

Consolidated Financial Statements

**Central Nippon Expressway Company Limited
and
its Consolidated Subsidiaries**

*Years ended March 31, 2026 and 2025
with Independent Auditor's Report*

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Consolidated Financial Statements

Years ended March 31, 2026 and 2025

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Independent Auditor's Report

The Board of Directors
Central Nippon Expressway Company Limited

The Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Central Nippon Expressway Company Limited and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheets as at March 31, 2026 and 2025, and the consolidated statements of operations, comprehensive income, changes in net assets, and cash flows for the years then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2026 and 2025, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Accuracy of Recognized Amount of Toll Fee	
Description of Key Audit Matter	Auditor's Response
As described in Note 23, Revenue Recognition, Central Nippon Expressway Company Limited (the "Company")	The audit procedures we performed to evaluate the accuracy of recognized amounts of toll fee include the following, among others:

recognized revenue from toll fee of ¥705,431 million during the year ended March 31, 2026. This amount accounts for 57% of operating revenues of ¥1,241,620 million on the consolidated statements of operations and is therefore material. In the expressway business, given the public nature of expressways, the toll fees set by the Company do not include a standard profit margin. Based on the operational license granted by the Minister of Land, Infrastructure, Transport and Tourism and agreements between the Company and the Japan Expressway Holding and Debt Repayment Agency (“JEHDRA”), the expressway assets constructed by the Company are transferred to JEHDRA along with the liabilities in respect of costs relating to construction. The Company leases expressway assets from JEHDRA, collects toll fees from expressway users and from such toll fees pays the lease fees payable to JEHDRA and the administrative expenses payable by the Company. Such lease fees, together with the Company’s expenses in relation to the management of the relevant expressways, are intended to be approximately equivalent to the toll fees the Company expects to receive on such expressway assets. Although the amounts arising from each individual transaction are small, there are an extremely large number of transactions that must be processed. In addition, since expressway entrances and exits may be operated by different expressway companies, settlements involving other separate companies (the Company, East Nippon Expressway Company Limited, West Nippon Expressway Company Limited and others) are required (“Settlement Allocation among Three Companies”).	(Evaluation of Internal Controls) To assess the reliability of the data processing system for recognizing the toll fee, we identified the related accounting processes and, with the support of our internal IT experts, evaluated the design and operation of IT general controls for the related business processing system. In addition, we evaluated the design and operation of internal controls related to the data processing systems (①Toll Fee Calculation and ②Settlement Allocation among Three Companies) including the following, among others: ① Toll Fee Calculation We extracted sample data in consideration of the audit risk, and we recalculated the toll fee amounts for these samples based on such factors as the distance of journeys for each road type, vehicle types, discount types, and compared them with the corresponding amounts automatically calculated by the system. ② Settlement Allocation among Three Companies We extracted sample data in consideration of the audit risk, and we calculated amounts to be allocated to each company by multiplying the distance traveled for each route subject to allocation by the unit price, and compared them with the corresponding amounts automatically calculated by the system.
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In order to process such complex transactions, the Company uses a data processing system integrated with an accounting system to automatically calculate and aggregate the toll fee amounts. In view of the complex nature of these transactions and the nature of toll fees serving the public interest by being allocated for expressway management under the system established for the expressway business, we determined that the accuracy of recognized amounts of toll fee is significant in the consolidated financial statements and is of particular importance in our audit. Accordingly, we determined this to be a key audit matter.	(Substantive Procedures to Assess the Accuracy of Recognized Amounts of Toll Fee) ① We compared the transactions involving the toll fee collection through the Electronic Toll Collection (“ETC”) exceeding a certain threshold that we determined in consideration of the audit risk among all transactions, with the evidence of receipts. ② We compared the recorded amounts with the corresponding invoices, and the amounts paid out or received in executing the settlement among the three companies. ③ We performed confirmation procedures for the balance of accounts receivable related to toll fee exceeding a certain threshold that we determined in consideration of the audit risk.
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Appropriateness of Classification of Expenses Allocated to the Business Segments	
Description of Key Audit Matter	Auditor’s Response
As described in Note 24, Segment Information, the Company recognized a loss of ¥6,048 million in the expressway business segment, a profit of ¥6,377 million in the rest area business segment, and a loss of ¥145 million in the other related business segment for the year ended March 31, 2026. In the expressway business, given the public nature of expressways, the toll fees set by the Company do not include a standard profit margin. Based on the operational license granted by the Minister of Land, Infrastructure, Transport and Tourism and agreements between the Company and the Japan Expressway Holding and Debt Repayment Agency (“JEHDRA”), the expressway assets constructed by the Company are transferred to JEHDRA along	The audit procedures we performed to consider the appropriateness of classification of expenses allocated to the business segments include the following, among others: (Evaluation of Internal Controls) We evaluated the design and operation of internal controls related to the classification of expenses allocated to the business segments.

with the liabilities in respect of costs relating to construction. The Company leases expressway assets from JEHDRA, collects toll fees from expressway users and from such toll fees pays the lease fees payable to JEHDRA and the administrative expenses payable by the Company. Such lease fees, together with the Company's expenses in relation to the management of the relevant expressways, are intended to be approximately equivalent to the toll fees the Company expects to receive on such expressway assets. On the other hand, the Company is engaged in other related businesses mainly for the purpose of generating a profit, such as the rest area business, in which the Company operates and manages service areas and parking areas. Because of the dual nature of the organization being both a public business and a profit-making enterprise, the Regulation on Accounting in the Expressway Industry requires separate disclosures for the expressway business and other related businesses such as the rest area business. Considering the characteristics of the Company, we determined that appropriateness of classification of expenses allocated to the business segments is significant to understand the consolidated financial statements and is of particular importance in our audit. Accordingly, we determined this to be a key audit matter.	(Substantive Procedures to Verify Appropriateness of Classification of Expenses Allocated to the Business Segments) ① We made inquiries with the department in charge or others about the expense transfer transactions that exceeded a certain threshold that we determined in consideration of the audit risk, among the expense transfer transactions between different business segments. In addition, we vouched details of those transactions to supporting evidence. ② We made inquiries with the department in charge or others about the transactions that exceeded a certain threshold that we determined in consideration of audit risk, among the expense transactions accrued during the year ended March 31, 2026. In addition, we vouched details of those transactions to supporting evidence. ③ We performed a trend analysis against the prior fiscal year on the allocation ratios used to allocate common expenses to each business segment. In addition, we performed a monthly trend analysis for the year ended March 31, 2026. Furthermore, we considered whether there were any unusual entries for charging employee hours, which is the basis for calculating the allocation ratios. ④ We performed a trend analysis against prior fiscal year with regard to the amounts applicable to each expense category. In addition, we performed a monthly trend analysis for the year ended March 31, 2026.
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Other Information

The other information comprises the information included in the Annual Report that contains audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Corporate Auditor and the Board of Corporate Auditors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Corporate Auditor and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Corporate Auditor and the Board of Corporate Auditors with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Corporate Auditor and the Board of Corporate Auditors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2026 and 2025 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1(a) to the consolidated financial statements.

Fee-related Information

The fees for the audits of the financial statements of Central Nippon Expressway Company Limited and its subsidiaries and other services provided by us and other EY member firms for the year ended March 31, 2026 are 97 million yen and 25 million yen, respectively, and for the year ended March 31, 2025 are 93 million yen and 29 million yen, respectively.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Nagoya, Japan

June 30, 2026

/s/ Shuichiro Akiyama
Shuichiro Akiyama
Designated Engagement Partner
Certified Public Accountant

/s/ Hirotaka Mizutani
Hirotaka Mizutani
Designated Engagement Partner
Certified Public Accountant

/s/ Mitsuhiro Otani
Mitsuhiro Otani
Designated Engagement Partner
Certified Public Accountant

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Consolidated Balance Sheets

March 31, 2026 and 2025

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 1(a))</i>
	2026	2025	2026
Assets			
Current assets:			
Cash and deposits (<i>Notes 19 and 20</i>)	¥ 268,384	¥ 155,481	\$ 1,678,659
Accounts receivable due from expressway business operations (<i>Notes 20, 23 and 25</i>)	90,768	69,993	567,726
Other accounts receivable and contract assets (<i>Notes 20 and 23</i>)	76,921	87,843	481,117
Inventories (<i>Note 6</i>)	1,851,795	1,836,806	11,582,406
Other current assets	112,595	108,267	704,247
Allowance for doubtful accounts	(22)	(40)	(138)
Total current assets	<u>2,400,441</u>	<u>2,258,350</u>	<u>15,014,017</u>
 Property and equipment (<i>Notes 2, 7, 9, 11, 17 and 24</i>):			
Buildings	88,337	84,053	552,521
Structures	74,502	72,559	465,987
Machinery and equipment	156,648	132,907	979,785
Vehicles	58,981	56,287	368,908
Tools, furniture and fixtures	22,210	21,051	138,917
Land	119,798	119,819	749,299
Leased assets	7,371	8,409	46,103
Construction in progress	15,379	15,600	96,191
Less accumulated depreciation	(247,856)	(235,538)	(1,550,263)
Total property and equipment	<u>295,370</u>	<u>275,147</u>	<u>1,847,448</u>
 Investments and other assets:			
Investments in unconsolidated subsidiaries and affiliates (<i>Notes 8, 20 and 24</i>)	9,414	8,663	58,882
Investments in securities (<i>Notes 5, 11 and 20</i>)	620	460	3,878
Intangible fixed assets (<i>Notes 2, and 24</i>)	9,781	11,386	61,177
Deferred income taxes (<i>Notes 2 and 12</i>)	2,137	3,503	13,366
Asset for retirement benefits (<i>Note 13</i>)	6,385	2,266	39,936
Others (<i>Note 11</i>)	6,776	6,110	42,382
Allowance for doubtful accounts	(95)	(91)	(594)
Total investments and other assets	<u>35,018</u>	<u>32,297</u>	<u>219,027</u>
 Deferred assets:			
Bond issuance expenses for road construction	2,620	2,217	16,387
Total deferred assets	<u>2,620</u>	<u>2,217</u>	<u>16,387</u>
Total assets (<i>Notes 11 and 24</i>)	<u><u>¥ 2,733,449</u></u>	<u><u>¥ 2,568,011</u></u>	<u><u>\$ 17,096,879</u></u>

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 1(a))</i>
	2026	2025	2026
Liabilities			
Current liabilities:			
Accounts payable due to expressway business operations (Note 25)	¥ 97,365	¥ 127,376	\$ 608,988
Short-term debt, including current portion of long-term debt (Notes 10, 11, 19 and 20)	79,142	85,159	495,009
Current portion of lease obligations (Note 10)	943	1,110	5,898
Other accounts payable	51,416	44,814	321,591
Income and other taxes payable (Note 12)	1,490	2,680	9,320
Contract liabilities (Note 23)	40,190	36,035	251,376
Accrued employees' bonuses	5,627	5,263	35,195
Allowance for loss on work in process for road construction	1,662	1,883	10,395
Other current liabilities	11,622	9,231	72,692
Total current liabilities (Note 24)	289,457	313,551	1,810,464
Long-term liabilities:			
Long-term debt (Notes 10, 11, 19, 20 and 25)	2,083,616	1,895,143	13,032,374
Lease obligations (Note 10)	2,802	3,475	17,526
Deferred income taxes (Notes 2 and 12)	1,211	86	7,574
Liabilities for retirement benefits (Note 13)	33,017	40,375	206,511
Accrued retirement benefits for directors, audit and supervisory board members and corporate officers	182	187	1,138
Others	28,676	28,652	179,361
Total long-term liabilities (Note 24)	2,149,504	1,967,918	13,444,484
Contingent liabilities (Notes 14 and 25)			
Net assets:			
Shareholder's equity (Note 15):			
Common stock	65,000	65,000	406,555
Authorized : 520,000,000 shares			
Issued : 130,000,000 shares at March 31, 2026 and 2025			
Capital surplus	73,012	73,012	456,667
Retained earnings	137,389	137,649	859,326
Total shareholder's equity	275,401	275,661	1,722,548
Accumulated other comprehensive income:			
Net unrealized holding gain on securities (Note 5)	497	404	3,109
Translation adjustments	78	58	488
Retirement benefits liability adjustments (Note 13)	18,193	10,121	113,791
Total accumulated other comprehensive income	18,768	10,583	117,388
Non-controlling interests (Note 18)	319	298	1,995
Total net assets (Note 18)	294,488	286,542	1,841,931
Total liabilities and net assets	¥ 2,733,449	¥ 2,568,011	\$ 17,096,879

See notes to consolidated financial statements.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Consolidated Statements of Operations

Years ended March 31, 2026 and 2025

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 1(a))</i>
	2026	2025	2026
Operating revenues (Notes 23, 24 and 25)	¥ 1,241,620	¥ 1,068,805	\$ 7,765,949
Operating expenses:			
Road assets leasing expenses (Note 25)	501,440	492,988	3,136,352
Cost of sales and administrative expenses for expressway business operations (Note 16)	687,396	522,836	4,299,450
Selling, general and administrative expenses (Note 16)	52,589	51,077	328,928
Total operating expenses	1,241,425	1,066,901	7,764,730
Operating income (Note 24)	195	1,904	1,219
Other income (expenses):			
Interest income	358	88	2,239
Land and property rental fees	167	178	1,045
Amortization of negative goodwill (Note 24)	342	342	2,139
Equity in earnings of affiliates	565	192	3,534
Income from causative person	228	242	1,426
Gain on donation of fixed assets	253	3	1,582
Interest expenses	(38)	(39)	(238)
Exchange loss	(20)	(7)	(125)
Loss on sales of goods	(7)	(10)	(44)
Compensation expenses	—	(9)	—
Gain on sales of fixed assets	22	99	138
Gain on sales of investments in securities (Note 5)	11	5	69
Loss on sales of fixed assets	(39)	(7)	(244)
Loss on disposal of fixed assets	(388)	(418)	(2,427)
Loss on sales of investments in securities	—	(3)	—
Loss on impairment of fixed assets (Notes 2, 7 and 24)	—	(577)	—
Others	306	297	1,915
Profit before income taxes	1,955	2,280	12,228
Income taxes (Note 12):			
Current	1,839	2,445	11,502
Deferred	352	(187)	2,202
	2,191	2,258	13,704
(Loss) profit	(236)	22	(1,476)
(Loss) profit attributable to:			
Non-controlling interests	24	13	150
Owner of parent (Note 18)	¥ (260)	¥ 9	\$ (1,626)

See notes to consolidated financial statements.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Consolidated Statements of Comprehensive Income

Years ended March 31, 2026 and 2025

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 1(a))</i>
	2026	2025	2026
(Loss) profit	¥ (236)	¥ 22	\$ (1,476)
Other comprehensive income (loss) <i>(Note 26)</i> :			
Net unrealized holding gain on securities	39	15	244
Translation adjustments	20	(11)	125
Retirement benefits liability adjustments	7,871	12,016	49,231
Share of other comprehensive income of affiliates accounted for by the equity method	255	257	1,595
Total other comprehensive income	8,185	12,277	51,195
Comprehensive income	¥ 7,949	¥ 12,299	\$ 49,719
Total comprehensive income attributable to:			
Owner of parent	¥ 7,924	¥ 12,286	\$ 49,563
Non-controlling interests	25	13	156

