



# Central Nippon Expressway Company Limited

## ¥5,432,535,000,000

### Euro Medium Term Note Programme

This supplementary offering circular (the "**Supplementary Offering Circular**") is prepared in connection with the ¥5,432,535,000,000 Euro Medium Term Note Programme (the "**Programme**") of Central Nippon Expressway Company Limited (the "**Issuer**") and is supplemental to, and should be read in conjunction with, the offering circular dated 12 July 2024 and the first supplementary offering circular dated 22 August 2024, each prepared in connection with the Programme (together, the "**Offering Circular**").

This Supplementary Offering Circular is issued in order to (i) provide information with regard to the recent business of the Issuer as of and for the six-month period ended 30 September 2024, (ii) provide information with regard to the capitalisation and indebtedness of the Issuer as of 30 September 2024, and (iii) provide certain updated information with regard to the Issuer's business for the six-month period ended 30 September 2024.

Unless otherwise defined herein, terms defined in the Offering Circular have the same meanings when used in this Supplementary Offering Circular.

To the extent that there is any inconsistency between (a) any statement in this Supplementary Offering Circular and (b) any other statement in, or incorporated by reference into, the Offering Circular, the statements described in (a) above will prevail.

Approval-in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing of Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in the Offering Circular as supplemented by this Supplementary Offering Circular. Admission of any Notes to listing on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Programme or the Notes. Notes may also be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or that they will be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

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

*Arranger*

**SMBC NIKKO**

*Dealers*

**SMBC NIKKO**

**Mizuho**

**Daiwa Capital Markets Europe**

The date of this Supplementary Offering Circular is 13 February 2025.

## RECENT BUSINESS

The Issuer's unaudited semi-annual consolidated financial statements in English in respect of the six-month period ended 30 September 2024 (including the review report thereon and notes thereto) are, by virtue of paragraph (b) of the section "Documents Incorporated by Reference" in the Offering Circular, incorporated by reference into the Offering Circular.

The section "Recent Business" in the Offering Circular is updated as follows with regard to the six-month period ended 30 September 2024:

### **Consolidated Results for the Six-Month Period Ended 30 September 2024 Compared to Consolidated Results for the Six-Month Period Ended 30 September 2023**

#### *Overview*

In the six-month period ended 30 September 2024, the outlook for the Japanese economy showed signs of recovery, including improvements in production activities as well as employment and income environments, supported by a moderate upward trend in domestic demand such as personal consumption and private-sector capital investment. However, potential downside risks to the economy remain, such as a slowdown in overseas economies, inflationary pressures, and volatility in financial and capital markets.

In this environment, the Group recognises that its social mission to fulfil, such as the early development of the expressway network, promotion of systematic measures against the ageing of expressway assets, enhancement of resilience and response to disasters, and the development of service areas that will be the core of regional development, is becoming ever more important.

Against this background, the Group entered the fourth year of implementing the "Management Plan Challenge V (Five) 2021-2025". The Group steadily promoted its initiatives based on the management policies of "continuously working at improving expressway safety", "strengthening the functions of expressways and developing expressways such that they are widely used by customers", "setting new challenges to adapt to changes in the business environment such as digitalisation and decarbonisation", and "strengthening the management foundation to keep up with the expectations of the Group's stakeholders including its customers". In addition, in order to promote such management policies, the Group has been involved in improving the safety, reliability and convenience of expressways based on the "Safety and Security Implementation Plan of Expressways", which stipulates the strengthening of the functions of expressways as well as the development of expressways in response to innovations such as automated driving.

#### *Consolidated Results*

##### *Operating Revenues*

Consolidated operating revenues for the Group in the six-month period ended 30 September 2024 increased by 4.7 per cent. to ¥480,894 million, compared to ¥459,308 million for the six-month period ended 30 September 2023, principally reflecting an increase in operating revenues in the Expressway Business.

##### *Operating Expenses*

The Group's operating expenses increased in the six-month period ended 30 September 2024 by 6.2 per cent. to ¥459,181 million, compared to ¥432,535 million in the six-month period ended 30 September 2023, principally reflecting increases in road assets leasing expenses and cost of sales and administrative expenses for expressway business operations.

##### *Operating Income*

The Group's operating income for the six-month period ended 30 September 2024 amounted to ¥21,713 million, a decrease of 18.9 per cent. compared to ¥26,773 million for the six-month period ended 30 September 2023.

