information**

11. The Issuers do not intend to provide any post-issuance information in relation to any issues of Notes.

### **Dealers transacting with Mitsubishi and MCF**

12. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for Mitsubishi, MCF and their respective affiliates in the ordinary course of business for which 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 or their affiliates. Certain of the Dealers or their affiliates that have lending relationships with the Issuers routinely hedge their credit exposure to the Issuers 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 relevant Issuer's securities, including potentially any Notes to be offered under the Programme. 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.

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