

**Semiannual Consolidated Financial Statements
(Unaudited)**

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

*Six-month periods ended September 30, 2023 and 2022
with Independent Auditor's Review Report*

Central Nippon Expressway Company Limited
and its Consolidated Subsidiaries

Semiannual Consolidated Financial Statements (Unaudited)

Six-month periods ended September 30, 2023 and 2022

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Independent Auditor's Review Report

The Board of Directors
Central Nippon Expressway Company Limited

We have reviewed the accompanying semiannual consolidated financial statements of Central Nippon Expressway Company Limited and its consolidated subsidiaries (the Group), which comprise the semiannual consolidated balance sheet as at September 30, 2023, the semiannual consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the six-month periods ended September 30, 2023 and 2022 and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Semiannual Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express a conclusion on these semiannual consolidated financial statements based on our review. We conducted our review in accordance with the Practical Guidelines on Review Engagements 2400 (JICPA Auditing Standards Committee Practical Guidelines No.1, January 26, 2016). Practical Guidelines on Review Engagements 2400 requires us to conclude whether, on the basis of our review, anything has come to our attention that causes us to believe that the semiannual consolidated financial statements are not, in all material respects, prepared in accordance with accounting principles for semiannual consolidated financial statements generally accepted in Japan. Practical Guidelines on Review Engagements 2400 also requires that we comply with the Code of Professional Ethics in Japan.

A review of semiannual consolidated financial statements conducted in accordance with the Practical Guidelines on Review Engagements 2400 is a limited assurance engagement. The review consists of making inquiries, primarily of management and persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in Japan. Accordingly, we do not express an audit opinion on the semiannual consolidated financial statements.

Auditor's Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the semiannual consolidated financial statements referred to above have not been prepared, in all material respects, in accordance with accounting principles for semiannual consolidated financial statements generally accepted in Japan.

We have previously audited, in accordance with auditing standards generally accepted in Japan, the consolidated balance sheet of the Group as at March 31, 2023, and the related consolidated statements of income, comprehensive income, changes in net assets and cash

flows for the year then ended (not presented herein); and in our report dated June 27, 2023, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying semiannual consolidated balance sheet as at March 31, 2023, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Interest required to be disclosed by the Certified Public Accountants Act of Japan

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

Convenience Translation

We have reviewed the translation of these semiannual consolidated financial statements into U.S. dollars, presented for the convenience of readers, and, based on our review, the accompanying semiannual consolidated financial statements have been properly translated on the basis described in Note 1(a).

Ernst & Young ShinNihon LLC
Nagoya, Japan
December 27, 2023

/s/ Tomohisa Yura

Tomohisa Yura
Designated Engagement Partner
Certified Public Accountant

/s/ Hirotaka Mizutani

Hirotaka Mizutani
Designated Engagement Partner
Certified Public Accountant

/s/ Mitsuhiro Otani

Mitsuhiro Otani
Designated Engagement Partner
Certified Public Accountant

Central Nippon Expressway Company Limited
and its Consolidated Subsidiaries

Semiannual Consolidated Balance Sheet (Unaudited)

September 30, 2023

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 1(a))</i>
	<u>September 30, 2023</u>	<u>March 31, 2023</u>	<u>September 30, 2023</u>
Assets			
Current assets:			
Cash and deposits (Note 9)	¥ 108,535	¥ 125,790	\$ 725,598
Accounts receivable due from expressway business operations	150,400	98,991	1,005,482
Other accounts receivable and contract assets	24,560	20,306	164,193
Inventories	1,504,813	1,394,038	10,060,255
Other current assets	96,698	84,323	646,464
Allowance for doubtful accounts	(20)	(16)	(134)
Total current assets	<u>1,884,986</u>	<u>1,723,432</u>	<u>12,601,858</u>
 Property and equipment (Note 13):			
Buildings (Note 4)	80,456	79,510	537,879
Structures (Note 4)	71,368	71,237	477,123
Machinery and equipment	125,706	125,464	840,393
Vehicles	52,807	52,366	353,035
Tools, furniture and fixtures (Note 4)	19,857	19,605	132,752
Land (Notes 3 and 4)	120,259	120,253	803,978
Leased assets	9,239	9,184	61,766
Construction in progress	7,334	4,707	49,031
Less accumulated depreciation	(216,206)	(206,394)	(1,445,421)
Total property and equipment	<u>270,820</u>	<u>275,932</u>	<u>1,810,536</u>
 Investments and other assets:			
Investments in unconsolidated subsidiaries and affiliates (Notes 10 and 13)	8,297	8,039	55,469
Investments in securities (Notes 2, 4 and 10)	344	304	2,300
Intangible fixed assets	14,618	16,853	97,727
Deferred income taxes	3,964	3,591	26,501
Asset for retirement benefits	1,323	1,104	8,845
Others (Note 4)	4,721	5,013	31,562
Allowance for doubtful accounts	(68)	(79)	(455)
Total investments and other assets	<u>33,199</u>	<u>34,825</u>	<u>221,949</u>
 Deferred assets:			
Bond issuance expenses for road construction	1,881	1,574	12,575
Other bond issuance expenses	1	1	7
Total deferred assets	<u>1,882</u>	<u>1,575</u>	<u>12,582</u>
Total assets (Notes 4 and 13)	<u><u>¥ 2,190,887</u></u>	<u><u>¥ 2,035,764</u></u>	<u><u>\$ 14,646,925</u></u>

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 1(a))</i>
	September 30, 2023	March 31, 2023	September 30, 2023
Liabilities			
Current liabilities:			
Accounts payable due to expressway business operations	¥ 104,268	¥ 163,077	\$ 697,072
Short-term debt, including current portion of long-term debt (<i>Notes 4 and 10</i>)	35,580	112,186	237,866
Current portion of lease obligations	1,432	1,566	9,573
Other accounts payable	22,714	41,211	151,852
Income and other taxes payable	6,514	1,573	43,549
Contract liabilities	33,861	29,874	226,374
Accrued employees' bonuses	4,951	4,560	33,099
Other current liabilities	8,341	7,659	55,763
Total current liabilities (<i>Note 13</i>)	<u>217,661</u>	<u>361,706</u>	<u>1,455,148</u>
Long-term liabilities:			
Long-term debt (<i>Notes 4 and 10</i>)	1,602,718	1,323,915	10,714,788
Lease obligations	3,416	3,912	22,837
Deferred income taxes	92	88	615
Liabilities for retirement benefits	58,555	60,003	391,463
Accrued retirement benefits for directors, audit and supervisory board members and corporate officers	132	158	882
Others	28,311	28,759	189,271
Total long-term liabilities (<i>Note 13</i>)	<u>1,693,224</u>	<u>1,416,835</u>	<u>11,319,856</u>
Contingent liabilities (<i>Note 5</i>)			
Net assets:			
Shareholder's equity (<i>Notes 6 and 8</i>):			
Common stock	65,000	65,000	434,550
Authorized : 520,000,000 shares			
Issued : 130,000,000 shares at September 30, 2023 and March 31, 2023			
Capital surplus	73,012	73,012	488,113
Retained earnings	149,703	128,065	1,000,822
Total shareholder's equity	<u>287,715</u>	<u>266,077</u>	<u>1,923,485</u>
Accumulated other comprehensive income (loss):			
Net unrealized holding gain on securities (<i>Note 2</i>)	423	258	2,828
Translation adjustments	61	40	408
Retirement benefits liability adjustments	(8,486)	(9,422)	(56,732)
Total accumulated other comprehensive loss	<u>(8,002)</u>	<u>(9,124)</u>	<u>(53,496)</u>
Non-controlling interests (<i>Note 8</i>)	289	270	1,932
Total net assets (<i>Note 8</i>)	<u>280,002</u>	<u>257,223</u>	<u>1,871,921</u>
Total liabilities and net assets	<u>¥ 2,190,887</u>	<u>¥ 2,035,764</u>	<u>\$ 14,646,925</u>

