



Mitsubishi UFJ Lease & Finance Company Limited

(incorporated with limited liability in Japan)

MUL Asset Finance Corporation

(incorporated with limited liability in the State of Delaware)

U.S.\$4,000,000,000

Euro Medium Term Note Programme

guaranteed in respect of Notes issued by MUL Asset Finance Corporation by

Mitsubishi UFJ Lease & Finance Company Limited

This Base Prospectus supersedes any previous offering circular or base prospectus describing the Programme (as defined below). Any Notes (as defined below) issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions described herein. This does not affect any Notes issued before the date of this Base Prospectus.

Under this Euro Medium Term Note Programme (the “Programme”), Mitsubishi UFJ Lease & Finance Company Limited (“MULF”) and MUL Asset Finance Corporation (“MAF”) and, together with MULF, the “Issuers”, and each, in relation to the Notes (as defined below) issued by it, an “Issuer”) may from time to time issue notes (the “Notes”) denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below). Notes issued by MULF may be issued in bearer or registered form while Notes issued by MAF may be issued in registered form only.

The Notes issued by MAF will be guaranteed by MULF (in such capacity, the “Guarantor”), being the parent company of MAF.

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$4,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

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

Application has been made to the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for permission to deal in, and for quotation of, any Notes to be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Base Prospectus. Admission of any Notes to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuers, the Guarantor, the Programme or such Notes.

The Issuers may also issue unlisted Notes not admitted to trading on any market.

The Issuers may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes intended to be listed on the SGX-ST) a supplementary Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

The Programme has been rated AA- by Japan Credit Rating Agency, Ltd. (“JCR”), A+ by Rating and Investment Information, Inc. (“R&I”) and A3 by Moody’s Japan K.K. (“Moody’s”) 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 ratings 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.

Arranger

MUFG

Dealers

BNP PARIBAS

Citigroup

Goldman Sachs International

J.P. Morgan

Morgan Stanley

Nomura

Société Générale Corporate & Investment Banking

BofA Merrill Lynch

Daiwa Capital Markets Europe

HSBC

Mizuho Securities

MUFG

SMBC Nikko

The date of this Base Prospectus is 30 August 2019.

Each relevant Issuer and the Guarantor, having made all reasonable enquiries, confirm that this Base Prospectus contains or incorporates all information which is material in the context of the issuance and offering of Notes, that the information contained or incorporated in this Base Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Base Prospectus are honestly held and that there are no other facts the omission of which would make this Base Prospectus or any of such information or the expression of any such opinions or intentions misleading. The Issuers and the Guarantor accept responsibility accordingly.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference” below). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

The Dealers and the Agents have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers and the Agents as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuers or the Guarantor in connection with the Programme. No Dealer or Agents accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuers or the Guarantor in connection with the Programme or for any act or omission of the Issuers, the Guarantor or any other person in connection with the issuance and offering of Notes.

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

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuers or the Guarantor or any of the Dealers or Agents that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuers or the Guarantor. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuers or the Guarantor or any of the Dealers or Agents to any person to subscribe for or to purchase any Notes.

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

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 Bearer Notes (as defined herein) 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 or account of, U.S. persons (see “Subscription and Sale”).

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any

retail investor in the European Economic Area. 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”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “Prospectus Regulation”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the 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.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Notes may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “MiFID Product Governance Rules”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “Financial Instruments and Exchange Act”) and the Notes issued by (A) MULF and (B) MAF, in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MAF through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures, will be subject to the provisions of “foreign-issued bonds” (*minkan kokugaisai*) under the Act on Special Measures Concerning Taxation of Japan (Act No. 26 of 1957, as amended, the “Act on Special Taxation Measures”). Subject to certain exemptions, the Notes may not be offered or sold and will not, directly or indirectly, be offered or sold in Japan or to any person resident in Japan. In addition, the Notes (if issued by MAF, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MAF through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures) have not been, indirectly or directly, offered or sold to, or for the benefit of any person other than a Gross Recipient (as defined in “Taxation – Japanese Taxation”). Furthermore, the Notes (if issued by MAF, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MAF through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures) will not be, directly or indirectly, offered or sold, (a) as part of the distribution by the Dealers, or for the benefit of to any person other than a Gross Recipient and (b) otherwise until 40 days after the date of issue to, or for the benefit of, any individual resident of Japan or Japanese corporation for Japanese tax purposes subject to certain exemptions. For more details, see “Subscription and Sale.”

WITH RESPECT TO THE NOTES ISSUED BY (A) MULF AND (B) MAF, IN CIRCUMSTANCES WHERE ANY INTEREST ON NOTES ISSUED BY IT IS ATTRIBUTABLE TO A BUSINESS IN JAPAN CONDUCTED BY MAF THROUGH ITS PERMANENT ESTABLISHMENT IN JAPAN AS PROVIDED FOR IN THE ACT ON SPECIAL TAXATION MEASURES, BY SUBSCRIBING FOR THE NOTES, AN INVESTOR WILL BE DEEMED TO HAVE REPRESENTED THAT IT IS A GROSS RECIPIENT.

Interest payments on the Notes (if issued by MAF, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MAF through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures) to an individual resident of Japan, to a Japanese corporation (excluding (i) a Japanese designated financial institution described in Article 6, Paragraph (9) of the Act on Special Measures Concerning Taxation of Japan, which has complied with the requirements for tax exemption under said paragraph and (ii) a Japanese Corporation, a Financial Institution or a Financial Instruments Business Operator described in Article 3-3, Paragraph (6) of said act, which receives interest payments on the Notes through a Japanese payment handling agent as described in paragraph (1) of said article and which has complied with the requirements for tax exemption under paragraph (6) of said article), or to 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 said act, will be subject to Japanese income tax (including surtax, if applicable) on the amount of such interest.

For more details, see “Taxation – Japanese Taxation”.

Notification under Section 309B of the SFA: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), unless otherwise specified before an offer of Notes, the relevant Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuers, the Guarantor and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers or the Guarantor or the Dealers which is intended to permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus 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. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the European Economic Area (including the United Kingdom), Japan, the United States, Hong Kong and Singapore, see “Subscription and Sale”.

This Base Prospectus has been prepared on the basis that any offer of Notes in the European Economic Area will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in any member state of the European Economic Area of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by final terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuers or the Guarantor or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuers or the Guarantor or any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuers or the Guarantor or any Dealer to publish or supplement a prospectus for such offer.

References in this Base Prospectus to the “Group” mean MULF together with its subsidiaries and affiliates.

All references in this document to “U.S. dollars”, “U.S.\$” and “\$” refer to the currency of the United States of America and to “Yen” and “¥” refer to the currency of Japan. In addition, references to “Sterling” and “£” refer to the currency of the United Kingdom, to “euro” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended and to “Renminbi” and “CNY” are to the currency of the People’s Republic of China.

In this document, where information is presented in millions, amounts less than one million, or where presented in billions, amounts less than one billion, may have been rounded up or down. Accordingly, the total of each column of figures may not be equal to the total of individual items. All other percentages and figures, including operating data, have been rounded up or down unless otherwise specified.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (the “Stabilising Manager(s)”) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. 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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DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be incorporated in, and form part of, this Base Prospectus and the financial statements can be found on the website of the SGX-ST at <https://www2.sgx.com/securities/company-announcements>:

- (a) the independent auditor's report and audited consolidated annual financial statements for MULF for the financial year ended 31 March 2019, in English, including the information set out at the following pages in particular:

Consolidated Balance Sheets	Pages 8 to 9
Consolidated Statements of Income.....	Page 10
Consolidated Statements of Comprehensive Income.....	Page 11
Consolidated Statements of Changes in Equity	Pages 12 to 13
Consolidated Statements of Cash Flows	Page 14 to 15
Notes to Consolidated Financial Statements.....	Pages 16 to 62
Independent Auditor's Report	Page 63

The above information is contained in the Financial Information 2019 of MULF. Any other information not listed above but contained in such document is not incorporated by reference;

- (b) the independent auditor's report and audited consolidated annual financial statements for MULF for the financial year ended 31 March 2018, in English, including the information set out at the following pages in particular:

Consolidated Balance Sheets	Pages 8 to 9
Consolidated Statements of Income.....	Page 10
Consolidated Statements of Comprehensive Income.....	Page 11
Consolidated Statements of Changes in Equity	Pages 12 to 13
Consolidated Statements of Cash Flows	Page 14
Notes to Consolidated Financial Statements.....	Pages 15 to 55
Independent Auditor's Report	Page 56

The above information is contained in the Financial Information 2018 of MULF. Any other information not listed above but contained in such document is not incorporated by reference;

- (c) the unaudited interim consolidated financial information for MULF for the three months ended 30 June 2019 of MULF; and

- (d) the independent auditors' report and audited consolidated annual financial statements for MAF for the financial year ended 31 December 2018, in English, including the information set out at the following pages in particular:

Independent Auditors' Report.....	Page 1
Consolidated Balance Sheet.....	Page 3
Consolidated Statement of Income	Page 4
Consolidated Statement of Changes in Stockholder's Equity.....	Page 5

Consolidated Statement of Cash Flows Page 6

Notes to Consolidated Financial Statements..... Pages 7 to 19

The Issuers will provide, without charge, to each person to whom a copy of this Base Prospectus has been delivered, upon the request of such person, a copy of any or all of the documents incorporated herein by reference. Requests for such documents should be directed to the relevant Issuer at its office set out at the end of this Base Prospectus.

The Issuers will, in connection with the listing of the Notes on the SGX-ST, so long as the rules of the SGX-ST so require, in the event of any material change in the condition of the Issuers which is not reflected in this Base Prospectus, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of the Notes to be listed on the SGX-ST.

If the terms of the Programme are modified or amended in a manner which would make this Base Prospectus, as so modified or amended, inaccurate or misleading, a new Base Prospectus will be prepared.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, each of the Issuers may from time to time issue Notes denominated in any currency, subject as set out herein. Notes issued by MAF will be unconditionally and irrevocably guaranteed by MULF. A summary of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between the relevant Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Final Terms attached to, or endorsed on, such Notes, as more fully described under “Form of the Notes”.

For the purpose of calculating the U.S. dollar equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

1. the U.S. dollar equivalent of Notes denominated in another Specified Currency (as specified in the applicable Final Terms in relation to the relevant Notes, described under “Form of the Notes”) shall be determined, at the discretion of the relevant Issuer, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the U.S. dollar against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the relevant Issuer on the relevant day of calculation;
2. the U.S. dollar equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes (each as specified in the applicable Final Terms in relation to the relevant Notes, described under “Form of the Notes”) shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes regardless of the subscription price paid); and
3. the U.S. dollar equivalent of Zero Coupon Notes (as specified in the applicable Final Terms in relation to the relevant Notes, described under “Form of the Notes”) and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the relevant Issuer for the relevant issue.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus 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” and “Terms and Conditions of the Notes” shall have the same meanings in this summary.

Issuers:	Mitsubishi UFJ Lease & Finance Company Limited MUL Asset Finance Corporation
Legal Entity Identifier:	353800MZ3QX9RLMH7B09 3538001KKEKEY0C4FU56
Guarantor:	Mitsubishi UFJ Lease & Finance Company Limited (in respect of Notes issued by MUL Asset Finance Corporation)
Guarantee:	In respect of Notes issued by MUL Asset Finance Corporation, the Guarantor will unconditionally and irrevocably guarantee the payment of all sums expressed to be payable by MUL Asset Finance Corporation under the Notes issued by it
Description:	Euro Medium Term Note Programme
Arranger:	MUFG Securities EMEA plc
Dealers:	BNP Paribas Citigroup Global Markets Limited Daiwa Capital Markets Europe Limited Goldman Sachs International The Hongkong and Shanghai Banking Corporation Limited J.P. Morgan Securities plc Merrill Lynch International Mizuho International plc Morgan Stanley & Co. International plc MUFG Securities EMEA plc Nomura International plc SMBC Nikko Capital Markets Limited Société Générale and any other Dealers appointed in accordance with the Programme Agreement.
Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “Subscription and Sale”) including the following restrictions applicable at the date of this Base Prospectus. Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits

contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “Subscription and Sale”.

**Issuing and Principal Paying Agent
(the “Agent”):**

The Bank of New York Mellon, London Branch.

Registrar and Transfer Agent:

The Bank of New York Mellon SA/NV, Luxembourg Branch.

Programme Size:

Up to U.S.\$4,000,000,000 (or its equivalent in other currencies calculated as described under “General Description of the Programme”) outstanding at any time. The Issuers may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

Distribution:

Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Currencies:

Subject to any applicable legal or regulatory restrictions, any currency agreed between the relevant Issuer and the relevant Dealer.

Redenomination:

The applicable Final Terms may provide that certain Notes may be redenominated in euro.

Maturities:

Such maturities as may be agreed between the relevant Issuer and the relevant Dealer, 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.

Issue Price:

Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

Form of Notes:

The Notes issued by MULF may be issued in bearer form or registered form, whereas Notes issued by MAF may be issued in registered form only, as described in “Form of the Notes”.

Fixed Rate Notes:

Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating either the 2000 ISDA Definitions or the 2006 ISDA Definitions (in each case, as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or

- (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (iii) on such other basis as may be agreed between the relevant Issuer and the relevant Dealer.

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

Index Linked Notes:

Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the relevant Issuer and the relevant Dealer may agree.

Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:

Floating Rate Notes and Index Linked Interest Notes may also have a Maximum Rate of Interest, a Minimum Rate of Interest or both.

Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer.

Dual Currency Notes:

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

Zero Coupon Notes:

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

Redemption:

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving notice to the 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 and on such other terms as may be agreed between the relevant Issuer and the relevant Dealer.

The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional

investors and have a denomination of at least £100,000 or its equivalent, see “Subscription and Sale”.

Denomination of Notes:

Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. See “Certain Restrictions” above.

Taxation:

All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction, subject as provided in Condition 7. In the event that any such deduction is made, the relevant Issuer will, save in certain limited circumstances provided in Condition 7, be required to pay additional amounts to cover the amounts so deducted.

Negative Pledge:

The terms of the Notes will contain a negative pledge provision as further described in Condition 3.

Cross Default:

The terms of the Notes will contain a cross default provision as further described in Condition 9(iii).

Status of the Notes:

The Notes will constitute direct, unconditional, unsubordinated and, subject to the provisions of Condition 3, unsecured obligations of the relevant Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer, from time to time outstanding.

Status of the Guarantee

The Guarantee of the Notes issued by MAF will constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and will rank (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) from time to time outstanding.

Ratings

The Programme is rated AA- by JCR, A+ by R&I and A3 by Moody’s 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 ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to supervision, reduction or withdrawal at any time by the assigning rating agency.

Listing

Application has been made to the SGX-ST for the permission to deal in, and for quotation of, any Notes to be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions

expressed or reports contained in this Base Prospectus. Admission of any Notes to the official list of the SGX-ST and quotation of any Notes on the SGX-ST are not to be taken as an indication of the merits of the Issuers, the Guarantor, the Programme or such Notes.

Any application for the listing of Notes on the SGX-ST will be made separately with respect to each such issue of the Notes.

For so long as the rules of the SGX-ST so require, Notes which are listed on the SGX-ST will be traded with a minimum board lot size of U.S.\$200,000 with a minimum of 100 lots to be traded in a single transaction (or the equivalent in other currencies).

Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Governing Law

The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law.

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Notes in the European Economic Area (including the United Kingdom), Japan and the United States and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see "Subscription and Sale".

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. All of these factors are contingencies which may or may not occur and neither of the Issuers nor the Guarantor is in a position to express a view on the likelihood of any such contingency occurring. Factors which the Issuers or the Guarantor believe may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Each of the Issuers and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but either or both of the Issuers may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons or the Guarantor may be unable to make payments under the Guarantee for other reasons, and neither of the Issuers nor the Guarantor represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including the documents incorporated by reference) and reach their own views prior to making any investment decision.

Factors that may affect the Issuers' ability to fulfil their Obligations under the Notes issued by each of them under the Programme and under the Guarantee.

Macroeconomic conditions

As the Group's revenue streams are reliant on customer capital expenditures, the Group's operating results and financial condition are particularly vulnerable to changes in macroeconomic conditions. Any weakness or deterioration in macroeconomic conditions prevailing in Japan, or any of the countries in which the Group operates, could result in a reduction in capital expenditure, an increase in payment defaults and reduced usage of other financial services provided by the Group. While economic conditions in Japan have shown improvement in recent years due in part to the effect of the economic policies of the Japanese Government, collectively known as "Abenomics", as well as the qualitative and quantitative measures implemented by the Bank of Japan, the outlook for the Japanese economy remains uncertain. Particular concerns include deflation, the potential negative consequences of an increasing budget deficit, significant and rapid appreciation and depreciation of the yen against the U.S. dollar and the euro, volatility in the prices of commodities, stagnating or decreasing consumer demand, curtailment of capital and other investment by Japanese businesses and the related impact of all these factors on the Japanese stock market and the Japanese financial system as a whole. The Japanese consumption tax rate was scheduled to increase to 10 per cent. in April 2017, but in light of continuing economic uncertainty the increase was postponed until October 2019. If implemented in October, the tax increase could further adversely impact the timing and amount of overall economic activity in Japan, including capital expenditure levels, which directly or indirectly affect the Group's leasing and other businesses. Furthermore, geopolitical instability in various parts of the world, including Asia, Eastern Europe, the Middle East and North Africa, and material changes in regional economic or political unions or associations between countries, including, for example, the United Kingdom's negotiations with the European Union, or the European Union in relation to the United Kingdom's impending exit from the European Union, as well as the proposed regulatory economic and geopolitical policies of the presidential administration in the United States (including tariffs and protectionist policies), could also contribute to economic instability in those and other regions, thus affecting the businesses of the Group's customers in Japan and elsewhere.

In order to distribute such risks, the Group has recently focused on diversifying and expanding its operations, particularly overseas. However, there can be no assurance that the Group will be successful in these efforts, which may have a material adverse impact on the Group's financial condition and results of operations.

Competition risk

The Group operates in a highly competitive environment. In its core leasing and financing business, the Group is subject to competition from other leasing and financing companies, independent finance companies and finance companies associated with, or supported by, major commercial banks, general trading companies or manufacturers. Such competition is based on price, that is, fees and interest rates on leases and other financing products, as well as on ability to provide competitive and innovative transaction structures and the availability and quality of related products and services.

The Group's profitability is affected by the market and economic conditions that affect customer credit quality and the availability and cost of its own funding, as well as management of credit, operating and market risks, including interest rate and foreign exchange risks. The Group's ability to compete successfully requires high-quality risk management systems, customer- and industry-specific knowledge, diversification of its businesses, services and distribution channels, strong collateral and asset management knowhow, credible transaction expertise and the ability to reduce costs through technology and productivity gains. If the Group is unable to continuously implement improvements in these areas, the Group's business activities, financial condition and results of operations may be adversely affected.

As the Group continues to expand its business activities as part of the overall strategy, the number and types of businesses and organisations with which the Group competes will likely increase, and such businesses and organisations may have greater expertise, experience and resources than the Group. There is no assurance that the Group will be able to compete effectively in such business areas.

Credit risk

The Group's principal business activities involve extending credit to its customers and collecting lease, instalment and loan payments over the medium to long term. These activities expose the Group to credit risks arising from any non-payment of leases, instalment sales or loan receivables, or other similar failures, in the event of a deterioration in the creditworthiness of the Group's customer or, in particular, as a consequence of a bankruptcy or similar insolvency proceeding affecting a counterparty. In addition, since the Group's credit exposure extends over the medium and long term, changes in the economic conditions prevailing from the time a transaction is commenced may result in a subsequent weakening in the creditworthiness of the Group's customers, which in turn may result in a deterioration in the quality of the Group's exposure.

