

**Japan Expressway Holding and Debt Repayment Agency (Incorporated Administrative Agency)**  
**(Including NEXCO East, NEXCO Central, and NEXCO West)**

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**1. Summary of operations implemented using FILP funds**

<Japan Expressway Holding and Debt Repayment Agency (Incorporated Administrative Agency)>  
 •Holding of expressway assets and their lending to expressway companies (East Nippon Expressway Company Limited, Central Nippon Expressway Company Limited, West Nippon Expressway Company Limited, Metropolitan Expressway Company Limited, Hanshin Expressway Company Limited and Honshu-Shikoku Bridge Expressway Company Limited)  
 •Speedy and sure repayment of debts inherited from the four former Japan Highway Public Corporations as well as the ones related to such operations as construction and reconstruction of expressways  
 •Supporting smooth operations related to expressways by the expressway companies  
 < NEXCO East, NEXCO Central, and NEXCO West >  
 •Promoting development of metropolitan beltways (Yokohama beltway south line / Yokohama Shonan road\*1, Tokai beltway\*2)  
 \*1: for NEXCO East \*2: for NEXCO Central  
 •Implementing expressway renewal projects

**2. Amount of lending under FY2020 FILP**

(Unit: billion yen)

	FY2020 FILP	Estimated outstanding amount of FILP lending at the end of FY2019
Japan Expressway Holding and Debt Repayment Agency	980.0	19,276.1
East Nippon Expressway Co. Ltd.	103.0	-
Central Nippon Expressway Co. Ltd.	103.0	-
West Nippon Expressway Co. Ltd.	54.0	-

**3. Estimated policy cost analysis of the project**

**(1) Policy cost** (Unit: billion yen)

Category	FY2019	FY2020	Fluctuation
1. Government expenditure (subsidies, etc.)	40.8	31.6	-9.2
2. Government revenue (payments to the government, etc.)*1	-	-	-
3. Opportunity cost of capital investments, etc.	1,001.7	591.0	-410.7
<b>Total (1+2+3=policy cost(A))</b>	<b>1,042.5</b>	<b>622.7</b>	<b>-419.8</b>
Analysis period (years)	36 years	36 years	-

**(2) Breakdown of policy cost by the time of the provision of funds** (Unit: billion yen)

Category	FY2019	FY2020	Fluctuation
(A) Policy cost (previously cited)	1,042.5	622.7	-419.8
1) Opportunity cost of capital investments, etc. provided before the beginning of the analysis period	996.3	589.5	-406.8
2) Policy cost expected to be newly accrued during the analysis period	46.2	33.2	-13.1
Government expenditure (subsidies, etc.)	40.8	31.6	-9.2
Government revenue (payments to the government, etc.)*1	-	-	-
Opportunity cost of surplus, etc.	-	-	-
Opportunity cost of capital investments, etc.	5.5	1.6	-3.9

**(4) Sensitivity analysis (cases where assumptions change)**

(Unit: billion yen)

(A) Policy cost (previously cited)	Case before the negative interest rate policy*2	Fluctuation	1. Government expenditure (subsidies, etc.)	2. Government revenue (payments to the government, etc.)*1	3. Opportunity cost of capital investments, etc.
622.7	1,686.7	+1,064.1	-0.0	-	+1,064.1

**(3) Year-to-Year comparison analysis**

(Computing any fluctuation from previous year)

(Unit: billion yen)

Policy cost		FY2019	FY2020	Simple fluctuation
		Simple comparison (before adjustment)	1,042.5	622.7
Past year comparison (after adjustment)	1) Adjusting initial years (Analysis results after adjusting initial year to that for FY2020 analysis)	1,022.3	1,055.8	+33.5
	2) Adjusting assumed interest rates (Analysis results of re-estimation using assumed interest rate for FY2019)			Real fluctuation (2-1)

[Real fluctuation factor analysis]

○ Factors behind policy cost increase

- Increase in opportunity cost due to revision of redemption plans (+22.3 billion yen)  
 - Increase in subsidies, etc. due to implementation of new operations, etc. (+11.1 billion yen)  
 - Increase in opportunity cost due to increase in accepted capital investments through implementation of new operations (+0.1 billion yen)

○ Factors behind policy cost decrease

- None

(Note 1) Components in each column may not add up to the total because of rounding.

(Note 2) As debt at NEXCO East, NEXCO Central, and NEXCO West is basically planned to be taken over by JEHDRA, the three expressway companies and JEHDRA are integrated for the policy cost analysis for disclosure.

\*1 Government revenue (payments to the government, etc.) is booked as a negative amount. Example: -10 b. yen for 10 b. yen in payments to government, etc.

\*2 Assumed interest rates (discount factor and future interest rate) are based on the market yield on Japanese government bonds on January 28, 2016, before the introduction of the negative interest rate policy.

#### 4. Outline of estimation and project prospect employed in the analysis

Estimates in the analysis and future operations are based on agreements signed with the expressway companies.

