Building the future on new foundations

TOKYU CONSTRUCTION

TSE : 1720

FY03/2026 Financial Results Briefing

May 20, 2026

Leadership Transition and Governance Enhancement (Scheduled for Late June 2026)

Koji Hisada will assume the role of President, with the new management team committed to driving sustainable growth in corporate value.

By transitioning to a Company with an Audit and Supervisory Committee, we will enhance the Board’s independence, strengthen oversight, and accelerate decision-making.

1． Change of Representative Director and President

New President:
Koji Hisada
Current Position:
Managing Executive Officer,
Head of Business Administration
New Position:
Representative Director, President and
Representative Executive Officer
Career Summary:
Joined the company in 1987.
Previously served as General Manager of Kyushu Branch, General Manager of Corporate Sales Division, Head of Administration Division, and Head of Corporate Strategy Division.

Outgoing President:
Mitsuhiro Terada will assume the role of Representative Director and Chairman.
Chairman's Role:
As Chairman, he will support the new President and leverage the new organizational structure to further enhance the oversight and effectiveness of the Board of Directors.

2． Transition to a Company with an Audit and Supervisory Committee

Purpose of Transition:
・Strengthen oversight functions
・Accelerate decision-making through appropriate delegation of authority
・Enhance overall governance

Composition of the Committee:
Candidates for Directors serving as Audit and Supervisory **Committee Members: 4**

Breakdown:
Full-time Audit and Supervisory Committee Member: 1 (Internal)
Independent Outside Directors: 3 (1 male, 2 female)

Oversight system leveraging the expertise of Independent Outside Directors.
Strengthening governance through a diverse committee composition.

Note: The change of Representative Director and the transition to a Company with an Audit and Supervisory Committee are subject to approval at the 23rd Annual General Meeting of Shareholders scheduled for late June this year.

Key points to communicate today

- **FY03/2026: Record-high net sales and a significant increase in operating profit.**

Net sales reached an all-time high, and operating profit came in at 16.3 billion yen, up 71% versus the initial forecast—driven primarily by improved profitability on large-scale projects.

- **The results of our "Rebuilding of Earning Capacity" initiatives have come to fruition.**

Initiatives in safety and quality, sales capabilities, and productivity and workforce management have boosted our financial performance, returning the Company to a growth trajectory. We will continue these initiatives and move into a phase of sustainable growth.

- **FY03/2027 Forecast: Expecting continued growth in operating profit and record-high orders.**

Operating profit forecast: 16.5 billion yen; Orders forecast: 486.5 billion yen (expected record high for the third consecutive year).Optimizing the allocation of growth investments to establish an ROE of 10% or higher and maximize equity spread.

Overview of FY03/2026 Financial Results

FY03/2026 Financial Results Briefing

FY03/2026 Financial Highlights

External environment

- **Domestic construction investment remained solid. With construction work carried forward at a high level, excessive competition was restrained.**
- **While material and labor costs stayed elevated, we increasingly saw situations where cost fluctuations could be appropriately reflected in contract prices.**

		YoY	vs plan	
Orders (non-consolidated)	**408.9** billion yen	+7.3%	+34.5%	• For the second consecutive year, orders received hit a record high. In building construction, we steadily won planned projects including large-scale redevelopment in Shibuya. In civil engineering, design change orders, large private-sector projects, and railway-related work contributed. • Profitability at the time of order intake improved through order selection focused on profitability.
Net Sales	**341.1** billion yen	+16.4%	+0.9%	• Net sales reached a new all-time high. • Building Construction increased 22.6% year on year, while Civil Engineering rose 9.2%. • Real estate sales increased due to the sale of properties held.
Operating profit	**16.3** billion yen	+84.5%	+71.6%	• Gross profit increased by ¥8.9 billion YoY, mainly driven by higher net sales in building construction and improved margins in civil engineering. • SG&A expenses increased by ¥1.4 billion, mainly due to higher investment in human capital.
Profit (loss) attributable to owners of parent	**13.3** billion yen	+101.9%	+83.4%	• In addition to improved operating profit, profit increased due to the recording of extraordinary gains, including gains on sales of strategic shareholdings and fixed assets.
Dividend per share	**40** yen	+2yen	+1yen	• Based on our policy targeting a Dividend on Equity (DOE) of 4.0% or higher, the annual dividend is 40 yen per share (Interim: 19yen, Year-end: 21 yen), an increase of 2 yen per share.

FY03/2026 Financial Results

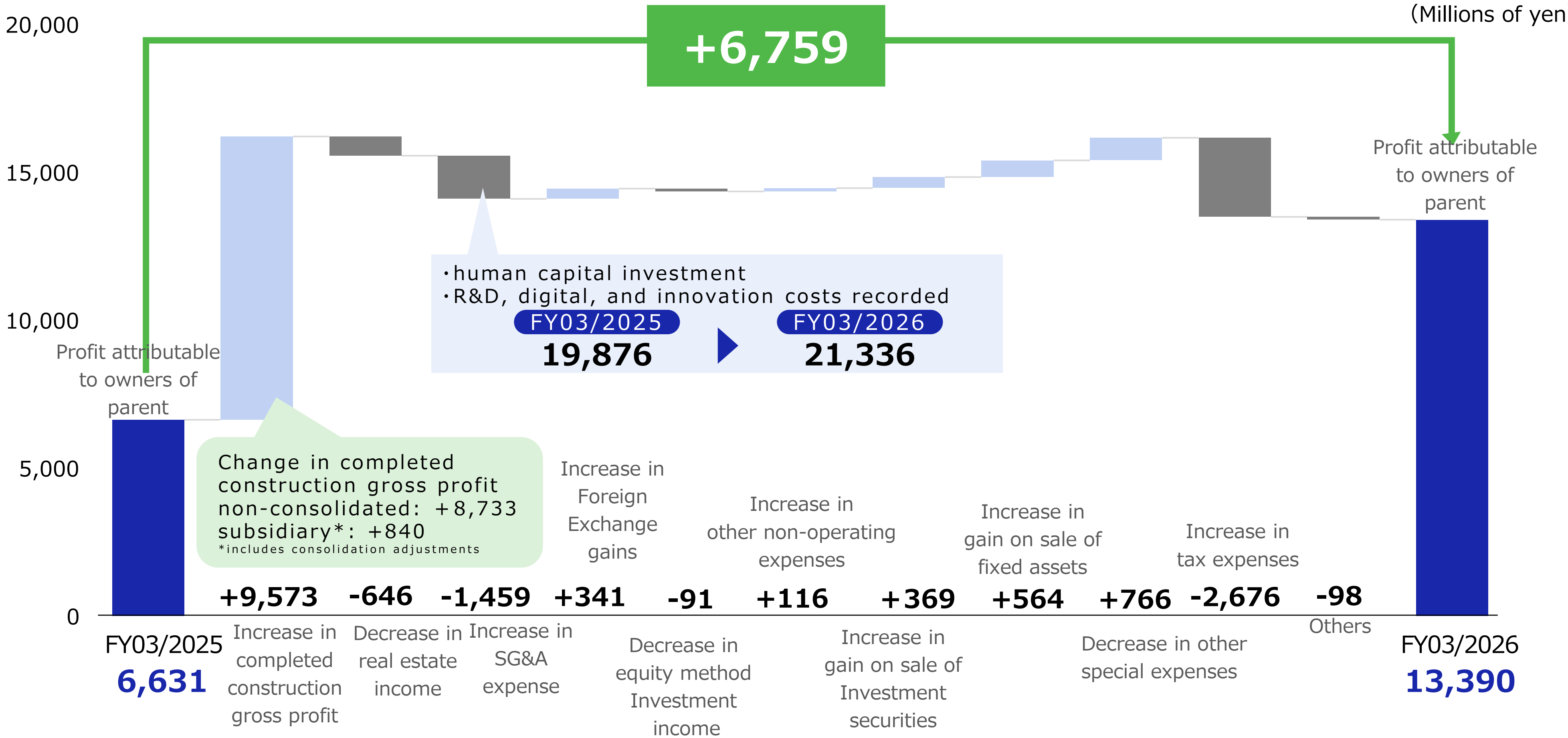
Consolidated net sales reached a record high due to steady progress on large-scale projects in both Building Construction and Civil Engineering.
Gross profit increased due to higher sales in Building Construction and improved profitability in Civil Engineering. Net income increased significantly YoY.

(Millions of yen)		Consolidated					Non-consolidated				
		FY03/2025		FY03/2026		YoY※	FY03/2025		FY03/2026		YoY※
Completed construction sales	Building construction	219,684	74.9 %	259,236	76.0 %	+39,552 +18.0%	191,764	72.7 %	235,071	74.4 %	+43,307 +22.6%
	Civil engineering	68,486	23.4	74,350	21.8	+5,864 +8.6%	68,116	25.8	74,350	23.5	+6,234 +9.2%
	total	**288,170**	**98.3**	**333,587**	**97.2**	**+45,416 +15.8%**	**259,880**	**98.5**	**309,422**	**97.9**	**+49,542 +19.1%**
Real estate sales		4,968	1.7	7,593	2.2	+2,625 +52.8%	4,064	1.5	6,724	2.1	+2,660 +65.4%
Net Sales		**293,139**	**100.0**	**341,181**	**100.0**	**+48,042 +16.4%**	**263,945**	100.0	**316,147**	**100.0**	**+52,202 +19.8%**
Completed construction gross profit	Building construction	—	— %	—	— %	—	15,532	8.1 %	19,539	8.3 %	+4,006 +25.8%
	Civil engineering	—	—	—	—	—	7,757	11.4	12,484	16.8	+4,726 +60.9%
	total	26,476	9.2	36,050	10.8	+9,573 +36.2%	23,290	9.0	32,024	10.3	+8,733 +37.5%
Real estate gross profit		2,239	45.1	1,593	21.0	(646) (28.9%)	1,871	46.0	1,504	22.4	(366) (19.6%)
Gross Profit		**28,716**	**9.8**	**37,643**	**11.0**	**+8,926 +31.1%**	**25,162**	**9.5**	**33,528**	**10.6**	**+8,366 +33.3%**
SG&A		19,876	6.8	21,336	6.3	+1,459 +7.3%	18,391	7.0	19,830	6.3	+1,438 +7.8%
Operating Profit		**8,839**	**3.0**	**16,306**	**4.8**	**+7,467 +84.5%**	**6,770**	**2.6**	**13,698**	**4.3**	**+6,927 +102.3%**
Ordinary Profit		**9,701**	**3.3**	**17,552**	**5.1**	**+7,850 +80.9%**	**6,911**	**2.6**	**14,537**	**4.6**	**+7,625 +110.3%**
Profit (loss) attributable to owners of parent		**6,631**	**2.3**	**13,390**	**3.9**	**+6,759 +101.9%**	**3,896**	**1.5**	**11,571**	**3.7**	**+7,675 +197.0%**

The upper row indicates the amount of increase or decrease, while the lower row shows the growth rate.

