

**ORIX CORPORATION**  
(Incorporated with limited liability in Japan)

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

**Euro Medium Term Note Programme**

With a maximum maturity of 20 years from the date of original issue



Under the Euro Medium Term Note Programme described in this Base Prospectus (the **Programme**), ORIX CORPORATION (the **Issuer**), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the **Notes**). The aggregate principal amount of Notes outstanding will not at any time exceed U.S.\$4,000,000,000 (or the equivalent in other currencies).

The Notes will be issued to one or more of the Dealers specified below and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a **Dealer** and together the **Dealers**).

Application has been made to the Luxembourg Stock Exchange for Notes issued during the period of 12 months from the date of this Base Prospectus to be admitted to the official list of the Luxembourg Stock Exchange (the **Official List**) and for such Notes to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market, which together with admission to the Official List will constitute official listing on the Luxembourg Stock Exchange. References in this Base Prospectus to the Notes being listed (and all related references) shall mean that such Notes have been admitted to the Official List and are traded on the Euro MTF Market of the Luxembourg Stock Exchange. The Euro MTF Market of the Luxembourg Stock Exchange is not a regulated market for the purposes of Directive 2004/39/EC. This Base Prospectus can only be used for the purposes for which it has been published.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Series and/or Tranche (as defined in "Terms and Conditions of the Notes" below) of Notes will be set out in the final terms (the **Final Terms**) which, with respect to Notes to be admitted to the Official List and to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market will be delivered to the Luxembourg Stock Exchange on or before the date of issue of the Notes of such Tranche.

**See pages 10 to 18 for a description of the risks associated with an investment in the Notes that are the subject of this Base Prospectus.**

Each Series (as defined in "Key Features of the Programme — Method of Issue" below) of Bearer Notes (as defined in "Key Features of the Programme — Form of Notes" below) will be represented on issue (as indicated in the relevant Final Terms) by either a temporary Global Note or a permanent Global Note (each a **Global Note**). If the Global Notes are stated in the applicable Final Terms to be issued in new global note (**NGN**) form, the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**). Registered Notes will be represented by registered certificates (each a **Certificate**), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series (subject to the provisions of the Agency Agreement (as defined in "Terms and Conditions of the Notes" below)). Registered Notes issued in global form will be represented by registered global certificates (**Global Certificates**). If a Global Certificate is held under the New Safekeeping Structure (the **NSS**) the Global Certificate will be delivered on or prior to the original issue date of the relevant Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. Global Notes which are not issued in NGN form (**CGNs**) and Global Certificates which are not held under the NSS will be deposited on the issue date of the relevant Tranche with a common depository on behalf of Euroclear and Clearstream, Luxembourg (the **Common Depository**).

The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Bearer Notes, and the exchange of Exchangeable Bearer Notes for Registered Notes are described in "Summary of Provisions Relating to the Notes while in Global Form or while Registered in the Name of a Nominee for a Clearing System".

The Programme has been rated A+ by Rating and Investment Information, Inc. (**R&I**) and A- by Standard & Poor's Ratings Japan K.K. (**S&P**). The rating of certain Series or Tranches of Notes to be issued under the Programme may be specified in the applicable Final Terms. Please also refer to "Risk Factors" below. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the ratings assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

*Arranger for the Programme*

**SMBC Nikko**

*Dealers*

ANZ  
BofA Merrill Lynch  
Crédit Agricole CIB  
Daiwa Capital Markets Hong Kong Limited  
ING  
Mizuho Securities  
Morgan Stanley  
The Royal Bank of Scotland  
SMBC Nikko  
Standard Chartered Bank

BNP PARIBAS  
Citigroup  
Daiwa Capital Markets Europe  
Deutsche Bank  
Mitsubishi UFJ Securities International plc  
Mizuho Securities Asia Limited  
Nomura  
Shinkin International Ltd.  
SMBC Nikko Securities (Hong Kong) Limited  
UBS Investment Bank

Dated 24<sup>th</sup> July, 2014

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), such information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

In connection with the issue and offering of the Notes, no person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger. Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that the information herein is correct as of any time subsequent to the date hereof. The Dealers and the Arranger expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme.

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

Neither this Base Prospectus nor any other information supplied in connection with the Programme (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer or any of the Dealers or the Arranger that any recipient of this Base Prospectus or any other information supplied in connection with the Programme 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 Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme constitutes any offer or invitation by or on behalf of the Issuer or the Dealers or the Arranger to any person to subscribe for or to purchase any Notes.

The distribution of this Base Prospectus and the offer, sale or delivery of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Base Prospectus or any Notes come must inform themselves about, and observe, any such restrictions. The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the *Securities Act*), and include Notes that are in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see “Subscription and Sale” below. Furthermore, this Base Prospectus does not constitute, and may not be used for the purposes of, an offer, invitation or solicitation by anyone in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is not authorised or to any person to whom it is unlawful to make such offer, invitation or solicitation.

The Notes have not been registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948 as amended, the *FIEL*) and disclosure under the FIEL has not been made with respect to the Notes. Neither the Notes nor any interest therein may be offered, sold, resold or otherwise transferred, directly or indirectly, in Japan to or for the account of any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and all other applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities. Interest payments on the Notes will be subject to Japanese withholding tax unless the holder establishes that the Notes are held by or for the account of a holder that is not an individual resident of Japan or a Japanese corporation for Japanese tax purposes (and is not a “specially-related person” to the Issuer as defined in “Taxation – Japanese Taxation”) or is a designated Japanese financial institution described in Article 6 of the Special Taxation Measures Law of Japan.

This Base Prospectus has been prepared on the basis that, except to the extent that sub-paragraph (ii) below may apply, any offer of Notes in any Relevant Member State (as defined in “Subscription and Sale”) of the European Economic Area which has implemented the Prospectus Directive (as defined in “Subscription and Sale”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State 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 (i) in circumstances in which no obligation arises for the Issuer, any Dealer or the Arranger to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State, such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable, and the Issuer has consented in

writing to its use for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, none of the Issuer, any Dealer or the Arranger have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

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

In this Base Prospectus, references to **U.S. dollars** and **U.S.\$** are to United States dollars, to **yen** and **¥** are to Japanese yen, to **sterling** and **£** are to pounds sterling and to **€** and **euro** are to the currency of those member states of the European Union which are participating in European Economic and Monetary Union pursuant to the Treaty on European Union.

By subscribing for the Notes, an investor will be deemed to have represented that it is a Gross Recipient. A **Gross Recipient** for this purpose is (i) a beneficial owner of Notes that is, for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with the 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 **Special Taxation Measures Law**)), (ii) a Japanese financial institution, designated in Article 3-2-2, paragraph (29) of the Cabinet Order relating to the Special Taxation Measures Law (Cabinet Order No. 43 of 1957, as amended), that will hold Notes for its own proprietary account or (iii) an individual resident of Japan or a Japanese corporation whose receipt of interest on the Notes will be made through a payment handling agent in Japan as defined in Article 2-2, paragraph (2) of the Cabinet Order. As part of the initial distribution by the Dealers at any time, the Notes are not to be directly or indirectly offered or sold to any person other than a Gross Recipient or a Specially-Related Underwriter.

A **Specially-Related Underwriter** for this purpose is an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of the Issuer who enters into an underwriting agreement with respect to the Notes with the Issuer and acts as an underwriter in the distribution of the Notes in accordance with the provisions of Article 6, Paragraph (10), Sub-paragraph (1) of the Special Taxation Measures Law.

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and other commercial dealings in the ordinary course of business with the Issuer or its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially 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.

## DOCUMENTS INCORPORATED BY REFERENCE

The Base Prospectus should be read and construed in conjunction with:

- (a) The independent auditor's report and audited consolidated annual financial statements for the two years ended 31<sup>st</sup> March, 2014, which appear on pages F-1 to F-133 of the Form 20-F for the year ended 31<sup>st</sup> March, 2014 of the Issuer (the *Incorporated Documents*),
- (b) The most recently published and audited consolidated financial statements in English and any unaudited quarterly consolidated financial statements of the Issuer published subsequently to such audited annual consolidated financial statements referred to in (a) above as they become available in English or an English translation thereof becomes available,

which shall be incorporated in, and form part of, this Base Prospectus. However, any statement contained herein or in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Base Prospectus to the extent that a statement contained in any document which is subsequently incorporated by reference herein by way of a supplement or amendment prepared by the Issuer and approved by the Luxembourg Stock Exchange modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Any non-incorporated parts of a document are either not relevant for an investor or are otherwise covered elsewhere in this Base Prospectus.

Copies of the Incorporated Documents may be obtained without charge from the principal office in Luxembourg of SMBC Nikko Bank (Luxembourg) S.A. and from the website of the Issuer at <http://www.orix.co.jp/grp/en/>.

The Issuer has given an undertaking to the Dealers generally and in connection with listed Notes that if at any time during the duration of the Programme: there is a significant new factor, material mistake or inaccuracy affecting any matter or the Issuer becomes aware of a material mistake or inaccuracy relating to any information contained in this Base Prospectus the inclusion of which would reasonably be required by investors and their professional advisers and would reasonably be expected by them to be found in this Base Prospectus, for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the rights attaching to the Notes, the Issuer shall prepare an amendment or supplement to this Base Prospectus or publish a replacement base prospectus as may be required for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

The Issuer will, in connection with the listing of the Notes on the Euro MTF Market of the Luxembourg Stock Exchange, so long as any Note remains outstanding and listed on such exchange, in the event of any material change in the financial condition of the Issuer which is not reflected in this Base Prospectus, prepare a supplement to the Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes to be listed on the Official List of the Luxembourg Stock Exchange and traded on the Euro MTF Market.

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

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## KEY FEATURES OF THE PROGRAMME

*The following summary does not purport to be complete and is taken from and is qualified 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.*

Issuer: ORIX CORPORATION  
ORIX Group: The Issuer and its consolidated subsidiaries taken as a whole  
Description: Euro Medium Term Note Programme  
Arranger: SMBC Nikko Capital Markets Limited  
Dealers:

Australia and New Zealand Banking Group Limited  
BNP PARIBAS  
Citigroup Global Markets Limited  
Crédit Agricole Corporate and Investment Bank  
Daiwa Capital Markets Europe Limited  
Daiwa Capital Markets Hong Kong Limited  
Deutsche Bank AG, London Branch  
ING Bank N.V., Singapore Branch  
Merrill Lynch International  
Mitsubishi UFJ Securities International plc  
Mizuho International plc  
Mizuho Securities Asia Limited  
Morgan Stanley & Co. International plc  
Nomura International plc  
The Royal Bank of Scotland plc  
Shinkin International Ltd.  
SMBC Nikko Capital Markets Limited  
SMBC Nikko Securities (Hong Kong) Limited  
Standard Chartered Bank  
UBS Limited

The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of a single Tranche or in respect of the whole Programme. References in this Base Prospectus to **Permanent Dealers** are to the persons listed above as Dealers and to such additional persons which are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to **Dealers** are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.

Fiscal Agent: The Bank of New York Mellon  
Registrar: The Bank of New York Mellon (Luxembourg) S.A.  
Size: Up to U.S.\$4,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.  
Currencies: Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in U.S. dollars, Australian dollars, Canadian dollars, euro, Hong Kong dollars, New Zealand dollars, Swiss francs, sterling, Renminbi or yen or in other currencies if the Issuer and the Dealers so agree.  
Maturities: Subject to compliance with all relevant laws, regulations and directives, any maturity up to 20 years.  
Denomination: Definitive Notes will be in such denominations as may be specified in the relevant Final Terms, save that:  
(i) in the case of any Notes which are to be offered to the public in a Member State of the European Economic Area in circumstances which would otherwise require the publication of a prospectus under the Prospectus Directive, such Notes will have a minimum denomination of €100,000 (or its equivalent in other currencies); and  
(ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a



contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies).

- Method of Issue: The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued on a continuous basis in series (each a *Series*) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a *Tranche*) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set forth in the applicable Final Terms.
- Form of Notes: Notes may be issued in bearer form (*Bearer Notes*, which expression includes Notes which are specified to be Exchangeable Bearer Notes), in bearer form exchangeable for Registered Notes (*Exchangeable Bearer Notes*) or in registered form (*Registered Notes*). Each Tranche of Bearer Notes will initially be represented by a temporary Global Note, if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have a maturity of more than 365 days (taking into account any unilateral rights to rollover or extend the maturity and any postponement in the final payment of principal as a result of the Maturity Date falling on a day which is not a relevant business day) and are being issued in compliance with the D Rules (as defined in “Key Features of the Programme — Selling Restrictions” below). Otherwise such Tranche of Bearer Notes will be represented on issue by a permanent Global Note. Each Global Note will be deposited (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg, if the relevant Global Note is a CGN or the relevant Global Certificate is not held under the NSS, on the issue date with a common depository on behalf of Euroclear and Clearstream, Luxembourg, (b) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg, if the relevant Global Note is a NGN or the relevant Global Certificate is held under the NSS, the Global Note or Global Certificate will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg and (c) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg, or delivered outside a clearing system, as agreed between the Issuer and the relevant Dealer(s). No interest will be payable in respect of a temporary Global Note except as described under “Summary of Provisions Relating to the Notes while in Global Form or while Registered in the Name of a Nominee for a Clearing System” below. Interests in temporary Global Notes will be exchangeable for interests in permanent Global Notes or, if so stated in the relevant Final Terms, for definitive Bearer Notes from the date falling 40 days after the issue date or (in the case of Exchangeable Bearer Notes) Registered Notes at any time after the issue date, in the case of Notes issued in compliance with the D Rules, upon certification as to non-U.S. beneficial ownership as provided in the temporary Global Note. Interests in permanent Global Notes will be exchangeable for definitive Bearer Notes or (in the case of Exchangeable Bearer Notes) Registered Notes as described under “Summary of Provisions Relating to the Notes while in Global Form or while Registered in the Name of a Nominee for a Clearing System” below. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder’s entire holding of Registered Notes of one Series. Registered Notes which are held in Euroclear and/or Clearstream, Luxembourg will be registered in the names of nominees for Euroclear or for Clearstream, Luxembourg (as the case may be), or a common nominee for both, and the relative Certificate(s) will be delivered to the appropriate depository or, as the case may be, a common depository.
- Issue Price: Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
- Fixed Rate Notes: Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
- Floating Rate Notes: Floating Rate Notes will bear interest determined separately for each Series as follows: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement

	incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. or (ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms) as adjusted for any applicable margin. Interest periods will be specified in the relevant Final Terms.
Zero Coupon Notes:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it as may be specified in the relevant Final Terms and will not bear interest.
Interest Periods and Interest Rates:	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series.  Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
Redemption:	The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies).
Redemption by Instalments:	The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Other Notes:	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, partly-paid Notes and any other type of Note which the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms.
Optional Redemption:	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
Status of Notes:	The Notes will constitute unsubordinated and unsecured obligations of the Issuer.
Negative Pledge:	See “Terms and Conditions of the Notes — 4. Negative Pledge”.
Cross Default:	See “Terms and Conditions of the Notes — 10. Events of Default”.
Rating:	The Programme has been rated A+ by Rating and Investment Information, Inc. and A- by Standard & Poor’s Ratings Japan K.K. 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. The ratings of certain Series or Tranches of Notes to be issued under the Programme may be specified in the applicable Final Terms.
Early Redemption:	Except as provided in “Optional Redemption” above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See “Terms and Conditions of the Notes — 6. Redemption, Purchase and Options”.
Withholding Tax:	Unless otherwise specified in the applicable Final Terms, all payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of Japan subject to certain exceptions, all as described in “Terms and Conditions of the Notes — 8. Taxation”. and “Taxation – Japanese Taxation”.
Governing Law:	English.
Listing:	Application has been made to list Notes issued under the Programme on the Official List and to admit them to trading on the Luxembourg Stock Exchange’s Euro MTF Market or as otherwise specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of Notes may be unlisted.
Selling Restrictions:	United States of America, Japan and the European Economic Area (including the United Kingdom). See “Subscription and Sale”.  Notes will be issued in compliance with rules in substantially the same form as U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D) for purposes of Section 4701 of the Code (the <i>D Rules</i> ) unless (i) the relevant Final Terms state that Notes are issued in



compliance with rules in substantially the same form as U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(C) for purposes of Section 4701 of the Code (the *C Rules*) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules, which circumstances will be referred to in the relevant Final Terms as a transaction to which the United States Tax Equity and Fiscal Responsibility Act of 1982 (*TEFRA*) is not applicable.