• Operation revenues: Covering rent revenues(\*) from expressway companies, etc.

\* Gap between toll revenues and planned management expenses calculated by expressway companies based on traffic demand forecasts

• Agency bonds: Covering government-guaranteed and FILP agency bond amounts out of the required fundraising amount calculated in line with a projected balance sheet for each year, etc.

• Borrowings: Covering borrowings from the private sector and the FILP program as calculated in line with a projected balance sheet for each year, etc.

• Debt repayment expense: Calculated based on agency-held debts (at the end of FY2019) and years for redemption of debts planned to be assumed from expressway companies in or after FY2020

(Unit: billion yen)

FY	Result				Estimated 2019	Decision 2020	Assumptions for calculation				total
	2015	2016	2017	2018			2021-2028	2029-2038	2039-2048	2049-2055	
Operational Revenue (lending fees)	2,065.3	2,228.8	2,133.2	2,216.7	2,278.8	2,274.3	16,935.5	21,162.1	18,659.3	6,951.4	65,982.7
Agency bonds	1,586.0	1,156.0	1,669.0	1,430.9	735.0	320.0	7,313.4	3,718.0	-	-	11,351.5
Borrowings	35.0	-	-	1,500.0	1,550.0	860.0	1.6	2.0	-	-	863.7
Debt repayment expense	3,692.5	3,215.8	3,732.3	3,734.3	3,347.1	3,474.9	25,869.9	22,455.9	11,646.3	8,864.1	72,311.2

(Note) Components in each column may not add up to the total because of rounding.

#### 5. Reasons for granting of subsidies, mechanism and underlying laws

Capital investment: Required for expressway construction or reconstruction for Metropolitan Expressway Company Limited and Hanshin Expressway Company Limited

(Underlying laws and regulations)

Article 6 of the Act on Japan Expressway Holding and Debt Repayment Agency: Capital

1. The Agency's capital shall be a total of investments provided from national and local governments under provisions of Article 15, Paragraph 11 of the Enforcement Act.

2. The Agency may, if necessary, increase its capital upon obtaining the approval from the Minister of Land, Infrastructure, Transport and Tourism.

3. The national government or local governments stipulated by cabinet order may invest in the Agency within the limit specified in the budget when the Agency increases its capital under the above provision.

Subsidies: Required for development of smart interchange systems, post-disaster restoration, etc.

(Underlying laws and regulations)

Article 25 of the Act on Japan Expressway Holding and Debt Repayment Agency: Subsidies

1. The government may subsidize the Agency for the expenses necessary for the operations under the provisions of Article 12, Paragraph 1, Item 5 and 6 within the limit specified in the budget.

2. The local governments specified in Article 12, Paragraph 1, Item 7 may subsidize the Agency for the expenses necessary for the operations under the provisions of the Item within the limit specified in the budget.

The national treasury payment

(Underlying laws and regulations)

Article 31 of the Act on Japan Expressway Holding and Debt Repayment Agency: Dissolution of Agency

1. The Agency shall be dissolved no later than September 30, 2065, as specified separately by an act.

2. The Agency shall complete the repayment of the inherited debt in the road account by the day of its dissolution as provided in the previous paragraph and have residual assets equivalent to at least the capital.

3. The Agency, if dissolved, shall distribute residual assets that involve the road account to investors involved with the road account according to their respective investment amounts.

4. If the Agency has any residual assets consisting of non-road accounts after repaying debt that involves those accounts, it shall distribute the residual assets to investors involved with those accounts according to their respective investment amounts.

#### 6. Special remarks

<Japan Expressway Holding and Debt Repayment Agency (Incorporated Administrative Agency)>

1) The road assets related to expressways will be opened to public at no charge after the completion of the debt redemption and restored to the national or local governments. However, the policy cost analysis does not consider their residual value.

2) The increase in assets and debts through constructions of expressways by the expressway companies will be inherited by the Agency, and the Agency will lend assets of expressways to the expressway companies, then receive the revenues from road lending fee from the expressway companies. The Agency will return the capital investment to the government by this road lending fee during the redemption period, so the opportunity cost as the capital investment during the period will be the policy cost

3) The interest rate used in the analysis is set as a common precondition in the analysis and is not the same as the future interest rate used by the Agency and Companies in the preparation of recoupment plans.

<NEXCO East, NEXCO Central, and NEXCO West>

1) As debt at NEXCO East, NEXCO Central, and NEXCO West is basically planned to be taken over by JEHDRA, the three expressway companies and JEHDRA are integrated for the policy cost analysis for disclosure.

2) The interest rate used in the analysis is set as a common precondition in the analysis and is not the same as the future interest rate used by the Agency and Companies in the preparation of recoupment plans.

3) The policy cost at NEXCO East, NEXCO Central, and NEXCO West is zero.

#### (Reference) Outcome and social and economic benefits of operations

<Japan Expressway Holding and Debt Repayment Agency (Incorporated Administrative Agency)>

(Effects of expressway development)

The construction and/or improvement of expressways generates various social and economic effects, as well as direct effects for road users, including shorter traveling times.

