

Japan Overseas Infrastructure Investment Corporation
for Transport & Urban Development

Financial Statements

For the 11th fiscal year
From April 1, 2024 to March 31, 2025

Independent Auditors' Report
(Translation)

May 21, 2025

To the Board of Directors of
Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development

Crowe Toyo & Co.
Tokyo Office
Hideo Asayama
Designated Partner
Engagement Partner
Certified Public Accountant

Takayuki Kawakubo
Designated Partner
Engagement Partner
Certified Public Accountant

<Audit of financial statements, etc.>

Opinion

Pursuant to Article 436 (2) (i) of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet as of March 31, 2025, and the statement of income, the statement of changes in net assets and the related notes, and the supplementary schedules (hereinafter the “financial statements, etc.”) of Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development (hereinafter the “Company”) for the 11th fiscal year from April 1, 2024 to March 31, 2025.

In our opinion, the financial statements, etc. referred to above present fairly, in all material respects, the financial position and the results of operations of the Company for the period, for which the financial statements, etc. were prepared, in accordance with accounting principles generally accepted in Japan.

Rationale for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility with respect to auditing standards is described in “Auditor’s Responsibility in Auditing the Financial Statements, etc.” We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, etc. in Japan, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other information

The other information comprises the Business Report and the accompanying supplemental schedules. Management is responsible for the preparation and disclosure of the other information. The Company Auditor is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the reporting process for the other information.

Our opinion on the financial statements does not cover the other information and we do not express our opinion on the other information.

Our responsibilities for the audit of the financial statements are to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Management and the Company Auditor's Responsibility for the Financial Statements, etc.

Management is responsible for the preparation and fair presentation of the financial statements, etc. in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of the financial statements, etc. that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, etc., management is responsible for assessing whether it is appropriate to prepare the financial statements, etc. with the assumption of a going concern, and in accordance with accounting principles generally accepted in Japan, for disclosing, as necessary, matters related to going concern.

The Company Auditor is responsible for overseeing the Directors' performance of duties within the maintenance and operation of the financial reporting process.

Auditor's Responsibility in Auditing the Financial Statement, etc.

Our responsibilities are to obtain reasonable assurance about whether the financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to express our opinion on the financial statements, etc. in an auditor's report based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these financial statements, etc.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selecting audit procedures to be applied is at the discretion of the auditor. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- In making those risk assessments, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, while the audit objective of the financial statements, etc. is not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used by management and their method of application, as well as the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude on the appropriateness of preparing the financial statements, etc. with the assumption of a going concern by management, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the notes to the financial statements, etc. or, if the notes to the financial statements, etc. on material uncertainty are inadequate, to express an opinion with exceptive items on the financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate whether the presentation and disclosure of the financial statements, etc. are in accordance with accounting principles generally accepted in Japan, the overall presentation, structure and content of the financial statements, etc. including the disclosures, and whether the financial statements, etc. represent the underlying transactions and events in a manner that achieves fair presentation.

We report to the Company Auditor regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also provide the Company Auditor with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

<Fee-related information>

Audit fee and non-audit fee, to our firm and to any party belonging to the same network with our firm, for the Company and its subsidiary for the current fiscal year are 14,100 thousand yen and 600 thousand yen, respectively.

Conflict of Interest

Our firm or the engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Balance Sheet

(As of March 31, 2025)

(Thousands of yen)