See notes to semiannual consolidated financial statements.

Central Nippon Expressway Company Limited
and its Consolidated Subsidiaries

Semiannual Consolidated Statements of Income (Unaudited)

Six-month periods ended September 30, 2023 and 2022

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 1(a))</i>
	For the six-month periods ended		
	September 30, 2023	September 30, 2022	September 30, 2023
Operating revenues (Notes 12 and 13)	¥ 459,308	¥ 621,217	\$ 3,070,651
Operating expenses:			
Road assets leasing expenses	238,312	232,786	1,593,208
Cost of sales and administrative expenses for expressway business operations	170,639	346,638	1,140,787
Selling, general and administrative expenses	23,584	22,255	157,668
Total operating expenses	432,535	601,679	2,891,663
Operating income (Note 13)	26,773	19,538	178,988
Other income (expenses):			
Interest income	2	20	13
Interest expenses	(23)	(23)	(154)
Land and property rental fees	96	90	642
Amortization of negative goodwill (Note 13)	171	171	1,143
Equity in earnings of affiliates	144	111	963
Income from causative person	109	100	729
Foreign exchange loss	(21)	—	(140)
Amortization of bond issuance costs	(1)	(6)	(7)
Gain on sales of fixed assets	4	5	27
Loss on sales of fixed assets	(3)	—	(20)
Loss on disposal of fixed assets	(126)	(130)	(842)
Loss on impairment of fixed assets (Notes 3 and 13)	—	(0)	—
Others	98	148	654
Profit before income taxes	27,223	20,024	181,996
Income taxes:			
Current	5,972	4,253	39,925
Deferred	(406)	(103)	(2,714)
	5,566	4,150	37,211
Profit	21,657	15,874	144,785
Profit attributable to:			
Non-controlling interests	19	18	127
Owner of parent (Note 8)	¥ 21,638	¥ 15,856	\$ 144,658

See notes to semiannual consolidated financial statements.

Central Nippon Expressway Company Limited
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Semiannual Consolidated Statements of Comprehensive Income (Unaudited)

Six-month periods ended September 30, 2023 and 2022

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 1(a))</i>
	For the six-month periods ended		
	September 30, 2023	September 30, 2022	September 30, 2023
Profit	¥ 21,657	¥ 15,874	\$ 144,785
Other comprehensive income (loss):			
Net unrealized holding gain on securities	26	15	174
Translation adjustments	21	23	140
Retirement benefits liability adjustments	933	(487)	6,238
Share of other comprehensive income of affiliates accounted for by the equity method	142	169	949
Total other comprehensive income (loss)	1,122	(280)	7,501
Comprehensive income	¥ 22,779	¥ 15,594	\$ 152,286
Total comprehensive income attributable to:			
Owner of parent	¥ 22,760	¥ 15,576	\$ 152,159
Non-controlling interests	¥ 19	¥ 18	\$ 127

Central Nippon Expressway Company Limited
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Semiannual Consolidated Statements of Changes in Net Assets (Unaudited)

Six-month periods ended September 30, 2023 and 2022

	Number of shares in issue	<i>Millions of yen</i>			
		Common stock	Capital surplus	Retained earnings	Total shareholder's equity
Balance at April 1, 2022	130,000,000	¥ 65,000	¥ 73,012	¥ 124,916	¥ 262,928
Profit attributable to owner of parent for the period	—	—	—	15,856	15,856
Other changes	—	—	—	—	—
Balance at September 30, 2022	130,000,000	65,000	73,012	140,772	278,784
Balance at April 1, 2023	130,000,000	65,000	73,012	128,065	266,077
Profit attributable to owner of parent for the period	—	—	—	21,638	21,638
Other changes	—	—	—	—	—
Balance at September 30, 2023	130,000,000	¥ 65,000	¥ 73,012	¥ 149,703	¥ 287,715

	<i>Millions of yen</i>					
	Accumulated other comprehensive income (loss)					
	Net unrealized holding gain on securities	Translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income (loss)	Non-controlling interests	Total net assets
Balance at April 1, 2022	¥ 181	¥ 28	¥ (9,247)	¥ (9,038)	¥ 260	¥ 254,150
Profit attributable to owner of parent for the period	—	—	—	—	—	15,856
Other changes	183	23	(486)	(280)	18	(262)
Balance at September 30, 2022	364	51	(9,733)	(9,318)	278	269,744
Balance at April 1, 2023	258	40	(9,422)	(9,124)	270	257,223
Profit attributable to owner of parent for the period	—	—	—	—	—	21,638
Other changes	165	21	936	1,122	19	1,141
Balance at September 30, 2023	¥ 423	¥ 61	¥ (8,486)	¥ (8,002)	¥ 289	¥ 280,002

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Semiannual Consolidated Statements of Changes in Net Assets (Unaudited)
(continued)

Six-month periods ended September 30, 2023 and 2022

	Thousands of U.S. dollars (Note 1(a))			
	Common stock	Capital surplus	Retained earnings	Total shareholder's equity
Balance at April 1, 2023	\$ 434,550	\$ 488,113	\$ 856,164	\$ 1,778,827
Profit attributable to owner of parent for the period	—	—	144,658	144,658
Other changes	—	—	—	—
Balance at September 30, 2023	\$ 434,550	\$ 488,113	\$ 1,000,822	\$ 1,923,485