Risk Factors:

There are certain risks associated with investing in the Notes. In particular, investors are relying on the creditworthiness of the Issuer. The terms of the Notes may contain particular risks for investors, including the availability of early redemption of the Notes. The market generally may also present a risk to investors where there is no established market for the Notes or where the true rate of return on the Notes is affected by the exchange rate as between the currency used by the investor and the currency denomination of the Notes. For further details, see the section headed “Risk Factors”.

## RISK FACTORS

*Prospective investors should carefully consider all of the information set forth in this Base Prospectus, the applicable Final Terms and any documents incorporated by reference into this Base Prospectus as well as their own personal circumstances before deciding to invest in any Notes. Prospective investors should have particular regard to, among other matters, the considerations set out in this section of this document. The following is not intended as, and should not be construed as, an exhaustive list of relevant risk factors. There may be other risks that a prospective investor should consider that are relevant to its own particular circumstances or generally.*

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer, to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus, including the description of the Issuer and reach their own views prior to making any investment decision.*

*Before making an investment decision with respect to any Notes, prospective investors should consult their financial, legal, tax or other professional advisors and carefully review the risks entailed by an investment in the Notes and consider such an investment decision in the light of the prospective investor's personal circumstances.*

*Words and expressions defined in the section headed "Terms and Conditions of the Notes" shall have the same meanings in this section.*

### **Risks relating to the Issuer**

#### **Risks related to the external environment**

#### **Protracted global economic weakness and instability could adversely affect the Issuer's business activities, financial condition and results of operations**

The Issuer's business is affected by general economic conditions and financial conditions in Japan and in various foreign countries. Although steady growth in the global economy is anticipated due in part to economic upturn in developed countries, particularly the United States, downside risks, such as decelerating growth in emerging economies, still remain. In the United States, the Quantitative Easing Program is on a tapering trend. However, the Issuer expects the United States to continue to lead the global economy, maintaining stable growth with recovery in the employment market, increasing housing demand, and increasing consumer spending. In Asia, while China is in the process of shifting the emphasis of its economic policy away from high growth and toward stable growth, other emerging economies are expected to see increases in investments with a focus on high growth, due in part to economic resurgence among developed countries. In Japan, consumer spending and housing investment are expected to decrease in reaction to the consumption tax hike that went into effect on 1<sup>st</sup> April, 2014. However, the Issuer anticipates steady recovery of the Japanese economy due to monetary easing and various economic measures by the Bank of Japan and the Abe administration, coupled with stable levels of employment.

Despite the Issuer's attempts to minimize risks that are affected by an unstable economic climate through, for example, improving risk management procedures, future instability in the global economy could adversely affect the Issuer's business activities, financial condition and results of operations.

#### **The Issuer may lose market share or suffer reduced profitability as a result of competition based on pricing and other terms**

The Issuer competes on the basis of pricing, transaction structure, service quality and other terms. If the Issuer's competitors seek to compete aggressively on the basis of pricing and other terms without regard to profitability, the Issuer may lose market share. Similarly, some of the Issuer's competitors are larger than it is, can access capital at a lower cost than the Issuer can, and are better able to maintain profits at reduced prices. If the Issuer tries to match aggressive terms offered by competitors, the Issuer's profitability may decline.

#### **Negative rumors could affect the Issuer's business activities, financial condition, results of operations and share price**

The Issuer's business depends upon the confidence of customers and market participants. Negative rumors about the Issuer's activities, industries or parties with whom it does business could harm the Issuer's reputation and diminish confidence in its business. If the Issuer suffers reputational damage as a result of any rumors, it may

lose customers or business opportunities, which could adversely affect its business activities, financial condition and results of operations, and our share price could decline.

#### **The Issuer's business may be adversely affected by economic fluctuations and political disturbances**

The Issuer conducts business operations in Japan as well as in the United States, Asia, Oceania, the Middle East and Europe. The Issuer's operations in the United States, Asia and Oceania are especially large. One of the Issuer's mid-term management strategies is "Embracing growth in emerging markets including Asia." While the Issuer anticipates growth in Greater China, the Issuer is taking a cautious approach, taking into consideration the downside risks of the Chinese economy. In addition, the Issuer plans to pursue further expansion in Europe. Shifts in commodity market prices and consumer demand, political instability or religious strife in these and other regions could adversely affect the Issuer's business activities, financial condition and results of operations.

#### **The Issuer's business activities, financial condition and results of operations may be adversely affected by unpredictable events**

The Issuer's business activities, financial condition and results of operations may be adversely affected by unpredictable events or any continuing effects caused by such events. Unpredictable events include man-made events, such as accidents, war, terrorism and insurgency, and natural events, such as earthquakes, storms, tsunamis, fires and outbreaks of new strains of influenza or other infectious diseases. If any such event occurs, it may, among other things, cause unexpectedly large market price movements or an unexpected deterioration of economic conditions in a country or region. If such a sudden and unpredictable event occurs, the Issuer's business activities, financial condition and results of operations may be adversely affected as a result.

#### **Credit Risk**

##### **The Issuer's allowance for doubtful receivables on direct financing leases and probable loan losses may be insufficient and its credit-related costs might increase**

The Issuer maintains an allowance for doubtful receivables on direct financing leases and probable loan losses.

However, the Issuer cannot be sure that the allowance will be adequate to cover future credit losses. This allowance may be inadequate due to unexpected adverse changes in the Japanese and overseas economies in which the Issuer operates, or deterioration in the conditions of specific customers, industries or markets.

The Issuer is constantly striving to improve its portfolio management, however, the Issuer may be required to make additional provisions in the future depending on economic trends.

To enhance its collections from debtors, the Issuer may forbear from exercising some or all of its rights as a creditor against companies that are unable to fulfill their repayment obligations. The Issuer may also forgive loans or extend additional loans to such companies. Furthermore, if, due to adverse economic or market conditions, the value of underlying collateral and guarantees declines, the Issuer's credit-related costs might increase. If the Issuer needs to increase its allowance for doubtful receivables on direct financing leases and probable loan losses, or if its credit-related costs increase to cover these changes or events, the Issuer's business activities, financial condition and results of operations could be adversely affected.

#### **Market Risk**

##### **Changes in market interest rates and currency exchange rates could adversely affect the Issuer's assets and its business activities, financial condition and results of operations**

The Issuer's business activities are subject to risks relating to changes in market interest rates and currency exchange rates in Japan and overseas. Although the Issuer conducts asset-liability management, changes in the yield curve could adversely affect its results of operations.

When fund procurement costs increase due to actual or perceived increases in market interest rates, financing lease terms and loan interest rates for new transactions may diverge from the trend in market interest rates.

Changes in market interest rates could have an adverse effect on the credit quality of the Issuer's assets and asset structure. For example, with respect to floating-rate loan assets, if market interest rates increase, the repayment burdens of its customers may also increase, which could adversely affect the financial condition of such customers and their ability to repay their obligations to the Issuer. Alternatively, a decline in interest rates could result in increased repayments of loans and a decrease in its assets.

The Issuer does not perfectly hedge all of the currency risks that arise from business operations in foreign currencies and overseas investments. As a result, a significant change in interest rates or currency exchange rates could have an adverse impact on the Issuer's business activities, financial condition and results of operations.

**The Issuer's use of derivatives may adversely affect its business activities, financial condition and results of operations**

The Issuer uses derivative instruments to reduce investment portfolio price fluctuations and manage interest rate and currency risk. However, the Issuer may not be able to successfully manage these risks through the use of derivatives. Furthermore, the Issuer's derivatives counterparties could fail to honor the terms of their contracts with the Issuer. The Issuer also may be unable to enter into derivative transactions if its credit ratings are downgraded.

The Issuer may also suffer losses from trading activities, a part of which includes the use of derivative instruments. As a result, the Issuer's financial condition and results of operations could be adversely affected.

The Issuer's use of derivatives may adversely affect its business activities, financial condition and results of operations.

**Fluctuations in market prices of stocks and bonds may adversely affect the Issuer's business activities, financial condition and results of operations**

The Issuer holds investments in shares of private and public company stock, including shares of its equity-method affiliates, and bonds, in Japan and overseas. The market values of the Issuer's investment assets are volatile and may decline substantially in the future. A significant decline in the value of the Issuer's investment assets could adversely affect its business activities, financial condition and results of operations.

**Business Risk****The Issuer is exposed to risks from its diverse and expanding range of products and services, acquisitions of companies and assets, and entry into joint ventures and alliances**

The Issuer is expanding the range of its businesses in Japan and overseas. Such expansion may expose the Issuer to new and complex risks that it may be unable to fully control or foresee, and, as a result, the Issuer may incur unexpected and potentially substantial costs or losses. In addition, the Issuer may not achieve targeted results if business opportunities do not develop or increase as expected or if competitive pressures undermine profitability.

As part of the Issuer's business expansion, the Issuer may acquire companies or businesses. If the results of operations of an acquired company or business are lower than what the Issuer expected at the time it made such acquisition, the Issuer could be required to make large write-downs of goodwill or other assets.

From time to time the Issuer also enters into joint ventures and other alliances, the success of which is often dependent upon the financial and legal stability of its counterparties. If an alliance suffers a decline in financial condition, or is subject to operational instability because of a change in applicable laws or regulations, the Issuer may be required to pay in additional capital, reduce its investment at a loss or terminate the alliance.

The contribution from the Issuer's consolidated subsidiaries and equity method affiliates to its consolidated results of operations is an important component of the Issuer's income. There can be no assurance that this contribution will be maintained. Furthermore, there can be no assurance that the Issuer will continue to identify attractive investment opportunities, or that investments will be as profitable as the Issuer originally expected.

The Issuer's subsidiaries and affiliates have a wide range of business operations, including operations that are very different from its financial services business. If the Issuer fails to manage its investee companies effectively, the Issuer may experience financial losses as well as losses of future business opportunities. In addition, the Issuer may not be able to sell or otherwise dispose of investments at times or prices the Issuer initially expected or at all. The Issuer may also need to provide financial support, including credit support or equity investments, to some investee companies if their financial condition deteriorates.

If any such events occur, the Issuer's business activities, financial condition and results of operations may be adversely affected.

**The Issuer is exposed to risks related to asset and collateral value volatility**

The Issuer invests in ships, aircraft, real estate and other assets in Japan and overseas. The market values of the Issuer's investments are volatile and may decline substantially in the future.

Valuation losses of the Issuer's assets are recorded based on end-of-period fair market values in accordance with applicable accounting principles. However, losses from the sale of these assets, including as a result of a sudden need for liquidity, may exceed the amount of recorded valuation losses.

The Issuer estimates the residual value for operating leases at the time of contract. The Issuer's estimates of the residual value of equipment are based on current market values of used equipment and assumptions about when and to what extent the equipment will become obsolete; however, the Issuer may need to recognize additional valuation losses if its estimates differ from actual trends in equipment valuation and the secondhand market, and the Issuer may incur losses if it is unable to collect such estimated residual amounts.

The Issuer acquires collateral, including real estate properties, when it provides installment loans. If the value of this collateral decreases as a result of changes in market conditions, the expected collectable amount from the relevant loans may decrease and the provision for doubtful receivables and probable loan losses may increase accordingly.

In such event, the Issuer's business activities, financial condition and results of operations may be adversely affected.

#### **Risks related to the Issuer's other businesses**

The Issuer operates a wide range of diversified businesses in Japan and overseas, including financial services business. Entry into these businesses, and the results of operations following such entry, are accompanied by various uncertainties, and if any unanticipated risk does eventuate, this may adversely affect the Issuer's business activities, financial condition and results of operations.

#### **Liquidity Risk (Risk Relating to Fund Procurement)**

##### **The Issuer's access to liquidity and capital may be restricted by economic conditions, instability in the financial markets or changes in its credit ratings**

The Issuer's primary sources of funds from financing activities include: borrowings from banks and other institutional lenders, funding from capital markets (such as offerings of commercial paper (CP), straight bonds and medium-term notes, asset-backed securities and other debt securities) and deposits. Such sources include a significant amount of short-term debt, such as CP, short-term borrowings from various institutional lenders and the portion of the Issuer's long-term debt maturing in the current fiscal year. Some of its committed credit lines require the Issuer to comply with financial covenants.

Adverse economic conditions or financial market instability, among other things, may adversely affect the Issuer's ability to raise new funds or to renew existing funding sources, may subject the Issuer to increased funding costs or credit market volatility or may cause a decline in demand for the Issuer's securities. If the Issuer's access to liquidity is restricted, or if it is unable to obtain its required funding at acceptable costs, the Issuer's business activities, financial condition and results of operations may be significantly and adversely affected.

The Issuer obtains credit ratings from ratings agencies. Downgrades of the Issuer's credit ratings could result in increases in its interest expenses and could have an adverse effect on its fund-raising ability by increasing costs of issuing CP and corporate debt securities, decreasing investor demand for its securities, increasing its bank borrowing costs or reducing the amount of bank credit available to the Issuer. As a result, the Issuer's business activities, financial condition and results of operations may be significantly and adversely affected.

#### **Legal Risk**

##### **Enactment of, or changes in, laws, regulations and accounting standards may affect the Issuer's business activities, financial condition and results of operations**

Enactment of, or changes in, laws and regulations may affect the way that the Issuer conduct its business, the products or services that it may offer, as well as its customers, borrowers, invested companies and funding sources. Such enactment or changes may cause the Issuer's costs to increase, or if relating to accounting standards may significantly affect how the Issuer records and reports its financial condition and results of operations, even if its underlying business fundamentals remain the same. As a result of such enactment or changes, the Issuer's business activities, financial condition and results of operations could be adversely affected.

##### **A failure to maintain adequate controls to comply with regulations may harm the Issuer's reputation and adversely affect the Issuer's business activities, financial condition and results of operations**

The Issuer's business and employees in Japan are subject to laws, as well as regulatory oversight by government authorities who implement those laws, relating to the various fields in which the Issuer operates. These include laws and regulations applicable to financial institutions, such as the Moneylending Business Act, the Installment Sales Act, the Insurance Business Act, the Banking Act, the Trust Business Act, the Building Lots and Buildings Transaction Business Act and the Building Standards Act, as well as general laws applicable to the Issuer's business activities, such as the Companies Act, the Financial Instruments and Exchange Act, the Act on Prohibition of Private Monopolization and Maintenance of Fair Trade and the Act on the Protection of Personal Information.

