



## ITOCHU CORPORATION

*(incorporated with limited liability in Japan)*

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

### **Euro Medium Term Note Programme**

Under the Euro Medium Term Note Programme (the “Programme”), subject to compliance with all relevant laws, regulations and directives, ITOCHU Corporation (the “Issuer”) may from time to time issue notes (the “Notes”) denominated in any currency agreed by the Issuer and the relevant Dealer (as defined below). The aggregate nominal amount of all Notes issued under the Programme from time to time outstanding will not exceed U.S.\$5,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

This Base Prospectus supersedes the base prospectus dated 4th September, 2020 relating to the Programme. This Base Prospectus does not affect any Notes already issued.

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

Application has been made to the Singapore Exchange Securities Trading Limited (the “SGX-ST”) for permission to deal in, and for quotation of, any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the official list of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed, or reports contained in this Base Prospectus. Admission to the official list of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, or any of the Issuer’s subsidiaries or associated companies, the Programme or such Notes. Notice of the aggregate nominal amount of, interest (if any) payable in respect of, the issue price of, and any other terms and conditions not contained herein which are applicable to, each Series (as defined in “Description of the Programme and the Notes” below) of Notes will be set forth in final terms prepared by, or on behalf of, the Issuer (the “Final Terms”) which, with respect to Notes to be listed on the SGX-ST, will be delivered to the SGX-ST on or before the date of issue of the Notes of such Series. However, unlisted Notes may be issued pursuant to the Base Prospectus. The relevant Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be listed on the SGX-ST (or any other stock exchange).

Notes may be issued in bearer form (“Bearer Notes”) or registered form (“Registered Notes”). Each Series of Bearer Notes will be represented on issue (as indicated in the relevant Final Terms) by either a temporary global Note (each a “Temporary Bearer Global Note”) or a permanent global Note (each a “Permanent Bearer Global Note”), and each Series of Registered Notes will be represented on issue by a registered global Note (each a “Registered Global Note”). Each Temporary Bearer Global Note, Permanent Bearer Global Note and Registered Global Note is referred to as a “Global Note”.

The Programme has been rated “AA+” by Japan Credit Rating Agency, Ltd. (“JCR”) and “A2” by Moody’s Japan K.K. (“Moody’s”). Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

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

#### **Arranger**

**BofA Securities**

#### **Dealers**

**BofA Securities**

**Daiwa Capital Markets Europe**

**Mizuho**

**Citigroup**

**J.P. Morgan**

**Nomura**

**SMBC Nikko**

The Issuer accepts responsibility for the information contained in this Base Prospectus and the applicable Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

The Arranger and the Dealers have not independently verified the information contained in this Base Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Arranger or any of the Dealers as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. Neither the Arranger nor any of the Dealers accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with this Base Prospectus or for any act or omission of the Issuer or any other person in connection with the issue and offering of the Notes.

To the fullest extent permitted by law, neither the Arranger nor any of the Dealers accepts any responsibility for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of any such statement.

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

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, the Arranger or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating the purchase of any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

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

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer or Manager, as the case may be.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of any relevant indices and financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

**None of the Dealers, the Issuer makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.**

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and/or any Final Terms and the offer, sale or delivery of Notes may be restricted by law in certain jurisdictions. The Issuer, the Arranger and the Dealers do not represent that this Base Prospectus and/or any Final Terms may be lawfully distributed, or that any Notes may be lawfully offered, sold or delivered in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution, offering, sale or delivery. In particular, no action has been taken by the Issuer, the Arranger or the Dealers which is intended to permit a public offering of any Notes or the distribution of this Base Prospectus and/or any Final Terms in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered, sold or delivered, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material including any Final Terms may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Base Prospectus, any Final Terms or any Notes come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and any Final Terms and the offering and sale of the Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the European Economic Area, the United Kingdom, Japan and Singapore (see "Subscription and Sale").

The 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, the Notes may not be offered, sold or delivered within the United States or to U.S. persons (see "Subscription and Sale").

**PROHIBITION OF SALES TO EUROPEAN ECONOMIC AREA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or

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

**PROHIBITION OF SALES TO UK 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 United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “FSMA”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of United Kingdom domestic law by virtue of the EUWA (the “UK Prospectus Regulation”). Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

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

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

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

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

**SINGAPORE SFA PRODUCT CLASSIFICATION:** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the “SFA”) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Excluded Investment Products/Specified 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).

The Notes have not been registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948) (as amended) (the “FIEL”) and are subject to the Special Taxation Measures Law of Japan (Law No.26 of 1957) (as amended) (the “Special Taxation Measures Law”). The Notes may not be, directly or indirectly, offered, sold or delivered in Japan, or for the account or benefit of, any person resident in Japan (including any corporation or other entity organised under the laws of Japan), except pursuant to an exemption from the registration requirements of, or otherwise in accordance with, the FIEL (see “Subscription and Sale”). **BY PURCHASING NOTES, AN INVESTOR WILL BE DEEMED TO HAVE REPRESENTED THAT IT IS, FOR JAPANESE TAX PURPOSES, A GROSS RECIPIENT (AS DEFINED IN “SUBSCRIPTION AND SALE”).**

All references in this document to “U.S. dollar(s)”, “U.S.\$” and “\$” refer to United States dollars, those to “Sterling” and “£” refer to pounds sterling, those to “Japanese Yen”, “Yen” and “¥” refer to the currency of Japan, those to “euro”, “EUR” and “€” refer to the single currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended and “Singapore dollars” and “S\$” refer to the currency of Singapore.

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilisation manager(s) (the “Stabilisation Manager(s)”) (or any person acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager(s) (or any person acting on behalf of any Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or any person acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.**

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## DOCUMENTS INCORPORATED BY REFERENCE

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

- (a) the Final Terms relating to any Notes;
- (b) the audited consolidated annual financial statements of the Issuer and its subsidiaries, which comprise the consolidated statement of financial position as of 31st March, 2023 and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended and the related notes to the consolidated annual financial statements (all expressed in Japanese Yen) with corresponding figures as comparative information as of and for the year ended 31st March, 2022, including the Independent Auditor's Report and an English translation of the Management Internal Control Report of the Issuer;
- (c) the unaudited consolidated interim financial results (*kessan tanshin*) of the Issuer for the six months ended 30th September, 2023 filed with the Tokyo Stock Exchange, Inc. (save for any forecasts, outlooks and other forward-looking statements);
- (d) any unaudited consolidated interim financial results (*kessan tanshin*) of the Issuer subsequently prepared by the Issuer and filed with the Tokyo Stock Exchange, Inc. (save for any forecasts, outlooks and other forward-looking statements), and submitted for publication on the website of the SGX-ST;
- (e) any audited consolidated annual financial statements subsequently prepared by the Issuer and submitted for publication on the website of the SGX-ST; and
- (f) all supplements and amendments to this Base Prospectus circulated by the Issuer from time to time in accordance with the undertakings given by the Issuer,

save that any statement contained herein or in a document which is incorporated by reference in this Base Prospectus shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus may be obtained without charge, from the principal office in Luxembourg of Mizuho Trust & Banking (Luxembourg) S.A. Documents incorporated by reference will also be made available without charge on the website of the SGX-ST (<https://www.sgx.com>).

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare an amendment or supplement to this Base Prospectus or publish a replacement base prospectus for use in connection with any subsequent offering of the Notes.

## GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, the Issuer may from time to time issue Notes denominated in any currency and with any maturity, subject as set out herein, and subject to such minimum denomination as is set out in “Denomination of Notes” under “Description of the Programme and the Notes”. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, attached to, or incorporated by reference into, the Notes, as supplemented by the applicable Final Terms with respect to a specific Tranche of Notes attached to, or endorsed on, such Notes, as more fully described under “Form of the Notes”.

The aggregate nominal amount of all Notes issued under the Programme from time to time outstanding will not exceed U.S.\$5,000,000,000 (or its equivalent in other currencies calculated as described herein). For the purpose of calculating the U.S. dollar equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

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

## DESCRIPTION OF THE PROGRAMME AND THE NOTES

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions, the applicable Final Terms.*

*Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” below shall have the same meanings in this summary.*

|                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Issuer:</b>                                            | ITOCHU Corporation<br>(Legal Entity Identifier: J48DJYXDTLHM30UMYI18)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Description:</b>                                       | Euro Medium Term Note Programme                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Arranger:</b>                                          | Merrill Lynch International (the “Arranger”)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Dealers:</b>                                           | Citigroup Global Markets Limited<br>Daiwa Capital Markets Europe Limited<br>J.P. Morgan Securities plc<br>Merrill Lynch International<br>Mizuho International plc<br>Nomura International plc<br>SMBC Nikko Capital Markets Limited<br>and any other Dealers which may be appointed from time to time in accordance with the Programme Agreement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Certain Restrictions:</b>                              | Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “Subscription and Sale”) including the following restrictions applicable at the date of this Base Prospectus.<br><br>Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent. |
| <b>Agent, Paying Agent, Registrar and Transfer Agent:</b> | Mizuho Trust & Banking (Luxembourg) S.A.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Programme size:</b>                                    | Up to U.S.\$5,000,000,000 in the aggregate nominal amount of all Notes from time to time outstanding under the Programme at any time (or its equivalent in other currencies calculated as described herein). The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Currencies:</b>                                        | Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Maturities:</b>                                        | The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.

**Issue Price:**

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

**Form of Notes:**

Each Tranche of Bearer Notes will initially be represented by a Temporary Bearer Global Note or a Permanent Bearer Global Note which will be deposited on the relevant Issue Date (as specified in the applicable Final Terms) with a common depository on behalf of Euroclear Bank SA/NV (“Euroclear”), and Clearstream Banking S.A. (“Clearstream, Luxembourg”) and/or any other agreed clearing system. Each Temporary Bearer Global Note will be exchangeable for a Permanent Bearer Global Note not earlier than 40 days after the Issue Date upon certification of non-U.S. beneficial ownership as required by U.S. Treasury Regulations.

Each Tranche of Registered Notes will be represented by a Registered Global Note registered in the name of a nominee for Euroclear, Clearstream, Luxembourg and/or any other agreed clearing system. Interests in a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg and/or any other agreed clearance system, as appropriate.

A Global Note may be exchangeable for definitive Notes in certain exceptional circumstances, described in further detail in “Form of the Notes”.

**Fixed Rate Notes:**

Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms) and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.

**Floating Rate Notes:**

Floating Rate Notes will bear interest at a rate determined:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions or the 2021 ISDA Definitions, in each case (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as of the Issue Date of the first Tranche of the Notes of the relevant Series); or
- (ii) by reference to a benchmark specified in the relevant Final Terms as adjusted for any applicable margin. Interest periods will be specified in the relevant Final Terms; or
- (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer.

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

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

**Index Linked Notes:**

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

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

Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both.

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

**Dual Currency Notes:**

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

**Zero Coupon Notes:**

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest other than in the case of late payment.

**Redemption:**

The Final Terms relating to each Tranche of Notes will indicate either that the Notes of such Tranche cannot be redeemed prior to their stated maturity (other than in specified instalments (see below), if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders upon giving notice to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms.

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

Notes having a maturity of less than one year from the date of issue may be subject to restrictions on their denomination and distribution – see “Certain Restrictions” above.

**Denomination of Notes:**

Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer and as indicated in the applicable Final Terms, subject as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any applicable laws or regulations – see “Certain Restrictions” above.

**Taxation:**

All payments in respect of the Notes will be made without withholding or deduction for or on account of taxes imposed within Japan, subject to certain exceptions provided in Condition 6.

Interest payments on the Notes will be subject to Japanese withholding tax unless the holder thereof establishes that the Note is held by or for the account of a holder that is (i) neither an individual resident of Japan or a Japanese corporation nor an individual non-resident of Japan or a non-Japanese corporation that, in either case, is a person having a special relationship with the Issuer as described in Article 6, Paragraph 4 of the Special Taxation Measures Law for Japanese tax purposes, or (ii) is a designated Japanese financial institution as provided in Article 6 of the Special Taxation Measures Law; provided that Notes issued in circumstances where the amount of interest is calculated or determined on the basis of or by reference to certain indicators including the amount of profit, income, earnings, revenue, assets and distribution of surplus, distribution of profit and other similar distributions of the Issuer or any person having such special relationship with the Issuer, will not be exempt from Japanese withholding tax even if the holder establishes the foregoing status. See Condition 6 and “Japanese Taxation” below.

**Cross Default:**

The terms of the Notes will contain a cross-default provision relating to indebtedness for money borrowed having an aggregate outstanding amount of at least U.S.\$5,000,000 (or its equivalent in any other currency or currencies) as further described in Condition 8.

**Status of the Notes:**

The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* and rateably without any preference among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

**Rating:**

The Programme has been rated “AA+” by JCR and “A2” by Moody’s. A Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Listing:**

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

SGX-ST is not to be taken as an indication of the merits of the Issuer, or any of its subsidiaries or associated companies, the Programme or such Notes.

As specified in the relevant Final Terms, a Series of Notes may be unlisted. Any application for the listing of Notes on the SGX-ST will be made separately with respect to each such issue of Notes.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or the equivalent in other currencies).

**Governing Law:**

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

**Selling Restrictions:**

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

## **RISK FACTORS**

*The Issuer believes that the following factors may affect its abilities to fulfill its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” below have the same meaning in this section.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. The Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

### **Factors that may affect the Issuer’s ability to fulfill its obligations under Notes issued under the Programme**

The factors described below, either individually or in combination with other factors, may adversely affect the financial condition of the Issuer and accordingly, in certain situations, may affect its solvency and its ability to fulfill its obligations under Notes issued under the Programme.

#### ***Risks Associated with Macroeconomic Factors and Business Model***

The Issuer and its subsidiaries and affiliates (the “Group”) involves a wide variety of business ranging from supply of raw materials to manufacturing and sale in each of its business areas. It conducts diverse types of commercial transactions such as purchase and sale of products in the domestic market, import/export trade between overseas affiliates as well as development of energy, metal and mineral resources.

For the characteristics of the Group’s main areas of business, trade in machinery such as plants, automobiles and construction machineries, trade in mineral resources, energy and chemical products, and investments in development, they are all largely dependent on economic trends in the world, while the domestic economy has a relatively strong influence on the consumer sectors such as textiles and food. However, economic trends in the world have been more influential even on the consumer sectors, as economic globalisation proceeds.

Furthermore, global economic trends including specific regional trends, changes in industrial structures due to rapid technological innovation in recent years, increasing competition from companies in newly developing countries due to globalisation, and changes in the business environment due to deregulation and entrants from other industries could significantly affect the existing business model and the competitiveness, financial position and results of operations of the Group.

Regarding the business environment, there is a risk that the global economy may decelerate further, particularly in the U.S. and Europe, as the effects of monetary tightening by major central banks become more pronounced. In the Chinese economy, although domestic demand is expected to recover with the end of its zero COVID-19 policy, the pace of recovery could be slow due to a number of factors, including sluggish exports and potential real estate crisis. The Japanese economy is expected to recover despite sluggish exports, as rising wages, lower inflation, and continued monetary easing by the Bank of Japan bolster domestic demand, in addition to a further recovery in demand from inbound tourism. Looking at the U.S. dollar-yen exchange rate, the yen is forecast to appreciate in line with a downward trend in U.S. long-term interest rates. Crude oil prices are expected to remain firm around the US\$80 per barrel price at the beginning of the fiscal year due to supply constraints by major oil-producing countries.

## ***Market Risks***

The Group is exposed to market risks such as foreign exchange rate risks, interest rate risks, commodity price risks and stock price risks. Therefore, the Group attempts to minimise risks related to market fluctuations such as changes in foreign exchange rates, interest rates, and commodities by establishing risk management policies such as setting and controlling limits and by utilizing a variety of hedge transactions for hedging purposes. However, there is no assurance that such policies will be effective in controlling the Group's exposure to market risks and any significant fluctuation in the markets may have a significant impact on the financial position and results of operations of the Group.

### ***Foreign Exchange Rate Risk***

The Group is exposed to foreign exchange rate risk related to transactions in foreign currencies due to its significant involvement in import/export trading. Therefore, the Group works to minimize foreign exchange rate risk through hedge transactions that utilize derivatives, such as foreign exchange forward contracts, however, cannot completely avoid such risk.

Further, the Issuer's investments in overseas businesses expose the Group to the risk that fluctuations in foreign exchange rates could affect shareholders' equity through the accounting for foreign currency translation adjustments and the risk that fluctuations in foreign exchange rates could affect the amount of periodic income when converted to yen. These foreign exchange rate risks could significantly affect the financial position and results of operations of the Group.

For more details, please refer to "Foreign exchange rate risk management" in "Notes to Consolidated Financial Statements [25. Financial Instruments.]" of the notes to the audited consolidated annual financial statements of the Issuer and its subsidiaries, as of and for the year ended 31st March, 2023.

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

The Group is exposed to interest rate risk in both raising and using funds for investing, financing, and operating activities. Among interest insensitive assets, such as investment securities or fixed assets, the part acquired using floating interest loans is considered to be the interest mismatch amount exposed to interest rate risk. The Issuer seeks to quantify the interest rate risk to control the fluctuation of gains and losses due to interest rate change properly.

In addition, the Group periodically tracks interest rate trends and monitors the amount of influence on interest payments due to interest rate changes using the Earnings at Risk (EaR). However, interest rate trends could significantly affect the financial position and results of operations of the Group.

For more details, please refer to "Interest rate risk management" in "Notes to Consolidated Financial Statements [25. Financial Instruments.]" of the notes to the audited consolidated annual financial statements of the Issuer and its subsidiaries, as of and for the year ended 31st March, 2023.

### ***Commodity Price Risk***

The Group conducts actual demand transactions that are based on the back-to-back transactions of a variety of commodities. In some cases, the Group is exposed to commodity price fluctuation risk, because it holds long or short positions in consideration of market trends. Therefore, the Group analyses inventories and purchase and sales contracts, and each Division Company (as defined in "Descriptions of the Issuer – ITOCHU Corporation") has established middle and back offices for major commodities, which establish a balance limit and loss cut limit for each commodity, as well as conduct monitoring, management, and periodic reviews.

In addition, the Group participates in development businesses such as mineral resources and energy and other manufacturing businesses. The production in these businesses is also exposed to the same price fluctuation risk noted above.

To reduce these commodity price risks, the Group uses such hedges as futures and forward contracts. However, the Group cannot completely avoid commodity price risk. Therefore, commodity price trends could significantly affect the financial position and results of operations of the Group.

The Group uses “Value at Risk (VaR)” to ascertain and monitor risk in commodity transactions, which are susceptible to market fluctuations. The figures in this method are based on market fluctuation data for specific past periods, and statistical methods are used to estimate maximum loss amounts that may be incurred during specific future periods.

For more details, please refer to “Commodity price risk management” in “Notes to Consolidated Financial Statements [25. Financial Instruments].” of the notes to the audited consolidated annual financial statements of the Issuer and its subsidiaries, as of and for the year ended 31st March, 2023.

#### *Stock Price Risk*

The Group holds a variety of marketable equity securities, mainly to strengthen relationships with customers, suppliers, and other parties, and to secure business income, and to increase corporate value through means such as making a wide range of proposals to investees. These shares are exposed to stock price fluctuation risk and could significantly affect the financial position and results of operations of the Group depending on stock price trends.

The Group periodically tracks and monitors the amount of impact of equity prices on its consolidated shareholders’ equity using “Value at Risk (VaR)”. The figures in this method are based on market fluctuation data for specific past periods, and statistical methods are used to estimate maximum loss amounts that may be incurred during specific future periods.

For more details, please refer to “Stock price risk management” in “Notes to Consolidated Financial Statements [25. Financial Instruments].” of the notes to the audited consolidated annual financial statements of the Issuer and its subsidiaries, as of and for the year ended 31st March, 2023.

#### *Investment Risks*

The Group invests in various businesses. In these investment activities, there are risks such as being unable to achieve expected earnings due to changes in business conditions or deterioration in the business results of its partners and investees. The likelihood of investment recovery may be lowered due to poor corporate results of investees, or stock prices dropping below a specified level for a considerable period of time, which may make it necessary for the Issuer to recognize the whole or part of the investment as a loss, or to inject additional funds. Also, there are investment risks that the Group may be unable to withdraw from a business or restructure the business under a timeframe or method that it desires due to differences in business management policy with partners or the low liquidity of investments; or the Group may be put at a disadvantage because it is unable to receive appropriate information from an investee. To reduce these risks, the Group works through decision making based on the establishment of investment standards for the implementation of new investments while monitoring existing investments periodically and promoting asset replacement through the application of exit standards to investments with low investment efficiency that it has little reason to hold.

However, management cannot completely avoid the investment risks, and such risks could significantly affect the financial position and results of operations of the Group.

#### *Risks Associated with Impairment Loss on Fixed Assets*

The Group is exposed to the risk of impairment losses on fixed assets it holds and leases. These include real estate, assets related to natural resource development, aircraft and ships, and goodwill and intangible assets.

The Group has recognized impairment losses that are currently necessary. However, new impairment losses might be recognized if stores, warehouses, and other assets were to become unable to recover their book value due to declining profitability. Impairment losses could also be recognized if a market slump were to occur due to price fluctuations on coal, iron ore, crude oil or other resources, or the R&D policies were to change and if a decline in asset prices or unplanned additional funding were to result in losses on all or some investments. Such losses could significantly affect the financial position and results of operations of the Group.

The Group sustains its strength, highly efficient management, through investment in developing the foundations for sustainable growth and by steadily implementing flexible asset replacement. In addition, the

Group manages investments appropriately, making investment decisions after thoroughly deliberating the appropriateness of the acquisition price and then monitoring investments periodically.

### ***Credit Risk***

Through trade receivables, loans, guarantees, and other formats, the Group grants credit to its trading partners, both domestically and overseas. The Group, therefore, bears credit risk in relation to such receivables becoming uncollectible due to the deteriorating credit status or insolvency of the Group's partners, and in relation to assuming responsibilities to fulfill contracts where an involved party is unable to continue its business and therefore cannot fulfill its obligations under the contracts. Therefore, when granting credit, the Group works to reduce risk by conducting risk management through the establishment of credit limits and the acquisition of collateral or guarantees as needed. At the same time, the Group establishes an allowance for doubtful accounts by estimating expected credit losses based on the creditworthiness, the status of collection, and the status of receivables in arrears of business partners.

However, such management cannot completely avoid the actualization of credit risks, which could significantly affect the financial position and results of operations of the Group.

For more details, please refer to "Credit risk management" in "Notes to Consolidated Financial Statements [25. Financial Instruments]." of the notes to the audited consolidated annual financial statements of the Issuer and its subsidiaries, as of and for the year ended 31st March, 2023.

### ***Country Risk***

The Group conducts transactions and business activities in various countries and regions overseas. The Group is exposed to country risk, including unforeseen situations arising from the political, economic and social conditions of these countries and regions and national expropriation or remittance suspension due to changes in various laws and regulations.

To respond to these risks, the Group formulated the appropriate risk countermeasures by project. To control risk, from the standpoint of preventing the Group from excessive concentrations of risk in specific countries or regions, the Group sets limits for each country that are based on in-house country credit ratings and maintains overall exposure at a level that is appropriate for the Group's financial strengths.

Although the Group strives to reduce risk through these measures, it cannot completely avoid such risks and the actualization of such risk, as has happened in the case of the Russia/Ukraine conflict and the Israel/Gaza conflict, could delay or incapacitate debt collection or operational implementation, causing losses, and could significantly affect the financial position and results of operations of the Group.

### ***Russia-Related Business***

The Group has made certain resources-related investments in Russia. As of 31st March 2023, the Group's exposure to Russia was ¥35.0 billion, which accounted for less than 1 per cent. of the Group's total assets. These include the Group's participation in the Sakhalin-1 crude oil project through a consortium led by the Japanese government, and its participation in oil exploration, development and production activities in Irkutsk Oblast, Eastern Siberia, through Japan South Sakha Oil Co., Ltd. In addition, the Group considers its exposure to Ukraine to be immaterial.

The Group's accounting treatment of its Russia/Ukraine related assets has already taken into account the latest geopolitical situation, and the Group does not expect any material impact on its financial condition or operating results going forward as a result of the Russia/Ukraine situation. Nonetheless, any further developments in, or deterioration of, the geopolitical situation surrounding Russia and Ukraine could give rise to losses and have a negative impact on the Group.

### ***China-Related Business***

As of 31st March, 2023, the Group's exposure to China was ¥1,330.1 billion. China's current economic state suggests that consumer activity has returned to normal following the lifting of the zero-COVID policy. However, the recovery in consumer spending and real estate investment has been lower than forecast, due to

delayed improvement in employment, income levels and real estate markets. Furthermore, the economy is expected to face the stagnation of exports due to a slowdown in the economies of Europe and the United States. The Issuer has three types of China-related businesses: investment to CITIC, iron ore trading to China, and other trade and business investments. Given that it is a Chinese state-owned conglomerate, CITIC is expected to perform steadily thanks in part to the Chinese Government's longstanding policy of strengthening state-owned enterprises. The Issuer is working to reduce risks related to iron ore trading to China, such as using price hedging when appropriate while paying close attention to the balance of supply and demand, including trends in the Chinese Government's economic stimulus policies. As for other trade and business investments, the Issuer is mainly engaged in China's domestic consumer sector and is not engaged in businesses related to areas such as advanced technologies, which is currently the subject of concern over the effect of trade. Nonetheless, the Group's exposure to China could be affected a number of factors and there is no assurance that mitigating measures taken by the Group will be effective in containing its risk of loss.

### ***Risks Associated with Fund-raising***

The Group procures the necessary funding for its businesses through debt from domestic and international financial institutions, as well as the issuance of commercial papers and debentures. However, should the Issuer's credit worthiness in the capital market deteriorate due to a significant lowering of the its credit rating, or should there be an upheaval in the financial systems in major financial markets, there are risks that the Group may experience an inability to raise funds from financial institutions or investors when necessary or under desirable conditions and may consequently experience an increase in funding costs. Therefore, while securing adequate liquidity by utilizing cash deposits and commitment line, the Group has taken steps to diversify its sources of funds and methods of fundraising, it cannot completely avoid such risks. The actualization of such risks could significantly affect the financial position and results of operations of the Group.

For more details, please refer to "Liquidity risk management" in "Notes to Consolidated Financial Statements [25. Financial Instruments]." of the notes to the audited consolidated annual financial statements of the Issuer and its subsidiaries, as of and for the year ended 31st March, 2023.

### ***Risks Associated with Taxes***

The Group has established the Group tax policy, whose basic principles are to conduct tax affairs in a sincere manner in accordance with the provisions, significance, and legislative intent of the taxation system, not to engage in transactions designed to avoid taxation, and to pay appropriate taxes based on income earned through business activities. In addition, to ensure appropriate and fair taxation, the Group strives to ensure tax transparency throughout the Group through timely and appropriate information disclosure, build relationships of trust through sincere responses to tax authorities in each country and region, and maintain fair relationships through constructive dialogue. Through these measures, the Group is addressing risks such as damage to corporate value due to increased tax expenses resulting from differences in views with tax authorities.

Despite such efforts, the Group is unable to completely avoid all risks associated with taxes. Factors such as fluctuations in estimates of taxable income used in tax planning, changes in tax planning, revisions in tax rates and other changes to tax systems could significantly affect the financial position and results of operations of the Group.

In addition, the amount of deferred tax assets recorded in the asset section of the Group's consolidated statement of financial position is significant, and accounting judgements related to the valuation of deferred tax assets significantly impact the Group's consolidated financial statements. For these reasons, the Group takes future taxable income and viable tax planning into consideration, recording recoverable amounts of deferred tax assets.

### ***Risks Associated with Significant Lawsuits***

There is no significant, currently pending lawsuit, arbitration, or other legal proceeding that may significantly affect the financial position and results of the operations of the Group.

However, there is a possibility that domestic or overseas business activities of the Group may become subject to any of such lawsuits, arbitrations or other legal proceedings, and significantly affect the future financial position and results of operations of the Group.

#### ***Risks Associated with Laws and Regulations***

The Group is subject to a number of diverse laws and regulations both domestically and overseas due to the vast array of products and services the Group provides.