	Thousands of U.S. dollars (Note 1(a))					
	Accumulated other comprehensive income (loss)					
	Net unrealized holding gain on securities	Translation adjustments	Retirement benefits liability adjustments	Total accumulated other comprehensive income (loss)	Non-controlling interests	Total net assets
Balance at April 1, 2023	\$ 1,725	\$ 268	\$ (62,990)	\$ (60,997)	\$ 1,805	\$ 1,719,635
Profit attributable to owner of parent for the period	–	–	–	–	–	144,658
Other changes	1,103	140	6,258	7,501	127	7,628
Balance at September 30, 2023	\$ 2,828	\$ 408	\$ (56,732)	\$ (53,496)	\$ 1,932	\$ 1,871,921

Central Nippon Expressway Company Limited
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Semiannual Consolidated Statements of Cash Flows (Unaudited)

Six-month periods ended September 30, 2023 and 2022

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars (Note 1(a))</i>
	For the six-month periods ended		
	September 30, 2023	September 30, 2022	September 30, 2023
Cash flows from operating activities:			
Profit before income taxes	¥ 27,223	¥ 20,024	\$ 181,996
Depreciation and amortization (Note 13)	14,184	14,249	94,826
Loss on impairment of fixed assets (Notes 3 and 13)	–	0	–
Equity in earnings of affiliates	(144)	(111)	(963)
Increase in accrued employees' bonuses	391	234	2,614
(Decrease) increase in allowance for doubtful accounts	(7)	9	(47)
Decrease in assets and liabilities for retirement benefits	(709)	(349)	(4,740)
Interest and dividend income	(14)	(31)	(94)
Interest expenses	1,221	405	8,163
Gain on sales of fixed assets	(1)	(5)	(7)
Loss on disposal of fixed assets	126	195	842
Increase in accounts receivable due from expressway business operations	(54,555)	(86,293)	(364,721)
(Increase) decrease in inventories (Note 9)	(110,770)	52,711	(740,540)
Decrease in accounts payable due to expressway business operations	(73,423)	(36,674)	(490,861)
(Decrease) increase in other accounts payable	(10,887)	2,568	(72,784)
Others	2,094	(3,127)	14,000
Subtotal	(205,271)	(36,195)	(1,372,316)
Interest and dividends received	41	309	274
Interest paid	(1,161)	(414)	(7,761)
Income taxes paid	(1,072)	133	(7,167)
Net cash used in operating activities	(207,463)	(36,167)	(1,386,970)
Cash flows from investing activities:			
Increase in time deposits	(23)	(23)	(154)
Proceeds from sales and redemption of marketable securities	–	100	–
Payments for purchase of fixed assets	(10,831)	(13,536)	(72,409)
Proceeds from sales of fixed assets	152	5	1,016
Others	55	(8)	368
Net cash used in investing activities	(10,647)	(13,462)	(71,179)
Cash flows from financing activities:			
Decrease in short-term loans, net	(91,956)	–	(614,761)
Proceeds from long-term loans	953	65,977	6,371
Repayments of long-term loans (Note 9)	(1,624)	(19,909)	(10,857)
Proceeds from issuance of bonds for road construction	336,006	122,786	2,246,330
Redemption of bonds for road construction (Notes 5 and 9)	(41,789)	(366,743)	(279,376)
Proceeds from issuance of other bonds	–	52,090	–
Redemption of other bonds	–	(171,763)	–
Others	(792)	(1,063)	(5,295)
Net cash provided by (used in) financing activities	200,798	(318,625)	1,342,412
Effect of exchange rate changes on cash and cash equivalents	34	25	227
Net decrease in cash and cash equivalents	(17,278)	(368,229)	(115,510)
Cash and cash equivalents at beginning of the period	125,275	451,373	837,512
Cash and cash equivalents at end of the period (Note 9)	¥ 107,997	¥ 83,144	\$ 722,002

See notes to semiannual consolidated financial statements.

Central Nippon Expressway Company Limited
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Notes to Semiannual Consolidated Financial Statements (Unaudited)

September 30, 2023

1. Summary of Significant Accounting Policies

(a) Basis of presentation

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

The semiannual consolidated financial statements of the Group are prepared in accordance with the “Regulations Concerning the Terminology, Forms and Preparation Methods of Semiannual Consolidated Financial Statements” (“Regulations for Semiannual Consolidated Financial Statements”) (Ministry of Finance Ordinance No. 24, 1999).

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

The consolidated balance sheet at March 31, 2023, presented herein for comparative purposes, is derived from the audited consolidated balance sheet.

Certain reclassifications of previously reported amounts have been made to conform the semiannual consolidated financial statements for the six-month period ended September 30, 2022, to the 2023 presentation. Such reclassifications had no effect on consolidated profit or net assets.

The translation of Japanese yen amounts into U.S. dollars is included solely for the convenience of the reader and has been made at ¥149.58 = U.S. \$1.00, the approximate rate of exchange in effect on September 30, 2023. This translation should not be construed as a representation that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollar amounts at the above or any other rate.

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
(Continued)

1. Summary of Significant Accounting Policies (continued)

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

The accompanying semiannual consolidated financial statements include the accounts of the Company and its 23 consolidated subsidiaries for the six-month periods ended September 30, 2023 and 2022. The Company has applied the equity method to its investments in 9 significant affiliates for the purpose of the semiannual consolidated financial statements for the six-month periods ended September 30, 2023 and 2022.

For affiliated companies whose semiannual period-end is different than that of the Company, the affiliated companies' financial statements have been included in consolidation on the basis of their corresponding full semiannual periods or provisional semiannual financial statements are prepared as of and for the six-month period ended September 30, which is the same as that of the Company.

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

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

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

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

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

Central Nippon Expressway Company Limited
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Notes to Semiannual Consolidated Financial Statements (Unaudited)
(Continued)

1. Summary of Significant Accounting Policies (continued)

(c) Foreign currency translation

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

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

(d) Cash and cash equivalents

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

(e) Investments in securities

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

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

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

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
(Continued)

1. Summary of Significant Accounting Policies (continued)

(f) Inventories

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

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

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

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

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

(g) Allowance for doubtful accounts

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

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

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

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

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

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
(Continued)

1. Summary of Significant Accounting Policies (continued)

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

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

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

(j) Leased assets

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

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

(k) Bond issuance expenses

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

(l) Derivatives and hedging activities

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

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

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

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
(Continued)

1. Summary of Significant Accounting Policies (continued)

(l) Derivatives and hedging activities (continued)

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

(m) Income taxes

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

(n) Accrued employees' bonuses

Accrued employees' bonuses are provided at the estimated amount of bonuses to be paid to the employees in the current fiscal year which has been allocated to the six-month period ended September 30, 2023.