The Group undertakes a careful assessment before entering into any new transaction. Thereafter, the Group continues to monitor its counterparty risk, credit exposure and the market condition to assess its exposure and credit risks. In the event of a counterparty bankruptcy, or similar insolvency proceeding affecting a counterparty, the Group takes steps to minimise any potential losses, for example, by selling the leased property or other assets or by setting up a secondary lease of the property with a new counterparty. The Group also takes the measure to quantify the credit risk in its credit portfolio using external data on corporate bankruptcy trends, and related statistical data, supplemented by independent internal calculations of the likelihood of bankruptcy based on individual corporate credit ratings and data on property values by elapsed years of the transaction, which the Group has accumulated in its long term operations. This analysis of the quantitative extent of credit risk is used to accurately assess risk, and the relevant data is also used as feedback in business strategy to promote portfolio management aimed at minimising risks and maximising returns.

To the extent that the Group's credit assessments (described above) prove inadequate to assess the risks involved in transactions, or in the event that the creditworthiness of the Group's customers deteriorates, the level of the Group's delinquent or uncollectable receivables will increase, which may adversely affect the Group's financial condition and results of operations.

Asset value volatility risk

As part of its core leasing and financing business, the Group invests in aircraft, aircraft engines, marine vessels, containers, freight cars, trucks, automobiles, securities, real estate, machinery, IT equipment and other

assets in Japan and overseas, which the Group leases to its customers or which are purchased by customers from the Group pursuant to installment contracts. The market values for certain of these assets can be volatile and could decline substantially over a relatively short period of time. While the Group carefully assesses the future property value addition to a customer's credit standing before entering into transactions and quantitatively measures risk of fluctuations in asset values, there can be no assurances that such measures would be effectively in mitigating or managing asset value volatility risk.

Valuation losses on assets are recorded based on the fair market values at the time when a revaluation is conducted in accordance with applicable accounting principles. For example, the Group conducts tests for recoverability of assets whenever events or changes in circumstances indicate that those assets might be impaired, including, but not limited to the following:

- a significant decline in the market value of an asset;
- a significant deterioration in the usage range and method, or physical condition, of an asset;
- a significant deterioration of legal, regulatory or business environments, including an adverse action or assessment by a relevant regulator;
- an acquisition or construction costs substantially exceeding estimates;
- continued operating loss or actual or potential loss of cash flows; or
- a potential loss on a planned sale is expected.

Losses from the sale of tangible property and equipment underlying the leases, loans and instalment contracts, including as a result of the Group's sudden need for liquidity or to mitigate an adverse credit event at one of its customers or counterparties, may exceed the amount of recorded valuation losses.

Investment Risk

As part of its initiative to expand its business base and enhance its range of services, the Group has been investing in other projects and businesses, to complement its activities in leasing, instalment sales and loan finance.

When considering investments, the Group calculates projections for the future value of investment assets, so as to ensure a reasonable return for the relevant risk. As well as the ongoing management of individual investments, the Group also periodically measures the amount of fluctuation in its portfolio risk, to ensure this remains within a certain capital range.

While the Group seeks to manage investment risk appropriately through the above measures, changes in the objects of investment, the business environment, or other factors may cause considerable fluctuation or loss of the value of the investment assets, which may impact the Group's business results and financial position.

Interest rate fluctuation risk

The Group obtains funds for its principal activities of leasing, instalment sales and loan transactions at both fixed and floating rates of interest primarily through borrowings from banks and other financial institutions, funds raised from the capital markets in the form of commercial paper and bonds, as well as through securitisation of transactions including lease contracts. As a consequence the Group is exposed to the risk of any imbalance between the return on its invested assets and its financing liabilities. In addition, interest-bearing debt accounts for a high proportion of the Group's balance sheet, and any change in prevailing interest rates may have a significant impact on the Group's funding costs and reduce its profitability.

The Group seeks to minimise interest rate risks by matching the interest basis and maturities of its financial assets and liabilities and by monitoring interest rate movements and imbalances in interest conditions. The Group also operates an Asset Liability Management Committee (the "ALM Committee") composed of directors and managers to review market conditions, analyse the Group's asset and liability portfolio and

coordinate the Group's risk management. Nonetheless, the Group remains exposed to interest rate risk, and any imbalance between the return on invested assets and its financing liabilities or variation in prevailing interest rates may have a significant impact on the Group's financial condition and results of operations.

Changes in market interest rates could also adversely affect the Group's customers and therefore the credit quality of the Group's operating assets and the composition and diversification of its asset base. For example, if market interest rates increase, the overall repayment burdens of the Group's customers may also increase, which could adversely affect the ability of such customers to meet their payment obligations to the Group. Alternatively, a decline in interest rates could result in increased prepayments of loans and other financial contracts resulting in an overall decrease in the Group's operating assets, affecting its revenue generation capabilities.

The Group enters into derivative investments to hedge its interest rate risk, in particular its borrowing costs and asset revenue streams. However, the Group may not be able to effectively hedge against all risks arising from its business operations. Significant changes in interest rates could have an adverse impact on the Group's financial condition and results of operations if such hedging is ineffective.

Exchange rate

While the Group aims to manage its exposure to exchange rate fluctuations by matching the amounts and terms of its assets and liabilities denominated in foreign currency where possible or practicable and makes use of currency swaps for hedging purposes, any exchange rate fluctuation may nonetheless have an impact on the Group's financial condition and results of operations.

Stock price fluctuations

The Group holds marketable equity securities, particularly those of Japanese companies. If the equity market in general, including the Japanese equity market, or any individual stock held by the Group suffers any decline in the future, the Group may be required to incur impairment losses for its equity securities, thereby having a material adverse effect on the results of operation and financial condition of the Group.

Funding

The Group obtains funds for its principal activities of leasing, instalment sale and loan transactions primarily through borrowings from banks and other financial institutions, funds raised from the capital markets in the form of commercial paper and bonds, as well as through securitisation of transactions including lease contracts. The Group will require liquidity in order to refinance maturing debt and to fund its operations. While the Group has policies and measures in place to diversify its funding sources in order to mitigate funding risk, and has not experienced any material difficulty in procuring funds, there can be no assurance that the Group's existing major lenders will not change their lending policies, increase the rates they charge on loans, or adopt a more cautious credit stance as a result of:

- the challenging financial environment that has impacted global financial markets and credit institutions;
- any adverse change in the operating results, financial condition or cash flows of the Group;
- any deterioration in the Group's creditworthiness;
- other factors that may limit the Group's options for obtaining liquidity;
- an increase in interest rates due to a deterioration of the financial status of the Japanese government; and
- a decrease in bank appetite for risk.

The rate of interest which the Group is required to pay on its debt securities depends significantly on the credit ratings assigned to such securities or other securities issued by the Group by the relevant credit rating

agencies. Lenders may also refer to the Group's credit ratings in determining the rate of interest for any loans extended to the Group. Any downgrade in the Group's credit ratings could result in an increase in the Group's interest expenses and could adversely affect on funding costs and the Group's ability to access the capital markets or procure additional borrowings.

Merger and acquisition activities

To achieve sustainable growth as a leading comprehensive finance company, not only does the Group seek to strengthen and expand the functions which it provides, the Group also actively promotes alliances, acquisitions, and related strategies. The Group may face risks arising from any such mergers, acquisitions, business consolidations and reorganisations, which could adversely affect its ability to effectively implement its strategies. For example:

- the Group may be unable to realise growth opportunities and other expected benefits of such mergers, acquisitions, business consolidations and reorganisations in the expected time period or at all;
- unanticipated problems could also arise in the integration process, including unanticipated restructuring or integration expenses and liabilities, as well as delays or other difficulties in coordinating, consolidating and integrating personnel and information technology and management systems;
- the combined or reorganized entities may require additional financial support from the Group;
- the attention of management and key employees may be distracted;
- the goodwill and other intangible assets arising from the acquisitions and business reorganisations are subject to amortization and impairment charges;
- the transactions may result in other unanticipated adverse consequences;
- factors such as system changes or changes in the external environment may make it impossible to maintain the alliance; and
- planned alliances or acquisitions may be delayed or fail to be implemented due to various reasons.

Although the Group carries out thorough due diligence and analysis prior to engaging in any merger and acquisition activity, there can be no assurance that any such activity will reap the intended benefits. If the Group is not able to effectively manage or mitigate these risks, such risks may adversely affect the Group's financial condition and results of operations.

Overseas operations

As part of its growth strategy, the Group is continuing to expand its businesses overseas and is also looking for opportunities to further expand its businesses. There are, however, unavoidable risks associated with overseas operations. The Group may incur substantial costs when initially entering into a new business or geographic area, or the Group may be affected by laws, rules or regulations which are not currently applicable to the Group. An increasing overseas presence may mean certain risks including insufficient infrastructure; foreign investment restrictions; currency exchange fluctuations; insufficient skilled management; changes in taxes; natural disasters; outbreak of war or terrorist activities; and strikes and labour disputes.

Medium-term management plan

In May 2017, the Group announced its new medium-term management plan, which sets forth certain strategic initiatives and financial goals for the three-year period starting from 1 April 2017. The Group faces a number of challenges in executing its plan. For example, the Group may face difficulties in coordinating business activities and strategy across the entire Group, including its alliance partners and overseas subsidiaries and affiliates. Further, business alliances with partners such as Hitachi Capital Corporation, or Hitachi Capital,

and The Greenbrier Companies, Inc. (“GBX”) may not produce the expected benefits. In addition, the Group may face challenges in achieving its goal of optimising portfolio management to increase profitability, reduce costs and enhance asset efficiency and expected return on investments.

For a more detailed discussion of the strategic initiatives and financial goals underlying our medium-term management plan, see “Description of the Issuers—Mitsubishi UFJ Lease & Finance Company Limited—Strategy”.

Risk of changes in laws and regulations and accounting and tax regimes

The Group’s businesses are subject to a number of laws and regulations in Japan and overseas. In addition, parts of the Group’s businesses, including the leasing business, are particularly susceptible to changes in applicable accounting and tax regimes.

These and other laws and regulations and accounting and tax regimes applicable to the Group may be changed in the future. Circumstances arising from future amendments to these laws and regulations and accounting and tax regimes, or changes to the interpretation or application thereof, may adversely affect the Group’s business, financial condition and results of operations. Although the Group maintains compliance procedures and systems to monitor developments in this regard, there can be no assurance that the Group will not violate such laws or regulations, and significant sanctions be imposed on the Group, which would have a material detrimental impact on the Group’s reputation and business and may adversely affect its financial condition and results of operations.

Operational Risk

The Group relies on internal and external information and technology systems to provide services to customers, administer customer data and manage the Group’s operations.

Any disruption, outage, delay or other difficulty experienced by any of these information or technology systems could result in a decrease in transactions, delays in processing transactions, or a decrease in customer confidence in the Group’s business, or otherwise adversely affect the Group’s results of operations.

The Group believes that it maintains secure information systems and processes in an effective manner. Notwithstanding these efforts, risk of systems failure cannot be entirely eliminated (including through unauthorised access, computer viruses, human error or fraud) and any such failure could materially harm the Group’s reputation, financial condition and results of operations, including through causing a back up in operating activities due to interrupting contracting and collection procedures and services to customers as well as loss of reputation.

Internal controls

The Group has established and operates internal controls with the aim of ensuring the effectiveness and efficiency of business administration and operations, reliability of financial reporting, compliance with applicable laws and regulations relevant to business activities and safeguarding of assets. However, there can be no assurance that the Group will be able to successfully establish and operate effective internal controls, and any failure in this regard may adversely affect the reliability of the Group’s compliance, operational and administrative processes.

Unanticipated risk

The Group has devoted significant resources to developing and strengthening its risk management policies and procedures and expects to continue to do so in the future. Nevertheless, the policies and procedures that the Group utilises to identify, monitor and manage risks are based on past experience and historical market behaviour and may not fully account for risks which may materialise in the future. Such policies and procedures may not be fully effective as a result of, for example, ongoing expansion into certain new business areas, which may entail risks not contemplated by the Group’s existing policies and procedures. Furthermore, unanticipated

changes in the Group's business and regulatory environment may reduce the effectiveness of its risk management framework and controls.

Risk from natural disasters

The Group primarily operates in Japan, which has historically experienced, and the Group's operations may be affected by, earthquakes and other natural disasters, including tidal waves, typhoons and floods. In addition, other events that are also outside the Group's control, such as deliberate acts of sabotage or industrial accidents, fire, explosions and nuclear power plant disruptions (whether due to human or equipment error), could adversely affect the Group's activities, as well as potentially causing injury or death to its personnel.

In particular, in the event of a natural disaster or other uncontrollable events or accident, the equipment leased by the Group to its customers may experience a loss, customers' operations may be halted, and losses and expenses may be incurred to repair or replace the equipment being leased. Any of these events could have a significant impact on the Group's revenues or result in impairment or write-off of receivables for the Group.

The Group has prepared for such risks by entering into insurance policies covering damage caused by various types of disaster. However, there can be no assurance as to whether the procedures that the Group has implemented will be sufficient to cover all possible losses and expenses.

In addition, the Group has formulated in advance a business continuity plan and other measures constituting a system to enable continued operation. Notwithstanding these measures, the Group's business performance or financial situation may be adversely affected by disturbance of the smooth conduct of business or other negative consequences.

Hiring and retaining personnel

The Group's success largely depends on its ability to attract and retain highly skilled employees, with advanced knowledge and skills in each of the Group's business areas. The Group also requires large numbers of talented management personnel with the ability to oversee a business that spans numerous asset classes and business sectors. Competition to hire highly skilled personnel is intense, and competition to retain such personnel is also increasing. There can be no assurance that the Group can successfully and consistently meet its personnel recruitment and retention goals. Further, the Group's ability to meet its labour needs, including its ability to find qualified personnel to fill positions that become vacant at the same time as controlling its personnel costs, is generally subject to numerous external factors, including the availability of a sufficient number of qualified people in the work force in the regions in which the Group's operations are located, unemployment levels within those regions, prevailing salary rates, changing demographics, health and other insurance costs and changes in employment legislation. If the Group is unable to locate, attract or retain suitable personnel, or if costs relating to locating, recruiting and retaining suitable employees were to increase significantly, the Group's business, results of operations and financial condition may be materially and adversely affected.

Factors which are Material for the Purpose of Assessing the Notes

Modification and waivers

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.

Risks Related to the Market Generally

Set out below is a brief description of certain market risks with respect to an investment in the Notes:

The Notes may not be suitable for all investors

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 in this Base Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks pertaining to an investment in the Notes;
- (iv) thoroughly understand the terms and conditions of the Notes and be familiar with the behaviour of any relevant markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors including those set forth in these “Risk Factors” that may affect its investment and its ability to bear the applicable risks.

The secondary market generally

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that 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 the Notes.

Interest rate

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

Exchange rate risks and exchange controls

The Issuers 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.

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 each of the Issuers' 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 each of the Issuers' 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.

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.

Change of law

The Conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. 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 Base Prospectus.

LIBOR risk

The Programme allows for the issuance of Notes that reference the London Interbank Offered Rate ("LIBOR"), in particular with respect to certain floating rate Notes where the Reference Rate (as defined in the Conditions) may be 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 cannot and will not be guaranteed after 2021 by the UK Financial Conduct Authority. The Conditions 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 Conditions 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.

FORM OF THE NOTES

General

Notes issued by MULF may be issued in bearer form or registered form, whereas Notes issued by MAF may be issued in registered form only. Notes which are represented by a global note in bearer or registered form (each, a “Global Note”) will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under “Terms and Conditions of the Notes”), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

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 clearing system specified in the applicable Final Terms.

A Note may be accelerated automatically by the holder thereof in certain circumstances described in Condition 9. In such circumstances, where any Note is still represented by a Global Note and the Note (or any part thereof) have become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then, unless within the period of seven days commencing on the relevant due date payment in full of the amount due in respect of the Global Note is received by the holder in accordance with the provisions of the Global Note, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, shall acquire, on the basis of statements of accounts provided by Euroclear and/or Clearstream, Luxembourg, rights of enforcement against the Issuer (“Direct Rights”) to compel the Issuer to perform its obligations to the registered holder of the Global Note (in the case of Registered Notes) or the bearer of the Global Note (in the case of Bearer Notes), including the obligation to make all payments when due at any time in respect of the Global Note in accordance with the Conditions of the Notes subject to the terms of a deed of covenant (as amended and/or supplemented and/or restated from time to time, each a “Deed of Covenant”) dated 30 August 2019 and executed by each Issuer.

In the event that a Global Note is exchanged for definitive Notes, such definitive Notes shall be issued in Specified Denomination(s) 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 Exchange Date, a principal amount of Notes such that their holding is an integral multiple of a Specified Denomination.

The following legend will also appear on all Global Notes, definitive Notes, coupons, receipts and talons:

INTEREST PAYMENTS ON THIS SECURITY (IF ISSUED BY MAF, ONLY IN CIRCUMSTANCES WHERE ANY INTEREST ON THE NOTES IS ATTRIBUTABLE TO A BUSINESS IN JAPAN CONDUCTED BY MAF THROUGH ITS PERMANENT ESTABLISHMENT IN JAPAN AS PROVIDED FOR IN THE ACT ON SPECIAL TAXATION MEASURES) TO AN INDIVIDUAL RESIDENT OF JAPAN, TO A JAPANESE CORPORATION (EXCLUDING (I) A JAPANESE DESIGNATED FINANCIAL INSTITUTION DESCRIBED IN ARTICLE 6, PARAGRAPH (9) OF THE ACT ON SPECIAL MEASURES CONCERNING TAXATION OF JAPAN, WHICH HAS COMPLIED WITH THE REQUIREMENTS FOR TAX EXEMPTION UNDER SAID PARAGRAPH AND (II) A JAPANESE CORPORATION, A FINANCIAL INSTITUTION OR A FINANCIAL INSTRUMENTS BUSINESS OPERATOR DESCRIBED IN ARTICLE 3-3, PARAGRAPH (6) OF SAID ACT, WHICH RECEIVES INTEREST PAYMENTS ON THIS SECURITY THROUGH A JAPANESE PAYMENT HANDLING AGENT AS DESCRIBED IN PARAGRAPH (1) OF

SAID ARTICLE AND WHICH HAS COMPLIED WITH THE REQUIREMENTS FOR TAX EXEMPTION UNDER PARAGRAPH (6) OF SAID ARTICLE), OR TO 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 SAID ACT, WILL BE SUBJECT TO JAPANESE INCOME TAX (INCLUDING SURTAX, IF APPLICABLE) ON THE AMOUNT OF SUCH INTEREST.

Bearer Notes

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

Each Tranche of Bearer Notes will be initially issued in the form of a temporary bearer Global Note (a “Temporary Bearer Global Note”) or if so specified in the applicable Final Terms, a permanent bearer Global Note (a “Permanent Bearer Global Note”) which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the “Common Depositary”) for Euroclear and Clearstream, Luxembourg. If the Notes are issued in compliance with TEFRA D, the Notes must be initially represented by a Temporary Bearer Global Note. Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Temporary Bearer Global Note due prior to the Exchange Date (as defined below) will be made only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by TEFRA D, has been received by Euroclear and/or Clearstream, Luxembourg as applicable, and Euroclear and/or Clearstream, Luxembourg has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the “Exchange Date”) which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) definitive Notes in bearer form (“Definitive Bearer Notes”) of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of Definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of non-U.S. beneficial ownership as described above 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, principal or other amount 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 is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg without any requirement for the certification described above.

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, “Exchange Event” means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing or (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available.

The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The following legend will appear on all Bearer Notes which have a term of more than 365 days (taking into account any unilateral right to extend or rollover) and on all receipts, interest coupons and talons relating to such Notes:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes, receipts, interest coupons or talons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts, interest coupons or talons.

