



## Mitsubishi HC Capital Inc.

*(incorporated with limited liability in Japan)*

## Mitsubishi HC Finance America LLC

*(incorporated with limited liability in the State of Delaware)*

**U.S.\$6,000,000,000**

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

guaranteed in respect of Notes issued by Mitsubishi HC Finance America LLC by

### **Mitsubishi HC Capital Inc.**

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

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

The Notes issued by MHFA will be guaranteed by MHC (in such capacity, the “Guarantor”).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$6,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

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

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

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

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

The Programme has been rated AA by Japan Credit Rating Agency, Ltd. (“JCR”), AA by Rating and Investment Information, Inc. (“R&I”) and A3 by Moody’s Japan K.K. (“Moody’s”). Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

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#### **Arranger**

**MUFG**

#### **Dealers**

**BNP PARIBAS**  
**Daiwa Capital Markets**  
**Goldman Sachs International**  
**J.P. Morgan**  
**Mizuho**  
**MUFG**  
**SMBC Nikko**

**Citigroup**  
**Daiwa Capital Markets Europe**  
**HSBC**  
**BofA Securities**  
**Morgan Stanley**  
**Nomura**

The date of this Base Prospectus is 28 August 2024.

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

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

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

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

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

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

The Notes and the guarantee thereof (the “Guarantee”) have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), and Bearer Notes (as defined herein) are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the benefit or account of, U.S. persons (see “Subscription and Sale”).

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

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

**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 (the “UK”). 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 domestic law; 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 domestic law; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law (the “UK Prospectus Regulation”). Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

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

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

**UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET**—The Final Terms in respect of any Notes may include a legend entitled “UK 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 FCA Handbook Product Intervention and Product Governance Sourcebook (the “UK 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 UK 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 UK MiFIR Product Governance Rules.

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “Financial Instruments and Exchange Act”) and the Notes (if issued by MHFA, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHFA through its permanent establishment in Japan as provided for in the Act on Special Measures Concerning Taxation of Japan (Act No. 26 of 1957, as amended, the “Act on Special Taxation Measures”)) are subject to the Act on Special Taxation Measures. The Notes may not be offered or sold in Japan or to, or for the benefit of, any person resident in Japan, or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, a person resident in Japan, for Japanese securities law purposes (including any corporation or other entity organised under the laws of Japan) except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and governmental guidelines of Japan. In addition, the Notes (if issued by MHFA, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHFA through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures) may not, as part of the distribution by the Dealers under the programme agreement or applicable subscription agreement relating to the Notes, at any time be directly or indirectly offered or sold to, or for the benefit of, any person other than a beneficial owner that is, (i) 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 as described in Article 6, Paragraph (4) of the Act on Special Taxation Measures (a “specially-related person of the issuer”) (excluding an underwriter designated in Article 6, Paragraph (12), item 1 of the Act on Special Taxation Measures which purchases unsubscribed portions of the Notes (if issued by MHFA, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHFA through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures) from the other underwriters) or (ii) a Japanese financial institution, etc. designated in Article 3-2-2, Paragraph (29) of the Cabinet Order (Cabinet Order No. 43 of 1957, as amended, the “Cabinet Order”), relating to the Act on Special Taxation Measures.

**BY SUBSCRIBING FOR THE NOTES (IF ISSUED BY MHFA, ONLY IN CIRCUMSTANCES WHERE ANY INTEREST ON THE NOTES IS ATTRIBUTABLE TO A BUSINESS IN JAPAN CONDUCTED BY MHFA THROUGH ITS PERMANENT ESTABLISHMENT IN JAPAN AS PROVIDED FOR IN THE ACT ON SPECIAL TAXATION MEASURES), AN INVESTOR WILL BE DEEMED TO HAVE REPRESENTED THAT IT IS A PERSON WHO FALLS INTO THE CATEGORY OF (i) OR (ii) ABOVE.**

Interest payments on the Notes (if issued by MHFA, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHFA through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures) will be subject to Japanese withholding tax unless it is established that the Bonds are held by or for the account of a beneficial owner that is (i) for Japanese tax purposes, neither an individual resident of Japan or a Japanese corporation, nor an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of the issuer, or (ii) a Japanese financial institution, etc. designated in Article 3-2-2, Paragraph (29) of the Cabinet Order which complies with the requirement for tax exemption under Article 6, Paragraph (11) of the Act on Special Taxation Measures or (iii) a Japanese public corporation, a Japanese financial institution or a Japanese financial instruments business operator, etc. which has received such payments through a payment handling agent in Japan, as provided in Article 3-3, Paragraph (6) of the Act on Special Taxation Measures, in compliance with the requirement for tax exemption under that paragraph.

Interest payments on the Notes (if issued by MHFA, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHFA through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures) to an individual resident of Japan, to a Japanese corporation not described in the preceding paragraph, or to an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of the issuer will be subject to deduction in respect of Japanese income tax.

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

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

This Base Prospectus has been prepared on the basis that any offer of Notes in the UK will be made pursuant to an exemption under the UK Prospectus Regulation from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in the UK of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by final terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuers or the Guarantor or any Dealer to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer. Neither the Issuers or the Guarantor or any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuers or the Guarantor or any Dealer to publish or supplement a prospectus for such offer.

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

All references in this document to “U.S. dollars”, “U.S.\$” and “\$” refer to the currency of the United States of America and to “Yen” and “¥” refer to the currency of Japan. In addition, references to “Sterling” and “£” refer to the currency of the United Kingdom, to “euro” and “€” refer to the currency introduced at the start

of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, to “Singapore dollars” and “S\$” refer to the currency of Singapore and to “Renminbi” and “CNY” are to the currency of the People’s Republic of China.

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

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (the “Stabilisation Manager(s)”) (or persons 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, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or person(s) 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 incorporated in, and form part of, this Base Prospectus and the financial statements can be found on the website of the SGX-ST at <https://www2.sgx.com/securities/company-announcements>:

- (a) the independent auditor's report and audited consolidated annual financial statements of MHC for the financial years ended 31 March 2024 and 2023, in English, including the information set out at the following pages in particular:

Consolidated Balance Sheets .....	Pages 16 to 17
Consolidated Statements of Income.....	Page 18
Consolidated Statements of Comprehensive Income.....	Page 19
Consolidated Statements of Changes in Equity .....	Pages 20 to 21
Consolidated Statements of Cash Flows .....	Pages 22 to 24
Notes to Consolidated Financial Statements.....	Pages 25 to 95
Independent Auditor's Report .....	Pages 96 to 102

The above information is contained in the Financial Information 2024 of MHC. Any other information not listed above but contained in such document is not incorporated by reference;

- (b) the independent auditor's report and audited consolidated annual financial statements of MHC for the financial years ended 31 March 2023 and 2022, in English, including the information set out at the following pages in particular:

Consolidated Balance Sheets .....	Pages 16 to 17
Consolidated Statements of Income.....	Page 18
Consolidated Statements of Comprehensive Income.....	Page 19
Consolidated Statements of Changes in Equity .....	Pages 20 to 21
Consolidated Statements of Cash Flows .....	Pages 22 to 24
Notes to Consolidated Financial Statements.....	Pages 25 to 96
Independent Auditor's Report .....	Pages 97 to 102

The above information is contained in the Financial Information 2023 of MHC. Any other information not listed above but contained in such document is not incorporated by reference;

- (c) the unaudited interim consolidated financial information for the three months ended 30 June 2024 of MHC set out in the document named "Consolidated Financial Highlights for the First Quarter of the Fiscal Year Ending March 31, 2025 [Based on J-GAAP]", except for the following sections which are not incorporated in and do not form part of the Base Prospectus:

- the tables (including the commentary underneath) titled "2. Dividends" and "3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)";
- the explanatory notes titled "\*\* Explanation regarding the appropriate use of the forecasts, etc."; and
- the subsection on page 6 titled "(4) Future Outlook".



The interim consolidated financial statements have been prepared in accordance with the Article 4-1 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements and in accordance with accounting principles for interim financial statements generally accepted in Japan, omitting certain disclosures under the Article 4-2 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements. A part of the disclosures required under accounting principles generally accepted in Japan is omitted under the Article 4-2 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements.

- (d) the independent auditor's report and audited financial statements for MHFA for the financial year ended 31 December 2023, in English, including the information set out at the following pages in particular:

Independent Auditor's Report.....	Pages 1 to 2
Balance Sheet.....	Page 3
Statement of Income and Comprehensive Income.....	Page 4
Statement of Changes in Member's Equity .....	Page 5
Statement of Cash Flows .....	Page 6
Notes to Financial Statements.....	Pages 7 to 11

- (e) the independent auditor's report and audited financial statements for MHFA for the financial year ended 31 December 2022, in English, including the information set out at the following pages in particular:

Independent Auditor's Report.....	Pages 1 to 2
Balance Sheet.....	Page 3
Statement of Income and Comprehensive Income.....	Page 4
Statement of Changes in Member's Equity .....	Page 5
Statement of Cash Flows .....	Page 6
Notes to Financial Statements.....	Pages 7 to 11

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

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

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

## GENERAL DESCRIPTION OF THE PROGRAMME

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

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

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

## SUMMARY OF THE PROGRAMME

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” shall have the same meanings in this summary.

<b>Issuers:</b>	Mitsubishi HC Capital Inc. Mitsubishi HC Finance America LLC
<b>Legal Entity Identifier:</b>	353800MZ3QX9RLMH7B09 3538008O2MCHLB9FAL82
<b>Guarantor:</b>	Mitsubishi HC Capital Inc. (in respect of Notes issued by MHFA)
<b>Guarantee:</b>	In respect of Notes issued by MHFA, the Guarantor will unconditionally and irrevocably guarantee the payment of all sums expressed to be payable by MHFA under the Notes issued by it
<b>Description:</b>	Euro Medium Term Note Programme
<b>Arranger:</b>	MUFG Securities EMEA plc
<b>Dealers:</b>	BNP Paribas Citigroup Global Markets Limited Daiwa Capital Markets America Inc. Daiwa Capital Markets Europe Limited Goldman Sachs International The Hongkong and Shanghai Banking Corporation Limited J.P. Morgan Securities plc Merrill Lynch International Mizuho International plc Morgan Stanley & Co. International plc MUFG Securities EMEA plc Nomura International plc SMBC Nikko Capital Markets Limited and any other Dealers appointed 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.  Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits

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

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

The Bank of New York Mellon, London Branch.

**Registrar and Transfer Agent:**

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

**Programme Size:**

Up to U.S.\$6,000,000,000 (or its equivalent in other currencies calculated as described under “General Description of the Programme”) outstanding at any time. The Issuers may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

**Distribution:**

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

**Currencies:**

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

**Redenomination:**

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

**Maturities:**

Such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency.

**Issue Price:**

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

**Form of Notes:**

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

**Fixed Rate Notes:**

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

**Floating Rate Notes:**

Floating Rate Notes will bear interest at a rate determined:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating either the 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 at the Issue Date of the first Tranche of the Notes of the relevant Series); or

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

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

**Index Linked Notes:**

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

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

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

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

**Dual Currency Notes:**

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

**Zero Coupon Notes:**

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

**Redemption:**

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

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

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

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

**Denomination of Notes:**

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

**Taxation:**

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

**Negative Pledge:**

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

**Cross Default:**

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

**Status of the Notes:**

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

**Status of the Guarantee**

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

**Ratings**

The Programme is rated AA by JCR, AA by R&I and A3 by Moody’s. Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to supervision, reduction or withdrawal at any time by the assigning rating agency.

**Listing**

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

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

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

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

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

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

**Governing Law**

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

**Selling Restrictions:**

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

## RISK FACTORS

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

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

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

### ***Credit Risk***

The Group conducts business that extends credit over the medium to long term through leases, instalment sales, monetary loans, and other financial services of various forms. Depending on future business trends and the financial landscape, additional provisions of allowance for doubtful receivables could be necessary with increasing non-performing loans due to the deterioration in a company's credit status, which could impact the Group's business results and financial position. Furthermore, because the Group is engaged in business globally, it is subject to country risk in which losses may arise depending on the political and economic situations in the countries and territories where customers and investees are located.

### ***Asset Risk***

In addition to general movable property, the Group holds global assets such as aircraft and real estate, including buildings, and conducts business by leasing these assets within and outside Japan in the form of operating leases and others. In this business, in addition to credit risk discussed above, the Group is exposed to asset risk, and fluctuation in revenue from asset management and disposals could impact the profitability of the leases.

#### *(i) Global Assets*

The Group holds global assets such as aircraft and aircraft engines, containers, and railway cars and conducts a business leasing these assets in and outside Japan in the form of operating leases and others. In the business related to global assets, the Group is exposed to price fluctuation risk pertaining to said assets in addition to the credit risk discussed above under “— Credit Risk”. With respect to operating leases, in addition to lease fee revenue received from the customer, the Group recovers funds by selling the asset at the end of the lease period. Additionally, in the event of a customer bankruptcy, the Group takes the asset back and recovers funds by leasing it to a different customer or selling it. As for selling assets, in addition to business trends and the financial landscape, major incidents arising from technical problems, obsolescence due to technological change, revisions to laws and regulations, increased concern over global pandemics or terrorism, natural disasters, war, or geopolitical risk may render the asset irrecoverable or cause its selling price to fluctuate. Furthermore, the recording of an impairment loss or increased costs associated with property management could also impact the Group's business results and financial position.

#### *(ii) Real Estate*



The Group is engaged in, within and outside Japan, investment in and financing of commercial real estate such as offices, residences, commercial facilities, logistics facilities, and hotels, and in leasing and other business operations based on its portfolio of owned properties. These assets are subject to revenue fluctuation risk and price fluctuation risk. In the real estate-related business, in addition to lease fee revenue from tenants, the Group recovers funds by selling those assets that are not long-term holdings at the right time. Lease fee revenue and revenue from sale of assets may fluctuate depending on the market environment, such as business trends, the financial landscape, and the lease market in the specific location of the asset, and this could impact the Group's business results and financial position.

### ***Investment Risk***

The Group is engaged in investment in and financing of projects such as solar power, wind power and other renewable energy businesses within and outside Japan as well as various business investments, including loans to operating companies and funds. These investing activities are subject to risks such as risk of changes in the business environment including business fluctuations and declining demand, risk of revenue falling below expectations due to sluggish performance of investees or partners, risk of diminished recoverability of the investment amount, risk of investee stock value falling below a certain level, and risk of investee stock value staying below a certain level for a considerable period of time due to sudden changes in the economic or financial situation or a major disruption of the financial markets regardless of the investee's performance. These risks could result in a total or partial loss of the investment, including through valuation loss, or could create the necessity of additional funding. In addition, there are risks that the Group may be unable to exit or restructure a business at the desired time or by utilising the desired method due to differences with the partner's management policy or low liquidity of the investment asset and the risk that the Group may be disadvantaged by not being able to obtain relevant information from the investee, and as such any of these risks could impact the Group's business results and financial position.

### ***Market Risk***

#### *(i) Interest Rate Fluctuation Risk*

The fees for leases and instalment sales conducted by the Group are set based on the purchase price for the transacted property and the market interest rates at the time of contract. Most of these basically do not fluctuate during the contract term. The cost of funds for acquiring the leased property, on the other hand, is affected by fluctuations in the market interest rate as the funds are procured by striking a balance between fixed and variable interest rate funds for fundraising diversification and reduction of funding costs. As such, a sharp rise in the market interest rate resulting from sudden changes in the financial situation could impact the Group's business results and financial position.

#### *(ii) Exchange Rate Fluctuation Risk*

The Group actively conducts business outside Japan, and as foreign currency-denominated assets increase, so does their percentage of consolidated operating assets. The financial statements of the Group's consolidated subsidiaries outside Japan are expressed in the local currency while MHC's consolidated financial statements are expressed in Japanese yen. As such, although fundraising is, in principle, conducted in the same currency as the asset, should a large fluctuation occur in exchange rates, it could impact the Group's business results and financial position in Japanese yen terms.

