

Overseas Expressway Business By JEXWAY

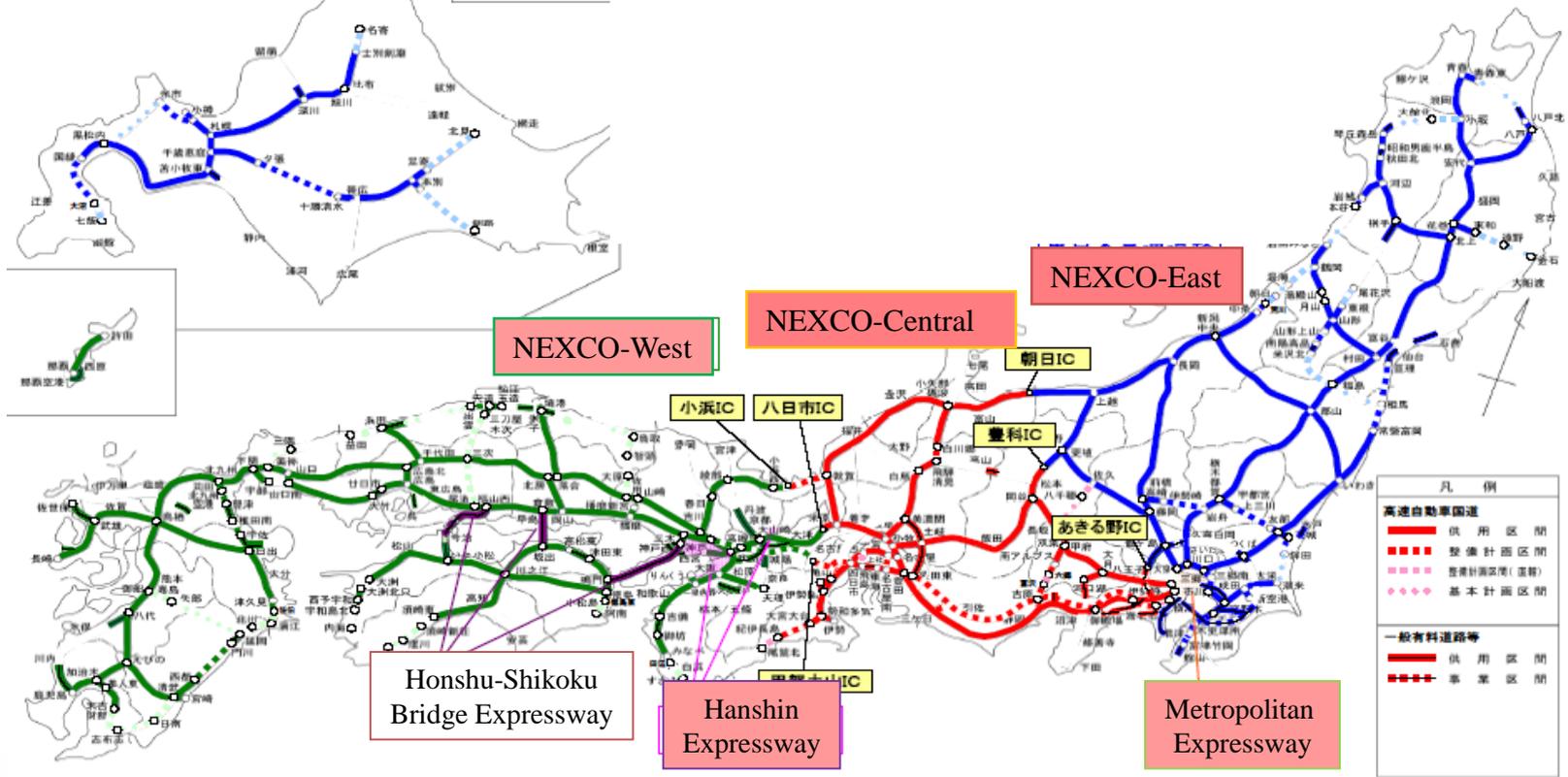
Oct. 28, 2015

**Hiroshi SAITO
JEXWAY**

(Japan Expressway International Company Limited)

Expressway Network and Expressway Companies

After 50 years from the completion of the first section of the expressway network, its total length reached about 9,900km. Now, six companies operate and manage the expressway network and, about 10 million vehicles use it per day.



※In 2005, the former four expressway public corporations were reorganized into six new companies.