### *Other Income (Net)*

The Group's other income (net) amounted to ¥657 million for the six-month period ended 30 September 2024, compared to ¥450 million for the six-month period ended 30 September 2023. The increase principally reflected an increase in equity in earnings of affiliates and a decrease in loss on disposal of fixed assets.

### *Profit Before Income Taxes*

As a result of the above, the Group's profit before income taxes for the six-month period ended 30 September 2024 amounted to ¥22,371 million, a decrease of 17.8 per cent. compared to ¥27,223 million for the six-month period ended 30 September 2023.

### *Income Taxes and Non-Controlling Interests*

Income tax expenses for the six-month period ended 30 September 2024 was ¥6,181 million, as compared to ¥5,566 million for the six-month period ended 30 September 2023. The profit attributable to non-controlling interests for the six-month period ended 30 September 2024 was ¥20 million, as compared to ¥19 million for the six-month period ended 30 September 2023.

### *Profit Attributable to the Owner of the Parent*

As a result of the above, the profit attributable to the owner of the parent for the six-month period ended 30 September 2024 amounted to ¥16,170 million, a decrease of 25.3 per cent. compared to ¥21,638 million for the six-month period ended 30 September 2023.

### **Results by Reporting Segment**

In this section, where figures for operating revenues and operating income are presented on a per segment basis, such figures represent the total operating revenues or total operating income for such segment, as the case may be, without taking into account any inter-segment eliminations.

#### *Expressway Business*

In respect of the construction business in the six-month period ended 30 September 2024, the Group worked to strengthen functions and reduce "missing links" in the expressway network with a view to steadily and efficiently maintaining the expressway network and meeting community expectations, under the Group's management policy of "strengthening the functions of expressways and developing expressways such that they are widely used by customers".

The Group progressed its business steadily in relation to the following new construction projects: (i) the Shin-Tomei Expressway (between Shin-Hadano Interchange and Shin-Gotenba Interchange), (ii) the Tokyo-Gaikan Expressway (between Chuo Junction (tentative name) and Tomei Junction (tentative name)), and (iii) the Tokai-Kanjo Expressway (between Yamagata Interchange and Ono-Godo Interchange and between Yoro Interchange and Daian Interchange). It also progressed the following projects: (i) increase of traffic lanes to six lanes on the Shin-Meishin Expressway (between Kameyama-Nishi Junction and Koka-Tsuchiyama Interchange) and (ii) increase of traffic lanes to four lanes on the Tokai-Hokuriku Expressway (between Shirakawago Interchange and Oyabe-Tonami Junction), the Tokai-Kanjo Expressway (between Toki Junction and Minokamo Interchange) and the Kisei Expressway (between Seiwa-Taki Junction and Kisei-Ouchiyama Interchange).

Furthermore, the Group promoted "i-Construction", an initiative that aims to improve the production efficiency of the construction production system as a whole and thereby create attractive construction sites. As part of its efforts in i-Construction, the Group's model offices have been utilising ICT and three-dimensional data technologies to promote efficiency, automation and sophistication in construction, investigation, survey and design processes. The Group aims to fully implement ICT in these processes by the fiscal year ending 31 March 2026.

In the maintenance and services business, the Group, based on its corporate mission of "safety as top priority", undertakes measures such as inspection, maintenance, renovation and repair in order to establish a reliable expressway network and provide services that satisfy its customers, with safety as its top priority and with the aim of "continuously working at improving expressway safety", the Group's most important management policy.

Regarding inspections for road structures, the Group confirmed the status of road structures through day-to-day patrolling of the expressways. The Group also conducted detailed inspections of structures such as bridges and tunnels every five years including through close visual inspections based on the applicable rules and regulations. To the extent any damage is found to structures through such inspections, the Group systematically works to repair such damage. In its "Expressway Renewal Project", the Group is utilising the latest technology to reconstruct, repair or strengthen road structures in order to restore and to enhance their qualities and functions, with the aim of maintaining the sound functions of the expressway network in the long term. Furthermore, in January 2023, the Issuer, East Nippon Expressway Company and West Nippon Expressway Company jointly announced the "Renewal Plan (Overview)" which was drawn up based on newly acquired knowledge. In January 2024, they jointly formulated and announced the "Renewal Plan of East, Central and West Nippon Expressways" and obtained approval for their business activities from the Minister of LIT.

