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Corporate Overview

Company Name: Central Nippon Expressway Company Limited

Established: October 1, 2005 (by privatization of Japan Highway Public Corporation (JH), which was established in 1956)

Head Office: Nagoya, Japan

Employees:
- 2,112* – Non-consolidated
- 9,804* – Consolidated

Common Stock: 65 billion JPY (577 million USD)

In Operation: 2,063km*

Under Construction: 205km*

Daily Traffic Volume: 1.91 million

Toll Revenue: 658 billion JPY (5.84 billion USD)

Number of Rest Areas: 180*

Retail Sales of Rest Areas: 184 billion JPY (1.63 billion USD)

Net assets of NEXCO-Central:
- NEXCO-Central owns more than 50% of issued shares: Total 25
- NEXCO-Central holds sufficient voting shares: Total 13

NEXCO-Central Group

Organization Chart

Subsidiary companies:
- Toll Area Management
- Toll Collection
- Parks
- Road Engineering, Maintenance and Inspection
- Road Repair, Maintenance and Cleaning
- Staffing Service
- Product Development and Consulting Service
- Investments
- Vehicle Maintenance and Repair
- Regional Development
- Road Operations

Affiliated companies:
- Truck Terminal Operation
- Solutions
- Engineering MD
- Insurance services
- Tolling system Maintenance
- International Business
- Road Engineering, Maintenance and Inspection
- Road Repair, Maintenance and Cleaning

In Operation:
- 2,063km*

Under Construction:
- 205km*

Daily Traffic Volume:
- 1.91 million

Toll Revenue:
- 658 billion JPY (5.84 billion USD)

Number of Rest Areas:
- 180*

Retail Sales of Rest Areas:
- 184 billion JPY (1.63 billion USD)

Financial Highlights

Revenues

Operating Income

As of April 2016

Exchange rate: 113JPY = 1USD

As of FY 2015

Exchange rate: 113JPY = 1USD

As of August 2016
NEXCO-Central's Profile

For 60 years, NEXCO-Central and its predecessor corporation, Japan Highway Public Corporation, have been engaged in expressway design, construction, inspection, maintenance and rest areas. Since its establishment in 2005, NEXCO-Central has been expanding its business areas and serving as a leading expressway company in Japan.

Our History

1956 Japan Highway Public Corporation (JH) established.
1969 The Tomei Expressway opens.
1973 The total length of JH’s expressways exceeds 1,000 kilometers.
1982 The total length of JH’s expressways exceeds 3,000 kilometers.
1996 The total length of JH’s expressways exceeds 6,000 kilometers.
2001 Electronic Toll Collection (ETC) system introduced.
2005 JH split into three companies. NEXCO-Central established.
2006 The total length of the three companies’ expressways exceeds 7,000 kilometers.
2008 First overseas office established in Hanoi, Vietnam.
2012 The Shin Tomei Expressway (Shizuoka prefecture part: 162km) opens.
2016 The Shin Tomei Expressway (Aichi prefecture part: 55km) opens.

Our Business

<table>
<thead>
<tr>
<th>Construction</th>
<th>Operation and Maintenance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Road construction</td>
<td></td>
</tr>
<tr>
<td>Inspection, maintenance, repair works and rehabilitation, post-disaster restoration, toll collection and traffic control</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expressway Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Opening of the Meishin Expressway</td>
</tr>
<tr>
<td>The Opening of the Tomei Expressway</td>
</tr>
<tr>
<td>The Total Length of JH’s Expressways Exceeds 3,000 Kilometers</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Opening of the Shin Tomei Expressway</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Rest Area</th>
<th>Adjacent Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rest area development, management and operation</td>
<td></td>
</tr>
<tr>
<td>International business, technology solutions, vicinity development and tourism promotion etc.</td>
<td></td>
</tr>
</tbody>
</table>
The Shin Tomei and Shin Meishin Expressway
— the dawn of the next-generation expressway —

Automatic Incident Detection and Information Systems
- Road obstacles and traffic accidents are automatically detected by real-time monitoring equipment. Drivers are alerted via on-board ITS units and variable message signboards along the expressway.

**Outline**
- Since the opening in 1969, the Tomei and Meishin Expressway has served as the great arteries of Japan. With the increase in automobile traffic, the Tomei and Meishin Expressway has been in service for almost 40 years, while experiencing an increase in traffic volume and vehicle size.
- The Shin Tomei and Shin Meishin Expressway addresses these issues by dispersing traffic, as it forms, together with the Tomei and Meishin Expressway, a double network linking the three major metropolitan areas of Tokyo, Nagoya, and Osaka.