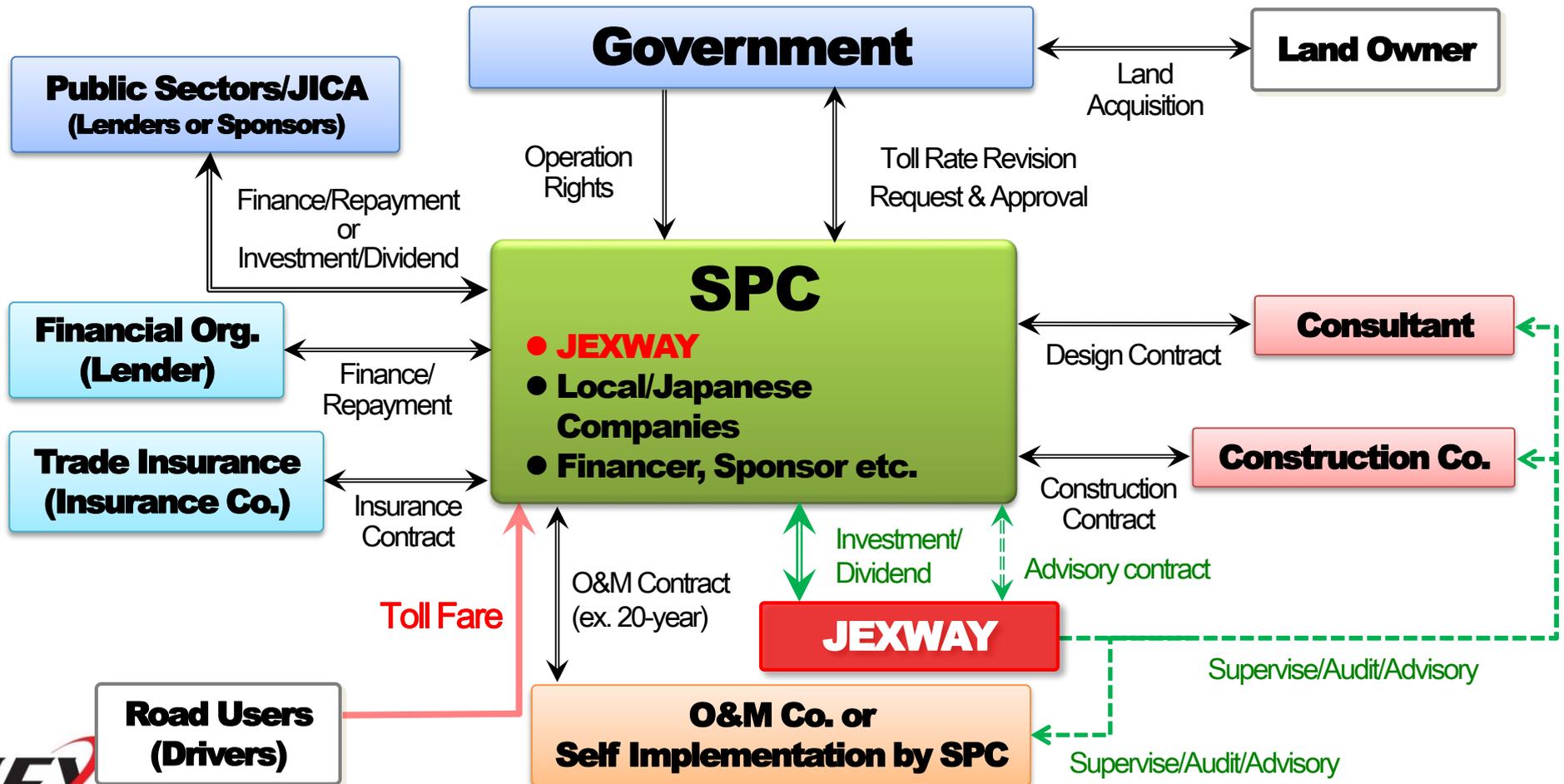
What is JEXWAY?

Working Structure Surrounding JEXWAY



What is JEXWAY?