To be specific, the Group is required to adhere to laws and regulations such as the laws for each industry, including companies act, financial instruments and exchange laws, and tax laws, as well as all laws pertaining to trade such as foreign exchange control laws, antitrust laws, intellectual property laws, environmental-related laws, anti-bribery-related laws and the laws of each country in which the Group conducts business overseas. In particular, many countries are imposing or strengthening economic sanctions due to the current Russia-Ukraine conflict, and the Group is following developments closely. The Group has made every effort to observe these laws and regulations by reinforcing the compliance system, being aware that the observance of laws and regulations is a serious obligation of the Group. With all these measures, however, there is a possibility of the situation where, including personal misconduct by directors and employees, risks associated with compliance or suffering social disgrace cannot be avoided.

Also, the Group cannot deny that unexpected, additional enactment or change in laws and regulations by legislative, judicial, and regulatory bodies are a possibility both domestically and overseas, and there are possibilities of major change in laws and regulations by political/economical changes. Such occurrences could significantly affect the financial position and results of operations of the Group.

#### ***Risks Associated with Human Resource***

The Group conducts diverse business activities in various countries. In the advancement of individual businesses, important roles are played by personnel responsible for operational planning and execution as well as organisational direction and supervision. The Group aims to maintain a diverse workforce and strive to place the right people in the right positions through continuous skills development, which includes collaboration between the Issuer and Group companies, and through the creation of a rewarding work environment.

Going forward, however, the environment for securing human resources could change significantly due to such factors as increasing mobility in the labour market or a business model change that results in the concentration of demand on personnel with advanced knowledge and experience in specific fields. Therefore, even if the Group strengthens its efforts to secure and develop human resources, it cannot completely avoid the risk of being unable to fully respond to opportunities for new business creation and operational expansion due to shortages of the required human resources in certain business fields. Shortages of human resources could significantly affect the financial position and results of operations of the Group.

#### ***Risks Associated with the Environment and Society***

The Group positions the resolution of global issues related to the environment and society as one of the most important management issues. Accordingly, the Group has formulated a basic policy on sustainability and identified material sustainability issues. The Group takes an active approach to managing risks. These efforts include establishing an environmental policy and building an environmental management system (ISO 14001) to minimize environmental risk, such as the risk of infringement of laws and regulations in the handling of goods, the provision of services and business investment; conducting extensive sustainability studies of supply chains; identifying and evaluating the effects of businesses on human rights; building human rights due diligence processes; and evaluating proposed new business investments in relation to environmental, social, and governance (ESG) factors. Specific actions include establishment of the Sustainability Committee, the formulation and revision of policies related to sustainability, and annual reviews of company-wide activities as well as the promotion of environmental and social management activities in individual departments. Recognizing climate change as a pressing issue, the Group concurs with the recommendations of the Task Force on Climate-related Financial Disclosure (“TCFD”). The Group participates in the TCFD Consortium, led by the

Ministry of Economy, Trade and Industry, Ministry of the Environment, and Financial Services Agency. The Group analyses the impact of climate change-related risks on its business and operating performance, as well as countermeasures, based on the TCFD's recommendations. The Group discloses such information and calculate its greenhouse gas emissions, publicly announce reduction targets, and proceed with emissions reduction initiatives.

However, despite such countermeasures the occurrence of environmental pollution and other environmental or social problems due to the Group's business activities could lead to the delay or suspension of operations, the incurring of countermeasure expenses, or the lowering of society's evaluation of the Group and could significantly affect the financial position and results of operations of the Group.

### ***Risks Associated with Natural Disasters***

In the countries and regions in which the Group conducts business activities, natural disasters, such as earthquakes, or the outbreak of infectious diseases may adversely affect its business activities. the Issuer has implemented measures such as developing Business Continuity Plans (BCPs) for large-scale disasters and outbreak of infectious diseases (including COVID-19), introducing a safety confirmation system, and conducting emergency drills. Also, various measures have been implemented individually in each Group company.

However, since the Group conducts business activities across a wide range of regions, when damage arises due to natural disasters or the outbreak of infectious diseases, it cannot completely avoid such damage. Therefore, such occurrences could significantly affect the financial position and results of operations of the Group.

### ***Risks Associated with Information Systems and Information Security***

In the Group, a code of conduct concerning the handling of information applies to all directors and employees and high priority is placed on maintaining a high information security level. The Group leveraged digitalization and data, took measures to build and operate information systems that promote information sharing and operational efficiency, and monitored compliance with security guidelines that take cybersecurity risks into consideration by ensuring the safe operation of information systems. In addition, the Group is putting in place protections for domestic and overseas core systems and servers, enhancing technological security countermeasures to malware, enhancing its structures through a cyber-security response team, and engaging in thorough ongoing measures to address crisis management.

Despite these measures, the Group cannot completely avoid the risk of sensitive information leakage due to unauthorized access from the outside or computer viruses, and the risk of the stoppage of information systems due to equipment damage or problems with telecommunications circuitry. Depending on the scale of the damage, such occurrences could significantly affect the financial position and results of operations of the Group.

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

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

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

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

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

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the cost to such Issuer of funding its obligation under the Notes (which costs may include costs under related hedging

agreements and may be higher than the interest rate payable under the Notes). At those times, an investor may not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

*Notes which are linked to benchmarks*

The Euro Interbank Offered Rate (“EURIBOR”) and other reference rates and indices which are used to determine the amounts payable under financial instruments or the value of such financial instruments (“Benchmarks”) have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks, with further changes anticipated. These reforms and changes may cause a Benchmark to perform differently than it has done in the past or to be discontinued. Any change in the performance of a Benchmark or its discontinuation, could have a material adverse effect on the Notes.

In respect of a Series of Notes, where Screen Rate Determination is specified in the Final Terms as the manner in which the Rate of Interest in respect of Floating Rate Notes is to be determined, the Conditions may provide that the Rate of Interest shall be determined by reference to the Relevant Screen Page (or its successor or replacement). The Conditions contain a number of fallback provisions in the event that certain Reference Rates are not available or certain Benchmark Events (as defined in Condition 4(f)) have occurred. The potential elimination of the relevant Benchmark, or changes in the manner in which the relevant Benchmark is administered, could result in discrepancies in the rates calculated according to the Conditions and those based on any substitute or alternate benchmark that has been subsequently developed.

Where a Benchmark Event occurs in relation to any Series of Notes the Issuer may determine a Successor Rate or Alternative Rate (each as defined in Condition 4(f)) to be used in place of the relevant Benchmark to determine the Rate of Interest. If a Successor Rate or Alternative Rate is determined by the Issuer, the Conditions also provide that an Adjustment Spread (as defined in Condition 4(f)) may be determined by the Issuer to be applied to such Successor Rate or Alternative Rate (although the application of such adjustments to the Notes may not achieve this objective). A Benchmark Event will occur (subject to certain conditions) where the Benchmark rate referred to in the Notes is not available for more than five Business Days, or it has become unlawful to calculate any payments according to such Benchmark rate, or the administrator of the Benchmark rate issues a public statement that (i) it has ceased or that it will cease publishing the Benchmark rate, (ii) that the Benchmark rate has been or will be permanently or indefinitely discontinued, (iii) that the Benchmark rate will be prohibited from being used either generally, or in respect of the Notes, or (iv) that the Benchmark rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market. Furthermore, if a Successor Rate or Alternative Rate is determined by the Issuer, the Conditions provide that the Issuer may vary the Conditions, as necessary to ensure the proper operation of such Successor Rate or Alternative Rate, without any requirement for consent or approval of the Noteholders.

In addition, in the event that the relevant Benchmark is permanently discontinued and the Issuer, for any reason, is unable to determine any of the Successor Rate or Alternative Rate, the Rate of Interest may ultimately default to rate applicable to the last preceding Interest Determination Date.

The discontinuance of the relevant Benchmark and the use of any such Successor Rate or Alternative Rate to determine the Rate of Interest may result in Notes linked to or referencing a Benchmark performing differently (including paying a lower Rate of Interest) than they would do if such Benchmark were to continue to apply in its current form. Any such consequence could have a material adverse effect on the value and marketability of, and return on, any Notes linked to a Benchmark. Investors should consult their own advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms or possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

### *Reform and regulation of “Benchmarks”*

Where the applicable Final Terms for Notes identifies that the Rate of Interest will be determined by reference to interest rates and indices which are deemed to be Benchmarks, any such rate or index or combination thereof may constitute a benchmark for the purposes of the Benchmarks Regulation (Regulation (EU) 2016/1011) (the “Benchmarks Regulation”) and/or the Benchmarks Regulation as it forms part of UK domestic law by virtue of the EUWA (the “UK Benchmarks Regulation”). If any such rate or combination thereof does constitute such a benchmark, the applicable Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the Benchmarks Regulation and/or the equivalent register under the UK Benchmarks Regulation.

Potential investors should be aware that not every rate or index or combination thereof will fall within the scope of the Benchmarks Regulation or the UK Benchmarks Regulation. Furthermore, the transitional provisions in Article 51 of the Benchmarks Regulation and/or Article 51 of the UK Benchmarks Regulation apply such that the applicable administrator of a particular benchmark may not currently be required to obtain authorisation or registration (or, if located outside the European Union and the United Kingdom, recognition, endorsement or equivalence).

Application of the Benchmarks Regulation and/or the UK Benchmarks Regulation reforms could have a material impact on any Notes linked to or referencing a “benchmark”, in particular, if the methodology or other terms of the “benchmark” are changed in order to comply with the requirements of the Benchmark Regulation and/or the UK Benchmark Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the “benchmark”. Investors should make their own assessment about the potential risks imposed by the Benchmark Regulation and the UK Benchmark Regulation in making any investment decision with respect to any Notes linked to or referencing a “benchmark”.

### *The market continues to develop in relation to risk-free rates*

Where specified in the applicable Final Terms, interest on Notes issued under the Programme will be determined by reference to risk-free rates (“RFRs”), including reference rates such as €STR, SARON, SOFR, SONIA and TONA (each as defined in the “Terms and Conditions of the Notes”).

The market continues to develop in relation to RFRs and their adoption as alternatives to the relevant interbank offered rates, and potential investors should be aware that the market, or a significant part thereof, may adopt an application of RFRs that differs from that set out in the Terms and Conditions for Notes previously issued under the Programme. The Issuer may in the future adjust their approach to RFRs and issue Notes referencing RFRs that differ in terms of interest determination compared with previous Notes referencing the same RFR issued under the Programme.

The basis of deriving certain RFRs, including €STR, SARON, SOFR, SONIA and TONA, means that interest on Notes is only capable of being determined immediately after the end of an observation period and immediately prior to the relevant Interest Payment Date to which the interest payment relates. As such, it may be difficult for investors holding such Notes to accurately estimate the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes, either of which could adversely impact the liquidity of such Notes. Potential investors should consider these matters when making their investment decision with respect to any such Notes.

Since RFRs are relatively new market indices, Notes linked to any such RFR may have no established trading market when issued, and an established trading market may never develop or may not be very liquid. Market terms for debt securities referencing any RFR, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of such Notes may be lower than those of later-issued indexed debt securities as a result. Potential investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments

that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

#### *Index Linked Notes and Dual Currency Notes*

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a “Relevant Factor”). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable is likely to be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index or other Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Notes linked to a Relevant Factor and the suitability of such Notes in light of its particular circumstances.

#### *Partly Paid Notes*

The Issuer may issue Notes where the issue price is payable by the investor in more than one instalment. Any failure by an investor to pay any subsequent instalment of the issue price in respect of his Notes could result in such investor losing all of his investment.

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

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

#### *Inverse Floating Rate Notes*

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

#### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer’s ability to convert the interest rate will

affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

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

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

#### *Risks related to green, social or sustainability bonds*

The Issuer may issue Notes under the Programme, the net proceeds of which are used to finance or re-finance, in whole or in part, projects and activities that promote climate-friendly and other environmental purposes (green bonds) and/or social projects and businesses (social or sustainability bonds) (“Eligible Projects”).

Prospective investors should have regard to the factors relating to, and the use of proceeds for such Notes set out in the relevant Final Terms or the applicable amendment or supplement to this Base Prospectus, as the case may be, and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary. Prospective investors should seek advice from their independent financial adviser or other professional adviser as to the relevance of such information before deciding to invest in such Notes. In particular, no assurance is given by the Issuer, the Dealers, the Paying Agents (as defined in the Terms and Conditions of the Notes) or any other person to investors that Eligible Projects will at any time meet investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any future applicable law or by its own bylaws or other governing rules or investment mandates regarding "green bond", "green", "social" or "sustainable" projects or other equivalently-labelled projects. It should be noted that there is currently no consistent definition or market consensus of what constitutes a "green", "social", "sustainable" or equivalently-labelled project nor can any assurance be given that a clear definition or consensus will develop over time or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects the subject of or related to Eligible Projects.

In addition, while it is the intention of the Issuer to apply the proceeds of any such Notes in compliance with its stated intentions relating to use of proceeds and reporting, if any, there is no contractual obligation to do so. There can be no assurance that any such Eligible Projects will be available or capable of being implemented in the manner anticipated and, accordingly, that the Issuer will be able to use the proceeds for such Eligible Projects as intended. In addition, there can be no assurance that Eligible Projects will be completed as expected or achieve the impacts or outcomes (environmental, social or otherwise) originally expected or anticipated. None of the failure by the Issuer to allocate the proceeds of any such Notes or to report on the use of proceeds or Eligible Projects as anticipated or a failure of a third party to issue (or to withdraw) an opinion or certification in connection with an issue of such Notes or the failure of such Notes to meet investors' expectations requirements regarding any "green", "sustainable", "social" or similar labels will constitute an Event of Default or breach of contract with respect to any of the such Notes.

In addition, no assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion (including a second-party opinion) or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any such Notes and in particular with any projects to fulfil any environmental, sustainability, social and/or other criteria. Any such opinion or certification is not, nor should it be deemed to be, a recommendation by the Issuer or any other person

to buy, sell or hold any such Notes. Any such opinion or certification is only current as of the date that opinion was initially issued. As at the date of this Base Prospectus, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight. For the avoidance of doubt, any such opinion or certification is not, nor shall it be deemed to be, incorporated by reference in and/or form part of this Base Prospectus. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Notes.

In the event that any such Notes are listed or admitted to trading on a dedicated "green", "sustainable", "social" or other equivalently-labelled segment of a stock exchange or securities market, no representation or assurance is given by the Issuer, the Arranger, the Dealers or any other person that such listing or admission satisfies any present or future investment criteria or guidelines with which such investor is required, or intends, to comply. Furthermore, it should be noted that the criteria for any listings or admission to trading may vary from one stock exchange or securities market to another. No representation or assurance is given or made by the Issuer, the Arranger, the Dealers or any other person that listing or admission to trading on a dedicated segment will be obtained in respect of any such Notes or that any such listing or admission to trading on a dedicated segment will be maintained during the life of the Notes.

A failure of such Notes to meet investor expectations or requirements as to their "green", "sustainable", "social" or equivalent characteristics including the failure to apply proceeds for Eligible Projects, the failure to provide, or the withdrawal of, a second party opinion or certification, the Notes ceasing to be listed or admitted to trading on any dedicated "green", "sustainable", "social" or other equivalently-labelled segment of a stock exchange or securities market as aforesaid or the failure by the Issuer to report on the use of proceeds or Eligible Projects as anticipated, may have a material adverse effect on the value of such Notes and/or may have consequences for certain investors with portfolio mandates to invest in green assets (which consequences may include the need to sell the Notes as a result of the Notes not falling within the investor's investment criteria or mandate).

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

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

#### *Modification*

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

#### *Change of law*

The conditions of the Notes are based on English law in effect as of the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus and any such change could materially adversely impact the value of any Notes affected by it.

#### *Bearer Notes where denominations involve integral multiples: definitive Notes*

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

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

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

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

#### *The secondary market generally*

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

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

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

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

#### *Interest rate risks*

Investment in Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes, this will adversely affect the value of the Fixed Rate Notes.

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

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time. The downgrading or withdrawal of a credit rating may have an adverse effect on the market value of the Notes.

## FORM OF THE NOTES

The Notes of each Series will be issued in either bearer form, with or without interest coupons attached, or registered form, without interest coupons.

References in this section to Euroclear and/or Clearstream, Luxembourg shall, wherever the context so permits, be deemed to include a reference to any additional or alternative clearing system as specified in the applicable Final Terms.

### **Bearer Notes**

Each Tranche of Bearer Notes will be issued in the form of a Temporary Bearer Global Note or, if so specified in the applicable Final Terms, a Permanent Bearer Global Note, in either case, without receipts, interest coupons or talons attached and which will be delivered on or prior to the original issue date of the Tranche to a common depository for, Euroclear and Clearstream, Luxembourg.

Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal and interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by the U.S. Internal Revenue Code of 1986, as amended, and the treasury regulations promulgated thereunder (the “U.S. Treasury Regulations”), has been received by Euroclear and/or Clearstream, Luxembourg, and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certificate (based on the certifications it has received) to the Issuer or the Agent.

On and after the date (the “Exchange Date”) which is 40 days after the date on which the Temporary Bearer Global Note is issued, interests in the Temporary Bearer Global Note will be exchangeable upon a request being given by Euroclear and/or Clearstream, Luxembourg acting on the instructions of one or more holders of interests in the Temporary Bearer Global Note for interests in a Permanent Bearer Global Note without receipts, interest coupons or talons or, alternatively if specified in the applicable Final Terms, for Bearer Notes in definitive form (“Definitive Bearer Notes”) of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of Definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described in the second sentence of this paragraph and as required by U.S. Treasury Regulations in accordance with the terms of the Temporary Bearer Global Note unless certification has already been given. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest or principal due on or after the Exchange Date unless upon due certification exchange of the Temporary Bearer Global Note is improperly withheld or refused.

Payments of principal and interest (if any) on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification.

A Permanent Bearer Global Note may be exchanged in whole or (in the case of (ii) below only and if Euroclear and/or Clearstream, Luxembourg so permits) in part for Definitive Bearer Notes only in the following limited circumstances:

- (i) if the Permanent Bearer Global Note is held on behalf of Euroclear or Clearstream, Luxembourg and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) if principal in respect of any Notes is not paid when due,

in each case by the holder giving notice to the Agent of its election for such exchange. Temporary Bearer Global Notes, Permanent Bearer Global Notes and Definitive Bearer Notes will be issued pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Notes*”).

The following legend will also appear on all Temporary Bearer Global Notes, Permanent Bearer Global Notes, Definitive Bearer Notes, receipts and interest coupons (including talons):

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

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

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

## **Registered Notes**

Each Tranche of Registered Notes will initially be represented by a Registered Global Note, without receipts, interest coupons or talons attached, deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg.

Payments of principal and interest (if any) in respect of Notes represented by a Registered Global Note will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in “*Terms and Conditions of the Notes*”) as the registered holder of the Registered Global Notes.

Interests in a Registered Global Note may be exchangeable in whole but not in part for Registered Notes in definitive form (“*Definitive Registered Notes*”) without receipts, interest coupons or talons attached only (i) upon consent of the Issuer, or (ii) if principal in respect of any Notes is not paid when due, or (iii) if the Registered Global Note is held by or on behalf of Euroclear or Clearstream, Luxembourg and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

Interests in a Registered Global Note will only be able to be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

## **General**

The following legend will appear on all Global Notes and Definitive Notes, receipts, and interest coupons (including talons):

“INTEREST PAYMENT ON THIS SECURITY TO AN INDIVIDUAL RESIDENT OF JAPAN OR A JAPANESE CORPORATION (EXCEPT FOR (I) A JAPANESE FINANCIAL INSTITUTION DESIGNATED BY THE ORDER FOR ENFORCEMENT OF THE SPECIAL TAXATION MEASURES LAW OF JAPAN (THE “*CABINET ORDER*”) WHICH HAS COMPLIED WITH THE REQUIREMENTS UNDER ARTICLE 6 OF THE SPECIAL TAXATION MEASURES LAW OF JAPAN AND (II) A JAPANESE PUBLIC CORPORATION, A JAPANESE FINANCIAL INSTITUTION OR A JAPANESE FINANCIAL INSTRUMENTS FIRM AS PROVIDED IN ARTICLE 3-3, PARAGRAPH 6 OF THE SPECIAL TAXATION MEASURES LAW OF JAPAN WHICH RECEIVES THE INTEREST PAYMENTS THROUGH ITS PAYMENT HANDLING AGENT IN JAPAN AND COMPLIES WITH THE REQUIREMENT FOR TAX EXEMPTION UNDER THAT PARAGRAPH), OR TO AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NON-JAPANESE CORPORATION FOR

JAPANESE TAX PURPOSES THAT, IN EITHER CASE, IS A PERSON HAVING A SPECIAL RELATIONSHIP (AS DESCRIBED IN ARTICLE 3-2-2, PARAGRAPHS 5 TO 7 OF THE CABINET ORDER) WITH THE ISSUER (THE “SPECIALLY-RELATED PERSON”) WILL BE SUBJECT TO JAPANESE INCOME TAX.

NOTWITHSTANDING THE FOREGOING, INTEREST ON SECURITIES ISSUED OF WHICH THE AMOUNT OF INTEREST IS TO BE CALCULATED OR DETERMINED ON THE BASIS OF OR BY REFERENCE TO CERTAIN INDICATORS (AS PRESCRIBED UNDER THE CABINET ORDER RELATING TO ARTICLE 6, PARAGRAPH 4 OF THE SPECIAL TAXATION MEASURES LAW OF JAPAN) RELATING TO THE ISSUER OR A SPECIALLY-RELATED PERSON WILL BE SUBJECT TO THE 15 PER CENT. (UP TO AND INCLUDING 31ST DECEMBER, 2037, THIS RATE IS INCREASED TO 15.315 PER CENT.) WITHHOLDING TAX EVEN IF PAID TO AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NON-JAPANESE CORPORATION THAT, IN EITHER CASE, IS NOT A SPECIALLY-RELATED PERSON.”

Pursuant to the Agency Agreement, the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act), if any, applicable to the Notes of such Tranche and/or in the case of Bearer Notes, 40 days after the completion of the distribution of the Notes of such Tranche as certified by the Agent to the relevant purchaser(s).

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg each person (other than Euroclear and/or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and their agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purposes the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and their agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note.

A Note may be accelerated by the holder thereof in certain circumstances described in “*Terms and Conditions of the Notes – Events of Default*”. In such circumstances, where any Note is still represented by a Global Note and payment in full of the amount due has not been made then, unless within a period of 15 days commencing on the relevant due date payment in full of the amount due has been received in accordance with the terms of such Global Note, such Global Note will become void at 8.00 p.m. (Luxembourg time) on such fifteenth day. At the same time, holders of interests in such Global Note credited to their accounts with Euroclear or Clearstream, Luxembourg will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and Clearstream, Luxembourg, under the terms of a deed of covenant (the “Deed of Covenant”) dated 19th December, 2023.

## FORM OF FINAL TERMS

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

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

**PROHIBITION OF SALES TO UK 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 United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018 (“EUWA”); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the “FSMA”) and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of United Kingdom domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK 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 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.]

**[MIFIR 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, as defined in the FCA Handbook Conduct of Business Sourcebook (“COBS”), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018; 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 the FCA Handbook Product Intervention and Product Governance

Sourcebook 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.]

**Singapore SFA Product Classification:** In connection with Section 309B of the Securities and Futures Act 2001 of Singapore and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “CMP Regulations 2018”), the Issuer has determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA) that the Notes are [“prescribed capital markets products”]/[capital markets products other than “prescribed capital markets products”] (as defined in the CMP Regulations 2018) and [Excluded Investment Products/Specified 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).

[Date]

**ITOCHU Corporation**  
**U.S.\$5,000,000,000**  
**Euro Medium Term Note Programme**

**PART A – CONTRACTUAL TERMS**

These Final Terms, under which the Notes described herein (the “Notes”) are issued, are supplementary to and should be read in conjunction with the Base Prospectus (the “Base Prospectus”) relating to the U.S.\$5,000,000,000 Euro Medium Term Note Programme of ITOCHU Corporation. The Issuer accepts responsibility for the information contained in these Final Terms which, when read together with the Base Prospectus, contains all information that is material in the context of the issue of the Notes.

This document constitutes the Final Terms relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [●] [and a supplemental Base Prospectus dated [●]]. This document contains the final terms of the Notes and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and such Base Prospectus [as so supplemented].

[The Base Prospectus [and the supplemental Base Prospectus] [is] [are] available for viewing at [address] during normal business hours [and] [website] and copies may be obtained from [address].]

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

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “Conditions”) set forth in the Base Prospectus dated [original date]. This document contains the final terms of the Notes and must be read in conjunction with the Base Prospectus dated [current date] [and the supplemental Base Prospectus dated [●]], save in respect of the Conditions which are extracted from the Base Prospectus dated [original date] and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus dated [●].

[The Base Prospectus [and the supplemental Base Prospectus] [is] [are] available for viewing at [address] during normal business hours [and] [website] and copies may be obtained from [address].]