The Issuer's businesses outside of Japan are also subject to the laws and regulations of the jurisdictions in which they operate and are subject to oversight by the regulatory authorities of those jurisdictions. For example, in addition to being subject to U.S. securities laws, the Issuer is also subject to the USA Patriot Act, which prohibits the Issuer from entering into any transactions with countries listed as state sponsors of terrorism, and the U.S. Foreign Corrupt Practices Act, which prohibits it from offering bribes to foreign public servants.



Certain of the Issuer's businesses are subject to industry-specific laws and regulations requiring, among other things, that each company conduct independent operations and maintain financial soundness and appropriateness of business activities. A total or partial suspension of operations or the revocation of one or more of the Issuer's licenses may adversely affect its business activities, financial condition and results of operations.

The Issuer's efforts to implement thorough internal controls for compliance and legal risk management to prevent violations of applicable laws and regulations may not be fully effective in preventing all violations. In addition, the Issuer engages in a wide range of businesses, and its expansion into new businesses through acquisitions may require the Issuer to revise or cause its current internal controls to cease to function adequately. In such cases, the Issuer may be subject to sanctions or penalties, which could apply to its officers or employees, if the Issuer fails to revise them properly or at all. Such events could adversely affect the Issuer's business activities, financial condition, results of operations and reputation.

Regardless of whether the Issuer has violated any laws, if the Issuer becomes the subject of a governmental investigation, litigation or other proceeding in connection with the Issuer's businesses, its business activities, financial condition and results of operations may be adversely affected.

### **Operational Risk**

#### **Failures in the Issuer's computer and other information systems could interfere with its operations and damage its business activities, financial condition and result of operations**

The Issuer uses information systems for financial transactions, personal information management, business monitoring and processing and as part of its business decision-making and risk management activities. Some of these information systems may be outsourced.

System shutdowns, malfunctions or failures, the mishandling of data or fraudulent acts by employees, vendors or other third parties, or infection by a computer virus could have adverse effects on the Issuer's operations, for example by causing delay in the receipt and payment of funds, the leak or destruction of confidential or personal information, the generation of errors in information used for business decision-making and risk management and the suspension of other services provided to the Issuer's customers. In such event, the Issuer's liquidity or the liquidity of customers who rely on the Issuer for financing or payment could be adversely affected.

The Issuer's information system equipment could suffer damage from a large-scale natural disaster or from terrorism, such as hacking or other unauthorised access. If networks or information systems fail, the Issuer could experience interruption of business activity, delay in the receipt and payment of funds or sales, or substantial costs for recovery of functionality. As a result, the Issuer's business activities, financial condition and results of operations may be adversely affected.

#### **The Issuer may not be able to hire or retain qualified personnel**

The Issuer's businesses require a considerable investment in qualified personnel and the retention of qualified personnel in order to successfully compete in markets in Japan and overseas. If the Issuer cannot develop, hire or retain the necessary qualified personnel, the Issuer's business activities, financial condition and results of operations may be adversely affected.

#### **If the Issuer's internal controls over financial reporting are insufficient, its reputation and business activities may be adversely affected**

The Issuer has established and assessed its internal controls over financial reporting in a manner intended to ensure compliance with the requirements of various laws and regulations. However, in future periods the Issuer or its independent registered public accounting firm may identify material weaknesses in its internal controls over financial reporting. Such findings may cause the Issuer or its accountants to disclose that the Issuer's internal controls over financial reporting are ineffective, which could cause a loss of investor confidence in the reliability of its financial statements. In any such case, the Issuer's business activities, financial condition and results of operations may be adversely affected.

#### **The Issuer's risk management may not be effective**

The Issuer continuously seeks to improve its risk management function. However, due to the rapid expansion of its business or significant changes in the business environment, the Issuer's risk management may not be effective in some cases. As a result, the Issuer's business activities, financial condition and results of operations could be adversely affected.

#### **Other operational risks**

The Issuer's business entails many types of operational risk. Examples include inappropriate sales practices; inadequate handling of client and customer complaints; inadequate internal communication of

necessary information; misconduct of officers, employees, agents, franchisees, trading associates, vendors or other third parties; errors in the settlement of accounts; and conflicts with employees concerning labor and workplace management.

The Issuer's management attempts to control operational risk and maintain it at a level that it believes is appropriate. Notwithstanding the Issuer's control measures, operational risk is part of the business environment in which it operates, and the Issuer's business activities, financial condition and results of operations may be adversely affected at any time due to this risk. Even if the Issuer does not incur direct pecuniary loss, its reputation may be adversely affected.

### **Investors are Relying Solely on the Creditworthiness of the Issuer**

The Notes will constitute unsubordinated and unsecured obligations of the Issuer and will rank equally among themselves and equally with all other unsubordinated and unsecured obligations of the Issuer (other than obligations preferred by mandatory provisions of law). If an investor purchases Notes, it is relying on the creditworthiness of the Issuer and no other person.

In addition, investment in the Notes involves the risk that subsequent changes in actual or perceived creditworthiness of the Issuer may adversely affect the market value of the Notes.

### **Risks Relating To The Notes**

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

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

#### **Notes Redeemable at the Issuer's Option**

Notes which are redeemable at the option of the Issuer either (a) upon expiry of the applicable notice period (in the case of any Series of Notes in respect of which "Call Option" is specified in the applicable Final Terms as applicable) or (b) for tax reasons (in the case of each Series of Notes), may be redeemed at times when prevailing interest rates may be lower than the rate borne by such Notes. As a result, the holders of such Notes may not be able to reinvest the redemption proceeds in a comparable security at an interest rate as high as that of the relevant Notes. Prospective investors should consider the related reinvestment risk in light of other investments available to them at the time of their investment in such Notes.

In addition, the Issuer's ability to redeem such Notes at its option is likely to affect the market value of such Notes. In particular, as the redemption date(s) approaches, the market value of such Notes generally will not rise substantially above the redemption price because of the optional redemption feature.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate.

#### **An Active Trading Market May Not Develop for the Notes**

Each series of Notes on issue will comprise a new issue of securities for which there is no trading market. The Issuer can provide no assurances regarding the future development or maintenance of a market for the Notes or the ability of holders of the Notes to sell their Notes. If such a market were to develop, the Notes could trade at prices which may be higher or lower than the initial offering price depending on many factors independent of the creditworthiness of the Issuer, including, among other things:

- the method for calculating the principal and interest in respect of the Notes;
- the time remaining to the maturity of the Notes;
- the outstanding principal amount of the Notes;
- any redemption features of the Notes; and
- the level, direction and volatility of market interest rates generally.

Notes issued with specific investment objectives or strategies will have a more limited trading market and may experience more price volatility. Prospective investors should be aware that, at the time they wish to sell their Notes, there may be few or no investors willing to buy the Notes. This limited market may affect an investor's ability to sell the Notes and the price at which they are sold. Prospective investors should not purchase Notes unless they understand, and are able to bear, the investment risks.

### **Credit Ratings May Not Reflect All Risks of Investments in the Notes**

The credit rating of the Issuer and the Programme and the credit rating for a particular series of Notes, if applicable, are an assessment by the relevant rating agencies of the Issuer's ability to pay its debts when due. Consequently, real or anticipated changes in such credit ratings will generally affect the market value of the Notes. These credit ratings may not reflect the potential impact of risks relating to structure, market or other factors discussed in this Base Prospectus on 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.

### **Exchange Rates and Exchange Controls**

An investment in Notes that are denominated in, or the payment of which is to be or may be made in or related to the value of, a currency or composite currency other than the currency of the country in which the purchaser is a resident or the currency in which the purchaser conducts its business or activities (the *Home Currency*) entails significant risks that are not associated with a similar investment in a security denominated in the Home Currency. Such risks include the possibility of significant changes in rates of exchange between the Home Currency and the various foreign currencies (or composite currencies) after the issuance of such Note and the possibility of the imposition or modification of foreign exchange controls by the relevant government. Such risks generally depend on economic and political events over which the Issuer has no control. In recent years, rates of exchange between certain currencies have been highly volatile and such volatility may be expected to continue in the future. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations in such rate that may occur during the term of any Note. Depreciation of the currency in which a Note is denominated against the relevant Home Currency would result in a decrease in the effective yield of such Note below its coupon rate and, in certain circumstances, could result in a loss to the investor.

Governments have imposed from time to time, and may in the future impose, exchange controls which could affect exchange rates as well as the availability of a specified foreign currency at the time of payment of principal of, and premium (if any) or interest (if any) on a Note.

### **Notes in NGN form**

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

### **Interest rate risks**

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

### **Return on an investment in Notes will be affected by charges incurred by Investors**

An investor's total return on an investment in any Notes will be affected by the level of fees charged by an agent, nominee service provider and/or clearing system used by the investor. Such a person or institution may charge fees for the opening and operation of an investment account, transfers of Notes, custody services and on payments of interest and principal. Potential investors are, therefore, advised to investigate the basis on which any such fees will be charged on the relevant Notes.

### **Tax consequences of holding the Notes**

Potential investors should consider the tax consequences of investing in the Notes and consult their tax advisers about their own tax situation.

### **Modification**

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

### **Foreign Account Tax Compliance Act (FATCA)**

While the Notes are in global form and held within Euroclear or Clearstream, Luxembourg (together, the *ICSDs*), it is expected that FATCA (as described further in the section headed "Taxation") will not affect the amount of any payments made under, or in respect of, the Notes by the Issuer, any paying agent, the Common

Depository or the Common Safekeeper, given that each of the entities in the payment chain between the Issuer and the participants in the ICSDs is a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an intergovernmental agreement will be unlikely to affect the securities. The documentation expressly contemplates the possibility that the Notes may be issued in definitive physical form and therefore that they may be taken out of the ICSDs. If this were to happen, then a non-FATCA compliant holder could be subject to withholding. However, Notes will only be issued in definitive form in limited circumstances.

Further, while the Notes are in global form and held within the ICSDs, in all but the most remote circumstances, it is not expected that FATCA will affect the amount of any payment received by the ICSDs. However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose their custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide such custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding.

Investors should consult their own tax advisors to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the Common Depository or Common Safekeeper for the ICSDs and the Issuer has, therefore, no responsibility for any amount thereafter transmitted through hands of the ICSDs and custodians or intermediaries.

### **EU Savings Directive**

Under EC Council Directive 2003/48/EC (the *Savings Directive*) on the taxation of savings income, member states of the European Union are required to provide to the tax authorities of another member state of the European Union details of payments of interest (and other similar income) paid by a person established within its jurisdiction to (or for the benefit of) an individual or certain other persons resident in that other member state of the European Union or certain limited types of entities established in that other member state of the European Union. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) in relation to such payments (the ending of such transitional period being dependent upon the consideration of certain other agreements relating to such information exchange with certain other countries). A number of non-EU countries and territories have adopted similar measures.

The Luxembourg government has announced its intention to elect out of the withholding system in favour of an automatic exchange of information with effect from 1st January, 2015.

The Council of the European Union has adopted a Directive (the *Amending Directive*) which will, when implemented, amend and broaden the scope of the requirements described above. The Amending Directive will expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities, and the circumstances in which payments must be reported or paid subject to withholding. For example, payments made to (or for the benefit of) (i) an entity or legal arrangement effectively managed in a member state of the European Union that is not subject to effective taxation, or (ii) a person, entity or legal arrangement established or effectively managed outside of the European Union (and outside any third country or territory that has adopted similar measures to the Savings Directive) which indirectly benefit an individual resident in a member state of the European Union, may fall within the scope of the Savings Directive, as amended. The Amending Directive requires member states of the European Union to adopt national legislation necessary to comply with it by 1st January, 2016, which legislation must apply from 1st January, 2017.

### **The Proposed Financial Transaction Tax (the *FTT*)**

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the *participating Member States*).

The proposed FTT has a very broad scope and could, if introduced in the form proposed by the European Commission, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial

institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Notwithstanding the European Commission proposals, a statement made by the participating Member States (other than Slovenia) indicates that a progressive implementation of the FTT is being considered, and that the FTT may initially apply only to transactions involving shares and certain derivatives, with implementation occurring by 1 January 2016. However, full details are not available.

The proposed FTT remains subject to negotiation between the participating Member States and the timing remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.



# TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of the terms and conditions together with the relevant provisions of the Final Terms or (ii) the terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in the terms and conditions will have the meanings given to them in the relevant Final Terms. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in these terms and conditions to **Notes** are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

*These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Final Terms or supplementary/further base prospectus in relation to such Series.*

The Notes are issued pursuant to an agency agreement dated 24<sup>th</sup> July, 2014 (such agency agreement, as amended and/or supplemented and/or restated from time to time) (the **Agency Agreement**) and made between ORIX CORPORATION (the **Issuer**) and The Bank of New York Mellon as fiscal agent, The Bank of New York Mellon (Luxembourg) S.A. as registrar and the other agents named therein and with the benefit of the Deed of Covenant dated 24<sup>th</sup> July, 2014 executed by the Issuer (as amended or supplemented as at the date of issue of the Notes (the **Issue Date**), the **Deed of Covenant**). The fiscal agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the **Fiscal Agent**, the **Paying Agents** (which expression shall include the Fiscal Agent), the **Registrar**, the **Transfer Agents** and the **Calculation Agent(s)**. The Noteholders (as defined below), the holders of the interest coupons (the **Coupons**) appertaining to interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the **Talons**) (the **Couponholders**) and the holders of the receipts for the payment of instalments of principal (the **Receipts**) relating to Notes in bearer form of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

## 1. Form, Denomination and Title

The Notes are issued in bearer form (**Bearer Notes**, which expression includes Notes that are specified to be Exchangeable Bearer Notes), in registered form (**Registered Notes**) or in bearer form exchangeable for Registered Notes (**Exchangeable Bearer Notes**) in each case in the Specified Denomination(s) shown hereon.

*Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Specified Denomination as the lowest denomination of Exchangeable Bearer Notes.*

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Instalment Note, a Partly Paid Note or a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates (**Certificates**) and, save as provided in Condition 2(d), each Certificate shall represent the entire holding of Registered Notes by the same holder. Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the **Register**). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate), and no person shall be liable for so treating the holder.

In these Conditions, **Noteholder** means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), **holder** (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or means the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

## 2. Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes

### (a) Exchange of Exchangeable Bearer Notes

Subject as provided in Condition 2(f), Exchangeable Bearer Notes may be exchanged for the same nominal amount of Registered Notes at the request in writing of the relevant Noteholder and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 7(b)) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes that are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

### (b) Transfer of Registered Notes

Subject to Condition 2(c) (**Transfer Restrictions**), one or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement.

### (c) Transfer Restrictions

A Noteholder is only entitled to transfer a Note if the transfer complies with the laws, regulations and directives of all relevant jurisdictions.