An Example of Project Stakeholders Relationship



Participation in Projects



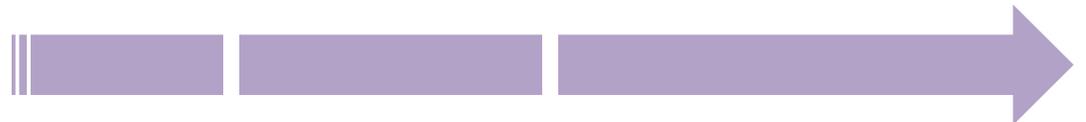
- Sponsor & SPC Member of PPP Green Field Project



- Sponsor & SPC Member of PPP Brown Field Project
- O&M Contractor



- Minor Sponsor
- Advisor, Consultant

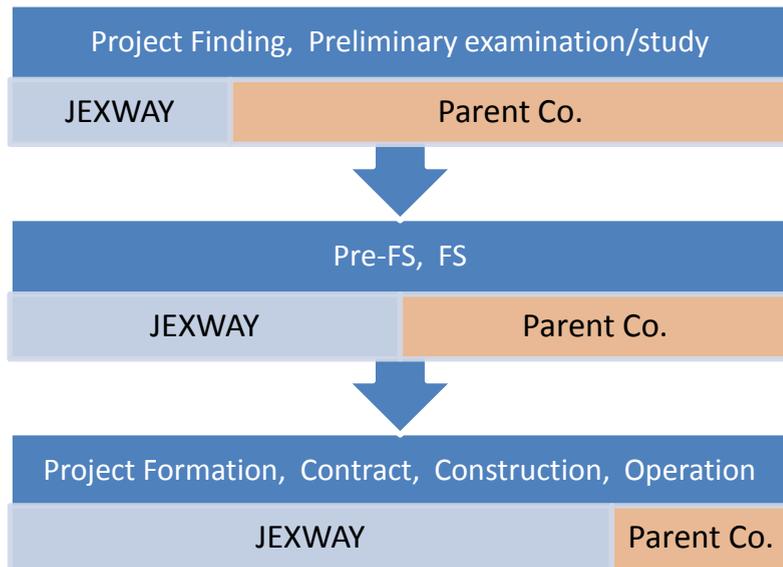


Cooperation with Parent Companies

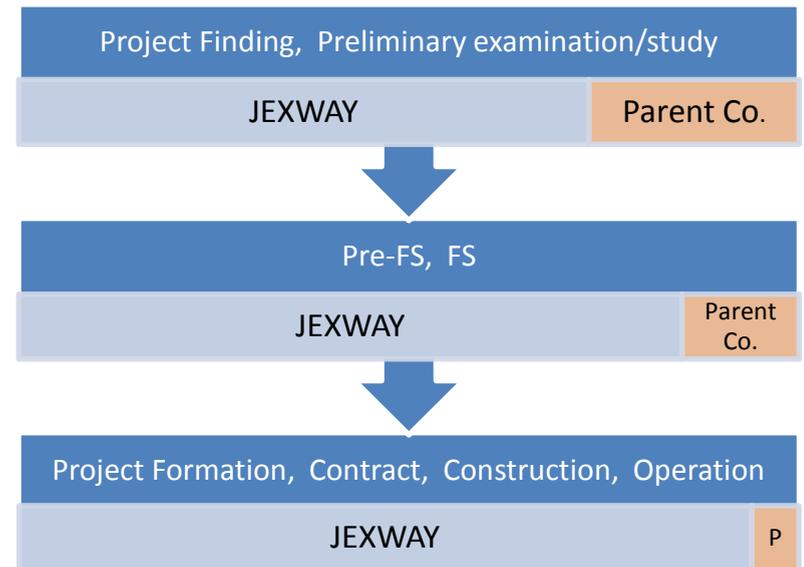
【Basic Demarcation between JEXWAY and Parent Companies】

- JEXWAY : **Investment** and related business
- Parent Co. : International cooperation and contribution , Technical consulting business, Supporting JEXWAY