*[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 Final Terms.]*

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

|   |                                                                            |                                                                                                                                                                                                                                                                                                                                                         |
|---|----------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Issuer:                                                                    | ITOCHU Corporation                                                                                                                                                                                                                                                                                                                                      |
| 2 | (a) Series Number:                                                         | [●]                                                                                                                                                                                                                                                                                                                                                     |
|   | (b) Tranche Number:                                                        | [●]                                                                                                                                                                                                                                                                                                                                                     |
|   | (c) Date on which the Notes will be consolidated and form a single Series: | [The Notes will be consolidated and form a single Series with <i>[identify earlier Tranches]</i> on [the Issue Date/exchange of the Temporary Bearer Global Note for interests in the Permanent Bearer Global Note, as referred to in paragraph [●] below, which is expected to occur on or about <i>[date]</i> ]] [Not Applicable]                     |
| 3 | Specified Currency or Currencies:                                          | [●]                                                                                                                                                                                                                                                                                                                                                     |
| 4 | Aggregate Nominal Amount:                                                  |                                                                                                                                                                                                                                                                                                                                                         |
|   | (a) Series:                                                                | [●]                                                                                                                                                                                                                                                                                                                                                     |
|   | (b) Tranche:                                                               | [●]                                                                                                                                                                                                                                                                                                                                                     |
| 5 | [(a)] Issue Price:                                                         | [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)]                                                                                                                                                                                                                                         |
|   | [(b)] Net Proceeds:                                                        | [●]                                                                                                                                                                                                                                                                                                                                                     |
| 6 | (a) Specified Denominations:                                               | [●]<br><i>(N.B. – where multiple denominations above EUR 100,000 or equivalent are being used the following sample wording should be followed:<br/>“[EUR 100,000] and integral multiples of [EUR 1,000] in excess thereof up to and including [EUR 199,000]. [No Notes in definitive form will be issued with a denomination above [EUR199,000]]” )</i> |
|   | (b) Calculation Amount:                                                    | [●]<br><i>(If only one Specified Denomination, insert the Specified Denomination.<br/>If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)</i>                                                                                           |
| 7 | (a) Issue Date:                                                            | [●]                                                                                                                                                                                                                                                                                                                                                     |
|   | (b) Interest Commencement Date:                                            | [Specify/Issue Date/Not Applicable]<br><i>(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)</i>                                                                                                                                                                                               |
| 8 | Maturity Date:                                                             | <i>[Fixed rate – specify date<br/>Floating rate – Interest Payment Date falling in or nearest to [specify month and year]]</i>                                                                                                                                                                                                                          |
| 9 | Interest Basis:                                                            | [[●] per cent. Fixed Rate]<br>[[●] +/- [●] per cent. Floating Rate]<br>[Zero Coupon]<br>[Index Linked Interest]<br>[Dual Currency Interest]<br><i>[specify other]</i><br>(further particulars specified below)                                                                                                                                          |

- 10 Redemption/Payment Basis: [Redemption at par]  
[Index Linked Redemption]  
[Dual Currency Redemption]  
[Partly Paid]  
[Instalment]  
[specify other]  
Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount.
- 11 Change of Interest Basis/  
Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis.]  
[Not Applicable]
- 12 Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]
- 13 [Date [Board] approval for  
issuance of Notes obtained: [●] [and [●], respectively]]  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*
- 14 Method of distribution: [Syndicated/Non-syndicated]

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

- 15 Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph.)*
- (a) Rate(s) of Interest: [●] per cent. per annum payable [annually/semi-annually/  
quarterly/monthly/other] in arrear on each Interest Payment  
Date *(If payable other than annually, consider amending  
Condition 3.)*
- (b) Interest Payment Date(s): [[●] in each year up to and including the Maturity Date]/  
[specify other]  
*(N.B. This will need to be amended in the case of long or short  
coupons.)*
- (c) Fixed Coupon Amount(s): [●] per Calculation Amount  
*(Applicable to Notes in  
definitive form.)*
- (d) Broken Amount(s): [[●] per Calculation Amount, payable on the Interest Payment  
Date falling [in/on] [●]][Not Applicable]  
*(Applicable to Notes in  
definitive form.)*
- (e) Day Count Fraction: [●]
- (f) Determination Date(s): [[●] in each year][Not Applicable]  
*(N.B. Only relevant where Day Count Fraction is  
Actual/Actual (ICMA). In such a case, insert regular interest  
payment dates, ignoring issue date or maturity date in the case  
of a long or short first or last coupon.)*
- (g) Other terms relating to the  
method of calculating [None/Give details]

|    |                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|    | interest for Fixed Rate                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|    | Notes:                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| 16 | Floating Rate Note Provisions                                                                                                                       | [Applicable/Not Applicable]<br><i>(If not applicable, delete the remaining subparagraphs of this paragraph.)</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|    | (a) Specified Period(s) /<br>Specified Interest Payment<br>Dates:                                                                                   | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|    | (b) Business Day Convention:                                                                                                                        | [Floating Rate Convention/Following Business Day<br>Convention/ Modified Following Business Day Convention/<br>Preceding Business Day Convention/ <i>specify other</i> ]                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|    | (c) Additional Business<br>Centre(s):                                                                                                               | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|    | (d) Manner in which the Rate(s)<br>of Interest and Interest<br>Amount is to be determined:                                                          | [Screen Rate Determination/ISDA Determination/ <i>specify<br/>other</i> ]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|    | (e) Calculation Agent                                                                                                                               | [give name]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|    | (f) Party responsible for<br>calculating the Rate of<br>Interest (if not the<br>Calculation Agent) and/or<br>Interest Amount (if not the<br>Agent): | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|    | (g) Screen Rate Determination:                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|    | - Reference Rate:                                                                                                                                   | Reference Rate: [●] month<br>[EURIBOR/BBSW/CAD BA/HIBOR/STIBOR/NIBOR/<br>TIBOR/€STR/SARON/SOFR Benchmark/SONIA/TONA]/<br><i>specify other</i><br>[[ <i>specify benchmark</i> ] is provided by [ <i>administrator's legal<br/>name</i> ]]. [[ <i>administrator's legal name</i> ] [ <i>appears</i> ]/[ <i>does not<br/>appear</i> ] in the register of administrators and benchmarks<br>established and maintained by European Securities and<br>Markets Authority pursuant to article 36 of the Benchmarks<br>Regulation (Regulation (EU) 2016/1011) [(as it forms part of<br>UK domestic law by virtue of the EUWA)].] |
|    | - Interest Determination<br>Date(s):                                                                                                                | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|    | - Relevant Screen Page:                                                                                                                             | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|    | - Specified Time:                                                                                                                                   | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|    | - Relevant Financial<br>Centre:                                                                                                                     | [●]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|    | - [€STR Rate of Interest<br>Determination:                                                                                                          | [€STR Lookback Compound][€STR Shift Compound]]<br><i>(only applicable in the case of €STR)</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|    | - [SOFR Rate of Interest<br>Determination:                                                                                                          | [Compounded Daily SOFR][Compounded SOFR Index]]<br><i>(only applicable in the case of SOFR Benchmark)</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

- [SONIA Rate of Interest Determination: [SONIA Compounded Index Rate][SONIA Compounded Daily Reference Rate [with Observation Shift]/[with Lag]] where “p” is: [●] London Business Days  
*(only applicable in the case of SONIA)*
  - [TONA Rate of Interest Determination: [TONA Lookback Compound][TONA Shift Compound]]  
*(only applicable in the case of TONA)*
  - [Observation Look-Back Period: [●] [TARGET Business Days][Tokyo Banking Days]]  
*(only applicable in the case of €STR-Lookback Compound or TONA- Lookback Compound)*
  - [Observation Shift Days: [●] [TARGET Business Days][Zurich Banking Days][Tokyo Banking Days]]  
*(only applicable in the case of €STR-Shift Compound, SARON or TONA-Shift Compound)*
  - [Compounded Daily SOFR: [SOFR Lag][SOFR Payment Delay][SOFR Lockout][SOFR Observation Shift]]  
*(only applicable in the case of Compounded Daily SOFR)*
  - [Lookback Days: [●] U.S. Government Securities Business Day(s)]  
*(only applicable in the case of SOFR Lag)*
  - [Interest Period Date: [●]]  
*(only applicable in the case of SOFR Payment Delay)*
  - [Interest Payment Delay Days: [●] U.S. Government Securities Business Day(s)]  
*(only applicable in the case of SOFR Payment Delay)*
  - [SOFR Rate Cut-Off Date: The day that is [●] U.S. Government Securities Business Day(s) prior to the end of each Interest Period]  
*(only applicable in the case of SOFR Payment Delay or SOFR Lockout)*
  - [SOFR Observation Shift Days: [●] U.S. Government Securities Business Day(s)]  
*(only applicable in the case of SOFR Observation Shift or Compounded SOFR Index)*
  - [SOFR Index<sub>Start</sub>: [●] U.S. Government Securities Business Day(s)]  
*(only applicable in the case of Compounded SOFR Index)*
  - [SOFR Index<sub>End</sub>: [●] U.S. Government Securities Business Day(s)]  
*(only applicable in the case of Compounded SOFR Index)*
  - [Relevant Fallback Screen Page: [●]]  
*(only applicable in the case of SONIA)*
- (h) ISDA Determination:
- ISDA Definitions: [2006 ISDA Definitions]/[2021 ISDA Definitions]
  - Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
  - Compounding: [Applicable/Not Applicable]
  - Compounding Method: [Compounding with Lookback  
Lookback: [●] Applicable Business Days]

- [Compounding with Observation Period Shift  
 Observation Period Shift: [●] Observation Period Shift  
 Business Days  
 Observation Period Shift Additional Business Days: [●]/[Not  
 Applicable]]
- [Compounding with Lockout  
 Lockout: [●] Lockout Period Business Days  
 Lockout Period Business Days: [●]/[Applicable Business  
 Days]]
- Index Provisions: [Applicable/Not Applicable]
  - Index Method [Compounded Index Method with Observation Period Shift  
 Observation Period Shift: [●] Observation Period Shift  
 Business Days  
 Observation Period Shift Additional Business Days: [●]/[Not  
 Applicable]]
- (i) Margin(s): [+/-] [●] per cent. per annum
  - (j) Minimum Rate of Interest: [●] per cent. per annum
  - (k) Maximum Rate of Interest: [●] per cent. per annum
  - (l) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]  
 [Actual/365 (Fixed)]  
 [Actual/365 (Sterling)]  
 [Actual/360]  
 [30/360][360/360][Bond Basis]  
 [30E/360][Eurobond Basis]  
 [30E/360 (ISDA)]  
*(See Condition 3 for alternatives)*
  - (m) Fallback provisions,  
 rounding provisions and any  
 other terms relating to the  
 method of calculating  
 interest on Floating Rate  
 Notes, if different from those  
 set out in the Conditions: [●]
- 17 Zero Coupon Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this  
 paragraph.)*
- (a) Accrual Yield: [●] per cent. per annum
  - (b) Reference Price: [●]
  - (c) Any other formula/basis of  
 determining amount  
 payable: [●]
  - (d) Day Count Fraction in  
 relation to Early Redemption  
 Amounts and late payment: [Actual/360]  
 [Actual/365]  
 [Conditions 6(e)(ii) and 6(j) apply/specify other]  
*(Consider applicable day count fraction if not U.S. dollar  
 denominated.)*

- 18 Index Linked Interest Note/other variable-linked interest [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph.)*
- Note Provisions:
- (a) Index/Formula: [give or annex details]
  - (b) Calculation Agent: [give name]
  - (c) Party responsible for calculating Rate(s) of Interest (if not the Calculation Agent) and/or Interest Amount(s) (if not the Agent): [•]
  - (d) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable: [include a description of market disruption or settlement disruption events and adjustment provisions.]
  - (e) Specified Period(s)/Specified Interest Payment Dates: [•]
  - (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/specify other]
  - (g) Additional Business Centre(s): [•]
  - (h) Minimum Rate of Interest: [•] per cent. per annum
  - (i) Maximum Rate of Interest: [•] per cent. per annum
  - (j) Day Count Fraction: [•]
- 19 Dual Currency Interest Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
  - (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [•]
  - (c) Provisions applicable where calculation by reference to Rate of Exchange is impossible or impracticable: [include a description of market disruption or settlement disruption events and adjustment provisions.]
  - (d) Person at whose option Specified Currency(ies) is/are payable: [•]

## PROVISIONS RELATING TO REDEMPTION

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

## GENERAL PROVISIONS APPLICABLE TO THE NOTES

- 24 Form of Notes: [Temporary/Permanent] Bearer Global Note [exchangeable for a Permanent Bearer Global Note] which is exchangeable for Definitive Bearer Notes in the limited circumstances specified in the [Temporary/Permanent] Bearer Global Note.]  
[Registered Global Note which is exchangeable for Definitive Registered Notes in the limited circumstances specified in the Registered Global Note.]
- 25 Additional Financial Centre(s) or other special provisions relating to Payment Days: [●] [Not Applicable]  
*(Note that this item relates to the place of payment and not Interest Period end dates to which items 16(c) and 18(g) relate)*
- 26 Talons for future Coupons to or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
- 27 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. *N.B. a new form of Temporary Bearer Global Note and/or Permanent Bearer Global Note may be required for Partly Paid issues.*]
- 28 Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not Applicable/give details]
- (b) Instalment Date(s): [Not Applicable/give details]
- 29 Redenomination applicable: Redenomination [not] applicable  
*[(If Redenomination is applicable, specify the terms of the redenomination in an annex to the Final Terms.)]*
- 30 Other final terms: [Not Applicable/give details]  
*(Consider including a term providing for tax certification if required to enable interest to be paid gross by Issuer.)*

## DISTRIBUTION

- 31 (a) If syndicated, names of Managers: [Not Applicable/give names]
- (b) Date of Subscription Agreement: [●]
- (c) Stabilising Manager(s) (if any): [Not Applicable/give names]
- 32 (d) If non-syndicated, name of relevant Dealer: [Not Applicable/give names]

- 33 U.S. Selling Restrictions: [Regulation S Compliance Category; TEFRA D/TEFRA C/TEFRA not applicable]
- 34 Additional selling restrictions: [Not Applicable/*give details*]

**[RESPONSIBILITY]**

[*Relevant third party information*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of  
ITOCHU Corporation

By \_\_\_\_\_  
*Duly authorised*

## PART B – OTHER INFORMATION

### 1 LISTING AND ADMISSION TO TRADING

[Listing and Admission to trading: Not Applicable.]  
*(If not applicable, delete the remaining subparagraphs of this paragraph. If applicable, delete this subparagraph.)*

(i) Application for admission to the official list and for admission to trading [has been/is expected to be] made to: [SGX-ST/[specify other]]

(ii) Date from which admission effective: [●]

### 2 RATINGS

Ratings: The Notes to be issued [have been]/[are expected to be] rated:  
[Japan Credit Rating Agency, Ltd.: [●]]  
[Moody's Japan K.K.: [●]]  
[[Other]: [●]]  
*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

### 3 USE OF PROCEEDS

Use of proceeds: [General corporate purposes/give details]

### 4 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

*[Need to include a description of any interest, including conflicting ones, that is material to the issue/ offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:]*

[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. Amend as appropriate if there are other interests.]

### 5 PERFORMANCE OF INDEX/FORMULA AND OTHER INFORMATION CONCERNING THE UNDERLYING *(Index-Linked Notes only)*

*[Need to include details of where past and future performance and volatility of the index/formula can be obtained.]*

*[Where the underlying is an index, need to include the name of the index and a description if composed by the Issuer and, if the index is not composed by the Issuer, need to include details of where the information about the index can be obtained.]*

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information.]

### 6 PERFORMANCE OF RATE[S] OF EXCHANGE *(Dual Currency Notes only)*

*[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]*

### 7 OPERATIONAL INFORMATION

(i) ISIN Code: XS[●]

(ii) Common Code: [●]

- (iii) Classification of Financial Instruments (CFI): [[●], [as updated/as set out] on]/[See the website of] the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN] / [Not Applicable] / [Not Available]
- (iv) Financial Instruments Short Name (FISN): [[●], [as updated/as set out] on]/[See the website of] the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN] / [Not Applicable] / [Not Available]
- (v) Legal Entity Identifier: [J48DJYXDTLHM30UMYI18]
- (vi) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]
- (vii) Delivery: Delivery [against/free of] payment
- (viii) Names and addresses of initial Paying Agent(s) (if any): [●]
- (ix) Names and addresses of additional Paying Agent(s) (if any): [●]

## TERMS AND CONDITIONS OF THE NOTES

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

This Note is one of a series of Notes issued with the benefit of the Agency Agreement (defined below) and issued by ITOCHU Corporation (the “Issuer”). References herein to the “Notes” shall be references to the Notes of this Series:

- (a) in relation to any Notes represented by a global Note (a “Global Note”), units of the lowest Specified Denomination in the Specified Currency;
  - (b) any Global Note, being either a temporary bearer Global Note (“Temporary Bearer Global Note”) or permanent bearer Global Note (“Permanent Bearer Global Note” and, together a Temporary Bearer Global Note, each a “Bearer Global Note”), or a registered Global Note (a “Registered Global Note”);
  - (c) any definitive Notes in bearer form (“Definitive Bearer Notes”) issued in exchange or part exchange for a Bearer Global Note; and
  - (d) any definitive Notes in registered form (“Definitive Registered Notes” and, together with the Definitive Bearer Notes, “Definitive Notes”) whether or not issued in exchange for a Registered Global Note,
- in each case for the time being outstanding, or as the context may require or specific number of them.

The Notes, the Receipts and the Coupons (as defined below) have the benefit of an Amended and Restated Agency Agreement (as amended and/or supplemented and/or restated from time to time, the “Agency Agreement”) dated 19th December, 2023 and made between, *inter alios*, the Issuer, Mizuho Trust and Banking (Luxembourg) S.A., as agent (the “Agent”, which expression shall include any successor agent), as paying agent (together with the Agent, the “Paying Agents”, which expression shall include any additional or successor paying agents), as registrar (the “Registrar”, which expression shall include any successor registrar) and as transfer agent (the “Transfer Agent”, which expression shall include any additional or successor transfer agents). The “Calculation Agent” shall mean, where applicable, the person appointed as calculation agent in relation to the Notes as specified in the applicable Final Terms.

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

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

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached hereto or endorsed hereon which supplement these Terms and Conditions. References herein to the “applicable Final Terms” are to the Final Terms attached hereto or endorsed hereon.

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

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the deed of covenant (such deed of covenant as modified and/or supplemented and/or restated from time to time, the “Deed of Covenant”) dated 19th December, 2023 and made by the Issuer. The original of the Deed of Covenant is held on behalf of a common depositary on behalf of Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Final Terms applicable to this Note, the Deed of Covenant, are available for inspection during normal business hours at the specified office of the Agent and will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of and to be bound by, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant the applicable Final Terms which are applicable to them.

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

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

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

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

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

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

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

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

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (“Euroclear”) and/or Clearstream Banking S.A. (“Clearstream, Luxembourg”), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of

Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Paying Agents, the Registrar and the Transfer Agent as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer, the Paying Agents, the Registrar and any Transfer Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note (and the expressions “Noteholder” and “holder of Notes” and related expressions shall be construed accordingly).

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

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

**(b) Transfers of Registered Notes**

*(i) Register*

The Issuer will cause to be kept at the specified offices of the Registrar, and outside the United Kingdom, a register (the “Register”), on which shall be entered the names and addresses of the holders of Registered Notes and the particulars of Registered Notes held by them and of all transfers of Registered Notes. Each Noteholder shall be entitled to receive only one certificate in respect of its entire holding of Registered Notes.

*(ii) Transfers of Definitive Registered Notes*

Subject as provided in paragraph (vii) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Definitive Registered Note may be transferred in whole or in part (in the Specified Denominations set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (A) surrender the Definitive Registered Note for registration of the transfer of the Definitive Registered Note (or the relevant part of the Definitive Registered Note) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing, and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 8 to the Agency Agreement).

*(iii) Transfers of Registered Global Notes*

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

*(iv) Registration of transfer upon partial redemption*

In the event of a partial redemption of Notes, the Issuer shall not be required to register the transfer of any Definitive Registered Note, or part of a Definitive Registered Note, called for partial redemption.

(v) *Delivery of New Definitive Registered Notes*

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

(vi) *Costs of registration*

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

(vii) *Exchanges and transfers of Definitive Registered Notes generally*

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

(viii) *Closed Periods*

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option, (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date (as defined below).

## **2. Status of the Notes**

The Notes and the related Receipts and Coupons are direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank *pari passu* and rateably without any preference among themselves and (subject to such exceptions as from time to time exist under applicable law) equally with all the other unsecured obligations (other than subordinated obligations, if any) of the Issuer from time to time outstanding.

## **3. Interest**

(a) *Interest on Fixed Rate Notes*

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date if that does not fall on an Interest Payment Date.

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

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

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

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Fixed Rate Notes that are Definitive Notes, the Calculation Amount;

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

In these Terms and Conditions:

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 3(a):

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

“Determination Period” means each period from (and including) a Determination Date to but excluding the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and “sub-unit” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

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

**(i) Interest Payment Dates**

Each Floating Rate Note and Index Linked Interest Note bears interest on its nominal amount (or if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

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

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

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

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

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

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

or (2) in relation to any sum payable in euro, a day on which T2 is open for the settlement of payments in euro (a “TARGET Business Day”).

For the purpose of these Conditions, “T2” means the real time gross settlement system operated by the Eurosystem, or any successor system.

(ii) *Rate of Interest*

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

(A) *ISDA Determination for Floating Rate Notes*

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

- (x) if the Final Terms specify either “2006 ISDA Definitions” or “2021 ISDA Definitions” as the applicable ISDA Definitions:
  - (A) the Floating Rate Option (as defined in the relevant ISDA Definitions) is as specified in the applicable Final Terms;
  - (B) the Designated Maturity (as defined in the relevant ISDA Definitions), if applicable, is a period equal to that Interest Period or as otherwise specified in the applicable Final Terms; and
  - (C) the relevant Reset Date (as defined in the relevant ISDA Definitions) is as specified in the applicable Final Terms.
- (D) if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the relevant ISDA Definitions), Compounding is specified in the applicable Final Terms and:
  - (i) Compounding with Lookback is specified as the Compounding Method in the applicable Final Terms, then (a) Compounding with Lookback is the Overnight Rate Compounding Method (as defined in the relevant ISDA Definitions) and (b) Lookback is the number of Applicable Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Final Terms;
  - (ii) Compounding with Observation Period Shift is specified as the Compounding Method in the applicable Final Terms, then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Final Terms and (c) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions), if applicable, are the days specified in the applicable Final Terms; or
  - (iii) Compounding with Lockout is specified as the Compounding Method in the applicable Final Terms, then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period

Business Days (as defined in the relevant ISDA Definitions) specified in the Final Terms and (c) Lockout Period Business Days, if applicable, are the days specified in the applicable Final Terms; and

- (E) if the specified Floating Rate Option is an Index Floating Rate Option (as defined in the relevant ISDA Definitions) and Index Provisions are specified to be applicable in the relevant Final Terms, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days (as defined in the relevant ISDA Definitions) specified in the applicable Final Terms and (b) Observation Period Shift Additional Business Days (as defined in the relevant ISDA Definitions) are the days, if applicable, specified in the applicable Final Terms);
- (F) references in the relevant ISDA Definitions to:
  - (i) “Confirmation” shall be deemed to be references to the applicable Final Terms;
  - (ii) “Calculation Period” shall be deemed to be references to the relevant Interest Period;
  - (iii) “Termination Date” shall be deemed to be references to the Maturity Date; and
  - (iv) “Effective Date” shall be deemed to be references to the Interest Commencement Date; and
- (y) if the Final Terms specify “2021 ISDA Definitions” as the applicable ISDA Definitions:
  - (A) Administrator/Benchmark Event shall be disappplied; and
  - (B) if the Temporary Non-Publication Fallback for any specified Floating Rate Option is specified to be “Temporary Non-Publication – Alternative Rate” in the Floating Rate Matrix of the 2021 ISDA Definitions, the reference to “Calculation Agent Alternative Rate Determination” in the definition of “Temporary Non-Publication – Alternative Rate” shall be replaced by “Temporary Non-Publication Fallback – Previous Day’s Rate”.

For the purposes of this sub-paragraph (A), “Floating Rate”, “Calculation Agent”, have the meanings given to those terms in either “2006 ISDA Definitions” or “2021 ISDA Definitions” as the applicable ISDA Definitions. “ISDA Definitions” means (i) if “2006 ISDA Definitions” is specified in the applicable Final Terms, the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. (“ISDA”), as amended and updated as at the Issue Date of the first Tranche of the Notes; or (ii) if “2021 ISDA Definitions” is specified in the applicable Final Terms, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions, including any Matrices referred to therein, as published by ISDA as at the Issue Date of the first Tranche of the Notes.

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

- (B) *Screen Rate Determination for Floating Rate Notes (other than the €STR, SARON, SOFR, SONIA and TONA Benchmark)*
  - (a) Subject to Conditions 3(b)(ii)(B)(b) through 3(b)(ii)(B)(f) (inclusive), where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

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

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

Subject to Condition 3(f), if the Relevant Screen Page is not available or if in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the Specified Time, the Calculation Agent shall request each of the Reference Banks (as defined in the Agency Agreement) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Calculation Agent.

Subject to Condition 3(f), if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such offered quotations as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the inter-bank market of the Relevant Financial Centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks informs the Calculation Agent it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) or the inter-bank market of the Relevant Financial Centre (if any other Reference Rate is used) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period,

the Margin relating to the relevant Interest Period, in place of the Margin relating to that last preceding Interest Period).

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

- (b) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified as being €STR, the €STR rate of interest determination method, as specified in the applicable Final Terms (the “€STR Rate of Interest Determination”), in which the Rate of Interest is to be determined shall be either €STR Lookback Compound or €STR Shift Compound, as follows:
- (1) if €STR Lookback Compound is specified in the applicable Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be €STR-LOOKBACK-COMPOUND plus or minus (as indicated in the applicable Final Terms) the Margin (if any); or
  - (2) if €STR Shift Compound is specified in the applicable Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be €STR-SHIFT-COMPOUND plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

For the purposes of this Condition 3(b)(ii)(B)(b):

“€STR-LOOKBACK-COMPOUND” means the rate of return of a daily compound interest investment (with the daily euro short-term rate as the reference rate for the calculation of interest) which will be calculated by the Calculation Agent (or such other person specified in the Final Terms) on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards:

$$\left[ \prod_{i=1}^{d_0} \left( 1 + \frac{\text{€STR}_{i\text{-PTBD}} \times n_i}{360} \right) - 1 \right] \times \frac{360}{d}$$

Where:

“d” is the number of calendar days in the relevant Interest Period;

“d<sub>0</sub>” is the number of TARGET Business Days in the relevant Interest Period;

“€STR<sub>i-PTBD</sub>” means, in respect of any TARGET Business Day falling in the relevant Interest Period, the €STR for the TARGET Business Day falling “p” TARGET Business Days prior to the relevant TARGET Business Day “i”;

“i” is a series of whole numbers from one to d<sub>0</sub>, each representing the relevant TARGET Business Day in chronological order from, and including, the first TARGET Business Day in the relevant Interest Period to, and including, the last TARGET Business Day in such Interest Period;

“n<sub>i</sub>” for any TARGET Business Day “i” is the number of calendar days from, and including, the relevant TARGET Business Day “i” up to, but excluding, the immediately following TARGET Business Day in the relevant Interest Period;

“Observation Look-Back Period” means the period specified in the applicable Final Terms; and

“p” means in relation to any Interest Period, the number of TARGET Business Days included in the Observation Look-Back Period.

“€STR-SHIFT-COMPOUND” means the rate of return of a daily compound interest investment (with the daily euro short-term rate as the reference rate for the calculation of interest) which will be calculated by the Calculation Agent (or such other person specified in the Final Terms) on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards:

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

Where:

“d” is the number of calendar days in the relevant Observation Period;

“d<sub>0</sub>” for any Observation Period, means the number of TARGET Business Days in the relevant Observation Period;

“€STR<sub>i</sub>” means, in respect of any TARGET Business Day falling in the relevant Observation Period, the €STR in respect of that TARGET Business Day “i”;

“i” is a series of whole numbers from one to d<sub>0</sub>, each representing the relevant TARGET Business Day in chronological order from, and including, the first TARGET Business Day in the relevant Observation Period to, and including, the last TARGET Business Day in such Interest Period;

“n<sub>i</sub>” for any TARGET Business Day “i” in the relevant Observation Period, means the number of calendar days from, and including, such day “i” up to, but excluding, the following TARGET Business Day (“i+1”);

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

“Observation Shift Days” means the number of TARGET Business Days specified in the Final Terms.

If (1) the €STR is not published, as specified above, on any particular TARGET Business Day and (2) the Calculation Agent (or such other person specified in the Final Terms) determines that no €STR Index Cessation Event (as defined below) has occurred, the €STR for such TARGET Business Day shall be the rate equal to €STR in respect of the last TARGET Business Day for which such rate was published on the Website of the European Central Bank (as defined below).

If (1) the €STR is not published, as specified above, on any particular TARGET Business Day and (2) the Calculation Agent (or such other person specified in the Final Terms) determines that both an €STR Index Cessation Event and an €STR Index Cessation Effective Date have occurred, then the rate of €STR for each relevant TARGET Business

Day occurring on or after such €STR Index Cessation Effective Date will be determined as if references to €STR were to the ECB Recommended Rate.

If no ECB Recommended Rate has been recommended before the end of the first TARGET Business Day following the date on which the €STR Index Cessation Event occurs, then the rate of €STR for each relevant TARGET Business Day occurring on or after the €STR Index Cessation Effective Date will be determined as if references to €STR were references to the Modified EDFR.

If an ECB Recommended Rate has been recommended and both an ECB Recommended Rate Index Cessation Event and an ECB Recommended Rate Index Cessation Effective Date subsequently occur, then the rate of €STR for each relevant TARGET Business Day occurring on or after that ECB Recommended Rate Index Cessation Effective Date will be determined as if references to €STR were references to the Modified EDFR.

Any substitution of the €STR, as specified above (the “€STR Replacement Rate”), will remain effective for the remaining term to maturity of the Notes and shall be notified by the Issuer to the Noteholders in accordance with Condition 12.

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other person specified in the Final Terms):

- (A) the Rate of Interest shall be that determined as at the last preceding Interest Determination Date;
- (B) if there is no such preceding Interest Determination Date, the Rate of Interest shall be determined as if the rate of €STR for each relevant TARGET Business Day occurring on or after such €STR Index Cessation Effective Date were references to the latest published ECB Recommended Rate or, if EDFR is published on a later date than the latest published ECB Recommended Rate, the Modified EDFR; or
- (C) if there is no such preceding Interest Determination Date and there is no published ECB Recommended Rate or Modified EDFR available, as if the rate of €STR for each relevant TARGET Business Day on or after such €STR Index Cessation Effective Date were references to the latest published €STR,

(though, in each case, substituting, where a different Margin, Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period).

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

Any determination, decision or election that may be made by the Calculation Agent (or such other person specified in the Final Terms) pursuant to this Condition 3(b)(ii)(B)(b), including any determination with respect to a rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (i) will be conclusive and binding absent manifest error; (ii) will be made in the sole discretion of the Calculation Agent (or such other person specified in the Final Terms), acting in good faith and in a commercial and reasonable

manner; and (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the Noteholders or any other party.

Notwithstanding any provision of this Condition 3(b)(ii)(B)(b), if the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other person specified in the Final Terms), no €STR Replacement Rate will be adopted by the Calculation Agent (or such other person specified in the Final Terms), and the €STR Replacement Rate for the relevant Interest Period will be equal to the last €STR available, as determined by the Calculation Agent (or such other person specified in the Final Terms).