### (d) Exercise of Options or Partial Redemption in Respect of Registered Notes

In the case of an exercise of an Issuer's or Noteholder's option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

### (e) Delivery of New Certificates

Each new Certificate to be issued pursuant to Condition 2(a), (b) or (d) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 6(e)) or surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(e), **business day** means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

### (f) Exchange Free of Charge

Exchange and transfer of Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

### (g) Closed Periods

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition

6(d), (iii) after any such Note has been called for redemption, or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Certificate is simultaneously surrendered not later than the relevant Record Date.

### **3. Status**

The Notes and the Receipts and Coupons relating to them constitute (subject to Condition 4) unsecured and unsubordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and the Receipts and Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 4, at all times rank at least equally with all other unsecured and unsubordinated indebtedness and monetary obligations of the Issuer, present and future.

### **4. Negative Pledge**

So long as any of the Notes, Receipts or Coupons remain outstanding (as defined in the Agency Agreement) the Issuer shall not create or permit to subsist any pledge, lien or other charge upon the whole or any part of its undertaking, assets or revenues present or future to secure for the benefit of the holders thereof, payment of any External Indebtedness without according or procuring to be accorded to the Notes, Receipts and Coupons (i) the same security as is granted to such External Indebtedness or (ii) such other security or guarantee as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of Noteholders.

**External Indebtedness** means any indebtedness of the Issuer (with a stated maturity of more than one year from the creation thereof) which is represented by bonds, debentures, notes or any other similar debt securities which are quoted, listed or ordinarily dealt in or are intended to be quoted, listed or ordinarily dealt in on a stock exchange or on any over-the-counter or any other similar securities market and which are by their terms repayable or confer a right to receive repayment in any currency other than yen or are denominated in yen if a majority of the nominal amount thereof is initially distributed outside Japan by or with the authorisation of the Issuer (or guarantees, indemnities or other like obligations (in each case granted or undertaken for the benefit of the holders of such securities to secure the payment of such indebtedness) in respect of such indebtedness).

### **5. Interest and Other Calculations**

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

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date.

If a Fixed Coupon Amount or a Broken Amount is specified hereon, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified hereon.

#### *(b) Interest on Floating Rate Notes*

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

Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date on which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

##### *(ii) Business Day Convention*

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward

to the immediately preceding Business Day, or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) Rate of Interest for Floating Rate Notes

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the applicable Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated hereon) the Margin (if any). For the purposes of this sub-paragraph (A), *ISDA Rate* for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon;
- (y) the Designated Maturity is a period specified hereon; and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), *Floating Rate*, *Calculation Agent*, *Floating Rate Option*, *Designated Maturity*, *Reset Date* and *Swap Transaction* have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

- (x) if the Primary Source for Floating Rate is a Page, subject as provided below, the Rate of Interest shall be:
  - (I) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
  - (II) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page, in each case appearing on such Page at the Relevant Time on the Interest Determination Date;
- (y) if the Primary Source for Floating Rate is Reference Banks or if sub-paragraph (x)(I) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if sub-paragraph (x)(II) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the arithmetic mean of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent; and
- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) that the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Specified Currency that at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Relevant Currency or, if the Specified Currency is euro, in Europe as selected by the Calculation Agent (the *Principal Financial Centre*) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (I) to leading banks carrying on business in Europe, (II) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or



Minimum Rate of Interest applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

*(c) Zero Coupon Notes*

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 6(b)(i)).

*(d) 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 hereon.

*(e) Accrual of Interest*

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

*(f) Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding*

- (i) If any Margin or Rate Multiplier is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to the next paragraph.
- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.
- (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes unit means the lowest amount of such currency that is available as legal tender in the country of such currency.

*(g) Calculations*

The amount of interest payable per Calculation Amount in respect of any Note for any period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon and the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

*(h) Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts*

As soon as practicable after the relevant time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, it shall determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Registrar (if applicable), the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the



commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(i) *Definitions*

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

**Business Day** means:

- (a) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or
- (b) in the case of euro, a day on which the TARGET2 System is operating (a **TARGET Business Day**); and/or
- (c) in the case of a currency and/or one or more Additional Business Centres (as specified hereon), a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Additional Business Centre or, if no currency is indicated, generally in each of the Additional Business Centres.

**Day Count Fraction** means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to, but excluding, the last) (whether or not constituting an Interest Period, the **Calculation Period**):

- (a) if **Actual/Actual** or **Actual/Actual-ISDA** is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if **Actual/365 (Fixed)** is specified hereon, the actual number of days in the Calculation Period divided by 365;
- (c) if **Actual/360** is specified hereon, the actual number of days in the Calculation Period divided by 360;
- (d) if **30/360, 360/360** or **Bond Basis** is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

- “Y1” is the year, expressed as a number, in which the first day of the Calculation Period falls;
- “Y2” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;
- “M1” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;
- “M2” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;
- “D1” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and
- “D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30; and

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

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

where:

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

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

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

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

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30.

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

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

where:

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

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

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

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

“D1” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D2” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

- (g) if **Actual/Actual-ICMA** is specified hereon, a fraction equal to “number of days accrued/number of days in year”, as such terms are used in Rule 251 of the statutes, by-laws, rules and recommendations of the International Capital Market Association (the **ICMA Rule Book**), calculated in accordance with Rule 251 of the ICMA Rule Book as applied to non U.S. dollar denominated straight and convertible bonds issued after 31<sup>st</sup> December, 1998, as though the interest coupon on a bond were being calculated for a coupon period corresponding to the Calculation Period in respect of which payment is being made;

**Effective Date** means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such hereon or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

**Interest Accrual Period** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

**Interest Amount** means the amount of interest payable per Calculation Amount, and in the case of Fixed Rate Notes, means the Fixed Coupon Amount or Broken Amount, as the case may be.

**Interest Commencement Date** means the Issue Date or such other date as may be specified hereon.

**Interest Determination Date** means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified

Currency is sterling or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro.

**Interest Payment Date** means the date(s) specified hereon.

**Interest Period** means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

**Interest Period Date** means each Interest Payment Date unless otherwise specified hereon.

**ISDA Definitions** means the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon.

**Margin** means the margin(s) specified hereon and, in respect of a Floating Rate Note with a step up in the Rate of Interest, means, with respect to a relevant Interest Period Date, the margin specified hereon under "Margin (Step Up)" set forth opposite such Interest Period Date.

**Page** means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters Markets 3000 (*Reuters*)) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

**Rate of Interest** means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon and, in respect of a Fixed Rate Note with a step up in the Rate of Interest, means, with respect to a relevant Interest Period Date, the rate of interest specified hereon under "Rate of Interest (Step Up)" set forth opposite such Interest Period Date.

**Reference Banks** means the institutions specified as such hereon or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be Europe).

**Relevant Financial Centre** means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the financial centre as may be specified as such hereon or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, in the case of EURIBOR, shall be Europe) or, if none is so connected, London.

**Relevant Rate** means the Benchmark for a Representative Amount of the Specified Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

**Relevant Time** means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified hereon or, if no time is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Specified Currency in the interbank market in the Relevant Financial Centre and for this purpose "local time" means, with respect to Europe as a Relevant Financial Centre, Central European Time.

**Representative Amount** means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the amount specified as such hereon or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

**Specified Currency** means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated.

**Specified Duration** means, with respect to any Floating Rate to be determined in accordance with a Screen Rate Determination on an Interest Determination Date, the duration specified hereon or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 5(b)(ii).

**TARGET2 System** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System or any successor thereto.

(j) *Calculation Agent and Reference Banks*

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Agency Agreement). If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer shall appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions

to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## **6. Redemption, Purchase and Options**

### *(a) Redemption by Instalments and Final Redemption*

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6 or the relevant Instalment Date (being one of the dates so specified hereon) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 6(d) or (e), each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding nominal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (ii) Unless previously redeemed, purchased and cancelled as provided below or its maturity is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 6(d) or (e), each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within subparagraph (i) above, its final Instalment Amount.

### *(b) Early Redemption*

#### *(i) Zero Coupon Notes*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note that does not bear interest prior to the Maturity Date upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(e).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

#### *(ii) Other Notes*

The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.

*(c) Redemption for Taxation Reasons*

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, if so specified, at any time, on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of Japan or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Before the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal 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 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.

*(d) Redemption at the Option of the Issuer and Exercise of Issuer's Options*

If Call Option is specified hereon, the Issuer may, on giving not less than 15 nor more than 30 days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem, or exercise any Issuer's option (as may be described hereon) in relation to, all or, if so provided, some of the Notes on any Optional Redemption Date or Option Exercise Date, as the case may be. Any such redemption of Notes shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a nominal amount at least equal to the minimum nominal amount to be redeemed specified hereon and no greater than the maximum nominal amount to be redeemed specified hereon.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption or a partial exercise of any Issuer's option, the notice to Noteholders shall also contain the certificate numbers of the Bearer notes, or in the case of Registered Notes shall specify the nominal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange requirements.

*(e) Redemption at the Option of Noteholders and Exercise of Noteholders' Options*

If Put Option is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option or any other Noteholders' option that may be set out hereon (which must be exercised on an Option Exercise Date) the holder must deposit such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent (in the case of Bearer Notes) or the Certificate representing such Note(s) with the Registrar or any Transfer Agent (in the case of Registered Notes) at its specified office, together with a duly completed option exercise notice (*Exercise Notice*) in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

*(f) 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 provisions specified hereon.

*(g) Purchases*

The Issuer and any of its subsidiaries may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto, if any, or surrendered therewith) in the open market or otherwise at any price.

*(h) Cancellation*

All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts



and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

## 7. Payments and Talons

### (a) Bearer Notes

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(g)) or Coupons (in the case of interest, save as specified in Condition 7(g)), as the case may be, at the specified office of any Paying Agent outside the United States and its possessions by a cheque payable in the relevant currency drawn on, or, at the option of the holder and subject to the next sentence, by transfer to an account denominated in such currency with, a bank in the principal financial centre for such currency, or in the case of euro, in a city in which banks have access to the TARGET2 System. Subject to the provisions of Condition 7(c) below, no payments will be made by a transfer of funds into an account in the United States or its possessions or mailed to an address in the United States or its possessions.

### (b) Registered Notes

- (i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the **Record Date**). Payments of interest on each Registered Note shall be made in the currency in which such payments are due by cheque drawn on a bank in the principal financial centre of the country of the currency concerned and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in Condition 7(a) above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency.

### (c) Payments in the United States

Notwithstanding Condition 7(a), if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States and its possessions with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

### (d) Payments Subject to Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

All payments are subject to (i) any deduction or withholding that may be imposed or levied pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code entered by the Issuer or a Paying Agent and (ii) any deduction or withholding by the Issuer, Guarantor or a Paying Agent pursuant to, or in connection with, Sections 1471-1474 of the U.S. Internal Revenue Code and the treasury regulations thereunder or any similar law or regulations adopted by a non-U.S. governmental authority pursuant to an intergovernmental agreement between such non-U.S. jurisdiction and the United States with respect to the foregoing (**FATCA**), and any amounts so deducted or withheld will be treated as paid for all purposes under the Notes. No additional amounts will be paid on the Notes, Receipts or Coupons with respect to any amounts withheld on account of FATCA.

(e) *Appointment of Agents*

The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserve(s) the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) a Paying Agent having a specified office in a major European city and (vi) a Paying Agent with a specified office in a Member State that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC on the taxation of savings income.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in Condition 7(c) above. No Fiscal Agent, however, shall be located within the United States. In addition, no Paying Agent with respect to Bearer Notes shall be located in the United States except in the circumstances described in Condition 7(c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 14.

(f) *Unmatured Coupons and Receipts and Unexchanged Talons*

- (i) Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Bearer Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of ten years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).
- (ii) If the Notes so provide, upon the due date for redemption of any Bearer Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Bearer Note, any unexpired Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- (v) Where any Bearer Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons and any unexpired Talon relating to it, and where any Bearer Note is presented for redemption without any unexpired Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(g) *Interest*

If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(h) *Talons*

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(i) *Non-Business Days*

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following *business day* nor to any interest or other sum in respect of such postponed payment. In this paragraph, business day means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as *Additional Financial Centres* hereon and:

- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency (which, in the case of Australian dollars, shall be Sydney); or
- (ii) in the case of a payment in euro, which is a TARGET Business Day.

## 8. Taxation

(a) *Payment of Additional Amounts by the Issuer*

Payments of principal and interest by or on behalf of the Issuer in respect of the Notes, Receipts or Coupons held by a Japanese non-resident or a designated financial institution will be made without withholding of, or deduction for or on account of, any present or future taxes imposed or levied by or on behalf of Japan, or any authority therein or thereof having power to tax if the Noteholder (or Couponholder as the case may be) establishes that the Note, Receipt or Coupon is held by or for the account of a Japanese non-resident or a designated financial institution unless such withholding or deduction is required by Japanese tax laws. If any such withholding or deduction in respect of the Notes, Receipts or Coupons held by such Japanese non-resident or designated financial institution is required by law, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by such Noteholders and Couponholders after such withholding or deduction shall equal the amounts of principal and interest which would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon presented for payment:

- (i) by or on behalf of a holder (i) who is for Japanese tax purposes treated as an individual resident of Japan or a Japanese corporation or (ii) who fails to comply with the Japanese tax law requirements in respect of the exemption from such withholding or deduction or (iii) who is otherwise subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Japan otherwise than by reason only of the holding of any Note or Coupon or the receipt of principal or interest in respect of any Note or Coupon; or
- (ii) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment as at the expiry of such 30-day period; or
- (iii) where such withholding or deduction is imposed on a payment to or for an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, or as contemplated by, such Directive; or
- (iv) where presentation is required by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Coupon or Receipt to another Paying Agent,

nor will such additional amounts be paid with respect to any payment on such Note, Receipt or Coupon to any holder that is a fiduciary or partnership or other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of Japan (or any political subdivision or taxing authority thereof or therein) to be included in the income, for tax purposes, of a beneficiary or settlor with respect of such fiduciary or a member of such partnership or a beneficial owner who would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the holder of such Note, Receipt or Coupon.

As used herein, a *Japanese non-resident* means a person that is not a resident of Japan (including any corporation or other entity other than those organised under the laws of Japan) and who is not a “specially-related person” of the Issuer) and a *designated financial institution* means a designated Japanese financial institution as provided in Article 6 of the Special Taxation Measures Law of Japan.

(b) *Relevant Date*

As used in these Conditions, *Relevant Date* in respect of any Note, Receipt or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders in accordance with Condition 14 that, upon further presentation of the Note, Receipt or Coupon being made in accordance with the Conditions, such payment will be made,

provided that payment is in fact made upon such presentation. References in these Conditions to (i) *principal* shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it, (ii) interest shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it and (iii) *principal* and/or *interest* shall be deemed to include any additional amounts that may be payable under this Condition.