(o) Retirement benefits

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

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

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

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

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
(Continued)

1. Summary of Significant Accounting Policies (continued)

(o) Retirement benefits (continued)

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

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

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

(q) Recognition of revenues and costs

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

(1) Expressway business

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

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

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

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
(Continued)

1. Summary of Significant Accounting Policies (continued)

(q) Recognition of revenues and costs (continued)

(1) Expressway business (continued)

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

(2) Rest area business

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

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

(3) Other related business

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

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
(Continued)

1. Summary of Significant Accounting Policies (continued)

(q) Recognition of revenues and costs (continued)

(3) Other related business (continued)

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

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
(Continued)

2. Securities

Other securities with available market value at September 30, 2023 and March 31, 2023 are as follows:

	Millions of yen					
	Other securities					
	September 30, 2023			March 31, 2023		
	Acquisition cost	Carrying value	Unrealized gain (loss)	Acquisition cost	Carrying value	Unrealized gain (loss)
Securities with carrying value exceeding acquisition cost:						
Stocks	¥ 116	¥ 312	¥ 196	¥ 78	¥ 238	¥ 160
Securities with carrying value not exceeding acquisition cost:						
Stocks	—	—	—	38	34	(4)
Total	¥ 116	¥ 312	¥ 196	¥ 116	¥ 272	¥ 156
	Thousands of U.S. dollars					
	Other securities					
	September 30, 2023					
	Acquisition cost	Carrying value	Unrealized gain (loss)			
Securities with carrying value exceeding acquisition cost:						
Stocks	\$ 776	\$ 2,086	\$ 1,310			
Securities with carrying value not exceeding acquisition cost:						
Stocks	—	—	—			
Total	\$ 776	\$ 2,086	\$ 1,310			

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
(Continued)

2. Securities (continued)

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

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

Stocks with no market price of ¥32 million (\$214 thousand) and ¥32 million at September 30, 2023 and March 31, 2023, respectively, are not included in the above table.

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
(Continued)

3. Loss on Impairment of Fixed Assets

There was no loss on impairment of fixed assets recognized for the six-month period ended September 30, 2023.

The Group recognized loss on impairment of the following groups of assets for the six-month period ended September 30, 2022.

<u>Period ended September 30</u>	<u>Location</u>	<u>Usage</u>	<u>Category</u>
2022	Oyama-town, Sunto-district, Shizuoka	Fixed assets related to rest area business	Land

In principle, the Group classifies asset groups based on business segment. Assets not directly linked to a specific business, such as the head-office building, are common assets related to the entire business.

The carrying value of the asset group for which it is considered that divert to different use, consisting of fixed assets related to rest area business, was written down to their recoverable value which is measured by net selling value for the six-month period ended September 30, 2022.

As a result, loss on impairment of fixed assets amounted to ¥0 million for the six-month period ended September 30, 2022.

The details of loss on impairment are as follows:

	<u>Millions of yen</u>
	<u>2022</u>
Land	<u>¥ 0</u>
	<u>¥ 0</u>

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
(Continued)

4. Pledged Assets

At September 30, 2023 and March 31, 2023, the total assets of the Company were pledged as collateral for the following bonds pursuant to Article 8 of the Act on Expressway Companies of Japan.

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	September 30, 2023	March 31, 2023	September 30, 2023
Bonds for road construction:			
Carrying value	¥ 1,399,184	¥ 1,104,359	\$ 9,354,085
Face value	1,399,184	1,104,359	9,354,085
Other bonds:			
Carrying value	¥ 4,823	¥ 4,823	\$ 32,244
Face value	4,823	4,823	32,244

In addition, at September 30, 2023 and March 31, 2023, the total assets of the Company were also pledged as collateral for bonds in the amounts of ¥655,952 million (\$4,385,292 thousand) and ¥714,163 million, respectively, assumed by JEHDRA pursuant to Article 15 of the JEHDRA Act.

At September 30, 2023 and March 31, 2023, the following assets, other than pledged assets outlined above under requirement of the Act on Expressway Companies of Japan and the JEHDRA Act, were pledged.

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	September 30, 2023	March 31, 2023	September 30, 2023
Buildings	¥ 617	¥ 617	\$ 4,125
Structures	36	36	241
Tools, furniture and fixtures	12	12	80
Land	235	235	1,571
Investments in securities	4	4	27
Others in Investments and other assets	25	25	167

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
(Continued)

5. Contingent Liabilities

(Guarantee obligations)

At September 30, 2023 and March 31, 2023, the Company provides the following debt guarantees:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	September 30, 2023	March 31, 2023	September 30, 2023
JEHDRA	¥ 270,000	¥ 290,000	\$ 1,805,054
W-NEXCO	—	2	—
	¥ 270,000	¥ 290,002	\$ 1,805,054

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

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

At September 30, 2023 and March 31, 2023, the Company is jointly and severally liable with JEHDRA for the bonds and loans of JEHDRA transferred by the Company, which were originally financed by the Company, as follows:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	September 30, 2023	March 31, 2023	September 30, 2023
JEHDRA	¥ 685,952	¥ 744,163	\$ 4,585,854

As a result of these transfers listed above, bonds for road construction decreased by ¥41,789 million (face value) (\$279,376 thousand) for the six-month period ended September 30, 2023.

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
(Continued)

5. Contingent Liabilities (continued)

(Contingent Liabilities)

On November 10, 2023, the Company announced that there was an error in the design of the bearing replacement work on the Tomei Expressway and that the Company had undertaken seismic reinforcement work based on certain drawings in the contract documents being mistaken on the Fuji-Yoshida Line of the Chuo Expressway.

As a result, the Company could potentially incur significant costs, however it is difficult to reasonably estimate the impact on its business performance for the six-month period ended September 30, 2023, because it is necessary to consider multiple factors, such as determining the method of countermeasure construction, in estimating such costs.

6. Shareholder's Equity

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

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

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(Continued)

7. Leases

Future minimum lease payments subsequent to September 30, 2023 under non-cancellable operating leases related to road assets are summarized as follows:

Periods ending September 30,	<i>Millions of yen</i>	<i>Thousands of U.S. dollars</i>
2024	¥ 401,070	\$ 2,681,308
2025 and thereafter	15,070,515	100,752,206
	¥ 15,471,585	\$ 103,433,514

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

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

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

Future minimum lease payments subsequent to September 30, 2023 under non-cancellable operating leases other than road assets are summarized as follows:

Periods ending September 30,	<i>Millions of yen</i>	<i>Thousands of U.S. dollars</i>
2024	¥ 1,490	\$ 9,961
2025 and thereafter	1,713	11,452
	¥ 3,203	\$ 21,413

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(Continued)

8. Amounts per Share

Per share amounts for the six-month periods ended September 30, 2023 and 2022 are as follows:

	<i>Yen</i>		<i>U.S. dollars</i>
	<u>2023</u>	<u>2022</u>	<u>2023</u>
Profit attributable to owner of parent:			
Basic	¥ 166.45	¥ 121.97	\$ 1.11

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

Diluted profit per share has not been presented because there were no potentially dilutive shares of common stock for the six-month periods ended September 30, 2023 and 2022.

