

Green Bonds Framework(Overview)

1. Use of Proceeds

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

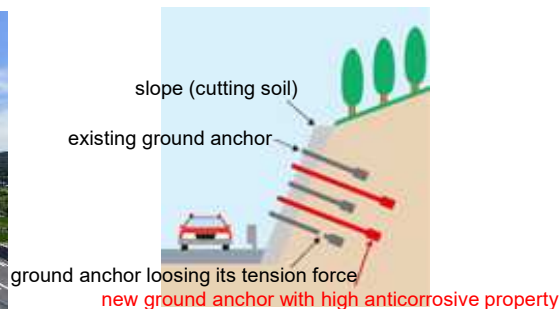
■ **Renovation of Bridges** : Construction of High-performance floor slab waterproofing and replacement with PC (pre-stressed concrete) floor slab with higher durability

■ **Implementation of earthwork constructs (reinforcement of slopes)** : Improvement in drainage capacity and Ground Anchor Re-Construction for stabilize the cutting surfaces for Long-Term

■ **Porous Asphalt Pavement** : Construction of Porous Asphalt Pavement with higher drain ability than conventional pavement on new expressways



[floor slab replacement]



[ground anchor renewal(Image)]

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

- Finance Division prepares green 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 green 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.

Aligned with ICMA Green bond principles 2018 and Japanese Green Bond Guideline 2020.