

HITACHI

HITACHI INTERNATIONAL TREASURY LTD.

(incorporated with limited liability under the laws of Singapore)

Guaranteed by

Hitachi, Ltd.

(incorporated with limited liability under the laws of Japan)

U.S.\$ 500,000,000

Euro Medium Term Note Programme

Application has been made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for permission to deal in and quotation of any notes ("Notes") issued under the U.S.\$500,000,000 Euro Medium Term Note Programme (the "Programme") described in this Information Memorandum which are agreed at 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.

There is no assurance that the application to the SGX-ST for the listing of the Notes will be approved. Admission to the Official List of the SGX-ST and quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST are not to be taken as an indication of the merits of the Issuer (as defined below), the Guarantor (as defined below), their respective subsidiaries (if any), their respective associates (if any), the Programme or such Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. The Programme also permits Notes to be issued on an unlisted basis or to be admitted to listing, trading and/or quotation by such other or further listing authorities, stock exchanges and/or quotation systems as may be agreed with Hitachi International Treasury Ltd. (the "Issuer" or "HITL"). The relevant Pricing Supplement (as defined herein) in respect of any Series (as defined herein) of Notes will specify whether or not such Notes will be listed on the SGX-ST or any other stock exchange.

Payment under the Notes will be unconditionally and irrevocably guaranteed by Hitachi, Ltd. (the "Guarantor" or "HTC") (the "Guarantee of the Notes") as more fully described herein under "Guarantee of the Notes". The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed U.S.\$500,000,000 (or its equivalent in other currencies calculated as described herein). A description of the restrictions applicable at the date of this Information Memorandum relating to the maturity of certain Notes is set out below.

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer and the Guarantor to fulfil their respective obligations under the Notes are discussed under "Risk Factors" below.

Arranger
BofA Merrill Lynch

Dealers

BofA Merrill Lynch

Morgan Stanley

Mizuho Securities

Nomura

15 November 2018

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IMPORTANT NOTICES

Responsibility for this Information Memorandum

Each of the Issuer and HTC accepts responsibility for the information contained in this Information Memorandum and to the best of the knowledge and belief of each of the Issuer and HTC (which have taken all reasonable care to ensure that such is the case), the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

Pricing Supplement

This Information Memorandum should be read and construed together with any amendments or supplements hereto and with any other documents incorporated by reference herein and, in relation to any Tranche (as defined herein) of Notes, should be read and construed together with the relevant Pricing Supplement (as defined herein).

Other relevant information

Each of the Issuer and HTC has confirmed to the Dealers named under "Subscription and Sale" below that this Information Memorandum (including for this purpose, each relevant Pricing Supplement) contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes and the Guarantee of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Information Memorandum does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue and the offering and sale of the Notes and the Guarantee of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

Unauthorised information

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Information Memorandum or any other document entered into in relation to the Programme or any information supplied by the Issuer or HTC or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, HTC or any Dealer.

No representation or warranty is made or implied by the Dealers or any of their respective affiliates, and neither the Dealers nor any of their respective affiliates makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Information Memorandum. Neither the delivery of this Information Memorandum or any Pricing Supplement nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Information Memorandum is true subsequent to the date hereof or the date upon which this Information Memorandum has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer or HTC since the date thereof or, if later, the date upon which this Information Memorandum has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

SGX-ST

The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST are not to be taken as an indication of the merits of the Issuer, HTC, their respective subsidiaries (if any), their respective associates (if any), the Programme or such Notes.

Restrictions on distribution

The distribution of this Information Memorandum and any Pricing Supplement and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum or any Pricing Supplement comes are required by the Issuer, HTC and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Information Memorandum or any Pricing Supplement and other offering material relating to the Notes, see "Subscription and Sale". In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "Securities Act") and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Neither this Information Memorandum nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, HTC, the Dealers or any of them that any recipient of this Information Memorandum or any Pricing Supplement should subscribe for or purchase any Notes. Each recipient of this Information Memorandum or any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer or HTC.

Notification under Section 309B(1) of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"): Unless otherwise stated in the Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) 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).

IMPORTANT – 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 ("MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC ("IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the 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.

Programme limit

The maximum aggregate principal amount of Notes outstanding and guaranteed at any one time under the Programme will not exceed U.S.\$500,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into U.S. dollars at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement)). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "**Subscription and Sale**".

Certain definitions

In this Information Memorandum, unless otherwise specified, references to "U.S.\$", "U.S. dollars" or "dollars" are to United States dollars, references to "EUR" or "euro" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, references to "S\$" or "Singapore dollars" are to the lawful currency of Singapore, references to "£" or "Sterling" are to pounds Sterling and references to "¥" or "Yen" are to Japanese yen.

Certain figures included in this Information Memorandum have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Stabilisation

In connection with the issue of any Tranche of Notes under the Programme, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilising action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the Guarantor and the industries in which each of them operates together with all other information contained in this Information Memorandum, including, in particular the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Information Memorandum have the same meanings in this section.

Prospective investors should note that the risks relating to the Issuer and the Guarantor, the industries in which each of them operates and the Notes summarised in the section of this Information Memorandum headed "Summary of the Programme" are the risks that the Issuer and the Guarantor believe to be essential to an assessment by a prospective investor of whether to consider an investment in the Notes. However, as the risks which the Issuer and the Guarantor face relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider, among other things, the risks and uncertainties described below.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties relating to the Guarantor and its consolidated subsidiaries taken as a whole that are not currently known to the Guarantor and its consolidated subsidiaries taken as a whole, or that either currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Guarantor and its consolidated subsidiaries taken as a whole and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Information Memorandum and their personal circumstances.

Risks Relating to the Guarantor and its consolidated subsidiaries taken as a whole

Economic Trends

The business of the Guarantor, its consolidated subsidiaries and equity-method associates and joint ventures (the "**Group**") is influenced by the global economy and economic conditions in certain regions or countries. The Group is affected by downward economic trends in the U.S., Europe, China, emerging countries and Japan. Such economic conditions could cause decline in consumer spending or capital investment and subsequently reduced demand for the Group's products and services, which could adversely affect its business, financial condition and results of operations.

Currency Exchange Rates Fluctuations

Since the Group conducts business in many foreign countries, the Group's business activities are exposed to risks from fluctuations in foreign currency exchange rates. The Group sells products, provides services and purchases raw materials and components in local currencies. Therefore, fluctuations in foreign currency exchange rates may result in lower revenues or higher costs in yen to the Group and thus affect its results of operations, which are reported in Japanese yen. The Group's price competitiveness, and thus its results of operations, may be harmed if the Group seeks to increase prices in local currencies to compensate for lower revenues or to increase prices in yen to absorb the higher cost. In addition, since the Group holds assets and liabilities denominated in foreign currencies, fluctuations in foreign currency exchange rates may adversely affect its financial condition which are presented in Japanese yen through foreign currency translation. While the Group takes measures to reduce the risks from fluctuations in foreign currency exchange rates, such measures may not be effective.

Access to Liquidity and Long-term Financing

The Group's primary sources of funds are cash flows from operations, borrowings from banks and other institutional lenders, and funding from capital markets, such as offerings of commercial paper and other debt securities, as well as equity securities. The Group needs liquid funds to pay its operating expenses, the principal of and interest on its debt and dividends on its capital stock. The Group also needs long-term financing to fund, among other things, capital expenditures and research and development expenses. The Group currently believes its cash flows from operations, borrowings from banks and other institutional lenders and funding from the capital markets can provide sufficient funding for its operations

and other liquidity needs. However, a global economic downturn could adversely affect the Group's cash flows from operations, business results and financial condition and may adversely affect the Guarantor's credit ratings. If the Guarantor's ratings are downgraded, its ability to obtain additional financing on terms the Group considers favourable may be negatively affected.

The Guarantor's reliance on banks and institutional lenders exposes it to risks related to rising interest rates, and the Guarantor may need to increase its reliance on external sources of funding. An increased reliance on debt instruments may adversely affect the Guarantor's credit ratings, which may affect the Group's ability to successfully obtain additional financing on terms the Group considers favourable. The inability to successfully obtain such financing may increase its financing costs, and therefore could adversely affect its financial condition and results of operations.

Furthermore, insolvency of one or more of the Group's major lenders or a decision by one or more of them to change the terms and conditions of their loans or to stop lending to the Group could have an adverse effect on its access to funding.

Marketable Securities Risks

The Group invests in marketable securities to maintain or promote its business or other relationships with other companies. These marketable securities are exposed to the risk of declining stock market prices. Such declines may require that the Guarantor and its consolidated subsidiaries write down equity securities that they hold. Further, contractual and other obligations may require the Guarantor and its consolidated subsidiaries to maintain their holdings of these securities despite declining share prices which may lead to material losses.

Material and Component Procurement

The Group's manufacturing operations rely on external suppliers for supplies of materials, parts, components and services of adequate quality and quantity, delivered in a timely manner at a reasonable price. External suppliers may not have sufficient capacity to meet all of the Group's needs during periods of excess demand. Shortages of materials, parts, components and services may cause a sharp rise in their prices. In addition, prices of certain raw materials, parts and components which the Group purchases in local currencies, principally the U.S. dollar and the euro, could be adversely affected by fluctuations in foreign currency exchange rates. Increases in the market price of petroleum and other materials, such as copper, steel, synthetic resins, rare metals and rare-earth minerals, can increase the Group's production costs and may adversely affect its results of operations. Conversely, decreases in commodity prices, such as for raw materials, parts and components, can result in write-downs of inventory.

If natural disasters disrupt the operations of the Group's suppliers and damage supply chains, the Group's production may be adversely affected. The Group generally maintains multiple sources of supply and works closely with its suppliers to avoid supply-related problems. However, such problems (including shortages and delays) may continue to occur and could harm its business, financial condition and results of operations.

Estimates, Fluctuations in Cost and Cancellation of Long-term Contracts

The Group enters into a substantial number of long-term contracts, particularly in connection with the construction of infrastructure systems. When the outcome of a construction can be estimated reliably, the Group recognises revenue and expenses by reference to the stage of completion of the contract activity. In this case, the Group recognises revenue in an amount equal to the estimated total revenue from the arrangement multiplied by the percentage that costs incurred to date bear to estimated total costs at completion based upon the most recently available information. When the outcome of a construction cannot be estimated reliably, the Group recognises revenue only to the extent of contract costs incurred that it is probable will be recoverable, and recognises contract costs as expenses in the period in which such costs are incurred. The revenue recognition for such long-term contracts requires the Group to make significant assumptions about estimates of total contract costs, remaining costs to completion, total contract revenues, contract risks and other factors. The Group charges any anticipated losses on fixed price contracts to operations when the Group is able to estimate such losses. While the Group employs its best judgment based on available information, there can be no assurance that these estimates will, ultimately, prove to be correct. The Group regularly reviews these estimates and adjusts them as the Group deems necessary. Fluctuations in costs can occur for a variety of reasons, many of which are beyond the Group's control. In

addition, the Group or its counterparties may cancel these contracts. These factors would require the Group to revise its initial assumptions regarding a particular contract, and may adversely affect its business, financial condition and results of operations.

Credit Risks Arising from Business Transactions

The Group makes transactions with diverse customers and suppliers in Japan and other countries. The Group sells its products to certain customers on credit and pays in advance for products or services provided by certain suppliers. While the Group takes measures to manage counterparty credit risk, such as regularly monitoring credit conditions of such customers or suppliers and setting a limit on transaction amount according to their credit conditions, credit deterioration or failure of one or more of them could adversely affect its financial condition, results of operations and cash flows.

Supply and Demand Balance

Oversupply in the markets in which the Group competes may lead to declines in sales prices, revenues and profitability. In addition, adjustment to demand may force the Group to dispose of excess supply or obsolete equipment or to reduce production, which can result in losses. For example, the imbalance between supply and demand in construction machinery and automotive equipment industries and a resultant deterioration in market conditions could negatively affect the Group's businesses, financial condition and results of operations.

Rapid Technological Innovation

New technologies are rapidly emerging in the segments in which the Group conducts business, with the pace of technological innovation. The development of new and advanced technologies, the continuous, timely and cost-effective incorporation of such technologies into products and services and the effective marketing of such products and services are indispensable to remaining competitive. While introducing such products and services requires significant resource commitment to research and development, there can be no assurance that the Group's research and development will be successful. Failure in the Group's endeavours to develop and incorporate such advanced technologies into products and services in a timely manner, or to achieve market acceptance for such products and services, may negatively affect its business, financial condition and results of operations.

Dependence on Specially Skilled Personnel

The Group believes recruiting and retaining additional people who are highly skilled in connection with its operations is indispensable to remaining competitive. However, the number of skilled personnel is limited and the competition for attracting and maintaining such personnel is intense. The Group cannot ensure that the Group will be able to successfully attract new or maintain its current skilled personnel.

Intense Competition

The Group is subject to intense competition in many of the markets in which the Group operates, and this may adversely affect its results of operations. The industrial sectors and business lines in which the Group is engaged are experiencing increasingly intense competition. The Group competes with diverse competitors ranging from huge global corporations to specialised companies. Competitors are increasingly manufacturing products, including sophisticated electronic products, and developing IT services in low-cost jurisdictions. Low-cost manufacturing and the globalisation of world markets have accelerated the commoditisation of certain products or services, which has resulted in increasingly intense price competition for many of the Group's products. To succeed in this competitive environment, the Group believes that its products and services must be price competitive. The commoditisation of such products affects the Group's ability to set prices for its products. If the Group is unable to charge comparable prices to those of its competitors, its competitiveness and overall profitability may be harmed. On the other hand, charging comparable prices to those of the Group's competitors may require the Group to sell products and services at a loss. The Group's products and services must also be competitive in terms of engineering sophistication, quality and brand value. The Group must introduce its products and services to the markets in a timely manner. There can be no assurance that the products or services that the Group offers will be competitive. The failure of such products or services to be competitive may negatively affect the Group's business, financial condition and results of operations.

The Group's Strategy to Strengthen its Social Innovation Business

The Group's business strategy seeks to build its business portfolio and achieve a stable and profitable business structure mainly by strengthening its social innovation business, which supplies advanced social infrastructure supported by information and communication technology. The Group plans to devote significant resources including capital expenditures and R&Ds and is making investments in mergers and acquisitions and in new projects to strengthen its social innovation business. In addition, the Group attempts to design suitable organisational structure for promoting its social innovation business more effectively in response to market changes. To implement this strategy, the Group has incurred and may continue to incur considerable expenses. The Group's efforts to implement this strategy may be unsuccessful or less successful than the Group currently anticipates. Even if these efforts are successful, there is no assurance that the Group will be able to sustain or increase profitability.

Acquisitions, Joint Ventures and Strategic Alliances

In every operating sector, the Group depends to some degree on acquisitions of other companies, joint ventures and strategic alliances with outside partners to design and develop key new technologies and products, to strengthen competitiveness by scaling up and to expand into new regions through acquiring local bases or distribution channels. Such transactions are inherently risky because of the difficulties in integrating operations, technologies, products and personnel and achieving return of the investment. Integration issues are complex, time-consuming and expensive and, without proper planning and implementation, could adversely affect the Group's business. Decisions made by or the performance of alliance partners that the Group cannot control or adverse business trends may also negatively affect the success of its alliances. The Group may incur significant acquisition, administrative and other costs in connection with these transactions, including costs related to integration or restructuring of acquired businesses. If it is expected that the amount invested is irrecoverable due to a decline in the profitability of an investee, the Group may incur significant losses, including impairment loss for goodwill. There can be no assurance that these transactions will be beneficial to the Group's business or financial condition. Even assuming these transactions are beneficial, there can be no assurance that the Group will be able to successfully integrate acquired businesses or achieve all or any of the initial objectives of these transactions.