Net assets per share as of September 30, 2023 and March 31, 2023 are as follows:

	<i>Yen</i>		<i>U.S. dollars</i>
	<u>September 30, 2023</u>	<u>March 31, 2023</u>	<u>September 30, 2023</u>
Net assets	¥ 2,151.64	¥ 1,976.56	\$ 14.38

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

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(Continued)

8. Amounts per Share (continued)

The financial data used in the computation of basic profit attributable to owner of parent per share for the six-month periods ended September 30, 2023 and 2022 is summarized as follows:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	2023	2022	2023
Profit attributable to owner of parent	¥ 21,638	¥ 15,856	\$ 144,658
Adjusted profit attributable to owner of parent	¥ 21,638	¥ 15,856	\$ 144,658
<i>Thousands of shares</i>			
	2023	2022	
Weighted-average number of shares of common stock outstanding	130,000	130,000	

The financial data used in the computation of net assets per share at September 30, 2023 and March 31, 2023 is summarized as follows:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	September 30, 2023	March 31, 2023	September 30, 2023
Total net assets	¥ 280,002	¥ 257,223	\$ 1,871,921
Deduction from total net assets:			
Non-controlling interests	289	270	1,932
Total net assets available to common shares	¥ 279,713	¥ 256,953	\$ 1,869,989
<i>Thousands of shares</i>			
	September 30, 2023	March 31, 2023	
Number of shares of common stock used in the calculation of net assets per share	130,000	130,000	

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
(Continued)

9. Supplemental Information on Semiannual Consolidated Statements of Cash Flows

Reconciliations of cash and deposits at September 30, 2023 and 2022, and cash and cash equivalents in the accompanying semiannual consolidated statements of cash flows for the six-month periods then ended are as follows:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	September 30		
	2023	2022	2023
Cash and deposits	¥ 108,535	¥ 83,657	\$ 725,598
Deposits over three months	(538)	(513)	(3,596)
Cash and cash equivalents	<u>¥ 107,997</u>	<u>¥ 83,144</u>	<u>\$ 722,002</u>

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

For the six-month periods ended September 30, 2023 and 2022, expressway assets constructed by the Company in the amounts of ¥88,076 million (\$588,822 thousand) and ¥262,502 million, respectively, were transferred to JEHDRA pursuant to Articles 51.2 through 51.4 of the Special Measures Act and, concurrently, the long-term loans of ¥1,564 million (\$10,456 thousand) related to ¥1,624 million (\$10,857 thousand) and ¥19,842 million related to ¥19,909 million for six-month periods ended September 30, 2023 and 2022, and bonds for road construction of ¥41,789 million (\$279,376 thousand) and ¥180,000 million related to ¥366,743 million for the six-month periods ended September 30, 2023 and 2022, respectively, were assumed by JEHDRA pursuant to Article 15.1 of the JEHDRA Act.

Non-cash transactions outlined above are recognized and included in decrease in inventories, repayments of long-term loans and redemption of bonds for road construction in the semiannual consolidated statements of cash flows for the six-month periods ended September 30, 2023 and 2022.

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
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10. Financial Instruments and Related Disclosures

Fair value of financial instruments

The carrying value of financial instruments on the accompanying semiannual consolidated balance sheet at September 30, 2023 and consolidated balance sheet at March 31, 2023 and their estimated fair value are shown in the following table.

Cash and deposits have not been presented due to the fact that the fair value of cash and deposits approximates the carrying value since cash has characteristic of cash and deposits are settled in a short period of time. In addition, accounts receivable due from expressway business operations, other accounts receivable, other accounts receivable and contract assets, accounts payable due to expressway business operations, short-term debt including current portion of long-term debt, other accounts payable and income and other taxes payable have not been presented due to the fact that the fair value of these items approximates the carrying value since these items are settled in a short period of time.

<i>Millions of yen</i>						
	September 30, 2023			March 31, 2023		
	Carrying value	Fair value	Difference	Carrying value	Fair value	Difference
Assets:						
Investments in securities(*1):	¥ 312	¥ 312	¥ –	¥ 272	¥ 272	¥ –
Total assets	<u>¥ 312</u>	<u>¥ 312</u>	<u>¥ –</u>	<u>¥ 272</u>	<u>¥ 272</u>	<u>¥ –</u>
Liabilities:						
Bonds for road construction (*2)	¥ 1,399,184	¥ 1,392,412	¥ (6,772)	¥ 1,104,359	¥ 1,101,460	¥ (2,899)
Current portion of other bonds	4,823	4,823	(0)	4,823	4,828	5
Long-term loans for road construction (*2)	169,676	159,915	(9,761)	170,288	161,146	(9,142)
Other long-term loans (*2)	50,571	49,615	(956)	50,631	49,590	(1,041)
Total liabilities	<u>¥ 1,624,254</u>	<u>¥ 1,606,765</u>	<u>¥ (17,489)</u>	<u>¥ 1,330,101</u>	<u>¥ 1,317,024</u>	<u>¥ (13,077)</u>

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
(Continued)

10. Financial Instruments and Related Disclosures (continued)

Fair value of financial instruments (continued)

<i>Thousands of U.S. dollars</i>			
September 30, 2023			
	Carrying value	Fair value	Difference
Assets:			
Investments in securities (*1):	\$ 2,086	\$ 2,086	\$ –
Total assets	<u>\$ 2,086</u>	<u>\$ 2,086</u>	<u>\$ –</u>
Liabilities:			
Bonds for road construction (*2)	\$ 9,354,085	\$ 9,308,811	\$ (45,274)
Current portion of other bonds	32,244	32,244	(0)
Long-term loans for road construction	1,134,350	1,069,094	(65,256)
Other long-term loans (*2)	338,086	331,695	(6,391)
Total liabilities	<u>\$ 10,858,765</u>	<u>\$ 10,741,844</u>	<u>\$ (116,921)</u>

*1 Financial instruments such as stocks with no market price at September 30, 2023 and March 31, 2023 are not included above tables, and are summarized as follows:

	<i>Millions of yen</i>		<i>Thousands of U.S. dollars</i>
	September 30, 2023	March 31, 2023	September 30, 2023
Unlisted stocks:			
Investments in securities	¥ 8,329	¥ 8,071	\$ 55,683

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

*3 Please refer to Note 11 “Derivative Financial Instruments and Hedging Activities” for information on derivative transactions.