Factors Affecting Net Income

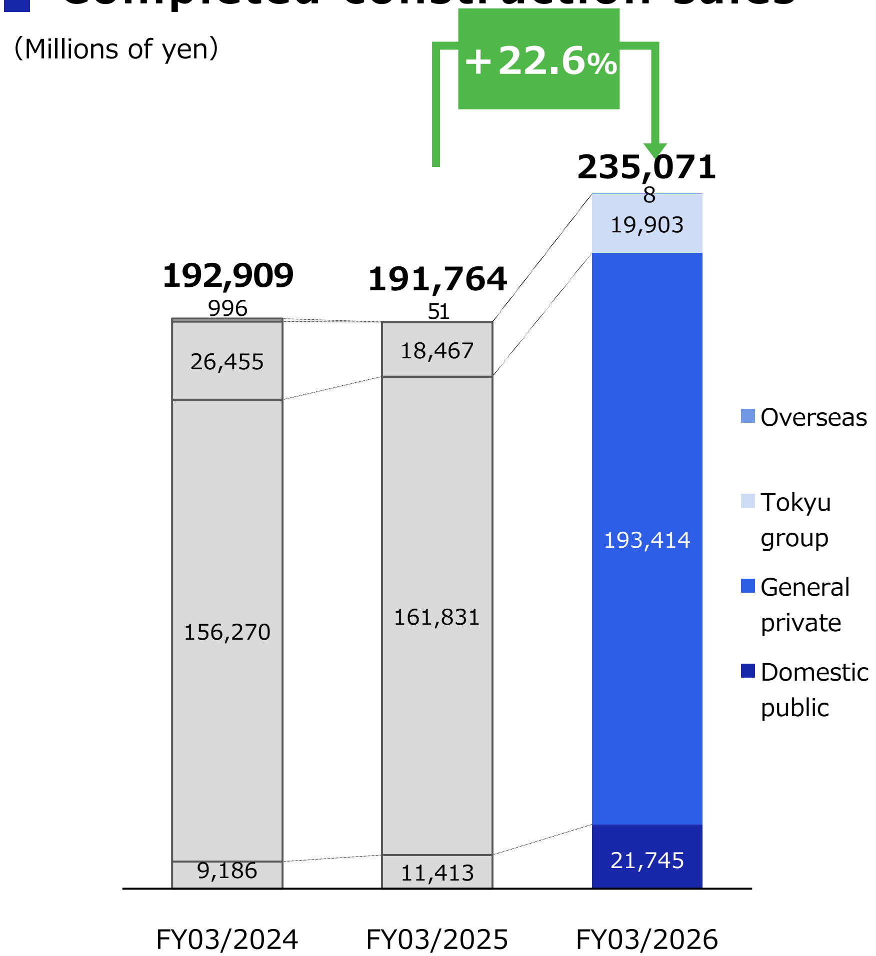
Although SG&A expenses increased due to higher personnel costs resulting from improved compensation, gross profit on completed construction rose significantly. The recording of gains on the sale of strategic shareholdings and fixed assets contributed to a doubling of net profit.



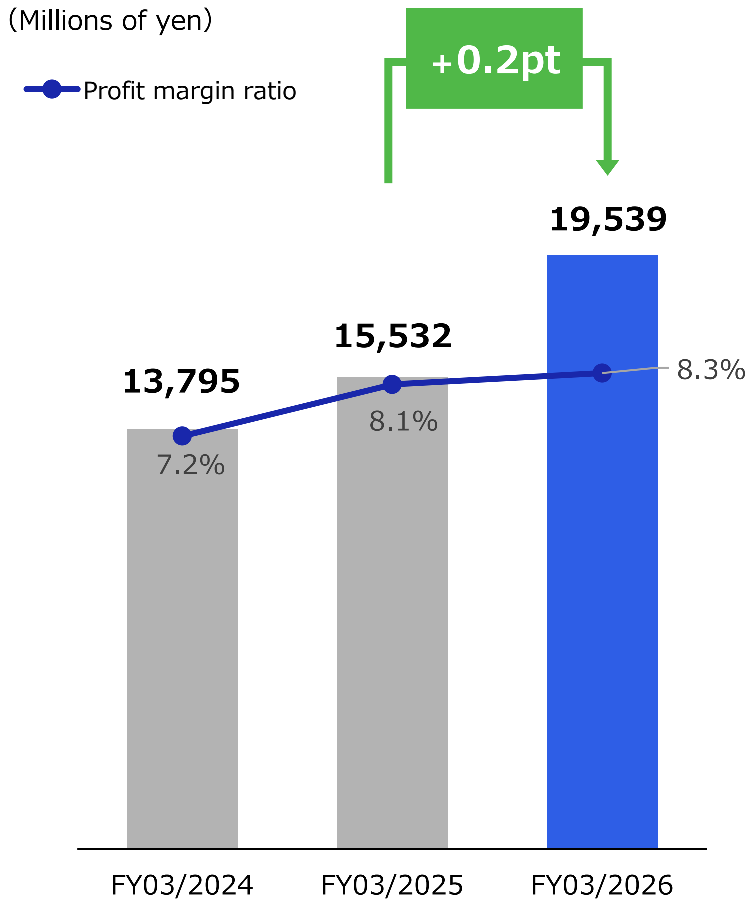
Non-Consolidated ／ Building construction（Completed construction sales･Completed construction gross profit)

Net sales significantly exceeded the previous year, maintaining a level in the 200-billion-yen range due to the smooth progress of multiple large-scale projects. Gross profit increased by 4.0 billion yen following the sales growth.

Completed construction sales



Gross profit

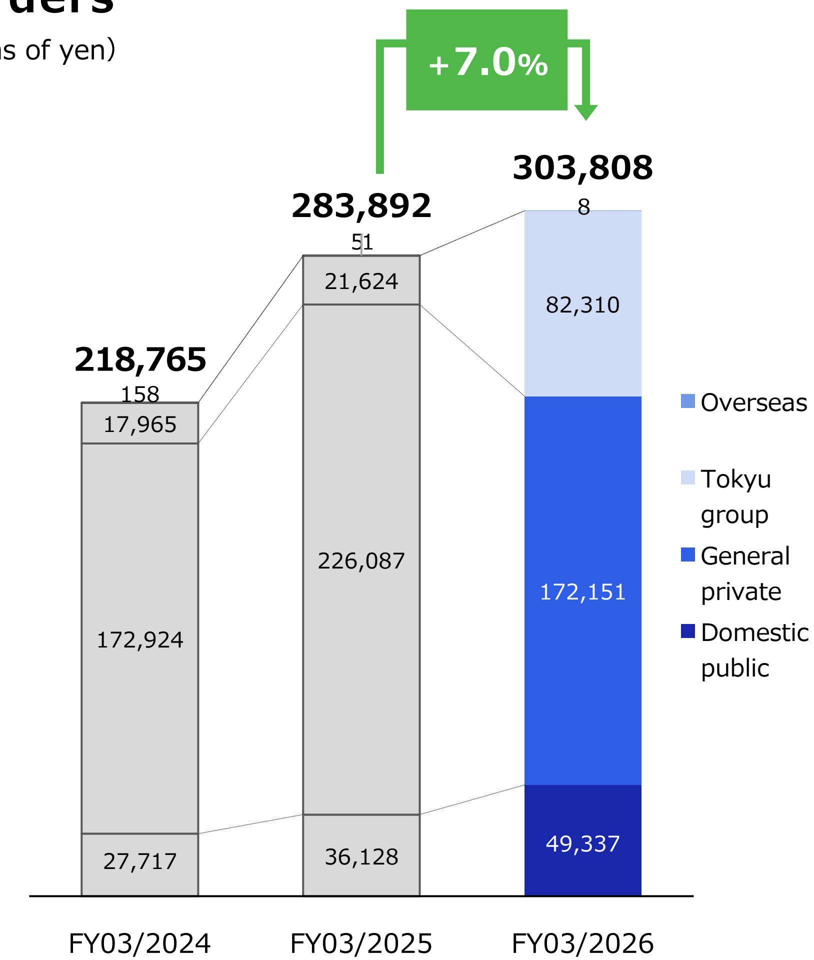


Non-Consolidated / Building construction (Orders)

Secured record-high orders exceeding 300 billion yen, including large-scale projects such as the Shibuya Station area redevelopment and public sector works. Amid strong inquiries, we prioritized profitability and secured orders across a broad range of uses, focusing on projects where we can leverage our strengths.