Specific effects include "enhanced associations and exchanges among regions and local cities," "development or creation of industries," "increased employment opportunities," "increased asset value," "reduced price of products and services," "maintaining of alternative routes in the event of disaster," and "improvement of urban environment due to smoother transportation."

Among the beneficial effects of such expressway construction and/or improvement, direct effects of the new services in and after FY2019 can be estimated as follows.

• in the case where the social discount rate is set to 4%; 9.4505 trillion yen

• in the case where the social discount rate is set to that of the policy cost analysis; 16.5941 trillion yen

<NEXCO East, NEXCO Central, and NEXCO West>

Social and economic benefits regarding the promotion of metropolitan beltways (Yokohama beltway south line / Yokohama Shonan road, Tokai beltway)

<Yokohama beltway south line / Yokohama Shonan road> <Tokai beltway>

• Case for social discount factor of 4% 73.2 billion yen 20.7 billion yen

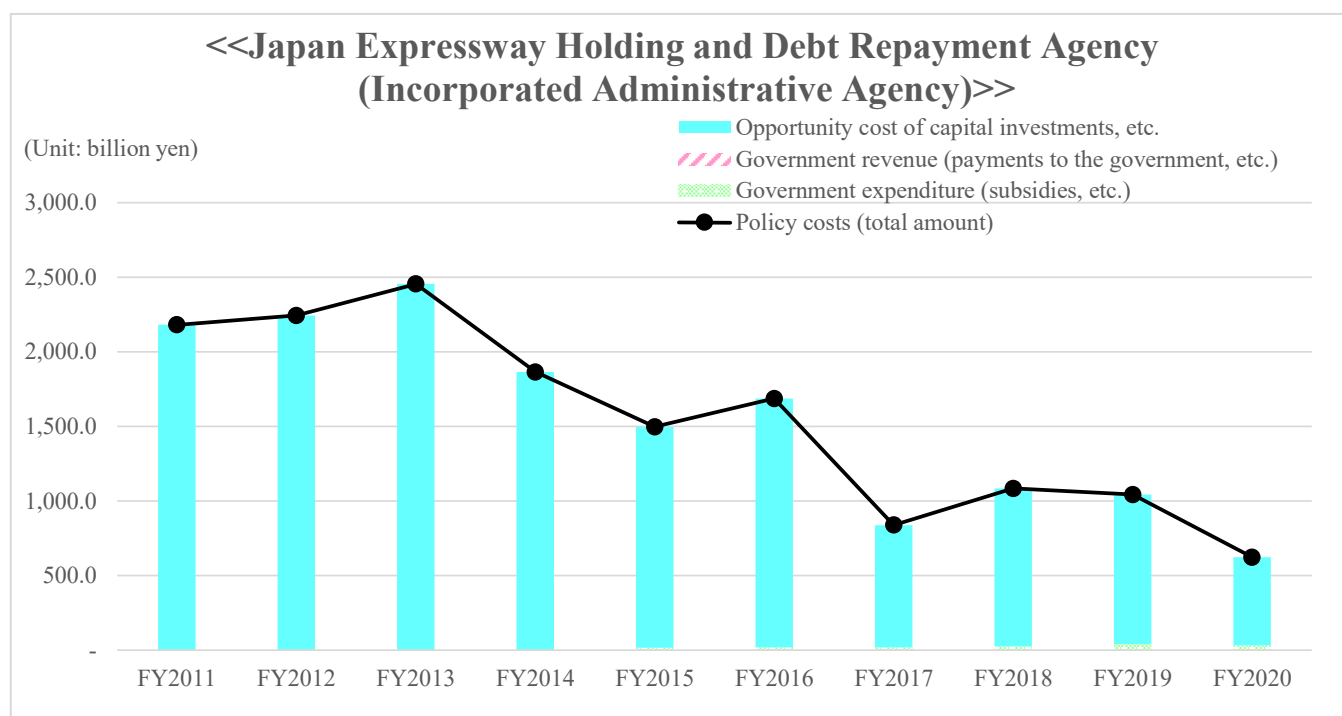
• Case for the same discount factor as in the policy cost analysis 95.8 billion yen 27.3 billion yen

(Note 1) Quantitative benefits were estimated by each expressway company according to the benefit estimation method and basic unit in the "Cost-Benefit Analysis Manual (February 2018, Road Bureaus and City Bureaus, Ministry of Land, Infrastructure, Transport and Tourism)"

(Note 2) Subject to direct effects are benefits from FY2021.

# Overview of policy cost analysis results

## [Changes in policy costs]



Note 1. Policy costs for each fiscal year differ in assumptions including interest rates applied to estimates.

Note 2. As debt at NEXCO East, NEXCO Central, and NEXCO West is planned to be taken over by JEHDRA, the three expressway companies and JEHDRA are integrated for the FY2020 policy cost analysis for disclosure.