Registered Notes

Each Tranche of Notes in registered form (“Registered Notes”), will initially be represented by a Global Note in registered form (a “Registered Global Note”) or, if so specified in the applicable Final Terms, definitive Notes in registered form (“Definitive Registered Notes”).

Registered Global Notes will be deposited with a common depository for, and registered in the name of a nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in the Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of Definitive Registered Notes in fully registered form.

Payments of principal, interest and any other amount in respect of a Registered Global Note will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 5(d)) as the registered holder of the relevant Registered Global Note. None of the relevant Issuer, the Agent, any Paying Agent, the Calculation Agent, the Registrar or 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 Registered Global Note 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 that Condition.

Interests in a Registered Global Note 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 the occurrence of an Exchange Event (as defined above) or (ii) at any time at the request of the relevant Issuer, in each case as specified in the applicable Final Terms.

APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme

[Date]

**[MITSUBISHI UFJ LEASE & FINANCE COMPANY LIMITED /
MULASSET FINANCE CORPORATION]
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the U.S.\$4,000,000,000
Euro Medium Term Note Programme
[Guaranteed by Mitsubishi UFJ Lease & Finance Company Limited]**

This document constitutes the Final Terms relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [●]. This document contains the final terms of the Notes and must be read in conjunction with such Base Prospectus.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular or Base Prospectus with an earlier date.]

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 or Base Prospectus dated [original date]. This document constitutes the Final Terms of the Notes and must be read in conjunction with the Base Prospectus dated [●], save in respect of the Conditions which are extracted from the Offering Circular or Base Prospectus dated [original date] and are attached hereto. 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 or Base Prospectus dated [original date] and the Base Prospectus dated [●].]

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “Prospectus Regulation”). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer[‘s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[‘s/s’] target market assessment) and determining appropriate distribution channels.]

[Notification under Section 309B of the SFA: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), unless otherwise specified before an offer of Notes, the relevant Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ‘prescribed capital markets products’ (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

[Include whichever of the following apply or specify as “Not Applicable”(N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.]

- | | | |
|---|---|--|
| 1 | [(i)] Issuer: | [Mitsubishi UFJ Lease & Finance Company Limited]
[MUL Asset Finance Corporation] |
| | [(ii) Guarantor:] | [Mitsubishi UFJ Lease & Finance Company Limited] |
| 2 | Series Number: | [] |
| | Tranche Number: | [] |
| | | <i>(if fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)</i> |
| 3 | Specified Currency or Currencies: | [] |
| 4 | Aggregate Nominal Amount: | |
| | Series: | [] |
| | Tranche: | [] |
| 5 | Issue Price: | []% of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (in case of fungible issues only, if applicable)] |
| | Net proceeds (Required only for listed issues): | [] |
| 6 | (a) Specified Denominations: | [] |
| | (b) Calculation Amount: | [] |
| | | <i>(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)</i> |
| 7 | Issue Date: | [] |
| | Interest Commencement Date: | [] |
| | | [specify/Issue Date/Not Applicable] |
| | | <i>(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)</i> |

- 8 Maturity Date: [Fixed rate – specify date/Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]¹
- 9 Interest Basis: [[]% Fixed Rate]
 [[LIBOR/EURIBOR] +/-[]% Floating Rate]
 [Zero Coupon]
 [Index Linked Interest]
 [Dual Currency Interest]
 [specify other]
 (further particulars specified below)
- 10 Redemption/Payment Basis: [Redemption at par]
 [Index Linked Redemption]
 [Dual Currency Redemption]
 [Partly Paid]
 [Instalment]
 [specify other]
- 11 Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
- 12 Put/Call Options: [Issuer Call]
 [Investor Put]
 [(further particulars specified below)]
- 13 (i) Status of the Notes: [Senior]
 (ii) [Date [Board] approval for issuance of Notes obtained:] [] (N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)
- 14 (i) Listing: [Singapore Exchange Securities Trading Limited (the “SGX-ST”)/specify other/None]
 (ii) Admission to trading: [Application has been made for the Notes to be listed and quoted on [the SGX-ST/specify other] with effect from []/ Not Applicable]
- 15 Method of distribution: [Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 16 **Fixed Rate Note Provisions** [Applicable/Not Applicable]
 (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate[(s)] of Interest: []% per annum [payable [annually/semi-annually/quarterly] in arrear]
 (If payable other than annually, consider amending Condition 4)

¹ Note that for fixed rate Notes denominated in CNY and HK\$, where the interest payment dates and maturity date are subject to a business day convention, specify an Interest Payment Date falling in or nearest to the relevant month and year.

- (ii) Interest Payment Date(s): in each year up to and including the Maturity Date/[specify other]]²
(N.B. this will need to be amended in the case of long or short coupons)
- (iii) Fixed Coupon Amount(s): per Calculation Amount
(Applicable to Notes in definitive form.)
- (iv) Broken Amount(s): (Applicable to Notes in definitive form.) per Calculation Amount, payable on the Interest Payment Date falling [in/on]
- (v) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or [specify other]]
(N.B.: if interest is not payable on a regular basis (for example, if there are Broken Amounts specified) Actual/Actual (ICMA) may not be a suitable Day Count Fraction)³
- (vi) [Determination Date(s): in each year
Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon (N.B.: only relevant where Day Count Fractions is Actual/Actual (ICMA))]
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]
- 17 **Floating Rate Note Provisions** Applicable/Not Applicable
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Specified Period(s)/Specified Interest Payment Dates:
- (ii) First Interest Payment Date:
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (iv) Additional Business Centre(s):
- (v) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/[specify other]]
- (vi) Party responsible for calculating the Rate of Interest and Interest Amount:
- (vii) Screen Rate Determination: [Yes/No]
- Reference Rate:

² For fixed rate Notes denominated in CNY and HK\$, specify: “[] in each year adjusted in accordance with Modified Following Business Day Convention.”

³ For fixed rate Notes denominated in CNY and HK\$, specify: “Actual/365 (Fixed).”

(Either LIBOR, EURIBOR or other, although additional information is required if other - including fallback provisions in the Agency Agreement)

- Reference Bank(s): []
 - Interest Determination Date(s): []
(Second London business day prior to the start of each Interest Period if LIBOR (other than sterling or euro LIBOR), first day of each Interest Period if sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)
 - Relevant Screen Page: []
(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions approximately)
- (viii) ISDA Determination: [Yes/No]
- Floating Rate Option: []
 - Designated Maturity: []
 - Reset Date: []
- (ix) Margin(s): [+/-] []% per annum
- (x) Minimum Rate of Interest: []% per annum
- (xi) Maximum Rate of Interest: []% per annum
- (xii) Applicable ISDA Definitions: [2000/2006] ISDA Definitions apply
(for the purpose of Condition 4)
- (xiii) Day Count Fraction: [Actual/365
Actual/Actual
Actual/Actual (ISDA)
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360
30/360
30E/360
30E/360 (ISDA)
Other]
(See Condition 4 for alternatives)
(N.B. Floating Day Count Fractions should be consistent with the applicable ISDA Definitions specified in subparagraph (xii) above.)
- (xiv) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: []

- 18 **Zero Coupon Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Accrual Yield: []% per annum
- (ii) Reference Price: []
- (iii) Any other formula/basis of determining amount payable: []
- (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 6(e)(iii) and (j) apply/specify other]
(Consider applicable day count fraction if not U.S. dollar denominated)
- 19 **Index Linked Interest Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
(N.B. US tax analysis will be required if the Notes are linked to any index which includes US equities regardless of whether the Issuer is MAF or MULF and notwithstanding the Notes being sold exclusively outside the United States)
- (i) Index/Formula: [give or annex details]
- (ii) Name and address of Calculation Agent: []
- (iii) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount: []
- (iv) Provisions for determining coupon where calculation by reference to Index and/or Formula is impossible or impracticable: []
- (v) Specified Period(s)/Specified Interest Payment Dates: []
- (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[specify other]]
- (vii) Additional Business Centre(s): []
- (viii) Minimum Rate of Interest: []% per annum
- (ix) Maximum Rate of Interest: []% per annum
- (x) Day Count Fraction: []

- 20 **Dual Currency Interest Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
- (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): []
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: []
- (iv) Person at whose option Specified Currency(ies) is/are payable: []

PROVISIONS RELATING TO REDEMPTION

- 21 Issuer Call: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) If redeemable in part:
- (a) Minimum Redemption Amount: []
- (b) Maximum Redemption Amount: []
- (iv) Notice period (if other than as set out in the Conditions): []
(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)
- 22 Investor Put: [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [] per Calculation Amount
- (iii) Notice period (if other than as set out in the Conditions): []

(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)

- 23 Final Redemption Amount: [[] per Calculation Amount/specify other/see Appendix]
- 24 Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(e)): [[] per Calculation Amount/specify other/see Appendix]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 25 Form of Notes: Bearer:⁴
[Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note on and after the Exchange Date which is exchangeable for Definitive Bearer Notes [on 60 days' notice given at any time/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 60 days' notice given at any time/only upon an Exchange Event]]
(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Base Prospectus and the Notes themselves N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 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:
[Registered Global Note exchangeable for Definitive Registered Notes [on 60 days' notice/[only] upon an Exchange Event]/[Definitive Registered Notes]
- 26 Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details]

⁴ If TEFRA D is applicable under "U.S. Selling Restrictions," the Notes must be initially represented by a Temporary Bearer Global Note.

(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 17(iv) and 19(vii) relate)

- 27 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
- 28 Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/*give details. N.B.: a new form of Temporary Bearer Global Note and/or Permanent Bearer Global Note may be required for Partly Paid issues*]
- 29 Details relating to Instalment Notes: amount of each instalment (Instalment Amount), date on which each payment is to be made (Instalment Date): [Not Applicable/*give details*]
- 30 Redenomination applicable: Redenomination [not] applicable (*If Redenomination is applicable, specify the terms of the redenomination in an Annex to the Final Terms*)
- 31 Other terms or special conditions: [Not Applicable/*give details*]

DISTRIBUTION

- 32 If syndicated, names of Managers: [Not Applicable/*give names*]
Stabilising Manager(s) (if any): [Not Applicable/*give name*]
- 33 If non-syndicated, name of relevant Dealer: [Not Applicable/*give name*]
- 34 U.S. Selling Restrictions [Reg. S Compliance Category; TEFRA D/TEFRA C/TEFRA not applicable]⁵
- 35 Additional selling restrictions: [Not Applicable/*give details*]

OPERATIONAL INFORMATION

- 36 Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
- 37 Delivery: Delivery [against/free of] payment
- 38 Additional Paying Agent(s) (if any): []
- 39 Prohibition of Sales to EEA Retail: [Applicable/Not Applicable]
Legal Entity Identifier: [353800MZ3QX9RLMH7B09/3538001KKEKEY0C4FU56]
- ISIN: []

⁵ TEFRA not applicable may be used only for offerings of Registered Notes, or Bearer Notes with a term of one year or less (taking into account any unilateral right to extend or rollover).

Common Code: []

CFI [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]

FISN [See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]
(If the CFI and/or FISN is not required or requested, it/they should be specified to be "Not Applicable".)

Rating: []

Classification of Financial Instruments (CFI): []

Financial Instruments Short Name (FISN): []

RESPONSIBILITY

[Each of the Issuer and the Guarantor/The Issuer] accepts responsibility for the information contained in these Final Terms which, when read together with the Base Prospectus referred to above, contains all information that is material in the context of the issue of the Notes. [The SGX-ST assumes no responsibility for any of the statements made or opinions expressed in reports contained in these Final Terms. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer,[the Guarantor,] the Programme or the Notes.].

Signed on behalf of the Issuer:
 [Mitsubishi UFJ Lease & Finance Company Limited/MUL Asset Finance Corporation]

By:.....
Duly authorised

[Signed on behalf of the Guarantor:
 Mitsubishi UFJ Lease & Finance Company Limited

By:
Duly authorised]

If the applicable Final Terms specify any modification to the Terms and Conditions of the Notes as described herein, it is envisaged that, to the extent that such modification relates only to Conditions 1, 4, 5, 6, (except Condition 6(b)), 10, 11, 12, 13 (insofar as such Notes are not listed on any stock exchange) or 15, they will not necessitate the preparation of a supplement to this Base Prospectus. If the Terms and Conditions of the Notes of any Series are to be modified in any other respect, a supplement to this Base Prospectus will be prepared, if appropriate.

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 rules of the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. 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 the Notes” for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by Mitsubishi UFJ Lease & Finance Company Limited or MUL Asset Finance Corporation (each an “Issuer”) pursuant to an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the “Agency Agreement”) dated 30 August 2019, and made between Mitsubishi UFJ Lease & Finance Company Limited (“MULF”), MUL Asset Finance Corporation (“MAF”), MULF (in respect of Notes issued by MAF, the “Guarantor”), The Bank of New York Mellon, London Branch as issuing and principal paying agent and agent bank (the “Agent”, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the “Paying Agents”, which expression shall include any additional or successor paying agents), The Bank of New York Mellon, London Branch as calculation agent (the “Calculation Agent”, which expression shall include any successor calculation agent), The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the “Registrar”, which expression shall include any successor registrar) and the other transfer agents named therein (the “Transfer Agents”, which expression shall include any additional or successor transfer agents) (the Agent, Paying Agent, Calculation Agent, Registrar and Transfer Agent collectively, the “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 MAF.

References herein to the “Notes” shall be references to the Notes of this Series and shall mean:

1. in relation to any Notes represented by a global Note (a “Global Note”), units of each Specified Denomination in the Specified Currency;
2. any Global Note;
3. any definitive Notes in bearer form (“Definitive Bearer Notes”) issued in exchange for a Global Note in bearer form; and
4. any definitive Notes in registered form (“Definitive Registered Notes”) issued in exchange for a Global Note in registered form (a “Registered Global Note”),

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

Notes in definitive form are referred to collectively as “Definitive Notes”.

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 and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Final Terms for this Note (or the relevant provisions thereof) are attached to or endorsed on this Note and supplement these Terms and Conditions (the “Conditions”) and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the Conditions, replace or modify the Conditions for the purposes of this Note. References to the “applicable Final Terms” are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

Any reference to “Noteholders” or “holders” in relation to any Notes shall mean the bearer of any Bearer Notes (as defined below) or the person in whose name a Registered Note (as defined below) is registered, 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.

[The payment of all amounts in respect of Notes issued by the Issuer has been unconditionally and irrevocably guaranteed by the Guarantor pursuant to a deed of guarantee (as may be amended and/or supplemented or restated from time to time, the “Guarantee”) dated 30 August 2019 and executed by the Guarantor. The original of the Guarantee is held by the Agent.]⁶

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) 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 (as amended and/or supplemented and/or restated from time to time, the “Deed of Covenant”) dated 30 August 2019 and made by the relevant Issuer. The original of the Deed of Covenant is held by the common depository for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement, [the Guarantee] and the Deed of Covenant are available for inspection during normal business hours at the specified office of each Paying Agent and the Registrar. Copies of the applicable Final Terms are obtainable during normal business hours at the specified office of each Paying Agent and the Registrar by a Noteholder holding one or more Notes provided that such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent or the Registrar 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 Agency Agreement, [the Guarantee,]the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the 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 and Title

(a) Form, Denomination and Title

The Notes are in bearer form (“Bearer Notes”) or in registered form (“Registered Notes”) as specified in applicable Final Terms in the Specified Currency and the Specified Denomination(s). Bearer Notes of one

⁶ All references to the Guarantor and Guarantee shall be deleted for Notes issued by MULF.

Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

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

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

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

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers of title in the register that the Registrar shall cause to be kept in accordance with the provisions of the Agency Agreement. The Issuer, [the Guarantor,]the Agent, the Registrar, the Calculation Agent, any Transfer Agents and the Paying Agents will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice 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 in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (“Euroclear”) and/or Clearstream Banking, S.A. (“Clearstream, Luxembourg”), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of 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,]the Agent, the Registrar, the Calculation Agent, any Transfer Agents and the Paying Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note in bearer form or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, [the Guarantor,]the Agent, the Registrar, the Calculation Agent, any Transfer Agents and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

(b) Transfers of Registered Notes

(i) Transfers of interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Definitive Registered Notes or for a beneficial interest in another Registered Global Note 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.

(ii) *Transfers of interests in Definitive Registered Notes*

Subject as provided in Condition 1(b)(iv) 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 Note(s) 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, be satisfied with the documents of title and the identity of the person making the request and register the transfer in the register maintained pursuant to the provisions of the Agency Agreement. 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 6 to the Agency Agreement). 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 Note(s) 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 Note(s) not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(iii) *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.

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

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

(v) *Closed periods*

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

2 Status of the Notes [and the Guarantee]

(a) *Status of the Notes*

The Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, 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 rank (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.]

3 Negative Pledge

So long as any of the Notes remains outstanding (as defined in the Agency Agreement), [neither] the Issuer [nor the Guarantor] will create or permit to be outstanding any pledge, lien, mortgage, charge or other security interest for the benefit of the holders of any Securities upon the whole or any part of the property or assets, present or future, of the Issuer [or the Guarantor] to secure (i) payment of any sum due in respect of any Securities or (ii) any payment under any guarantee of Securities or (iii) any payment under any indemnity or other like obligation in respect of Securities, in any such case in which:

- (a) either such Securities are by their terms payable, or confer a right to receive payment, in any currency other than yen, or such Securities are denominated in yen and more than 50% of the aggregate principal amount thereof is initially distributed outside Japan by or with the authorisation of the issuer thereof; and
- (b) such Securities are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other similar securities market outside Japan,

without in any such case at the same time according to the Notes the same security as is granted to or is outstanding in respect of such Securities or such guarantee, indemnity or other like obligation or such other security or guarantee as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

As used herein, “Securities” means bonds, debentures, notes or other similar securities of the Issuer or any other person.

4 Interest

(c) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from and including the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest 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.

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

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

Except in the case of Notes in definitive form where a 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, if they are Partly Paid Notes, the aggregate amount paid up); 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. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 4(a):

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
 - (a) in the case of Notes where the number of days in the relevant period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (the “Accrual Period”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year 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; and
- (ii) if “30/360” is specified in the applicable Final Terms, the number of days in the period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360.

In these Conditions:

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

“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, one cent.

(d) *Interest on Floating Rate Notes and Index Linked Interest Notes*

(i) *Interest Payment Dates*

Each Floating Rate Note and Index Linked 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 specified in the applicable Final Terms; or

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

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

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

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

In these 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 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 and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively), (2) in relation to any sum payable in euro, a day on which Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (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.

“CNY” or “Renminbi” means the lawful currency of the PRC.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest 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 under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating either the 2000 ISDA Definitions or the 2006 ISDA Definitions (as specified in the applicable Final Terms) as amended and updated as at the Issue Date of the first Tranche of the Notes, published by the International Swaps and Derivatives Association, Inc. (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 interbank offered rate ("LIBOR") or on the Euro-zone interbank 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), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity" and "Reset Date" have the meanings given to those terms in the ISDA Definitions.

(B) *Screen Rate Determination for Floating Rate Notes*

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 fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

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 offered 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.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

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

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) *Determination of Rate of Interest and calculation of Interest Amounts*

The relevant Calculation Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Calculation Agent will calculate the amount of interest (the "Interest Amount") payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Floating Rate Notes or Index Linked 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 of the relevant Specified Currency, half of any such sub-unit being rounded upwards. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

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

- (A) if the 2000 ISDA Definitions and either "Actual/365" or "Actual/Actual" are specified in the applicable Final Terms, or if the 2006 ISDA Definitions and either "Actual/Actual (ISDA)" or "Actual/Actual" are specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (B) if "Actual/365 (Fixed)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (C) if "Actual/365 (sterling)" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

- (D) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (E) (x) if the 2000 ISDA Definitions and any of “30/360”, “360/360” or “Bond Basis” are specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (a) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (b) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)) or (y) if the 2006 ISDA Definitions and any of “30/360”, “360/360” or “Bond Basis” are 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:

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

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

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

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

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

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

- (F) (x) if the 2000 ISDA Definitions and either “30E/360” or “Eurobond Basis” are specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of an Interest Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month) or (y) if the 2006 ISDA Definitions and either “30E/360” or “Eurobond Basis” are 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:

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

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

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

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

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

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

- (G) if the 2006 ISDA Definitions and “30E/360 (ISDA)” are 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:

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

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

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

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

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” 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 and in which case D₂ will be 30.