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Consolidated Statements of Changes in Net Assets

Years ended March 31, 2026 and 2025

	Millions of yen					
	Number of shares in issue	Common stock	Capital surplus	Retained earnings	Total shareholder's equity	
Balance at April 1, 2024	130,000,000	¥ 65,000	¥ 73,012	¥ 137,640	¥ 275,652	
Profit attributable to owner of parent for the year	—	—	—	9	9	
Other changes	—	—	—	—	—	
Balance at April 1, 2025	130,000,000	65,000	73,012	137,649	275,661	
Profit attributable to owner of parent for the year	—	—	—	(260)	(260)	
Other changes	—	—	—	—	—	
Balance at March 31, 2026	130,000,000	¥ 65,000	¥ 73,012	¥ 137,389	¥ 275,401	
	Millions of yen					
	Accumulated other comprehensive income (loss)					
	Net unrealized holding gain on securities	Translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income (loss)	Non- controlling interests	Total net assets
Balance at April 1, 2024	¥ 412	¥ 69	¥ (2,175)	¥ (1,694)	¥ 279	¥ 274,237
Profit attributable to owner of parent for the year	—	—	—	—	—	9
Other changes	(8)	(11)	12,296	12,277	19	12,296
Balance at April 1, 2025	404	58	10,121	10,583	298	286,542
Profit attributable to owner of parent for the year	—	—	—	—	—	(260)
Other changes	93	20	8,072	8,185	21	8,206
Balance at March 31, 2026	¥ 497	¥ 78	¥ 18,193	¥ 18,768	¥ 319	¥ 294,488

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Consolidated Statements of Changes in Net Assets (continued)

Years ended March 31, 2026 and 2025

<i>Thousands of U.S. dollars (Note 1(a))</i>			
	Common stock	Capital surplus	Retained earnings
Balance at April 1, 2025	\$ 406,555	\$ 456,667	\$ 860,952
Profit attributable to owner of parent for the year	—	—	(1,626)
Other changes	—	—	—
Balance at March 31, 2026	\$ 406,555	\$ 456,667	\$ 859,326

<i>Thousands of U.S. dollars (Note 1(a))</i>					
Accumulated other comprehensive income (loss)					
	Net unrealized holding gain on securities	Translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income (loss)	Non-controlling interests
Balance at April 1, 2025	\$ 2,527	\$ 363	\$ 63,303	\$ 66,193	\$ 1,864
Profit attributable to owner of parent for the year	—	—	—	—	—
Other changes	582	125	50,488	51,195	131
Balance at March 31, 2026	\$ 3,109	\$ 488	\$ 113,791	\$ 117,388	\$ 1,995

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Consolidated Statements of Cash Flows

Years ended March 31, 2026 and 2025

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 1(a))</i>
	2026	2025	2026
Cash flows from operating activities:			
Profit before income taxes	¥ 1,955	¥ 2,280	\$ 12,228
Depreciation and amortization (Note 24)	25,795	26,515	161,340
Loss on impairment of fixed assets (Notes 2, 7 and 24)	—	577	—
Gain on sales of investments in securities (Note 5)	(11)	(2)	(69)
Equity in earnings of affiliates	(565)	(192)	(3,534)
Increase in accrued employees' bonuses	364	357	2,277
(Decrease) increase in allowance for doubtful accounts	(14)	21	(88)
(Decrease) increase in allowance for loss on work in process for road construction	(221)	587	(1,382)
Decrease in asset and liabilities for retirement benefits	(1,495)	(1,165)	(9,351)
Interest and dividend income	(377)	(105)	(2,358)
Interest expense	14,602	6,855	91,331
Loss (gain) on sales of fixed assets	17	(92)	106
Loss on disposal of fixed assets	470	1,043	2,940
(Increase) decrease in accounts receivable due from expressway business operations	(20,485)	43,942	(128,127)
Increase in inventories	(14,956)	(222,494)	(93,545)
Decrease in accounts payable due to expressway business operations	(34,042)	(33,036)	(212,922)
Increase (decrease) in other accounts payable	14,718	(6,736)	92,057
Others	9,308	3,131	58,218
Subtotal	(4,937)	(178,514)	(30,879)
Interest and dividends received	445	282	2,783
Interest paid	(13,822)	(6,210)	(86,452)
Income taxes paid	(2,560)	(2,418)	(16,012)
Net cash used in operating activities	(20,874)	(186,860)	(130,560)
Cash flows from investing activities:			
Increase in time deposits	(348)	(48)	(2,177)
Decrease in time deposits	377	193	2,358
Payments for purchase of investments in securities	(100)	(99)	(625)
Proceeds from sales and redemption of investments in securities	21	517	131
Payments for purchase of fixed assets	(45,011)	(28,278)	(281,530)
Proceeds from sale of fixed assets	106	236	663
Proceeds from shares of subsidiaries resulting in change in scope of consolidation	—	6	—
Others	(969)	(154)	(6,060)
Net cash used in investing activities	(45,924)	(27,627)	(287,240)
Cash flows from financing activities:			
(Decrease) increase in short-term loans, net	(8,512)	383	(53,240)
Proceeds from long-term loans	30,813	30,723	192,726
Repayments of long-term loans (Note 19)	(58,421)	(20,423)	(365,405)
Proceeds from issuance of bonds for road construction	722,548	704,315	4,519,314
Redemption of bonds for road construction (Note 19)	(505,551)	(566,506)	(3,162,065)
Redemption of other bonds	—	(4,529)	—
Cash dividends paid to non-controlling interests	(3)	(2)	(19)
Others	(1,153)	(1,383)	(7,212)
Net cash provided by financing activities	179,721	142,578	1,124,099
Effect of exchange rate changes on cash and cash equivalents	9	(5)	56
Net increase (decrease) in cash and cash equivalents	112,932	(71,914)	706,355
Cash and cash equivalents at beginning of the year	155,055	226,969	969,821
Cash and cash equivalents at end of the year (Note 19)	¥ 267,987	¥ 155,055	\$ 1,676,176

See notes to consolidated financial statements.

Central Nippon Expressway Company Limited and its Consolidated Subsidiaries

Notes to Consolidated Financial Statements

March 31, 2026 and 2025

1. Summary of Significant Accounting Policies

(a) Basis of presentation

The accompanying consolidated financial statements of Central Nippon Expressway Company Limited (the “Company”) and its consolidated subsidiaries (collectively, the “Group”) are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan.

The consolidated financial statements of the Group are prepared in accordance with the “Regulations Concerning the Terminology, Forms and Preparation Methods of Consolidated Financial Statements” (Ministry of Finance Ordinance No. 28, 1976).

In preparing the accompanying consolidated financial statements, certain reclassifications have been made to the consolidated financial statements issued domestically in order to present them in a format which is more familiar to readers outside Japan. In addition, certain notes included herein are not required under accounting principles generally accepted in Japan but are presented as other explanatory information.

Certain reclassifications of previously reported amounts have been made to conform the consolidated financial statements for the year ended March 31, 2025 to the 2026 presentation. Such reclassifications had no effect on consolidated profit or net assets.

The translation of Japanese yen amounts into U.S. dollars is included solely for the convenience of the reader and has been made at ¥159.88 = U.S. \$1.00, the approximate rate of exchange in effect on March 31, 2026. This translation should not be construed as a representation that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollar amounts at the above or any other rate.

(b) Principles of consolidation and accounting for investments in unconsolidated subsidiaries and affiliates

The accompanying consolidated financial statements include the accounts of the Company and its 25 consolidated subsidiaries for the years ended March 31, 2026 and 2025. The Company has applied the equity method to its investments in 8 significant affiliates for the purpose of the consolidated financial statements for the years ended March 31, 2026 and 2025.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

(b) Principles of consolidation and accounting for investments in unconsolidated subsidiaries and affiliates (continued)

For affiliated companies whose year-end is different than that of the Company, the affiliated companies' financial statements have been included in consolidation on the basis of their corresponding full years or provisional financial statements are prepared as of and for the year ended March 31, which is the same as that of the Company.

The principles of consolidation are to include significant subsidiaries over which substantial control is exerted either through majority ownership of voting stock and/or by other means. In addition, significant affiliates, over which the consolidated Group exercises substantial control in various ways, are accounted for by the equity method.

All significant intercompany transactions and accounts have been eliminated in consolidation.

Other subsidiaries and affiliates are not significant in terms of their total assets, profit or loss, and retained earnings. Accordingly, these other subsidiaries and affiliates have not been consolidated nor are they accounted for by the equity method. Investments in such subsidiaries and affiliates are stated at cost unless there has been a permanent decline in the value of such investments. In such case, the Company is required to write down the investments.

Goodwill is amortized using the straight-line method over the respective determinable useful lives or a period of 5 years if the useful lives are indeterminable. Goodwill is charged to income in the year of acquisition if immaterial.

Negative goodwill is credited to income when incurred. Negative goodwill recognized on or before March 31, 2010 is being amortized using the straight-line method over a period of 20 years.

(c) Foreign currency translation

All monetary assets and liabilities denominated in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date, and differences arising from the translation are credited or charged to income.

Assets and liabilities of the overseas subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet date of the subsidiaries, and revenues and expenses are translated at the average rates of exchange for the fiscal year. Differences arising from the translation are reflected in "Translation adjustments" as a component of Accumulated other comprehensive income (loss).

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

(d) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash in banks which can be withdrawn at any time and short-term investments with a maturity of three months or less when purchased which can easily be converted to cash and are subject to little risk of change in value.

(e) Investments in securities

Securities, other than those of unconsolidated subsidiaries and affiliates, are classified into three categories: trading securities, held-to-maturity debt securities and other securities.

Trading securities, consisting of debt and marketable equity securities are stated at fair value. Gain or loss, both realized and unrealized, is credited or charged to income. Held-to-maturity debt securities are stated at amortized cost. Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, reported as a separate component of Accumulated other comprehensive income (loss). Cost of securities sold is determined by the moving average method. Non-marketable securities classified as other securities are carried at cost determined by the moving average method.

Under the Companies Act of Japan (the “Act”), unrealized holding gain on other securities, net of the related taxes, is not available for distribution as dividends.

(f) Inventories

Work in process for road construction is determined by the individual cost method.

Acquisition costs of work in process for road construction includes costs for road construction, costs for acquiring land, related incidental costs, labor costs for road construction and removal costs and other related costs.

Interest expense incurred for work in process for road construction up to the date of completion is capitalized as a part of the work in process for road construction.

Merchandise, finished goods and work in process are principally stated at lower of cost, determined by the individual cost method, or net selling value.

Raw materials and supplies are principally stated at lower of cost, determined by the first-in first-out method, or net selling value.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

(g) Allowance for doubtful accounts

Allowance for doubtful accounts is provided based on the actual historical percentage of bad debts and an estimate of uncollectible amounts determined by an assessment of individual receivables.

(h) Property and equipment (except for leased assets)

Depreciation of property and equipment of the Company and its consolidated subsidiaries is calculated by the straight-line method based on the estimated useful lives and the residual value determined by the Company. Significant renewals and additions are capitalized at cost. Maintenance and repairs are charged to income as incurred. The estimated useful lives of the assets are as follows:

Buildings:	3 to 50 years
Structures:	3 to 60 years
Machinery and equipment:	4 to 17 years

The Company succeeded certain property and equipment from the Japan Highway Public Corporation ("JHPC") when the Company was established on October 1, 2005. The estimated useful lives of property and equipment transferred to the Company from the JHPC are determined based on the respective estimated useful lives of used assets.

(i) Intangible fixed assets (except for leased assets)

Amortization of intangible fixed assets is calculated by the straight-line method over the estimated useful lives of the respective assets.

Expenditures related to computer software development for internal use are charged to income as incurred, unless these contribute to the generation of future income or cost savings. Such expenditures are capitalized as assets and amortized by the straight-line method over their estimated useful life of 5 years.

(j) Leased assets

Leased assets under finance lease transactions which transfer ownership to the lessee are capitalized and depreciated or amortized by the method applied to assets owned by the Company.

Leased assets under finance lease transactions which do not transfer ownership to the lessee are capitalized and depreciated or amortized over the respective lease terms to a nil residual value by the straight-line method.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

(k) Bond issuance expenses for road construction

Bond issuance expenses for road construction are capitalized and amortized by the straight-line method over the term of the bonds.

(l) Derivatives and hedging activities

The Company has entered into currency swap contracts and interest-rate swap contracts to hedge its exposure to exchange rate fluctuation risk and interest rate fluctuation risk corresponding to corporate bonds and loans denominated in foreign currencies based on internal regulations.

Gains or losses on derivatives positions designated as hedges are deferred until the gains or losses on the respective underlying hedged items are recognized.

Currency swap contracts that meet certain conditions are accounted for by the allocation method, which requires that the recognized foreign currency transaction be translated at the corresponding currency swap contract rate. Interest-rate swap contracts that meet certain conditions are accounted for by the special treatment. Under the treatment, the net amount to be paid or received under the contracts is added to or deducted from the interest on the hedged items, by treating them as a single item.

The Company measures hedge effectiveness by comparing the cumulative changes in cash flows or fair value of the hedging instrument and the hedged item, except for the currency swaps accounted for by the allocation method and the interest-rate swaps accounted for by the special treatment, for which the measurement of hedge effectiveness is omitted.

(m) Income taxes

Deferred tax assets and liabilities have been recognized in the consolidated financial statements with respect to the differences between the financial reporting and tax bases of the assets and liabilities, and were measured using the enacted tax rates and laws which will be in effect when the differences are expected to reverse.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

(n) Accrued employees' bonuses

Accrued employees' bonuses are provided at the estimated amount of bonuses to be paid to the employees in the following year which has been allocated to the current fiscal year.

(o) Allowance for loss on work in process for road construction

Allowance for loss on work in process for road construction is provided at the estimated losses on work in process for road construction at the end of the current fiscal year that are expected to incur losses and the amount of which can be reasonably estimated in order to prepare for future losses on transfer road assets.

(p) Retirement benefits

The liabilities for retirement benefits is provided based on the amount of the projected benefit obligation reduced by the pension plan assets at fair value at the end of the year.

The retirement benefit obligation is attributed to each period based on the benefit formula method over the estimated years of service of the eligible employees.

Certain consolidated subsidiaries calculate the liabilities for retirement benefits based on the simplified method. These domestic subsidiaries have calculated their retirement benefit obligation based on the amount which would be payable at the end of the fiscal year if all eligible employees terminated their services voluntarily.

Actuarial gain or loss is amortized in the year following the year in which such gain or loss is recognized principally by the straight-line method over a period from 10 years to 13 years, which is within the estimated average remaining years of service of the eligible employees. Actuarial gain or loss of certain consolidated subsidiaries is fully recognized in income or loss at the time of occurrence.

