

FY03/2022 Financial Results Briefing

May 19, 2022

Building the future on new foundations



TOKYU CONSTRUCTION

Overview of FY03/2022 Financial Results

FY03/2022 Financial Results Briefing

Performance Variance Analysis (FY03/22 Full-Year Results)



【Consolidated】	FY03/2022				A-B		2021/11/8		2022/5/12		(Millions of yen)	
	A		B				Factor(1)	Factor(2)	Factor(3)	Factor(4)		
	Results	Ratio	Forecast	Ratio	Difference	Pt	Individual Factor	Other changes	Individual Factor	Other changes		If factor (1)(3) were excluded
Net Sales	258,083		285,000		(26,916)		0	(18,000)	0	(8,916)		
Operating Income	(6,078)	(2.4%)	7,000	2.5%	(13,078)	(4.9pt)	(10,250)	(350)	(3,700)	1,222		
【Non-Consolidated】	Results	Ratio	Forecast	Ratio	Difference	Pt	Amount	Amount	Amount	Amount	Amount	Ratio
Net Sales	243,025		267,000		(23,974)		—	(17,000)	—	(6,974)	243,025	
Civil engineering	56,886		69,800		(12,913)		—	(5,600)	—	(7,313)	56,886	
Building construction	184,407		195,500		(11,092)		—	(11,400)	—	308	184,407	
Real estate	1,731		1,700		31		—	0	—	31	1,731	
Gross profit	8,108	3.3%	21,600	8.1%	(13,491)	(4.8pt)	(10,250)	(50)	(3,700)	508	22,058	9.1%
Civil engineering	(3,530)	(6.2%)	6,900	9.9%	(10,430)	(16.1pt)	(6,750)	(1,550)	(1,400)	(730)	4,619	8.1%
Building construction	13,132	7.1%	13,900	7.1%	(767)	0.0pt	(3,500)	1,500		1,232	16,632	9.0%
Real estate	(1,492)	(86.2%)	800	47.1%	(2,292)	—pt	0	0	(2,300)	8	807	46.7%

Factor(1) 11/8 Individual Factor

- ✓ Recorded estimated losses related to the “defective ends of piles” disclosed on July 26, 2021
- ✓ Recorded estimated costs of removing temporary structures for civil engineering projects that were delivered in prior years
- ✓ Estimated an increase in repair costs for construction defects in some building construction projects that were delivered in prior years

Factor(2) 11/8 Other changes

- ✓ Net sales impacted by lower completed construction sales due to delays in order receipt and the progress of some construction projects
- ✓ Decline in gross profit of civil engineering due to a decrease in completed construction sales, lower profit margin of railway civil engineering, and the impact of overseas construction
- ✓ Increase in gross profit of building construction due to the reduction of construction costs through the ingenuity of construction management, additional orders obtained, etc.

Factor(3) 5/12 Individual Factor

- ✓ An estimated loss was recorded because a cost increase was expected due to delays in some overseas projects.
- ✓ A loss in the Real Estate Business was newly estimated due to a likely cost increase for a development project that has been carried out for years.

Factor(4) 5/12 Other changes

- ✓ The decrease in net sales is attributed to delayed receipt of orders for domestic projects of the Civil Engineering Business as well as delays in some construction projects.
- ✓ The decrease in the gross profit by the Civil Engineering Business is attributed to decreased completed construction sales.
- ✓ Increase in gross profit of building construction due to the reduction of construction costs through the ingenuity of construction management, additional orders obtained, etc.

Preventing the Recurrence of Construction Defects, etc.



“Notice Concerning Revisions to Full-year Forecast” (November 8, 2021)

“Defective Ends of Piles for an Ongoing Construction Project (follow-up report)” (November 18, 2021)

- ✓ Recorded estimated losses related to “Defective Ends of Piles for an Ongoing Construction Project” (announced on July 26, 2021)
- ✓ The internal examination committee with third party member examined the “discrepancy between the records of piling work and the investigation results,” which was discovered in the process of investigating the cause of the defective ends of piles as announced on July 26, 2021. As a result, it was found that some project site workers had falsified the record table for concrete placing, etc.
- ✓ Recorded estimated costs of removing temporary structures for civil engineering projects that were delivered in prior years
- ✓ Estimated an increase in repair costs for construction defects in some building construction projects that were delivered in prior years

Causes and Background

- ✓ Lack of understanding about the particular construction specs
- ✓ Age-wise-polarized engineers at worksites; lack of appropriate management over the construction works; and low responsibility and ethical awareness about quality management
- ✓ Insufficient support from HQ/branches to quality management and worksites

Prevention of recurrence

Accountability clarification

- Voluntary return of remuneration by Directors and Executive Officers

Improvement of construction quality management system (Civil Engineering)

- Review/Revision of the distribution of engineers at worksites
- Assignment of personnel who take charge of quality management
- Reinforcement of support from HQ/branches to worksites
(Creation of a quality management section, enhancement of manpower and technical support at peak times, etc.)
- Review/Revision of training programs to improve the competence of junior employees and rapidly develop their skills

Information sharing & Improvement of training programs for worksite engineers

- Speeding up the sharing of information about defects, etc.; and introduction of our whistle-blowing system by more of our subcontractors to enhance our multiple-angled check-and-balance
- Reform/Reinforcement of leadership skills; and review/revision of training programs and job rotation to improve project management capabilities

Reforming corporate culture

- Compliance education for all officers and employees
- Launch of measures that make communications more frequent and effective
- **Of remuneration for directors, the portion of variable compensation, which is linked to short-term performance, has not been paid to them in FY03/2023.**

Business environment

- Demand was strong by and large, with public-service projects emerging toward the government's goal of "Building National Resilience" and with private-sector projects (large-scale distribution warehouses, data centers, residence buildings for investment purposes in the metropolitan area, factories, and hotels) also on the rise, if not entirely.
- Prices for equipment and materials kept rising, and competitive environment remained severe.

Full-Year Results

- | | |
|-------------------------|----------------------------------------------------------------|
| Non-consolidated orders | : 274,663million yen
(FY2021:306,633million yen,-10.4% YoY) |
| Net Sales | : 258,083million yen
(FY2021:231,483million yen,11.5% YoY) |
| Gross Profit | : 9,716million yen
(FY2021:18,170million yen,-46.5% YoY) |
| Gross Profit Margin | : 3.8%
(FY2021:7.8%,-4.0pt YoY) |
| Operating Income | : -6,078million yen
(FY2021:3,549million yen) |
- Non-consolidated orders fell 10.4% year on year. Progress against the full-year forecast increased by 6.9%.
 - Consolidated net sales increased due to orders obtained in the previous fiscal year in building construction.
 - Gross profit fell sharply due to the recording of estimated losses resulting from individual factors.
 - Operating income decreased significantly due to lower gross profit.

Financial conditions

- Equity capital was 92,490million yen, Equity ratio was at 38.9%, a decline of 6.5 percentage points compared to March 31, 2021
- The dividend for the year was revised to 25 yen per share in light of the significant net loss for the fiscal year under review.

FY03/22 Full-Year Results (Consolidated)



The Company's non-consolidated orders fell 10.4% year on year but exceeded the initial forecast.

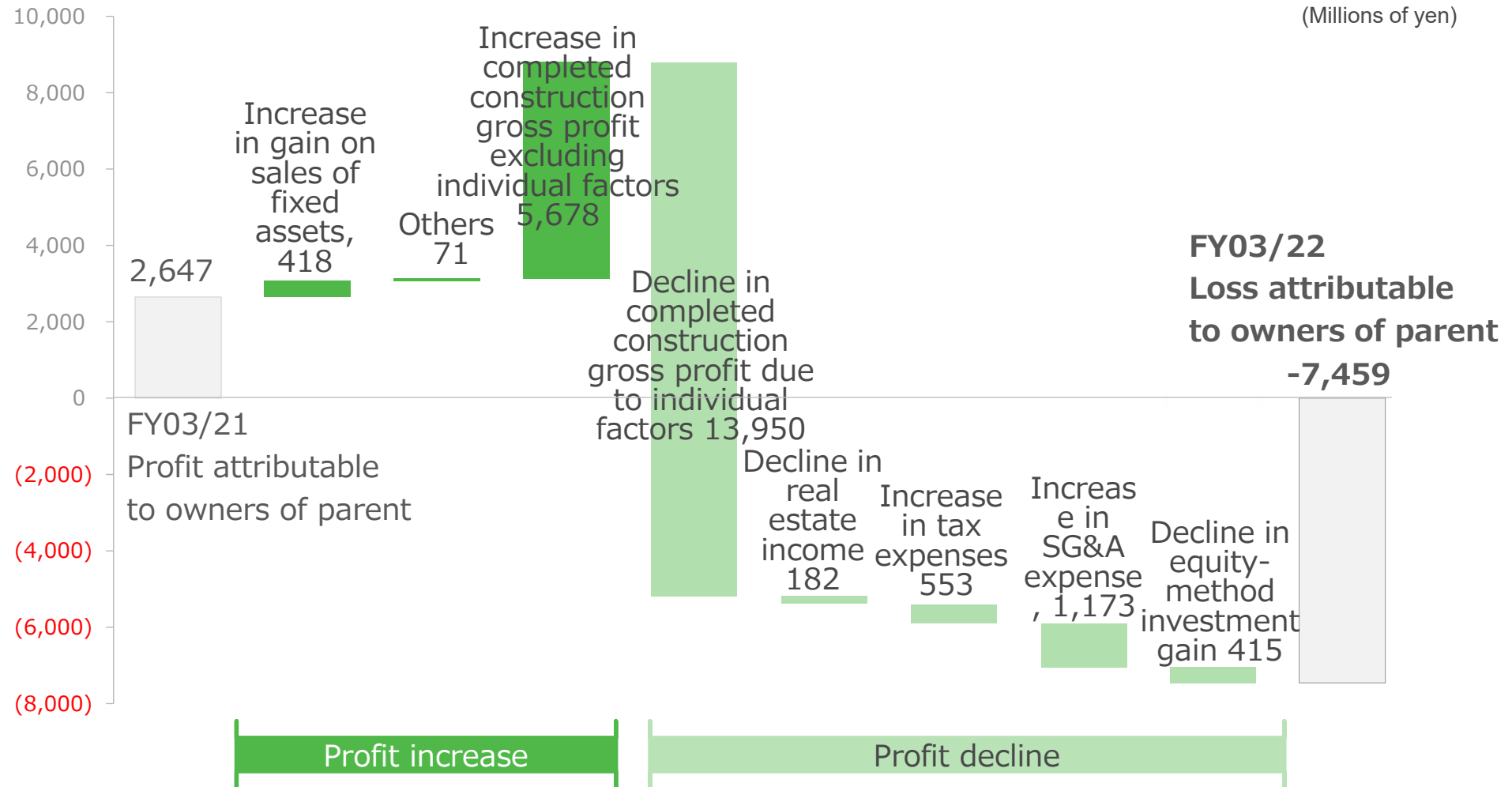
Although net sales rose due to an increase in completed construction sales, profit dropped significantly due to the recording of losses reflecting individual factors.