**Major Effects of The Shin Tomei and Shin Meishin Expressway**
- Significant mitigation of traffic congestion (as shown in the right figure)
- Contribution to quick recovery from natural disaster

**Expressway Features**

![Expressway Features Map](image)

**The Features of the Shin Tomei Expressway**
- The Shin Tomei Expressway features gentle curves and slopes, making it safer, more comfortable, and more environmentally friendly than the Tomei Expressway.

**Dispersion of Traffic**

<table>
<thead>
<tr>
<th>PREFECTURE</th>
<th>Before Opening</th>
<th>After Opening</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shizuoka</td>
<td>73.2</td>
<td>39.5</td>
</tr>
<tr>
<td>% Reduction</td>
<td>41% DOWN</td>
<td>50% Reduction</td>
</tr>
</tbody>
</table>

* Shizuoka prefecture part

**Reduction of Congestion**

<table>
<thead>
<tr>
<th>PREFECTURE</th>
<th>Before Opening</th>
<th>After Opening</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shizuoka</td>
<td>227</td>
<td>18</td>
</tr>
<tr>
<td>% Reduction</td>
<td>90% DOWN</td>
<td>87% DOWN</td>
</tr>
</tbody>
</table>

* Shizuoka prefecture part

**On-board ITS Units**
- On-board ITS units alert drivers of accidents and congestions to ensure their safety.

**CCTV Image Processing**
- CCTV Image Processing servers capture real-time images of the expressway, enabling real-time monitoring and accident detection.

**Data Processing Server**
- The Data Processing Server receives and processes real-time data from CCTV and ITS units, generating alerts and information for drivers and traffic management.
Actions for Further Safety

Expressway Safety Improvements

- Traveler safety is our top priority. Through the 3-year action plan for further safety (FY2013-FY2015), we have organized and shared our various policies for further safety. Led our management, we have established our own structure for safety improvements through continuous checks and follow-ups. Since FY 2016, the following “Five Policies” have been applied to improve safety by succeeding the 3-year action plan (FY2013-FY2015).

“Five Policies” to improve safety

1. Corporate culture to put top priority on safety
2. Continuous business process improvements to handle deterioration and potential risks of aging structures.
3. Promotion of safety activities
4. Human resource development
5. Sustainable business enhancement for safety improvements

NEXCO-Central’s Safety Program in Action

Developing New Technologies for Inspection

- By introducing “High-speed Image Processing Technology,” we developed new inspection technology for monitoring facility conditions automatically while traveling 100 kph.

Expressway Renewal Project

- Among 2,063 km expressway under our operation, 1,233 km are more than 30 years old at present. Significant deteriorations have been recognized due to increase of large-sized vehicles, anti-freezing agent and recent climate change. We have launched “Expressway Renewal Project” to deal with these issues.

- Objectives of the Expressway Renewal Project
  - Life cycle cost minimization
  - Preventive maintenance
  - Function upgrade

- The total estimated cost for this project is approximately 1 trillion yen (8.85 billion USD).
Bridges

New Bridge Structures and Technologies

Japan is 70% mountainous and is one of the most earthquake-prone countries in the world. As a result, we have developed many world-renowned technologies to prevent damage to bridge structures.

At the planning and design stages, we address future structural maintenance issues including cost effectiveness, length of construction, and environmental impact to achieve the most suitable bridge for each construction site. For example, when we build bridges in mountainous areas, we select a simple style and form that blends well with the surrounding environment, taking practical and economic issues into consideration. To cross rivers or seas, we create long-span bridges employing the most suitable and disaster-resistant designs. In flat areas, we use pre-cast segments or large blocks to expedite construction.

These varied approaches reduce the impact of construction on nearby communities and the surrounding environment. They also help to restrain construction costs. Our major advantage comes from our ability to employ a full range of engineering skills to plan, design and build the best bridge for the site.

Compact design is essential to constructing bridges in mountainous areas. Strutted box girders achieve a lightweight superstructure, minimizing substructure elements, resulting in cost effective bridge structure.