Orders

(Millions of yen)



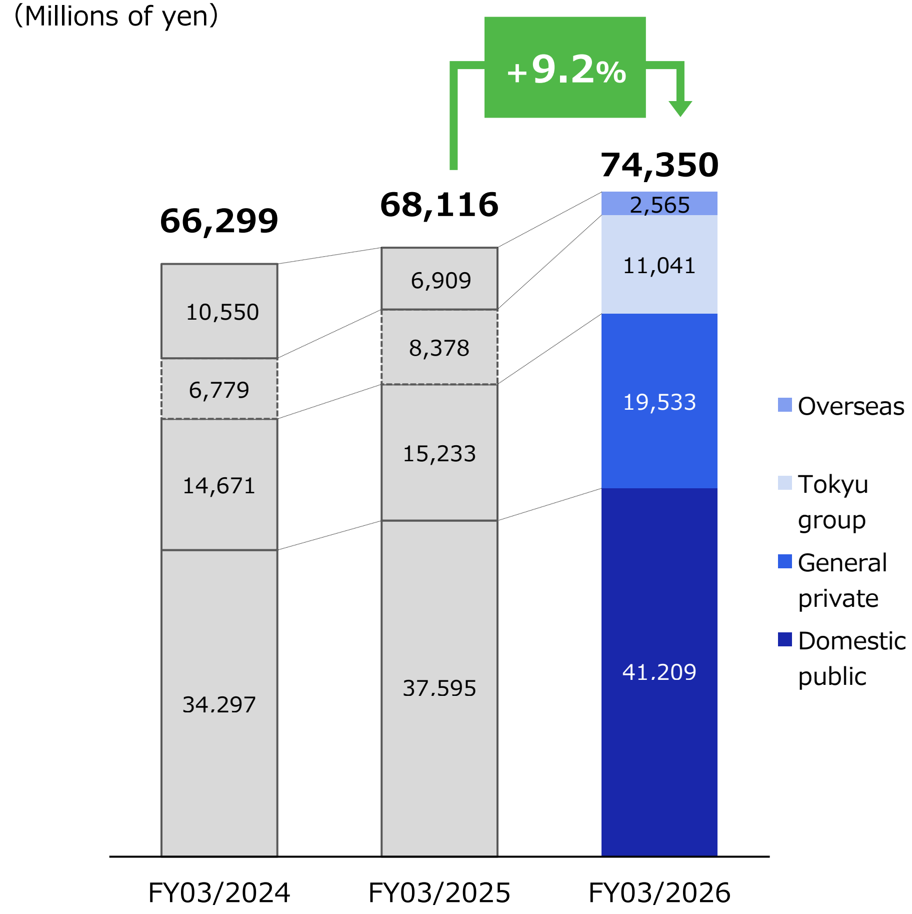
Main orders

Client	Project	Location
Tokyu Corporation / East Japan Railway Company / Tokyo Metro Co., Ltd.	Shibuya Station District, West & Central Buildings (High-rise Section): New Construction (Interior & MEP) (Shibuya Scramble Square Phase II)	Tokyo
Tokyu Resorts & Stays Co., Ltd.	(Tentative name) Hakata Ekimae 3-chome Project: Construction	Fukuoka
SoftBank Corp.	Data Hall Building: New Construction	Hokkaido
Mitsubishi Estate Residence Co., Ltd.	Setagaya-ku Okusawa 5-chome Project: New Construction	Tokyo
Nomura Real Estate Development Co., Ltd.	(Tentative name) Otsuka 2-chome Project: New Construction	Tokyo
Kanagawa University	Kanagawa University Yokohama Campus Building No. 13 (Gymnasium): Renovation	Kanagawa
Sekisui Chemical Co., Ltd.	Sekisui Chemical Musashi Plant: New Office Building for Division P	Saitama
ES CON JAPAN Ltd.	(Tentative name) Hokkaido Ballpark Hotel Project: New Construction	Hokkaido
National Hospital Organization Sagamihara National Hospital	National Hospital Organization Sagamihara National Hospital: New Outpatient & Administration Building (Building Work)	Kanagawa
Shibuya City	(Tentative name) Hiroo Junior High School Complex: New Construction (Building Work)	Tokyo
Shinagawa City	Shinagawa City New Main Government Office: Construction	Tokyo

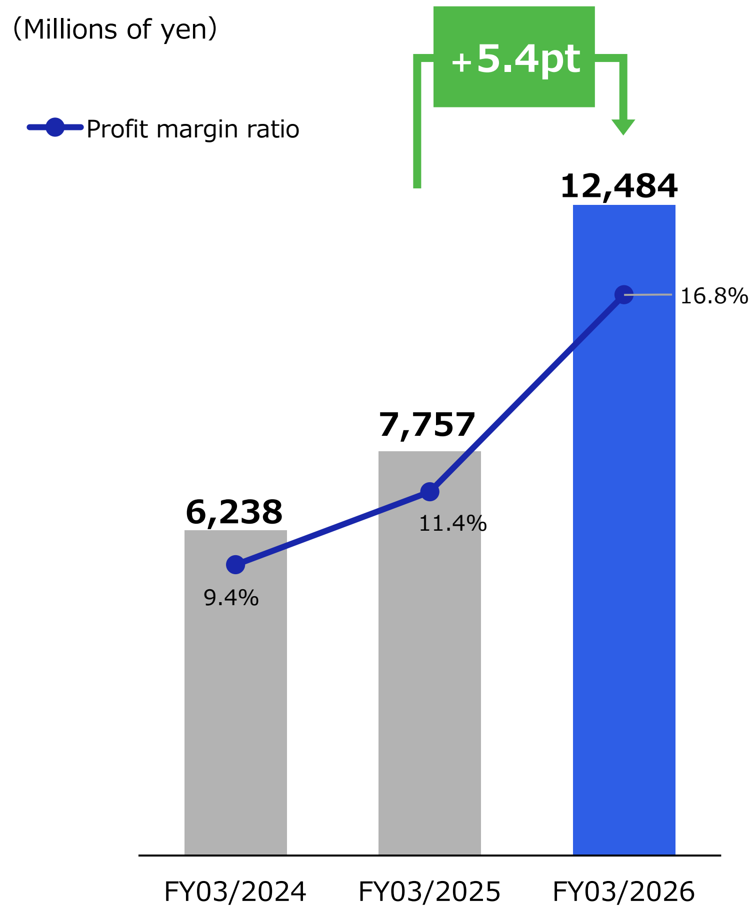
Non-Consolidated ／ Civil engineering（Completed construction sales･Completed construction gross profit）

Completed construction sales increased 9.2% on the back of progress on large-scale projects. Profitability improved substantially, with additional work orders and design changes secured on long-duration projects, resulting in both profit amount and profit margin reaching all-time highs.

Completed construction sales



Gross profit

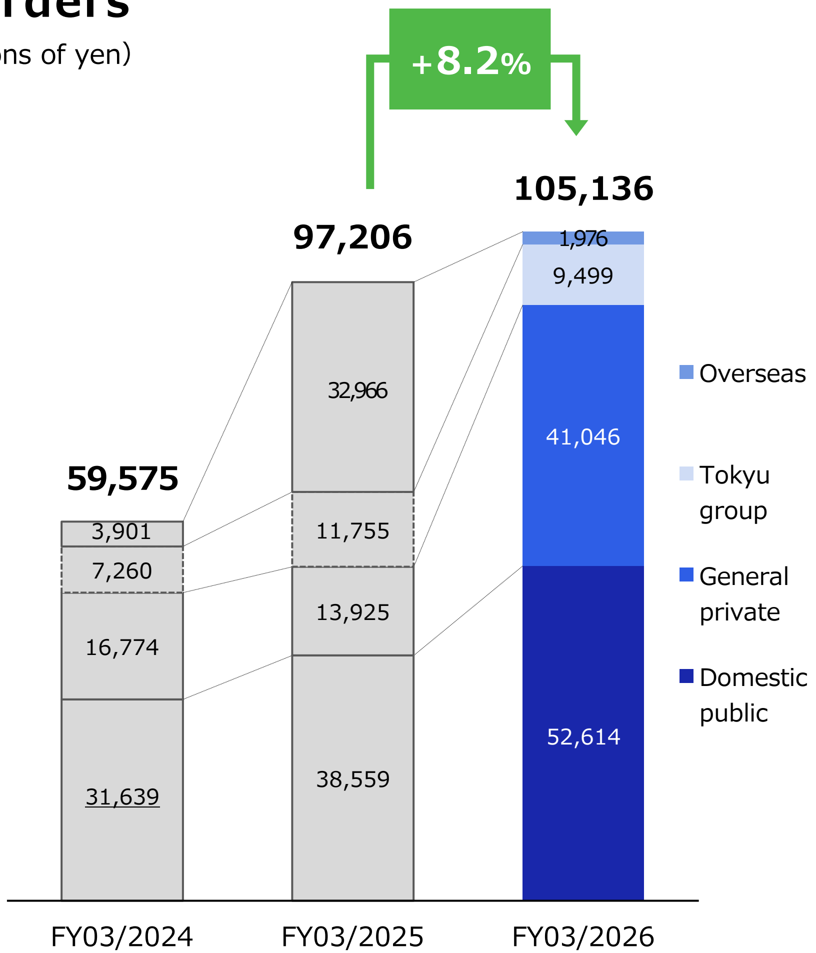


Non-Consolidated / Civil engineering (Orders)

In the public sector, we won multiple tunnel and shield tunneling projects—areas in which it excels. We also captured steady demand for private-sector projects such as railway-related work, achieving record-high orders received.

Orders

(Millions of yen)



Main orders

Client	Project	Location
Tokyu Railways Co., Ltd.	Denen-toshi Line: Miyazaki Bridge Side Walkway Renovation (Civil Engineering)	Kanagawa
Saginuma Station Area Urban Redevelopment Association	Saginuma Station Area Type 1 Urban Redevelopment: Public Facilities Development (Part 1)	Kanagawa
Kawasaki Todoroki Park Co., Ltd.	Todoroki Ryokuchi Park Reorganization & Management: Infrastructure Development	Kanagawa
Tokyo Metro Co., Ltd.	Ginza Line Shibuya Station West Exit (Section 2): Civil Engineering	Tokyo
TEPCO Power Grid, Inc.	Utility Conduit Relocation near Momura, Inagi City, and one other project	Tokyo
Hokkaido Electric Power Network, Inc.	Chitose Bibi District Supply Measures (Minami-Hayakita Feeder): Dedicated Bridge Construction	Hokkaido
Ministry of Land, Infrastructure, Transport and Tourism	National Route 13: Kaneyama No. 2 Tunnel Construction	Yamagata
Ministry of Land, Infrastructure, Transport and Tourism	National Route 5 (Sapporo): Box Culvert Installation at Soseigawa-dori North 8-jo East	Hokkaido
Bureau of Sewerage, Tokyo Metropolitan Government	Sludge Transfer Pipeline between Ochiai and Miyagi Water Reclamation Centers (Part 4)	Tokyo
City of Yokohama	Western Treatment Area: Daimon Stormwater Trunk Sewer Development	Kanagawa
Kanagawa Prefecture Wide-Area Water Supply Authority	1,350mm Diameter Water Transmission Main Installation (Kamitsuruma–Shimotsuruma)	Kanagawa

Consolidated Balance Sheets

The equity ratio declined 1.2 percentage points from the end of the previous fiscal year to 35.9%.
The D/E ratio stood at 0.32 times, remaining within the target ceiling of 0.5 times.