(Millions of yen)

Items	FY03/21	Ratio	FY03/22	Ratio	Difference compared to previous year	Rate of change
Orders(non-consolidated)	306,633	-	274,663	-	(31,969)	(10.4%)
Net Sales	231,483	-	258,083	-	26,599	11.5%
Gross profit	18,170	7.8%	9,716	3.8%	(8,454)	(46.5%)
Selling, general and administrative expenses	14,620	6.3%	15,794	6.1%	1,173	8.0%
Operating income	3,549	1.5%	(6,078)	(2.4%)	(9,627)	—
Ordinary income	4,891	2.1%	(5,132)	(2.0%)	(10,023)	—
Profit (loss) attributable to owners of parent	2,647	1.1%	(7,459)	(2.9%)	(10,106)	—

Factors Affecting Net Income (Consolidated)

Completed construction gross profit significantly decreased due to individual factors



FY03/22 Full-Year Results (Non-Consolidated)



Although net sales rose due to an increase in completed construction sales in building construction, profit dropped significantly owing to individual factors. Real estate saw profit come under pressure due to deteriorating revenue from major development projects undertaken from the previous fiscal year.

(Millions of yen)

Items	FY03/21	FY03/22		Difference compared to previous year	Rate of change
		Results	Ratio		
Completed construction sales	214,560	241,294	100%	26,733	12.5%
Civil engineering	75,568	56,886	23.6%	(18,682)	(24.7%)
Building construction	138,991	184,407	76.4%	45,415	32.7%
Completed construction gross profit	17,854	9,601	4.0%	(8,252)	(46.2%)
Civil engineering	6,031	(3,530)	(6.2%)	(9,562)	—
Building construction	11,822	13,132	7.1%	1,309	11.1%
Real estate sales	1,684	1,731	-	47	2.8%
Real estate gross profit	(1,336)	(1,492)	(86.2%)	(155)	—
Net sales	216,245	243,025	-	26,780	12.4%
Gross profit	16,517	8,108	3.3%	(8,408)	(50.9%)
Selling, general and administrative expenses	14,043	14,984	6.2%	940	6.7%
Operating income	2,474	(6,875)	(2.8%)	(9,349)	—
Ordinary income	3,054	(6,314)	(2.6%)	(9,368)	—
Net income	1,262	(7,494)	(3.1%)	(8,757)	—



Completed construction sales・Completed construction gross profit (Non-Consolidated / Civil engineering)



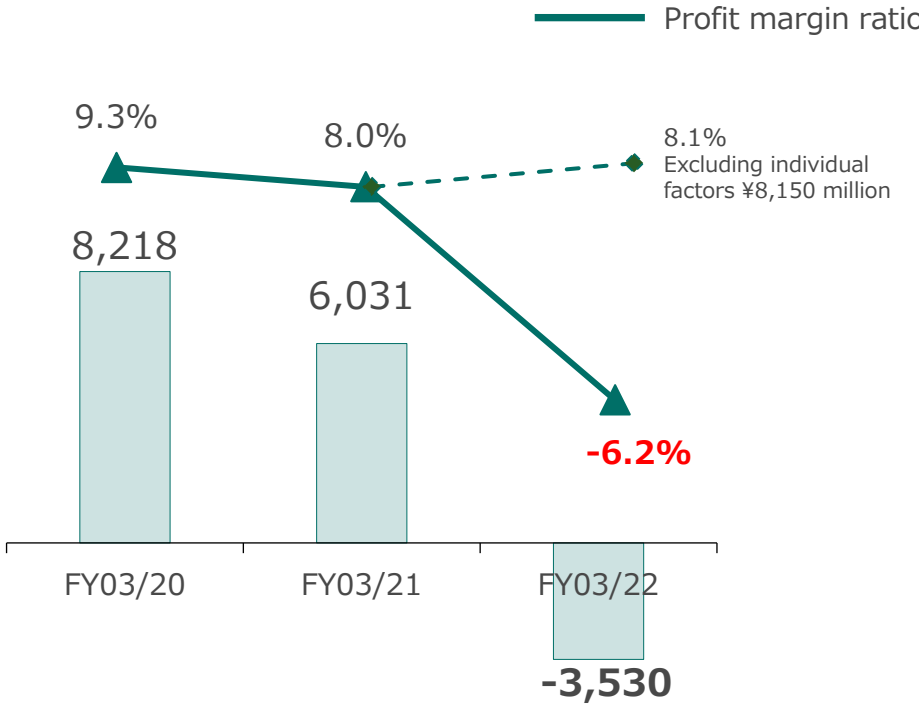
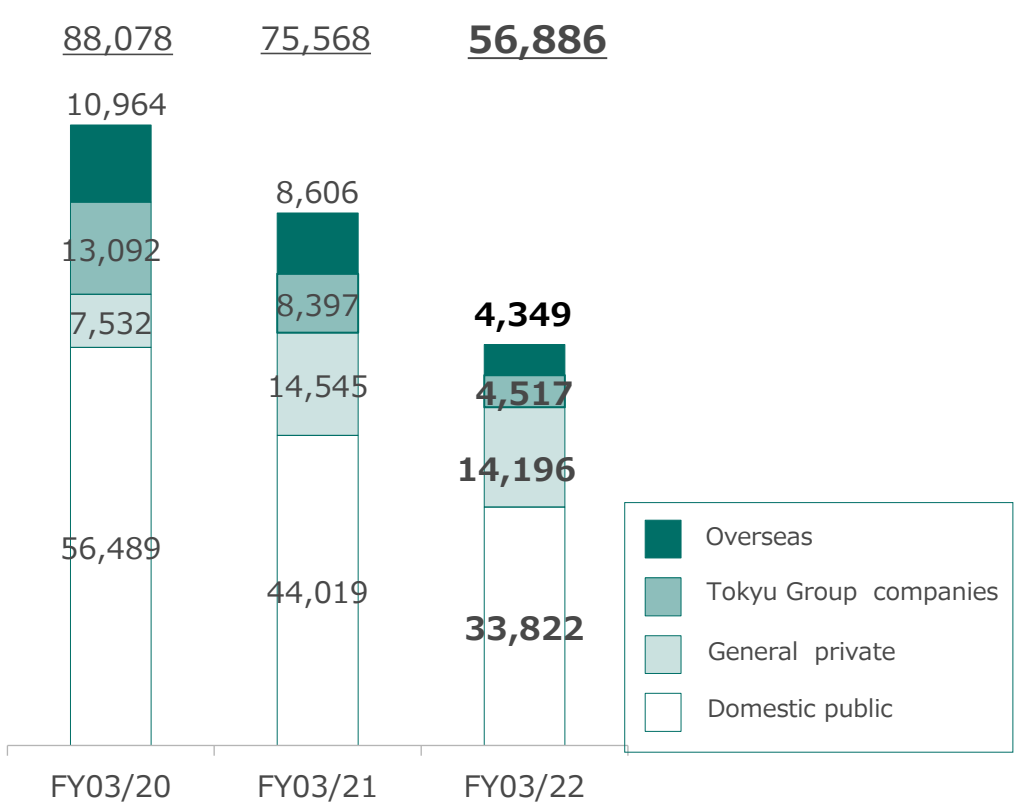
Completed construction sales: Decreased due to a decline in large-scale projects at public offices and the Tokyu Group and also due to delayed overseas construction projects

Gross profit: Declined significantly due to revenue deterioration caused by individual factors

(Millions of yen)

Completed construction sales

Gross profit



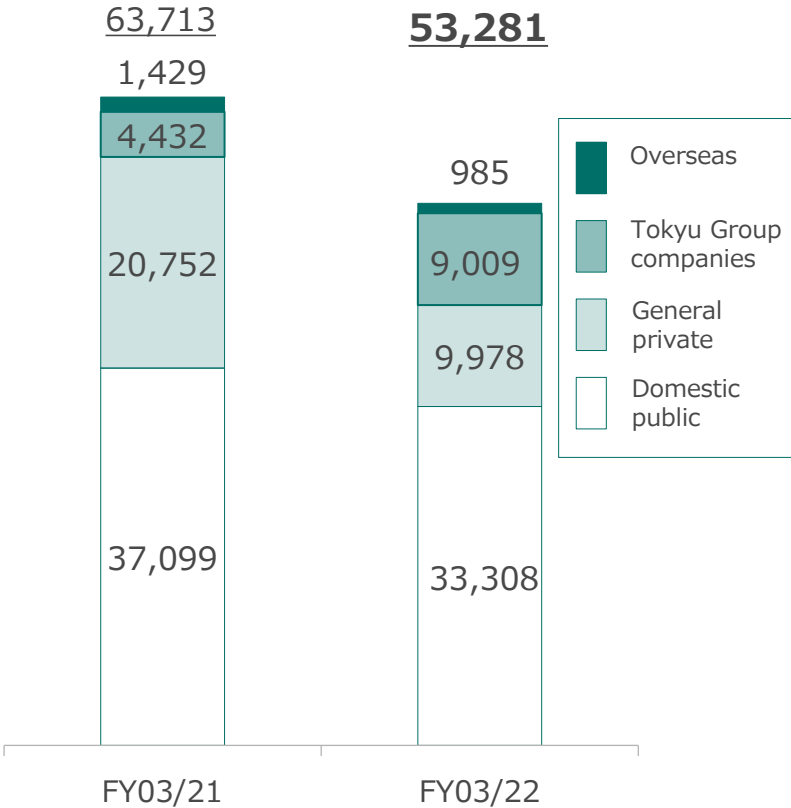
Orders (Non-Consolidated / Civil engineering)



The amount for the general private decreased compared with the previous fiscal year when it received a large-scale contract.
 The amount for the Tokyu Group companies increased due to the Shibuya redevelopment project.