(v) *Notification of Rate of Interest and Interest Amounts*

The Calculation Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and the Agent and the Issuer will cause the Rate of Interest to be notified to any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified by the Issuer to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 13. For the purposes of this paragraph, the expression “London Business Day” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in London.

(vi) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), by the Calculation Agent, shall (in the absence of wilful default, fraud or manifest error) be binding on the Issuer, [the Guarantor,]the

Agent, the Calculation Agent (if applicable), the other Paying Agents and the Registrar, the Transfer Agent, and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, [the Guarantor,]the Noteholders, the Receiptholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(e) Interest on Dual Currency Notes

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

(f) Interest on Partly Paid Notes

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

(g) 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 payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

1. the date on which all amounts due in respect of such Note have been paid; and
2. five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

5 Payments

(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 with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively);
- (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; and
- (iii) payments in respect of Notes denominated in, or in the case of Dual Currency Notes payable in, CNY, will be made by transfer to an account with a bank in Hong Kong.

All payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "Code") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code ("FATCA"), any regulations, rulings or current or future agreements thereunder, any official interpretations thereof, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA (an "IGA") or any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA or an IGA. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

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

Payments of principal and interest (if any) in respect of Definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Definitive Bearer Notes or Coupons, as the case may be, at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of Definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Definitive Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the relevant Definitive Bearer Note to which it appertains. Unmatured Receipts and Receipts presented without the Definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any Definitive Bearer Note becomes due and repayable, unmaturred Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmaturred Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of maturred Talons), failing which the amount of any missing unmaturred Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmaturred Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmaturred Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

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

If the due date for redemption of any Definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding or Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant Definitive Bearer Note.

(c) Payments 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 in paragraph (e) below) be made in the manner specified above in relation to

Definitive Bearer Notes 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 outside the United States. 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 it was presented for the purpose of making such payment, and such record shall be *prima facie* evidence that the payment in question has been made.

(d) *Payments in respect of Registered Notes*

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Definitive Registered Note will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Definitive Registered Note at the specified office of the Registrar. Such payments will be made 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 of holders of the Registered Notes maintained by the Registrar (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 the purpose of this Condition 5(d), “Designated Account” means the account (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 Sydney and Auckland, respectively), (2) in the case of a payment in euro, any bank which processes payments in euro and (3) in the case of a payment in CNY, a bank in Hong Kong.

Payments of interest and payments of instalments of principal (other than the final instalment and other than payments in CNY) in respect of each Registered Note will be made by transfer to the Designated Account (as defined above) 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 fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the “Record Date”). 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 Registered Note, the payment will be made by transfer on the due date in the manner provided in the preceding paragraph of this Condition 5(d). 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 nominal amount of such Definitive Registered Note as set out in the first paragraph of this Condition 5(d).

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.

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 Global Registered Notes shall be made in the manner specified in this Condition 5(d) above provided that such payments will be made to the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior

to the date for payment, where “Clearing System Business Day” means Monday to Friday inclusive except 25 December and 1 January.

(e) General provisions applicable to payments

The holder of a 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]will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer [or, as the case may be, the Guarantor]to the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(f) Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, “Payment Day” means any day which (subject to Condition 8) is:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (A) in the case of Definitive Notes only, the relevant place of presentation and;
 - (B) each Additional Financial Centre 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 (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, 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.

(g) *Interpretation of principal and interest*

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 7;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(e)); and
- (vii) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 7.

6 Redemption and Purchase

(a) *Redemption at maturity*

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

(b) *Redemption for tax reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note, an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Agent (and in the case of a redemption of Registered Notes, the Registrar) and, in accordance with Condition 13, the Noteholders (which notice shall be irrevocable), if [either]:

- (i) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 7) or any political subdivision of, or any authority in, or of, a Tax Jurisdiction having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes such obligation cannot be avoided by the Issuer taking reasonable measures available to it, or
- (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 Guarantor using such endeavours as may be reasonable)]

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer [or the Guarantor] would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Agent a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers or qualified tax experts of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment[(or that the Guarantor in making the payment itself would be required to pay additional amounts)]. The Agent shall be entitled to accept without further enquiry such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above in this Condition 6(b) and shall not be required to make any further enquiry into such circumstances and shall not incur liability to any person (including any Noteholder) as a result of relying on such certificate. Any such certificate shall be conclusive and binding on the Noteholders.

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) Redemption at the option of the Issuer (Issuer Call)

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

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 13; and
- (ii) not less than 15 days before the giving of the notice referred to in (i) above, notice to the Agent (and in the case of a redemption of Registered Notes, the Registrar);

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date 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 relevant Optional Redemption Date. Any such redemption must be of a nominal amount equal to the Minimum Redemption Amount and not more than the Maximum Redemption Amount. In the case of a partial redemption of Notes, the Notes to be redeemed ("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes represented by Definitive Bearer Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, 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 and, in the case of Definitive Registered Notes, the nominal amount of Registered Notes and the holders thereof will be published in accordance with Condition 13 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 13 at least five days 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 to the Issuer in accordance with Condition 13 not less than 15 nor more than 30 days' notice 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 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.

To exercise the right to require redemption of the Note the holder of this Note must, if this Note is in definitive form, deliver 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, 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 the case of Definitive Bearer Notes) in which the holder must specify a bank account 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)(ii). 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 this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and at the same time present or procure the presentation of the relevant Global Note to a Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) for notation 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 shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 9.

(e) Early Redemption Amounts

For the purpose of paragraph (b) above and Condition 9, each Note will be redeemed at its Early Redemption Amount calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or
- (iii) in the case of a Zero Coupon Note, at an amount (the “Amortised Face Amount”) equal to the sum of:
 - (A) the Reference Price; and
 - (B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price 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.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made on the basis of a 360-day year consisting of 12 months of 30 days each or on such other calculation basis as may be specified in the applicable Final Terms.

(f) Instalments

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

(g) *Partly Paid Notes*

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Final Terms.

(h) *Purchases*

The Issuer or any Subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

(i) *Cancellation*

All Notes which are redeemed will forthwith be cancelled (together, in the case of Definitive Bearer Notes with all unmatured Receipts, Coupons and Talons presented therewith to a Paying Agent. All Notes so cancelled and the Notes purchased and cancelled pursuant to paragraph (h) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) cannot be reissued or resold.

(j) *Late payment on Zero Coupon Notes*

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

7 Taxation

All payments of principal and interest in respect of the Notes, Receipts and Coupons [or under the Guarantee by or on behalf of]/[by] the Issuer [or the Guarantor] will be made without withholding or deduction for or on account of any present or future taxes, duties or government charges of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer [or as the case may be, the Guarantor] will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes, Receipts or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

- (a) in the case of a holder or beneficial owner [(i) who is for Japanese tax purposes treated as an individual resident of Japan or a Japanese corporation or who is not an individual resident of Japan or a Japanese corporation but is a person having a special relationship as described in Article 6, Paragraph (4) of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended, the “Act on Special Taxation Measures”) with the Issuer for purposes of the exemption from Japanese income tax, including withholding tax, applicable to private foreign issued notes (*minkan kokugaisai*) under Article 6 of the Act on Special Taxation Measures in

effect at the time of issuance of the relevant Notes or (ii)]⁷ who is subject to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding or ownership of such Note, Receipt or Coupon; or

- (b) [on which the amount of interest is to be calculated by reference to certain indexes (as prescribed under the Cabinet Order related to the Act on Special Taxation Measures (Cabinet Order No. 43 of 1957, as amended, the “Cabinet Order”)) relating to the Issuer or a specially-related person except where the recipient of interest is a Japanese designated financial institution falling under certain categories prescribed by the Act on Special Taxation Measures and the Cabinet Order who complies with the Japanese law requirements in respect of the exemption from such withholding or deduction; or]⁷
- (c) [if the holder or beneficial owner fails to comply with the Japanese law requirements in respect of the exemption from such withholding or deduction; or]⁷
- (d) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 5(f)).

As used herein:

- (i) “Tax Jurisdiction” means Japan, or (in the case of Notes issued by MAF) the United States, or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the “Relevant Date” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

[In the case of Notes issued by MAF, the Issuer and the Guarantor will also not be required to pay any additional amounts to the extent of:

- (e) any tax, duty, assessment or other governmental charge imposed by reason of a holder’s or beneficial owner’s past or present status for U.S. federal income tax purposes as (A) a personal holding company or a foreign personal holding company, (B) a corporation that accumulates earnings to avoid U.S. federal income tax, (C) a controlled foreign corporation that is related to the Issuer through stock ownership, (D) the owner, actually or constructively, of 10 per cent or more of the total combined voting power of all classes of stock of the Issuer entitled to vote or (E) a bank receiving interest described in Section 881(c)(3)(A) of the Code;
- (f) any tax, duty, assessment or other governmental charge imposed by reason of the holder’s or beneficial owner’s failure to comply with any requirements under the United States tax laws and regulations for establishing entitlement to exemption from such tax, duty, assessment or other governmental charge; or
- (g) any tax, duty, assessment or other governmental charge imposed on a United States person (as defined in Section 7701(a)(30) of the Code).

No additional amounts will be payable by either the Issuer or the Guarantor for or on account of any withholding or deduction imposed pursuant to an agreement described in Section 1471(b) of the Code or

⁷ Delete in respect of the Notes issued by MAF (unless interest of the Notes is attributable to a business in Japan conducted by MAF through its permanent establishment in Japan provided for in the Act on Special Taxation Measures).

otherwise imposed pursuant to FATCA, any regulations, rulings or current or future agreements thereunder, any official interpretations thereof, any IGA or any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA or an IGA. In addition, no additional amounts will be payable to any holder who is a fiduciary or partnership or any person other than the sole beneficial owner of the Note to the extent that any fiduciary, member or beneficial owner would not have been entitled to such additional amounts had that beneficiary, settlor, partner or beneficial owner been the holder.]

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 up on the expiry of five years, in each case from the Relevant Date (as defined in Condition 7) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

9 Events of Default

If any one or more of the following events (each an “Event of Default”) shall occur:

- (i) if default is made in the payment of any principal, premium (if any) or interest due in respect of the Notes or any of them and the default continues for a period of 14 days in the case of principal or premium (if any) and 14 days in the case of interest; or
- (ii) if the Issuer [or the Guarantor] fails to perform or observe any of its other obligations under these Conditions [or the Guarantee] and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or
- (iii) any bonds, debentures, notes or other instruments of indebtedness or any loan indebtedness (hereinafter individually or collectively called “Indebtedness”) of the Issuer [or the Guarantor] or any of its Principal Subsidiaries having a total outstanding principal amount of at least U.S.\$10,000,000 (or its equivalent in any other currency or currencies) becomes prematurely repayable as a result of a default in respect of the terms thereof or any security therefor is enforced or the Issuer [or the Guarantor] or any of its Principal Subsidiaries defaults in the repayment of its Indebtedness having a total outstanding principal amount of at least U.S.\$10,000,000 (or its equivalent in any other currency or currencies) at the maturity thereof or at the expiration of any applicable grace period therefor (or, in the case of such Indebtedness due on demand, defaults in the repayment of such Indebtedness on demand or on the expiration of any applicable grace period therefor) or any guarantee of or indemnity in respect of any Indebtedness of others having a total outstanding principal amount of at least U.S.\$10,000,000 (or its equivalent in any other currency or currencies) given by the Issuer [or the Guarantor] or any of its Principal Subsidiaries is not honoured when due and called upon; or
- (iv) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer [or the Guarantor] or any of its Principal Subsidiaries, save for the purpose of or pursuant to a reorganisation, restructuring, merger or consolidation which either: (A) is on terms approved by an Extraordinary Resolution of the Noteholders, or (B) involves the transfer of the whole or a substantial part of the business, undertaking or assets of the Issuer [or the Guarantor] or such Principal Subsidiary to the Issuer [or the Guarantor] or any other subsidiary of the Issuer [or the Guarantor]; or

- (v) if the Issuer [or the Guarantor] or any of its Principal Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, save for the purpose of or pursuant to a reorganisation, restructuring, merger or consolidation which are either: (A) on terms approved by an Extraordinary Resolution of the Noteholders; or (B) involves the transfer of the whole or a substantial part of its business, undertaking or assets of the Issuer [or the Guarantor] or such Principal Subsidiary to the Issuer [or the Guarantor] or any other subsidiary of the Issuer [or the Guarantor]; or the Issuer [or the Guarantor] or any of its Principal Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (vi) if (A) proceedings are initiated against the Issuer [or the Guarantor] or any of its Principal Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer [or the Guarantor] or any of its Principal Subsidiaries or, as the case may be, in relation to the whole or a part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a part of the undertaking or assets of it, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a part of the undertaking or assets of it and (B) in any case (other than the appointment of an administrator) is not discharged within 14 days; [or]
- (vii) if the Issuer [or the Guarantor] or any of its Principal Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); [or]
- (viii) [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],

then any holder of a Note may, by written notice to the specified office of the Agent, effective upon the date of receipt thereof by the Agent, declare any Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount (as described in Condition 6(e)), together with accrued interest (if any) to the date of repayment, without presentment, demand, protest or other notice of any kind.

For the purposes of this Condition:

“Principal Subsidiary” at any time shall mean a Subsidiary of MULF:

- (A) whose outstanding common shares are not less than 50% owned (either directly or indirectly) by MULF; and
- (B) whose gross revenues and total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than 5.0% of the consolidated gross revenues and total assets of MULF and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated accounts of MULF and its Subsidiaries, provided that in the case of a Subsidiary acquired after the end of the financial period to which

the then latest audited consolidated accounts of MULF and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of MULF and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the auditors of MULF,

all as more particularly defined in the Agency Agreement.

A report by two Authorised Signatories of MULF that in their opinion a Subsidiary of MULF is or is not or was or was not at any particular time or throughout any specified period a Principal Subsidiary shall, in the absence of manifest or proven error, be conclusive and binding on all parties.

10 Replacement of Notes, Receipts, Coupons and Talons

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the 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 such costs and expenses as may be 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.

11 Agents

The names of the initial Agent, the initial Paying Agents, the initial Calculation Agent, the initial Registrar and initial Transfer Agent and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent, the Registrar, the Calculation Agent or Transfer Agent and/or appoint additional or other Paying Agents, Calculation Agents or Transfer Agents and/or approve any change in the specified office through which any Paying Agent, Calculation Agent or Transfer Agent acts, provided that:

- (a) there will at all times be an Agent;
- (b) a Paying Agent having a specified office in Singapore so long as the Notes are listed on the Singapore Exchange Securities Trading Limited and the rules of the exchange so require;
- (c) so long as the Notes are listed on any other stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (d) there will at all times be a Registrar.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(b). Any variation, termination, appointment or change of a Paying Agent or the Registrar or other Transfer Agent, as the case may be, shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13.

In acting under the Agency Agreement, the Agent, the Paying Agents, the Calculation Agent, the Registrar and the Transfer Agents will act solely as agents of the Issuer [or the Guarantor] and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent, Paying Agent,

Calculation Agent, Registrar or Transfer Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent, paying agent, calculation agent, registrar or transfer agent.

12 Exchange 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 Bearer Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

13 Notices

All notices regarding Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the *Financial Times* in London and the *Asian Wall Street Journal*. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding the Registered Notes will be deemed to be validly given if sent by (first class) mail or (if posted to an address overseas) by airmail to the holders (or 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.

Until such time as any Definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or 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 and the rules of that stock exchange 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/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) 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 of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14 Meetings of Noteholders, Modification and Waiver

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than 5% in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50% in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes

the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The relevant Issuer [and the Guarantor] may, without the consent of the Noteholders, Receiptholders or Couponholders, make:

- (a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Receipts, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (b) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

None of the Agent, Paying Agent, Calculation Agent, Registrar and Transfer Agent shall have any responsibility or liability whatsoever with respect to such determination by the relevant Issuer [and the Guarantor]. Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

15 Further Issues

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes whether in bearer or registered form having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes, provided that in the case of Bearer Notes which were issued in accordance with United States Treasury Regulations §1.163-5(c)(2)(i)(D) or any successor rules in substantially the same form for purposes of Section 4701 of the Code (“TEFRA D”) that are initially represented by a Temporary Bearer Global Note exchangeable for interests in a Permanent Bearer Global Note or Definitive Bearer Notes pursuant to the Final Terms, such consolidation can only occur following the exchange of interests in the Temporary Bearer Global Note for interests in a Permanent Bearer Global Note or Definitive Bearer Notes upon certification of non-U.S. beneficial ownership.

16 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

17 Governing Law and Submission to Jurisdiction

(a) Governing law

The Agency Agreement, the Deed of Covenant, the Notes, the Receipts, the Coupons and any non-contractual obligations arising out of or in connection with the Agency Agreement, the Deed of Covenant, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, English law.

(b) Submission to jurisdiction

The Issuer [and the Guarantor] agrees, for the exclusive benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and/or the Coupons) and that accordingly any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection with the Notes, the Receipts and the Coupons may be brought in such courts.

The Issuer [and the Guarantor] hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right to take Proceedings (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and the Coupons) against the Issuer [or the Guarantor] in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

(c) Appointment of Process Agent

[The Issuer] / [MULF (as Issuer and as Guarantor)] appoints MUFG Bank, Ltd., London Branch at its registered office at Ropemaker Place, 25 Ropemaker Street, London EC2Y 9AN as its agent for service of process, and undertakes that, in the event of MUFG Bank, Ltd., London Branch ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve proceedings in any other manner permitted by law.

(d) Other documents

The Issuer has in the Agency Agreement and the Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the relevant Issuer for its general corporate purposes.

BUSINESS - MITSUBISHI UFJ LEASE & FINANCE COMPANY LIMITED

The financial figures appearing herein have been prepared in accordance with accounting principles generally accepted in Japan.

Business

Overview

MULF is a leading comprehensive financial company in Japan, and offers finance leases, operating leases, rentals and other financial services. Furthermore, MULF also offers a diverse range of products and services including eco-related services, real estate-related services, factoring, PFIs, overseas development support and trading of used equipment through MULF's global network. As of 31 March 2019, MULF established its network via 20 business bases and 26 Group companies in Japan as well as 18, 3 and 6 business bases in Asia, Europe and the Americas, respectively.

MULF is an equity method affiliate of both Mitsubishi Corporation and Mitsubishi UFJ Financial Group (which includes MUFG Bank, Ltd.), which owns 20 per cent. and 23 per cent., respectively, of MULF's shares (both as of 31 March 2019, on a consolidated basis).

MULF was established in 1971 as Diamond Lease Company Limited by the Mitsubishi group companies and was listed on the Tokyo Stock Exchange in March 1985. On 1 April 2007, Diamond Lease Company Limited and UFJ Central Leasing Co., Ltd. merged and changed its corporate name to its current name, Mitsubishi UFJ Lease & Finance Company Limited. Thereafter, in February 2009 Mitsubishi Auto Leasing Corporation merged with Central Auto Leasing and became Mitsubishi Auto Leasing Corporation, the main company in the auto leasing business within the group. From 2013 onward, MULF has acquired companies abroad, such as JSA International Holdings, L.P. (an aircraft leasing company), PT. Takari Kokoh Sejahtera (an Indonesian auto leasing company), Engine Lease Finance Corporation (an aircraft engine leasing company), Beacon Intermodal Leasing, LLC ("BIL") (a marine container leasing company) and ENGS Holdings Inc. (a customer finance company) with the aim of growing its businesses internationally.