(Millions of yen)	As of March 31, 2025	As of March 31, 2026	YoY
Current assets	216,723	**253,716**	**+36,992**
Non-current assets	24,863	**22,031**	**(2,832)**
Investments and other assets	32,728	**35,101**	**+2,373**
Total assets	274,315	**310,849**	**+36,533**
Liabilities	147,299	**193,637**	**+46,337**
Non-current liabilities	24,348	**4,536**	**(19,812)**
Total net assets	102,667	**112,676**	**+10,008**
Total liabilities and net assets	274,315	**310,849**	**+36,533**
Equity ratio(%)	37.1	**35.9**	**(1.2pt)**
Interest-bearing debt	26,711	**36,067**	**+9,356**
D/E ratio (times)	0.26	**0.32**	
Net Cash	12,954	**13,519**	**+565**

Increase/decrease factors

– **Current assets**
- Cash and deposits +9,921
- Notes receivable, accounts receivable from completed construction contracts and other +10,536

– **Non-current assets**
- Buildings and structures −1,643

– **Liabilities**
- Notes payable, accounts payable for construction contracts and other −1,288
- Electronic recorded obligations – operating +3,837
- Short-term borrowings +29,500
- Provision for warranties for completed construction +3,528
- Provision for loss on construction contracts −1,235
- Deposits received +9,350

– **Non-current liabilities**
- Long-term borrowings −20,144
- Provision for loss on real estate business and other −152

– **Total net assets**
- Retained earnings +9,350
- Total accumulated other comprehensive income +238

Consolidated Statements of Cash Flows

Operating cash flow increased, absorbing the rise in working capital. Although investing cash flow declined, the increase in financing cash flow resulted in a net increase in cash and cash equivalents.

(Millions of yen)	FY03/2025	FY03/2026	FY03/2026 remarks
Cash flows from operating activities	41,203	**6,910**	Cash increased due to a decrease in accounts receivable and the recording of income before income taxes.
Cash flows from investing activities	−1,595	**−2,451**	Cash decreased primarily due to expenditures for the acquisition of property, plant, and equipment, and intangible assets.
Free cash flow	39,607	**4,459**	—
Cash flows from financing activities	−31,878	**5,387**	Cash increased mainly due to a net increase in short-term borrowings.
Net increase (decrease) in cash and cash equivalents	7,723	**9,921**	—
Cash and cash equivalents at beginning of period	31,942	**39,666**	—
Cash and cash equivalents at end of period	39,666	**49,587**	—

Results of rebuilding our earning capacity

FY03/2026 Financial Results Briefing

Rebuilding of our earning capacity (Problem-solving skills)

We positioned the three years starting in FY2023 as a period for “Rebuilding Our Earning Capacity.” Through initiatives focused on key strategic priorities, we have returned to a growth trajectory toward achieving VISION 2030.

Points of strategy	Key initiatives	Outcomes and Contributions to Growth
Safety/ quality	Strengthening our construction management structure and reforming organizational culture	Thoroughly reducing lost profits: Preventing the occurrence of unprofitable projects and building the foundation for record-high profit (see page 13).
Sales force	Prioritizing profitability and ensuring appropriate pass-through of cost fluctuations	Improving profitability at order intake: Securing appropriate margins in focus areas such as Shibuya redevelopment, data centers, and mountain tunnels (see pages 28–32).
Productivity/ labor force	BIM/CIM, technology development, and the recruitment and utilization of diverse talent / Strengthening collaboration with partner companies	Securing stable construction resources: Establishing a competitive advantage in delivering high-difficulty, short-duration projects (see pages 42–43).
Construction Renewal	Focusing on large-scale projects and optimizing construction execution systems	Building a stable earnings base: Strengthening our earning power in the stock (recurring) market (see page 20).
Human resources investment	Accelerating compensation improvement and the development of digital talent	Strengthening recruitment and retention. Expanding total investment in people and DX significantly from 10.0 billion yen to 74.0 billion yen (see pages 34–35).

Efforts to Prevent Recurrence of Quality Problems, Improve Construction Quality, and Restore Trust

Regarding the past quality problems, we have reviewed the structure, system and organizational culture to prevent their recurrence thoroughly.
Establishing a Culture Reform Awareness Center, strengthening initiatives towards genuine organizational culture reform, and solidifying trust from customers.

Overview of the quality problems

In FY2021, in addition to substandard pile tips and data falsification in station improvement work, defects such as the retention of temporary structures and building construction defects were identified.

Investigation of the cause and prevention of recurrence

Cause

- **Lack of awareness and management** of special construction conditions
- **Dilution of quality** awareness **and sense of ethics**
- **Gaps in intergenerational communication** in the field
- **Lack of on-site support** by Head Office and branches

Prevention of reoccurrence

Improvement of construction quality management system (Civil Engineering)	• New establishment of the quality control division of Head Office • Building of a human and technical support system for the field
Information sharing & Improvement of training programs for worksite engineers	• Introduction of preliminary reporting by e-mail of accidents and problems directly linked to management • Expansion of the internal reporting system • Review of construction management education and training programs
Accountability clarification	• Voluntary return of remuneration by Directors and Executive Officers • 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
Reforming corporate culture	• Compliance education for all officers and employees • Launch of measures that make communications more frequent and effective

■ Establishment of Culture Reform Awareness Center

In October 2025, to thoroughly prevent recurrence, a Culture Reform Awareness Center was opened at the headquarters with the aim of having all employees learn from past lessons and encouraging individual behavioral change.
Moving forward, as part of education for all employees, they will engage in genuine culture reform through group training.

Permanent Exhibition Room of the Cultural Reform Awareness Center

Full-year Forecast for FY03/2027

FY03/2026 Financial Results Briefing

FY03/2027 Forecast Assumptions

Record-high construction work carried forward and improved profitability will underpin net sales and profit. Our profit forecast is set at a level we are committed to achieving. We have not factored in the impact of the situation in the Middle East.

1. Operating profit of 16.5 billion yen is a commitment level:
Set as the current minimum target, with aims for further improvement.

2. Main driver of profit growth is the higher ratio of high-margin projects:
The impact of low-margin projects has run its course, and replacement with high-margin projects is progressing.

3. Net sales to remain at previous year's level:
Since many projects have just commenced, significant sales growth is expected from the next fiscal year onward.

4. Middle East situation not factored into assumptions:
While there are some impacts on material prices, logistics, and exchange rates, no major disruptions have occurred for the company at this time. As it is difficult to reasonably calculate the impact, it is not included in the forecast. We will continue monitoring and respond appropriately.

FY03/2027 Financial Forecast Highlights

We plan for orders received to remain at a high level exceeding the previous record while ensuring profitability. Net sales are expected to be slightly below the prior year.
We will accelerate investment in human capital and DX for mid- to long-term growth. By strengthening competitiveness through these investments, we expect an increase in operating profit.

External environment

- **Domestic construction investment is expected to remain solid in both public and private sectors, and an environment supportive of securing profitability will continue.**
- **Materials and labor costs remain elevated. We will stay alert to cost impacts from tight resources and geopolitical factors.**

		YoY	
Orders (non-consolidated)	486.5 billion yen	+19.0%	• Building Construction: High-confidence large-scale projects have been accumulated in the pipeline. The Company will focus on securing high-margin projects, anchored by the maintenance and strengthening of relationships with repeat clients. • Civil Engineering: Orders are expected to increase, driven by domestic public-sector contracts and large-scale overseas projects.
Net Sales	334.0 billion yen	- 2.1%	• Building Construction: Although the backlog of construction work in progress remains at a high level, completed construction sales are expected to decline, as a large proportion of projects have only recently broken ground. • Civil Engineering: Sales are expected to increase, reflecting progress on domestic private-sector and overseas projects.
Operating profit	16.5 billion yen	+1.2%	• Strengthening on-site execution and organizational capabilities through investments in human capital and DX will drive an expansion in gross profit. Operating profit is expected to increase, supported by a positive cycle that balances growth investment with profit growth.
Profit (loss) attributable to owners of parent	11.0 billion yen	- 17.9%	• Net profit attributable to owners of parent is expected to decline, reflecting anticipated decreases in non-operating income and extraordinary gains, as well as an increase in income tax expense.

Non-Consolidated Order Forecast

Building Construction: Targeting orders of approximately 340 billion yen. We are accumulating a solid pipeline of high-visibility projects, primarily centered on large-scale construction.
Civil Engineering: Planning for approximately 140 billion yen in orders both in Japan and overseas. We will maintain a disciplined, selective bidding approach that prioritizes profitability across both the public and private sectors.

(Millions of yen)	FY03/2026 Results	FY03/2027 Forecast	Rate of Change	YoY
Domestic public	49,337	10,000	(79.7%)	(39,337)
Domestic private	254,462	334,000	+31.3%	+79,538
General private	172,151	314,000	+82.4%	+141,848
Tokyu Group	82,310	20,000	(75.7%)	(62,310)
Overseas	8	—	(100.0%)	(8)
Building construction	**303,808**	**344,000**	**+13.2%**	**+40,191**
Domestic public	52,614	41,700	(20.7%)	(10,914)
Domestic private	50,545	24,800	(50.9%)	(25,745)
General private	41,046	12,800	(68.8%)	(28,246)
Tokyu Group	9,499	12,000	+26.3%	+2,500
Overseas	1,976	76,000	—	+74,023
Civil engineering	**105,136**	**142,500**	**+35.5%**	**+37,363**
Total	**408,944**	**486,500**	**+19.0%**	**+77,555**

FY03/2027 Financial Results Forecast

Consolidated net sales are expected to decline slightly YoY. As low-margin projects in non-consolidated building construction run their course, the gross profit margin is expected to improve, leading to higher operating profit. We expect higher non-operating and tax-related expenses, profit attributable to owners of parent is projected to decline. We will continue working to improve profitability going forward.