## 9. Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 10. Events of Default

If any of the following events (*Events of Default*) occurs and is continuing, the holder of any Note may give written notice to the Fiscal Agent at its specified office that such Note is immediately repayable, whereupon the Early Redemption Amount of such Note together with accrued interest to the date of payment shall become immediately due and payable, unless such event of default shall have been remedied prior to the receipt of such notice by the Fiscal Agent:

- (i) default shall be made for more than 15 days in the payment of principal due in respect of the Notes when and as the same ought to be paid in accordance with these Conditions; or
- (ii) default shall be made for more than 30 days in the payment of interest due in respect of any of the Notes when and as the same ought to be paid in accordance with these Conditions; or
- (iii) default is made in the performance or observance by the Issuer of any other obligation contained in any of the Notes, Receipts, Coupons or Talons, as the case may be, in any such case for a period of 90 days after written notification requiring such default to be remedied by the Issuer shall first have been given to the Fiscal Agent by the holder of any Note at the time outstanding; or
- (iv) the Issuer shall have become bound as a consequence of a default by it in its obligations in respect of any indebtedness for borrowed moneys having a total principal amount then outstanding of at least U.S.\$75,000,000 (or its equivalent in any other currency or currencies) contracted or incurred by it prematurely to repay the same, or the Issuer shall have defaulted in the repayment of any such indebtedness contracted or incurred by it at the later of the maturity thereof or the expiration of any applicable grace period therefor, or the Issuer shall have failed to pay when properly called upon to do so, and after the expiration of any applicable grace period, any guarantee contracted or incurred by it of any such indebtedness in accordance with the terms of any such guarantee, and in any such case any such acceleration, default or failure to pay, as the case may be, is not being contested in good faith and not cured or otherwise made good within 15 days after the date upon which written notice of such acceleration, default or failure to pay shall have been given to the Fiscal Agent by or on behalf of the holder of any of the Notes; or
- (v) a final and non-appealable order of a court of competent jurisdiction shall be made or an effective resolution of the Issuer shall be passed for the winding-up or dissolution of the Issuer except for the purposes of or pursuant to a consolidation, amalgamation, merger or reconstruction under which the continuing corporation or the corporation formed as a result thereof effectively assumes the entire obligations of the Issuer under the Notes, the Receipts, the Coupons and the Talons; or
- (vi) an encumbrancer shall have taken possession, or a trustee or receiver shall have been appointed, in bankruptcy or insolvency of the Issuer, of all or substantially all of its assets and undertakings and such possession or appointment shall have continued undischarged and unstayed for a period of 90 days; or
- (vii) the Issuer shall stop payment (within the meaning of the bankruptcy law of Japan) or (otherwise than for the purposes of such a consolidation, amalgamation, merger or reconstruction as is referred to in paragraph (v) above) shall cease to carry on business or shall be unable to pay its debts generally as and when they fall due; or
- (viii) a decree or order by any court having jurisdiction shall have been issued adjudging the Issuer bankrupt or insolvent, or approving a petition seeking with respect to the Issuer reorganisation, under bankruptcy, composition, reorganisation or insolvency law of Japan and such decree or order shall have continued undischarged and unstayed for a period of 90 days; or
- (ix) the Issuer shall initiate or consent to proceedings relating to itself under bankruptcy, composition, organisation or insolvency law of Japan or shall make a conveyance or assignment for the benefit of, or shall enter into any composition with, its creditors generally.



For the purposes of paragraph (iv) above, any indebtedness for borrowed moneys which is in a currency other than U.S. dollars shall be translated at the spot rate for the sale of the relevant currency against the purchase of U.S. dollars in the Tokyo foreign exchange market prevailing on the calendar day in Tokyo corresponding to the calendar day on which such premature repayment becomes due or, as the case may be, such default or failure occurs (or, if for any reason such a rate is not available, that so quoted on the earliest possible date thereafter).

## **11. Meetings of Noteholders and Modifications**

### *(a) Meetings of Noteholders*

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including modification by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, (vii) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, or (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

### *(b) Modification of Agency Agreement and Deed of Covenant*

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

The Issuer may make modifications to the Deed of Covenant without the consent of the Noteholders, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

## **12. Replacement of Notes, Certificates, Receipts, Coupons and Talons**

If a Note or Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note or Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes or Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require.

Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.



### 13. Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes (so that, for the avoidance of doubt, references in the conditions of such Notes to *Issue Date* shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to Notes shall be construed accordingly.

### 14. Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). So long as the Notes are listed on the Luxembourg Stock Exchange, notices to holders of the Notes shall also be published either on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

### 15. Currency Indemnity

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note, Coupon or Receipt is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer or the Guarantor shall only constitute a discharge to the Issuer, to the extent of the amount in the currency of payment under the relevant Note, Coupon or Receipt that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, Coupon or Receipt, the Issuer shall indemnify it against any loss sustained by it as a result. In any event, the Issuer, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note, Coupon or Receipt or any other judgment or order.

### 16. Governing Law and Jurisdiction

#### (a) Governing Law

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

#### (b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with (i) the creation, validity, effect, interpretation, performance or non-performance of, or the legal relationships established by, any Notes, Receipts, Coupons or Talons and (ii) any non-contractual obligations arising out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (*Proceedings*) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum and further 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 jurisdiction. This submission is made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

*(c) Service of Process*

The Issuer irrevocably appoints London Registrars Process Agency Ltd. of 4th Floor, Haines House, 21 John Street, London WC1N 2BP, England as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in England, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 14. Nothing shall affect the right to serve process in any manner permitted by law.

*(d) Contracts (Right of Third Parties) Act 1999*

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

## **SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM OR WHILE REGISTERED IN THE NAME OF A NOMINEE FOR A CLEARING SYSTEM**

### **Initial Issue of Notes**

If the Global Notes or the Global Certificates are stated in the applicable Final Terms to be issued in NGN form or to be held under the NSS (as the case may be), the Global Notes or the Global Certificates will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper and the relevant clearing systems will be notified whether or not such Global Notes or the Global Certificates are intended to be held in a manner which would allow Eurosystem eligibility. Depositing the Global Notes or the Global Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global notes which are issued in CGN form and Global Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to a Common Depository.

If the Global Note is a CGN, upon the initial deposit of a Global Note with a common depository outside the United States and its possessions for Euroclear and Clearstream, Luxembourg, or the initial registration in the names of nominees for Euroclear or for Clearstream, Luxembourg, or a common nominee for both, and delivery of the relative Global Certificate(s) to the Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is a NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time. Global Notes may also be deposited initially with other clearing systems which must be outside the United States and its possessions. Notes that are initially deposited with the Common Depository or delivered to the Common Safekeeper may also be credited to the accounts of subscribers with other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with other clearing systems may similarly be credited to the accounts of subscribers with Euroclear or Clearstream, Luxembourg.

### **Relationship of Accountholders with Clearing Systems**

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or such other clearing system for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such other clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

### **Exchange**

*Temporary Global Notes.* Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Final Terms indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable, in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes, upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement.

Each temporary Global Note that is also an Exchangeable Bearer Note will also be exchangeable in whole or in part for Registered Notes in accordance with the Conditions in addition to any permanent Global Note or Definitive Notes for which it may be exchangeable, in the case of Notes issued in compliance with the D Rules, upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement as provided in such temporary Global Note.

*Permanent Global Notes.* Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under “Partial Exchange of Permanent Global Notes”, in part for Definitive Notes or, in the case of (ii) below, Registered Notes:

- (i) if (1) the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (an *Alternative Clearing System*) and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so, or (2) principal in respect of any Notes is not paid when due by the holder giving notice to the Fiscal Agent of its election for such exchange; and
- (ii) if the permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Fiscal Agent of its election to exchange the whole or part of such Global Note for Registered Notes.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

*Permanent Global Certificates.* If the Final Terms state that the Notes are to be represented by a permanent Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in Notes with the clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system. Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may be made in part only:

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

provided that, in the case of the first transfer of part of a holding pursuant to (i) or (ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

*Partial Exchange of Permanent Global Notes.* For so long as a permanent Global Note is held on behalf of a clearing system and if the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions (1) for Registered Notes if the permanent Global Note is an Exchangeable Bearer Note and the part submitted for exchange is to be exchanged for Registered Notes, or (2) for Definitive Notes (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Final Terms) relating to Partly Paid Notes.

*Delivery of Notes.* If the Global Note is a CGN, on or after the Exchange Date, and upon certification as to non-U.S. beneficial ownership where required by applicable law, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes or Registered Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes and/or Certificates, as the case may be or if the Global Note is a NGN the Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. In this Base Prospectus, *Definitive Notes* means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts which have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed, and Certificates will be printed, in accordance with any applicable legal and stock exchange requirements in or substantially in the relevant form set out in the schedules to the Agency Agreement. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holders together with the relevant Definitive Notes or Certificates (as the case may be).

*Exchange Date.* **Exchange Date** means, in relation to a temporary Global Note, the first day following the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not more than 40 days or, in the case of an exchange for Registered Notes, five days, or in the case of failure to pay principal in respect of any Notes when due, 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (i)(1) under the paragraph headed "Permanent Global Notes" above, in the city in which the relevant clearing system is located.

## Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions which apply to the Notes which they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Base Prospectus. The following is a summary of those provisions:

### 1. Payments

No payment falling due after the Exchange Date will be made on a Global Note unless exchange for an interest in a permanent Global Note or for Definitive Bearer Notes or Registered Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment is to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. Condition 7(e)(vi) and Condition 8(a)(iv) will apply to Definitive Notes only. If the Global Note is a NGN or if the Global Certificate is held under the NSS, the Issuer shall ensure that details of each such payment is entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate shall be reduced accordingly. Payments under a NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge.

For the purposes of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of *business day* set out in Condition 7(i) (Non-Business Days).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the register at the close of business on the record date which shall be 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.

### 2. Notices

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to holders of such Notes may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note, except that so long as the Notes are listed on the Luxembourg Stock Exchange's Euro MTF Market and the rules of that exchange so require, notices shall also be published either on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*).

### 3. Prescription

Claims against the Issuer in respect of Notes which are represented by a permanent Global Note will become void unless it is presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

### 4. Meetings

The holder of a Global Note or the Notes represented by a Global Certificate will (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder's holding, whether or not represented by a Global Certificate.

### 5. Cancellation and Purchase

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be, in the case of a CGN, effected by reduction in the nominal amount of the relevant Global Note and, in the case of NGN, be entered *pro rata* in the records of the relevant Clearing Systems and, upon any such entry being made, the nominal amount of the Note recorded in the records of the relevant Clearing Systems and represented by the Global Note shall be reduced by the aggregate nominal amount of the Notes so cancelled. Notes represented by a permanent Global Note may only be purchased by the Issuer or any of its respective subsidiaries if they are purchased together with the rights to receive all future payments of Interest and Instalment Amounts (if any) thereon.



## **6. Default**

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 10 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note which is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer under the terms of the Deed of Covenant and to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar, will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

## **7. Issuer's Options**

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg, or any other clearing system (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other Alternative Clearing System (as the case may be).

## **8. Noteholders' Options**

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the permanent Global Note is a CGN, presenting the permanent Global Note to the Fiscal Agent for notation. Where the Global Note is a NGN or where the Global Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

## **9. NGN nominal amount**

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

## **10. Partly Paid Notes**

The provisions relating to Partly Paid Notes are not set out in this Base Prospectus, but will be contained in the relevant Final Terms and thereby in the Global Notes. For so long as any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes or Registered Notes (as the case may be). In the event that any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may be entitled to forfeit such Notes and shall have no further obligation to their holder in respect of them.

### **USE OF PROCEEDS**

The net proceeds of each issue of Notes under the Programme will be used for the general corporate purposes of the Issuer. If, in respect of a particular Series or Tranche, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## ORIX CORPORATION

### Background

The Issuer was established as a joint stock company under the laws of Japan in April 1964 (registration number 0104-01-006942) and under the name of Orient Leasing Co., Ltd. The Issuer has its registered office at 4-1, Hamamatsu-cho 2-chome, Minato-ku, Tokyo. The telephone number of the Issuer's registered office is 813-3435-3121. The initial shareholders of the Issuer were Nichimen Co., Ltd., Nissho Co., Ltd., Iwai & Co., Ltd. and The Sanwa Bank, Limited together with four other banks.

While the leasing industry was relatively unknown in Japan, the Issuer benefited from the marketing activities of the general trading companies which had become major shareholders as well as from leasing know-how introduced by United States Leasing International, Inc. which, through subsidiaries, became a shareholder shortly after the Issuer's incorporation. From the end of the 1960s, the leasing industry entered a period of rapid expansion and a large number of competitor companies were formed. Throughout this period the Issuer and its subsidiaries also continued to expand into a large financial services group in Japan.

With effect from 1<sup>st</sup> April, 1989, the Issuer's name was changed from Orient Leasing Co., Ltd. to ORIX CORPORATION. At the same time, the Issuer's fiscal year-end was changed from 30<sup>th</sup> September to 31<sup>st</sup> March. As at 31<sup>st</sup> March, 2014, extracted without material adjustment from the Issuer's audited consolidated financial statements, the Issuer and its subsidiaries had total assets of ¥9,069,392 million, minimum lease payments receivable of ¥1,221,149 million and ORIX Corporation shareholders' equity of ¥1,918,740 million. Extracted without material adjustment from the Issuer's audited consolidated financial statements, net income attributable to ORIX Corporation shareholders for the year ended 31<sup>st</sup> March, 2014 amounted to ¥186,794 million. As at 31<sup>st</sup> March, 2014, extracted without material adjustment from the Issuer's audited consolidated financial statements, the Issuer had domestic segment assets totaling ¥5,309,217 million, ¥992,078 million of which were allocated to its corporate financial services business. As at 31<sup>st</sup> March, 2014, extracted without material adjustment from the Issuer's audited consolidated financial statements, the Issuer had segment assets in the overseas business totaling ¥1,972,138 million.

In April 1970, the Issuer became the first leasing company to have its shares listed on a Japanese stock exchange. In September 1998, the Issuer became the twelfth Japanese company to list its shares on the New York Stock Exchange. Its shares are now listed on the stock exchanges in Tokyo and New York. At 31<sup>st</sup> March, 2014, there were 46,928 shareholders of one or more units of shares, although approximately 31.5 per cent. of the share capital was owned by the ten major shareholders. The Issuer is not aware of any person or group of persons acting together who own or control more than 20 per cent. of its voting shares. The Issuer is not otherwise directly or indirectly owned or controlled by any person or group of persons acting together.

The Issuer is not aware of any arrangements that may at a subsequent date result in a change of control of the Issuer.

The Issuer is an integrated financial services group providing products and services to both corporate and retail customers. The Issuer's activities include corporate financial services, maintenance leasing, real estate, investment and operation, retail and overseas business.

The Issuer has a global network that spans 36 countries and regions. As of 31<sup>st</sup> March, 2014, the Issuer had 701 consolidated subsidiaries and 92 affiliates. As of 31<sup>st</sup> March, 2014, the Issuer had 1,274 offices in Japan and 544 locations throughout the United States, Asia, Oceania, Europe, the Middle East and Northern Africa.

The following table sets out details of the businesses of the Issuer and the Issuer's major subsidiaries as at 31<sup>st</sup> March, 2014.

The Issuer is not dependent on other entities of the ORIX Group.

