

## OFFERING CIRCULAR



# CENTRAL NIPPON EXPRESSWAY COMPANY LIMITED

¥5,432,535,000,000

## Euro Medium Term Note Programme

Under the Euro Medium Term Note Programme described in this Offering Circular (the "**Programme**"), Central Nippon Expressway Company Limited (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue medium term notes (the "**Notes**").

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 this 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 Notes to be issued under the Programme have been assigned a provisional credit rating of "(P)A1" by Moody's Japan K.K. ("**Moody's**"). Notes issued under the Programme may or may not be rated. Any credit ratings assigned to an issue of Notes will be specified in the applicable Final Terms (as defined herein). A credit/security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Notes may be issued either in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"). Each Tranche (as defined in "*Overview of the Programme*") of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as supplemented by a document specific to such Tranche called final terms (the "**Final Terms**").

Each Tranche of Bearer Notes will initially be represented by a temporary global note (each, a "**Temporary Global Note**") or a permanent global note (each, a "**Permanent Global Note**"). Each Temporary Global Note will be exchangeable on or after the date 40 days after the later of the commencement of the relevant offering and the relevant issue date upon certification of non-U.S. beneficial ownership for interests in a Permanent Global Note or definitive Notes in bearer form (the "**Definitive Notes**") as specified in the relevant Final Terms. Each Permanent Global Note will be exchangeable in certain limited circumstances in whole, but not in part, for Definitive Notes. Each Temporary Global Note and Permanent Global Note is expected to be deposited when issued with a common depository (the "**Common Depository**") on behalf of Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream, Luxembourg**"). See "*Summary of Provisions relating to the Notes while in Global Form*".

Each Tranche of Registered Notes will be represented by a global registered note (each a "**Global Registered Note**") registered in the name of (or in the name of a nominee for), and deposited with, a Common Depository on behalf of Euroclear and Clearstream, Luxembourg. Individual note certificates ("**Individual Note Certificates**") evidencing holdings of the Registered Notes will only be available in certain limited circumstances. See "*Summary of Provisions relating to the Notes while in Global Form*".

The Notes have not been, and will not be, registered under the United States Securities Act of 1933 (the "**Securities Act**") and Bearer Notes are subject to United States tax law requirements. The Notes may not be offered, sold or (in the case of Bearer Notes) delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

**Prospective investors should have regard to the factors described under the section headed "*Investment Considerations*" starting on page 13. This Offering Circular does not describe all of the risks of an investment in the Notes.**

*Arranger*

**SMBC NIKKO**

*Dealers*

**SMBC NIKKO**

**Daiwa Capital  
Markets Europe**

**Mizuho Securities**

**MUFG**

The date of this Offering Circular is 20 July 2021.

The Issuer accepts responsibility for the information contained in this 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 Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Offering Circular is to be read in conjunction with all documents which are incorporated herein by reference (see "*Documents Incorporated by Reference*") and, in relation to any Tranche of Notes, must be read and construed together with the relevant Final Terms.

The Issuer, having made all reasonable enquiries, confirms that this Offering Circular contains all information with respect to the Issuer, the Group (as defined below) and the Notes which is material in the context of the issue and offering of the Notes, the statements contained herein relating to the Issuer and the Group are in every material particular true and accurate and not misleading, the opinions and intentions expressed in this Offering Circular with regard to the Issuer and the Group are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions, there are no other facts in relation to the Issuer, the Group or the Notes the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Offering Circular misleading in any material respect and all reasonable enquiries have been made by the Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

In this Offering Circular, unless otherwise specified or the context otherwise required, references to the "**Group**" are to the Issuer and its consolidated subsidiaries and affiliates accounted for by the equity method taken as a whole.

No person is authorised to give any information or to make any representation not contained in this Offering Circular and any information or representation not contained in this Offering Circular must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger (each as defined in "*Overview of the Programme*"). Neither the delivery of this Offering Circular nor any sale made in connection herewith at any time implies that the information contained herein is correct as of any time subsequent to the date hereof, nor does it imply that there has been no change in the affairs or the financial position of the Group since the date hereof.

This Offering Circular does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any of the Notes. The distribution of this Offering Circular and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of Notes and distribution of this Offering Circular, see "*Subscription and Sale*".

To the fullest extent permitted by law, the Arranger and the Dealers accept no responsibility whatsoever for (i) the contents of this Offering Circular or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer, the Group or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement or (ii) the acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the issue and offering of the Notes.

No action is being taken to permit a public offering of any of the Notes or the distribution of this Offering Circular in any jurisdiction where action would be required for such purposes. There are restrictions on the offer and sale of the Notes and the circulation of documents relating thereto, in jurisdictions including the United States, Japan, the European Economic Area (including The Netherlands), the United Kingdom, Singapore, Australia, Hong Kong, Italy and to persons connected therewith. See "*Subscription and Sale*".

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**") and are subject to the Act on Special Measures Concerning Taxation of Japan (Act No. 26 of 1957, as amended, the "**Act on Special Measures Concerning Taxation**"). The Arranger and each Dealer has represented and agreed that, (I) it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to or for the benefit of, any person resident in Japan for Japanese securities law purposes (including any corporation or entity organised under the laws of Japan), or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of any person resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other

applicable laws, regulations and ministerial guidelines of Japan; and, (II) it (i) has not, directly or indirectly, offered or sold any Notes to, or for the benefit of, any person other than a Gross Recipient (as defined below), and (ii) will not, directly or indirectly, offer or sell any Notes, (x) as part of its initial distribution at any time, to, or for the benefit of, any person other than a Gross Recipient, and (y) otherwise until 40 days after the date of issue, to, or for the benefit of, any individual resident of Japan or Japanese corporation for Japanese tax purposes (except for a Designated Financial Institution (as defined in "*Subscription and Sale*") and an Article 3-3 Japanese Resident (as defined in "*Subscription and Sale*")).

A "**Gross Recipient**" for this purpose is (i) a beneficial owner that is, for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a Specially-Related Party (as defined in "*Taxation*"), (ii) a Designated Financial Institution or (iii) an Article 3-3 Japanese Resident.

**BY SUBSCRIBING FOR THE NOTES, AN INVESTOR WILL BE DEEMED TO HAVE REPRESENTED THAT IT IS A GROSS RECIPIENT.**

In addition, interest payments on the Notes will generally be subject to Japanese withholding tax unless it is established that such Notes are held by or for the account of a beneficial owner that falls within either clause (i) or (ii) of the definition of "Gross Recipient" set out above.

The Notes do not constitute "taxable linked securities" as prescribed by Article 6, Paragraph 4 of the Act on Special Measures Concerning Taxation (being securities for which the amount of interest is to be calculated by reference to certain indexes (as prescribed by Article 3-2-2, Paragraph 8 of the Cabinet Order No. 43 of 1957 of Japan, as amended, relating to the Act on Special Measures Concerning Taxation (the "**Cabinet Order**")) relating to the issuer of such securities or a Specially-Related Party).

The Notes have not been and will not be registered under the Securities Act. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons. See "*Subscription and Sale*".

**IMPORTANT – PROHIBITION OF SALES TO EEA RETAIL INVESTORS:** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**EU Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

**IMPORTANT – PROHIBITION OF SALES TO UK RETAIL INVESTORS:** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the UK Financial Services and Markets Act 2000, as amended ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**Product Governance under Directive 2014/65/EU (as amended)**

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**EU MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither

the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules.

The Final Terms in respect of any Notes may include a legend entitled "EU MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

#### **Product Governance under UK MiFIR**

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

The Final Terms in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

#### **Product Classification pursuant to Section 309B of the Securities and Futures Act (Chapter 289) of Singapore**

The Final Terms in respect of any Notes may include a legend entitled "Singapore Securities and Futures Act Product Classification" which will state the product classification of the Notes pursuant to section 309B(1) of the Securities and Futures Act (Chapter 289) of Singapore (as modified or amended from time to time, the "**SFA**").

The Issuer will make a determination and provide the appropriate written notification to "relevant persons" in relation to each issue about the classification of the Notes being offered for the purposes of section 309B(1)(a) and section 309B(1)(c) of the SFA.

There are restrictions on the offer and sale of the Notes in the United Kingdom. All applicable provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") with respect to anything done by any person in relation to the Notes in, from or otherwise involving the United Kingdom must be complied with. See "*Subscription and Sale*".

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in this Offering Circular and any applicable supplement to this Offering Circular;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the Conditions and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

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

References herein to "**AUD**" are to the currency of Australia, to "**EUR**", "**€**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended, to "**GBP**" and "**£**" are to United Kingdom pounds sterling, to "**SGD**" and "**S\$**" are to Singapore dollars, to "**VND**" is to Vietnamese Dong, to "**U.S.\$**" and "**U.S. dollars**" are to the currency of the United States of America, and to "**¥**" and "**yen**" are to Japanese yen.

References herein to "**fiscal years**" are to fiscal year(s) of the Issuer commencing on 1 April of the year indicated and ending on 31 March of the following year. References herein to years not specified as fiscal years are to calendar years.

In this Offering Circular, where information is presented in millions and billions, amounts of less than one million or one billion have been rounded up or down (in certain cases, to the nearest one-tenth of a million or billion), as the case may be.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

## CONTENTS

	<b>Page</b>
SUMMARY INFORMATION .....	1
OVERVIEW OF THE PROGRAMME.....	2
GLOSSARY .....	8
DOCUMENTS INCORPORATED BY REFERENCE.....	11
SUPPLEMENTARY OFFERING CIRCULAR .....	12
INVESTMENT CONSIDERATIONS .....	13
TERMS AND CONDITIONS OF THE NOTES .....	20
SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM .....	47
USE OF PROCEEDS .....	50
RECENT BUSINESS.....	51
CAPITALISATION AND INDEBTEDNESS .....	61
BUSINESS .....	62
MANAGEMENT AND EMPLOYEES.....	75
SUBSIDIARIES AND AFFILIATES .....	78
JAPAN EXPRESSWAY HOLDING AND DEBT REPAYMENT AGENCY .....	80
TAXATION.....	83
SUBSCRIPTION AND SALE.....	85
FORM OF FINAL TERMS .....	91
GENERAL INFORMATION .....	99

## SUMMARY INFORMATION

*The following summary does not purport to be complete and is qualified in its entirety by, and is subject to, the more detailed information and financial statements and the notes thereto contained elsewhere in this Offering Circular. For a discussion of certain factors that should be considered by prospective investors in connection with an investment in the Notes, see "Investment Considerations".*

### **Central Nippon Expressway Company Limited**

The Issuer was established on 1 October 2005 as a corporation incorporated under the Expressway Companies Act (as defined in "Glossary") and the Implementation Act (as defined in "Glossary") as part of the privatisation of the Four Highway-Related Public Corporations (as defined in "Glossary"). The Issuer is involved in the construction, renovation, maintenance, repair, disaster recovery and management of expressways in the 12 Prefectures (as defined in "Glossary"), located principally in the Chubu area in Japan.

As of 31 March 2021, the Issuer had 23 consolidated subsidiaries and nine affiliates accounted for by the equity method. For the fiscal year ended 31 March 2021, the Group's operating revenues, operating loss and loss attributable to owner of the Issuer amounted to ¥875,514 million, ¥5,905 million and ¥6,389 million, respectively. As of 31 March 2021, the Group had total assets of ¥2,148,655 million.

The Issuer's registered head office is located at 18-19, Nishiki 2-chome, Naka-ku, Nagoya, Aichi 460-0003, Japan.

## OVERVIEW OF THE PROGRAMME

Issuer .....	Central Nippon Expressway Company Limited.
Description.....	Euro Medium Term Note Programme.
Size.....	<p>The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed ¥5,432,535,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into Japanese yen at the date of the agreement to issue such Notes) (calculated in accordance with the provisions of the Programme Agreement (as defined under "<i>Subscription and Sale</i>")).</p> <p>The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Programme Agreement including notification by way of a supplemental Offering Circular.</p>
Arranger.....	SMBC Nikko Capital Markets Limited
Dealers.....	<p>SMBC Nikko Capital Markets Limited Daiwa Capital Markets Europe Limited Mizuho International plc Mizuho Securities Asia Limited MUFG Securities EMEA plc</p> <p>The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches (as defined below) or in respect of the whole Programme. References in this Offering Circular to "<b>Permanent Dealers</b>" are to the persons listed above as dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "<b>Dealers</b>" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p>
Fiscal Agent, Registrar, Transfer Agent and Paying Agent .....	Mizuho Trust & Banking (Luxembourg) S.A.
Method of Issue.....	<p>The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "<b>Series</b>") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "<b>Tranche</b>") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the relevant Final Terms.</p>
Issue Price.....	Notes may be issued at their nominal amount or at a discount or premium to their principal amount. The price and amount of Notes to be issued under the Programme will be determined by the Issuer and each relevant Dealer at the time of issue in accordance with



	prevailing market conditions and specified in the relevant Final Terms.
Form of Notes .....	Notes may be issued as Bearer Notes or as Registered Notes.  Each Tranche of Bearer Notes will be represented on issue by a Temporary Global Note (i) if Definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date, or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in "— <i>Selling Restrictions</i> " below); otherwise, such Tranche will be represented by a Permanent Global Note. Temporary Global Notes and Permanent Global Notes are referred to herein as " <b>Global Notes</b> ".  Each Tranche of Registered Notes will be in the form of either a Global Registered Note or an Individual Note Certificate, in each case as specified in the applicable Final Terms. Each Tranche of Notes represented by a Global Registered Note will be registered in the name of (or in the name of a nominee for) the Common Depositary.
Initial Delivery of Notes .....	On or before the issue date for each Tranche, the Global Note or Global Registered Note issued in respect of such Tranche may be deposited with the Common Depositary.  Global Notes or Global Registered Notes may also be deposited with any other clearing system or may be delivered outside any clearing system <i>provided that</i> the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.
Currencies .....	Japanese Yen, U.S. Dollar, euro, Australian Dollar or, subject to any applicable legal or regulatory restrictions, such currency or currencies as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the relevant Final Terms).
Maturities .....	Subject to compliance with all relevant laws, regulations and directives applicable to the relevant specified currency, any maturity as may be agreed between the Issuer and the relevant Dealer as indicated in the applicable Final Terms.
Specified Denomination .....	Definitive Notes will be in such denominations (each a " <b>Specified Denomination</b> ") as may be specified in the applicable Final Terms, subject to the requirement that unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in pounds sterling) which have a maturity of less than one year from the date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies).  It is expected that, unless otherwise agreed with relevant Dealer(s), Notes will have a denomination of at least €100,000 (or its equivalent in any other currency as at the date of issue).
Fixed Rate Notes .....	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

Floating Rate Notes.....	<p>Floating Rate Notes will bear interest determined separately for each Series as follows:</p> <ul style="list-style-type: none"> <li>(i) by reference to LIBOR, EURIBOR or other reference rate as adjusted for any applicable margin; or</li> <li>(ii) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating, (a) unless "2021 ISDA Definitions" are specified as being applicable in the relevant Final Terms, the 2006 ISDA Definitions as supplemented, amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series, as published by the International Swaps and Derivatives Association, Inc., or (b) if "2021 ISDA Definitions" are specified as being applicable in the relevant Final Terms, the latest version of 2021 ISDA Interest Rate Derivatives Definitions, including each Matrix (as defined therein) (and any successor thereto), each as published by ISDA (or any successor) on its website (<a href="http://www.isda.org">http://www.isda.org</a>), on the date of issue of the first Tranche of the Notes of such Series.</li> </ul>
Interest Periods and Interest Rates.....	<p>Interest periods will be specified in the relevant Final Terms.</p> <p>The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.</p>
Status.....	<p>The Notes and Coupons will constitute (subject to Condition 5) unsecured obligations of the Issuer and shall at all times rank <i>pari passu</i> and without any preference among themselves. The payment obligations of the Issuer under the Notes and Coupons shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 5, at all times rank at least equally with all its other present and future unsecured bonds and notes which rank senior to the Issuer's unsecured general obligations not represented by bonds or notes (but not in priority to certain statutory preferred obligations).</p> <p>Under the Expressway Companies Act, all holders of bonds issued by the Issuer (including the Notes) have a right (statutory lien; <i>sakidori-tokken</i>) to receive payments in priority to other classes of creditors over the assets of the Issuer, subject to the exception of the general statutory lien (<i>ippan no sakidori-tokken</i>) provided in the Civil Code (as defined in the Conditions).</p>
Negative Pledge .....	<p>So long as any Note or Coupon remains outstanding (as defined in the Agency Agreement), the Issuer will not create, or have outstanding, any mortgage, charge, lien, pledge or other security interest (but excluding the statutory lien as described in Condition 4 or any statutory modification of that lien), upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure (a) any payment due in respect of any Specified Indebtedness (as defined in the Conditions) issued by it, or (b) any payment under any guarantee or indemnity in respect of any Specified Indebtedness,</p>

	without at the same time or prior thereto according to the Notes and the Coupons the same security as is created or subsisting to secure any payment in respect of any such Specified Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders (as defined in the Conditions).
Event of Default .....	See " <i>Terms and Conditions of the Notes — Events of Default</i> ".
Cross Default .....	The Notes will be subject to a cross default in respect of indebtedness in the form of bonds or notes being accelerated and in respect of indebtedness for borrowed money or any guarantee and/or indemnity thereof of the Issuer in respect of amounts of at least ¥1,000,000,000 (or its equivalent in any other currency or currencies). See Condition 12(d).
Guarantee.....	The Notes will not be guaranteed by the government of Japan (the " <b>Japanese Government</b> ") or any other person and do not, in any meaning, constitute a debt of the Japanese Government.
Relationship with Japan Expressway Holding and Debt Repayment Agency .....	From and including the Assumption Date (as defined in Condition 20), JEHDRA will become jointly and severally liable in respect of the Issuer's obligations under the Notes and the Coupons pursuant to Article 15, Paragraph 1 of the JEHDRA Act (as defined in " <i>Glossary</i> "). On and after the Assumption Date, the obligations under the Notes and the Coupons will be fulfilled primarily by JEHDRA which has, on or prior to the Assumption Date, provided its prior consent for the assumption of its obligations under the Notes. Further, on and after the Assumption Date, certain specific provisions, such as negative pledge and additional events of default (including cross default) relating to JEHDRA, will apply. See Condition 20.
Redemption.....	The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in pounds sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
Early Redemption.....	Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice, if (i) the Issuer has or will become obliged to pay additional amounts as provided in Condition 11 as a result of any change in, or amendment to, the laws or regulations of Japan or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of issue of the first Tranche of Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it. See Condition 8(b).
Taxes .....	All payments by the Issuer in respect of the Notes will be made without any deduction for withholding taxes of Japan, except to the extent described in Condition 11.

Governing Law .....	English law.
Ratings.....	<p>Tranches of Notes may be rated or unrated. Where a Tranche of Notes is rated, such rating will be specified in the relevant Final Terms and will not necessarily be the same as the rating assigned to any Notes already issued.</p> <p>A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.</p>
Listing and Admission to Trading .....	<p>Approval-in-principle has been obtained from the SGX-ST for listing of any Notes that may be issued under 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 takes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein or the contents of this Offering Circular, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Offering Circular. The approval-in-principle from, and the admission of any Notes to the official list of, the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Programme or the Notes. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies).</p> <p>The Issuer may also issue unlisted Notes and Notes to be listed, traded or quoted on or by any other competent authority, stock exchange or quotation system pursuant to the Programme. The applicable Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be listed on the SGX-ST, or listed, traded or quoted on or by any other competent authority, exchange or quotation system (and if so, on which stock exchanges and/or markets), or be unlisted.</p>
Rating .....	<p>The Notes to be issued under the Programme have been assigned a provisional credit rating of "(P)A1" by Moody's. Notes issued under the Programme may or may not be rated. Any credit ratings assigned to an issue of Notes will be specified in the applicable Final Terms. A credit/security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.</p>
Selling Restrictions.....	<p>The United States, Japan, the European Economic Area (including The Netherlands), the United Kingdom, Singapore, Australia, Hong Kong and Italy, and any other jurisdiction specified in the relevant Final Terms. See "<i>Subscription and Sale</i>".</p> <p>Where the relevant Final Terms for Bearer Notes specifies that the Bearer Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "<b>D Rules</b>"), the Bearer Notes will be issued in compliance with the provisions of the D Rules. Where the relevant Final Terms for Bearer Notes states that the Bearer Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the "<b>C Rules</b>"), the Bearer Notes will be issued in compliance with the provisions of the C Rules. Where the Final Terms specifies that the United States Tax Equity and Fiscal Responsibility Act of 1982 ("<b>TEFRA</b>") is not applicable, the</p>

Notes will not be issued in accordance with the provisions of either the D Rules or the C Rules.

Jurisdiction.....

English courts.

Clearance and Settlement.....

Interests in the Notes and interest coupons will be delivered through the facilities of Euroclear and Clearstream, Luxembourg.

## GLOSSARY

Set out below are definitions of some of the terms used in this Offering Circular.

<b>Phrase</b>	<b>Meaning</b>
12 Prefectures.....	The prefectures in which the Group operates its expressways, namely: Tokyo, Kanagawa, Toyama, Ishikawa, Fukui, Yamanashi, Nagano, Gifu, Shizuoka, Aichi, Mie and Shiga prefectures.
Amendment Act.....	The Act Amending Part of the Road Act, etc. of Japan (Act No. 53 of 2014). This Act was enacted in June 2014 and amends certain provisions of, among others, the Road Act, the Special Measures Act and the JEHDRA Act, with the aim of ensuring appropriate management of expressways through the use of a wide variety of funding sources.
Board of Audit Act.....	The Board of Audit Act of Japan (Act No. 73 of 1947, as amended).
Companies Act.....	The Companies Act of Japan (Act No. 86 of 2005, as amended).
Development Act .....	The Act regarding the Development of Highway Related Acts in Connection with the Privatisation of the Japan Highway Public Corporation of Japan (Act No. 101 of 2004, as amended). The Development Act was enacted in June 2004, and sets out provisions that partly amend the highway-related laws in place at the time of the privatisation of Four Highway-Related Public Corporations.
East Nippon Expressway Company....	East Nippon Expressway Company Limited.
ETC .....	Electronic Toll Collection. The ETC System is a system for automatic payment of expressway tolls utilising wireless technology. The ETC System was introduced on expressways in Japan in March 2001.
Expressway Companies .....	The six expressway operating companies, which were incorporated under the Four Acts regarding the Privatisation of Four Highway-Related Public Corporations, namely: the Issuer, East Nippon Expressway Company, Metropolitan Expressway Company, West Nippon Expressway Company, Hanshin Expressway Company and Honshu-Shikoku Bridge Expressway Company.
Expressway Companies Act.....	The Act on Expressway Companies of Japan (Act No. 99 of 2004, as amended). The Expressway Companies Act, which was enacted in June 2004, sets out provisions pertaining to matters including the purpose, scope of business and ownership of the Expressway Companies.
Four Acts regarding the Privatisation of Four Highway-Related Public Corporations.....	The Expressway Companies Act, the JEHDRA Act, the Development Act and the Implementation Act, all of which constitute the acts of the establishment of the Expressway Companies and JEHDRA.
Four Highway-Related Public Corporations.....	The four corporations that were privatised and reorganised into the Expressway Companies and JEHDRA following the Japanese Government's privatisation policy set out in the "Reorganisation and Rationalisation Plan for Special Public Corporations" decided at a Cabinet meeting held on 19 December 2001, namely: the Japan Highway Public Corporation, the Metropolitan Expressway Public Corporation, the Hanshin Expressway Public Corporation and the Honshu-Shikoku Bridge Authority.

<b>Phrase</b>	<b>Meaning</b>
General Rules Act .....	The Act on General Rules for Administrative Agencies of Japan (Act No. 103 of 1999, as amended).
Hanshin Expressway Company.....	Hanshin Expressway Company Limited.
Highway Administrators.....	Persons who administer the national expressways as defined in the National Highway Act, and the general national roads, prefectural roads and municipal roads as defined in the Road Act, and are, in respect of national expressways the Minister of LIT, in respect of general national roads the Minister of LIT or the governors of the relevant prefectures, in respect of prefectural roads the governors of the relevant prefectures and in respect of municipal roads the mayors of the relevant municipalities.
Honshu-Shikoku Bridge Expressway Company .....	Honshu-Shikoku Bridge Expressway Company Limited.
Implementation Act.....	The Act regarding the Implementation of Acts Related to the Privatisation of the Japan Highway Public Corporation of Japan (Act No. 102 of 2004). The Implementation Act was enacted in June 2004, and sets out the provisions pertaining to the implementation of the Expressway Companies Act, the JEHDRA Act and the Development Act as well as the coordination of the relevant acts to such implementation.
Issuer-JEHDRA Agreement(s).....	The agreement(s) entered into on 31 March 2006 between the Issuer and JEHDRA relating to the operation of expressways. See " <i>Business — The Issuer-JEHDRA Agreements</i> ".
JEHDRA.....	Japan Expressway Holding and Debt Repayment Agency.
JEHDRA Act .....	Japan Expressway Holding and Debt Repayment Agency Act of Japan (Act No. 100 of 2004, as amended). The JEHDRA Act was enacted in June 2004, and sets out provisions pertaining to matters including the purpose of establishment, scope of business and capital of JEHDRA.
Metropolitan Expressway Company...	Metropolitan Expressway Company Limited.
Minister of LIT.....	The Minister of Land, Infrastructure, Transport and Tourism of Japan. The Minister of LIT is responsible for, among other things, promoting national land planning policies, infrastructure policies, social capital maintenance and transport policies. The Minister of LIT is the governing authority of the Issuer and the operations of the Issuer are subject to the supervision of the Minister of LIT.
Ministry of LIT .....	The Ministry of Land, Infrastructure, Transport and Tourism of Japan.
National Highway Act.....	National Highway Act of Japan (Act No. 79 of 1957, as amended). The National Highway Act sets out provisions pertaining to the designation of routes, improvement plans, administration, construction, maintenance and the like in relation to national expressways as a whole, in order to promote national expressways and to contribute to the development of automobile traffic.

<b>Phrase</b>	<b>Meaning</b>
National Highway Network .....	The national expressways and certain other roads designated by JEHDRA with the authorisation of the Minister of LIT, which are managed respectively by the Issuer, East Nippon Expressway Company, West Nippon Expressway Company and Honshu-Shikoku Bridge Expressway Company.
Privatisation Acts .....	The Expressway Companies Act, the JEHDRA Act and the Development Act.
Road Act.....	The Road Act of Japan (Act No. 180 of 1952, as amended).
Smart-Interchange .....	A type of interchange whose use is restricted to vehicles which have installed the ETC payment system, which enables the connection with expressways, service areas, parking areas and bus stops. As the users are limited to vehicles with ETC payment systems installed, these interchanges only require simple tollgates and are staff-less, making them cheaper to introduce than traditional staffed interchanges.
Special Measures Act .....	The Act on Special Measures Concerning Road Construction and Improvement of Japan (Act No. 7 of 1956, as amended).
Expressway Renewal Project .....	Work regarding renewal of bridges, tunnels or any other facilities or structures constituting expressways as specified by the Ordinance of the Ministry of LIT that have a great possibility of affecting the constitution of the expressways whether through damage, corrosion or other deterioration or work that is deemed to have an effect equivalent thereto.
West Nippon Expressway Company ..	West Nippon Expressway Company Limited.