Taking into consideration the damage caused to bridges by the Kumamoto earthquake that occurred in April 2016, the Group is working to strengthen bridges to make them resistant to earthquakes and take countermeasures against bridge bearings from becoming displaced in the event of earthquakes in order to restore the functions of bridges as emergency transportation routes and for customers to use them safely. In January 2024, the Issuer, East Nippon Expressway Company, West Nippon Expressway Company and Honshu-Shikoku Bridge Expressway Company jointly announced the "Plan for Increasing Resistance of Expressways against Earthquakes (Overview)".

With regard to vehicles which infringe rules such as those relating to weight carried, which may cause material damage to road structures and lead to major traffic accidents, the Group took measures such as utilising vehicle weight scales and promoting the constant crack-down on infringing vehicles by maintaining automatic weight measuring devices. The Group has also adopted a penalty point system recording points according to the severity of the case. When the accumulated points reach a certain level, discounts for large-scale and frequent users will be suspended, and complaints are made in aggravated cases.

Following the Noto Peninsula Earthquake on 1 January 2024 (the "Noto Peninsula Earthquake"), the Group closed the Hokuriku Expressway (between Asahi Interchange and Maruoka Interchange) and the Tokai-Hokuriku Expressway (between Shirakawago Interchange and Oyabe-Tonami Junction). However, at 9 p.m., approximately five hours after the earthquake, the Group secured emergency transportation routes and completed emergency repair works on 18 damaged parts of its expressways which were found during inspections. At 9 p.m. on 2 January 2024, the Group released traffic suspension in respect of all sections of its expressways mentioned above. Subsequent aftershocks revealed an additional 12 damaged sites, bringing the total to 30, of which 29 under the Group's management were fully restored by 15 June 2024.

In conjunction with East Nippon Expressway Company and West Nippon Expressway Company, the Group has dispatched trucks with toilets and water tanks since 7 January 2024 with a view to supporting Suzu City, Wajima City, Shika Town and Nakanoto Town which are areas that have been severely affected by the Noto Peninsula Earthquake. By 27 June 2024, 103 trucks had been dispatched to 26 locations. Furthermore, to assist in the heavy rain disaster in the Noto Peninsula area of Ishikawa Prefecture which occurred in September 2024, eight toilet cars have been installed at three locations as of 30 September 2024.

With regard to the enhancement of response capabilities in the event of earthquakes and other large-scale disasters, the Group, in accordance with the Japanese Government's "Plan for Specific Emergency Countermeasures against the Nankai Trough Earthquakes", is working to ensure that emergency transportation routes are secured within 24 hours by utilising the expressway network to serve as wide-area transportation routes, while keeping in mind the important 72-hour period for lifesaving after a disaster strikes. In addition, the Group is working to ensure that rest facilities can be used as wide-area operational bases for activities such as emergency rescues and firefighting, medical care, supplies and fuel.

In addition, as a means of securing road traffic during heavy snowfall, the Group strengthened its snow clearing system, expanded monitoring cameras to detect standstill vehicles at an early stage, deployed rescue vehicles, gave advance notice of heavy snowfall and closure of roads, and strengthened cooperation with related organisations. In addition, in occasions of intensive snowfall in a short period of time, the Group took the basic approach of attempting to avoid large-scale traffic congestion, giving top priority to human life. For emergency announcements regarding heavy snowfall by the national government and snowfall that exceeded the Group's snowfall clearing ability, the Group worked on precautionary closure of roads. For sections where expressways and national roads were in parallel, in order to avoid large-scale traffic congestion due to traffic concentration on one road in case of closure of another road, the Group implemented "simultaneous traffic suspension" to stop expressways and national roads at the same time. From three days prior to when a heavy snowfall was expected,

the Group used a variety of media, including television advertisements and official websites, as well as social networking services, to thoroughly encourage people to refrain from going out. The Group stopped traffic without hesitation and carried out concentrated snow removal for early release of traffic suspension.

Further, the Group decided to strengthen countermeasures against stuck cars and large-scale traffic congestion in the event of sudden weather changes that drastically diverge from forecasts, such as staffing of full-time personnel for inspecting monitors, increasing patrol staff for inspecting snow and ice levels, increasing on-site personnel and the number of tractors, shovel cars and tow trucks in order to rescue stuck cars and support customers promptly and directing cars to progress along the expressways to nearby locations.

In order to prevent major accidents caused by vehicles operating the wrong way on expressways, the Group took measures for increasing customer awareness of traffic safety, taking concentrated measures at points of high accident frequency.