(Unit: billion yen)

	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Policy costs (total amount)	2,181.1	2,243.4	2,455.2	1,865.0	1,497.0	1,686.7	838.7	1,084.1	1,042.5	622.7
Government expenditure (subsidies, etc.)	-	-	-	-	16.0	19.2	19.1	26.4	40.8	31.6
Government revenue (payments to the government, etc.)	-	-	-	-	-	-	-	-	-	-
Opportunity cost of capital investments, etc.	2,181.1	2,243.4	2,455.2	1,865.0	1,480.9	1,667.5	819.7	1,057.7	1,001.7	591.0

### 【Explanation of policy cost trends】

- Policy cost of the Agency until FY2014 only consisted of opportunity cost of capital investments, etc. from the government, but after FY2015 analysis, cost of subsidies was added due to the acceptance of subsidies, etc. from the government.
- In FY2020, the opportunity cost decreases on a fall in the assumed interest rate.

### 【FILP agency's self-assessment of policy cost analysis results (FY2020)】

- In the basic case, the policy cost in FY2020 came to 622.7 billion yen including 31.6 billion yen in subsidies, etc. and 591.0 billion yen in the opportunity cost of capital investments, etc. The FY2020 policy cost decreased by 419.8 billion yen from 1,042.5 billion yen for the basic case in FY2019. Given a total of 453.4 billion yen, including 433.2 billion yen from changes in the assumed interest rates and 20.2 billion yen as part of the FY2019 policy cost, is taken into account, however, the policy cost effectively increased by 33.5 billion yen.
- The effective increase included 22.3 billion yen in an opportunity cost increase through revision of a redemption plans based on JEHDRA's agreement with the expressway companies and 11.1 billion yen in subsidy growth through implementation of new projects, meaning that financial soundness remained unaffected.
- In the case where the assumed interest rates (the discount factor and future interest rate) are replaced with those before the minus interest rate policy introduction, the policy cost came to 1,686.7 billion yen, up 1,064.1 billion yen from the basic case. This is because the interest rate hike led the redemption period for capital investments, etc. to be extended to boost the opportunity cost, greatly affecting financial soundness.

## (Reference) Financial Statements

## Balance Sheet (Road Account)

(Unit: million yen)

Item	End of FY2018 (Result)	End of FY2019 (Estimated)	End of FY2020 (Planned)	Item	End of FY2018 (Result)	End of FY2019 (Estimated)	End of FY2020 (Planned)
<b>(Assets)</b>				<b>(Liabilities and equity)</b>			
Current assets	1,822,513	2,682,781	2,466,243	Current liabilities	3,249,728	3,447,642	3,712,166
Cash and bank deposits	1,300,156	2,310,072	2,142,200	Deposited subsidies	4,757	1,663	1,268
Accounts due for road assets lending fee, etc	378,524	363,144	173,279	Deposited donations	553	-	-
Accounts receivable	52,631	-	141,200	Japan Expressway Holding and Debt Repayment Agency bonds to be repaid within one year	2,565,565	2,697,099	3,063,451
Short-term loans receivable	87,548	6,397	6,396	Discount on bond (-)	-372	-146	-330
Inventory goods	3,168	3,168	3,168	Long-term loans to be repaid within a year	507,409	507,466	532,074
Other current assets	486	-	-	Accrued payments	107,380	177,361	47,277
Fixed assets	41,175,569	41,345,567	42,887,922	Accrued expenses	64,369	64,132	68,359
Tangible fixed assets	40,673,945	40,634,430	42,172,015	Other current liabilities	67	67	67
Buildings	342,992	345,093	376,138	Fixed liabilities	26,302,112	26,588,128	27,261,728
Structures	30,085,532	29,965,804	31,041,239	Asset collateral liabilities	150,096	157,972	156,633
Machinery and equipment	805,811	824,538	1,029,377	Long-term deposit of subsidies	1,479	7,330	11,549
Vehicles and transportation equipment	3	3	2	Long-term contributions received	10,211	10,180	10,180
Tools furniture and fixtures	1,973	2,312	3,539	Japan Expressway Holding and Debt Repayment Agency bonds	22,896,254	21,991,081	21,843,679
Land	9,270,591	9,368,699	9,611,911	Discount on bond (-)	-69,450	-64,837	-60,448
Construction in progress	167,043	127,981	109,809	Long-term loans payable	2,841,328	4,012,564	4,869,191
Intangible fixed assets	268,580	268,483	269,225	Long-term accrued liabilities	468,659	466,409	419,132
Leasehold interests	266,865	266,900	267,693	Long-term accrued expenses	3,527	7,425	11,804
Other intangible fixed assets	1,715	1,583	1,532	Reserves			
Investment and other assets	233,044	442,654	446,682	Reserves for retirement pensions	8	4	8
Investment securities	-	2,800	2,800	Reserves based on law			
Long-term deposits	200,000	430,000	430,000	Reserve for Highway Convenience Improvement Project	577,679	551,684	524,755
Long-term loan receivable	33,028	9,838	13,866	(Total liabilities)	30,129,518	30,587,454	31,498,649
Security deposit and guarantee	16	16	16	Capital	5,596,583	5,616,431	5,617,879
Other assets	-	-	-	Financing by the Government	4,076,328	4,086,252	4,086,976
				Local government investment	1,520,255	1,530,179	1,530,903
				Capital surplus	848,171	848,171	848,171
				Capital surplus	597	597	597
				Reserves under Article 15 of the Act for Enforcement of Acts Related to Privatization of the Japan Highway Public Corporation, etc.	847,573	847,573	847,573
				Retained earnings	6,423,810	6,976,292	7,389,466
				Reserve fund	5,763,774	6,423,810	6,976,292
				Unappropriated income for the current year	660,036	552,482	413,174
				(Of this, gross profit)	(660,036)	(552,482)	(413,174)
				(Total equity)	12,868,563	13,440,894	13,855,516
Total assets	42,998,081	44,028,348	45,354,165	Total liabilities and equity	42,998,081	44,028,348	45,354,165