For the purposes of this Condition 3(b)(ii)(B)(b):

“ECB Recommended Rate” means a rate (inclusive of any spreads or adjustments) recommended as the replacement for €STR by the European Central Bank (or any successor administrator of €STR) and/or by a committee officially endorsed or convened by the European Central Bank (or any successor administrator of €STR) for the purpose of recommending a replacement for €STR (which rate may be produced by the European Central Bank or another administrator), as determined by the Calculation Agent (or such other person specified in the Final Terms) and notified by the Calculation Agent (or such other person specified in the Final Terms) to the Issuer;

“ECB Recommended Rate Index Cessation Event” means the occurrence of one or more of the following events, as determined by the Calculation Agent (or such other person specified in the Final Terms) and notified by the Calculation Agent (or such other person specified in the Final Terms) to the Issuer:

- (1) a public statement or publication of information by or on behalf of the administrator of the ECB Recommended Rate announcing that it has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide the ECB Recommended Rate; or
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the ECB Recommended Rate, the central bank for the currency of the ECB Recommended Rate, an insolvency official with jurisdiction over the administrator of the ECB Recommended Rate, a resolution authority with jurisdiction over the administrator of the ECB Recommended Rate or a court or an entity with similar insolvency or resolution authority over the administrator of the ECB Recommended Rate, which states that the administrator of the ECB Recommended Rate has ceased or will cease to provide the ECB Recommended Rate permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide the ECB Recommended Rate;

“ECB Recommended Rate Index Cessation Effective Date” means, in respect of an ECB Recommended Rate Index Cessation Event, the first date on which the ECB Recommended Rate is no longer provided, as determined by the Calculation Agent (or such other person specified in the Final Terms) and notified by the Calculation Agent (or such other person specified in the Final Terms) to the Issuer;

“ECB €STR Guideline” means Guideline (EU) No. 2019/1265 of the European Central Bank of 10 July 2019 on the euro short-term rate (€STR) (ECB/2019/19), as amended from time to time;

“EDFR” means the Eurosystem Deposit Facility Rate, the rate on the deposit facility, which banks may use to make overnight deposits with the Eurosystem (comprising the European Central Bank and the national central banks of those countries that have adopted the Euro) as published on the Website of the European Central Bank;

“EDFR Spread” means:

- (1) if no ECB Recommended Rate is recommended before the end of the first TARGET Business Day following the €STR Index Cessation Effective Date, the arithmetic mean of the daily difference between the €STR and the EDFR for each of the thirty (30) TARGET Business Days immediately preceding the date on which the €STR Index Cessation Event occurred; or
- (2) if an ECB Recommended Rate Index Cessation Event occurs, the arithmetic mean of the daily difference between the ECB Recommended Rate and the EDFR for each of the thirty (30) TARGET Business Days immediately preceding the date on which the ECB Recommended Rate Index Cessation Event occurred;

“€STR” means, in respect of any TARGET Business Day, the interest rate representing the wholesale Euro unsecured overnight borrowing costs of banks located in the Euro area provided by the European Central Bank as administrator of such rate (or any successor administrator) and published on the Website of the European Central Bank (as defined below) at or before 9:00 a.m. (Frankfurt time) (or, in case a revised euro short-term rate is published as provided in Article 4 subsection 3 of the ECB €STR Guideline at or before 11:00 a.m. (Frankfurt time), such revised interest rate) on the TARGET Business Day immediately following such TARGET Business Day;

“€STR Index Cessation Event” means the occurrence of one or more of the following events, as determined by the Calculation Agent (or such other person specified in the Final Terms) and notified by the Calculation Agent (or such other person specified in the Final Terms) to the Issuer:

- (1) a public statement or publication of information by or on behalf of the European Central Bank (or any successor administrator of €STR) announcing that it has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or the publication, there is no successor administrator that will continue to provide €STR; or
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of €STR, the central bank for the currency of €STR, an insolvency official with jurisdiction over the administrator of €STR, a resolution authority with jurisdiction over the administrator of €STR or a court or an entity with similar insolvency or resolution authority over the administrator of €STR, which states that the administrator of €STR has ceased or will cease to provide €STR permanently or indefinitely, provided that, at the time of the statement or publication, there is no successor administrator that will continue to provide €STR;

“€STR Index Cessation Effective Date” means, in respect of an €STR Index Cessation Event, the first date on which €STR is no longer provided by the European Central Bank (or any successor administrator of €STR), as determined by the Calculation Agent (or such other person specified in the Final Terms) and notified by the Calculation Agent (or such other person specified in the Final Terms) to the Issuer;

“Modified EDFR” means a reference rate equal to the EDFR plus the EDFR Spread; and

“Website of the European Central Bank” means the website of the European Central Bank currently at <http://www.ecb.europa.eu> or any successor website officially designated by the European Central Bank.

- (c) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified as being SARON, the Rate of Interest for each Interest Period will be the rate of return of a daily compound interest investment (with the overnight interest rate of the secured funding market for Swiss franc as the reference rate for the calculation of interest) plus or minus (as indicated in the applicable Final Terms) the Margin (if any) and which will be calculated by the Calculation Agent (or such other person specified in the Final Terms) on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards:

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

Where:

“d” means the number of calendar days in the relevant Observation Period;

“d<sub>0</sub>” for any Observation Period, means the number of Zurich Banking Days in the relevant Observation Period;

“i” is a series of whole numbers from one to d<sub>0</sub>, each representing the relevant Zurich Banking Day in chronological order from, and including, the first Zurich Banking Day in the relevant Observation Period to, and including, the last Zurich Banking Day in such Interest Period;

“n<sub>i</sub>” for any Zurich Banking Day “i” in the relevant Observation Period, means the number of calendar days from, and including, such day “i” up to, but excluding, the following Zurich Banking Day (“i+1”);

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

“Observation Shift Days” means the number of Zurich Banking Days specified in the applicable Final Terms;

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

“SARON<sub>i</sub>” for any Zurich Banking Day “i” in the relevant Observation Period, is equal to SARON in respect of that day “i”.

If (1) SARON is not published on the relevant screen page (the “SARON Screen Page”) as at the Specified Time in the Relevant Financial Centre on the relevant Zurich Banking Day and (2) the Calculation Agent (or such other person specified in the Final Terms) determines that no SARON Index Cessation Event and no SARON Index Cessation

Effective Date have occurred on or prior to the Specified Time in the Relevant Financial Centre on the relevant Zurich Banking Day, SARON for such Zurich Banking Day shall be the rate equal to the Swiss Average Rate Overnight published by the SARON Administrator on the SARON Administrator Website for the last preceding Zurich Banking Day on which the Swiss Average Rate Overnight was published by the SARON Administrator on the SARON Administrator Website.

If (1) SARON is not published on the SARON Screen Page at the Specified Time in the Relevant Financial Centre on the relevant Zurich Banking Day and (2) the Calculation Agent (or such other person specified in the Final Terms) determines that both a SARON Index Cessation Event and a SARON Index Cessation Effective Date have occurred on or prior to the Specified Time in the Relevant Financial Centre on the relevant Zurich Banking Day:

- (A) if there is a SARON Recommended Replacement Rate within one Zurich Banking Day of the SARON Index Cessation Effective Date, SARON shall be the SARON Recommended Replacement Rate for such Zurich Banking Day, giving effect to the SARON Recommended Adjustment Spread, if any, published on such Zurich Banking Day; or
- (B) if there is no SARON Recommended Replacement Rate within one Zurich Banking Day of the SARON Index Cessation Effective Date, SARON shall be the policy rate of the Swiss National Bank (the “SNB Policy Rate”) for such Zurich Banking Day, giving effect to the SNB Adjustment Spread, if any.

Any substitution of SARON by the SARON Recommended Replacement Rate or the SNB Policy Rate as specified above (the “SARON Replacement Rate”) will remain effective for the remaining term to maturity of the Notes and shall be notified by the Issuer to the Noteholders in accordance with Condition 12.

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

Any determination, decision or election that may be made by the Calculation Agent (or such other person specified in the Final Terms) pursuant to this Condition 3(b)(ii)(B)(c), including any determination with respect to a rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (i) will be conclusive and binding absent manifest error; (ii) will be made in the sole discretion of the Calculation Agent (or such other person specified in the Final Terms), acting in good faith and in a commercial and reasonable manner; and (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the Noteholders or any other party.

Notwithstanding any other provision of this Condition 3(b)(ii)(B)(c), if the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other person specified in the Final Terms), no SARON Replacement Rate will be adopted by the Calculation Agent (or such other person specified in the Final Terms), and the SARON Replacement Rate for the relevant Interest Period will be equal to the last SARON available on the SARON Screen Page as determined by the Calculation Agent (or such other person specified in the Final Terms).

For the purposes of this Condition 3(b)(ii)(B)(c):

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

“SARON Administrator Website” means the website of the SARON Administrator;

“SARON Index Cessation Effective Date” means the earliest of:

- (1) in the case of the occurrence of a SARON Index Cessation Event described in paragraphs (1), (2) and (3) of the definition thereof, the date on which the SARON Administrator ceases to provide SARON;
- (2) in the case of the occurrence of a SARON Index Cessation Event described in subparagraph (5) of the definition thereof, the latest of: (i) the date of such statement or publication, (ii) the date, if any, specified in such statement or publication as the date on which SARON will no longer be representative, and (iii) if a SARON Index Cessation Event described either in clause (4) or (6) of the definition thereof has occurred on or prior to either or both dates specified in subclauses (i) and (ii) of this paragraph, the date as of which SARON may no longer be used; and
- (3) in the case of the occurrence of a SARON Index Cessation Event described in clauses (4) and (6) of the definition thereof, the date as of which SARON may no longer be used,

in each case, as determined by the Calculation Agent (or such other person specified in the Final Terms) and notified by the Calculation Agent (or such other person specified in the Final Terms) to the Issuer;

“SARON Index Cessation Event” means the occurrence of one or more of the following events, as determined by the Calculation Agent (or such other person specified in the Final Terms) and notified by the Calculation Agent (or such other person specified in the Final Terms) to the Issuer:

- (1) SARON ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or
- (2) a public statement by the SARON Administrator that it has ceased or that it will cease publishing SARON permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of SARON); or
- (3) a public statement by the supervisor of the SARON Administrator, that SARON has been or will be permanently or indefinitely discontinued; or
- (4) a public statement by the supervisor of the SARON Administrator as a consequence of which SARON will be prohibited from being used either generally, or in respect of the Notes;
- (5) the making of a public statement by the supervisor of the SARON Administrator that SARON, in the opinion of the supervisor, is no longer representative of an underlying market or that its calculation method has significantly changed; or
- (6) it has become unlawful for any Paying Agent, the Calculation Agent (or such other person specified in the Final Terms) or the Issuer to calculate any payments due to be made to any Noteholder using SARON;

provided that in the case of sub-paragraphs (2), (3) and (4), the SARON Index Cessation Event shall occur on the date of the cessation of publication of SARON, the

discontinuation of SARON, or the prohibition of use of SARON, as the case may be, and not the date of the relevant public statement;

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

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

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

“SIX Swiss Exchange” means SIX Swiss Exchange AG and any successor thereto;

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

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

- (d) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified as being SOFR Benchmark, the Rate of Interest for each Interest Period will, subject as provided below, be equal to the relevant SOFR Benchmark plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent

(or such other person specified in the Final Terms) on the relevant Interest Determination Date.

The “SOFR Benchmark” will be determined based on Compounded Daily SOFR or Compounded SOFR Index, as specified in the applicable Final Terms (the “SOFR Rate of Interest Determination”), as follows:

- (1) if Compounded Daily SOFR (“Compounded Daily SOFR”) is specified in the applicable Final Terms as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of daily SOFR reference rates for each day during (i) the relevant Interest Period (where SOFR Lag, SOFR Payment Delay or SOFR Lockout is specified as applicable in the applicable Final Terms to determine Compounded Daily SOFR), or (ii) the SOFR Observation Period (where SOFR Observation Shift is specified as applicable in the applicable Final Terms to determine Compounded Daily SOFR).

Compounded Daily SOFR shall be calculated by the Calculation Agent (or such other person specified in the Final Terms) in accordance with one of the formulae referenced below depending upon which is specified in the applicable Final Terms:

- (a) SOFR Lag:

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

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards and where:

“SOFR<sub>i-xUSBD</sub>” for any U.S. Government Securities Business Day(i) in the relevant Interest Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day(i);

“Lookback Days” means such number of U.S. Government Securities Business Days as specified in the applicable Final Terms;

“d” means the number of calendar days in the relevant Interest Period;

“d<sub>o</sub>” means the number of U.S. Government Securities Business Days in the relevant Interest Period;

“i” means a series of whole numbers ascending from one to d<sub>o</sub>, each representing the relevant U.S. Government Securities Business Day from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period (each a “U.S. Government Securities Business Day(i)”); and

“n<sub>i</sub>”, for any U.S. Government Securities Business Day(i), means the number of calendar days from, and including, such U.S. Government Securities Business Day(i) up to, but excluding, the following U.S. Government Securities Business Day.

- (b) SOFR Payment Delay:

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

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards and where:

“SOFR<sub>i</sub>” for any U.S. Government Securities Business Day(i) in the relevant Interest Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i);

“Interest Payment Date” shall be the number of Interest Payment Delay Days following each Interest Period Date; provided that the Interest Payment Date with respect to the final Interest Period will be the Maturity Date or, if the Issuer elects to redeem the Notes prior to the Maturity Date, the relevant Optional Redemption Date;

“Interest Payment Delay Days” means the number of U.S. Government Securities Business Days as specified in the applicable Final Terms;

“Interest Period Date” means the date(s) specified in the applicable Final Terms;

“d” means the number of calendar days in the relevant Interest Period;

“d<sub>0</sub>” means the number of U.S. Government Securities Business Days in the relevant Interest Period;

“i” means a series of whole numbers ascending from one to d<sub>0</sub>, representing each relevant U.S. Government Securities Business Day from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period (each a “U.S. Government Securities Business Day(i)”); and

“n<sub>i</sub>”, for any U.S. Government Securities Business Day(i), means the number of calendar days from, and including, such U.S. Government Securities Business Day(i) up to, but excluding, the following U.S. Government Securities Business Day.

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

(c) SOFR Lockout:

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

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards and where:

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

“d” means the number of calendar days in the relevant Interest Period;

“d<sub>o</sub>” means the number of U.S. Government Securities Business Days in the relevant Interest Period;

“i” means a series of whole numbers ascending from one to d<sub>o</sub>, representing each relevant U.S. Government Securities Business Day from, and including, the first U.S. Government Securities Business Day in the relevant Interest Period (each a “U.S. Government Securities Business Day(i)”); and

“n<sub>i</sub>”, for any U.S. Government Securities Business Day(i), means the number of calendar days from, and including, such U.S. Government Securities Business Day(i) up to, but excluding, the following U.S. Government Securities Business Day.

(d) SOFR Observation Shift:

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

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards and where:

“SOFR<sub>i</sub>” for any U.S. Government Securities Business Day(i) in the relevant SOFR Observation Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day(i);

“d” means the number of calendar days in the relevant SOFR Observation Period;

“d<sub>o</sub>” means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

“i” means a series of whole numbers ascending from one to d<sub>o</sub>, representing each U.S. Government Securities Business Day from, and including, the first U.S. Government Securities Business Day in the relevant SOFR Observation Period (each a “U.S. Government Securities Business Day(i)”); and

“n<sub>i</sub>”, for any U.S. Government Securities Business Day(i), means the number of calendar days from, and including, such U.S. Government Securities Business Day(i) up to, but excluding, the following U.S. Government Securities Business Day.

(2) if Compounded SOFR Index (“Compounded SOFR Index”) is specified as applicable in the applicable Final Terms, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant SOFR Observation Period as calculated by the Calculation Agent (or such other person specified in the Final Terms) as follows:

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

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards and where:

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

- (a) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the “SOFR Index” shall be calculated on any Interest Determination Date with respect to an Interest Period, in accordance with the Compounded Daily SOFR formula described above in Condition 3(b)(ii)(B)(d)(1)(d) (*SOFR Observation Shift*), and the term “SOFR Observation Shift Days” shall mean 5 U.S. Government Securities Business Days; or
- (b) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth below shall apply;

“SOFR Index<sub>End</sub>” means, in respect of an Interest Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the applicable Final Terms prior to the Interest Payment Date for such Interest Period (or in the final Interest Period, the Maturity Date);

“SOFR Index<sub>Start</sub>” means, in respect of an Interest Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the applicable Final Terms prior to the first day of such Interest Period; and

“d<sub>c</sub>” means the number of calendar days in the applicable SOFR Observation Period.

For the purposes of this Condition 3(b)(ii)(B)(d), if the Calculation Agent (or such other person specified in the Final Terms) determines on or prior to the relevant Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

In connection with the implementation of a Benchmark Replacement, the Calculation Agent (or such other person specified in the Final Terms) will have the right to make Benchmark Replacement Conforming Changes from time to time.

If a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, any determination, decision or election that may be made by the Calculation Agent (or such other person specified in the Final Terms) pursuant to this Condition 3(b)(ii)(B)(d), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection: (i) will be conclusive and binding absent manifest error; (ii) will be made in the sole discretion of the Calculation Agent (or such other person specified in the Final Terms), acting in good faith and in a commercial and reasonable manner; and (iii) notwithstanding anything to the contrary in the

documentation relating to the Notes, shall become effective without consent from the Noteholders or any other party.

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

Notwithstanding any provision of this Condition 3(b)(ii)(B)(d), if the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other person specified in the Final Terms), no Benchmark Replacement will be adopted by the Calculation Agent (or such other person specified in the Final Terms) and the Benchmark Replacement will be SOFR determined as of the U.S. Government Securities Business Day immediately preceding the Benchmark Replacement Date.

For purpose of this Condition 3(b)(ii)(B)(d):

“Benchmark” means, initially, the relevant SOFR Benchmark specified in the applicable Final Terms; provided that if the Calculation Agent (or such other person specified in the Final Terms) determines on or prior to the Reference Time that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the relevant Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement;

“Benchmark Replacement” means the first alternative set forth in the order below that can be determined by the Calculation Agent (or such other person specified in the Final Terms) as of the Benchmark Replacement Date:

- (1) the sum of:
  - (a) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and
  - (b) the Benchmark Replacement Adjustment;
- (2) the sum of:
  - (a) the ISDA Fallback Rate; and
  - (b) the Benchmark Replacement Adjustment; or
- (3) the sum of:
  - (a) the alternate reference rate that has been selected by the Calculation Agent (or such other person specified in the Final Terms) as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted reference rate as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar-denominated Floating Rate Notes at such time; and
  - (b) the Benchmark Replacement Adjustment;

“Benchmark Replacement Adjustment” means the first alternative set forth in the order below that can be determined by the Calculation Agent (or such other person specified in the Final Terms) as of the Benchmark Replacement Date:

- (1) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;
- (2) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or
- (3) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Calculation Agent (or such other person specified in the Final Terms) giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated Floating Rate Notes at such time;

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) the Calculation Agent (or such other person specified in the Final Terms) decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Calculation Agent (or such other person specified in the Final Terms) decides that adoption of any portion of such market practice is not administratively feasible or if the Calculation Agent (or such other person specified in the Final Terms) determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Calculation Agent (or such other person specified in the Final Terms) determines is reasonably necessary acting in good faith and in a commercial manner);

“Benchmark Replacement Date” means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof), as determined by the Calculation Agent (or such other person specified in the Final Terms) and notified by the Calculation Agent (or such other person specified in the Final Terms) to the Issuer:

- (1) in the case of sub-paragraph (1) or (2) of the definition of “Benchmark Transition Event”, the later of:
  - (a) the date of the public statement or publication of information referenced therein; and
  - (b) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or
- (2) in the case of sub-paragraph (3) of the definition of “Benchmark Transition Event”, the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof), as determined by the Calculation Agent (or such other person specified in the Final Terms) and notified by the Calculation Agent (or such other person specified in the Final Terms) to the Issuer:

- (1) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component);
- (2) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or
- (3) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative or has been or will be prohibited from being used or that its use has been or will be subject to restrictions or adverse consequences either generally or with respect to the Notes;

“Bloomberg Screen SOFRRATE Page” means the Bloomberg screen designated “SOFRRATE” or any successor page or service;

“ISDA Definitions” means the 2021 ISDA Interest Rate Derivatives Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

“ISDA Fallback Adjustment” means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

“ISDA Fallback Rate” means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

“Reference Time” with respect to any determination of the Benchmark means:

- (1) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Compounded Daily SOFR is specified as applicable in the applicable Final Terms) or SOFR Index Determination Time (where Compounded SOFR Index is specified as applicable in the applicable Final Terms); or

- (2) if the Benchmark is not the SOFR Benchmark, the time determined by the Calculation Agent (or such other person specified in the Final Terms) after giving effect to the Benchmark Replacement Conforming Changes;

“Relevant Governmental Body” means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

“Reuters Page USDSOFR=” means the Reuters page designated “USDSOFR=” or any successor page or service;

“SOFR” means, in respect of a U.S. Government Securities Business Day, the reference rate determined by the Calculation Agent (or such other person specified in the Final Terms) in accordance with the following provision:

- (1) the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Bloomberg Screen SOFRRATE Page; the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Reuters Page USDSOFR=; or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator’s Website;
- (2) if the reference rate specified in (1) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the SOFR reference rate shall be the reference rate published on the SOFR Administrator’s Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator’s Website; or
- (3) if the reference rate specified in (1) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth above shall apply;

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

“SOFR Benchmark Replacement Date” means the Benchmark Replacement Date with respect to the then-current Benchmark;

“SOFR Benchmark Transition Event” means the occurrence of a Benchmark Transition Event with respect to the then-current Benchmark;

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

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

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

“SOFR Observation Shift Days” means the number of U.S. Government Securities Business Days as specified in the applicable Final Terms;

“SOFR Rate Cut-Off Date” means the date that is a number of U.S. Government Securities Business Days prior to the Interest Payment Date relating to the relevant Interest Period, the Maturity Date or the relevant Optional Redemption Date, as applicable, as specified in the applicable Final Terms;

“Unadjusted Benchmark Replacement” means the Benchmark Replacement excluding the Benchmark Replacement Adjustment; and

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

- (e) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified as being SONIA, the SONIA rate of interest determination method, as specified in the applicable Final Terms (the “SONIA Rate of Interest Determination”), in which the Rate of Interest is to be determined shall be either SONIA Compounded Index Rate or SONIA Compounded Daily Reference Rate, as follows:
- (1) if SONIA Compounded Index Rate is specified in the applicable Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be the SONIA Compounded Index Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any); or
  - (2) if SONIA Compounded Daily Reference Rate is specified in the applicable Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be the SONIA Compounded Daily Reference Rate as follows, plus or minus (as indicated in the applicable Final Terms) the Margin (if any).

For the purposes of this Condition 3(b)(ii)(B)(e):

“SONIA Compounded Index Rate” means with respect to an Interest Period, the rate of return of a daily compound interest investment during the Observation Period corresponding to such Interest Period (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or such other person specified in the Final Terms) on the Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards,

$$\left( \frac{SONIA\ Compounded\ Index_{END}}{SONIA\ Compounded\ Index_{START}} - 1 \right) \times \left( \frac{365}{d} \right)$$

provided, however, that if the SONIA Compounded Index Value is not available in relation to any Interest Period on the Relevant Screen Page for the determination of either or both of SONIA Compounded Index<sub>START</sub> and SONIA Compounded Index<sub>END</sub>, the Rate of Interest shall be calculated for such Interest Period on the basis of the SONIA Compounded Daily Reference Rate as set out below as if SONIA Compounded Daily Reference Rate with Observation Shift had been specified in the applicable Final Terms and the “Relevant Screen Page” shall be deemed to be the “Relevant Fallback Screen Page” as specified in the applicable Final Terms,

where:

“d” means the number of calendar days in the relevant Observation Period;

“SONIA Compounded Index” means the index known as the SONIA Compounded Index administered by the Bank of England (or any successor administrator thereof);

“SONIA Compounded Index<sub>START</sub>” means, in respect of an Interest Period, the SONIA Compounded Index Value on the date falling “p” London Business Days prior to (i) the first day of such Interest Period, or (ii) in the case of the first Interest Period, the Issue Date;

“SONIA Compounded Index<sub>END</sub>” means the SONIA Compounded Index Value on the date falling “p” London Business Days prior to (i) in respect of an Interest Period, the Interest Payment Date for such Interest Period, or (ii) if the Notes become due and payable prior to the end of an Interest Period, the date on which the Notes become so due and payable; and

“SONIA Compounded Index Value” means in relation to any London Business Day, the value of the SONIA Compounded Index as published by authorised distributors on the Relevant Screen Page on such London Business Day or, if the value of the SONIA Compounded Index cannot be obtained from such authorised distributors, as published on the Bank of England’s Website at [www.bankofengland.co.uk/boeapps/database/](http://www.bankofengland.co.uk/boeapps/database/) (or such other page or website as may replace such page for the purposes of publishing the SONIA Compounded Index) on such London Business Day.

“SONIA Compounded Daily Reference Rate” means, in respect of an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent (or such other person specified in the Final Terms) on the Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards,

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

where:

“d” is the number of calendar days in the relevant:

- (a) Observation Period where Observation Shift is specified in the applicable Final Terms; or
- (b) Interest Period where Lag is specified in the applicable Final Terms;

“d<sub>o</sub>” is the number of London Business Days in the relevant:

- (a) Observation Period where Observation Shift is specified in the applicable Final Terms; or
- (b) Interest Period where Lag is specified in the applicable Final Terms;

“i” is a series of whole numbers from one to d<sub>o</sub>, each representing the relevant London Business Day in chronological order from, and including, the first London Business Day in the relevant:

- (a) Observation Period where Observation Shift is specified in the applicable Final Terms; or
- (b) Interest Period where Lag is specified in the applicable Final Terms;

“ $n_i$ ”, for any London Business Day “ $i$ ”, means the number of calendar days from and including such London Business Day “ $i$ ” up to, but excluding, the following London Business Day;

“SONIA <sub>$i$</sub> ” means, in relation to any London Business Day the SONIA reference rate in respect of:

- (a) that London Business Day “ $i$ ” where Observation Shift is specified in the applicable Final Terms; or
- (b) the London Business Day (being a London Business Day falling in the relevant Observation Period) falling “ $p$ ” London Business Days prior to the relevant London Business Day “ $i$ ” where Lag is specified in the applicable Final Terms; and

the “SONIA reference rate”, in respect of any London Business Day, is a reference rate equal to the daily Sterling Overnight Index Average (“SONIA”) rate for such London Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page on the next following London Business Day or, if the Relevant Screen Page is unavailable, as published by authorised distributors on such London Business Day or, if SONIA cannot be obtained from such authorised distributors, as published on the Bank of England’s Website at [www.bankofengland.co.uk/boeapps/database/](http://www.bankofengland.co.uk/boeapps/database/) (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate).

Where SONIA is specified as the Reference Rate in the applicable Final Terms if, in respect of any London Business Day, the SONIA reference rate is not available on the Relevant Screen Page or Relevant Fallback Screen Page, as applicable, (or as otherwise provided in the relevant definition thereof) and a Benchmark Event has not occurred, such Reference Rate shall be:

- (A)
  - (i) the Bank of England’s Bank Rate (the “Bank Rate”) prevailing at close of business on the relevant London Business Day; plus
  - (ii) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which the SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or
- (B) if such Bank Rate is not available, the SONIA reference rate published on the Relevant Screen Page (or as otherwise provided in the relevant definition thereof) for the first preceding London Business Day on which the SONIA reference rate was published on the Relevant Screen Page (or as otherwise provided in the relevant definition thereof), and

in each case, if SONIA Compounded Daily Reference Rate is specified in the applicable Final Terms, SONIA <sub>$i$</sub>  shall be interpreted accordingly.

If the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other person specified in the Final Terms), the Rate of Interest shall be:

- (I) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or
- (II) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

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

For the purposes of this Condition 3(b)(ii)(B)(e):

“London Business Day” means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

“Observation Period” means, in respect of an Interest Period, the period from, and including, the date falling “p” London Business Days prior to the first day of such Interest Period (and the first Observation Period shall begin on and include the date which is “p” London Business Days prior to the Issue Date) and ending on, but excluding, the date which is “p” London Business Days prior to the Interest Payment Date for such Interest Period (or the date falling “p” London Business Days prior to such earlier date, if any, on which the Notes become due and payable); and

“p” means, for any Interest Period, the whole number specified in the applicable Final Terms (or, if no such number is so specified, five London Business Days) representing a number of London Business Days.