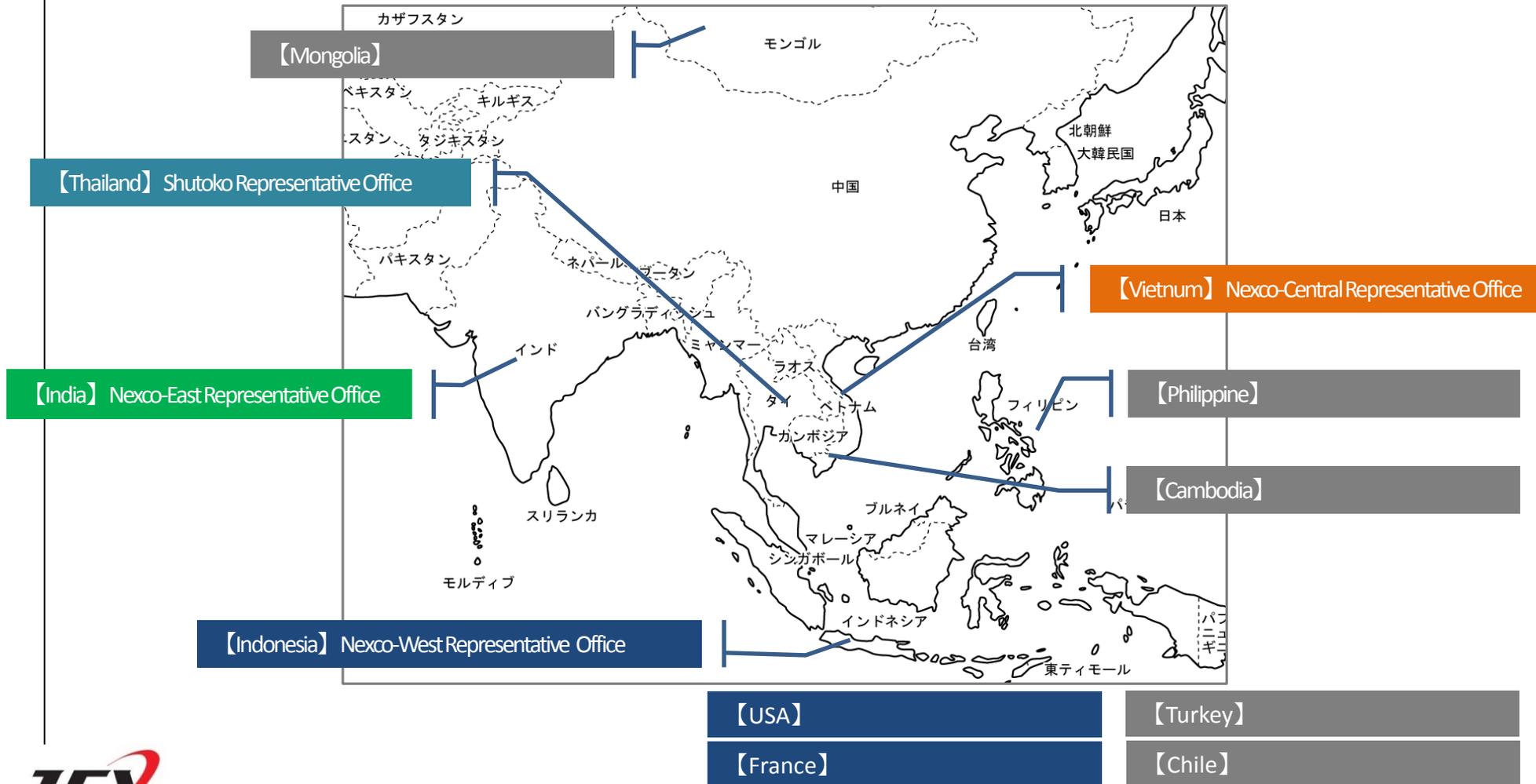
Current Work Sharing



Future Work Sharing



Studied Projects



MOU between Foreign Gov. and JEXWAY

JEXWAY entered into MOU with



The Ministry of Public Works and Transport (MPWT) of the Kingdom of Cambodia on July 19th, 2012.



The Ministry of Construction (MOC) of the Republic of the Union of Myanmar on December 10th, 2012.