This highly engineered bridge (The Shin Fujigawa Bridge) is a steel-concrete composite structure. The arch and vertical members are made of concrete to maintain superior compression characteristics. In contrast, the top girders are made of steel to achieve a lightweight bridge structure. The weight and cost are approximately 40% and 20% less than an ordinary concrete arch bridge respectively.

Three consecutive cable-stayed bridges on the Ise-Wangan Expressway were constructed in Nagoya’s port zone. The bridge sections are 758 meters, 1,170 meters and 700 meters long, respectively, and form a three-lane expressway. These large-scale bridges demonstrate our advanced capabilities.

Tunnels

Advanced Construction Technologies for the Most Demanding Projects

Japan’s mountainous terrain makes tunnel construction a vital part of building smoothly aligned, high-standard arterial expressways. This unique challenge has provided us with the opportunities to accumulate a variety of tunnel construction expertise. To optimize efficiency, we select the most suitable technology for the site’s condition. These technologies include, but are not limited to the pilot tunnel excavation method using a tunnel boring machine (TBM), the New Austrian Tunneling Method (NATM), and the open-cut method.

Tunnel construction sites present a multitude of issues, such as fragile ground, fracture zones, spring water outbreaks and topographical deformations. We resolve each issue by drawing on our most valuable assets – expertise and technological know-how gained from years of experience.

To ensure safe tunnel construction, a TBM is used to bore a pilot tunnel. This pilot tunnel provides geological information and allows groundwater to drain before the tunnel is enlarged.

The Hida Tunnel is 10.7 kilometers long, with an overburden of 1,000 meters of rock. Since this configuration precluded the placement of vertical ventilation shafts, we employed a longitudinal ventilation system beneath the roadway surface and another ventilation tunnel along the main tunnel. This new system automatically selects the most efficient ventilation duct among five for the volume of traffic.

Once the tunnel structure is completed, the excavated soil is backfilled to restore the terrain to its original profile, minimizing the tunnel’s impact on adjacent residential areas.
Earthworks

Building Large-Scale Earthworks to Harmonize with the Surrounding Environment

- Some sections of the Shin Tomei Expressway have embankments with volumes of 1-5 million cubic meters and maximum heights of almost 100 meters. These embankments are built to resist earthquakes and other natural disasters. To complete these large-scale earthworks reliably and efficiently, various state-of-the-art designs and technologies have been employed. For example, “Zoning Design” is a construction technology that divides the intended embankment area into specific segments for better quality management. Another example is the use of over-sized machinery at earthwork sites, making construction more time and cost-efficient. It is also used to enhance construction efficiency.

- When constructing a bridge foundation in a mountainous area, partial excavation methods are used. These methods are time and cost-effective approaches similar to drilling vertical shafts for tunnels. They enable high-quality construction, while minimizing the impact on the environment.

- We have created a special excavation method to reduce the areas of slope cutting. This method preserves the maximum amount of natural vegetation and topography of the remaining area.

- Heavy machinery like the 35-ton dump truck and backhoe with a 5 or 12m³ bucket, shown below working on the Shin Tomei Expressway, enables rapid construction on large-scale earthwork.

- Our IT-intensive earthwork construction employs GPS digital mapping that streamlines construction management. This method reduces construction time and cost.

Pavement

Porous Asphalt

- We have introduced “porous asphalt” on our roadway surfaces. While conventional pavement is designed to force water to flow over the surface of the roadway, the porous asphalt layer is designed to allow water to penetrate and drain inside the pavement, securing a void ratio of approximately 20%. This pavement system provides the following advantages:

Ensuring Safety
- Because the pavement forms a thinner water membrane on its surface, there is a higher level of skid resistance on rainy days. This effectively shortens vehicle stopping distances and safer driving under rainy conditions.
- It also prevents hydroplaning and uncontrolled skids.

Environment
- The voids in porous asphalt absorb roadway noise.

Driving Comfort and Driver Confidence
- By reducing roadway spray on rainy days, porous asphalt ensures better roadway visibility, and reduces headlight glare.
- It also reduces roadway noise inside the vehicle.

Durability
- Containing high viscosity materials, porous asphalt provides improved aggregate bonding, resulting in a 50% lower rate of rutting and a longer lifespan than conventional pavement.