Recent Business

Summary Financial Information

The following is a summary of certain consolidated financial information as of 31 March 2018 and 31 March 2019 for the years then ended (extracted from the audited consolidated financial statements of MULF), and as of 30 June 2019 for the three months then ended (extracted from the unaudited interim consolidated financial information for the three months ended 30 June 2019 of MULF):

	<i>Millions of Yen</i>		
	<i>Year ended / as of 31 March (Consolidated) (audited)</i>	<i>Year ended / as of 31 March (Consolidated) (audited)</i>	<i>Three months ended / as of 30 June (Consolidated) (unaudited)</i>
	<i>2018</i>	<i>2019</i>	<i>2019</i>
Total current assets	¥3,321,299	¥3,265,689	¥3,320,032
Total property and equipment.....	1,789,164	2,025,314	2,075,943
Total investments and other assets.....	442,248	499,925	493,161
Total assets	5,552,712	5,790,929	5,889,137

Millions of Yen

	<i>Year ended / as of 31 March (Consolidated) (audited)</i>		<i>Three months ended / as of 30 June (Consolidated) (unaudited)</i>
	<i>2018</i>	<i>2019</i>	<i>2019</i>
	Total current liabilities.....	2,024,392	1,822,474
Total long-term liabilities	2,797,195	3,189,871	3,222,647
Total equity.....	731,124	778,582	771,922
Revenues	869,948	864,224	243,641
Operating income	79,285	80,371	25,270
Income before income taxes	88,267	93,555	25,676
Net income.....	66,379	70,129	17,525
Net income attributable to noncontrolling interests	2,699	1,333	370
Net income attributable to owners of the parent	63,679	68,796	17,154

Note:

Beginning the three months ended 30 June 2018, the Group applied “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No.28, February 16, 2018). Deferred tax assets are classified as investments and other assets, on the other hand deferred tax liabilities are classified as long-term liabilities. For comparability purposes, balance sheet data as of 31 March 2018 have been reclassified to reflect the revised accounting standard (see Note 5 of the unaudited interim consolidated financial information for the Issuer for the three months ended 30 June 2018 incorporated herein by reference). There is no impact to income statement data for the year ended 31 March 2018 as a result of such reclassification.

Results

Overview

In the fiscal year ended 31 March 2019, the economic environment continued to be characterized by overall uncertainty, due for instance to the slowdown in China and other emerging economies, as well as fears of global trade wars as a result of the announcement of tariffs and other protectionist policies by a number of key economies, including the United States.

In response to these conditions, the Group vigorously pursued the strategies set out in Limitless Evolution, the Medium-Term Management Plan launched in April 2014, taking proactive measures under the plan to develop new businesses based on its accumulated expertise in specialized fields and to further strengthen its business base in Japan and overseas.

Consolidated results for the year ended 31 March 2019 compared to the year ended 31 March 2018

The volume of new transactions for the year ended 31 March 2019 was ¥1,729.6 billion, a 11.9 per cent. increase compared to the year ended 31 March 2018. By transaction type, the volume of new transactions increased by 21.1 per cent. in the leasing business to ¥904.9 billion, decreased by 10.8 per cent. in the installment sale business to ¥89.3 billion, increased by 2.2 per cent. in the loan business to ¥643.5 billion, and increased by 34.3 per cent. in other businesses to ¥91.8 billion compared to the year ended 31 March 2018.

Total revenues

Total revenues of the Group for the year ended 31 March 2019 decreased by ¥5,723 million, or 0.7 per cent., to ¥864,224 million, compared to ¥869,948 million for the year ended 31 March 2018.

Gross profit

The Group's gross profit for the year ended 31 March 2019 increased by ¥2,151 million, or 1.4 per cent., to ¥158,320 million, compared to ¥156,169 million for the year ended 31 March 2018.

Selling, general and administrative expenses

The Group's selling, general and administrative expenses for the year ended 31 March 2019 increased by ¥1,066 million, or 1.4 per cent., to ¥77,949 million, compared to ¥76,883 million for the year ended 31 March 2018.

Operating income

The Group's operating income for the year ended 31 March 2019 increased by ¥1,085 million, or 1.4 per cent., to ¥80,371 million, compared to ¥79,285 million for the year ended 31 March 2018.

Other income

The Group's other income for the year ended 31 March 2019 increased by ¥4,202 million, or 46.8 per cent., to ¥13,184 million, compared to ¥8,981 million for the year ended 31 March 2018.

Net income (Net income attributable to owners of the parent)

The Group's net income for the year ended 31 March 2019 increased by ¥5,116 million, or 8.0 per cent., to ¥68,796 million, compared to ¥63,679 million for the year ended 31 March 2018.

Financial Condition

Consolidated balance sheet as of 31 March 2019 compared to consolidated balance sheet as of 31 March 2018

The Group's total current assets as of 31 March 2019 decreased by ¥55,610 million, or 1.7 per cent., to ¥3,265,689 million, compared to ¥3,321,299 million as of 31 March 2018. Cash and cash equivalents increased by ¥26,365 million, or 16.5 per cent. to ¥186,489 million.

Total property and equipment as of 31 March 2019 increased by ¥236,149 million, or 13.2 per cent., to ¥2,025,314 million, compared to ¥1,789,164 million, as of 31 March 2018.

Total investments and other assets as of 31 March 2019 increased by ¥57,677 million, or 13.0 per cent., to ¥499,925 million, compared to ¥442,248 million as of 31 March 2018.

Total assets as of 31 March 2019 increased by ¥238,216 million, or 4.3 per cent., to ¥5,790,929 million, compared to ¥5,552,712 million as of 31 March 2018.

Total current liabilities as of 31 March 2019 decreased by ¥201,917 million, or 10.0 per cent., to ¥1,822,474 million, compared to ¥2,024,392 million as of 31 March 2018.

Total long-term liabilities as of 31 March 2019 increased by ¥392,676 million, or 14.0 per cent., to ¥3,189,871 million, compared to ¥2,797,195 million as of 31 March 2018.

The Group's total equity as of 31 March 2019 increased by ¥47,458 million, or 6.5 per cent., to ¥778,582 million, compared to ¥731,124 million as of 31 March 2018.

Liquidity and Capital Resources

Cash flows for the year ended 31 March 2019 compared to cash flows for the year ended 31 March 2018

The Group's net cash used in operating activities for the year ended 31 March 2019 increased by ¥188,651 million, to ¥239,403 million, compared to ¥50,751 million for the year ended 31 March 2018.

Net cash used in investing activities by the Group for the year ended 31 March 2019 increased by ¥2,100 million to ¥34,063 million, compared to ¥31,962 million for the year ended 31 March 2018.

Net cash provided by financing activities for the year ended 31 March 2019 increased by ¥152,141 million, to ¥299,752 million, compared to ¥147,611 million for the year ended 31 March 2018.

As a result of the above, cash and cash equivalents as of 31 March 2019 increased by ¥26,365 million, or 16.5 per cent., to ¥186,489 million, compared to ¥160,124 million as of 31 March 2018.

These figures are from prior to the Group's application of the "Partial Amendments to Accounting Standard for Tax Effect Accounting" (ASBJ Statement No.28, 16 February 2019) beginning the three months ended 30 June 2018.

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, MULF selects and utilises, as needed, both direct financing, such as commercial paper and corporate bonds, and indirect financing, including bank loans. The Group seeks to use the most advantageous means and suitable terms, according to market conditions at the time. Substantially all of MULF's short-term bank loans are made under agreements as is customary in Japan, which provide that, at the request of such banks, MULF will provide additional collateral or guarantors with respect to the loan. As of 31 March 2019, MULF has not received any such request.

Annual maturities of interest-bearing debt of 31 March 2019 for the next five years and thereafter were as follows:

	<i>Millions of yen</i>					
	<i>Due in one year or less</i>	<i>Due after one year through two years</i>	<i>Due after two years through three years</i>	<i>Due after three years through four years</i>	<i>Due after four years through five years</i>	<i>Due after five years</i>
<i>31 March, 2019</i>						
Short-term loans from banks and other financial institutions.....	¥320,604					
Commercial paper.....	742,200					
Bonds.....	236,945	¥166,412	¥198,188	¥103,847	¥175,508	¥179,400
Long-term loans from banks and other financial institutions.....	215,561	330,118	336,774	321,299	263,423	704,225
Loans from the securitization of the minimum future rentals on lease contracts.....	53,908	27,696	32,640	21,259	9,584	751
Total	<u>1,569,219</u>	<u>524,228</u>	<u>567,602</u>	<u>446,406</u>	<u>448,517</u>	<u>884,377</u>

Strategy

Announced in May 2017, the Group's medium-term management plan, "Breakthrough for the Next Decade," covers the three-year period commencing 1 April 2017, coinciding with the tenth anniversary of the Group's formation. As the Group enters its second decade since its formation, it remains committed to

advancing the initiatives started under the Group's previous medium-term management plan, which included: expanding its business models into the provision of services and active participation in businesses in addition to its traditional leasing and lease finance functions; accelerating its global asset business; and maximizing synergies from collaboration with group companies and business partners.

Under "Breakthrough for the Next Decade," the Group intends to pursue profit growth by leveraging its core leasing and financing services to enhance its ability to capitalize on new business opportunities and demand in areas such as renewable energy and energy supply, infrastructure and real estate revitalization. In addition to establishing new divisions targeting these opportunities, the Group also intends to make appropriate minority and majority investments, collaborate with group companies and alliance partners, and utilize its global assets more effectively. The Group believes that effective use of its global assets will provide a foundation for it to further increase profitability, reduce its overheads and improve the risk return on its assets. The Group expects that addressing asset composition and mix will be a key focus for it, rather than merely increasing assets without regard to how such assets fit within the Group's overall business and strategic vision.

Looking ahead, the Group plans to continue to leverage the flexibility it has as a non-bank financial company, as well as its experience and know-how across many asset categories, to solidify its position as a "value integrator," which is the corporate message it has adopted for the new medium-term management plan. By "value integrator," the Group refers to its ability to convert different management resources – human resources, assets, funds and information – into products and services that fulfill the increasingly diverse needs of its customers. The Group believes that serving as a value integrator will be a core component of its vision as the areas of finance and business increasingly converge.

Growth strategy

The growth strategies embodied in the Group's medium-term management plan are intended to promote and accelerate initiatives taken in the final year of the Group's previous medium-term management plan. With the goal of ensuring a smooth transition into the next decade, the Group has adopted the following five key management strategies:

1. Continue to address the value-added business areas chosen by the Group's customers

The Group seeks to provide integrated leasing and finance solutions for its customers by expanding into asset finance, expanding its business models into the provision of services and active participation in businesses, while maintaining its traditional core business of corporate finance.

Under the Group's medium-term management plan, it has identified a number of priority industry sectors in Japan, including environment and renewable energy, healthcare and real estate. The Group expects these sectors will drive an increasing proportion of its profits over the three years covered by the medium-term management plan. In contrast, the Group expects to face a challenging environment for its traditional finance leasing business in Japan, which suffers from weakness in domestic capital investment and a persistent low interest-rate environment.

2. Aim to build a business management model providing a unique value chain that combines the range of functions of group companies and the Group's alliance partners

By leveraging the know-how and wide range of functions of group companies and alliance partners, the Group will strive to become more deeply intertwined in the value chain of its customers' businesses. This means expanding the scope of its business into activities such as asset management, fund management, equity and mezzanine investments, instituting origination and distribution models, and direct participation in operation of facilities such as power plants or hospitals and nursing homes.

3. Realize synergies among the industries and network supported by the Group's major shareholders, alliances partners, as well as its own group companies

The Group aims to realize synergies by making full use of the expertise, resources and networks of its major shareholders, MUFG and Mitsubishi Corporation, its alliance partners, such as Hitachi Capital, and its domestic and overseas group companies.

In recent years, the Group has made several overseas acquisitions, with a particular focus on global assets, and entered into a number of strategic alliances and partnerships, both domestically and abroad. The primary purpose of the Group's expansion into new business lines and geographical markets has been to generate synergies through combining its core expertise in finance and leasing with the unique expertise of the Group and alliance partners in asset management, asset-related services and operational know-how, in areas ranging from office building renovation and retrofitting, solar power plant maintenance and hospital administration.

4. Optimize portfolio management

The Group will invest resources in growing industries or fields in which it has a competitive advantage, both in Japan and overseas, while conducting portfolio management in a flexible manner that is responsive to the needs of its customers, business environment and market conditions for the sale of operating lease assets.

Since the implementation of the Group's previous medium-term management plan, it has emphasized the optimization its business portfolio to meet the increasingly diverse needs of its customers. The Group has been implementing this goal through intensive investment in global assets, such as aircraft, aircraft engines, containers and marine vessels, which have higher liquidity and are more amenable to nimble portfolio management. In addition, the Group is proactively exploring new business opportunities related to emerging fields, such as robotics, artificial intelligence and the Internet of Things, or IoT.

5. Strengthen ties with Hitachi Capital

The Group and Hitachi Capital have very few business domains and functions that overlap. By sharing and integrating the Group's strengths and expertise as a financial leasing company with those of Hitachi Capital, a manufacturing leasing company, the Group will strive to create new business domains in Japan and overseas.

Reinforcement Strategy for Business Infrastructure

In addition, the Group will endeavor to implement a reinforcement strategy for its business infrastructure, with the goal of improving the expertise and motivation of employees across the Group while building a mechanism to efficiently acquire and allocate important management resources, including human resources and funds. Simultaneously, the Group also aims to actively utilize digital technologies to develop a more efficient and transparent management foundation.

The Group's reinforcement strategy under the new medium-term management plan has five components:

- *Advance integrated risk management.* The Group will strive to implement risk capital management to secure a sound management foundation that responds to new risk-taking, such as asset, market and business risk, while developing more sophisticated risk-return management platforms.
- *Develop sophisticated financial strategies.* The Group aims to realize a procurement structure in line with the expansion of its asset turnover and asset management-focused business and the increase in marketable assets, such as global assets, and long-term assets, such as equity investments.

- *Promote working-style reforms.* The Group will focus on promoting diversity, improving productivity with a view to utilizing technology, and reinforcing business support for Group companies through shared services.
- *Evolve into a more professional organization.* The Group will promote active recruitment of external experts and measures to enhance employees' expertise to build a human resources portfolio capable of launching and promoting new domestic and overseas business in key business segments.
- *Maintain and improve the trust the public places in the Group as a good corporate citizen.* The Group will proactively transmit information internally and externally while also working to solve social issues through business. Also, the Group will aim to further enhance its internal control system, based on risks associated with the diversification of its business.

Operations

Overview

The Group operates a diverse range of businesses on a global scale, centered on its core leasing and finance business across both of its business segments for reporting purposes. Merging its inherent flexibility as a non-bank finance company with the Group's insight into products and its capacity to create new businesses, each of which the Group has accumulated throughout its long history of operation, the Group goes beyond the framework of simply leasing and financing by providing services and participating in business, resulting in a greater integration of finance and business as its business models evolve.

Leasing and Financing Business

The Group's leasing and financing business comprises its core operations and consists of a wide range of general leasing and finance services and solutions that encompass a broad range of underlying assets. The two key leasing solutions the Group offers are finance leases and operating leases. The former is primarily a method of raising finance to pay for assets, while the latter is more similar to traditional rental arrangements.

Finance lease customers choose the assets they require, which the Group then purchases on the customer's behalf and leases to them. During the finance lease period, customers make fixed lease payments covering all expenses, including the cost of the asset, interest, various taxes and insurance premiums. Typical examples of finance lease assets include industrial machinery, machine tools and IT equipment.

Operating leases involve leasing various types of equipment, such as industrial machinery and transportation equipment (mainly global assets, including aircraft, freight cars and marine containers), for leasing periods that suit the Group's customers' production or usage plans. The total operating leasing fee paid by a customer is based upon an amount calculated by subtracting a prior estimate of the used value (or residual value) of the lease asset once its lease has expired from the asset's original value.

In 2018, the Group took further steps to expand the overseas footprint of its leasing business through the acquisition of ENGS Holdings Inc. ("ENGS"), a vendor financing company based in the United States, the largest equipment finance market in the world. ENGS provides vendor finance solutions for transportation assets (trucks and trailers), machine tools and construction equipment, as well as working capital and insurance solutions, throughout the United States. The Group expects ENGS to serve as a United States-based vendor financing platform for its international clients doing business in the region.

Global Asset Business

The Group's global asset business consists of leasing and financing services primarily related to assets with high marketability and value in the global market, such as aircraft, aircraft engines, marine vessels, containers, and freight cars. The Group views these global assets, which are characterized by liquidity and high value, as critical to achieving certain of its goals under the current medium-term management plan, namely

improving the efficiency of its portfolio through increasing asset turnover as well as growing revenue through sales of operating assets upon termination or expiration of leases.

Due to the highly specialized nature of the individual industries encompassed by the global asset business, the Group's entry into a specific global asset class is often through acquisitions or outside investments. Thus, many of the Group's marine vessel, container, freight car and truck leasing and financing businesses are operated through independent subsidiaries with multiple business bases in Japan and overseas.

The Group's customers in its global asset business include major airline companies and shipping conglomerates, within and outside of Japan. The Group's leasing and financing arrangements generally include recourse to the ultimate customer, even if the direct contractual counterparty may be a special purpose vehicle.

Aircraft and aircraft engines

The Group is the only Japanese leasing company that owns both an aircraft leasing company and an aircraft engine leasing company. The Group's aviation businesses have strategic importance for its business, allowing it to improve portfolio efficiency through active rotation of aircraft and aircraft engines. Further, in light of favorable projections for private-sector aircraft demand over the next two decades, the Group has engaged in incremental expansion of its fleet and engine portfolio that helps drive profitability, while taking measures to disperse risk, such as conducting active fleet replacement to maintain a low average age of its aircraft.

Railcars

The Group's entry into the railcar leasing business began in 2014 when it entered a strategic business alliance with GBX. GBX is one of the largest producers of railcars in the United States and its railcar management company, which will provide railcar management services to the railcars the Group purchases from GBX, boasts the largest fleet of railcars under management in North America.

The Group further strengthened its container leasing business through its acquisition of BIL in 2014. BIL is an industry leading lessor of intermodal marine cargo containers, specializing in offering tailored leasing options for both dry and refrigerated containers to the world's shipping companies.

Marine vessels and containers

The Group provides a range of leasing and financing solutions related to the shipping industry and marine transport. The Group offers financing for construction and purchase of commercial vessels, secured loans, and arrangements for bareboat charters. The Group also has experience leasing a range of marine vessels, from general domestic cargo ships to large container ships, refrigerator ships and liquefied petroleum gas tankers.

Real Estate-related Business

The Group's wide range of real estate-related businesses includes real estate leasing for properties, such as commercial facilities, hotels, logistics facilities and other buildings; nonrecourse financing, which is linked to the property's earnings capacity; and real estate revitalization investment, which targets aged buildings.

The Group offers valuable services to meet its customers' needs in two primary fields: real estate finance and real estate-related services. In the case of real estate finance, the Group provides a variety of structured finance solutions related to facilities, such as offices and residences, while strictly controlling for risk. In the case of real estate-related services, the Group's "Symphony" (Real Estate Lease) arrangement is one where the Group (i) leases land from landowners through commercial leaseholds, (ii) constructs buildings and facilities and (iii) subleases the property to tenants (e.g., chain-stores).