(Millions of yen)

		FY03/21	FY03/22	Difference compared to previous year	Rate of change
Civil engineering	Domestic public	37,099	33,308	(3,790)	(10.2%)
	Domestic private	25,184	18,987	(6,196)	(24.6%)
	General private	20,752	9,978	(10,774)	(51.9%)
	Tokyu Group companies	4,432	9,009	4,577	103.3%
	Overseas	1,429	985	(444)	(31.1%)
		63,713	53,281	(10,432)	(16.4%)



Completed construction sales・Completed construction gross profit (Non-Consolidated / Building construction)



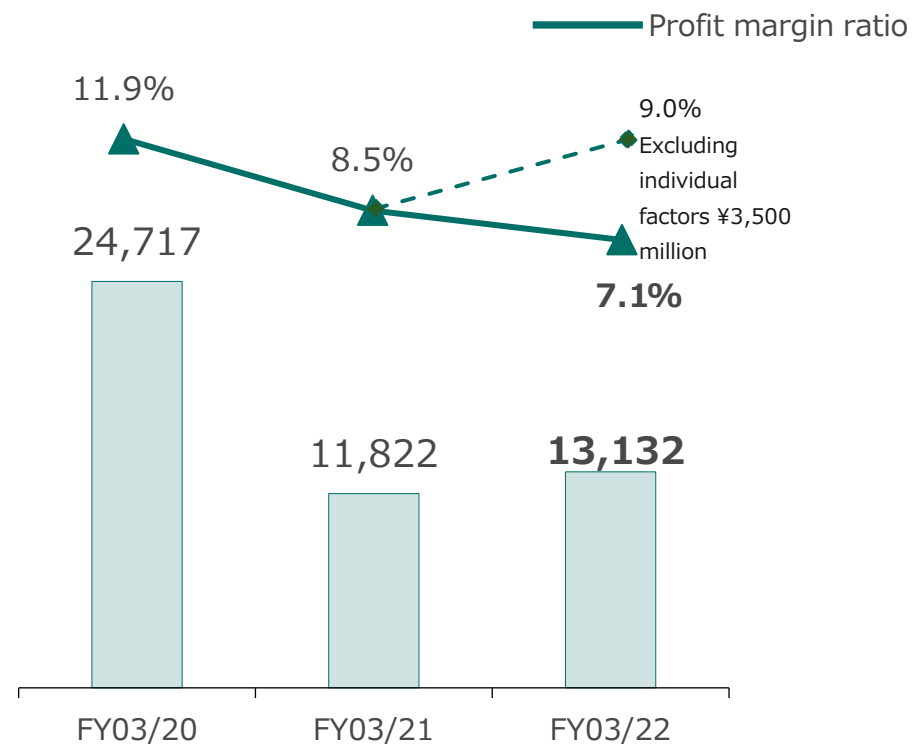
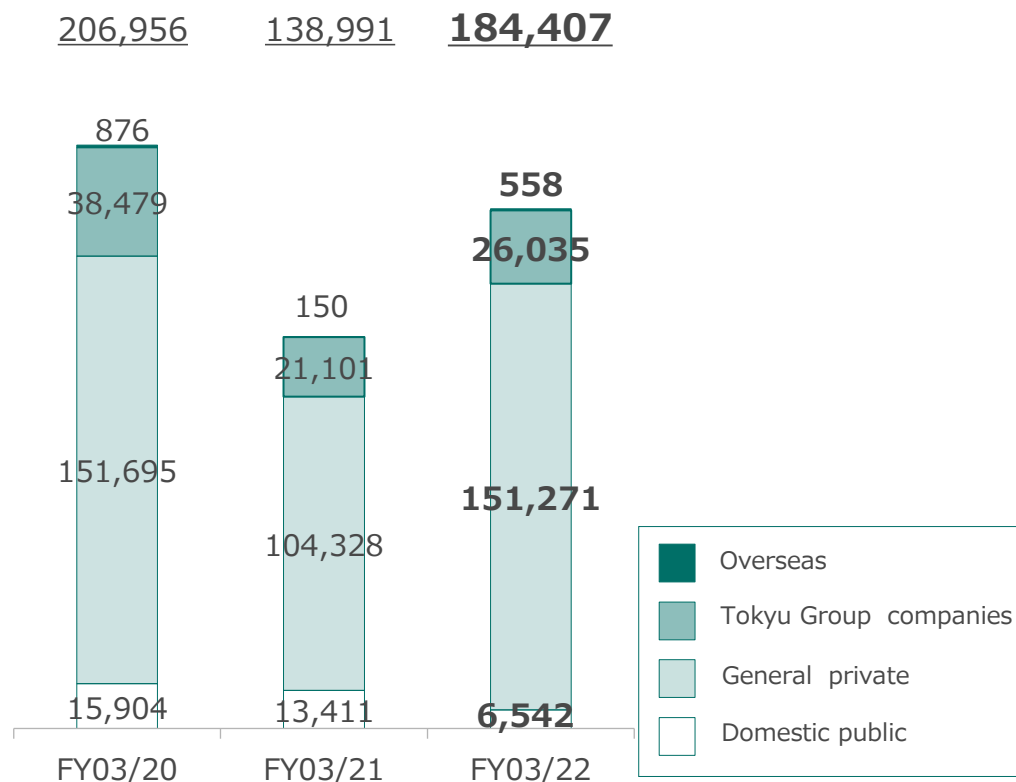
Completed construction sales: Increased about 33% year on year as major projects received in the previous fiscal year progressed

Gross profit: Increased as a result of higher completed construction sales but profit margin fell due to individual factors

(Millions of yen)

Completed construction sales

Gross profit



Orders (Non-Consolidated / Building construction)

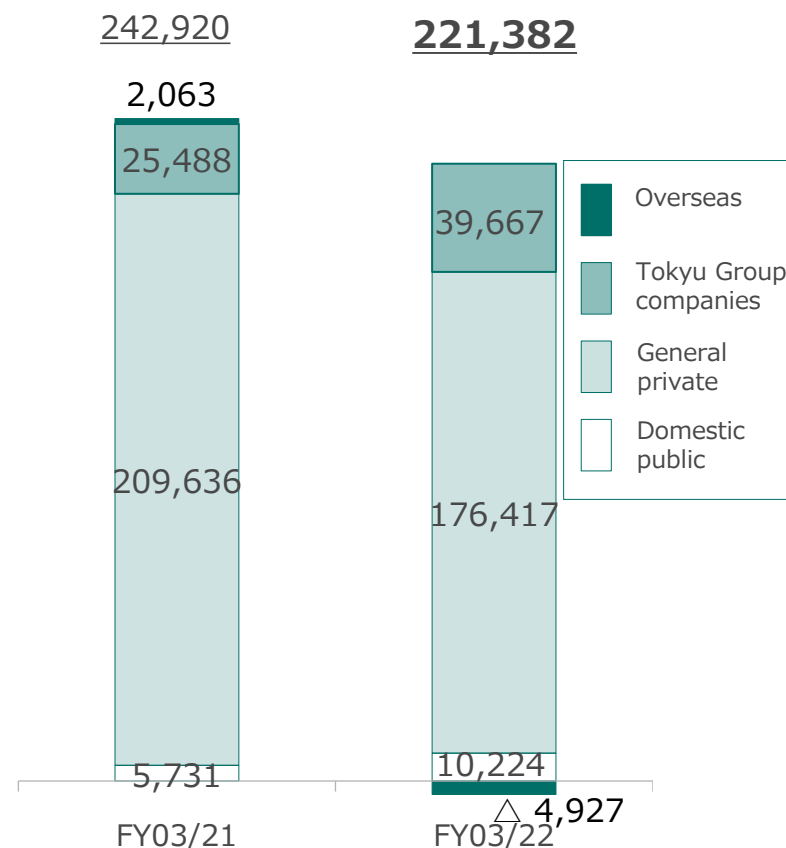


Orders from the general private sector, which generated several orders for major logistics projects in the previous fiscal year, declined, while orders from the Tokyu Group were boosted by major project orders.

The full-year amount, which turned out to be lower than the previous fiscal year, was nevertheless higher than the year-beginning forecast of 200 billion yen.

		(Millions of yen)			
		FY03/21	FY03/22	Difference compared to previous year	Rate of change
Building construction	Domestic public	5,731	10,224	4,492	78.4%
	Domestic private	235,125	216,085	(19,039)	(8.1%)
	General private	209,636	176,417	(33,218)	(15.8%)
	Tokyu Group companies	25,488	39,667	14,179	55.6%
	Overseas	2,063	※(4,927)	(6,990)	—
		242,920	221,382	(21,537)	(8.9%)

Note: The “Overseas” amount (marked with an asterisk) went negative due to changes in contracts that had been signed prior to the previous fiscal year.

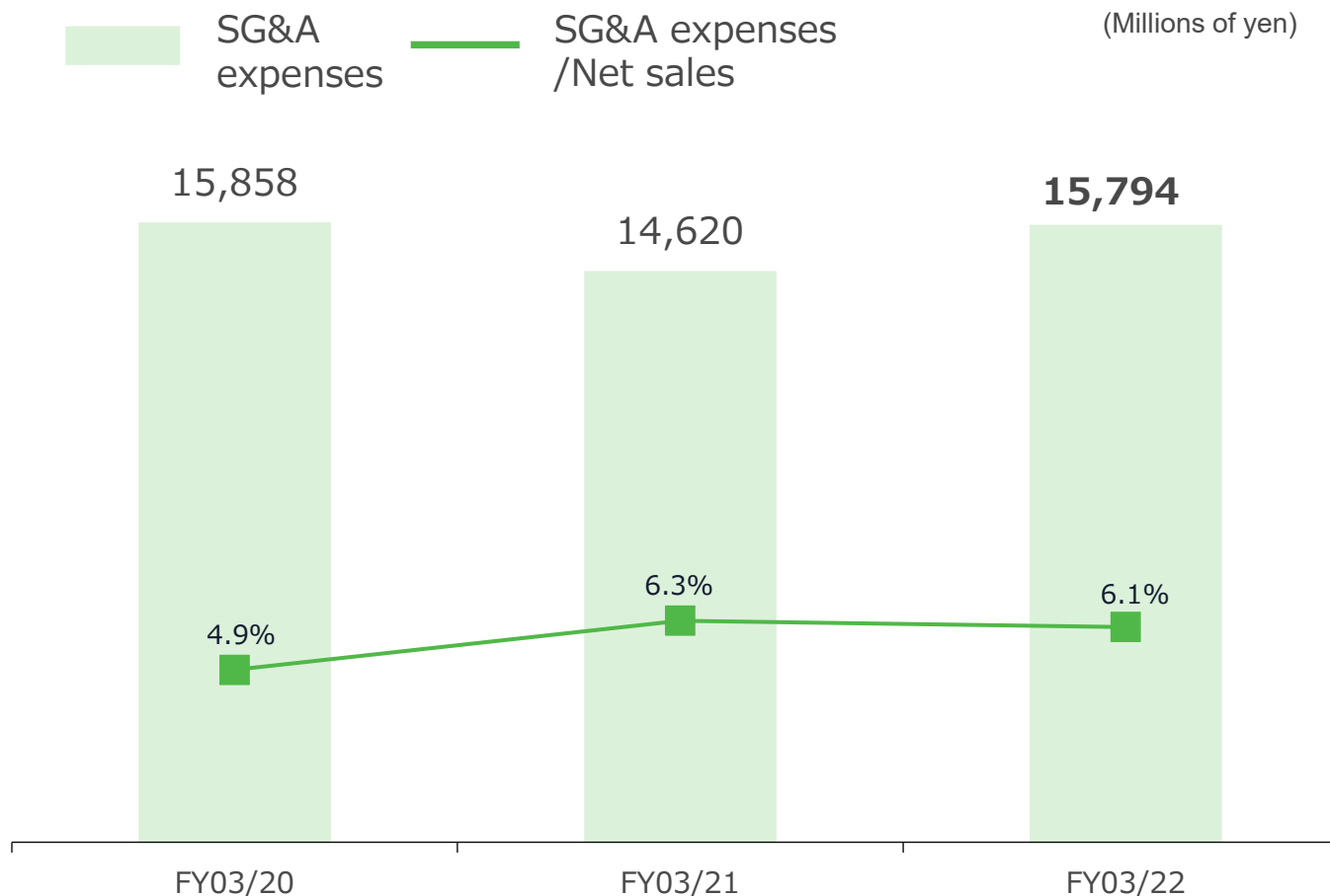


Selling, general & administrative expenses (Consolidated)