(Millions of yen)		Consolidated FY03/2026 Results	%	Consolidated FY03/2027 Forecast	%	Consolidated YoY※	Non-consolidated FY03/2026 Results	%	Non-consolidated FY03/2027 Forecast	%	Non-consolidated YoY※
Completed construction sales	Building construction	259,236	76.0	—	—	—	235,071	74.4	220,000	71.7	(15,071) (6.4%)
	Civil engineering	74,350	21.8	—	—	—	74,350	23.5	80,000	26.1	+5,649 +7.6%
	total	**333,587**	**97.2**	**326,000**	**97.6**	**(7,588) (2.3%)**	**309,422**	**97.9**	**300,000**	**97.7**	**(9,423) (3.0%)**
Real estate sales		7,593	2.2	8,000	2.4	+406 +5.4%	6,724	2.1	7,000	2.3	+276 +4.1%
Net Sales		**341,181**	**100.0**	**334,000**	**100**	**(7,181) (2.1%)**	**316,147**	**100.0**	**307,000**	**100**	**(9,147) (2.9%)**
Completed construction gross profit	Building construction	—	—	—	—	—	19,539	8.3	24,600	11.2	+5,060 +25.9%
	Civil engineering	—	—	—	—	—	12,484	16.8	9,000	11.3	(3,484) (27.9%)
	total	36,050	10.8	37,800	11.6	+1,750 +4.9%	32,024	10.3	33,600	11.2	**+**1,576 +4.9%
Real estate gross profit		1,593	21.0	1,000	12.5	(593) (37.2%)	1,504	22.4	900	12.9	(604) (40.2%)
Gross Profit		**37,643**	**11.0**	**38,800**	**11.6**	**+1,156 +3.1%**	**33,528**	**10.6**	**34,500**	**11.2**	**+971 +2.9%**
SG&A		21,336	6.3	22,300	6.7	+963 +4.5%	19,830	6.3	20,800	6.8	+970 +4.9%
Operating Profit		**16,306**	**4.8**	**16,500**	**4.9**	**+193 +1.2%**	**13,698**	**4.3**	**13,700**	**4.5**	**+2 +0.0%**
Ordinary Profit		**17,552**	**5.1**	**16,800**	**5.0**	**(752) (4.3%)**	**14,537**	**4.6**	**13,500**	**4.4**	**(1,037) (7.1%)**
Profit (loss) attributable to owners of parent		**13,390**	**3.9**	**11,000**	**3.3**	**(2,390) (17.9%)**	**11,571**	**3.7**	**9,100**	**3.0**	**(2,472) (21.4%)**

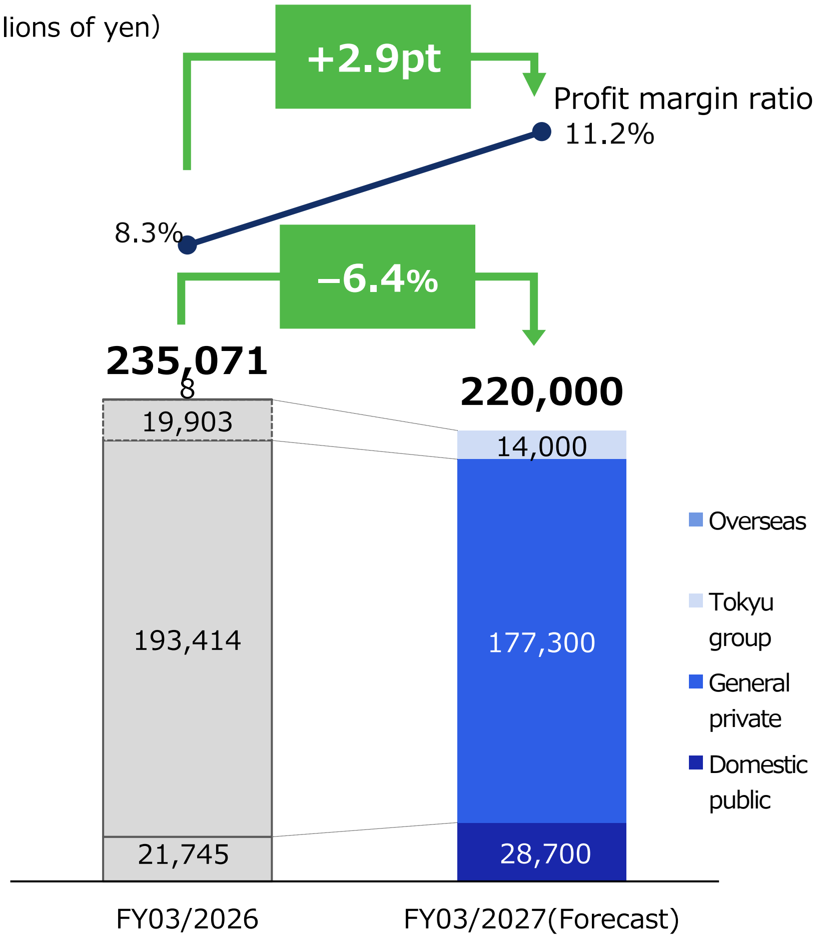
The upper row indicates the amount of increase or decrease, while the lower row shows the growth rate.

Non-consolidated Financial Results Forecast／Building construction

Although construction work carried forward remains at a high level, completed construction sales is expected to decrease as many projects have only recently started. As low-margin projects run their course, we expect the profit margin to improve to 11.2%. We will aim to ensure appropriate construction management and steadily win planned projects that will support future growth.

Completed construction sales /Gross Profit

(Millions of yen)



Construction work carried forward

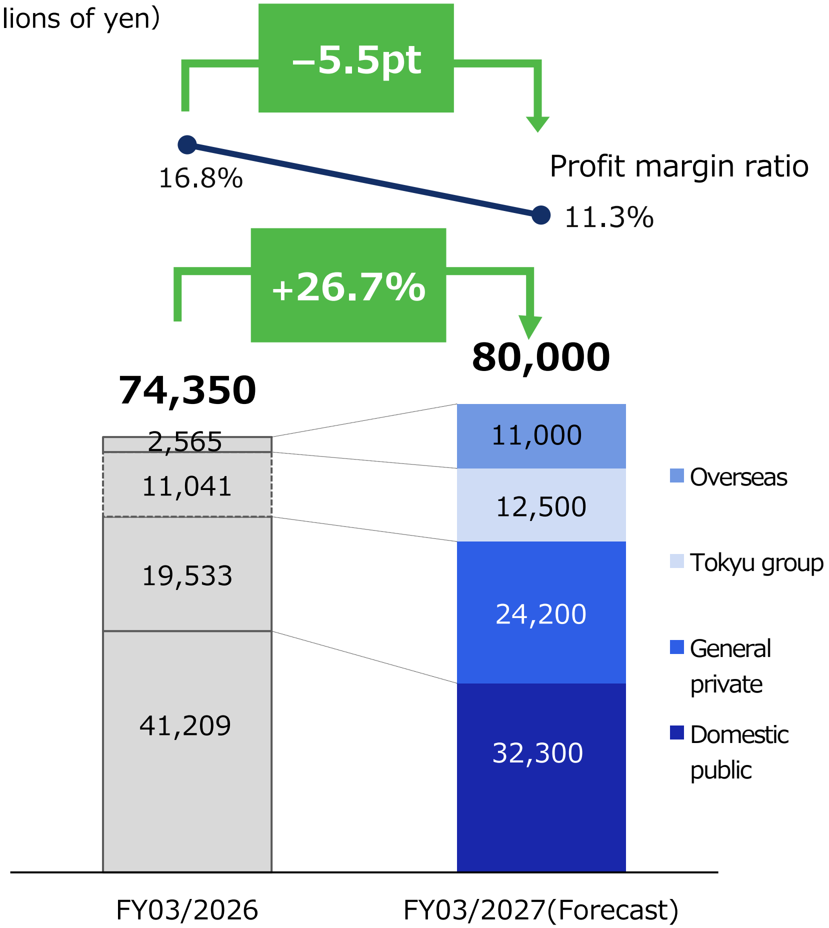
(Millions of yen)	FY03/2026	FY03/2027 Forecast
Amount brought forward	381,911	**450,647**
Orders	303,808	**344,000**
Completed construction sales	235,071	**220,000**
Amount carried forward	450,647	**574,647**

Non-consolidated Financial Results Forecast／Civil engineering

We expect higher revenue due to progress on overseas projects ordered in prior years.
With many projects in our areas of strength in the backlog, we will pursue further margin improvement through on-site ingenuity and continuous improvement.