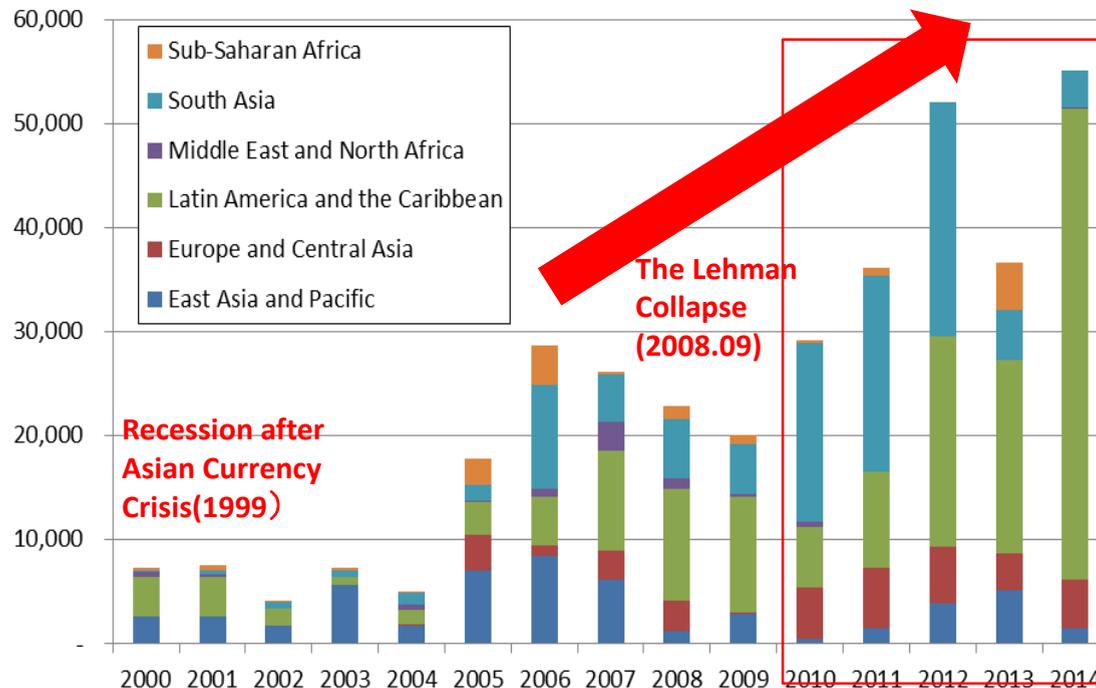


The Republic of the Philippines Department of Public Works and Highways (DPWH) on May 10, 2012.

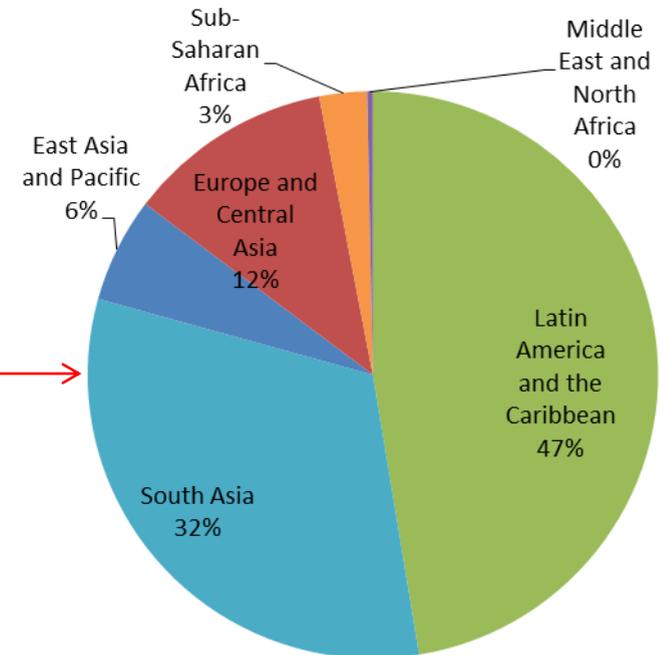
Private Participation in Infrastructure (PPI) in low- and middle-income countries

- Investment in Transportation sector of PPI has been showing an increasing trend since 2005 except for the Lehman Collapse time.
- 47% of Investment of PPI goes to Latin America and the Caribbean countries and 38% of it goes to Asian countries in the last 5 years.