- (f) Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified as being TONA, the TONA rate of interest determination method, as specified in the applicable Final Terms (the “TONA Rate of Interest Determination”), in which the Rate of Interest is to be determined shall be either TONA Lookback Compound or TONA Shift Compound, as follows:
  - (1) if TONA Lookback Compound is specified as applicable in the applicable Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be TONA-LOOKBACK-COMPOUND plus or minus (as indicated in the applicable Final Terms) the Margin (if any); or
  - (2) if TONA Shift Compound is specified as applicable in the applicable Final Terms, the Rate of Interest for each Interest Period will, subject as provided below, be TONA-SHIFT-COMPOUND plus or minus (as indicated in the applicable Final Terms) the Margin (if any);

For the purpose of this Condition 3(b)(ii)(B)(f):

“TONA-LOOKBACK-COMPOUND” means the rate of return of a daily compound interest investment (with TONA as the reference rate for the calculation of interest) which will be calculated by the Calculation Agent (or such other person specified in the Final Terms) on the relevant Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards:

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

Where:

“d” is the number of calendar days in the relevant Interest Period;

“d<sub>0</sub>” is the number of Tokyo Banking Days in the relevant Interest Period;

“i” is a series of whole numbers from one to d<sub>0</sub>, each representing the relevant Tokyo Banking Day in chronological order from, and including, the first Tokyo Banking Day in the relevant Interest Period to, and including, the last Tokyo Banking Day in such Interest Period;

“n<sub>i</sub>” means, for any Tokyo Banking Day “i”, the number of calendar days from, and including, such Tokyo Banking Day “i” up to, but excluding, the following Tokyo Banking Day (“i+1”);

“Observation Look-Back Period” means the period specified in the applicable Final Terms;

“p” means, in relation to any Interest Period, the number of Tokyo Banking Days included in the Observation Look-Back Period; and

“TONA<sub>i-pTBD</sub>”, means for any Tokyo Banking Day “i” falling in the relevant Interest Period, the TONA in respect of the Tokyo Banking Day falling “p” Tokyo Banking Days prior to the relevant Tokyo Banking Day “i”.

“TONA-SHIFT-COMPOUND” means the rate of return of a daily compound interest investment (with TONA as the reference rate for the calculation of interest) which will be calculated by the Calculation Agent (or such other person specified in the Final Terms) on the Interest Determination Date, as follows, and the resulting percentage will be rounded, if necessary, to the nearest fifth decimal place, with 0.000005 being rounded upwards:

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

Where:

“d” is the number of calendar days in the relevant Observation Period;

“d<sub>0</sub>” for any Observation Period, means the number of Tokyo Banking Days in the relevant Observation Period;

“TONA<sub>i</sub>” means, in respect of any Tokyo Banking Day falling in the relevant Observation Period, the TONA in respect of that Tokyo Banking Day “i”;

“i” is a series of whole numbers from one to d<sub>0</sub>, each representing the relevant Tokyo Banking Day in chronological order from, and including, the first Tokyo

Banking Day in the relevant Observation Period to, and including, the last Tokyo Banking Day in such Interest Period;

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

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

“Observation Shift Days” means the number of Tokyo Banking Days specified in the applicable Final Terms.

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

In the event that the Rate of Interest cannot be determined in accordance with the foregoing provisions by the Calculation Agent (or such other person specified in the Final Terms), the Rate of Interest shall be:

- (A) that determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period); or
- (B) if there is no such preceding Interest Determination Date, the initial Rate of Interest which would have been applicable to such Notes for the first Interest Period had the Notes been in issue for a period equal in duration to the scheduled first Interest Period but ending on, and excluding, the Interest Commencement Date (but applying the Margin and any Maximum Rate of Interest or Minimum Rate of Interest applicable to the first Interest Period).

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

For the purpose of this Condition 3(b)(ii)(B)(f):

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

“TONA” means, in respect of any Tokyo Banking Day, is a reference rate equal to the daily Tokyo Over Night Average rate in respect of such Tokyo Banking Day as published by the

Bank of Japan on the Relevant Screen Page or, if the Relevant Screen Page is unavailable, as otherwise published by such authorised distributors, on the Tokyo Banking Day immediately following such Tokyo Banking Day.

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

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

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

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

The Calculation Agent in the case of Floating Rate Notes, and the Calculation Agent (if applicable), in the case of Index Linked Interest Notes, will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. The Calculation Agent (if applicable) will notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

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

- (A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Floating Rate Notes or Index Linked Interest Notes that are Definitive Notes, the Calculation Amount;

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

“Day Count Fraction” means, in respect of the calculation of an amount of interest in accordance with this Condition 3(b):

- (1) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (2) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (3) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

- (4) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (5) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

where:

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

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

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

where:

- “Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls;
- “Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
- “M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;
- “M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;
- “D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and
- “D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

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

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and (if applicable) any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 12 as soon as possible after their determination but in no event later than the fourth London Business Day (being a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 12.

(vi) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 3(b) whether by the Agent or the Calculation Agent (if applicable) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or the Calculation Agent (if applicable) in connection with the exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Dual Currency Interest Notes*

In the case of Dual Currency Interest Notes, 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 applicable Final Terms.

(d) *Interest on Partly Paid Notes*

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

**(e) *Accrual of Interest***

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

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given in accordance with Condition 12.

**(f) *Benchmark Discontinuation***

Notwithstanding anything to the contrary contained in these Conditions, including Condition 3(b)(ii)(B):

**(i) *Successor Rate or Alternative Rate***

If a Benchmark Event occurs in relation to an Original Reference Rate (other than €STR, SARON or SOFR Benchmark) when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavours to determine a Successor Rate, failing which an Alternative Rate (in accordance with this Condition 3(f)(i)) and, in either case, an Adjustment Spread (in accordance with Condition 3(f)(ii)) and any Benchmark Amendments (in accordance with Condition 3(f)(iii)).

If the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 3(f) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest. Where a different Margin, multiplier, Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin, multiplier, Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin, multiplier, Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 3(f)(i).

If the Issuer determines that:

- (A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 3(f)); or
- (B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on the Notes (subject to the operation of this Condition 3(f)).

**(ii) *Adjustment Spread***

If the Issuer determines (a) that Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and (b) 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 Alternative Reference Rate (as applicable).

(iii) *Benchmark Amendments*

If the Issuer determines (i) that amendments to these Conditions are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the “Benchmark Amendments”) and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 3(f)(iv), without any requirement for the consent or approval of Noteholders or Couponholders, vary these Conditions to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 3(f)(iii), the Issuer shall comply with the rules of any stock exchange on which the Notes are for the time being listed or admitted to trading.

(iv) *Notices*

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 3(f) will be notified promptly by the Issuer to the Agent, any Calculation Agent, the other Paying Agents and, in accordance with Condition 12, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

The Issuer shall deliver to the Agent a certificate of the Issuer:

- (A) confirming (i) that a Benchmark Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 3(f); and
- (B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Agent, any Calculation Agent and the other Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Agent’s, any Calculation Agent’s or any Paying Agents’ ability to rely on such certificate as aforesaid) be binding on the Issuer, the Agent, each Calculation Agent, the other Paying Agents and the Noteholders and Couponholders.

(v) *Survival of Original Reference Rate*

Without prejudice to the obligations of the Issuer under Condition 3(f)(i), (ii) and (iii), the Original Reference Rate and the fallback provisions provided for in Condition 3(b)(ii) will continue to apply unless and until a Benchmark Event has occurred.

(vi) *Definitions*

As used in this Condition 3(f):

“Adjustment Spread” means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case, which the Issuer determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practical in the circumstances, any economic prejudice or benefit (as the case may be ) to Noteholders, Receiptholders and Couponholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)

- (B) the Issuer, at its discretion, determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or (if the Issuer determines that no such industry standard is recognised or acknowledged)
- (C) the Issuer, at its discretion, determines to be appropriate.

“Alternative Rate” means an alternative benchmark or screen rate which the Issuer determines in accordance with Condition 3(f)(i) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Notes.

“Benchmark Amendments” has the meaning given to it in Condition 3(f)(iii).

“Benchmark Event” means

- (A) the Original Reference Rate ceasing to be published for a period of at least five Business Days (as defined in Condition 3(b)(i)) or ceasing to exist; or
- (B) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or
- (C) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or
- (D) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Notes; or
- (E) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or
- (F) it has become unlawful for the Agent, any Calculation Agent, any other Paying Agent or the Issuer to calculate any payments due to be made to any Noteholder using the Original Reference Rate,

provided that in the case of sub-paragraphs (B), (C), (D) and (E), the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, the prohibition of use of the Original Reference Rate, or with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative as specified in the relevant public statement, as the case may be, and not the date of the relevant public statement.

“Original Reference Rate” means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Notes.

“Relevant Nominating Body” means, in respect of a benchmark or screen rate (as applicable):

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

“Successor Rate” means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

#### **4. Payments**

##### **(a) Method of payment**

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with, or, at the option of the payee by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland respectively); and
- (ii) payments in euro will be made by credit or transfer to a euro account specified by the payee or, at the option of the payee, by a euro cheque drawn on, a bank in a city in which banks have access to T2.

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

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

Payments of principal in respect of Definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 4(a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Definitive Bearer Notes, and payments of interest in respect of Definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used in this Condition, means the United States of America (including the States and District of Columbia, its territories and its possessions). Payments under Condition 4(a) above made, at the option of the bearer of such Note or Coupon, by cheque shall be mailed or delivered to an address outside the United States furnished by such bearer. Subject to any applicable laws and regulations, such payments made by transfer will be made in immediately available funds to an account maintained by the payee with a bank located outside the United States. No payment in respect of any Definitive Bearer Note or Coupon will be made upon presentation of such Definitive Bearer Note or Coupon at any office or agency of the Issuer or any Paying Agent in the United States, nor will any such payment be made by transfer to an account, or by mail to an address, in the United States.

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

Fixed Rate Notes that is a Definitive Bearer Note (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes, as defined below) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on

exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 6(c)) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 7) or, if later, five years from the date on which such Coupon would otherwise have become due.

Upon any Fixed Rate Note that is a Definitive Bearer Note becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

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

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

Payments of principal and interest (if any) in respect of any Bearer Global Note will (subject as provided below) be made in the manner specified above in relation to Definitive Bearer Notes or otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Bearer Global Note at the specified office of any Paying Agent. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made on such Bearer Global Note by such Paying Agent.

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

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Definitive Registered Note will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Definitive Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Definitive Registered Note appearing in the Register at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date.

A "Designated Account" means the account (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register.

A "Designated Bank" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars, New Zealand dollars or Renminbi, shall be Sydney, Auckland, or Hong Kong, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Definitive Registered Note will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the

Definitive Registered Note appearing in the Register at the close of business on the fifteenth day before the relevant due date (the “Record Date”) at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest or an instalment of principal (other than the final instalment) in respect of a Definitive Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Definitive Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder.

Payment of the interest due in respect of each Definitive Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Note.

So long as the Registered Notes represented by a Registered Global Note and such Registered Notes are held on behalf of a clearing system, the requirement that the relevant Registered Global Note shall be surrendered in order to receive payment shall not apply. Each payment in respect of a Registered Global Note will be made in the same manner specified above provided that such payments will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “Clearing System Business Day” means Monday to Friday inclusive except 25th December and 1st January.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holder by the Registrar in respect of any payments on Registered Notes.

**(d) General provisions applicable to payments**

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer or to the order of, the holder of such Global Note. No person other than the holder of such Global Note shall have any claim against the Issuer in respect of any payments due on that Global Note.

Notwithstanding the foregoing, U.S. dollar payments of principal and/or interest in respect of Bearer Notes will be made at the specified office of a Paying Agent in the United States if:

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

**(e) Payment Business Day**

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Business Day, the holder thereof shall not be entitled to payment until the next following Payment Business Day

in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, unless otherwise specified in the applicable Final Terms, "Payment Business Day" means any day which (subject to Condition 7 below) is:

- (i) a day on which commercial banks and foreign exchange markets settle payment and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (a) in the case of Definitive Notes only, the relevant place of presentation; and
  - (b) each Additional Financial Centre specified in the applicable Final Terms; and
- (ii) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland respectively) or (B) in relation to any sum payable in euro, a day on which T2 is open for the settlement of payments in euro.

**(f) *Interpretation of Principal and Interest***

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

- (i) any additional amounts which may be payable under Condition 6;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 5(e) below); and
- (vii) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable under Condition 6.

## **5. Redemption and Purchase**

**(a) *At Maturity***

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

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

Subject to Condition 5(e), the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (in the case of Notes other than Floating Rate Notes, Index Linked Interest Notes or Dual Currency Interest Notes) or (in the case of Floating Rate Notes, Index Linked Interest Notes or Dual Currency Interest Notes) on any Interest Payment Date, on giving not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 12, the Noteholders (which notice shall be irrevocable), if the Issuer will become obliged to pay additional amounts as provided or referred to in Condition 6 would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such

additional amounts, in each case as a result of any change in, or amendment to, the laws or regulations of Japan or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes, provided that such obligation cannot be avoided by the Issuer taking reasonable measures available to it.

Notes redeemed pursuant to this Condition 5(b) will be redeemed at their Early Redemption Amount referred to in Condition 5(e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

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

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having (unless otherwise specified in the applicable Final Terms) given:

- (i) not less than 30 nor more than 60 days' notice in accordance with Condition 12 to the Noteholders; and
- (ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Agent;

(both of which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s). Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount or not more than the Maximum Redemption Amount, both as indicated in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes that are Definitive Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, in the case of Redeemed Notes represented by a Global Note, not more than 60 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed Notes that are Definitive Notes, a list of such Redeemed Notes and, in the case of Definitive Registered Notes, the nominal amount of the Registered Notes and the holders thereof will be published in accordance with Condition 12 not less than 30 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this sub-paragraph (d) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 12 at least 10 days prior to the Selection Date.

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

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than 30 not more than 60 days' notice or such other period of notice as is specified in the applicable Final Terms (which notice shall be irrevocable), the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount specified, or determined in the manner specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of the Note the holder of the Note must, if this Note is a Definitive Note and held outside Euroclear and Clearstream, Luxembourg, deliver on a Business Day (as defined in Condition 3(b)(i)) falling within the notice period at the specified office of any Paying Agent accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "Put Notice") in which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition (and in the case of Registered Notes, the nominal amount to be redeemed) accompanied by the Note or evidence satisfactory to the Paying Agent concerned that the Note will, following delivery of the Put Notice, be held to its order or under

its control. If this Note is represented by a Global Note held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 8.

**(e) Early Redemption Amounts**

For the purpose of Condition 5(b) above and Condition 8 below, each Note will be redeemed at the early redemption amount (the “Early Redemption Amount”) calculated as follows:

- (i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the Final Terms, at its nominal amount; or
- (iii) in the case of a Zero Coupon Note, at an amount (the “Amortised Face Amount”) calculated in accordance with the following formula:

Early Redemption Amount =  $RP \times (1 + AY)^y$  where:

“RP” means the Reference Price;

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

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

or on such other calculation basis as may be specified in the applicable Final Terms.

**(f) Instalment Notes**

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 5(e) above.

**(g) Partly Paid Notes**

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

**(h) Purchases**

The Issuer or any of its direct or indirect subsidiaries may at any time purchase Notes (provided that, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are

purchased therewith) at any price in the open market or otherwise. Such Notes may be held, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

**(i) Cancellation**

All Notes which are redeemed will forthwith be cancelled (together in the case of Definitive Bearer Notes, with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and any Notes purchased and cancelled pursuant to Condition 5(h) above (together with all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

**(j) Late Payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 5(a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 8 below is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 5(e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) the date on which the full amount of the money payable in respect of such Zero Coupon Note has been received by the Agent and notice to that effect has been given to the Noteholder in accordance with Condition 12 below or individually.

**6. Taxation**

All payments of principal and interest by the Issuer in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Japan, or any authority therein or thereof having power to tax (the "Taxes"), unless the withholding or deduction of such Taxes is required by law. If such deduction or withholding is so required, the Issuer will pay such additional amounts as will result in the receipt by the holders of the Notes, Receipts or Coupons of the amount which would otherwise have been payable in respect of the Notes, Receipts or Coupons in the absence of such withholding or deduction; provided that no such additional amount shall be payable with respect to any Note, Receipt or Coupon:

- (i) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who is subject to such Taxes by reason of its being connected with Japan otherwise than merely by holding or ownership of the Note, Receipt or Coupon or by the receipt of principal or interest in respect of such Note, Receipt or Coupon; or
- (ii) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who would otherwise be exempt from any such withholding or deduction but who fails to comply with any applicable requirement to provide Exemption Information (as defined below) or to submit a Claim for Exemption (as defined below) to the Paying Agent to whom the relevant Note, Receipt or Coupon is presented, or whose Exemption Information is not duly communicated through the Participant (as defined below) and the relevant international clearing organisation to such Paying Agent; or
- (iii) presented for payment by or on behalf of a Noteholder, Receiptholder or Couponholder who is for Japanese tax purposes treated as a resident of Japan, a Japanese corporation or a non-resident of Japan or a non-Japanese corporation that, in either case, is a person having a special relationship with the Issuer as described in the Special Taxation Measures Law (in respect of Notes issued by the Issuer, except for (A) a Designated Financial Institution (as defined below) who complies with the requirement to provide Exemption Information or to submit a Claim for Exemption or (B) a resident of Japan or a Japanese corporation who duly notifies (directly or through the Participant

(as defined below) or otherwise) the relevant Paying Agent of its status as exempt from Taxes to be withheld or deducted by the Issuer by reason of such resident of Japan or Japanese corporation receiving interest on the relevant Note through a payment handling agent in Japan appointed by it); or

- (iv) presented for payment more than 30 days after the Relevant Date (as defined in Condition 6(c) below) except to the extent that the holder thereof would have been entitled to such additional amount on presenting the same for payment on the last day of such 30 day period.

Where a Note, Receipt or Coupon, in respect of Notes issued by the Issuer, is held through a certain participant of an international clearing organisation or a certain financial intermediary (each a “Participant”), in order to receive payments free of withholding or deduction by the Issuer for, or on account of Taxes, if the relevant Noteholder, Receiptholder or Couponholder is (A) a non-resident of Japan or a non-Japanese corporation that, in either case, is not a person having a special relationship with the Issuer as described in the Special Taxation Measures Law or (B) a Japanese financial institution falling under certain categories prescribed by the Special Taxation Measures Law (Law No. 26 of 1957) and the cabinet order (Cabinet Order No. 43 of 1957) promulgated thereunder, as amended (together with the ministerial ordinance and other regulation promulgated thereunder, the “Special Taxation Measures Law”) (a “Designated Financial Institution”), all in accordance with the Special Taxation Measures Law, such Noteholder, Receiptholder or Couponholder shall, at the time of entrusting a Participant with the custody of the relevant Note, provide certain information prescribed by the Special Taxation Measures Law to enable the Participant to establish that such Noteholder, Receiptholder or

Couponholder is exempted from the requirement for Taxes to be withheld or deducted (the “Exemption Information”) and advise the Participant if the Noteholder, Receiptholder or Couponholder ceases to be so exempted.

Where a Note, Receipt or Coupon, in respect of Notes issued by the Issuer, is not held by a Participant, in order to receive payments free of withholding or deduction by the Issuer for, or on account of, Taxes, if the relevant Noteholder, Receiptholder or Couponholder is (A) a non-resident of Japan or a non-Japanese corporation that, in either case, is not a person having a special relationship with the Issuer as described in the Special Taxation Measures Law or (B) a Designated Financial Institution, all in accordance with the Special Taxation Measures Law, such Noteholder, Receiptholder or Couponholder shall on or prior to each time on which it receives interest, submit to the relevant Paying Agent a claim for exemption from withholding tax (*Hikazai Tekiyo Shinkokusho*) (a “Claim for Exemption”) stating, *inter alia*, the name, address and any other required information of the Noteholder, Receiptholder or Couponholder, the title of the Notes, the relevant Interest Payment Date, the amount of interest and the fact that the Noteholder, Receiptholder or Couponholder is qualified to submit the Claim for Exemption, together with documentary evidence regarding its identity and residence. If the relevant holder provides the relevant Paying Agent with the information required to be stated in the Claim for Exemption in an electronic form prescribed by the Special Taxation Measures Law, such holder will be deemed to have submitted a Claim for Exemption to such Paying Agent.

As used herein the term “Relevant Date” means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 12 below.

## **7. Prescription**

The Notes, Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 6 above) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 4(b) above or any Talon which would be void pursuant to Condition 4(b) above.

## **8. Events of Default**

- (a) If any one or more of the following events (each an “Event of Default”) shall have occurred and be continuing:
- (i) default is made by the Issuer for more than 14 days in the payment in the Specified Currency of principal due in respect of any of the Notes when and as the same ought to be paid in accordance with these Conditions; or
  - (ii) default is made by the Issuer for more than 14 days in the payment in the Specified Currency of interest due in respect of any of the Notes when and as the same ought to be paid in accordance with these Conditions or
  - (iii) default is made in the performance or observance by the Issuer of any other obligation under the Notes and either such default is not capable of remedy and has a material adverse effect on the interests of the Noteholders, or such default continues for a period of 60 days after written notification requiring such default to be remedied has been given to the Issuer by any Noteholder; or
  - (iv) any bonds, debentures, notes (other than notes issued with the benefit of the Agency Agreement) or other instruments of indebtedness or any other loan indebtedness (hereinafter individually or collectively called “Indebtedness”) of the Issuer having an aggregate outstanding principal amount of at least U.S.\$5,000,000 (or its equivalent in any other currency or currencies) shall become prematurely repayable as a result of a default in respect of the terms thereof, or the Issuer defaults in the repayment of any Indebtedness having an aggregate outstanding principal amount of at least U.S.\$5,000,000 (or its equivalent in any other currency or currencies) at the maturity thereof or at the expiration of any applicable grace period therefor, or, in the case of Indebtedness having an aggregate outstanding principal amount of at least U.S.\$5,000,000 (or its equivalent in any other currency or currencies) due on demand, the Issuer defaults in the payment of such Indebtedness on demand or at the expiration of any applicable grace period therefor, or any guarantee or indemnity in respect of any Indebtedness of others having an aggregate outstanding principal amount of at least U.S.\$5,000,000 (or its equivalent in any other currency or currencies) given by the Issuer shall not be honoured when due and called upon or upon the expiration of any applicable grace period therefor; or
  - (v) any note (by whatever name called) issued with the benefit of the Agency Agreement becomes prematurely repayable as a result of a default in respect of the terms thereof, or the Issuer of such a note defaults in the repayment of it at the maturity thereof or at the expiration of any applicable grace period therefor; or
  - (vi) an order is made or an effective resolution is passed for the winding-up or dissolution of the Issuer other than for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction the terms of which have previously been approved in writing or otherwise by an Extraordinary Resolution of Noteholders; or
  - (vii) the Issuer stops payment (within the meaning of the bankruptcy law of the jurisdiction in which the Issuer is incorporated or any other applicable bankruptcy law) or (otherwise than for the purposes of such a consolidation, amalgamation, merger or reconstruction as is referred to in paragraph (vi)) ceases or through an official action of the Board of Directors or other governing entity of the Issuer threatens to cease to carry on business; or

- (viii) proceedings under any applicable bankruptcy, reorganisation, composition or insolvency law shall have been initiated against the Issuer and such proceedings shall not have been discharged or stayed within a period of 60 days, or the Issuer shall itself initiate or consent to any such proceedings or the Issuer shall make a conveyance or assignment for the benefit of, or enter into any composition with, its creditors in general,

then any Noteholder may, by written notice to the Issuer, effective 14 days after receipt thereof by it, declare the nominal amount of, and all interest then accrued on, the Note held by the holder to be forthwith due and payable, whereupon the same shall become forthwith due and payable without presentment, demand, protest or other notice of any kind, unless such Event of Default shall be cured within 14 days after such written notice is received by it.

For the purpose of Condition 8(a)(iv) above, any Indebtedness which is in a currency other than U.S. dollars shall be translated into U.S. dollars at the “spot” rate for the sale of the U.S. dollars against the purchase of the relevant currency as quoted by the Agent on the calendar day in London corresponding to the calendar day on which such premature repayment becomes due or, as the case may be, such default occurs (or, if for any reason such a rate is not available on that day, on the earliest possible date thereafter).

- (b) If any Note shall become so repayable, it shall be repaid at its Early Redemption Amount (as defined in Condition 5(e) above) together, if appropriate, with accrued interest thereon, such interest to accrue and be paid in accordance with Condition 3 above.

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

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

## **10. Agent, Paying Agents, Registrar and Transfer Agent**

The names of the initial Agent and the other initial Paying Agents, the Registrar and Transfer Agent and their initial specified offices are set out below. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

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

- (i) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent and (in the case of Registered Notes) a Transfer Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority); and
- (ii) there will at all times be an Agent and (in the case of Registered Notes) a Registrar.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in the final paragraph of Condition 4(d). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days prior notice thereof shall have been given to the Noteholders in accordance with Condition 12.

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

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

## **11. Exchange of Talons**

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 7 above. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

## **12. Notices**

All notices regarding Bearer Notes shall be published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the Financial Times in London. If such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been validly given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

All notices regarding Registered Notes will be sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the third day after mailing.

Until such time as any Definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and Clearstream, Luxembourg, be substituted for such publication in such newspaper (in the case of Bearer Notes) and by mail (in the case of Registered Notes) the delivery of the relevant notice to Euroclear and Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, so long as any of the Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day after the day on which the said notice was given to Euroclear and Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Definitive Note) with the relative Note or Notes, with its agent in England for receipt of process appointed under Condition 16 below. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

## **13. Meetings of Noteholders, Modification, Waiver**

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

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

The Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

- (i) any modification (except as mentioned above) of the Notes, the Receipts, the Coupons or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or
- (ii) any modification of the Notes, the Receipts, the Coupons or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 12 as soon as practicable thereafter.

#### **14. Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

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

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

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

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

The Issuer submits for the exclusive benefit of the Noteholders, the Receiptholders and the Couponholders, to the jurisdiction of the English courts for all purposes in connection with the Agency Agreement, the Notes, the Receipts, the Coupons and the Deed of Covenant (including a dispute relating to any non-contractual obligations arising out of or in connection with the Agency Agreement, the Notes, the Receipts, the Coupons and the Deed of Covenant and that accordingly any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection with the Agency Agreement, the Notes, the Receipts, the Deed of Covenant and the Coupons (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Agency Agreement, the Notes, the Deed of Covenant and the Coupons may be brought in such courts, and in relation thereto the Issuer has appointed ITOCHU Treasury Centre Europe Plc at its registered office in England for the time being as its agent in England for receipt of process and on its behalf and has agreed that in the event of ITOCHU Treasury Centre Europe Plc ceasing so to act or ceasing to be registered in England each of them will appoint another person as its agent for service of process.

The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought

in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes. If in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## JAPANESE TAXATION

*The following is a general guide and should be treated with appropriate caution. Noteholders who are in any doubt as to their tax position should consult their own professional advisers.*

Payments of interest on the Notes to a resident of Japan or a Japanese corporation (except for a designated financial institution which has complied with the requirements under the Special Taxation Measures Law) or to an individual non-resident of Japan or a non-Japanese corporation for Japanese tax purpose (a “non-resident holder”) that, in either case, is a person having a special relationship (as described in Article 3-2-2, paragraphs 5 to 7 of the Cabinet Order) with the Issuer (a “specially-related person”) will be subject to Japanese income tax at a rate of 15.315 per cent. of the amount specified in sub-paragraphs (a) and (b) below, as applicable:

- (a) if interest is paid to an individual resident of Japan, to a Japanese corporation not described in sub-paragraph (b) below, or to a non-resident holder that is a specially-related person (except as provided in sub-paragraph (b) below), the amount of such interest will be subject to deduction in respect of Japanese income tax at a rate of 15 per cent. (for the period up to and including 31st December, 2037, an additional 0.315 per cent. is added thereto as special income surtax for reconstruction); and
- (b) if interest is paid to a public corporation, a financial institution, a financial instruments firm or certain other entities through a Japanese payment handling agent as provided in Article 3-3, paragraph 6 of the Special Taxation Measures Law in compliance with the requirement for tax exemption under that paragraph, the amount of such interest will not be subject to deduction in respect of Japanese income tax.

BY PURCHASING NOTES, AN INVESTOR WILL BE DEEMED TO HAVE REPRESENTED THAT IT IS, FOR JAPANESE TAX PURPOSES, NEITHER (A) AN INDIVIDUAL RESIDENT OF JAPAN OR A JAPANESE CORPORATION NOR (B) AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NON-JAPANESE CORPORATION THAT, IN EITHER CASE, IS A PERSON HAVING A SPECIAL RELATIONSHIP WITH THE ISSUER IN THE MANNER PROVIDED FOR IN THE SPECIAL TAXATION MEASURES LAW AS DESCRIBED IN ARTICLE 6, PARAGRAPH 4 OF THE SPECIAL TAXATION MEASURES LAW.