### ***Liquidity Risk***

When engaging in acquisition of lease properties for leases, instalment sales, and monetary lending, the Group raises a large amount of funds in Japanese yen and other currencies. The Group attempts to balance the period of leases and other credit transactions and investments with the period of fundraising, but should it experience difficulty securing enough funds because of heightened risk aversion on the part of financial institutions and investors due to a free fall in economic and financial conditions and major confusion in the

financial markets or a decline in the Group's creditworthiness, it could impact the Group's business results and financial position.

### ***Operational Risk***

#### *(i) Risk Related to Earthquakes, Wind and Flood Damage, Pandemics, War and Terrorism*

The Group uses facilities, including sites and systems, in and outside Japan to conduct its operations. Earthquakes, wind and flood damage, or other natural disasters as well as pandemics, war, terrorism, or other unpredictable circumstances could cause a reduction of activities or prevent operations at those sites by damaging the sites themselves or the systems or by injuring employees or preventing them from coming to work, thereby disrupting business operations. Moreover, depending on the extent of the damages or how long the event lasts, a large sum of money could be required to restore the systems or other facilities, or it may take a long time for business operations to recover. Such a situation could impact the Group's business results and financial position.

As the Group does not have bases in Ukraine or Russia, it envisages limited direct impact from the situation in the region. However, should the situation escalate going forward, there may be indirect impacts such as an increase in non-performing loans due to worsening of the credit status of customers. This might require measures such as additional provisions of allowance for doubtful receivables, which could impact the Group's operating results and financial position.

#### *(ii) System Risk*

The Group utilises e-mail as well as a variety of information systems to conduct account processing, management of various contracts, customer management, asset management of leased properties, and other operations. An outage or failure of these information systems arising from poor maintenance, poor development, or other such problems could cause an interruption of contract and collection operations or services provided to customers, which in turn could cause a suspension of operating activities and economic loss, thereby impacting the Group's operating results and financial position.

#### *(iii) Cybersecurity Risk and Information Security Risk*

The Group utilises e-mail as well as a variety of information systems to conduct account processing, management of various contracts, customer management, asset management of leased properties, and other operations. These information systems are subject to risk of business e-mail scams, malware infections, unauthorised access by outside parties, and other cyberattacks. Unauthorised access by outside parties, malware infections, human error, fraud, scams, and other problems could result in system outages or failures, monetary damages, leaks or unauthorised use of confidential information or customer information, or other incidents. These could cause an interruption of contract and collection operations or services provided to customers, which in turn could cause a suspension of operating activities, economic loss, or loss of social confidence from leakage of important information, thereby impacting the Group's operating results and financial position.

#### *(iv) Legal Risk*

The Group's operations are subject to a range of relevant legislation in and outside Japan. As the primary examples, in Japan its operations must comply with the Companies Act of Japan (Act No. 86 of 2005, as amended) (the "Companies Act"), tax laws, the Financial Instruments and Exchange Act, the Anti-Monopoly Act of Japan (Act No. 54 of 1947, as amended), the Personal Information Protection Act of Japan (Act No. 57 of 2003, as amended) (the "Personal Information Protection Act"), the Money Lending Business Act of Japan (Act No. 32 of 1983, as amended), the Instalment Sales Act of Japan (Act No. 159 of 1961, as amended) (the "Instalment Sales Act"), the Act on Prevention of Transfer of Criminal Proceeds of Japan (Act No. 22 of 2007, as amended) (the "Act on Prevention of Transfer of Criminal Proceeds"), and laws and regulations related to the environment. Outside Japan, the Group's operations are subject to the legislation of each country and region as well as to oversight by regulatory authorities. Should there be a failure of compliance with legislation or

company rules, it could impact the Group's operating results and financial position by causing restriction on or interruption of operations, a claim for damages from customers or others, and a fall in social confidence.

(v) *System Change Risk*

The Group's operations are subject to a range of relevant legislation, accounting and tax regulations, and other systems in and outside Japan. Should there be substantial changes or revisions to any of the various systems closely related to the Group's operations that the Group was unable to properly address, there could be penalties for non-conformance, suspension of product offering, restrictions on business activities, sales losses, or other negative consequences that could impact the Group's business results and financial position.

(vi) *Administrative Risk*

The Group conducts transactions in various forms and various administrative work arises with each transaction. Improper administrative work, including human error, fraud, and other irregularities, could cause an interruption of contract and collection operations or services provided to customers, which in turn could cause a suspension of operating activities or loss of customer trust, thereby impacting the Group's operating results and financial position.

***Risk Related to Conduct***

The Group is implementing various measures based on the keyword of "transformation" to achieve its 10-year Vision of "Together we innovate, challenge and explore the frontiers of the future". During this process, any actions by the Group's executives and employees that compromise customer protection, fair competition, market integrity, public interest, or social norms and cause harm to the Group's stakeholders could impact the Group's credibility, business results, and financial position.

***Risk Related to Personnel Recruitment***

The Group must stably secure adequate human resources, in order to maintain and strengthen its competitiveness in the various businesses it operates within and outside Japan. The Group strives to continuously recruit and train capable personnel, but should it not be able to adequately secure and train the needed personnel this could impact the Group's business results and financial position.

***Risk Related to Labour and Employment Management***

The Group employs a large number of staff in its business operations. This involves the risk of long working hours having a negative effect on the mental or physical health of employees or other negative impacts, making them unable to fulfil the expected duties, and the risk of legal infringement due to failure to appropriately monitor legal requirements relating to employment and related areas. Additionally, there is the possibility of these risks resulting in damage to public trust.

***Risk related to Expansion of Operating Base, Strategic Partnerships and M&As***

In pursuit of continued growth through expansion of its operating base, the Group engages, in and outside Japan, in strategic partnerships with outside entities aimed at the enhancement of various services and tries to diversify and expand its business portfolio through mergers and acquisitions ("M&As") in addition to expanding business on its own. The Group endeavours to diversify its business and enhance its services through this kind of approach. However, changes in domestic or international economic and financial conditions, intensification of competition, changes in the business environment or strategy of partners, revision of relevant legislation, and other factors could cause a failure to achieve expected results or the need to record additional expenses, such as impairment of goodwill recorded at the time of an M&A. Such a situation could impact the Group's business results and financial position.

***Risk Associated with Expansion of Business Domains***

The Group is expanding the scope of its operations on a global basis, including new business domains, within the scope permissible under laws, regulations, and various other conditions. Should risks emerge within

that process that exceed the scope of reasonable assumptions despite verification of the risks along with the Group's knowledge and experience in the expanded business domain, or if the expanded business does not develop as envisioned, it could impact the Group's business results and financial position.

### ***Intensifying Competition***

Competition in the leasing and other businesses of the Group conducted within and outside Japan could intensify not only from companies in the same business but also from financial institutions and others, or the competitive landscape could change due to a shift in business models of other industries, technical innovation, or other factors. The Group makes various efforts to maintain and strengthen its competitiveness, including by offering greater added value to its customers and creating value as an asset holder and through low-cost fund procurement. However, should the current competitive situation intensify further, a fall in market share and decline in income could impact the Group's business results and financial position.

### ***Climate Change Risk***

Failure to respond to regulatory changes, technological innovations, or shifts in business models associated with the transition to a decarbonized society, or extreme weather conditions associated with global warming could cause customer bankruptcies due to a deteriorating performance or could cause the value of assets held by the Group to decline, which could impact the Group's business results and financial position. Moreover, if the Group's response to climate change risk or its information disclosure are inadequate, or are deemed to be so, there is the possibility for the Group's corporate value to be damaged.

### ***Human Rights Violation Risk***

With corporate responsibility extending to the entire supply chain and increasing emphasis on sustainability initiatives, the prevailing view is that companies should recognise stakeholders as broadly encompassing ordinary individuals and local residents. Under these circumstances, if the Group were to neglect these stakeholders, and human rights violations were to occur within the Group or be committed by customers of the Group, it could be perceived as the Group itself causing, encouraging, or directly participating in those human rights violations. In turn, this could lead to damage to the Group's corporate value.

### ***Global Pandemic Risk***

Should a global pandemic arise, negative consequences such as broad disruption of the supply chain, temporary restrictions on or suspension of economic activity by each national government, and damage to industrial systems or financial functions could impact a wide range of customers or businesses utilising the assets of the Group. This may result in customer bankruptcies or a drop in the value of the Group's asset holdings, which could impact the Group's business results and financial position.

## **Factors which are Material for the Purpose of Assessing the Notes**

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

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

### ***Index Linked Notes***

The Issuers may issue Index Linked Notes where the Index Linked Redemption Amount, automatic early redemption or interest payable is dependent upon the level of an index or indices. The index or indices may comprise of reference equities, bonds, other securities, commodities, property, currency exchange rate or other assets or bases of reference, and may be a well-known and widely published index or indices or an index or indices established by an entity which may not be widely published or available. An investment in Index Linked Notes will entail significant risks not associated with a conventional fixed rate or floating rate debt security.

Potential investors in Index Linked Notes should be aware that, depending on the terms of the Index Linked Notes, (i) they may receive no or a limited amount of interest, (ii) payments may occur at a different time than expected and (iii) except in the case of principally protected Notes, they may lose all or a substantial portion of their investment if the value of the index/indices do not move in the anticipated direction.

In addition, the movements in the level of the index or indices may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the relevant level of the index or indices 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 level of an index or result of a formula, the greater the effect on yield.

If the Index Linked Redemption Amount or interest payable is determined in conjunction with a multiplier greater than one or by reference to some other leverage factor, the effect of changes in the level of the index or the indices on the Index Linked Redemption Amount or interest payable will be magnified.

If the Calculation Agent determines that an event giving rise to a Disrupted Day has occurred at any relevant time, such determination may have an effect on the timing of valuation and consequently the value of the Notes and/or may delay settlement in respect of the Notes.

Prospective purchasers should review the Additional Conditions relating to Index Linked Notes and the applicable Final Terms to ascertain whether and how such provisions apply to the Notes.

The market price of Index Linked Notes may be volatile and may depend on, among other things, the time remaining to the redemption date and the volatility of the level of the index or indices. The level of the index or indices may be affected by, among other things, the economic, financial and political events in one or more jurisdictions, including the stock exchange(s) or quotation system(s) on which any securities comprising the index or indices may be traded.

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

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

#### **Risks Related to the Market Generally**

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

#### ***The Notes may not be suitable for all investors***

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

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Base Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks pertaining to an investment in the Notes;
- (iv) thoroughly understand the terms and conditions of the Notes and be familiar with the behaviour of any relevant markets; and

- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors including those set forth in these “Risk Factors” that may affect its investment and its ability to bear the applicable risks.

### ***The secondary market generally***

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

### ***Interest rate***

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

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

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

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

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

Notes may be issued in one or more currencies that are not freely convertible into other currencies, or are subject to restrictions on remittance and transfer. Notes may also be issued in one or more currencies that are limited in their availability, which in turn may affect the liquidity of Notes denominated in such currencies and each of the Issuers’ ability to source such currencies to service the Notes. In addition, unanticipated changes in government regulation can, and may, further impact the availability and convertibility of certain currencies, which will impact the suitability of such Notes as well as each of the Issuers’ ability to source such currencies to service the Notes.

In particular, Renminbi is not freely convertible and is subject to certain conversion requirements. Subject to limited exceptions, the remittance of Renminbi into the PRC for settlement of capital account items is subject to restrictions, and foreign investors may only remit offshore Renminbi into the PRC for capital account purposes, such as shareholders’ loan or capital contributions, upon completing certain regulatory procedures. The Renminbi is also a developing market and the liquidity of the Renminbi market remains limited. There can be no assurances that further government regulation will not cause a contraction in such market. Renminbi products may suffer significant losses in liquidating the underlying investments if such investments do not have an active secondary market and their prices have large bid/offer spreads.

*Credit ratings may not reflect all risks*

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

*Change of law*

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

## FORM OF THE NOTES

### General

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

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

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

A Note may be accelerated automatically by the holder thereof in certain circumstances described in Condition 9. In such circumstances, where any Note is still represented by a Global Note and the Note (or any part thereof) have become due and repayable in accordance with the Terms and Conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note then, unless within the period of seven days commencing on the relevant due date payment in full of the amount due in respect of the Global Note is received by the holder in accordance with the provisions of the Global Note, holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg, as the case may be, shall acquire, on the basis of statements of accounts provided by Euroclear and/or Clearstream, Luxembourg, rights of enforcement against the Issuer (“Direct Rights”) to compel the Issuer to perform its obligations to the registered holder of the Global Note (in the case of Registered Notes) or the bearer of the Global Note (in the case of Bearer Notes), including the obligation to make all payments when due at any time in respect of the Global Note in accordance with the Conditions of the Notes subject to the terms of a deed of covenant dated 15 September 2021 (as amended and/or supplemented and/or restated from time to time, each a “Deed of Covenant”) and executed by each Issuer.

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

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

INTEREST PAYMENTS ON THE SECURITY (IF ISSUED BY MHFA, ONLY IN CIRCUMSTANCES WHERE ANY INTEREST ON THE NOTES IS ATTRIBUTABLE TO A BUSINESS IN JAPAN CONDUCTED BY MHFA THROUGH ITS PERMANENT ESTABLISHMENT IN JAPAN AS PROVIDED FOR IN THE ACT ON SPECIAL TAXATION MEASURES) WILL BE SUBJECT TO JAPANESE WITHHOLDING TAX UNLESS IT IS ESTABLISHED THAT THE SECURITY (IF ISSUED BY MHFA, ONLY IN CIRCUMSTANCES WHERE ANY INTEREST ON THE NOTES IS ATTRIBUTABLE TO A BUSINESS IN JAPAN CONDUCTED BY MHFA THROUGH ITS PERMANENT ESTABLISHMENT IN JAPAN AS PROVIDED FOR IN THE ACT ON SPECIAL TAXATION MEASURES) ARE HELD BY OR FOR THE ACCOUNT OF A BENEFICIAL OWNER THAT IS (I) FOR JAPANESE TAX PURPOSES, NEITHER AN INDIVIDUAL RESIDENT OF JAPAN OR A JAPANESE CORPORATION, NOR AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NON-JAPANESE CORPORATION THAT IN EITHER



CASE IS A PERSON HAVING A SPECIAL RELATIONSHIP WITH THE ISSUER AS DESCRIBED IN ARTICLE 6, PARAGRAPH (4) OF THE ACT ON SPECIAL MEASURES CONCERNING TAXATION OF JAPAN (ACT NO. 26 OF 1957, AS AMENDED) (THE “ACT ON SPECIAL TAXATION MEASURES”) (A “SPECIALLY-RELATED PERSON OF THE ISSUER”) OR (II) A JAPANESE FINANCIAL INSTITUTION, ETC. DESIGNATED IN ARTICLE 3-2-2, PARAGRAPH (29) OF THE CABINET ORDER (CABINET ORDER NO. 43 OF 1957, AS AMENDED), RELATING TO THE ACT ON SPECIAL TAXATION MEASURES, WHICH COMPLIES WITH THE REQUIREMENT FOR TAX EXEMPTION UNDER ARTICLE 6, PARAGRAPH (11) OF THE ACT ON SPECIAL TAXATION MEASURES OR (III) A JAPANESE PUBLIC CORPORATION, A JAPANESE FINANCIAL INSTITUTION OR A JAPANESE FINANCIAL INSTRUMENTS BUSINESS OPERATOR, ETC. WHICH HAS RECEIVED SUCH PAYMENTS THROUGH A PAYMENT HANDLING AGENT IN JAPAN, AS PROVIDED IN ARTICLE 3-3, PARAGRAPH (6) OF THE ACT ON SPECIAL TAXATION MEASURES, IN COMPLIANCE WITH THE REQUIREMENT FOR TAX EXEMPTION UNDER THAT PARAGRAPH.