Restructuring of the Group's Business

The Group's business strategy seeks to build its business portfolio and achieve a stable and profitable business structure in part by:

- closing unprofitable operations;
- divesting the Guarantor's subsidiaries and affiliated companies;
- reorganising production bases and sales networks; and
- selling selected assets.

The Group's restructuring efforts may not be implemented in a timely manner or at all, including due to governmental regulations, employment issues or a lack of demand in the M&A market for businesses the Group may seek to sell. In addition, the Guarantor has listed subsidiaries and from time to time the interests of these listed subsidiaries' shareholders may conflict with the Guarantor's interests. Such conflicts of interest may result in difficulties in timely implementing group-wide policies, including mergers, company splits and other similar transactions to which the listed subsidiaries are parties. Restructuring efforts may also bring about unintended consequences, such as negative customer or employee perceptions, and have caused and may continue to cause the Group to incur significant expenses and other costs, including additional impairment losses on its fixed assets and intangible assets, write-offs of inventory and losses on the disposal of fixed assets and losses related to the sale of securities.

Current and future restructuring efforts may be unsuccessful or less successful than the Group presently anticipates and may adversely affect its business, financial condition and results of operations.

Worsening of Business Performance of Equity-Method Associates and Joint Ventures

The Guarantor and its consolidated subsidiaries use the equity-method to account for a number of associates and joint ventures. If one or more of such associates or joint ventures, accounted for using the equity-method, records a loss during a given period, the Group must record that loss in a manner proportionate to its ownership interest in its consolidated financial statements. In addition, if the carrying amount of equity-method investments in associates or joint ventures by the Guarantor and its consolidated subsidiaries is below the recoverable amount of the investments, they could be required to record an impairment loss.

The Group's Overseas Growth Strategies

The Group seeks to expand its business, including its social innovation business, in overseas markets as part of its business strategy. Through such overseas expansion, the Group aims to increase its revenues, reduce its costs and improve profitability. In many of these markets, the Group faces barriers in the form of long-standing relationships between its potential customers and their local suppliers. In addition, various factors in foreign countries where the Group operates may adversely affect its overseas business activities. These factors include:

- changes in regulations relating to investments, exports, tariffs, antitrust, anti-bribery, consumer and business taxation, intellectual property, foreign trade and exchange controls, and environmental and recycling requirements;
- differences in commercial and business customs such as contract terms and conditions;
- labour relations;
- public sentiment against Japan and local residents' sentiment against the Group; and
- other political and social factors as well as economic trends and currency exchange rate fluctuations.

Because of these factors, there can be no assurance that the Group will be able to achieve the aims of its overseas growth strategy. This may adversely affect its business growth prospects and results of operations.

Overhaul of Cost Structure

The Group implements "the Hitachi Smart Transformation Project", which promotes cost reductions in all activities of its value chain by thoroughly overhauling its cost structure across the Group. The Group seeks to stabilise earnings and generate cash flows by improving its management efficiency through the project. The project may be less successful than the Group currently anticipates. Even if the project is successful, there is no assurance that the Group will be able to sustain or increase profitability.

Intellectual Property

The Group depends in part on proprietary technology and its ability to obtain patents, trademarks and other forms of intellectual property rights covering its products, product design, manufacturing processes and software-based services in Japan and other countries. The fact that the Group holds such intellectual property rights does not ensure that they will provide a competitive advantage to the Group. Various parties may challenge, invalidate or circumvent the Group's patents, trademarks and other intellectual property rights. There can be no assurance that claims allowed on any future patents will be sufficiently broad to protect the Group's technology. Effective patent, copyright and trade secret protection may be unavailable or limited in some of the markets in which the Group operates, and its trade secrets may be vulnerable to disclosure or misappropriation by employees, contractors and other persons.

The Group designs many of its products to include software or other intellectual property licences from third parties. Competitors may not make their protected technology available to the Group, or may make it available to the Group only on unfavourable terms and conditions. There can be no assurance that the Group will be able to maintain a licence for such intellectual property if obtained, for economic or other reasons, or that such intellectual property will give the Group the commercial advantages that the Group desires.

From time to time, the Group is sued or receives notices regarding patent and other intellectual property claims. Whether or not these claims have merit, they may require significant resources to defend against and may divert management attention from the Group's business and operations and result in harm to its reputation. In addition, a successful infringement claim and the Group's inability to obtain the licence for the infringed technology or substitute similar non-infringing technology may adversely affect the Group's business.

Litigation and Regulatory Investigations

The Group faces risks of being involved in litigation and alternative dispute resolution and regulatory investigation and actions in connection with its operations. Lawsuits or any other legal procedures for resolving disputes and regulatory actions may seek payment of large, indeterminate amounts or otherwise limit its operations, and their existence and magnitude may remain unknown for substantial periods of time.

In the past several years, the Group has been the subject of several investigations of alleged antitrust violations in relation to certain product markets in some countries and regions including Japan, Europe and North America and received claims for damages from its customers and other parties, which may have adverse effects on its financial condition or profitability. These investigations or disputes may result in significant penalties or compensation for damages. Such substantial legal liability or regulatory action could have an adverse effect on the Group's business, results of operations, financial condition, cash flows, reputation and credibility.

In addition, the Group's business activities are subject to various governmental regulations in countries where the Group operates, which include investment approvals, export regulations, tariffs, antitrust, anti-bribery, intellectual property, consumer and business taxation, foreign trade and exchange controls, and environmental and recycling requirements. These regulations limit, and other new or amended regulations may further limit, the Group's business activities or increase operating costs. In addition, the enforcement of such regulations, including the imposition of fines or surcharges for violation of such regulations, may adversely affect the Group's results of operations, financial condition, cash flows, reputation and credibility.

Product Quality and Liability

The Group increasingly provides products and services utilising sophisticated technologies, including but not limited to components of power stations. Reliance on external suppliers reduces the Group's control over quality assurance. Defects in the Group's products and services could negatively affect its reputation for quality of products and services, expose the Group to liability for damages caused by such defects and negatively affect its ability to sell certain products. A significant product defect could adversely affect the Group's results of operations, financial condition and future business prospects.

Significant Disasters and Similar Events

The Group has many facilities, including its R&D facilities, manufacturing facilities and the Guarantor's headquarter in Japan. Historically, Japan has experienced numerous natural disasters such as earthquakes, tsunamis and typhoons. Natural disasters in the future may have a significantly adverse affect on an array of the Group's corporate activities, from production to sales. The Group also has overseas facilities in Asia, the U.S. and Europe, which are also subject to similar natural disasters. Natural disasters in each of the areas may cause damage on certain of the Group's plants and offices and the operations of its suppliers and customers. Such significant natural disasters may directly damage or destroy the Group's facilities, which could disrupt its operations, delay new production and shipments of existing inventory or result in costly repairs, replacements or other costs, all of which would result in significant losses. Furthermore, even if such significant natural disasters do not directly affect the Group's facilities, they could result in disruptions in distribution channels or supply chains. The spread of infectious diseases and geopolitical and social instability, such as terrorism, crime, civil disturbance and conflict, may also disrupt the Group's operations, render its employees unable to work, reduce consumer demand for its products or disrupt its supply and distribution channels. In addition, the Group is not insured against all potential losses, and even losses that are covered by insurance may not be fully covered and may be subject to challenges of or delays in payment. Direct and indirect disruption of the Group's operations as a result of natural disasters or other events could have a negative impact on its operating activities, results of operations and financial condition.

Dependence on Information Systems

With the increased importance of information systems to the Group's operating activities, disruptions in such systems due to computer viruses and other factors could have a negative impact on its operating activities, results of operations and financial condition.

Management of Confidential Information

The Group maintains and manages personal information obtained from its customers, as well as confidential information relating to its technology, research and development, production, marketing and business operations and those of its customers and clients, in various forms. Although the Group has implemented controls to protect the confidentiality of such information, there can be no assurance that such controls will be effective. Unauthorised disclosures of such information could subject the Group to complaints or lawsuits for damages or could otherwise have a negative impact on its business, financial condition, results of operations, reputation and credibility.

Employee Retirement Benefits

The Group has a significant amount of employee retirement benefit costs that the Group derives from actuarial valuations based on a number of assumptions. Inherent in these valuations are key assumptions used in estimating pension costs including mortality, withdrawal and retirement rates, changes in wages and the discount rate. The Group is required to make judgments regarding the key assumptions by taking into account various factors including personnel demographics, market conditions and expected trends in interest rates. Although management believes that its key assumptions are reasonable in light of the various underlying factors, there can be no assurance that the key assumptions will correspond to actual results. If the Group's key assumptions differ from actual results, the consequent deviation of actual pension costs from estimated costs may have an adverse effect on its financial condition and results of operations. A decrease in the discount rate may result in an increase in the amount of projected benefit obligations. In addition, the Group may change these key assumptions, such as the discount rate. Changes in key assumptions may also have an adverse effect on its financial condition and results of operations.

Risks Relating to the Notes

There is no active trading market for the Notes.

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although applications may be made for certain of the Notes issued under the Programme to be listed on the SGX-ST, there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so listed or that an active trading market will develop. Accordingly, there is no assurance as to the development of any trading market for or liquidity of any particular Tranche of Notes.

The Notes may be redeemed prior to maturity.

Unless in the case of any particular Tranche of Notes the relevant Pricing Supplement (as the case may be) specifies otherwise, in the event that the Issuer or the Guarantor would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Singapore, Japan or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes of any Series in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the relevant Pricing Supplement specifies that the Notes are redeemable at the Issuer's option, in certain other circumstances the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

Market values of notes issued at a substantial discount or premium may be volatile.

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

There are risks that certain "benchmarks" to which the Notes are linked may be administered differently or discontinued in the future, including the potential phasing-out of LIBOR after 2021, which may adversely affect the value and return on such Notes.

The London Interbank Offered Rate ("**LIBOR**") and other interest rate or other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory reform. Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**") was published in the Official Journal of the European Union on 29 June 2016 and has applied from 1 January 2018 (with the exception of provisions specified in Article 59 (mainly on critical benchmarks) that have applied since 30 June 2016). The Benchmarks Regulation could have a material impact on any Notes linked to LIBOR or another "benchmark" rate or index, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the terms of the Benchmarks Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. In addition, the Benchmarks Regulation stipulates that each administrator of a "benchmark" regulated thereunder must be licensed by the competent authority of the Member State where such administrator is located. There is a risk that administrators of certain "benchmarks" will fail to obtain a necessary licence, preventing them from continuing to provide such "benchmarks". Other administrators may cease to administer certain "benchmarks" because of the additional costs of compliance with the Benchmarks Regulation and other applicable regulations, and the risks associated therewith. There is also a risk that certain benchmarks may continue to be administered but may in time become obsolete. As an example of such benchmark reforms, on 27 July 2017, the United Kingdom Financial Conduct Authority (the "**FCA**") announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021 and that planning a transition to alternative reference rates that are based firmly on transactions, such as reformed SONIA (the Sterling Over Night Index Average), must begin.

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area.

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the LIBOR benchmark or any other benchmark or changes in the manner of administration of a benchmark could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 7(k) (*Benchmark Replacement*)), or result in adverse consequences to holders of any Notes linked to such benchmark (including but not limited to Floating Rate Notes whose interest rates are linked to LIBOR) or any other such benchmark that is subject to reform. Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities based on the same benchmark.

The "Terms and Conditions of the Notes" set out below provide for certain fall-back arrangements in the event that a published benchmark, such as LIBOR (including any page on which such benchmark may be published (or any successor service)), becomes unavailable, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative reference rate and that such successor rate or alternative reference rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark. In certain circumstances the ultimate

fall-back of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Conditions), the relevant fall-back provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes. Investors should consider these matters when making their investment decision with respect to the relevant Floating Rate Notes.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg, as applicable, will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg, as applicable.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments through Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg, as applicable, to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg, as applicable, to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

Notes may be issued with a minimum denomination.

Notes may be issued with a minimum denomination. The Pricing Supplement of a Tranche of Notes may provide that, for so long as the Notes are represented by a Global Note and Euroclear and Clearstream, Luxembourg (or any other relevant clearing system) so permit, the Notes will be tradable in nominal amounts (a) equal to, or integral multiples of, the minimum denomination, and (b) the minimum denomination plus integral multiples of an amount lower than the minimum denomination.

Where the Pricing Supplement specifies that the Permanent Global Note will be exchangeable "only in the limited circumstances described in the Permanent Global Note", Definitive Notes will only be issued if (a) Euroclear or Clearstream, Luxembourg (or other relevant clearing system), as applicable, is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs. The Pricing Supplement may provide that, if Definitive Notes are issued, such Notes will be issued in respect of all holdings of Notes equal to or greater than the minimum denomination. However, Noteholders should be aware that Definitive Notes that have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade. Definitive Notes will under no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination.

Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes.

The Programme has been assigned a provisional rating of "(P)A3" by Moody's Japan K.K. ("**Moody's Japan**") and a rating of "A" by S&P Global Ratings Japan Inc. ("**S&P Japan**"). These credit ratings have been issued by Moody's Japan and S&P Japan, neither of which are established in the European Union and neither of which are registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") but have been endorsed by Moody's Investors Service Ltd ("**Moody's Europe**") and Standard & Poor's Credit Market Services Europe Limited ("**S&P Europe**"), respectively, each of which is an entity established in the European Union and registered under the CRA Regulation.

Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the ratings described above. 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. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

Under the CRA Regulation, certain investors may generally only use a credit rating for regulatory purposes in the European Union if the credit rating is issued by a credit rating agency established in the European Union and registered in accordance with the CRA Regulation (or is endorsed and published or distributed by subscription by such a credit rating agency in accordance with the CRA Regulation). Investors who wish to use a credit rating for regulatory purposes in the European Union should consider whether a credit rating assigned to an issue of Notes may be used for this purpose.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated in, and to form part of, this Information Memorandum:

- (1) the audited consolidated financial statements (including the independent auditors' report thereon and notes thereto) of the Issuer in respect of each of the years ended 31 March 2017 and 31 March 2018 and the most recently prepared audited financial statements and any interim financial statements (whether audited or unaudited) prepared subsequently to such financial statements, of the Issuer from time to time;
- (2) the audited consolidated financial statements (including the independent auditors' report thereon and notes thereto) of HTC as of and for the years ended 31 March 2017 and 31 March 2018;
- (3) the English translation of the unaudited second quarter consolidated financial results (*kessan tanshin*) of HTC in respect of the fiscal year ending 31 March 2019, except for the forward-looking statements (such as forecasts and earnings targets) contained therein;
- (4) the most recently published audited consolidated financial statements (included in the English translation of Annual Securities Report) and unaudited quarterly consolidated financial statements (included in the English translation of Quarterly Reports) of HTC from time to time; and
- (5) all amendments and supplements to this Information Memorandum prepared by the Issuer from time to time,

provided, however, that any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of, this Information Memorandum shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in any document subsequently incorporated by reference modifies or supersedes such statement.