## **DOCUMENTS INCORPORATED BY REFERENCE**

The following information shall be deemed to be incorporated in, and to form part of, this Offering Circular:

- (a) the audited consolidated financial statements (including the audit report thereon and notes thereto) of the Issuer for each of the fiscal years ended 31 March 2020 and 31 March 2021;
- (b) the most recently available audited annual consolidated financial statements of the Issuer (including the audit report thereon and notes thereto), and the most recently available unaudited interim consolidated financial statements of the Issuer (including the review report thereon and notes thereto), if any, in each case published subsequent to the financial statements referred to in paragraph (a) above; and
- (c) the most recently available capitalisation of JEHDRA.

The documents listed above shall be incorporated in and form part of this Offering Circular, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular. Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

The documents listed in paragraphs (a) and (b) above are published on SGXNET (<https://www.sgx.com/>) which is a platform operated by or authorised by a securities exchange or a relevant regulatory authority for such purpose, which is publicly accessible.

Copies of documents incorporated by reference in this Offering Circular may be obtained, free of charge, at the registered office of the Issuer and the office of the Fiscal Agent.

## **SUPPLEMENTARY OFFERING CIRCULAR**

The Issuer has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Offering Circular which is capable of affecting the assessment of any Notes and whose inclusion in or removal from this Offering Circular is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Notes, the Issuer shall prepare an amendment or supplement to this Offering Circular or publish a replacement Offering Circular for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such amendment or supplement hereto as such Dealer may reasonably request.

## INVESTMENT CONSIDERATIONS

*Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider the risks associated with any investment in the Notes, the business of the Issuer and the industry in which it operates together with all other information contained in this Offering Circular, including, in particular the considerations described below.*

*The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer or that it currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial condition of the Issuer and the Group and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Offering Circular and their personal circumstances.*

### **Factors which may Affect the Issuer's Ability to Fulfil its Obligations under the Notes**

#### ***Changes in Japanese Laws and Regulations due to Changes in Governmental Policies***

The Group is subject to the Companies Act and various other Japanese laws and regulations relating to the operation of expressways, including the Expressway Companies Act, the Special Measures Act, the JEHDRA Act, the Development Act and the Implementation Act, as well as other laws relating to the regulation of roads, including the Road Act and the National Highway Act. If any of these laws are amended, or if any relevant new laws are promulgated, then this may materially adversely affect the Group's results of operations and financial condition. Further, according to Article 2 of the supplementary provision of the Implementation Act, the Japanese Government has reviewed the implementation of the Expressway Companies Act, the JEHDRA Act and the Development Act. In July 2015, the Ministry of LIT published "The inspections on the business affairs of JEHDRA and Expressway Companies", which are based on inspections conducted by JEHDRA and each Expressway Companies on their own business affairs and opinions raised in "Investigative Commission for the inspections on the business affairs of JEHDRA and Expressway Companies". The Japanese Government may take necessary measures as a result of such review. If any of the laws applicable to the Group are amended, or if any relevant new laws are promulgated, as necessary measures, then this may materially adversely affect the Group's results of operations and financial condition.

#### ***Lease Fees***

The lease fees charged by JEHDRA and the payment terms in relation thereto in respect of the expressway assets leased by JEHDRA to the Issuer are set in respect of each fiscal year pursuant to the Issuer- JEHDRA Agreements. Such lease fees, together with the Issuer's expenses in relation to the management of the relevant expressways, are intended to be approximately equivalent to the toll revenues which the Issuer expects to receive on such expressway assets. The payment of such lease fees are therefore funded by the excess of the Issuer's toll revenues over the Issuer's management expenses in respect of such expressways. As such, if the Issuer's toll revenues were to decline, or if the Issuer's management expenses were to increase, the Group may be unable to pay the lease fees to JEHDRA. This may, through factors such as default interest arising on the lease fees, materially adversely affect the Group's results of operations and financial condition. There are measures in place pursuant to the Issuer-JEHDRA Agreements for delay in payments of lease fees in circumstances such as a major disaster or for adjusting the lease fees based on percentage divergences between actual revenues and planned revenues (see "*Business — Leasing of Expressway Assets — Lease Fees*" and "*Business — The Issuer-JEHDRA Agreements*"). Further, if the lease fees, payment terms and other matters covered in the Issuer-JEHDRA Agreements are amended, this may also affect the Issuer.

#### ***Maximum Amount of Liabilities Assumed by JEHDRA***

The maximum amount of liabilities to be assumed by JEHDRA in respect of costs relating to construction, renovation or repair works (in respect of repair works, except for the Expressway Renewal Project, only such works the costs of which JEHDRA will assume), costs relating to the Expressway Renewal Project or expected costs relating to disaster recovery works is set by the Issuer-JEHDRA Agreements, and the maximum amount of liabilities to be assumed by JEHDRA is also set in its operational plans. If the Issuer's costs in relation thereto were to increase due to factors such as increases in prices (including land prices) and personnel costs, increases in construction costs due to changes in construction methods or delays or extensions in construction periods, increases in funding costs due to increases in interest rates, larger than anticipated natural disasters or accidents,

or rapid changes in social or economic situations, the costs incurred by the Issuer may exceed the maximum amount of liabilities to be assumed by JEHDRA. In such event, the Issuer would need to request an amendment to the Issuer-JEHDRA Agreements, but if the change in the maximum amount of liabilities to be assumed by JEHDRA were not to take place as planned by the Issuer, this may materially adversely affect the Group's results of operations and financial condition.

#### ***Delay in Assumption of the Issuer's Liabilities by JEHDRA***

JEHDRA is obliged to assume the Issuer's liabilities in respect of costs incurred by the Issuer with regard to the construction, renovation, repair or disaster recovery works in respect of expressways (subject to the maximum set out in JEHDRA's operational plans) at the time that the relevant expressway assets are transferred from the Issuer to JEHDRA. However, the transfer of expressway assets may be delayed by various factors, including natural disasters, neighbourhood objections, difficulties in the acquisition of the requisite land, and delays in construction due to injunctions and other legal proceedings to halt construction. In such case, the Issuer may experience a delay in respect of the assumption by JEHDRA of the relevant liabilities, and may be required to set expressway asset transfer plans under Article 51 of the Special Measures Act (for the setting of expressway asset transfer plans, see "*Business — Regulations*"). If the expressway asset transfer plans do not proceed as expected by the Issuer, the Group's results of operations and financial condition may be materially adversely affected.

#### ***Joint Obligors of the Issuer***

The Issuer, JEHDRA, East Nippon Expressway Company and West Nippon Expressway Company have each assumed parts of the former Japan Highway Public Corporation in line with the privatisation thereof. At the time of such assumption, pursuant to Article 16 of the Implementation Act, the Issuer, JEHDRA, East Nippon Expressway Company and West Nippon Expressway Company became jointly and severally liable for certain liabilities. Further, upon such time when JEHDRA assumes certain of the Issuer's liabilities, such as the Notes and the Coupons, JEHDRA's liabilities thereunder will be joint and several with the Issuer's liabilities. In respect of such joint and several liabilities, if the counterparty to such joint and several liabilities were to suffer a deterioration of its financial condition, the Issuer may be required to make all the payments in respect of such liabilities of which it is jointly liable with such counterparty, which may materially adversely affect the Group's results of operations and financial condition.

#### ***Funding Risk***

The Group obtains the funds it needs for payment of costs in relation to construction, renovation, repair or disaster recovery works in respect of expressways through external borrowing or issues of bonds and notes. As such, if the Issuer is unable to obtain appropriate funding due to factors such as a deterioration of the market environment, or if the Issuer is only able to obtain funds on terms less favourable than anticipated due to factors such as interest rate movements and financial market conditions, this may materially adversely affect the Group's results of operations and financial condition.

#### ***Economic and Social Conditions***

If the Japanese economy in general, or if the economies of the regions in which the Group provides its services, were to deteriorate due to factors such as worsening economic conditions or increases in prices of petrol or other products, or if there is a marked change in social conditions such as a rapid ageing of society, the usage of the Group's services and facilities (including expressways, service areas, parking areas and other facilities of the Group) may decline. Such decline in usage may in turn lead to a decline in the Group's revenues, which may materially adversely affect the Group's results of operations and financial condition.

#### ***Seasonality***

The Group's results of operations and financial condition may be affected by seasonal factors. For example, while the Group tends to record higher toll revenues in the first half of the fiscal year due to holidays such as the Japanese "golden week" falling within such period, the Group also tends to record lower expenses in such period, compared to the second half of the fiscal year when there tends to be more works necessary to deal with snow and ice or to perform concentrated construction.

### ***Competition with Other Transportation Systems***

The Group's Expressway Business competes with other transportation systems such as railways and airlines, and its Rest Area Business competes with commercial facilities in similar locations. If the Group's competitiveness declines due to factors such as technological innovations or renovation of facilities by competitors, the Group's customers may decrease. The competitive landscape may also lead to a decline in the use of the Group's business facilities (including expressways, service areas, parking areas, and other facilities), which may reduce the Group's revenues and materially adversely affect the Group's results of operations and financial condition.

### ***IT Systems***

IT systems play an important part in the operation of the Group's business, including the operation of the ETC System and other expressway management systems, which affect toll collections, as well as the operation of accounting and other internal management systems. While the Group has put in place security measures with regard to such IT systems, if its IT systems are adversely affected due to events such as human error, natural disaster, power outage, computer viruses or hacking, the Group's toll revenues may decline or certain of the Group's operations and services may be temporarily halted. Any such event may materially adversely affect the Group's results of operations and financial condition.

### ***Natural Disasters, Uncontrollable Events and Accidents***

Japan is an earthquake-prone country and has historically experienced numerous large earthquakes, including the Great Hanshin-Awaji Earthquake in 1995, the Niigata-ken Chuetsu Earthquake in 2004, the Great East Japan Earthquake in 2011 and the Kumamoto Earthquake in 2016. Further, Japan has historically experienced other natural disasters, including volcanic eruptions, tsunamis, typhoons, landslides, flooding, heavy snow and extreme weather conditions. In addition to such natural disasters, other events outside the control of the Group (such as power outage, deliberate acts of sabotage or terrorism, or the spreading of a computer virus or other cyber attacks) or accidents (whether due to human or equipment error) could damage, cause operational interruptions or otherwise adversely affect, any of the Group's expressways and other operations. Further, such events may also lead to a decline in the use of the Group's business facilities (including expressways, service areas, parking areas and other facilities), which may reduce the Group's revenues and materially adversely affect the Group's results of operations and financial condition.

### ***Unlawful Expressway Usage***

Some drivers force their vehicles through tollgates without paying proper tolls. To prevent such toll violations, the Issuer has high-performance cameras installed alongside the main lanes, which detect and identify non-paying vehicles. There is also a horizontal gate bar at each tollgate exit that stops the vehicle until toll charges are paid properly. The Issuer may also resort to legal action where drivers refuse to pay tolls despite its requests or warnings. However, these measures may not be sufficient to completely eliminate unlawful expressway usage. Decline in revenues from the unlawful usage of expressways may materially adversely affect the Group's results of operations and financial condition.

### ***Litigation Risk***

In the event of a major personal or other accident having been caused by the negligent management of expressways by the Group, the Group may become the subject of lawsuits or other legal proceedings. The Group also faces risks of disputes or litigation, whether with or without merit, in the course of its business. If the Group is subjected to a major lawsuit or other legal proceedings, factors such as payment of damages and damage to the Group's reputation may materially adversely affect the Group's results of operations and financial condition.

### ***Change in Tax Laws***

If the tax laws relating to the Group, its business and its assets are amended, this may have the effect of increasing the Group's tax burden and thereby materially adversely affect the Group's results of operations and financial condition. In particular, while certain of the Group's assets such as toll collection booths are, for ten years following the commencement of privatisation in 2005, exempt from fixed asset taxes and this exemption has been extended until 2025 by the Act on Partial Revision, etc. of the Local Taxation Act, etc. (Act No. 13 of 2016, as amended), if such special treatment expires, or is ended or amended, this may materially adversely affect the Group's results of operations and financial condition.

### ***Management of Personal Information, etc.***

The Group strictly manages Personal Information, etc. (as defined below) which it gains during the course of its business in accordance with the Personal Information Protection Act of Japan (Act No. 57 of 2003, as amended) and the Act on the Use of Numbers to Identify a Specific Individual in the Administrative Procedure (Act No. 27 of 2013, as amended), with a view to ensure the protection of personal information, individual numbers and specific personal information ("Personal Information, etc.") gained by the Group. However, if (whether due to personal or equipment error or through deliberately fraudulent acts) there were to be any leakage of Personal Information, etc., the Group may become subject to damages or claims as well as be subjected to lower trust from the society, and materially damage the Group's tangible and intangible assets. Any such leakage may therefore materially adversely affect the Group's results of operations and financial condition.

### ***Pandemics, etc.***

The 2019 Novel Coronavirus ("**COVID-19**") pandemic or any other similar pandemic, may also lead to a decline in the use of the Group's business facilities (including expressways, service areas, parking areas, and other facilities), which may reduce the Group's revenues and materially adversely affect the Group's results of operations and financial condition.

### ***Differences in Generally Accepted Accounting Principles***

The Group's consolidated financial statements are prepared and presented in accordance with accounting principles generally accepted in Japan ("**Japanese GAAP**"), which differs in certain respects from International Financial Reporting Standards ("**IFRS**") and generally accepted accounting principles and financial reporting standards in other jurisdictions. The Group's consolidated financial statements may therefore differ from those prepared for companies outside Japan in those and other respects. This Offering Circular does not include a reconciliation of the Group's consolidated financial statements to IFRS or to any other generally accepted accounting principles or financial reporting standards. It is likely that such reconciliation would identify material quantitative differences between Japanese GAAP and IFRS or between Japanese GAAP and such other generally accepted accounting principles or financial reporting standards.

### **Factors which are Material for the Purpose of Assessing the Market Risks Associated with the Notes**

#### ***Risks Related to the Notes***

Set out below is a brief description of certain risks relating to the Notes:

#### ***Modification and Waivers***

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

#### ***Change of Law***

The Conditions are based on English law in effect as at the date of issue of the Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law, administrative practice or mandatory provisions of Japanese law after the date of issue of the Notes.

#### ***Notes Issued with a Minimum Denomination***

Notes may be issued with a minimum denomination. The Final Terms of a Tranche of Notes may provide that, for so long as the Notes are represented by a Global Note and Euroclear and Clearstream, Luxembourg (or any other relevant clearing system), as applicable, so permit, the Notes will be tradable in nominal amounts (a) equal to, or integral multiples of, the minimum denomination, and (b) the minimum denomination plus integral multiples of an amount lower than the minimum denomination.

Where the Final Terms specify that the Permanent Global Note will be exchangeable "only in the limited circumstances described in the Permanent Global Note", Definitive Notes will only be issued if (a) Euroclear or Clearstream, Luxembourg (or other relevant clearing system), as applicable, is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or (b) if principal in respect of any Notes is not paid when due and payable. The Final Terms may provide that, if

Definitive Notes are issued, such Notes will be issued in respect of all holdings of Notes equal to or greater than the minimum denomination. However, Noteholders should be aware that Definitive Notes that have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade. Definitive Notes will under no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination.

*There are risks in relation to Notes which are linked to "benchmarks"*

Interest rates (such as the London Interbank Offered Rate ("**LIBOR**")) or other types of rates and indices which are deemed to be "benchmarks" are and have been the subject of national and international regulatory review and reform, with further changes anticipated. These reforms may cause such benchmarks to perform differently than in the past, or be eliminated entirely. There could be other consequences of such guidance and reform that cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a "benchmark", including possible adverse U.S. tax consequences.

For example, Regulation (EU) 2016/1011 (the "**EU Benchmark Regulation**") was published in the Official Journal of the European Union (the "**EU**") on 29 June 2016 and has been in effect since 1 January 2018. The EU Benchmark Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to benchmarks and the use of benchmarks within the EU. Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Benchmark Regulation**") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the UK. The EU Benchmark Regulation or the UK Benchmark Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmark Regulation or UK Benchmark Regulation. Such changes could, among other things, have the effect of reducing or increasing the rate or level, or affect the volatility of, the published rate or level of the benchmark.

More broadly, any of the international or national reforms, or the general increase in regulatory scrutiny of benchmarks, could increase the costs and risks of administering or participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks", trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuation or unavailability of quotes of certain "benchmarks".

As an example of such benchmark reforms, the UK Financial Conduct Authority (the "**FCA**") has indicated that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021 and confirmed on 5 March 2021 that most LIBOR benchmark tenors would cease or cease to be representative benchmarks from 31 December 2021 or (in the case of certain tenors of USD LIBOR only) from 30 June 2023. On 5 March 2021, the administrator for LIBOR (the ICE Benchmark Administration or IBA) similarly announced that it would cease the publication of the relevant LIBOR settings on 31 December 2021 or 30 June 2023, unless the FCA exercises its proposed new powers (which are included in the current United Kingdom Financial Services Bill as proposed amendments to the UK Benchmark Regulation) to require the IBA to continue publishing such LIBOR settings using a changed methodology (also known as a "synthetic" basis). Such announcements indicate that LIBOR will not continue in its current form and the FCA announcement of 5 March 2021 indicated that it is currently contemplating that any "synthetic" basis, if adopted, would be limited to a small number of currencies and settings.

The potential elimination of, or the potential changes in the manner of administration of, the LIBOR benchmark or any other benchmark could require an adjustment or amendment to the Conditions, or result in other consequences in respect of any Notes linked to such benchmark (including but not limited to Floating Rate Notes whose interest rates are linked to LIBOR), including discrepancies between the interest rates calculated as described herein and those based on any substitute or alternative benchmark that becomes the market standard, as well as other consequences, which cannot be predicted. If benchmarks become unavailable and banks are unwilling to provide quotations in accordance with the terms of the Floating Rate Notes, in respect of Floating Rate Notes for which either Screen Rate Determination is specified in the applicable Final Terms, or ISDA Determination is specified in the applicable Final Terms and the ISDA Benchmarks Supplement is not specified as applicable, it may become impossible for the Calculation Agent to determine the relevant Rate of Interest and an adjustment or amendment to the Conditions may be required. Any such uncertainty or consequences relating to the benchmarks could have a material adverse effect on cash flow relating to accrued interest for each interest payment period as well as the value and marketability of, and the return on, any such Notes.

### ***Risks Related to the Market Generally***

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk and interest rate risk:

#### *The Secondary Market Generally*

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although approval-in-principle has been received for the listing of the Notes issued under the Programme on the SGX-ST, there can be no assurance that any particular Tranche of Notes issued under the Programme will be accepted for listing by the SGX-ST, or that an active trading market for the Notes will develop. If a market does develop, it may not be sustained throughout the life of the Notes or it may not be liquid. The Dealers may from time to time make a market in a particular Tranche of Notes but are under no obligation to do so. The liquidity of any Notes may also be affected by restrictions on offers and sales of the Notes in some jurisdictions. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of the Notes.

#### *Delisting of the Notes*

The Issuer has agreed to use its best endeavours to maintain the listing of any Notes issued under the Programme which have been listed on the SGX-ST. Changed circumstances, including changes in listing requirements, could result in suspension or removal of the listing of such Notes on the SGX-ST, or cause the Issuer to conclude that continued listing of such Notes on the SGX-ST is unduly burdensome. If the Issuer seeks delisting of any Notes from the SGX-ST as a result of such changed circumstances, the Issuer shall use its best endeavours to seek an alternative admission to listing, trading and/or quotation for such Notes by another listing authority, exchange and/or system, as the Issuer shall select. If an alternative admission is not available to the Issuer or is, in the opinion of the Issuer, unduly burdensome, an alternative listing may not be obtained. Notice of any delisting and/or alternative listing will be given as described in the Conditions, and a copy of such notice relating to delisting will be provided to the SGX-ST (so long as the relevant Notes are listed on the SGX-ST and the rules of the SGX-ST so require). Although there is no assurance as to the liquidity of any Notes on the SGX-ST, delisting of Notes may have a material effect on the ability of a Noteholder to continue to hold such Notes and/or to resell such Notes held by it in the secondary market.

#### *Credit Ratings*

The Notes to be issued under the Programme have been assigned a provisional credit rating of "(P)A1" by Moody's. Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the provisional credit rating described above, or the ratings assigned to other securities issued by the Issuer. The ratings may not reflect the potential impact of all risks related to structure, market factors, additional factors discussed above, and other factors that may affect the value of the relevant Notes. A credit/security rating is not a recommendation to buy, sell or hold securities and may be suspended, changed or withdrawn at any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

#### *Exchange Rate Risks and Exchange Controls*

The Issuer will pay principal and interest on Notes in the Specified Currency set out in the relevant Final Terms. This presents certain risks relating to currency conversions if a holder of the Notes' financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.



Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

#### *Interest Rate Risks*

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

#### *Notes Issued at a Discount or Premium*

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

#### *Clearing Systems*

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive Definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg, as applicable.

While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments through Euroclear and Clearstream, Luxembourg, as applicable, for distribution to their accountholders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg, as applicable, to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg, as applicable, to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. To the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Notes may supplement, amend or replace any information in this Offering Circular.*

*The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form".*

### 1. INTRODUCTION

- (a) *Programme:* Central Nippon Expressway Company Limited (the "**Issuer**") has established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to ¥5,432,535,000,000 in aggregate principal amount of notes (the "**Notes**").
- (b) *Final Terms:* Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *Agency Agreement:* The Notes are the subject of an amended and restated issue and paying agency agreement dated 20 July 2021 (the "**Agency Agreement**") between the Issuer and Mizuho Trust & Banking (Luxembourg) S.A. as fiscal agent (the "**Fiscal Agent**", which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), as paying agent (together with the Fiscal Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes), and as transfer agent (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions, references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them.
- (d) *Deed of Covenant:* The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). Registered Notes are constituted by a deed of covenant dated 20 July 2021 (the "**Deed of Covenant**") entered into by the Issuer.
- (e) *The Notes:* All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for inspection during normal business hours at the Specified Offices of the Paying Agents.
- (f) *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. Noteholders and the holders of the related interest coupons, if any (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the Specified Offices of the Paying Agents.

### 2. INTERPRETATION

- (a) *Definitions:* In these Conditions the following expressions have the following meanings:  
  
"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Business Day**" means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in Tokyo and in each (if any) Additional Business Centre; and
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in Tokyo, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that*:
  - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) "**No Adjustment**" means that the relevant payment date shall be adjusted in accordance with the Business Day Convention specified in the relevant Final Terms but the Calculation Period shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"**Calculation Amount**" has the meaning given in the relevant Final Terms;

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

**"Day Count Fraction"** means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if **"Actual/Actual (ICMA)"** is so specified, means:
  - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
    - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (b) if **"Actual/Actual (ISDA)"** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if **"Actual/365 (Fixed)"** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if **"Actual/360"** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if **"30/360"** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

**"Y<sub>1</sub>"** is the year, expressed as a number, in which the first day of the Calculation Period falls;

**"Y<sub>2</sub>"** is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

**"M<sub>1</sub>"** is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

**"M<sub>2</sub>"** is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

**"D<sub>2</sub>"** is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

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

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

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

"**D<sub>2</sub>**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case **D<sub>2</sub>** will be 30; and

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

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

where:

"**Y<sub>1</sub>**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y<sub>2</sub>**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M<sub>1</sub>**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M<sub>2</sub>**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

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

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

*provided, however, that* in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

**"Early Termination Amount"** means, in respect of any Note, its principal amount or such other amount as may be specified in these Conditions or the relevant Final Terms;

**"Extraordinary Resolution"** has the meaning given in the Agency Agreement;

**"Final Redemption Amount"** means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

**"First Interest Payment Date"** means the date specified in the relevant Final Terms;

**"Fixed Coupon Amount"** has the meaning given in the relevant Final Terms;

**"Holder"**, in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer — Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer — Title to Registered Notes*);

**"Interest Amount"** means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

**"Interest Commencement Date"** means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

**"Interest Determination Date"** has the meaning given in the relevant Final Terms;

**"Interest Payment Date"** means the First Interest Payment Date and any other date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

**"Interest Period"** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**"ISDA Definitions"** means, in relation to any Series of Notes:

- (a) unless "2021 ISDA Definitions" are specified as being applicable in the relevant Final Terms, the 2006 ISDA Definitions (as supplemented, amended and updated as at the date of issue of the first Tranche of the Notes of such Series), as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**") (copies of which may be obtained from ISDA at [www.isda.org](http://www.isda.org)); or
- (b) if "2021 ISDA Definitions" are specified as being applicable in the relevant Final Terms, the latest version of the 2021 ISDA Interest Rate Derivatives Definitions, including each Matrix (as defined therein) (and any successor thereto), each as published by ISDA (or any successor) on its website (<http://www.isda.org>), on the date of issue of the first Tranche of the Notes of such Series;

**"Issue Date"** has the meaning given in the relevant Final Terms;

**"Margin"** has the meaning given in the relevant Final Terms;

**"Maturity Date"** has the meaning given in the relevant Final Terms;

**"Maximum Redemption Amount"** has the meaning given in the relevant Final Terms;

**"Minimum Redemption Amount"** has the meaning given in the relevant Final Terms;

**"Noteholder"**, in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer — Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer — Title to Registered Notes*);

**"Participating Member State"** means a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty;

**"Payment Business Day"** means:

(a) if the currency of payment is euro, any day which is:

(i)

(A) in the case of Bearer Notes, in the case of presentation of a Bearer Note, a day on which (1) dealings in foreign currencies may be carried on in Tokyo and in each (if any) Additional Financial Centre, and (2) banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation; or

(B) in the case of Registered Notes, in the case of surrender (or, in the case of part payment only, endorsement) of a Note Certificate (as defined in Condition 3(d) (*Form, Denomination and Title — Title to Registered Notes*)), a day on which (1) dealings in foreign currencies may be carried on in Tokyo and in each (if any) Additional Financial Centre, and (2) banks are open for general business (including dealings in foreign currencies) in the place in which the Note Certificate is surrendered (or, as the case may be, endorsed); and

(ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in Tokyo and in each (if any) Additional Financial Centre; or

(b) if the currency of payment is not euro, any day which is:

(i)

(A) in the case of Bearer Notes, in the case of presentation of a Bearer Note, a day on which (1) dealings in foreign currencies may be carried on in Tokyo and in each (if any) Additional Financial Centre, and (2) banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation; or

(B) in the case of Registered Notes, in the case of surrender (or, in the case of part payment only, endorsement) of a Note Certificate, a day on which (1) dealings in foreign currencies may be carried on in Tokyo and in each (if any) Additional Financial Centre, and (2) banks are open for general business (including dealings in foreign currencies) in the place in which the Note Certificate is surrendered (or, as the case may be, endorsed); and

(ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment, in Tokyo and in each (if any) Additional Financial Centre;

**"Person"** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**"Principal Financial Centre"** means, in relation to any currency, the principal financial centre for that currency *provided, however, that:*

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;
- (b) in relation to Australian dollars, it means Sydney; and
- (c) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

**"Rate of Interest"** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

**"Redemption Amount"** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax) or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

**"Reference Banks"** has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

**"Reference Price"** has the meaning given in the relevant Final Terms;

**"Reference Rate"** means LIBOR, EURIBOR or such other applicable benchmark as is specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms;

**"Regular Period"** means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **"Regular Date"** means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

**"Relevant Date"** means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

**"Relevant Financial Centre"** has the meaning given in the relevant Final Terms;

**"Relevant Screen Page"** means the page, section or other part of a particular information service (including, without limitation, Thomson Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the



Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Final Terms;

"**Specified Currency**" has the meaning given in the relevant Final Terms;

"**Specified Denomination(s)**" has the meaning given in the relevant Final Terms;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Final Terms;

"**Talon**" means a talon for further Coupons;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system or any successor thereto;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro; and

"**Treaty**" means the Treaty of the Functioning of the European Union, as amended.