INTEREST PAYMENTS ON THE SECURITY (IF ISSUED BY MHFA, ONLY IN CIRCUMSTANCES WHERE ANY INTEREST ON THE NOTES IS ATTRIBUTABLE TO A BUSINESS IN JAPAN CONDUCTED BY MHFA THROUGH ITS PERMANENT ESTABLISHMENT IN JAPAN AS PROVIDED FOR IN THE ACT ON SPECIAL TAXATION MEASURES) TO AN INDIVIDUAL RESIDENT OF JAPAN, TO A JAPANESE CORPORATION NOT DESCRIBED IN THE PRECEDING PARAGRAPH, OR TO AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NON-JAPANESE CORPORATION THAT IN EITHER CASE IS A SPECIALLY-RELATED PERSON OF THE ISSUER WILL BE SUBJECT TO DEDUCTION IN RESPECT OF JAPANESE INCOME TAX.

### **Bearer Notes**

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

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

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

given. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for Definitive Bearer Notes is improperly withheld or refused.

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

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon the occurrence of an Exchange Event. For these purposes, "Exchange Event" means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing or (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

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

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

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

### **Registered Notes**

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

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

Payments of principal, interest and any other amount in respect of a Registered Global Note will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 5(d)) as the registered holder of the relevant Registered Global Note. None of the relevant Issuer, the Agent, any Paying Agent, the Calculation Agent, the Registrar or Transfer Agent will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in a Registered Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

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

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Registered Notes without receipts, interest coupons or talons attached either (i) upon the occurrence of an Exchange Event (as defined above) or (ii) at any time at the request of the relevant Issuer, in each case as specified in the applicable Final Terms.

## APPLICABLE FINAL TERMS

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

[Date]

**[MITSUBISHI HC CAPITAL INC. / MITSUBISHI HC FINANCE AMERICA LLC]  
Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the U.S.\$6,000,000,000  
Euro Medium Term Note Programme  
[Guaranteed by Mitsubishi HC CAPITAL INC.]**

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

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

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

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

**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 (“UK”). 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 domestic law; 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 domestic law; or (iii) not a qualified investor as defined in Article 2 of the Prospectus Regulation as it forms part of domestic law. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

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

**[UK MIFIR PRODUCT GOVERNANCE / 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 domestic law; 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”)/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.]

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

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

- |   |   |  |
|---|---|--|
| 1 | [(i) ]Issuer:                                   | [Mitsubishi HC Capital Inc.] / [Mitsubishi HC Finance America LLC]   |
|   | [(ii) Guarantor:]                               | [Mitsubishi HC Capital Inc.]   |
| 2 | Series Number:                                  | [ ]  |
|   | Tranche Number:                                 | [ ]  |
|   |   | <i>(if fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)</i>                      |
| 3 | Specified Currency or Currencies:               | [ ]  |
| 4 | Aggregate Nominal Amount:                       |  |
|   | Series:   | [ ]  |
|   | Tranche:  | [ ]  |
| 5 | Issue Price:                                    | [ ]% of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> ( <i>in case of fungible issues only, if applicable</i> )] |
|   | Net proceeds (Required only for listed issues): | [ ]  |
| 6 | (a) Specified Denominations:                    | [ ]  |
|   | (b) Calculation Amount:                         | [ ]  |

*(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*

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

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

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 16 **Fixed Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [ ]% per annum [payable [annually/semi-annually/quarterly] in arrear]  
*(If payable other than annually, consider amending Condition 4)*
- (ii) Interest Payment Date(s): [[ ] in each year up to and including the Maturity Date/[specify other]]<sup>2</sup>  
*(N.B. this will need to be amended in the case of long or short coupons)*
- (iii) Fixed Coupon Amount(s): [ ] per Calculation Amount  
(Applicable to Notes in definitive form.)
- (iv) Broken Amount(s): (Applicable to Notes in definitive form.) [ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]
- (v) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or [specify other]]  
*(N.B.: if interest is not payable on a regular basis (for example, if there are Broken Amounts specified) Actual/Actual (ICMA) may not be a suitable Day Count Fraction)<sup>3</sup>*
- (vi) [Determination Date(s): [ ] in each year  
*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon (N.B.: only relevant where Day Count Fractions is Actual/Actual (ICMA))]*
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]
- 17 **Floating Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (ii) First Interest Payment Date: [ ]
- (iii) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (iv) Additional Business Centre(s): [ ]

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

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

- (v) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/[*specify other*]]
- (vi) Party responsible for calculating the Rate of Interest and Interest Amount: [ ]
- (vii) Screen Rate Determination: [Yes/No]
- Reference Rate: [ ]
  - Reference Bank(s): [ ]
  - Interest Determination Date(s): [ ]
  - Relevant Screen Page: [ ]
- (viii) ISDA Determination: [Yes/No]
- 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]]  
*(to be at least five Applicable Business Days/Observation Period Shift Business Days/Lockout Period Business Days unless otherwise agreed with the Calculation Agent)*
  - 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]]  
*(To be at least five Observation Period Shift Business Days unless otherwise agreed with the Calculation Agent)*
- (ix) Margin(s): [+/-] [ ]% per annum



- (x) Minimum Rate of Interest: [ ]% per annum
- (xi) Maximum Rate of Interest: [ ]% per annum
- (xii) Day Count Fraction: [Actual/365  
Actual/Actual  
Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
30/360  
30E/360  
30E/360 (ISDA)  
Other]  
*(See Condition 4 for alternatives)*  
*(N.B. Floating Day Count Fractions should be consistent with the applicable ISDA Definitions specified in subparagraph (xii) above.)*
- (xiii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
- 18 **Zero Coupon Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Accrual Yield: [ ]% per annum
- (ii) Reference Price: [ ]
- (iii) Any other formula/basis of determining amount payable: [ ]
- (iv) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 6(e)(iii) and (j) apply/specify other]  
*(Consider applicable day count fraction if not U.S. dollar denominated)*
- 19 **Index Linked Interest Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*  
*(N.B. US tax analysis will be required if the Notes are linked to any index which includes US equities regardless of whether the Issuer is MHFA or MHC and notwithstanding the Notes being sold exclusively outside the United States)*
- (i) Index/Formula: [give or annex details]
- (ii) Name and address of Calculation Agent: [ ]

- (iii) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount: [ ]
  - (iv) Provisions for determining coupon where calculation by reference to Index and/or Formula is impossible or impracticable: [ ]
  - (v) Specified Period(s)/Specified Interest Payment Dates: [ ]
  - (vi) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/ Preceding Business Day Convention/[specify other]]
  - (vii) Additional Business Centre(s): [ ]
  - (viii) Minimum Rate of Interest: [ ]% per annum
  - (ix) Maximum Rate of Interest: [ ]% per annum
  - (x) Day Count Fraction: [ ]
- 20 **Dual Currency Interest Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate of Exchange/method of calculating Rate of Exchange: [give details]
  - (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [ ]
  - (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [ ]
  - (iv) Person at whose option Specified Currency(ies) is/are payable: [ ]

**PROVISIONS RELATING TO REDEMPTION**

- 21 Issuer Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
  - (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [ ] per Calculation Amount
  - (iii) If redeemable in part:
    - (a) Minimum Redemption Amount: [ ]

- (b) Maximum Redemption Amount: [ ]
- (iv) Notice period (if other than as set out in the Conditions): [ ]  
*(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
- 22 Investor Put: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Optional Redemption Date(s): [ ]
- (ii) Optional Redemption Amount and method, if any, of calculation of such amount(s): [ ] per Calculation Amount
- (iii) Notice period (if other than as set out in the Conditions): [ ]  
*(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
- 23 Final Redemption Amount: [[ ] per Calculation Amount/specify other/see Appendix]
- 24 Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 6(e)): [[ ] per Calculation Amount/specify other/see Appendix]

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- 25 Form of Notes: Bearer:<sup>4</sup>  
 [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note on and after the Exchange Date which is exchangeable for Definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event].]  
 [Temporary Bearer Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date.]

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<sup>4</sup> If TEFRA D is applicable under "U.S. Selling Restrictions," the Notes must be initially represented by a Temporary Bearer Global Note. Bearer Notes may not be issued by MHFA.

[Permanent Bearer Global Note exchangeable for Definitive Bearer Notes [on 60 days' notice given at any time/only upon an Exchange Event].]

*(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Base Prospectus and the Notes themselves N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Bearer Global Note exchangeable for Definitive Bearer Notes.)*

Registered:

[Registered Global Note exchangeable for Definitive Registered Notes [on 60 days' notice/[only] upon an Exchange Event]/[Definitive Registered Notes].]

- 26 Additional Financial Centre(s) or other special provisions relating to Payment Dates: [Not Applicable/give details]  
*(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 17(iv) and 19(vii) relate)*
- 27 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. If yes, give details]
- 28 Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. N.B.: a new form of Temporary Bearer Global Note and/or Permanent Bearer Global Note may be required for Partly Paid issues]
- 29 Details relating to Instalment Notes: amount of each instalment (Instalment Amount), date on which each payment is to be made (Instalment Date): [Not Applicable/give details]
- 30 Redenomination applicable: Redenomination [not] applicable *(If Redenomination is applicable, specify the terms of the redenomination in an Annex to the Final Terms)*
- 31 Other terms or special conditions: [Not Applicable/give details]

## **DISTRIBUTION**

- 32 If syndicated, names of Managers: [Not Applicable/give names]  
Stabilising Manager(s) (if any): [Not Applicable/give name]

33	If non-syndicated, name of relevant Dealer:	[Not Applicable/ <i>give name</i> ]
34	U.S. Selling Restrictions	[Reg. S Compliance Category; TEFRA D/TEFRA C/TEFRA not applicable] <sup>5</sup>
35	Additional selling restrictions:	[Not Applicable/ <i>give details</i> ]
<b>OPERATIONAL INFORMATION</b>		
36	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/ <i>give name(s) and number(s)</i> ]
37	Delivery:	Delivery [against/free of] payment
38	Additional Paying Agent(s) (if any):	[ ]
39	Prohibition of Sales to EEA and UK Retail: Legal Entity Identifier:	[Applicable/Not Applicable] [353800MZ3QX9RLMH7B09/3538008O2MCHLB9FAL82]
ISIN:		[ ]
Common Code:		[ ]
CFI		[See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available]
FISN		[See the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN / Not Applicable / Not Available] <i>(If the CFI and/or FISN is not required or requested, it/they should be specified to be “Not Applicable”.)</i>
Rating:		[ ]
Classification of Financial Instruments (CFI):		[ ]
Financial Instruments Short Name (FISN):		[ ]

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

**RESPONSIBILITY**

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

Signed on behalf of the Issuer:

[Mitsubishi HC Capital Inc. /Mitsubishi HC Finance America LLC]

By:.....

*Duly authorised*

[Signed on behalf of the Guarantor:

Mitsubishi HC Capital Inc.

By: .....

*Duly authorised]*

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

## TERMS AND CONDITIONS OF THE NOTES

*The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each Definitive Note (as defined below), in the latter case only if permitted by the rules of the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such Definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and Definitive Note. Reference should be made to “Form of the Notes” for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.*

This Note is one of a Series (as defined below) of Notes issued by Mitsubishi HC Capital Inc. or Mitsubishi HC Finance America LLC (each an “Issuer”) pursuant to an Agency Agreement dated 29 September 2022 (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the “Agency Agreement”), and made between Mitsubishi HC Capital Inc. (“MHC”), Mitsubishi HC Finance America LLC (“MHFA”), MHC (in respect of Notes issued by MHFA, the “Guarantor”), The Bank of New York Mellon, London Branch as issuing and principal paying agent and agent bank (the “Agent”, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the “Paying Agents”, which expression shall include any additional or successor paying agents), The Bank of New York Mellon, London Branch as calculation agent (the “Calculation Agent”, which expression shall include any successor calculation agent), The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the “Registrar”, which expression shall include any successor registrar) and the other transfer agents named therein (the “Transfer Agents”, which expression shall include any additional or successor transfer agents) (the Agent, Paying Agent, Calculation Agent, Registrar and Transfer Agent collectively, the “Agents”). References to the “Issuer” herein shall be to the Issuer of the Notes to which these Terms and Conditions relate. References to the Guarantor and Guarantee (as defined below) only apply in respect of Notes issued by MHFA.

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

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

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

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

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

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

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

[The payment of all amounts in respect of Notes issued by the Issuer has been unconditionally and irrevocably guaranteed by the Guarantor pursuant to a deed of guarantee dated 29 September 2022 (as may be amended and/or supplemented or restated from time to time, the “Guarantee”) and executed by the Guarantor. The original of the Guarantee is held by the Agent.]<sup>6</sup>

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

The Noteholders, the Receipholders and the Couponholders are entitled to the benefit of the Deed of Covenant dated 15 September 2021 (as amended and/or supplemented and/or restated from time to time, the “Deed of Covenant”) and made by the relevant Issuer. The original of the Deed of Covenant is held by the common depository for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement, [the Guarantee] and the Deed of Covenant are available for inspection during normal business hours at the specified office of each Paying Agent and the Registrar. Copies of the applicable Final Terms are obtainable during normal business hours at the specified office of each Paying Agent and the Registrar by a Noteholder holding one or more Notes provided that such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent or the Registrar as to its holding of such Notes and identity. The Paying Agent and the Registrar may also provide a copy of the Agency Agreement, [the Guarantee], the Deed of Covenant and the applicable Final Terms by email to the requesting Noteholder. The Noteholders, the Receipholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, [the Guarantee, ]the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

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

## **1 Form, Denomination and Title**

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

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

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<sup>6</sup> All references to the Guarantor and Guarantee shall be deleted for Notes issued by MHC.



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

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

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

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

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

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

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

*(b) Transfers of Registered Notes*

*(i) Transfers of interests in Registered Global Notes*

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

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

Subject as provided in Condition 1(b)(iv) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Definitive Registered Note may be transferred in whole or in part (in the Specified Denominations set out in the applicable Final Terms). In order to effect any such transfer (A) the holder or holders must (i) surrender the Definitive Registered Note for registration of the transfer of the Note(s) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (ii) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (B) the Registrar or, as the case may be, the relevant Transfer Agent must, be satisfied with the documents of title and the identity of the person making the request and register the transfer in the register maintained pursuant to the provisions of the Agency Agreement. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in schedule 6 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Definitive Registered Note of a like aggregate nominal amount to the Note(s) transferred. In the case of the transfer of part only of a Definitive Registered Note, a new Definitive Registered Note in respect of the balance of the Note(s) not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(iii) *Costs of registration*

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

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

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

(v) *Closed periods*

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

## **2 Status of the Notes [and the Guarantee]**

(a) *Status of the Notes*

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

(b) *[Status of the Guarantee*

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

### **3 Negative Pledge**

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

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

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

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

### **4 Interest**

(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 payable in arrear on the Interest Payment Date(s) in each year and on the Maturity Date if that does not fall on an Interest Payment Date.

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

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

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

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

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards. Where the Specified Denomination of a Fixed Rate Note in definitive form comprises more than one Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

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

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

In these Conditions:

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

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

(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 from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (A) the Specified Interest Payment Date(s) (each an “Interest Payment Date”) in each year specified in the applicable Final Terms; or

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

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

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

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

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

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to any sum payable in a Specified Currency other than euro and CNY, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively), (2) in relation to any sum payable in euro, any day on which the real time gross settlement system operated by the Eurosystem or any successor system (“T2”) is open for the settlement of payments in euro or (3) in relation to any sum payable in CNY, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments of Renminbi and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Hong Kong.