Copies of documents incorporated by reference in this Information Memorandum may be obtained, free of charge, at the registered office of the Fiscal Agent. Copies of documents incorporated by reference in this Information Memorandum of the Issuer as set out in paragraph (1) above may be obtained, free of charge, at the registered office of the Issuer. The documents incorporated by reference in this Information Memorandum of the Guarantor may also be inspected at the website of the Guarantor at <http://www.hitachi.com/IR-e/index.html>. Information contained in or accessible from the website in this paragraph that is not incorporated by reference in this Information Memorandum as set out above does not form part of and is not incorporated by reference into this Information Memorandum.

SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is qualified in its entirety by the remainder of this Information Memorandum. Words and expressions defined in "Forms of the Notes" or "Terms and Conditions of the Notes" below shall have the same meanings in this summary.

- Issuer:** Hitachi International Treasury Ltd.
- Guarantor:** Hitachi, Ltd.
- Arranger:** Merrill Lynch (Singapore) Pte. Ltd.
- Dealers:** Merrill Lynch (Singapore) Pte. Ltd., Mizuho Securities Asia Limited, Morgan Stanley & Co. International plc, and Nomura International plc and any other Dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes.
- Fiscal Agent:** Mizuho Trust & Banking (Luxembourg) S.A.
- Listing:** Each Series may be listed on the SGX-ST and/or admitted to listing, trading and/or quotation by any other competent authority, stock exchange and/or quotation system as may be agreed between the Issuer, the Guarantor and the relevant Dealer and specified in the relevant Pricing Supplement or may be unlisted.
- Application has been made to the SGX-ST for permission to deal in and quotation of any Notes which are agreed at 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. There is no assurance that the application to the SGX-ST for the listing of the Notes will be approved. If the application to the SGX-ST to list a particular Series of Notes is approved, such Notes listed on the SGX-ST will be traded on the SGX-ST in a board lot size of at least S\$200,000 (or its equivalent in other currencies).
- Clearing Systems:** Euroclear and/or Clearstream, Luxembourg and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Pricing Supplement (including the Central Depository (Pte) Limited in respect of Singapore Dollar Notes – see "*Clearing and Settlement Through CDP*").
- Initial Programme Amount:** Up to U.S.\$500,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding and guaranteed at any one time.
- Issuance in Series:** Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.
- Pricing Supplements:** Each Tranche will be the subject of a Pricing Supplement which, for the purposes of that Tranche only, supplements the Terms and Conditions of the Notes and this Information Memorandum and must be read in conjunction with this Information Memorandum. The terms and conditions applicable to any particular Tranche of Notes are the Terms and Conditions of the Notes as supplemented, amended and/or replaced by the relevant Pricing Supplement.

Forms of Notes:	Notes may only be issued in bearer form. Each Tranche of Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Pricing Supplement. Each Global Note will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Pricing Supplement, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Pricing Supplement as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.
Currencies:	Notes may be denominated in U.S. dollars, Singapore dollars, Japanese yen or in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated. Notes denominated in Singapore dollars will have a minimum denomination of S\$250,000.
Status of the Notes:	Notes will be issued on an unsubordinated basis.
Status of the Guarantee of the Notes:	The principal and interest in respect of the Notes will be unconditionally and irrevocably guaranteed by the Guarantor, on an unsubordinated basis, as more fully described herein under "Guarantee of the Notes".
Issue Price:	Notes may be issued at any price and either on a fully or partly paid basis, as specified in the relevant Pricing Supplement.
Maturities:	Any maturity between 1 month and 20 years, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements. Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer.
Redemption:	Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula, index or otherwise) as may be specified in the relevant Pricing Supplement. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Pricing Supplement.

Optional Redemption:	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Pricing Supplement.
Tax Redemption:	Except as described in "Optional Redemption" above, early redemption will only be permitted for tax reasons as described in Condition 10(b) (<i>Redemption and Purchase – Redemption for tax reasons</i>).
Interest:	Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
Denominations:	Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Notes may not (a) have a minimum denomination of less than S\$250,000 (or equivalent in another currency), or (b) carry the right to acquire shares (or transferable securities equivalent to shares) issued by the Issuer or by any entity to whose group the Issuer belongs.
Negative Pledge:	The Notes will have the benefit of a negative pledge as described in Condition 5 (<i>Negative Pledge</i>).
Cross Default:	The Notes will have the benefit of a cross default as described in Condition 13 (<i>Events of Default</i>).
Taxation:	All payments in respect of Notes will be made free and clear of withholding taxes of Singapore or Japan, as the case may be, unless the withholding is required by law. In that event, the Issuer will (subject as provided in Condition 12 (<i>Taxation</i>)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.
Governing Law:	English law.
Enforcement of Notes in Global Form:	In the case of Global Notes, individual investors' rights against the Issuer will be governed by a Deed of Covenant dated 15 November 2018 (as the same may be supplemented, amended and/or restated from time to time), a copy of which will be available for inspection at the specified office of the Fiscal Agent.
Selling Restrictions:	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, Singapore, United Kingdom and Japan, see "Subscription and Sale" below.
Ratings:	<p>The Programme has been assigned a provisional rating of "(P)A3" by Moody's Japan and a rating of "A" by S&P Japan.</p> <p>Neither Moody's Japan nor S&P Japan is established in the EEA and neither is certified under the CRA Regulation; the ratings by Moody's Japan and S&P Japan have, however, been endorsed by Moody's Europe and S&P Europe which are entities established in the European Union and registered under the CRA Regulation.</p> <p>Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Pricing Supplement.</p>

FORMS OF THE NOTES

Each Tranche of Notes will initially be in the form of either a temporary global note (the "**Temporary Global Note**"), without interest coupons, or a permanent global note (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Pricing Supplement. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "Global Note") will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or any other relevant clearing system.

The relevant Pricing Supplement will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the prompt delivery (free of charge to the bearer) of such Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) surrender of the Temporary Global Note at the Specified Office of the Fiscal Agent; and
- (ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership, within 7 days of the bearer requesting such exchange.

The principal amount of the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership; *provided, however, that* in no circumstances shall the principal amount of the Permanent Global Note exceed the initial principal amount of the Temporary Global Note.

The Permanent Global Note will be exchangeable in whole, but not in part, for Notes in definitive form ("Definitive Notes"):

- (i) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or
- (ii) at any time, if so specified in the relevant Pricing Supplement; or
- (iii) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note", then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Pricing Supplement specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (i) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or
- (ii) at any time, if so specified in the relevant Pricing Supplement; or
- (iii) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note", then if (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "Terms and Conditions of the Notes" below and the provisions of the relevant Pricing Supplement which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

Legend concerning United States persons

In the case of any Tranche of Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"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 in such legend provide that a United States person who holds a Note, Coupon or Talon will generally not be allowed to deduct any loss realised on the sale, exchange or redemption of such Note, Coupon or Talon and any gain (which may otherwise be characterised as capital gain) recognised on such sale, exchange or redemption will be treated as ordinary income.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as supplemented, amended and/or replaced by the relevant Pricing Supplement, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" below.

1. Introduction

- (a) *Programme:* Hitachi International Treasury Ltd. (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to U.S.\$500,000,000 in aggregate principal amount of notes (the "**Notes**").
- (b) *Pricing Supplement:* Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a pricing supplement (the "**Pricing Supplement**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail.
- (c) *Agency Agreement:* The Notes are the subject of an amended and restated issuing and paying agency agreement dated 15 November 2018 (as the same may be supplemented, amended and/or restated from time to time, the "**Agency Agreement**") between the Issuer and Mizuho Trust & Banking (Luxembourg) S.A. as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes) and the paying agents named therein (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes).
- (d) *Deed of Guarantee:* The Notes are the subject of a deed of guarantee dated 15 November 2018 (the "**Deed of Guarantee**").
- (e) *The Notes:* All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Pricing Supplement. Copies of the relevant Pricing Supplement are available for inspection by Noteholders during normal business hours at the Specified Office of the Fiscal Agent, the initial Specified Office of which is set out below.
- (f) *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Guarantee and are subject to their detailed provisions. The holders of the Notes (the "**Noteholders**") and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Guarantee which are applicable to them. Copies of the Agency Agreement and the Deed of Guarantee are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Paying Agents, the initial Specified Offices of which are set out below.

2. Interpretation

- (a) *Definitions:* In these Conditions the following expressions have the following meanings:
 - "**Accrual Yield**" has the meaning given in the relevant Pricing Supplement;
 - "**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;
 - "**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"Business Day" means:

- (i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"Business Day Convention", in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (ii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **"FRN Convention"**, **"Floating Rate Convention"** or **"Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that:*
 - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Calculation Agent" means the Fiscal Agent or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

"Coupon Sheet" means, in respect of a Note, a coupon sheet relating to the Note;

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

- (i) if **"Actual/Actual (ICMA)"** is so specified, means:
 - (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (b) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (ii) if **"Actual/Actual (ISDA)"** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if **"Actual/365 (Fixed)"** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if **"Actual/360"** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if **"30/360"** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

- (vi) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

- (vii) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"Early Termination Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement;

"Extraordinary Resolution" has the meaning given in the Agency Agreement;

"Final Redemption Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"Fixed Coupon Amount" has the meaning given in the relevant Pricing Supplement;

"Guarantee" means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (i) any obligation to purchase such Indebtedness;
- (ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (iii) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (iv) any other agreement to be responsible for such Indebtedness;

"Guarantee of the Notes" means the guarantee of all sums payable by the Issuer from time to time in respect of the Notes given by the Guarantor in the Deed of Guarantee;

"Indebtedness" means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (i) amounts raised by acceptance under any acceptance credit facility;
- (ii) amounts raised under any note purchase facility;
- (iii) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (iv) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (v) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

"Interest Amount" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"Interest Commencement Date" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

"Interest Determination Date" has the meaning given in the relevant Pricing Supplement;

"Interest Payment Date" means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

- (i) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar

Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"International Bond Issue" means (i), with respect to the Issuer, any future or present indebtedness which is in the form of or is evidenced by bonds, notes, loan stock, debentures or other like securities and which is denominated or confers a right to payment in, or by reference to, (a) any currency other than Singapore dollars or (b) Singapore dollars if more than one half thereof was issued, placed or offered for distribution by or on behalf of, or in agreement with, the Issuer thereof to, or in favour of, persons resident outside Singapore (and in the event that Singapore laws or regulations permit such issuance, placement, offering or distribution at the relevant time) and in this paragraph any reference to an obligation being guaranteed shall be deemed to include a reference to an indemnity being given in respect thereof, or (ii), with respect to the Guarantor, any future or present indebtedness which is in the form of or represented by bonds, notes, debentures or other similar securities which (a) either are denominated or payable in, or by reference to, or may at the option of the person entitled thereto be or become payable in, or by reference to, a currency or currencies other than Japanese yen, or are denominated or payable in Japanese yen and more than 50 per cent. of the aggregate principal or face amount of which is initially distributed by or with the authorisation of the Guarantor, and (b) are quoted, listed or ordinary traded on any securities exchange or on any over-the-counter securities market outside Japan;

"ISDA Definitions" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement) as published by the International Swaps and Derivatives Association, Inc.) or, if so specified in the relevant Pricing Supplement, the 2000 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement) as published by the International Swaps and Derivatives Association, Inc.);

"Issue Date" has the meaning given in the relevant Pricing Supplement;

"Margin" has the meaning given in the relevant Pricing Supplement;

"Maturity Date" has the meaning given in the relevant Pricing Supplement;

"Maximum Redemption Amount" has the meaning given in the relevant Pricing Supplement;

"Minimum Redemption Amount" has the meaning given in the relevant Pricing Supplement;

"Optional Redemption Amount (Call)" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"Optional Redemption Amount (Put)" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"Optional Redemption Date (Call)" has the meaning given in the relevant Pricing Supplement;

"Optional Redemption Date (Put)" has the meaning given in the relevant Pricing Supplement;

"Participating Member State" means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty;

"Payment Business Day" means:

- (i) if the currency of payment is euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not euro, any day which is:
 - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Principal Financial Centre" means, in relation to any currency, the principal financial centre for that currency *provided, however, that:*

- (i) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"Put Option Notice" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Put Option Receipt" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Rate of Interest" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement;

"Reference Banks" has the meaning given in the relevant Pricing Supplement or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

"Reference Price" has the meaning given in the relevant Pricing Supplement;

"Reference Rate" has the meaning given in the relevant Pricing Supplement;

"Regular Period" means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"Relevant Date" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"Relevant Financial Centre" has the meaning given in the relevant Pricing Supplement;

"Relevant Screen Page" means the page, section or other part of a particular information service (including, without limitation, the Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Relevant Time" has the meaning given in the relevant Pricing Supplement;

"Reserved Matter" means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"Security Interest" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"Specified Currency" has the meaning given in the relevant Pricing Supplement;

"Specified Denomination(s)" has the meaning given in the relevant Pricing Supplement;

"Specified Office" has the meaning given in the Agency Agreement;

"Specified Period" has the meaning given in the relevant Pricing Supplement;

"Subsidiary" means, in relation to any Person (the **"first Person"**) at any particular time, any other Person (the **"second Person"**):

- (i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or

- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**Treaty**" means the Treaty establishing the European Communities, as amended; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Pricing Supplement.

(b) *Interpretation:* In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement;
- (vii) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and
- (viii) any reference to the Agency Agreement or the Deed of Guarantee shall be construed as a reference to the Agency Agreement or the Deed of Guarantee as supplemented, amended and/or restated up to and including the Issue Date of the Notes.

3. **Form Denomination and Title**

The Notes are in bearer form in the Specified Denomination(s) with Coupons and, if specified in the relevant Pricing Supplement, Talons attached at the time of issue. In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination. Title to the Notes and the Coupons will pass by delivery. The holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

4. **Status and Guarantee**

- (a) *Status of the Notes:* The Notes constitute direct, general and unconditional obligations of the Issuer which will at all times rank pari passu among themselves and at least pari passu with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
- (b) *Guarantee of the Notes:* The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. This Guarantee of the Notes constitutes direct, general and unconditional obligations of the Guarantor which will at all times rank at least pari passu with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. **Negative Pledge**

So long as any of the Notes remains outstanding, neither the Issuer nor the Guarantor shall (unless previously authorised by an Extraordinary Resolution of the Noteholders) create or have outstanding any Security Interest upon, or with respect to, any of its present or future business, undertaking, assets or revenues to secure any International Bond Issue or any Guarantee of any International Bond Issue, unless the Issuer or, as the case may be, the Guarantor shall, in the case of the creation of a Security Interest, simultaneously with, or prior to, the creation of such Security Interest, and in any other case, promptly, take any and all action necessary to procure that: (a) all amounts payable by it under the Notes or, as the case may be, the Deed of Guarantee are secured equally and rateably by such Security Interest or (b) such other Security Interest is provided for the benefit of the Noteholders as shall be approved by an Extraordinary Resolution of the Noteholders.

6. **Fixed Rate Note Provisions**

- (a) *Application:* This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (*Fixed Rate Note Provisions*) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the principal amount of such Note, multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. **Floating Rate Note and Index-Linked Interest Note Provisions**

- (a) *Application:* This Condition 7 (*Floating Rate Note and Index-Linked Interest Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable.

- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 7 (*Floating Rate Note and Index-Linked Interest Note Provisions*) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
 - (A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
 - (B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate;
 - (iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (iv) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than three such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (A) request the principal Relevant Financial Centre office of each the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean of such quotations; and
 - (v) if fewer than three such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading

European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) *ISDA Determination*: If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Pricing Supplement;
 - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Pricing Supplement;
 - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Pricing Supplement; and
 - (iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Pricing Supplement, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:
 - (A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
 - (B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period
- provided, however, that* if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.
- (e) *Index-Linked Interest*: If the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable, the Rate(s) of Interest applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Pricing Supplement.
- (f) *Maximum or Minimum Rate of Interest*: If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (g) *Calculation of Interest Amount*: The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the principal amount of such Note during such Interest Period and multiplying the product by the relevant Day Count Fraction.

- (h) *Calculation of other amounts:* If the relevant Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Pricing Supplement.
- (i) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.
- (j) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 7 (*Floating Rate Note and Index-Linked Interest Note Provisions*) by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (k) *Benchmark Replacement:* In addition, notwithstanding the provisions above in this Condition 7 (*Floating Rate Note and Index-Linked Interest Note Provisions*), if the Issuer determines that the relevant Reference Rate specified in the relevant Pricing Supplement has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to be calculated or administered when any Rate of Interest (or the relevant component part thereof) remains to be determined by such Reference Rate, then the following provisions shall apply:
- (i) the Issuer shall use reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser (as defined below) to determine (acting in good faith and in a commercially reasonable manner), no later than five Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the "**Interest Determination Cut-off Date**"), a Successor Rate (as defined below) or, alternatively, if there is no Successor Rate, an Alternative Reference Rate (as defined below) for purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes;
 - (ii) if the Issuer is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the Interest Determination Cut-off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may determine a Successor Rate or, if there is no Successor Rate, an Alternative Reference Rate;
 - (iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, an Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Interest Periods (subject to the subsequent operation of, and to adjustment as provided in, this Condition 7(k) (*Benchmark Replacement*)); provided, however, that if sub-paragraph (ii) applies and the Issuer is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the preceding Interest Period (or alternatively, if there has not been a first Interest Payment Date, the rate of interest shall be the sum of the Margin and Issue Date Reference Rate specified in the Pricing Supplement); for the avoidance of doubt, the proviso in this sub-paragraph (iii) shall apply to the relevant Interest Period only and any subsequent Interest Periods are

subject to the subsequent operation of, and to adjustment as provided in, this Condition 7(k) (*Benchmark Replacement*);

- (iv) if the Independent Adviser or the Issuer determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Independent Adviser or the Issuer (as applicable), may also specify changes to these Conditions, including but not limited to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date, and/or the definition of Reference Rate applicable to the Notes, and the method for determining the fall-back rate in relation to the Notes, in order to follow market practice in relation to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable), determines that an Adjustment Spread (as defined below) is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser or the Issuer (as applicable) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread. For the avoidance of doubt, the Fiscal Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to this Condition 7(k) (*Benchmark Replacement*). Noteholder consent shall not be required in connection with effecting the Successor Rate or Alternative Reference Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Fiscal Agent (if required); and
- (v) the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable), give notice thereof to the Fiscal Agent and the Noteholders, which shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable) and any consequential changes made to these Conditions.

For the purposes of this Condition 7(k) (*Benchmark Replacement*):

"Adjustment Spread" means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable), determines is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders and Couponholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

- (i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body (as defined below); or
- (ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or
- (iii) if no such customary market usage is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer in its discretion (as applicable), determines (acting in good faith and in a commercially reasonable manner) to be appropriate;

"Alternative Reference Rate" means the rate that the Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period, or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in good faith and in a commercially reasonable manner) is most comparable to the relevant Reference Rate;

"Independent Adviser" means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case appointed by the Issuer at its own expense;

"Relevant Nominating Body" means, in respect of a reference rate:

- (i) the central bank for the currency to which the reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate; or
- (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof; and

"Successor Rate" means the rate that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

8. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. **Dual Currency Note Provisions**

- (a) *Application:* This Condition 9 (*Dual Currency Note Provisions*) is applicable to the Notes only if the Dual Currency Note Provisions are specified in the relevant Pricing Supplement as being applicable.
- (b) *Rate of Interest:* If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Pricing Supplement.

10. **Redemption and Purchase**

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 11 (*Payments*).
- (b) *Redemption for tax reasons*: The Notes may be redeemed at the option of the Issuer in whole, but not in part:
- (i) at any time (if neither the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable); or
 - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Pricing Supplement, (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:

- (A) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or
- (B) (1) the Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Japan or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes and (2) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant Pricing Supplement) prior to the earliest date on which the Issuer and Guarantor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant Pricing Supplement) prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer or the Guarantor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by any one director or any one authorised signatory 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. Upon the expiry of any such notice as is referred to in this Condition 10(b) (*Redemption for tax reasons*), the Issuer shall be bound to redeem the Notes in accordance with this Condition 10(b) (*Redemption for tax reasons*).

- (c) *Redemption at the option of the Issuer*: If the Call Option is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Pricing Supplement, in part on any Optional Redemption Date

(Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Pricing Supplement (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

- (d) *Partial redemption*: If the Notes are to be redeemed in part only on any date in accordance with Condition 10(c) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law and the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation, and the notice to Noteholders referred to in Condition 10(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Pricing Supplement, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.
- (e) *Redemption at the option of Noteholders*: If the Put Option is specified in the relevant Pricing Supplement as being applicable, the Issuer shall, at the option of the holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 10(e) (*Redemption at the option of Noteholders*), the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Pricing Supplement), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 10(e) (*Redemption at the option of Noteholders*), may be withdrawn; *provided, however, that* if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 10(e) (*Redemption at the option of Noteholders*), the depositor of such Note and not such Paying Agent shall be deemed to be the holder of such Note for all purposes.
- (f) *No other redemption*: The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above.
- (g) *Early redemption of Zero Coupon Notes*: Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 10(g) (*Early redemption of Zero Coupon Notes*) or, if none is so specified, a Day Count Fraction of 30E/360.

- (h) *Purchase*: The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith.
- (i) *Cancellation*: All Notes so redeemed or purchased by the Issuer, the Guarantor or any of their respective Subsidiaries and any unmatured Coupons attached to or surrendered with them shall be cancelled and may not be reissued or resold.

11. **Payments**

- (a) *Principal*: Payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.
- (b) *Interest*: Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) *Payments in New York City*: Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) *Payments subject to fiscal laws*: All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 12 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) *Deductions for unmatured Coupons*: If the relevant Pricing Supplement specifies that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:
 - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; *provided, however, that* where this subparagraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

- (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

- (f) *Unmatured Coupons void*: If the relevant Pricing Supplement specifies that this Condition 11(f) (*Unmatured Coupons void*) is applicable or that the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are applicable, on the due date for final redemption of any Note or early redemption of such Note pursuant to Condition 10(b) (*Redemption for tax reasons*), Condition 10(e) (*Redemption at the option of Noteholders*), Condition 10(c) (*Redemption at the option of the Issuer*) or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) *Payments on business days*: If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (i) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) *Exchange of Talons*: On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*)). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

12. **Taxation**

- (a) *Gross up*: All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Singapore, Japan or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer or (as the case may be) the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:
- (i) by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed,

levied, collected, withheld or assessed other than the mere holding of the Note or Coupon;
or

- (ii) by or on behalf of a holder who fails to comply with any tax law requirement in respect of the exemption from such withholding or deduction; or
- (iii) more than 30 days after the Relevant Date except to the extent that the holder of such Note or Coupon would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days.

- (b) *Taxing jurisdiction:* If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than Singapore or Japan, respectively, references in these Conditions to Singapore or Japan shall be construed as references to Singapore or (as the case may be) Japan and/or such other jurisdiction.

13. **Events of Default**

If any of the following events occurs and is continuing:

- (a) *Non-payment:* the Issuer or the Guarantor fails to pay any amount of principal in respect of the Notes within seven (7) days of the due date for payment thereof or fails to pay any amount of interest in respect of the Notes within fourteen (14) days of the due date for payment thereof; or
- (b) *Breach of other obligations:* the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Guarantee of the Notes and (except in either case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) such default remains unremedied for sixty (60) days after written notice thereof, addressed to the Issuer and the Guarantor by any Noteholder, has been delivered to the Issuer and the Guarantor; or
- (c) Cross-default of Issuer or Guarantor:
 - (i) any Indebtedness of the Issuer or the Guarantor is not paid when due or (as the case may be) within any originally applicable grace period;
 - (ii) any such Indebtedness becomes due and payable prior to its stated maturity by reason of an event of default, howsoever described;
 - (iii) any Security Interest for any Indebtedness becomes enforceable; or
 - (iv) the Issuer or the Guarantor fails to pay when due any amount payable by it under any Guarantee of any Indebtedness;

provided that the amount of Indebtedness referred to in sub-paragraph (i) and/or sub-paragraph (ii) and/or sub-paragraph (iii) above and/or the amount payable under any Guarantee referred to in subparagraph (iv) above individually or in the aggregate exceeds U.S. \$10,000,000 (or its equivalent in any other currency or currencies); or

- (d) *Winding up etc:* an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer or the Guarantor (otherwise than for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction the terms of which have previously been approved by an Extraordinary Resolution of the Noteholders or except for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction under which the continuing entity effectively assures the entire obligations of the Issuer or the Guarantor); or
- (e) *Issuer or Guarantor stops payment:* if the Issuer or Guarantor stops payment (within the meaning of the bankruptcy laws of Singapore or Japan, as the case may be, or otherwise than for the purposes of such a consolidation, amalgamation, merger or reconstruction as is referred to in paragraph (d)), ceases or through an official action of its Board of Directors threatens to cease to carry on business; or

- (f) *Insolvency etc*: if proceedings shall be initiated against the Issuer or the Guarantor under any applicable liquidation insolvency, bankruptcy, composition, reorganisation or other similar laws, or an administrative or other receiver, administrator or other similar official shall be appointed in relation to the Issuer or the Guarantor or in relation to the whole or material part of the assets of the Issuer or the Guarantor, or an encumbrancer shall take possession of the whole or a material part of the assets of the Issuer or the Guarantor, or a distress or execution or other process shall be levied or enforced upon or sued out against the whole or a material part of the assets of the Issuer or the Guarantor and in any of the foregoing cases it shall not be discharged within 60 days; or if the Issuer or the Guarantor shall, except in connection with, or pursuant to, a consolidation, amalgamation, merger or reconstruction the terms of which have previously been approved by an Extraordinary Resolution of the Noteholders or except for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction under which the continuing entity effectively assures the entire obligations of the Issuer or the Guarantor, initiate or consent to judicial proceedings relating to itself under any applicable liquidation, insolvency, bankruptcy, composition, reorganisation or other similar laws or shall make a conveyance or assignment for the benefit of, or shall enter into any composition or other arrangement with, its creditors generally, or
- (g) *Guarantee not in force*: the Guarantee of the Notes is not (or is claimed by the Guarantor not to be) in full force and effect,

then any Note may, by written notice addressed by the holder thereof to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) without further action or formality.

14. **Prescription**

Claims for principal shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

15. **Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

16. **Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Paying Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Paying Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Paying Agent and to appoint a successor fiscal agent or Calculation Agent and additional or successor paying agents; *provided, however, that*:

- (a) the Issuer and the Guarantor shall at all times maintain a Fiscal Agent; and
- (b) if a Calculation Agent is specified in the relevant Pricing Supplement, the Issuer and the Guarantor shall at all times maintain a Calculation Agent; and
- (c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying

Agent in any particular place, the Issuer and the Guarantor shall maintain a Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Paying Agents or in their Specified Offices shall promptly be given to the Noteholders.

17. **Meetings of Noteholders; Modification and Waiver**

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantor (acting together) and shall be convened by them upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be Persons holding or representing more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; *provided, however, that* Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification:* The Notes, these Conditions, the Deed of Covenant and the Deed of Guarantee may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer and the Guarantor shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

18. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest, if any, and/or the denomination thereof) so as to form a single series with the Notes.

19. **Notices**

Notices to the Noteholders shall, save where another means of effective communication has been specified herein or in the Pricing Supplement, be valid if (i) published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe (ii) in the case of any Notes which are listed on the SGX-ST (so long as such Notes as listed on the SGX-ST and the rules of that exchange so require), in a daily newspaper having general circulation in Singapore (which is expected to be *The Business Times*, Singapore Edition). Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Noteholders.

20. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations

will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

21. **Governing Law and Jurisdiction**

- (a) *Governing law:* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and shall be construed in accordance with, English law.
- (b) *English courts:* The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).
- (c) *Appropriate forum:* The Issuer and the Guarantor agree that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Rights of the Noteholders to take proceedings outside England:* Notwithstanding Condition 21(b) (*English courts*), any Noteholder may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, Noteholders may take concurrent Proceedings in any number of jurisdictions.
- (e) *Process agent:* The Issuer and the Guarantor agree that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Hitachi Europe Ltd. at its registered office for the time being, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer or the Guarantor (as the case may be) may specify by notice in writing to the Noteholders. Nothing in this Condition 21(e) (*Process agent*) shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition 21(e) (*Process agent*) applies to Proceedings in England and to Proceedings elsewhere.

FORM OF PRICING SUPPLEMENT

The Pricing Supplement in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue. Text in this section appearing in italics does not form part of the form of the Pricing Supplement but denotes directions for completing the Pricing Supplement.

IMPORTANT – 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 ("MiFID II"); or (ii) a customer within the meaning of Directive 2002/92/EC ("IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the 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 ECPs 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 Directive 2014/65/EU (as amended, "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(1) OF THE SECURITIES AND FUTURES ACT, CHAPTER 289 OF SINGAPORE – The Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) 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).] *[Issuer to confirm classification of the Notes at the point of drawdown]*

Pricing Supplement dated

Hitachi International Treasury Ltd.

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

**Guaranteed by Hitachi, Ltd.
under the U.S. \$500,000,000
Euro Medium Term Note Programme**

PART A – CONTRACTUAL TERMS

This document constitutes the Pricing Supplement 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 Information Memorandum dated 15 November 2018. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Information Memorandum.

Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the "ITA"), shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Information Memorandum 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 Information Memorandum dated [*original date*]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Information Memorandum dated [*current date*], save in respect of the Conditions which are extracted from the Information Memorandum dated [*original date*] and are attached hereto].

[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 sub-paragraphs. Italics denote directions for completing the Pricing Supplement.]