Payments of interest on the Notes outside Japan by the Issuer or the Paying Agent to a beneficial owner that is a non-resident holder will not be subject to Japanese withholding tax, provided that the beneficial owner complies with procedures for establishing its status as a non-resident holder in accordance with the requirements of the Special Taxation Measures Law. However, such payment of interest will be subject to Japanese withholding tax if:

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

If the recipient of any difference between the acquisition cost of the Notes and the amount which the holder receives upon redemption of such Notes, which is defined in Article 41-13 of the Special Taxation Measures Law as a redemption premium (the “Redemption Premium”), is a non-resident holder with no

permanent establishment in Japan that is not a specially-related person, no Japanese income or corporation taxes will be payable with respect to the Redemption Premium. If the Redemption Premium is attributable to a permanent establishment maintained by the recipient of such Redemption Premium in Japan and in certain other cases provided by the Cabinet Order, however, the Redemption Premium will be subject to Japanese income or corporation taxes.

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

Gains derived from the sale outside Japan of Notes by a non-resident of Japan or a non-Japanese corporation are in general not subject to Japanese income or corporation taxes. Gains derived from the sales in Japan of Notes by a non-resident of Japan or a non-Japanese corporation not having 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 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 relating to the Notes will be delivered in Japan and the contracts are executed and delivered outside Japan.

## DESCRIPTION OF THE ISSUER

### Overview

ITOCHU Corporation (“the Issuer” and, together with its consolidated subsidiaries, the “Group”), the predecessor of which was founded in 1858, was incorporated on 1st December, 1949. As a general trading company (*sogo shosha*), the Issuer operates in a comprehensive array of business domains, ranging from upstream areas, such as transactions involving raw materials, to downstream domains, such as retail. The Issuer considers itself to be a leading Japanese general trading company with diverse business activities. The Issuer is a globally integrated corporation with 7 domestic offices and 86 overseas offices (as of 1st April, 2023) with operations that cover a broad spectrum of industries. The following summarises the business of the Group’s eight business groups:

- **Textile Company** – the Textile Company develops businesses in a wide range of fields from raw materials to finished products, and from fashion to non-fibre materials
- **Machinery Company** – the Machinery Company develops businesses in a wide range of fields: water and environment related businesses, renewable energy, electric power generation, bridges, railways, petrochemicals and other infrastructure-related projects, ships, aircraft, automobiles, construction machinery, industrial machinery and other businesses related to machinery, and healthcare businesses.
- **Metals & Minerals Company** – the Metals & Minerals Company supports and provides raw materials to basic industries, such as steel and electric power, that are essential to social infrastructures. The Metals & Minerals Company engages in global mining and trading of iron ore, coal, uranium, base metals, and minor metals. The Metals & Minerals Company is also involved in the development and trading of non-ferrous metal materials (mainly aluminum), the trading of metal materials and products, recycling, and other businesses.
- **Energy & Chemicals Company** – the Energy & Chemicals Company handles trading and promotes general energy-related products, exploration, development and production of oil and gas projects, organic chemicals, inorganic chemicals, pharmaceuticals, synthetic resin, fine chemicals and electronic materials. The Company also pursues next-generation power business.
- **Food Company** – the Food Company is developing a high-value-added value chain that organically links customer needs-driven food resources development, food resources supply, product processing, midstream distribution, and retail on a global scale with a focus on Japan, China and Asia.
- **General Products & Realty Company** – the General Products & Realty Company deals with pulp, natural rubber, tires and the distribution business including third-party logistics and international transportation. The General Products & Realty Company also deals with the construction materials business that handles wood products and original equipment manufacturing (OEM) materials, the real estate development business that develops mainly residential housing and logistics facilities, and the real estate investment and building operation and management business.
- **ICT & Financial Business Company** – the ICT & Financial Business Company is leading efforts to tackle and expand new markets by combining the business development functions of the ICT Division with the customer networks and expertise of the Financial & Insurance Business Division.
- **The 8th Company** – the 8th Company collaborates with the seven existing business groups to fully leverage various business platforms, particularly in the consumer sector which is an area of the Group’s strength. Through this, the Group accelerates initiatives that combine different industries and extend across the boundaries of business groups and creates new businesses and develops new customers from a market-oriented perspective to meet market and consumer needs.

The Issuer's total revenues, gross trading profit and net profit attributable to the Issuer for the fiscal year ended 31st March, 2023 amounted to ¥13,945,633 million, ¥2,129,903 million and ¥800,519 million, respectively.

## History

The history of the Issuer dates back to 1858 when its founder Chubei Itoh commenced linen trading operations. Since then, the Issuer has evolved and grown over 150 years.

With approximately 90 bases in 61 countries (as of 1st April, 2023), the Issuer, one of the leading *sogo shosha*, is engaging in domestic trading, import/export, and overseas trading of various products such as textile, machinery, metals, minerals, energy, chemicals, food, general products, realty, information and communications technology, and finance, as well as business investment in Japan and overseas.

In 1918, the business was transformed into a public stock company and in 1950, the Issuer listed on the Osaka Securities Exchange and the Tokyo Stock Exchange, Inc. In 1992, the Issuer established its new corporate philosophy, focusing on "ITOCHU Committed to the global good". New corporate symbols, including a new corporate logo, were also introduced in the same year.

In 1997, the Issuer introduced a new way of doing business by dividing operations into independently managed "Division Company system". This was followed in 1999 by the adoption of the position of corporate executive officer for each division to divide more clearly the duties of senior management and the Board of Directors. The "Division Company system" facilitates prompt responses to today's borderless, rapidly evolving markets, while leveraging the benefits of the Issuer's scale.

In 2011, the Issuer adopted its new management principle, "Earn, Cut, Prevent". "Earn" refers to the expansion and improvement of the Issuer's earning platform, by strengthening its workforce capabilities and carefully selecting new investment projects while replacing assets. "Cut" refers to the reduction of expenses by reviewing all categories of expenses. "Prevent" focuses on maximising earnings through improved risk management.

In 2020, the Issuer revised the ITOCHU Mission to "Sampo-Yoshi", and redefined Corporate Message "I am One with Infinite Missions" as Guideline of Conduct.

## Strengths

### ***Diversified and stable earnings base through the "Sampo-yoshi", "Earn, Cut, Prevent" Principle and Commitment-Based Management***

- Strong diversified business portfolio with high non-resource sector exposure
  - The Issuer achieved its second highest net profit attributable to the Issuer of ¥800.5 billion in total in the year ended 31st March, 2023 by applying the "Earn, Cut, Prevent" principle. The Issuer accumulated profit steadily with robust earnings base which was well-diversified and resistant to economic fluctuations, recording net profit attributable to the Issuer in each of its Division Companies in the year ended 31st March, 2023.
  - The Issuer's non-resource sectors have earned stable profits and contributed around three fourths or more of net profits since the fiscal year ended 31st March, 2014. Approximately 73 per cent. of the Issuer's consolidated net profit was derived from non-resource sectors, and approximately 27 per cent. from resource sectors, in each case in the year ended 31st March, 2023.
  - Based on the 3-year average as of 31st March, 2023, approximately 90 per cent. of the Issuer's total assets, were derived from non-resource sectors, and approximately 10 per cent. were derived from resource sectors.

- Profit growth led to a continuous increase of the average return on equity (ROE) over the periods of the Issuer’s medium-term management plan. The average ROE of the Issuer has risen steadily from 13.8 per cent. for the three years ended 31st March, 2018 to 15.9 per cent. for the three years ended 31st March, 2021, and further to 19.8 per cent. for the two years ended 31st March, 2023.
- High ratio of profitable Group companies and diversified risk through effective risk management.
  - The Issuer owns 271 Group companies and the ratio of profitable Group companies was 88.6 per cent. as of 31st March, 2023.

### ***Continuous financial soundness through robust, growing cash flow***

- Under the Issuer’s management’s strong commitment to financial soundness, the Issuer has improved its financial position and lowered its net debt-to-shareholder’s equity ratio to 0.5 times as of 31st March, 2023, which was a historical low. The Issuer aims to control the amount of interest-bearing debt. Under the FYE2024 Medium -Term management Plan, the Issuer also aims to control its balance sheet to maintain its credit ratings, and control its net debt-to-shareholder’s equity ratio.
- The Issuer’s consolidated core operating cash flow was a net cash inflow of ¥871 billion for the year ended 31st March, 2023, which renewed the highest record for the second consecutive year, as a result of continuous business portfolio management and expanded core profit with cash flow mainly in non-resource sector.
- The Issuer has a principle of maintaining positive core free cash flow\* after returns to shareholders by strengthening cash generation capacity and adhering to stringent investment disciplines, and thoroughly implementing management control to front lines with a focus on cost of capital and cash flow management. The Issuer achieved a two-year cumulative core free cash flow after deducting shareholder returns of more than ¥487 billion.

### ***Practical and effective investment management strategies***

- The Issuer has set individual hurdle rates for each industry. The Issuer allocates management resources to the non-resource sectors, focusing on consumer-related businesses, which are the Issuer’s areas of strength.
- The Issuer has structured a practical decision-making process across the Group with multiple layers of screening at each Division Company, Investment Consultative Committee, and Headquarters Management Committee. The Issuer also employs quantitative and qualitative evaluation methods in accordance with various investment criteria, making its judgement on investing, monitoring and exiting more effective.
- The Issuer is utilising a Risk Capital Management (RCM) strategy. Under this strategy, the Issuer first calculates “risk assets” based on the maximum amount of the possible future losses from all assets on the balance sheet, including investments and all off-balance-sheet transactions. Second, the Issuer aims to control the quantity of risk assets within the limits of the “risk buffer” (consolidated shareholders’ equity plus non-controlling interests). As of 31st March, 2023, the Issuer had a risk buffer of ¥5,463.6 billion against the risk assets of ¥3,337.7 billion.
- In its continuous efforts to improve capital efficiency, the Issuer has expanded its hurdle rates for investment. The hurdle rates that must be cleared when conducting investments have evolved and the

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\* Core free cash flow is calculated as the total of (1) core operating cash flow (net cash provided by operating activities adjusted for changes in working capital, excluding the effect of lease accounting), and (2) net investment cash flow (primarily, net cash provided by (used in) investing activities plus equity transactions with non-controlling interests and less changes in loan receivables). Shareholder returns are the sum of interim and year end dividends and share buybacks.

Issuer has now established approximately 40 hurdle rates according to business type (by country) to manage investments meticulously.

#### ***Consistent financial/capital management policies and strong commitment to delivering results***

- The Issuer has consistent financial/capital management policies and has strongly committed to the results, which has been demonstrated by the Issuer's track record of achieving financial targets.
- Financial targets regarding the net profit, core free cash flow, and dividend policy set forth in "Brand-new Deal 2023" medium-term management plan were successfully achieved for the first two years of the three-year period of such medium-term management plan from FYE2022 to FYE2024.

#### **Medium-term Management Plan for FYE2022 to FYE2024 - "Brand-new Deal 2023"**

##### ***Quantitative indexes and targets***

- When "Brand- new Deal 2023" was first announced in May 2021, the original target for consolidated net profit was ¥600 billion by FYE2024. However, the Issuer exceeded the target in FYE2022 and FYE2023.
- The Issuer's financial strategy is to strengthen financial foundation to support new growth stages while maintaining consistency in financial strategy. Under the financial policy of balance sheet control appropriate for "A" ratings, for cash allocation, the Issuer plans to maintain balance among growth investments, shareholder returns, and control over interest-bearing debts, while maintaining positive core free cash flows after deducting shareholder returns. The Issuer's net debt-to-shareholder's equity ratio is 0.5 times as of 31st March, 2023, which is below the medium-term management plan target of 0.7 times to 0.8 times.

##### ***Realising business transformation by shifting to a market-oriented perspective***

- The Issuer's profit sources are shifting from upstream to downstream. By applying a market-oriented perspective, the Issuer will advance business model evolution and growth opportunity creation.
- The Issuer will grow business through value chain reform from downstream to upstream, ascertaining the diversifying actual and potential needs of sellers and buyers.
- As accomplishments of FYE2023, the Issuer accelerated expansion of the Group's construction machinery business through investment in Hitachi Construction Machinery Co., Ltd and the launch of North American business. Furthermore, the Issuer expanded North American construction the Group's materials business by the acquisition of an engineered wood products company. Other than these new investments, the Issuer strengthened alignment with YANASE & CO. LTD. and Hoken no Madoguchi Group Inc. through capital restructuring, and accelerated the expansion of the Group's renewable energy business with energy-storage-system-related business as the core, including the planned sale of renewable electricity to Amazon.com, Inc. and other companies.

##### ***Enhancing its contribution to and engagement with the SDGs through business activities***

- To realise a sustainable society, the Issuer embraces an approach to capitalism with greater emphasis on serving all stakeholders. Through its business activities, the Issuer will contribute to the achievement of SDGs in such ways as maintaining the foundations of everyday life and protecting the environment.
- As accomplishments of FYE2023, the Issuer obtained the highest score among Japanese companies of all industries in the FTSE ESG assessment (according to data published by FTSE International Limited in July 2023) and its shares are currently included in all the ESG-related indices adopted by the Government Pension Investment Fund of Japan.

## Financial Highlights

The financial information below as of and for the years ended 31st March, 2022 and 2023 has been derived from the audited consolidated financial statements of the Issuer as of and for the year ended 31st March, 2023:

|                                            | Year ended 31st March, |             |
|--------------------------------------------|------------------------|-------------|
|                                            | 2022                   | 2023        |
|                                            | (Millions of yen)      |             |
| <b>Consolidated Operating Results</b>      |                        |             |
| Revenues.....                              | ¥12,293,348            | ¥13,945,633 |
| Gross trading profit.....                  | 1,937,165              | 2,129,903   |
| Net profit attributable to the Issuer..... | 820,269                | 800,519     |

|                                                 | As of 31st March, |             |
|-------------------------------------------------|-------------------|-------------|
|                                                 | 2022              | 2023        |
|                                                 | (Millions of yen) |             |
| <b>Consolidated Financial Position</b>          |                   |             |
| Total assets.....                               | ¥12,153,658       | ¥13,111,652 |
| Total liabilities.....                          | 7,389,958         | 7,648,025   |
| Net Interest-bearing debt.....                  | 2,283,003         | 2,391,169   |
| Common stock                                    |                   |             |
| Authorised: 3,000,000,000 shares;               |                   |             |
| Issued: 1,584,889,504 fully paid-up shares..... | 253,448           | 253,448     |
| Total equity.....                               | ¥4,763,700        | ¥5,463,627  |

|                                                        | Year ended 31st March, |      |
|--------------------------------------------------------|------------------------|------|
|                                                        | 2022                   | 2023 |
| <b>Financial Ratios</b>                                |                        |      |
| Return on assets (%).....                              | 7.0                    | 6.3  |
| Return on equity (%).....                              | 21.8                   | 17.8 |
| Ratio of shareholders' equity to total assets (%)..... | 34.6                   | 36.8 |
| Net debt-to-equity ratio (times).....                  | 0.54                   | 0.50 |

Notes:

- (1) "Return on assets" is calculated by dividing net profit attributable to the Issuer by the average of total assets as of the beginning and the end of the fiscal year, multiplied by 100 per cent.
- (2) "Return on equity" is calculated by dividing net profit attributable to the Issuer by the average of shareholders' equity as of the beginning and the end of the fiscal year, multiplied by 100 per cent.
- (3) "Ratio of shareholders' equity to total assets" is calculated by dividing total shareholders' equity by total assets, multiplied by 100 per cent.
- (4) "Net debt-to-equity ratio" is calculated by Net interest-bearing debt divided by shareholders' equity.

## Operations

The Group conducts its operations through its "Division Company system", established in 1997 in order to streamline decision-making for each sector of operations. There are currently eight Division Companies:

- Textile Company;
- Machinery Company;
- Metals & Minerals Company;
- Energy & Chemicals Company;
- Food Company;
- General Products & Realty Company;
- ICT & Financial Business Company; and
- The 8th Company

The following information sets forth the total revenues, net profit attributable to the Issuer, total assets and return on assets ratio for each of the eight Division Companies as of and for the years ended 31st March, 2022 and 2023, in each case, derived from the audited consolidated financial statements of the Issuer as of and for the year ended 31st March, 2023:

|                                              | <b>Year ended 31st March,</b> |             |
|----------------------------------------------|-------------------------------|-------------|
|                                              | <b>2022</b>                   | <b>2023</b> |
|                                              | <b>(Millions of yen)</b>      |             |
| <b>Total revenues</b>                        |                               |             |
| Textile Company.....                         | ¥444,763                      | ¥534,584    |
| Machinery Company .....                      | 1,194,060                     | 1,393,625   |
| Metals & Minerals Company.....               | 1,043,071                     | 1,268,056   |
| Energy & Chemicals Company .....             | 2,902,735                     | 3,430,803   |
| Food Company.....                            | 4,305,429                     | 4,640,668   |
| General Products & Realty Company.....       | 1,058,873                     | 1,285,401   |
| ICT & Financial Business Company .....       | 877,074                       | 889,287     |
| The 8th Company .....                        | 459,862                       | 471,156     |
|                                              |                               |             |
|                                              | <b>Year ended 31st March,</b> |             |
|                                              | <b>2022</b>                   | <b>2023</b> |
|                                              | <b>(Millions of yen)</b>      |             |
| <b>Net profit attributable to the Issuer</b> |                               |             |
| Textile Company.....                         | ¥25,142                       | ¥25,477     |
| Machinery Company .....                      | 80,265                        | 107,088     |
| Metals & Minerals Company.....               | 226,498                       | 246,852     |
| Energy & Chemicals Company .....             | 90,627                        | 114,256     |
| Food Company.....                            | 61,773                        | 16,454      |
| General Products & Realty Company.....       | 105,411                       | 94,831      |
| ICT & Financial Business Company .....       | 104,426                       | 64,399      |
| The 8th Company .....                        | 44,175                        | 23,047      |

|                                         | <b>As of 31st March,</b> |             |
|-----------------------------------------|--------------------------|-------------|
|                                         | <b>2022</b>              | <b>2023</b> |
|                                         | (Millions of yen)        |             |
| <b>Total assets</b>                     |                          |             |
| Textile Company .....                   | ¥436,807                 | ¥457,659    |
| Machinery Company .....                 | 1,302,692                | 1,664,644   |
| Metals & Minerals Company .....         | 1,285,258                | 1,274,803   |
| Energy & Chemicals Company .....        | 1,489,260                | 1,552,638   |
| Food Company .....                      | 1,979,520                | 2,146,794   |
| General Products & Realty Company ..... | 1,126,171                | 1,223,292   |
| ICT & Financial Business Company .....  | 1,350,414                | 1,308,118   |
| The 8 <sup>th</sup> Company.....        | 1,813,769                | 1,906,655   |

|                                         | <b>Year ended 31st March,</b> |             |
|-----------------------------------------|-------------------------------|-------------|
|                                         | <b>2022</b>                   | <b>2023</b> |
|                                         | (Per cent.)                   |             |
| <b>Return on assets</b>                 |                               |             |
| Textile Company.....                    | 5.9%                          | 5.7%        |
| Machinery Company .....                 | 6.6                           | 7.2         |
| Metals & Minerals Company.....          | 20.6                          | 19.3        |
| Energy & Chemicals Company .....        | 6.7                           | 7.6         |
| Food Company .....                      | 3.5                           | 1.0         |
| General Products & Realty Company ..... | 9.8                           | 8.1         |
| ICT & Financial Business Company .....  | 8.1                           | 4.9         |
| The 8th Company .....                   | 1.9                           | 0.9         |

Note:

- (1) “Return on assets” is calculated by dividing net profit attributable to the Issuer of each Division Company by the average of total assets of each Division Company as of the beginning and the end of the fiscal year, multiplied by 100 per cent.

### ***Textile Company***

The Textile Company consists of two divisions: (i) the Apparel Division and (ii) the Brand Marketing Division.

The Textile Company develops businesses in a wide range of fields including textile materials/fabrics, which represent the Issuer’s founding businesses, apparel products, brands and industrial materials. The Textile Company operates in the following business fields:

#### ***Industrial textile & lifestyle area***

Widely involved in a diverse range of textiles and materials, from cutting-edge industrial textiles with advanced functionality to non-woven textiles used for sanitary items such as disposable diapers, the Issuer is developing its businesses globally.

In the area of automobiles, the Issuer markets interior materials for roof linings and floors and reinforcing materials for rubber belts and hoses. In the area of sports, the Issuer deals in products such as carbon fibre materials for golf shafts and fishing rods. The Issuer also provides polishing cloth and adhesive tapes in the area of electronics, roof waterproofing materials, tents and film construction materials in the area of construction and

civil engineering, and electric blankets and carpets in the area of interior materials. Further, the Issuer has focused its efforts on the creation of supply chains and services to address change in society, including its response to the electrification of automobiles and provision of linen supplies to hospitals and medical and welfare facilities.

#### *Apparel area*

The Issuer provides a wide variety of products globally, ranging from the textile materials/fabrics that are the founding businesses of the Group, to garment materials and apparel products manufactured in production systems in Japan and other Asian countries by taking the *monozukuri* (manufacturing) processes seriously. In addition to the Issuer's comprehensive capabilities that have been built up over the years leveraging the market-oriented perspective which looks at the entire process from company proposals, the procurement of materials and production through to logistics from the customer's perspective. The Issuer provides high value-added products and services that meet needs in an array of supply chain processes, such as services that focus on digital needs.

Recently the Issuer has been working to establish a proprietary business model through close collaboration with its partners and group companies inside and outside Japan, while strengthening the construction of the Group's original value chain that creates materials, including sustainable materials.

#### *Brand marketing area*

Having long led the industry as a pioneer in the brand business, the Group has rolled out an array of famous brands in Japan and overseas markets centred on Asia. The Issuer is proud to be an industry leader in this business area, and capitalising on its unique marketing capabilities, the Issuer has built complex business models consisting of not only an importing business but also a license business, the production of branded products that the Issuer handles, the acquisition of trademarks, M&A activities and participation in management.

In addition to a wide variety of brands such as luxury, casual and sports brands, the Issuer handles numerous brands relating to shoes, bags, accessories and many other brands throughout various lifestyle categories. Together with more than 200 sub-licensees and distributors, the Issuer is striving to maximize the value of brands in the global market.

#### *Accomplishments during the fiscal year ended 31st March, 2023*

The Textile Company acquired marketing rights and licensing rights for Reebok in Japan and jointly established a company managing domestic business operations in collaboration with JADE GROUP, Inc. The Textile Company also expanded the earnings base of the brand business through measures including acquisition of sales rights and master license rights in Japan for the U.S. fast fashion brand "FOREVER 21", and acquisition of exclusive rights to import and sell the British lifestyle brand "Barbour".

#### *Machinery Company*

The Machinery Company consists of two divisions: (i) the Plant Project, Marine & Aerospace Division, and (ii) the Automobile, Construction Machinery & Industrial Machinery Division.

The Machinery Company develops businesses in a wide range of fields: water and environment related businesses, renewable energy, electric power generation, bridges, railways, chemicals and other infrastructure-related projects, ships, aircraft, automobiles, construction machinery and industrial machinery. The Machinery Company operates in the following business fields:

#### *Plant Project*

In the plant project field, the Group brings to bear the comprehensive strengths of a trading company, including information gathering and development capabilities, project finance capability, and coordinate function between related parties obtained through involvement in international projects over many years. The Group is involved in projects such as seawater desalination plants, water supply and sewerage facilities, water and environment-related businesses such as power generation from waste, renewable and alternative energy projects including geothermal, wind and solar power generation; electric power-related services, social and

transportation infrastructure such as railways, bridges, ports, and chemical plants. The Group has also branched out into project development, project finance, project investment, M&A, and operation and maintenance for plant facilities in countries all over the world. The Group also undertakes EPC (Engineering, Procurement & Construction) projects, where the Group takes charge of plant construction in collaboration with heavy industry, heavy electric machinery, engineering and construction companies.

### *Marine*

A leader in the international market, the Japanese shipbuilding industry is responsible for nearly 20% of the world's ship construction. Against this background, the Issuer fully utilises its trading company functions to provide comprehensive solutions with high added value, such as intermediary transactions of new and used ships, ship financing, ship ownership and chartered ship transactions. Further, the Issuer has established a remarkable track record with ship companies in western countries, Asia, Japan, Latin America, the Middle East and other parts of the world. Today, the Issuer's transactions with Japanese, Korean and Chinese shipyards are expanding. Aside from transactions for the sale and purchase of new and used ships, the Issuer also operates its own ships and is actively committed to the development of marine resources through projects for the transportation of LNG, LPG and similar materials and the FPSO (floating production storage and offloading system) business. The Issuer is also building ammonia value chains centred on the development of ammonia-fuelled ships for decarbonizing international marine transportation.

In collaboration with a prominent group of maritime companies (shipping lines, publishers, trading companies etc.) in Japan and Asia, the Issuer established MarineNet Co., Ltd. This company operates Marine Net, the first portal site for the shipping and shipbuilding industries in Japan, and provides maritime companies with consulting services that include the distribution of shipping and shipbuilding related information and ship valuation.

### *Aerospace*

In the field of aircraft, the Group is expanding its businesses in areas related to defense, civil aircraft, aircraft leasing, space and security based on the relationships the Group has built over many years with aerospace companies with world-leading advanced technological capabilities. With the Issuer as the mainstay, ITOCHU Aviation Co., Ltd. and Japan Aerospace Corporation in Japan, and ITOCHU Aviation, Inc. and JAC USA in the United States undertake marketing and contract implementation in the field of defense and government business as well as private/business aircraft business. For civil airlines, the Group swiftly identifies market needs in a wide range of business areas and provides precise business solutions through JAMCO Corporation, which operates an aircraft interior and maintenance business, and ITOCHU AirLease B.V. in the Netherlands, which leases commercial aircraft. In recent years, the Issuer has also engaged in market creation for next-generation aviation in anticipation of a zero-carbon society.

### *Automobile*

Involved in automobile exports since Japan began exporting automobiles in the 1950s, the Issuer has been contributing to the development of Japan's automobile industry. The Issuer has been helping to enrich the motoring lives of customers around the world, by providing highly reliable Japanese automobiles to the markets worldwide, while steadily developing a sales and service network.

Through marketing that capitalises on its global network, the Issuer provides appropriate products for each market as well as a comprehensively broad range of flexible functions suited to the needs of markets and customers, including export-financing and inventory control.

For example, in Hungary, the Issuer has been developing automobile businesses with Suzuki Motor Corporation in a multifaceted way. As well as participating in manufacturing operations, the Issuer is developing distribution for manufacturing parts and finished goods; opening up the markets of neighbouring countries and developing export operations; and building wholesale, retail sales, and equipment-related businesses. Further, in response to the structural changes in the automobile industry in recent years, the Issuer has been broadening

the scope of its activities to include upstream and downstream areas, such as materials, parts manufacturing, distribution, retail, and finance-related operations.

These include parts-related businesses in the United States and China; retail sales in the United States, China, Europe, and other regions; and sales finance businesses in Asia.

In Japan, the Issuer is pursuing a multifaceted approach to the entire automobile industry by investing in YANASE & CO. LTD., a dealership specialises in imported luxury cars; and Century Tokyo Leasing Corporation, a major leasing company. The Issuer aims to further broaden its field of business while giving full play to its comprehensive capabilities and enhancing synergies among the Issuer and group companies in Japan and abroad.

Isuzu Motors Limited (“Isuzu”) has been an important business partner since 1971, when the Issuer arranged a partnership between Isuzu and General Motors Company of the United States. Now, the Issuer sells Isuzu products worldwide, including Japan and the United States. Isuzu is a leading manufacturer of commercial vehicles. The Group is involved with operations for the sale of Isuzu products in Japan, North America, Latin America, Asia, Africa, the Middle East, and other regions worldwide. Currently, the Issuer handles more than half of the commercial vehicles that Isuzu sells around the world.

Moreover, the Issuer is further strengthening its partnership through equity participation in Isuzu distributors in the United States, Japan, Vietnam, and Turkey.