Note: Components may not add up to the total because of rounding.

## Income Statement (Road Account)

(Unit: million yen)

Item	FY2018 (Result)	FY2019 (Estimated)	FY2020 (Planned)	Item	FY2018 (Result)	FY2019 (Estimated)	FY2020 (Planned)
<b>(Ordinary expenses)</b>				<b>(Ordinary income)</b>			
Ordinary expenses	1,420,851	1,393,294	1,517,306	Ordinary income	2,092,664	1,920,025	1,903,550
Operating expenses of road assets lending	1,032,123	1,055,022	1,109,058	Income from the road assets lending fees	2,067,968	1,898,495	1,890,314
Management effort aid expense	260	298	2,741	Other income	4,820	5,015	4,854
General and administrative expenses	1,542	1,388	1,771	Revenues from subsidies, etc	10,857	7,849	-
Finance expenses	308,099	288,616	294,909	Income from donations	69	584	-
Expenses related to acquisition of road assets	78,374	47,970	108,827	Reversal of asset collateral liabilities	8,773	7,992	8,331
Miscellaneous losses	453	-	-	Financial revenues	65	55	50
(Temporary losses)				Miscellaneous income	113	35	1
Temporary losses	40,041	278	-	(Temporary profits)			
Loss on retirement of fixed assets	0	-	-	Temporary profits	28,264	26,029	26,929
Loss on sale of fixed assets	22	278	-	Reversal of reserve for Highway Convenience Improvement Project	25,845	25,994	26,929
Loss on transfer of fixed assets	40,020	-	-	Gain on sales of fixed assets	955	19	-
Net profit	660,036	552,482	413,174	Other temporary profits	1,463	16	-
Gross profit	660,036	552,482	413,174				
Total	2,120,928	1,946,054	1,930,480	Total	2,120,928	1,946,054	1,930,480

Note: Components may not add up to the total because of rounding.

## (Reference) Financial Statements &lt;East Nippon Expressway Co. Ltd. &gt;

## Balance Sheet

(Unit: million yen)

Item	End of FY2018 (Result)	End of FY2019 (Estimated)	End of FY2020 (Planned)	Item	End of FY2018 (Result)	End of FY2019 (Estimated)	End of FY2020 (Planned)
(Assets)				(Liabilities and equity)			
Current assets	924,693	905,796	401,941	Current liabilities	366,058	302,076	271,198
Cash and bank deposits	112,633	83,114	55,251	Accounts receivable for expressway operations	246,979	230,255	158,350
Accounts receivable for expressway operations	103,919	85,305	77,351	Long-term loans to be repaid within a year	910	712	464
Accounts receivable	10,809	31,532	10,631	Accrued payments	66,862	22,482	63,786
Short-term loans receivable	3,498	3,498	3,498	Accrued expenses	593	607	607
Securities	78,998	-	-	Accrued corporate tax, etc.	1,743	1,265	1,235
Road assets in process	542,017	624,538	184,482	Inter-line fares received	905	905	905
Prepaid expenses for entrusted business	11,271	18,662	19,527	Advance received for entrusted business	21,936	21,189	21,189
Other current assets	61,547	59,146	51,200	Advances received	317	317	317
Fixed assets	269,821	294,735	286,864	Provision for bonuses	2,796	2,835	2,835
Fixed assets for expressway operations	116,512	132,396	126,282	Other current liabilities	23,016	21,509	21,509
Tangible fixed assets	109,915	121,268	116,435	Fixed liabilities	633,171	701,330	223,556
Intangible fixed assets	6,597	11,129	9,847	Bonds related to road construction	486,686	555,000	-
Fixed assets for relevant operations	103,294	105,813	105,561	Long-term borrowings related to road construction	80,289	79,389	100,497
Tangible fixed assets	103,244	105,766	105,325	Other long-term loans payable	-	-	50,000
Intangible fixed assets	50	47	236	Guarantee fees received	7,121	7,121	7,121
Common fixed assets for operations	29,547	33,103	31,979	Reserves for retirement pensions	48,371	49,322	55,716
Tangible fixed assets	22,587	24,470	23,910	Provision for ETC mileage service	9,194	9,076	9,076
Intangible fixed assets	6,959	8,633	8,069	Other fixed liabilities	1,509	1,421	1,145
Other fixed assets	108	108	108	(Total liabilities)	999,229	1,003,406	494,754
Investment and other assets	20,360	23,315	22,934	Capital stock	196,056	198,218	195,143
Long-term prepaid expenses	1,587	1,399	1,113	Capital	52,500	52,500	52,500
Other investment assets	18,774	21,917	21,822	Capital surplus	58,794	58,794	58,794
Deferred assets	744	1,065	1,065	Capital reserves	52,500	52,500	52,500
				Other Capital surplus	6,294	6,294	6,294
				Retained earnings			
				Other retained earnings	84,762	86,924	83,849
				(Reserves for anti-seismic measures for overpasses)	(9,000)	(13,700)	(13,700)
				(Reserves for safety measures and service improvement)	(26,066)	(26,066)	(26,066)
				(Special reserves)	(25,801)	(20,692)	(20,692)
				(Retained earnings brought forward)	(23,896)	(26,466)	(23,391)
				Valuation differences and translation adjustments			
				Valuation difference on securities	- 27	- 27	- 27
				(Total equity)	196,028	198,191	195,116
Total assets	1,195,258	1,201,596	689,869	Total liabilities and equity	1,195,258	1,201,596	689,869