1. (i) Issuer: Hitachi International Treasury Ltd.
- (ii) Guarantor: Hitachi, Ltd.
2. [(i) [Series Number:] []
- [(ii) [Tranche Number:] []
- (If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).]
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
- [(i) [Series:] []
- [(ii) [Tranche:] []
5. [(i) Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)
- [(ii) Net proceeds: [] (*Required only for listed issues*)]
6. Specified Denominations: [] (The Notes may not have a minimum denomination of less than S\$250,000 (or equivalent in another currency).)
- []
- [If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are to be received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on by the Issuer from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies or (ii) another applicable exemption from section 19 of the FSMA must be available).]*
7. [(i) Issue Date: []
- [(ii) Interest Commencement Date: []]
8. Maturity Date: [*specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]

9. Interest Basis: [●% Fixed Rate]
[[specify reference rate] +/- ●% Floating Rate]
[Zero Coupon]
[Index-Linked Interest]
[Other (specify)]
(further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]
[Index-Linked Redemption]
[Dual Currency]
[Partly Paid]
[Instalment]
[Other (specify)]
11. Change of Interest or Redemption/Payment Basis: [Specify details of any provision for convertibility of Notes into another interest or redemption/ payment basis]
12. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
13. (i) Status of the Notes: Senior
(ii) Status of the Guarantee of the Notes: Senior
14. Listing: [SGX-ST/other (specify)/None]
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 subparagraphs of this paragraph)
- (i) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day"/not adjusted]
- (iii) Fixed Coupon Amount(s): [] per [] in Nominal Amount
- (iv) Broken Amount(s): [Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s)]
- (v) Day Count Fraction: [30/360]/[Actual/Actual (ICMA)]/[If neither of these options applies, give details]
- (vi) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
17. **Floating Rate Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph.)

- (i) Interest Period(s)
- (ii) Interest Payment Dates:
- (iii) Additional Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ other (*give details*)]
- (iv) Business Centre(s):
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination /other (*give details*)]
- (vi) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not Mizuho Trust & Banking (Luxembourg) S.A.): [[*Name*] shall be the Calculation Agent (*no need to specify if the Fiscal Agent is to perform this function*)]
- (vii) Screen Rate Determination:
- Reference Rate:
 - Interest Determination Date(s):
 - Relevant Screen Page:
- (viii) ISDA Determination:
- Floating Rate Option:
 - Designated Maturity:
 - Reset Date:
- (ix) Linear Interpolation [Not Applicable / Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated in accordance with Condition 7(c)(ii) or 7(d)(iv), as applicable [(*specify for each short or long interest period*)]]
- (x) Margin(s): [+/-][] per cent. per annum
- (xi) Minimum Rate of Interest: per cent. per annum
- (xii) Maximum Rate of Interest: per cent. per annum
- (xiii) Day Count Fraction:
- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:
- (xv) Issue Date Reference Rate: per cent. per annum
18. **Zero Coupon Note Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) [Amortisation/Accrual] Yield: per cent. per annum
- (ii) Reference Price:
- (iii) Any other formula/basis of determining amount payable:

19. **Index-Linked Interest Note Provisions** [Applicable/Not Applicable]

(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Index/Formula: [*Give or annex details*]
- (ii) Calculation Agent responsible for calculating the interest due:
- (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:
- (iv) Interest Period(s):
- (v) Interest Payment Dates:
- (vi) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
- (vii) Additional Business Centre(s):
- (viii) Minimum Rate of Interest: per cent. per annum
- (ix) Maximum Rate of Interest: per cent. per annum
- (x) Day Count Fraction:

20. **Dual Currency 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) Calculation Agent, if any, responsible for calculating the principal and/or interest due:
- (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. **Call Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
 - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [] per Note of [] Specified Denomination
 - (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: []
 - (b) Maximum Redemption Amount: []
 - (iv) Notice period: []
22. **Put Option** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Optional Redemption Date(s): []
 - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [] per Note of [] Specified Denomination
 - (iii) Notice period: []
23. **Final Redemption Amount of each Note** [[] per Note of [] Specified Denomination/other/see Appendix]
24. **Early Redemption Amount** []
- Early Redemption Amount(s) of each Note 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 the Conditions):

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [] days' notice/at any time in the limited circumstances specified in the Permanent Global Note.]
- [Temporary Global Note exchangeable for Definitive Notes on [] days' notice.]
- [Permanent Global Note exchangeable for Definitive Notes on [] days' notice/at any time in the

limited circumstances specified in the Permanent Global Note].

26. Relevant Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/*give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 16(ii), 17(iii) and 19(vi) 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 (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/*give details*]
29. Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: [Not Applicable/*give details*]
30. United States Treasury Regulations: [TEFRA C Rules/TEFRA D Rules/Not Applicable]
31. Other terms or special conditions: [Not Applicable/*give details*]

DISTRIBUTION

32. (i) If syndicated, names of Managers: [Not Applicable/*give names*]
- (ii) Stabilising Manager(s) (if any): [Not Applicable/*give name*]
33. If non-syndicated, name of Dealer: [Not Applicable/*give name*]
34. Additional selling restrictions: [Not Applicable/*give details*]

PART B – OTHER INFORMATION

35. **LISTING AND ADMISSION TO TRADING** [Application is has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [] with effect from [].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [] with effect from [].] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

36. **RATINGS** [The Notes to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

Ratings: [Standard & Poor's Japan: []]

[Moody's Japan: []]

37. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

[Save for any fees payable to the [Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. 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 other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*]

OPERATIONAL INFORMATION

38. ISIN Code: []
39. Common Code: []
- [FISN: []]
- [CFI Code: []]
- [Issuer LEI: []]
40. Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
41. Delivery: Delivery [against/free of] payment
42. Additional Paying Agent(s) (if any): []

[LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.\$500,000,000 Euro Medium Term Note Programme of Hitachi International Treasury Ltd.]

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By:
Duly authorised

Signed on behalf of the Guarantor:

By:
Duly authorised

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an "Accountholder") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the Issuer in respect of payments due under the Notes and such obligations of the Issuer will be discharged by payment to the bearer of the Global Note.

Exchange of Temporary Global Notes

Whenever any interest in a Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure:

- (a) in the case of first exchange, the prompt delivery (free of charge to the bearer) of such Permanent Global Note, duly authenticated, to the bearer of the Temporary Global Note; or
- (b) in the case of any subsequent exchange, an increase in the principal amount of such Permanent Global Note in accordance with its terms,

in each case in an aggregate principal amount equal to the aggregate of the principal amounts specified in the certificates issued by Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and received by the Fiscal Agent against presentation and (in the case of final exchange) surrender of the Temporary Global Note at the Specified Office of the Fiscal Agent within 7 days of the bearer requesting such exchange.

Whenever a Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (Luxembourg time) on the seventh day after the bearer of a Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) Definitive Notes have not been delivered by 5.00 p.m. (Luxembourg time) on the thirtieth day after the bearer of a Temporary Global Note has requested exchange of the Temporary Global Note for Definitive Notes; or
- (c) a Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of a Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of

the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note or increase the principal amount thereof or deliver Definitive Notes, as the case may be) will become void at 5.00 p.m. (Luxembourg time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (Luxembourg time) on such thirtieth day (in the case of (b) above) or at 5.00 p.m. (Luxembourg time) on such due date (in the case of (c) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under a deed of covenant dated 15 November 2018 (as the same may be supplemented, amended and/or restated from time to time, the "**Deed of Covenant**") executed by the Issuer). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Exchange of Permanent Global Notes

Whenever a Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note at the Specified Office of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been delivered by 5.00 p.m. (Luxembourg time) on the thirtieth day after the bearer of a Permanent Global Note has duly requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) a Permanent Global Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Permanent Global Note in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (Luxembourg time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (Luxembourg time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant). Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Permanent Global Note will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Conditions applicable to Global Notes

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note at the Specified Office of any Paying Agent and will be effective to satisfy and discharge the corresponding

liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that the same is noted in a schedule thereto.

Payment Business Day: In the case of a Global Note, Payment Business Day shall be: if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Exercise of put option: In order to exercise the option contained in Condition 10(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note, give notice of such exercise to the Fiscal Agent, in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg and/or any other relevant clearing system specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 10(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions.

Notices: Notwithstanding Condition 19 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depository or a common depository for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 19 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

GUARANTEE OF THE NOTES

The following is the form of the Deed of Guarantee:

THIS DEED OF GUARANTEE is made on 15 November 2018

BY

- (1) **HITACHI, LTD.** (the "**Guarantor**")

IN FAVOUR OF

- (2) **THE NOTEHOLDERS** (as defined in the Information Memorandum described below); and
- (3) **THE ACCOUNTHOLDERS** (as defined in the Deed of Covenant described below) (together with the Noteholders, the "**Beneficiaries**").

WHEREAS

- (A) Hitachi International Treasury Ltd. (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of notes (the "**Notes**"), in connection with which the Issuer and the Guarantor have entered into an amended and restated dealer agreement dated 15 November 2018 (the "**Dealer Agreement**") and an amended and restated issue and paying agency agreement dated 15 November 2018 (the "**Agency Agreement**") and the Issuer has executed a deed of covenant dated 15 November 2018 (the "**Deed of Covenant**").
- (B) Notes may be issued on a listed or unlisted basis. Application has been made to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for permission to deal in and quotation of any Notes issued under the Programme which are agreed at the time of issue thereof to be so listed on the SGX-ST.
- (C) In connection with the Programme, the Issuer and the Guarantor have prepared an information memorandum dated 15 November 2018 (the "**Information Memorandum**", which expression includes any further information memorandum prepared in connection with the admission to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system by which any Notes may from time to time be admitted to listing, trading and/or quotation together with any information incorporated therein by reference).
- (D) The Guarantor has agreed to guarantee the payment of all sums expressed to be payable from time to time by the Issuer to Noteholders in respect of the Notes and to Accountholders in respect of the Deed of Covenant.

NOW THIS DEED OF GUARANTEE WITNESSES as follows:

1. **Interpretation**

1.1 **Definitions**

All terms and expressions which have defined meanings in the Information Memorandum, the Dealer Agreement, the Agency Agreement or the Deed of Covenant shall have the same meanings in this Deed of Guarantee except where the context requires otherwise or unless otherwise stated.

1.2 **Clauses**

Any reference in this Deed of Guarantee to a Clause is, unless otherwise stated, to a clause hereof.

1.3 **Other agreements**

All references in this Deed of Guarantee to an agreement, instrument or other document (including the Information Memorandum, the Dealer Agreement, the Agency Agreement and the Deed of Covenant) shall be construed as a reference to that agreement, instrument or other document as the same may be amended, supplemented, restated, extended, replaced or novated from time to time. In addition, in the context of any particular Tranche of Notes, each reference in this Deed of

Guarantee to the Information Memorandum shall be construed as a reference to the Information Memorandum as supplemented and/or amended by the relevant Pricing Supplement.

1.4 **Legislation**

Any reference in this Deed of Guarantee to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

1.5 **Headings**

Headings and sub-headings are for ease of reference only and shall not affect the construction of this Deed of Guarantee.

1.6 **Benefit of Deed of Guarantee**

Any Notes issued under the Programme on or after (but not before) the date of this Deed of Guarantee shall have the benefit of this Deed of Guarantee but shall not have the benefit of any subsequent guarantee relating to the Programme (unless expressly so provided in any such subsequent guarantee).

2. **Guarantee and Indemnity**

2.1 **Guarantee**

The Guarantor hereby unconditionally and irrevocably guarantees:

2.1.1 The Notes: to each Noteholder the due and punctual payment of all sums from time to time payable by the Issuer in respect of the relevant Note as and when the same become due and payable and accordingly undertakes to pay to such Noteholder, in the manner and currency prescribed by the Conditions for payments by the Issuer in respect of such Note, any and every sum or sums which the Issuer is at any time liable to pay in respect of such Note and which the Issuer has failed to pay; and

2.1.2 The Direct Rights: to each Accountholder the due and punctual payment of all sums from time to time payable by the Issuer to such Accountholder in respect of the Direct Rights as and when the same become due and payable and accordingly undertakes to pay to such Accountholder, in the manner and currency prescribed by the Conditions for payments by the Issuer in respect of the Notes, any and every sum or sums which the Issuer is at any time liable to pay to such Accountholder in respect of the Notes and which the Issuer has failed to pay.

2.2 **Indemnity**

The Guarantor irrevocably and unconditionally agrees as a primary obligation to indemnify each Beneficiary from time to time from and against any loss, liability or cost incurred by such Beneficiary as a result of any of the obligations of the Issuer under or pursuant to any Note, the Deed of Covenant or any provision thereof being or becoming void, voidable, unenforceable or ineffective for any reason whatsoever, whether or not known to such Beneficiary or any other person, the amount of such loss being the amount which such Beneficiary would otherwise have been entitled to recover from the Issuer. Any amount payable pursuant to this indemnity shall be payable in the manner and currency prescribed by the Conditions for payments by the Issuer in respect of the Notes. This indemnity constitutes a separate and independent obligation from the other obligations under this Deed of Guarantee and shall give rise to a separate and independent cause of action.

3. **COMPLIANCE WITH THE CONDITIONS**

The Guarantor covenants in favour of each Beneficiary that it will duly perform and comply with the obligations expressed to be undertaken by it in the Conditions.

4. Preservation of Rights

4.1 Principal obligor

The obligations of the Guarantor hereunder shall be deemed to be undertaken as principal obligor and not merely as surety.

4.2 Continuing obligations

The obligations of the Guarantor herein contained shall constitute and be continuing obligations notwithstanding any settlement of account or other matter or thing whatsoever and shall not be considered satisfied by any intermediate payment or satisfaction of all or any of the Issuer's obligations under or in respect of any Note or the Deed of Covenant and shall continue in full force and effect for so long as the Programme remains in effect and thereafter until all sums due from the Issuer in respect of the Notes and under the Deed of Covenant have been paid, and all other actual or contingent obligations of the Issuer thereunder or in respect thereof have been satisfied, in full.

4.3 Obligations not discharged

Neither the obligations of the Guarantor herein contained nor the rights, powers and remedies conferred upon the Beneficiaries by this Deed of Guarantee or by law shall be discharged, impaired or otherwise affected by:

4.3.1 Winding up: the winding up, dissolution, administration, re-organisation or moratorium of the Issuer or any change in its status, function, control or ownership;

4.3.2 Illegality: any of the obligations of the Issuer under or in respect of any Note or the Deed of Covenant being or becoming illegal, invalid, unenforceable or ineffective in any respect;

4.3.3 Indulgence: time or other indulgence (including for the avoidance of doubt, any composition) being granted or agreed to be granted to the Issuer in respect of any of its obligations under or in respect of any Note or the Deed of Covenant;

4.3.4 Amendment: any amendment, novation, supplement, extension, (whether of maturity or otherwise) or restatement (in each case, however fundamental and of whatsoever nature) or replacement, waiver or release of, any obligation of the Issuer under or in respect of any Note or the Deed of Covenant or any security or other guarantee or indemnity in respect thereof including without limitation any change in the purposes for which the proceeds of the issue of any Note are to be applied and any extension of or any increase of the obligations of the Issuer in respect of any Note or the addition of any new obligations for the Issuer under the Deed of Covenant; or

4.3.5 Analogous events: any other act, event or omission which, but for this sub-clause, might operate to discharge, impair or otherwise affect the obligations expressed to be assumed by the Guarantor herein or any of the rights, powers or remedies conferred upon the Beneficiaries or any of them by this Deed of Guarantee or by law.

4.4 Settlement conditional

Any settlement or discharge between the Guarantor and the Beneficiaries or any of them shall be conditional upon no payment to the Beneficiaries or any of them by the Issuer or any other person on the Issuer's behalf being avoided or reduced by virtue of any laws relating to bankruptcy, insolvency, liquidation or similar laws of general application for the time being in force and, in the event of any such payment being so avoided or reduced, the Beneficiaries shall be entitled to recover the amount by which such payment is so avoided or reduced from the Guarantor subsequently as if such settlement or discharge had not occurred.