Assets		Liabilities and net assets	
(Assets)		(Liabilities)	
Current assets:	203,395,378	Current liabilities:	621,000
Cash and deposits	11,821,359	Accounts payable-Other	55,739
Operational investment securities	189,926,396	Income taxes payable	517,169
Operating loans	7,759,655	Other	48,090
Other	158,088		
Allowance for doubtful accounts	△ 6,270,121		
Non-current assets:	6,638,670	Non-current liabilities:	8,995,720
Property and equipment:	69,456	Deferred tax liabilities	3,991,716
Buildings	93,477	Bonds	5,000,000
Tools, furniture and fixtures	122,154	Other	4,004
Leased assets	17,305		
Accumulated depreciation	△ 163,481	Total liabilities	9,616,721
Investments and other assets:	6,569,214	(Net assets)	
Investment in subsidiaries and associates	6,320,788	Shareholders' equity:	192,745,929
Lease deposits	111,155	Capital stock	142,322,500
Other	137,270	Capital surplus:	142,322,500
Deferred assets:	174,414	Legal capital surplus	142,322,500
Share issuance cost	161,826	Retained earnings:	△ 91,899,070
Bond issuance cost	12,588	Other retained earnings:	△ 91,899,070
		Retained earnings brought forward	△ 91,899,070
		Valuation and translation adjustments	7,845,814
		Valuation difference on available-for-sale securities	7,845,814
		Total net assets	200,591,743
Total assets	210,208,464	Total liabilities and net assets	210,208,464

Amounts of less than 1 thousand yen are rounded off.

Statement of Operations

(From April 1, 2024 to March 31, 2025)

(Thousands of yen)

Operating revenue		7,890,834
Operating expenses		4,110,096
Operating income		3,780,737
Non-operating income		
Interest income	10,464	
Foreign exchange gains	12,384	
Other	337	23,187
Non-operating expenses		
Interest expenses	97	
Amortization of share issuance cost	143,237	
Amortization of bond issuance cost	1,607	
Interest on bonds	34,666	
Loss on disposal of property and equipment	39,550	219,159
Ordinary income		3,584,765
Income before income taxes		3,584,765
Income taxes		3,800
Net income		3,580,965

Amounts of less than 1 thousand yen are rounded off.

Statement of Changes in Equity

(From April 1, 2024 to March 31, 2025)

(Thousands of yen)

	Shareholders' equity				Valuation and translation adjustments	Total net assets
	Capital stock	Capital surplus	Retained earnings	Total shareholders' equity	Valuation difference on available-for-sale securities	
		Legal capital surplus	Other retained earnings			
			Retained earnings brought forward			
Balance at April 1, 2024	137,972,500	137,972,500	△ 95,480,036	180,464,963	7,610,351	188,075,314
Changes of items during period						
Issuance of common stock	4,350,000	4,350,000	-	8,700,000	-	8,700,000
Net income	-	-	3,580,965	3,580,965	-	3,580,965
Net changes of items other than shareholders' equity	-	-	-	-	235,463	235,463
Total changes of items during period	4,350,000	4,350,000	3,580,965	12,280,965	235,463	12,516,428
Balance at March 31, 2025	142,322,500	142,322,500	△ 91,899,070	192,745,929	7,845,814	200,591,743

Amounts of less than 1 thousand yen are rounded off.

Notes to Financial Statements

Amounts of less than 1 thousand yen are rounded off.

1. Significant Accounting Policies

(1) Basis and method of valuation of securities

① Operational investment securities

Securities other than shares, etc. that do not have a market price:

Evaluated by the market value method based on the value at the end of the fiscal year (with the entire amount of valuation differences inserted directly into net assets, and the cost of sales calculated using the moving average method)

Shares, etc. that do not have a market price:

Stated at cost determined by the moving average method

② Investment in subsidiaries and associates

Stated at cost determined by the moving-average method

③ Investments in capital of subsidiaries and associates

Stated at cost determined by the moving-average method

The amounts equivalent to interests of limited partnerships are accounted for on the net amount equivalent to interest regarding to the balance sheet based on the most recent financial statements as of the closing date which is specified in the Partnership Agreement. And the related revenue and cost equivalent to such investments are included in operating revenue and operating expenses in the statement of income, respectively.

(2) Depreciation method of non-current assets

① Property and equipment (excluding leased assets)

Depreciation is provided by the declining-balance method, except for the buildings (excluding building facilities), building facilities and structures acquired on or after April 1, 2016, which are depreciated using the straight-line method.

The useful lives adopted for major assets are as follows:

Buildings: 10 -15 years

Tools, furniture and fixtures: 3-10 years

② Leased assets

Leased assets under finance lease arrangements which do not transfer the ownership of the leased property to the lessee are depreciated to a residual value of zero by the straight-line method using lease period as the useful life.