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

(ii) *Rate of Interest*

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

(A) *ISDA Determination for Floating Rate Notes*

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

- (1) if the Final Terms specify either “2006 ISDA Definitions” or “2021 ISDA Definitions” as the applicable ISDA Definitions:
  1. the Floating Rate Option (as defined in the relevant ISDA Definitions) is as specified in the applicable Final Terms;
  2. the Designated Maturity (as defined in the relevant ISDA Definitions), if applicable, is a period specified in the applicable Final Terms;
  3. the relevant Reset Date (as defined in the relevant ISDA Definitions) is as specified in the applicable Final Terms;
  4. if the specified Floating Rate Option is an Overnight Floating Rate Option (as defined in the relevant ISDA Definitions), Compounding is specified to be applicable in the relevant 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 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
  5. 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;

6. 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
- (2) if the Final Terms specify “2021 ISDA Definitions” as the applicable ISDA Definitions:
  1. Administrator/Benchmark Event shall be disappplied; and
  2. if the Temporary Non-Publication Fallback for any specified Floating Rate Option is specified to be “Temporary Non-Publication Fallback – 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 Fallback – Alternative Rate” shall be replaced by “Temporary Non-Publication Fallback – Previous Day’s Rate”.

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

In these Conditions, “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.

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

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

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

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (or such other time as provided hereon) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if

there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

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

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

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

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

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

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

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

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

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form comprises more than one Calculation Amount, the Interest Amount payable in respect of such Note shall be the aggregate of the amounts (determined in the manner provided above) for each Calculation Amount comprising the Specified Denomination without any further rounding.

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

- (A) if “Actual/Actual” or “Actual/Actual (ISDA)” 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);
- (B) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;



- (C) if “Actual/365 (sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (D) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (E) 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;

- (F) 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; and

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

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

where:

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

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

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

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

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

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

(vi) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), by the Calculation Agent, shall (in the absence of wilful default, fraud or manifest error) be binding on the Issuer, [the Guarantor, ]the Agent, the Calculation Agent (if applicable), the other Paying Agents and the Registrar, the Transfer Agent, and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default, fraud or negligence) no liability to the Issuer, [the Guarantor, ]the Noteholders, the Receiptholders or the Couponholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Interest on Dual Currency Notes*

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

*(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. five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent and notice to that effect has been given to the Noteholders in accordance with Condition 13.

## **5 Payments**

*(a) Method of payment*

Subject as provided below:

- (i) payments in a Specified Currency other than euro and CNY will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively);
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee; and
- (iii) payments in respect of Notes denominated in, or in the case of Dual Currency Notes payable in, CNY, will be made by transfer to an account with a bank in Hong Kong.

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

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

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

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

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

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

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

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

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

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided in paragraph (e) below) be made in the manner specified above in relation to Definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of such Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented for the purpose of making such payment, and such record shall be *prima facie* evidence that the payment in question has been made.

*(d) Payments in respect of Registered Notes*

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

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

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

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

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

*(e) General provisions applicable to payments*

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer [or, as the case may be, the Guarantor] will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the

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

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

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

*(f) Payment Day*

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

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (A) in the case of Definitive Notes only, the relevant place of presentation and;
  - (B) each Additional Financial Centre specified in the applicable Final Terms, and
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro and CNY, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively), (2) in relation to any sum payable in euro, any day on which T2 is open for the settlement of payments in euro or (3) in relation to any sum payable in CNY, a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments of Renminbi and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Hong Kong.

*(g) Interpretation of principal and interest*

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

- (i) any additional amounts which may be payable with respect to principal under Condition 7;
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;

- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(e)); and
- (vii) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes.

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

## 6 Redemption and Purchase

### (a) *Redemption at maturity*

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

### (b) *Redemption for tax reasons*

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

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

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

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

person (including any Noteholder) as a result of relying on such certificate. Any such certificate shall be conclusive and binding on the Noteholders.

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

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

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

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

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount equal to the Minimum Redemption Amount and not more than the Maximum Redemption Amount. In the case of a partial redemption of Notes, the Notes to be redeemed ("Redeemed Notes") will be selected individually by lot, in the case of Redeemed Notes represented by Definitive Bearer Notes, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "Selection Date"). In the case of Redeemed Notes represented by Definitive Notes, a list of the serial numbers of such Redeemed Notes and, in the case of Definitive Registered Notes, the nominal amount of Registered Notes and the holders thereof will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

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

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of the Note the holder of this Note must, if this Note is in definitive form, deliver at the specified office of any Paying Agent (in the case of Definitive Bearer Notes) or the Registrar (in the case of Definitive Registered Notes) at any time during normal business hours of such Paying Agent or the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a "Put Notice") and (in the case of Definitive Bearer Notes) in which the holder must specify a bank account to which payment is to be made under this Condition and, in the case of Definitive Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Definitive Registered Notes so surrendered is to be redeemed, an address to which a new Definitive Registered Note in respect of the balance of such Definitive Registered Notes is to be sent subject to and in accordance with the provisions of Condition 1(b)(ii). If the Note is represented by a Global Note, held through Euroclear



or Clearstream, Luxembourg, to exercise the right to require redemption of the Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and at the same time present or procure the presentation of the relevant Global Note to a Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) for notation accordingly.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 9.

*(e) Early Redemption Amounts*

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

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

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

*(f) Instalments*

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

*(g) Partly Paid Notes*

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

*(h) Purchases*

The Issuer or any Subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of Definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be

available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation.

(i) *Cancellation*

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

(j) *Late payment on Zero Coupon Notes*

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

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

## 7 **Taxation**

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

- (a) in the case of a holder or beneficial owner [(i) who is for Japanese tax purposes treated as an individual resident of Japan or a Japanese corporation or who is not an individual resident of Japan or a Japanese corporation but is a person having a special relationship as described in Article 6, Paragraph (4) of the Act on Special Measures Concerning Taxation (Act No. 26 of 1957, as amended, the “Act on Special Taxation Measures”) with the Issuer for purposes of the exemption from Japanese income tax, including withholding tax, applicable to private foreign issued notes (*minkan kokugaisai*) under Article 6 of the Act on Special Taxation Measures in effect at the time of issuance of the relevant Notes or (ii)]<sup>7</sup> who is subject to such taxes, duties, assessments or governmental charges in respect of such Note, Receipt or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding or ownership of such Note, Receipt or Coupon; or

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

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

As used herein:

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

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

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

No additional amounts will be payable by [either] the Issuer [or the Guarantor] for or on account of any withholding or deduction imposed pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to FATCA, any regulations, rulings or current or future agreements thereunder, any official interpretations thereof, any IGA or any law, regulation or other official guidance enacted or issued in any jurisdiction implementing FATCA or an IGA. In addition, no additional amounts will be payable to any holder who is a fiduciary or partnership or any person other than the sole beneficial owner of the Note to the extent that any fiduciary, member or beneficial owner would not have been entitled to such additional amounts had that beneficiary, settlor, partner or beneficial owner been the holder.

## 8 Prescription

Claims for payment of principal in respect of the Notes shall be prescribed upon the expiry of 10 years and claims for payment of interest (if any) in respect of the Notes shall be prescribed up on the expiry of five years, in each case from the Relevant Date (as defined in Condition 7) therefor.

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

## 9 Events of Default

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

- (i) if default is made in the payment of any principal, premium (if any) or interest due in respect of the Notes or any of them and the default continues for a period of 14 days in the case of principal or premium (if any) and 14 days in the case of interest; or
- (ii) if the Issuer [or the Guarantor ] fails to perform or observe any of its other obligations under these Conditions [or the Guarantee ] and the failure continues for the period of 30 days next following the service by a Noteholder on the Issuer of notice requiring the same to be remedied; or
- (iii) any External Indebtedness of the Issuer [or the Guarantor ] or any Principal Subsidiary becomes prematurely repayable as a result of a default in respect of the terms thereof or any security therefor is enforced or the Issuer [or the Guarantor ] or any of the Principal Subsidiaries defaults in the repayment of its External Indebtedness at the maturity thereof or at the expiration of any applicable grace period therefor (or, in the case of such Indebtedness due on demand, defaults in the repayment of such External Indebtedness on demand or on the expiration of any applicable grace period therefor) or any guarantee of or indemnity in respect of any External Indebtedness given by the Issuer [or the Guarantor ] or any of its Principal Subsidiaries is not honoured when due and called upon; or
- (iv) if the Issuer [or the Guarantor ] ceases to carry on the whole or a substantial part of its business, save for the purpose of or pursuant to a reorganisation, restructuring, merger or consolidation which are either: (A) on terms approved by an Extraordinary Resolution of the Noteholders; or (B) involves the transfer of the whole or a substantial part of its business, undertaking or assets of the Issuer [or the Guarantor ] to the Issuer [or the Guarantor ] or any other subsidiary of the Issuer [or the Guarantor ]; or
- (v) if (A) a decree or order by any court having jurisdiction shall have been issued adjudging bankrupt or insolvent the Issuer [or the Guarantor ] under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer [or the Guarantor ] or, as the case may be, in relation to the whole or a part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a part of the undertaking or assets of it, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a part of the undertaking or assets of it and (B) in any case (other than the appointment of an administrator) is not discharged within 60 days; [or]
- (vi) if the Issuer [or the Guarantor ] initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit

of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); [or]

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

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

For the purposes of this Condition:

“External Indebtedness” shall mean bonds, debentures and notes issued by the Issuer[, the Guarantor], or any Principal Subsidiary if guaranteed by the Issuer in any way, which either are expressed to be payable or confer a right to receive payment in any currency other than yen or are denominated in yen and more than 50% of the aggregate principal amount thereof is initially distributed by the relevant issuer or with the relevant issuer’s authorisation outside Japan, having in any case an aggregate principal amount for the time being outstanding of at least U.S.\$10,000,000.

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

- (A) whose outstanding common shares are not less than 50% owned (either directly or indirectly) by MHC; and
- (B) whose gross revenues and total assets (consolidated in the case of a Subsidiary which itself has Subsidiaries) represent not less than 5.0% of the consolidated gross revenues and total assets of MHC and its Subsidiaries taken as a whole, all as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated accounts of MHC and its Subsidiaries, provided that in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of MHC and its Subsidiaries relate, the reference to the then latest audited consolidated accounts of MHC and its Subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as aforesaid, be deemed to be a reference to such first-mentioned accounts as if such Subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the auditors of MHC,

all as more particularly defined in the Agency Agreement.

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

## **10 Replacement of Notes, Receipts, Coupons and Talons**

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

## 11 Agents

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

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

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

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

In acting under the Agency Agreement, the Agent, the Paying Agents, the Calculation Agent, the Registrar and the Transfer Agents will act solely as agents of the Issuer [or the Guarantor] and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent, Paying Agent, Calculation Agent, Registrar or Transfer Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent, paying agent, calculation agent, registrar or transfer agent.

## 12 Exchange of Talons

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Bearer Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

## 13 Notices

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

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

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

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

#### **14 Meetings of Noteholders, Modification and Waiver**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than 5% in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50% in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

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

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

None of the Agent, Paying Agent, Calculation Agent, Registrar and Transfer Agent shall have any responsibility or liability whatsoever with respect to such determination by the relevant Issuer [and the Guarantor]. Any such modification shall be binding on the Noteholders, the Receiptholders and the

Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

## **15 Further Issues**

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

## **16 Contracts (Rights of Third Parties) Act 1999**

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

## **17 Governing Law and Submission to Jurisdiction**

### *(a) Governing law*

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

### *(b) Submission to jurisdiction*

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

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

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



(c) *Appointment of Process Agent*

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

(d) *Other documents*

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

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by MHC, as applicable, for its general corporate purposes. The net proceeds from each issue of Notes will be applied by MHFA to loans to or investments in MHC America Holdings Corporation (“AHC”) or certain entities controlled by AHC for their general corporate purposes and/or for MHFA’s general corporate purposes. AHC or certain entities controlled by AHC may also use the proceeds from MHFA for loans and distributions to certain Group companies for their general corporate purposes, including the repayment of outstanding indebtedness.

## **BUSINESS – MITSUBISHI HC CAPITAL INC.**

*The financial figures appearing herein have been prepared in accordance with accounting principles generally accepted in Japan, with the following exceptions:*

*The interim consolidated financial statements have been prepared in accordance with the Article 4-1 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements and in accordance with accounting principles for interim financial statements generally accepted in Japan, omitting certain disclosures under the Article 4-2 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements. A part of the disclosures required under accounting principles generally accepted in Japan is omitted under the Article 4-2 of the Tokyo Stock Exchange's standard for preparation of quarterly financial statements.*

### **Business**

#### **Overview**

MHC was formerly known as Mitsubishi UFJ Lease & Finance Company Limited until it was renamed “Mitsubishi HC Capital Inc.” following a merger with Hitachi Capital Corporation on 1 April 2021, following which MHC was the surviving entity.

MHC is an equity method affiliate of both Mitsubishi Corporation and Mitsubishi UFJ Financial Group (which includes MUFG Bank, Ltd. (“MUFG Bank”, formerly The Bank of Tokyo-Mitsubishi UFJ, Ltd.)) (“MUFG”), which own 18.40 per cent. and 20.03 per cent., respectively, of MHC’s voting rights (both as of 31 March 2024, on a consolidated basis).

MHC’s registered head office is 5-1 Marunouchi 1-chome, Chiyoda-ku, Tokyo 100-6525, Japan, telephone number +81 3-6865-3005 and its company registration number is 0100-01-049866.

MHC was established in 1971 as Diamond Lease Company Limited by the Mitsubishi group companies and was listed on the Tokyo Stock Exchange in March 1985. On 1 April 2007, Diamond Lease Company Limited and UFJ Central Leasing Co., Ltd. merged and changed its corporate name to Mitsubishi UFJ Lease & Finance Company Limited. Thereafter, in February 2009 Mitsubishi Auto Leasing Corporation merged with Central Auto Leasing and became Mitsubishi Auto Leasing Corporation, the main company in the auto leasing business within the Group. On 1 April 2023, Mitsubishi Auto Leasing Corporation and Mitsubishi HC Capital Auto-Lease Corporation completed the merger with Mitsubishi Auto Leasing Corporation as the surviving company. From 2013 onwards, MHC acquired companies abroad, such as JSA International Holdings, L.P. (an aircraft leasing company), PT. Takari Kokoh Sejahtera (an Indonesian auto leasing company), Engine Lease Finance Corporation (an aircraft engine leasing company), Beacon Intermodal Leasing, LLC (a marine container leasing company) and ENGS Holdings Inc. (a customer finance company) (“ENGS”) with the aim of growing its businesses internationally. As of 1 April 2023, Mitsubishi HC Capital America, Inc. (“MHCA”), Mitsubishi HC Capital (U.S.A.) Inc. and ENGS Commercial Finance Co. merged through an absorption-type merger with MHCA as the surviving company.

Hitachi Capital Corporation was established in 1957, and primarily engaged in the provision of financial services such as leasing and loans to customers. In 2000, Hitachi Credit Corporation and Hitachi Leasing Corporation merged to form Hitachi Capital Corporation, which has built its position as a manufacturer-based financing company. In recent years, in addition to conventional financial services, Hitachi Capital Corporation, as a “Social Values Creating Company”, had been providing value-added services and businesses in response to the needs of its customers and the society. Hitachi Capital Corporation developed community-focused financial services and businesses and had been actively expanding its business on a global level.

Based on the capital and business alliance concluded in May 2016, MHC and Hitachi Capital Corporation had been in collaboration, including incorporation of the Japan Infrastructure Initiative Company Limited (“JII”) in order to reinforce its overseas infrastructure investment business. As of 1 April 2023, JII was merged through an absorption type merger with MHC. Also, MHC and Hitachi Capital Corporation had

considered business integration as one of the options and constructively continued discussions to strengthen this relationship. Through that process, MHC and Hitachi Capital Corporation recognised that JII's business had steadily progressed, and that MHC and Hitachi Capital Corporation's businesses had little duplication and were in an ideal complementary relationship. Eventually, MHC and Hitachi Capital Corporation reached an agreement, determining that business integration through merger is the optimal means to promptly adapt to drastic environmental changes and further open up new areas of their advanced asset businesses based on a constructive discussion in the spirit of mutual respect and fairness.