In the case of real estate revitalization equity investment, in April 2016, the Group established MUL Realty Investment Company Limited ("MURI"), a wholly owned real estate investment company, and MUL Realty Advisers Co. Ltd., ("MURA"), a joint investment company between MURI and Kenedix, one of Japan's leading independent asset management companies. Key features of the new business are making hands-on value

enhancement investments including the revitalization of real estate through the combination of MURI's equity investment and MURA's asset management business. Prior to the establishment of MURI and MURA, the Group had commenced environment-friendly projects to upgrade properties in a joint operation with Real Estate Sustainability & Energy-Efficiency Diffusion, a general incorporated association established with the mission of fostering high-quality, earthquake-resistant and environmentally friendly real estate. This project, which includes updating air-conditioning facilities and upgrading structures with recycled construction materials, will not only reduce the environmental burden caused by aging buildings but also boost property values.

Auto Lease and Auto Finance Business

In the Group's automobiles leasing and finance business, in addition to financing and maintenance services, the Group offers vehicle management services that aim to reduce vehicle fleet management and maintenance costs and burdens for logistics and other service providers with significant fleet requirements. The Group's vehicle management services include, among other things, the scheduling of maintenance and assessment of fleet renewal and retirement scheduling, as well as measures to reduce costs and increase safety, while supporting the enhancement of vehicle eco-initiatives.

The Group has also been extending its business into regions where the automobile markets demonstrate high growth. For example, the Group commenced its automobile lease business in Thailand in the 1990s and invested in Ekim Turizm Ticaret Ve Sanayi A.S. (Intercity), a leading automobile lease company in Turkey, in 2008. In November 2013, the Group established PT. Takari Kokoh Sejahtera as a joint venture with PT. Takari Sumber Mulia, or TSM, a major Indonesian automobile rental company, to expand the Group's overseas operations in Indonesia. The Group decided to strengthen and promote its automobile lease business in Indonesia given that it is a promising market due to growing automobile penetration and have utilized the service facilities and local networks of TSM to provide high-quality automobile lease services.

Rental Business

Through the Group's rental business, it provides rental services for its customers in order to meet a diverse range of rental needs, including those for IT equipment, machine tools, testing devices and measurement equipment. The equipment for the Group's rental services business addresses needs in industries such as healthcare, manufacturing as well as more conventional business services. In this business, the Group generally purchases the equipment required by its customers and establish lease terms addressing the customer's needs and term of lease.

Used Equipment Trading Business

The Group also engages in trading a broad range of used machinery and equipment. Utilizing the expertise the Group has acquired through its long history in the leasing business, it trades in high-quality used machine tools, medical equipment and IT equipment through Group companies that have highly specialized know-how in the relevant sectors. The Group has an extensive network of third-party purchasers and resellers that allow it to tap into a liquid market for buyers of used equipment, including equipment with more specialized uses.

Medical and Long-Term Care Business

The Group provides financial support for hospitals and long-term care facilities that are starting up operations, expanding or renovating facilities or purchasing high-tech equipment.

Infrastructure Business

The Group's infrastructure business assists its customers in the development of infrastructure in Japan and overseas. The Group has an extensive track record in Japan in private finance initiatives projects, which involve utilizing private-sector funding expertise to assist its customers with the construction of public facilities and the operation of public infrastructure. The Group provides financing as well as advisory services in relation to overall project coordination, commencing with construction up through and including the operation of educational facilities, government buildings, infrastructure and other public-sector facilities.

Eco- and Energy-related Business

The Group supplies financing and leasing for energy solutions to customers aiming to realize greater energy savings through lower-cost and efficient operation and also provides services related to carbon offset and other emissions credits. The Group's renewable energy-related financing solutions include small- to mid-sized project financing for wind farms, biomass power generation plants and mega-solar plants.

Other Business

The Group provides a diverse range of services in response to customer needs, including its insurance business, which sells and consults regarding business and personal insurance, as well as its business-matching services (*i.e.*, acting as an intermediary to match customers with other business partners from its extensive network, such as suppliers, according to the unique needs of each customer).

Business segments

Although the above paragraphs detail the Group's operational structure, the Group's business is currently divided into the following two business segments for reporting purposes: (i) customer finance and (ii) asset finance. Customer finance is attributable to financial transactions, such as finance leases, installment sales, loans to individual customers, relating to credit risk management. Asset finance is attributable to financial transactions, such as operating leases, investments or loans related to real estate, operating securities, financing related to aircraft, and leasing of office buildings, relating to individual asset or project management.

The following tables set forth the revenue from external customers, segment profit, segment assets and certain other financial data for each of the Group's business segments for the years ended 31 March 2018 and 2019:

<i>Year ended 31 March 2018</i>	<i>Reportable segment</i>				<i>Consolidated</i>
	<i>Customer finance</i>	<i>Asset finance</i>	<i>Total</i>	<i>Adjustments (1) (2)</i>	
	<i>Millions of yen</i>				
Revenues:					
Revenue from external customers	¥591,382	¥278,566	¥869,948		¥869,948
Intersegment revenue or transfers.....	11	454	466	¥(466)	
Total.....	591,394	279,020	870,414	(466)	869,948
Segment profit.....	38,946	50,453	89,399	(10,113)	79,285
Segment assets.....	3,013,074	2,363,522	5,376,596	176,115	5,552,712
Other items:					
Depreciation.....	7,325	115,035	122,361	175	122,537
Amortization of goodwill.....	2,771	3,036	5,808		5,808
Investments in equity method affiliates	23,186	47,467	70,654		70,654
Increase in property and equipment and intangible assets	779	275,601	276,380	3,640	280,021

<i>Year ended 31 March 2019</i>	<i>Reportable segment</i>				<i>Consolidated</i>
	<i>Customer finance</i>	<i>Asset finance</i>	<i>Total</i>	<i>Adjustments</i>	
	<i>Millions of yen</i>				
Revenues:					
Revenue from external customers	¥588,610	¥275,614	¥864,224		¥864,224
Intersegment revenue or transfers.....	14	362	377	¥(377)	

<i>Year ended 31 March 2019</i>	<i>Reportable segment</i>				
	<i>Customer finance</i>	<i>Asset finance</i>	<i>Total</i>	<i>Adjustments</i>	<i>Consolidated</i>
	<i>Millions of yen</i>				
Total.....	588,625	275,977	864,602	(377)	864,224
Segment profit.....	36,031	55,581	91,613	(11,242)	80,371
Segment assets.....	2,939,120	2,649,269	5,588,390	202,538	5,790,929
Other items:					
Depreciation.....	7,400	120,826	128,226	193	128,420
Amortization of goodwill.....	2,695	3,039	5,734		5,734
Investments in equity method affiliates.....	24,564	57,935	82,500		82,500
Increase in property and equipment and intangible assets.....	943	416,266	417,210	5,597	422,807

Transaction types

The Group's business is divided into two business segments for reporting purposes. Both business segments cover a broad and overlapping range of products and services, which are categorised into four transaction types: (i) leases, (ii) instalment sales, (iii) loans and (iv) others. Leases and loans comprise the majority of the Group's operations by transaction type. For the year ended 31 March 2019, leases accounted for 52.3 per cent., instalment sales accounted for 5.2 per cent., loans accounted for 37.2 per cent. and others accounted for 5.3 per cent., respectively, of the Group's overall revenue.

The following tables sets forth transaction volume and operating assets for each of the transaction types for the years ended/as of 31 March 2018 and 2019:

Transaction volume

	<i>Year ended 31 March</i>	
	<i>2018</i>	<i>2019</i>
	<i>Billions of yen</i>	
Leases.....	¥747	¥904
Instalment sales.....	100	89
Loans.....	629	643
Others.....	68	91
Total.....	¥1,545	¥1,729

Operating assets

	<i>Year ended 31 March</i>	
	<i>2018</i>	<i>2019</i>
	<i>Billions of yen</i>	
Leases.....	¥3,269	¥3,473
Instalment sales.....	255	249

	<i>Year ended 31 March</i>	
	<i>2018</i>	<i>2019</i>
	<i>Billions of yen</i>	
Loans.....	1,233	1,114
Others.....	150	208
Total	<u>¥4,909</u>	<u>¥5,046</u>

Lease transaction

The Group provides a wide range of leasing services and solutions encompassing a broad range of underlying assets. The two key leasing solutions offered by the Group are finance leases and operating leases, the key distinction between the two being that the former is primarily a method of raising finance to pay for assets, whilst the latter is more similar to genuine rental arrangements.

Finance leases involve customers choosing the assets they require. The Group then purchases the asset on such customer's behalf for leasing to them. During the relevant finance lease period, customers make fixed lease payments covering all expenses, including the cost of the asset, interest, various taxes, and insurance premiums.

Operating leases offered by the Group involve the Group leasing various types of equipment such as industrial machinery and machine tools for leasing periods that suit customers' production plans. The total operating leasing fee paid by a customer is based upon an amount calculated by subtracting a prior estimate of the used value (or residual value) of the lease asset once its lease has expired, from the asset's original value.

The following table sets forth a breakdown of lease transaction volume by asset type for the years ended 31 March 2018 and 2019:

	<i>Year ended 31 March</i>	
	<i>2018</i>	<i>2019</i>
	<i>Billions of yen</i>	
IT/Office Equipment	¥124.0	¥146.0
Industrial Machinery	115.5	104.3
Civil Eng. & Construction Machinery	43.6	39.7
Transportation Equipment.....	216.6	336.4
Medical Equipment	55.4	53.0
Commercial & Service Equipment	71.1	67.5
Others.....	120.8	157.7
Total	<u>¥747.3</u>	<u>¥904.9</u>

Instalment sales

Instalment sales constitute a small portion of the Group's overall business. Instalment sales involve the sale of facilities or equipment that customers have chosen, where payments are collected in instalments over the contract period. Instalment sales are preferred by certain customers for facilities and equipment that are more conducive to ownership than leasing.

The following table sets forth a breakdown of instalment sales by asset type for the years ended 31 March 2018 and 2019:

	<i>Year ended 31 March</i>	
	<i>2018</i>	<i>2019</i>
	<i>Billions of yen</i>	
IT/Office Equipment	¥2.2	¥2.4
Industrial Machinery	12.7	10.9
Civil Eng. & Construction Machinery	32.0	32.2
Transportation Equipment	4.9	5.0
Medical Equipment	8.5	9.2
Commercial & Service Equipment	21.4	12.3
Others	18.2	17.0
Total	¥100.2	¥89.3

Loan transactions

The Group offers a wide range of finance solutions, primarily centred around loans offered by the Group in a number of different business sectors as follows:

Real Estate Finance: The Group goes beyond leasing operations to provide various types of structured finance solutions to meet market needs related to the opening and relocation of stores, offices buildings, logistic centres, residences and other facilities. In particular, the Group offers non-recourse loans in connection with real estate projects.

Private Finance Initiative: PFI businesses make use of private sector funds and management expertise to develop and operate public infrastructure.

Factoring: The Group offers a range of factoring services in respect of sales receivables and medical fee receivables. Customers are able to capitalise such receivables before the relevant settlement dates by taking advantage of the Group's factoring services.

The following table sets forth a breakdown of outstanding loans by loan type as of 31 March 2019:

<i>Business Categories</i>	<i>As at 31 March 2019</i>			
	<i>Number of loans</i>	<i>Percentage</i>	<i>Outstanding balance (Millions of yen)</i>	<i>Percentage</i>
Manufacturing	618	20.69%	¥56,342	3.55%
Construction	102	3.10	7,050	0.44
Electricity, Gas, Heat Supply, Water.....	53	1.61	71,007	4.47
Transportation, Communications.....	127	3.86	360,827	22.71
Wholesale, Retail, Catering and Restaurant	751	22.81	53,711	3.38
Finance, Insurance	50	1.52	358,197	22.54
Real Estate	326	9.90	212,452	13.37

As at 31 March 2019

<i>Business Categories</i>	<i>Number of loans</i>	<i>Percentage</i>	<i>Outstanding balance</i>	
			<i>(Millions of yen)</i>	<i>Percentage</i>
Service.....	1,068	32.44	404,152	25.44
Agriculture.....	—	—	—	—
Individuals.....	—	—	—	—
Others.....	134	4.07	65,176	4.10
Total.....	3,292	100.00%	¥1,588,917	100.00%

Other transactions

In addition to the three transaction types set forth above, the Group offers a wide range of other services and products which are collectively grouped under the rubric of “others” and constitute an area of potential growth for MULF. In addition to various PFI and eco- and energy-related businesses, these include the following:

Used equipment trading: In addition to various leasing services and products, the Group also engages in trading of used equipment which are the subject of a lease. Leveraging its track record in the operating lease and the used machinery field, the Group handles a broad range of machinery and equipment. This includes machine tools, plastic processing machinery and printing plates. The Group also appraises and purchases machinery and equipment no longer needed due to equipment upgrades, plant relocations or idle machinery and equipment.

Insurance service: The Group designs, sells and consults on business insurance policies that fit the needs of business leaders and personal insurance policies.

IT service: The Group offers integrated management of all IT assets ranging from the installation of IT assets, including not only rented but also existing assets, to operations, license management, data removal and equipment disposal.

Services for tenants: The Group provides deposits (including security deposits and construction support funds) on behalf of customers leasing buildings, stores in shopping centres, land or other properties. This scheme helps to give customers more asset liquidity and to raise their funding efficiency.

Overseas facilities: The Group provides financing to help fund capital expenditures at the overseas bases of customers doing business abroad or those planning to do so. The Group’s overseas offices provide financing support for customers worldwide.

Domestic/Overseas

The following table sets forth a breakdown of transaction volume and operating assets by Domestic/Overseas for the year ended/as of 31 March 2018 and 2019.

Transaction Volume

	<i>Year ended 31 March</i>	
	<i>2018</i>	<i>2019</i>
	<i>Billions of yen</i>	
Domestic.....	¥1,134.0	¥1,111.4

	<i>Year ended 31 March</i>	
	<i>2018</i>	<i>2019</i>
	<i>Billions of yen</i>	
Overseas	411.5	618.1
Total	¥1,545.6	¥1,729.6

Operating assets

	<i>Year ended 31 March</i>	
	<i>2018</i>	<i>2019</i>
	<i>Billions of yen</i>	
Domestic	¥3,260.1	¥3,134.0
Overseas	1,649.0	1,912.3
Total	¥4,909.2	¥5,046.4

Collection and Credit Losses

Collection procedures

The Group has standardised collection procedures for its lease receivables and loans in compliance with applicable laws. In particular, the Group establishes internal standards for non-performing loans and loan loss reserving for such purposes.

Allowance for credit losses

An allowance for doubtful receivables is established from time to time as a reserve against potential losses on delinquent and uncollectible receivables. The allowance is stated in amounts considered to be appropriate based on past credit loss experience and an evaluation of potential losses in the receivables outstanding.

Compliance and Internal Controls

Compliance

MULF regards compliance as one of its most important management issues. The Compliance Committee, which is an advisory body to the Management Committee, meets every three months to check the level of implementation of compliance and to formulate action to strengthen compliance and ensure that it is firmly established.

The committee is chaired by the chief compliance officer, a role filled by the executive officer in charge of the Legal & Compliance Department. The Legal & Compliance Department provides other departments and branches with support, instruction, and training, the implementation of which is checked regularly by the Internal Audit Department. MULF also draws up a Compliance Risk Map, which analyzes compliance risk in terms of its potential frequency and degree of impact, and uses it to reinforce the compliance system.

Internal Controls

From an internal controls perspective, MULF is progressing with the development of an internal control system to ensure the appropriate and efficient conduct of operations. The Accounting Department, which

coordinates the internal control system, receives reports from other departments and branches on the implementation status of internal control. These are then summarized in a quarterly report to the Disclosure Committee, which is presented to the accounting auditor. To increase the reliability of financial reports, MULF promotes the documentation of operational processes. The establishment of the internal control system has been carried out in accordance with the Financial Instruments and Exchange Act. MULF also distributes the Internal Controls Handbook to all employees as part of efforts to improve staff awareness of internal control.

Risk Management

The Group operates a system whereby the division responsible for a relevant area of risk monitors current conditions and identified issues arising from developments in the external environment and other changes. As discussed in more detail below, each of these divisions holds regular discussions to decide appropriate response measures and reports promptly to the Management Committee, a consultative and decision-making body that controls the execution of business. Specifically, in addition to the various committees dealing with individual categories of risk - the System Committee, ALM Committee, and Compliance Committee – the Group operates a Risk Management Committee to undertake comprehensive and systematic management of risks affecting all operational areas. At the meetings of each of these committees, which are held quarterly and otherwise as necessary, the responsible divisions make detailed reports on risk conditions and discuss response strategies and other relevant measures with management.

Credit risk management

The Group manages credit risk of individual customers, based on overall strategy, financial position, credit rating portfolio characteristics, and other factors in accordance with internal credit management rules. This credit management is conducted by the business departments and the credit departments, with regular reporting to the Risk Management Committee, the Management Committee and the Board of Directors. In addition, the Internal Audit Department monitors and audits credit administration and management status. Such credit management is implemented by each branch as well as by the Group's credit and management division. In addition, as part of the portfolio management, the Group's integrated risk management office conducts quantitative assessment of its credit risk exposure and regularly reports its findings to the integrated risk management committee.

Market risk management

The Group manages exposure to interest rate fluctuation risk, foreign exchange risk and price fluctuation risk according to internal rules for market risk management.

In relation to interest rate fluctuation risk, in order to properly manage interest rate fluctuation risk, the Group not only monitors interest rate movements, but also monitors any mismatches of interest conditions and that of durations between invested assets and financing liabilities. With respect to interest rate fluctuation risk, the Group regularly convenes the ALM Committee, attended by the officers and the managers of related departments, to review market conditions and asset/liability portfolio analysis. The ALM Committee deliberates and decides on policies with regard to current risk management and new financing. In addition, the Group reports on a quarterly basis to the Risk Management Committee.

Liquidity risk management

The Group manages liquidity risk by constantly monitoring the cash management status of the Group as a whole, and by controlling the duration mix of financing. Through maintaining commitment lines with multiple financial institutions and diversification of financing methods, the Group aims to secure liquidity. Liquidity risk management related to financing is carried out based on the Group's internal liquidity risk management rules monitoring the probability of realisation of risks under the current financing environment and monthly reports on liquidity risk status. The Group has also prepared a contingency plan for each stage of liquidity risk, and has been prepared for appropriate action addressing any such contingency.

Asset risk management

Asset risk is the risk of incurring loss through change in the value of lease properties or other operational assets.

The Group manages asset risk by assessing the risk amount and maintaining it at a certain level. The asset considered as a subject of assessment includes operating lease assets, real estate, marine vessel and aircraft. The Group has established a conservative standard for calculating the risk amount based on the trend of the market price of each asset or the Group's track sales records of the asset. The risk amount is calculated and well controlled within the owned capital from the perspective of securing the soundness of the Group's management.

Operational risk management

Operational risk is the risk of incurring a loss arising from inappropriate or dysfunctional internal processes, personnel arrangements, or systems, or from external events.

In order to manage operational risk, the Group conducts information security education and also disseminates information to all general managers of each department on a regular basis, aiming to enhance the Group's security level. Operational risk is also reported on to the Risk Management Committee on a quarterly basis.

Information security

The Group appreciates the importance of information protection in business management and takes steps to ensure that information security management is strictly implemented and to strengthen the personal information management system. The Group has put in place a set of information security management rules and a procedural manual, backed by a security policy, a system for categorizing the degree of importance of information assets, and rules for the use, management, and disposal of information. In addition to these measures for enforcing security, the Group is working to create an information security environment, for example, by introducing a system to prevent misdirection of e-mails and stepping up security protection on its web site.

