

Sustainable Finance Framework(Overview)

■ Social Bonds

1. Use of Proceeds

The funds will be allocated to next projects to **adapt to disasters in the expressway**

■ Repair projects fall under one of the following projects

- Projects to weaken the power of disasters and minimize damage(e.g repairment and update of bridges, earthwork structures(slopes,) facilities for snow and ice control measures, and other earthquake disaster countermeasures)
- Projects to protect users through promptly distributing information to prevent secondary disasters(e.g. repairment and update of electric equipment, communication facilities or facilities for disaster prevention)
- Projects to safely evacuate users involved in disasters(e.g. repairment and update of tunnel disaster prevention/tunnel facilities)

■ Four-lane expansion projects that will benefit neighboring residents by preventing expressways blockage and enabling prompt road restoration in case of a disaster*

*Limited to projects to expand existing expressways that contribute to reducing the risk of block of the road.(e.g. There is a risk of landslides or slope collapses during disasters)



【Earthquake resistance reinforcement in the bridge】



【Four-lane expansion】

2. Project Evaluation and Selection process

Eligibility Criteria

- The project is expected to fulfill the eligibility criteria defined in 1. Use of Proceeds
- The environmental impact assessment and other technical surveys necessary for the implementation of the relevant construction work shall be conducted
- Preliminary explanations to neighboring residents shall be provided, and there shall be no particular dispute
- The lookback period for the project to be refined shall be one year

Selection Process

- Finance Division prepares social project selection criteria in the consultation with other relevant department
- In addition, Expressway projects have to get an approval from MLIT and to be implemented in accordance with the agreement with the Japan Expressway Holding and Debt Repayment Agency

3. Management of Proceeds

- The funds are managed in an account exclusively for the social bonds. After the amount spent in the project (once paid out from our general account) is reviewed and totaled, the total amount spent in the projects is transferred from the special account to general account.
- Until the full allocation, unallocated proceeds will be managed in cash or cash equivalent.

4. Reporting

- Until full allocation of the net proceeds, or an amount equal to the net proceeds, Allocation and Impact Reporting will be provided annually on our website.

Sustainable Finance Framework(Overview)

■ Green Bonds

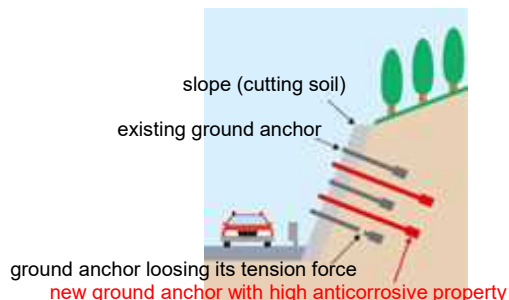
1. Use of Proceeds

The funds will be allocated to next **Climate Change Adaptation Projects**

- **Renovation of Bridges** : Construction of High-performance floor slab waterproofing, replacement with PC (pre-stressed concrete) floor slab with higher durability
- **Implementation of earthwork constructs** (reinforcement of slopes) : Improvement in drainage facilities and Ground Anchor Re-Construction for stabilize slopes for Long-Term
- **Porous Asphalt Pavement** : Construction of Porous Asphalt Pavement with higher drain ability than conventional pavement



【Floor slab replacement】



【Ground anchor renewal(Image)】

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2. Project Evaluation and Selection process

Eligibility Criteria

- The project is expected to strengthen the business's disaster prevention functions by upgrading and adding strength to aging facilities in response to the expected degree of damage caused by natural disasters (typhoons, floods, storm surges, etc.) due to the effects of climate change
- The project is expected to be resilient to extreme weather and weather disasters due to the effects of climate change
- The environmental impact assessment and other technical surveys necessary for the implementation of the relevant construction work shall be conducted
- Preliminary explanations to neighboring residents shall be provided, and there shall be no particular dispute
- The lookback period for the project to be refined shall be one year

Selection Process

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Aligned with ICMA Green Bond Principles 2021 and Japanese Green Bond Guidelines 2022.