4.5 **Exercise of Rights**

No Beneficiary shall be obliged before exercising any of the rights, powers or remedies conferred upon it by this Deed of Guarantee or by law:

4.5.1 Demand: to make any demand of the Issuer, save for the presentation of the relevant Note;

4.5.2 Take action: to take any action or obtain judgment in any court against the Issuer; or

4.5.3 Claim or proof: to make or file any claim or proof in a winding up or dissolution of the Issuer,

and (save as aforesaid) the Guarantor hereby expressly waives presentment, demand, protest and notice of dishonour in respect of any Note.

4.6 **Deferral of Guarantor's rights**

The Guarantor agrees that, so long as any sums are or may be owed by the Issuer in respect of any Note or under the Deed of Covenant or the Issuer is under any other actual or contingent obligation thereunder or in respect thereof, the Guarantor will not exercise any rights which the Guarantor may at any time have by reason of the performance by the Guarantor of its obligations hereunder:

4.6.1 Indemnity: to be indemnified by the Issuer;

4.6.2 Contribution: to claim any contribution from any other guarantor of the Issuer's obligations under or in respect of any Note or the Deed of Covenant; or

4.6.3 Subrogation: to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of any Beneficiary against the Issuer in respect of amounts paid by the Guarantor under this Deed of Guarantee or any security enjoyed in connection with any Note or the Deed of Covenant by any Beneficiary.

4.7 **Pari passu**

The Guarantor undertakes that its obligations hereunder will at all times rank at least pari passu with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. **Deposit of Deed of Guarantee**

This Deed of Guarantee shall be deposited with and held by the Fiscal Agent for so long as the Programme remains in effect and thereafter until all the obligations of the Issuer under or in respect of the Notes (including, without limitation, its obligations under the Deed of Covenant) have been discharged in full. The Guarantor hereby acknowledges the right of every Beneficiary to the production of this Deed of Guarantee.

6. **Stamp Duties**

The Guarantor shall pay all stamp, registration and other taxes and duties (including any interest and penalties thereon or in connection therewith) which are payable upon or in connection with the execution and delivery of this Deed of Guarantee, and shall indemnify each Beneficiary against any claim, demand, action, liability, damages, cost, loss or expense (including, without limitation, legal fees and any applicable value added tax) which it incurs as a result or arising out of or in relation to any failure to pay or delay in paying any of the same.

7. **Benefit of Deed of Guarantee**

7.1 **Deed poll**

This Deed of Guarantee shall take effect as a deed poll for the benefit of the Beneficiaries from time to time.

7.2 **Benefit**

This Deed of Guarantee shall enure to the benefit of each Beneficiary and its (and any subsequent) successors and assigns, each of which shall be entitled severally to enforce this Deed of Guarantee against the Guarantor.

7.3 **Assignment**

The Guarantor shall not be entitled to assign or transfer all or any of its rights, benefits and obligations hereunder. Each Beneficiary shall be entitled to assign all or any of its rights and benefits hereunder.

8. **Partial Invalidity**

If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

9. **Notices**

9.1 **Address for notices**

All notices and other communications to the Guarantor hereunder shall be made in writing (by letter or fax) and shall be sent to the Guarantor at:

6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8280, Japan

Fax: +81 3 4564 1441

Attention: Manager, Group Financing Group, Treasury Department, Financial Management Division

or to such other address or fax number or for the attention of such other person or department as the Guarantor has notified to the relevant Noteholders in the manner prescribed for the giving of notices in connection with the relevant Notes.

9.2 **Effectiveness**

Every notice or other communication sent in accordance with Clause 9.1 (Address for notices) shall be effective upon receipt by the Guarantor; provided that any such notice or other communication which would otherwise take effect after 4.00 p.m. on any particular day shall not take effect until 10.00 a.m. on the immediately succeeding business day in the place of the Guarantor.

10. **Law and Jurisdiction**

10.1 **Governing law**

This Deed of Guarantee and any non-contractual obligations arising out of or in connection with it are governed by, and shall be construed in accordance with, English law.

10.2 **English courts**

The courts of England have exclusive jurisdiction to settle any dispute (a "**Dispute**"), arising out of or in connection with this Deed of Guarantee (including a dispute relating to the existence, validity or termination of this Deed of Guarantee or any non-contractual obligation arising out of or in connection with this Deed of Guarantee) or the consequences of its nullity.

10.3 **Appropriate forum**

The Guarantor agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.

HITACHI, LTD.

The Guarantor was established in 1910 and was incorporated for an unlimited duration with limited liability under the laws of Japan on 1 February 1920. The Guarantor has its registered office at 6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-8280, Japan and its telephone number is +81 3 3258 1111. The Guarantor is the parent company of the Hitachi group of companies and together with its consolidated subsidiaries is hereinafter referred to as "**Hitachi**".

Hitachi engages in a broad range of business activities globally, from product development and manufacturing to sales and services, in eight segments mentioned below. The Guarantor's consolidated revenues for the fiscal year ended 31 March 2018 totalled ¥9,368,614 million, consolidated total assets was ¥10,106,603 million and total Hitachi, Ltd. stockholders' equity was ¥3,278,024 million as of 31 March 2018. As of the same date, the Guarantor had 879 consolidated subsidiaries and 407 equity-method associates and joint ventures and had approximately 307,000 employees worldwide on a consolidated basis. Hitachi is deploying social innovation business utilising digital technologies in a broad range of Infrastructure sectors, including Power/Energy, Industry/Distribution/Water, Urban Development, and Finance/Social Healthcare.

Business

Hitachi's businesses cover eight segments: (1) Information & Telecommunication Systems, (2) Social Infrastructure & Industrial Systems, (3) Electronic Systems & Equipment, (4) Construction Machinery, (5) High Functional Materials & Components, (6) Automotive Systems, (7) Smart Life & Ecofriendly Systems and (8) Others.

The following table shows the Guarantor's consolidated revenues by segment for the fiscal years indicated, which have been extracted without material adjustment from audited consolidated financial statements for the Guarantor for the fiscal year ended 31 March 2018.

	Year ended 31 March	
	2018	2017
		(billions of Yen)
Information & Telecommunication Systems	2,008	1,982
Social Infrastructure & Industrial Systems	2,375	2,331
Electronic Systems & Equipment	1,086	1,170
Construction Machinery	959	753
High Functional Materials & Components	1,657	1,464
Automotive Systems	1,001	992
Smart Life & Ecofriendly Systems	540	557
Others	557	653
Financial Services ⁽¹⁾	-	179
Sub Total	10,186	10,086
Eliminations & Corporate Items	(817)	(924)
Total	¥ 9,368	¥ 9,162

⁽¹⁾ Financial Services segment is not presented as a segment from the fiscal year ended 31 March 2018.

In this Information Memorandum, where Hitachi presents information in billions of yen, amounts of less than one billion are truncated unless otherwise stated.

Information & Telecommunication Systems

Hitachi provides IT services that address customers' diverse needs by combining Hitachi's extensive expertise in a diverse range of business fields, including financial services, with advanced information technology. Hitachi's services cover the entire life cycle of systems, ranging from consulting to system integration, operation, maintenance and other support. Main products and services in this segment are system integration, consulting, cloud services, servers, storage, software, telecommunications & networks and ATMs. Revenues for the fiscal year ended 31 March 2018 were ¥2,008 billion, a 1% increase compared with the fiscal year ended 31 March 2017. This increase was due mainly to higher revenues from system integration business in Japan and the impact of foreign currency translation.

Social Infrastructure & Industrial Systems

Hitachi has a long and proven track record in supporting people's daily lives through such products and services as rolling stock and train management systems, power plants and transmission and distribution systems, elevators and escalators, and water solutions. It also offers industrial solutions and equipment to enhance the sophistication of production facilities. Hitachi utilises digital technologies to provide optimum solutions in addressing the issues and diversifying needs of customers worldwide. Main products and services in this segment are industrial machinery and plants, elevators, escalators, railway systems, thermal, nuclear and renewable energy power generation systems, and transmission & distribution systems. Revenues increased 2% to ¥2,375 billion for the fiscal year ended 31 March 2018, as compared with the fiscal year ended 31 March 2017, despite lower revenues from the power & energy business and shrinking of less profitable business in industry and distribution field. This mainly reflected increased revenues from the railway systems business for the UK and that in the industrial products business due to the acquisition of Sullair brand air compressor business.

Electronic Systems & Equipment

Drawing on its advanced technologies, Hitachi provides systems supporting the information society, including semiconductor manufacturing equipment, measurement and analysis equipment, broadcasting and video systems, and healthcare solutions that support healthy lifestyles. Main products and services in this segment are semiconductor manufacturing equipment, measurement and analysis equipment, advanced industrial products, and medical electronics equipment. Revenues for the fiscal year ended 31 March 2018 were ¥1,086 billion, a 7% decrease compared with the fiscal year ended 31 March 2017. This decrease was due mainly to the impact of deconsolidation of Hitachi Koki Co., Ltd. in the preceding fiscal year, despite higher sales of semiconductor production equipment at Hitachi Kokusai Electric Inc. and Hitachi High-Technologies Corporation.

Construction Machinery

Leveraging decades of technological expertise and know-how, Hitachi offers solutions that seek to address the needs of a broad range of industries, including civil engineering and construction, building and structural demolition, and mining and excavation. Hitachi also handles the sale, servicing, and maintenance of hydraulic excavators and other construction machinery to provide integrated solutions globally. Main products and services in this segment are hydraulic excavators, wheel loaders and mining machinery. Revenues for the fiscal year ended 31 March 2018 were ¥959 billion, a 27% increase compared with the fiscal year ended 31 March 2017. This increase was due mainly to increased sales in China and other overseas countries, the effect of corporate acquisitions in Australia and the U.S. conducted by Hitachi Construction Machinery Co., Ltd. in the preceding fiscal year, and the impact of foreign currency translation.

High Functional Materials & Components

Hitachi draws on its technological expertise and know-how to provide a variety of materials and components, such as semiconductor and display-related materials, synthetic resin products, specialty steels, magnetic materials, casting components, and wires and cables, that enable advanced functions in products for such sectors as automobiles, IT and consumer electronics, and industrial and social infrastructure. Business operations are focused in Asia, North America and Europe. Main products and services in this segment are semiconductor and display-related materials, circuit boards and materials, automotive parts, energy storage devices, specialty steel products, magnetic materials and applications, functional components and equipment, and wires, cables and related products. Revenues for the fiscal year ended 31 March 2018 were ¥1,657 billion, a 13% increase compared with the fiscal year ended 31 March 2017. This increase was due mainly to increased sales of electronics and automotive-related products at Hitachi Metals, Ltd. and Hitachi Chemical Company, Ltd., the effect of acquisitions in Italy and other countries by Hitachi Chemical Company, Ltd., and the increase in sales price linked to higher raw material costs for Hitachi Metals, Ltd.

Automotive Systems

To contribute to the realisation of an affluent society by creating new value-added systems, products, and services through the harmonisation of people, vehicles and society, Hitachi is accelerating its technological development in the fields of environment and safety. Hitachi intends to further develop its

Advanced Vehicle Control System, integrating its safety and information technologies with its social infrastructure services to meet society's needs for environmental conservation, accident elimination and traffic congestion reduction. Main products and services in this segment are engine powertrain systems, electric powertrain systems, integrated vehicle control system, and car information systems. Revenues for the fiscal year ended 31 March 2018 were ¥1,001 billion, a 1% increase compared with the fiscal year ended 31 March 2017. This increase was due mainly to increased sales in China, despite sales decrease of car information systems business and demand decrease in North America.

Smart Life & Ecofriendly Systems

Hitachi's home appliances, lighting and housing equipment, and refrigerating and air-conditioning solutions deliver lifestyle innovations to society and people around the world. Hitachi also helps reduce environmental impact by making an ongoing effort to improve products' energy efficiency. Main products and services in this segment are refrigerators, washing machines, vacuum cleaners, room air conditioners and air-conditioning equipment. Revenues for the fiscal year ended 31 March 2018 were ¥540 billion, a 3% decrease compared with the fiscal year ended 31 March 2017.

Others

In this segment, in addition to the manufacture and sale of such products as optical disk drives, Hitachi is involved in real estate sales and leasing and management services for office and other commercial structures. Revenues for the fiscal year ended 31 March 2018 were ¥557 billion, a 15% decrease compared with the fiscal year ended 31 March 2017. This decrease was due mainly to the conversion of Hitachi Transport System, Ltd. to an equity-method associate.

Capital Investment, Depreciation and R&D Expenditures

For the fiscal year ended 31 March 2018, capital investment based on the amount recorded as tangible fixed assets and the investment property was ¥374 billion which was almost the same level of that of the previous year.

Depreciation was ¥364 billion, a 12% decrease compared with the fiscal year ended 31 March 2017.

R&D expenditures increased 3% compared with the fiscal year ended 31 March 2017 to ¥332 billion, which correspond to 4% of consolidated revenues.

Recent Developments

In recent years, the Guarantor has endeavoured to restructure Hitachi's business portfolio and reorganised its businesses for the purpose of further focusing its management resources on its social innovation business. The recent developments include the following events.

In March 2016, the Guarantor entered into an agreement to transfer a part of shares of common stock of Hitachi Transport System, Ltd. ("**Hitachi Transport System**"), a consolidated subsidiary of the Guarantor, to SG Holdings Co., Ltd. ("**SG Holdings**") and the transaction was completed in May 2016. As a result, Hitachi Transport System became an associate accounted for using equity-method of the Guarantor. In relation to this partial stock transfer, Hitachi Transport System formed a capital and business alliance with SG Holdings and its major subsidiary Sagawa Express Co., Ltd.

In May 2016, the Guarantor entered into an agreement to transfer a part of shares of common stock of Hitachi Capital Corporation, a consolidated subsidiary of the Guarantor, to Mitsubishi UFJ Financial Group, Inc. ("**MUFG**") and Mitsubishi UFJ Lease & Finance Company Limited ("**Mitsubishi UFJ Lease**") and the transaction was completed in October 2016. As a result, Hitachi Capital Corporation became an associate accounted for using equity-method of the Guarantor. In relation to this partial stock transfer, Hitachi Capital Corporation entered a business alliance with MUFG and Mitsubishi UFJ Lease.

In January 2017, the Guarantor entered into an agreement to subscribe all shares of common stock of Hitachi Koki Co., Ltd. ("**Hitachi Koki**" which is currently named Koki Holdings Co., Ltd.) owned by the Guarantor to the tender offer conducted by HK Holdings Co., Ltd., all issued shares of which is held by investment funds related to Kohlberg Kravis Roberts & Co. L.P. ("**KKR**"). The Guarantor's transfer of all the shares in Hitachi Koki was completed in March 2017.

In April 2017, the Guarantor entered into an agreement with Accudyne Industries Borrower, S.C.A. ("**Accudyne**") regarding acquisition of Accudyne's US subsidiaries and certain related assets that manufacture and sell air compressors under the "**Sullair**" brand. In July 2017, the Guarantor completed the acquisition of the Sullair business.