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
(Continued)

10. Financial Instruments and Related Disclosures (continued)

Breakdown of fair value of financial instruments by hierarchy level

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

Level 1 fair value : Fair value calculated based on quoted market prices in active markets for the assets or liabilities, which are among the inputs to calculate observable fair value.

Level 2 fair value : Fair value calculated using inputs to calculate observable fair value other than that used in the calculation of Level 1 fair value.

Level 3 fair value : Fair value calculated using inputs related to calculate the unobservable fair value.

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

Financial instruments recorded at fair value at September 30, 2023 and March 31, 2023 in the consolidated balance sheets are as follows:

<i>Millions of yen</i>				
September 30, 2023				
	Level 1	Level 2	Level 3	Total
Assets:				
Investments in securities:				
Other securities				
Stocks	¥ 312	¥ –	¥ –	¥ 312
Total assets	¥ 312	¥ –	¥ –	¥ 312
<i>Millions of yen</i>				
March 31, 2023				
	Level 1	Level 2	Level 3	Total
Assets:				
Investments in securities:				
Other securities				
Stocks	¥ 272	¥ –	¥ –	¥ 272
Total assets	¥ 272	¥ –	¥ –	¥ 272

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10. Financial Instruments and Related Disclosures (continued)

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

<i>Thousands of U.S. dollars</i>				
September 30, 2023				
	Level 1	Level 2	Level 3	Total
Assets:				
Investments in securities:				
Other securities				
Stocks	\$ 2,086	\$ –	\$ –	\$ 2,086
Total assets	<u>\$ 2,086</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 2,086</u>

Financial instruments other than those recorded at fair value at September 30, 2023 and March 31, 2023 in the consolidated balance sheets are as follows:

<i>Millions of yen</i>				
September 30, 2023				
	Level 1	Level 2	Level 3	Total
Liabilities:				
Bonds for road construction (*)	¥ –	¥ 1,392,412	¥ –	¥ 1,392,412
Current portion of other bonds	–	4,823	–	4,823
Long-term loans for road construction	–	159,915	–	159,915
Other long-term loans (*)	–	49,615	–	49,615
Total liabilities	<u>¥ –</u>	<u>¥ 1,606,765</u>	<u>¥ –</u>	<u>¥ 1,606,765</u>

<i>Millions of yen</i>				
March 31, 2023				
	Level 1	Level 2	Level 3	Total
Liabilities:				
Bonds for road construction	¥ –	¥ 1,101,460	¥ –	¥ 1,101,460
Current portion of other bonds	–	4,828	–	4,828
Long-term loans for road construction (*)	–	161,146	–	161,146
Other long-term loans (*)	–	49,590	–	49,590
Total liabilities	<u>¥ –</u>	<u>¥ 1,317,024</u>	<u>¥ –</u>	<u>¥ 1,317,024</u>

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(Continued)

10. Financial Instruments and Related Disclosures (continued)

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

	<i>Thousands of U.S. dollars</i>			
	September 30, 2023			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Bonds for road construction (*)	\$ –	\$ 9,308,811	\$ –	\$ 9,308,811
Current portion of other bonds	–	32,244	–	32,244
Long-term loans for road construction	–	1,069,094	–	1,069,094
Other long-term loans (*)	–	331,695	–	331,695
Total liabilities	\$ –	\$ 10,741,844	\$ –	\$ 10,741,844

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

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

Marketable securities and investments in securities

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

Bonds for road construction and other bonds

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

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

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

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11. Derivative Financial Instruments and Hedging Activities

The contract amount and the fair value of the derivative instruments outstanding which qualified for hedge accounting at September 30, 2023 and March 31, 2023 are as follows:

			<i>Millions of yen</i>		
			September 30, 2023		
Hedge accounting method	Hedging instrument	Main hedged item	Contract amount	Contract amount payable after one year	Fair value
Allocation method for currency swaps	Currency swaps	Bonds for road construction	¥ 88,313	¥ 71,701	*1
Allocation method for currency swaps	Currency swaps	Other bonds	4,823	—	*2
Integrated treatment of interest rate and currency swaps (special treatment, allocation method)	Currency swaps including interest-rate swaps	Bonds for road construction	10,870	10,870	*3
Total			<u>¥ 104,006</u>	<u>¥ 82,571</u>	
			<i>Millions of yen</i>		
			March 31, 2023		
Hedge accounting method	Hedging instrument	Main hedged item	Contract amount	Contract amount payable after one year	Fair value
Allocation method for currency swaps	Currency swaps	Bonds for road construction	¥ 113,490	¥ 113,490	*1
Allocation method for currency swaps	Currency swaps	Other bonds	4,823	—	*2
Integrated treatment of interest rate and currency swaps (special treatment, allocation method)	Currency swaps including interest-rate swaps	Bonds for road construction	10,870	10,870	*3
Total			<u>¥ 129,183</u>	<u>¥ 124,360</u>	

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(Continued)

11. Derivative Financial Instruments and Hedging Activities (continued)

			<i>Thousands of U.S. dollars</i>		
			September 30, 2023		
Hedge accounting method	Hedging instrument	Main hedged item	Contract amount	Contract amount payable after one year	Fair value
Allocation method for currency swaps	Currency swaps	Bonds for road construction	\$ 590,406	\$ 479,349	*1
Allocation method for currency swaps	Currency swaps	Other bonds	32,244	—	*2
Integrated treatment of interest rate and currency swaps (special treatment, allocation method)	Currency swaps including interest-rate swaps	Bonds for road construction	72,670	72,670	*3
Total			<u>\$ 695,320</u>	<u>\$ 552,019</u>	

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

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

*3 Because the currency swap contracts using the allocation method and interest-rate swap contracts using the special treatment of interest-rate swaps are accounted for as combined with the bonds for road construction as hedged items, their fair value is included in the fair value of such bonds for road construction.