Selling, general & administrative expenses increased ¥1,173 million year on year

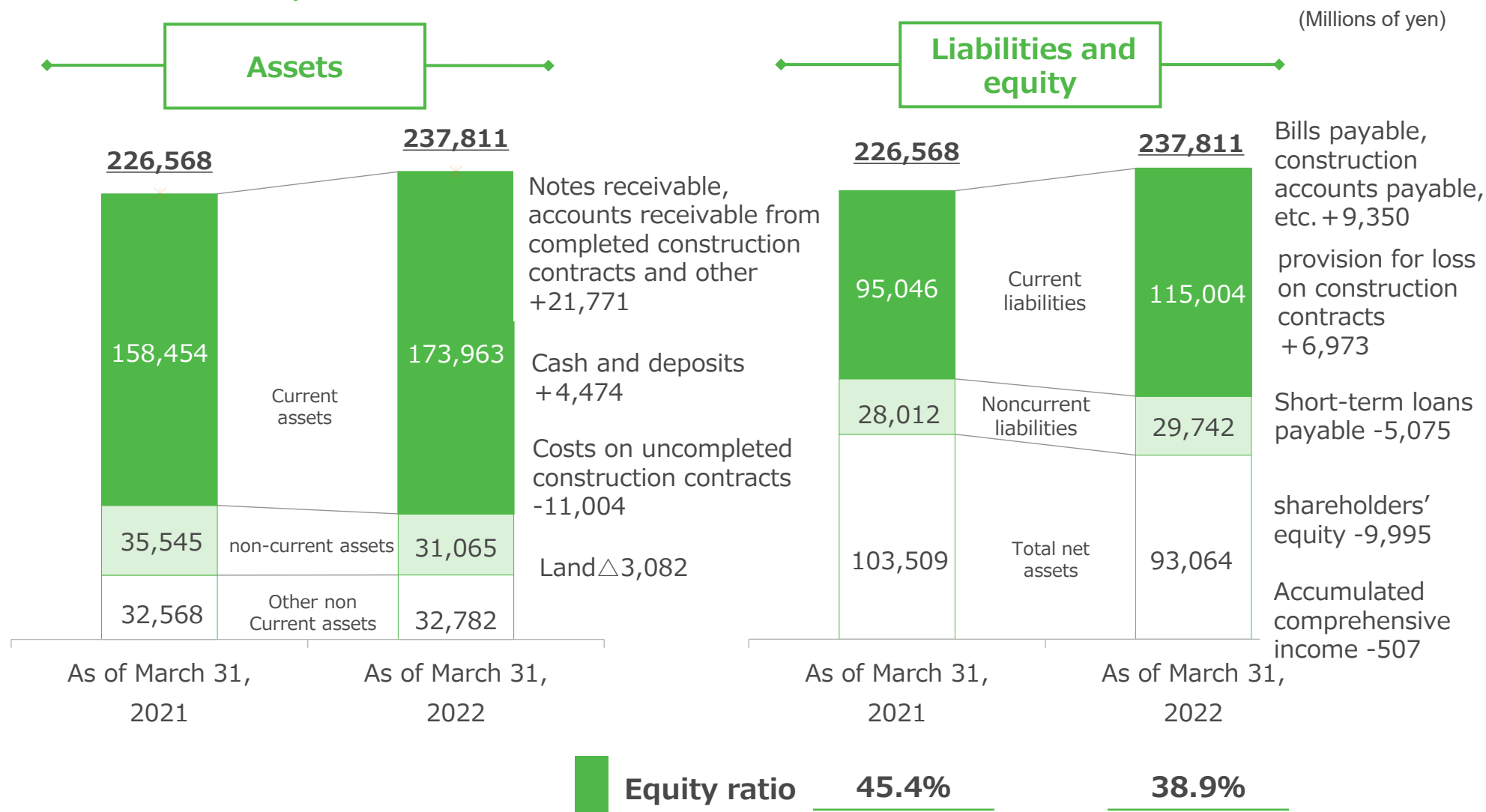
Expenses for R&D, digital technology, and innovation promotion increased



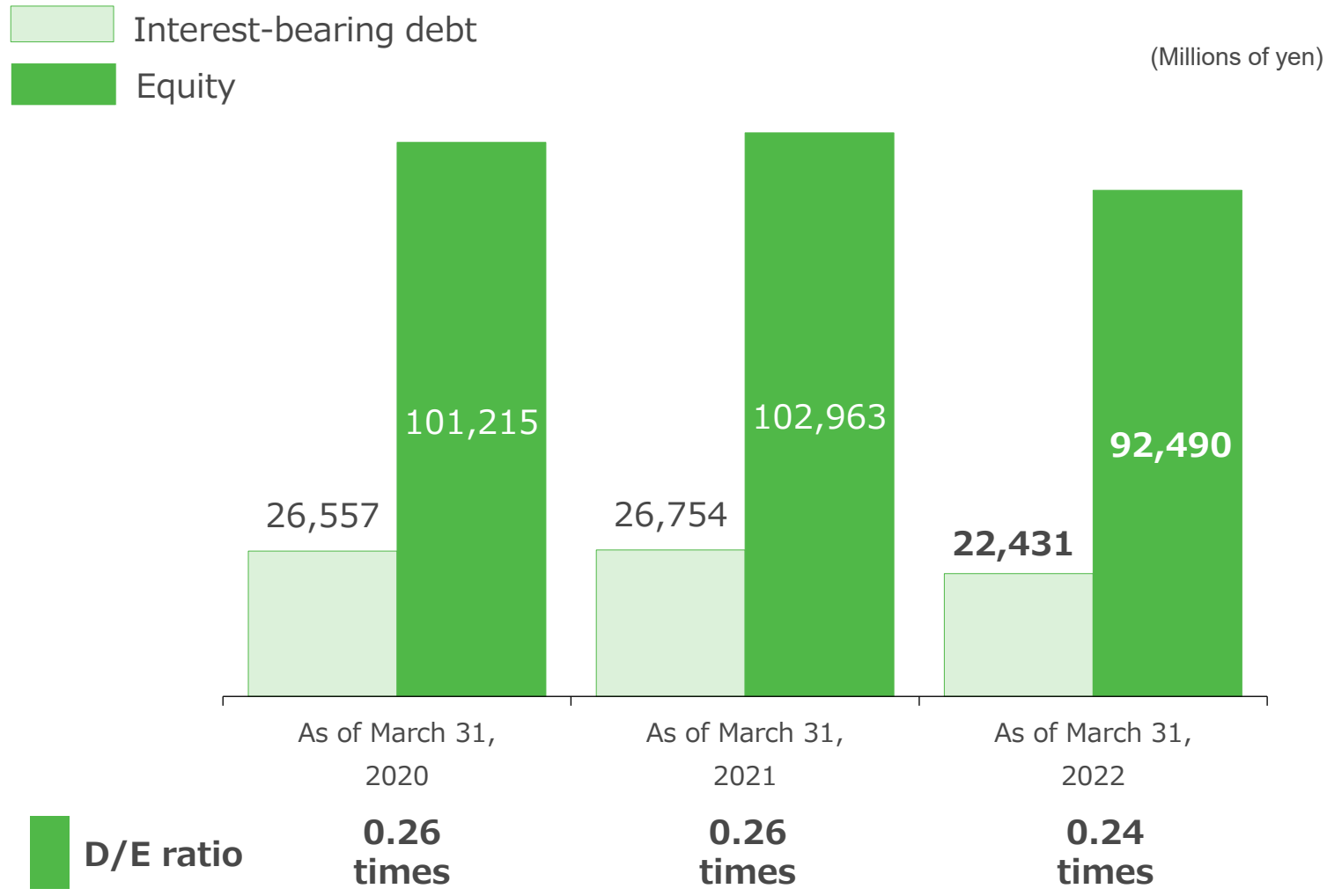
Balance Sheet (Consolidated)



The equity ratio was at 38.9%, a drop of 6.5 percentage points compared with March 31, 2021



D/E ratio was at 0.24 times, almost flat year on year



Cash flow statement (Consolidated)

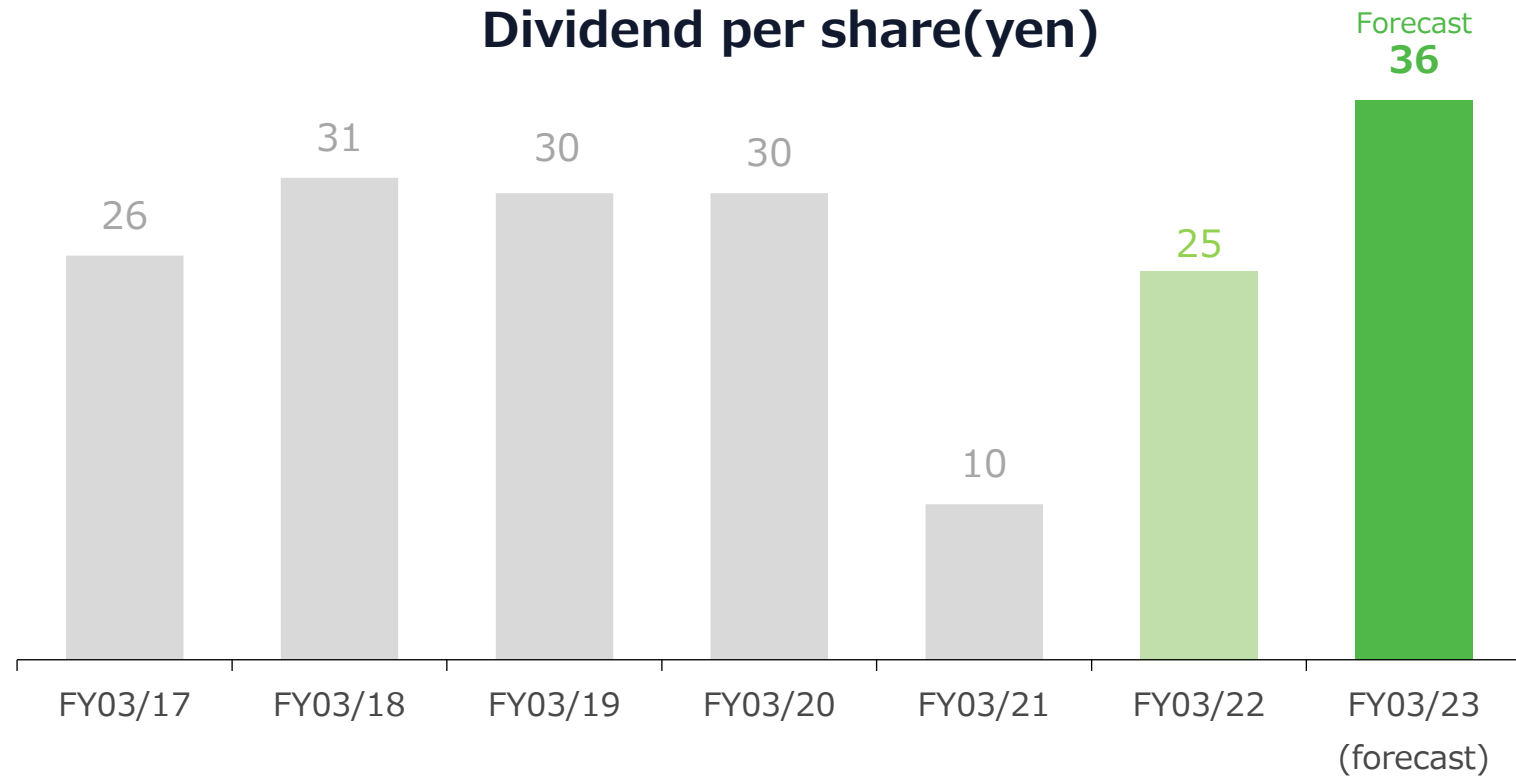


Free cashflow is ¥11.7 billion as cash flows from operating activities increased due to an increase in trade payables, decrease in advances received on construction contracts in progress, etc.