Decrease in Accidents in Rainy Conditions
- Porous asphalt paved roadways have experienced a remarkable 80% reduction in roadway accidents.
**Toll Collection**

**Electronic Toll Collection (ETC)**
- Japan’s ETC system uses two-way communication between roadside devices and on-board units (OBU) to facilitate nearly instant, reliable, mass data transmission that enables tolls to be adjusted according to traffic volume. In Japan, more than 90% of tolls are paid using ETC.

**Multiple and Integrated Toll Collection Machines (MIC)**
- MIC’s user-friendly interface enables drivers to choose their toll payment method - cash or credit card.

**Smart IC**
- Smart ICs are the simplified interchanges. Since Smart ICs accept vehicles with OBU only, they don’t require generally used tollgates, resulting in lower construction and maintenance costs.
- Smart ICs play a vital role in providing convenience, and they support revitalization of local communities and their economies.
- Currently (as of April 2016) 22 Smart ICs operate on our expressways.

**Traffic Control**

**Traffic Control Center**

Flow of Traffic Control Operations

- **Incident Information**
  - Accident
  - Road Obstacle
  - Vehicle Fire
  - Congestion
  - Natural Disaster

- **Manual Collection**
  - CCTV Camera
  - Traffic Control Squad
  - Emergency Telephone

- **Automatic Collection**
  - Vehicle Detector
  - Weather Monitoring Equipment

- **Traffic Control Center**
  - VMSs
  - Highway Radio
  - VICS
  - Accident Clearance
  - Traffic Restrictions
  - Removal of Obstacles
  - Police, Fire Department
  - Traffic Information Center
  - Media

- **Traffic Control Squad**
  - VMS indicating Travel Time
  - Weather Monitoring Equipment
  - Mobile VMS

- **Our Traffic Control Centers feature state-of-the-art traffic and facilities control technologies. These centers collect information about roadway conditions and disseminate it to drivers. Once an accident happens, our staff coordinate with expressway traffic police units and fire departments to ensure fast accident clearance and traffic flow recovery.**
Road Maintenance and Asset Management

Comprehensive Asset Management
- Our comprehensive operation and maintenance (O&M) system ensures safe, high-quality road maintenance as well as prompt and appropriate emergency and incident response that enables reliable, around-the-clock service.

Orchestrating all of these tasks requires the expert skills and experience that we have accumulated in every field to optimize operational and economic efficiency.

Today, we are facing several pressing issues like aging structures and severe weather conditions. In order to ensure the reliable expressway systems in the future, we pursue consistent and effective O&M system and continuously improve that.

Intensive Maintenance Operations
- Since 1998, we have reduced incidents of traffic congestion by more than two thirds through the use of intensive maintenance during which segments of expressway are limited and comprehensive renovation is carried out.

Reduction of Congestion

Continuous Inspections
- To maintain and improve safe and comfortable driving conditions, we carry out routine, periodic, comprehensive road structure and facilities inspections.

Rope Access Inspections
- Rope access techniques enable our inspectors to check the state of deterioration on portions of our expressway systems that were previously difficult for close visual inspection.

Effective Bridge Maintenance Management
- Our long-term proactive asset maintenance plans allow more optimum and efficient management, enhancing the overall soundness of our roadway assets, and reducing their lifecycle costs. These plans provide guidance based on past experience and accumulated data that allows us to quantitatively evaluate structures; the progress of structural deterioration, and the proactive maintenance needed to prevent serious structural damage.

Japan’s bridges are aging, and the cost of their maintenance is increasing. Our proactive asset management system enables us to be better able to control and reduce bridge maintenance costs.

Proactive Asset Management
- To maintain and improve safe and comfortable driving conditions, we carry out routine, periodic, comprehensive road structure and facilities inspections.

On-Site Information Reporting and Sharing System (ORSS)
- For effective road management, sharing and organizing information is essential. Our ORSS allows the input of information and images collected by unmanned aerial vehicle (UAM) and rope access inspections into a smartphone App, then shares and organizes that information into a database that guides our road management efforts. This data is registered as GIS information and available for search and output. The system helps us identify deterioration and stay on top of local complaints, enabling efficient road management.

Proactive Asset Management
- Our long-term proactive asset maintenance plans allow more optimum and efficient management, enhancing the overall soundness of our roadway assets, and reducing their lifecycle costs. These plans provide guidance based on past experience and accumulated data that allows us to quantitatively evaluate structures; the progress of structural deterioration, and the proactive maintenance needed to prevent serious structural damage.