Also in April 2017, the Guarantor entered into a basic agreement with HKE Holdings G.K. ("**HKE**" which is currently named Kokusai Electric Corporation), which is held and operated by an investment fund owned by KKR, and with HVJ Holdings Inc. ("**HVJ**"), which is invested by funds related to Japan Industrial Partners, Inc., regarding various transactions for the purpose of restructuring of businesses and capital structure of Hitachi Kokusai Electric Inc. ("**Hitachi Kokusai**"), a consolidated subsidiary of the Guarantor. In accordance with this agreement, (i) the thin-film process solutions business for the semiconductor manufacturing industry of Hitachi Kokusai was separated from Hitachi Kokusai and succeeded by HKE and (ii) after the separation of the thin-film process solutions business, Hitachi Kokusai was reorganised as a joint venture among HKE, HVJ and the Guarantor which operates video and communication solutions business. The transactions were completed in June 2018 and Hitachi Kokusai became an associate accounted for using equity-method of the Guarantor.

On 26 October 2018, the Guarantor decided to conduct a tender offer to acquire all issued shares of Yungtay Engineering Co., Ltd. ("**Yungtay**"), an elevator and escalator company in Taiwan, and submitted a binding offer to Yungtay with the intent to acquire. Additionally, the Guarantor entered into a contract with the honorary chairman of Yungtay, who is a member of the founding family of Yungtay, pursuant to which he would apply his 4.3% of shares in Yungtay when the tender offer is conducted by the Guarantor. The tender offer is scheduled to be conducted in 2019 and, if completed successfully, Yungtay will become a consolidated subsidiary of the Guarantor.

Also, on 26 October 2018, the Guarantor entered into a tender offer agreement with Faurecia S.A. ("**Faurecia**") and its subsidiary Hennape Six SAS ("**Hennape**") under which the Guarantor agreed to tender all shares of common stock in Clarion Co., Ltd. ("**Clarion**") held by the Guarantor, in response to a tender offer to be carried out by Hennape for the shares of common stock of Clarion, a consolidated subsidiary of the Guarantor in its Automotive Systems segment. The tender offer is scheduled to be commenced in January 2019 and, if completed successfully, it is expected that the Guarantor's ownership ratio of shares of Clarion will decrease from 63.8% to 0% and Clarion will be deconsolidated.

In addition, on 29 October 2018, the Guarantor and Hitachi Rail Italy Investments S.r.l. ("**HRII**"), a subsidiary of the Guarantor, entered into an agreement with Elliott International, L.P., Elliott Associates, L.P. and The Liverpool Limited Partnership (together, "**Elliott Selling Entities**") and Elliott Management Corporation to acquire the 31.8% stake in Ansaldo STS S.p.A. ("**STS**") owned by Elliott Selling Entities. On 2 November 2018, the transaction was settled and, as a result, the Guarantor's ownership ratio of shares of STS, which belongs to its Social Infrastructure & Industrial Systems segment, increased from 50.8% to 82.6%. HRII plans to acquire all the issued shares of STS.

CONSOLIDATED CAPITALISATION AND INDEBTEDNESS OF HITACHI, LTD.

The following table sets forth the consolidated capitalisation and indebtedness of the Guarantor which has been extracted without material adjustments from the audited balance sheet as at 31 March 2018.

	31 March 2018
	<i>(millions of Yen)</i>
Short-term debt ⁽¹⁾	121,439
Current portion of long-term debt ⁽¹⁾	117,191
Subtotal	238,630
Long-term debt ⁽¹⁾	811,664
Total debt	1,050,294
Hitachi, Ltd. stockholders' equity:	
Common stock ⁽²⁾	458,790
Capital surplus	575,809
Retained earnings	2,105,395
Accumulated other comprehensive income ⁽³⁾	142,167
Treasury stock, at cost ⁽⁴⁾	(4,137)
Total Hitachi, Ltd. stockholders' equity	3,278,024
Noncontrolling interests	1,233,647
Total equity	4,511,671
Total Capitalisation ^{(5) (6)}	5,561,965

⁽¹⁾ None of the short-term, current portion of long-term and long-term debt of the Guarantor is guaranteed by entities outside the Hitachi group of companies.

⁽²⁾ At 31 March 2018 the Guarantor had 10,000,000,000 authorised shares of common stock without par value, of which 4,833,463,387 were issued and fully paid. Since the item of share consolidation (to consolidate every five Hitachi shares into one share and to change the total share authorised to be issued by the Guarantor from 10,000,000,000 shares to 2,000,000,000 shares) was approved at the general meeting of shareholders held on 20 June 2018, the total shares authorised to be issued by Hitachi shall be 2,000,000,000 shares on 1 October 2018.

⁽³⁾ Accumulated other comprehensive income is composed of foreign currency translation adjustments, remeasurement of defined benefit plans, net changes in financial assets measured at fair value through other comprehensive income and net changes in cash flow hedges.

⁽⁴⁾ As of 31 March 2018, the Guarantor held 5,735,947 shares of its common stock as treasury stock.

⁽⁵⁾ The Guarantor and its operating subsidiaries are contingently liable for loan guarantees to its affiliates and others in the amount of approximately ¥76,097 million as of 31 March 2018.

⁽⁶⁾ There has been no material change in the consolidated capitalisation, indebtedness, contingent liabilities and guarantees of the Guarantor since 31 March 2018.

MANAGEMENT OF HITACHI, LTD.

The Guarantor adopted the Committee Systems under the Companies Act of Japan. By demarcating responsibilities for management oversight and those for the execution of business operations, Hitachi is working to create a framework for quick business operation, while making management highly transparent by having outside directors on the Board of Directors.

The Board of Directors determines fundamental management policies and certain important matters prescribed by law and supervises executive officers in the performance of their duties while entrusting to executive officers considerable authority to make decisions with respect to Hitachi's business affairs. As of 15 November 2018, the Board of Directors was made up of 12 directors, eight of whom are from outside Hitachi. Two directors serve concurrently as executive officers. Executive officers execute Hitachi's business affairs and decide on matters pertaining to the same in accordance with the division of duties stipulated by resolutions of the Board of Directors. Within the Board of Directors, there are three statutory committees – the Nominating Committee, Audit Committee and Compensation Committee – with outside directors accounting for the majority of members of each committee.

There are no conflicts of interest between the duties of the persons listed below to the Guarantor and their private interests or other duties.

DIRECTORS

<u>Name</u>	<u>Current Position and Principal Position outside the Guarantor, if any</u>
Katsumi Ihara	<i>Outside Director</i>
Cynthia Carroll	<i>Outside Director</i>
Joe Harlan	<i>Outside Director</i> <i>Director, Flowserve Corporation</i>
George Buckley	<i>Outside Director,</i> <i>Chairman, Smiths Group plc</i> <i>Chairman of the Board, Stanley Black & Decker, Inc.</i> <i>Director, PepsiCo, Inc.</i>
Louise Pentland	<i>Outside Director</i> <i>Executive Vice President and Chief Business Affairs and Legal Officer,</i> <i>PayPal Holdings, Inc.</i>
Harufumi Mochizuki	<i>Outside Director</i> <i>President and Representative Director, Tokyo Small and Medium Business</i> <i>Investment & Consultation Co., Ltd.</i> <i>Outside Director, ITOCHU Corporation</i>
Takatoshi Yamamoto	<i>Outside Director</i> <i>Outside Audit & Supervisory Board Member, Tokyo Electron Limited</i>
Hiroaki Yoshihara	<i>Outside Director</i> <i>Outside Director, Murata Manufacturing Co., Ltd.</i>
Kazuyuki Tanaka	<i>Chairman of the Board, Hitachi Chemical Company, Ltd.</i>
Hiroaki Nakanishi*	<i>Chairman of the Board</i>

Toyoaki Nakamura

Toshiaki Higashihara* President & CEO

Note: The Directors marked with * concurrently serve as Executive Officers. The information on principal position outside the Guarantor is as of 20 June 2018.

Ms. Cynthia Carroll and Ms. Louise Pentland and Messrs. Katsumi Ihara, Joe Harlan, George Buckley, Harufumi Mochizuki, Takatoshi Yamamoto and, Hiroaki Yoshihara are outside directors who fulfill the qualification requirements as provided for in the Companies Act.

The business address of the directors is:

6-6, Marunouchi 1-chome
Chiyoda-ku, Tokyo 100-8280
Japan

The members of each committee in the Board of Directors are as follows:

Nominating Committee: Harufumi Mochizuki (Chair), Cynthia Carroll, Hiroaki Yoshihara, Hiroaki Nakanishi.

Audit Committee: Hiroaki Yoshihara (Chair), Katsumi Ihara, Harufumi Mochizuki, Takatoshi Yamamoto, Kazuyuki Tanaka, Toyoaki Nakamura.

Compensation Committee: Harufumi Mochizuki (Chair), Katsumi Ihara, Takatoshi Yamamoto, Toshiaki Higashihara.

EXECUTIVE OFFICERS

Name	Responsibilities of Executive Officers as authorised by the Board of Directors
<i>President & CEO</i>	
Toshiaki Higashihara**	<i>Overall Management</i>
<i>Executive Vice Presidents</i>	
Masakazu Aoki**	<i>Assistant to the President (business for industry and distribution sectors, water business and industrial products business)</i>
Keiji Kojima**	<i>Assistant to the President (building systems business, railway systems business, smart life & ecofriendly systems business and automotive systems business) and information security management</i>
Keiichi Shiotsuka**	<i>Assistant to the President (systems & services business, healthcare business and defence systems business), systems & services business and social innovation business promotion</i>
Hideaki Takahashi**	<i>Assistant to the President (cost structure reform and supply chain management), cost structure reform and supply chain management (MONOZUKURI and quality assurance)</i>
Toshikazu Nishino**	<i>Assistant to the President (nuclear energy business and power business)</i>
<i>Senior Vice Presidents</i>	
Shinichiro Omori	<i>Cost structure reform and informataion technology strategies</i>

Yoshihiko Kawamura	<i>Management strategies, investment strategies and strategies for next generation business</i>
Kenichi Kokubo	<i>Regional strategies (China)</i>
Setsuo Shibahara	<i>Services & platforms business</i>
Hideaki Seki	<i>Building systems business</i>
Yoshitaka Tsuda**	<i>Marketing & sales, regional strategies and social innovation business promotion</i>
Alistair Dormer	<i>Railway systems business</i>
Hidenobu Nakahata**	<i>Corporate communications, legal matters, risk management, corporate auditing and human capital</i>
Mitsuaki Nishiyama**	<i>Finance and corporate pension system</i>
<i>Vice Presidents</i>	
Keiichi Akino	<i>Marketing & sales (business for financial institutions, government, public corporation and social infrastructure systems, healthcare business and defence systems business)</i>
Jun Abe	<i>Business for industry & distribution sectors</i>
Hitoshi Ito	<i>Governments & external relations</i>
Kenji Urase	<i>Water business</i>
Ryuichi Otsuki	<i>Regional strategies</i>
Atsushi Oda	<i>Power business</i>
Kohei Kodama	<i>Legal matters, risk management and corporate auditing</i>
Keizo Kobayashi	<i>Industrial products business</i>
Norihiko Suzuki	<i>Research & development</i>
Hidetoshi Takehara	<i>Nuclear energy business</i>
Osamu Naito	<i>Governments & external relations, CSR & environmental strategy and executive support</i>
Katsuya Nagano	<i>Business for government, public corporation and social infrastructure systems</i>
Isao Narukawa	<i>Marketing & sales (nuclear energy business and power business)</i>
Kentaro Masai	<i>Supply chain management (MONOZUKURI and quality assurance)</i>
Yasushi Manabe	<i>Marketing & sales (business for industry & distribution sectors, water business, building systems business and railway systems business)</i>
Shinya Mitsudomi	<i>Railway systems business</i>
Mamoru Morita	<i>Management strategies</i>
Tsugio Yamamoto	<i>Business for financial institutions</i>
Masaya Watanabe	<i>Healthcare business</i>

Executive Officer

Hiroaki Nakanishi

Note: The Executive Officers marked with ** are representative executive officers.

HITACHI INTERNATIONAL TREASURY LTD.

The Issuer was incorporated under the Companies Act, Chapter 50 of Singapore (the "**Singapore Companies Act**") as a public company limited by shares on 7 March 2003 named "**Antennaria Limited**". On 22 May 2003, the Issuer effected a change of name from "**Antennaria Limited**" to "**Hitachi International Treasury Ltd.**". The registration number of the Issuer is 200302088K.

Shareholding and Corporate Structure

The Guarantor directly and wholly owns the Issuer. The Issuer has been registered in Hong Kong as a non-Hong Kong Company under Part X1 of the Companies Ordinance, Chapter 32 of Hong Kong since 22 January 2013. The Issuer has one subsidiary, Hitachi International Treasury (Malaysia) Sdn. Bhd. ("**HITM**"), which is incorporated in Malaysia and wholly-owned by the Issuer.

Scope of Activities

The Issuer provides treasury services to subsidiaries, associated companies and related corporations of the Guarantor (the "**Hitachi Group Companies**"), including those companies located in Australia, Europe, China PRC, Hong Kong SAR, India, Indonesia, Japan, Malaysia, New Zealand, North America, The Philippines, Singapore, Taiwan ROC, Thailand and Vietnam. The Issuer coordinates with HITM and the Thailand Treasury Centre of Hitachi Asia (Thailand) Co., Ltd. to provide its services to the Hitachi Group Companies in the respective countries.

Range of HITL's Treasury Services

HITL provides the following services to the Hitachi Group Companies in the Asian region and globally:

- Group Finance Service – Arranging for group borrowing and lending.
- Cash Management Service – Acting as global netting and global pooling centres.
- Risk Management Service – Managing foreign exchange risk through a centralised foreign exchange arrangement.
- Corporate Treasury Service - Providing corporate treasury functions.

The Issuer has been granted approved Finance and Treasury Centre status by the Singapore Economic Development Board ("**EDB**") up to 30 September 2020. As an approved Finance and Treasury Centre, income earned by the Issuer from providing certain qualifying services to its approved network companies is taxed at a concessionary rate of 8%. EDB has also approved the waiver of withholding tax on interest payable on foreign currency denominated loans obtained by the Issuer from overseas banks and approved network companies for the conduct of qualifying activities.

MANAGEMENT OF HITACHI INTERNATIONAL TREASURY LTD.

The following are the names, positions and principal outside activities of the directors of the Issuer:

<u>Name</u>	<u>Position</u>	<u>Principal outside activities</u>
Mr. Hirofumi Tamura	Director	1. Managing Director of Hitachi International (Holland) B.V. 2. Director of HITM 3. Director of Hitachi America Capital, Ltd. 4. Director of Hitachi Investment Management, Ltd.
Mr. Akihide Hirao	Director	1. Managing Director of HITM
Mr. Lee Kok Mee	Director	1. General Manager of Thai Treasury Center, Hitachi Asia (Thailand) Co., Ltd. 2. Director of HITM
Mr. Koji Takahashi	Director	1. Inspector of Hitachi Asia (Vietnam) Co., Ltd. 2. Commissioner of PT. Hitachi Asia Indonesia

The business address of all of the above directors is care of Hitachi International Treasury Ltd., 7 Tampines Grande, #04-04 Hitachi Square, Singapore 528736.

**CONSOLIDATED CAPITALISATION AND INDEBTEDNESS OF HITACHI
INTERNATIONAL TREASURY LTD.**

The following table sets forth the capitalisation and indebtedness of Hitachi International Treasury Ltd. extracted without material adjustment from the consolidated audited balance sheet at 31 March 2018.