(3) Amortization method of deferred assets

① Share issuance cost

Share issuance cost is amortized by the straight-line method over 3 years.

② Bond issuance cost

Bond issuance cost is amortized by the straight-line method over redemption period.

(4) Accounting for provisions

① Allowance for doubtful accounts

To prepare for potential losses from uncollectible receivables, the recoverability of each receivable is individually assessed, and an estimated amount deemed uncollectible is recorded.

② Provision for bonuses

For payment of employees' bonuses, provision is provided for the portion of the total anticipated bonuses that is attributable to the fiscal year.

③ Provision for retirement benefits

To prepare for employees' retirement benefits to employees, the Company records an amount calculated based upon the estimated retirement and severance benefit obligations at the end of the fiscal year.

The estimated retirement and severance benefit obligations is calculated based on the simplified method.

2. Notes to accounting estimates

Valuation of operational investment securities, operating loans, and investments in subsidiaries and associates

① Amounts recorded on the financial statements for the current fiscal year

(Thousands of yen)

Operational investment securities (Shares, etc. that do not have a market price)	184,830,613
Operating loans	7,759,655
Allowance for doubtful accounts	△6,270,121
Investment in subsidiaries and associates	6,320,788

② Information on the content of significant accounting estimates for identified items

Operational investment securities and Investment in subsidiaries and associates consist of both marketable and non-marketable equity securities. In valuation of stocks, etc., when the business condition of the investee deteriorates or excess earning power decreases, etc., the recoverability of fair value of stocks, etc. and recovery amount in operating loans are estimated in accordance with the business plan of the investee, etc.

The estimate may be affected by future unpredictable changes in economic condition, etc. and it may have a significant impact on the financial statements when revise is required in the business plan of the investee, etc.

3. Notes to balance sheet

(1) Assets pledged as collateral

The Company provide collateral for the loans of the investee.

The investee: Japan Airport Management Partners Co., Ltd.

Total amount of collateral US\$2,200,000

Collateral: Operational investment securities US\$2,200,000

(2) Loan guarantee liabilities

The Company provides guarantees to financial institutions, etc. of its investees.

The investee: Thi Vai International Port Company Ltd.

Total amount of guarantees provided: US\$750,000

Amount of guarantee: US\$408,800

The investee: PT Indonesia International Automotive Proving Ground

Total amount of guarantees provided: IDR588,000,000,000

Amount of guarantee: IDR588,000,000,000

In addition to the above, completion guarantees are provided to the following investees.

The investee: PT Indonesia International Automotive Proving Ground

Total amount of guarantees provided: IDR17,982,019,359

The investee: KYP Investment Ptd. Ltd.

Total amount of guarantees provided: US\$115,000,000

Amount of guarantee: Not applicable

The investee: Al Bihouth Waste To Energy Developer Holding Co Ltd

Total amount of guarantees provided: US\$17,717,868.43

Amount of guarantee: US\$16,126,626.98

Furthermore, guarantees have also been provided in relation to interest rate swap transactions.

The investee: Al Bihouth Waste To Energy Developer Holding Co Ltd

Total amount of guarantees provided: US\$17,699,062

4. Notes to statement of operations

There are no items to be disclosed.

5. Notes to statement of changes in equity

Class and number of shares at the end of the fiscal year:

Common stock 5,692,900 shares

6. Notes to taxes effect accounting

Deferred tax assets consist mainly of net operating loss carryforwards and accrued enterprise taxes, with full valuation allowance. Deferred tax liabilities consist of valuation difference on available-for-sale securities.

7. Notes to financial instruments

(1) States of financial instruments

① Management policy on financial instruments

The Company conducts investment and loan activities based on the standards stipulated in the Act on Japan Overseas Infrastructure Investment Corporation for Transport & Urban Development. To conduct investment and loan activities, the Company raises the necessary funds by equity capital and issuance of Government-Guaranteed Bonds. Regarding fund management, the Company invests only in short-term deposits to secure liquidity and safety of funds.