(b) *Interpretation:* In these Conditions:

- (i) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (ii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iii) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 11 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (iv) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (v) references to Notes being "**outstanding**" shall be construed in accordance with the Agency Agreement;
- (vi) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and
- (vii) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement as amended and/or supplemented up to and including the Issue Date of the Notes.

### 3. **FORM, DENOMINATION AND TITLE**

- (a) *Bearer Notes:* Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.
- (b) *Title to Bearer Notes:* Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.

- (c) *Registered Notes:* Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.
- (d) *Title to Registered Notes:* The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register.

In the case of Registered Notes, "**Holder**" means the Person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.

- (e) *Ownership:* The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No Person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.
- (f) *Transfers of Registered Notes:* Subject to paragraphs Condition 3(i) (*Closed periods*) and Condition 3(j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; *provided, however, that* a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.
- (g) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with Condition 3(f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.
- (i) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

#### 4. STATUS

The Notes and Coupons constitute (subject to the provisions of Condition 5 (*Negative Pledge*)) unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes and Coupons shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 5 (*Negative Pledge*), at all times rank at least equally with all its other present and future unsecured bonds and notes which rank senior to the Issuer's unsecured general obligations not represented by bonds or notes (but not in priority to certain statutory preferred obligations). Under the Act on Expressway Companies of Japan (Act No. 99 of 2004, as amended, the "**Expressway Companies Act**"), all holders of bonds issued by the Issuer (including the Notes) have a right (statutory lien; *sakidori-tokken*) to receive payments in priority to other classes of creditors over the assets of the Issuer, subject to the exception of the general statutory lien (*ippan no sakidori-tokken*) provided in the Civil Code of Japan (Act No. 89 of 1896, as amended, the "**Civil Code**").

#### 5. NEGATIVE PLEDGE

So long as any Note or Coupon remains outstanding (as defined in the Agency Agreement), the Issuer will not create, or have outstanding, any mortgage, charge, lien, pledge or other security interest (but excluding the statutory lien as described in Condition 4 (*Status*) or any statutory modification of that lien), upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure (a) any payment due in respect of any Specified Indebtedness (as defined below) issued by it, or (b) any payment under any guarantee or indemnity in respect of any Specified Indebtedness, without at the same time or prior thereto according to the Notes and the Coupons the same security as is created or subsisting to secure any payment in respect of any such Specified Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

In these Conditions:

"**Specified Indebtedness**" means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which:

- (a) either:
  - (i) are, or may at the option of the Person entitled thereto be or become, denominated or payable in, or by reference to, a currency or currencies other than Japanese yen; or
  - (ii) are denominated or payable in Japanese yen and more than 50 per cent. of the aggregate principal or face amount of which is initially distributed by or with the authorisation of the Issuer outside Japan; and
- (b) are, or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.

#### 6. FIXED RATE NOTE PROVISIONS

- (a) *Application*: This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest*: The Notes bear interest from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments — Bearer Notes*) and Condition 10 (*Payments — Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (*Fixed Rate Note Provisions*) (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

## 7. **FLOATING RATE NOTE PROVISIONS**

- (a) *Application:* This Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from (and including) the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 9 (*Payments — Bearer Notes*) and Condition 10 (*Payments — Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (both before and after judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
  - (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
  - (ii) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
    - (A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
    - (B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period,

*provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall calculate the Rate of Interest at such time and by reference to such sources as the Issuer, acting in good faith and in a commercially reasonable manner, determines appropriate;*

- (iii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iv) if, in the case of (i) above, such rate does not appear on that page or, in the case of (iii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Issuer will:
  - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
  - (B) provide such quotations to the Calculation Agent who shall determine the arithmetic mean of such quotations; and
- (v) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, requested and selected by the Issuer, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined.

- (d) *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
  - (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
  - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms;
  - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on LIBOR for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms; and
  - (iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
    - (A) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
    - (B) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period,

*provided, however, that* if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

- (e) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (f) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (g) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and (if so required by the relevant authority, stock exchange and/or quotation system) each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (h) *Notifications, etc.:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

## 8. **REDEMPTION AND PURCHASE**

- (a) *Final redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 9 (*Payments — Bearer Notes*) and Condition 10 (*Payments — Registered Notes*). The Notes may not be redeemed at the option of the Issuer other than in accordance with this Condition.
- (b) *Redemption for taxation reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part:
  - (i) at any time (unless the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable); or
  - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their principal amount, together with interest accrued to the date fixed for redemption, if:

- (A) the Issuer has or will become obliged to pay Additional Amounts (as defined in Condition 11 (*Taxation*)) as provided or referred to in Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Japan or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

*provided that* no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days (or such other period as may be specified in the relevant Final Terms) prior to the earliest date on which the Issuer would be obliged to pay such Additional Amounts if a payment in respect of the Notes were then due; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days (or such other period as may be specified in the relevant Final Terms) prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such Additional Amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this Condition 8(b) (*Redemption and Purchase — Redemption for taxation reasons*), the Issuer shall deliver to the Fiscal Agent a certificate signed by one director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such Additional Amounts as a result of such change or amendment.

- (c) *Notice of redemption:* All Notes in respect of which any notice of redemption is given under this Condition shall be redeemed on the date specified in such notice in accordance with this Condition.
- (d) *Purchase:* The Issuer may at any time purchase Notes in the open market or otherwise at any price (*provided that* they are purchased together with all unmatured Coupons (if any) relating to them). The Notes so purchased, while held by or on behalf of the Issuer or its subsidiaries, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 15(a) (*Meetings of Noteholders, Modification and Substitution — Meetings of Noteholders*).
- (e) *Cancellation:* All Notes so redeemed or purchased and any unmatured Coupons attached to or surrendered with them will be cancelled and may not be re-issued or resold.

## 9. PAYMENTS — BEARER NOTES

This Condition 9 (*Payments — Bearer Notes*) is only applicable to Bearer Notes.

- (a) *Principal:* Payments of principal shall be made only against presentation and (*provided that* payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by

transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.

- (b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (*provided that* payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) *Payments subject to laws:* All payments are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*), and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 11 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
  - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; *provided, however, that* if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
  - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
    - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; *provided, however, that* where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and
    - (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; *provided, however, that*, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (*provided that* payment is made in full) surrender of the relevant missing Coupons.



- (f) *Unmatured Coupons void*: If the relevant Final Terms specifies that this Condition 9(f) (*Payments — Bearer Notes — Unmatured Coupons void*) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 8(b) (*Redemption and Purchase — Redemption for taxation reasons*) or Condition 12 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) *Payments on business days*: If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (i) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) *Exchange of Talons*: On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 13 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.
- (k) *Agents*: The initial Paying Agent and its initial Specified Office are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent or Calculation Agent and appoint additional or other Paying Agents and Calculation Agents, *provided that* it will maintain:
  - (i) a Fiscal Agent;
  - (ii) a Paying Agent having a Specified Office in at least one major European city;
  - (iii) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, a Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system; and
  - (iv) if a Calculation Agent is specified in the relevant Final Terms, a Calculation Agent.

Notice of any change in the Paying Agents or Calculation Agents or their respective Specified Offices will promptly be given to the Noteholders in accordance with Condition 17 (*Notices*).

## 10. PAYMENTS — REGISTERED NOTES

This Condition 10 (*Payments — Registered Notes*) is only applicable to Registered Notes.

- (a) *Principal*: Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender

(or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

- (b) *Interest:* Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) *Payments subject to fiscal laws:* All payments in respect of the Registered Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*), and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 11 (*Taxation*)) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent, and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day, or (B) a cheque mailed in accordance with this Condition 10 (*Payments — Registered Notes*) arriving after the due date for payment or being lost in the mail.
- (e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (f) *Record date:* Each payment in respect of a Registered Note will be made to the Person shown as the Holder in the Register at the close of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the close of business on the relevant Record Date.
- (g) *Agents:* The initial Registrar, the initial Paying Agent, the initial Transfer Agent and their respective initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Registrar, Paying Agent, Transfer Agent or Calculation Agent and appoint additional or other Registrars, Paying Agents, Transfer Agents and Calculation Agents, *provided that* it will maintain:
  - (i) a Fiscal Agent;
  - (ii) a Registrar;
  - (iii) a Paying Agent and a Transfer Agent having a Specified Office in at least one major European city;

- (iv) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or a Transfer Agent in any particular place, a Paying Agent or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system; and
- (v) if a Calculation Agent is specified in the relevant Final Terms, a Calculation Agent.

Notice of any change in the Registrar, Paying Agents, Transfer Agents or Calculation Agents or their respective Specified Offices will promptly be given to the Noteholders in accordance with Condition 17 (*Notices*).

## 11. TAXATION

- (a) *Taxation*: All payments of principal and interest by or on behalf of the Issuer in respect of the Notes and the Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Japan or any authority therein or thereof having power to tax ("**Taxes**"), unless such withholding or deduction is required by law. In that event the Issuer shall pay such additional amounts ("**Additional Amounts**") as will result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable in respect of any Note or Coupon presented for payment:
  - (i) *Japanese resident or corporation*: by or on behalf of a Noteholder or Couponholder who is for Japanese tax purposes treated as an individual resident of Japan or a Japanese corporation; or
  - (ii) *Specially-Related Party of the Issuer*: by or on behalf of a Noteholder or Couponholder who is an individual non-resident of Japan or a non-Japanese corporation and is liable for such Taxes in respect of such Note or Coupon by reason of such holder being a Specially-Related Party of the Issuer (as defined below); or
  - (iii) *Failure to comply with requirements regarding exemption*: by or on behalf of a Noteholder or Couponholder that would otherwise be exempt from any such withholding or deduction but that fails to comply with any applicable requirement to provide Interest Recipient Information (as defined below) or to submit a Claim for Exemption (as defined below) to the Fiscal Agent or the Paying Agent, or whose Interest Recipient Information is not duly communicated through the relevant Participant (as defined below) and the relevant international clearing organisation to such Fiscal Agent or Paying Agent (as the case may be); or
  - (iv) *Other connection with Japan*: by or on behalf of a Noteholder or Couponholder who is otherwise subject to such taxes, duties, assessments or governmental charges by reason of it being connected with Japan otherwise than by reason only of the holding of any Note or Coupon, the receipt of payment in respect of any Note or Coupon or the enforcement of its rights under any Note or Coupon; or
  - (v) *Presentation more than 30 days after the Relevant Date*: more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting such Note or Coupon for payment on the last day of such period of 30 days.
- (b) *Definitions*: In these Conditions:

"**Act on Special Measures Concerning Taxation**" means the Act on Special Measures Concerning Taxation of Japan (Act No. 26 of 1957, as amended);

"**Cabinet Order**" means Cabinet Order No. 43 of 1957 of Japan, as amended, relating to the Act on Special Measures Concerning Taxation;

**"Claim for Exemption"** means a claim for exemption from Japanese withholding tax (*Hikazei Tekiyo Shinkokusho*);

**"Interest Recipient Information"** means certain information regarding the recipient of interest prescribed by the Act on Special Measures Concerning Taxation;

**"Participant"** means a participant of an international clearing organisation or a financial intermediary prescribed by the Act on Special Measures Concerning Taxation and the Cabinet Order; and

**"Specially-Related Party of the Issuer"** means an individual non-resident of Japan or a non-Japanese corporation that in either case is a party having a special relationship with the Issuer as described in Article 6, Paragraph 4 of the Act on Special Measures Concerning Taxation.

- (c) *References*: Any reference in these Conditions to principal and/or interest shall be deemed to include any Additional Amounts which may be payable under this Condition 11 (*Taxation*).

## 12. EVENTS OF DEFAULT

If any of the following events occurs and is continuing:

- (a) *Non-payment*: (i) the Issuer fails to pay any interest on any of the Notes when due and such failure continues for a period of five business days in Tokyo, and (ii) from and including the Assumption Date (as defined in Condition 20 (*Provisions Applicable after the Assumption of Obligations by JEHDRA*)), both the Issuer and JEHDRA (as defined below) fail to pay any interest on the obligations under the Notes when due and such failure continues for a period of five business days in Tokyo; or
- (b) *Breach of other obligations*: (i) the Issuer does not perform or comply with any one or more of its other obligations under the Notes which default is incapable of remedy or is not remedied within 60 days after notice of such default shall have been given by any Noteholder to the Fiscal Agent at its Specified Office; and (ii) from and including the Assumption Date, neither the Issuer nor JEHDRA performs or complies with any one or more of its other obligations under the Notes which default is incapable of remedy or is not remedied within 60 days after notice of such default shall have been given by any Noteholder to the Fiscal Agent at its Specified Office; or
- (c) *Default of JEHDRA Notes*: any obligation of JEHDRA under the JEHDRA Notes (as defined below) or which JEHDRA has assumed in respect of bonds or notes issued (other than the Notes) is accelerated by reason of any actual or potential default, event of default or the like (howsoever described); or
- (d) *Cross-default*:
- (i) any present or future indebtedness in the form of bonds or notes (other than the Notes) of the Issuer is accelerated by reason of any actual or potential default, event of default or the like (howsoever described); or
- (ii) any present or future indebtedness of the Issuer for or in respect of moneys borrowed or raised (other than any bonds or notes (including the Notes) issued by the Issuer) is accelerated by reason of any actual or potential default, event of default or the like (howsoever described), where such indebtedness exceeds in the aggregate ¥1,000,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against Japanese yen as quoted by any leading bank on the day on which this paragraph operates); or
- (iii) the Issuer fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any bonds or notes issued (other than those issued by the Issuer) or moneys borrowed or raised (other than those borrowed or raised by the Issuer), where such amount due under such guarantee or indemnity exceeds in the aggregate ¥1,000,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against Japanese yen as quoted by any leading bank on the day on which this paragraph operates); or

- (e) *Institution of bankruptcy and other proceedings*: the Issuer institutes proceedings seeking adjudication of bankruptcy or seeking with respect to itself, a decree of commencement of bankruptcy, reorganisation or rehabilitation procedures under the Bankruptcy Act, the Corporate Reorganisation Act or the Civil Rehabilitation Act (each as defined below), or any other similar proceedings under the applicable law of Japan or any other jurisdiction, or consents to the institution of any such proceedings, or consents to, or acquiesces in, the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or of all or any material part of its property, or makes a general assignment for the benefit of its creditors; or
- (f) *Resolution for dissolution*: the Issuer passes a resolution for its winding up or dissolution (other than in respect of a merger), and by the time that the Issuer receives the consent of the Relevant Minister (as defined below) in respect of such resolution pursuant to the Expressway Companies Act, no provision has been made for the obligations of the Issuer under the Notes to be assumed by JEHDRA or any other successor organisation or corporation (or no other measures have been put in place with regard to the assumption of the obligations of the Issuer under the Notes); or
- (g) *Commencement of bankruptcy and other proceedings*: a decree is given for commencement of bankruptcy, reorganisation or rehabilitation procedures against the Issuer under the Bankruptcy Act, the Corporate Reorganisation Act or the Civil Rehabilitation Act, or an order is made against the Issuer for the commencement of special liquidation procedures under the Companies Act (as defined below), or any other similar proceedings under the applicable law of Japan or any other jurisdiction are commenced against the Issuer, or a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Issuer or of all or any material part of its property is appointed, or a general assignment for the benefit of the Issuer's creditors is made; or
- (h) *Law for dissolution of JEHDRA*: a law for winding up or dissolving JEHDRA, or a law designating the date of winding-up or dissolution of JEHDRA, is promulgated, and by the date set for the winding-up or dissolution of JEHDRA under such law, no arrangements have been made for another Person to assume the business set forth in Article 12(1)(iii) of the JEHDRA Act (as defined below) in respect of the Notes; or
- (i) *Cessation of business*: the Issuer halts or ceases to carry on the whole or a material part of its business as set forth in the Expressway Companies Act; or
- (j) *Insolvency*: the Issuer, or a successor organisation or corporation which has assumed the obligations of the Issuer under the Notes (whether by operation of law or pursuant to Condition 15(c) (*Meetings of Noteholders, Modification and Substitution — Substitution*)), is (or could be deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of such successor organisation or corporation,

then any Note (including, from and including the Assumption Date, the obligations under the Notes) may, by notice in writing given to the Fiscal Agent at its Specified Office by the holder, be declared immediately due and payable whereupon it shall become immediately due and payable at its principal amount together with interest accrued to (but excluding) the date of actual repayment without further formality unless such event of default shall have been remedied prior to the receipt of such notice by the Fiscal Agent.

In these Conditions:

"**Bankruptcy Act**" means the Bankruptcy Act of Japan (Act No. 75 of 2004, as amended);

"**Civil Rehabilitation Act**" means the Civil Rehabilitation Act of Japan (Act No. 225 of 1999, as amended);

"**Companies Act**" means the Companies Act of Japan (Act No. 86 of 2005, as amended);

"**Corporate Reorganisation Act**" means the Corporate Reorganisation Act of Japan (Act No. 154 of 2002, as amended);

"**JEHDRA**" means Japan Expressway Holding and Debt Repayment Agency;

"**JEHDRA Act**" means the Japan Expressway Holding and Debt Repayment Agency Act of Japan (Act No. 100 of 2004, as amended);

"**JEHDRA Notes**" means any of the following:

- (i) any present or future bonds and notes issued by JEHDRA; and
- (ii) bonds and notes issued by the Japan Highway Public Corporation, the Hanshin Expressway Public Corporation and the Honshu-Shikoku Bridge Authority, the obligations under which were assumed by JEHDRA and which continue to be JEHDRA's obligations; and

"**Relevant Minister**" means the minister of the Ministry of Land, Infrastructure, Transport and Tourism of Japan (or the minister of the relevant successor ministry in Japan).

### 13. **PRESCRIPTION**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment as required by Condition 9 (*Payments — Bearer Notes*) within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment as required by Condition 9 (*Payments — Bearer Notes*) within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment as required by Condition 10 (*Payments — Registered Notes*) within ten years of the appropriate Relevant Date.

### 14. **REPLACEMENT OF NOTES AND COUPONS**

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent (in such capacity, the "**Replacement Agent**"), in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may require (*provided that* the requirement is reasonable in light of prevailing market practice). Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

### 15. **MEETINGS OF NOTEHOLDERS, MODIFICATION AND SUBSTITUTION**

- (a) *Meetings of Noteholders*: The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions. Such a meeting may be convened by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more Persons holding or representing a clear majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*:
  - (i) to modify the maturity of the Notes or the dates on which principal or interest is payable in respect of the Notes;
  - (ii) to reduce or cancel the principal amount of, or interest on, the Notes;
  - (iii) to modify the method of calculating the amount of any payment in respect of the Notes or the date for any such payment;

- (iv) to change the currency of payment of the Notes or the Coupons; or
- (v) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution,

in which case the necessary quorum will be two or more Persons holding or representing not less than 75 per cent., or at any adjourned meeting not less than 25 per cent., in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

- (b) *Modification of Agency Agreement:* The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.
- (c) *Substitution:* The Issuer, or any previous substituted company, may at any time, without the consent of the Noteholders or the Couponholders, substitute for itself as principal debtor under the Notes and the Coupons such entity (the "**Substitute**") as is specified in the Agency Agreement, *provided that* no payment in respect of the Notes or the Coupons is at the relevant time overdue. The substitution shall be made by a deed poll (the "**Substitution Deed Poll**"), to be substantially in the form exhibited to the Agency Agreement, and may take place only if:
  - (i) the Substitute shall, by means of the Substitution Deed Poll, agree to indemnify each Noteholder and Couponholder against any tax, duty, assessment or governmental charge which is imposed on it by (or by any authority in or of) Japan with respect to any Note or Coupon and which would not have been so imposed had the substitution not been made, as well as against any tax, duty, assessment or governmental charge, and any cost or expense, relating to the substitution;
  - (ii) all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the Substitution Deed Poll, the Notes and Coupons represent valid, legally binding and enforceable obligations of the Substitute have been taken, fulfilled and done and are in full force and effect;
  - (iii) the Substitute shall have become party to the Agency Agreement, with any appropriate consequential amendments, as if it had been an original party to it;
  - (iv) legal opinions addressed to the Noteholders shall have been delivered to them (care of the Fiscal Agent) from a lawyer or firm of lawyers with a leading securities practice in Japan and in England as to the fulfilment of the preceding conditions of this paragraph (c);
  - (v) the Issuer shall have given at least 14 days' prior notice of such substitution to the Noteholders, stating that copies, or pending execution the agreed text, of all documents in relation to the substitution which are referred to above, or which might otherwise reasonably be regarded as material to Noteholders, will be available for inspection at the Specified Office of each of the Paying Agents; and
  - (vi) no downgrading (whether actual, intended or potential) of the rating given to the Notes or review or surveillance with negative implications of the rating given to the Notes shall be announced or given notice of to the Issuer or the Substitute prior to such substitution. References in Condition 12 (*Events of Default*) to obligations under the Notes shall be deemed to include obligations under the Substitution Deed Poll.

## 16. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions

to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes.

17. **NOTICES**

- (a) *Bearer Notes*: Notices to the Holders of Bearer Notes by the Issuer (or, from and including the Assumption Date, the Issuer and JEHDRA (*provided that* JEHDRA has provided its prior consent with respect thereto)) shall be valid if published in a leading newspaper published in London (which is expected to be the *Financial Times*) or, if such publication shall not be practicable, in an English language newspaper of general circulation in Europe or the United Kingdom. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once, on the first date on which publication is made. Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes in accordance with this Condition.
- (b) *Registered Notes*: Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing, or if posted to an overseas address, on the fifth day after the date of mailing.

18. **CURRENCY INDEMNITY**

The Specified Currency is the sole currency of account and payment for all sums payable by the Issuer (or, from and including the Assumption Date, JEHDRA *provided that* JEHDRA has provided its prior consent with respect thereto) under or in connection with the Notes and the Coupons (or the obligations thereunder), including damages. Any amount received or recovered in a currency other than the Specified Currency (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) by any Noteholder or Couponholder in respect of any sum expressed to be due to it from the Issuer (or JEHDRA, as the case may be) shall only constitute a discharge to the Issuer (or JEHDRA, as the case may be) to the extent of the amount in the Specified Currency which the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If that amount in the Specified Currency is less than the amount in the Specified Currency expressed to be due to the recipient under any Note or Coupon, the Issuer (or, from and including the Assumption Date, JEHDRA) shall indemnify it against any loss sustained by it as a result. In any event, the Issuer (or, from and including the Assumption Date, JEHDRA) shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it will be sufficient for the Noteholder or Couponholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's and JEHDRA's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder or Couponholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or Coupon or any other judgment or order. JEHDRA's obligations under this Condition 18 (*Currency Indemnity*) shall be subject to its prior consent as referred to in this Condition.

19. **AGENTS**

In acting under the Agency Agreement, the Fiscal Agent, the Registrar, the Paying Agents, the Transfer Agents and the Replacement Agent are acting solely as agents of the Issuer and do not assume any obligation or duty to, or any relationship of agency or trust for or with, the Noteholders or the Couponholders, except that (without affecting the obligations of the Issuer to the Noteholders to repay the Notes in accordance with their terms) any funds received by the Fiscal Agent for the payment of the principal of or interest on the Notes shall, to the extent permitted by law, be held by it in trust for the Noteholders or the Couponholders, as the case may be, until the expiration of the periods of prescription specified in Condition 13 (*Prescription*).



20. **PROVISIONS APPLICABLE AFTER THE ASSUMPTION OF OBLIGATIONS BY JEHDRA**

- (a) *Purpose and assumption:* The Issuer is issuing the Notes for the purposes of paying the expenses related to the construction, renovation, repair or disaster recovery works of expressways in Japan which JEHDRA is due to assume pursuant to Article 15, Paragraph 1 of the JEHDRA Act. From and including the Assumption Date, JEHDRA will be jointly and severally liable in respect of the Issuer's obligations under the Notes and the Coupons pursuant to Article 15, Paragraph 1 of the JEHDRA Act.

In these Conditions:

"**Assumption Date**", where the Issuer has chosen (pursuant to Article 15, Paragraph 1 of the JEHDRA Act) to have its obligations under the Notes and the Coupons to be obligations in respect of which JEHDRA shall be jointly and severally liable, means the date specified by the Issuer and JEHDRA from which JEHDRA has assumed such obligations.

- (b) *Performance of obligations after the Assumption Date:* Without prejudice to the provisions of paragraph (a) above, on and after the Assumption Date, the obligations under the Notes and the Coupons will be fulfilled primarily by JEHDRA which has, on or prior to the Assumption Date, provided its prior consent for the assumption of its obligations under the Notes.
- (c) *Notification:* The Issuer and JEHDRA will, on or immediately after the Assumption Date, notify the Noteholders in accordance with Condition 17 (*Notices*) of (i) the assumption by JEHDRA (on a joint and several basis) of the Issuer's obligations under the Notes, (ii) the Assumption Date, and (iii) that JEHDRA has provided its consent referred to in Condition 17 (*Notices*), Condition 18 (*Currency Indemnity*), Condition 20(b) (*Provisions Applicable after the Assumption of Obligations by JEHDRA — Performance of obligations after the Assumption Date*) and Condition 20(g) (*Provisions Applicable after the Assumption of Obligations by JEHDRA — Additional Events of Default after the Assumption Date*).
- (d) *Status after the Assumption Date:* On and after the Assumption Date, in addition to the provisions of Condition 4 (*Status*), the following provisions shall apply:

The obligations of JEHDRA under the Notes and Coupons constitute (subject to Condition 20(e) (*Provisions Applicable after the Assumption of Obligations by JEHDRA — Negative Pledge after the Assumption Date*)) unsecured obligations of JEHDRA and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of JEHDRA under the Notes and Coupons shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 20(e) (*Provisions Applicable after the Assumption of Obligations by JEHDRA — Negative Pledge after the Assumption Date*), at all times rank at least equally with all its other present and future unsecured bonds and notes which rank senior to JEHDRA's unsecured general obligations not represented by bonds or notes (but not in priority to certain statutory preferred obligations). Under the JEHDRA Act and the Act regarding the Implementation of Acts Related to the Privatisation of Japan Highway Public Corporation of Japan (Act No. 102 of 2004), all holders of bonds issued or assumed by JEHDRA (including the Notes) have a right (statutory lien; *sakidori-tokken*) to receive payments in priority to other classes of creditors over the assets of JEHDRA, subject to the exception of the general statutory lien (*ippan no sakidori-tokken*) provided in the Civil Code.