(Million USD) **PPI Trends in Transportation Sector by Region**



Investment Ratio by Region from 2010 to 2014

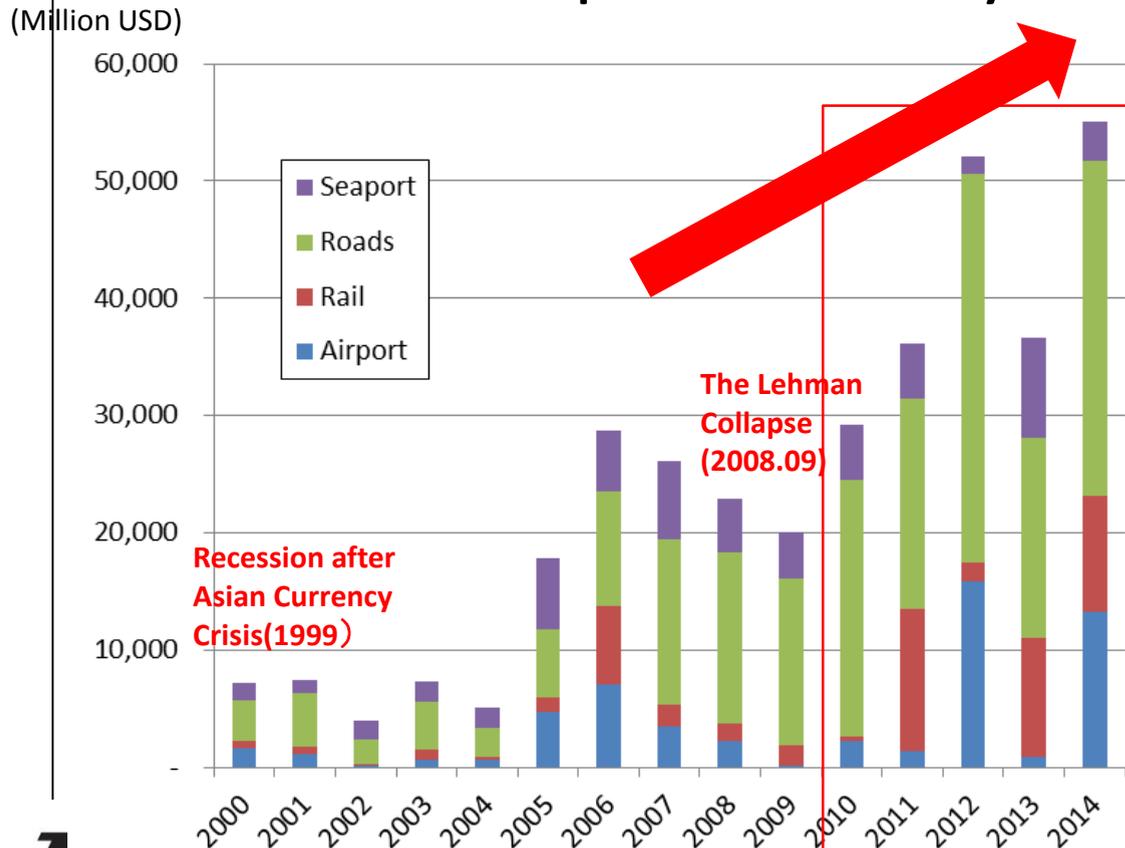


Source : World Bank PPI Database

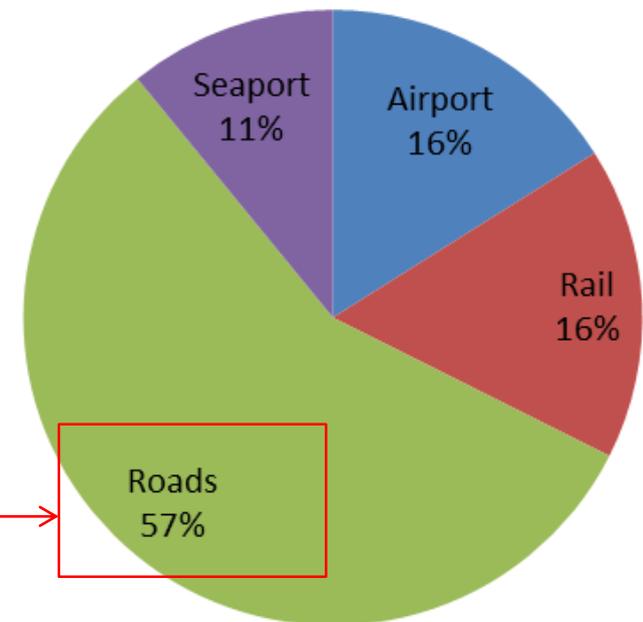
Private Participation in Infrastructure (PPI) in low- and middle-income countries

■ Road sector amounts for 57% of all investment in transportation sector.

PPI Trends in Transportation Sector by Subsector



Investment Ratio by Subsector from 2010 to 2014



Source : World Bank PPI Database

Index of Environment for PPP in Asia-Pacific (Infrascopes Index commissioned by ADB)