② Features and risks of financial instruments

The Company holds financial instruments. Cash and deposits is short-term and there is no risk of fluctuations in market prices. Operational investment securities and investment in subsidiaries and associates held by the Company are stocks and exposed to credit risk of the investees, listed stocks are exposed to market price risk and unlisted stocks, etc. are exposed to liquidity risk. Operational investment securities, operating loans and investment in subsidiaries and associates which are denominated in foreign currencies are exposed to the risk of exchange fluctuations. Operating loans are exposed to credit risk of the borrowers.

Bonds are issued to fund investments and loans to investees with a 10-year term, fixed interest rate, and lump-sum repayment of principal.

③ Risk management of financial instruments

i) Management of liquidity risk to financing

The Company controls liquidity risks by monitoring deposits and payments and preparing the statement of cash positions regularly.

ii) Management of market risk

Continuous monitoring is conducted on market prices and issuers' business conditions for operational investment securities issued by listed companies.

iii) Management of market price risk and issuers' credit risk

The market value and business condition of investees are monitored on both a continuous and regular basis, in order to enable early identification of any deterioration in financial condition or delays in business plans.

iv) Management of exchange fluctuation risk to operational investment securities, operating loans, investment in subsidiaries and associates and investments in capital of subsidiaries and associates which are denominated in foreign currencies.

The Company controls exchange fluctuation risks regarding operational investment securities, operating loans, investment in subsidiaries and associates and investments in capital of

subsidiaries and associates which are denominated in foreign currencies by continuously monitoring exchange rate fluctuations.

(2) Fair value of financial instruments

Book value, fair value and the difference between them as of March 31,2025 are as follows.

(Thousands of yen)

Accounting classification (*1)	Book value	Fair value	Difference
Operational investment securities (*2)	5,095,782	5,095,782	—
Operating loans	7,759,655	7,759,655	—
Allowance for doubtful accounts (*3)	△6,270,121	△6,270,121	—
	1,489,534	1,489,534	—
Total assets	6,585,317	6,585,317	—
Bonds (*4)	5,000,000	4,628,153	371,847
Total liabilities	5,000,000	4,628,153	371,847

(*1) Disclosure related to cash and deposits is omitted because these items are settled in a short period and their fair values approximate their book values.

(*2) Shares, etc. that do not have a market price are not included in operational investment securities. Balance sheet amount of such financial instruments are as follows.

The fair value of investments in partnerships and other similar entities that are recorded on the balance sheet at a net amount equivalent to the Company's ownership interest is not disclosed in accordance with Article 24-16 of "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Guidance No. 31, June 17, 2021). Balance sheet amount of such investments are 3,663,505 thousand yen.

(Thousands of yen)

Accounting classification	Book value
Unlisted stocks	181,167,108

(*3) Book value of operating loans is presented net of the individually recorded allowance for doubtful accounts. The fair value is calculated by deducting the estimated amount of uncollectible accounts from the book value as of the balance sheet date.

(*4) Balance sheet amount and fair values of bonds are 5,000,000 thousand yen and 4,628,153 thousand yen respectively and the difference between them is △371,847 thousand yen. The fair values of bonds are calculated by the present value based on the sum of principal and interest as discounted by the risk free rate because bonds are guaranteed by the Japanese government.

8. Notes to related party transactions

The Company directors and principal shareholders, etc.

(Thousands of yen)

Attribution	Name	Percentage of voting rights ,etc.	Relationship	Nature of transactions	Transaction amounts	Accounting classification	Year-end balance
Principal shareholder	Minister of Finance	Owned directly 97.91%	Investments in capital	Investments in capital (Note1)	8,700,000	—	—
			Guarantee of debt	Debt guarantees on bonds (Note2)	5,000,000	—	—

(Note 1) Minister of Finance acquired shares issued by the Company in the amount of ¥50 thousand per share.

(Note 2)The Company receive debt guarantees for its corporate bonds, and the transaction amount is the unredeemed balance(face value) of the corporate bond at the end of the period. No guarantee fees are paid.

9. Notes to per share information

Net assets per share ¥35,235.42

Net income per share ¥633.21