On 24 September 2020, both companies entered into a merger agreement and a business integration agreement, pursuant to which MHC and Hitachi Capital Corporation agreed to an absorption-type merger to integrate their businesses with MHC being the surviving entity. All relevant conditions have been fulfilled and the Merger duly took effect on 1 April 2021. After that, in November 2021, MHC obtained all shares of CAI International, Inc. and it became a wholly-owned subsidiary of MHC and in January 2023, CAI International, Inc. merged with Beacon Intermodal Leasing, LLC, with CAI International, Inc. being the surviving entity.

### ***Description of Hitachi Capital Corporation***

As a manufacturer affiliated financial services company, Hitachi Capital Corporation had consistently pursued a policy of a distinct emphasis on the products it had financed over its history of more than 50 years. The products Hitachi Capital Corporation had financed had gradually expanded from the original range of household appliances to automobiles, information equipment, industrial machinery, medical devices, agricultural equipment and housing. Hitachi Capital Corporation's conception of products had expanded to include those things that contribute to healthy economic activity. In addition, Hitachi Capital Corporation had expanded into areas used in corporate finance, such as discounting of receivables. The one strength that had differentiated Hitachi Capital Corporation from competitors had been its ability to capitalise on its extensive experience and knowledge of such areas and products to provide seamless services that range from leases, loans and other financial services to function-oriented services. These services were based on a new perspective of a greater need for utility value in a product as a service. This fitted with the shift from industrial economy to a knowledge-based economy in Japan and included services such as asset management, securitisation, sale of lease matured assets, credit guarantees, receivables collection, trust services, and tax representation which save customers' time and resources.

### **Recent Business**

#### **Summary Financial Information**

The following is a summary of certain consolidated financial information of MHC as of 31 March 2023 and 31 March 2024 and for the years then ended.

	<i>Year ended/as of 31 March (Consolidated) (audited)</i>	
	2023	2024
	<i>Millions of Yen</i>	
Total current assets.....	¥6,261,670	¥6,040,826
Total property and equipment .....	3,628,907	4,236,715
Total investments and other assets .....	831,015	868,490
Total assets .....	10,726,196	11,149,858
Total current liabilities .....	3,512,353	3,545,972
Total long-term liabilities.....	5,662,813	5,898,539

	<i>Year ended/as of 31 March (Consolidated) (audited)</i>	
	<i>2023</i>	<i>2024</i>
	<i>Millions of Yen</i>	
Total equity .....	1,551,029	1,705,345
Revenues .....	1,896,231	1,950,583
Operating income.....	138,727	146,176
Income before income taxes.....	153,164	167,676
Net income .....	117,712	124,663
Net income attributable to noncontrolling interests .....	1,471	820
Net income attributable to owners of the parent .....	116,241	123,842

The following is a summary of certain consolidated financial information of MHC as of 30 June 2024 and for the three months then ended:

	<i>Three months ended / as of 30 June (Consolidated) (unaudited)</i>	
	<i>2024</i>	
	<i>Millions of Yen</i>	
Total current assets.....		¥6,260,263
Total property and equipment .....		4,595,663
Total investments and other assets .....		647,757
Total assets .....		11,763,192
Total current liabilities .....		3,742,828
Total non-current liabilities .....		6,198,236
Total equity .....		1,822,126
Revenues .....		529,891
Operating income.....		48,953
Income before income taxes.....		55,662
Net income .....		39,141
Net income attributable to noncontrolling interests .....		(43)
Net income attributable to owners of the parent .....		39,184

## **Results**

### ***Consolidated results of MHC for the year ended 31 March 2024 compared to the year ended 31 March 2023***

The volume of new transactions for the year ended 31 March 2024 was ¥3,051.9 billion, a 15.6 per cent. increase compared to the year ended 31 March 2023.

### *Total revenues*

Total revenues for the year ended 31 March 2024 increased by ¥54,351 million, or 2.9 per cent., to ¥1,950,583 million, compared to ¥1,896,231 million for the year ended 31 March 2023.

### *Gross profit*

Gross profit for the year ended 31 March 2024 increased by ¥22,768 million, or 6.4 per cent., to ¥380,095 million, compared to ¥357,327 million for the year ended 31 March 2023.

### *Selling, general and administrative expenses*

Selling, general and administrative expenses for the year ended 31 March 2024 increased by ¥15,318 million, or 7.0 per cent., to ¥233,919 million, compared to ¥218,600 million for the year ended 31 March 2023.

### *Operating income*

Operating income for the year ended 31 March 2024 increased by ¥7,449 million, or 5.4 per cent., to ¥146,176 million, compared to ¥138,727 million for the year ended 31 March 2023.

### *Other income*

Other income for the year ended 31 March 2024 increased by ¥7,063 million, or 48.9 per cent., to ¥21,500 million, compared to ¥14,436 million for the year ended 31 March 2023.

### *Net income*

Net income for the year ended 31 March 2024 increased by ¥6,950 million, or 5.9 per cent., to ¥124,663 million, compared to ¥117,712 million for the year ended 31 March 2023.

### *Net income attributable to owners of the parent*

Net income attributable to owners of the parent for the year ended 31 March 2024 increased by ¥7,601 million, or 6.5 per cent., to ¥123,842 million, compared to ¥116,241 million for the year ended 31 March 2023.

## **Financial Condition**

### *Consolidated balance sheet of MHC as of 31 March 2024 compared to consolidated balance sheet as of 31 March 2023*

Total current assets as of 31 March 2024 decreased by ¥220,844 million, or 3.5 per cent., to ¥6,040,826 million, compared to ¥6,261,670 million as of 31 March 2023. Cash and cash equivalents decreased by ¥125,179 million, or 27.2 per cent. to ¥335,307 million, compared to ¥460,486 million as of 31 March 2023.

Total property and equipment as of 31 March 2024 increased by ¥607,808 million, or 16.7 per cent., to ¥4,236,715 million, compared to ¥3,628,907 million, as of 31 March 2023.

Total investments and other assets as of 31 March 2024 increased by ¥37,475 million, or 4.5 per cent., to ¥868,490 million, compared to ¥831,015 million as of 31 March 2023.

Total assets as of 31 March 2024 increased by ¥423,661 million, or 3.9 per cent., to ¥11,149,858 million, compared to ¥10,726,196 million as of 31 March 2023.

Total current liabilities as of 31 March 2024 increased by ¥33,619 million, or 1.0 per cent., to ¥3,545,972 million, compared to ¥3,512,353 million as of 31 March 2023.

Total long-term liabilities as of 31 March 2024 increased by ¥235,726 million, or 4.2 per cent., to ¥5,898,539 million, compared to ¥5,662,813 million as of 31 March 2023.

Total equity as of 31 March 2024 increased by ¥154,315 million, or 9.9 per cent., to ¥1,705,345 million, compared to ¥1,551,029 million as of 31 March 2023.

## Liquidity and Capital Resources

### Cash flows of MHC for the year ended 31 March 2024 compared to cash flows for the year ended 31 March 2023

Net cash used in operating activities for the year ended 31 March 2024 was ¥49,128 million, compared to ¥46,752 million provided by operating activities for the year ended 31 March 2023.

Net cash provided by investing activities by the Group for the year ended 31 March 2024 was ¥143,336 million, compared to ¥127,322 million used in investing activities for the year ended 31 March 2023.

Net cash used in financing activities for the year ended 31 March 2024 increased by ¥214,029 million, or 2,391.8 per cent. to ¥222,977 million, compared to ¥8,948 million for the year ended 31 March 2023.

As a result of the above, cash and cash equivalents as of 31 March 2024 decreased by ¥125,179 million, or 27.2 per cent., to ¥335,307 million, compared to ¥460,486 million as of 31 March 2023.

## Funding

The Group's policy concerning the procurement of funds to support business activities is to procure funds in a stable and cost-effective manner. For funding purposes, MHC selects and utilises, as needed, both direct financing, such as commercial paper and corporate bonds, and indirect financing, including bank loans. The Group seeks to use the most advantageous means and suitable terms, according to market conditions at the time. Substantially all of MHC's short-term bank loans are made under agreements as is customary in Japan, which provide that, at the request of such banks, MHC will provide additional collateral or guarantees with respect to the loan. As of 30 June 2024, MHC has not received any such request.

The Group's annual maturities of interest-bearing debt as of 31 March 2024 for the next five years were as follows:

31 March 2024	<i>Due in one year or less</i>	<i>Due after one year through two years</i>	<i>Due after two years through three years</i>	<i>Due after three years through four years</i>	<i>Due after four years through five years</i>
			<i>Millions of Yen</i>		
Short-term loans from banks and other financial institutions.....	¥471,060				
Commercial paper.....	784,178				
Bonds.....	563,684	¥337,440	¥303,303	¥217,266	¥262,371
Long-term loans from banks and other financial institutions.....	1,009,821	794,417	754,601	557,809	441,493
Nonrecourse loans .....	2,796	2,850	2,906	2,963	3,023
Lease obligations .....	17,852	12,623	7,654	4,976	3,656
Loans from the securitisations of the minimum future rentals on lease contracts and other.....	224,521	139,852	87,019	46,894	51,880
Total .....	¥3,073,915	¥1,287,185	¥1,155,367	¥829,910	¥762,423

## Strategy

On the Merger, the Group formulated its basic management policy, including the following mission and vision:

- *Mission.* The Group will contribute to a prosperous and sustainable future by creating social value through maximising the potential of its assets.

- *Vision.*
  - The Group aims to solve social issues by developing unique and progressive businesses with consideration for the global environment.
  - The Group aims to achieve sustainable growth through value co-creation with diverse stakeholders across the globe.
  - The Group aims to enhance corporate value by evolving its business model through utilising digital technology and data.
  - The Group aims to foster an “open, creative and engaging” corporate culture that shapes each and every employee’s motivation and pride.
  - The Group aims to be a trusted company by complying with laws and regulations, as well as implementing ethical corporate management.

The Group formulated a Medium-term Management Plan covering the three-year period from the fiscal year ending March 31, 2024 (the “2025 MTMP”), which was announced in May 2023. The Group established its 10-year Vision, “Together we innovate, challenge and explore the frontiers of the future”. To achieve this vision, the Group will proceed with the evolution and layering of business models by developing services and promoting business investment, utilising tangible and intangible assets, such as data and other elements, to their fullest potential. For the promotion of the above, the Group will aim for sustainable growth by solving environmental, social, and economic issues. At the same time, the Group will aim to enhance its medium- to long-term corporate value by achieving an optimal balance sheet based on well-balanced growth potential, return on capital, and financial soundness. The 2025 MTMP is positioned as the “hop” plan of its three Medium-term Management Plans (“hop”, “step”, and “jump”) toward its 10-year Vision. The Group will address the management plan with “sowing seeds” and “gaining a solid foothold” leading to a leap to the “step” and “jump” plans as keywords.

### ***Reportable Segments***

Following the organisational changes, effective 1 April 2022, the Group reorganised its reportable segments into the following seven segments effective 1 April 2022: (i) Customer Solutions, (ii) Global Business, (iii) Environment, Energy & Infrastructure, (iv) Aviation, (v) Logistics, (vi) Real Estate and (vii) Mobility. Following organisational changes, effective 1 April 2023, the “Environment, Energy & Infrastructure” segment has been changed to the “Environment & Energy” segment. The details of the reportable segments from 1 April 2023 are as described below:

<b>Reportable segment</b>	<b>Main service and business description</b>
Customer Solutions .....	Finance solutions for companies and government agencies, energy-saving business, sales finance provided through collaboration with vendors, real estate leasing and financial services
Global Business.....	Finance solutions, sales finance provided through collaboration with vendors in Europe, the Americas, China and ASEAN region
Environment & Energy .....	Renewable energy power generation business, environment related finance solution business
Aviation.....	Aircraft leasing business, aircraft engine leasing business
Logistics.....	Marine container leasing business, railway freight car leasing business
Real Estate .....	Real estate securitisation finance, real estate revitalisation investment business and real estate asset management business
Mobility.....	Auto leasing business and supplementary services



The following tables set forth the segment profit and segment assets for each of the MHC's reportable segments as of 31 March 2023 and 2024 and for the years then ended.

*Reportable segments*

<i>Year ended 31 March 2023</i>	<i>Customer Solutions</i>	<i>Global Business</i>	<i>Environment &amp; Energy</i>	<i>Aviation</i>	<i>Logistics</i>	<i>Real Estate</i>	<i>Mobility</i>	<i>Adjustments<sup>(1)</sup></i>	<i>Consolidated<sup>(2)</sup></i>
<i>Millions of yen</i>									
Segment profit.....	38,167	29,013	11,657	6,209	15,385	12,645	3,798	(636)	116,241
Segment assets <sup>(3)</sup> ...	3,227,742	2,644,283	433,296	1,640,232	1,092,910	447,277	41,402	1,199,051	10,726,196

*Reportable segments*

<i>Year ended 31 March 2024</i>	<i>Customer Solutions</i>	<i>Global Business</i>	<i>Environment &amp; Energy</i>	<i>Aviation</i>	<i>Logistics</i>	<i>Real Estate</i>	<i>Mobility</i>	<i>Adjustments<sup>(1)</sup></i>	<i>Consolidated<sup>(2)</sup></i>
<i>Millions of yen</i>									
Segment profit.....	38,159	16,609	7,331	27,338	17,835	11,934	2,796	1,837	123,842
Segment assets <sup>(3)</sup> ...	2,966,569	3,070,801	416,600	2,020,037	1,099,079	525,414	51,952	999,401	11,149,858

Notes:

- (1) Adjustments of segment profit consist mostly of adjustments of company-wide expenses included in selling, general and administrative expenses not allocated to any reportable segments. It also includes profit adjustments of ¥2,775 million and ¥1,387 million for the years ended 31 March 2023 and 2024, respectively, related to the merger with Hitachi Capital Corporation under the purchase method.

Adjustments of segment assets include goodwill recognised when Diamond Lease Company Limited and UFJ Central Leasing Company Limited merged and became Mitsubishi UFJ Lease & Finance Company Limited in 2007 and other segment assets not attributable to any reportable segments, such as investment securities related to corporate division, amounting to ¥105,820 million and ¥29,016 million as of 31 March 2023 and 2024, respectively, and the sum of such amount and the segment assets of all reportable segments amounted to ¥9,632,966 million and ¥10,179,473 million as of 31 March 2023 and 2024, respectively.

The remainder of the adjustments of segment assets of ¥1,093,230 million and ¥970,385 million as of 31 March 2023 and 2024, respectively, represents the difference between total segment assets including corporate division and total consolidated assets, which consists of assets other than segment assets such as cash and deposits and own-used assets.

- (2) Segment profit is reconciled to net income attributable to owners of the parent in the consolidated statements of income.  
(3) Segment assets include operating assets, equity-method investments, goodwill and investment securities.

The following table sets forth transaction volume of the MHC for each of the business segments for the years ended 31 March 2023 and 2024.

	<i>Year ended 31 March</i>	
	<i>2023</i>	<i>2024</i>
	<i>Billions of yen</i>	
Customer Solutions .....	¥933.2	¥984.8
Global Business.....	1,300.7	1,389.6
Environment & Energy .....	35.8	22.8

	<i>Year ended 31 March</i>	
	<i>2023</i>	<i>2024</i>
	<i>Billions of yen</i>	
Aviation .....	195.6	456.3
Logistics .....	55.3	38.3
Real Estate .....	87.9	152.0
Mobility .....	31.8	14.3
Adjustments <sup>(1)</sup> .....	—	(6.4)
Total .....	¥2,640.6	¥3,051.9

Note:

(1) For the fiscal year ended 31 March 2024, “Adjustments” in transaction volume include the transfer of the auto leasing business from the Global Business segment to the Mobility segment.

## Collection and Credit Losses

### *Collection procedures*

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

### *Allowance for credit losses*

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

## Compliance

MHC established the Mitsubishi HC Capital Group Code of Ethics and Code of Conduct in order to share fundamental values and ethics to be embraced by all members of the Group and reflect them in business. MHC also established a system for ensuring that the officers and employees of the Group comply with laws and regulations and the Articles of Incorporation, by establishing and disseminating various internal rules and the Compliance Manual.