Prior service cost of certain consolidated subsidiaries is amortized by the straight-line method over a period from 10 years to 13 years, which is within the estimated average remaining years of service of the eligible employees. Prior service cost of certain consolidated subsidiaries is fully charged to income as incurred.

(q) Accrued retirement benefits for directors, audit and supervisory board members and corporate officers

Directors, audit and supervisory board members and corporate officers of the Company and certain consolidated domestic subsidiaries are entitled to lump-sum payments under unfunded retirement benefits plans. An estimate of the accrued retirement benefits for these officers has been made based on internal regulations.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

(r) Recognition of revenues and costs

The main performance obligations of the Company and its consolidated subsidiaries in their principal business relating to revenues from contracts with customers and the normal timing to satisfy such performance obligations (the normal timing to recognize revenues) are as follows:

(1) Expressway business

The Group engages in construction, reconstruction, repairs, disaster recovery, and other management activities involving the expressway business.

For operating revenues associated with toll fees, the Group recognizes revenues when customers use the roads the Company manages. The Electronic Toll Collection (“ETC”) mileage program is offered to customers who join the ETC mileage program. In accordance with the ETC mileage program, customers can receive discounts on expressway tolls based on the number of points that they accumulate. When the Group gives the points to customers, the Group recognizes revenues as providing additional services to customers and the performance obligations are satisfied when the services are provided to the customers in the future.

For operating revenues associated with the completion of road assets, the Group recognizes revenues when the Company transfers work in process for road construction to the Japan Expressway Holding and Debt Repayment Agency (“JEHDRA”) in accordance with “the Regulation on Accounting in the Expressway Industry (Ordinance of the Ministry of Land, Infrastructure, Transport and Tourism No. 65 of 2005).”

In principle, pursuant to Article 51 of the Act on Special Measures concerning Road Construction and Improvement of Japan (the “Special Measures Act”), expressway assets constructed by the Company shall belong to the JEHDRA after the completion of construction. At the same time, pursuant to Article 15 of the Japan Expressway Holding and Debt Repayment Agency Act of Law (the “JEHDRA Act”), the debts borne by the Company for construction shall be assumed by JEHDRA. As such, operating revenues and related operating expenses are recognized once construction of the expressway assets is completed and JEHDRA assumes ownership.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

(r) Recognition of revenues and costs (continued)

(2) Rest area business

The Group engages in construction, management and other activities of rest area businesses adjacent to expressways and fueling stations.

Operating revenues associated with rest area businesses are recognized in accordance with the normal rental transactions as the Group rents commercial facilities and land in service areas adjacent to expressways.

(3) Other related business

In commissioned business, the Group engages in construction, reconstruction, maintenance, repairs and other commissioned activities involving the roads based on consignment of business activities from the Japanese national and local government and, in principle, operating revenues are recognized over a specific period as the performance obligations are satisfied. In addition, the percentage of completion is determined based on the ratio of actual cost to estimated total cost (the input method), since the incurred cost is considered proportional to the percentage of completion made in satisfying performance obligations. However, in the event that the construction contracts are immaterial, for example, when the period from the commencement date to the date when it is expected that the performance obligations will be fully satisfied is short, operating revenues are recognized on the transfer date as the time when the performance obligations are satisfied. In addition, in the event that the Group charges service fees before providing a service based on contracts, the Group will receive its consideration before the performance obligations are satisfied.

In other related business, except for commissioned business, the Group mainly engages in retail business and others involving the related expressway business. Operating revenues of such business are recognized when services and goods are transferred to customers. If the Group acts as an agent in transactions involving retail business, operating revenues are recognized based on net selling value.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Significant Accounting Estimates

1. Loss on Impairment of Fixed Assets

- (1) Amounts recorded in the consolidated financial statements as of and for the years ended March 31, 2026 and 2025

There was no loss on impairment of fixed assets recognized in the consolidated statement of operations for the year ended March 31, 2026.

Loss on impairment of fixed assets in the amount of ¥577 million was recognized in the consolidated statement of operations for the year ended March 31, 2025.

Property and equipment and intangible fixed assets totaling ¥305,151 million (\$1,908,625 thousand) and ¥286,533 million was recorded in the consolidated balance sheets as of March 31, 2026 and 2025, respectively.

- (2) Information on significant accounting estimates made by the Group and the recognized items

(a) Calculation method

The Group recognizes loss on impairment of fixed assets for certain asset groups when it is considered that investments can no longer be recovered due to a decline in profitability and write down such assets to recoverable value. The recoverable value of the asset group related to other related business is measured at net selling value which is calculated based on estimated selling amounts or value in use.

The Group did not recognize loss on impairment of fixed assets for the year ended March 31, 2026 because estimated undiscounted future cash flows exceed the carrying value of the corresponding assets.

The Group recognized loss on impairment of fixed assets for certain asset groups for the year ended March 31, 2025 when it is considered that investments can no longer be recovered due to a decline in profitability.

The Group made accounting estimates regarding future cash flows based on the medium-term management plan and anticipated future business expansion.

(b) Significant assumption

The Group considers various elements such as past performance, current situation, future traffic demand and investment plan and others, when the Group prepares its medium-term management plan to provide a basis for estimates of total undiscounted future cash flows.

- (c) Impact on the consolidated financial statements for the fiscal year ending March 31, 2027

The Group will potentially recognize loss on impairment of fixed assets for the fiscal year ending March 31, 2027, if the assumptions underlying the medium-term management plan change.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

2. Significant Accounting Estimates (continued)

2. Realizability of deferred tax assets

- (1) Amounts recorded in the consolidated financial statements as of March 31, 2026 and 2025

Net deferred tax assets of ¥926 million (\$5,792 thousand) and ¥3,417 million were recorded in the consolidated balance sheets as of March 31, 2026 and 2025, respectively.

- (2) Information on significant accounting estimates made by the Group and the recognized items

- (a) Calculation method

The Group evaluated realizability of deferred tax assets for deductible temporary differences based on tax planning and future taxable income.

The Group made accounting estimates regarding taxable income based on the medium-term management plan.

- (b) Significant assumption

The Group considers various elements such as past performance, current situation, future traffic demand and investment plan and others, when the Group prepares its medium-term management plan to provide a basis for estimates of taxable income.

- (c) Impact on the consolidated financial statements for the fiscal year ending March 31, 2027

The Group will potentially recognize reversal of deferred tax assets for the fiscal year ending March 31, 2027, if the assumptions underlying the medium-term management plan change.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

3. Accounting Changes

Application of Accounting Standard for Current Income Taxes and others

The Group has adopted “Accounting Standard for Current Income Taxes” (the Accounting Standards Board of Japan (ASBJ) Statement No.27, revised on October 28, 2022) and others from the beginning of the year ended March 31, 2025.

In accordance with the revision of the classification of income taxes (taxation on other comprehensive income), the transitional treatment prescribed in the proviso of Paragraph 20-3 of ASBJ Statement No.27, and that prescribed in the proviso of Paragraph 65-2 (2) of “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No.28, revised on October 28, 2022) have been applied. This accounting change has no effect on the consolidated financial statements.

In addition, the Group has adopted ASBJ Guidance No.28 from the beginning of the year ended March 31, 2025 to revise the treatment in the consolidated financial statements of deferred gains or losses arising from the sale of shares of subsidiaries and affiliates among the Group that are deferred for tax purposes. This accounting change has been applied retrospectively, and the consolidated financial statements as of and for the year ended March 31, 2025 have been prepared on retrospective bases. This accounting change has no impact on the consolidated financial statements as of and for the year ended March 31, 2025.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Accounting Standards Issued but Not Yet Effective

(Accounting Standards for Leases)

On September 13, 2024, the ASBJ revised “Accounting Standard for Leases” (ASBJ Statement No.34) and “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No.33).

(1) Overview

As a part of the efforts by the ASBJ to align Japanese standards with international standards, a study was conducted on the development of accounting standards for leases that recognizes assets and liabilities for all leases of lessees, based on international accounting standards. The basic policy established was to base the standards on the single accounting model of IFRS 16, but rather than adopting all provisions of IFRS 16, only the key provisions were incorporated. This aimed to create lease accounting standards that are simple, highly convenient, and fundamentally do not require modifications when applying the provisions of IFRS 16 to individual financial statements.

As for the accounting treatment of expense allocation for leases of lessees, a single accounting model that recognizes depreciation expenses related to right-of-use assets and interest expenses related to lease liabilities for all leases, which is similar to IFRS 16, will be applied to all leases, regardless of whether the lease is classified as a finance lease or an operating lease.

(2) Scheduled date of adoption

The Group expects to adopt the accounting standard and implementation guidance from the beginning of the fiscal year ending March 31, 2028.

(3) Impact of the adoption of accounting standards and implementation guidance

The Group is currently evaluating the effect of the adoption of this accounting standard and implementation guidance on its consolidated financial statements.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

4. Accounting Standards Issued but Not Yet Effective (continued)

(Accounting Standards for Subsequent Events)

On January 9, 2026, the ASBJ issued “Accounting Standard for Subsequent Events” (ASBJ Statement No.41) and “Implementation Guidance on Accounting Standard for Subsequent Events” (ASBJ Implementation Guidance No.35).

(1) Overview

The accounting standard and implementation guidance prescribe the accounting treatment and disclosure for subsequent events. The primary objective of these standards was to establish a comprehensive accounting standard addressing the definition, treatment, and disclosure of subsequent events. Based on the basic policy of transferring the accounting content outlined in the Auditing and Assurance Practice Committee’s Auditing Standards Report No.560, Practical Guidelines No.1 “Auditing Treatment concerning Subsequent Events” in the Japan Institute of Certified Public Accountants (JICPA) to the ASBJ while in principle inheriting its substance, these standards review existing expressions, clarify the evaluation period for subsequent events, and newly require notes regarding the approval of financial statement disclosure.

(2) Scheduled date of adoption

The Group expects to adopt the accounting standard and implementation guidance from the beginning of the fiscal year ending March 31, 2028.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

5. Securities

Held-to-maturity debt securities with fair value at March 31, 2026 and 2025 are as follows:

Millions of yen						
Held-to-maturity debt securities						
	2026			2025		
	Carrying value	Fair value	Unrealized loss	Carrying value	Fair value	Unrealized loss
Securities with fair value not exceeding carrying value:						
National and local government bonds	¥ 100	¥ 98	¥ (2)	¥ –	¥ –	¥ –
Corporate bonds	99	97	(2)	99	97	(2)
Total	¥ 199	¥ 195	¥ (4)	¥ 99	¥ 97	¥ (2)

	<i>Thousands of U.S. dollars</i>		
	Held-to-maturity debt securities		
	2026		
	Carrying value	Fair value	Unrealized loss
Securities with fair value not exceeding carrying value:			
National and local government bonds	\$ 626	\$ 613	\$ (13)
Corporate bonds	619	607	(12)
Total	<u>\$ 1,245</u>	<u>\$ 1,220</u>	<u>\$ (25)</u>

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

5. Securities (continued)

Other securities with available market value at March 31, 2026 and 2025 are as follows:

<i>Millions of yen</i>						
Other securities						
2026			2025			
Acquisition cost	Carrying value	Unrealized gain	Acquisition cost	Carrying value	Unrealized gain	
Securities with carrying value exceeding acquisition cost:						
Stocks	¥ 116	¥ 404	¥ 288	¥ 116	¥ 335	¥ 219
Total	¥ 116	¥ 404	¥ 288	¥ 116	¥ 335	¥ 219

<i>Thousands of U.S. dollars</i>						
Other securities						
2026						
Acquisition cost	Carrying value	Unrealized gain				
Securities with carrying value exceeding acquisition cost:						
Stocks	\$ 726	\$ 2,527	\$ 1,801			
Total	\$ 726	\$ 2,527	\$ 1,801			

The Company recognizes loss on impairment of individual marketable securities classified as other securities if the market value of a security at year end declines by more than 50% compared with its carrying value and if the decline is deemed to be irrecoverable.

The Company recognizes loss on impairment of individual marketable securities classified as other securities if the market value declines within a range of 30% or more, but less than 50%, when recoverability is doubtful and a significant decline of market value has occurred to such an extent that: 1) the decline has been within a range of 30% or more and then less than 50% in the last two consecutive years: 2) the issuing corporation has net asset deficiency: or 3) the issuing corporation recorded losses in the last two consecutive years and losses in the following year are anticipated.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

5. Securities (continued)

Financial instruments such as stocks with no market price in the amount of ¥17 million (\$106 thousand) and ¥26 million as of March 31, 2026 and 2025, respectively, are not included in the above table.

Sales of securities classified as other securities and the aggregate gain (loss) for the years ended March 31, 2026 and 2025, respectively, are summarized as follows:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2026	2025	2026
Sales proceeds:			
Stocks	¥ 21	¥ 6	\$ 131
	¥ 21	¥ 6	\$ 131
Aggregate gain:			
Stocks	¥ 11	¥ 5	\$ 69
	¥ 11	¥ 5	\$ 69

6. Inventories

Inventories at March 31, 2026 and 2025 are as follows:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2026	2025	2026
Work in process for road construction	¥ 1,847,468	¥ 1,832,972	\$ 11,555,342
Merchandise and finished goods	643	646	4,022
Work in process	810	663	5,066
Raw materials and supplies	2,874	2,525	17,976
	¥ 1,851,795	¥ 1,836,806	\$ 11,582,406

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

7. Loss on Impairment of Fixed Assets

There was no loss on impairment of fixed assets recognized for the year ended March 31, 2026.

The Group recognized loss on impairment of the following groups of assets for the year ended March 31, 2025.

Year ended March 31	Location	Usage	Category
2025	Toki-city, Gifu	Fixed assets related to other related business	Buildings, structures and others

The carrying value of the asset group for which it is considered that investments can no longer be recovered due to a decline in profitability, consisting of fixed assets related to other related business, was written down to recoverable value for the year ended March 31, 2025.

As a result, loss on impairment of fixed assets amounted to ¥577 million for the year ended March 31, 2025.

The details of loss on impairment are as follows:

	<i>Millions of yen</i>
	2025
Buildings	¥ 529
Structures	30
Machinery and equipment	18
	¥ 577

The recoverable value of the asset group is measured at value in use, which is calculated by discounting future cash flows at a rate of 6.2% for the year ended March 31, 2025.

8. Investments in Unconsolidated Subsidiaries and Affiliates

Investments in unconsolidated subsidiaries and affiliates included stock of jointly controlled companies of ¥8,228 million (\$51,464 thousand) and ¥7,592 million at March 31, 2026 and 2025, respectively.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

9. Rental Properties

The Company has commercial facilities and commercial land available for rent located in service areas and parking areas adjacent to its expressways (“service areas”).

In certain service areas commercial facilities are leased by the Company to Central Nippon Exis Co., Ltd., the Company’s consolidated subsidiary, and a certain portion of the facilities is further subleased to third-party tenants with the remaining portion being utilized by the Company’s consolidated subsidiaries as retail stores or as free rest areas for customers.

Accordingly, certain service areas are deemed as real estate and included in rental properties.