Completed construction sales /Gross Profit

(Millions of yen)



Construction work carried forward

(Millions of yen)	FY03/2026	FY03/2027 Forecast
Amount brought forward	136,686	**167,472**
Orders	105,136	**142,500**
Completed construction sales	74,350	**80,000**
Amount carried forward	167,472	**229,972**

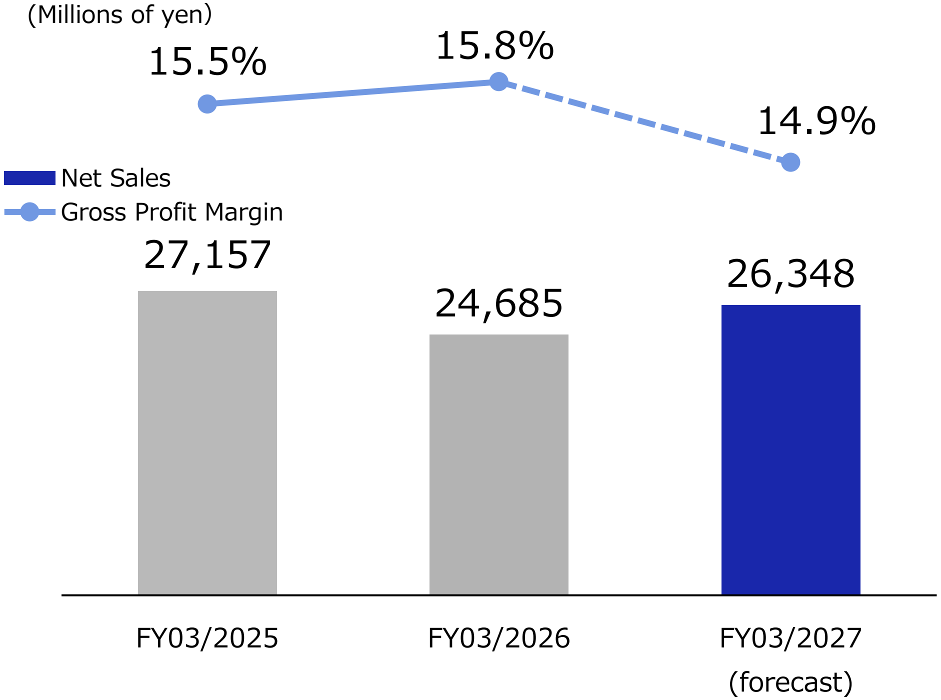
Construction Renewal

In FY03/2026, amid strong market conditions, we promoted order-taking activities focused on profitability and productivity rather than simply pursuing scale, raising the gross profit margin by 0.3 percentage points. Favorable order-taking conditions are expected to continue in FY03/2027.

External environment	• **In addition to inbound-related properties, renewal demand for office buildings and similar assets is robust.**
External environment	• **With demand remaining solid, we are promoting strategic order-taking activities with an emphasis on productivity and profit levels.**

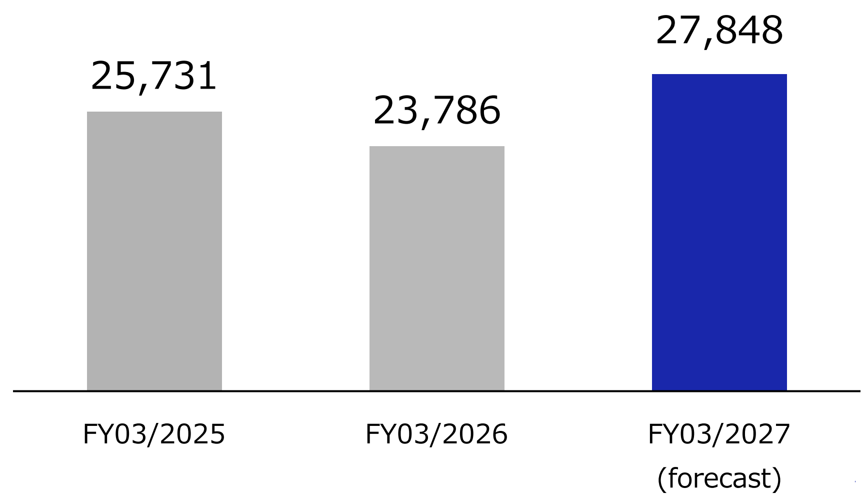
Net Sales/Gross Profit

(Millions of yen)



Orders

(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.

International

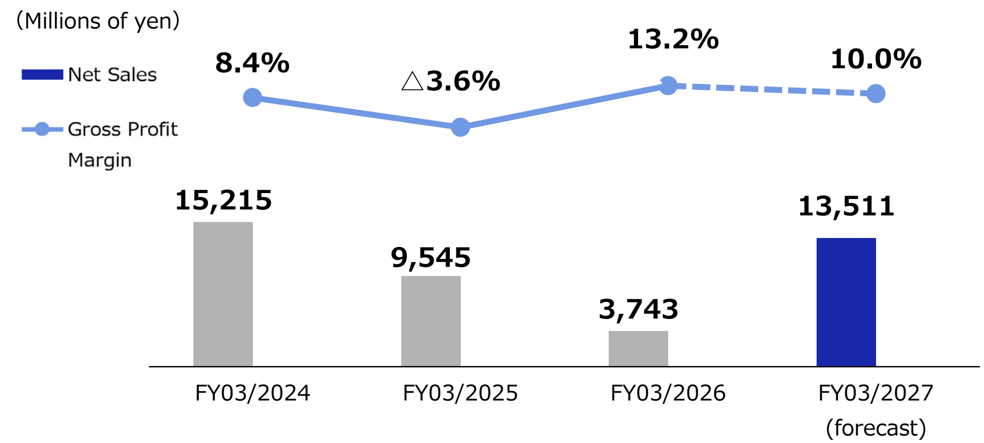
Position ODA projects as a core business.
Strive to expand the business area to both upstream and downstream of the value chain by participating in TOD*1.

Future policy	• The expertise and technology we cultivated through urban development along the Tokyu Line, and railway/road construction work in Japan and overseas
External environment	• Needs for infrastructure development in Southeast and South Asia will increase. • Intensifying market competition with growing local general contractors • Rising uncertainty, including the risk of political upheaval and rising prices

Future policy

- **Expand and maintain ODA projects, Expand and maintain ODA projects, and enter non-ODA projects**
- **Focus on TOD urban planning, etc. in cooperation with overseas partner companies**
- **Strengthen the foundation for growth by implementing personnel and organizational strategies**

Net Sales/Gross Profit ※2



Summary of financial results

- In FY03/2026, revenue declined as progress on projects in the backlog fell short of assumptions. The impact from the provision for losses at overseas subsidiaries recorded in the previous fiscal year did not recur, resulting in an improved profit margin.
- In FY03/2027, we expect progress on large-scale projects ordered in prior years and forecast net sales of 13.5 billion yen with a profit margin of 10.0%.
- We aim to win a large-scale ODA project for which we currently hold preferred bidder status (the overseas orders forecast includes 76.0 billion yen).

*1 Abbreviation of "Transit Oriented Development." Urban development aimed at a society based on public transportation that does not rely on cars.
※2 Each of the numbers for Overseas is a simple sum of numbers from overseas subsidiaries and from non-consolidated overseas business of the Company, and no elimination was taken into account.（Overseas subsidiaries : TokyuConstructionIndonesia、GoldenTokyuConstruction、IndochineGroup、TokyuPacificConstruction）

Real estate

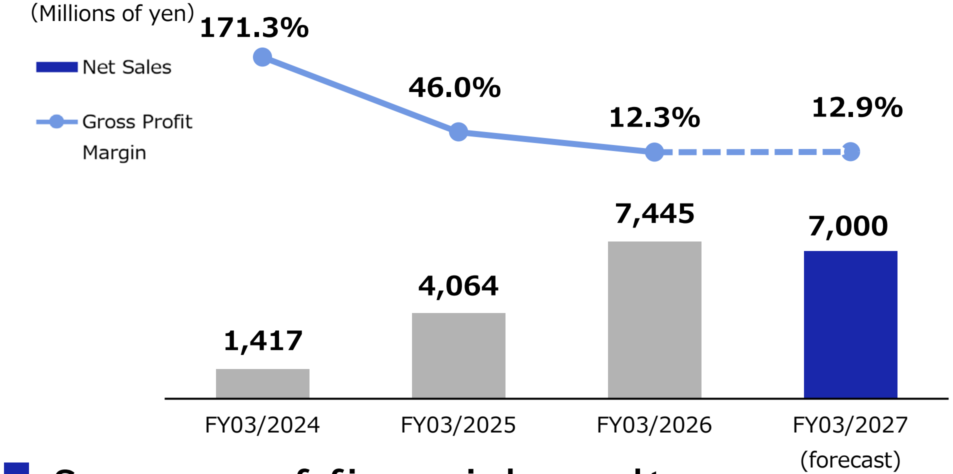
Targeting environment-conscious customers, provide environmentally friendly properties with added value, such as leasing, development, and renewal of old properties by leveraging synergy with construction business.
Increase capital efficiency through cyclical real estate business using rental income and property sales.

Business Strengths	• Coordination with companies in the Tokyu Group, targeting primarily small to medium-sized properties. • Promote real estate development and real estate value-add by maximizing synergy with a comprehensive construction company. • Enhance value through the use of energy-saving technologies, extending the lifespan of real estate, and providing safe and secure spaces.
External environment	• Progression of building deterioration • Expansion of environmental real estate needs • Concern over increased business costs due to rising procurement and construction costs

Future policy

- **Use the strength of a general contractor in increasing our value by promoting environmentally friendly properties and introducing our TG Brand**
- **Continue to acquire new profitable properties and replace assets in the Tokyo metropolitan area where we are strong, to promote cyclical business**

Net Sales/Gross Profit ※



Summary of financial results

- In FY03/2026, in addition to steady rental income, we sold certain properties, increasing net sales by 3.4 billion yen YoY. As the impact from reversals of provisions for losses related to the real estate business recorded up to the previous fiscal year did not recur, the profit margin declined.
- In FY03/2027, we will continue to rely on stable earnings from the leasing business and plan additional property sales, while maintaining net sales and profit at approximately the same level as the previous year.