In Japan, the Issuer is the only general trading company to be involved in a domestic commercial vehicle business. The Issuer and Isuzu operate a joint venture of commercial vehicle leasing and used car distribution in pursuit of the popularization of LCA (lifecycle assessment) for the implementation of CASE in society (‘Connected’, ‘Automated’, ‘Shared’ and ‘Electric’) and the achievement of a carbon-neutral society.

With rising concern about environmental issues, restrictions on exhaust gas and fuel consumption are strengthening all over the world. The Issuer believes that its mission is to provide environment-friendly products that meet current needs. Accordingly, the Issuer intends to deliver Isuzu products equipped with world-class environmental technologies to customers in countries around the world.

#### *Construction Machinery, Industrial Machinery & Healthcare*

The Issuer drives its Construction Machinery Lifecycle Strategy internationally with the aim of expanding the value chains business from manufacturing and sale of construction and mining machinery, to providing the services of parts sales, after sales supports, financing, rental and sale of used machinery.

The Issuer has a track record of many years supporting sales of Hitachi Construction Machinery products all over the world, including sales and finance joint ventures in Indonesia. After the capital alliance with Hitachi Construction Machinery Co., Ltd, the Issuer has started business collaboration, as a business partner, in logistics and finance in North America.

The Issuer also has business in North America of manufacturing and sales of small- and mid-sized construction machinery, the business of online equipment rental platform, as well as sales, financing and rental of the machinery in Japan via ITOCHU TC CONSTRUCTION MACHINERY. The Issuer aims to further expand its business domains by leveraging its existing business around the world.

In addition to the sale of conventional industrial machinery, such as machine tools, food machinery, and textile machinery, the Issuer also sells components and equipment, manufacturing systems and various automation systems for such advanced technology fields as secondary batteries, semiconductors and industrial films.

In initiatives to achieve the SDGs, the Issuer also supports the adoption of technologies and facilities for purposes such as decarbonization, green energy, recycling and disaster prevention.

In products for industrial applications, the Issuer also widely promotes sales of electronic devices related to 5G, the IoT, AI and DX.

The Issuer undertakes trading business in various fields in cooperation with its two domestic operating companies, ITOCHU MACHINE-TECHNOS CORPORATION and ITOCHU SysTech Corporation.

#### *Accomplishments during the fiscal year ended 31st March, 2023*

In addition to the investment in Hitachi Construction Machinery Co., Ltd, a joint venture finance company for construction machinery was established in North America by the Issuer, Hitachi Construction Machinery Co., Ltd, and Tokyo Century Corporation. The Machinery Company also strengthened earnings by adopting a hands-on management approach along with an increase in ownership in YANASE & CO., LTD.

#### ***Metals & Minerals Company***

The Metals & Minerals Company consists of the Metal & Mineral Resources Division and other directly overseen organisations including the Steel Business Coordination Department.

The Metal & Mineral Resources Division supports and provides raw materials to basic industries, such as steel and electric power, that are essential to social infrastructures. The Division engages in global mining and trading of iron ore, coal, uranium, base metals, and rare metals. The Division is also involved in the development and trading of non-ferrous metal materials (mainly aluminum), the trading of metal materials and products, recycling, and other businesses.

Furthermore, the “Carbon Neutral Management Section” was established in April 2021, directly under the Metal & Mineral Resources Division in order to promote the developments in areas such as Hydrogen & Ammonia and CCUS (Carbon dioxide Capture, Utilization and Storage), in cooperation with the Issuer’s customers in the fields of steel making, power generation, and with the resource companies, to strive to realise the de-carbonation of the societies.

In addition, the Steel Business Coordination Department, which is directly overseen by the Metals & Minerals Company, pursues synergy and provides a wide-ranging support for Marubeni-Itochu Steel Inc. in the field of steel products.

The Metals & Minerals Company contributes to the sustainable development of the global economy by supporting the stable supply of resources, energy, metal materials and metal products. The Metals & Minerals Company operates in the following business fields:

#### ***Mineral Resources***

In this business field, the Group develops and trades raw materials around the world aiming to ensure a stable supply of raw materials mainly for basic industries such as steel, electric power, non-ferrous metals, and others. In the area of iron ore, the Group manages Mt. Newman and other iron ore mining joint ventures in Australia with BHP Billiton Ltd. The annual production volume of these joint ventures is approximately 290 million tonnes. In Brazil, the Issuer is the largest shareholder of a consortium consisting of Japanese, Korean, and Taiwanese companies holding equity in CSN Mineração S.A., an iron ore producer affiliated with the major Brazilian steel producer Companhia Siderurgica Nacional (CSN). Furthermore, in 2022, the Issuer acquired a stake in the iron ore business in Canada (AMMC), which is operated by ArcelorMittal and others. The Issuer has been operating these businesses to further strengthen the supplying ability. Furthermore, the Issuer is developing utilisation of next generation technologies for further optimization, enhanced safety and resource saving including decarbonization of mining operation with its partner companies. In the area of coal business, the Group is collaborating with the leading resource companies such as Glencore plc to operate coal-producing and marketing joint ventures in Australia. Going further, the Issuer invests in PT Suprabari Mapanindo Mineral coking coal mine in Indonesia and also in Allegheny coking coal mine in West Virginia, US, which is now under development.

Regarding the coal-related business, the Issuer is also focusing on the development and promotion of technologies to reduce emissions of greenhouse gases, such as CCUS, in order to contribute to the development of a sustainable society while meeting social demands for stable supplies of raw materials and fuel both in Japan and abroad.

The Issuer's wholly owned affiliate ITOCHU Minerals & Energy of Australia Pty Ltd centrally holds iron ore and coal projects located in countries including Australia, Canada and Indonesia to maintain efficient operations for mineral resources development. In the area of non-ferrous materials, the Group engages in trading of aluminum, which contributes to making automobiles lighter. The Group is also advancing development and exploration of base and rare metals such as copper, nickel, platinum, and other minerals that sustain production and utilisation of hydrogen and storage batteries which are essential to popularize electric vehicles.

Furthermore, ITOCHU Metals Corporation engages in investment for production of aluminium car parts in North America in addition to trading of non-ferrous raw materials and products in midstream and downstream supply chain. Going further, the Issuer is developing recycle of metal scraps and appropriate treatment of industrial wastes, which contribute to a sustainable society.

The recycling-related business, which directly links to the efficient use of limited resources, has become particularly a key business focus reflecting the growing social needs in reducing environmental burden through the 3Rs + W (reduce, reuse, recycle and Waste Management). The Issuer is focusing within the initiatives on venous industry by enforcing collaboration with Rever Holdings Corporation (current TRE Holdings Corporation), which the Issuer has invested in 2019.

#### *Accomplishments during the fiscal year ended 31st March, 2023*

The Metals & Minerals Company increased its interest in, and realised stable supplies of metal resources, which underpin the base of economic activities and are indispensable for the transition to a decarbonised society. For example, investment in the AMMC iron ore project in Canada to secure a stable supply of high-grade iron ore that will help to reduce carbon emissions from the steel industry.

#### *Steel Products*

As a leader in steel distribution, Marubeni-Itochu Steel Inc. has established a robust global steel distribution network consisted of more than 100 subsidiaries and affiliates in Japan and abroad to enhance product sales and processing while delivering solutions and diverse services to customers.

#### ***Energy & Chemicals Company***

The Energy & Chemicals Company consists of 3 divisions: (i) the Energy Division, (ii) the Chemicals Division and (iii) the Power & Environmental Solution Division.

The Energy Division handles trading of general energy-related products, including crude oil, petroleum products, LPG, LNG, natural gas and hydrogen, as well as developing related projects. This Division also undertakes projects in oil & gas exploration, development and production. The Chemicals Division handles trading and develops projects for a wide range of products such as organic chemicals, inorganic chemicals, pharmaceuticals, functional food, synthetic resin, fine chemicals and electronic materials. The Power & Environmental Solution Division pursues next-generation power business including photovoltaic solar power generation and biomass power generation projects, electricity trading and the energy storage cell business. The Issuer creates synergies among these globally operating divisions by optimising the value chain in petroleum, gas, electricity and chemicals, in an effort to enrich the lives of people in both Japan and around the world. The Energy & Chemicals Company operates in the following business fields:

#### *Energy*

The goal of the Issuer's energy business is to realise a decarbonised society and build a balanced portfolio from upstream to downstream thereby ensuring a stable energy supply.

In the upstream sector, the Issuer is participating in projects in Azerbaijan, Russia (Sakhalin, East Siberia), Iraq, Qatar and Oman. The Issuer is actively working to reduce greenhouse gas emissions through such measures as CCS (carbon capture and storage) while contributing to Japan's energy security by maintaining and developing its key interests through acquisitions and asset replacements.

In the downstream sector, the Issuer's energy trading business operates primarily in Tokyo, Singapore, and London. In Asia, where energy demand is expected to grow, the Issuer is promoting wholesale and

distribution businesses in India, the Philippines, and other countries. The Group works as one unit to build a value chain that covers the supply of LPG, an efficient and reliable portable energy source, and LNG, which contributes to the development of industry, in order to improve quality of life and deliver a stable supply of energy to the world.

To reduce greenhouse gas emissions and utilise renewable energy, its newest next-generation fuel business supplies renewable fuel made from waste cooking oil and other materials that do not compete with food products. The Issuer is also developing several hydrogen and ammonia projects which emit zero carbon dioxide from combustion.

### *Chemicals*

The Group trades an extensive line up of products, including basic chemicals, plastics, electronic materials, and pharmaceutical raw materials. By leveraging its worldwide sales network, among trading companies the Group has become one of the largest handlers of organic basic raw materials, synthetic fiber raw materials, sulfur and its derivatives, and plastics. In addition to trading, by investing in businesses the Group is building a multifaceted portfolio that covers upstream areas through to downstream areas. Consequently, this division includes many major Group companies, such as ITOCHU CHEMICAL FRONTIER Corporation, and ITOCHU PLASTICS Inc.

The Group is also focused on creating new businesses that respond to the needs of society. The Group is actively developing Life & Healthcare initiatives in the pharmaceutical field, as well as environment-related business fields. In pharmaceuticals, the Issuer has begun participating in trading in raw materials and preparations, the licensing business and wholesale in China. In business related to the environment, Group companies are working together on new eco-friendly material initiatives and new business models based on greater awareness of recycling. The Issuer is stepping up market-oriented initiatives to meet social needs.

### *Power & Environmental Solution*

The Group covers the power sector and a wide range of power-related sectors based on “a market-oriented perspective.” its activities range from renewable energy power generation, such as photovoltaic solar power generation and biomass power generation, through to electricity trading and the provision of optimal charging services utilizing next-generation energy-storage cells.

In the power business, the Group is involved in electricity trading in Japan’s liberalized electricity sector as well as renewable energy power generation such as photovoltaic solar power generation and biomass power generation. In battery-related business, Smart Star Series, the Group’s own-brand stationary smart energy storage system boasts one of the largest shares of the domestic market. The Group is also branching out into related sectors such as biomass fuel trading and the heat supply business through Aoyama Energy Service Co., Ltd. As outlined above, the Issuer is implementing initiatives in the power sector aimed at realising a recycling-oriented society and is working with partners both inside and outside of Japan to expand the power solutions business.

### *Sakhalin-1 Project*

The Group holds a 16.29 per cent. interest in Sakhalin Oil and Gas Development Co., Ltd. (“SODECO”), which had a 30 per cent. stake in the Sakhalin-1 oil and gas project in Russia as a Japanese consortium member led by the Japanese government. In October 2022, a presidential decree was issued to transfer all assets of the consortium to a newly established company, which would take over the operations of Sakhalin-1. SODECO submitted a notice of consent to take interest of the new company to the Russian government and was approved in November 2022.

### *Oil Exploration, Development, and Production Activities in Eastern Siberia, Russia*

Together with Japan Oil, Gas and Metals National Corporation and INPEX CORPORATION, the Group is participating in oil exploration, development, and production activities in Irkutsk Oblast, Eastern Siberia, Russian Federation. These activities are being conducted through Japan South Sakha Oil Co., Ltd. (“JASSOC”). The operator for this project is INK-Zapad, a joint venture between Irkutsk Oil Company (“INK”) and JASSOC.

INK-Zapad has moved forward with exploration and appraisal operations. Crude oil reserves sufficient for commercial production were confirmed at the Ichyodinskoye (ICH) oil field, and the field was moved to the production phase in December 2016.

#### *Accomplishments during the fiscal year ended 31st March, 2023*

The Energy & Chemical Company began supplying sustainable aviation fuel (SAF), produced by Neste Oyj of Finland, to Japan Airlines Co., Ltd and Etihad Airways PJSC. Furthermore, the Energy & Chemical Company invested in growth to further strengthen the business foundations of the synthetic resins business and expanded its business network.

#### ***Food Company***

The Food Company consists of three divisions: (i) the Provisions Division, (ii) the Fresh Food Division, and (iii) the Food Products Marketing & Distribution Division. The goal of this Division Company is to become the leading company in the global food industry.

Accordingly, the Food Company is developing a high value-added value chain that organically links customer-driven food resources development, food resources supply, product processing, midstream distribution, and retail on a global scale with a focus on Japan, China and Asia. Further, throughout that system the Issuer is upgrading controls for food safety even further to ensure trust and reliability. The Food Company operates in the following business fields:

#### *Food Resources*

In the field of food resources, the Group utilises its supply bases in North America, Asia, Australia, South America and elsewhere to trade for Japan and Asian countries. It is expected that rising population would accelerate imbalance of global supply and demand of food resources. It is also expected that sophisticated consumers would pay more attention to food safety. Satisfying such needs for the supply stability and the safety of food, the Group advances initiatives in producing areas, such as grain company in North America, coffee exporter in Central America and dairy producer in Oceania. In addition, the Group also proactively utilises Japan's food processing knowhow in other emerging markets in Asia. The Group's Provisions Division continuously contributes to the society by securing food resources and food safety.

#### *Product Processing*

At the Food Company, the Group is bolstering initiatives in the production and processing areas through the Group companies. As well as harnessing the advantages of a trading company in procuring ingredients, the Group also taps its networks for marketing. In Japan, major businesses including Fuji Oil Co., Ltd., Prima Meat Packers, Ltd., and WELLNEO SUGAR Co., Ltd. are carrying out food production and processing. In overseas development, in addition to the Group's existing strategy of manufacturing products intended for Japan, the Group has been investing in or developing joint projects with companies that manufacture products intended for the local market. Going forward, the Issuer aims to work together with local partners on expanding Japanese technologies, know-how, and brands overseas.

#### *Midstream Distribution*

In food distribution and marketing, the Issuer is a leader in the industry in terms of size and offers high value added services to meet diverging needs, through companies including ITOCHU Shokuhin Co., Ltd., which is listed on the Prime Market of the Tokyo Stock Exchange, Inc. and has nationwide distribution system mainly for alcoholic beverages and processed foods, and NIPPON ACCESS, Inc., which has distribution capabilities for all three temperature zone products of dried, chilled, and frozen.

Besides strengthening its existing food product wholesale capabilities, the Issuer plans to actively utilise digital and other advanced technologies, aiming for further evolution and development as a leading company in the food industry.

## *Retail*

Through its retail initiatives centred on mass retailers and convenience stores, the Issuer aims to build a high-value-added value chain for food, encompassing product development and production as well as raw material supply and procurement. The Issuer also aims to contribute to the evolution of retail through the development of services which help business partners solve problems and the provision of high quality logistics capabilities through its operating companies, incorporating new perspectives such as digital transformation (DX) and marketing.

### *Accomplishments during the fiscal year ended 31st March, 2023*

The Issuer responded to demographic changes and the diversification of sugar demand in Japan by integrating the management of ITOCHU SUGAR Co., Ltd., and Nissin Sugar Co., Ltd., to establish a holding company, WELLNEO SUGAR Co., Ltd.

## ***General Products & Realty Company***

The General Products & Realty Company consists of two divisions: (i) the Forest Products, General Merchandise & Logistics Division, and (ii) the Construction & Real Estate Division.

The Forest Products, General Merchandise & Logistics Division deals with North American building materials, pulp, natural rubber, tires and the distribution business including third-party logistics (3PL) and international transportation. The Construction & Real Estate Division deals with the construction materials business that handles wood products and OEM materials, the real estate development business that develops mainly residential housing and logistics facilities, and the real estate investment and building operation and management business. Each division utilises its collective strength and global network to provide society with new value and contribute to the realization of fulfilling housing experiences.

### *Forest Products, General Merchandise & Logistics*

Out of the three product categories handled by the Issuer: apparel, food, and the home, “home” is the primary focus of the Forest Products, General Merchandise & Logistics Division. This Division contributes to affluent lifestyles through diverse value creation in the consumer-related sector focusing on the home and living.

The Issuer defines the North American building materials business as an industry that is expected to maintain solid growth on the basis of the stable growth of the population. To integrate management, the Issuer has established ITOCHU Building Products Holdings Inc. as a holding company for the North American building materials business. It aims to continuously expand the fence business under its control and enter other building materials areas. The Issuer operates CIPA Lumber Co. Ltd., a veneer manufacturer, and Pacific Woodtech Corporation, a laminated veneer lumber manufacturer, jointly with Daiken Corporation, a major building materials manufacturer. Going forward, it will leverage the knowledge it has accumulated over many years and the manufacturing expertise of Daiken Corporation to continuously increase earnings strength and corporate value.

In the field of pulp and paper, the Issuer is leveraging its pulp sales network spanning Asia, Europe and North America to further consolidate its position as a global pulp trader and to further strengthen the pulp business. The Issuer invested in Metsa Fibre Oy in 2012. Based in Finland, it is one of the world's largest softwood pulp producers. Following the production increase in 2017, it plans to increase production again in 2023. The Issuer will sell its pulp chiefly in the Asia market which will help increase Metsa Fibre's presence. In addition to conventional paper products and hygiene materials, the Issuer is also focusing on cellulose nanofiber and new environmentally materials made from wood and preparing for the market introduction of new technologies.

In the rubber and tire area, the Group has constructed a strong global value chain from the natural rubber processing business that is one of the largest operations of its kind in Southeast Asia by a general trading company to the tire wholesale and retail businesses. In the tire business specifically, the Issuer operates Kwik-Fit (GB) Ltd. It is a leading company in the tire retail industry in the United Kingdom, which the Issuer defines as a strategic region. In these activities, the Issuer is working to continuously build up its sales network. In

addition, the Issuer puts Murfitts Group Ltd under its control in 2021. It aims to contribute to the sustainability of the entire tire supply chain by collecting waste tires to reduce waste and selling recycled products.

With changes in distribution channels resulting from the emergence of e-commerce giants and changes in the logistics environment such as shortages of truck drivers and trucks, industry demand for new forms of supply chains is growing. Drawing on the Group's strengths as a general trading company, the Group has moved beyond providing standalone services such as "storage" and "transportation" and begun creating new networks for supply chains that will solve the challenges faced by the industry as a whole, including the creation of collaborative logistics networks.

As an operational company, ITOCHU LOGISTICS CORP. provides customers in a wide range of fields in Japan and overseas with high quality one-stop logistics services utilising its logistics functions for land, sea and air, its wide domestic and international networks, its rich experience-based knowledge of on-site logistics operations, and added value including the distribution channel function.

In China, the Issuer is proud to operate the largest-scale 3PL business among Japanese corporations. ITOCHU LOGISTICS (CHINA) CO., LTD. ensure the success of carefully managed logistics operations based on a network covering the whole of China, mainly in the cosmetics/apparel/sundries retail/e-commerce field and the automobile field. In ASEAN and West Asia, the Group has 3PL companies such as PT. ILC LOGISTICS INDONESIA (Indonesia) and IP Integrated Services Private Limited (India), and provides logistics operation services in emerging markets.

#### *Construction & Real Estate*

Working alongside ITOCHU KENZAI CORPORATION which is a building materials-focused trading company, DAIKEN CORPORATION, which supplies a wide range of construction materials, ITOHPIA HOME CO., LTD., which is involved in the planning, design construction and maintenance of detached homes, and other strong Group companies engaged in the manufacturing and wholesale of building construction materials and construction, the Group has established a strong market presence.

Not limited to development undertaken by the Group, the Issuer works as a broker to supply building machinery, equipment and materials to all types of development projects in Japan and overseas, and is progressively strengthening the Group's value chain in the building materials business.

The Issuer is involved in the business of developing residential housing, logistics facilities, commercial facilities, office buildings and other real estate.

ITOCHU Property Development, Ltd., and other Group companies perform roles in the area of residential housing. The Issuer develops and provides services by exploiting a value chain that extends from development and construction through to sales, management and operational services, leasing, brokering, and distribution.

In fields other than residential housing, the Issuer pursues synergies by collaborating organically with Division Companies and the Headquarters business organization while utilising its advantage as a general trading company that receives countless pieces of information every day.

Specifically, with regard to logistics facilities, the Issuer provides services only a general trading company could provide, ranging from site allocation through to development and operation of facilities, and involvement in equipment materials, according to tenant needs.

Together with the general real estate management services provided by ITOCHU Urban Community Ltd., the Group operates two Japanese real estate investment trusts (J-REITs), Advance Residence Investment Corporation, Japan's largest residential REIT, and Advance Logistics Investment Corporation.

The Issuer also operates Advance Private Investment Corporation, an unlisted open-ended private real estate investment trust.

The Group makes full use of its knowledge and networks as a general trading company to expand business overseas in collaboration with its local partners, Japanese developers, and Japanese construction

companies. In the United States, ASEAN and China, the Group is currently involved in numerous projects, including the leasing, sale and operation of many large-scale logistics facilities, multifamily rental housing developments, data centres and industrial parks, and investment in hotels and resorts. In North America in particular, the Group plans to steadily expand business in the future, with involvement in residential real estate and next-generation business.

#### *Accomplishments during the fiscal year ended 31st March, 2023*

The Issuer strengthened the value chain of the construction materials business in North America by acquiring an engineered wood products (posts and beams) business in the region. The Issuer also unified management through capital restructuring of the construction materials business in North America and the logistics business in China. Moreover, the Issuer steadily created synergies in real estate development projects and others, with Nishimatsu Construction Co., Ltd., and Paraca Inc.

#### ***ICT & Financial Business Company***

The ICT & Financial Business Company consists of two divisions: (i) the ICT Division, and (ii) the Financial & Insurance Business Division and strives to create a business synergy focused on service fields such as ICT and BPO.

In areas such as the FinTech business, and amalgamation of Finance and Technology that has attracted increased attention in recent years, ICT & Financial Business Company is leading efforts to tackle and expand new markets by combining the business development functions of the ICT Division with the customer networks and expertise of the Financial & Insurance Business Division. The ICT & Financial Business Company operates in the following business fields:

#### *Information & Communication Technology*

The Issuer assists the digital transformation of various customers by making most of its engagement in a wide range of IT related sectors, including but not limited to IT solution, data analysis & utilisation, internet services and venture capital investment. The core of the Issuer's IT solution business relies on ITOCHU Techno-Solutions Corporation ("CTC"). In recent years however, the Issuer has expanded their capability by collaborating with companies such as Sigmaxyz Holdings Inc., a major Japanese consulting firm, and SilverSky Inc., a large US-based security solution provider. Ever since its establishment, CTC has developed strong relationships with leading IT companies worldwide, transforming CTC into a unique multi-vendor that can provide a wide range of products and solutions to an extremely vast market. At the same time, CTC has been concentrating on increasing the sales of high value-added cloud-based solutions. In September 2023, the Issuer completed a tender offer process for the shares of CTC with the aim of making CTC a wholly owned subsidiary of the Issuer. As for data analysis and utilisation, the Issuer partners with WingArc1st Inc., an entity that can promote DX by providing paperless and big data solutions. Also, a capital and business tie-up with BrainPad Inc., a provider of professional data analytics, has reinforced the Issuer's ability to approach potential customers. In the area of Internet-related services, ITOCHU Interactive Corporation provides web site development, operation, and management services. The Issuer is also expanding into the digital marketing and online advertising / retailing sectors. In the venture investment & VC business, the Issuer invests in some of the world's largest venture capital funds and support cooperation between startups and the Group and their expansion into Japanese and Asian markets. In Japan, the Issuer is involved in the development of startups mainly in the growing area of IT. ITOCHU Technology Ventures, Inc., the company composing and operating venture funds, serves as the core of the development.

The Issuer has recognized the potential of the mobile phone industry from the early 1990s, and have collaborated with NTT Docomo in opening the first DOCOMO shop, in Hachioji, Tokyo. Since then, its mobile phone distribution business has been expanding and the Issuer is currently seeking to expand businesses such as businesses related to mobile phones including the sale of used mobile phones, device finance and the provision of mobile and IoT solutions for domestic and international consumers and corporations.

Moreover, as part of its business efforts using low-earth orbit (LEO) satellites, which is garnering attention as a growth area, the Issuer has invested in Infostellar Inc. who offer sharing services for ground stations, for which there will likely be a growing demand as the number of satellites increases. The Issuer intends to continue to actively pioneer new business opportunities. Regarding the media business, the Issuer is involved in a wide range of media-related businesses through cooperation with companies such as SPACE SHOWER NETWORKS Inc., which operates the largest music TV channel in Japan, and ITOCHU Cable System Inc., a system integrator specializing in video, communication and sound. The Issuer also promotes businesses in the rapidly growing domain of content by, for example, investing in Rights & Brands Asia Ltd. (RBA), which is aimed at developing content in Asia, and ANYCOLOR Inc., one of the biggest VTuber businesses in Japan.

Centering on Bellsystem24, Inc., a major company in the contact center industry, the Issuer offers a BPO business that supports marketing for client companies using AI and other forms of new technology and voice data as well as support to promote DX (digital transformation). Moreover, the Issuer is promoting at-home contact centers to support diverse work styles and BCP measures, thereby allowing the Issuer to offer safer and more secure services. The Issuer will seek to maximize the value of communication with customers and consumers in its business as well as to provide new services and solutions.

As COVID triggered an increase in demand related to digital transformation, its businesses in the medical and healthcare domain have been divided into those related to pharmaceuticals and those geared toward medical institutions. Most recently, the Issuer has launched medical DX and data-related businesses and are also expanding into the rapidly growing ASEAN region. Businesses for medical institutions: Century Medical, Inc. provides domestic hospitals with advanced medical devices from domestic and international manufacturers. Kobe Medical Care Partners Co., Ltd. cooperates with partner companies in providing Kobe City Medical Center General Hospital with peripheral medical services and maintaining its facilities. Medical DX and data business: In a capital partnership with TXP Medical Co. Ltd., the Issuer has begun the DX of emergency medical practices including the analysis and utilization of medical data. Overseas: In the rapidly growing ASEAN region, the Issuer successfully entered the business of providing medical information in a capital partnership with Docquity Holdings, a company that operates a physician platform business.

#### *Financial & Insurance Business*

In Japan, the Issuer is involved in the credit card and credit sales businesses, with a total of around 16 million credit card holders, through capital participation in POCKET CARD CO., LTD. and Orient Corporation (listed on the Prime Market of the Tokyo Stock Exchange, Inc.). Overseas, the Issuer is conducting the business of unsecured loans to individuals through capital participation in United Asia Finance Limited in Hong Kong and Mainland China and EASY BUY Public Co., Ltd. in Thailand. In addition, First Response Finance Limited, which is its wholly-owned subsidiary in the UK, is involved in the car finance business. In recent years, the Issuer also established ACOM CONSUMER FINANCE CORPORATION jointly with ACOM CO., LTD. and entered the business of unsecured loans for individuals in the Philippines. Through initiatives such as these, the Issuer will continue working to provide financial services to meet the needs of individuals and will contribute to the development of local communities, focusing on Asia where the middle-income group is expected to expand in the future.

The Issuer operates an FX business for individuals through capital participation in Gaitame.com Co., Ltd. The Issuer also provides financial education and a loanable investment platform in cooperation with the startups and partners that the Issuer invest in. Going forward, the Issuer will expand its various financial services for personal asset management.

The Issuer is working to provide many different, new services related to remittance, payment, asset management, insurance and other areas to meet the needs of customers. More specifically, the Issuer is entering the salary pre-payment and factoring businesses via MONEY COMMUNICATIONS INC. and investing in new areas such as BNPL (Buy Now Pay Later) and microfinance. Moving forward, the Issuer aims to create advanced, user-friendly next-generation financial services through investment in and partnership with domestic and international FinTech startups and venture companies and make these services available to enterprises and consumers.