Japan’s bridges are aging, and the cost of their maintenance is increasing. Our proactive asset management system enables us to be better able to control and reduce bridge maintenance costs.
Rest Area Management

To make our rest areas more comfortable, convenient, and enjoyable, we provide appealing commercial facilities and authentic, unique locally produced merchandise.

Service with a Spirit of Welcome and Hospitality

OMOTENASHI is a Japanese unique spirit of welcome, hospitality, and even expressing respect for customers. We serve customers with "OMOTENASHI" at our rest areas. To pursue the spirit, hospitality contests among employees are periodically held.

A rest area concierge is the representative example of our service with "OMOTENASHI." At most major rest areas, they provide wide range of information on traffic, tolls, commercial facilities and nearby tourist sites, and also are well-trained to assist customers in case of emergency.

Official Mascot

Our official mascot, "Michimaru-kun," promotes our commercial facilities and events. "Michimaru-kun" plays an active role in creating a welcoming and fun atmosphere for guests at our rest areas.

Local Accessible Gateways to Rest Areas

Most of our rest areas have become available for local residents besides our original customers (expressway users) with exclusive parking lots.

Geothermal-Assisted Air Conditioning

Geothermal air conditioning systems have been installed at some of our rest area food courts.

While the ground surface is strongly affected by the ambient temperature, the underground temperature is more stable (around 15˚C) throughout the year. Employing geothermal heat, the systems at these rest areas have reduced power consumption by 10% by taking fresh air into their buildings through underground pipes, cooling it in the summer and warming it in the winter.

Rest Areas Serve as Disaster Response Bases

Based on the lessons learned from the Great East Japan Earthquake, we are installing emergency equipment at our rest areas so that they can function as bases for the Japan Self-Defense Forces, and local fire and police departments carrying out rescue operations after future disasters.

We also are providing the necessary equipment and emergency supplies so that our rest areas can function as evacuation sites for local residents and expressway customers.
International Business

International Contributions
We promote active communication and interaction with communities and organizations around the world, and we contribute to international development.

Expert Deployed to Other Nations
Our engineers have been sent all over the world as Japan International Cooperation Agency (JICA) expert, embassy secretary, or Technical Advisor of the Permanent International Association of Road Congress (PIARC) upon the request of the Japanese government.

Participation in International Organizations
We share technologies and expertise with road industry at international conference such as PIARC, International Bridge, Tunnel and Turnpike Association (IBTTA), International Road Federation (IRF), Transportation Research Board (TRB), The Road Engineering Association of Asia and Australasia (REAAA), and PSKLM International Expressway Conference and Exhibition (PIECE).

Hosting Overseas Delegates
We welcome technical tours widely from various countries every year. In FY 2015, we hosted 30 delegations from 23 countries. These delegations were particularly interested in our:
- Construction sites
- Long tunnels and bridges
- Traffic control centers and Communication Plaza
- Rest areas
- Training facilities

Discovering Overseas Business Opportunities
We, as a major Public Private Partnership (P3) player in Japan, have been seeking business opportunities overseas, offering our vast experience and expertise to develop the world’s transportation infrastructure.

Vietnam Office
Our Vietnam Office has been developing projects and strengthening networks with local authorities and companies in Indochina since 2008.

Activities in US
Our representatives, based on Washington D.C. and Dallas, TX, conduct marketing research on P3 investments and consulting services in order to enter into P3 expressway projects by taking advantage of our engineering technologies.

Consulting Services
We are providing consulting services that assist road development in many nations. In FY 2015, we delivered consulting services in Mongolia, Cambodia, Sri Lanka, Vietnam and Kyrgyz.

Road Investments
In 2014, we entered into a P3 project in Indonesia through Japan Expressway International Co., Ltd. (JEXWAY*). We provide added value to road projects with our innovative technologies and expertise for every stage of a project.

*JEXWAY is jointly funded by five Japan’s expressway companies for international business.
Products and Services

The Long-Term Proactive Asset Management Approach (LPAMA) is the hallmark of our P3 services. Compared with a conservative asset management approach, LPAMA focuses first on potential issues and careful analysis of inspection data and maintenance strategies. As a result, roadways are efficiently managed and their performance is enhanced. Using this approach, road maintenance costs on our expressways during the current decade have been reduced by 34%.