The carrying value in the consolidated balance sheets as of March 31, 2026 and 2025 and corresponding fair value of rental properties are as follows:

<i>Millions of yen</i>				
<i>Carrying value</i>			<i>Fair value</i>	
	April 1, 2025	Net change	March 31, 2026	March 31, 2026
Rental properties	¥ 7,316	¥ 736	¥ 8,052	¥ 8,373
<i>Millions of yen</i>				
<i>Carrying value</i>			<i>Fair value</i>	
	April 1, 2024	Net change	March 31, 2025	March 31, 2025
Rental properties	¥ 6,930	¥ 386	¥ 7,316	¥ 7,510
<i>Thousands of U.S. dollars</i>				
<i>Carrying value</i>			<i>Fair value</i>	
	April 1, 2025	Net change	March 31, 2026	March 31, 2026
Rental properties	\$ 45,759	\$ 4,604	\$ 50,363	\$ 52,371

The carrying value in the above table represents acquisition cost less accumulated depreciation.

Net change in rental properties in the above table mainly represents the increase of the investment and the decrease due to depreciation expenses for the years ended March 31, 2026 and 2025.

The fair value in the above table is principally computed based on “Real Estate Appraisal Standards” in Japan.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

9. Rental Properties (continued)

The carrying value in the consolidated balance sheets as of March 31, 2026 and 2025 and corresponding fair value of real estate including certain portions used as investment property are as follows:

<i>Millions of yen</i>				
	<i>Carrying value</i>			<i>Fair value</i>
	April 1, 2025	Net change	March 31, 2026	March 31, 2026
Real estate including certain portions used as investment property	¥ 128,977	¥ 527	¥ 129,504	¥ 103,429

<i>Millions of yen</i>				
	<i>Carrying value</i>			<i>Fair value</i>
	April 1, 2024	Net change	March 31, 2025	March 31, 2025
Real estate including certain portions used as investment property	¥ 130,835	¥ (1,858)	¥ 128,977	¥ 100,640

<i>Thousands of U.S. dollars</i>				
	<i>Carrying value</i>			<i>Fair value</i>
	April 1, 2025	Net change	March 31, 2026	March 31, 2026
Real estate including certain portions used as investment property	\$ 806,711	\$ 3,296	\$ 810,007	\$ 646,916

The carrying value in the above table represents the acquisition cost less accumulated depreciation.

Net change in real estate including certain portions used as investment property mainly represents the increase of the investment for the year ended March 31, 2026 and the decrease due to depreciation expenses for the years ended March 31, 2026 and 2025.

The fair value in the above table is principally computed based on “Real Estate Appraisal Standards” in Japan.

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

9. Rental Properties (continued)

Operating revenues, operating expenses and net for those properties for the years ended March 31, 2026 and 2025 are as follows:

<i>Millions of yen</i>			
2026			
	Operating revenues	Operating expenses	Net
Rental properties	¥ 663	¥ 267	¥ 396
Real estate including certain portions used as investment property	29,640	14,968	14,672
<i>Millions of yen</i>			
2025			
	Operating revenues	Operating expenses	Net
Rental properties	¥ 565	¥ 242	¥ 323
Real estate including certain portions used as investment property	28,151	12,968	15,183
<i>Thousands of U.S. dollars</i>			
2026			
	Operating revenues	Operating expenses	Net
Rental properties	\$ 4,147	\$ 1,670	\$ 2,477
Real estate including certain portions used as investment property	185,389	93,620	91,769

The revenue arising from rental properties including properties partially used for leasing is not included in operating revenues since the properties include those properties leased by the consolidated subsidiaries.

Operating revenues in the above table includes revenues from retail businesses and others operated by consolidated subsidiaries in the amounts of ¥5,823 million (\$36,421 thousand) and ¥5,250 million for the years ended March 31, 2026 and 2025, respectively.

Operating expenses in the above table includes expenses related to real estate including certain portions used as investment property, such as depreciation expenses, repairs, insurance costs, and taxes and public charges and others.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Short-Term Debt, Long-Term Debt and Lease Obligations

There was no short-term debt at March 31, 2026.

Short-term debt at March 31, 2025 consisted of the following:

	<i>Millions of yen</i>
	2025
Short-term loans	¥ 8,512
	¥ 8,512

Short-term loans from banks represent loans on deeds with a weighted-average interest rate of 0.530% at March 31, 2025.

Long-term debt at March 31, 2026 and 2025 consisted of the following:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2026	2025	2026
Bonds for road construction	¥ 1,959,127	¥ 1,740,551	\$ 12,253,734
Long-term loans for road construction at interest rates ranging from 0.426% to 2.016% due from 2026 to 2032	153,631	180,818	960,914
Other long-term loans at interest rate of 0.050% due 2030	50,000	50,421	312,735
	2,162,758	1,971,790	13,527,383
	(79,142)	(76,647)	(495,009)
Less current portion	¥ 2,083,616	¥ 1,895,143	\$ 13,032,374

The current portion of long-term debt in the above table is classified based on the maturity dates of the original agreements.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

10. Short-Term Debt, Long-Term Debt and Lease Obligations (continued)

Bonds for road construction as of March 31, 2026 and 2025 are summarized as follows:

	Issue date	Maturity date	Interest rate (%)	Note	Millions of yen		Thousands of U.S. dollars
					2026	2025	2026
Central Nippon Expressway Company Limited Issue of Series 40							
U.S.\$300,000,000 1.169 per cent. Notes due 2026	August 23, 2021	August 21, 2026	1.17	*	¥ —	¥ 32,781	\$ —
No.91 Bond of Central Nippon Expressway Company Limited	September 17, 2021	September 17, 2026	0.04	*	—	75,000	—
No.92 Bond of Central Nippon Expressway Company Limited	November 10, 2021	November 10, 2026	0.04	*	—	100,000	—
Central Nippon Expressway Company Limited Issue of Series 41							
U.S.\$100,000,000 2.378 per cent. Notes due 2027	February 28, 2022	February 26, 2027	2.38	*	—	11,544	—
No.93 Bond of Central Nippon Expressway Company Limited	March 18, 2022	March 18, 2027	0.13	*	—	70,000	—
No.94 Bond of Central Nippon Expressway Company Limited	August 18, 2022	August 18, 2027	0.17	*	—	60,000	—
No.95 Bond of Central Nippon Expressway Company Limited	September 22, 2022	September 22, 2027	0.25	*	—	30,000	—
No.96 Bond of Central Nippon Expressway Company Limited	December 13, 2022	December 13, 2027	0.44	*	—	75,000	—
No.97 Bond of Central Nippon Expressway Company Limited	January 23, 2023	January 21, 2028	0.63		45,000	45,000	281,461
No.98 Bond of Central Nippon Expressway Company Limited	February 21, 2023	February 21, 2028	0.51		45,000	45,000	281,461
No.99 Bond of Central Nippon Expressway Company Limited	March 28, 2023	March 28, 2028	0.44		30,000	30,000	187,641
No.100 Bond of Central Nippon Expressway Company Limited	May 18, 2023	May 18, 2028	0.39		100,000	100,000	625,469
No.101 Bond of Central Nippon Expressway Company Limited	August 17, 2023	August 17, 2028	0.44		120,000	120,000	750,563
No.102 Bond of Central Nippon Expressway Company Limited	September 14, 2023	September 14, 2028	0.46		100,000	100,000	625,469
No.103 Bond of Central Nippon Expressway Company Limited	November 21, 2023	November 21, 2028	0.59		70,000	70,000	437,828
No.104 Bond of Central Nippon Expressway Company Limited	January 31, 2024	January 31, 2029	0.53		70,000	70,000	437,828
No.105 Bond of Central Nippon Expressway Company Limited	March 28, 2024	March 28, 2029	0.60		120,000	120,000	750,563
No.106 Bond of Central Nippon Expressway Company Limited	May 29, 2024	May 29, 2029	0.76		60,000	60,000	375,282
No.107 Bond of Central Nippon Expressway Company Limited	July 25, 2024	July 25, 2029	0.75		90,000	90,000	562,922
No.108 Bond of Central Nippon Expressway Company Limited	September 19, 2024	September 19, 2029	0.69		80,000	80,000	500,375
No.109 Bond of Central Nippon Expressway Company Limited	November 27, 2024	November 27, 2029	0.91		115,000	115,000	719,290
Central Nippon Expressway Company Limited Issue of Series 43							
U.S.\$330,000,000	November 29, 2024	November 21, 2025	4.76		—	51,226	—
No.110 Bond of Central Nippon Expressway Company Limited	January 27, 2025	January 25, 2030	1.02		100,000	100,000	625,469
No.111 Bond of Central Nippon Expressway Company Limited	February 27, 2025	February 27, 2030	1.25		90,000	90,000	562,922

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

10. Short-Term Debt, Long-Term Debt and Lease Obligations (continued)

Bonds for road construction as of March 31, 2026 and 2025 are summarized as follows:
(continued)

	Issue date	Maturity date	Interest rate (%)	Note	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
					2026	2025	2026
No.112 Bond of Central Nippon Expressway Company Limited	May 21, 2025	May 21, 2030	1.26		¥ 60,000	¥ –	\$ 375,282
No.113 Bond of Central Nippon Expressway Company Limited	May 21, 2025	March 19, 2030	1.26		50,000	–	312,735
No.114 Bond of Central Nippon Expressway Company Limited	July 17, 2025	July 17, 2030	1.26		200,000	–	1,250,938
No.115 Bond of Central Nippon Expressway Company Limited	September 19, 2025	September 10, 2030	1.30		75,000	–	469,102
No.116 Bond of Central Nippon Expressway Company Limited	November 27, 2025	November 27, 2030	1.48		100,000	–	625,469
Central Nippon Expressway Company Limited Issue of Series 44							
CNH300,000,000 1.955 per cent. Notes due 2026	November 26, 2025	November 20, 2026	1.96		6,557	–	41,012
No.117 Bond of Central Nippon Expressway Company Limited	February 16, 2026	February 3, 2031	1.83		70,000	–	437,828
Central Nippon Expressway Company Limited Issue of Series 45							
U.S.\$500,000,000 4.124 per cent. Notes due 2031	February 25, 2026	February 25, 2031	4.12		77,570	–	485,176
No.118 Bond of Central Nippon Expressway Company Limited	March 19, 2026	March 5, 2031	1.83		85,000	–	531,649
				Total	¥ 1,959,127	¥ 1,740,551	\$ 12,253,734

* Pursuant to Article 15 of the JEHDRA Act, JEHDRA assumed these obligations shown in the above table.

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

10. Short-Term Debt, Long-Term Debt and Lease Obligations (continued)

The aggregate annual maturities of short-term debt and long-term debt subsequent to March 31, 2026 are summarized as follows:

Years ending March 31,	<i>Millions of yen</i>		
	Bonds for road construction	Long-term loans for road construction	Other long- term loans
2027	¥ 6,557	¥ 62,585	¥ 10,000
2028	120,000	266	10,000
2029	580,000	30,506	10,000
2030	585,000	30,000	10,000
2031 and thereafter	667,570	30,274	10,000
	<u>¥ 1,959,127</u>	<u>¥ 153,631</u>	<u>¥ 50,000</u>

Years ending March 31,	<i>Thousands of U.S. dollars</i>		
	Bonds for road construction	Long-term loans for road construction	Other long- term loans
2027	\$ 41,012	\$ 391,450	\$ 62,547
2028	750,563	1,664	62,547
2029	3,627,721	190,805	62,547
2030	3,658,994	187,641	62,547
2031 and thereafter	4,175,444	189,354	62,547
	<u>\$ 12,253,734</u>	<u>\$ 960,914</u>	<u>\$ 312,735</u>

The aggregate annual maturities of lease obligations subsequent to March 31, 2026 are summarized as follows:

Years ending March 31,	<i>Millions of yen</i>	<i>Thousands of U.S. dollars</i>
	Lease obligations	
2027	¥ 943	\$ 5,898
2028	781	4,885
2029	619	3,872
2030	299	1,870
2031 and thereafter	1,103	6,899
	<u>¥ 3,745</u>	<u>\$ 23,424</u>

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

11. Pledged Assets

At March 31, 2026 and 2025, the total assets of the Company were pledged as collateral for the following bonds pursuant to Article 8 of the Act on Expressway Companies of Japan.

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2026	2025	2026
Bonds for road construction			
Carrying value	¥ 1,959,127	¥ 1,740,551	\$ 12,253,734
Face value	1,959,127	1,740,551	12,253,734

In addition, at March 31, 2026 and 2025, the total assets of the Company were also pledged as collateral for bonds in the amounts of ¥719,573 million (\$4,500,707 thousand) and ¥697,078 million at March 31, 2026 and 2025, respectively, assumed by JEHDRA pursuant to Article 15 of the JEHDRA Act.

At March 31, 2026 and 2025, the following assets, other than pledged assets outlined above under requirement of the Act on Expressway Companies of Japan and the JEHDRA Act, were pledged.

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2026	2025	2026
Buildings	¥ –	¥ 559	\$ –
Structures	–	32	–
Tools, furniture and fixtures	–	9	–
Land	–	235	–
Investments in securities	0	0	0
Others in Investments and other assets	27	27	169

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

12. Income Taxes

The Company and its domestic subsidiaries are subject to several taxes based on income which, in the aggregate, resulted in a statutory tax rate of approximately 30.6% and 30.4% for the years ended March 31, 2026 and 2025.