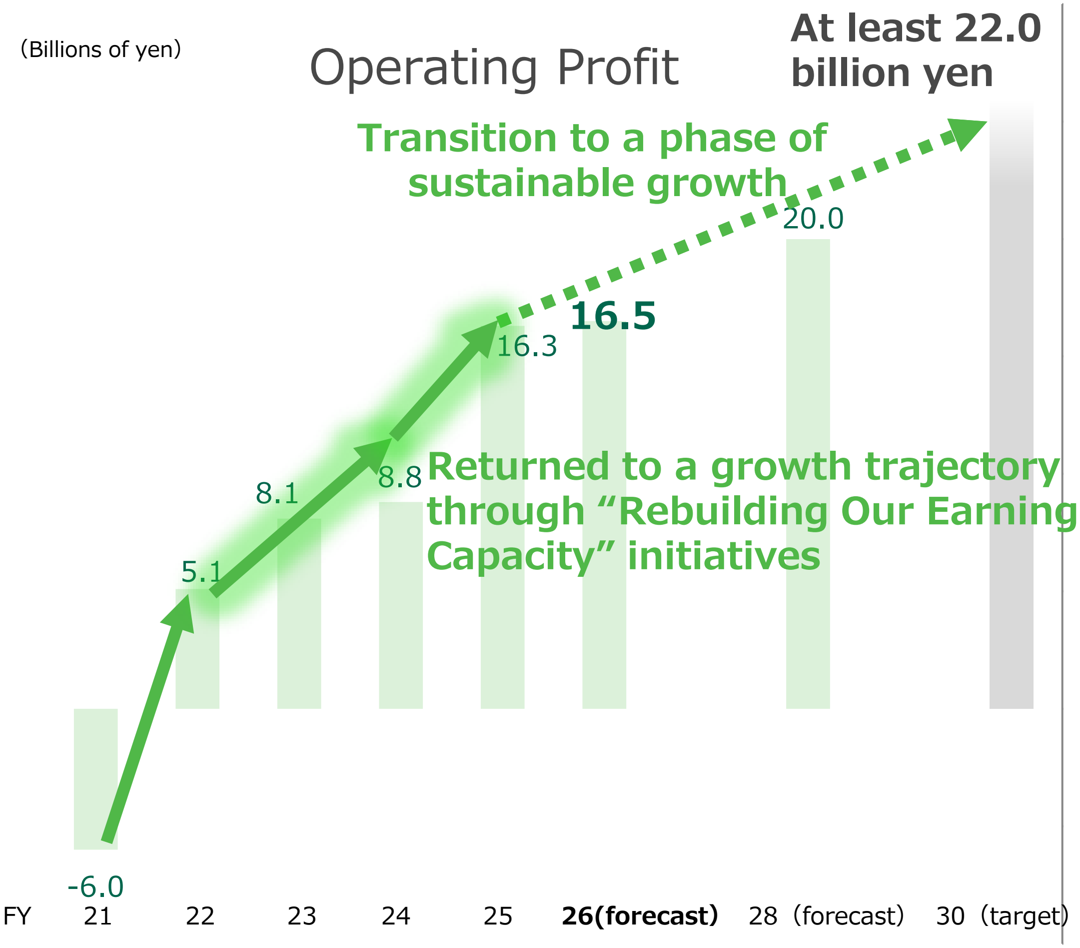
※ Numbers for the real estate business are the values of the sales and gross profit of the real estate business on the Company's non-consolidated statement of income.

Long-Term Management Plan
“To zero, from zero.”

FY03/2026 Financial Results Briefing

Initiatives for medium- to long-term growth

By thoroughly ensuring construction safety and quality and continuously working to improve productivity, we aim for higher revenue potential.
We will further expand human capital investment and strategically strengthen our human resources capabilities to secure growth by FY2030.



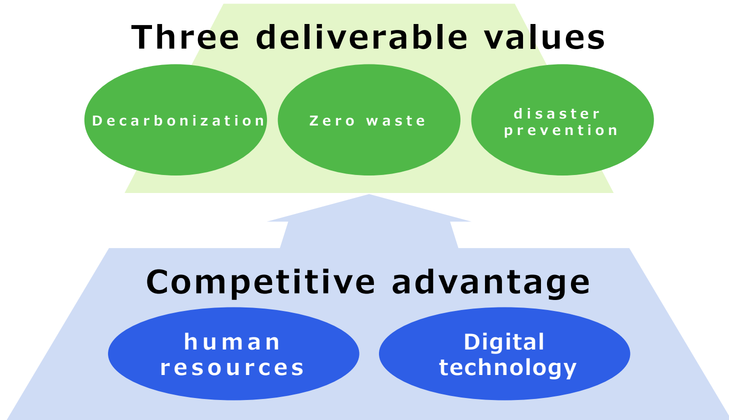
■ Rolling Update to the Long-Term Management Plan (May 2026)

We positioned the three-year period starting in FY2023 as "Rebuilding Our Earning Capacity," and promoted initiatives under key strategic priorities: "Safety & Quality," "Sales Capabilities," "Productivity & Labor force," "Construction Renewal," and "Human Capital Investment." Supported by steady progress in these initiatives and favorable business conditions, we have returned to a growth trajectory toward achieving VISION 2030.

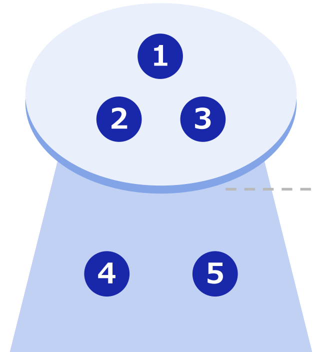
As domestic construction investment is expected to remain solid, we assume favorable business conditions will continue. By participating in large-scale redevelopment projects in the buoyant Shibuya area and continuing to focus on the key strategic priorities under "Rebuilding Our Earning Capacity," we aim to achieve higher profitability.

Long-Term Management Plan “To zero, from zero.” (Rolling the plan in May 2026)

We aim to enhance corporate value sustainably by setting three deliverable values as strategic pillars and positioning human resources and digital as sources of our competitive advantages.



Business strategy



1 Tokyu Construction brand

Establishment of the Tokyu Construction brand through the building of competitive advantages in human resources and digital technology and the provision of three values

2 Core business

Strengthening of problem-solving skills, construction and production system innovation, and growth through alliances and M&A

3 Strategic business

The creation of new growth opportunities through investments in strategic business and synergies with core business

4 Human resource and organizational strategies

Creation of results and acceleration of innovation through the strengthening of human resources and reform of the organization and corporate culture

5 Financial and capital strategies

Emphasis on capital efficiency and the construction of stable financial foundations by pursuing the optimal capital structure

KPI

		03/FY2026 Results	03/FY2027 Forecast	03/FY2029	03/FY2031
Profitability	Operating profit	16.3 billion yen	16.5 billion yen	At least 20.0 billion yen	At least 22.0 billion yen
	Operating profit margin	4.8%	5.0%	At least 5.0	At least 5.0%
Efficiency	ROIC（※1）	9.2%	—	—	At least 7.0%
	ROE	12.6%	9.7%	At least 10.0%	At least 10.0%
Soundness	Debt-to-equity ratio	0.32 times	0.5 times or less		0.5 times or less
	Capital adequacy ratio	35.9%	Approx. 40%		Approx. 45%
Non financial	Employee engagement rating（※2）	BBB	A	AA	AAA
	GHG emissions Scope1･2※3	—	30.6% reduction	39.2% reduction	47.9% reduction
	GHG emissions Scope3※3	—	20.0% reduction	25.0% reduction	30.0% reduction

※1 The ROIC of 7.0% or higher is set as a medium- to longer-term target for FY03/2031.
※2 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 “BBB” is the fourth rating from the top after “AAA,” “AA,” and “A” .
※3 The baseline is the emissions in FY03/2019. The GHG emission reduction target is set based on the 1.5°C criteria under the SBT certification (refer to: SBTi Corporate Near-Term criteria ver5.2). Additionally, the FY2025 results are scheduled to be disclosed after obtaining third-party assurance (expected in July 2026).

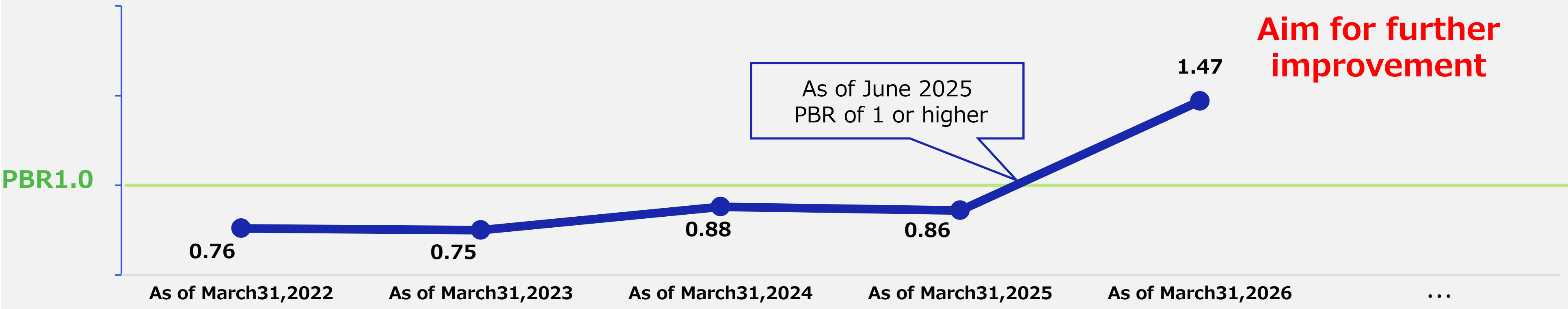
Efforts towards realizing management with awareness of the cost of capital and stock price

FY03/2026 Financial Results Briefing

Management Conscious of the Cost of Equity and Stock Price

We aim to continuously generate value added that exceeds our cost of capital, further improve our PBR, and maximize the equity spread.

PBR trend



Measures for improving PBR

PBR = ROE × PER

Improve PBR = Improve ROE / Cost of equity

Improve ROE

- Restructuring of our earning capacity (Problem-solving skills)
- Initiatives for Working Style Reform and Construction Quality
- Reduction of Low-Performing Assets (Strategic Shareholdings)

Cost of equity

Initiatives for growth

- Promotion of Human Capital Management
- Acquisition of Market Opportunities by Leveraging Our Strength

Reduce capital costs

- Stable and continuous shareholder return (DOE 4%)
- Improve Dialogue with the Stock Market and Information Disclosure

Recognition of cost of shareholders' equity and profitability

The cost of shareholders' equity based on CAPM is recognized as 5.5-6.5%. It is recognized that a higher expected revenue rate is being demanded from investors.
Promote improvement measures from short-term and medium-to-long-term perspectives, aiming for an ROE of 10% or more in FY2030, which is a KPI of the long-term management plan.