For the protection of personal information and to ensure appropriate handling in line with relevant legislation, the Group has formulated a set of personal information protection rules that regulate methods of obtaining and managing information. Moreover, all personnel, including temporary staff, are subject to information security check-ups based on e-learning methods, while strict information security audits are also carried out at regular intervals.

Risk Management System

The Group has put in place a set of risk management rules, disaster response rules and response manuals as a precaution to minimize the impact on operations of natural disasters, manmade disasters, accidents or other events. Having learned lessons from the Great East Japan Earthquake, the Group has additionally put in place a practical business continuity plan and carries out related drills regularly.

Litigation

The Group is a party to routine litigation incidental to its business. The Group is currently aware of no particular litigation or category of litigation that is expected to have a material adverse effect on its financial conditions or results of operations.

Regulation

Domestic operations

The Group's core lease and finance operations are subject to various regulations and oversight by relevant authorities, including the Financial Services Agency of Japan (the "FSA"). Among other laws and

regulations, the principal laws that generally apply to the Group's core lease and finance operations in Japan are as follows:

- the Money-Lending Business Act (Act No. 32 of 1983, as amended);
- the Interest Rate Restriction Act (Act No. 100 of 1954, as amended);
- the Instalment Sales Act (Act No. 159 of 1961, as amended);
- the Secondhand Articles Dealer Act (Act No. 108 of 1949, as amended);
- the Financial Instruments and Exchange Act; and
- the Act on Securing the Quality, Efficacy and Safety of Products including Pharmaceuticals and Medical Devices (Act No. 145 of 1960, as amended).

Other laws, rules and regulations

Other industry rules and regulations deal with the certain aspects of the lease and finance operations, stipulate certain contractual arrangements and procedures, control advertisement and publicity, and regulate modes of debt collection. As a money lending business operator, the Group is also subject to the Act on Issuance, etc. of Bonds for Financial Corporations' Loan Business (Act No. 32 of 1999, as amended) in relation to bond issuances to raise funds for the money lending business operation. In addition, the tightening of regulations prohibiting transactions with so-called "anti-social forces" (criminal elements of society) may have further effects on the Group's business operations.

The Group is also subject to the Personal Information Protection Act (Act No. 57 of 2003, as amended) and the FSA's guidelines related thereto. Under this legislation, companies that utilise databases containing a significant amount of personal information must generally notify persons whose personal information will be entered into such databases of the specific uses of such information and must not handle such personal information beyond the extent necessary to achieve such specified uses or provide such personal information to third parties without obtaining consent from such persons. Given the nature of the Group's operations, data protection is of particular concern to the Group.

Overseas operations

The Group is subject to rules and regulations in each of the overseas jurisdictions in which it operates. In addition to lease and finance regulations (for example, licensing requirements), of particular concern to the Group are regulations which restrict the way in which foreign lease and finance providers may operate in any given jurisdiction.

The Japanese Leasing Industry

The history of the Japanese leasing industry dates from 1963 when the first three leasing companies were established by groups of commercial banks and general trading and manufacturing companies. After an initial period during which these companies successfully established themselves, the growth of the industry has rapidly attracted a large number of new participants to the industry, many of which are supported by major commercial banks (whose own direct participation in leasing or other activities akin to banking is restricted by banking regulations) and the general trading and manufacturing companies (attracted by the service characteristics of the industry in relation to their own equipment sales).

In 1971, a group of the largest Japanese leasing companies established the Japan Leasing Association (the "JLA"), which had 89 regular members and 147 associated members as of 1 August 2019. Members of the JLA now account for almost all leasing business in Japan.

The primary leasing arrangement for leasing companies in Japan is the "direct financing lease" on a full pay-out basis by which the total lease payments received cover the total cost of the leased equipment, including

the interest and maintenance costs. In addition, “operating lease” is used in such areas as industrial machinery, computers and measuring equipment. The categories of equipment made available by Japanese leasing companies cover most areas of commercial and industrial activities.

Management

Basic approach to corporate governance

MULF views corporate governance as an important issue and recognizes its social responsibility to ensure transparent and sound management while emphasizing initiatives to achieve sustainable corporate growth and a medium- to long-term improvement in corporate value. MULF is also responsible for respecting the rights and interests of all stakeholders -customers, shareholders and investors, local communities, and employees – working to meet the trust they place in MULF and aspiring to contribute to a more prosperous society. To this end, MULF engages in continuous initiatives to enhance corporate governance by boosting the activity of the Board of Directors, reinforcing the Audit Committee and the internal audit system, undertaking appropriate and timely disclosure, and improving investor relations (“IR”) and related functions.

Management Committee

The Management Committee, which meets in principle once a week, was set up as a deliberative and decision-making body to formulate concrete executive policy and coordinate business execution. MULF also operates an executive officer system to separate management decision-making and oversight functions from business execution functions.

Board of Directors

The Board of Directors of MULF determines the fundamental management policy and other important matters of management of MULF and supervises the performance of duties of the Directors. All Directors and Corporate Auditors are elected at the general meeting of shareholders. The normal term of office of the Directors 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 Corporate Auditors 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 Corporate Auditor’s election although each Corporate Auditor 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 MULF. Under the articles of incorporation of MULF, the Board of Directors elects the President and Managing Directors. In addition, the Board of Directors may elect the Chairman, Deputy Chairmen, Executive Vice Presidents and Senior Managing Directors under certain circumstances.

Board of Corporate Auditors

The Corporate Auditors are not required to be certified public accountants, but may not serve as directors, accounting assistants, officers or employees of MULF or any of its subsidiaries at the same time. In addition, not less than half of the Corporate Auditors must be outside Corporate Auditors who have never been directors, accounting assistants, officers or employees of MULF or any of its subsidiaries. The Board of Corporate Auditors is required to elect from among its members one or more full-time Corporate Auditors.

The Corporate Auditors have the statutory duty of supervising the administration of MULF’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 Corporate Auditors must attend meetings of the Board of Directors and express opinions thereat, if necessary, but they are not entitled to vote.

The Corporate Auditors constitute the Board of Corporate Auditors. The Board of Corporate Auditors has a statutory duty to prepare its audit report based on audit reports issued by individual statutory auditors and such audit report is to be submitted to a specified director and (only with regard to the audit report related to

financial statements) the independent auditors each year. The Board of Corporate Auditors is empowered to establish audit principles, the method of examination by Corporate Auditors of MULF's affairs and the financial position and other matters concerning the performance of the Corporate Auditors' duties.

MULF must appoint by a resolution of a general meeting of shareholders, an independent auditor in addition to Corporate Auditors. Such independent auditor has the statutory duty of examining the financial statements, prepared in accordance with the Companies Act of Japan (Act No. 86 of 2005, as amended) (the "Companies Act"), to be submitted by a Representative Director to general meetings of shareholders and reporting its opinion thereon to the relevant Corporate Auditors and the relevant Directors, and examining the financial statements to be included in periodic reports to be filed by MULF with the Director of the Kanto Local Finance Bureau. Currently, MULF'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 MULF, 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 articles of incorporation of MULF provide for no more than twenty-two Directors and no less than three Corporate Auditors. The names of the Directors and Corporate Auditors of MULF as at the date of this Base Prospectus are as follows:

Name	Title
Tadashi Shiraishi	Chairman ^{*1}
Takahiro Yanai	President & CEO ^{*1}
Toshimitsu Urabe	Deputy President ^{*1}
Tsuyoshi Nonoguchi	Senior Managing Director
Yoichi Shimoyama	Managing Director
Teruyuki Minoura ^{*2}	Director
Toshio Haigou ^{*2}	Director
Mitsumasa Icho ^{*2}	Director
Naomi Hayashi ^{*2}	Director
Naohito Suzuki	Audit & Supervisory Board Member
Shuji Miake	Audit & Supervisory Board Member
Naoki Matsumuro	Audit & Supervisory Board Member
Shota Yasuda ^{*3}	Audit & Supervisory Board Member
Hiroyasu Nakata ^{*3}	Audit & Supervisory Board Member
Hiroshi Minagawa ^{*3}	Audit & Supervisory Board Member

Notes:

*1 Representative directors

*2 Outside directors

*3 Outside audit & supervisory board members

None of the Directors have any conflict between their duty to MULF and any private interests and/or other duties.

The aggregate remuneration paid to the Directors (excluding Outside Directors) by MULF in their capacity as such was ¥370 million for the year ended 31 March 2019. The aggregate remuneration paid to the Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members) by MULF was ¥66 million for the year ended 31 March 2019. The aggregate remuneration paid to the Outside Directors and Outside Audit & Supervisory Board Members by MULF was ¥97 million for the year ended 31 March 2019.

The articles of incorporation of MULF provide that MULF may enter into liability limitation contracts with any of its Outside Directors and Outside Corporate Auditors in order to limit the maximum amount of such damages to the amount provided by applicable laws and regulations.

Subsidiaries and Affiliates

As of 31 March 2019, MULF's principal subsidiaries and affiliates are as set out below:

<i>Name of subsidiary or affiliate</i>	<i>Issued share capital (millions)</i>	<i>Percentage of voting rights⁽¹⁾</i>	<i>Major lines of business</i>
DFL Lease Company Limited	¥3,700	80%	Customer finance business
Shinko Lease Co., Ltd.	¥743	80%	Customer finance business
The Casio Lease Company Limited.....	¥1,100	80%	Customer finance business
Hirogin Lease Co. Ltd.	¥2,070	80%	Customer finance business
Shutoken Leasing Co., Ltd.	¥3,300	70.71%	Customer finance business
Chukyo General Lease Co., Ltd.....	¥50	70%	Customer finance business
DRS Company Limited	¥816	100%	Customer finance business
U-Machine Inc.	¥300	92.6%	Customer finance business
		(89.3%)	
MUL Insurance Company Limited	¥10	100%	Customer finance business
Japan Medical Lease Corporation.....	¥100	100%	Customer finance business
MUL Healthcare Co., Ltd.	¥200	100%	Customer Finance Business
Healthcare Management Partners, Inc.	¥310	66%	Customer finance business
MUL Energy Investment Company, Ltd.	¥150	100%	Asset finance business
MUL Property Co., Ltd.	¥251	100%	Asset finance business
		(100%)	
Diamond Asset Finance Company Limited	¥8,575	100%	Customer finance business
Miyuki Building Co., Ltd.	¥61	98.30%	Asset finance business
		(89.65%)	
MUL Realty Investment Company Limited.....	¥300	100%	Asset finance business
MUL Realty Advisers Company, Ltd.	¥200	66.60%	Asset finance business
		(66.60%)	
Mitsubishi UFJ Lease & Finance (China) Co. Ltd.....	U.S.\$55	100%	Customer finance business
Mitsubishi UFJ Lease & Finance (Hong Kong) Limited	HK\$120.037	100%	Customer finance business
Bangkok Mitsubishi UFJ Lease Co., Ltd.	THB 60	44%	Customer finance business
Mitsubishi UFJ Lease (Singapore) Pte. Ltd.	U.S.\$13.21	100%	Customer finance business
PT. Mitsubishi UFJ Lease & Finance Indonesia.....	Rp400,000	100%	Customer finance business
		(15%)	

<i>Name of subsidiary or affiliate</i>	<i>Issued share capital (millions)</i>	<i>Percentage of voting rights⁽¹⁾</i>	<i>Major lines of business</i>
PT. Takari Kokoh Sejahtera.....	Rp250,000	75%	Customer finance business
Mitsubishi UFJ Lease & Finance (U.S.A.) Inc.	U.S.\$27	100%	Customer finance business
ENGS Holdings Inc.	U.S.\$0	100%	Customer finance business
Mitsubishi UFJ Lease & Finance (Ireland) Designated Activity Company	EUR0.038	100%	Asset finance business
	U.S.\$12		
PT. Manajemen Unggul Lestari.....	Rp120,000	99% (99%)	Customer finance business
JSA International Holdings, L.P. and its 96 subsidiaries	U.S.\$742.183	100%	Asset finance business
Beacon Intermodal Leasing, LLC.....	U.S.\$0.001	100% (100%)	Asset finance business
MUL Railcars, Inc.	U.S.\$0.001	100%	Asset finance business
Jackson Square Aviation Ireland Limited	U.S.\$10	100% (100%)	Asset finance business
Engine Lease Finance Corporation	U.S.\$0.001	100% (100%)	Asset finance business

Note:

¹ Figures in parentheses indicate percentage of voting rights held indirectly in subsidiaries and affiliates.

Capitalisation and Indebtedness

The following table sets out the consolidated capitalisation and indebtedness of MULF as of 30 June 2019.

	<i>as of 30 June 2019 (Consolidated) (unaudited) Millions of Yen</i>
Long-term debt* ¹ :	
Bonds	¥1,055,542
Long-term loans from banks and other financial institutions	2,223,795
Loans from the securitizations of the minimum future rentals on lease contracts	139,021
Total long-term debt	<u>3,418,359</u>
Equity:	
Common stock	
Authorised – 3,200,000,000 shares, Issued – 895,834,160 shares	33,196
Capital surplus.....	167,147

*as of 30 June
2019
(Consolidated)
(unaudited)*

Millions of Yen

Stock acquisition rights	1,450
Retained earnings	496,651
Treasury stock, at cost – 5,276,716 shares	(1,846)
Accumulated other comprehensive income	
Net unrealized gain on available-for-sale securities	17,311
Deferred loss on derivatives under hedge accounting	(1,321)
Foreign currency translation adjustments	38,682
Defined retirement benefit plans	(1,330)
Total	<u>749,942</u>
Noncontrolling interests	<u>21,979</u>
Total equity	<u>771,922</u>
Total capitalisation and indebtedness* ²	<u><u>4,168,302</u></u>

Notes:

*¹ Long-term debt consists of bonds, long-term loans from banks and other financial institutions and loans from the securitizations of minimum future rentals on lease contracts including current maturities thereof.

*² Total capitalisation and indebtedness is a total of long-term debt and equity but excludes Noncontrolling interests.

BUSINESS - MUL ASSET FINANCE CORPORATION

Overview

MAF was incorporated in the State of Delaware in June 2014 as a wholly-owned subsidiary of MULF. MAF has provided funds with its wholly owned subsidiaries, Beacon Intermodal Leasing, LLC and Engine Lease Finance Corporation.

In 2019 April, MAF began to operate as a regional financial base in North America. MAF's functions are providing inter-company loans with North American subsidiaries including above two companies and procuring funds via borrowings, corporate bonds and CP. The registered office of MAF is 420 Lexington Avenue, Suite 1639, New York, NY10170, U.S.A.

Selected Financial Data

The following table provides selected financial information extracted from MAF's annual consolidated financial statements as at and for the year ended 31 December 2018 prepared in accordance with accounting principles generally accepted in the United States of America.

	<i>Thousands of U.S. dollars</i>
	<i>As of and for the year ended 31 December 2018</i>
Total revenues	\$528,722
Total costs and expenses	358,071
Income before income taxes	170,651
Net income	129,863
Net income attributable to non-controlling interest	963
Net income attributable to MAF	\$128,900
Total assets	4,513,620
Total liabilities	757,066
Total equity	3,756,554

Directors

The following are the names and titles of the directors of MAF.

Name	Title
Yoichi Shimoyama	Chairman & Director
Osamu Tominaga	President & Director
Ko Nishimura	Director
Koichi Kusunoki	Director

The business address of the directors of MAF is 420 Lexington Avenue, Suite 1639, New York, NY10170, U.S.A.

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

Capitalisation and Indebtedness

The following table sets out the consolidated capitalisation and indebtedness of MAF as of 31 December 2018.

	<i>Thousands of U.S. dollars</i>
	<i>As of 31 December 2018</i>
	<i>(audited)</i>
Debt.....	\$258,082
Equity:	
Common stock	
Authorised – 1,000 shares, Issued and outstanding – 139 shares	0
Additional paid-in capital.....	3,521,854
Retained earnings	231,941
Stockholder’s equity attributable to MAF	3,753,795
Non-controlling interests.....	2,759
Total equity	3,756,554
Total capitalisation and indebtedness ^{*1}	\$4,011,877

Note:

^{*1} Total capitalisation and indebtedness is a total of debt and equity but excludes non-controlling interests.

TAXATION

JAPANESE TAXATION

The following general description of certain aspects of Japanese taxation (limited to those regarding national taxes) is applicable to the Notes. It is not intended to constitute a complete analysis of all the tax consequences relating to the purchase, ownership and disposition of the Notes. Prospective purchasers should consult their own tax advisers as to the exact tax consequences of their particular situations.

Except in circumstances where any interest on the Notes issued by MAF is attributable to a business in Japan conducted by MAF through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures, the payment of principal and interest in respect of the Notes issued by MAF to an individual non-resident of Japan or a non-Japanese corporation will not be subject to any Japanese income tax or corporation tax, unless the receipt of the relevant payment is the income of such individual non-resident or non-Japanese corporation from sources in Japan. If any interest on the Notes or any excess amount of the redemption price over the acquisition price of any Notes issued by MAF is attributable to a business in Japan conducted by MAF as aforementioned, the following consequences relating to the Notes issued by MULF are also applicable to the Notes issued by MAF.

Interest payments on the Notes issued by MULF to an individual resident of Japan or a Japanese corporation (except for (i) a Japanese financial institution or a Japanese financial instruments business operator designated by the Cabinet Order pursuant to Article 6, paragraph (9) of the Act on Special Taxation Measures, which has complied with the requirement for tax exemption under that paragraph, and (ii) a Japanese corporation, a financial institution or a financial instruments business operator described in Article 3-3, paragraph (6) of the Act on Special Taxation Measures which receives interest payments on the Notes issued by MULF through a Japanese payment handling agent as described in paragraph (1) of said article and which has complied with the requirement for tax exemption under that paragraph (6) of said article), or a specially-related person, will be subject to withholding tax pursuant to the Income Tax Law (Act No. 33 of 1965, as amended, the “Income Tax Law”) at a rate of 15.315 per cent. until 31 December 2037 and 15 per cent. thereafter on the amount of such interest.

It should be noted that (i) if the recipient of interest on the Notes issued by MULF is a Japanese corporation, the amount of such interest will be included in the recipient’s income which is subject to Japanese corporate tax (including surtax, if applicable, hereinafter the same) under the Corporate Tax Act of Japan (Act No. 34 of 1965, as amended) and other applicable Japanese tax law (collectively, the “Corporate Tax Law”), provided that the amount of Japanese income tax (including surtax, if applicable, hereinafter the same) withheld under the Income Tax Law will generally be credited against the amount of Japanese corporate tax; and (ii) if the recipient of interest on the Notes issued by MULF is an individual non-resident of Japan or a non-Japanese corporation that is a specially-related person and has any kind of permanent establishment in Japan, the amount of such interest attributable to such permanent establishment will be included in the recipient’s income which is subject to Japanese income tax or corporate tax, as appropriate, payable other than by way of withholding tax, with any necessary adjustment, if applicable, pursuant to the Income Tax Law or the Corporate Tax Law, as appropriate, in consideration of the amount of the Japanese income tax withheld under the Income Tax Law.