Regarding accident prevention, the Group completed the installation of wire ropes in earthwork sections and bridge sections less than 50 metres in length (instead of traffic poles which were previously in place to separate inbound and outbound lanes to prevent frontal collision accidents in the provisional two-lane sections) on segments of roads. In addition, the Group is trialling centre blocks and centre pipes in bridge sections which are over 50 metres in length and tunnel sections.

Regarding traffic control measures, the Group worked to alleviate traffic congestion through taking measures such as introducing additional lanes on the Tomei Expressway (around Yamato Tunnel, Ayase Smart Interchange and Tomei-Miyoshi Interchange), the Chuo Expressway (around Kobotoke Tunnel, Sagamiko Interchange, Mitaka Bus Stop and Hino Bus Stop) and the Meishin Expressway (around Ichinomiya Junction). On the Meishin Expressway (around Ichinomiya Junction), work on the inbound section was completed in a congestion relief project, and three-lane operation commenced on 7 September 2024.

In order to alleviate congestion in parking lots at rest areas, principally at night-time, due to the limited number of spaces available to large vehicles, the Group took measures to increase the number of parking spaces in rest areas, as well as demonstrating operation of "limited-time parking space" by making a portion of the spaces for large vehicles available for parking within 60 minutes.

In light of changes in societal conditions reflecting the increase in ETC usage rates, the Group has been promoting the cashless and contactless operation of tollgates through the introduction of ETC-only toll gates. In the first half of 2024, ETC-only tollgates had begun operations at an additional 18 locations, increasing the total to 33 locations as of September 2024, as set out below:

<b><u>Date on which ETC-only Tollgates Began Operations</u></b>	<b><u>Name of Interchange where ETC-only Tollgates Have Begun Operations</u></b>
1 April 2022	Inagi Interchange on the Chuo Expressway Hachioji-Nishi Interchange on the Ken-O Expressway
30 June 2022	Sagamihara Interchange on the Ken-O Expressway
18 April 2023	Yamagata Interchange on the Tokai-Kanjo Expressway Ono-Godo Interchange on the Tokai-Kanjo Expressway Arimatsu Interchange (outer loop) on the Mei-Nikan Expressway Narumi Interchange (outer loop) on the Mei-Nikan Expressway
31 August 2023	Maruoka Interchange on the Hokuriku Expressway Mikawa Interchange on the Hokuriku Expressway Tateyama Interchange on the Hokuriku Expressway
13 March 2024	Nirasaki Interchange on the Chuo Expressway Masuho Interchange on the Chubu-Odan Expressway
22 March 2024	Kunitachi-Fuchu Interchange on the Chuo Expressway Takaosan Interchange on the Ken-O Expressway Samukawa-Kita Interchange on the Ken-O Expressway
4 April 2024	Arimatsu Interchange (inner loop) on the Mei-Nikan Expressway Narumi Interchange (inner loop) on the Mei-Nikan Expressway Ueda Interchange (outer loop) on the Mei-Nikan Expressway Ueda Interchange (inner loop) on the Mei-Nikan Expressway

<u>Date on which ETC-only Tollgates Began Operations</u>	<u>Name of Interchange where ETC-only Tollgates Have Begun Operations</u>
	Kamiyashiro-Minami Interchange on the Mei-Nikan Expressway Sennonji-Minami Interchange on the Mei-Nikan Expressway Tomida Interchange (outer loop) on the Mei-Nikan Expressway Tomida Interchange (inner loop) on the Mei-Nikan Expressway Nan-yo Interchange (outer loop) on the Mei-Nikan Expressway Nan-yo Interchange (inner loop) on the Mei-Nikan Expressway Tobishima-Kita Interchange (inner loop) on the Mei-Nikan Expressway
10 April 2024	Komono Interchange on the Shin-Meishin Expressway Ogaki-Nishi Interchange on the Tokai-Kanjo Expressway Yoro Interchange on the Tokai-Kanjo Expressway Daian Interchange on the Tokai-Kanjo Expressway Toin Interchange on the Tokai-Kanjo Expressway
11 April 2024	Kani-Mitake Interchange on the Tokai-Kanjo Expressway Seto-Shinano Interchange on the Tokai-Kanjo Expressway

Furthermore, through the introduction of cutting-edge ICT technologies and robotics technologies, the Group is responding to dramatic changes in its environment, such as changes in the social environment due to declining birth rates and an ageing population, advances in digital technology, and the need to provide more sophisticated information in response to the diversification of customer needs, while promoting "i-MOVEMENT", an innovative project that contributes to the development of expressway mobility. In an effort to realise this project, the "Innovation Networking Group", a consortium-style group established to encourage open innovation, has been working with member companies and organisations on the respective themes of "evolution and advancement of transportation services" and "advancement of expressway maintenance management".