The Compliance Committee deals with establishment, maintenance and management of the Group’s compliance system, with the Chief Compliance Officer (Head of Risk Management Division), who is responsible for the compliance of the Group, and the Legal & Compliance Department, which is tasked with enforcing compliance. Each member of the Group cooperates with MHC as necessary if there are any legal risks intrinsic to the business activities of such member, and develops an appropriate compliance system.

MHC formulates compliance programmes (specific plans to ensure that the executives and employees of the Group comply with laws and regulations, including education for the Group’s executives and employees) and MHC monitors how the Group’s executives and employees are working on those programmes. In addition, MHC established the Compliance Hotline System as an internal whistleblowing system under which the Group’s executives and employees can report to or seek consultations with MHC regarding unfair practices and other conduct.

The Group takes a resolute stance against anti-social forces and works to prevent transactions with such forces. MHC is aware of the possibility that funds transacted through the Group may be used for various criminal activities and/or terrorism, and it works to prevent money laundering.

## **Risk Management**

The Group engages in business operations that incorporate the framework of integrated risk management in order to work towards sustainable growth by balancing maintenance of management soundness with improving profitability. The major risks managed within the framework of integrated risk management include credit risk, asset risk, investment risk, market risk, liquidity risk, and operational risk. Risk management is conducted on a consolidated basis.

Specifically, risk capital is allocated to the respective risk category based on MHC's risk capital management policy after quantifying each risk using risk assessment methods tailored to the characteristics of the asset or business. Reasonable risk-taking is then carried out within the scope of risk tolerance.

Within this risk management framework, regular monitoring is undertaken of the utilisation of risk capital and the status of portfolios, the results of which are reported to and discussed by the Risk Management Committee, the Executive Committee, and the Board of Directors. In this way, efforts are made to ensure appropriate response measures and to promote effective internal communication about risk. Arrangements are in place to ensure that the Board of Directors is fully informed of the risk management system and risk management status and that it maintains oversight thereof.

### ***Credit risk management***

When considering the advisability of each deal, the Group carefully reviews the customer's credit standing using its own rating system and makes a thorough study in light of the value of the leased property, country risk, and other factors in an effort to ensure a reasonable return for the risk. Additionally, the Group continues to check the customer's credit standing on an ongoing basis even after entering into business relations and has a system in place to take the necessary steps in the event that the customer's credit standing worsens. Moreover, it engages in credit management with respect to the portfolio as a whole and considers risk diversification to ensure that credit is not concentrated with a specific customer, industry, country, territory, and so on, while striving to ensure sound management by regularly measuring the credit risk of its portfolio and monitoring to ensure that it is within a certain scope of capital.

### ***Asset risk management***

#### ***Global assets***

When engaging in operating leases with global assets, the Group conducts a comprehensive review that includes a checklist for deals involving movable property and future asset liquidity before working on each deal and endeavours to ensure a reasonable return for the credit risk and asset value fluctuation risk. Furthermore, the Group has established internal criteria to maintain a portfolio with risk diversification taken into account, including asset types, regions, and time of expiration. Moreover, the Group continues to check the customer's credit standing and industry trends on an ongoing basis even after entering into business relations and has a system in place to take the necessary steps in the event that the customer's credit standing worsens, such as collecting a deposit from the customer to cover asset wear and tear as necessary. Additionally, the Group holds warning sign management meetings as necessary at business divisions and risk management divisions for each major asset category to review applicable industry trends and signs of problems that could impact asset value fluctuation. Also, the Group regularly measures customer credit risk and the risk of fluctuations in the value of assets in its portfolio to monitor whether it is within a certain scope of capital, in an effort to ensure sound management.

#### ***Real estate***

The Group makes a careful decision based on a comprehensive review of future asset value and liquidity before working on each deal and endeavours to ensure a reasonable return for the asset value fluctuation risk. Furthermore, the Group continues to check the status of asset management, price trends, and industry trends on an ongoing basis even after entering into business relations and has a system in place to maximise revenue. Additionally, the Group holds warning sign management meetings as necessary at business divisions and risk management divisions to review industry trends and signs of problems that could impact asset value fluctuation. The Group also regularly measures the risk of fluctuations in the value of assets in its portfolio to monitor whether it is within a certain scope of capital, in an effort to ensure sound management.

### ***Investment risk management***

The Group holds investment meetings according to the individual investment amounts and severity of risk to gather the opinions of the relevant departments and makes a careful decision based on a comprehensive review of future investment value and liquidity from a broad point of view when considering each investment, thereby endeavouring to ensure a reasonable return for the risk. Additionally, the Group continues to check the status of investment management and industry trends on an ongoing basis even after entering into business relations and has a system in place to maximise revenue. The Group also regularly measures the risk of fluctuations in the value of investments in its portfolio to monitor whether it is within a certain scope of capital, in an effort to ensure sound management.

### ***Market risk management***

The Group constantly watches movements in the financial markets and, as needed, monitors through asset liability management (“ALM”) any imbalances in the form of interest rates or currency exchange for asset management and for procurement of funds. It then manages interest rate fluctuation risk through appropriate hedge operations while taking interest rate movements into account. To address exchange rate fluctuation risk, in principle, the Group raises funds in the same currency as the operating asset in an effort to minimise loss on currency valuation of assets. The Group also regularly measures the quantitative risk of the position of portfolio holdings incurring a loss over a certain period of time at a certain probability and to what extent in the event that interest or currency exchange rates take a disadvantageous turn based on past statistics, and monitors whether it is within a certain scope of capital in an effort to ensure sound management. Meanwhile, the Asset Liability Management Committee (the “ALM Committee”) meets quarterly or as required to analyse scenarios and data in connection with geopolitical risk, pandemics and various other risk factors and to determine ALM policy based on trends in the financial market environment, the risk situation, and other considerations.

### ***Liquidity risk management***

With respect to the procurement of funds, the Group tries to ensure the liquidity of funds through efforts to diversify by procuring funds directly from the market including corporate bonds, commercial papers, and securitisation of lease receivables in addition to borrowing from financial institutions as well as through procurement with long- and short-term balance, careful management of cash flows, and measures to supplement liquidity during emergencies, such as through the acquisition of commitment lines. Additionally, the Group conducts stage-by-stage management of liquidity, putting in place funding arrangement to ensure that the immediately necessary funds can be secured, including funds for repayment, even if the fundraising environment deteriorates, and reporting on the status of funding to the ALM Committee.

In addition to analyses of credit, interest rate sensitivity (the impact on revenue of interest rate fluctuation) and other items, the ALM Committee carries out comprehensive investigations of market risk and liquidity risk in the event of stress developing in the financial markets or other relevant areas, including the potential impact on profit. It then decides a fund procurement strategy and risk response policies as the basis for the rollout of a Group-wide strategy reflecting the market environment. Regarding risk management in particular, it coordinates with the Risk Management Committee, which is one arm of the Group-wide integrated risk management system. By strengthening the warning sign management system and coordinating with contingency planning, it makes efforts to improve the flexibility and resilience of financial structures in the event of a crisis situation emerging.

Meanwhile, to support the globalisation of its business over recent years and also to increase its ability to procure foreign currency, the Group is progressing with the reorganisation of its regional financial bases. As part of this, it has established a regional financial base in North America, where it holds a large asset balance, thus putting in place a Group financing system, which includes the consolidation of financing. The North America regional financial base offers not only indirect financing but also various forms of fund procurement, including issuance of commercial papers and corporate bonds, thus providing funds to Group companies expanding into North America.

### ***Operational risk management***

#### *Risk related to earthquakes, wind and flood damage, pandemics and terrorism*

The Group has established responsible departments depending on the envisioned risk to prepare for such circumstances and has a system in place to establish a crisis response headquarters to respond to a critical situation. The Group is also working to establish a system for business continuity by putting together a business continuity plan, implementing redundancy measures for backbone systems, establishing a system infrastructure that allows work from home, and implementing office shifts limited to operations that must continue.

In March 2022, the Group set up a Crisis Management Headquarters that is working to address cybersecurity, trade control, and money laundering, track financial trends, enhance screening and management of deals, monitor the impact on the value of Group operating assets, and identify and manage other indirect impacts.

#### *System risk*

The Group has a system in place to properly manage and maintain these systems through internal cooperation and partnership with other companies in order to ensure their stable operation. The Group is equipped with an integrated response system for failures that includes swift action and sharing of information internally and externally where the failure occurs as well as establishment and implementation of measures to prevent subsequent recurrence. Additionally, Group-wide IT control is implemented for system development at the Group companies in Japan and other countries by using standardised methods as part of a proprietary process.

#### *Cybersecurity risk and information security risk*

The Group has established a cross-organisational Security Incident Response Team (MHC-SIRT) to address these risks and has a system in place to prevent incidents at the entrance, internal, and exit stages and respond to them if they occur. Specifically, in preparation for cyberattacks that exploit vulnerabilities, the Group keeps software up to date to detect unauthorised access, malware, and other cyberattacks and maintains management preparedness to prevent problems. At the same time, the Group has established an internal and external coordination system and conducts drills to prepare for incidents. Moreover, targeted e-mail training is provided for all employees, and internal education on information security is carried out on an ongoing basis.

#### *Legal risk*

The Group strictly adheres to laws, regulations, and company rules in conducting its operations. The Group has established the Principles for Prevention of Bribery and Corruption, the Principles for Compliance with Competition Laws, the Basic Policy on Anti-social Elements, the Principles for Money-Laundering Prevention, the Personal Information Protection Policy, and the Principles for National Security Export Control and prepared the Compliance Manual to disseminate these policies and rules to all executives and employees of the Group, which is available for viewing at any time on MHC's intranet. In addition, the Group provides ongoing compliance education. The Group is working to strengthen its compliance system and has also established the Compliance Hotline System, which it operates while regularly incorporating feedback from outside experts.

#### *System change risk*

The Group's corporate centres, business divisions, sales bases in Japan, and sites in each country continuously monitor revisions and changes to the various systems in and outside Japan, such as legal, accounting, and tax systems, applying to the relevant country and services. In addition, the Group gathers information on and implements measures to address changes and revisions as quickly as possible while reinforcing such monitoring by actively utilising outside experts.

#### *Administrative risk*

The Group has established administrative rules for each transaction and conducts business according to these rules while reviewing them as needed. Additionally, an internal reporting system is in place for internal administrative incidents. Should such an incident occur, the system includes internal reporting, swiftly addressing the incident, identifying the cause, and establishing/implementing measures to prevent recurrence.

#### ***Management of risk related to conduct***

The Group emphasises integrity as one of the core elements of the Action Principles, which set forth the values and mindset to be held and actions to be taken by each and every employee within the Basic Management Policy. This means maintaining high ethical standards and constantly returning to the basics. The Group ensures that all executives and employees conduct themselves accordingly. In addition, the Group has established the Mitsubishi HC Capital Group Code of Ethics and Code of Conduct. While ensuring that all executives and employees maintain high ethical standards and respect both laws and regulations and the spirit of social norms, the Group also provides ongoing education on the topic of integrity.

#### ***Management of risk related to expansion of operating base, strategic partnerships, and M&As***

In addition to review by the relevant departments according to the individual investment amounts and severity of risks, the Group brings in outside experts for a comprehensive review of the fitness of the investment structure and the future investment effect from a broad point of view when considering each M&A or partnership deal. Even after an M&A deal is executed, the Group's rules are applied to establish a system for proper operational management, and monitoring is carried out on the business plan, results management, and other aspects so that the necessary actions can be taken in a timely manner.

#### ***Climate change risk management***

The Group recognises promotion of a decarbonised society as a priority task in achieving sustainable growth that forms part of its "materiality" (material issues). Accordingly, the Group has expressed its support for the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and is working to enhance risk identification and assessment and relevant information disclosure in accordance with the recommendations. Additionally, the Group recognises climate change as a significant risk for Group-wide risk management and is progressing with relevant initiatives.

#### ***Human rights violation risk management***

The Group established its Human Rights Policy in September 2022, declaring that "[we] recognise that conducting business with the utmost respect of human rights is a major challenge, and we will fulfil our responsibilities in this matter across all our business activities." In addition, the Group launched an internal project to address human rights violation risk in October 2022. Moving forward, the Group will continue to advance efforts to eliminate human rights violations.

#### ***Stress test***

In the execution of management strategy, the Group makes efforts to gauge the degree of impact of stress periods caused by various risk events with potential impact on its business, such as deterioration in market conditions including economic downturns and market fluctuation. Specifically, the Group has posited a number of potential high-stress scenarios, ranging from a deterioration in the overall world economy to market fluctuation, deterioration in credit, and the emergence of large-scale concentrations of risk in individual business

fields. Based on these scenarios, it has undertaken analysis and verification of the potential degree of impact of stress conditions on profitability and equity in each fiscal period.

These multifaceted verifications enable the Group to confirm its risk resilience and to ensure that the risk-return balance of management plans does not exceed tolerable levels.

### ***Litigation***

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

## **Regulation**

### ***Domestic operations***

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

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

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

The Group is also subject to the Personal Information Protection Act and the FSA's guidelines related thereto. Under this legislation, companies that utilise databases containing a significant amount of personal information must generally notify persons whose personal information will be entered into such databases of the specific uses of such information and must not handle such personal information beyond the extent necessary to achieve such specified uses or provide such personal information to third parties without obtaining consent from such persons. Given the nature of the Group's operations, data protection is of particular concern to the Group.

### ***Overseas operations***

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

## **The Japanese Leasing Industry**

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

In 1971, a group of the largest Japanese leasing companies established the Japan Leasing Association (the “JLA”), which had 79 regular members and 149 associated members as of 1 August 2024. Members of the JLA now account for almost all leasing business in Japan.

The primary leasing arrangement for leasing companies in Japan is the “direct financing lease” on a full pay-out basis by which the total lease payments received cover the total cost of the leased equipment, including the interest and maintenance costs. In addition, “operating lease” is used in such areas as industrial machinery, computers and measuring equipment. The categories of equipment made available by Japanese leasing companies cover most areas of commercial and industrial activities.

## **Management**

Under the Companies Act, joint stock corporations in Japan may adopt a corporate governance structure comprised of a board of directors and an audit and supervisory committee, commonly referred to as the audit and supervisory committee system, in lieu of the traditional structure comprised of a board of directors and a board of corporate auditors or the alternative structure comprised of a board of directors and three statutory committees. The members of the audit and supervisory committee consist of three or more directors. MHC adopted the audit and supervisory committee system since the Merger in April 2021, order to enhance the fairness and transparency of management, strengthen the supervisory functions of the Board of Directors, and enhance corporate governance.

Pursuant to the audit and supervisory committee system, the Board of Directors is comprised of Directors who are Audit and Supervisory Committee Members and Directors who are not. The articles of incorporation of MHC provide for a Board of Directors consisting of twenty-two Directors at most, including seven Directors of the Audit and Supervisory Committee at most. All Directors are elected by MHC’s shareholders at a general meeting of shareholders, with Directors who are Audit and Supervisory Committee Members elected separately from other Directors. The term of office for Directors who are not Audit and Supervisory Committee Members expires at the close of the ordinary general meeting of shareholders held with respect to the last fiscal year ended within one year after their election, and the term of office for Directors who are Audit and Supervisory Committee Members expires at the close of the ordinary general meeting of shareholders held with respect to the last fiscal year ended within two years after their election. All Directors may serve any number of consecutive terms.

The Board of Directors has the ultimate responsibility for the administration of MHC’s affairs. The Board of Directors, however, may delegate by resolution some or all of its decision-making authority in respect of the execution of operational matters (excluding certain matters specified in the Companies Act) to individual Directors. The Board of Directors elects one or more Representative Directors from among its members who are not Audit and Supervisory Committee Members. Each of the Representative Directors has the authority to represent MHC in the conduct of MHC’s affairs.