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
(Continued)

12. Revenue Recognition

Disaggregation of revenues from contracts with customers by segment

A disaggregation of revenues from contracts with customers for the six-month periods ended September 30, 2023 and 2022 is as follows:

<i>Millions of yen</i>				
2023				
Reportable segments				
	Expressway business	Rest area business	Other related business	Total
Toll fee	¥ 341,459	¥ –	¥ –	¥ 341,459
Completion of road assets	88,076	–	–	88,076
Revenues in commissioned business	1	–	9,532	9,533
Others	571	5,002	2,940	8,513
Revenues from contracts with customers	430,107	5,002	12,472	447,581
Other revenues	1	11,404	322	11,727
Sales to third parties	¥ 430,108	¥ 16,406	¥ 12,794	¥ 459,308

<i>Millions of yen</i>				
2022				
Reportable segments				
	Expressway business	Rest area business	Other related business	Total
Toll fee	¥ 330,376	¥ –	¥ –	¥ 330,376
Completion of road assets	262,502	–	–	262,502
Revenues in commissioned business	0	–	9,995	9,995
Others	694	4,309	2,933	7,936
Revenues from contracts with customers	593,572	4,309	12,928	610,809
Other revenues	1	10,133	274	10,408
Sales to third parties	¥ 593,573	¥ 14,442	¥ 13,202	¥ 621,217

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
(Continued)

12. Revenue Recognition (continued)

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

	<i>Thousands of U.S. dollars</i>			
	2023			
	Reportable segments			
	Expressway business	Rest area business	Other related business	Total
Toll fee	\$ 2,282,785	\$ –	\$ –	\$ 2,282,785
Completion of road assets	588,822	–	–	588,822
Revenues in commissioned business	7	–	63,725	63,732
Others	3,817	33,440	19,655	56,912
Revenues from contracts with customers	2,875,431	33,440	83,380	2,992,251
Other revenues	7	76,240	2,153	78,400
Sales to third parties	\$ 2,875,438	\$ 109,680	\$ 85,533	\$ 3,070,651

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

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

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

The relationship between satisfying performance obligations based on contracts with customers and cash flows arising from the contracts, and the amounts and terms of revenues projected to be recognized subsequent to the balance sheet date from contracts with customers at the end of each fiscal six-month period have not been presented as the difference is immaterial.

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
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13. Segment Information

(1) Outline of reporting segments

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

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

Details on the reportable segments are as follows:

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

(2) Calculation method of net sales, income or loss, assets, liabilities and other items by each reportable segment

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

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

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

Intersegment sales and transfers are determined in reference to market actual value.

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
(Continued)

13. Segment Information (continued)

(2) Calculation method of net sales, income or loss, assets, liabilities and other items by each reportable segment (continued)

(Change in reportable segments and other)

Effective from the beginning of the six-month period ended September 30, 2023, the Company has changed the allocation method of selling, general and administrative expenses that cannot be directly allocated to each reportable segment in order to more appropriately manage the business performance of each segment.

Segment information for the six-month period ended September 30, 2022 has been presented based on the calculation method after the change.

(3) Information on net sales, income or loss, assets, liabilities and other items by each reportable segment as of and for the six-month periods ended September 30, 2023 and 2022:

<i>Millions of yen</i>						
2023						
Reportable segments				Adjustments	Consolidated	
Expressway business	Rest area business	Other related business	Total			
Sales to third parties	¥ 430,108	¥ 16,406	¥ 12,794	¥ 459,308	¥ –	¥ 459,308
Intersegment sales and transfers	10	3	9	22	(22)	–
Net sales	430,118	16,409	12,803	459,330	(22)	459,308
Segment income	¥ 23,205	¥ 3,359	¥ 205	¥ 26,769	¥ 4	¥ 26,773
Segment assets	¥ 1,810,162	¥ 171,535	¥ 20,383	¥ 2,002,080	¥ 188,807	¥ 2,190,887
Segment liabilities	1,587,727	–	50,572	1,638,299	272,586	1,910,885
Other items:						
Depreciation and amortization	12,250	1,794	140	14,184	–	14,184
Investments in affiliates	6,010	–	2,287	8,297	–	8,297
Increase in property and equipment and intangible fixed assets	7,393	890	52	8,335	801	9,136

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13. Segment Information (continued)

(3) Information on net sales, income or loss, assets, liabilities and other items by each reportable segment as of and for the six-month periods ended September 30, 2023 and 2022: (continued)

<i>Millions of yen</i>						
2022						
	Reportable segments			Total	Adjustments	Consolidated
	Expressway business	Rest area business	Other related business			
Sales to third parties	¥ 593,573	¥ 14,442	¥ 13,202	¥ 621,217	¥ –	¥ 621,217
Intersegment sales and transfers	11	10	5	26	(26)	–
Net sales	593,584	14,452	13,207	621,243	(26)	621,217
Segment income	¥ 17,190	¥ 2,192	¥ 154	¥ 19,536	¥ 2	¥ 19,538
Segment assets	¥ 1,626,620	¥ 167,820	¥ 18,965	¥ 1,813,405	¥ 164,909	¥ 1,978,314
Segment liabilities	1,387,377	–	50,302	1,437,679	270,891	1,708,570
Other items:						
Depreciation and amortization	12,427	1,693	129	14,249	–	14,249
Investments in affiliates	5,614	–	2,229	7,843	–	7,843
Increase in property and equipment and intangible fixed assets	5,674	1,446	138	7,258	974	8,232

<i>Thousands of U.S. dollars</i>						
2023						
	Reportable segments			Total	Adjustments	Consolidated
	Expressway business	Rest area business	Other related business			
Sales to third parties	\$ 2,875,438	\$ 109,680	\$ 85,533	\$ 3,070,651	\$ –	\$ 3,070,651
Intersegment sales and transfers	67	20	60	147	(147)	–
Net sales	2,875,505	109,700	85,593	3,070,798	(147)	3,070,651
Segment income	\$ 155,134	\$ 22,456	\$ 1,371	\$ 178,961	\$ 27	\$ 178,988
Segment assets	\$ 12,101,631	\$ 1,146,778	\$ 136,268	\$ 13,384,677	\$ 1,262,248	\$ 14,646,925
Segment liabilities	10,614,567	–	338,094	10,952,661	1,822,343	12,775,004
Other items:						
Depreciation and amortization	81,896	11,994	936	94,826	–	94,826
Investments in affiliates	40,179	–	15,290	55,469	–	55,469
Increase in property and equipment and intangible fixed assets	49,425	5,950	348	55,723	5,355	61,078

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
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13. Segment Information (continued)

(3) Information on net sales, income or loss, assets, liabilities and other items by each reportable segment as of and for the six-month periods ended September 30, 2023 and 2022: (continued)

Adjustments in the above tables:

The adjustments of segment income in the amounts of ¥4 million (\$27 thousand) and ¥2 million for the six-month periods ended September 30, 2023 and 2022, respectively, are eliminations of intersegment transactions.

The adjustments of segment assets in the amounts of ¥188,807 million (\$1,262,248 thousand) and ¥164,909 million at September 30, 2023 and 2022, respectively, include corporate assets not allocated to reportable segments, mainly consisting of cash, deposits and assets related to common departments in the Company.

The adjustments of segment liabilities in the amounts of ¥272,586 million (\$1,822,343 thousand) and ¥270,891 million at September 30, 2023 and 2022, respectively, include corporate liabilities not allocated to reportable segments, principally consisting of other accounts payable and liabilities for retirement benefits.