In 2014, the Issuer made a full-scale entry into the retail life insurance intermediary business through its investment into Hoken no Madoguchi Group Inc., a leading insurance agency which has over 700 retail insurance shop network countrywide. HOKEN NO MADOGUCHI deals with companies face-to-face on a day-to-day basis, in line with its corporate philosophy of being “an excellent and the most caring company for customers,” and it enjoys strong customer support for proposing insurance products which best meet customer needs. The Issuer has sent many officers and employees on secondment to HOKEN NO MADOGUCHI to promote its further growth and development and is deeply involved in its business management. Moving forward, the Issuer aims to leverage HOKEN NO MADOGUCHI as its base in the retail insurance field to expand the business further.

With respect to insurance for trade transactions, the Group provides high value-added marine cargo insurance, trade credit insurance and other risk solutions, utilizing know-how cultivated with years of experience as a general trading company. Through the companies of the Group, the Issuer provides extensive solutions to corporate and individual customers both domestically and internationally. In Japan, ITOCHU Orico Insurance Services Co., Ltd. provides highly useful insurance products selected from among numerous insurance products in light of increasingly diverse and complex risks, to both corporate and individual customers. I&T Risk Solutions Co., Ltd. proposes insurance-based solutions addressing different risks related to the Group's overseas operations. Overseas, under the Cosmos brand, the Group has built a global brokerage network — the largest of its kind for a Japanese-affiliated company based in Hong Kong, Thailand, Vietnam, and other countries and regions. In addition, the Issuer is working to expand transactions, for example, motorbike insurance in Southeast Asia and pet insurance in Thailand, in local markets with a focus on the retail area.

NEWGT Reinsurance Co., Ltd., a single-parent captive of the Issuer, mainly reinsures risks from affiliated and related companies of the Issuer, with the marine cargo business as its major line. Meanwhile, eGuarantee, Inc. (listed on the Prime Market of the Tokyo Stock Exchange, Inc.) is a guarantee specialist whose largest shareholder is the Issuer. As the only listed company in Japan with the unique business model of undertaking and liquidating credit risks, it underwrites credit risks such as sales credits and bills owned by large companies, small and medium enterprises, and financial institutions, helping to facilitate transactions between businesses. In 2019, the Issuer entered the retail risk guarantee business of by investing in Gardia, Inc., which operates the retail credit guarantee business. As a pioneer in the retail credit guarantee business sector, Gardia provides new guarantee services, using technology to define diverse retail risks such as the risk of "No Show" at restaurants and shows.

#### *Accomplishments during the fiscal year ended 31st March, 2023*

The Issuer established AKQA UKA Inc., a joint venture with the United Kingdom's WPP Group, which is one of the world's largest advertising agencies, to develop a consulting business specialising in customer experience.

#### ***The 8th Company***

The 8th Company collaborates with the other seven Division Companies to fully leverage various business platforms, particularly in the consumer sector which is an area of the Group's strength. Through this, the Group accelerates initiatives that combine different industries and extend across the boundaries of Division Companies and creates new businesses and develops new customers from a market-oriented perspective to meet market and consumer needs.

#### *Consumer business*

Since acquiring shares in FamilyMart in February 1998, the Group has worked with FamilyMart to implement initiatives in a range of areas including efficient logistics operations and product development. The 8th Company will aim to create new businesses and services that originate from the needs of the customers who visit FamilyMart stores and will create new businesses and develop new customers by leveraging its physical assets, in other words, FamilyMart stores. In August 2021, the Issuer established a joint venture with FamilyMart for in-store media business with digital signage to obtain revenue sources not only for FamilyMart but also other retailers such as supermarket chains and drug store chains utilising the Group's broad network.

### *Accomplishments during the fiscal year ended 31st March, 2023*

The Issuer achieved year-on-year growth in daily sales throughout the year by strengthening the competitiveness of FamilyMart merchandise, and successfully implementing the “FAMIMARU” private brand 1st Anniversary ‘thanks sale’ and various other measures at FamilyMart stores.

### **The Issuer's Clean-tech Business**

The Group has established enhancing contribution and engagement with the SDGs including climate change as one of its basic policies in its Brand-new Deal 2023 medium-term management plan. The Group will aim for offset zero that also takes into account the amount of greenhouse gas emissions it contributes to reducing through clean-tech business by 2040. This target is 10 years ahead of the Japanese government’s target. The Group aims to achieve this by being the first in the industry to realise a decarbonised society.

Climate change and other environmental risks are also clean-tech business opportunities at the same time. The Group aims to adopt cutting-edge technologies from a medium- to long-term perspective. The Group also aims to take the lead in promoting concrete measures which are expected to lead to sustainable growth in the future and which will contribute to a transformation in social structure toward a decarbonised and recycling-oriented society.

#### *Renewable Energy*

The Group globally enhances carbon neutral related businesses such as renewable power, hydrogen and ammonia. The Group aims to make profit growth not only by focusing on investments, but also by providing multi-angled functions such as engineering, operation and maintenance. The Group is involved in various aspects of power generation projects, aiming to optimize and maximize power generation efficiency. These include the Butendiek Offshore Wind Farm in the North Sea of Germany, Aomori Mutsu Ogawara Onshore Wind Farm, four mega-solar power plants in Japan, distributed solar power supply business, solar panel recycling business, geothermal and biomass powers and operation and maintenance for renewable power in North America.

#### *Fuel ammonia*

With international momentum towards the transition to a decarbonised society, the International Maritime Organization (IMO) has set a greenhouse gas (GHG) emissions reduction strategy of 40% efficiency improvement from 2008 levels by 2030, 50% total volume reduction from 2008 levels by 2050, and to phase-out of GHG emissions (zero emissions) as early as possible during this century (currently under revision as of April 2023). In order to achieve these goals, early development and social implementation of zero-emission ships are expected, and ammonia is attracting attention in various fields as a candidate alternative fuel. In addition, a stable supply of ammonia fuel for marine use and the development of supply bases are indispensable elements for the concrete development of ships that use ammonia as their main fuel.

#### *Hydrogen related business*

In December 2020, Japan announced the “Green Growth Strategy Towards 2050 Carbon Neutrality,” and as part of that strategy, hydrogen is expected to contribute to the decarbonisation of various fields as a key technology for carbon neutrality with promising applications across a wide range of fields, such as power generation, industrial usage, transportation. In light of this major trend, the Group’s wide-ranging networks focused on consumer-related sectors will be used to demonstrate the comprehensive capabilities of the Group and promote the development of the hydrogen market.

#### *Energy storage systems (ESS)*

The Group aims to promote decarbonisation and reduce environmental footprint by selling energy storage systems (ESS) that enhance and optimise the sustainable supply of renewable energy. As a demonstration of its commitment, the Group has set a clear sales target for ESS of ¥50 billion and a cumulative energy storage exceeding 5GWh by FYE 2031.

Moving forward, the Group aims to strengthen its global battery procurement and dealer network to further deploy household storage batteries. At the same time, the Group will look to develop AI-equipped energy storage systems and to then launch them onto the market (especially, the Group assumes, the U.S. and Australian markets which are expected to grow in the future) with capital and business alliance partners overseas. The Group will then aim for the development and social implementation of large energy storage systems that use reused batteries for commercial and industrial and grid related applications. Moreover, the Group will accelerate efforts to recycle waste batteries generated by electric vehicles (EVs) or energy storage systems and efforts relating to the traceability of those. This will allow it to develop its recycling-orientated business and to contribute to a further improvement in corporate value.

#### *Water Infrastructure*

The Group identifies water-related businesses as a strategic priority. This is due to the Group's understanding that such demands will increase given global climate change trends projecting drastic changes in rainfall as well as changes in demography especially in emerging economies. The Group globally engages in water-related businesses such as seawater desalination, water utility, aiming to contribute solutions to the increasing water problems around the world.

#### *Waste Management Project*

All over the world, 2.0 billion tons of municipal solid waste are discharged annually. At least one-third of this waste is not treated in a proper way. As a result, decomposing gases emitted from waste cause fires, and the toxic substances that flow from waste mix with lakes, rivers, and groundwater, having a negative impact on the health of people and ecosystems in the surrounding areas. Due to rapid urbanisation and population growth, especially in emerging countries, the world's waste volume is expected to reach 3.4 billion tons per year over the next 30 years.

The Group is involved as a developer, investor, and operator in 4 energy-from-waste projects for municipal governments in the United Kingdom, which treat 1.3 million tons of waste annually, accounting for 15% of the UK's waste incineration market, and generate enough electricity to power 160,000 British households. In the Republic of Serbia, the Group is working with the government of Serbia and City of Belgrade to develop an energy-from-waste project. The project will address one of the biggest environmental and social problems in Serbia - closing and remediating the existing landfill at the Vinca dumpsite, and treat municipal solid waste in City of Belgrade, and generate electricity. Financed by International Finance Corporation (IFC), the European Bank for Reconstruction and Development (EBRD) and Oesterreichische Entwicklungsbank (Austria's Development Bank "OeEB"), the construction of an energy-from-waste facility is under construction. This project will treat 340,000 tons of waste annually and generate enough electricity to power 30,000 households. In addition to these projects, the Group has started an energy-from-waste project in the Emirate of Dubai, the United Arab Emirates in 2020. This project will be one of the largest energy-from-waste projects in the world, which will treat 1.9 million tons of waste annually, accounting for about 45% of the municipal solid waste in UAE, and generate electricity. This project will contribute to reaching the goals set by Dubai Municipality in minimising the volume of municipal waste in landfills and developing alternative energy sources as well as contribute to sustainable and ecologically friendly waste management.

#### *CCUS Carbon Fixation*

The Group invested in the Australia-based company, Mineral Carbonation International (MCi), and has been collaborating with MCi in promoting its technology which produces calcium carbonate by combining by-products of the steelmaking process (slag), coal ash and/or waste concrete with CO<sub>2</sub>, to permanently lock away CO<sub>2</sub> in a solid form and utilize as building materials. MCi was, in June 2021, awarded 14.6 million Australian dollars grants from the Australian government's Carbon Capture Use and Storage (CCUS) Fund, and then in November 2021 MCi won the first prize in the COP26 Clean Energy Start-up Pitch Battle in Glasgow, among 2,700 competing companies around the world. MCi is a company that aims to remove a billion tons of CO<sub>2</sub> annually in the future, as its company mission. In July 2022, the Group, TAISEI CORPORATION, and MCi

concluded a memorandum of understanding and have started to verify the use of this calcium carbonate as raw materials for concrete.

Furthermore, the Group acts as a member of a consortium which was awarded a project, worth total 16 billion yen, launched by New Energy and Industrial Technology Development Organization (NEDO), for the research and development, demonstration and surveys to establish the mass transportation technology for liquefied CO<sub>2</sub>, by connecting emission sources to utilization/storage points. In addition, the Group has been engaged with the research and demonstration for the mass cultivation of the euglena microalgae, making use of CO<sub>2</sub> from neighbouring coal-fired power plant, which again is a project run by NEDO, with a partner, euglena Co., Ltd.

### *Green Buildings*

The Group's construction and real estate group is committed to providing real estate and distribution services, especially in housing and commercial facilities as well as distribution facilities and housing complexes, which are sustainable and relevant to everyday life. The Group aims to do so by being involved throughout the value chain, from the development to the operation and management of real estate products to streamline and optimize the solutions where the Group can, utilizing smart city concepts and emerging technologies such as IoT (Internet of Things).

the Group engages in real estate primarily through its subsidiaries. Advance Residence Investment Corporation, a listed residential real estate investment trust (REIT) that is a subsidiary to the Group, identifies sustainability as a top priority and is well regarded for its performance. For example, it participates in GRESB, a sustainability rating framework for real estate investors, and has 10 real estate assets with DBJ Green Building certifications and 13 real estate assets with CASBEE real estate valuation certifications which accounts to 28.6% in surface area, and 8.3% in number of units among its entire portfolio. At Advance Logistics Investment Corporation, a listed REIT focused on logistics assets, the Group owns 9 assets with DBJ Green Building certifications, which accounts to 84.9% in surface area, and 69.2% in number of units among its entire portfolio. At Advance Private Investment Corporation, an unlisted open-ended REIT, the Group owns 1 real estate asset with CASBEE real estate valuation certification, which accounts to 33.5% in surface area, and 25% in number of units among its entire portfolio.

### *Initiatives Advanced Together with CITIC and the CP Group*

The Issuer focuses on the non-resource sector, centred on consumer-related businesses. Together with the most appropriate partners, the Group will develop operations in China and Asia, where the Group has strengths that it has reinforced over many years.

### *Business alliance and capital participation with the Charoen Pokphand Group*

The Group's first step in developing businesses was the commencement of a business alliance and capital participation with the Charoen Pokphand Group ("CP Group") in July 2014. The CP Group operates a diverse business covering, among others, production of animal feed, agriculture and livestock products, food, ICT, logistics, finance and pharmaceuticals. Through the business alliance and capital participation, the CP Group has become a major shareholder of the Issuer. At the same time, the Issuer has acquired 25 per cent. of the shares of C.P. Pokphand Co. Ltd. (CPP), a core company in the CP Group.

By combining the Issuer's management resources, such as Japan's advanced technologies, and the CP Group's business infrastructure, such as its sales routes, the Issuer and the CP Group will be able to address the growing "needs for quality" on a broad scale.

### *Strategic business alliance and capital participation with CITIC Limited and Charoen Pokphand Group Company Limited*

In January 2015, CITIC Limited ("CITIC"), CP Pokphand Group Company Limited, and the Issuer reached a capital participation agreement under which the Issuer and the CP Group would ultimately acquire 20 per cent. of CITIC. The CITIC group's businesses include financial services, resources and energy,

manufacturing, engineering contracting, real estate, and other businesses in China and overseas. The three companies also reached agreement on a strategic business alliance and capital participation.

Through the integration of the three groups' management resources and the joint acquisition of assets, the groups will be able to implement initiatives that address demand arising in a wide range of fields in conjunction with China's "transition from quantity to quality." Moreover, the possibilities of this expansion of business infrastructure are not limited to China. Rather, they extend to Asia, and—through the Issuer's network—around the world. the Issuer can look forward to business opportunities in a variety of fields that have been difficult to enter and also anticipate the further reinforcement of the strengths it has honed over the years with regard to China and consumer-related businesses.

The Issuer and the CP Group acquired 20% of the shares of CITIC, making CITIC an equity-method associated company of the Issuer, and the Issuer now shares 10% of CITIC's consolidated net profit as a result. These are the reasons why the Issuer decided to invest about ¥600.0 billion, which will mark a record high, not only as an investment in China by a Japanese company but also as an overseas investment by a Japanese general trading company and as an investment by the Issuer.

## **Funding**

The Issuer aims to ensure flexibility in funding in response to changes in financial conditions and to take advantage of opportunities to lower its overall financing costs. Also, as a means of enhancing the stability of its financing, the Issuer seeks to maintain funding through long-term sources and endeavours to find the optimum balance in its funding structure through diversified funding sources and methods. Moreover, the Issuer established a 'Group Finance' scheme utilising Group finance managing companies based in Asia, Europe and the United States for the funding of overseas subsidiaries. the Issuer utilises indirect financing techniques, such as bank loans, and direct financing, such as bond issuance. Also, the Issuer undertakes funding through commercial paper to heighten capital efficiency and lower capital costs. The Issuer has enough reserves for liquidity including commitment lines.

## **Liquidity**

The Group works to ensure an adequate amount of reserves in order to cope with unpredictable events, such as a deterioration in the financing environment.

As of 31st March, 2023, against the necessary liquidity amount, which is the total of short-term interest-bearing debt and contingent liabilities of ¥863.4 billion, the amount of reserves, which is the sum of cash, cash equivalents, time deposits, and the unutilised commitment line was ¥1,198.1 billion. the Issuer believes that this constitutes adequate reserves for liquidity. In addition, as of 31st March, 2023, the amount held as other assets that can be converted to cash in a short period of time, such as available-for-sale securities was ¥836.8 billion.

## **Risk Management**

### *Identification of Sustainability-related Risks and Opportunities*

As a group with global operations, the Group constantly monitors the risks to its business arising from changes in society and the business environment, including environmental and societal measures and legislation in respective countries. The Division Company Management Committee ("DMC"), which serves as an advisory body to the Division Company President of each operating segment who have the responsibility for overseeing the management and business activities of their respective operating segment, annually reviews business risks and opportunities, including those related to environmental, social and other sustainability-related issues, and formulates plans that sets out a range of measures and business priorities. The plan for each operating segment is submitted to the Headquarter Management Committee ("HMC") where Group-wide matters are decided, and to the Board of Directors, and is approved by the Board of Directors following a final comprehensive analysis and deliberation from a sustainability perspective.

### *Evaluation of Sustainability-related Risks and Opportunities*

The Group recognises that risk management is an important management priority. Accordingly, the Group has established a basic policy for risk management, and developed the required risk management systems and methodologies. The Group identifies risks by gathering information on a regular basis regarding regulatory and other trends related to sustainability, including climate change, supply chain issues, and human rights, as well as sustainability-related risks and opportunities impacting its business operations throughout the world.

### *Management of Sustainability-related Risks and Opportunities*

The Group delegates decision-making authority to its operating segments in order to enable to manage sustainability-related risks and opportunities associated with their business operations. At each operating segment's DMC, management policies as well as investments, loans, guarantees, and businesses and other matters affecting the Issuer's management are deliberated, with final decisions made by the Division Company President. These decisions are managed, as appropriate to the circumstances at each stage of the business.

### *Integration into Company-wide Risk Management System*

The Group has established a variety of internal committees and responsible divisions to address various risks and opportunities including sustainability-related risks and opportunities. The Group has also established the required risk management systems and methods, including various management regulations, investment criteria, risk and transaction limits, and reporting and monitoring systems, in order to manage risks and opportunities on both an individual and company-wide basis.

Risks and opportunities managed by each operating segment are reported to the respective internal committees, and after deliberation by the respective committees, are approved by the HMC or the Board of Directors as necessary in accordance with their level of importance. The effectiveness of the Group's management systems is reviewed annually by the Internal Control Committee and reported to the Board of Directors.

## **Material Contracts**

The Issuer is not aware of any contracts entered into by it other than those which (a) are entered into in the ordinary course of its business or (b) could not result in any member of the Group being under an obligation or entitlement which is material to the Issuer's ability to meet its obligations under any Notes to be issued by it under the Programme.

## **Major Shareholders**

The Issuer is an independent company and, as far as it is aware, is not directly or indirectly owned or controlled by any shareholder or group of shareholders acting together. The Issuer is not aware of the existence of any arrangements, which may at a future date result in a change of control of the Issuer.

## **Relationship with other members of the Group**

The Issuer is the parent company of the Group, consisting of 188 subsidiaries and 83 affiliates accounted for by the equity method as of 31st March, 2023. In addition to holding shares in its direct subsidiaries, it conducts its own business activities. Whilst a part of the Issuer's business relates to transactions with other members of the Group, the Issuer is not dependent on the other members of the Group.

## **Legal and Arbitration Proceedings**

Neither the Issuer, nor any of its subsidiaries, is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which may have or have had during the twelve months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer or the Group.

## Management

The Board of Directors of the Issuer determines the fundamental management policy and other important matters of management of the Issuer and supervises the performance of duties of the directors. All directors and audit and supervisory board members are elected at the general meeting of shareholders. The normal term of office of a director expires at the close of the ordinary general meeting of shareholders held with respect to the last fiscal year ended within one year after such director's election although each director may serve any number of consecutive years. The normal term of office of audit and supervisory board members expires at the close of the ordinary general meeting of shareholders held with respect to the last fiscal year ended within four years after such audit and supervisory board member's election although each audit and supervisory board member may serve any number of consecutive years.

The audit and supervisory board members are not required to be certified public accountants but may not serve as directors or employees of the Issuer or any of its subsidiaries at the same time. In addition, not less than half of the audit and supervisory board members must be outside audit and supervisory board members who have never been directors or employees of the Issuer or any of its subsidiaries. The audit and supervisory board members have the statutory duty of supervising the administration of the Issuer's affairs by the directors and also of examining the financial statements and business reports to be submitted by to general meetings of shareholders. The audit and supervisory board members must attend meetings of the Board of Directors and express opinions thereat, if necessary, but they are not entitled to vote.

### *Members of the Board*

| <b>Name</b>                             | <b>Title</b>                        |
|-----------------------------------------|-------------------------------------|
| Masahiro Okafuji <sup>(1)</sup> .....   | Chairman & Chief Executive Officer  |
| Keita Ishii <sup>(1)</sup> .....        | President & Chief Operating Officer |
| Fumihiko Kobayashi <sup>(1)</sup> ..... | Executive Vice President            |
| Tsuyoshi Hachimura <sup>(1)</sup> ..... | Executive Vice President            |
| Hiroyuki Tsubai <sup>(1)</sup> .....    | Member of the Board                 |
| Hiroyuki Naka <sup>(1)</sup> .....      | Member of the Board                 |
| Masatoshi Kawana <sup>(2)</sup> .....   | Member of the Board                 |
| Makiko Nakamori <sup>(2)</sup> .....    | Member of the Board                 |
| Kunio Ishizuka <sup>(2)</sup> .....     | Member of the Board                 |
| Akiko Ito <sup>(2)</sup> .....          | Member of the Board                 |

Notes:

(1) Representative director

(2) Outside director

### *Audit and Supervisory Board Members*

| <b>Name</b>                         | <b>Title</b>                     |
|-------------------------------------|----------------------------------|
| Makoto Kyoda .....                  | Audit & Supervisory Board Member |
| Yoshiko Matoba .....                | Audit & Supervisory Board Member |
| Kentaro Uryu <sup>(1)</sup> .....   | Audit & Supervisory Board Member |
| Tsutomu Fujita <sup>(1)</sup> ..... | Audit & Supervisory Board Member |
| Kumi Kobayashi <sup>(1)</sup> ..... | Audit & Supervisory Board Member |

Note:

(1) Outside audit & supervisory board member

## **Conflicts of Interest**

There are no potential conflicts of interest between the duties to the Issuer of all of the persons listed above (including members of the board and audit & supervisory board members) and their private interests or other duties.

## **SUBSCRIPTION AND SALE**

The Dealers have in an amended and restated programme agreement dated 19th December, 2023 (as amended and/or supplemented and/or restated from time to time, the “Programme Agreement”) agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “Form of the Notes” and “Terms and Conditions of the Notes” above. In the Programme Agreement, the Issuer have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme.

### **United States**

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

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. Treasury regulations. Notes are expected to be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the “Code”)) (“TEFRA D”) unless (i) the applicable Final Terms state that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (“TEFRA C”) or (ii) the Notes are issued other than in compliance with the TEFRA D or TEFRA C but in circumstances in which the Notes will not constitute “registration required obligations” under the United States Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), which circumstances will be referred to in the applicable Final Terms as a transaction to which TEFRA is not applicable. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and the U.S. Treasury regulations.

Each Dealer has represented and agreed that, except as permitted by the Programme Agreement, it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until after the expiration of a 40-day distribution compliance period (as defined in Regulation S under the Securities Act) commencing upon completion of the distribution of all Notes of the Tranche of which such Notes are a part within the United States or to, or for the account or benefit of, U.S. persons and it will have sent to each distributor, dealer and person receiving a selling concession, fee or other remuneration to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. In addition, until 40 days after the commencement of the offering of all Notes of a Tranche of which such Notes are a part, an offer or sale of Notes within the United States or to, or for the account or benefit of, U.S. persons by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act, if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issue of Indexed Notes and Dual Currency Notes will be subject to such additional U.S. selling restrictions as the Issuer, and the relevant Dealer may agree as indicated in the applicable Final Terms. Each Dealer has agreed that it will offer, sell or deliver such Notes only in compliance with such additional U.S. selling restrictions.

### **Prohibition of Sales to European Economic Area Retail Investors**

Each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the

Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### **Prohibition of Sales to United Kingdom Retail Investors**

Each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of United Kingdom domestic law by virtue of the EUWA; or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of United Kingdom domestic law by virtue of the EUWA; or
  - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation, and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Each Dealer has further represented and agreed that:

- (a) in relation to any Notes which have 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 as 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 Financial Services and Markets Act 2000 (the “FSMA”) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## Japan

The Notes have not been and will not be registered under the FIEL and are subject to the Special Taxation Measures Law. Each of the Dealers has represented and agreed that (i) it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell, any Notes in Japan or to any person resident in Japan for Japanese securities and financial instruments law purposes (including any corporation or other entity organised under the laws of Japan), except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL; and (ii) it (a) has not, directly or indirectly, offered or sold any of the Notes to, or for the benefit of, any person other than a Gross Recipient (as defined below), and (b) will not, directly or indirectly, offer or sell any of the Notes as part of its initial distribution at any time, to, or for the benefit of, any person other than a Gross Recipient.

A “Gross Recipient” for this purpose is (i) a beneficial owner that is, for Japanese tax purposes, neither (a) an individual resident of Japan or a Japanese corporation, nor (b) an individual non-resident of Japan or a non-Japanese corporation that in either case is a party having a special relationship with the Issuer as described in Article 6, Paragraph (4) of the Special Taxation Measures Law, (ii) a Japanese financial institution or a Japanese financial instruments business operator, designated in Article 3-2-2, Paragraph (29) of the Cabinet Order relating to the Special Taxation Measures Law that will hold the Notes for its own proprietary account, or (iii) an individual resident of Japan or a Japanese corporation whose receipt of interest on the Notes will be made through a payment handling agent in Japan as defined in Article 2-2, Paragraph (2) of the Cabinet Order relating to Article 3-3 of the Special Taxation Measures Law.

## Singapore

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, 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.

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

## General

Each Dealer has agreed that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus or any Final Terms or any related offering material and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such

purchases, offers, sales or deliveries and none of the Issuer or any other Dealer shall have any responsibility therefor.

None of the Issuer nor any of the Dealers have represented that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumed any responsibility for facilitating such sale.

Some of the Dealers and their respective 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 or their affiliates. Such Dealers and their respective affiliates have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Dealers and their respective 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 or their affiliates. Certain of the Dealers or their respective 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 respective 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 offered hereby. Any such short positions could adversely affect future trading prices of the Notes offered hereby. The Dealers and their respective 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

### Programme Authorisation

As a matter of Japanese law, no resolution of the Board of Directors of the Issuer is required in connection with the establishment or updating of the Programme. Issues of Notes under the Programme by the Issuer during the period up to May 2024 have been duly authorised by resolutions of the Board of Directors of the Issuer dated 17th May, 2023. By such resolutions of the Board of Directors of the Issuer, the Representative Director (Chief Financial Officer) has been authorised to decide each issue of the Notes by the Issuer during such period, subject to the terms and conditions authorised therein. The issues of the Notes by the Issuer shall be completed pursuant to the decision of the Representative Director (Chief Financial Officer). It is expected that the Board of Directors will approve issues of Notes under the Programme for the period from June 2024 to the twelve month anniversary of the date of this Base Prospectus and beyond at a future meeting of the Board of Directors of the Issuer.

The Issuer has agreed that the aggregate nominal amount of Notes outstanding under the Programme from time to time will not exceed U.S.\$5,000,000,000.

### Listing

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

### Documents Available

So long as any of the Notes remains outstanding and throughout the life of the Programme, copies of the following documents will, when available, be available from the registered offices of the Issuer and from the specified office of the Agent:

- (i) the constitutional documents of the Issuer (or an accurate English translation thereof);
- (ii) the most recently available audited consolidated financial statements and consolidated unaudited quarterly financial information of the Issuer as soon as they are available;
- (iii) the Agency Agreement (which contains the forms of the Global Notes, the Definitive Notes, the Receipts, the Coupons and the Talons), and the Deed of Covenant (and any supplements thereto); and
- (iv) this Base Prospectus and any further Base Prospectus or supplements and Final Terms (save that a Final Terms will only be available to a holder of a Note and such holder must produce evidence satisfactory to the Issuer and the Paying Agent as to its holding of Notes and identity) and other documents incorporated herein by reference.

## **Clearing Systems**

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate codes for each Tranche allocated by Euroclear and Clearstream, Luxembourg will be contained in the relevant Final Terms. If the Notes are to be cleared through an additional or alternative clearing system, the appropriate information will be contained in the relevant Final Terms. Transactions will normally be effected for settlement not earlier than three days after the date of transaction. The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

## **Independent Auditor**

The consolidated financial statements of the Issuer as of and for the years ended 31st March, 2023, with corresponding figures as comparative information as of and for the year ended 31st March, 2022, incorporated by reference in this Base Prospectus, have been audited by Deloitte Touche Tohmatsu LLC, an independent auditor, who has expressed an unmodified opinion thereon.

## **Post-issuance Information**

The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

**THE ISSUER**

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