The effective tax rate reflected in the accompanying consolidated statements of operations for the years ended March 31, 2026 and 2025, differs from the above statutory tax rate for the following reasons:

	2026	2025
Statutory tax rate	<u>30.6%</u>	<u>30.4%</u>
Adjustments:		
Effects of changes in corporation tax rates	2.1	(15.3)
Valuation allowance	82.7	82.7
Amortization of negative goodwill	(5.4)	(4.2)
Equity in earnings of affiliates	(8.8)	(2.6)
Inhabitants' per capita taxes	6.5	5.7
Tax credit	(3.5)	(2.8)
Consolidated adjustments of gain (loss) on sales of investments in equity method affiliates investments	—	4.8
Tax effects related to retained earnings	2.4	(1.6)
Other	5.5	1.9
Effective tax rate	<u>112.1%</u>	<u>99.0%</u>

(Adjustments of deferred tax assets and deferred tax liabilities due to changes in income tax rates)

On March 31, 2025, following the enactment of the “Act for Partial Revision of the Income Tax Act, etc.” (Act No. 13 of 2025) by the National Diet of Japan, the “Defense Special Corporation Tax” will be imposed effective from the beginning of the year ending March 31, 2027. As a result, deferred tax assets and deferred tax liabilities resulting from temporary differences and tax loss carried forward expected to be eliminated from the beginning of the year ending March 31, 2027, are calculated by changing the effective statutory tax rate from 30.6% to 31.5%. The impact of this change in tax rates is immaterial.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

12. Income Taxes (continued)

The significant components of the Group's deferred tax assets and liabilities at March 31, 2026 and 2025 are summarized as follows:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2026	2025	2026
Deferred tax assets:			
Tax loss carried forward (*2)	¥ 4,821	¥ 3,257	\$ 30,154
Allowance for doubtful accounts	38	42	238
Contract liabilities	3,295	2,985	20,609
Accrued employees' bonuses	1,927	1,747	12,053
Liabilities for retirement benefits	9,544	12,940	59,695
Other	4,166	4,514	26,056
Gross deferred tax assets	23,791	25,485	148,805
Valuation allowance for tax loss carried forward (*2)	(4,799)	(3,064)	(30,016)
Valuation allowance for total deductible temporary differences and others	(16,295)	(17,640)	(101,920)
Valuation allowance subtotal (*1)	(21,094)	(20,704)	(131,936)
Total deferred tax assets	2,697	4,781	16,869
Deferred tax liabilities:			
Other	(1,771)	(1,364)	(11,077)
Total deferred tax liabilities	(1,771)	(1,364)	(11,077)
Net deferred tax assets	¥ 926	¥ 3,417	\$ 5,792

(*1) The Group revised the realizability of deferred tax assets, and therefore the valuation allowance increased by ¥390 million (\$2,439 thousand) and decreased by ¥1,791 million for the years ended March 31, 2026 and 2025, respectively.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

12. Income Taxes (continued)

(*2) Tax loss carried forward and related deferred tax assets as of March 31, 2026, will expire as follows:

Years ending March 31,	<i>Millions of yen</i>		
	Tax loss carried forward (*a)	Valuation allowance for tax loss carried forward	Deferred tax assets related to tax loss carried forward (*b)
2027	¥ 3	¥ (3)	¥ –
2028	–	–	–
2029	228	(217)	11
2030	55	(55)	–
2031	1,648	(1,648)	–
2032 and thereafter	2,887	(2,876)	11
	¥ 4,821	¥ (4,799)	¥ 22

Years ending March 31,	<i>Thousands of U.S. dollars</i>		
	Tax loss carried forward (*a)	Valuation allowance for tax loss carried forward	Deferred tax assets related to tax loss carried forward (*b)
2027	\$ 19	\$ (19)	\$ –
2028	–	–	–
2029	1,426	(1,357)	69
2030	344	(344)	–
2031	10,308	(10,308)	–
2032 and thereafter	18,057	(17,988)	69
	\$ 30,154	\$ (30,016)	\$ 138

(*a) Tax loss carried forward in the above table is measured using the statutory tax rate.

(*b) Deferred tax assets related to tax loss carried forward in the amount of ¥22 million (\$138 thousand) are appropriated in accordance with tax loss carried forward in the amount of ¥4,821 million (\$30,154 thousand), which is measured using the statutory tax rate. The realizable amount of deferred tax assets related to tax loss carried forward is based on estimated future taxable income.

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

13. Retirement Benefits

1. Overview

The Company and its consolidated subsidiaries have defined benefit plans, which include both unfunded severance indemnity plans and funded lump-sum severance indemnity plans and a defined contribution plan. The defined benefit pension plans, include corporate pension plans and welfare pension fund plans (“WFPF”) covering substantially all employees who are entitled to lump-sum or annuity payments, the amounts of which are determined by reference to basic rates of pay, length of service, and the conditions under which termination occurs.

Certain consolidated subsidiaries calculate the liabilities for retirement benefits based on the simplified method. These domestic subsidiaries have calculated their retirement benefit obligation based on the amount which would be payable at the year end if all eligible employees terminated their services voluntarily.

The Company and certain consolidated subsidiaries participate in a multi-employer welfare pension plan and defined benefit corporate pension plans. The contributions to the fund are charged to expense when paid in cases where the proportional portion of plan assets attributable to certain consolidated subsidiaries rationally cannot be calculated. In cases where the proportional portion can be calculated, the liabilities for retirement benefits is provided based on the amount of the projected benefit obligation after deducting by the pension plan assets.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

13. Retirement Benefits (continued)

2. Defined benefit plans

The changes in retirement benefit obligation for the years ended March 31, 2026 and 2025 are as follows (excluding defined benefit plans based on the simplified method):

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2026	2025	2026
Beginning balance of retirement benefit obligation	¥ 80,523	¥ 92,598	\$ 503,646
Service cost	3,078	3,840	19,252
Interest cost	1,768	805	11,058
Actuarial gain or loss	(7,885)	(12,382)	(49,318)
Benefit paid	(3,929)	(4,338)	(24,575)
Prior service cost	191	—	1,195
Ending balance of retirement benefit obligation	¥ 73,746	¥ 80,523	\$ 461,258

The changes in plan assets at fair value for the years ended March 31, 2026 and 2025 are as follows (excluding retirement defined benefit plans based on the simplified method):

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2026	2025	2026
Beginning balance of plan assets at fair value	¥ 44,580	¥ 43,133	\$ 278,834
Expected return on plan assets	1,279	1,670	8,000
Actuarial gain or loss	1,894	(1,460)	11,846
Contributions by the employers	3,009	2,874	18,820
Benefit paid	(1,557)	(1,842)	(9,739)
Other	214	205	1,339
Ending balance of plan assets at fair value	¥ 49,419	¥ 44,580	\$ 309,100

The changes in liabilities for retirement benefit under the simplified method for the years ended March 31, 2026 and 2025 are as follows:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2026	2025	2026
Beginning balance of liabilities for retirement benefit	¥ 2,166	¥ 2,052	\$ 13,548
Service cost	558	513	3,490
Benefit paid	(231)	(221)	(1,445)
Payment for the plan	(188)	(178)	(1,176)
Ending balance of liabilities for retirement benefit	¥ 2,305	¥ 2,166	\$ 14,417

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

13. Retirement Benefits (continued)

2. Defined benefit plans (continued)

The following table sets forth the funded status of the plans and the amounts recognized in the consolidated balance sheets as of March 31, 2026 and 2025 for the Company's and the consolidated subsidiaries' defined benefit plans:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2026	2025	2026
Funded retirement benefit obligation	¥ 55,603	¥ 59,375	\$ 347,780
Plan assets at fair value	(50,790)	(45,827)	(317,676)
	4,813	13,548	30,104
Unfunded retirement benefit obligation	21,819	24,561	136,471
Net amounts of liabilities and assets recognized in consolidated balance sheets	26,632	38,109	166,575
Liabilities for retirement benefits	33,017	40,375	206,511
Asset for retirement benefits	(6,385)	(2,266)	(39,936)
Net amounts of liabilities recognized in consolidated balance sheets	¥ 26,632	¥ 38,109	\$ 166,575

The components of retirement benefit expenses for the years ended March 31, 2026 and 2025 are as follows:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2026	2025	2026
Service cost	¥ 2,864	¥ 3,635	\$ 17,913
Interest cost	1,768	805	11,058
Expected return on plan assets	(1,279)	(1,670)	(8,000)
Amortization:			
Actuarial gain or loss	370	1,310	2,315
Prior service cost	24	11	150
Retirement benefit expenses under the simplified method	558	513	3,490
Other	(164)	(162)	(1,026)
Retirement benefit expenses	¥ 4,141	¥ 4,442	\$ 25,900

The components of retirement benefits liability adjustments included in other comprehensive income (before tax effect) for the years ended March 31, 2026 and 2025 are as follows:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2026	2025	2026
Prior service cost	¥ 167	¥ (11)	\$ 1,045
Actuarial gain or loss	(10,149)	(12,232)	(63,479)
Total	¥ (9,982)	¥ (12,243)	\$ (62,434)

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

13. Retirement Benefits (continued)

2. Defined benefit plans (continued)

The components of retirement benefits liability adjustments included in accumulated other comprehensive loss (before tax effect) as of March 31, 2026 and 2025 are as follows:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2026	2025	2026
Unrecognized prior service cost	¥ 221	¥ 54	\$ 1,382
Unrecognized actuarial gain or loss	(19,828)	(9,679)	(124,018)
Total	<u>¥ (19,607)</u>	<u>¥ (9,625)</u>	<u>\$ (122,636)</u>

The fair value of plans assets, by major category, as a percentage of total assets as of March 31, 2026 and 2025 are as follows:

	2026	2025
Bonds	29.2%	28.6%
Stocks	30.3	30.6
Cash and deposits	0.6	0.6
General accounts at life insurance companies	18.5	19.3
Short-term financial assets	1.3	1.0
Other	20.1	19.9
Total	<u>100.0%</u>	<u>100.0%</u>

The expected long-term rate of return on plan assets is determined as a result of consideration of both the portfolio allocation at present and in the future, and long-term expected rate of return from multiple plan assets at present and in the future.

The assumptions used in accounting for the defined benefit plans for the years ended March 31, 2026 and 2025 are as follows:

	2026	2025
Discount rates	1.2-3.4%	0.0-2.3%
Expected long-term rates of return on plan assets	1.0-5.5%	0.0-7.1%
Rates of salary increase	0.0-7.5%	0.0-7.5%

3. Defined contribution plans

The required contributions to defined contribution plans, including the multi-employer welfare defined benefit pension plans which are accounted as well as defined contributions plans, are ¥144 million (\$901 thousand) and ¥136 million for the years ended March 31, 2026 and 2025, respectively.

The details and description of multi-employer welfare pension plans, in which contributions to the fund are charged to expense when paid are omitted due to their immateriality.

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

14. Contingent Liabilities

(Guarantee obligations)

At March 31, 2026 and 2025, the Company provides the following debt guarantees:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2026	2025	2026
JEHDRA	¥ 120,000	¥ 120,000	\$ 750,563

Pursuant to Article 16 of the “Act regarding the Implementation of Acts Related to Privatisation of the Japan Highway Public Corporation of Japan” (the “Implementation Act”), the Company is jointly and severally liable with JEHDRA, East Nippon Expressway Company Limited (“E-NEXCO”) and West Nippon Expressway Company Limited (“W-NEXCO”) for the loans and road bonds succeeded to by JEHDRA, E-NEXCO or W-NEXCO from the JHPC (excluding loans from the Japanese government, loans succeeded to by JEHDRA and bonds held by the Japanese government).

Pursuant to Article 15 of the JEHDRA Act, the Company is jointly and severally liable for the long-term debt transferred to JEHDRA corresponding to costs incurred for road construction, reconstruction, repairs and disaster recovery.

At March 31, 2026 and 2025, the Company is jointly and severally liable with JEHDRA for the bonds and loans of JEHDRA transferred by the Company, which were originally financed by the Company, as follows:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2026	2025	2026
JEHDRA	¥ 719,573	¥ 727,078	\$ 4,500,707

As a result of these transfers listed above, bonds for road construction decreased by ¥454,326 million (face value) (\$2,841,669 thousand) and long-term loans for road construction decreased by ¥33,000 million (\$206,405 thousand) for the year ended March 31, 2026.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

15. Shareholder's Equity

The Act provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the capital stock account. Such distributions can be made at any time by resolution of the shareholders or by the Board of Directors if certain conditions are met.

Under the Act, upon the issuance and sale of new shares of common stock, the entire amount of the proceeds is required to be accounted for as common stock, although a company may, by resolution of the Board of Directors, account for an amount not exceeding one-half of the proceeds of the sale of new shares as capital surplus.

16. Research and Development Cost

Research and development cost included in cost of sales and administrative expenses for expressway business operations and selling, general and administrative expenses amounted to ¥1,584 million (\$9,907 thousand) and ¥2,422 million for the years ended March 31, 2026 and 2025, respectively.

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

17. Leases

Future minimum lease payments subsequent to March 31, 2026 under non-cancellable operating leases related to road assets are summarized as follows:

Years ending March 31,	<i>Millions of yen</i>	<i>Thousands of U.S. dollars</i>
2027	¥ 477,171	\$ 2,984,557
2028 and thereafter	16,946,899	105,997,617
	<u>¥ 17,424,070</u>	<u>\$ 108,982,174</u>

Pursuant to Article 13.5 of the JEHDRA Act and Article 6.2 of the Act on Expressway Companies of Japan, the Company and JEHDRA, the lessor, review the agreements including road assets leasing fees approximately every 5 years, which allows each party to propose amendments to the extent deemed necessary after the review.

However, if the agreement for the road assets leasing fees does not meet the criteria specified in Article 17 of the JEHDRA Act, or if any events that may adversely affect fair and efficient operations are noted, for example, both may propose amendments to the agreement at any time.

Lease fees may be increased or decreased in proportion to the amount of expressway tolls received from expressway users, if the actual toll amounts received fall short or are in excess of the estimated toll amounts.

Future minimum lease payments subsequent to March 31, 2026 under non-cancellable operating leases other than road assets are summarized as follows:

Years ending March 31,	<i>Millions of yen</i>	<i>Thousands of U.S. dollars</i>
2027	¥ 1,549	\$ 9,689
2028 and thereafter	3,072	19,214
	<u>¥ 4,621</u>	<u>\$ 28,903</u>

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

18. Amounts per Share

Per share amounts as of and for the years ended March 31, 2026 and 2025 are as follows:

	<i>Yen</i>		<i>U.S. dollars</i>
	<u>2026</u>	<u>2025</u>	<u>2026</u>
(Loss) profit attributable to owner of parent:			
Basic	¥ (2.00)	¥ 0.07	\$ (0.01)
Net assets	2,262.83	2,201.88	14.15

Basic profit (loss) per share has been computed based on the profit (loss) attributable to owner of parent and the weighted-average number of shares of common stock outstanding during the year.

Diluted profit per share has not been presented because a loss attributable to owner of parent was recorded for the year ended March 31, 2026 and there were no potentially dilutive shares of common stock for the years ended March 31, 2026 and 2025.

Net assets per share have been computed based on the net assets available for distribution to the owner of parent and the number of shares of common stock outstanding at the year end.

The financial data used in the computation of basic profit (loss) attributable to owner of parent per share for the years ended March 31, 2026 and 2025 is summarized as follows:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	<u>2026</u>	<u>2025</u>	<u>2026</u>
(Loss) profit attributable to owner of parent	¥ (260)	¥ 9	\$ (1,626)
Adjusted (loss) profit attributable to owner of parent	¥ (260)	¥ 9	\$ (1,626)
	<i>Thousands of shares</i>		
	<u>2026</u>	<u>2025</u>	
Weighted-average number of shares of common stock outstanding	130,000	130,000	

The financial data used in the computation of net assets per share as of March 31, 2026 and 2025 is summarized as follows:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	<u>2026</u>	<u>2025</u>	<u>2026</u>
Total net assets	¥ 294,488	¥ 286,542	\$ 1,841,931
Deduction from total net assets:			
Non-controlling interests	319	298	1,995
Total net assets available to common shares	¥ 294,169	¥ 286,244	\$ 1,839,936
	<i>Thousands of shares</i>		
	<u>2026</u>	<u>2025</u>	
Number of shares of common stock used in the calculation of net assets per share	130,000	130,000	

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

19. Supplemental Information on Consolidated Statements of Cash Flows

Reconciliations of cash and deposits at March 31, 2026 and 2025 and cash and cash equivalents in the consolidated statements of cash flows for the years then ended are as follows:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	At March 31,		
	2026	2025	2026
Cash and deposits	¥ 268,384	¥ 155,481	\$ 1,678,659
Deposits over three months	(397)	(426)	(2,483)
Cash and cash equivalents	<u>¥ 267,987</u>	<u>¥ 155,055</u>	<u>\$ 1,676,176</u>

During the year ended March 31, 2025, NEXCO Central Nippon Services Co., Ltd., the Company's consolidated subsidiary, acquired shares of Yocht Co., Ltd., and newly included it in the scope of consolidation. The following summarizes the assets and liabilities included in consolidation and the relationship between acquisition cost and the net proceeds from acquisition:

	<i>Millions of yen</i>
	2025
Current assets	¥ 73
Non-current assets	1
Current liabilities	(25)
Non-current liabilities	(30)
Goodwill	24
Non-controlling interests	(9)
Acquisition cost	34
Cash and cash equivalents	(40)
Net proceeds from acquisition	<u>¥ 6</u>

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

19. Supplemental Information on Consolidated Statements of Cash Flows (continued)

As described in Note 1(r) “Recognition of revenues and costs,” in principle, expressway assets constructed by the Company shall be transferred to JEHDRA after the completion of construction. Concurrently, the debts financed by the Company for construction shall be assumed by JEHDRA.