Against such background, the Group's operating revenue in the Expressway Business for the six-month period ended 30 September 2024 amounted to ¥444,720 million, an increase of 3.4 per cent. compared to ¥430,118 million for the six-month period ended 30 September 2023. This principally reflected an increase in toll fees due to higher traffic volume, and an increase in the transfer of the Group's expressway assets to JEHDRA for its renewal project, resulting in higher revenue from completion of road assets.

Operating income in the Expressway Business for the six-month period ended 30 September 2024 amounted to ¥17,472 million, a decrease of 24.7 per cent. compared to ¥23,205 million for the six-month period ended 30 September 2023, principally reflecting increases in road assets leasing expenses, costs of completion of road assets and administrative expenses. Toll fees from external customers for the six-month period ended 30 September 2024 amounted to ¥350,684 million, an increase of 2.7 per cent. compared to ¥341,459 million for the six-month period ended 30 September 2023, principally reflecting the increase in traffic volume.

#### *Rest Area Business*

In respect of the Rest Area Business in the six-month period ended 30 September 2024, the Group promoted improvements in its service to customers and initiatives in cooperation with the local community such as through the creation of stores that make the most of the characteristics of the local area, the sale of attractive products, the implementation of services that meet the diverse needs of customers, as well as actively organising various events and campaigns.

In addition, in an effort to improve the comfort and convenience of its service areas, the Group renovated commercial facilities at the Futaba Service Area (inbound) on the Chuo Expressway. This included expanded food courts and shopping booths, as well as installations of new amenities such as coin-operated showers and laundry facilities, transforming the facilities into a more comfortable and user-friendly space. Furthermore, as part of new service offerings, the Nihondaira Parking Area (inbound) on the Tomei Expressway became the first service area nationwide to introduce a "convenience store gym", promoting customer health and safe driving. As an initiative to achieve a decarbonised society, the Shimizu Parking Area on the Shin-Tomei Expressway installed the largest solar power generation facilities of any service area commercial facility.

Additionally, at the Kawashima Highway Oasis (adjacent to the Kawashima Parking Area (outbound) on the Tokai-Hokuriku Expressway), which is managed and operated by the consolidated subsidiary Oasis Park Co., Ltd., attraction facilities were renovated to mark its 25th anniversary, and various events were hosted.

Against such background, the Group's operating revenues in the Rest Area Business for the six-month period ended 30 September 2024 amounted to ¥17,379 million, an increase of 5.9 per cent. compared to ¥16,409 million for the six-month period ended 30 September 2023, principally reflecting an increase in store sales in rest areas due to an increase in the number of customers and sales per customer. The Group's operating income in the Rest Area Business for the six-month period ended 30 September 2024 amounted to ¥3,938 million, an increase of 17.2 per cent. compared to ¥3,359 million for the six-month period ended 30 September 2023, principally reflecting the same factors as the increase in operating revenues.

#### *Other Related Businesses*

The Group operates businesses such as the agency business, the tourism promotion business, the real estate business, truck terminal business, private facility utilisation business, international business, external sales of technology business and other related businesses. Through these businesses, the Group continues to work on local revitalisation in accordance with possible social and economic changes, international interaction and making contributions abroad, and reinforcement of the Group's business base.

In the agency business, following discussions with the central and local governments and public authorities, where it was decided that the Group was best placed to act as the agent of the relevant government or public authority, the Group engaged in the construction of structures such as road networks and access roads.

In the tourism promotion business, the Group offered driving plans (discount plans) in conjunction with the local authorities to offer a fixed-rate toll plan with specified areas. The Group also offered "set" travel products (combining driving plans with hotel stays and entry tickets into tourist facilities, among others), offering 103 such plans.

In the real estate business, the Group repurposed its corporate housing sites for residential land development projects in Midori Ward, Nagoya City, Aichi prefecture, Odawara City, Kanagawa prefecture, Matsumoto City, Nagano prefecture and Kanazawa City, Ishikawa prefecture, as well as to lease housing in Toyokawa City and Chiryu City, Aichi prefecture. Additionally, at "Terrace Gate Toki", the multipurpose commercial facility operated by the Group near Toki-Minami Tajimi Interchange on the Tokai-Kanjo Expressway, it continued to undertake initiatives in collaboration with Toki City, to promote health, education and culture, as well as provide disaster relief support. Furthermore, the facility continues to operate as a community-focused commercial complex by enhancing events and services at the "Yorimichi Onsen" hot spring facility.