Road Surface Profiling Vehicle

Our unique “Road Tiger” is a high speed road surface profiling vehicle that can measure not only rutting, cracking and flatness (σ3m, IRI) but also longitudinal and transverse pavement without making contact with the road surface. “Road Tiger” performs all six functions reliably and safely at 100kph without interfering with traffic flow.

Guarding Against Concrete Deterioration

We design, build and maintain concrete structures with 100 year lifespans. We conduct detailed inspections and repairs that lead to longer road life. We manage our own concrete research laboratory and develop a number of products that promote durable repairs and reinforcement. We study the impact of chloride attack and Alkali-silica reaction on concrete structures through various tests in our laboratory. Based on our research, we propose methods for repair and reinforcement that reduce life cycle costs. This laboratory has been recognized as an international Mutual Recognition Arrangement (IMRA) by International Laboratory Accreditation Corporation (ILAC).

We have developed innovative epoxy adhesive and filing materials for cracks and cavities between differently aged concretes and even on wet surfaces without compromising the original structure.

Our unique water jet robot removes deteriorated concrete in narrow spaces between bridge decks and substructures by extending its arm up to one meter without causing any damage to the structure.

Business Development

Infusion thickness 6mm

Existing floor slab

Concrete overlay floor slab

Pavement

Repair of Expressway Floor Slab

Concrete Research Laboratory

Works from Pavement Surface

Works at Narrow Places

“Water Jet Robot”

Road Surface Profiling Vehicle

“Road Tiger”

Identifying Damages

Analysis on Faulting

Longitudinal/Transverse Pavement Measuring at High Speed
**CSR Management**

Our CSR activities are to adequately meet various expectation of stakeholders through our business activities. We pursue both developing sustainable society and upgrading our corporate value by dealing with social issues through communications with stakeholders.

**CSR Guidelines**

In a global society, we consider it important to cooperate internally and externally in ways that contribute to a sustainable society.

In 2008, we agreed to the 10 principles of the United Nations Global Compact on Human Rights, Labor Practices, the Environment and Fair Operating Practices by participating in the Global Compact Network Japan.

Using ISO 26000 guidelines, we pursue and measure our corporate social responsibility goals in all areas of our operations.

**Environmental Stewardship**

Since enactment of the Invasive Alien Species Act that promotes control of invasive alien species, we have encouraged the planting of native plants and trees at our construction sites by picking native plant seeds, raising them to seedlings, and planting them back into reclaimed construction sites.

**Contributing to Local Communities**

In 2011, we launched volunteer activities in three districts of Shizuoka prefecture. Today, these projects are underway in six districts. Some of our volunteer activities are:

- Mowing fallow fields in three districts along the Shin Tomei Expressway in Shizuoka prefecture
- Maintaining hayfields that produce building rafter roofs for houses at a World Heritage site near Gokayama IC along the Tokai-Hokuriku Expressway
- Participating in a revival project of camellia oil in Suzuka where the Shin Meishin Expressway is under construction.
- Protecting the registered wetland at Lake Mikatagoko under Ramsar Convention, nearby the Maizuru-Wakasa Expressway

**Contributing to International Society**

We have supported JICA’s “One Village One Product” project to reduce poverty by selling traditional handmade Kyrgyz felt goods at one of our rest areas. The project aims to improve local producers’ quality of life and invigorate their communities in a sustainable way. This “Sustainable International Contribution” event received a favorable reception from many customers.
## Consolidated Balance Sheets