For the years ended March 31, 2026 and 2025, expressway assets constructed by the Company in the amounts of ¥459,296 million (\$2,872,755 thousand) and ¥273,516 million, respectively, were transferred to JEHDRA pursuant to Article 51.2 through 51.4 of the Special Measures Act and, concurrently, the long-term loans of ¥33,000 million (\$206,405 thousand) related to ¥58,421 million (\$365,405 thousand) and ¥20,323 million related to ¥20,423 million for the years ended March 31, 2026 and 2025, and bonds for road construction of ¥454,326 million (\$2,841,669 thousand) related to ¥505,551 million (\$3,162,065 thousand) and ¥358,245 million related to ¥566,506 million for the years ended March 31, 2026 and 2025, respectively, were assumed by JEHDRA pursuant to Article 15.1 of the JEHDRA Act.

Non-cash transactions outlined above are recognized and included in increase in inventories, repayments of long-term loans and redemption of bonds for road construction in the consolidated statements of cash flows for the years ended March 31, 2026 and 2025.

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

20. Financial Instruments and Related Disclosures

Status of financial instruments

(1) Policy for financial instruments

The Group raises funds mainly through bank loans and the issuance of bonds. In principle, bank loans and bonds are repaid and redeemed within 10 years based on past funding.

(2) Types of financial instruments and related risk

Accounts receivable due from expressway business operations, other accounts receivable and contract assets are exposed to credit risk in relation to customers.

Marketable securities and investments in securities are mainly stocks held by certain consolidated subsidiaries and these are exposed to price fluctuation risk.

Accounts payable due to expressway business operations and other accounts payable have payment due dates principally within one year. Other long-term loans include liabilities for the purpose of financing construction contracts commissioned from the Japanese government and capital investments by the Company.

Long-term loans for road construction and bonds for road construction are used to fund construction, reconstruction, repairs and disaster recovery. After the completion of construction, road assets are transferred to JEHDRA pursuant to Article 51.2 to 51.4 of the Special Measures Act. Long-term debt with variable interest rates is exposed to interest rate fluctuation risk.

The corporate bonds and loans denominated in foreign currencies are exposed to exchange rate fluctuation risk and interest rate fluctuation risk. For the purpose of hedging foreign currency exchange fluctuation risk and interest rate fluctuation risk, the Company enters into foreign currency swap contracts and interest-rate swaps when the corporate bonds and loans denominated in foreign currencies are issued and executed.

Derivative transactions where the foreign currency swaps and interest-rate swaps are designated as the hedging instruments and corporate bonds and loans denominated in foreign currencies as the hedged items are accounted for by the allocation method and the special treatment, respectively.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

20. Financial Instruments and Related Disclosures (continued)

Status of financial instruments (continued)

(3) Risk management for financial instruments

(a) Monitoring of credit risk

For managing credit risks arising from accounts receivable due from expressway business operations, other accounts receivable and contract assets, each related division of the Group monitors the collection, due dates and outstanding balances by customer. In addition, the Group periodically identifies the credit conditions of major customers.

For long-term loans with variable interest rates included in long-term debt for road construction, the Group includes contractual provisions allowing the Company to demand early redemption of certain debt under specific conditions.

(b) Monitoring of market risk

Marketable securities and investments in securities are regularly reviewed to assess their fair value and the financial condition of the issuer.

The corporate bonds and loans denominated in foreign currencies, which are exposed to foreign currency exchange risk and interest fluctuation risk, are monitored by each corporate bond and are controlled by utilizing currency swap transactions and interest-rate swap transactions, respectively.

(c) Monitoring of liquidity risk

Based on reports from each division of the Group, the Company prepares and updates cash flow plans on a timely basis and maintains appropriate liquidity levels to manage liquidity risk.

(d) Derivative transactions

The Company and certain subsidiaries enter into derivative transactions based on internal regulations but do not enter into derivative transactions for speculative or trading purposes. Currency swap contracts that meet certain conditions are accounted for by the allocation method. Interest-rate swap contracts that meet certain conditions are accounted for by the special treatment.

(4) Supplementary explanation about fair value of financial instruments

Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in a different fair value.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

20. Financial Instruments and Related Disclosures (continued)

Fair value of financial instruments

The carrying value of financial instruments on the accompanying consolidated balance sheets as of March 31, 2026 and 2025 and their estimated fair value are shown in the following table.

<i>Millions of yen</i>						
	March 31, 2026			March 31, 2025		
	Carrying value	Fair value	Difference	Carrying value	Fair value	Difference
Assets:						
Investments in securities (*2):	¥ 603	¥ 599	¥ (4)	¥ 434	¥ 432	¥ (2)
Total assets	<u>¥ 603</u>	<u>¥ 599</u>	<u>¥ (4)</u>	<u>¥ 434</u>	<u>¥ 432</u>	<u>¥ (2)</u>
Liabilities:						
Bonds for road construction (*4)	¥ 1,959,127	¥ 1,909,737	¥ (49,390)	¥ 1,740,551	¥ 1,663,953	¥ (76,598)
Long-term loans for road construction (*4)	153,631	152,466	(1,165)	180,818	170,911	(9,907)
Other long-term loans (*4)	50,000	47,614	(2,386)	50,421	48,377	(2,044)
Total liabilities	<u>¥ 2,162,758</u>	<u>¥ 2,109,817</u>	<u>¥ (52,941)</u>	<u>¥ 1,971,790</u>	<u>¥ 1,883,241</u>	<u>¥ (88,549)</u>
<i>Thousands of U.S. dollars</i>						
	March 31, 2026					
	Carrying value	Fair value	Difference			
Assets:						
Investments in securities (*2):	\$ 3,772	\$ 3,747	\$ (25)			
Total assets	<u>\$ 3,772</u>	<u>\$ 3,747</u>	<u>\$ (25)</u>			
Liabilities:						
Bonds for road construction (*4)	\$ 12,253,734	\$ 11,944,815	\$ (308,919)			
Long-term loans for road construction (*4)	960,914	953,627	(7,287)			
Other long-term loans (*4)	312,735	297,811	(14,924)			
Total liabilities	<u>\$ 13,527,383</u>	<u>\$ 13,196,253</u>	<u>\$ (331,130)</u>			

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

20. Financial Instruments and Related Disclosures (continued)

Fair value of financial instruments (continued)

- *1 Cash and deposits have not been presented due to the fact that the fair value of cash and deposits approximates the carrying value since cash has characteristic of cash and deposits are settled in a short period of time. In addition, accounts receivable due from expressway business operations, other accounts receivable and contract assets, accounts payable due to expressway business operations, short-term loans, other accounts payable and income and other taxes payable have not been presented due to the fact that the fair value of these items approximates the carrying value since these items are settled in a short period of time.
- *2 Financial instruments such as stocks with no market price as of March 31, 2026 and 2025 are not included above tables, and are summarized as follows:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	March 31, 2026	March 31, 2025	March 31, 2026
Unlisted stocks:			
Investments in securities	¥ 9,431	¥ 8,689	\$ 58,988

- *3 Please refer to Note 21 “Derivative Financial Instruments and Hedging Activities” for information on derivative transactions.
- *4 Bonds for road construction, long-term loans for road construction and other long-term loans include both current and non-current balances.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

20. Financial Instruments and Related Disclosures (continued)

Fair value of financial instruments (continued)

The redemption schedule for cash and deposits, accounts receivable due from expressway business operations and other accounts receivable and contract assets at March 31, 2026 are as follows:

<i>Millions of yen</i>				
2026				
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and deposits	¥ 268,384	¥ –	¥ –	¥ –
Accounts receivable due from expressway business operations	90,768	–	–	–
Other accounts receivable and contract assets	21,822	38,900	16,199	–
Investments in securities:				
Held-to-maturity debt securities				
National and local government bonds	–	99	–	–
Corporate bonds	–	100	–	–
Total	¥ 380,974	¥ 39,099	¥ 16,199	¥ –

<i>Thousands of U.S. dollars</i>				
2026				
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and deposits	\$ 1,678,659	\$ –	\$ –	\$ –
Accounts receivable due from expressway business operations	567,726	–	–	–
Other accounts receivable and contract assets	136,490	243,307	101,320	–
Investments in securities:				
Held-to-maturity debt securities				
National and local government bonds	–	619	–	–
Corporate bonds	–	626	–	–
Total	\$ 2,382,875	\$ 244,552	\$ 101,320	\$ –

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

20. Financial Instruments and Related Disclosures (continued)

Breakdown of fair value of financial instruments by hierarchy level

Fair value of financial instruments is categorized into the following three hierarchy levels according to the observability and materiality of the inputs used to calculate the fair value.

- Level 1 fair value : Fair value calculated based on quoted market prices in active markets for the assets or liabilities, which are among the inputs to calculate observable fair value.
- Level 2 fair value : Fair value calculated using inputs to calculate observable fair value other than that used in the calculation of Level 1 fair value.
- Level 3 fair value : Fair value calculated using inputs related to calculate the unobservable fair value.

When more than one input is used in the calculation of fair value, the fair value is classified based on the lowest level of input that is significant to the fair value measurement as a whole.

Financial instruments recorded at fair value at March 31, 2026 and 2025 in the consolidated balance sheets are as follows:

	<i>Millions of yen</i>			
	2026			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments in securities:				
Other securities				
Stocks	¥ 404	¥ –	¥ –	¥ 404
Total assets	¥ 404	¥ –	¥ –	¥ 404
	<i>Millions of yen</i>			
	2025			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments in securities:				
Other securities				
Stocks	¥ 335	¥ –	¥ –	¥ 335
Total assets	¥ 335	¥ –	¥ –	¥ 335
	<i>Thousands of U.S. dollars</i>			
	2026			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments in securities:				
Other securities				
Stocks	\$ 2,527	\$ –	\$ –	\$ 2,527
Total assets	\$ 2,527	\$ –	\$ –	\$ 2,527

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

20. Financial Instruments and Related Disclosures (continued)

Breakdown of fair value of financial instruments by hierarchy level (continued)

Financial instruments other than those recorded at fair value at March 31, 2026 and 2025 in the consolidated balance sheets are as follows:

<i>Millions of yen</i>				
2026				
	Level 1	Level 2	Level 3	Total
Assets:				
Investments in securities:				
Held-to-maturity debt securities				
National and local government bonds	¥ 98	¥ –	¥ –	¥ 98
Corporate bonds	97	–	–	97
Total assets	¥ 195	¥ –	¥ –	¥ 195
Liabilities:				
Bonds for road construction (*)	¥ –	¥ 1,909,737	¥ –	¥ 1,909,737
Long-term loans for road construction (*)	–	152,466	–	152,466
Other long-term loans (*)	–	47,614	–	47,614
Total liabilities	¥ –	¥ 2,109,817	¥ –	¥ 2,109,817
<i>Millions of yen</i>				
2025				
	Level 1	Level 2	Level 3	Total
Assets:				
Investments in securities:				
Held-to-maturity debt securities				
Corporate bonds	¥ 97	¥ –	¥ –	¥ 97
Total assets	¥ 97	¥ –	¥ –	¥ 97
Liabilities:				
Bonds for road construction (*)	¥ –	¥ 1,663,953	¥ –	¥ 1,663,953
Long-term loans for road construction (*)	–	170,911	–	170,911
Other long-term loans (*)	–	48,377	–	48,377
Total liabilities	¥ –	¥ 1,883,241	¥ –	¥ 1,883,241

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

20. Financial Instruments and Related Disclosures (continued)

Breakdown of fair value of financial instruments by hierarchy level (continued)

<i>Thousands of U.S. dollars</i>				
2026				
	Level 1	Level 2	Level 3	Total
Assets:				
Investments in securities:				
Held-to-maturity debt securities				
National and local government bonds	\$ 613	\$ –	\$ –	\$ 613
Corporate bonds	607	–	–	607
Total assets	<u>\$ 1,220</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 1,220</u>
Liabilities:				
Bonds for road construction (*)	\$ –	\$ 11,944,815	\$ –	\$ 11,944,815
Long-term loans for road construction (*)	–	953,627	–	953,627
Other long-term loans (*)	–	297,811	–	297,811
Total liabilities	<u>\$ –</u>	<u>\$ 13,196,253</u>	<u>\$ –</u>	<u>\$ 13,196,253</u>

* Bonds for road construction, long-term loans for road construction and other long-term loans include both current and non-current balances.

Explanation of valuation methods used to calculate fair value and inputs used to calculate fair value is as follows:

Investments in securities

Fair value of listed stocks, national and local government bonds and corporate bonds is measured using quoted market prices. As they are traded in an active market, they are classified as Level 1 fair value.

Bonds for road construction

Fair value of bonds issued by the Company is calculated mainly based on market prices. As they are traded infrequently in the market and are not considered to be quoted market prices in an active market, they are classified as Level 2 fair value.

Long-term loans for road construction and other long-term loans

Fair value of long-term loans with floating interest rates is measured based on the carrying value, since these items reflect market interest rates in the short term and there have been no significant changes in the Company's financial condition that would negatively impact its credit status after execution. Fair value of long-term loans with fixed interest rates is calculated based on the discounted present value of the principal and interest payments using the corresponding fixed interest rate for new debt with the same terms and conditions. As they are not considered to be quoted market prices in an active market, they are classified as Level 2 fair value.