- (e) *Negative Pledge after the Assumption Date:* On and after the Assumption Date, in addition to the provisions of Condition 5 (*Negative Pledge*), the following provisions shall apply:

So long as any Note or Coupon remains outstanding (as defined in the Agency Agreement), JEHDRA will not create, or have outstanding, any mortgage, charge, lien, pledge or other security interest (but excluding the statutory lien as described in Condition 20(d) (*Provisions Applicable after the Assumption of Obligations by JEHDRA — Status after the Assumption Date*) or any statutory modification of that lien), upon the whole or any part of its present or future undertaking, assets or revenues (including any uncalled capital) to secure (a) any payment due in respect of any JEHDRA Specified Indebtedness (as defined below) issued or assumed by it, or (b) any payment under any guarantee or indemnity in respect of any JEHDRA Specified Indebtedness, without at the same time or prior thereto according to the Notes and the Coupons

the same security as is created or subsisting to secure any payment in respect of any such JEHDRA Specified Indebtedness, guarantee or indemnity or such other security as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the Noteholders.

In these Conditions, "**JEHDRA Specified Indebtedness**" means any indebtedness which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other securities which:

- (A) either:
  - (i) are, or may at the option of the Person entitled thereto be or become, denominated or payable in, or by reference to, a currency or currencies other than Japanese yen; or
  - (ii) are denominated or payable in Japanese yen and more than 50 per cent. of the aggregate principal or face amount of which is initially distributed by or with the authorisation of the Issuer outside Japan; and
- (B) are, or are capable of being, quoted, listed or dealt in or traded on any stock exchange or over-the-counter or other securities market.
- (f) *Changes to the Terms and Conditions after the Assumption Date:* If at any time on or after the Assumption Date, these Conditions are amended by an Extraordinary Resolution of the Noteholders, then upon JEHDRA giving consent with respect to such amendment, the same change shall take effect in respect of JEHDRA's obligations under the Notes; *provided, however, that* such consent of JEHDRA is not required where JEHDRA has provided consent for the proposal to be submitted by the Issuer to the meeting of Noteholders with respect to such amendment.
- (g) *Additional Events of Default after the Assumption Date:* On and after the Assumption Date and JEHDRA having, on or prior to the Assumption Date, provided its prior consent to the assumption of the relevant obligations, in addition to the provisions of Condition 12 (*Events of Default*), the following provisions shall apply:

If any of the following events occurs and is continuing:

- (A) *JEHDRA Cross-default:* any present or future indebtedness of JEHDRA for or in respect of moneys borrowed or raised or obligations assumed (other than the JEHDRA Notes and any other bonds or notes assumed by JEHDRA) exceeding in the aggregate ¥1,000,000,000 or its equivalent (on the basis of the middle spot rate for the relevant currency against Japanese yen as quoted by any leading bank on the day on which this paragraph operates) is accelerated by reason of any actual or potential default, event of default or the like (howsoever described); or
- (B) *Initiation of Relevant Proceedings:* a decree is given for commencement of Relevant Proceedings (as defined below) against JEHDRA or any other successor organisation or corporation that assumes the obligations of JEHDRA following the dissolution of JEHDRA; or
- (C) *JEHDRA Insolvency:* JEHDRA, or a successor organisation or corporation which has assumed the obligations of JEHDRA under the Notes (whether by operation of law or pursuant to Condition 15(c) (*Meetings of Noteholders, Modification and Substitution — Substitution*)), is (or could be deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of such successor organisation or corporation,

then any Note (including the obligations under the Note) may, by notice in writing given to the Fiscal Agent at its Specified Office by the holder, be declared immediately due and payable whereupon it shall become immediately due and payable at its principal amount together with interest accrued to (but excluding) the date of actual repayment without further formality unless such event of default shall have been remedied prior to the receipt of such notice by the Fiscal Agent.

In these Conditions, "**Relevant Proceedings**" means proceedings of or equivalent to bankruptcy, reorganisation, rehabilitation or special liquidation procedures or adjustment under the Bankruptcy Act, the Corporate Reorganisation Act, the Civil Rehabilitation Act or the Companies Act in respect of any corporations incorporated in Japan, or any other similar applicable law of Japan or any other jurisdiction.

- (h) *Deed poll and other actions:* On or before the Assumption Date, the Issuer shall procure that:
- (i) JEHDRA executes and delivers a deed poll (the "**JEHDRA Deed Poll**"), to be substantially in the form exhibited to the Agency Agreement, in favour of Noteholders and Couponholders, to the effect that JEHDRA has assumed or will assume, effective the Assumption Date, jointly and severally, the obligations of the Issuer under the Notes and Coupons so that JEHDRA's obligations under the Notes and Coupons represent valid, legally binding and enforceable obligations of JEHDRA;
  - (ii) JEHDRA has taken all action, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents) to ensure that the JEHDRA Deed Poll, the Notes and Coupons represent valid, legally binding and enforceable obligations of JEHDRA have been taken, fulfilled and done and are in full force and effect; and
  - (iii) JEHDRA enters into a supplement to the Agency Agreement, to become a party to the Agency Agreement and to be bound by the provisions thereof.

## 21. **ROUNDINGS**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

## 22. **CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

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

## 23. **GOVERNING LAW, JURISDICTION AND WAIVER OF IMMUNITY**

- (a) *Governing law:* The Agency Agreement, the Notes and the Coupons are governed by and shall be construed in accordance with English law.
- (b) *Jurisdiction:* The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes or the Coupons and accordingly any legal action or proceedings arising out of or in connection with the Notes or the Coupons ("**Legal Actions**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objection to Legal Actions in such courts whether on the ground of venue or on the ground that Legal Actions have been brought in an inconvenient forum. This submission is made for the benefit of each of the Noteholders and Couponholders and shall not limit the right of any of them to take Legal Actions in any other court of competent jurisdiction nor shall the

taking of Legal Actions in one or more jurisdictions preclude the taking of Legal Actions in any other jurisdiction (whether concurrently or not).

- (c) *Agent for service of process:* The Issuer irrevocably appoints Mizuho Bank, Ltd., London Branch at Mizuho House, 30 Old Bailey, London EC4M 7AU, United Kingdom (marked for the attention of the Head of Legal Department) as its agent in England to receive service of process in any Legal Actions in England based on any of the Notes or the Coupons. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Noteholders of such appointment. Nothing herein shall affect the right to serve process in any other manner permitted by law.
- (d) *Waiver of immunity:* The Issuer, to the fullest extent permitted by applicable laws, irrevocably agrees that, should any Legal Actions be taken anywhere (whether for an injunction, specific performance, damages or otherwise), no immunity (to the extent that it may at any time exist, whether on the grounds of sovereignty or otherwise) from those Legal Actions, from attachment (whether in aid of execution, before judgment or otherwise) of its assets or from execution of judgment shall be claimed by it or with respect to its assets, any such immunity being irrevocably waived and irrevocably and generally consents in respect of any Legal Actions anywhere to the giving of any relief or the issue of any process in connection with those Legal Actions.

## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

The Temporary Global Notes, the Permanent Global Notes and the Global Registered Notes contain provisions which apply to the Notes while they are in global form, some of which modify the effect of the Conditions set out in this Offering Circular. The following is a summary of those provisions:

### Exchange

#### *Bearer Notes*

Each Tranche of Bearer Notes will initially be represented by a Temporary Global Note or a Permanent Global Note.

Each Temporary Global Note is exchangeable in whole or in part (free of charge to the holder) for interests in a Permanent Global Note on or after a date which is 40 days after the later of the commencement of the relevant offering and the relevant issue date, against certification as to non-U.S. beneficial ownership in the form set out in the relevant Temporary Global Note. Each Permanent Global Note is exchangeable in whole but not, except as provided in the next paragraph, in part (free of charge to the holder) for Definitive Notes (i) if such Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (the "**Alternative Clearing System**") and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business, or (ii) if principal in respect of any Notes is not paid when due and payable. Thereupon a holder may give notice to the Fiscal Agent of its intention to exchange the relevant Permanent Global Note for Definitive Notes on or after the Exchange Date (as defined below) specified in the notice.

If principal in respect of any Notes is not paid when due and payable the holder of a Permanent Global Note may by notice to the Fiscal Agent (which may, but need not, be the default notice referred to in "*Default*" below) require the exchange of a specified principal amount of such Permanent Global Note (which may be equal to or (*provided that*, if such Permanent Global Note is held by or on behalf of a clearing system, that clearing system agrees) less than the outstanding principal amount of Notes represented thereby) for Definitive Notes on or after the Exchange Date specified in such notice.

Subject to the above, on or after any Exchange Date, the holder of a Permanent Global Note may surrender such Permanent Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for such Permanent Global Note, or on endorsement in respect of the part thereof to be exchanged, the Issuer shall deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on such Permanent Global Note), security printed in accordance with applicable legal and stock exchange requirements and substantially in the form set out in the Agency Agreement. On exchange in full of a Permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

"**Exchange Date**" means a day falling not less than 60 days, or in the case of exchange following principal in respect of any Notes not being paid when due and payable, 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (i) above, in the cities in which Euroclear and Clearstream, Luxembourg or, if relevant, the Alternative Clearing System, are located.

#### *Registered Notes*

Each Tranche of Registered Notes will be represented by a Global Registered Note registered in the name of (or in the name of a nominee for), and deposited with, a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg, and the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interest in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Registered Note may only be made in part (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, or (ii) if principal in respect of any Notes is not paid when due and payable.

## Payments

No payment will be made on a Temporary Global Note unless exchange for the relevant interest in the relevant Permanent Global Note or for Definitive Notes is improperly withheld or refused in which case payments on such Temporary Global Note will only be made upon certification of non-U.S. beneficial ownership in accordance with the rules of Euroclear and Clearstream, Luxembourg. Payments of principal and interest in respect of a Permanent Global Note will be paid to its holder against presentation and (if no further payment falls to be made on it) surrender of such Permanent Global Note to or to the order of the Fiscal Agent (or to or to the order of such other Paying Agent as shall have been notified to the Noteholders for this purpose) which shall endorse such payment or cause such payment to be endorsed in the appropriate schedule to such Permanent Global Note (such endorsement being *prima facie* evidence that such payment has been made).

While any Notes are represented by a Permanent Global Note, the definition of "Payment Business Day" in Condition 2 shall be amended by deleting the reference to "banks are open for presentation and payment of bearer debt securities and for dealings in foreign currencies in such place of presentation" in subparagraph (a)(i)(A)(2) or (b)(i)(A)(2) of that definition, as the case may be.

While any Notes are evidenced by a Global Registered Note, the definition of "Payment Business Day" in Condition 2 shall be amended by deleting the reference to "banks are open for general business (including dealings in foreign currencies) in the place in which the Note Certificate is surrendered (or, as the case may be, endorsed)" in subparagraph (a)(i)(B)(2) or (b)(i)(B)(2) of that definition, as the case may be.

For so long as Notes are evidenced by a Global Registered Note, notwithstanding the provisions of Condition 10(f) (*Payments — Registered Notes — Record date*), each payment in respect thereof will be made to, or to the order of, the Person whose name is shown in the Register at the close of business on the Clearing System Business Day immediately prior to the due date for such payment (such date being, in each case, the "**Record Date**" under the Conditions for these purposes), where "**Clearing System Business Day**" means a day on which each clearing system for which the relevant Global Registered Note is being held is open for business.

## Notices

So long as any Notes are represented by a Temporary Global Note, a Permanent Global Note or a Global Registered Note and such Temporary Global Note, Permanent Global Note or/and Global Registered Note is/are held on behalf of Euroclear or Clearstream, Luxembourg or the Alternative Clearing System, notices to Noteholders may be given by their being delivered to Euroclear, Clearstream, Luxembourg or, as the case may be, the Alternative Clearing System, for communication by it to entitled accountholders, rather than by publication as required by the Conditions.

## Prescription

Claims against the Issuer in respect of principal and interest due on any Notes while such Notes are represented by a Permanent Global Note will become void unless presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 11).

## Meetings

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

## Purchase and Cancellation

Cancellation of any Note represented by a Permanent Global Note required by the Conditions to be cancelled will be effected by reduction in the principal amount of such Permanent Global Note on its presentation to or to the order of the Fiscal Agent for notation in the appropriate schedule of such Permanent Global Note.

**Default**

The holder of a Permanent Global Note or a Global Registered Note may exercise the right to declare Notes represented by such Permanent Global Note or Global Registered Note due and payable under Condition 12 or Condition 20(g), as applicable, by stating in the notice to the Fiscal Agent the principal amount of Notes (which may be less than the outstanding principal amount of the Notes represented by the relevant Permanent Global Note or Global Registered Note) to which such notice relates. If principal in respect of any Notes is not paid when due and payable (but subject as provided in the relevant Permanent Global Note or Global Registered Note), the holder of the relevant Permanent Global Note or Global Registered Note may from time to time elect that such Permanent Global Note or Global Registered Note becomes void as to a specified portion and that Direct Rights (as defined in the Deed of Covenant) against the Issuer come into effect.

## **USE OF PROCEEDS**

Unless otherwise stated in the Final Terms in respect of any particular issue of Notes, the net proceeds of the issue of each Tranche of Notes will be appropriated to the funds for construction, renovation, repair or disaster recovery works of expressways as construction funds of road assets which shall belong to JEHDRA upon completion of construction in accordance with Article 51, Paragraph 2 to Paragraph 4 of the Special Measures Act. If, in respect of any particular issue of Notes, the proceeds will be used other than as described in the preceding sentence, the relevant use will be stated in the applicable Final Terms.



## RECENT BUSINESS

### Overview

The Issuer was established on 1 October 2005 as a corporation incorporated under the Expressway Companies Act and the Implementation Act as part of the privatisation of the Four Highway-Related Public Corporations. The Issuer is involved in the construction, renovation, maintenance, repair, disaster recovery and management of expressways in the 12 Prefectures, located principally in the Chubu area in Japan.

The Group's operations are divided into three segments for financial reporting purposes, namely: (i) the Expressway Business, (ii) the Rest Area Business, and (iii) the Other Related Businesses.

### Factors Affecting Results of Operations

#### *Nature of the Expressway Business*

In its Expressway Business, the Issuer leases expressway assets from JEHDRA, collects tolls from expressway users and from such toll revenues pays the lease fees payable to JEHDRA and the administrative expenses payable by the Issuer, all pursuant to the Issuer-JEHDRA Agreements and the operational licence obtained by the Issuer pursuant to the Special Measures Act. The Issuer-JEHDRA Agreements and such operational licence assume that, given the public nature of expressways, the tolls collected by the Issuer do not include any profits to be made by the Issuer. However, in each fiscal year, the Issuer may make profits or losses due to the divergence between the initial budgeted amounts and the actual amounts of toll revenues collected and administrative and other expenses paid. With regard to any profits made, the Issuer intends to avoid such funds being paid externally by way of dividends or otherwise, and to use such funds in further strengthening its capital base in order to prepare for appropriate business operations, including the future payment of the lease fees.

In addition, toll revenues collected in the Expressway Business tend to be higher in the first half of the fiscal year due to holidays such as the Japanese "golden week" which falls within such period. Further, the Group tends to record lower expenses in this period, as compared to the second half of the fiscal year, when there tends to be more works necessary to deal with snow and ice or to perform concentrated construction.

#### *Assumption of Debt by JEHDRA*

The Issuer is involved in the construction, renovation, repair, disaster recovery and management of expressways in accordance with the Special Measures Act, and the expressways which the Issuer becomes involved in respect of such business is set out under the Issuer-JEHDRA Agreements. Under the JEHDRA Act, expressway assets which are created pursuant to the Group's construction of new expressways or the renovation, repair or disaster recovery works in relation to expressways are, upon completion of the construction of the relevant expressway, to be transferred to JEHDRA pursuant to Article 51, Paragraph 2 to Paragraph 4 of the Special Measures Act, and at such time, JEHDRA is to assume the liabilities in respect of costs relating to construction, renovation, repair or disaster recovery works incurred by the Issuer subject to the maximum set out in the relevant operational plans set under the JEHDRA Act.

The Issuer and JEHDRA have agreed on certain operational points for the assumption of liabilities by JEHDRA. Such operational points include JEHDRA in principle assuming the liabilities of the Issuer's liabilities in each fiscal quarter generally in chronological order with the choice of liabilities being made by the Issuer by the middle of the first month in the next fiscal quarter, and JEHDRA becoming jointly and severally liable in respect of such liabilities. However, notwithstanding the preceding, JEHDRA plans to assume the Issuer's liabilities with respect to borrowings from the fiscal investment and loan programme regarding the Expressway Renewal Project around the fiscal year ending 31 March 2025 or the fiscal year ending 31 March 2026. In addition, with respect to the liabilities procured for a specific purpose, notwithstanding the preceding, JEHDRA may assume such liabilities when funds are allocated to the target assets.

From the time that the relevant expressway assets and the liabilities relating to such expressway assets are transferred to JEHDRA, such assets and liabilities will cease to be recorded on the Group's consolidated financial statements. Although the Issuer remains jointly and severally liable for the payment in respect of such liabilities with JEHDRA, the necessary actions relating to such liabilities (such as payment) are to be undertaken primarily by JEHDRA.

Further, the Issuer, JEHDRA, East Nippon Expressway Company and West Nippon Expressway Company have each assumed parts of the liabilities of the former Japan Highway Public Corporation in line with

the privatisation thereof. At the time of such assumption, pursuant to Article 16 of the Implementation Act, the Issuer, JEHDRA, East Nippon Expressway Company and West Nippon Expressway Company became jointly and severally liable for certain liabilities.

### **Critical Accounting Principles and Estimates**

The Group's consolidated financial statements are prepared in accordance with Japanese GAAP. The preparation of the Group's consolidated financial statements requires management to make estimates and assumptions in order to measure assets and liabilities as of the end of the relevant fiscal period and revenues and expenses for the relevant fiscal period, as well as matters that may affect disclosures of financial statements. These estimates and assumptions are made and continuously reviewed based on the reasonable judgment of the Issuer's management, considering past results and current circumstances as well as various factors deemed to be appropriate. Given their nature, actual results may substantially differ from those estimates and assumptions. Critical accounting principles and estimates that may have a material effect on the amounts recognised in the Group's consolidated financial statements are stated in Note 1 to the audited annual consolidated financial statements, and among those, the Group considers the following are the items that may have a material effect on the amounts recognised in the Group's consolidated financial statements.

#### ***Recognition of Revenues and Costs***

Operating revenues from the transfer of expressway assets constructed by the Issuer and related operating expenses are recognised by the completed-contract method in accordance with the Ordinance on the Regulation on Accounting in the Expressway Industry, etc. (the Ordinance of the Ministry of LIT No. 65 of 2005, as amended).

In principle, pursuant to Article 51 of the Special Measures Act, expressway assets constructed by the Issuer shall belong to JEHDRA after the completion of construction. Pursuant to Article 15 of the JEHDRA Act, the debts borne by the Issuer for construction shall be assumed by JEHDRA. As such, operating revenues and related operating expenses are recognised once construction of the expressway assets is completed and JEHDRA assumes ownership.

On the other hand, revenue from and the related costs of road construction projects and contracted construction (the "**Agency Business**") are recognised by the percentage-of-completion method at the amount for which the outcome of the construction activity is deemed probable at the end of the reporting period. To estimate the progress of such construction projects, the Issuer measures the percentage of completion by comparing costs incurred to date with the most recent estimate of total costs required to complete the project (cost-to-cost method). For other construction projects where the outcome cannot be reliably measured, the completed-contract method is applied.

For construction contracts related to the Agency Business that commenced on or before 31 March 2009, the percentage-of-completion method is applied if the construction work extends beyond a two-year period and the contract amount is ¥5,000 million or more. Other construction contracts are accounted for by the completed-contract method.

Effective the fiscal year ended 31 March 2010, the Issuer has adopted "Accounting Standard for Construction Contracts" (Accounting Standards Board of Japan ("**ASBJ**") Statement No. 15 issued on 27 December 2007) and "Guidance on Accounting Standard for Construction Contracts" (ASBJ Guidance No. 18 issued on 27 December 2007).

#### ***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, labour 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 capitalised 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.

### ***Property and Equipment (Except for Leased Assets)***

Depreciation of property and equipment of the Issuer and its consolidated subsidiaries is calculated principally by the straight-line method based on the estimated useful lives and the residual value determined by the Issuer. Significant renewals and additions are capitalised at cost. Maintenance and repairs are charged to income when 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 Issuer succeeded certain property and equipment from the Japan Highway Public Corporation when the Issuer was established on 1 October 2005. The estimated useful lives of property and equipment transferred to the Issuer from Japan Highway Public Corporation are determined based on the respective estimated useful lives of used assets.

### ***Intangible Fixed Assets (Except for Leased Assets)***

Amortisation 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 when incurred, unless these contribute to the generation of future income or cost savings. Such expenditures are capitalised as assets and amortised by the straight-line method over their estimated useful life of 5 years.

### ***Leased Assets***

Leased assets under finance lease transactions that transfer ownership to the lessee are capitalised and depreciated or amortised by the same method as applied to the property and equipment of the Issuer.

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

### ***Allowance for ETC Mileage Programme***

The ETC mileage programme is offered to motorists who join the ETC mileage programme. In accordance with the ETC mileage programme, motorists can receive a discount on expressway tolls based on the number of points that they accumulate. The allowance for ETC mileage programme 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.

## **Consolidated Results for the Fiscal Year Ended 31 March 2021 Compared to Consolidated Results for the Fiscal Year Ended 31 March 2020**

### ***Overview***

In the fiscal year ended 31 March 2021, the Japanese economy faced severe difficulties, affected by factors such as the decrease in consumption due to the impact of the spread of COVID-19.

Against this background, the Group, taking into consideration major changes facing the future social environment such as a declining birth rate, an ageing population, a decrease in the labour population, the ageing of social infrastructure and further sophistication of information and communication technology (ICT), entered the final fiscal year of its "Management Plan Challenge V (Five) 2016-2020", which is aimed at showing the direction to which the Group should move towards the twentieth year since its privatisation. While taking thorough precautionary measures against the spread of COVID-19, the Group steadily promoted its initiatives based on the following four management policies: "continuously working at improving expressway safety and strengthening their functions", "promotion of technological development to improve safety and comfort", "contributing to regional revitalisation with social and economic changes in mind" and "strengthening the management foundation to keep up with the demands of society". Furthermore, the Group formulated "Management Plan Challenge V

(Five) 2021-2025", which is aimed at showing the direction which the Group should move in the next five fiscal years from the fiscal year ending 31 March 2022, based on the progress of its initiatives leading up to the fiscal year ended 31 March 2021. In addition, in order to realise 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.

With respect to technological developments, the Group as a whole has been involved in the introduction of technologies such as those aimed at enhancing inspection functionalities, improving the safety of aged expressways and improving safety in roadworks, as well as ICT and artificial intelligence (AI), with a view to further improve the safety of expressways and to strengthen their functions. Further, with the aim of realising the introduction and popularisation of automated driving, the Group has been involved in the development of driving control system and driver-assistance technologies and research and development relating to self-driving expressway maintenance vehicles, as well as working jointly among public and private sectors for the development of Intelligent Transport Systems (ITS) aimed at providing more accurate and more timely information (such as those relating to traffic control and fallen objects on expressways) through communication between expressways and vehicles.

### ***Consolidated Results***

#### *Operating Revenues*

Consolidated operating revenues for the Group in the fiscal year ended 31 March 2021 decreased by 15.1 per cent. to ¥875,514 million, compared to ¥1,031,408 million for the fiscal year ended 31 March 2020, principally reflecting a decrease in toll revenues caused by the outbreak of COVID-19 and a decrease in the completion of expressway assets during the fiscal year ended 31 March 2021, as a result of a lack of new openings of expressways that would become a part of the expressway network (although such decrease in the completion of expressway assets was partially offset by the completion of projects such as the increase of traffic lanes to six lanes on the Shin-Tomei Expressway (between Gotenba Junction and Hamamatsu-Inasa Junction)). However, as operating revenues from completed expressway assets which are transferred to JEHDRA pursuant to Article 51, Paragraph 2 to Paragraph 4 of the Special Measures Act are recorded at the same amount as the cost of sales for completed expressway assets, this decrease in the completion of expressway assets has no effect on income.

#### *Operating Expenses*

The Group's operating expenses decreased in the fiscal year ended 31 March 2021 by 13.3 per cent. to ¥881,419 million, compared to ¥1,017,063 million in the fiscal year ended 31 March 2020, due principally to a decrease in road assets leasing expenses and a decrease in cost of sales and administrative expenses for expressway business operations.

#### *Operating Loss*

The Group's operating loss for the fiscal year ended 31 March 2021 amounted to ¥5,905 million, compared to an operating income of ¥14,345 million for the fiscal year ended 31 March 2020.

#### *Other Income (Net)*

The Group's other income (net) amounted to ¥1,391 million for the fiscal year ended 31 March 2021, compared to ¥1,577 million for the fiscal year ended 31 March 2020, principally reflecting an increase in the loss on impairment of fixed assets.

#### *Loss before Income Taxes*

As a result of the above, the Group's loss before income taxes for the fiscal year ended 31 March 2021 amounted to ¥4,514 million, compared to a profit of ¥15,922 million for the fiscal year ended 31 March 2020.

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

Income tax for the fiscal year ended 31 March 2021 was ¥1,875 million, as compared to ¥4,694 million for the fiscal year ended 31 March 2020, principally reflecting a decrease in current tax applicable to the fiscal year. Profit attributable to non-controlling interests for the fiscal year ended 31 March 2021 was ¥0 million, compared to ¥60 million recorded in the fiscal year ended 31 March 2020.

### *Loss Attributable to Owner of the Issuer*

As a result of the above, the loss attributable to the owner of the Issuer for the fiscal year ended 31 March 2021 amounted to ¥6,389 million, compared to a profit of ¥11,168 million for the fiscal year ended 31 March 2020.

### **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 fiscal year ended 31 March 2021, the Group worked to strengthen functions and eliminate "missing links" in the expressway network with a view to responding to steadily and efficiently maintaining the expressway network and meeting community expectations, under the Group's most important management policy of "continuously working at improving expressway safety and strengthening their functions". The Group completed the increase of traffic lanes to six lanes on the Shin-Tomei Expressway between Gotenba Junction and Hamamatsu-Inasa Junction (approximately 145 km) on 22 December 2020. Furthermore, in respect of the project of increasing traffic lanes to four lanes on the Tokai-Hokuriku Expressway (between Shirakawa-go Interchange and Oyabe-Tonami Junction), the Group completed 2.3 km between Johana Service Area and Fukumitsu Interchange on 7 November 2020.