In the international business, the Group continued to provide consulting services for six projects in countries such as Tajikistan, Zambia, Thailand and the Philippines, thereby contributing to the development of the ability of local engineers. In addition, NEXCO-CENTRAL Philippines Inc. (a consolidated subsidiary of the Issuer) progressed the provision of tunnel facilities relating to the by-pass construction business in Davao City, the Republic of the Philippines. NEXCO Highway Solutions of the America Inc. (a consolidated subsidiary of the Issuer) conducted business development in respect of consulting services related to road maintenance such as road pavement inspection solutions and was awarded contracts for five cities. The Issuer conducted a joint examination regarding the expressway business in Asia, Europe and the United States and other regions with Japan Expressway International Co., Ltd. (an equity method affiliate of the Issuer).

In respect of sales of technology to external customers, as part of its "ETC multi-purpose use services" business, the Group entered into a business alliance agreement with ETC Solutions Co., Ltd., which provides "ETCX" services (provision of services other than toll collection through ETC) and has received orders for the information processing business of this service.

Furthermore, under an agreement with Central Japan Railway Company, the Group provided support services for land acquisition related to the Chuo Shinkansen (Linear) project.

In addition to the above businesses, Central Nippon Farm Suzunari Co., Ltd. (an equity method affiliate of the Issuer) cultivated vegetables (such as lettuce and green soybeans) in Hamamatsu City, Shizuoka prefecture, with the aim of finding solutions for local issues and contributing to local revitalisation. In addition, the Group operates a relay transportation base "Connect Area Hamamatsu" adjacent to Hamamatsu Service Area (outbound)

on the Shin-Tomei Expressway in conjunction with Enshu Truck Co., Ltd. with a view to improving the working environment of long-distance truck drivers in the transportation industry.

Against such background, the Group's operating revenues in the Other Related Businesses for the six-month period ended 30 September 2024 amounted to ¥18,864 million, an increase of 47.3 per cent. compared to ¥12,803 million for the six-month period ended 30 September 2023, principally reflecting an increase in the completion of construction work projects commissioned by the Japanese Government and Japanese local government authorities. The Group's operating income in the Other Related Businesses for the six-month period ended 30 September 2024 amounted to ¥297 million, compared to ¥205 million for the six-month period ended 30 September 2023, principally reflecting the same factors as the increase in operating revenues.

## **Financial Condition**

### ***Consolidated Balance Sheet as of 30 September 2024 Compared to Consolidated Balance Sheet as of 31 March 2024***

Total assets as of 30 September 2024 amounted to ¥2,410,600 million, a decrease of ¥37,220 million, or 1.5 per cent., compared to ¥2,447,820 million as of 31 March 2024, principally reflecting a decrease in cash and deposits, partially offset by an increase in inventories.

Total liabilities as of 30 September 2024 amounted to ¥2,120,216 million, a decrease of ¥53,368 million, or 2.5 per cent., compared to ¥2,173,584 million as of 31 March 2024. This principally reflected a decrease in current portion of bonds, partially offset by an increase in bonds for road construction.

Total net assets as of 30 September 2024 amounted to ¥290,384 million, an increase of ¥16,147 million, or 5.9 per cent., compared to ¥274,237 million as of 31 March 2024, principally reflecting an increase in retained earnings. Equity ratio (ratio of net assets (less non-controlling interests) to total assets as of balance sheet date) as of 30 September 2024 amounted to 12.0 per cent., an increase of 0.8 percentage points, compared to 11.2 per cent. as of 31 March 2024.

## **Liquidity and Capital Resources**

### ***Consolidated Cash Flows for the Six-Month Period Ended 30 September 2024 Compared to Consolidated Cash Flows for the Six-Month Period Ended 30 September 2023***

Net cash used in operating activities for the six-month period ended 30 September 2024 amounted to ¥181,113 million, compared to ¥207,463 million for the six-month period ended 30 September 2023. Cash flows from operating activities in the six-month period ended 30 September 2024 reflected a profit before income taxes amounting to ¥22,371 million, depreciation and amortisation amounting to ¥13,282 million and a decrease in accounts receivable due from expressway business operations amounting to ¥23,059 million, partially offset by an increase in inventories amounting to ¥151,383 million and a decrease in accounts payable due to expressway business operations amounting to ¥89,284 million. The increase in inventories principally related to the increase of expressway assets to be transferred to JEHDRA upon completion of the construction of the relevant expressways.