The Directors who are Audit and Supervisory Committee Members are not required to be certified public accountants. They may not serve concurrently as executive directors, managers or any other type of employee for MHC or for any of MHC’s subsidiaries, or as accounting advisors or corporate executive officers for any of



MHC's subsidiaries. In addition, more than half of the Directors who are Audit and Supervisory Committee Members at any one time must be Outside Directors as defined under the Companies Act, who have not served as executive directors, corporate executive officers, managers or any other type of employee for MHC or any of MHC's subsidiaries for ten years prior to their election and fulfil certain other requirements specified in the Companies Act.

The Audit and Supervisory Committee has a statutory duty to audit the administration of MHC's affairs by its Directors, to examine the financial statements and business reports to be submitted to the shareholders by a Representative Director, to prepare an audit report each year, to determine details of proposals concerning the appointment and dismissal of independent auditor and the refusal to reappoint independent auditor for submission to general meetings of shareholders and to determine the opinion on election, removal, resignation of or remuneration for Directors who are not Audit and Supervisory Committee Members, which may be expressed at a general meeting of shareholders. An Audit and Supervisory Committee Member may note his or her opinion in the audit report issued by the Audit and Supervisory Committee if such an opinion differs from that expressed in the audit report.

MHC is required to appoint and have appointed an independent auditor, who has the statutory duties of auditing the financial statements to be submitted to the shareholders by a Representative Director and preparing its audit report thereon. Deloitte Touche Tohmatsu LLC currently acts as MHC's independent auditor.

As a company with an audit and supervisory committee, MHC delegates business execution decisions to the Executive Committee within an appropriate scope, a body which will deliberate and decide on important management matters, and expedites the decision-making process, with the aim of strengthening the supervisory functions of the Board of Directors.

In addition, MHC has adopted an executive officer system, in order to further enhance and invigorate the functions of the Board of Directors by clarifying the responsibilities related to the execution of business. The Executive Committee holds deliberations and makes decisions on important matters, including the business management of the Group, in addition to conducting preliminary deliberations of matters that are to be submitted to the Board of Directors to facilitate decision-making by the Board of Directors.

MHC established the Governance Committee, which consists of Outside Directors, Representative Directors, etc., and has exchanged a wide range of opinions on the improvement of the Board of Directors' effectiveness and other matters regarding the Board of Directors, in order to work on the improvement of the soundness, transparency, and fairness of MHC's management. Based on the understanding that appropriate involvement of Independent Outside Directors is extremely important for resolutions related to nomination and remuneration, MHC has established the Nomination Committee and Compensation Committee, of which Independent Outside Directors comprise the majority of each committee. The Nomination Committee discusses the appointment of Directors, the succession plan for the Representative Director, President and CEO, the knowledge, experience, skills, and other qualities that the Directors should have, and other matters. Meanwhile, the Compensation Committee regularly monitors the Directors' remuneration system of MHC in comparison with the market standard by using an external specialised agency, and discusses policies concerning the systems, standards, etc. for Directors' remuneration. The members and the chairperson of each committee shall be selected by the Board of Directors, and items discussed in the committees shall be resolved by a majority of committee members in attendance. It is stipulated in internal rules that the Board of Directors shall make decisions in deference to decisions made by the committees.

The Directors and Audit and Supervisory Committee Members as of the date of this Base Prospectus are set out in the table below:

Name	Title
Takahiro Yanai	Director, Chairman
Taiju Hisai* <sup>1</sup>	Representative Director, President and CEO

<b>Name</b>	<b>Title</b>
Aiichiro Matsunaga <sup>*1</sup>	Representative Director, Deputy President
Kazumi Anei <sup>*1</sup>	Director, Deputy President
Haruhiko Sato <sup>*1</sup>	Director, Managing Executive Officer
Yuri Sasaki <sup>*2*3</sup>	Director
Kayoko Kawamura <sup>*2*3</sup>	Director
Shota Kondo <sup>*3</sup>	Director
Yoshitaka Shiba	Director, Audit and Supervisory Committee Member
Hiroyasu Nakata <sup>*2*3</sup>	Director, Audit and Supervisory Committee Member
Hiroko Kaneko <sup>*2*3</sup>	Director, Audit and Supervisory Committee Member
Masayuki Saito <sup>*2*3</sup>	Director, Audit and Supervisory Committee Member

Notes:

- \*1 Director and Corporate Executive Officer
- \*2 Independent Director
- \*3 Outside Director

None of the Directors have any conflict between their duty to MHC and any private interests and/or other duties except in accordance with the appropriate procedures under the Companies Act.

The names of the Executive Officers of MHC as at the date of this Base Prospectus is as follows:

<b>Name</b>	<b>Title</b>
Masashi Takeda	Senior Managing Executive Officer
Osamu Muramoto	Senior Managing Executive Officer
Kazuhiko Takeuchi	Managing Executive Officer
Shinji Tanaka	Managing Executive Officer
Takeo Nakai	Managing Executive Officer
Kazunori Hamazaki	Managing Executive Officer
Yasuyuki Hirota	Managing Executive Officer
Yukio Maruyama	Managing Executive Officer
Nozomu Naruse	Managing Executive Officer
Hiroshi Ikebe	Managing Executive Officer
Hisashi Ishimaki	Managing Executive Officer
Katsuya Kitahara	Managing Executive Officer
Makoto Sawada	Managing Executive Officer
Yuji Suzuki	Managing Executive Officer
Masahiko Tanimura	Managing Executive Officer
Katsuji Okamoto	Managing Executive Officer
Yasuhiro Sato	Managing Executive Officer

Name	Title
Takuji Naruse	Managing Executive Officer
Toru Fukuyama	Managing Executive Officer
Takashi Yamaguchi	Managing Executive Officer
Naoshi Ogikubo	Managing Executive Officer
Yasuyuki Kusakari	Managing Executive Officer

The aggregate remuneration paid to the Directors (excluding Audit and Supervisory Committee Members and Outside Directors) by MHC in their capacity as such was ¥422 million for the year ended 31 March 2024. The aggregate remuneration paid to the Audit and Supervisory Committee Members (excluding Outside Directors) by MHC was ¥49 million for the year ended 31 March 2024. The aggregate remuneration paid to the Outside Directors by MHC was ¥91 million for the year ended 31 March 2024.

The articles of incorporation of MHC provide that MHC may enter into agreements limiting liability with any of its Directors (excluding Executive Directors) in order to limit the maximum amount of such damages to the amount provided by applicable laws and regulations.

### Subsidiaries and Affiliates

As of 31 March 2024, MHC's principal subsidiaries and affiliates are as set out below:

<i>Name of subsidiary or affiliate</i>	<i>Issued share capital (millions of yen or otherwise indicated)</i>	<i>Ownership or ownership ratio of voting rights</i>	<i>Principal business<sup>(1)</sup></i>
<b>Subsidiaries:</b>			
JAPAN MEDICAL LEASE CORPORATION .....	¥100	100%	Customer Solutions
Mitsubishi HC Capital Estate Plus Inc. <sup>(2)</sup> .....	¥251	100%	Customer Solutions
Capital Insurance Corporation <sup>(3)</sup> .....	¥6,200	79.36%	Customer Solutions
Mitsubishi HC Business Lease Corporation <sup>(3)</sup> .....	¥10,000	100%	Customer Solutions
PT HCD Properti Indonesia <sup>(3)(4)</sup> .....	Rp580,000 million	63.45% (63.45%)	Customer Solutions
Mitsubishi HC Capital UK PLC <sup>(3)(5)</sup> .....	£116,168 thousand	100%	Global Business
Mitsubishi HC Capital America, Inc. <sup>(3)</sup> .....	U.S.\$180,000 thousand	100%	Global Business
Mitsubishi HC Capital Canada, Inc. <sup>(3)(4)</sup> .....	CA\$97,000 thousand	100% (100%)	Global Business
Mitsubishi HC Capital Canada Leasing, Inc. <sup>(4)</sup> .....	CA\$10,126 thousand	100% (100%)	Global Business
Mitsubishi HC Capital (Shanghai) Co., Ltd. <sup>(3)</sup> .....	U.S.\$55,000 thousand	100%	Global Business
Mitsubishi HC Capital Leasing (Beijing) Co., Ltd. <sup>(3)(4)</sup> .....	U.S.\$170,000 thousand	100% (100%)	Global Business
Mitsubishi HC Capital Factoring (Shanghai) Co., Ltd. <sup>(3)(4)</sup> .....	RMB306,570 thousand	100% (100%)	Global Business
Mitsubishi HC Capital Management (China) Limited <sup>(3)</sup> .....	HK\$2,285,516 thousand	100%	Global Business
Mitsubishi HC Capital (Hong Kong) Limited <sup>(3)(4)</sup> .....	HK\$310,000 thousand	100% (100%)	Global Business

<i>Name of subsidiary or affiliate</i>	<i>Issued share capital (millions of yen or otherwise indicated)</i>	<i>Ownership or ownership ratio of voting rights</i>	<i>Principal business<sup>(1)</sup></i>
Mitsubishi HC Capital Asia Pacific Pte. Ltd. <sup>(3)</sup> .....	S\$126,400 thousand	100%	Global Business
Mitsubishi HC Capital (Thailand) Co., Ltd. <sup>(3)(4)</sup> .....	THB1,100,000 thousand	100% (51%)	Global Business
PT. Mitsubishi HC Capital and Finance Indonesia <sup>(3)(4)</sup> .....	Rp400,000 million	100% (15%)	Global Business
Mitsubishi HC Capital Energy Inc.....	¥150	100%	Environment & Energy
HSE Ltd.....	¥50	85.1%	Environment & Energy
JSA International Holdings, L.P. and its 16 subsidiaries <sup>(3)</sup> .....	U.S.\$742,183 thousand	100%	Aviation
Engine Lease Finance Corporation <sup>(4)</sup> .....	U.S.\$1 thousand	100% (100%)	Aviation
CAI International, Inc. <sup>(4)</sup> .....	U.S.\$0 thousand	100% (100%)	Logistics
PNW Railcars, Inc. <sup>(4)</sup> .....	U.S.\$1 thousand	100% (100%)	Logistics
Mitsubishi HC Capital Realty Inc.....	¥300	100%	Real Estate
MHC America Holdings Corporation <sup>(3)</sup> .....	U.S.\$0 thousand	100%	Group financing business
204 other companies			
<i>Affiliate companies accounted for by the equity method:</i>			
Mitsubishi Electric Financial Solutions Corporation	¥1,010	45%	Customer Solutions
Chubu Electric Power & MHC Germany Transmission GmbH.....	EUR25 thousand	49%	Environment & Energy
Mitsubishi Auto Leasing Corporation.....	¥960	50%	Mobility
64 other companies			
<i>Other affiliated companies:</i>			
Mitsubishi Corporation <sup>(6)</sup> .....	¥204,446	(Owned) 18.40%	General trading company
Mitsubishi UFJ Financial Group, Inc. <sup>(4)(6)</sup> .....	¥2,141,513	20.03% (5.52%)	Bank holding company

Notes:

- (1) The “Principal business” column of consolidated subsidiaries other than MHC America Holdings Corporation indicates the name of the reportable segment for the principal business operated by the consolidated subsidiaries. Since MHC America Holdings Corporation does not belong to any specific reportable segment, the business it operates is presented.
- (2) On 1 October 2023, Mitsubishi HC Capital Property Inc. and Mitsubishi HC Capital Community Corporation merged in an absorption-type merger, with Mitsubishi HC Capital Property Inc. as the surviving company. Subsequently, Mitsubishi HC Capital Property Inc. changed its company name to Mitsubishi HC Capital Estate Plus Inc.
- (3) These companies are specific subsidiaries (as defined in the Cabinet Office Order on Disclosure of Corporate Affairs of Japan). In addition, three of the 16 subsidiaries of JSA International Holdings, L.P. are specific subsidiaries.
- (4) The figures in parentheses in “Ownership or ownership ratio of voting rights” is the included number of indirect ownership or the ownership ratio of indirect ownership.
- (5) For Mitsubishi HC Capital UK PLC, net sales (excluding inter-company sales between consolidated companies) exceeds 10% of consolidated net sales.

- (6) It is a company that submits annual securities reports.

## Capitalisation and Indebtedness

The following table sets out the consolidated capitalisation and indebtedness of MHC as of 30 June 2024.

	<i>As of 30 June 2024 (Consolidated) (unaudited)</i>
	<u>Millions of Yen</u>
Long-term debt <sup>*1</sup> :	
Bonds, less current maturities .....	¥1,587,723
Long-term loans from banks and other financial institutions, less current maturities.....	3,730,803
Loans from the securitisations of the minimum future rentals on lease contracts, less current maturities .....	328,879
Total long-term debt .....	<u>5,647,406</u>
Equity:	
Common stock:	
Authorised – 4,800,000,000 shares, Issued – 1,466,912,244 shares .....	33,196
Capital surplus.....	546,248
Stock acquisition rights .....	1,768
Retained earnings.....	787,043
Treasury stock – at cost, 32,233,745 shares .....	(20,711)
Accumulated other comprehensive income:	
Net unrealized gain on available-for-sale securities.....	15,671
Deferred gain on derivatives under hedge accounting .....	42,283
Foreign currency translation adjustments.....	390,097
Defined retirement benefit plans .....	10,373
Total accumulated other comprehensive income .....	<u>458,426</u>
Noncontrolling interests .....	<u>16,155</u>
Total equity .....	<u>1,822,126</u>
Total capitalisation and indebtedness <sup>*2</sup> .....	<u><u>7,469,532</u></u>

Notes:

<sup>\*1</sup> Long-term debt consists of bonds, long-term loans from banks and other financial institutions, and loans from the securitisations of minimum future rentals on lease contracts excluding current maturities thereof.

<sup>\*2</sup> Total capitalisation and indebtedness is a total of long-term debt and total equity but excludes noncontrolling interests.

## BUSINESS – MITSUBISHI HC FINANCE AMERICA LLC

### Overview

MHFA was incorporated in the State of Delaware in May 2021 as a wholly-owned subsidiary of AHC, a wholly owned subsidiary of MHC.

The business of MHFA is to act as a finance subsidiary aiming to enhance U.S. dollar funding capacity which supports the Group’s overseas expansion, especially in the United States. In this capacity, MHFA from time to time issues medium-term notes, issues commercial paper and/or obtains bank loans, and intends to use the proceeds of such financing activities to make intercompany loans to group companies of MHC through AHC. MHFA’s business office is located at 140 East 45<sup>th</sup> Street, 30B-2, New York NY 10017, USA.

### Selected Financial Data

The following table provides selected financial information extracted from MHFA’s financial statements as of and for the years ended 31 December 2022 and 2023 prepared in accordance with accounting principles generally accepted in the United States of America.

	<i>As of 31 December</i>	
	<u>2022</u>	<u>2023</u>
	<i>Thousands of U.S. dollars</i>	
<b>Assets</b>		
Cash .....	\$72,149	\$49,735
Loans receivable – Parent .....	5,764,700	8,085,747
Accrued interest receivable – Parent .....	12,938	20,226
Other assets .....	510	1,613
Total assets.....	<u>\$5,850,297</u>	<u>\$8,157,321</u>
<b>Liabilities and Member’s Equity</b>		
Liabilities:		
Debt .....	\$4,816,971	\$7,049,631
Accrued interest payable .....	14,024	44,608
Due to Parent and affiliate .....	1,175	1,927
Other liabilities .....	229	3,279
Total liabilities .....	<u>4,832,399</u>	<u>7,099,445</u>
Member’s Equity:		
Member’s equity.....	1,017,540	1,059,596
Accumulated other comprehensive income (loss) .....	358	(1,720)
Total member’s equity .....	<u>1,017,898</u>	<u>1,057,876</u>
Total liabilities and Member’s equity.....	<u>\$5,850,297</u>	<u>\$8,157,321</u>

	<i>Year ended 31 December</i>	
	<u>2022</u>	<u>2023</u>
	<i>Thousands of U.S. dollars</i>	
Statement of Income and Comprehensive Income		
Interest income.....	\$136,958	\$363,113
Interest expense.....	113,241	294,595
Net interest income .....	<u>23,717</u>	<u>68,518</u>
General and administrative expenses .....	6,177	8,922
Net income .....	17,540	59,596
Other comprehensive income (loss) – Unrealized gain (loss) on derivative instruments accounted for as cash flow hedge .....	358	(2,078)
Comprehensive income.....	<u>\$17,898</u>	<u>\$57,518</u>

## Managers

The following are the names and titles of the managers of MHFA.