Notes 1. Components may not add up to the total because of rounding.

2. The balance sheet includes costs for projects other than those subject to the policy cost analysis.

## Income Statement

(Unit: million yen)

Item	FY2018 (Result)	FY2019 (Estimated)	FY2020 (Planned)
Profit/loss on expressway operations			
Operating revenue	1,859,410	1,221,423	2,033,373
Toll revenue	859,994	863,350	773,504
Completed road assets	998,553	356,612	1,259,863
Revenue from entrusted business	4	5	5
Other sales	859	1,456	-
Operating expenses	1,862,781	1,222,239	2,036,410
Road asset rental fee	621,183	617,292	514,590
Completed road cost	998,553	356,612	1,259,863
Management cost	243,041	248,330	261,951
Entrusted business expenses	4	5	5
Loss on expressway operations (-)	- 3,370	- 816	- 3,037
Profit/loss on relevant operations			
Operating revenue	49,109	63,281	256,317
Rest station operation revenue	10,788	10,930	11,087
Revenue from entrusted business	36,476	50,486	243,396
Other income	1,846	1,864	1,833
Operating expenses	47,787	62,388	254,750
Rest station operation cost	9,211	9,563	9,552
Entrusted business expenses	36,467	50,643	243,396
Other operating expenses	2,109	2,182	1,801
Operating profit on relevant operations	1,322	893	1,567
Total operating profit or loss (-)	- 2,048	77	- 1,469
Non-operating revenue	4,136	2,596	317
Non-operating expenses	115	105	1,869
Ordinary profit or loss (-)	1,973	2,568	- 3,021
Extraordinary profits	297	172	-
Extraordinary loss	359	70	-
Net profit or loss before tax	1,911	2,671	- 3,021
Corporate tax, residence tax and enterprise tax	440	510	54
Income taxes-deferred	252	- 1	-
Net profit or loss (-)	1,219	2,162	- 3,075

Notes 1. Components may not add up to the total because of rounding.

2. The income statement includes costs for projects other than those subject to the policy cost analysis.

## (Reference) Financial Statements &lt;Central Nippon Expressway Co. Ltd. &gt;

## Balance Sheet

(Unit: million yen)