**As of March 31, 2016 and 2015**

<table>
<thead>
<tr>
<th></th>
<th>FY2015</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total current assets</td>
<td>¥ 870,347</td>
<td>¥ 1,198,926</td>
<td>$ 7,724,059</td>
<td>$ 9,976,916</td>
</tr>
<tr>
<td>Total property and equipment</td>
<td>262,495</td>
<td>259,712</td>
<td>2,329,562</td>
<td>2,161,205</td>
</tr>
<tr>
<td>Total investments and other assets</td>
<td>22,748</td>
<td>20,476</td>
<td>201,882</td>
<td>170,392</td>
</tr>
<tr>
<td>Deferred assets</td>
<td>995</td>
<td>1,531</td>
<td>8,830</td>
<td>12,740</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1,156,585</td>
<td>1,480,645</td>
<td>10,264,333</td>
<td>12,321,253</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>233,898</td>
<td>215,259</td>
<td>2,075,772</td>
<td>1,791,287</td>
</tr>
<tr>
<td>Total long-term liabilities</td>
<td>732,002</td>
<td>1,061,260</td>
<td>6,496,291</td>
<td>8,831,322</td>
</tr>
<tr>
<td>Total shareholders’ equity</td>
<td>214,246</td>
<td>206,115</td>
<td>1,901,367</td>
<td>1,715,195</td>
</tr>
<tr>
<td>Total accumulated other comprehensive loss</td>
<td>~ 25,626</td>
<td>~ 4,266</td>
<td>~ 227,423</td>
<td>~ 35,499</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>2,065</td>
<td>2,277</td>
<td>18,326</td>
<td>18,948</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td>190,685</td>
<td>204,126</td>
<td>1,692,270</td>
<td>1,698,644</td>
</tr>
<tr>
<td><strong>Total liabilities and net assets</strong></td>
<td>¥ 1,156,585</td>
<td>¥ 1,480,645</td>
<td>$10,264,333</td>
<td>$12,321,253</td>
</tr>
</tbody>
</table>

Exchange rate: 113JPY=1USD (FY2015), 120JPY=1USD (FY2014)

## Consolidated Statements of Income

**As of March 31, 2016 and 2015**

<table>
<thead>
<tr>
<th></th>
<th>FY2015</th>
<th>FY2014</th>
<th>FY2015</th>
<th>FY2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Millions JPY</strong></td>
<td>Thousands USD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Toll revenues</strong></td>
<td>¥ 657,552</td>
<td>¥ 633,895</td>
<td>$ 5,835,570</td>
<td>$ 5,274,985</td>
</tr>
<tr>
<td>Revenues from rest area operations and other business</td>
<td>51,408</td>
<td>48,804</td>
<td>456,230</td>
<td>406,125</td>
</tr>
<tr>
<td>Completion of road assets</td>
<td>591,392</td>
<td>255,470</td>
<td>5,248,420</td>
<td>2,125,905</td>
</tr>
<tr>
<td>Operating revenues</td>
<td>1,300,352</td>
<td>1,061,260</td>
<td>11,540,220</td>
<td>7,807,015</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>1,291,054</td>
<td>933,855</td>
<td>11,457,703</td>
<td>7,771,116</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>9,298</td>
<td>4,314</td>
<td>82,517</td>
<td>35,899</td>
</tr>
<tr>
<td>Profit before income taxes</td>
<td>11,700</td>
<td>8,221</td>
<td>103,834</td>
<td>68,411</td>
</tr>
<tr>
<td>Income taxes</td>
<td>3,685</td>
<td>3,769</td>
<td>32,703</td>
<td>31,364</td>
</tr>
<tr>
<td><strong>Profit</strong></td>
<td>8,015</td>
<td>4,452</td>
<td>71,131</td>
<td>37,047</td>
</tr>
<tr>
<td>Profit attributable to:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>103</td>
<td>57</td>
<td>914</td>
<td>474</td>
</tr>
<tr>
<td><strong>Owner of parent</strong></td>
<td>¥ 7,912</td>
<td>¥ 4,395</td>
<td>$ 70,217</td>
<td>$ 36,573</td>
</tr>
</tbody>
</table>

Exchange rate: 113JPY=1USD (FY2015), 120JPY=1USD (FY2014)

## Business Framework

### Relationship Among the Organizations

- **Ministry of Land, Infrastructure, Transport and Tourism**
  - Application
  - Approval

- **JEHDRA**
  - (Established based on the Japan Expressway Holding and Debt Repayment Agency Law)
  - Agreement

- **Expressway Companies**
  - (Established based on the Expressway Company Law)
  - Application
  - Approval

### Roles of JEHDRA and the Expressway Companies

- Expressway assets and liabilities resulting from construction are transferred from the expressway companies to JEHDRA once construction is complete. The expressway companies lease back assets to earn toll revenue.

### Construction ➔ Transfer of Assets and Liabilities

#### JEHDRA

- Transfer of Assets and Liabilities
- Completion of Construction
- Construction

#### Expressway Companies (including NEXCO-Central)

- Expressway Companies
- Operating and Maintenance Costs
- Lease Fees
- Revenues from Other Activities
- Lending of Expressway Assets

### Operation

#### JEHDRA

- Toll Revenues
- Rest Area Business
- Credit Card Business
- Travel Business
- International Business

#### Expressway Companies

- Expressway Companies