The adjustments of increase in property and equipment and intangible fixed assets in the amounts of ¥801 million (\$5,355 thousand) and ¥974 million for the six-month periods ended September 30, 2023 and 2022, respectively, include corporate assets not allocated to reportable segments, principally consisting of system development by the Company.

Segment income corresponds to operating income in the semiannual consolidated statements of income.

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
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13. Segment Information (continued)

Related information

Information on each product and service for the six-month periods ended September 30, 2023 and 2022 is analyzed as follows:

<i>Millions of yen</i>				
2023				
	Toll fee	Completion of road assets	Other	Total
Sales to third parties	¥ 341,459	¥ 88,076	¥ 29,773	¥ 459,308
<i>Millions of yen</i>				
2022				
	Toll fee	Completion of road assets	Other	Total
Sales to third parties	¥ 330,376	¥ 262,502	¥ 28,339	¥ 621,217
<i>Thousands of U.S. dollars</i>				
2023				
	Toll fee	Completion of road assets	Other	Total
Sales to third parties	\$ 2,282,785	\$ 588,822	\$ 199,044	\$ 3,070,651

As more than 90% of the consolidated net sales for the six-month periods ended September 30, 2023 and 2022 were made in Japan, the disclosure of geographical segment information has been omitted.

As more than 90% of property and equipment in the semiannual consolidated balance sheets as of September 30, 2023 and 2022 were located in Japan, the disclosure of information on property and equipment by country or geographic region has been omitted.

Sales to JEHDRA amounted to ¥88,077 million (\$588,829 thousand) and ¥262,631 million by the expressway business segment for the six-month periods ended September 30, 2023 and 2022, respectively.

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
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13. Segment Information (continued)

Related information (continued)

There was no loss on impairment of fixed assets by reportable segment for the six-month period ended September 30, 2023.

Information on loss on impairment of fixed assets by reportable segment for the six-month period ended September 30, 2022 is as follows:

<i>Millions of yen</i>						
2022						
	Expressway business	Rest area business	Other related business	Total	Adjustments(*)	Consolidated
Loss on impairment of fixed assets	¥ –	¥ 0	¥ –	¥ 0	¥ –	¥ 0

Information on amortization of goodwill and the remaining balance by reportable segment as of and for the six-month periods ended September 30, 2023 and 2022, respectively, is as follows:

<i>Millions of yen</i>						
2023						
	Expressway business	Rest area business	Other related business	Total	Adjustments	Consolidated
Amortization of goodwill	¥ 27	¥ –	¥ –	¥ 27	¥ –	¥ 27
Remaining balance	90	–	–	90	–	90

<i>Millions of yen</i>						
2022						
	Expressway business	Rest area business	Other related business	Total	Adjustments	Consolidated
Amortization of goodwill	¥ 34	¥ –	¥ –	¥ 34	¥ –	¥ 34
Remaining balance	143	–	–	143	–	143

<i>Thousands of U.S. dollars</i>						
2023						
	Expressway business	Rest area business	Other related business	Total	Adjustments	Consolidated
Amortization of goodwill	\$ 181	\$ –	\$ –	\$ 181	\$ –	\$ 181
Remaining balance	602	–	–	602	–	602

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Notes to Semiannual Consolidated Financial Statements (Unaudited)
(Continued)

13. Segment Information (continued)

Related information (continued)

Information on amortization of negative goodwill arising from business combinations before April 1, 2010 and the remaining balance by reportable segment as of and for the six-month periods ended September 30, 2023 and 2022, respectively, is as follows:

<i>Millions of yen</i>						
2023						
	Expressway business	Rest area business	Other related business	Total	Adjustments	Consolidated
Amortization of negative goodwill	¥ –	¥ –	¥ –	¥ –	¥ 171	¥ 171
Remaining balance	–	–	–	–	1,618	1,618
<i>Millions of yen</i>						
2022						
	Expressway business	Rest area business	Other related business	Total	Adjustments	Consolidated
Amortization of negative goodwill	¥ –	¥ –	¥ –	¥ –	¥ 171	¥ 171
Remaining balance	–	–	–	–	1,961	1,961
<i>Thousands of U.S. dollars</i>						
2023						
	Expressway business	Rest area business	Other related business	Total	Adjustments	Consolidated
Amortization of negative goodwill	\$ –	\$ –	\$ –	\$ –	\$ 1,143	\$ 1,143
Remaining balance	–	–	–	–	10,817	10,817

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14. Subsequent Events

Issuance of Corporate Bond and Commercial Paper

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

The details are as follows:

	<u>Total amount issued</u>	<u>Interest rate</u>	<u>Issue price</u>	<u>Issuance date</u>	<u>Redemption date</u>
Central Nippon Expressway Company Limited Issue of Series 20 U.S.\$30,000,000 CP	¥4,529 million (\$30,278 thousand)	0.000% per annum	97.123% of face value	November 14, 2023	May 14, 2024
Central Nippon Expressway Company Limited Issue of Series 21 EUR70,000,000 CP	¥11,365 million (\$75,979 thousand)	0.000% per annum	97.950% of face value	December 1, 2023	May 31, 2024

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

The details are as follows:

	<u>Total amount issued</u>	<u>Interest rate</u>	<u>Issue price</u>	<u>Issuance date</u>	<u>Redemption date</u>
No.103 Bond of Central Nippon Expressway Company Limited	¥70,000 million (\$467,977 thousand)	0.588% per annum	100% of face value	November 21, 2023	November 21, 2028

The following special provisions were attached to the above bond.

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

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15. Significant Subsidiaries and Affiliates

The Company's consolidated subsidiaries and significant affiliates accounted for by the equity method at September 30, 2023 are presented as follows:

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

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15. Significant Subsidiaries and Affiliates (continued)

Name	Ownership interest	Country of incorporation	Subsidiaries / affiliates
Hokuriku Highway Terminal Co., Ltd.	27.7%	Japan	Equity-method affiliate
NEXCO System Solutions Co., Ltd.	33.3	Japan	Equity-method affiliate
Nippon Expressway Research Institute Co., Ltd.	33.3	Japan	Equity-method affiliate
Nexco Insurance Services Co., Ltd.	33.3	Japan	Equity-method affiliate
Nippon Expressway Toll Technology Co., Ltd.	30.3	Japan	Equity-method affiliate
Japan Expressway International Co., Ltd.	29.4	Japan	Equity-method affiliate
Central Nippon Facilities Management Co., Ltd.	20.0	Japan	Equity-method affiliate
Deros Japan Co., Ltd.	30.3	Japan	Equity-method affiliate
Central Nippon Farm Suzunari Co., Ltd.	39.0	Japan	Equity-method affiliate