Net cash used in investing activities for the six-month period ended 30 September 2024 amounted to ¥11,265 million, compared to ¥10,647 million for the six-month period ended 30 September 2023. Cash flows from investing activities in the six-month period ended 30 September 2024 reflected, among others, ¥11,188 million of payments for purchase of fixed assets (such as machinery for toll collection and ETC system equipment).

Net cash provided by financing activities for the six-month period ended 30 September 2024 amounted to ¥28,450 million, compared to ¥200,798 million for the six-month period ended 30 September 2023. Cash flows from financing activities in the six-month period ended 30 September 2024 reflected a net decrease in short-term loans amounting to ¥8,128 million and payment for redemption of bonds for road construction amounting to ¥217,329 million, partially offset by proceeds from issuance of bonds for road construction amounting to ¥259,008 million.

Cash and cash equivalents as of 30 September 2024 amounted to ¥63,016 million, compared to ¥107,997 million as of 31 March 2024.



## Contingent Liabilities

As of 30 September 2024, the Issuer was jointly and severally liable for certain debts.

Pursuant to Article 16 of the Implementation Act, the Issuer is jointly and severally liable with JEHDRA, East Nippon Expressway Company and West Nippon Expressway Company for the loans and road bonds succeeded to by JEHDRA, East Nippon Expressway Company or West Nippon Expressway Company from the former Japan Highway Public Corporation (excluding loans from the Japanese Government, loans succeeded to by JEHDRA and bonds held by the Japanese Government) as follows:

	<b>(Unaudited)</b> <b>As of 30</b> <b>September 2024</b>
	<i>(Millions of yen)</i>
JEHDRA.....	¥170,000

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

As of 30 September 2024, the Issuer was jointly and severally liable with JEHDRA for the bonds and loans of JEHDRA transferred by the Issuer, which were originally financed by the Issuer, as follows:

	<b>(Unaudited)</b> <b>As of 30</b> <b>September 2024</b>
	<i>(Millions of yen)</i>
JEHDRA.....	¥672,948

As a result of these transfers listed above, bonds for road construction decreased by ¥128,245 million (face value) for the six-month period ended 30 September 2024.

## Capital Expenditure

In the six-month period ended 30 September 2024, the Group did not invest in any material new corporate assets. In the Expressway Business, the Rest Area Business and the Other Related Businesses, the Group spent ¥9,794 million, ¥618 million and ¥82 million, respectively, of capital expenditure (including investment in intangible fixed assets) in the six-month period ended 30 September 2024.

## CAPITALISATION AND INDEBTEDNESS

The following table sets out the Issuer's unaudited consolidated capitalisation and indebtedness as of 30 September 2024, which has been extracted without material adjustment from the Issuer's unaudited semi-annual consolidated financial statements as of the same date:

	(Unaudited) As of <b>30 September 2024</b>
	<i>(Millions of yen)</i>
<b>Indebtedness:</b>	
<b>Short-term debt:</b>	
Short-term debt, including current portion of long-term debt .....	¥54,533
Total short-term debt.....	54,533
<b>Long-term debt:</b>	
Bonds for road construction (less current portion) .....	1,614,326
Long-term loan for road construction (less current portion) .....	145,633
Other long-term loan (less current portion) .....	50,396
Total long-term debt.....	1,810,355
Total indebtedness <sup>(2)(3)(4)</sup> .....	1,864,888
<b>Net assets:</b>	
<b>Shareholder's equity</b>	
Common stock, no par value:	
Authorised: 520,000,000 shares	
Issued: 130,000,000 shares <sup>(5)</sup> .....	65,000
Capital surplus .....	73,012
Retained earnings .....	153,810
Total shareholders' equity .....	291,822
<b>Accumulated other comprehensive loss:</b>	
Net unrealised holding gain on securities .....	361
Translation adjustments .....	46
Retirement benefits liability adjustments .....	(2,142)
Total accumulated other comprehensive loss.....	(1,735)
Non-controlling interests .....	297
Total net assets .....	290,384
Total capitalisation and indebtedness <sup>(6)</sup> .....	¥2,155,272

Notes:

- (1) The above table should be read in conjunction with the consolidated financial statements of the Issuer incorporated by reference herein.
- (2) As of 30 September 2024, ¥1,643,784 million of the Issuer's bonds for road construction and ¥642,948 million of obligations under the Issuer's bonds which were assumed by JEHDRA were secured. As of 30 September 2024, ¥0 of the Issuer's consolidated indebtedness was guaranteed.
- (3) The Issuer issued ¥115,000 million, U.S.\$330 million and ¥100,000 million in aggregate principal amount of bonds for road construction on 27 November 2024, 29 November 2024 and 27 January 2025, respectively. The Issuer issued U.S.\$40 million in aggregate principal amount of U.S. dollar-denominated commercial paper for road construction on 7 October 2024, and EUR300 million and EUR225 million in aggregate principal amount of euro-denominated commercial papers for road construction on 3 October 2024 and 7 October 2024, respectively. The Issuer entered into a loan agreement for Renminbi 400 million with Bank of Communications for road construction on 29 November 2024.
- (4) As of 30 September 2024, the Issuer had a total of ¥842,948 million of contingent liabilities in respect of joint and several liabilities (see "Recent Business — Contingent Liabilities"). JEHDRA redeemed U.S.\$100 million, ¥55,000 million, ¥10,000 million and ¥100,000 million in aggregate principal amounts of bonds on 30 October 2024, 30 October 2024, 20 December 2024 and 28 January 2025, respectively, thereby decreasing its contingent liabilities in respect of joint and several liabilities by ¥175,870 million. Contingent liabilities in respect of joint and several liabilities increased by ¥95,000 million due to the transfer of liabilities to JEHDRA on 27 December 2024.
- (5) All of the issued shares are fully-paid and non-assessable.
- (6) Total capitalisation and indebtedness is a total of total short-term debt, total long-term debt and total net assets.
- (7) Save as disclosed above, there has been no material change in the Issuer's consolidated capitalisation, indebtedness, contingent liabilities and guarantees since 30 September 2024.

## BUSINESS

The section "Business" in the Offering Circular is updated as follows with regard to the six-month period ended 30 September 2024:

### Leasing of Expressway Assets

#### *Leased Expressway Assets*

The principal expressway assets leased by the Issuer from JEHDRA as of 30 September 2024 are set out below:

Section	Lease Fees <sup>(1)(3)</sup>
	<i>(Millions of yen)</i>
<b><i>National Highway Network</i></b>	¥459,936 <sup>(2)</sup>
Chuo Expressway, Fuji-Yoshida Line	
Chuo Expressway, Nishinomiya Line (from Otsuki to Higashi-Omi (including Yokaichi Interchange))	
Chuo Expressway, Nagano Line (from Okaya to Azumino (including Azumino Interchange))	
Tomei Expressway	
Tokai-Hokuriku Expressway	
Shin-Tomei Expressway	
Chubu-Odan Expressway	
Hokuriku Expressway (from Asahimachi, Shimo-Niikawa, Toyama prefecture to Maibara (including Asahi Interchange))	
Kinki Expressway Ise Line	
Kinki Expressway Nagoya-Kameyama Line	
Shin-Meishin Expressway (from Tobishima, Ama, Aichi prefecture to Koka (not including Koka-Tsuchiyama Interchange))	
Kisei Expressway	
Maizuru-Wakasa Expressway (from Obama to Tsuruga (not including Obama Interchange))	
National Route 1 (Shin-Shonan By-pass Toll Road)	
National Route 1 (Seisho By-pass Toll Road)	
National Route 138 (Higashi-Fujigoko Toll Road)	
National Route 271 (Odawara-Atsugi Toll Road)	
National Route 302 (Ise Wangan Toll Road)	
National Route 468 (Ken-O Expressway) (from Chigasaki to Kadosawabashi, Ebina, and from Nakashinden, Ebina to Akiruno (not including Akiruno Interchange))	
National Route 475 (Tokai-Kanjo Expressway) (from Toyota to Yokkaichi)	
<b><i>Single Routes</i></b>	
National Route 158 (Chubu-Jukan Expressway (Aboutouge Toll Road))	317
Total	¥460,253

Notes:

- (1) The above table sets out the lease fees to be paid to JEHDRA for the fiscal year ending 31 March 2025.
- (2) The lease fees for National Highway Network are standardised, and not set per expressway.
- (3) The lease fees may fluctuate depending on the toll revenue for each fiscal year, which may be influenced by revision of the Issuer-JEHDRA Agreements.