In addition to the above, the Group progressed its business steadily in relation to the following construction projects: (i) the Shin-Tomei Expressway (between Isehara-Oyama Interchange and Shin-Gotenba Interchange), (ii) the Tokyo-Gaikan Expressway (between Chuo Junction (tentative name) and Tomei Junction (tentative name)), (iii) the Tokai-Kanjo Expressway (between Yamagata Interchange and Ono-Godo Interchange and between Yoro Interchange and Daian Interchange), (iv) increase of traffic lanes to six lanes on the Shin-Meishin Expressway (between Kameyama-Nishi Junction and Koka-Tsuchiyama Interchange), (v) increase of traffic lanes to four lanes on the Tokai-Kanjo Expressway (between Toki Junction and Minokamo Interchange) and (vi) increase of traffic lanes to four lanes on the Kisei Expressway (between Omiya-Odai Interchange and Kisei-Ouchiyama Interchange). Furthermore, the Group opened the Shin-Tomei Expressway (between Shin-Gotenba Interchange and Gotenba Junction) on 10 April 2021, and the Mei-Nikan Expressway (between Nagoya-Nishi Junction and Tobishima Junction) on 1 May 2021.

To promote customer convenience and to revitalise local communities, the Group opened the following six Smart-Interchanges: (i) the Toyota-Kamigo Smart-Interchange (Toyota City, Aichi prefecture) on the Tomei Expressway, (ii) the Ayase Smart-Interchange (Ayase City, Kanagawa prefecture) on the Tomei Expressway, (iii) the Dangozaka Smart-Interchange (Uenohara City, Yamanashi prefecture) on the Chuo Expressway, (iv) the Zakoji Smart-Interchange (Iida City, Nagano prefecture) on the Chuo Expressway, (v) the Kamiichi Smart-Interchange (Nakaniikawagun Kamiichimachi, Toyama prefecture) on the Hokuriku Expressway and (vi) the Atsugi Parking Area Smart-Interchange (Atsugi City, Kanagawa prefecture) on the Ken-O Expressway. The Group also opened the Ichinomiya-Inazawa-Kita Interchange (Ichinomiya City, Aichi prefecture) on the Tokai-Hokuriku Expressway with the aim of revitalising the local community.

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 its efforts in i-Construction, the Group's model offices have been utilising ICT in their construction projects and three-dimensional modelling technologies in the investigation, survey and design processes.

With regard to the maintenance and services business, in order to respond to rapid changes in the social environment such the increase in the frequency and intensity of natural disasters in recent years, the decreasing birth rate and ageing population of Japan, the rapid decrease of the labour population and rapid innovation in the area of ICT, the Group has adopted "safety as top priority" as its management principle and "continuously working at improving expressway safety and strengthening their functions" as its most important management policy. In this respect, the Group undertook measures such as inspection, maintenance, renovation and repair, with safety as top priority, in order to establish a reliable expressway network.

Regarding inspections for road constructions, 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 utilised 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.

Taking into consideration the damage caused to bridges by the Kumamoto earthquake that occurred in April 2016, the Group systematically worked to strengthen bridges to make them resistant to earthquakes in order to restore the functions of bridges as emergency transportation routes and for customers to use them safely.

With regard to vehicles which infringe rules such as those relating to weight carried, which may cause material damage to road constructions and lead to major traffic accidents, the Group strengthened measures against them, including making criminal complaints in aggravated cases, suspending discounts for large-scale and frequent users as well as promoting the constant crack-down on infringing vehicles by maintaining automatic weight measuring devices.

Regarding accident prevention, the Group, following results from trials, steadily progressed towards installation of wire ropes (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, in order to prevent major accidents caused by vehicles operating the wrong way on expressways, the Group implemented technologies publicly procured from the private sector, and took measures for increasing customer awareness of traffic safety.

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 and Tomei-Miyoshi Interchange) and the Chuo Expressway (around Kobotoke Tunnel, Sagamiko Bus Stop and Mitaka Bus Stop). The Group also steadily introduced additional lanes on the Meishin Expressway (around Ichinomiya Junction).

Regarding alleviating congestion in parking areas of rest areas, the Group took measures to increase the number of parking lots and to provide information regarding congestion to customers.

With regard to the efforts to strengthen the ability to cope with earthquakes and other large-scale disasters, the Group, in response to the Japanese Government's "Plan for Specific Emergency Countermeasures against the Nankai Trough Earthquakes", stored necessary supplies in certain hubs to secure prompt emergency transportation routes. In addition, the Group carried out disaster drills and evacuation guidance drills to secure the safety of customers, and worked to respond to the issues identified in the drills and enhance collaboration with relevant authorities.

In order to ensure smooth traffic on the expressway network during heavy snow and rough weather, the Group worked on measures such as strengthening the systems for snow removal, increasing the number of monitoring cameras to find vehicles that are stuck in the snow at an early stage, deploying rescue vehicles, increasing publicity in advance of heavy snow and enhancing cooperation with relevant authorities throughout the process. Furthermore, the Group closed its expressways in collaboration with relevant authorities during heavy and intense snow over a short period of time, with human life as the utmost priority and with a view to preventing large-scale congestions.

The Group formulated guidelines for preventing the spread of COVID-19 and employees of the Group who were in contact with customers took countermeasures such as sanitising their hands and wearing masks with a view to preventing customers using expressways from being infected.

The Group has been promoting "i-MOVEMENT", an innovative project that contributes to the development of expressway mobility through the introduction of cutting-edge ICT technologies and robotics technologies, while responding to dramatic changes in the Group's environment, such as changes in the social environment due to the decrease in the population of Japan and the advancement of digital technologies, and the sophistication of provision of information in light of the diversification of customer needs. In an effort to realise the project, the Group established a consortium-style group called "Innovation Networking Group" that encourages open innovation. As part of its efforts in the Innovation Networking Group, the Group has been involved in verification tests regarding the suitability of technologies for maintenance management of expressways proposed in relation to each of the following themes: "mobility management of expressways", "infrastructure management of expressways", and "advancement of field operations".

Against such background, the Group's operating revenue in the Expressway Business for the fiscal year ended 31 March 2021 amounted to ¥799,862 million, a decrease of 16.2 per cent. compared to ¥954,737 million for the fiscal year ended 31 March 2020.

The decrease of the operating revenue reflected a decrease in toll revenues caused by the outbreak of COVID-19 and a decrease in the completion of expressway assets during the fiscal year ended 31 March 2021, as a result of a lack of new openings of expressways that would become a part of the expressway network (although such decrease in the completion of expressway assets was partially offset by the completion of projects such as the increase of traffic lanes to six lanes on the Shin-Tomei Expressway (between Gotenba Junction and Hamamatsu-Inasa Junction)). However, as operating revenues from completed expressway assets which are transferred to JEHDRA pursuant to Article 51, Paragraph 2 to Paragraph 4 of the Special Measures Act are recorded at the same amount as the cost of sales for completed expressway assets, this decrease in the completion of expressway assets has no effect on income.

Operating loss in the Expressway Business for the fiscal year ended 31 March 2021 amounted to ¥2,108 million, compared to an operating income of ¥10,054 million for the fiscal year ended 31 March 2020. Toll fees from external customers for the fiscal year ended 31 March 2021 amounted to ¥576,224 million, a decrease of 16.5 per cent. compared to ¥689,755 million for the fiscal year ended 31 March 2020.

#### *Rest Area Business*

In respect of the Rest Area Business in the fiscal year ended 31 March 2021, the Group endeavoured to develop distinctive and attractive service areas and parking areas 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 varying needs of customers, the promotion of local revitalisation and initiatives in cooperation with the local community. However, some stores shortened their operating hours or suspended their operations as part of precautionary measures against the spread of COVID-19, in response to requests from local authorities during the state of emergency declared by the Japanese Government. Following the Japanese Government's announcement regarding the adoption of new lifestyles in response to the spread of COVID-19, the Group took countermeasures such as periodic sanitisation of stores, clarification regarding where customers should stand while queuing for cash registers, and securing distance between customers' seats, with a view to providing a safe and secure environment for customers visiting its stores. The Group also trialled a mobile order system and the first drive-through store on an expressway to minimise human contact.

The Group newly opened Ebina Service Area (outbound) on the Tomei Expressway as "EXPASA Ebina (outbound)". In addition to expanding shopping corners, the Group increased the number of seats as well as the number of noodle restaurants selling soba and ramen, with the view to offering a wider range of options and improving customer convenience. Furthermore, the Group opened Anou Service Area (outbound) on the Ise Expressway and Oyabekawa Service Area (inbound) on the Hokuriku Expressway, each following its renewal. The Group improved customer convenience by taking measures to reflect the variety of customer needs, such as providing products that are made from local produce and setting up new convenience stores. The Group also opened a simple hotel (with a communal lounge as well as shower and laundry services) called "First Lounge Toyota-Kamigo" in Toyota-Kamigo Service Area (outbound) on the Tomei Expressway. "First Lounge Toyota-Kamigo" is the first simple hotel (with a communal lounge) located on an expressway and can also be used by non-overnight guests.

In addition, the Group worked to promote local revitalisation and to strengthen the relationship with local community through measures such as sales of local farm produce, improving menus utilising local produce and developing and selling new products jointly between businesses and academia.

Central Nippon Exis International Co., Ltd., a consolidated subsidiary of the Issuer that operates Qingshui Service Area on the Formosa Freeway in Taiwan, sold Japanese souvenirs and attracted stores (selling Japanese food featuring eel and pork cutlets) as tenants, which were received well by its customers.

Against such background, the Group's operating revenues in the Rest Area Business for the fiscal year ended 31 March 2021 amounted to ¥21,057 million, a decrease of 33.7 per cent. compared to ¥31,751 million for the fiscal year ended 31 March 2020. The Group's operating loss in the Rest Area Business for the fiscal year ended 31 March 2021 amounted to ¥4,061 million, compared to an operating income of ¥3,855 million for the fiscal year ended 31 March 2020.

### *Other Related Businesses*

The Group operates businesses such as the tourism promotion business, the regional development business and the international business as 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 tourism promotion business, the Group expanded sales of 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, entry tickets into tourist facilities and shopping coupons for use in service areas and parking areas) in conjunction with 88 tourism facilities and 62 hotels. However, the Group temporarily suspended its sales of driving plans while the state of emergency declared by the Japanese Government was in effect.

In the regional development business, the commercial complex "Terrace Gate Toki" near Toki-Minami-Tajimi Interchange on the Tokai-Kanjo Expressway also temporarily suspended operations of its hot spring facility and store selling local produce while the declaration of a state of emergency in respect of Gifu prefecture was in effect. After the lifting of the declaration of a state of emergency, "Terrace Gate Toki" resumed operation and worked to attract customers by attracting prominent local stores such as bakeries and "Yorimichi Hot Spring" (a hot spring facility) as tenants while taking thorough countermeasures against COVID-19. The Group also worked on the business to sell lots for detached houses which had previously been used for the Group's corporate housing in Machida City, Tokyo, Hamamatsu City, Shizuoka prefecture, Tsu City, Mie prefecture, Kuwana City, Mie prefecture, Toyokawa City, Aichi prefecture, and Toyama City, Toyama prefecture. Furthermore, the Group reformed and sold certain sections of apartments in Kawasaki City, Kanagawa prefecture.

In the international business, the Group operated the toll road "Phu Ly By-pass" in Vietnam and conducted a technology transfer to the country based on a strategic partnership with a construction company in Vietnam. Furthermore, the Group conducted mutual cooperation in technology transfer and operations of businesses in the Republic of the Philippines pursuant to the agreement regarding technological collaboration with Metro Pacific Tollways Corporation, a company in the Republic of the Philippines. In addition, from December 2020, NEXCO-CENTRAL Philippines Inc. (a consolidated subsidiary of the Issuer) took part in tunnel construction works relating to the by-pass construction business in Davao City, the Republic of the Philippines. NEXCO Highway Solutions of 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. The Group continued to provide consulting services for four projects in Tajikistan, Zambia and other countries and commenced two new projects, thereby contributing to the development of the ability of local engineers.

In respect of sales of technology to external customers, the Group progressed its considerations towards the realisation of the expansion of "ETC multi-purpose use services" that enable the use of ETC and other ITS technologies. The Group jointly trialled a settlement service in a drive-through store with the store operator to test the use of ETC. Furthermore, in March 2021, the Issuer and Hakone Turnpike Limited (a consolidated subsidiary of the Issuer) acquired the certification of ISO 55001, the international standard for asset management systems, with the aim of maintaining the appropriate condition of the assets of Hakone Turnpike Limited such as roads and improving customer service.

In addition, in line with the agreement entered into on 25 February 2015 with Central Japan Railway Company, the Group assisted in the acquisition of land related to the Chuo Shinkansen business.

Further, 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 logistics base "Connect Area Hamamatsu" within 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.

Against such background, the Group's operating revenues in the Other Related Businesses for the fiscal year ended 31 March 2021 amounted to ¥54,628 million, an increase of 21.5 per cent. compared to ¥44,967 million for the fiscal year ended 31 March 2020. The Group's operating income in the Other Related Businesses for the fiscal year ended 31 March 2021 amounted to ¥258 million, a decrease of 39.2 per cent. compared to ¥424 million for the fiscal year ended 31 March 2020.



## Financial Condition

### *Consolidated Balance Sheet as of 31 March 2021 Compared to Consolidated Balance Sheet as of 31 March 2020*

Total assets as of 31 March 2021 amounted to ¥2,148,655 million, an increase of ¥514,882 million, or 31.5 per cent., compared to ¥1,633,773 million as of 31 March 2020. This primarily reflected increases in inventories from ¥1,005,352 million as of 31 March 2020 to ¥1,330,981 million as of 31 March 2021, and accounts receivable due from expressway business operations from ¥85,131 million as of 31 March 2020 to ¥192,821 million as of 31 March 2021.

Total liabilities as of 31 March 2021 amounted to ¥1,897,268 million, an increase of ¥518,989 million, or 37.7 per cent., compared to ¥1,378,279 million as of 31 March 2020. This principally reflected an increase in bonds for road construction.

Total net assets as of 31 March 2021 amounted to ¥251,387 million, a decrease of ¥4,107 million, or 1.6 per cent., compared to ¥255,494 million as of 31 March 2020, principally reflecting a decrease in retained earnings. Equity ratio (ratio of net assets (less non-controlling interests) to total assets as of balance sheet date) as of 31 March 2021 amounted to 11.7 per cent., a decrease of 3.9 percentage points, compared to 15.6 per cent. as of 31 March 2020.

## Liquidity and Capital Resources

### *Consolidated Cash Flows for the Fiscal Year Ended 31 March 2021 Compared to Consolidated Cash Flows for the Fiscal Year Ended 31 March 2020*

Net cash used in operating activities for the fiscal year ended 31 March 2021 amounted to ¥416,398 million, compared to ¥253,993 million for the fiscal year ended 31 March 2020. Cash flows from operating activities in the fiscal year ended 31 March 2021 reflected depreciation and amortisation of ¥25,949 million and loss on disposal of fixed assets of ¥1,028 million, offset by an increase in inventories of ¥325,323 million and an increase in accounts receivable due from expressway business operations of ¥108,717 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 fiscal year ended 31 March 2021 amounted to ¥34,548 million, compared to ¥32,662 million for the fiscal year ended 31 March 2020. Cash flows from investing activities in the fiscal year ended 31 March 2021 reflected, among others, ¥34,352 million of payments for purchase of fixed assets.

Net cash provided by financing activities for the fiscal year ended 31 March 2021 amounted to ¥520,977 million, compared to ¥316,935 million for the fiscal year ended 31 March 2020. Cash flows from financing activities in the fiscal year ended 31 March 2021 reflected proceeds from issuance of bonds for road construction of ¥510,817 million and proceeds from issuance of other bonds of ¥290,898 million, offset to a certain extent by payment for redemption of bonds for road construction amounting to ¥277,413 million and redemption of other bonds of ¥102,690 million.

Cash and cash equivalents as of 31 March 2021 amounted to ¥205,839 million, compared to ¥135,784 million as of 31 March 2020.

## Funding

The Group raises the funds it requires for its business principally from cash flow from operations, issues of bonds and long-term loans from financial institutions and the Ministry of Finance of Japan.

The Group's funding needs principally relate to payment of lease fees to JEHDRA as well as for construction of expressways and capital expenditure related to other facilities.

## Contingent Liabilities

As of 31 March 2020 and 2021, 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>As of 31 March</b>	
	<b>2020</b>	<b>2021</b>
	<i>(Millions of yen)</i>	
JEHDRA.....	¥ 511,000	¥ 431,000
West Nippon Expressway Company .....	8	8
Total .....	<u>¥ 511,008</u>	<u>¥ 431,008</u>

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 31 March 2020 and 2021, 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>As of 31 March</b>	
	<b>2020</b>	<b>2021</b>
	<i>(Millions of yen)</i>	
JEHDRA.....	¥ 1,395,307	¥ 1,093,025

### **Capital Expenditure**

Other than Leased Expressway Assets, which are not recorded on the Group's consolidated financial statements as the Group's assets (see "*Business — Leasing of Expressway Assets*"), the Group invests in facilities related principally to the Expressway Business. In the fiscal year ended 31 March 2021, the Group's capital expenditure (including investment in intangible fixed assets) amounted to ¥37,361 million in aggregate, compared to ¥34,702 million for the fiscal year ended 31 March 2020.

In the fiscal year ended 31 March 2021, the Group did not invest in any material new corporate assets. In the Expressway Business, the Group spent ¥26,251 million of capital expenditure (including investment in intangible fixed assets) in the fiscal year ended 31 March 2021, principally in relation to toll collection machinery and ETC system equipment. In the Rest Area Business, the Group spent ¥2,497 million of capital expenditure (including investment in intangible fixed assets) in the fiscal year ended 31 March 2021, principally in relation to the renewal of existing facilities such as Ebina Service Area (outbound).

In the fiscal year ended 31 March 2020, the Group did not invest in any material new corporate assets. In the Expressway Business, the Group spent ¥24,190 million of capital expenditure (including investment in intangible fixed assets) in the fiscal year ended 31 March 2020, principally in relation to toll collection machinery and ETC system equipment. In the Rest Area Business, the Group spent ¥2,743 million of capital expenditure (including investment in intangible fixed assets) in the fiscal year ended 31 March 2020, principally in relation to the renewal of existing facilities such as Hamanako Service Area.

## CAPITALISATION AND INDEBTEDNESS

The following table sets out the Issuer's consolidated capitalisation and indebtedness as of 31 March 2021, which has been extracted without material adjustment from the Issuer's audited consolidated financial statements as of the same date:

	<b>As of 31 March 2021</b>
	<i>(Millions of yen)</i>
<b>Indebtedness:</b>	
<b>Short-term debt:</b>	
Current portion of long-term loan .....	¥ 619
Current portion of other bonds .....	188,230
Total short-term debt .....	188,849
<b>Long-term debt:</b>	
Bonds for road construction (less current portion) .....	1,168,951
Long-term loans for road construction (less current portion) .....	139,071
Other long-term loans (less current portion) .....	50,375
Total long-term debt .....	1,358,397
Total indebtedness <sup>(2)(3)(4)</sup> .....	1,547,246
<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 .....	123,423
Total shareholder's equity .....	261,435
<b>Accumulated other comprehensive loss:</b>	
Net unrealised holding gain on securities .....	81
Translation adjustments .....	11
Retirement benefits liability adjustments .....	(10,140)
Total accumulated other comprehensive loss .....	(10,048)
Non-controlling interests .....	—
Total net assets .....	251,387
Total capitalisation and indebtedness <sup>(6)</sup> .....	¥ 1,798,633

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 31 March 2021, ¥1,168,951 million of the Issuer's bonds for road construction, ¥188,230 million of the Issuer's other bonds and ¥1,060,025 million of obligations under the Issuer's bonds which were assumed by JEHDRA were secured. As of 31 March 2021, ¥0 of the Issuer's consolidated indebtedness was guaranteed.
- (3) The Issuer issued U.S.\$250 million, ¥95,000 million and ¥60,000 million in aggregate principal amount of bonds for road construction on 28 April 2021, 10 May 2021 and 1 June 2021 respectively, U.S.\$233 million and U.S.\$65 million in aggregate principal amount of bonds for the general financing purposes of the Issuer on 6 May 2021 and 20 July 2021 respectively, and U.S.\$40 million in aggregate principal amount of commercial paper for road construction of the Issuer on 1 June 2021.
- (4) As of 31 March 2021, the Issuer had a total of ¥1,524,033 million of contingent liabilities in respect of joint and several liabilities (see "Recent Business — Contingent Liabilities"). JEHDRA redeemed ¥80,000 million in aggregate principal amount of bonds on 12 April 2021, U.S.\$600 million in aggregate principal amount of bonds on 23 April 2021, AUD200 million in principal amount of bonds on 11 May 2021, U.S.\$650 million in aggregate principal amount of bonds on 28 May 2021, ¥9,800 million in aggregate principal amount of bonds on 31 May 2021, ¥60,000 million in aggregate principal amount of bonds on 14 July 2021 and ¥16,500 million in aggregate principal amount of long-term loan on 23 April 2021, thereby decreasing its contingent liabilities in respect of joint and several liabilities by ¥166,300 million, U.S.\$1,250 million and AUD200 million.
- (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 31 March 2021.

## BUSINESS

### Overview

The Issuer was established on 1 October 2005 as a corporation incorporated under the Expressway Companies Act and the Implementation Act as part of the privatisation of the Four Highway-Related Public Corporations. The Issuer is involved in the construction, renovation, maintenance, repair, disaster recovery and management of expressways in the 12 Prefectures, located principally in the Chubu area in Japan.

### History

In 2001, the Japanese Government decided to establish a plan to privatise the Four Highway-Related Public Corporations, pursuant to the Reorganisation and Rationalisation Plan for Special Public Corporations. In the following year, the Promotion Committee for the Privatisation of the Four Highway-Related Public Corporations prepared an opinion in respect of the new organisation, which would replace the Four Highway-Related Public Corporations after the reorganisation and on how to secure profitability. An agreement on the basic framework for the privatisation of the Four Highway-Related Public Corporations was reached in 2003, and based on such agreement, the Four Acts regarding the Privatisation of Four Highway- Related Public Corporations were enacted and promulgated in 2004.

The Issuer was established on 1 October 2005 as one of the six Expressway Companies newly established under the Privatisation Acts, and succeeded to such operations, assets, rights and obligations of the former Japan Highway Public Corporation as were set out in the implementation plans approved by the Minister of LIT pursuant to Article 14, Paragraph 3 of the Implementation Act.

### Operations

The Group's operations are divided into three segments for financial reporting purposes, namely: (i) the Expressway Business, (ii) the Rest Area Business, and (iii) the Other Related Businesses.

#### *Expressway Business*

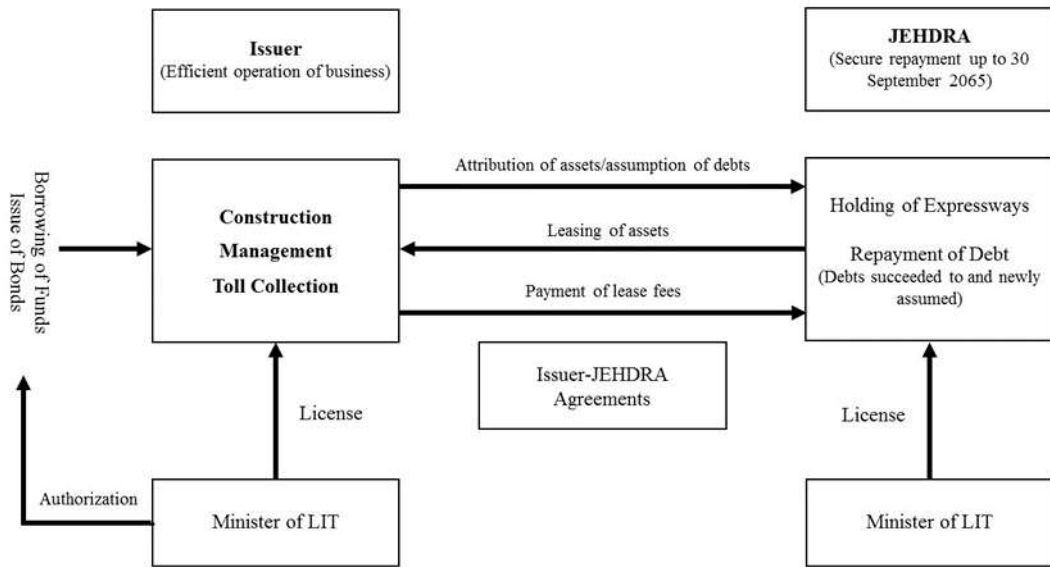
In its Expressway Business, the Group is involved in the construction, renovation, maintenance, repair, disaster recovery and management of expressways (including toll collection, traffic administration, maintenance and inspection, repair and research and development) in the 12 Prefectures, located principally in the Chubu area in Japan, pursuant to the Issuer-JEHDRA Agreements entered into on 31 March 2006, the licence granted by the Minister of LIT in accordance with Article 3 of the Special Measures Act, and the provisions of Article 4 of the Special Measures Act. The Group is also involved in business such as the installation of road signs and entering into agreements regarding crossings with railways as agent in respect of the exercise of rights held by the Minister of LIT as administrator of expressways pursuant to Article 9 of the Special Measures Act. For the fiscal year ended 31 March 2021, the Group's revenues from external customers in the Expressway Business (after inter-segment eliminations) amounted to 91.4 per cent. of total consolidated operating revenues.