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

21. Derivative Financial Instruments and Hedging Activities

The contract amount and the fair value of the derivative instruments outstanding which qualified for hedge accounting at March 31, 2026 and 2025 are as follows:

			<i>Millions of yen</i>		
			2026		
Hedge accounting method	Hedging instrument	Main hedged item	Contract amount	Contract amount over one year	Fair value
Allocation method for currency swaps	Currency swaps	Bonds for road construction	¥ 84,127	¥ 77,570	*1
Total			¥ 84,127	¥ 77,570	
			<i>Millions of yen</i>		
			2025		
Hedge accounting method	Hedging instrument	Main hedged item	Contract amount	Contract amount over one year	Fair value
Allocation method for currency swaps	Currency swaps	Bonds for road construction	¥ 95,551	¥ 44,326	*1
Allocation method for currency swaps	Currency swaps	Short-term loans	8,512	—	*2
Total			¥ 104,063	¥ 44,326	
			<i>Thousands of U.S. dollars</i>		
			2026		
Hedge accounting method	Hedging instrument	Main hedged item	Contract amount	Contract amount over one year	Fair value
Allocation method for currency swaps	Currency swaps	Bonds for road construction	\$ 526,188	\$ 485,176	*1
Total			\$ 526,188	\$ 485,176	

*1 Because the currency swap contracts using the allocation method are accounted for as combined with the bonds for road construction as hedged items, their fair value is included in the fair value of such bonds for road construction.

*2 Because the currency swap contracts using the allocation method are accounted for as combined with the short-term loans as hedged items, their fair value is included in the fair value of such short-term loans.

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

22. Business Combinations

Acquisition of Yocht Co., Ltd.

On October 1, 2024, NEXCO Central Nippon Services Co., Ltd., the Company's consolidated subsidiary, acquired 541 shares of Yocht Co., Ltd. at a cost of ¥34 million. Yocht Co., Ltd. has been engaged in temporary staffing services, and the purpose of this acquisition is to ensure the expansion of temporary staffing services. Because the percentage of voting rights acquired equals 51.0%, Yocht Co., Ltd. became a consolidated subsidiary of the Company. As a result of the acquisition, ¥24 million of goodwill was recognized, corresponding to the excess earning power expected from temporary staffing services, which was immediately amortized during the year ended March 31, 2025.

Yocht Co., Ltd. has a fiscal year end of March 31 and its operating results from October 1, 2024 to March 31, 2025 have been included in the consolidated financial statements. The assets and liabilities of Yocht Co., Ltd. on the date of the business combination are as follows:

October 1, 2024	<i>Millions of yen</i>
Current assets	¥ 73
Non-current assets	1
Total assets	¥ 74
Current liabilities	¥ 25
Non-current liabilities	30
Total liabilities	¥ 55

Pro forma information in the consolidated statement of operations for the year ended March 31, 2025, as if the business combination had been completed at the beginning of the year ended March 31, 2025, is as follows:

2025	<i>Millions of yen</i>
Net sales	¥ 130
Operating income	13
Ordinary income	13
Loss before income taxes	(17)
Loss attributable to owner of parent	¥ (9)
2025	<i>Yen</i>
Per share amounts of loss attributable to owner of parent	¥ (0.07)

(Calculation method of estimated amounts)

This assumes that the acquisition date for this business combination was April 1, 2024, and the pro forma information is calculated based on the acquired company's statement of income for the year from April 1, 2024 to March 31, 2025. This information is unaudited.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

23. Revenue Recognition

Revenues from contracts with customers

In operating revenues, the Group does not separately present revenues from contracts with customers and other revenues.

Disaggregation of revenues from contracts with customers by segment

A disaggregation of revenues from contracts with customers for the years ended March 31, 2026 and 2025 is as follows:

<i>Millions of yen</i>				
2026				
Reportable segments				
	Expressway business	Rest area business	Other related business	Total
Toll fee	¥ 705,431	¥ –	¥ –	¥ 705,431
Completion of road assets	459,296	–	–	459,296
Revenues in commissioned business	0	–	33,530	33,530
Others	1,264	11,500	5,581	18,345
Revenues from contracts with customers	1,165,991	11,500	39,111	1,216,602
Other revenues	4	24,145	869	25,018
Sales to third parties	¥ 1,165,995	¥ 35,645	¥ 39,980	¥ 1,241,620

<i>Millions of yen</i>				
2025				
Reportable segments				
	Expressway business	Rest area business	Other related business	Total
Toll fee	¥ 687,177	¥ –	¥ –	¥ 687,177
Completion of road assets	273,516	–	–	273,516
Revenues in commissioned business	0	–	64,105	64,105
Others	1,858	10,821	7,293	19,972
Revenues from contracts with customers	962,551	10,821	71,398	1,044,770
Other revenues	3	23,407	625	24,035
Sales to third parties	¥ 962,554	¥ 34,228	¥ 72,023	¥ 1,068,805

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

23. Revenue Recognition (continued)

Disaggregation of revenues from contracts with customers by segment (continued)

<i>Thousands of U.S. dollars</i>				
2026				
	Reportable segments			Total
	Expressway business	Rest area business	Other related business	
Toll fee	\$ 4,412,253	\$ –	\$ –	\$ 4,412,253
Completion of road assets	2,872,755	–	–	2,872,755
Revenues in commissioned business	0	–	209,719	209,719
Others	7,905	71,929	34,908	114,742
Revenues from contracts with customers	7,292,913	71,929	244,627	7,609,469
Other revenues	25	151,019	5,436	156,480
Sales to third parties	\$ 7,292,938	\$ 222,948	\$ 250,063	\$ 7,765,949

Information to provide a basis for understanding revenues from contracts with customers

The Group describes information to provide a basis for understanding revenues from contracts with customers in Note 1 (r) “Recognition of revenues and costs.”

Information on the relationship between satisfying performance obligations based on contracts with customers and cash flows arising from the contracts, and the amounts and terms of revenues projected to be recognized subsequent to the balance sheet date from contracts with customers at the fiscal year end

(1) Balances of contract assets, contract liabilities and others

Beginning and ending balances of accounts receivable from contracts with customers, contract assets and contract liabilities for the fiscal years ended March 31, 2026 and 2025 are as follows:

	<i>Millions of yen</i>	
	March 31, 2026	April 1, 2025
Accounts receivable from contracts with customers	¥ 135,022	¥ 75,392
Contract assets	26,058	65,296
Contract liabilities	40,190	36,035

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

23. Revenue Recognition (continued)

Information on the relationship between satisfying performance obligations based on contracts with customers and cash flows arising from the contracts, and the amounts and terms of revenues projected to be recognized subsequent to the balance sheet date from contracts with customers at the fiscal year end (continued)

(1) Balances of contract assets, contract liabilities and others (continued)

	<i>Millions of yen</i>	
	March 31, 2025	April 1, 2024
Accounts receivable from contracts with customers	¥ 75,392	¥ 151,992
Contract assets	65,296	33,331
Contract liabilities	36,035	31,704

	<i>Thousands of U.S. dollars</i>	
	March 31, 2026	April 1, 2025
Accounts receivable from contracts with customers	\$ 844,521	\$ 471,554
Contract assets	162,985	408,406
Contract liabilities	251,376	225,388

Contract assets are mainly unbilled receivables related to recognized revenues based on measurement about the percentage of completion at the ending balance for construction contracts related to commissioned business and the Company's rights for consideration of construction. Contract assets are transferred to accounts receivable from contracts with customers when the Company's rights for consideration of construction are without condition.

Contract liabilities are mainly allowance for ETC mileage program which is provided as an estimate of the total costs expected to be incurred subsequent to the balance sheet date based on the outstanding number of points at the end of each fiscal year and advances received from customers in commissioned business. Contract liabilities are reversed according to revenue recognition.

The amounts of recognized revenues, which is included in the beginning balance of contract liabilities are immaterial for the years ended March 31, 2026 and 2025.

In addition, the decrease in contract assets of ¥39,238 million (\$245,421 thousand) for the year ended March 31, 2026 and the increase in contract assets of ¥31,965 for the year ended March 31, 2025 were mainly due to the decrease or increase in unbilled amounts related to revenues recognized based on the percentage of completion method for construction contracts involving contracted services as of March 31, 2026 and 2025.

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

23. Revenue Recognition (continued)

Information on the relationship between satisfying performance obligations based on contracts with customers and cash flows arising from the contracts, and the amounts and terms of revenues projected to be recognized subsequent to the balance sheet date from contracts with customers at the fiscal year end (continued)

(1) Balances of contract assets, contract liabilities and others (continued)

Fluctuation of balances of contract liabilities are immaterial for the years ended March 31, 2026 and 2025. In addition, recognized revenues from performance obligations that have been satisfied or partially satisfied in the previous year are immaterial for the years ended March 31, 2026 and 2025.

(2) Transaction price allocated to residual performance obligations

During the years ended March 31, 2026 and 2025, total transaction price allocated to unsatisfied performance obligations for ETC mileage program and construction contracts related to commissioned business is ¥357,323 million (\$2,234,945 thousand) and ¥285,544 million, respectively.

The residual performance obligations are expected to be recognized as revenues, as the points for the ETC mileage program are granted and the performance obligations due to the progress of construction for advances received from customers in commissioned business.

The Group applies the practical expedient about note of transaction price allocated to residual performance obligations and therefore the contracts which set original expected contract terms within one year are not included in the notes.

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

24. Segment Information

(1) Outline of reporting segments

Reportable segments of the Company are components for which separate financial information is available and whose operating results are regularly reviewed by the management to determine the allocation of management resources and assess the business performance.

The Company's business segments are classified by different products and services based on their business domains. The Company's business segments consist of the following reportable segments: expressway business, rest area business and other related business.

Details on the reportable segments are as follows:

- Expressway business : Construction, reconstruction, maintenance, repairs, disaster recovery, and other management activities involving the expressway business
- Rest area business : Construction, management and operations of rest area businesses adjacent to expressways
- Other related business : Commissioned business, real estate business, tourism promotion business, overseas operation business, technology licensing business and other related business

(2) Calculation method of net sales, gain, loss, assets, liabilities and other items by each reporting segment

The accounting policies applied by each reporting segment are consistent with those described in Note 1 "Summary of Significant Accounting Policies."

Segment income (loss) presented in segment information is calculated based on operating income (loss) in the consolidated statements of operations.

In addition, property and equipment and intangible fixed assets related to common departments in the Company are not allocated to reportable segments. Related expenses, however, are allocated to each reportable segment based on a rational method.

Intersegment sales are determined in reference to market actual value.

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

24. Segment Information (continued)

Information on net sales, segment income or loss, segment assets and liabilities and other items by each reportable segment as of and for the years ended March 31, 2026 and 2025 is outlined as follows:

<i>Millions of yen</i>						
2026						
	Reportable segments			Total	Adjustments	Consolidated
	Expressway business	Rest area business	Other related business			
Sales to third parties	¥ 1,165,995	¥ 35,645	¥ 39,980	¥ 1,241,620	¥ –	¥ 1,241,620
Intersegment sales and transfers	20	151	181	352	(352)	–
Net sales	1,166,015	35,796	40,161	1,241,972	(352)	1,241,620
Segment (loss) income	¥ (6,048)	¥ 6,377	¥ (145)	¥ 184	¥ 11	¥ 195
Segment assets	¥ 2,130,220	¥ 184,027	¥ 62,302	¥ 2,376,549	¥ 356,900	¥ 2,733,449
Segment liabilities	2,112,757	–	50,000	2,162,757	276,204	2,438,961
Other items:						
Depreciation and amortization	22,032	3,488	275	25,795	–	25,795
Investments in affiliates	6,950	–	2,464	9,414	–	9,414
Increase in property and equipment and intangible fixed assets	38,657	4,493	644	43,794	1,417	45,211

<i>Millions of yen</i>						
2025						
	Reportable segments			Total	Adjustments	Consolidated
	Expressway business	Rest area business	Other related business			
Sales to third parties	¥ 962,554	¥ 34,228	¥ 72,023	¥ 1,068,805	¥ –	¥ 1,068,805
Intersegment sales and transfers	21	169	49	239	(239)	–
Net sales	962,575	34,397	72,072	1,069,044	(239)	1,068,805
Segment (loss) income	¥ (5,773)	¥ 6,348	¥ 1,319	¥ 1,894	¥ 10	¥ 1,904
Segment assets	¥ 2,123,643	¥ 177,779	¥ 25,158	¥ 2,326,580	¥ 241,431	¥ 2,568,011
Segment liabilities	1,921,369	–	50,422	1,971,791	309,678	2,281,469
Other items:						
Depreciation and amortization	22,697	3,532	286	26,515	–	26,515
Investments in affiliates	6,328	–	2,335	8,663	–	8,663
Increase in property and equipment and intangible fixed assets	25,590	4,052	416	30,058	2,303	32,361

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

24. Segment Information (continued)

<i>Thousands of U.S. dollars</i>						
2026						
	Reportable segments			Total	Adjustments	Consolidated
	Expressway business	Rest area business	Other related business			
Sales to third parties	\$ 7,292,938	\$ 222,948	\$ 250,063	\$ 7,765,949	\$ –	\$ 7,765,949
Intersegment sales and transfers	125	945	1,132	2,202	(2,202)	–
Net sales	7,293,063	223,893	251,195	7,768,151	(2,202)	7,765,949
Segment (loss) income	\$ (37,828)	\$ 39,886	\$ (908)	\$ 1,150	\$ 69	\$ 1,219
Segment assets	\$ 13,323,868	\$ 1,151,032	\$ 389,680	\$ 14,864,580	\$ 2,232,299	\$ 17,096,879
Segment liabilities	13,214,642	–	312,735	13,527,377	1,727,571	15,254,948
Other items:						
Depreciation and amortization	137,803	21,816	1,721	161,340	–	161,340
Investments in affiliates	43,470	–	15,412	58,882	–	58,882
Increase in property and equipment and intangible fixed assets	241,788	28,102	4,028	273,918	8,863	282,781

Adjustments in the above tables:

The adjustments of segment (loss) income in the amounts of ¥11 million (\$69 thousand) and ¥10 million for the years ended March 31, 2026 and 2025, respectively, are eliminations of intersegment transactions.

The adjustments of segment assets in the amounts of ¥356,900 million (\$2,232,299 thousand) and ¥241,431 million at March 31, 2026 and 2025, respectively, include corporate assets not allocated to reportable segments, mainly consisting of cash, deposits and assets related common departments in the Company.

The adjustments of segment liabilities in the amounts of ¥276,204 million (\$1,727,571 thousand) and ¥309,678 million at March 31, 2026 and 2025, respectively, include corporate liabilities not allocated to reportable segments, principally consisting of other accounts payable and liabilities for retirement benefits.

The adjustments of property and equipment and intangible fixed assets in the amounts of ¥1,417 million (\$8,863 thousand) and ¥2,303 million for the years ended March 31, 2026 and 2025, respectively, include corporate assets not allocated to reportable segments, principally consisting of system development by the Company.

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

24. Segment Information (continued)

Information on each product and service for the years ended March 31, 2026 and 2025 is analyzed as follows:

<i>Millions of yen</i>				
2026				
	Toll fee	Completion of road assets	Other	Total
Sales to third parties	¥ 705,431	¥ 459,296	¥ 76,893	¥ 1,241,620
<i>Millions of yen</i>				
2025				
	Toll fee	Completion of road assets	Other	Total
Sales to third parties	¥ 687,177	¥ 273,516	¥ 108,112	¥ 1,068,805
<i>Thousands of U.S. dollars</i>				
2026				
	Toll fee	Completion of road assets	Other	Total
Sales to third parties	\$ 4,412,253	\$ 2,872,755	\$ 480,941	\$ 7,765,949

As more than 90% of the consolidated net sales for the years ended March 31, 2026 and 2025 were made in Japan, the disclosure of geographical segment information has been omitted.