(Millions of yen)

Items	Year ended March 31, 2021	Year ended March 31, 2022	FY03/2022 remarks
Cash flows from operating activities	11,629	12,499	A cash increase caused by an increase in trade payables, decrease in advances received on construction contracts in progress, etc.
Cash flows from investing activities	△3,753	△ 773	Revenue from the acquisition and disposal of fixed assets, etc.
Free cash flow	7,875	11,708	—
Cash flows from financing activities	△3,308	△ 7,531	Decrease in short-term borrowings, dividends paid, etc.
Effect of exchange rate change on cash and cash equivalents	4,624	4,474	—
Cash and cash equivalents at beginning of period	29,549	34,173	—
Cash and cash equivalents at end of period	34,173	38,648	—

The dividend for FY03/2022 at 25 yen per share was lower than the initial forecast, due to the net loss for the fiscal year.
Based on the policy of aiming at a dividend on equity ratio (DOE) of 4.0% or higher, a dividend of 36 yen per share is planned for FY03/2023.



※Total number of shares of treasury stock for FY03/2021: 1,965,100 shares
(total value of acquisition: 999,976,175 yen)

Full-year Forecast for FY03/2023

FY03/2022 Financial Results Briefing

P/L Forecast (Consolidated)



Net sales is forecast to increase due to progress in construction projects contracted in previous fiscal years.

By eliminating individual factors, gross profit is expected to improve significantly, allowing us to estimate operating income of 4 billion yen.

(Millions of yen)

Items	FY03/22	Ratio	FY03/23 (Forecast)	Ratio	Difference compared to previous year	Rate of change
Net Sales	258,083	-	289,000	-	30,916	12.0%
Gross profit	9,716	3.8%	20,600	7.1%	10,883	112.0%
Selling, general and administrative expenses	15,794	6.1%	16,600	5.7%	805	5.1%
Operating income	(6,078)	(2.4%)	4,000	1.4%	10,078	—
Ordinary income	(5,132)	(1.9%)	4,500	1.6%	9,632	—
Profit (loss) attributable to owners of parent	(7,459)	(2.9%)	3,500	1.2%	10,959	—

P/L Forecast (Non-Consolidated)



Net sales are forecast to increase due to higher completed construction sales in building construction and civil engineering.

Operating income is forecast at 2.1 billion yen due to recovery in completed construction gross profit of civil engineering and real estate gross profit.

(Millions of yen)

Items	FY03/22	FY03/23 (Forecast)	Ratio	Difference compared to previous year	Rate of change
Completed construction sales	241,294	258,400	100%	17,105	7.1%
Civil engineering	56,886	64,400	24.9%	7,513	13.2%
Building construction	184,407	194,000	75.1%	9,592	5.2%
Completed construction gross profit	9,601	17,100	6.6%	7,498	78.1%
Civil engineering	(3,530)	4,200	6.5%	7,730	—
Building construction	13,132	12,900	6.6%	(232)	(1.8%)
Real estate sales	1,731	1,600	—	(131)	(7.6%)
Real estate gross profit	(1,492)	700	—	2,192	—
Net sales	243,025	260,000	—	18,974	7.0%
Gross profit	8,108	17,800	6.8%	9,691	119.5%
Selling, general and administrative expenses	14,984	15,700	6.0%	715	4.8%
Operating income	(6,875)	2,100	0.8%	8,975	—
Ordinary income	(6,314)	2,100	0.8%	8,414	—
Net income	(7,494)	2,000	0.8%	9,494	—

Order Forecast (Non-Consolidated)

Civil engineering: Orders from the Tokyu Group are forecast to decrease but are expected to increase significantly due to large-scale construction orders in the Philippines.

Building construction: Orders from domestic private are forecast to decline but are expected to achieve the level of the forecast made at the beginning of the previous fiscal year.

(Millions of yen)

		FY03/22	FY03/23 (forecast)	Difference compared to previous year	Rate of change
Civil engineering	Domestic public	33,308	37,000	3,691	11.1%
	Domestic private	18,987	18,000	(987)	(5.2%)
	General private	9,978	13,000	3,021	30.3%
	Tokyu Group companies	9,009	5,000	(4,009)	(44.5%)
	Overseas	985	20,400	19,414	—
		53,281	75,400	22,118	41.5%
Building construction	Domestic public	10,224	18,000	7,775	76.1%
	Domestic private	216,085	180,000	(36,085)	(16.7%)
	General private	176,417	160,000	(16,417)	(9.3%)
	Tokyu Group companies	39,667	20,000	(19,667)	(49.6%)
	Overseas	(4,927)	2,000	6,927	—
		221,382	200,000	(21,382)	(9.7%)
Total		274,663	275,400	736	0.3%

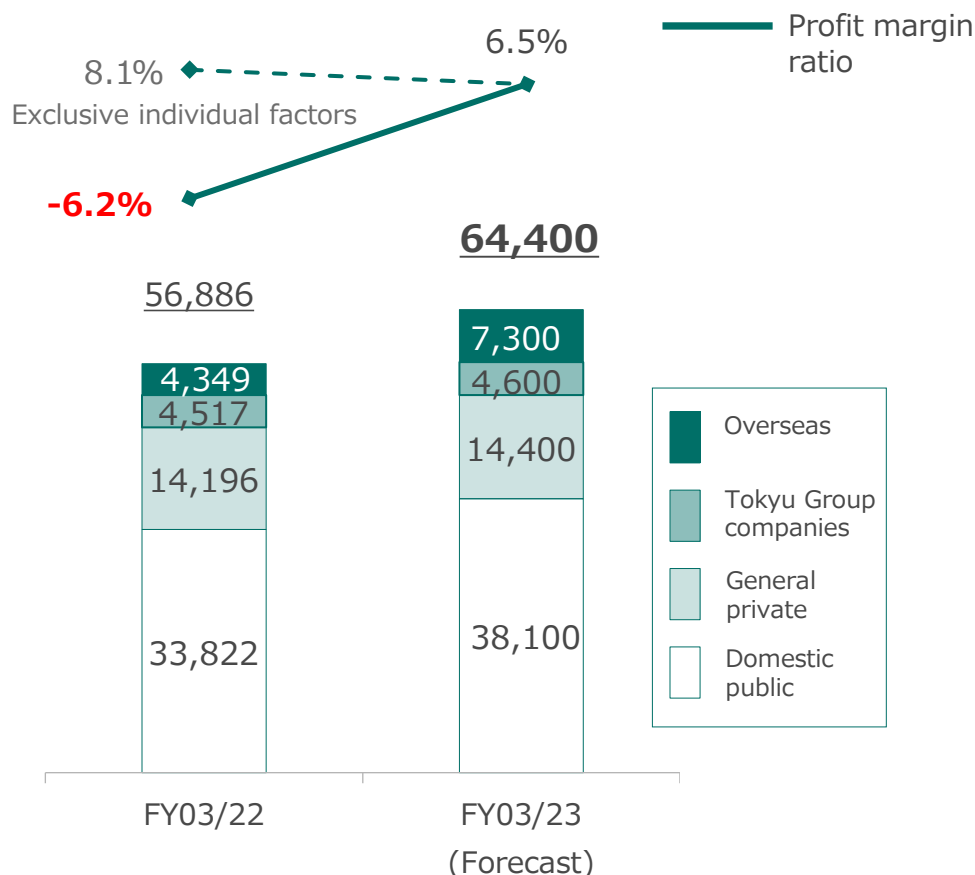
P/L·Order Forecast (Non-Consolidated/Civil engineering)



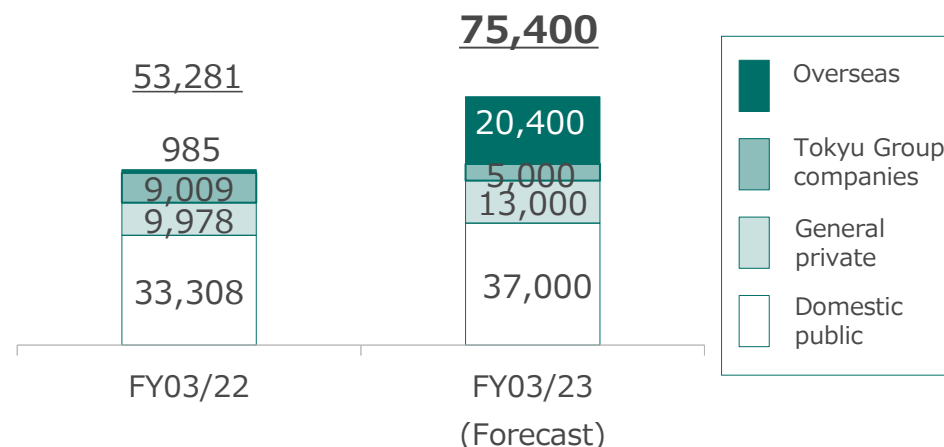
The completed construction sales is forecast to increase, as there will be progress in public-service and overseas projects.
Completed construction gross profit is forecast to improve as the revenue deterioration experienced in the previous fiscal year is expected to dissipate.

(Millions of yen)

Completed construction sales ·Gross Profit



Orders



【Construction work carried forward】

	FY03/22	FY03/23 (Forecast)
Amount brought forward	※94,009	90,404
Orders	53,281	75,400
Completed construction sales	56,886	64,400
Amount carried forward	90,404	101,404

Note*: Amount Adjusted for the Effect of Accounting Standard for Revenue Recognition, etc.