Name	Country of Incorporation	Principal Business	the Issuer Voting Power <sup>(1)</sup>
ORIX Auto Corporation	Japan	Automobile Leasing, Rentals, Car Sharing Sales of Used Automobiles	100%
ORIX Rentec Corporation	Japan	Rental and Leasing of Precision Measuring, and IT-Related Equipment	100%
ORIX Real Estate Corporation	Japan	Real Estate Development and Rental, Facilities Operation	100%
ORIX Golf Holdings Corporation	Japan	Golf Course Management	100%
ORIX Real Estate Investment Advisors Corporation	Japan	Real Estate Investment and Advisory Services	100%
ORIX Living Corporation	Japan	Senior Housing Management	75%
Osaka City Dome Co., Ltd.	Japan	Multipurpose Hall Management	90%
ORIX Asset Management Corporation	Japan	REIT Asset Management	100%
ORIX Eco Services Corporation	Japan	Trading of Recycled Metals and other Resources, Collection and Transportation of Industrial Waste, and Intermediate Waste Processing	100%
ORIX Asset Management & Loan Services Corporation	Japan	Loan Servicing	100%
DAIKYO INCORPORATED	Japan	Real Estate Development and Sales, Urban Development	64%
ORIX Life Insurance Corporation	Japan	Life Insurance	100%
ORIX Bank Corporation	Japan	Banking	100%
ORIX Credit Corporation	Japan	Consumer Finance Services	100%
ORIX USA Corporation	U.S.A.	Corporate Finance, Investment Banking	100%
ORIX Asia Limited	China (Hong Kong)	Leasing, Automobile Leasing, Lending, Investment Banking	100%
ORIX Leasing Malaysia Berhad	Malaysia	Leasing, Lending, Hire Purchase	100%
PT. ORIX Indonesia Finance	Indonesia	Leasing, Automobile Leasing	85%
ORIX Australia Corporation Limited	Australia	Automobile Leasing, Truck Rentals	100%
ORIX Aviation Systems Limited	Ireland	Aircraft Leasing, Asset Management, Aircraft-Related Technical Services	100%
ORIX (China) Investment Co, Ltd	China	Leasing, Equity Investment, Other Financial Services	100%
ORIX Capital Korea Corporation	South Korea	Automobile Leasing, Leasing, Lending	100%
Thai ORIX Leasing Co., Ltd	Thailand	Leasing, Automobile Leasing and Rentals	96%
ORIX Taiwan Corporation	Taiwan	Leasing, Hire Purchase, Insurance Agency Services	100%
Robeco Groep N.V.	Netherlands	Asset Management	90%
Another 676 Subsidiaries			

(1) The Issuer voting power includes the Issuer's indirect voting power.

## Financial Summary

The following table summarises selected consolidated financial data extracted without material adjustment from the audited consolidated financial statements of the Issuer prepared in conformity with accounting principles generally accepted in the United States of America as of, and for the years ended 31<sup>st</sup> March, 2012, 2013 and 2014.

	Year ended 31 <sup>st</sup> March,		
	2012 (Millions of yen)	2013 (Millions of yen)	2014 (Millions of yen)
Total Assets <sup>(2)</sup> .....	¥8,332,830	¥8,439,710	¥9,069,392
Total Liabilities <sup>(2)</sup> .....	6,874,726	6,710,516	6,921,037
ORIX Corporation Shareholders' Equity <sup>(2)</sup> .....	1,380,736	1,643,596	1,918,740
Total Revenues <sup>(1)</sup> .....	964,779	1,055,764	1,341,651
Total Expenses <sup>(1)(2)</sup> .....	842,564	904,911	1,140,673
Income before Income Taxes and Discontinued Operations <sup>(1)(2)</sup> .....	127,515	172,572	283,726
Net Income Attributable to ORIX Corporation Shareholders <sup>(2)</sup> .....	83,509	111,909	186,794

(1) Pursuant to FASB Accounting Standards Codification 205-20 ("Presentation of Financial Statements — Discontinued Operations"), the results of operations that meet the criteria for discontinued operations are reported as a separate component of income, and those related amounts that had been previously reported are reclassified.

(2) Prior-year amounts have been adjusted for the retrospective adoption of Accounting Standards Update 2010-26 ("Accounting for Costs Associated with Acquiring or Renewing Insurance Contracts"—ASC 944 ("Financial Services—Insurance")) on 1<sup>st</sup> April, 2012



## Capitalisation and Indebtedness

The financial information in the table below is extracted from the Issuer's audited annual consolidated financial statements prepared in conformity with generally accepted accounting principles in the United States of America.

As at 31<sup>st</sup> March, 2014, the consolidated capitalisation and indebtedness of the Issuer and its consolidated subsidiaries was as follows:

	As at 31 <sup>st</sup> March, 2014	
	(Millions of of yen)	weighted average rate
Short-term debt (excluding current portion of long-term debt):		
Amounts falling due within one year .....	¥309,591	2.0%
Total short-term debt .....	<u>309,591</u>	<u>2.0%</u>
Long-term debt:		
Banks:		
Fixed rate, due fiscal 2015-2030 .....	¥416,417	2.3%
Floating rate, due fiscal 2015-2030 .....	1,475,384	1.1%
Insurance companies and others:		
Fixed rate, due fiscal 2015-2024 .....	287,403	1.4%
Floating rate, due fiscal 2017-2028 .....	251,021	0.7%
Unsecured bonds, due fiscal 2015-2024.....	1,128,788	1.9%
Unsecured notes under medium-term note programme, due fiscal 2016-2018 .....	46,034	3.2%
Payables under securitised lease receivables, due fiscal 2018-2019 .....	122,723	0.8%
Payables under securitised loan receivables and investment in securities, due fiscal 2018-2040 .....	131,104	4.1%
Total long-term debt .....	<u>3,858,874</u>	<u>1.6%</u>
<b>Note:</b>		
(1) There were no balance of convertible bonds as of 31 <sup>st</sup> March 2014.		
ORIX Corporation Shareholders		
Equity:		
Common stock:		
Authorised 2,590,000,000 shares, issued 1,322,777,628 shares in 2014.....	¥219,546	
Additional paid-in capital .....	255,449	
Retained earnings .....	1,467,602	
Accumulated other comprehensive income .....	2	
Treasury stock, at cost: 13,333,334 shares in 2014 .....	(23,859)	
ORIX Corporation Shareholders' Equity .....	<u>1,918,740</u>	

Please see the Incorporated Documents which are incorporated by reference in this Base Prospectus.

## Directors, Executive Officers and Group Executives

The Issuer has Audit, Nomination and Compensation Committees which were established under the former Commercial Code of Japan and the Law Regarding Exceptional Rules of Commercial Code Concerning Auditing, Etc. of Stock Corporation (Law No.22, 1974), on 25<sup>th</sup> June, 2003 and which continue to exist under the Corporate Law (Law No. 86, 2005). Under such laws, a company may establish the above three types of committees and is required to appoint directors and executive officers to such committees. These committees are required to consist of directors and members of these committees are required to be appointed by the board of directors of the company. The Directors, Executive Officers and Group Executives of the Issuer as of 26<sup>th</sup> June, 2014 are as follows:

<i>Name</i>	<i>Title</i>
Makoto Inoue	Director, Representative Executive Officer, President and Chief Executive Officer
Haruyuki Urata	Director, Representative Executive Officer, Deputy President and Chief Financial Officer
Tamio Umaki	Director, Deputy President and Chief Information Officer
Kazuo Kojima	Director, Corporate Executive Vice President
Yoshiyuki Yamaya	Director, Corporate Executive Vice President
Katsunobu Kamei	Director, Corporate Executive Vice President
Hideaki Takahashi	Non-Executive Director, Special Advisor to CEO
Takeshi Sasaki	Outside Director
Eiko Tsujiyama	Outside Director
Robert Feldman	Outside Director
Takeshi Niinami	Outside Director
Nobuaki Usui	Outside Director
Ryuji Yasuda	Outside Director
Hiroaki Nishina	Vice Chairman
Shintaro Agata	Corporate Executive Vice President
Yuki Ohshima	Corporate Executive Vice President
Eiji Mitani	Corporate Senior Vice President
Takao Kato	Corporate Senior Vice President
Kazutaka Shimoura	Corporate Senior Vice President
Yuichi Nishigori	Corporate Senior Vice President
Hideto Nishitani	Corporate Senior Vice President
Yasuyuki Ijiri	Executive Officer
Shigeki Seki	Executive Officer
Satoru Katahira	Executive Officer
Tetsuro Masuko	Executive Officer
Shuji Irie	Executive Officer
Satoru Matsuzaki	Executive Officer
Tsukasa Kimura	Executive Officer
Hiroshi Nishio	Executive Officer
Masaaki Kawano	Executive Officer
Hiroko Yamashina	Executive Officer
Ryuhei Sakamoto	Executive Officer
Masatoshi Kemmochi	Group Senior Vice President

### Note:

Except for Mr. Takahashi, Mr. Sasaki, Ms. Tsujiyama, Mr. Feldman, Mr. Niinami, Mr. Usui and Mr. Yasuda all of the directors are engaged in the Company's business on a full-time basis. Mr. Takahashi is a Professor of the Graduate School of Media and Governance at Keio University and an Outside Director of Fukuoka Financial Group, Inc. Mr. Sasaki is an Outside Director of East Japan Railway Company. Ms. Tsujiyama is a Professor of Waseda University's Faculty of Commerce and Corporate Auditor of Mitsubishi Corporation, Corporate Auditor of Lawson Inc., Audit & Supervisory Board Member of NTT DOCOMO INC. and Audit & Supervisory Board Member of Shiseido Company Limited. Mr. Feldman is Managing Director and Chief Economist at Morgan Stanley MUFG Securities Co., Ltd. Mr. Niinami is Chairman and Member of the Board of Lawson, Inc. and Outside Director of ACCESS, Co, Ltd. Mr. Usui is Corporate Auditor of KONAMI CORPORATION. Mr. Yasuda is a Professor of Graduate School of International Corporate Strategy at Hitotsubashi University, Outside Director of Daiwa Securities Group Inc., Outside Director of Fukuoka Financial Group, Inc. and Outside Director of Yakult Honsha Co., Ltd.

The business address of all directors is at 4-1, Hamamatsu-cho 2-chome, Minato-ku, Tokyo 105-6135. Otherwise than as disclosed in the notes to the table above, none of the directors have any significant principal activities outside the ORIX Group.

There are no potential conflicts of interest between any duties owed by the directors, Executive Officers and Group Executives listed above to the Issuer and their private interests or other duties except that:

(a) one of the Issuer's subsidiaries, ORIX Living Corporation is party to a customer referral agreement with I Seeds Corporation (*I Seeds*). A son of Yoshihiko Miyauchi, former Chairman and Chief Executive Officer, is a

representative director of I Seeds. Although the agreement and related transactions were made in the ordinary course of business and are not material to the Issuer they may be material to I Seeds. ORIX Living Corporation had six transactions with I Seeds. The total fees ORIX Living Corporation paid under the agreement for the fiscal 2014 was less than ¥2 million;

(b) the Issuer is party to various real estate transactions with ORIX JREIT Inc. (*ORIX JREIT*). The Issuer holds shares in ORIX JREIT and it is an affiliated company of the Issuer. The Issuer's transactions with ORIX JREIT primarily related to the purchase of the Issuer's rental properties by ORIX JREIT. These transactions were done at fair prices based on third-party appraisals, and were valued less than ¥27,900 million in the aggregate for the fiscal 2014. The Issuer also entered into certain ordinary course of business transactions with ORIX JREIT. These transactions are not material to the Issuer, although they may be material to ORIX JREIT.

## TAXATION

### Japanese Taxation

The information provided below does not purport to be a complete summary of Japanese tax laws and practice currently applicable. Prospective investors should consult with their own professional advisers.

Interest payments on the Notes to an individual resident of Japan, to a Japanese corporation (except for a designated financial institution which has complied with the requirements under the Special Taxation Measures Law) or to a non-resident of Japan or a foreign corporation for tax purposes that in either case is a specially-related person to the Issuer will be subject to Japanese income tax at the applicable tax rate (as may be amended from time to time) of the amount specified in sub-paragraphs (a) or (b) below, as applicable:

- (a) If interest is paid to an individual resident of Japan, to a Japanese corporation, or to a non-resident of Japan or a foreign corporation that is a specially-related person to the Issuer (except as provided in sub-paragraph (b) below), the amount of such interest; or
- (b) If interest is paid to a public corporation, a financial institution or a securities company (which has complied with the Japanese tax exemption requirements) through its payment handling agent in Japan, the amount of such interest minus the amount accrued during the period held by such entities.

Notwithstanding sub-paragraph (b) above, interest paid on or after 1<sup>st</sup> January 2016 to a public corporation, a financial institution or a securities company (which has complied with the Japanese tax exemption requirements) through its payment handling agent in Japan will not be subject to Japanese income tax.

Save as specified below in relation to “specially-related persons” to the Issuer (defined below), under the Special Taxation Measures Law of Japan (including the cabinet orders and ministerial ordinances thereunder, the **Special Taxation Law**) which is effective as of 1<sup>st</sup> April, 2013, payment of interest on the Notes outside Japan by the Issuer to the beneficial owners of Notes which are non-residents of Japan or foreign corporations for Japanese tax purposes will not be subject to withholding by the Issuer of Japanese income tax, provided that such beneficial owners of the Notes establish that they are non-residents of Japan or foreign corporations in compliance with the requirements under the Special Taxation Law as summarised below:

- (1) if the Note certificates are deposited with a financial institution which handles the interest payments on the Notes as defined in the Special Taxation Law (the **payment handling agent**), (a) such payment handling agent which holds the Note certificates in its custody (the **financial intermediary**) notifies the Issuer of “Interest Recipient Information” (including (i) that all beneficial owners of the Notes deposited with the financial intermediary are non-residents of Japan or foreign corporations; or (ii) if there is any individual resident of Japan or Japanese corporation amongst the beneficial owners of the Notes, the amount of interest payments on the Notes for non-residents of Japan or foreign corporations) prepared by such financial intermediary based on the information provided by the beneficial owners of the Notes, or (b) (if the Note certificates are further sub-deposited with another payment handling agent including a clearing organisation (**Sub-depositary**) by the financial intermediary) the financial intermediary notifies the Issuer of Interest Recipient Information through such sub-depositary, at the latest one day prior to the interest payment date. Then, the Issuer shall prepare “Interest Recipient Confirmation” based upon Interest Recipient Information and submit it to the competent Japanese tax authority at the registered head office of the Issuer (the **tax authority**); or
- (2) if the Note certificates are held otherwise than through a financial intermediary, upon each payment of the interest on the Notes, the beneficial owner of the Notes files a “Claims for Exemption from Taxation” (providing, *inter alia*, the name and address of the beneficial owner of the Notes) with the tax authority through the Issuer or (if payment of interest is made through the payment handling agent) through the payment handling agent and the Issuer.

Payment of interest on the Notes will be exempt from Japanese income or corporation taxes payable by withholding if the holder thereof has complied with the requirements as provided above. However, such payment will be subject to Japanese income or corporation taxes payable if such non-resident of Japan or foreign corporation has a permanent establishment in Japan and payment of such interest is attributable to the business of such non-resident of Japan or foreign corporation carried on in Japan through such permanent establishment.

For the period to and including 31<sup>st</sup> December 2015, the payment of interest to an individual resident of Japan or an individual non-resident of Japan who has a permanent establishment in Japan will be subject to Japanese income tax, calculated separately from other sources of income.