The following table sets out certain data relating to the expressways operated by the Group:

Expressways in operation (as of 1 April 2021) .....	2,151 km
Average daily traffic volume (fiscal year ended 31 March 2021) .....	1.72 million vehicles/day
Toll revenues (fiscal year ended 31 March 2021) .....	¥576.2 billion
Expressways under construction (as of 1 April 2021) .....	113 km

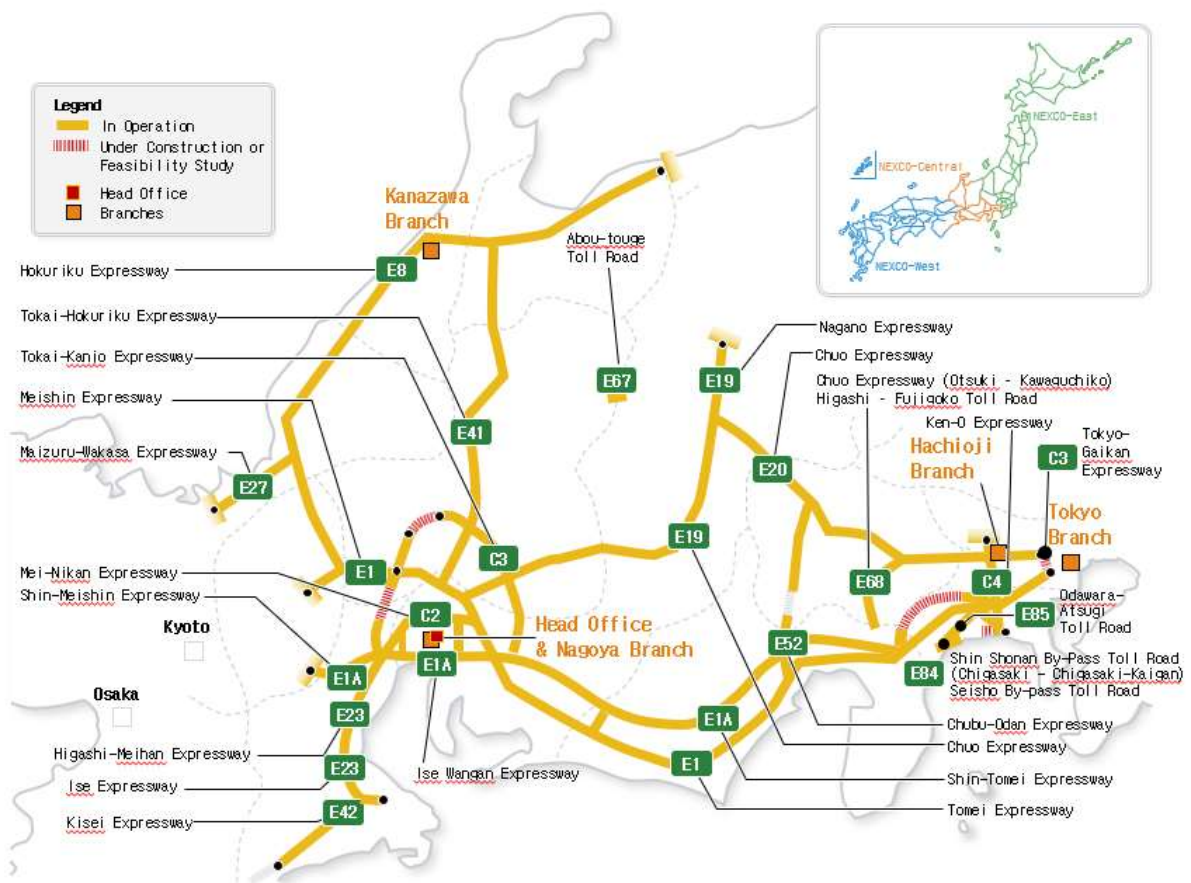
Newly constructed expressways are, pursuant to Article 51, Paragraph 2 to Paragraph 4 of the Special Measures Act, to be transferred to JEHDRA, and the Issuer leases the relevant expressway from JEHDRA in operating its Expressway Business. Due to the public nature of expressways, tolls collected from expressway users are premised not to include any profits, and such tolls collected are used for payment of lease fees to JEHDRA as well as in payment of administrative expenses.

The following diagram sets out the relationship between the Issuer and JEHDRA in relation to the operation of expressways and certain other matters:



The following map gives certain information about the Issuer's expressway network as of 1 May 2021:

**Business Area**



The Issuer operates the expressway network covering the Tokyo metropolitan area and the Chubu, Hokuriku and Kansai areas. This network forms part of the social infrastructure supporting the foundation of socio-economic activities by enabling smooth traffic flows between regional and city areas, as well as invigorating regional industry. It also facilitates increased daily activity in a wide metropolitan area, an organic union of airports, harbours and other transportation infrastructures, and the smooth flow of people, products and information.

The following are the principal expressways currently operated by the Issuer (the distances appearing in brackets refer to the lengths of the expressways operated by the Issuer):

- *Hokuriku Expressway (282.1 km)*. First section entered service in 1972. The Hokuriku Expressway connects the Kansai and Chubu areas with the Hokuriku area, and is the principal roadway leading to and from Niigata.
- *Tokai-Hokuriku Expressway (184.8 km)*. First section entered service in 1986. The Tokai-Hokuriku Expressway joins the Chubu and Hokuriku areas. With the opening of all sections in 2008, the road directly links the Pacific Ocean side of Japan with the Sea of Japan side. It also functions as a major tourism road, as the UNESCO World Heritage site Shirakawa-go and many ski areas are located around it.
- *Tokai-Kanjo Expressway (109.4 km)*. First section entered service in 2005. This road is located 30–40 km from the centre of Nagoya, and connects to the Shin-Tomei, Chuo and Tokai-Hokuriku Expressways. It also relieves congestion by allowing traffic passing through the central part of Nagoya to detour around the city centre.
- *Meishin Expressway (87.5 km)*. The first section managed by the Issuer opened for service in 1964. The Meishin Expressway is a major artery of Japan, linking Nagoya to the Kansai area. It is also the oldest expressway route that is managed by the Issuer, having been in service for more than 50 years.
- *Shin-Meishin Expressway (46.1 km)*. The first section managed by the Issuer opened for service in 2008. This road forms a new expressway network between the Kansai and Chubu areas, relieving congestion on the Meishin and other older expressways, and together with the Meishin Expressway also provides alternative transportation functions in the event of a natural disaster, traffic accident, or major road repairs.
- *Ise Wangan Expressway (50.2 km)*. First section entered service in 1998. This expressway organically links the cities located around Ise Bay, and operates as a broad-area principal roadway that contributes to easing congestion on surrounding national highways.
- *Ken-O Expressway (44.0 km)*. The first section managed by the Issuer opened for service in 2007. This is the outermost of the three ring roads in the Tokyo metropolitan area. It functions to disperse traffic heading toward the city centre, and as a detour for excess traffic, relieving traffic congestion in the inner metropolitan area.
- *Chuo Expressway (366.8 km)*. First section entered service in 1967. Together with the Tomei Expressway, these roads link Tokyo to Nagoya, with the Tomei Expressway and the Chuo Expressway serving as an alternative to each other. Because the Chuo Expressway passes through the mountains, it offers convenient access to the Five Lakes of Mt. Fuji, the Kiyosato Highlands, and other scenic mountain resort areas.
- *Shin-Tomei Expressway (232.4 km)*. First section entered service in 2012. A part of this expressway is currently under construction, and the expressway is expected to become a new "artery" of Japan. Alleviation of traffic congestion in the Tomei Expressway enables drivers to secure high speed and mobility, and also functions as alternative road in the event of disasters in the relevant area.
- *Tomei Expressway (350.1 km)*. First section entered service in 1968. The Tomei Expressway is linked with the Meishin Expressway, together serving as the major arteries of Japan that join the three major cities of Tokyo, Nagoya, and Osaka. It is also one of only a few heavy-vehicle routes in Japan.

- *Maizuru-Wakasa Expressway (39.0 km)*. The section managed by the Issuer opened for service in 2014. The Maizuru-Wakasa Expressway is linked with the Chugoku Expressway and the Hokuriku Expressway, together serving to improve the access to each of Maibara, Kobe and Tsuruga areas.

#### *Construction of New Expressway Network*

With a view to further strengthening the functions of a highly reliable expressway network, the Group intends to open the following 113 km of expressways.

Projects other than joint projects with the Ministry of LIT are set forth below:

<b>Route Name</b>	<b>Section Names (including provisional names)</b>	<b>Length Extended</b> <i>(kms)</i>	<b>Planned Fiscal Year of Completion</b> <i>(year ending 31 March)</i>	<b>Notes</b>
Shin-Tomei Expressway .....	Gotenba Junction to Shin-Gotenba	7	2022	Opened on 10 April 2021
Mei-Nikan Expressway .....	Nagoya-Nishi Junction to Tobishima Junction	12	2022	Opened on 1 May 2021
Shin-Tomei Expressway .....	Hadano to Isehara-Oyama	13	2022	
Shin-Tomei Expressway .....	Shin-Gotenba to Hadano	25	2024	

Joint projects with the Ministry of LIT are set forth below:

<b>Route Name</b>	<b>Section Names (including provisional names)</b>	<b>Length Extended</b> <i>(kms)</i>
Tokyo-Gaikan Expressway .....	Chuo Junction to Tomei Junction	6
Shin-Shonan By-pass Toll Road .....	Chigasaki Kaigan to Oiso	6
Tokai-Kanjo Expressway .....	Yamagata to Ono-Godo	19
Tokai-Kanjo Expressway .....	Yoro to Daian	25

The Group intends to undertake such business while strengthening safety measures as well as managing risk by a thorough management of processes.

#### *Improving the Convenience of Expressways*

With the aim of further improving the convenience of expressways, the Group is planning to install the following 14 Smart-Interchanges and additional interchanges sequentially from the fiscal year ending 31 March 2022:

#### **Name of Facility (including provisional names)**

- Okazaki-Achiwa Smart-Interchange (Tomei Expressway)
- Togo Smart-Interchange (Tomei Expressway)
- Taga Smart-Interchange (Meishin Expressway)
- Hadano Service Area Smart-Interchange (Shin-Tomei Expressway)
- Yamakita Smart-Interchange (Shin-Tomei Expressway)
- Oyama Smart-Interchange (Shin-Tomei Expressway)
- Shin-Iwata Smart-Interchange (Shin-Tomei Expressway)
- Kariya Smart-Interchange (Ise Wangan Expressway)
- Kofu-Chuo Smart-Interchange (Chuo Expressway)
- Suwako Smart-Interchange (Chuo Expressway)
- Misaka Smart-Interchange (Chuo Expressway)
- Fuji-Yoshida-Oshino Smart-Interchange (Higashi-Fujigoko Toll Road)
- Johana Service Area Smart-Interchange (Tokai-Hokuriku Expressway)
- Taki-VISON Smart-Interchange (Ise Expressway)

In addition to the above, the Group is planning to install the following Smart-Interchange to be located within the roads under joint projects with the Ministry of LIT:

**Name of Facility (including provisional names)**

---

- Kaizu Smart-Interchange (Tokai-Kanjo Expressway)

*Expressway Renewal Project*

The total length of the expressways operated by the Issuer, East Nippon Expressway Company and West Nippon Expressway Company has reached approximately 9,000 km as of January 2014. Dating back from the opening of the Ritto to Amagasaki section of the Meishin Expressway in 1963, expressways that are 30 years or older currently account for approximately 40 per cent. (or approximately 3,700 km) of the total length. Due to the long and heavy usage of the expressways, there has been an increase in damage to portions of the expressways despite the regular repair and maintenance performed. The three expressway companies announced in January 2014 that it would soon become necessary to carry out large-scale renewal and repair works called "Expressway Renewal Project".

The Expressway Renewal Project is expected to be implemented in phases over a 15-year period from the fiscal year ended 31 March 2015, the total length and areas to be renovated and repaired by, and the total cost to be borne by, the Issuer is estimated to amount to around 303 km, 4,977 areas and ¥1,472 billion, respectively.

The funds for this Expressway Renewal Project plan will be covered by toll revenue that the Issuer expects to earn by virtue of the extension of the maximum toll collection period by 15 years, from 2050 to 2065, in accordance with the Amendment Act, which includes the amendment of the Special Measures Act. Accordingly, one of the Issuer-JEHDRA Agreements (Agreement Regarding Chuo Expressway, Fuji-Yoshida Line, etc.) has been amended on 19 October 2020 to extend the end of the toll collection period by 13 years, from 2050 to 2063.

This Expressway Renewal Project plan was established by reviewing the maintenance records and state of disrepair, and by selecting those areas where Expressway Renewal Project should be conducted at the time the plan was established. This plan is subject to further revision going forward, as additional areas that require renewal and repair works are expected to emerge as wear and tear progresses.

***Rest Area Business***

In its Rest Area Business, the Group is involved in the construction and management of rest areas and petrol stations on the expressways operated by it, including the management and operation of commercial facilities at 156 locations within a total of 205 service areas and parking areas (each as of 31 March 2021). Among the rest areas, the Group operates a new form of rest area under the brand names of "NEOPASA" and "EXPASA". NEOPASA is a new type of facility that is built up from entirely new concepts including the scale of the facility, the type of business and stores, facility locations, to playground plans. Each facility has a certain concept taking into account regional characteristics, so that customers may select which area to visit based on their needs. EXPASA is a new type of facility that is built up from entirely new concepts including merchandising to leasing, with the aim of rebuilding facilities on a larger scale and actively introducing new shops and new types of business at the time the shops are remodelled. For the fiscal year ended 31 March 2021, the Group's revenues from external customers in the Rest Area Business (after inter-segment eliminations) amounted to 2.4 per cent. of total consolidated operating revenues.

***Other Related Businesses***

Other Related Businesses include the tourism promotion business, the regional development business, the truck terminal business, the facilities utilisation business, the agency business, the international business, the external sales of technology business, and other businesses. For the fiscal year ended 31 March 2021, the Group's revenues from external customers in the Other Related Businesses (after inter-segment eliminations) amounted to 6.2 per cent. of total consolidated operating revenues.

***Tourism Promotion Business***

The Group engages in the tourism promotion business, under which it sells discount plans that enable tourists to use expressways unlimitedly, at fixed rates. In addition, it promotes driving trips through the sale of travel products and the provision of accommodation reservation services, etc. in collaboration with travel agencies.



### *Regional Development Business*

The Group develops and sells detached houses and apartments, by using the abolished company-offered houses, and engages in the management and development business of commercial facilities around interchanges for the purposes of regional activation.

### *Truck Terminal Business*

The Group operates and manages a truck terminal in Kanazawa City, Ishikawa prefecture.

### *Facilities Utilisation Business*

The Group operates other business that put to use available space near or under its expressways. For example, currently 34 parking areas are located under the Tomei Expressway, Chuo Expressway and other expressways. Other undertakings include one convenience store and vending machines at unmanned parking areas.

### *Agency Business*

Following discussions with the central and local governments and public authorities, where it is decided that, from the viewpoint of (among other things) cost and efficiency, the Group is best placed to act as the agent of the relevant government or public authority where the Group engages in the construction of structures such as overpasses and access roads.

### *International Businesses*

The Group is involved in the international business, in cooperation with the Group's affiliate, Japan Expressway International Co., Ltd., principally focused on the Asian, American and European regions. The Group has its representative office in Vietnam and its consolidated subsidiaries, NEXCO Highway Solutions of America Inc. in the United States and NEXCO-CENTRAL Philippines Inc. in the Philippines, aiming at further developing overseas business operations and promoting infrastructure systems in foreign markets.

### *External Sales of Technology Business*

The Group conducted a verification test of application of ETC technologies to payment service at drive-through stores, aimed at expanding the diverse services of ETC. In addition, the Group is involved in product development and sales of equipment for civil engineering and construction.

### *Other Businesses*

In addition, the Group has become involved in the agricultural business in Hamamatsu, for the purpose of finding solutions to the region's issues (such as the increasing average age of agriculture workers, the decrease in the number of people seeking to become farmers and the increase in the amount of arable land experiencing desertification) and contributing to regional development. The Group is also involved in the insurance business, including the non-life insurance agency business, for the purposes of enhancing welfare.

### **Leasing of Expressway Assets**

The Issuer leases expressway assets from JEHDRA for the purposes of engaging in its Expressway Business pursuant to the Issuer-JEHDRA Agreements entered into pursuant to the provisions of the Expressway Companies Act and the JEHDRA Act, and the operational licence granted under the Special Measures Act.

Expressway assets which are created pursuant to the Group's construction of new expressways or the renovation, repair or disaster recovery works in relation to expressways are recorded as "Inventories (work in process for road construction)" under current assets in the Group's consolidated balance sheets, but these assets will, upon completion of the construction of the relevant expressway, be transferred to JEHDRA pursuant to Article 51, Paragraph 2 to Paragraph 4 of the Special Measures Act, and thereafter will not be recorded as part of the Group's assets. Expressway assets transferred by the Issuer to JEHDRA and certain expressway assets assumed by JEHDRA from the Japan Highway Public Corporation pursuant to the operational plans authorised under Article 14, Paragraph 3 of the Implementation Act are leased by the Issuer pursuant to the Issuer-JEHDRA Agreements (such expressway assets leased by the Issuer being the "Leased Expressway Assets"). The Leased Expressway Assets are not recorded on the Group's consolidated financial statements as the Group's assets.

Expressway assets created by the Issuer's construction of new expressways or the renovation of expressways are, as a general rule, transferred to JEHDRA from the day after the date on which the construction is completed (such date to be publicised in advance), and prior thereto, belong to the Issuer. However, where the Issuer and JEHDRA have together set an expressway asset transfer plan (setting out the details of the relevant expressway assets and the planned date of their transfer from the Issuer to JEHDRA) with authorisation from the Minister of LIT, the relevant expressway assets will be transferred to JEHDRA in accordance with such plan. Expressway assets increased through the Issuer's repair or disaster recovery works are transferred to JEHDRA on the day after the date on which such repair or disaster recovery works are completed.

### **Leased Expressway Assets**

The principal expressway assets leased by the Issuer from JEHDRA as of 31 March 2021 are set out below:

<b>Section</b>	<b>Lease Fees<sup>(1)</sup></b> <i>(Millions of yen)</i>
<b>National Highway Network</b>	¥ 380,141 <sup>(2)(3)</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>Single Routes</b>	
National Route 158 (Chubu-Jukan Expressway (Aboutouge Toll Road)) .....	117 <sup>(2)(3)</sup>
<b>Total</b> .....	<u>¥ 380,258</u>

#### Notes:

- (1) The above table sets out the lease fees paid to JEHDRA for the fiscal year ended 31 March 2021.
- (2) The lease fees for National Highway Network are standardised, and not set per expressway.
- (3) As the Actual Revenue (as defined below) was below the relevant multiple of planned revenue, the lease fee has been recorded after deducting the Shortage Basis Amount (as defined below). The amount is as follows:  
Shortage Basis Amount:  
National Highway Network: ¥73,126 million  
Single Routes: ¥246 million  
See "— The Issuer-JEHDRA Agreements" below for details relating to the Issuer-JEHDRA Agreements.  
Lease fees above do not include consumption taxes.

### **Lease Fees**

Lease fees payable in respect of Leased Expressway Assets are set out in the Issuer-JEHDRA Agreements in respect of each respective expressway and route (such amount being the "**Agreed Amount**"), subject to the following adjustments:

- Where the actual amount of toll fees received (the "**Actual Revenue**") exceeds the relevant multiple (set out below) of planned revenue (such excess, the "**Excess Basis Amount**"), the amount of lease fees payable will be the Agreed Amount plus the Excess Basis Amount:

- under the Issuer-JEHDRA Agreements in respect of expressways included in National Highway Network including Tomei Expressway and Chuo Expressway: 101 per cent. of planned revenue; and
- under the Issuer-JEHDRA Agreement in respect of National Route 158 (Chubu-Jukan Expressway (Aboutouge Toll Road)): 104 per cent. of planned revenue; and
- Where Actual Revenue is less than the multiple (set out below) of planned revenue (such shortfall, the "**Shortage Basis Amount**"), the amount of lease fees payable will be the Agreed Amount less the Shortage Basis Amount:
  - under the Issuer-JEHDRA Agreements in respect of expressways included in National Highway Network including Tomei Expressway and Chuo Expressway: 99 per cent. of planned revenue; and
  - under the Issuer-JEHDRA Agreement in respect of National Route 158 (Chubu-Jukan Expressway (Aboutouge Toll Road)): 96 per cent. of planned revenue.

### **Assumption of Liabilities by JEHDRA**

Pursuant to Article 15, Paragraph 1 of the JEHDRA Act, JEHDRA must assume the liabilities incurred by the Issuer in respect of the construction, renovation, repair or disaster recovery works relating to expressways undertaken by the Issuer (subject to a maximum amount set out in the operational implementation plan authorised by the Minister of LIT pursuant to Article 14, Paragraph 1 of the JEHDRA Act), at the time that the expressway assets relating to such construction, renovation, repair or disaster recovery works are transferred to JEHDRA pursuant to Article 51, Paragraph 2 to Paragraph 4 of the Special Measures Act. In the case where the Issuer selects certain borrowings or bonds issued by it to be liabilities relating to the relevant expressway assets being transferred to JEHDRA, JEHDRA will become jointly and severally liable under such borrowings or bonds prior to their maturity date.

The Issuer and JEHDRA have agreed on certain operational points for the assumption of liabilities by JEHDRA. Such operational points include JEHDRA assuming the liabilities of the Issuer's borrowings or bonds in each fiscal quarter in principle generally in chronological order with the choice of liabilities being made by the Issuer by the middle of the first month in the next fiscal quarter, and JEHDRA becoming jointly and severally liable in respect of such liabilities. However, JEHDRA plans to assume obligations of the fiscal loan programme for the Expressway Renewal Project generally in the fiscal year ending 31 March 2025 or 2026, and JEHDRA would assume obligations issued for a certain purpose upon the appropriation of proceeds to the target assets by the Issuer, regardless of the above.

From the time that the relevant expressway assets and the obligations relating to such expressway assets are transferred to JEHDRA, such assets and liabilities will cease to be recorded on the Group's consolidated financial statements. Although the Issuer remains jointly and severally liable for the payment in respect of such obligations with JEHDRA, the necessary actions relating to such obligations (such as payment) are to be undertaken primarily by JEHDRA.

As of 31 March 2021, JEHDRA was jointly and severally liable for the liabilities of the Issuer in respect of 19 series of domestic bonds with no government guarantee issued by the Issuer in the aggregate principal amount of ¥620,800 million, in respect of 12 series of bonds with no government guarantee issued by the Issuer in the aggregate principal amount of U.S.\$3,650 million, in respect of two series of bonds with no government guarantee issued by the Issuer in the aggregate principal amount of AUD 300 million, and in respect of one series of bonds with no government guarantee issued by the Issuer in the aggregate principal amount of Hong Kong dollar 1,000 million.

### **The Issuer-JEHDRA Agreements**

The Issuer has, on 31 March 2006 (effective 1 April 2006), entered into the Issuer-JEHDRA Agreements with JEHDRA in relation to the provisions of Article 6, Paragraph 1 of the Expressway Companies Act and Article 13, Paragraph 1 of the JEHDRA Act. The aim of the Issuer-JEHDRA Agreements is to ensure appropriate and smooth operation of expressway-related business by deciding certain matters essential for the operation of expressway business pursuant to Article 5, Paragraph 1, item 1 or item 2 of the Expressway Companies Act.

The Issuer-JEHDRA Agreements set out matters such as the following:

- The names of the expressways subject to the relevant Issuer-JEHDRA Agreement;
- The contents of the works relating to construction, renovation or repairs (except for the Expressway Renewal Project) undertaken by the Issuer in respect of the expressways managed by the Issuer;
- The contents of the Expressway Renewal Project;
- The maximum amount of liabilities to be assumed by JEHDRA in respect of liabilities in respect of costs relating to such work or expected costs relating to disaster recovery works;
- The details of the expressway assets to be leased by JEHDRA to the Issuer and the lease fees and lease periods in respect thereof; and
- The amount of tolls to be collected by the Issuer and the period during which such tolls are to be collected.

The Issuer and JEHDRA may, generally every five years, consider the contents of the Issuer-JEHDRA Agreements, and where a party believes amendments are necessary, request the other party to make such amendments. Similarly, where there has been a major disaster or major changes to the economic environment and the Issuer-JEHDRA Agreements need to be amended to reflect such events, the parties may request such amendment. In addition, where a party under the Issuer-JEHDRA Agreements believes that the lease fees being charged are not in line with the amounts set on the basis of Article 17 of the JEHDRA Act, or the tolls being charged are not in line with the tolls set on the basis of Article 23 of the Special Measures Act, or that there are other factors which could potentially materially affect the appropriate and smooth operation of expressways, such party may request an amendment of the Issuer-JEHDRA Agreements to the other party.

As of 25 March 2021, the principal Issuer-JEHDRA Agreements are as follows:

<u>Names of Agreements</u>	<u>Sections Relevant to the Agreements</u>	<u>Date on which last amended</u>
Agreement Regarding National Route 158 (Chubu-Jukan Expressway (Aboutouge Toll Road)).....	<ul style="list-style-type: none"> <li>• National Route 158 (Chubu-Jukan Expressway (Aboutouge Toll Road))</li> </ul>	20 September 2019
Agreement Regarding Chuo Expressway, Fuji-Yoshida Line, etc. ....	<ul style="list-style-type: none"> <li>• Chuo Expressway, Fuji-Yoshida Line</li> <li>• Chuo Expressway, Nishinomiya Line (from Otsuki to Higashi-Omi (including Yokaichi Interchange))</li> <li>• Chuo Expressway, Nagano Line (from Okaya to Azumino (including Azumino Interchange))</li> <li>• Tomei Expressway</li> <li>• Tokai-Hokuriku Expressway</li> <li>• Shin-Tomei Expressway</li> <li>• Chubu-Odan Expressway</li> <li>• Hokuriku Expressway (from Asahicho, Shimo-Niikawa, Toyama prefecture to Maibara (including Asahi Interchange))</li> <li>• Kinki Expressway Ise Line</li> <li>• Kinki Expressway Nagoya- Kameyama Line</li> <li>• Shin-Meishin Expressway (from Tobishima, Ama, Aichi prefecture to Koka (not including Koka- Tsuchiyama Interchange))</li> <li>• Kisei Expressway</li> <li>• Maizuru-Wakasa Expressway (from Obama to Tsuruga (not including Obama Interchange))</li> <li>• National Route 1 (Shin-Shonan By-pass Toll Road)</li> </ul>	25 March 2021

<u>Names of Agreements</u>	<u>Sections Relevant to the Agreements</u>	<u>Date on which last amended</u>
	<ul style="list-style-type: none"> <li>• National Route 1 (Seisho By-pass Toll Road)</li> <li>• National Route 138 (Higashi-Fujigoko Toll Road)</li> <li>• National Route 271 (Odawara-Atsugi Toll Road)</li> <li>• National Route 302 (Ise Wangan Toll Road)</li> <li>• National Route 468 (Ken-O Expressway) (from Chigasaki to Kadosawabashi, Ebina, and from Nakashinden, Ebina to Akiruno (not including Akiruno Interchange))</li> <li>• National Route 475 (Tokai-Kanjo Expressway) (from Toyota to Yokkaichi)</li> </ul>	

### **Involvement of the Japanese Government**

Due to the public nature of the expressways, the Japanese Government is involved to a certain extent in the Issuer's operations. For example, the licence or authorisation of the Minister of LIT is required under the Expressway Companies Act in respect of matters such as the construction or renovation of expressways, issue of bonds or borrowing of certain funds. Further, the Expressway Companies Act mandates the Issuer to provide its financial statements to the Minister of LIT, as well as providing for the supervisory powers of the Minister of LIT in respect of the Expressway Companies. See "*— Regulations*".

### **Research and Development**

The Group is involved in technological developments relating to its Expressway Business. The basic policies for such technological developments are to achieve: effective and efficient road maintenance to ensure safety; safe and smooth and easy-to-use expressways; disaster-resistant and safe networks; preservation of the global environment; and creation and deployment of technologies to be used internally and externally. Based on these basic policies, the Group is focusing on the development of the following three technologies: advancement of inspection work; large-scale renewal and repair technologies leading to reduction of life cycle cost, quality assurance and shortening of construction period; and traffic safety support and traffic congestion mitigation technologies based on road infrastructure technologies supporting autonomous driving and utilising ICT.

The Issuer has established Nippon Expressway Research Institute Company Limited together with East Nippon Expressway Company and West Nippon Expressway Company, with a view to utilising technological assets including personnel assets, enhancing and ensuring technological strengths through concentration of available assets, and dealing with technological issues which are common to the three companies.

In the fiscal years ended 31 March 2020 and 2021, research and development costs spent by the Group amounted to ¥1,430 million and ¥1,591 million, respectively. Of the research and development costs for the fiscal year ended 31 March 2021, the total amount of research and development costs regarding safety improvements was ¥946 million.