P/L·Order Forecast (Non-Consolidated／Building construction)

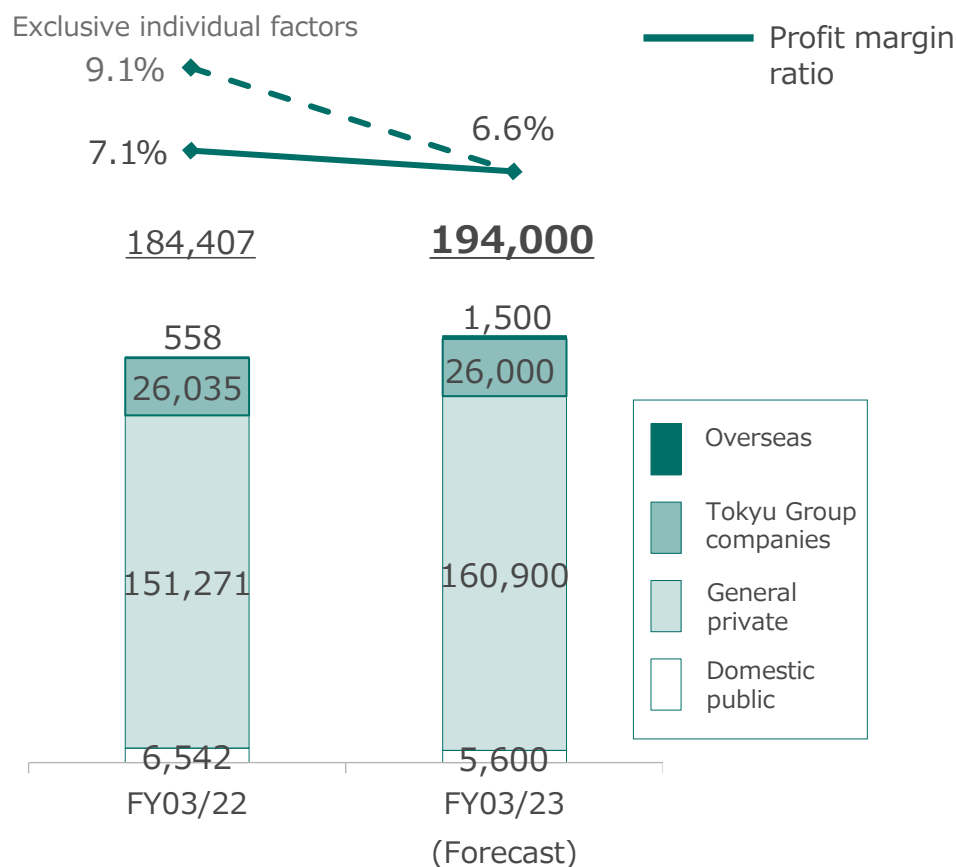


Completed construction sales is forecast to increase due to progress in the construction projects contracted in previous fiscal years.

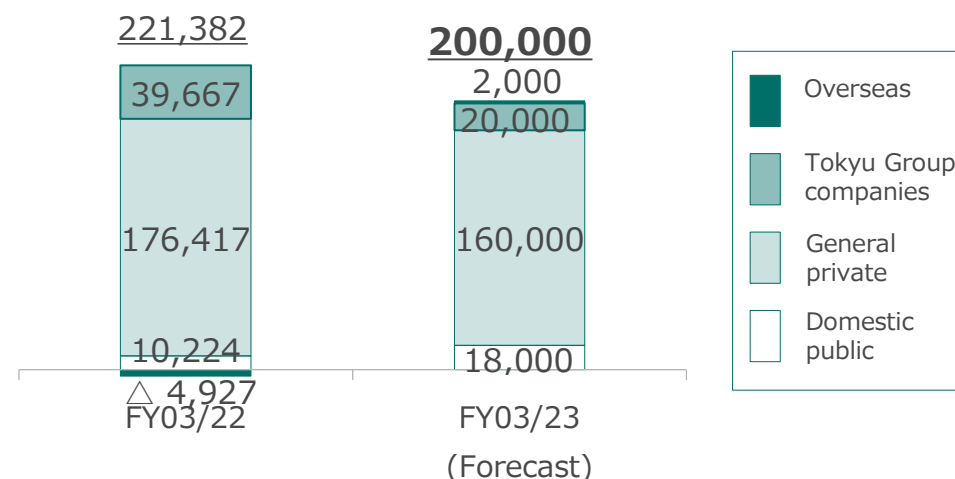
However, the ratio of completed construction gross profit is forecast to decrease due to hikes in equipment/material prices and intensifying market competition.

(Millions of yen)

Completed construction sales ·Gross Profit



Orders



【Construction work carried forward】

	FY03/22	FY03/23 (Forecast)
Amount brought forward	※235,453	272,428
Orders	221,382	200,000
Completed construction sales	184,407	194,000
Amount carried forward	272,428	278,428

Note*: Amount Adjusted for the Effect of Accounting Standard for Revenue Recognition, etc.

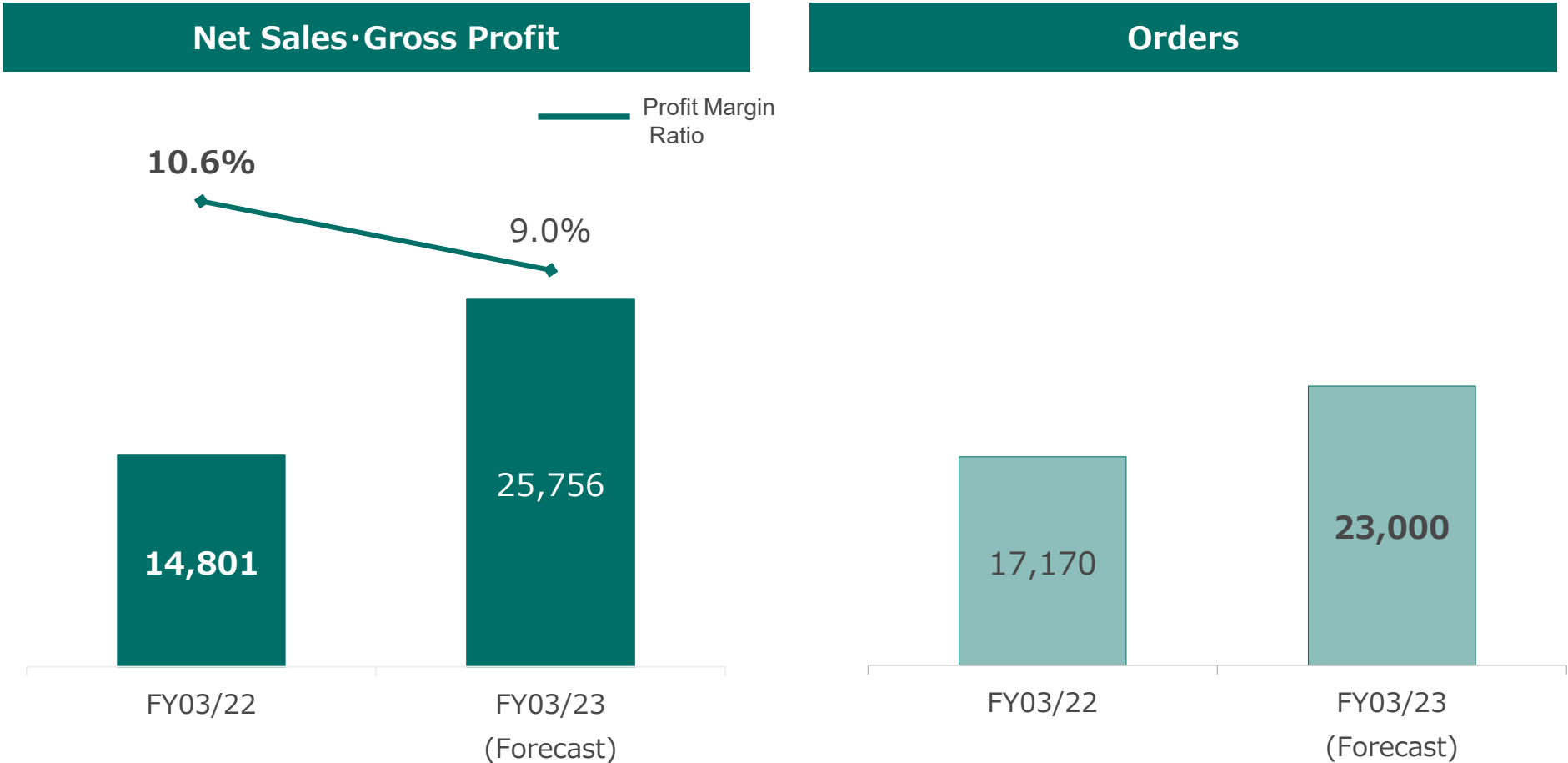


Net Sales・Gross Profit Forecast (Construction Renewal)



Quotation requests are on the rise, and hence net sales and the amount of orders received will both return to the pre-COVID-19 levels.
The gross profit ratio is forecast to be lower compared with the previous fiscal year as market competition will intensify.

(Millions of yen)



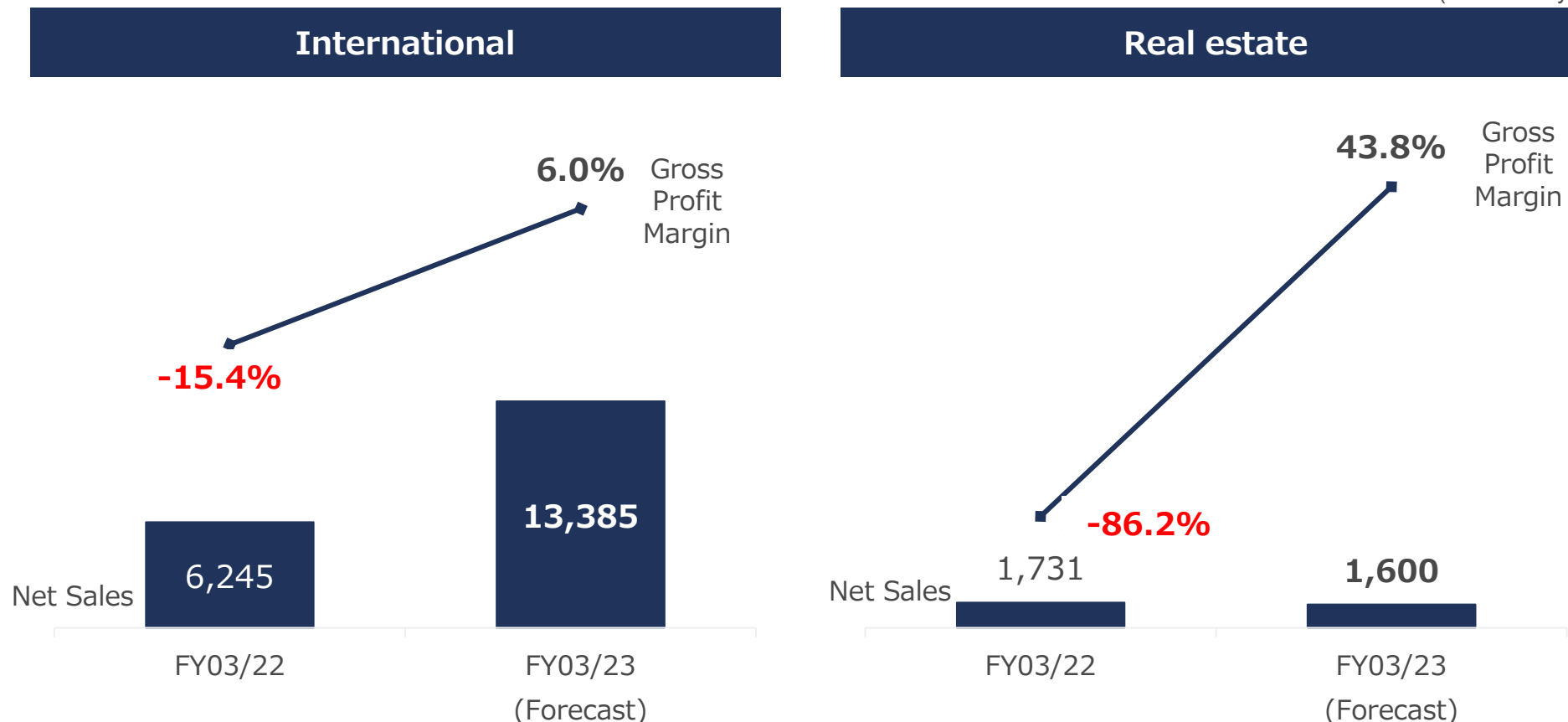
* Each of the numbers for the construction renewal business is a simple sum of numbers from Tokyu Renewal Co., Ltd. and Token Industry Co., Ltd., subsidiaries engaged in the business, and no elimination was taken into account