	31 March 2018
	<i>(thousands of U.S. dollars)</i>
INDEBTEDNESS	
Short-term debt:	
Commercial paper.....	0
Current maturities of Medium-term notes	0
Other short-term debt	903,862
Total short-term debt	903,862
Long-term debt:	
Medium-term notes	0
Other long-term debt	0
Total long-term debt	0
Total indebtedness.....	903,862
SHAREHOLDER'S EQUITY⁽¹⁾	
Share capital.....	3,500
Reserves.....	(264)
Retained earnings	31,717
Accumulated Other Comprehensive Income/(Loss).....	0
Total shareholder's equity	34,953
Total capitalisation ⁽²⁾	938,815

Notes:

- (1) At 31 March 2018, the Issuer had 3,500,000 issued ordinary shares.
(2) At 31 March 2018, the Issuer had following contingent liabilities and guarantees:

	31 March 2018
	<i>(thousand of US Dollars)</i>
Guarantees granted on behalf of the group companies of Hitachi, Ltd. and employees of the Issuer.	0

- (3) Based on the Issuer's unaudited consolidated management accounts as of 31 October 2018:
- (i) the total indebtedness of the Issuer increased by approximately U.S.\$291,351,000 from approximately U.S.\$903,862,000 as of 31 March 2018 to approximately U.S.\$1,195,213,000 as of 31 October 2018;
 - (ii) there is no change to the authorised and issued capital of the Issuer, and
 - (iii) the contingent liabilities and guarantees of the Issuer increased by approximately U.S.\$58,000 from nil as of 31 March 2018 to approximately U.S.\$58,000 as of 31 October 2018.

The net increase in indebtedness of U.S.\$291,351,000 consists of the following:

	Increase/ (Decrease)
	<i>(thousand of US Dollars)</i>
Short-term debt:	
Commercial Paper	0
Current maturities of Medium-term notes	0
Other short-term debt	291,351
Total short-term debt	291,351
Long-term debt:	
Medium-term notes	0
Other long-term debt	0
Total long-term debt	0
Total indebtedness	291,351

Save as disclosed above, there has been no material change in the total capitalisation, indebtedness, contingent liabilities or guarantees of the Issuer since 31 March 2018.

TAXATION

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Information Memorandum and is subject to any change in law that may take effect after such date.

Singapore

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

Interest and Other Payments

1. Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, Chapter 134 of Singapore (the "ITA"), the following payments are deemed to be derived from Singapore:
 - (a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or
 - (b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.
2. Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is currently 22 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

3. However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:
- (a) interest from debt securities derived on or after 1 January 2004;
 - (b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and
 - (c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

4. In addition, as the Programme as a whole was arranged by Merrill Lynch (Singapore) Pte. Ltd., which was an Approved Bond Intermediary (as defined in the ITA) prior to 1 January 2004 and was a Financial Sector Incentive (Bond Market) Company (as defined in the ITA) thereafter, any tranche of the Notes ("**Relevant Notes**") issued or to be issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2023 would be, pursuant to the ITA and the MAS Circular FDD Cir 11/2018 entitled "Extension of Tax Concessions for Promoting the Debt Market" issued by the MAS on 31 May 2018 ("**MAS Circular**"), qualifying debt securities ("**QDS**") for the purposes of the ITA. Accordingly:

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

- (bb) the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Relevant Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Relevant Notes as the MAS may require,

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

5. Notwithstanding the foregoing:

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

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

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

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

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

"**redemption premium**", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and

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

References to "**prepayment fee**", "**redemption premium**" and "**break cost**" in this Singapore tax disclosure have the same meaning as defined in the ITA.

8. Under the Qualifying Debt Securities Plus Scheme ("**QDS Plus Scheme**"), subject to certain conditions having been fulfilled (including the furnishing by the issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities in respect of the QDS in the prescribed format within such period as the MAS may specify and such other particulars in connection with the QDS as the MAS may require), income tax exemption is granted on Qualifying Income derived by any investor from QDS (excluding Singapore Government Securities) which:
- (a) are issued during the period from 16 February 2008 to 31 December 2018;
 - (b) have an original maturity of not less than 10 years;
 - (c) cannot have their tenure shortened to less than 10 years from the date of their issue, except where:
 - (i) the shortening of the tenure is a result of any early termination pursuant to certain specified early termination clauses which the issuer included in any offering document for such QDS; and
 - (ii) the QDS do not contain any call, put, conversion, exchange or similar option that can be triggered at specified dates or at specified prices which have been priced into the value of the QDS at the time of their issue; and
 - (d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

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

- (aa) any related party of the Issuer; or
- (bb) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Issuer,

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

Pursuant to the Singapore Budget Statement 2018 and the MAS Circular, the QDS Plus Scheme will be allowed to lapse after 31 December 2018, but debt securities with tenures of at least 10 years which are issued on or before 31 December 2018 can continue to enjoy the tax concessions under the QDS Plus Scheme if the conditions of such scheme as set out above are satisfied.

Capital Gains

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

Holders of the Notes who apply or are required to apply Singapore Financial Reporting Standard ("**FRS**") 39 or FRS 109 may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39 or FRS 109. Please see the section below on "**Adoption of FRS 39 and FRS 109 for Singapore Income Tax Purposes**".

Adoption of FRS 39 and FRS 109 for Singapore Income Tax Purposes

10. Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "**opt-out**" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The Inland Revenue Authority of Singapore

has also issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 - Financial instruments: Recognition and Measurement".

FRS 109 is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109, subject to certain exceptions. The Inland Revenue Authority of Singapore has also issued a circular entitled "Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 — Financial Instruments".

Holders of the Notes who may be subject to the tax treatment under Sections 34A or 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Estate Duty

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

Japan

The statements below are general in nature and are based on certain aspects of current tax laws in Japan and are subject to any change in such laws, which change could be made on retroactive basis. The statements do not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to acquire, own or dispose the Notes. Noteholders should consult their tax advisers with regard to the tax consequences of investing in Notes.

Generally, the payment of the principal and interest in respect of the Notes to an individual non-resident of Japan or a non-Japanese corporation will not be subject to any Japanese income or corporation tax, unless the receipt of the relevant payment is the income of such individual non-resident of Japan or non-Japanese corporation from sources in Japan.

Gains derived from the sale outside Japan of the Notes by an individual non-resident of Japan or a non-Japanese corporation are in general not subject to Japanese income or corporation taxes. Gains derived from the sale in Japan of the Notes by an individual non-resident of Japan or a non-Japanese corporation not having a permanent establishment in Japan are in general not subject to Japanese income or corporation taxes.

Japanese inheritance and gift taxes at progressive rates may be payable by an individual, wherever resident, who has acquired the Notes as legatee, heir or donee.

No stamp, issue, registration or similar taxes or duties will, under present Japanese law, be payable by Noteholders in connection with the issue of the Notes assuming that none of the certificates representing or evidencing the Notes will be delivered in Japan and the contracts are executed and delivered outside Japan.

CLEARING AND SETTLEMENT THROUGH CDP

Introduction

In respect of Singapore Dollar Notes ("**SGD Notes**") that are accepted for clearance by The Central Depository (Pte) Limited ("**CDP**") in Singapore (subject to the agreement of CDP and any restrictions or conditions as specified in the relevant Pricing Supplement), clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities (the "**Depository System**") maintained by CDP. CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

Clearance and Settlement under the Depository System

In respect of SGD Notes that are accepted for clearance by CDP, the entire issue of such SGD Notes is to be held by CDP in the form of a global note for persons holding the SGD Notes in securities accounts with CDP (the "**Depositors**"). Delivery and transfer of the SGD Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the SGD Notes through the Depository System may only be effected through certain corporate depositors ("**Depository Agents**") approved by CDP under the SFA to maintain securities sub-accounts and to hold the SGD Notes in such securities sub-accounts for themselves and their clients. Accordingly, SGD Notes for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding SGD Notes in direct securities accounts with CDP, and who wish to trade SGD Notes through the Depository System, must transfer the SGD Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

General

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the SGD Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Fiscal Agent, any of the other Paying Agents or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Merrill Lynch (Singapore) Pte. Ltd., Mizuho Securities Asia Limited, Morgan Stanley & Co. International plc and Nomura International plc (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and subscribed by, Dealers are set out in an amended and restated Dealer Agreement dated 15 November 2018 (as the same may be, supplemented, amended and/or restated from time to time, the "**Dealer Agreement**") and made between the Issuer, the Guarantor and the Dealers. Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America: *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Pricing Supplement or neither if TEFRA is specified as not applicable in the relevant Pricing Supplement.*

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States 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.

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

The Issuer and each Dealer has acknowledged and agreed not to offer, solicit any offer to purchase or otherwise sell the Notes issued by the Issuer to any U.S. person, as defined in Rule 902 of the Securities Act, or in the United States.

The Issuer and the Guarantor have agreed not to have any direct or indirect involvement in any resale, assignment or other transfer of the Notes issued by the Issuer to a U.S. person, as defined in Rule 902 of the Securities Act, or in the United States, and further have agreed not to permit any of their respective agents, affiliates or intermediaries to become involved, directly or indirectly, in any such resale, assignment or other transfer. In addition, the Issuer and the Guarantor have agreed that they will not compensate any of their respective agents, affiliates or intermediaries that become involved in secondary market transactions.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, 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 of the Notes comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto 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.

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

Singapore

Each Dealer has acknowledged that this Information Memorandum has not been and will not be registered as a prospectus with the MAS. Accordingly, each Dealer has represented, warranted and agreed

that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the 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 Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in the SFA) under 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, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

(Note: the following paragraphs in this section headed "**Singapore**" do not constitute representations by the Dealers given in the Dealer Agreement.)

This Information Memorandum has not been registered as a prospectus with the MAS. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in the SFA) under 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, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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

- (a) a corporation (which is not an accredited investor (as defined in 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,

the securities or securities-based derivatives contracts (each 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:

- (1) 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;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law; or
- (4) as specified in Section 276(7) of the SFA.

In this section "Subscription and Sale – 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(1) of the SFA: Unless otherwise stated in the Pricing Supplement in respect of any Notes, all Notes issued or to be issued under the Programme shall be prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) 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).

United Kingdom

Each Dealer has represented, warranted and agreed that:

- (a) **No deposit-taking:** in relation to any Notes having a maturity of less than one year:
 - (i) 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
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21 of the FSMA does not apply to the Issuer; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

Each Dealer has represented, warranted and undertaken that the Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Dealer has undertaken, represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "**Japanese Person**" shall mean any person resident in Japan for Japanese financial instruments law purposes, including any corporation or other entity organised under the laws of Japan.

General

Other than with respect to the admission to listing, trading and/or quotation by such one or more listing authorities, stock exchanges and/or quotation systems as may be specified in the Pricing Supplement, no action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Information Memorandum or any Pricing Supplement comes are required by the Issuer, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The Issuer, the Guarantor and the Dealers shall, in relation to each issue of Notes, comply with all applicable laws, regulations and market or other regulatory guidelines as are in force from time to time

which are relevant in the context of the issue of such Notes, including, without limitation, any relevant maturity requirements and minimum denomination requirements applicable to such issue, and shall submit (or procure the submission on its behalf or) such reports or information as may from time to time be required for compliance with such laws, regulations and market or other regulatory guidelines.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "**General**" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification will be set out in the relevant Pricing Supplement (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or (in any other case) in a supplement to this document.

Some of the Dealers and their affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer, the Guarantor or their respective affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer, the Guarantor or their respective affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of the Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

GENERAL INFORMATION

Authorisations

The establishment of the Programme was authorised by written resolutions of the Board of Directors of the Issuer passed on 4 August 2003 and the update of the Programme was authorised by a resolution of the Board of Directors of the Issuer passed on 7 November 2018 and the giving of the guarantee dated 15 November 2018 in respect of the Notes was authorised by the Representative Executive Officer and President of the Guarantor who has an authority to do so on 10 October 2018 and certified by the certificate dated 15 November 2018. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Clearing of the Notes

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. SGD Notes have been accepted for clearance through CDP. The appropriate common code, International Securities Identification Number (ISIN), Financial Instrument Short Name (FISN) and Classification of Financial Instruments (CFI) code (as applicable) in relation to the Notes of each Series will be specified in the Pricing Supplement relating thereto. The relevant Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

Use of proceeds

The net proceeds of the issue of each Tranche of Notes will be applied by the Issuer for general corporate purposes of the Hitachi group of companies.

Litigation

There are no, nor have there been any, legal or arbitration proceedings against or affecting the Issuer, HTC, any of their respective subsidiaries or any of their assets or revenues, nor is the Issuer or HTC aware of any pending or threatened proceedings of such kind, which may have or have had during the 12 months prior to the date of this Information Memorandum a significant effect on the financial position of the Issuer and its subsidiaries or HTC and its subsidiaries.

Settlement Arrangements

Settlement arrangements will be agreed between the Issuer, the relevant Dealer and the Fiscal Agent in relation to each Tranche of Notes.

Significant/Material Change

Save as disclosed in this Information Memorandum and since the last day of the financial period in respect of which the most recent consolidated audited financial statements of the Issuer or, as the case may be, HTC have been prepared, there has been no significant change in the financial or trading position of the Issuer and its subsidiaries or HTC and its subsidiaries and, since such date, save as disclosed in this Information Memorandum, there has been no material adverse change in the financial position or prospects of the Issuer and its subsidiaries or HTC and its subsidiaries.

Independent Auditors

The financial statements of the Issuer as of 31 March 2017 and as of 31 March 2018, incorporated by reference in this Information Memorandum, have been audited by Ernst & Young LLP, independent auditors, as stated in their report appearing therein.

The consolidated financial statements of HTC as of 31 March 2017 and as of 31 March 2018, incorporated by reference in this Information Memorandum, have been audited by Ernst & Young ShinNihon LLC, independent auditors, as stated in their report appearing therein.

Documents available for inspection

For so long as the Programme remains in effect or any Notes shall be outstanding, copies and, where appropriate, English translations of the following documents may be inspected during normal business hours at the specified office of the Fiscal Agent, namely:

- (a) the constitutive documents of the Issuer and HTC;
- (b) the current Information Memorandum in relation to the Programme, together with any amendments or supplements;
- (c) the Agency Agreement;
- (d) the Deed of Covenant;
- (e) the Deed of Guarantee;
- (f) the Programme Manual (which contains the forms of the Notes in global and definitive form);
- (g) the audited financial statements (including the independent auditors' report thereon and note thereto) of the Issuer in respect of each of the years ended 31 March 2017 and 31 March 2018 and the most recently prepared audited financial statements and any interim financial statements (whether audited or unaudited) prepared subsequently to such financial statements, of the Issuer from time to time;
- (h) the audited financial statements (including the independent auditors' report thereon and notes thereto) of HTC in respect of each of the years ended 31 March 2017 and 31 March 2018 and the most recently prepared audited financial statements and any interim financial statements (whether audited or unaudited) prepared subsequently to such financial statements, of HTC from time to time;
- (i) any Pricing Supplement relating to Notes which are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system. (In the case of any Notes which are not admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system, copies of the relevant Pricing Supplement will only be available for inspection by the relevant Noteholders.)

The Legal Entity Identifier

The Legal Entity Identifier (LEI) code of the Issuer is 549300CGU7TX0W29IM37.

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