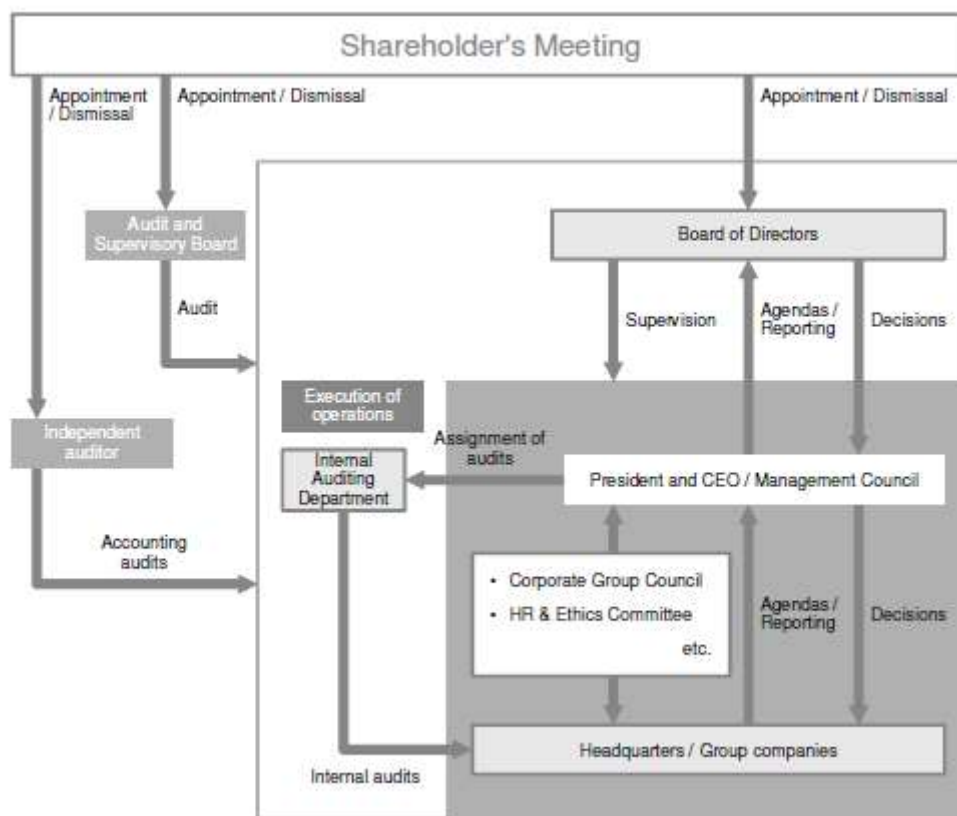
### **Corporate Governance and Internal Control**

#### ***Governance Structure***

The Issuer's Board of Directors convenes monthly, in principle, to determine key issues and execute its duties. In addition, full-time Members of the Board of Directors, Managing Officers, full-time Audit and Supervisory Board Members and certain others attend a corporate strategy meeting held regularly to deliberate key issues, strengthen the function of the Board and improve management efficiency. All Members of the Board of Directors, Managing Officers, Group company presidents and certain others attend meetings held regularly to determine corporate strategy affecting group-wide policies and to share information. Audit and Supervisory Board Members attend meetings of the Board of Directors and other meetings.

The Issuer has established the role of Chief Compliance Officer ("**CCO**") who controls the promotion of the Group's compliance to enhance the compliance structure and also established the role of CCO in each of its subsidiaries. By holding Group CCO meetings, the Issuer is working to strengthen the compliance structure throughout the entire Group.

The following diagram sets out the corporate governance structure of the Issuer:



As of 1 July 2021

### **Internal Control**

In accordance with the provisions of the Companies Act and the Ordinance for the Enforcement of the Companies Act of Japan (Ordinance of the Ministry of Justice No. 12 of 2006, as amended), in May 2006 the Issuer introduced an internal control system based on policies regarding a structure to ensure appropriate business practices. This system entails recording and managing information about the performance of Members of the Board of Directors' duties, risk management, confirming the efficiency with which Members of the Board of Directors perform their duties and verifying the appropriateness of business conducted by the Group.

### **Legal Proceedings**

Neither the Issuer nor any other member of the Group is involved in any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Group is aware), which may have, or have had during the 12 months preceding the date of this Offering Circular, a significant effect on the Group's financial position.

### **Regulations**

Expressway business operated by the Expressway Companies is conducted within the regulatory framework of the expressway system in Japan. The primary sources of regulation for the Expressway Companies are the Expressway Companies Act and the Special Measures Act, to which the Issuer is subject as an Expressway Company. The Minister of LIT has authority to supervise the Expressway Companies under these Acts.

The discussion below summarises the Expressway Companies Act and the Special Measures Act.

### ***The Expressway Companies Act***

The Expressway Companies are required to obtain the authorisation of the Minister of LIT under the Expressway Companies Act with respect to, among other things, the following matters:

- Solicitation of subscribers for its shares or stock acquisition rights;
- Operation of business on or in relation to expressways other than expressways which are subject to the Expressway Company's operation by the provisions of the Expressway Companies Act;
- Appointment or removal of representative directors or audit and supervisory board members;
- Establishment of and amendments to annual business plans;
- Solicitation of subscribers for its bonds and long-term borrowings;
- Transfer of important assets or creation of security interests over important assets; and
- Amendment to the articles of incorporation, payment of dividends or other distributions of surplus, mergers, company splits or dissolution of the Expressway Companies.

The Expressway Companies must cooperate with investigations regarding the traffic volume of the expressways under their management which are carried out by central or local governments and are necessary for formulating policies to promote smooth road traffic. Also, the Expressway Companies must submit to the Minister of LIT the balance sheet, profit and loss statement and any other statements related to finance and accounting for each fiscal year within 3 months of the end of the relevant fiscal year.

The Minister of LIT supervises the Expressway Companies pursuant to the Expressway Companies Act. When it deems necessary, the Minister of LIT may give orders that are necessary in terms of supervision of the Expressway Companies' operation of business, it may also order the Expressway Companies to submit reports with regard to the operation of business or order on-site inspections by the officials of the Ministry of LIT.

The Japanese Government must, at all times, hold at least one third of the voting rights of the Expressway Companies and may provide a guarantee over the Expressway Companies' debts the purpose of which are for funding costs related to the construction, renovation, maintenance, repair and other management of expressways. As of the date of this Offering Circular, the Japanese Government holds all of the voting rights of the Issuer.

### ***The Special Measures Act***

The Expressway Companies are required to obtain a licence or authorisation from the Minister of LIT under the Special Measures Act with respect to, among other things, the following matters:

- Construction or renovation of expressways, or toll collection, pursuant to each agreement between the Expressway Companies and JEHDRRA;
- Establishment of and amendments to the general terms for public use of expressways for toll collection;
- Termination of construction work or renovation work of expressways with respect to which the Expressway Company has obtained a licence;
- Establish facilities for toll collection and rules on how to drive near such facilities (for example, to make a temporary stop when approaching such facilities); and
- Entry to or temporary use of land owned by others where necessary such as investigation, survey, construction work or maintenance of expressways.

In addition, the Minister of LIT has certain authority to supervise the operation of the Expressway Companies under the Special Measures Act. For example:

- Upon completion of the construction or renovation of expressways, the Expressway Companies shall have such expressways examined by the Minister of LIT.

- In the case where the construction work by the Expressway Companies or JEHDRA is in violation of the Road Act, National Highway Act or Special Measures Act or orders thereunder, or in any other case specified in Article 46 of the Special Measures Act, the Minister of LIT may order the Expressway Companies or JEHDRA to stop, amend, or implement such construction work or to take necessary measures for the maintenance of the expressways.
- The Minister of LIT may order the Expressway Companies to take necessary measures when it deems necessary to ensure appropriate collection of tolls.
- The Minister of LIT may provide necessary recommendations, advice or support to the Expressway Companies or JEHDRA in respect of the management of the expressways and the tolls thereof.

Moreover, the Special Measures Act provides the following:

- Expressway assets created by the Expressway Companies' construction of new expressways or the renovation of expressways are, as a general rule, transferred to JEHDRA from the day after the date on which the construction is completed (such date to be publicised in advance), and prior thereto, belong to the Expressway Companies. However, where the Expressway Companies and JEHDRA have together set an expressway asset transfer plan (setting out the details of the relevant expressway assets and the planned date of their transfer from the Expressway Companies to JEHDRA) with authorisation from the Minister of LIT, the relevant expressway assets will be transferred to JEHDRA in accordance with such plan. Expressway assets increased through the Expressway Companies' repair or disaster recovery works are transferred to JEHDRA on the day after the date on which such repair or disaster recovery works are completed.
- The Expressway Companies shall be responsible for maintenance, repair and disaster recovery with respect to the expressways constructed or renovated by them, from the date of completion of the construction work to the date of the expiry of the toll collection period (each date to be publicised).
- The Expressway Companies shall post the general terms for public use of expressways for toll collection, to which the Minister of LIT has granted authorisation, at their business offices, administrative offices or other workplaces, in a manner observable by the public.
- The Expressway Companies will exercise a part of the authority of a road administrator (defined in the Special Measures Act) when they construct, renovate, maintain, repair or otherwise manage the expressways.
- Tolls shall be set for each expressway that are subject to the relevant agreements between the Expressway Companies and JEHDRA, at rates that will account for the lease fees and the administrative expenses which are payable by the Expressway Companies during the course of the toll collection period and that must be fair and reasonable.
- The Expressway Companies shall give public notice in advance when: initiating construction work regarding the construction or renovation of expressways; completing or terminating such construction work; or collecting tolls. The Expressway Companies shall also give public notice when they obtain authorisation of the Minister of LIT with respect to establishment of facilities for toll collection and rules on how to drive near such facilities (for example, to make a temporary stop when approaching such facilities), and together, shall post a notice to that effect, at their business offices, administrative offices or other workplaces, in a manner observable by the public.
- Against persons who evaded payment of tolls, the Expressway Companies may charge, aside from the evaded amount, penalties in the amount equivalent to twice the evaded amount.



## MANAGEMENT AND EMPLOYEES

### Management

The Issuer's Board of Directors has ultimate responsibility for the administration of the affairs of the Issuer. The Articles of Incorporation of the Issuer provide for the number of members of the Board of Directors to be not more than ten. Members of the Board of Directors are elected at a general meeting of shareholders. The normal term of office of any member of the Board of Directors expires at the close of the ordinary general meeting of shareholders to be held with respect to the last of the fiscal years ending within two years after the election thereof, although they may serve any number of consecutive terms. The Board of Directors elects from among its members one or more Representative Directors, who have the authority individually to represent the Issuer. The Board of Directors may elect one Chairman and one President, and one or more Vice Chairmen, Vice Presidents, Senior Managing Directors and Managing Directors from among its members.

The Articles of Incorporation of the Issuer also provide for not more than four Audit and Supervisory Board Members, who are elected at a general meeting of shareholders. The normal term of office of any Audit and Supervisory Board Member expires at the close of the ordinary general meeting of shareholders to be held with respect to the last of the fiscal years ending within four years after the election thereof, although an Audit and Supervisory Board Member may serve any number of consecutive terms. Under Japanese law, the Audit and Supervisory Board Members are not required to be, and are not, certified public accountants, and may not at the same time be members of the Board of Directors or employees or Accounting Adviser (*kaikai sanyo*) of the Issuer or any of its subsidiaries or executive officers of any of its subsidiaries. In addition, not less than half of the Audit and Supervisory Board Members must be a person who satisfied the requirements for outside Audit and Supervisory Board Member under the Companies Act. Audit and Supervisory Board Members have the duties of supervising the administration by the members of the Board of Directors of the Issuer's affairs and of examining the financial statements and business reports of the Issuer to be submitted by the Representative Director to the general meetings of shareholders and of reporting their opinions thereon to the shareholders. They are required to attend meetings of the Board of Directors in general and to express their opinions when or if necessary at such meetings but they are not entitled to vote. In addition, they are required to elect from among themselves at least one full-time Audit and Supervisory Board Member. Audit and Supervisory Board Members also have a statutory duty to provide their report to the Audit and Supervisory Board, which must submit its auditing report to the relevant members of the Board of Directors. The Audit and Supervisory Board will also determine matters relating to the duties of the Audit and Supervisory Board Members, such as audit policy and methods of investigation of the affairs of the Issuer.

In addition to Audit and Supervisory Board Members, the Issuer must appoint an independent auditor, who has the statutory duties of examining the financial statements to be submitted by the Representative Director to the general meetings of shareholders and reporting thereon to the relevant members of the Board of Directors and the relevant Audit and Supervisory Board Members. Currently, the Issuer's independent auditor is Ernst & Young ShinNihon LLC.

As of the date of this Offering Circular, the Members of the Board of Directors and Audit and Supervisory Board Members of the Issuer are as follows:

<b>Name</b>	<b>Title</b>
Hitoshi Tanemura <sup>(1)</sup> .....	Member of the Board of Directors and Chairperson
Yoshihito Miyaike.....	Representative Director, President, Chief Executive Officer and Chief Operating Officer
Yuichi Masuda.....	Representative Director, Executive Vice President, Director General of General Affairs Headquarters and Chief Compliance Officer
Motoo Fujii.....	Member of the Board of Directors, Senior Managing Officer and Director General of Engineering/Construction Headquarters
Ryoichi Gejima.....	Member of the Board of Directors, Senior Managing Officer and Director General of Maintenance Strategy Headquarters

<u>Name</u>	<u>Title</u>
Hiroshi Nunome .....	Member of the Board of Directors, Senior Managing Officer and Director General of Business Development Headquarters
Kiyohisa Kondo .....	Member of the Board of Directors, Senior Managing Officer, Director General of Corporate Strategy Headquarters and Chief Information Security Officer
Toru Koyama .....	Full-time Audit and Supervisory Board Member
Masafumi Terada <sup>(2)</sup> .....	Full-time Audit and Supervisory Board Member
Masumi Shiraishi <sup>(2)</sup> .....	Audit and Supervisory Board Member
Chiaki Yamaguchi <sup>(2)</sup> .....	Audit and Supervisory Board Member

Notes:

(1) Outside Director.

(2) Outside Audit and Supervisory Board Members.

All the Issuer's members of the Board of Directors except the Outside Director are engaged in the business of the Issuer on a full-time basis.

The business address for the Issuer's members of the Board of Directors and Audit and Supervisory Board Members is 18-19, Nishiki 2-chome, Naka-ku, Nagoya, Aichi 460-0003, Japan.

The aggregate remuneration of the Issuer's members of the Board of Directors and Audit and Supervisory Board Members for the fiscal year ended 31 March 2021 paid by the Issuer amounted to ¥122 million and ¥44 million (of which the remuneration paid by the Issuer to the Outside Director and Outside Audit and Supervisory Board Members amounted to ¥6 million and ¥27 million), respectively.

As of 31 March 2021, no member of the Board of Directors of the Issuer had an interest in any transaction which was unusual in its nature or conditions or significant to the business of the Group which was effected by the Issuer. As of 31 March 2021, there were no outstanding loans granted by any company of the Group to neither any members of the Board of Directors or Audit and Supervisory Board Members of the Issuer nor any guarantees provided by any company within the Group for their benefit.

The Issuer may enter into liability limitation contracts with its members of the Board of Directors (other than certain types of directors such as those who are involved in the operation of the Issuer) and Audit and Supervisory Board Members in accordance with Article 427, Paragraph 1 of the Companies Act and the Issuer's Articles of Incorporation, such limitation only to take effect if the relevant Director or Audit and Supervisory Board Member had acted in good faith and without gross negligence. The Issuer has entered into such contracts with four of the Audit and Supervisory Board Members. The Issuer has entered into such a contract with one member of the Board of Directors (who is not involved in the operations of the Issuer).

### ***Employees***

The Group had 11,055 full-time employees as of 31 March 2021. For the fiscal year ended 31 March 2021, the Group had an average of 2,586 temporary employees. The following table sets out the number of full-time employees of the Group as of the dates indicated, divided according to business segments:

	<b>As of 31 March</b>	
	<b>2020</b>	<b>2021</b>
Expressway Business.....	9,754	10,059
Rest Area Business.....	525	536
Other Related Businesses.....	123	95
Corporate <sup>(1)</sup> .....	358	365
Total .....	<u>10,760</u>	<u>11,055</u>

Note:

- (1) "Corporate" includes employees of departments such as the general affairs department and the human resources department, which do not belong to one particular business segment.

Certain employees of the Issuer are members of the Central Nippon Expressway Workers Union, which is aligned with the Labor Federation of Government Related Organizations. Certain of the employees of the Issuer's subsidiaries are also members of their respective workers unions.

The Group has not experienced any material labour disputes and believes that its relations with its employees are good.

## SUBSIDIARIES AND AFFILIATES

As of 31 March 2021, the Issuer had 23 consolidated subsidiaries and nine affiliates accounted for by the equity method. The following table sets out certain information as of 31 March 2021 with respect to the Issuer's consolidated subsidiaries and affiliates accounted for by the equity method:

Name of subsidiary/affiliate	Location	Business segment	Issued share capital as of 31 March 2021 <i>(Millions of yen)</i>	Percentage of voting rights owned, directly or indirectly, by the Issuer <i>(Per cent.)</i>
<b>Consolidated Subsidiaries</b>				
Central Nippon Exis Co., Ltd. ....	Naka-ku, Nagoya	Rest Area Business	45	100.0
Central Nippon Extoll Yokohama Co., Ltd. ....	Nishi-ku, Yokohama	Expressway Business	100	100.0
Central Nippon Extoll Nagoya Co., Ltd. ....	Naka-ku, Nagoya	Expressway Business	100	100.0
Central Nippon Highway Patrol Tokyo Co., Ltd. ....	Shinjuku-ku, Tokyo	Expressway Business	50	100.0
Central Nippon Highway Patrol Nagoya Co., Ltd. ....	Naka-ku, Nagoya	Expressway Business	50	100.0
Central Nippon Highway Engineering Tokyo Co., Ltd. ....	Shinjuku-ku, Tokyo	Expressway Business	90	100.0
Central Nippon Highway Engineering Nagoya Co., Ltd. ....	Naka-ku, Nagoya	Expressway Business	90	100.0
Central Nippon Highway Maintenance Tomei Co., Ltd. ....	Kohoku-ku, Yokohama	Expressway Business	30	100.0
Central Nippon Highway Maintenance Chuoh Co., Ltd. ....	Hachioji, Tokyo	Expressway Business	50	100.0
Central Nippon Highway Maintenance Nagoya Co., Ltd. ....	Naka-ku, Nagoya	Expressway Business	45	100.0
Central Nippon Highway Maintenance Hokuriku Co., Ltd. ....	Kanazawa, Ishikawa	Expressway Business	50	100.0
NEXCO Central Nippon Services Co., Ltd. ....	Naka-ku, Nagoya	Expressway Business	75	100.0
Central-NEXCO Technical Marketing Co., Ltd. ....	Naka-ku, Nagoya	Other Related Businesses	30	100.0
NEXCO Central Nippon Investment LLC. ....	Naka-ku, Nagoya	Other Related Businesses	10	100.0
NEXCO Highway Solutions of America Inc. ....	Texas, United States of America	Other Related Businesses	1,800,000 U.S. dollars	100.0
NEXCO-CENTRAL Philippines Inc. ....	Makati City, Republic of the Philippines	Other Related Businesses	50,000,000 Philippine pesos	100.0
Central Nippon Highway Retail Yokohama Co., Ltd. ....	Nishi-ku, Yokohama	Rest Area Business	35	100.0
Central Nippon Highway Retail Nagoya Co., Ltd. ....	Naka-ku, Nagoya	Rest Area Business	20	100.0
Central Nippon Highway Advance Co., Ltd. ..	Kohoku-ku, Yokohama	Rest Area Business	30	100.0
Central Nippon Exis International Co., Ltd.	Taipei City, Taiwan	Rest Area Business	15,000,000 New Taiwan dollars	100.0
Central-NEXCO Auto Service Co., Ltd. ....	Inazawa, Aichi	Expressway Business	20	100.0
NEXCO Central Nippon Development Co., Ltd. ....	Naka-ku, Nagoya	Other Related Businesses	90	100.0
Hakone Turnpike Limited. ....	Odawara, Kanagawa	Other Related Businesses	37	100.0
<b>Affiliates Accounted for by the Equity Method</b>				
Hokuriku Highway Terminal Co., Ltd. ....	Kanazawa, Ishikawa	Other Related Businesses	100	27.7
Nexco Systems Co., Ltd. <sup>(1)</sup> .....	Shinjuku-ku, Tokyo	Expressway Business	50	33.3
Nippon Expressway Research Institute Co., Ltd. <sup>(1)</sup> .....	Machida, Tokyo	Expressway Business	45	33.3
NEXCO Insurance Services Co., Ltd. <sup>(1)</sup> .....	Chiyoda-ku, Tokyo	Other Related Businesses	15	33.3
HIGHWAY TOLL SYSTEMS Co., Ltd. <sup>(1)</sup> .....	Chuo-ku, Tokyo	Expressway Business	75	30.1
Japan Expressway International Co., Ltd. <sup>(1)</sup> ....	Chiyoda-ku, Tokyo	Other Related Businesses	49	29.4
Central Nippon Farm Suzunari Co., Ltd. ....	Hamamatsu, Shizuoka	Other Related Businesses	35	39.0
Central Nippon Facilities Management Co., Ltd. ....	Nakano-ku, Tokyo	Expressway Business	30	20.0
Deros Japan Co., Ltd. ....	Kanazawa, Ishikawa	Expressway Business	99	30.3

---

Note:

- (1) These affiliates are jointly controlled entities under the "Accounting Standard for Business Combination" (ASBJ Statement No. 21 issued on 26 December 2008).

## **JAPAN EXPRESSWAY HOLDING AND DEBT REPAYMENT AGENCY**

### **Overview**

JEHDRA is an administrative agency established on 1 October 2005 for the purposes of supporting the successful operation of expressway business activities of the six Expressway Companies in Japan and reducing the fiscal burden on the general public with respect to expressways, through holding expressway assets, leasing these assets and repaying its debt in a timely and secure manner. JEHDRA conducts business such as holding expressway assets, leasing these assets to the Expressway Companies, repaying debt assumed by it from the Four Highway-Related Public Corporations, and assuming and repaying debt newly incurred by the Expressway Companies to cover the costs of the construction, renovation, repair or disaster recovery, of expressways. JEHDRA is scheduled to repay in full all such debt assumed from the Four Highway-Related Public Corporations and newly assumed from the Expressway Companies up to 30 September 2065, with the lease fees received from the Expressway Companies as well as through refinancing existing debt. Once the debt is paid in full, each expressway will be transferred to the respective Highway Administrators, the authority of which JEHDRA substitutes for until such time.

Under Article 31, Paragraph 1 of the JEHDRA Act, JEHDRA must be dissolved by 30 September 2065. The JEHDRA Act also requires JEHDRA to repay its debts in full before its dissolution, and that on the date of dissolution it must have remaining assets in an amount at least equivalent to its capital. Further, pursuant to Article 2 of the supplementary provisions of the Implementation Act, the Japanese Government has reviewed the implementation of the Expressway Companies Act, the JEHDRA Act and the Development Act. In July 2015, the Ministry of LIT published "The inspections on the business affairs of JEHDRA and Expressway Companies", which are based on inspections conducted by JEHDRA and each Expressway Companies on their own business affairs and any opinions raised in "Investigative Commission for the inspections on the business affairs of JEHDRA and Expressway Companies". The Japanese Government may take appropriate action based on such review.

### **Business of JEHDRA**

#### ***Purpose***

The purpose of JEHDRA is to support the successful operation of expressway business activities of the six Expressway Companies in Japan and to reduce the fiscal burden on the general public with respect to expressways, through holding expressway assets, leasing these assets and repaying its debt in a timely and secure manner.

#### ***Operations***

The principal operations of JEHDRA comprise the following:

- Holding of expressway assets and leasing of these assets to the Expressway Companies;
- Repayment of debt assumed from the Four Highway-Related Public Corporations (including repayment of borrowings for the purposes of repayment of such debt);
- Repayment of debt assumed by JEHDRA from the Expressway Companies in respect of liabilities incurred with regard to the construction, renovation, repair or disaster recovery works relating to expressways undertaken by the Expressway Companies (including repayment of borrowings for the purposes of repayment of such debt);
- Lending to the Metropolitan Expressway Company and the Hanshin Expressway Company (with no interest) for the purpose of providing these companies with funding for part of the costs related to construction or renovations of the Metropolitan Expressway or the Hanshin Expressway. The funding is capital obtained from the Japanese Government or certain Japanese local government authorities specified by government ordinance;
- Lending to the Expressway Companies (with no interest) for the purpose of providing the Expressway Companies with funding for disaster recovery efforts in respect of expressways, funded by subsidies from the Japanese Government;

- Lending to the Expressway Companies (with no interest) financed from subsidies granted by the Japanese Government for part of the funds to be allocated to costs necessary for maintenance of the parts of the expressways that join the expressways and roads other than expressways, and specified by the Ordinance of the Ministry of LIT.
- Lending to the Metropolitan Expressway Company and the Hanshin Expressway Company (with no interest) for the purpose of providing such companies with funding for part of the costs related to construction, renovation, repairs or disaster recovery efforts in respect of the Metropolitan Expressway or the Hanshin Expressway. These are funded by subsidies from certain Japanese local government authorities specified by government ordinance;
- Granting of incentives to the Expressway Companies in relation to managerial cost reduction efforts with regard to costs relating to the construction, renovation, maintenance, repair and other management of expressways;
- Acting as agent of the highway management authority in relation to the construction, renovation, maintenance, repair and other management of expressways by the Expressway Companies according to the provisions of the Special Measures Act and the Basic Act on Disaster Control Measures (Act No. 223 of 1961, as amended);
- Certain business related to the operation of regular shipping services in relation to the building of a connecting bridge between Honshu and Shikoku; and
- Operation of railway facilities connecting Honshu and Shikoku and to allow such facilities to be used by railway operators for a fee.

## Capitalisation

The following table sets out JEHDRA's capitalisation as of 31 March 2019 and 2020. The capital of JEHDRA is wholly provided by the Japanese Government as well as the relevant local governments.

	<b>As of 31 March</b>	
	<b>2019</b>	<b>2020</b>
	<i>(Millions of yen)</i>	
<b>Net assets:</b>		
<b>Capital:</b>		
Funds contributed by national government.....	¥ 4,109,004	¥ 4,118,928
Funds contributed by local governments .....	1,520,255	1,530,179
Total capital .....	<u>5,629,259</u>	<u>5,649,107</u>
<b>Capital Surplus:</b>		
Capital surplus .....	597	900
Reserve funds pursuant to Article 15 of the Implementation Act.....	850,933	850,933
Other accumulated administrative costs <sup>(1)</sup> .....		
Accumulated depreciation.....	(8,078)	(8,776)
Accumulated impairment loss .....	(2,061)	(2,061)
Accumulated difference in purchase price .....	(64)	(71)
Total capital surplus .....	<u>841,327</u>	<u>840,925</u>
<b>Retained Earnings:</b>		
Total retained earnings.....	<u>6,430,000</u>	<u>7,134,871</u>
Total net assets .....	<u>¥ 12,900,586</u>	<u>¥ 13,624,903</u>

Note:

(1) This accounting item is unique to administrative agencies.