Net Sales·Gross Profit Forecast (International·Real estate)



International: Net sales is forecast to increase due to less impact from the COVID-19 pandemic on subsidiaries and also due to progress in newly-contracted ODA projects. The ratio of gross profit to sales is forecast to improve, as there is no impact from the provision for loss on construction contracts in the previous fiscal year. Real estate: Profitability is forecast to improve due to the disappearance of the effects from the development revenue deterioration experienced in the previous fiscal year

(Millions of yen)



*Each of the numbers for Overseas is a simple sum of numbers from two overseas subsidiaries (TCI and GTC) and from non-consolidated overseas business of the Company, and no elimination was taken into account.

TCI: Pt. Tokyu Construction Indonesia/GTC: Golden Tokyu Construction Co., Ltd. (Myanmar)

*Numbers for the real estate business are the values of the sales and gross profit of the real estate business on the Company's non-consolidated statement of income.

Rolling of Long-Term Management Plan



We have updated the Long-Term Management Plan every year to keep strategies viable toward VISION2030. We revised the outlook for FY03/2025 downward, but made no change to the goals set for FY03/2031. We also revised the total amount of investments downward because we streamlined the operations of the Real Estate Business; we will make investments for business growth according to the initial Long-Term Management Plan.

Changes to the KPIs of the Long-Term Management Plan

(Changes to the KPIs for FY03/2025, but not to those for FY03/2031)

Management indicator		FY2021 Results	FY2022	FY2024 (Newly announced)	FY2030 (No change)
Profitability	Operating profit	(6.0 billion yen)	4.0 billion yen	At least 9.0 billion yen	At least 22.0 billion yen
	Operating profit margin	(2.4%)	1.4%	At least 2.6%	At least 5.0%
Efficiency (※1)	ROIC (※2)	— %	—	—	At least 7.0%
	ROE	— %	3.8%	At least 7.3%	At least 10.0%
Soundness	Debt-to-equity ratio	0.24 times	0.5 times or less		
	Capital adequacy ratio	38.9%	About 40 to 45%		About 45%
Non financial	Employee engagement rating (※3)	BB	BBB	A	AAA
	GHG emissions (※4)	—	10.0% reduction	15.0% reduction	30.0% reduction

*1: The ROIC and ROE (both efficiency metrics) for FY03/2022 are “- (negative) %” because of the net loss for the fiscal year.

*2: The ROIC, an important metric for measuring business performance, has been used since FY03/2022, and the ROIC of 7.0% or higher is set as a medium- to longer-term target for FY03/2031. We are working on the calculation of the ROIC per Business for the purpose of managing invested capital more efficiently. The ROIC for FY03/2031 is stated as the target using the previous calculation method.

※3 Engagement rating using Link and Motivation Inc.’s “Motivation Cloud.” Subjects are employees of the Group as a whole, including subsidiaries. Rating is divided into a total of 11 stages, and the current “BB” is the fifth rating from the top after “AAA,” “AA,” “A” and “BBB.”

*4: The baseline is the emissions in FY03/2019. We are scheduled to get a third-party certification to heighten the data credibility on GHG emissions and are planning to disclose the data for FY03/2022 around July 2022.

Changes to the Investment Plan

Total investment over 10 years		Revised 107.0 billion yen	Initial 170.0 billion yen	Main investment (No change in content)
Business strategy investment centered on the three values we provide	Core business(Domestic civil engineering business, Domestic building construction business, Building renewal business)	95.0 billion yen	160.0 billion yen	<ul style="list-style-type: none"> ➢ Investment for technological development ➢ Investment for production system innovation and DX promotion ➢ M&A investment
	Strategic business(International business, Real estate business, New business)			<ul style="list-style-type: none"> ➢ M&A investment for international business expansion ➢ Acquisition of real estate focusing on synergies with core business ➢ Investment in new business incubation ➢ Investment in concession and PPP business ➢ Investment in venture companies, venture funds, etc.
Investment in sources of competitive advantage (human resources x DX)		12.0 billion yen	10.0 billion yen	<ul style="list-style-type: none"> Investment for personnel system reform and human resource development Establishment of environment and system infrastructure for company-wide DX promotion

We revised the Investment Plan in order to allow us to make a shift to a “circulation-oriented real estate business” for the purpose of managing invested capital more efficiently and also allow us to make a selective reduction in investments for acquiring income properties, trim down the scale of investments, and postpone some investments. We also seek to improve the efficiency of capital by promoting real estate liquidation (turning it into off-balance-sheet properties).

Appendix: International business (Infrastructure Project)



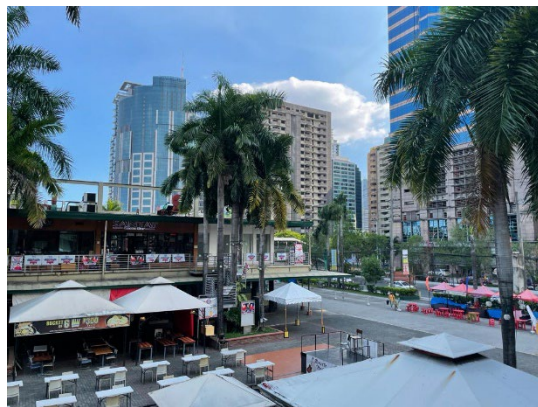
We received an order for a subway construction project in the Philippines.

Based on the expertise we have accumulated through railway construction in Japan and urban development along the Tokyu railway lines, we are going to accelerate our inroads into ODA rail/traffic infrastructure projects and TOD (transit-oriented) urban development initiatives, mainly in South-Eastern and Southern Asian countries.

[Project Overview]

Project name :	Metro Manila Subway Project Contract Package 104: Two underground Stations(Ortigas North and Ortigas South) and Tunnels
Ordered by:	The Department of Transportation of the Philippines
Ordered to:	The joint venture of Tokyu Construction, Tobishima Corporation, and Megawide Construction Corporation
Amount of the order received:	Approx. 43 billion yen (amount converted into yen, including contingency funds)
Scheduled construction period:	July 1, 2022 - January 20, 2028 (290 weeks)
Project outline:	Subway tunnel extension of approx. 3.4 kilometers, and a set of civil engineering, construction, and utility work for two subway stations

This subway project, aimed at responding to the increasing demand for transportation and relieving the serious traffic congestion in the Manila metropolitan area, is also expected to contribute to reducing air pollution and helping resolve climate change issues.



Proposed site for Ortigas Station



Signing ceremony

• Line plan

The existing zone

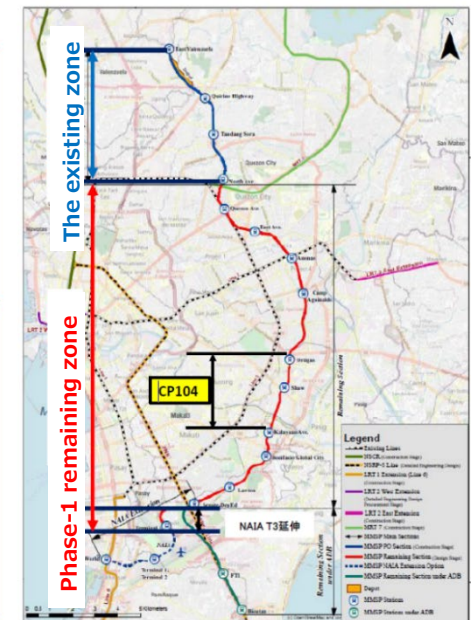
- Total extension: 6.8 km (underground zone excluding a portion*)
- Number of stations: 4
- Number of rail yards: 1

*East Valenzuela Station (EVS) is located semi-underground.

Phase-1 remaining zone (including NAIA T3 extended zone)

- Total extension: 20.7 km (underground zone)
- Number of stations: 11

*A yen loan is under consideration for the project concerning the extension of the line to NAIA T3 (Terminal 3 of Ninoy Aquino International Airport) at the request of the Philippines.



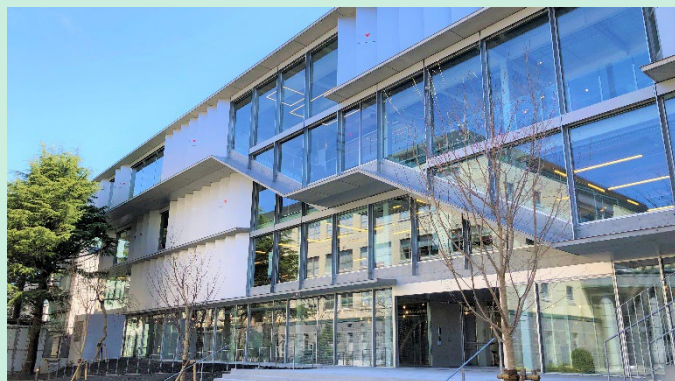
Appendix : Domestic building construction business (ZEB,ZEH-M)



Decarbonization

We have been working to respond to the request for ZEB (net Zero Energy Building) and ZEH-M (net Zero Energy House Mansion).

Efforts to respond to the request for ZEB,ZEH-M



Building 7 at Setagaya Campus of Tokyo City University

With a total floor space exceeding 10,000 m², this newly-constructed building is one of the largest college buildings in Japan. The construction work was selected as a “ZEB Demonstration Project in 2020” of the Ministry of Economy, Trade and Industry, and the building acquired the BELS (Building-housing Energy efficiency Labeling System), the highest rating of Five-Star and also, “ZEB Ready (reduction of primary energy consumption of 50% or more),” making the university one of the few large-scale colleges with the certification. (Launched in April 2022)



PRIME STYLE KAWASAKI

The condominium building in Kawasaki is the first recipient of the “ZEH-M Oriented” certification in the city of Kawasaki. (Construction completed in the spring of 2021)

Head Office of SEIKITOKYU KOGYO

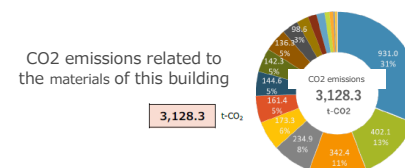
This high-rise urban office building designed by us is a ZEB, still a rarity in urban areas. The building is certified with the BELS Five-Star and ZEB Ready. (Construction to be completed in the summer of 2022.)