Rank	County/State	Overall Score	1.Regulatory framework	2.Institutional framework	3.Operational maturity	4.Investment Climate	5.Financial Facilities	6.Sub-national adjustment
1	Australia	91.8	100.0	100.0	60.2	90.5	94.4	100.0
2	UK	88.1	96.9	100.0	64.0	84.0	94.4	75.0
3	Korea	78.8	90.6	83.3	74.5	66.3	88.9	50.0
4	Japan	75.8	65.6	66.7	64.7	86.5	88.9	100.0
5	India	70.3	65.6	66.7	87.5	60.8	72.2	75.0
6	Gujarat State	68.0	65.6	66.7	61.2	82.8	77.8	50.0
7	Philippines	64.6	68.8	66.7	54.5	75.3	63.9	50.0
8	China	55.9	34.4	33.3	75.8	78.3	66.7	75.0
9	Indonesia	53.5	46.9	58.3	51.6	57.6	58.3	50.0
10	Thailand	50.4	34.4	50.0	58.1	59.3	61.1	50.0
11	Pakistan-Sindh prov.	49.9	43.8	50.0	53.6	70.0	36.1	50.0
12	Bangladesh	49.3	43.8	50.0	51.5	73.8	47.2	25.0
13	Kazakhstan	41.4	37.5	41.7	15.7	70.0	55.6	25.0
14	Pakistan	41.0	43.8	33.3	42.5	49.3	30.6	50.0
15	Mongolia	39.7	43.8	50.0	18.8	59.3	30.6	25.0
	. . .							
18	Vietnam	33.1	25.0	25.0	39.8	55.6	33.3	25.0