<u>Name</u>	<u>Title</u>
Osamu Tominaga	Chairman & Manager
Satoshi Tashiro	President & Manager
Takeshi Sakai	Manager

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

## Capitalisation and Indebtedness

The following table sets out the capitalisation and indebtedness of MHFA as of 31 December 2023.

	<i>Thousands of U.S. dollars</i>	
	<u>As of 31 December 2023</u>	
Debt.....		\$7,049,631
Member's equity:		
Member's equity.....		1,059,596
Accumulated other comprehensive income (loss) .....		(1,720)
Total member's equity .....		<u>1,057,876</u>
Total capitalisation and indebtedness* <sup>1</sup> .....		<u>\$8,107,507</u>

Note:

\*<sup>1</sup> Total capitalisation and indebtedness is defined as a total of debt and total member's equity for the purpose of Base Prospectus.

## TAXATION

### JAPANESE TAXATION

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

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

Interest payments on the Notes issued by MHC to an individual resident of Japan or a Japanese corporation (except for (i) a Japanese financial institution, etc. designated in Article 3-2-2, Paragraph (29) of the Cabinet Order which complies with the requirement for tax exemption under Article 6, Paragraph (11) of the Act on Special Taxation Measures, and (ii) a Japanese public corporation, a Japanese financial institution or a Japanese financial instruments business operator, etc. which has received such payments through a payment handling agent in Japan, as provided in Article 3-3, Paragraph (6) of the Act on Special Taxation Measures), in compliance with the requirement for tax exemption under that paragraph, or a specially-related person of the issuer, will be subject to withholding tax pursuant to the Income Tax Law (Act No. 33 of 1965, as amended, the "Income Tax Law") at a rate of 15.315 per cent. until 31 December 2037 and 15 per cent. thereafter on the amount of such interest.

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

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

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



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

- (2) if the Notes or Coupons are held otherwise than through a payment handling custodian, upon each payment of interest on the Notes the recipient files a claim for exemption from taxation (including a claim for exemption from exemption in electronic form) (a “Claim for Exemption from Taxation”) (providing, inter alia, the name and address of the recipient) with the relevant Japanese tax authority through MHC or (if payment of interest is made through the payment handling agent) through the payment handling agent and MHC. If the information required to be stated in the Claim for Exemption from Taxation is submitted to the relevant paying agent in an electronic form prescribed by the Act on Special Measures Concerning Taxation, it will be deemed to submit the Claim for Exemption from Taxation to the relevant paying agent.

If the recipient of interest on the Notes issued by MHC is an individual non-resident of Japan or a non-Japanese corporation other than a specially-related person of the issuer, failure by such individual non-resident of Japan or non-Japanese corporation to comply with the above requirements will result in the withholding of Japanese income tax. The above exemption from the withholding of Japanese income tax also applies to any Japanese financial institution, etc. designated in Article 3-2-2, paragraph (29) of the Cabinet Order pursuant to Article 6, paragraph (11) of the Act on Special Taxation Measures which receives the interest on the Notes issued by MHC otherwise than through the payment handling agent in Japan.

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

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

If the recipient of the issue discount is an individual non-resident of Japan or a non-Japanese corporation other than a specially-related person of the issuer having no permanent establishment within Japan or having a permanent establishment within Japan but the receipt of such issue discount is not attributable to such permanent establishment, no income tax or corporate tax is payable with respect to the issue discount. If the receipt of such

issue discount is attributable to a permanent establishment in Japan of any such individual non-resident of Japan or non-Japanese corporation other than a specially-related person of the issuer, such issue discount will be subject to Japanese income tax or corporate tax, as appropriate, payable other than by way of withholding. If the recipient of the issue discount is an individual non-resident of Japan or a non-Japanese corporation that is a specially-related person of the issuer, income tax or corporate tax, as appropriate, other than by way of withholding, may be payable with respect to such issue discount. The foregoing description does not address the tax treatment of the original issue discount of the Notes issued by MHC that fall under “discounted bonds” as presented by the Act on Special Taxation Measures.

### **Representation by Investor upon Distribution**

The Notes (if issued by MHFA, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHFA through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures) may not, as part of the distribution by the Dealers under the applicable subscription agreement relating to the Notes (if issued by MHFA, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHFA through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures), at any time be directly or indirectly offered or sold to, or for the benefit of, any person other than a beneficial owner that is, (i) 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 specially-related person of the issuer (excluding an underwriter designated in Article 6, Paragraph (12), item 1 of the Act on Special Taxation Measures which purchases unsubscribed portions of the Notes (if issued by MHFA, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHFA through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures) from the other underwriters), or (ii) a Japanese financial institution, etc. designated in Article 3-2-2, Paragraph (29) of the Cabinet Order.

By subscribing for the Notes (if issued by MHFA, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHFA through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures), an investor will be deemed to have represented that it is a person who falls into the category of (i) or (ii) above.

### **JAPANESE FOREIGN EXCHANGE REGULATIONS**

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

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

### **FATCA WITHHOLDING WITH RESPECT TO NOTES ISSUED BY MHC**

Pursuant to FATCA (as defined under “—Terms and Conditions of the Notes”), a “foreign financial institution” may be required to withhold on certain payments it makes (“foreign passthru payments”) to persons that fail to meet certain certification, reporting, or related requirements. MHC registered with the U.S. Internal Revenue Service as a foreign financial institution for these purposes. A number of jurisdictions (including Japan) have entered into, or have agreed in substance to, IGAs with the United States to implement FATCA, which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments

such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining “foreign passthru payments” are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes that are not treated as equity for U.S. federal income tax purposes, have a fixed term and are issued on or prior to the date that is six months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register generally would be “grandfathered” for purposes of FATCA withholding unless materially modified after such date. Prospective investors should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

## **UNITED STATES FEDERAL INCOME TAXATION**

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

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

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

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

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

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

This discussion does not address the U.S. federal income tax consequences of owning and disposing of all Notes that may be issued under the Program, including without limitation certain types of Index Linked Notes. In addition, this discussion does not address the U.S. federal income tax consequences of owning and disposing of Notes that are not indebtedness for U.S. federal income tax purposes and assumes that the relevant

series of Notes will constitute indebtedness for U.S. federal income tax purposes. Accordingly, additional disclosure may be included in a supplement to the Base Prospectus.

### ***Payments on the Notes***

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

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

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

### ***Sale or Other Taxable Disposition of the Notes***

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

### ***Backup Withholding and Information Reporting***

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

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

### ***FATCA***

FATCA (as defined under “—Terms and Conditions of the Notes”) imposes withholding of 30% on payments of interest on Notes issued by MHFA to “foreign financial institutions” (which is broadly defined for this purpose and in general includes investment vehicles) and certain other non-U.S. entities, including financial intermediaries, unless various U.S. information reporting and due diligence requirements (generally relating to ownership by U.S. persons of interests in or accounts with those entities) have been satisfied, or an exemption applies. This regime could also apply to the payment on your Notes at maturity, as well as to proceeds of any sale or other disposition of a Note, although under proposed regulations (the preamble to which specifies that

taxpayers are permitted to rely on them pending finalisation), no withholding will apply to payments of gross proceeds. If FATCA withholding is required, the Issuer and the Guarantor will not be required to pay any additional amounts with respect to any amounts so withheld. If FATCA withholding is imposed, a beneficial owner that is not a foreign financial institution generally will be entitled to a refund of any amounts withheld by filing a U.S. federal income tax return (which may entail significant administrative burden). You should consult your tax adviser regarding the effects of FATCA on your investment in the Notes.

## SUBSCRIPTION AND SALE

The Dealers have in a Programme Agreement dated 29 September 2022 (as amended or supplemented from time to time, the “Programme Agreement”), agreed with the Issuers a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “Form of the Notes” and “Terms and Conditions of the Notes”. In the Programme Agreement, the Issuers have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

### United States

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

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

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

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

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

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

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

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

#### **Prohibition of Sales to EEA Retail Investors**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression “retail investor” means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Regulation; and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

#### **Prohibition of Sales to UK Retail Investors**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base

Prospectus as completed by the final terms in relation thereto to any retail investor in the UK. 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 domestic law; 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 UK MiFIR; 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, and each further Dealer appointed under the Programme will be required to represent and agree, that:

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

## **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act and the Notes (if issued by MHFA, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHFA through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures) are subject to the Act on Special Taxation Measures. Each Manager 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, or for the benefit of, any resident in Japan for Japanese securities law purposes (including any corporation or other entity organised under the laws of Japan), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and governmental guidelines of Japan, and (ii) it has not, directly or indirectly, offered or sold and will not, as part of its distribution under the programme agreement or applicable subscription agreement relating to the Notes (if issued by MHFA, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHFA through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures), at any time, directly or



indirectly, offer or sell any of the Notes (if issued by MHFA, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHFA through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures) to, or for the benefit of, any person other than a beneficial owner that is, (a) for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of the issuer (excluding an underwriter designated in Article 6, Paragraph (12), item 1 of the Act on Special Taxation Measures which purchases unsubscribed portions of the Notes (if issued by MHFA, only in circumstances where any interest on the Notes is attributable to a business in Japan conducted by MHFA through its permanent establishment in Japan as provided for in the Act on Special Taxation Measures) from the other underwriters) or (b) a Japanese financial institution, etc. designated in Article 3-2-2, Paragraph (29) of the Cabinet Order.

## **Hong Kong**

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

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

## **Singapore**

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell the Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (as amended, the “SFA”)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

## **General**

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

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

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

## GENERAL INFORMATION

### Authorisation

The establishment of the Programme has been duly authorised by a resolution of the Board of Directors of MHC dated 10 September 1999. The update of the Programme has been duly authorised by a resolution of the Board of Directors of MHC dated 22 September, 2023 and an approval of the Representative Director, President and CEO dated 6 August 2024.

The Programme with respect to MHFA was authorised by consent of its sole member dated 25 August 2021. The update of the Programme has been duly authorised by written consent of its board of managers dated 19 August 2024.

### Legal Entity Identifier

The legal entity identifier of MHC is 353800MZ3QX9RLMH7B09 and of MHFA is 3538008O2MCHLB9FAL82.

### Listing of Notes on the SGX-ST

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

### Documents Available

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

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

## **Clearing Systems**

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

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

## **Significant or Material Change**

Save as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position of MHC since 30 June 2024 (the date of the most recent unaudited consolidated financial statements of MHC) and there has been no material adverse change in the financial position or prospects of MHC since 31 March 2024 (the date of the most recent audited annual consolidated financial statements of MHC).

Save as disclosed in this Base Prospectus, there has been no significant change in the financial position of MHFA since 31 December 2023 (the date of the most recent audited financial statements of MHFA) and there has been no material adverse change in the financial position or prospects of MHFA since 31 December 2023 (the date of the most recent audited financial statements of MHFA).

## **Litigation**

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

## **Auditors**

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

Deloitte Touche Tohmatsu LLC has audited the consolidated financial statements of MHC, without qualification, in accordance with generally accepted auditing standards in Japan for the financial years ended on 31 March 2024 and 2023.

The independent auditor of MHFA is Deloitte & Touche LLP, who is the independent certified public accountant with respect to MHFA under the "Independence Rule" of the American Institute of Certified Public Accountants' *Code of Professional Conduct* and its interpretations.

Deloitte & Touche LLP has audited, and rendered unqualified audit opinions on, the financial statements of MHFA, in accordance with generally accepted auditing standards in the United States of America, for the financial years ended 31 December 2023 and 2022.

## **Conflicts of interest**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuers and/or their respective affiliates in the ordinary course of business. They have received, or may in the future receive, customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuers or their respective affiliates. Certain of the Dealers or their respective

affiliates that have lending relationships with the Issuers routinely hedge their credit exposure to the Issuers consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in each Issuer's securities, including potentially any Notes to be offered under the Programme. Any such short positions could adversely affect future trading prices of the Notes. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments (including the Notes).

## THE ISSUERS

### **Mitsubishi HC Capital Inc.**

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

### **Mitsubishi HC Finance America LLC**

140 East 45th Street  
30B-2 New York  
NY 10017  
U.S.A

## THE GUARANTOR

### **Mitsubishi HC Capital Inc.**

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

## ISSUING AND PRINCIPAL PAYING AGENT

### **The Bank of New York Mellon, London Branch**

160 Queen Victoria Street  
London EC4V 4LA  
United Kingdom

## REGISTRAR AND TRANSFER AGENT

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

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

## LEGAL ADVISERS

*To MHC as to Japanese law*

**Nishimura & Asahi**  
(Gaikokuho Kyodo Jigyo)  
Otemon Tower  
1-1-2 Otemachi  
Chiyoda-ku  
Tokyo 100-8124  
Japan

*To the Dealers as to English law*

**Gaikokuho Kyodo – Jigyo**  
**Horitsu Jimusho Linklaters**  
Meiji Yasuda Building 10F  
1-1 Marunouchi 2-chome  
Chiyoda-ku  
Tokyo 100-0005  
Japan

*To MHFA as to U.S. law*

### **Davis Polk & Wardwell LLP**

Izumi Garden Tower 33F  
1-6-1 Roppongi  
Minato-ku  
Tokyo 106-6033  
Japan

## INDEPENDENT AUDITORS

**To MHC**

**Deloitte Touche Tohmatsu LLC**  
(a Japanese member firm of Deloitte Touche Tohmatsu Limited, a  
UK private company limited by guarantee)  
Marunouchi Nijubashi Building  
3-2-3 Marunouchi  
Chiyoda-ku  
Tokyo 100-8360  
Japan

**To MHFA**

**Deloitte & Touche LLP**  
30 Rockefeller Plaza  
New York  
NY 10112-0015  
U.S.A.

## DEALERS

### **BNP Paribas**

63/F, Two International Finance Centre  
8 Finance Street, Central  
Hong Kong

### **Citigroup Global Markets Limited**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

### **Daiwa Capital Markets America Inc.**

Financial Square  
32 Old Slip, 12th Floor  
New York, NY 10005  
U.S.A.

### **Daiwa Capital Markets Europe Limited**

5 King William Street  
London EC4N 7AX  
United Kingdom

### **Goldman Sachs International**

Plumtree Court  
25 Shoe Lane  
London EC4A 4AU  
United Kingdom

### **The Hongkong and Shanghai Banking Corporation Limited**

Level 17, HSBC Main Building  
1 Queen's Road Central  
Hong Kong

### **J.P. Morgan Securities plc**

25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

### **Merrill Lynch International**

2 King Edward Street  
London EC1A 1HQ  
United Kingdom

### **Mizuho International plc**

30 Old Bailey  
London EC4M 7AU  
United Kingdom

### **Morgan Stanley & Co. International plc**

25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

### **MUFG Securities EMEA plc**

Ropemaker Place  
25 Ropemaker Street  
London EC2Y 9AJ  
United Kingdom

### **Nomura International plc**

1 Angel Lane  
London EC4R 3AB  
United Kingdom

### **SMBC Nikko Capital Markets Limited**

100 Liverpool Street  
London EC2M 2AT  
United Kingdom



Gaikokuho Kyodo-Jigyo Horitsu Jimusho Linklaters  
Meiji Yasuda Building 10F  
1-1, Marunouchi 2-chome  
Chiyoda-ku, Tokyo 100-0005