JEHDRA's financial statements are prepared in accordance with the General Rules Act and the JEHDRA Act as well as the Accounting Standards for Administrative Agency and the Notes to Accounting Standards for Administrative Agency.

JEHDRA's financial statements have not received an audit report in accordance with Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act. However, JEHDRA must obtain the authorisation

of the Minister of LIT in respect of such financial statements each year under Article 38 of the General Rules Act. The audit of the financial statements are undertaken by JEHDRA's auditor (pursuant to Article 19, Paragraph 4 of the General Rules Act) and independent auditors (pursuant to Article 39 of the General Rules Act), as well as being audited by the governmental Board of Audit pursuant to Article 22, item 5 of the Board of Audit Act.



## TAXATION

### Japan

*The following statements are not intended to constitute a complete analysis of all tax consequences relating to the purchase, ownership and disposition of the Notes. Prospective purchasers should consult their own tax advisers concerning the tax consequences of their particular situations.*

Interest payments on the Notes to an individual resident of Japan or a Japanese corporation (except for (i) a Japanese financial institution or a Japanese financial instruments business operator designated by the Cabinet Order pursuant to Article 6, paragraph (11) of the Act on Special Measures Concerning Taxation, which has complied with the requirements for any tax exemption under said paragraph (11), and (ii) a public corporation, a financial institution or a financial instruments business operator, etc., each described in Article 3-3, paragraph (6) of the Act on Special Measures Concerning Taxation which receives interest payments on the Notes through a Japanese payment handling agent as described in paragraph (1) of said article and which has complied with the requirements for tax exemption under paragraph (6) of said article), or an individual non-resident of Japan or a non-Japanese corporation that in either case is a person who has a special relationship with the Issuer (that is, in general terms, a person who directly or indirectly controls or is directly or indirectly controlled by, or is under direct or indirect common control with, the Issuer within the meaning prescribed by the Cabinet Order (a "**Specially-Related Party**")), will be subject to withholding tax pursuant to the Income Tax Act of Japan (Act No. 33 of 1965, as amended) (the "**Income Tax Act**") and other applicable tax laws at a rate of 15.315 per cent. of the amount of such interest.

It should be noted that: (i) if the recipient of interest on the Notes is a Japanese corporation, the amount of such interest will be included in the recipient's income which is subject to Japanese corporate tax under the Corporate Tax Act of Japan (Act No. 34 of 1965, as amended) (the "**Corporate Tax Act**"); *provided that* the amount of Japanese income tax withheld under the Income Tax Act will be generally credited against the amount of Japanese corporate tax; and (ii) if the recipient of interest on the Notes is an individual non-resident of Japan or a non-Japanese corporation that in either case is a Specially-Related Party and has any kind of permanent establishment in Japan, all or a certain amount of such interest will be included in the recipient's income which is subject to Japanese income tax or corporate tax, as appropriate, payable other than by way of withholding, with any necessary adjustment, if applicable, pursuant to the Income Tax Act or the Corporate Tax Act, as appropriate, in consideration of the amount of the Japanese income tax withheld under the Income Tax Act.

Under the Act on Special Measures Concerning Taxation, payment of interest on the Notes outside Japan by the Issuer or any Paying Agent to a beneficial owner that is not an individual resident of Japan or a Japanese corporation for Japanese tax purposes, other than a Specially-Related Party, will not be subject to Japanese withholding tax, *provided that* the beneficial owner complies with procedures for establishing its eligibility for exemption from the imposition of Japanese income tax, including withholding tax, pursuant to the Act on Special Measures Concerning Taxation as summarised below:

- (i) if the Notes or Coupons are deposited with an agent which handles the interest payments on the Notes as defined in the Cabinet Order (the "**payment handling agent**") in accordance with the Cabinet Order, (A) the recipient of the interest provides such payment handling agent which holds the Notes or Coupons in its custody (the "**payment handling custodian**") with information including, *inter alia*, its name and address and obtains confirmation from the payment handling custodian of the correctness of such information by presenting certain documentary or other evidence to such payment handling custodian; (B) such payment handling custodian notifies "Interest Recipient Information" (providing, *inter alia*, (a) that all recipients are individual non-residents of Japan or non-Japanese corporations other than Specially-Related Party (if applicable); or (b) that the amount of the interest payable to the recipients which are individual non-residents of Japan or non-Japanese corporations other than Specially-Related Party) which is prepared by such payment handling custodian based on the information provided by the recipient, to the Issuer or (if the Notes or Coupons are further sub-deposited with another payment handling agent including a clearing organisation (the "**sub-depositary**") by such payment handling custodian) through such sub-depositary to the Issuer, at the latest one day prior to the date on which such payment handling custodian receives from the Issuer the amount of the interest for the payment to the recipients; and (C) the Issuer prepares an "Interest Recipient Confirmation" based upon Interest Recipient Information and submits it to the competent Japanese tax authority (the "**tax authority**"); or
- (ii) if the Notes or Coupons are held otherwise than through a payment handling custodian, upon each payment of interest on the Notes, the Noteholder files a "Claim for Exemption from Taxation" (providing,

*inter alia*, the name and address of the recipient of the interest) with the tax authority through the Issuer or (if payment of interest is made through the payment handling agent) through the payment handling agent and the Issuer.

If the recipient of interest on the Notes is an individual non-resident of Japan or a non-Japanese corporation other than a Specially-Related Party, failure by such individual non-resident of Japan or non-Japanese corporation to comply with the above requirements will result in the withholding of Japanese income tax.

The above exemption from the withholding of Japanese income tax on interest payments of the Notes is also applied to a Japanese financial institution or a Japanese financial instruments business operator designated by the Cabinet Order pursuant to Article 6, paragraph (11) of the Act on Special Measures Concerning Taxation which receives the interest on the Notes outside of Japan (i.e. receives the interest otherwise than through the payment handling agent in Japan).

If the recipient of interest on the Notes is an individual non-resident of Japan or a non-Japanese corporation other than a Specially-Related Party which complies with the above requirements and if such individual non-resident of Japan or non-Japanese corporation has a permanent establishment in Japan and the receipt of interest is attributable to such permanent establishment, such interest will be subject to Japanese income tax or corporate tax, as appropriate, payable other than by way of withholding.

## SUBSCRIPTION AND SALE

### **Programme Agreement**

Subject to the terms and on the conditions contained in an amended and restated programme agreement dated 20 July 2021, as amended and/or supplemented from time to time (the "**Programme Agreement**"), and made between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes, if any, directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Programme Agreement also provides for Notes to be issued in syndicated Tranches that are either jointly and severally or severally but not jointly underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### **Selling Restrictions**

#### *United States of America*

The Notes have not been and will not be registered under the Securities Act and Bearer Notes are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Each of the Dealers has agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or, in the case of Bearer Notes, deliver the Notes within the United States or to, or for the account or benefit of, U.S. persons.

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

#### *Japan*

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act and are subject to the Act on Special Measures Concerning Taxation. Each Dealer has represented and agreed that, (I) it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any person resident in Japan for Japanese securities law purposes (including any corporation or entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of any person resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan; and, (II) it (i) has not, directly or indirectly, offered or sold any Notes to, or for the benefit of, any person other than a Gross Recipient (as defined below), and (ii) will not, directly or indirectly, offer or sell any Notes, (x) as part of its initial distribution at any time, to, or for the benefit of, any person other than a Gross Recipient, and (y) otherwise until 40 days after the date of issue, to, or for the benefit of, any individual resident of Japan or Japanese corporation for Japanese tax purposes (except for a Designated Financial Institution and an Article 3-3 Japanese Resident).

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

### ***Prohibition of Sales to EEA Retail Investors***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or
  - (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; and
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### ***Prohibition of Sales to UK Retail Investors***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Final Terms thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or
  - (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; and
- (b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

### ***Other UK regulatory restrictions***

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) *No deposit-taking*: in relation to any Notes having a maturity of less than one year:
  - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
  - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
    - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
    - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;

- (b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### ***The Netherlands***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, with the Issuer that it has neither offered nor sold and will neither offer nor sell any Notes in The Netherlands other than through one or more investment firms acting as principals and having the Dutch regulatory capacity to make such offers or sales.

Notwithstanding the above, Zero Coupon Notes may not, directly or indirectly, as part of their initial distribution (or immediately thereafter) or as part of any re-offering be offered, sold, transferred or delivered in The Netherlands. For purposes of this paragraph "**Zero Coupon Notes**" are Notes that are in bearer form (whether in definitive or in global form) and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

### ***Singapore***

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or

- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

### ***Australia***

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (the "**Corporations Act**")) in relation to any Notes has been, or will be, lodged with or registered by the Australian Securities & Investments Commission ("**ASIC**") or any other regulatory authority in Australia.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of, any Notes in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) it has not distributed or published, and will not distribute or publish, any draft, preliminary or definitive offering memorandum, advertisement or other offering material relating to the Notes or any sale of Notes in Australia,

unless:

- (1) the aggregate consideration payable by each offeree or invitee is at least AUD500,000 (or equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act;
- (2) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act;
- (3) such action complies with all applicable laws, regulations and directives; and
- (4) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

By applying for Notes under this Offering Circular, each person to whom Notes are issued (an "**Investor**"):

- (a) will be deemed by the Issuer and each of the Dealers to have acknowledged that if any Investor on-sells Notes within 12 months from their issue, the Investor will be required to lodge a prospectus or other disclosure document (as defined in the Corporations Act) with ASIC unless either:
- (i) the sale is to an Investor that falls within one of the categories set out in sections 708(8) or 708(11) of the Corporations Act, and:
- (A) is not a "retail client" within the meaning of section 761G of the Corporations Act,
- (B) to whom it is lawful to offer Notes in Australia without a prospectus or other disclosure document lodged with ASIC; or
- (ii) the sale offer is received outside Australia; and
- (b) will be deemed by the Issuer and each of the Dealers to have undertaken not to sell those Notes in any circumstances other than those described in paragraphs (a)(i) and (a)(ii) above for 12 months after the date of issue of such Notes.

This Offering Circular is not, and under no circumstances is to be construed as, an advertisement or public offering of any Notes in Australia.

### ***Hong Kong***

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured products" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) (the "**SFO**") other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

### ***Republic of Italy***

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation. Each of the Dealers has represented and agreed that any offer, sale or delivery of the Notes or distribution of copies of these Final Terms, the Offering Circular or any other document relating to the Notes in the Republic of Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Accordingly, each of the Dealers has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies of these Final Terms, the Offering Circular and any other document relating to the Notes in the Republic of Italy except:

- (i) to "qualified investors", as defined in Regulation (EU) 2017/1129 of 14 June 2017 (the "**Prospectus Regulation**", as amended); or
- (ii) in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under the Prospectus Regulation, Decree No. 58 or Regulation No. 11971.

Any such offer, sale or delivery of the Notes or distribution of copies of these Final Terms, the Offering Circular or any other document relating to the Notes in the Republic of Italy must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 58 of 24 February 1998, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (in each case as amended from time to time) and any other applicable laws and regulations;
- (ii) in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016 and on 2 November 2020); and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

### ***Provisions relating to the secondary market in the Republic of Italy***

Investors should also note that, in any subsequent distribution of the Notes in the Republic of Italy, the Prospectus Regulation and Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, Article 100-*bis* of Decree No. 58 provides that where the Notes are placed solely with "qualified investors" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under the Prospectus Regulation or Decree No. 58 applies.

## ***General***

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Offering Circular or any Final Terms or any other offering material relating to the Notes. Persons into whose hands this Offering Circular or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Offering Circular or any Final Terms or any other offering material relating to the Notes, in all cases at their own expense.

The Programme Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "*General*" above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Offering Circular.

## **Other Relationships**

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

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



## FORM OF FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.*

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS:** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**EU Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS:** The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the UK Financial Services and Markets Act 2000 (the "**FSMA**") to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

**[EU MiFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET:** Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in EU MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [Issuer to consider any negative target market.] Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer[*'s/s'*] target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[*'s/s'*] target market assessment) and determining appropriate distribution channels.]

**[UK MiFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET –** Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [Issuer to consider any negative target market]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**")/[distributor] should take into consideration the manufacturer[*'s/s'*] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[*'s/s'*] target market assessment) and determining appropriate distribution channels.]

**[SINGAPORE SECURITIES AND FUTURES ACT PRODUCT CLASSIFICATION:** Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore (as modified or amended from time to time, the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).]

**Final Terms dated [•]**

**Central Nippon Expressway Company Limited**  
**Issue of Series [series number] [aggregate nominal amount of Tranche] [title of Notes]**  
**under the ¥5,432,535,000,000 Euro Medium Term Note Programme**

**PART A — CONTRACTUAL TERMS**

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to the Prospectus Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**") or the Prospectus Regulation (EU) 2017/1129 (as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**")) or supplement a prospectus pursuant to the EU Prospectus Regulation or the UK Prospectus Regulation, in each case, in relation to such offer.

This document constitutes the Final Terms for the Notes described herein. This document must be read in conjunction with the Offering Circular dated 20 July 2021 [and the supplementary Offering Circular dated [date]] ([together,] the "**Offering Circular**"). Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. Copies of the Offering Circular may be obtained from [address].

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Offering Circular.]

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an offering circular with an earlier date and the relevant terms and conditions from that offering circular with an earlier date were incorporated by reference in this Offering Circular.]*

Terms used herein shall be deemed to be defined as such for the purposes of the [date] Conditions (the "**Conditions**") incorporated by reference in the offering circular dated [original date]. These Final Terms contain the final terms of the Notes and must be read in conjunction with the Offering Circular, save in respect of the Conditions which are set forth in the offering circular dated [original date] and are incorporated by reference in the Offering Circular.]

*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.*

- |    |   |  |
|----|---|--|
| 1. | Issuer:   | Central Nippon Expressway Company Limited  |
| 2. | (i) Series Number:                              | [ ]  |
|    | (ii) Tranche Number:                            | [ ]  |
|    | [(iii) Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [insert description of the Series] on [[insert date]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 17 below [which is expected to occur on or about [insert date]].] |
| 3. | Specified Currency or Currencies:               | [ ]  |
| 4. | Aggregate Nominal Amount:                       | [ ]  |
|    | (i) Series:                                     | [ ]  |

- (ii) Tranche: [ ]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6. (i) Specified Denominations: [ ]
- [If the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), insert the additional wording below:*
- "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]."*
- [Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).]*
- (ii) Calculation Amount: [ ]
7. (i) Issue Date: [ ]
- (ii) Interest Commencement Date: [[Specify]/Issue Date]
8. Maturity Date: *[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
9. Interest Basis: [[ ] per cent. Fixed Rate]
- [Specify reference rate] +/- [ ] per cent. Floating Rate]*
- (further particulars specified below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount.
11. Put/Call Options: None (other than Condition 8(b) (*Redemption and Purchase — Redemption for taxation reasons*))
12. (i) Status of the Notes: Senior
- (ii) Date on which the authorisation of the Minister of LIT was obtained: *[Specify date]*

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

13. Fixed Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [ ] per cent. per annum payable in arrear on each Interest Payment Date
  - (ii) Interest Payment Date(s): [ ] in each year[. Modified Following Business Day Convention applies. No Adjustment. Additional Business Centres: [ ] (with Principal Financial Centre being [ ])]
  - (iii) Fixed Coupon Amount[(s)]: [ ] per Calculation Amount
  - (iv) Broken Amount(s): [Not Applicable / [ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]]
  - (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA/ISDA) / *specify other*]
14. Floating Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable delete the remaining subparagraphs of this paragraph)*
- (i) Specified Period: [ ]
  - (ii) Specified Interest Payment Dates: [ ]
  - (iii) First Interest Payment Date: [ ]
  - (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
  - (v) Additional Business Centre(s): [Not Applicable/*specify*]
  - (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
  - (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Fiscal Agent]): [ ] shall be the Calculation Agent
  - (viii) Screen Rate Determination:
    - Reference Rate: [ ]
    - Interest Determination Date(s): [ ]

- Relevant Screen Page: [ ]
  - Relevant Time: [ ]
  - Relevant Financial Centre: [ ]
- (ix) ISDA Determination:
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
  - 2021 ISDA Definitions: [Applicable/Not Applicable]
    - [• Applicable Benchmark:] [ ]
    - [• Fixing Day:] [ ]
    - [• Fixing Time:] [ ]
    - [• Any other terms relating to the 2021 ISDA Definitions:] [ ]/[Not Applicable]
- (x) Linear Interpolation: [Not Applicable/Applicable — the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (xi) Margin(s): [+/-][ ] per cent. per annum
- (xii) Minimum Rate of Interest: [ ] per cent. per annum
- (xiii) Maximum Rate of Interest: [ ] per cent. per annum
- (xiv) Day Count Fraction: [ ]

#### PROVISIONS RELATING TO REDEMPTION

15. Final Redemption Amount of each Note: [ ] per Calculation Amount
16. Early Redemption Amount per Calculation Amount payable on redemption for taxation reasons or on event of default: [ ] per Calculation Amount

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

17. Form of Notes: **[Bearer Notes:**

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]

[Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note]]

**[Registered Notes:**

Global Registered Note exchangeable for unrestricted Individual Note Certificates in the limited circumstances specified in the Global Registered Note]

- 18. New Global Note: No
- 19. Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/give details. Note that this paragraph relates to the date of payment, and not the end dates of interest periods for the purposes of calculating the amount of interest, to which subparagraph 14(v) relates]
- 20. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left]
- 21. Other terms or special conditions: [Not Applicable/give details]

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of

**CENTRAL NIPPON EXPRESSWAY COMPANY LIMITED**

By: .....  
Name:  
Title:

## PART B — OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING** [Application [is being/has been] made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Singapore Exchange Securities Trading Limited/*specify other exchange*] with effect from [*specify date*].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [Singapore Exchange Securities Trading Limited/*specify other exchange*] with effect from [*specify date*].] [Not Applicable.]  
  
*(When documenting a fungible issue need to indicate that original Notes are already admitted to listing/trading.)*
2. **RATINGS** The Notes to be issued [[have been/are expected to be] rated as follows:/are not rated.]  
  
[Moody's Japan K.K.: [ ]]  
  
[Rating and Investment Information, Inc.: [ ]]  
  
[Japan Credit Rating Agency, Ltd.: [ ]]  
  
[[*Specify other*]: [ ]]
3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**  
  
[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and JEHDRA] and [its/their] affiliates in the ordinary course of business.] [*Amend as appropriate if there are other interests*]
4. **OPERATIONAL INFORMATION**  
  
ISIN: [ ]  
  
Common Code: [ ]  
  
[FISN:] [ ]  
  
[CFI Code:] [ ]  
  
Legal Entity Identifier (LEI): 3538005TH2GJERPBFN83  
  
Deliver: Delivery [against/free of] payment  
  
Names and addresses of additional Paying Agent(s) (if any): [ ]
5. **DISTRIBUTION**
  - (i) Method of Distribution: [Syndicated/Non-syndicated]
  - (ii) If syndicated:
    - (A) Names of Managers: [Not Applicable/*give names*]
    - (B) Stabilisation Manager(s), if any: [Not Applicable/*give names*]

(iii) If non-syndicated, name of Dealer: [Not Applicable/*give names*]

(iv) U.S. Selling Restrictions: [Reg. S Compliance Category 1; [TEFRA C / TEFRA D / TEFRA not applicable]; Not Rule 144A eligible]

6. **REASONS FOR THE OFFER**

Reasons for the offer: [As set out in the Offering Circular under the section entitled "Use of Proceeds"/The net proceeds of the issue of the Notes will be used for the general financing purposes of the Issuer./*give details*]



## GENERAL INFORMATION

1. The issue of Notes under the Programme on or before 31 March 2022 was duly authorised by the Issuer on 25 March 2021. The date on which the authorisation of the Minister of LIT in respect of the issue of each Tranche of Notes was obtained will be specified in the applicable Final Terms.
2. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number (ISIN) in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.
3. Approval-in-principle has been received from 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 takes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein or the contents of this Offering Circular, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Offering Circular. The approval-in-principle from, and the admission of any Notes to the official list of, the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Programme or the Notes. Unlisted Notes may be issued under the Programme.

The applicable Final Terms in respect of any Series will specify whether or not such Notes will be listed and, if so, on which exchange(s) the Notes are to be listed. For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Notes will trade on the SGX-ST in a minimum board lot size of S\$200,000 (or its equivalent in other currencies).

In respect of any Notes listed on the SGX-ST, for so long as such Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that a Temporary Global Note or a Permanent Global Note is exchanged for Definitive Notes, or that a Global Registered Note is exchanged for Individual Note Certificates, the Issuer will appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption. In addition, in the event that a Temporary Global Note or a Permanent Global Note is exchanged for Definitive Notes, or that a Global Registered Note is exchanged for Individual Note Certificates, an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Definitive Notes or Individual Note Certificates (as the case may be), including details of the paying agent in Singapore.

4. So long as any of the Notes remain outstanding, copies of the following documents will be available for inspection during usual business hours (except Saturdays, Sundays and legal holidays) at the specified offices of the Fiscal Agent and each of the Paying Agents:
  - The Agency Agreement (and any amendments and/or supplements thereto), incorporating the forms of the Notes;
  - The Deed of Covenant;
  - The Articles of Incorporation of the Issuer (certified English translation);
  - The Expressway Companies Act (certified English translation);
  - The JEHDRA Act (certified English translation);
  - The General Rules Act (certified English translation);
  - The consolidated financial statements (including audit reports only for the fiscal years ended 31 March 2020 and 31 March 2021) of the Issuer covering the latest two fiscal years;
  - On and after the relevant Assumption Date (as defined in Condition 16), the most recent annual report of JEHDRA and the JEHDRA Deed Poll (as defined in the Conditions).

5. The consolidated financial statements of the Issuer for each of the fiscal years ended 31 March 2020 and 2021, incorporated by reference in this Offering Circular, have been audited by Ernst & Young ShinNihon LLC, the Issuer's independent auditor, as stated in their audit report appearing herein.
6. Save as disclosed in this Offering Circular, there has been no significant change in the financial or trading position of the Group and no material adverse change in the prospects of the Group since 31 March 2021.
7. Save as disclosed in this Offering Circular, neither the Issuer nor any of its consolidated subsidiaries is, or has been involved in, any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had during the 12 months preceding the date of this Offering Circular, a significant effect on the financial position or the profitability of the Group nor is the Issuer aware that any such proceedings are pending or threatened.
8. Where Notes have a maturity of less than one year and either (a) the issue proceeds are received by the Issuer in the United Kingdom, or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the FSMA by the Issuer.
9. Each Bearer Note having a maturity of more than one year and any Coupon and Talon appertaining thereto will contain the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code".
10. Each Note and certificates in respect thereof, Coupon and Talon will bear the following legend.

"INTEREST PAYMENTS ON THE NOTES TO AN INDIVIDUAL RESIDENT OF JAPAN, TO A JAPANESE CORPORATION (EXCLUDING (I) A JAPANESE DESIGNATED FINANCIAL INSTITUTION DESCRIBED IN ARTICLE 6, PARAGRAPH (11) OF THE ACT ON SPECIAL MEASURES CONCERNING TAXATION OF JAPAN, WHICH HAS COMPLIED WITH THE REQUIREMENTS FOR TAX EXEMPTION UNDER SAID PARAGRAPH, AND (II) A JAPANESE PUBLIC CORPORATION, A JAPANESE FINANCIAL INSTITUTION OR A JAPANESE FINANCIAL INSTRUMENTS BUSINESS OPERATOR, ETC., EACH DESCRIBED IN ARTICLE 3-3, PARAGRAPH (6) OF THE ACT ON SPECIAL MEASURES CONCERNING TAXATION OF JAPAN, WHICH RECEIVES INTEREST PAYMENTS ON THE NOTES THROUGH A JAPANESE PAYMENT HANDLING AGENT AS DESCRIBED IN PARAGRAPH (1) OF SAID ARTICLE AND WHICH HAS COMPLIED WITH THE REQUIREMENTS FOR TAX EXEMPTION UNDER PARAGRAPH (6) OF SAID ARTICLE), OR TO AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NON-JAPANESE CORPORATION THAT IN EITHER CASE IS A PARTY HAVING A SPECIAL RELATIONSHIP WITH THE ISSUER AS DESCRIBED IN ARTICLE 6, PARAGRAPH (4) OF THE ACT ON SPECIAL MEASURES CONCERNING TAXATION OF JAPAN, WILL BE SUBJECT TO JAPANESE INCOME TAX ON THE AMOUNT OF SUCH INTEREST."
11. Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Final Terms. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.
12. The yield of each Tranche of Notes set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual, semi-annual or other basis using the relevant issue price. It is not an indication of future yield.
13. Where information has been sourced from the publication of a party other than the Issuer, the source of such information has been identified at their respective occurrences within this Offering Circular, and

such information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by that party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

14. Legal Entity Identifier (LEI) code of the Issuer is 3538005TH2GJERPBFN83.

**REGISTERED HEAD OFFICE OF THE ISSUER**

**Central Nippon Expressway Company Limited**

18-19, Nishiki 2-chome  
Naka-ku, Nagoya  
Aichi 460-0003  
Japan

**ARRANGER**

**SMBC Nikko Capital Markets Limited**

One New Change  
London EC4M 9AF  
United Kingdom

**DEALERS**

**SMBC Nikko Capital Markets Limited**

One New Change  
London EC4M 9AF  
United Kingdom

**Daiwa Capital Markets Europe Limited**

5 King William Street  
London EC4N 7AX  
United Kingdom

**Mizuho International plc**

Mizuho House  
30 Old Bailey  
London EC4M 7AU  
United Kingdom

**Mizuho Securities Asia Limited**

14-15/F., K11 Atelier  
18 Salisbury Road  
Tsim Sha Tsui  
Kowloon  
Hong Kong

**MUFG Securities EMEA plc**

Ropemaker Place  
25 Ropemaker Street  
London EC2Y 9AJ  
United Kingdom

**FISCAL AGENT, REGISTRAR, TRANSFER AGENT AND PAYING AGENT**

**Mizuho Trust & Banking (Luxembourg) S.A.**

1B, Rue Gabriel Lippmann  
L-5365 Munsbach  
Grand-Duché de Luxembourg

**LEGAL ADVISERS**

*To the Issuer as to Japanese law*

**Anderson Mori & Tomotsune**

Otemachi Park Building  
1-1, Otemachi 1-chome  
Chiyoda-ku, Tokyo 100-8136  
Japan

*To the Dealers as to English law*

**Clifford Chance**

**(Gaikokuho Kyodo Jigyo)**  
Palace Building, 3rd floor  
1-1, Marunouchi 1-chome  
Chiyoda-ku, Tokyo 100-0005  
Japan

**INDEPENDENT AUDITOR**

**Ernst & Young ShinNihon LLC**

Hibiya Mitsui Tower  
1-2, Yurakucho 1-chome  
Chiyoda-ku, Tokyo 100-0006  
Japan