Under the Act on Special Taxation Measures, payment of interest on the Notes issued by MULF outside Japan to a beneficial owner that is an individual non-resident of Japan or a non-Japanese corporation, other than a specially-related person, will not be subject to Japanese withholding tax, provided that the beneficial owner complies with procedures for establishing its eligibility for exemption from the imposition of Japanese income tax, including withholding tax, pursuant to the Act on Special Taxation Measures, as summarised below:

- (1) if the Notes or Coupons are deposited with an agent which handles the interest payments on the Notes as defined in the Cabinet Order (the “payment handling agent”) in accordance with the

Cabinet Order, (A) the recipient of the interest provides such payment handling agent which holds the Notes or Coupons in its custody (the “payment handling custodian”) with information including, inter alia, its name and address, and obtains confirmation from the payment handling custodian of the correctness of such information by presenting certain documentary or other evidence to such payment handling custodian; (B) such payment handling custodian notifies MULF of the interest recipient information (the “Interest Recipient Information”) (providing, inter alia, (i) that all recipients are individual non-residents of Japan or non-Japanese corporations other than specially-related persons (if applicable); or (ii) the amount of the interest payable to the recipients which are individual non-residents of Japan or non-Japanese corporations other than specially-related persons), which is prepared by such payment handling custodian based on the information provided by the recipient, or (if the Notes or Coupons are further sub-deposited with another payment handling agent including a clearing organisation (the “sub-depositary”) by such payment handling custodian) notifies MULF of the interest recipient information through the sub-depositary), at the latest one day prior to the date on which such payment handling custodian receives from MULF the amount of the interest for the payment to the recipients; and (C) MULF prepares an interest recipient confirmation based upon Interest Recipient Information and submits it to the relevant Japanese tax authority; or

- (2) if the Notes or Coupons are held otherwise than through a payment handling custodian, upon each payment of interest on the Notes the recipient files a claim for exemption from taxation (a “Claim for Exemption from Taxation”) (providing, inter alia, the name and address of the recipient) with the relevant Japanese tax authority through MULF or (if payment of interest is made through the payment handling agent) through the payment handling agent and MULF.

If the recipient of interest on the Notes issued by MULF is an individual non-resident of Japan or a non-Japanese corporation other than a specially-related person, failure by such individual non-resident of Japan or non-Japanese corporation to comply with the above requirements will result in the withholding of Japanese income tax. The above exemption from the withholding of Japanese income tax also applies to any Japanese financial institution or Japanese financial instruments business operator designated by Article 3-2-2, paragraph (28) of the Cabinet Order pursuant to Article 6, paragraph (9) of the Act on Special Taxation Measures which receives the interest on the Notes issued by MULF otherwise than through the payment handling agent in Japan.

However, the interest on the Notes issued by MULF in respect of which the amount of the interest is to be calculated by reference to certain indexes (as prescribed under the Cabinet Order relating to Article 6, paragraph (4) of the Act on Special Taxation Measures) relating to MULF or a specially-related person will be subject to withholding tax at 15.315 per cent. until 31 December, 2037 and 15 per cent. thereafter even if paid to an individual non-resident of Japan or a non-Japanese corporation that is not a specially-related person.

If the recipient of interest on the Notes issued by MULF is an individual non-resident of Japan or a non-Japanese corporation other than a specially-related person which complies with the above requirements and if such individual non-resident of Japan or non-Japanese corporation has a permanent establishment in Japan and the receipt of interest is attributable to such permanent establishment, such interest will be subject to Japanese income tax or corporate tax, as appropriate, payable other than by way of withholding.

If the recipient of the issue discount is an individual non-resident of Japan or a non-Japanese corporation other than a specially-related person having no permanent establishment within Japan or having a permanent establishment within Japan but the receipt of such issue discount is not attributable to such permanent establishment, no income tax or corporate tax is payable with respect to the issue discount. If the receipt of such issue discount is attributable to a permanent establishment in Japan of any such individual non-resident of Japan or non-Japanese corporation other than a specially-related person, such issue discount will be subject to Japanese income tax or corporate tax, as appropriate, payable other than by way of withholding. If the recipient of the issue discount is an individual non-resident of Japan or a non-Japanese corporation that is a specially-related person, income tax or corporate tax, as appropriate, other than by way of withholding, may be payable

with respect to such issue discount. The foregoing description does not address the tax treatment of the original issue discount of the Notes issued by MULF that fall under “discounted bonds” as presented by the Act on Special Taxation Measures.

Representation of Gross Recipient Status upon Initial Distribution

WITH RESPECT TO THE NOTES ISSUED BY (A) MULF AND (B) MAF, IN CIRCUMSTANCES WHERE ANY INTEREST ON NOTES ISSUED BY IT IS ATTRIBUTABLE TO A BUSINESS IN JAPAN CONDUCTED BY MAF THROUGH ITS PERMANENT ESTABLISHMENT IN JAPAN AS PROVIDED FOR IN THE ACT ON SPECIAL TAXATION MEASURES, BY SUBSCRIBING FOR THE NOTES, AN INVESTOR WILL BE DEEMED TO HAVE REPRESENTED THAT IT IS A “GROSS RECIPIENT,” i.e., (i) a beneficial owner that is, for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with the relevant Issuer as described in Article 6, paragraph (4) of the Act on Special Taxation Measures, (ii) a Japanese financial institution, designated in Article 3-2-2 paragraph (28) of the Cabinet Order that will hold Notes for its own proprietary account or (iii) an individual resident of Japan or a Japanese corporation whose receipt of interest of the Notes will be made through a payment handling agent in Japan as defined in Article 2-2 paragraph (2) of the Cabinet Order.

JAPANESE FOREIGN EXCHANGE REGULATIONS

The Foreign Exchange and Foreign Trade Act of Japan (Act No. 228 of 1949, as amended), and the cabinet orders and ministerial ordinances thereunder (collectively, the “Foreign Exchange Act”), govern certain matters relating to the issue of the Notes by MULF.

MULF may issue and offer the Notes outside Japan, except in certain limited exceptional circumstances, without any prior filing with any government authorities in Japan under the Foreign Exchange Act. Payments of principal and interest in respect of the Notes and any additional amounts payable pursuant to the terms and conditions of the Notes may be made when due, except in certain limited exceptional circumstances, without any restriction under the Foreign Exchange Act.

FATCA WITHHOLDING WITH RESPECT TO NOTES ISSUED BY MULF

Pursuant to FATCA (as defined under “—Terms and Conditions of the Notes”), 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. MULF registered with the U.S. Internal Revenue Service as a foreign financial institution for these purposes. A number of jurisdictions (including Japan) have entered into, or have agreed in substance to, IGAs with the United States to implement FATCA, 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, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining “foreign passthru payments” are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes that are not treated as equity for U.S. federal income tax purposes, have a fixed term and are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. Prospective investors should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to

FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

UNITED STATES FEDERAL INCOME TAXATION

The following is a general discussion of certain U.S. federal income tax consequences of the ownership and disposition of Notes issued by MAF by Non-U.S. Holders (as defined below) that acquire Notes in their initial offering and hold them as capital assets within the meaning of the U.S. Internal Revenue Code of 1986, as amended (the “Code”). This discussion does not describe all of the tax consequences that may be relevant to a Non-U.S. Holder in light of its particular circumstances or to a Non-U.S. Holder subject to special tax rules (for example, if for U.S. federal income tax purposes the Non-U.S. Holder is a controlled foreign corporation or an expatriate of certain types).

This discussion is based on the Code, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations as of the date of this Base Prospectus, changes to any of which subsequent to the date hereof may affect the tax consequences described herein, possibly with retroactive effect. You should consult your tax adviser regarding the application of the U.S. federal income tax laws to your particular situation, as well as any tax consequences arising under the laws of any state, local, or non-U.S. taxing jurisdiction.

You are a Non-U.S. Holder if for U.S. federal income tax purposes you are a beneficial owner of a Note that is:

- a nonresident alien individual;
- a foreign corporation; or
- a foreign estate or trust.

You are not a Non-U.S. Holder if you are an individual present in the United States for 183 days or more in the taxable year of disposition, you are a former citizen or former resident of the United States or your income with respect to a Note is effectively connected with the conduct of a trade or business in the United States, in any of which cases you should consult your tax adviser regarding the U.S. federal income tax consequences of owning or disposing of a Note.

If a partnership for U.S. federal income tax purposes owns Notes, the U.S. federal income tax treatment of its partners will generally depend upon the partners’ status and the partnership’s activities. Any partnership acquiring the Notes and its partners should consult their own tax advisers regarding the consequences of owning and disposing of the Notes.

This discussion does not address the U.S. federal income tax consequences of owning and disposing of all Notes that may be issued under the Program, including without limitation certain types of Index Linked Notes. In addition, this discussion does not address the U.S. federal income tax consequences of owning and disposing of Notes that are not indebtedness for U.S. federal income tax purposes and assumes that the relevant series of Notes will constitute indebtedness for U.S. federal income tax purposes. Accordingly, additional disclosure may be included in a supplement to the Base Prospectus.

Payments on the Notes

Subject to the discussion below under “Backup Withholding and Information Reporting” and “FATCA,” payments of principal and interest (including original issue discount, if any) on the Notes generally will not be subject to U.S. federal income or withholding tax, provided that, in the case of interest,

- you do not own, actually or constructively, ten percent or more of the total combined voting power of all classes of stock of MAF entitled to vote;

- you are not, for U.S. federal income tax purposes, a controlled foreign corporation related, directly or indirectly, to the Company through stock ownership;
- you are not a bank receiving interest on an extension of credit made pursuant to a loan agreement entered into in the ordinary course of your trade or business;
- the interest is not considered “contingent interest” under Section 871(h)(4)(A) of the Code and the Treasury regulations thereunder; and
- you certify on an appropriate and properly executed Internal Revenue Service (“IRS”) Form W-8 (or applicable successor form), under penalties of perjury, that you are not a United States person.

If one of the requirements described above is not satisfied, payments of interest on the Notes (including payments made by MULF in its capacity as a Guarantor) will be subject to withholding tax at a rate of 30%, or a lower rate specified by an applicable treaty.

Sale or Other Taxable Disposition of the Notes

Subject to the discussion below under “Backup Withholding and Information Reporting,” you generally will not be subject to U.S. federal income or withholding tax on gain realized on a sale, redemption or other taxable disposition of Notes, although any amounts attributable to accrued interest will be treated as described above under “Payments on the Notes.”

Backup Withholding and Information Reporting

Information returns are required to be filed with the IRS in connection with payments of interest on the Notes. Unless you comply with certification procedures to establish that you are not a United States person, information returns may also be filed with the IRS in connection with the proceeds from a sale or other disposition of a Note. You may be subject to backup withholding on payments on the Notes or on the proceeds from a sale or other disposition of the Notes unless you comply with certification procedures to establish that you are not a United States person or otherwise establish an exemption. The certification procedures required to claim the exemption from withholding tax on interest described above will avoid backup withholding as well.

Amounts withheld under the backup withholding rules are not additional taxes and may be refunded or credited against your U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

FATCA

FATCA (as defined under “—Terms and Conditions of the Notes”) imposes withholding of 30% on payments of interest on Notes issued by MAF to “foreign financial institutions” (which is broadly defined for this purpose and in general includes investment vehicles) and certain other non-U.S. entities unless various U.S. information reporting and due diligence requirements (generally relating to ownership by U.S. persons of interests in or accounts with those entities) have been satisfied, or an exemption applies. This regime could also apply to the payment on your Notes at maturity, as well as to proceeds of any sale or other disposition of a Note, although under recently proposed regulations (the preamble to which specifies that taxpayers are permitted to rely on them pending finalization), no withholding will apply to payments of gross proceeds. If FATCA withholding is required, the Issuer and the Guarantor will not be required to pay any additional amounts with respect to any amounts so withheld. If FATCA withholding is imposed, a beneficial owner that is not a foreign financial institution generally will be entitled to a refund of any amounts withheld by filing a U.S. federal income tax return (which may entail significant administrative burden). You should consult your tax adviser regarding the effects of FATCA on your investment in the Notes.

SUBSCRIPTION AND SALE

The Dealers have in a Programme Agreement dated 30 August 2019 (as amended or supplemented 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 will extend to those matters stated under “Form of the Notes” and “Terms and Conditions of the Notes”. In the Programme Agreement, the Issuers have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes and the Guarantee 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 the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder, including TEFRA C and TEFRA D. MAF may not issue Notes in bearer form.

In respect of Notes that are issued in accordance with the provisions of TEFRA D as is specified in the applicable Final Terms:

- a) except to the extent permitted under TEFRA D, each Dealer (i) represents that it has not offered or sold, and agrees that during the restricted period it will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (ii) represents that it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
- b) each Dealer represents that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by TEFRA D;
- c) if it is a United States person, each Dealer represents that it is acquiring Notes in bearer form for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of United States Treasury Regulations §1.163-5(c)(2)(i)(D)(6);
- d) with respect to each affiliate that acquires Notes in bearer form from a Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer repeats and confirms the representations and agreements contained in subparagraphs (a), (b) and (c) on such affiliate's behalf; and
- e) each Dealer will obtain for the benefit of the Issuer the representations and agreements contained in subparagraphs (a), (b), (c) and (d) above from any person other than its affiliate with whom it enters into a written contract, as defined in United States Treasury Regulation §1.163-5(c)(2)(i)(D)(4) (or any successor rule in substantially the same form as such rule for purposes of Section 4701 of the Code), for the offer and sale of Notes in bearer form during the restricted period.

In respect of Notes that are issued in accordance with the provisions of TEFRA C as specified in the applicable Final Terms, such Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer represents and agrees that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such Notes within the United States or its possessions in connection with their original issuance. Further, each Dealer represents and agrees in connection with the original issuance of such Notes that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of such Notes.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms. The relevant Dealer has agreed that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

European Economic Area

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, 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 Base Prospectus 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 Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression “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.

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 having a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (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 such Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “Financial Instruments and Exchange Act”), and 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, directly or indirectly, offered or sold, and will not, directly or indirectly, offer or sell, any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used in this paragraph means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan.

In addition, the Notes issued by (A) MULF and (B) MAF, in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MAF through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures, will be subject to the provisions of “foreign-issued bonds” (*minkan kokugaisai*) under the Act on Special Measures Concerning Taxation of Japan. Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it (i) has not, directly or indirectly, offered or sold any of the Notes (if issued by MAF, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MAF through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures) to, or for the benefit of, any person other than a Gross Recipient (as hereinafter defined), and (ii) will not, directly or indirectly, offer or sell any of the Notes (if issued by MAF, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MAF through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures), (a) as part of its distribution at any time, to, or for the benefit of, any person other than a Gross Recipient, and (b) otherwise until 40 days after the date of issue, to, or for the benefit of, any individual resident of Japan or Japanese corporation for Japanese tax purposes (except for (i) a Japanese financial institution, designated in Article 3-2-2 paragraph (28) of the Cabinet Order relating to the Act on Special Taxation Measures (Cabinet Order No. 43 of 1957, as amended, the “Cabinet Order”) that will hold the Notes for its own proprietary account (a “Designated Financial Institution”) and (ii) 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 (an “Article 3-3 Japanese Resident”). A “Gross Recipient” as used herein means (a) a beneficial owner that is, for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation,

nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with the relevant Issuer as described in Article 6, paragraph (4) of the Act on Special Taxation Measures, (b) a Designated Financial Institution, or (c) an Article 3-3 Japanese Resident.

Hong Kong

In relation to each Tranche of Notes each Dealer has represented and agreed that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes except for Notes which are a “structured product” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (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 Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed 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 Base Prospectus 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 (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) 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 and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Base Prospectus 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 (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) 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 and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

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

securities or securities-based derivatives contracts (each term as defined in Section 2(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:

- (i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Any reference to the SFA is a reference to the Securities and Futures Act, Chapter 289 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Notification under Section 309B of the SFA: In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Notes, the relevant Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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 securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the relevant Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuers, the Guarantors 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, the relevant Dealer will be required to comply with such other restrictions as the relevant Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

GENERAL INFORMATION

Authorisation

The establishment of the Programme has been duly authorised by a resolution of the Board of Directors of MULF dated 10 September 1999. The update of the Programme has been duly authorised by a resolution of the Board of Directors of MULF dated 6 August 2019.

The Programme with respect to MAF was authorised by a resolution of the Board of Directors of MAF dated 23 August 2019.

Legal Entity Identifier

The legal entity identifier of MULF is 353800MZ3QX9RLMH7B09 and of MAF is 3538001KKEKEY0C4FU56.

Listing of Notes on the SGX-ST

Application has been made to the SGX-ST for permission to deal in, and for quotation of, any Notes to be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the official list of the SGX-ST. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or the equivalent in other currencies). So long as any Notes are listed on the SGX-ST and the rules of SGX-ST so require, the Issuers shall appoint and maintain a paying agent in Singapore where such Notes may be presented or surrendered for payment or redemption, in the event that any of the Global Notes representing such Notes is exchanged for Definitive Notes. In addition, if any of the Global Notes representing such Notes is exchanged for Definitive Notes, an announcement of such exchange shall be made by or on behalf of the Issuers through the SGX-ST and such announcement will include all material information with respect to the delivery of the Definitive Notes, including details of the paying agent in Singapore.

Documents Available

So long as Notes are outstanding, copies of the following documents will, when published, be available from the registered office of the relevant Issuer and/or from the specified offices of the Paying Agent:

- (i) a certified copy of the Articles of Incorporation (with an English translation thereof) of MULF;
- (ii) a certified copy of the Certificate of Incorporation and By-laws of MAF;
- (iii) the most recently published audited annual consolidated and non-consolidated financial statements and the most recently published quarterly financial statements, in English, of MULF;
- (iv) the audited annual consolidated financial statements of MAF as at and for the year ended 31 December 2018;
- (v) the Agency Agreement, the Deed of Covenant and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;
- (vi) a copy of this Base Prospectus; and
- (vii) any future base prospectus, prospectuses, information memoranda and supplements including Final Terms (save that Final Terms will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Issuer and the Paying Agent as to its holding of Notes and identity) to this Base Prospectus and any other documents incorporated herein or therein by reference.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA, 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.

Significant or Material Change

Save as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position of MULF since 30 June 2019 (the date of the most recent unaudited consolidated financial statements of MULF) and there has been no material adverse change in the financial position or prospects of MULF since 31 March 2019 (the date of the most recent audited annual consolidated financial statements of MULF).

Litigation

Each Issuer is not and has not been involved in any legal or arbitration proceedings (including any proceedings which are pending or threatened of which each Issuer is aware) which may have or have had in the 12 months preceding the date of this document a significant effect on the financial position of each Issuer.

Auditors

The independent auditors of MULF are Deloitte Touche Tohmatsu LLC (a Japanese member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee) who are the independent auditors of MULF within the meaning of the Certified Public Accountants Law of Japan and the applicable rules and regulations thereunder.

Deloitte Touche Tohmatsu LLC has audited the consolidated financial statements of MULF, without qualification, in accordance with generally accepted auditing standards in Japan for the financial years ended on 31 March 2018 and 2019.

The independent auditors of MAF are Deloitte & Touche LLP, who are independent certified public accountants with respect to MAF under Rule 101 of the American Institute of Certified Accountants' *Codes of Professional Conduct*, and its interpretations and rulings.

Deloitte & Touche LLP has audited, and rendered an unqualified audit opinion on, the consolidated financial statements of MAF as of and for the year ended 31 December 2018, in accordance with generally accepted auditing standards in the United States of America.

Conflicts of interest

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, the Issuers and/or their respective affiliates in the ordinary course of business. 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 respective affiliates. Certain of the Dealers or their respective 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 each 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 (including the Notes).

THE ISSUERS

Mitsubishi UFJ Lease & Finance Company Limited

5-1 Marunouchi 1-chome
Chiyoda-ku
Tokyo 100-6525 Japan

MUL Asset Finance Corporation

420 Lexington Avenue
Suite 1639, New York
NY10170, U.S.A.

THE GUARANTOR

Mitsubishi UFJ Lease & Finance Company Limited

5-1 Marunouchi 1-chome
Chiyoda-ku
Tokyo 100-6525 Japan

ISSUING AND PRINCIPAL PAYING AGENT

The Bank of New York Mellon, London Branch

One Canada Square
London E14 5AL
United Kingdom

REGISTRAR AND TRANSFER AGENT

The Bank of New York Mellon SA/NV, Luxembourg Branch

Vertigo Building - Polaris – 2-4
rue Eugène Ruppert - L-2453
Luxembourg

LEGAL ADVISERS

To MULF as to Japanese law

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