However, with effect from 1<sup>st</sup> January 2016, the Japanese income tax on interest payments to such persons will be determined as part of the comprehensive income tax calculation (this will apply even in cases where a tax withholding procedure is applicable). The payer may file a final return form requesting application of Article 8-4 of the Special Taxation Measures Law (the **Final Return Form**). If such Final Return Form is duly filed to the applicable tax authority, the ultimate amount of Japanese income tax will be calculated by offsetting certain capital

losses against certain capital gains, including such interest, pursuant to Article 8-4, paragraph (1) of the Special Taxation Measures Law.

If a beneficial owner of Notes that receives interest on Notes, and who is a non-resident of Japan or a foreign corporation for tax purposes, is a specially-related person to the Issuer, income tax will be withheld. “Specially-related person” generally means an individual who, either directly or indirectly, controls the issuer, or a corporation that, either directly or indirectly, is controlled by, or is under common control with, the issuer within the meaning prescribed by Article 6, Paragraph (4) of the Special Taxation Measures Law as of the beginning of the fiscal year of the issuer in which the relevant interest payment date falls.

A beneficial owner of Notes that is a non-resident of Japan or a foreign corporation and that becomes a specially-related person to the Issuer is required to notify the financial intermediary of such change in status prior to the specific interest payment date on which Japanese withholding tax starts to apply with respect to such beneficial owner of Notes as being a specially-related person to the Issuer.

The above exemption from the withholding of income tax on the interest payments of the Notes is also applied to Japanese financial institutions designated in Article 6 of the Special Taxation Measures Law.

Gains derived by a non-resident of Japan or a non-Japanese corporation from the sale outside Japan of Notes, or from the sale of Notes within Japan by a non-resident of Japan or non-Japanese corporation not having a permanent establishment in Japan, are in general not subject to Japanese income taxes. Japanese inheritance and gift taxes at progressive rates may be payable by an individual who has acquired Notes as a legatee, heir or donee. No stamp, issue, registration or similar taxes or duties will be payable in Japan by holders of Notes in connection with the issue of Notes, nor will such taxes be payable by holders of Notes in connection with their transfer if such transfer takes place outside Japan.

By subscribing for the Notes, an investor will be deemed to have represented that it is a “Gross Recipient.” A “Gross Recipient” for this purpose is (i) a beneficial owner of Notes that is, for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of the Issuer, (ii) a Japanese financial institution, designated in Article 3-2-2, paragraph (29) of the Cabinet Order that will hold notes for its own proprietary account or (iii) an individual resident of Japan or a Japanese corporation whose receipt of interest on the Notes will be made through a payment handling agent in Japan as defined in Article 2-2, paragraph (2) of the Cabinet Order. As part of the initial distribution by the Dealers at any time, the notes are not to be directly or indirectly offered or sold to any person other than a Gross Recipient or a “Specially-Related Underwriter” (as defined below).

A “Specially-Related Underwriter” for this purpose is an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of the Issuer who enters into an underwriting agreement with respect to the Notes with the Issuer and acts as an underwriter in the distribution of the Notes in accordance with the provisions of Article 6, Paragraph (10), Sub-paragraph (1) of the Special Taxation Measures Law.

#### **Foreign Account Tax Compliance Act (FATCA)**

**This disclosure is limited to the United States federal tax issues addressed herein. Additional issues may exist that are not addressed in this disclosure and that could affect the United States federal tax treatment of the Notes. This tax disclosure was written for informational purposes and cannot be used for the purpose of avoiding penalties that may be asserted under the Internal Revenue Code of 1986, as amended (the Code). Prospective purchasers should seek their own advice based on their particular circumstances from an independent tax advisor.**

Provisions commonly referred to as *FATCA* will impose a 30 per cent. U.S. withholding tax on “withholdable payments” made to “foreign financial institutions” (which is broadly defined for this purpose, generally includes investment vehicles, and includes the Issuer and may include certain of the Issuer’s subsidiaries) unless they enter an agreement (a *FATCA agreement*) with the Internal Revenue Service of the United States (the *IRS*) pursuant to which they agree to report to the IRS information about their “United States accounts” and comply with certain other procedures.

Under *FATCA*, the Issuer (as a foreign financial institution that has entered into a *FATCA* agreement), or another intermediary that is a participating FFI, will be required to withhold 30 per cent. tax from any payment made on Notes issued by it to the extent the payment is considered to be a “foreign passthru payment” (which term is not yet defined), if such payment is made on or after the later of 1<sup>st</sup> January, 2017 or the date of publication in the Federal Register of final regulations defining the term “foreign passthru payment” and is made to either (i) a foreign financial institution that is not a participating FFI or (ii) a person that does not provide information sufficient for the payer to determine whether the person is a U.S. person or should otherwise be treated as holding a “United States account” (a *recalcitrant account holder*), in each case if such payment is made on Notes issued on or after the date that is six months after the date on which final regulations defining the term “foreign passthru payment” are filed with the Federal Register (provided that the Notes are not treated as equity for U.S. federal



income tax purposes). It is not yet clear whether or to what extent payments on debt instruments issued by a participating FFI will be treated as foreign passthru payments. If any FATCA withholding is imposed on payments on the Notes, holders will not receive any additional amounts with respect to any amounts withheld, but certain beneficial owners may be eligible to claim a refund of amounts withheld under FATCA.

Prospective investors should consult their tax advisors regarding the application of FATCA for an investment in the Notes.

### **EU Savings Directive**

Under the Savings Directive on the taxation of savings income, member states of the European Union are required to provide to the tax authorities of another member state of the European Union details of payments of interest (and other similar income) paid by a person established within its jurisdiction to (or for the benefit of) an individual or certain other persons resident in that other member state of the European Union or certain limited types of entities established in that other member state of the European Union. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) in relation to such payments (the ending of such transitional period being dependent upon the consideration of certain other agreements relating to such information exchange with certain other countries). A number of non-EU countries and territories have adopted similar measures.

The Luxembourg government has announced its intention to elect out of the withholding system in favour of an automatic exchange of information with effect from 1<sup>st</sup> January, 2015.

The Council of the European Union has adopted the Amending Directive which will, when implemented, amend and broaden the scope of the requirements described above. The Amending Directive will expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities, and the circumstances in which payments must be reported or paid subject to withholding. For example, payments made to (or for the benefit of) (i) an entity or legal arrangement effectively managed in a member state of the European Union that is not subject to effective taxation, or (ii) a person, entity or legal arrangement established or effectively managed outside of the European Union (and outside any third country or territory that has adopted similar measures to the Savings Directive) which indirectly benefit an individual resident in a member state of the European Union, may fall within the scope of the Savings Directive, as amended. The Amending Directive requires member states of the European Union to adopt national legislation necessary to comply with it by 1<sup>st</sup> January, 2016, which legislation must apply from 1<sup>st</sup> January, 2017.

### **The Proposed Financial Transaction Tax (the *FTT*)**

The European Commission has published a proposal for a Directive for a common FTT in the participating Member States.

The proposed FTT has a very broad scope and could, if introduced in the form proposed by the European Commission, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Notwithstanding the European Commission proposals, a statement made by the participating Member States (other than Slovenia) indicates that a progressive implementation of the FTT is being considered, and that the FTT may initially apply only to transactions involving shares and certain derivatives, with implementation occurring by 1<sup>st</sup> January 2016. However, full details are not available.

The proposed FTT remains subject to negotiation between the participating Member States and the timing remains unclear. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

## SUBSCRIPTION AND SALE

Subject to the terms and conditions contained in a dealer agreement dated 24<sup>th</sup> July, 2014 (the *Dealer Agreement*) between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers which are not Permanent Dealers. Such Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Dealer Agreement also provides for Notes to be issued in syndicated Tranches which are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission agreed between the Issuer and the relevant Dealer. The Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the establishment and update of the Programme contemplated hereby and the Dealers for certain of their activities in connection with the offer and sale of Notes. The Issuer has also agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement may be terminated in relation to all of the Dealers or any of them by the Issuer or, in relation to itself and the Issuer only, by any Dealer, at any time on giving not less than ten days' notice.

### United States of America

The Notes have not been and will not be registered under the Securities Act, as amended 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.

Notes in bearer form having a maturity of more than one year 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 and regulations thereunder.

Each Dealer has represented and agreed that, except as permitted by the Dealer Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

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

### United Kingdom

Each Dealer has represented and agreed that:

- (i) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons 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 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 Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### Japan

The Notes have not been registered under the FIEL and disclosure under the FIEL has not been made with respect to the Notes. Neither the Notes nor any interest therein may be offered, sold, resold or otherwise transferred, directly or indirectly, in Japan to or for the account of any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and all other

applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities. As used in this paragraph, resident of Japan means any person resident in Japan (as defined under Item 3, Paragraph 1, Article 2 of the Income Tax Act (Act No. 33 of 1965) (as amended)), including any corporation or other entity organised under the laws of Japan. The Notes issued by the Issuer will be subject to requirements under the Special Taxation Measures Law of Japan. Accordingly, each of the Dealers represents and agrees that it has not, directly or indirectly, offered or sold and shall not, directly or indirectly, offer or sell any Notes issued by the Issuer as part of the initial distribution by the Dealers at any time to any person other than a Gross Recipient or a Specially-Related Underwriter.

A **Gross Recipient** for this purpose is (i) a beneficial owner that is, for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of the Issuer, (ii) a Japanese financial institution, designated in Article 3-2-2, paragraph (29) of the Cabinet Order that will hold notes for its own proprietary account or (iii) an individual resident of Japan or a Japanese corporation whose receipt of interest on the notes will be made through a payment handling agent in Japan as defined in Article 2-2, paragraph (2) of the Cabinet Order.

A **Specially-Related Underwriter** for this purpose is an individual non-resident of Japan or a non-Japanese corporation that in either case is a specially-related person of the Issuer who enters into an underwriting agreement with respect to the Notes with the Issuer and acts as an underwriter in the distribution of the Notes in accordance with the provisions of Article 6, Paragraph (10), Sub-paragraph (1) of the Special Taxation Measures Law.

### European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (i) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) at any time to a legal entity which is a qualified investor (as defined in the Prospectus Directive);
- (iii) at any time to fewer than 100 (or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150) natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means 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 the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measures in each Relevant Member State and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.

### General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

No action has been taken in any jurisdiction that would permit a public offering of any other Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither of the Issuer nor any other Dealer shall have responsibility therefor.

If a jurisdiction requires that any offering of Notes under the Programme be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Dealer or its affiliate on behalf of the Issuer in such jurisdiction.

#### **Dealers transacting with the Issuer**

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

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

## FORM OF FINAL TERMS

Final Terms dated [•]

### ORIX CORPORATION

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]  
under the U.S.\$4,000,000,000 Euro Medium Term Note Programme

#### PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus dated [•] [and the supplemental base prospectus dated [•]]. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the Conditions) set forth in the Base Prospectus dated [•] [and the supplemental base prospectus dated [•]].

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

This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus dated [•] [and the supplemental base prospectus dated [•]], save in respect of the Conditions (the **Conditions**) which are extracted from the Base Prospectus dated [•] [and the supplemental base prospectus dated [•]] and are attached hereto. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions.]

[The Base Prospectus [and the supplemental base prospectus] are available for viewing at [address] [and] [website] [and copies may be obtained from the office of the Fiscal Agent at One Canada Square, London, E14 5AL, United Kingdom].]

- |   |   |
|---|---|
| 1. (i) Issuer:  | ORIX CORPORATION  |
| 2. [(i)] Series Number:   | [•]   |
| [(ii)] Tranche Number:  | [•]   |
| <i>(If fungible with an existing Series, details of that Series, including the date on which the Notes becomes fungible.)</i> | [•]   |
| 3. Specified Currency or Currencies:  | [•]   |
| 4. Aggregate Nominal Amount:  | [•]   |
| [(i)] Series:   | [•]   |
| [(ii)] Tranche:   | [•]   |
| 5. [[(i)] Issue Price   | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]  |
| 6. (i) Specified Denominations:   | [•]   |
| (ii) Calculation Amount:  | [•]   |
| 7. (i) Issue Date:  | [•]   |
| (ii) Interest Commencement Date:  | [•]   |
| 8. Maturity Date:   | [[•]/[Interest Payment Date falling in or nearest to [•]]]  |
| 9. Interest Basis:  | [[•] per cent. Fixed Rate]<br>[[EURIBOR]/[LIBOR]/[LIBID]/[LIMEAN]] +/- [•] per cent.<br>Floating Rate]<br>[Zero Coupon] |
| 10. Redemption/Payment Basis:   | [Redemption at par][Partly Paid][Instalment]  |
| 11. Change of Interest or<br>Redemption/Payment Basis:  | [•]/[Not applicable]  |
| 12. Put/Call Option:  | [Investor Put]<br>[Issuer Call]<br>[(further particulars specified below)]  |
| 13. (i) Status of the Notes:  | Senior  |
| [(ii)] [Date [Board] approval for issuance of<br>Notes obtained:  | [•]   |



14. Method of distribution [Syndicated/Non-syndicated]

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

15. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
- (i) Rate[(s)] of Interest: [•] per cent. per annum [payable  
[annually/semi  
annually/quarterly/monthly] in arrear]
- [As specified below [payable [annually] [semi annually]  
[quarterly] [monthly] in arrear]]
- | [Interest Period Date | Rate of Interest (Step Up)<br>(per cent. per annum) |
|-----------------------|---|
| [•]                   | [•]   |
| [•]                   | [•]   |
| [•]                   | [•]   |
| [•]                   | [•]   |
| [•]                   | [•]   |
- (ii) Interest Payment Date(s) [•] in each year up to, and including, the Maturity Date/[•][adjusted in accordance with [Following Business Day Convention]/[Modified Business Day Convention]/[Preceding Business Day Convention]/[•]/[with the Additional Business Centre(s) for the definition of “Business Day” being [•]] [[adjusted]]/not adjusted] for period end dates]
- (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
- (iv) Broken Amount: [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on][•]/[Not applicable]
- (v) Day Count Fraction (Condition 5(i)): [30/360/Actual/Actual (ICMA/ISDA)/Other]
16. **Floating Rate Note Provisions** [Applicable/Not Applicable]
- (i) Interest Period(s): [•]
- (ii) Specified Interest Payment Dates: [•]
- (iii) First Interest Payment Date: [•]
- (iv) Business Day Convention: [Floating Rate Business Day Convention]/[Following Business Day Convention]/[Modified Following Business Day Convention]/[Preceding Business Day Convention]
- (v) Additional Business Centre(s) [•](Condition 5(i)):
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination]/[ISDA Determination]
- (vii) Interest Period Date(s): [Not Applicable/[•]]
- (viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the [Calculation Agent]): [•]
- (ix) Screen Rate Determination (Condition 5(b)(iii)(B)):
- Reference Date: [•]
- Relevant Time: [•]
- Interest Determination Date: [•]