As more than 90% of property and equipment in the consolidated balance sheets as of March 31, 2026 and 2025 are located in Japan, the disclosure of information on property and equipment by country or geographic region has been omitted.

Sales to JEHDRA amounted to ¥459,667 million (\$2,875,075 thousand) and ¥274,513 million by the expressway business segment for the years ended March 31, 2026 and 2025, respectively.

There was no loss on impairment of fixed assets by reportable segment for the year ended March 31, 2026.

Information on loss on impairment of fixed assets by reportable segment for the year ended March 31, 2025 is as follows:

<i>Millions of yen</i>						
2025						
	Expressway business	Rest area business	Other related business	Total	Adjustments (*)	Consolidated
Loss on impairment of fixed assets	¥ –	¥ –	¥ 577	¥ 577	¥ –	¥ 577

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

24. Segment Information (continued)

Information on amortization of goodwill and the remaining balance by reportable segment as of and for the years ended March 31, 2026 and 2025, respectively, is as follows:

<i>Millions of yen</i>						
2026						
	Expressway business	Rest area business	Other related business	Total	Adjustments	Consolidated
Amortization of goodwill	¥ 18	¥ –	¥ –	¥ 18	¥ –	¥ 18
Remaining balance	17	–	–	17	–	17
<i>Millions of yen</i>						
2025						
	Expressway business	Rest area business	Other related business	Total	Adjustments	Consolidated
Amortization of goodwill	¥ 53	¥ –	¥ –	¥ 53	¥ –	¥ 53
Remaining balance	35	–	–	35	–	35
<i>Thousands of U.S. dollars</i>						
2026						
	Expressway business	Rest area business	Other related business	Total	Adjustments	Consolidated
Amortization of goodwill	\$ 113	\$ –	\$ –	\$ 113	\$ –	\$ 113
Remaining balance	106	–	–	106	–	106

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

24. Segment Information (continued)

Information on amortization of negative goodwill arising from business combinations before April 1, 2010 and the remaining balance by reportable segment as of and for the years ended March 31, 2026 and 2025 is as follows:

<i>Millions of yen</i>						
2026						
	Expressway business	Rest area business	Other related business	Total	Adjustments	Consolidated
Amortization of negative goodwill	¥ –	¥ –	¥ –	¥ –	¥ 342	¥ 342
Remaining balance	–	–	–	–	762	762
<i>Millions of yen</i>						
2025						
	Expressway business	Rest area business	Other related business	Total	Adjustments	Consolidated
Amortization of negative goodwill	¥ –	¥ –	¥ –	¥ –	¥ 342	¥ 342
Remaining balance	–	–	–	–	1,105	1,105
<i>Thousands of U.S. dollars</i>						
2026						
	Expressway business	Rest area business	Other related business	Total	Adjustments	Consolidated
Amortization of negative goodwill	\$ –	\$ –	\$ –	\$ –	\$ 2,139	\$ 2,139
Remaining balance	–	–	–	–	4,766	4,766

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

25. Related Party Transactions

Principal transactions during the years ended March 31, 2026 and 2025 between the Company and the Ministry of Finance (Minister of Finance) of Japan, which is the exclusive shareholder of the Company are summarized as follows:

2026						
Relationship with the related party	Nature of transaction	Transaction amount (Millions of yen)	Transaction amount (Thousands of U.S. dollars)	Account name	Carrying amount (Millions of yen)	Carrying amount (Thousands of U.S. dollars)
Financing funds and others	Financing funds (*1)	¥ —	\$ —	Other long-term loans	¥ 50,000	\$ 312,735
	Interest expenses (*1)	25	156	Other current liabilities	7	44
2025						
Relationship with the related party	Nature of transaction	Transaction amount (Millions of yen)	Account name	Carrying amount (Millions of yen)		
Financing funds and others	Financing funds (*1)	¥ —	Long-term loans for road construction	¥ 33,000		
			Other long-term loans	50,000		
	Interest expenses (*1)	25	Other current liabilities	7		

The Ministry of Finance of Japan, which is located in the city of Chiyoda in Tokyo, is a Japanese government ministry conducting financial operations.

(*1) Interest rates are qualified for Fiscal Investment and Loan Program of the Ministry of Finance of Japan. No assets of the Company have been pledged as collateral.

Central Nippon Expressway Company Limited and
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Notes to Consolidated Financial Statements (continued)

25. Related Party Transactions (continued)

Principal transactions between the Company and JEHDRA for the years ended March 31, 2026 and 2025 are summarized as follows:

2026						
Relationship with the related party	Nature of transaction	Transaction amount (Millions of yen)	Transaction amount (Thousands of U.S. dollars)	Account name	Carrying amount (Millions of yen)	Carrying amount (Thousands of U.S. dollars)
Leasing of road assets	Road assets leasing expenses (*1)	¥ 501,440	\$ 3,136,352	Accounts payable due to expressway business operations	¥ 61,148	\$ 382,462
	Revenues from the transfer of road assets constructed by the Company (*1)	459,296	2,872,755	Accounts receivable due from expressway business operations	23,489	146,916
Transfer of road assets and loans and jointly and severally liable debts	Transfer of liabilities and guarantee of debts (*2)	487,326	3,048,074	—	—	—
	Guarantee of debts (*3)	120,000	750,563	—	—	—
Jointly and severally liable for debts	Guarantee of debts (*4)	232,247	1,452,633	—	—	—
2025						
Relationship with the related party	Nature of transaction	Transaction amount (Millions of yen)	Account name	Carrying amount (Millions of yen)		
Leasing of road assets	Road assets leasing expenses (*1)	¥ 492,988	Accounts payable due to expressway business operations	¥ 78,198		
	Revenues from the transfer of road assets constructed by the Company (*1)	273,516	Accounts receivable due from expressway business operations	5,664		
Transfer of road assets and loans and jointly and severally liable debts	Transfer of liabilities and guarantee of debts (*2)	378,245	—	—		
	Guarantee of debts (*3)	120,000	—	—		
Jointly and severally liable for debts	Guarantee of debts (*4)	359,703	—	—		

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

25. Related Party Transactions (continued)

The capital of JEHDRA is mainly provided by the Minister of Finance, which is the shareholder of the Company. JEHDRA's share capital at March 31, 2025 and 2024 amounted to ¥5,651,791 million (\$35,350,206 thousand) and ¥5,651,733 million, respectively.

JEHDRA, which is located in the city of Yokohama in Kanagawa Prefecture, is engaged in business activities involving holding road assets, leasing of road assets to the Company and repayment of debts it has assumed.

Applicable consumption taxes are not included in the transaction amounts but are included in carrying amounts in the above table.

(*1) Agreements are concluded based on negotiations between the Company and JEHDRA.

(*2) Pursuant to Article 15 of the JEHDRA Act, the Company is jointly and severally liable for the debt transferred to JEHDRA corresponding to costs for construction of expressways, reconstruction, repairs and disaster recovery. Related guarantee fees are not received by the Company.

(*3) Pursuant to Article 16 of the Implementation Act, the Company is jointly and severally liable with JEHDRA, E-NEXCO and W-NEXCO for the loans and road bonds succeeded to by JEHDRA, E-NEXCO or W-NEXCO from JHPC (excluding loans from the Japanese government, loans succeeded to by JEHDRA and bonds held by the Japanese government). Related guarantee fees are not received by the Company.

(*4) Pursuant to Article 15 of the JEHDRA Act, the Company is jointly and severally liable for the debt transferred to JEHDRA in the amount corresponding to costs for construction of expressways, reconstruction, repairs and disaster recovery by the year ended March 31, 2025. Related guarantee fees are not received by the Company.

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Notes to Consolidated Financial Statements (continued)

26. Other Comprehensive Income (Loss)

The following table presents an analysis of components of other comprehensive income (loss) for the years ended March 31, 2026 and 2025.

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2026	2025	2026
Net unrealized holding gain on securities:			
Amount arising during the year	¥ 68	¥ 25	\$ 425
Amount before income taxes and tax effects	68	25	425
Income taxes and tax effects	(29)	(10)	(181)
Net unrealized holding gain on securities	39	15	244
Translation adjustments:			
Amount arising during the year	20	(11)	125
Retirement benefits liability adjustments:			
Amount arising during the year	9,460	10,814	59,169
Reclassification adjustments for gain and loss included in profit	522	1,429	3,265
Amount before income taxes and tax effects	9,982	12,243	62,434
Income taxes and tax effects	(2,111)	(227)	(13,203)
Retirement benefits liability adjustments	7,871	12,016	49,231
Share of other comprehensive income of affiliates accounted for by the equity method:			
Amount arising during the year	255	257	1,595
Total other comprehensive income	¥ 8,185	¥ 12,277	\$ 51,195

Central Nippon Expressway Company Limited and its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

27. Subsequent Events

(1) Issuance of Corporate Bond

The Company issued general corporate bond to finance funds pursuant to Article 5.1.1 and 5.1.2 of the Act on Expressway Companies of Japan. A statutory lien was pledged in accordance with the applicable law.

The details are as follows:

	Total amount issued	Interest rate	Issue price	Issuance date	Redemption date
No.119 Bond of Central Nippon Expressway Company Limited	¥100,000 million (\$625,469 thousand)	2.184% per annum	100% of face value	May 21, 2026	May 21, 2031

The following special provisions were attached to the bond.

- (i) JEHDRA is jointly and severally liable with the Company for the corresponding obligation, to the extent that the obligation related to the bond is assumed by JEHDRA pursuant to the JEHDRA Act.
- (ii) When the obligation is assumed by JEHDRA, total assets of JEHDRA will be additionally pledged as collateral for bond holders.
- (iii) The order of lien by bond holders is equivalent to that of holders of the Japan Expressway Holding and Debt Repayment Agency Bond.

(2) Establishment of subsidiaries

The Board of Directors meeting of the Company resolved to establish a wholly-owned subsidiary, tentatively named NEXCO Central Nippon Smart Digital Co., Ltd., in July, 2026, for the purpose of promoting digital transformation and engaging in procurement of devices and software, network setup, system operation and others across the Group entirely.

The share capital of the subsidiary is expected to be ¥30 million (\$188 thousand) and the Company plans to obtain 60,000 shares of NEXCO Central Nippon Smart Digital Co., Ltd., representing 100.0% of the voting rights, at a cost of ¥60 million (\$375 thousand).

Additionally, the Board of Directors meeting of the Company resolved to establish a wholly-owned subsidiary, tentatively named NEXCO Central Nippon Partners Co., Ltd., in October, 2026, for the purpose of promoting the employment of people with disabilities and engaging in document digitization, business card printing and others across the Group entirely.

The share capital of the subsidiary is expected to be ¥50 million (\$313 thousand) and the Company plans to obtain 10,000 shares of NEXCO Central Nippon Partners Co., Ltd., representing 100.0% of the voting rights, at a cost of ¥50 million (\$313 thousand).

Central Nippon Expressway Company Limited and its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

28. Significant Subsidiaries and Affiliates

The Company's consolidated subsidiaries and significant affiliates accounted for by the equity method are presented as follows:

Name	Ownership interest	Country of incorporation	Subsidiaries / affiliates
Central Nippon Exis Co., Ltd.	100.0%	Japan	Consolidated subsidiary
Central Nippon Extoll Yokohama Co., Ltd.	100.0	Japan	Consolidated subsidiary
Central Nippon Extoll Nagoya Co., Ltd.	100.0	Japan	Consolidated subsidiary
Central Nippon Highway Patrol Tokyo Co., Ltd.	100.0	Japan	Consolidated subsidiary
Central Nippon Highway Patrol Nagoya Co., Ltd.	100.0	Japan	Consolidated subsidiary
Central Nippon Highway Engineering Tokyo Co., Ltd.	100.0	Japan	Consolidated subsidiary
Central Nippon Highway Engineering Nagoya Co., Ltd.	100.0	Japan	Consolidated subsidiary
Central Nippon Highway Maintenance Tomei Co., Ltd.	100.0	Japan	Consolidated subsidiary
Central Nippon Highway Maintenance Chuoh Co., Ltd.	100.0	Japan	Consolidated subsidiary
Central Nippon Highway Maintenance Nagoya Co., Ltd.	100.0	Japan	Consolidated subsidiary
Central Nippon Highway Maintenance Hokuriku Co., Ltd.	100.0	Japan	Consolidated subsidiary
NEXCO Central Nippon Services Co., Ltd.	100.0	Japan	Consolidated subsidiary
Central-NEXCO Technical Marketing Co., Ltd.	100.0	Japan	Consolidated subsidiary
NEXCO Central Nippon Investment LLC	100.0	Japan	Consolidated subsidiary
NEXCO Highway Solutions of America Inc.	100.0	United States of America	Consolidated subsidiary
NEXCO-CENTRAL Philippines Inc.	100.0	Republic of the Philippines	Consolidated subsidiary
OASIS PARK Co., Ltd.	54.3	Japan	Consolidated subsidiary
Central Nippon Highway Retail Co., Ltd.	100.0	Japan	Consolidated subsidiary
Central Nippon Highway Advance Co., Ltd.	100.0	Japan	Consolidated subsidiary
Central Nippon Commercial Facilities Management Co., Ltd.	100.0	Japan	Consolidated subsidiary
Central Nippon Exis International Co., Ltd.	100.0	Taiwan	Consolidated subsidiary
Central-NEXCO Auto Service Co., Ltd.	100.0	Japan	Consolidated subsidiary
Yocht Co., Ltd.	51.0	Japan	Consolidated subsidiary
NEXCO Central Nippon Development Co., Ltd.	100.0	Japan	Consolidated subsidiary
Hakone Turnpike Limited	100.0	Japan	Consolidated subsidiary

Central Nippon Expressway Company Limited and
its Consolidated Subsidiaries

Notes to Consolidated Financial Statements (continued)

28. Significant Subsidiaries and Affiliates (continued)

Name	Ownership interest	Country of incorporation	Subsidiaries / affiliates
Hokuriku Highway Terminal Co., Ltd.	27.7%	Japan	Equity-method affiliate
NEXCO System Solutions Co., Ltd.	33.3	Japan	Equity-method affiliate
Nippon Expressway Research Institute Co., Ltd.	33.3	Japan	Equity-method affiliate
Nexco Insurance Services Co., Ltd.	33.3	Japan	Equity-method affiliate
Nippon Expressway Toll Technology Co., Ltd.	30.3	Japan	Equity-method affiliate
Japan Expressway International Co., Ltd.	29.4	Japan	Equity-method affiliate
Central Nippon Farm Suzunari Co., Ltd.	39.0	Japan	Equity-method affiliate
Deros Japan Co., Ltd.	30.3	Japan	Equity-method affiliate