Item	End of FY2018 (Result)	End of FY2019 (Estimated)	End of FY2020 (Planned)	Item	End of FY2018 (Result)	End of FY2019 (Estimated)	End of FY2020 (Planned)
<b>(Assets)</b>				<b>(Liabilities and equity)</b>			
Current assets	1,034,042	1,345,673	773,202	Current liabilities	323,792	294,569	285,238
Cash and bank deposits	102,089	71,517	99,684	Accounts receivable for expressway operations	217,062	213,908	170,435
Accounts receivable for expressway operations	87,553	63,457	78,144	Long-term loans to be repaid within a year	354	1,529	893
Accounts receivable	4,590	31,377	4,590	Accrued payments	39,415	16,294	54,311
Short-term loans receivable	152	152	152	Accrued expenses	454	587	641
Road assets in process	787,544	1,128,251	540,761	Accrued corporate tax, etc.	4,053	1,504	162
Prepaid expenses for entrusted business	9,888	8,690	7,640	Inter-line fares received	2,833	2,833	2,833
Other current assets	42,226	42,228	42,230	Advance received for entrusted business	18,487	17,159	15,477
Fixed assets	273,154	285,549	289,595	Advances received	110	110	110
Fixed assets for expressway operations	91,958	94,037	91,495	Provision for bonuses	1,368	1,412	1,412
Tangible fixed assets	88,473	91,448	89,710	Other current liabilities	39,656	39,232	38,962
Intangible fixed assets	3,485	2,589	1,785	Fixed liabilities	769,569	1,119,765	559,301
Fixed assets for relevant operations	143,612	147,828	151,096	Bonds related to road construction	645,168	874,921	202,882
Tangible fixed assets	143,108	147,356	150,700	Long-term borrowings related to road construction	58,490	177,208	283,488
Intangible fixed assets	503	471	396	Other long-term loans payable	7	6	50,006
Common fixed assets for operations	24,762	30,552	33,878	Guarantee fees received	17,673	17,673	17,673
Tangible fixed assets	16,310	16,707	16,769	Reserves for retirement pensions	38,338	39,415	44,784
Intangible fixed assets	8,452	13,845	17,108	Provision for ETC mileage service	8,119	8,119	8,119
Other fixed assets	318	318	318	Other fixed liabilities	1,774	2,422	2,350
Investment and other assets	12,504	12,814	12,808	(Total liabilities)	1,093,361	1,414,333	844,539
Long-term prepaid expenses	1,935	1,933	1,932	Capital stock	214,714	218,155	218,523
Other investment assets	10,569	10,880	10,876	Capital	65,000	65,000	65,000
Deferred assets	880	1,267	265	Capital surplus	71,650	71,650	71,650
				Capital reserves	65,000	65,000	65,000
				Other Capital surplus	6,650	6,650	6,650
				Retained earnings			
				Other retained earnings	78,064	81,505	81,873
				(Reserves for expressway operations)	(14,793)	(19,854)	(19,854)
				(Reserves for anti-seismic measures for overpasses)	(3,000)	(4,200)	(4,200)
				(Reserves for safety measures and service improvement)	(21,009)	(21,009)	(21,009)
				(Reserves for fixed asset compression)	(399)	(385)	(372)
				(Special reserves)	(31,161)	(32,211)	(32,211)
				(Retained earnings brought forward)	(7,703)	(3,845)	(4,227)
				(Total equity)	214,714	218,155	218,523
Total assets	1,308,075	1,632,488	1,063,062	Total liabilities and equity	1,308,075	1,632,488	1,063,062

Notes 1. Components may not add up to the total because of rounding.

2. The balance sheet includes costs for projects other than those subject to the policy cost analysis.

## Income Statement

(Unit: million yen)

Item	FY2018 (Result)	FY2019 (Estimated)	FY2020 (Planned)
Profit/loss on expressway operations			
Operating revenue	1,376,863	1,016,382	1,918,236
Toll revenue	693,438	695,048	639,810
Completed road assets	682,569	320,575	1,278,420
Revenue from entrusted business	1	1	5
Other sales	855	757	-
Operating expenses	1,369,913	1,014,471	1,919,008
Road asset rental fee	501,000	496,934	449,427
Completed road cost	682,569	320,575	1,278,420
Management cost	186,343	196,960	191,154
Entrusted business expenses	1	1	5
Profit or loss on expressway operations	6,950	1,911	-772
Profit/loss on relevant operations			
Operating revenue	53,403	53,159	50,050
Rest station operation revenue	13,812	13,672	13,992
Revenue from entrusted business	37,543	37,660	33,876
Other income	2,048	1,826	2,182
Operating expenses	51,169	51,407	47,709
Rest station operation cost	10,769	11,325	11,548
Entrusted business expenses	37,639	37,660	33,876
Other operating expenses	2,761	2,422	2,285
Operating profit on relevant operations	2,234	1,752	2,341
Total operating profit	9,185	3,663	1,570
Non-operating revenue	1,977	1,444	200
Non-operating expenses	38	25	1,240
Ordinary profit	11,124	5,082	530
Extraordinary profits	6	40	-
Extraordinary loss	540	176	-
Net profit before tax	10,591	4,945	530
Corporate tax, residence tax and enterprise tax	3,230	1,504	162
Income taxes-deferred	-32	-	-
Net profit	7,393	3,441	368

Notes 1. Components may not add up to the total because of rounding.

2. The income statement includes costs for projects other than those subject to the policy cost analysis.

## (Reference) Financial Statements &lt;West Nippon Expressway Co. Ltd. &gt;

## Balance Sheet

(Unit: million yen)