Mature



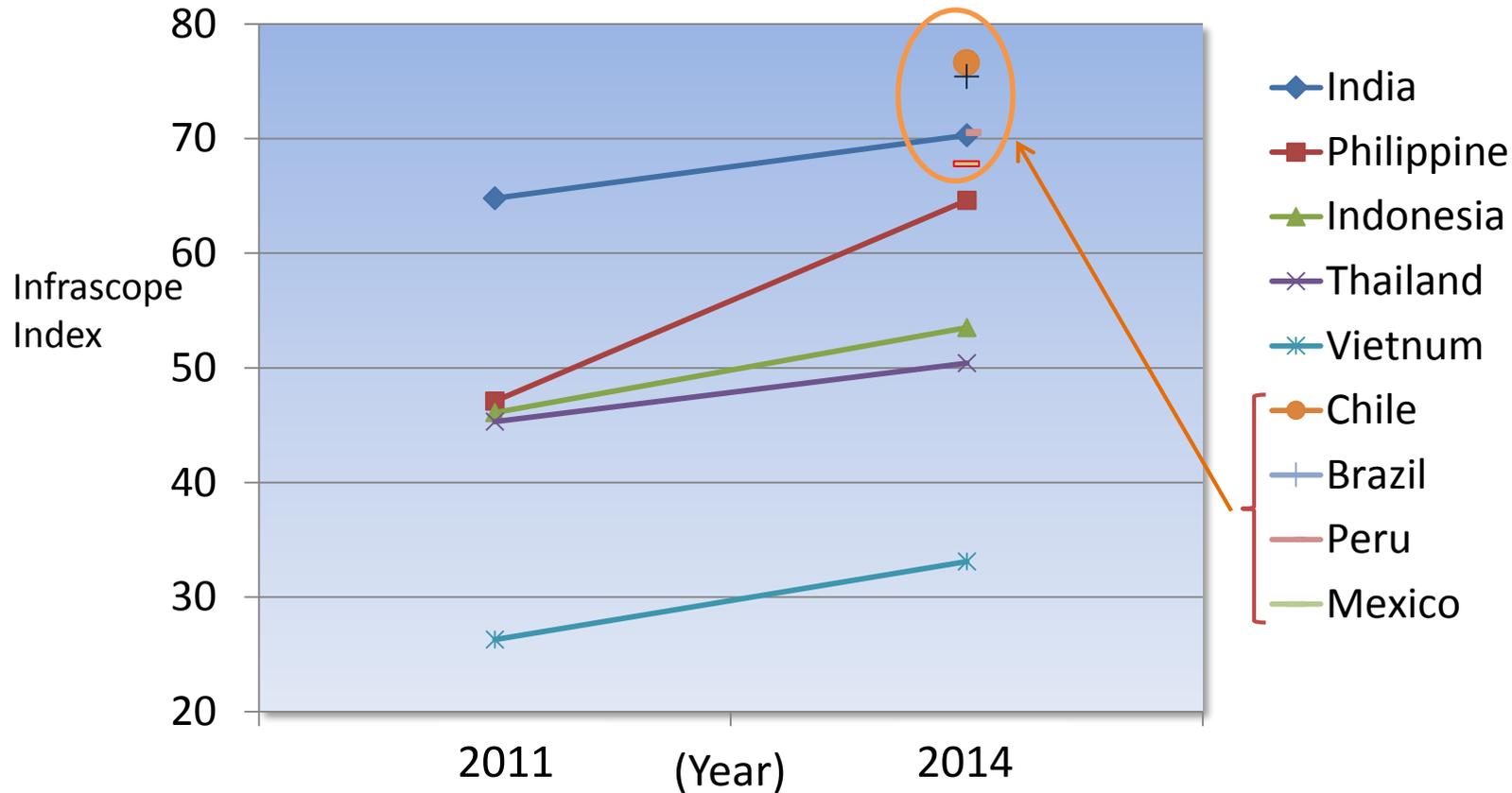
developed



Emerging

Trend of Infrascopie Index

■ Infrascopie index of Asian countries has been improved, but is not enough.



Ease of Doing Business Index (189 countries)

Country	Rank	Starting a Business	Dealing with Construction Permits	Getting Electricity	Registering Property	Getting Credit	Protecting Minority Investors	Paying Taxes	Trading Across Borders	Enforcing Contracts	Resolving Insolvency
Singapore	1	6	2	11	24	17	3	5	1	1	19
Korea	5	17	12	1	79	36	21	25	3	4	5
Malaysia	18	13	28	27	75	23	5	32	11	29	36
Taiwan	19	15	11	2	40	52	30	37	32	93	18
Thailand	26	75	6	12	28	89	25	62	36	25	45
Japan	29	83	83	28	73	71	35	122	20	26	2
Vietnam	78	125	22	135	33	36	117	173	75	47	104
China	90	128	179	124	37	71	132	120	98	35	53
Philippine	95	161	124	16	108	104	154	127	65	124	50
Indonesia	114	155	153	78	117	71	43	160	62	172	75
Cambodia	135	184	183	139	100	12	92	90	124	178	84
India	142	158	184	137	121	36	7	156	126	186	137

Source : World Bank Group, "Doing Business 2015 Going Beyond Efficiency"

JEXWAY's Achievement : Bintaro-Serpong Toll Road

Republic of Indonesia



■ Bintaro-Serpong Toll Road

Bintaro-Serpong toll road is located in Jakarta, Indonesia, and radiates out from Jakarta Outer Ring Road and connects newly developed Serpong area with the central area. This project is the real-toll type project.

■ Outline of the road

Length : 7.25km
No. of lane : 6 lanes (2 direction × 3 lanes)
No. of IC : 2
No. of parking area : 1
Ave. traffic volume : 80,772 vehicle/day (2014)

JEXWAY's Achievement : Bintaro-Serpong Toll Road

■ Outline of Concession

Concesionaire : PT Bintaro Serpong Damai

Scope : Funding, Technical Planning, Construction, Operation and Maintenance

Start of Construction : 1996

Start of Operation : 1999

Concession Period : untill 2028

■ JEXWAY's Participation

JEXWAY and Nexco-West took over 4.18% stake in PT Bintaro Serpong Damai in December 2014.

JEXWAY 13,246 shares (2.93%)

NEXCO-W 5,654 shares (1.25%)



Findings from the Past Studies

■ JEXWAY has been conducted many F/S, pre F/S and internal examination for overseas PPP projects and negotiated with the various organizations for investment.

Identified difficulties in investment in overseas PPP projects

- ① High hurdles for participating in the green field projects in Asian countries;
Lack of understanding for project finance and PPP
Insufficient legal and institutional framework
- ② For brown field projects, the multiple ways of participation are assumed.
Especially, technical contribution is high potential.
- ③ For project finding and project formation, continuous communication and good relationship with the on-site organization are important.
- ④ JICA Private Sector Investment Finance(PSIF) which is our main tool for project participation is not always attractive.
- ⑤ JEXWAY has limited investment targets and speed because of limited financial resource and approval from parent companies.

JEXWAY's Direction of Investment in Oversea PPP Project

Investment in Brown Field Projects in PPP Advanced Countries

■ Participate in brown field projects in PPP advanced countries where legal and institutional framework and PPP market environment are developed, and obtain track records and experience.

Investment in Brown Field Projects in PPP Developing Countries

■ Participate in brown field projects which are small and mature.

✧ JEXWAY cooperates with reliable local or international partner and participates projects in which we can use not only experienced O&M technology but also advanced technology of Japanese expressway for future business development.



Investment in Green Field Projects in PPP Developing Countries

■ Evaluate PPP policy, related laws and markets of developing countries and participate in green field project in PPP developing countries with the know-how obtained from brown field projects.

**Thank You Very Much
For Your Attention**