Primary Source for Floating Rate	[Relevant Screen Page]/[Reference Banks]	
Reference Banks (if Primary Source is “Reference Banks”):	[•]	
Relevant Financial Centre:	[London]/[Brussels]	
Benchmark:	[LIBOR]/[LIBID]/[LIMEAN]/[EURIBOR]	
Representative Amount:	[•]	
Effective Date:	[•]	
Specified Duration:	[•]	
Relevant Screen Page	[•]	
(x) ISDA Determination (Condition 5(b)(iii)(A)):		
Floating Rate Option:	[•]	
Designated Maturity:	[•]	
Reset Date:	[•]	
ISDA Definitions (if different from those set out in the Conditions):	[•]	
(xi) Margin(s):	[+/-] [•] per cent. per annum	
	[Interest Period Date	Margin (Step Up) (per cent. per annum)
	[•]	[+/-] [•]
	[•]	[+/-] [•]
	[•]	[+/-] [•]
	[•]	[+/-] [•]
	[•]	[+/-] [•]
(xii) Minimum Rate of Interest:	[•] per cent. per annum	
(xiii) Maximum Rate of Interest:	[•] per cent. per annum	
(xiv) Day Count Fraction (Condition 5(i)):	[•]	
(xv) Rate Multiplier:	[•]	
(xvi) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[•]	
<b>17. Zero Coupon Note Provisions</b>	[Applicable/Not Applicable]	
(i) Amortisation/Accrual Yield (Condition 6(b)):	[•] per cent. per annum	
(ii) Day Count Fraction (Condition 5(i)):	[•]	
(iii) Reference Date:	[•]	
(iv) Any other formula/basis of determining amount payable:	[•]	

#### PROVISIONS RELATING TO REDEMPTION

<b>18. Call Option</b> (Condition 6(d))	[Applicable/Not Applicable]
(i) Optional Redemption Date(s):	[•]
(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[•] per Calculation Amount

- (iii) If redeemable in part:
  - (a) Maximum nominal amount to be redeemed: [•] per Calculation Amount
  - (b) Minimum nominal amount to be redeemed: [•] per Calculation Amount
- (iv) Option Exercise Date(s): [•]
- (v) Description of any other Issuer's option: [•]
- (vi) Notice period: [•]
- 19. **Put Option** (Condition 6(e)) [Applicable/Not Applicable]
  - (i) Optional Redemption Date(s): [•]
  - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [•] per Calculation Amount
  - (iii) Option Exercise Date(s): [•]
  - (iv) Description of any other Noteholders' option: [•]
  - (v) Notice period [•]
- 20. **Final Redemption Amount of each Note** [•] per Calculation Amount
- 21. **Early Redemption Amount**
  - (i) Early Redemption Amount(s) of each Note payable on redemption for taxation reasons (Condition 6(c)) or an event of default (Condition 10) or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [•] per Calculation Amount
  - (ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates(Condition 6(c)): [Yes/No]
  - (iii) Unmatured Coupons to become void upon early redemption (Bearer Notes only) (Condition 7(f)): [Yes/No/Not Applicable]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- 22. Form of Notes [Bearer Notes/Exchangeable Bearer Notes]/Registered Notes]
  - (i) Temporary or permanent global Note/Certificate:
    - [temporary Global Note/Certificate exchangeable for a permanent Global Note/Certificate which is exchangeable for Definitive Notes/Certificates on [•] days' notice/in the limited circumstances specified in the permanent Global Note/Certificate]
    - [temporary Global Note/Certificate exchangeable for Definitive Notes/Certificates on [•] days' notice]
    - [permanent Global Note/Certificate exchangeable for Definitive Notes/Certificates on [•] days' notice/in the limited circumstances specified in the permanent Global Note/Certificate]
  - (ii) New Global Note [Yes]/[No]
  - (iii) Applicable TEFRA rule: [C Rules/D Rules/Not Applicable]

23. Additional Financial Centre(s) (Condition 7(i)) or other special provisions relating to payment dates): [Not Applicable]/[•]
24. Talons for future Coupons or Receipts to be attached to Definitive Notes [and dates on which such Talons mature]: [Yes]/[No]
25. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details]
26. Details relating to Instalment Notes: [Not Applicable/give details]
- (i) Instalment Amount(s): [•]
- (ii) Instalment Date(s): [•]
- (iii) Minimum Instalment Amount: [•]
- (iv) Maximum Instalment Amount: [•]

#### **DISTRIBUTION**

27. (i) If syndicated, names of Managers: [Not Applicable/give names]
- (ii) Stabilising Manager (if any): [Not Applicable/give names]
28. If non-syndicated, name of Dealer: [Not Applicable/give names]

#### **GENERAL**

29. Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 11(a): [Not Applicable/give details]
30. The aggregate principal amount of Notes issued has been translated into [U.S. dollars] at the rate of [•], producing a sum of (for Notes not denominated in [U.S. dollars]): [Not Applicable/[U.S.\$][•]]
31. [Use of Proceeds] [•]

#### **[LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required to have the Notes admitted to the Official List of the Luxembourg Stock Exchange and admitted to trading to the Euro MTF Market of the Luxembourg Stock Exchange pursuant to the U.S.\$4,000,000,000 Euro Medium Term Note Programme of the Issuer.]

#### **RESPONSIBILITY**

The Issuer accept(s) responsibility for the information contained in these Final Terms.

Signed on behalf of ORIX CORPORATION

By:

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING

- (i) Listing: [Official List of the Luxembourg Stock Exchange and trading on the Euro MTF Market of the Luxembourg Stock Exchange]
- (ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [•] with effect from [•].] [Not Applicable.]

### 2. RATING

The Notes to be issued have been rated:

[R&I:[•]]

[S&P:[•]]

[Others:[•]]

### 3. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest or the appropriate negative statement. May be satisfied by the inclusion of the following statement:

“Save as discussed in [“Subscription and Sale”], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the Offer.” [The Dealers and their affiliates have engaged, and may in future engage, in investment banking and/or commercial banking transactions with, and may perform other services for the Issuer and their affiliates in the ordinary course of business.]

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- (i) Reasons for the offer: [•]
- (ii) Estimated net proceeds: [•]
- (iii) Estimated total expenses: [•]

### 5. [Fixed Rates Notes only – YIELD

Indication of yield: [•]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

### 6. OPERATIONAL INFORMATION

ISIN: [•]

Common Code: [•]

Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

Delivery: Delivery [against/free of] payment

The Agents appointed in respect of the Notes are: [•]

[Intended to be held in a manner which would allow Eurosystem eligibility: [Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] *[include this text for registered notes]* and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met./

[No. Whilst the designation is specified as “no” at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of



meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper) *[include this text for registered notes]*. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

## GENERAL INFORMATION

- (1) Application has been made to the Luxembourg Stock Exchange in its capacity as the market operator of the Euro MTF Market for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's Euro MTF Market and to be listed on its Official List. The Euro MTF Market of the Luxembourg Stock Exchange is not a regulated market for the purposes of the Markets in Financial Instruments Directive.
- (2) The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in Japan in connection with the issue and performance of the Notes. The Programme was authorised by resolution of the Board of Directors of the Issuer on 25<sup>th</sup> June, 2013 and the terms and conditions of the Programme were duly determined by the Representative Executive Officer of the Issuer who was authorised to do so by the Board of Directors after deliberations by the Investment and Credit Committee.
- (3) Neither the Issuer nor any of the Issuer's consolidated subsidiaries is or has been involved in any governmental, legal or arbitration proceedings which may have, or have had during the 12 months preceding the date of this document, a significant effect on the financial position or profitability of the Issuer and its consolidated subsidiaries, taken as a whole, nor, so far as the Issuer is aware, are any such proceedings pending or threatened.
- (4) Since 31<sup>st</sup> March, 2014 there has been no material adverse change in the financial position or prospects, and no significant change in the financial or trading position, of the Issuer and its consolidated subsidiaries taken as a whole.
- (5) The Issuer is not aware of any contracts entered into by any member of the ORIX Group other than (a) those that are entered into in the ordinary course of the business of the Issuer or (b) those which could not result in any member of the ORIX Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations under the Notes.
- (6) (i) Each Bearer Note, Receipt, Coupon and Talon will bear the following legend:

"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".

(ii) Each Note, Receipt, Coupon and Talon will bear the following legend:

"Interest payments on the securities to an individual resident of Japan or a Japanese corporation (except for a designated financial institution described in Article 6 of the Special Taxation Measures Law) or to a nonresident of Japan or a foreign corporation for tax purposes that in either case is a specially-related person of the Issuer will be subject to Japanese income tax at the applicable rate (as may be amended from time to time) of the amount specified in subparagraphs (A) or (B) below as applicable:

  - (A) If interest is paid to an individual resident of Japan, to a Japanese corporation or to a non-resident of Japan or a foreign corporation that is a specially-related person of the Issuer (except as provided in sub-paragraph (B) below), the amount of such interest; or
  - (B) If interest is paid to a public corporation, a financial institution or a securities company (which has complied with the Japanese tax exemption requirements) through its payment handling agent in Japan, the amount of such interest minus the amount provided in the cabinet order relating to said Article 6."

Notwithstanding sub-paragraph (B) above, interest paid on or after 1<sup>st</sup> January 2016 to a public corporation, a financial institution or a securities company (which has complied with the Japanese tax exemption requirements) through its payment handling agent in Japan will not be subject to Japanese income tax.
- (7) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code, the International Securities Identification Number (*ISIN*) and (where appropriate) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.
- (8) From the date hereof and for so long as the Programme remains in effect or any Notes remain outstanding, the following documents (together with English translations thereof where applicable) will be available during usual business hours on any weekday (Saturday and public holidays excepted), for inspection at the registered office of the Issuer and the specified office of the Fiscal Agent in London or, in the case of (iv) below on the website of the Issuer, <http://www.orix.co.jp/grp/en/>.
  - (i) the Agency Agreement (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons);
  - (ii) the Deed of Covenant;

- (iii) the Articles of Incorporation and the Regulations of the Board of Directors of the Issuer;
  - (iv) the audited consolidated annual accounts of the Issuer for the two most recent financial years for which they are available and, when available, the unaudited consolidated semi-annual accounts of the Issuer following the most recent audited consolidated annual accounts of the Issuer prepared in conformity with generally accepted accounting principles in the United States of America;
  - (v) any Final Terms for Notes which are listed on the Official List and admitted to trading on the Euro MTF Market of the Luxembourg Stock Exchange or any other stock exchange;
  - (vi) the Base Prospectus or any further base prospectus or supplementary base prospectus; and
  - (vii) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is included or referred to in the Base Prospectus.
- (9) KPMG AZSA LLC, an Independent Registered Public Accounting Firm under the Public Company Accounting Oversight Board (United States) and a member of the Japanese Institute of Certified Public Accountants, has audited the consolidated balance sheets as of 31<sup>st</sup> March, 2012, 2013 and 2014 and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for each of the years in the three-year period ended 31<sup>st</sup> March, 2014 of the Issuer prepared in conformity with generally accepted accounting principles in the United States of America and the effectiveness of internal control over financing reporting as of 31<sup>st</sup> March 2014. The audit report with respect to the 31<sup>st</sup> March, 2014 financial statements contains an emphasis of matter paragraph that ORIX Life Insurance Corporation, a subsidiary of the Issuer, decided to purchase all issued shares of Hartford Life Insurance K.K. (HLIKK) held by Hartford Life, Inc, and upon closing, HLIKK would become a consolidated subsidiary of the Issuer. The audit report on the effectiveness of internal control over financial reporting as of 31<sup>st</sup> March 2014, contains an explanatory paragraph that states that the Issuer acquired DAIKYO INCORPORATED (DAIKYO) during the year ended 31<sup>st</sup> March 2014, and management excluded from its assessment of the effectiveness of the Issuer's internal control over financial reporting as of 31<sup>st</sup> March 2014, DAIKYO's internal control over financial reporting and the auditor's audit of internal control over financial reporting of the Issuer also excluded an evaluation of the internal control over financial reporting of DAIKYO.
- (10) In this Base Prospectus references to websites or uniform resource locators (URLs) are inactive textual references. The contents of such websites or URLs shall not form part of, or be deemed to be incorporated by reference into, this Base Prospectus.

**REGISTERED OFFICE OF THE ISSUER**

4-1, Hamamatsu-cho 2-chome  
Minato-ku, Tokyo  
105-6135, Japan

**DEALERS**

**Australia and New Zealand Banking  
Group Limited**

22/F, Three Exchange Square  
8 Connaught Place  
Central  
Hong Kong

**BNP PARIBAS**

10 Harewood Avenue  
London NW1 6AA  
United Kingdom

**Citigroup Global Markets Limited**

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

**Crédit Agricole Corporate and Investment Bank**

27th Floor, Two Pacific Place  
88 Queensway  
Hong Kong

**Daiwa Capital Markets Europe Limited**

5 King William Street  
London EC4N 7AX  
United Kingdom

**Daiwa Capital Markets Hong Kong Limited**

Level 28  
One Pacific Place  
88 Queensway  
Hong Kong

**Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**ING Bank N.V., Singapore Branch**

9 Raffles Place  
#19-02 Republic Plaza  
Singapore 048619

**Merrill Lynch International**

2 King Edward Street  
London EC1A 1HQ  
United Kingdom

**Mitsubishi UFJ Securities International plc**

Ropemaker Place  
25 Ropemaker Street  
London EC2Y 9AJ  
United Kingdom

**Mizuho International plc**

Bracken House  
One Friday Street  
London EC4M 9JA  
United Kingdom

**Mizuho Securities Asia Limited**

12th Floor  
Chater House  
8 Connaught Road Central  
Hong Kong

**Morgan Stanley & Co. International plc**

25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

**Nomura International plc**

1 Angel Lane  
London EC4R 3AB  
United Kingdom

**The Royal Bank of Scotland plc**

135 Bishopsgate  
London EC2M 3UR  
United Kingdom

**Shinkin International Ltd.**

1st Floor, 85 London Wall,  
London EC2M 7AD  
United Kingdom

**SMBC Nikko Capital Markets Limited**

One New Change  
London EC4M 9AF  
United Kingdom

**SMBC Nikko Securities (Hong Kong) Limited**

Suites 2501-05, 25/F Citibank Tower  
Citibank Plaza  
3 Garden Road, Central  
Hong Kong

**Standard Chartered Bank**

Marina Bay Financial Centre, Tower 1  
8 Marina Boulevard, Level 20  
Singapore 018981

**UBS Limited**

1 Finsbury Avenue  
London EC2M 2PP  
United Kingdom



**FISCAL AGENT, PAYING AGENT, TRANSFER AGENT,  
CALCULATION AGENT AND REPLACEMENT AGENT**

**The Bank of New York Mellon**

One Canada Square  
London E14 5AL  
United Kingdom

**REGISTRAR AND PAYING AGENT**

**The Bank of New York Mellon (Luxembourg) S.A.**

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

**LEGAL ADVISERS**

*To the Issuer*

**Mitsui Company**

Akasaka 2.14 Plaza Building  
2-14-32 Akasaka  
Minato-ku  
Tokyo 107-0052  
Japan

*To the Dealers*

**Gaikokuho Kyodo-Jigyo Horitsu Jimusho Linklaters**

Meiji Yasuda Building 10F  
1-1, Marunouchi 2-chome  
Chiyoda-ku  
Tokyo 100-0005  
Japan

**INDEPENDENT AUDITORS**

*To the Issuer*

**KPMG AZSA LLC**

Azsa Center Building  
1-2 Tsukudo-cho  
Shinjuku-ku  
Tokyo 162-8551  
Japan

**LISTING AGENT**

**SMBC Nikko Bank (Luxembourg) S.A.**

9A, Rue Robert Stümper  
L-2557 Luxembourg