Item	End of FY2018 (Result)	End of FY2019 (Estimated)	End of FY2020 (Planned)	Item	End of FY2018 (Result)	End of FY2019 (Estimated)	End of FY2020 (Planned)
<b>(Assets)</b>				<b>(Liabilities and equity)</b>			
Current assets	1,094,404	1,063,933	1,158,983	Current liabilities	395,478	399,569	325,135
Cash and bank deposits	97,278	259,032	188,992	Accounts receivable for expressway operations	332,122	336,033	265,001
Accounts receivable for expressway operations	94,179	75,261	109,642	Long-term loans to be repaid within a year	1,509	529	529
Accounts receivable	40,217	12,640	24,099	Accrued payments	15,247	15,182	15,182
Short-term loans receivable	30,267	8,267	8,267	Accrued expenses	637	629	666
Securities	158,500	-	-	Accrued corporate tax, etc.	3,503	4,738	-
Road assets in process	646,352	680,818	798,831	Inter-line fares received	5,959	5,959	5,959
Prepaid expenses for entrusted business	3,966	4,268	5,567	Advance received for entrusted business	2,261	2,261	3,559
Other current assets	23,646	23,646	23,586	Advances received	5	5	5
Fixed assets	274,830	291,144	289,857	Provision for bonuses	1,196	1,196	1,196
Fixed assets for expressway operations	134,150	139,300	131,212	Other current liabilities	33,038	33,038	33,038
Tangible fixed assets	127,764	134,285	127,073	Fixed liabilities	788,804	767,604	936,223
Intangible fixed assets	6,387	5,015	4,139	Bonds related to road construction	645,000	610,000	760,000
Fixed assets for relevant operations	92,436	97,007	102,168	Long-term borrowings related to road construction	71,024	84,659	100,417
Tangible fixed assets	92,185	96,914	102,092	Other long-term loans payable	8	8	7
Intangible fixed assets	252	93	76	Guarantee fees received	13,208	13,208	13,208
Common fixed assets for operations	29,175	36,533	38,935	Reserves for retirement pensions	47,405	46,946	49,435
Tangible fixed assets	24,012	30,965	33,327	Provision for ETC mileage service	8,816	8,816	8,816
Intangible fixed assets	5,163	5,568	5,608	Other fixed liabilities	3,343	3,967	4,341
Other fixed assets	397	397	397	(Total liabilities)	1,184,282	1,167,173	1,261,359
Investment and other assets	18,672	17,907	17,145	Capital stock	186,150	188,952	188,700
Long-term prepaid expenses	2,957	2,195	1,433	Capital	47,500	47,500	47,500
Other investment assets	15,715	15,713	15,712	Capital surplus	55,498	55,498	55,498
Deferred assets	1,175	1,024	1,194	Capital reserves	47,500	47,500	47,500
				Other Capital surplus	7,998	7,998	7,998
				Retained earnings			
				Other retained earnings	83,152	85,955	85,703
				(Reserves for anti-seismic measures for overpasses)	(4,000)	(6,139)	(6,139)
				(Reserves for safety measures and service improvement)	(25,176)	(25,176)	(25,176)
				(Special reserves)	(13,792)	(13,128)	(13,128)
				(Retained earnings brought forward)	(40,184)	(41,512)	(41,259)
				Valuation differences and translation adjustments			
				Valuation difference on securities	- 22	- 24	- 24
				(Total equity)	186,128	188,928	188,676
Total assets	1,370,410	1,356,101	1,450,035	Total liabilities and equity	1,370,410	1,356,101	1,450,035

Notes 1. Components may not add up to the total because of rounding.

2. The balance sheet includes costs for projects other than those subject to the policy cost analysis.

## Income Statement

(Unit: million yen)

Item	FY2018 (Result)	FY2019 (Estimated)	FY2020 (Planned)
Profit/loss on expressway operations			
Operating revenue	1,027,028	1,135,714	1,135,431
Toll revenue	782,864	804,876	726,477
Completed road assets	243,322	329,991	408,949
Revenue from entrusted business	1	1	5
Other sales	840	845	-
Operating expenses	1,025,160	1,139,110	1,137,205
Road asset rental fee	560,377	578,481	481,831
Completed road cost	243,322	329,991	408,949
Management cost	221,460	230,637	246,420
Entrusted business expenses	1	1	5
Profit or loss on expressway operations	1,868	- 3,397	- 1,774
Profit/loss on relevant operations			
Operating revenue	19,615	17,970	17,798
Rest station operation revenue	10,684	10,691	10,691
Revenue from entrusted business	7,346	5,788	5,616
Other income	1,585	1,491	1,491
Operating expenses	17,191	16,356	16,182
Rest station operation cost	8,634	9,050	9,050
Entrusted business expenses	7,219	5,790	5,616
Other operating expenses	1,339	1,516	1,516
Operating profit on relevant operations	2,423	1,614	1,616
Total operating profit or loss (-)	4,291	- 1,783	- 158
Non-operating revenue	3,910	6,006	536
Non-operating expenses	237	226	631
Ordinary profit or loss (-)	7,964	3,997	- 252
Extraordinary profits	461	40	-
Extraordinary loss	216	-	-
Net profit or loss before tax	8,208	4,037	- 252
Corporate tax, residence tax and enterprise tax	2,520	1,234	-
Income taxes-deferred	- 1,040	-	-
Net profit or loss (-)	6,728	2,803	- 252

Notes 1. Components may not add up to the total because of rounding.

2. The income statement includes costs for projects other than those subject to the policy cost analysis.