We renovated our Institute of Technology into a ZEB in 2016, and the Institute achieved one of the country’s highest energy reductions of 78% in FY03/2020. We are making use of such expertise and experiences to optimally meet the demand from customers who are interested in ZEB, ZEH-M, or other green architecture.

We developed a tool for calculating carbon dioxide emissions from construction materials.

The original buildup calculation tool enables us to calculate carbon dioxide emissions and meet the request from customers quickly yet accurately.



Appendix : Domestic building construction business (Logistics Facilities)



As one of the leading players in the construction industry, we have and will provide customers with a solution meeting their varying and detailed needs.



“GLP Zama” for the development of GLP Japan Inc.
Total floor space: 131,762m²
Construction in Zama City, Kanagawa Prefecture, completed in 2015



“LOGI'Q Kyoto Kumiya” for the development of TOKYU LAND CORPORATION.
Total floor space: 26,015m²
Construction in Kumiya Town, Kyoto Prefecture, completed in 2021



“Tokyo Rail Gate WEST” for the development of Japan Freight Railway Company
Total floor space: 75,985m²
Construction in Shinagawa-ku, Tokyo, completed in 2020



“Landport Ageo II” for the development of Nomura Real Estate Development Co., Ltd.
Total floor space: 75,240m²
Construction in Ageo City, Saitama Prefecture, to be completed in 2022



“DPL Chiba Yotsukaido” for a specified purpose company for the development of the city of Yotsukaido
Total floor space: 142,497 m²
Construction in Yotsukaido City, Chiba Prefecture, to be completed in 2022



“ESR Higashi Ogishima Distribution Centre” for the development of ESR LTD.
Total floor space: 350,698m²
Construction in Kawasaki City, Kanagawa Prefecture, to be completed in 2023

Appendix : Domestic building construction business (Innovation of construction and production systems)

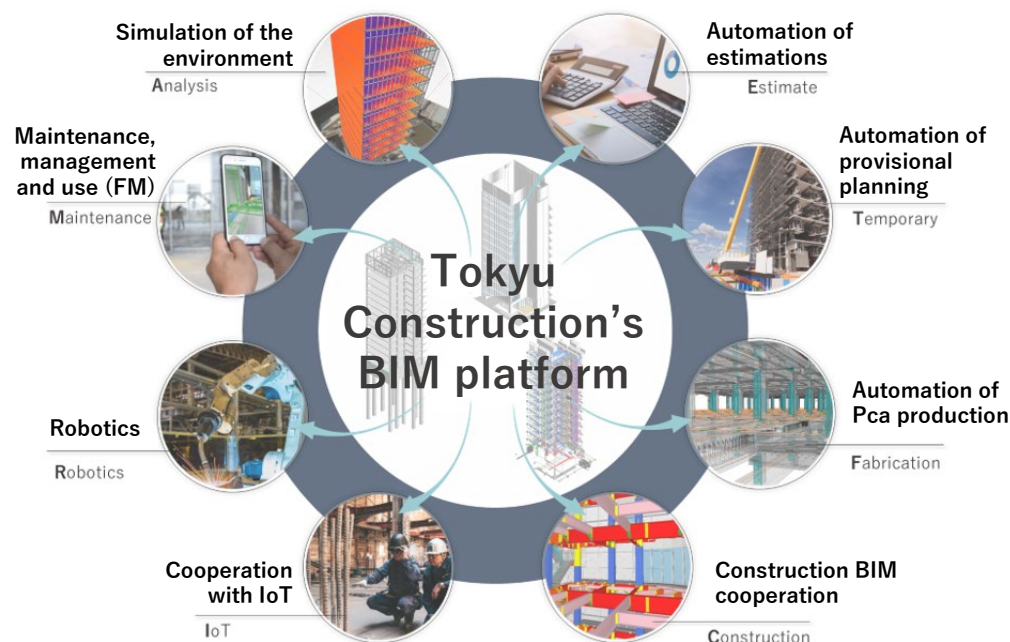


Digital

We are accelerating our initiative to innovate construction and production systems toward the resolution of labor and time shortages, etc.

We are also seeking to establish, as early as possible, a new-value system that enables us to provide digital twin^{*1} demos for customers.

Through collaboration with partner companies, we are gaining first-hand know-how for energy minimization and optimization based on BIM and other digital technologies.



*1: A digital twin of a building is a virtual version of the building.

*2: Under the PCa (precast concrete) method, concrete products are made at factories in advance before delivered to and used at construction sites. The use of the method helps heighten productivity and reduce waste materials compared with the popular method under which concrete structures are cast on site.

Year/ Month	Fields	Main activities
October 2020	BIM (Design)	Acquired 100% ownership of an overseas BIM facility design company (Indochine Engineering Limited)
	Collaboration with IoT	Conducted an MR (mixed reality)-based simulation on building completion inspection (with cooperation from JAPAN ERI Co., Ltd.)
January 2021	PCa production	Established Iwase Precast Inc., a joint venture company for manufacturing and selling PCa ^{*2} concrete
May	BIM (Construction)	Introduced a BIM firm model covering design, structure, and utility equipment to the Company's all pre-launch construction worksites to promote the use of a BIM across the board
September	Robotics	Joined the Construction RX Consortium
November	Maintenance & Control	Digitalized seamlessly the entire process from construction to maintenance by applying a BIM model to facility management
April 2022	Estimate	Made it possible to automatically and accurately estimate construction cost by making use of BIM (design) data available to the Company and provide customers with quotes and changes thereto with a competitive speed
	PCa production	Verified, jointly with Iwase Precast, a system for automatically processing reinforcing steel in the production of PCa members (balcony plates)
May	Simulation	Trial-introduced a BIM-based tool for simulating energy performance of buildings to popularize and promote ZEB
	Scaffolding planning	Introduced at full scale a BIM-data-based tool for planning scaffolding and a trench-shoring tool for underground construction

Appendix : New business (Initiatives for Innovation 1)

[Investment・Fund]

By promoting open-innovation for the value proposition of “decarbonization,” “zero waste,” and “disaster prevention and mitigation” and in the fields of “human resources” and “digital technology,” we seek to transform our construction business and create new businesses.

Industry-first Two-party Partnership CVC Fund

Together with the leading independent venture capital firm Global Brain Corporation, TOKYU CONSTRUCTION CO., LTD., has founded “TOKYU-CONST GB Innovation Fund L.P.” This enables the Company to compensate for its lack of know-how, execute fast-paced investments, and strengthen the supervisory function for financial returns by outsourcing the procedures involved in startup investments to the VC firm. This also makes it possible for internal resources to focus their efforts on maximizing synergies with investee companies.



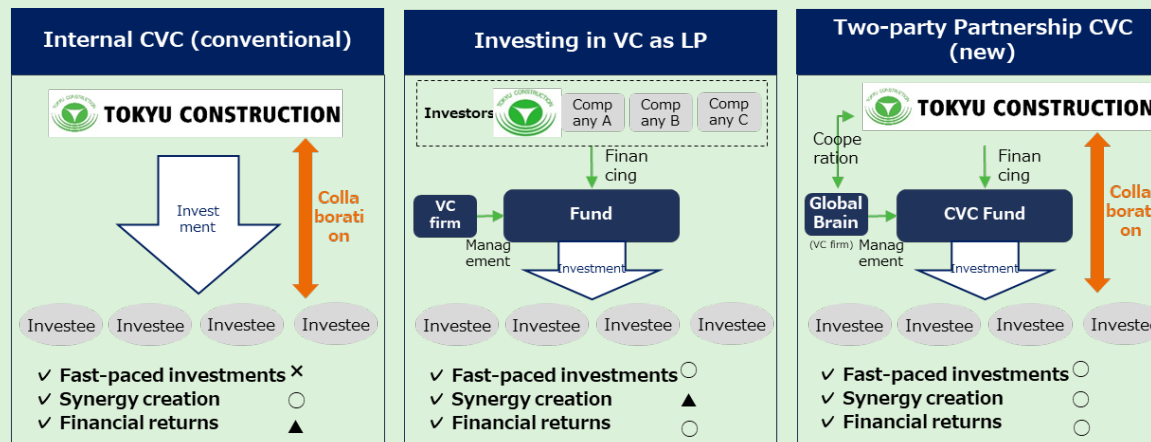
We invested in Agya Ventures Fund L.P.

We invested in Agya Ventures Fund L.P., a fund operated by Agya Ventures Fund (GP) LLC. By building a business partnership with a venture company in its seed/early stage that has not entered Japan, we accelerate our open-innovation initiative aimed at transforming our construction business and creating new businesses.

Brief Info. about Agya Ventures Fund L.P.

The venture capital fund makes investments specializing in real estate and construction techs in the U.S. and beyond toward the vision of “making Japan the center of the world in the real estate and community-building sectors.”

Company name	Agya Ventures Fund L.P.
Representatives	Kunal Lunawat, Nobuhito Iguchi
Date of establishment	December 18, 2020
Address	430 Park Avenue, Floor: 19, New York, NY 10022
Investment destination	It is a venture company in the seed/early phase whose domains include real estate and construction techs in the U.S. and beyond.



[Developing a Structure and Culture for Innovation]

We are seeking to increase our corporate value by transforming our business portfolio through the creation of new business.

As a means to develop a structure and culture for encouraging employees to come up with a new business proposal, we held our first contest on business ideas in FY03/2022.

The “MOON SHOT CONTEST 2021”

Outstanding business ideas selected from 430 entries are now in the process of feasibility verification.

The presentation session of the “MOON SHOT CONTEST 2021,” a business idea contest held with the Group’s employees, took place at Shibuya Scramble Square on Thursday, March 3. The contest received more than 430 entries, and twelve teams for shortlisted ideas made presentations in front of executive members. Three ideas won the “Most Valuable MOON SHOT (MVM)” award. We are going to launch the process to verify the business feasibility of the three awarded ideas.



QR code for watching videos
<https://youtu.be/KThgZNR8mJ8>

[Businesses of 12 shortlisted entries]

- Disaster-prevention business
- Amusement business
- Desert-greening business
- Well-being business
- Re-use business
- International engineer development business
- Computer platform business
- Women empowerment business
- Consulting business
- Traffic infrastructure business
- Game business
- Forestry business

Building the future on new foundations



TOKYU CONSTRUCTION

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Notes

Forward-looking statements such as forecasts of the company's results contained in this document are based on information available as of the date of publication and assumptions made as of the date of publication regarding uncertain factors that may affect future results.

Except as otherwise provided for by law, the company shall bear no obligation to update these future predictions. Actual results may differ from future predictions due to various factors.