Cost of shareholders' equity (estimated by CAPM)

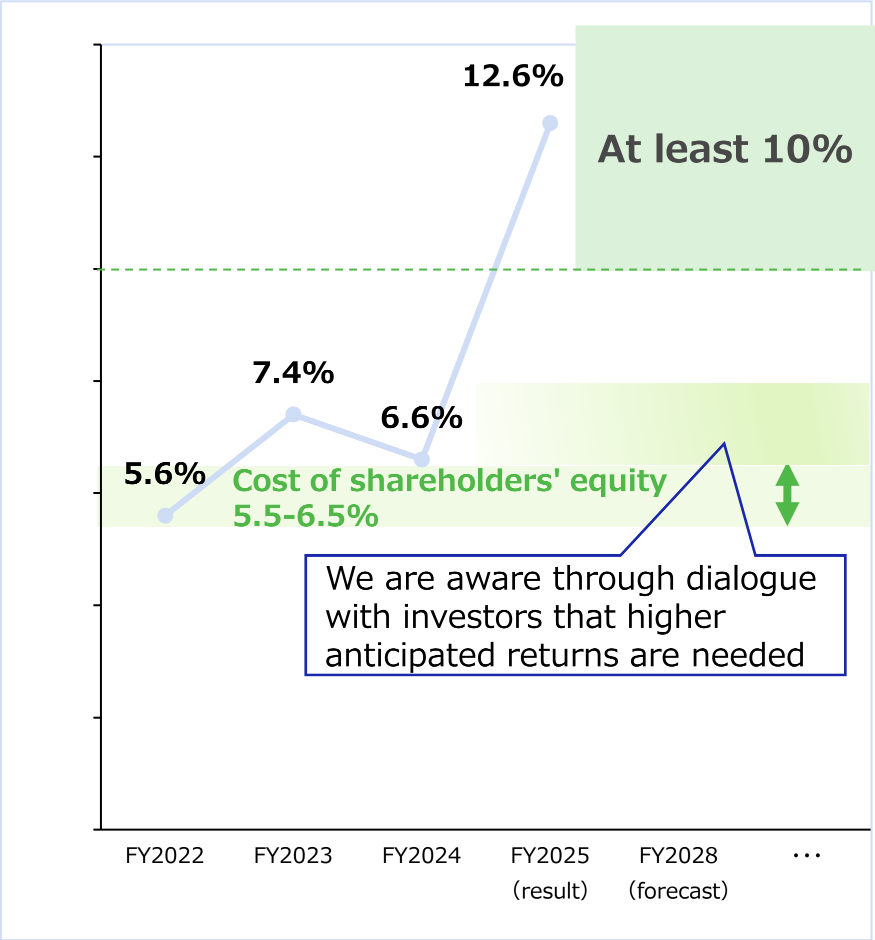
*Cost of shareholders' equity＝
① risk-free rate + ② β (beta) × ③ market risk premium

① risk-free rate	② β (beta)	③ market risk premium
Yield on investments with essentially no risk (investments in safe assets)	The target company's risk (compared to the overall stock market risk)	The overall risk of the stock market (compared to investments in safe assets).
About 1.3%	0.65	About 6.45%

＝ **Cost of shareholders' equity** **5.5%～6.5%**

- ■ risk-free rate : 10-year government bond yield (2-year average, daily)
- ■ β (beta) : Levered β Weekly 5 years
- ■ market risk premium : Japan Securities Research Institute model 6.0-6.9%

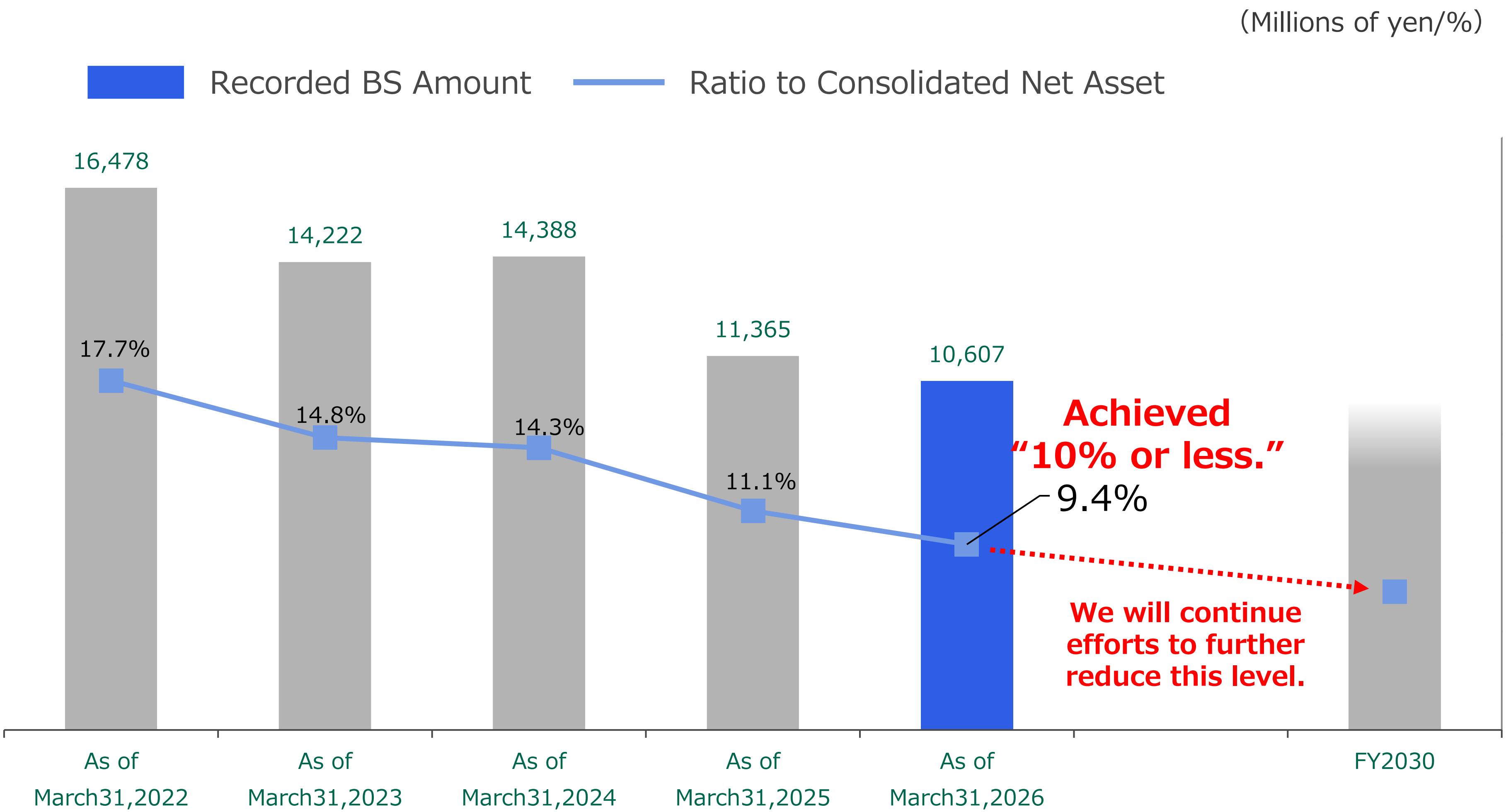
ROE trends



Reduction of Low-Performing Assets (Strategic Shareholdings)

Improve ROE | Reduce capital costs

We are accelerating the reduction of strategic shareholdings by rigorously evaluating the rationale for each holding from the perspectives of both capital efficiency and strategic significance. As of the end of March 2026, we achieved our target of reducing these holdings to 10% or less of consolidated net assets ahead of schedule. We will continue to pursue further reductions.



Acquisition of Market Opportunities by Leveraging Our Strength

Improve ROE | Reduce capital costs

Urban development along the Tokyu line and in Shibuya: Progress and strengths

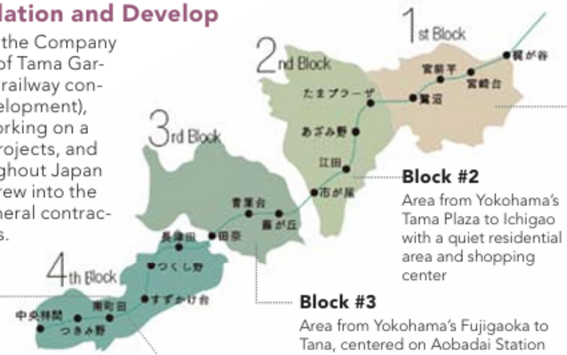
As a member of the Tokyu Group, we have developed a consumer-oriented mindset with a strong focus on the community and users while being involved in urban development for a long time We will leverage world-class performance, technology, and expertise in railway and station area development to capture new market opportunities.

The Progress of Urban Development

1959-1995

Establish Business Foundation and Develop

As a member of the Tokyu Group, the Company played a role in the development of Tama Garden City (town planning including railway construction and residential land development), built its business foundation by working on a number of difficult construction projects, and expanded its business from throughout Japan to overseas. The Company then grew into the one of the leading semi-major general contractors in the second half of the 1980s.



Block #1
Area from Kawasaki's Kajigaya to Saginuma, the start of the Tama Gardens City development

Block #2
Area from Yokohama's Tama Plaza to Ichigao with a quiet residential area and shopping center

Block #3
Area from Yokohama's Fujigaoka to Tana, centered on Aobadai Station

Block #4
Area from Nagatsuta to Chūō-rinkan, which runs through the three cities of Yokohama, Machida, and Yamato

DT Tokyu Den-en-toshi Line

1996-2010

Challenge During Economic Downturn

Despite facing an unprecedented business crises due to the bursting of the bubble economy, the Company completed numerous difficult construction projects that would become city landmarks. We have refined out technologies and built up trust with customers.


Q FRONT


SHIBUYA MARK CITY


CERULEAN TOWER Bldg.

2011-2020

Evolving Urban Development Know-how

The Company has advanced its technologies in response to changes in the business environment and market needs. We evolve those in various regions and use them to create new value for sustainable cities demanded by the times.


SHIBUYA STREAM


SHIBUYA SCRAMBLE SQUARE


Minami-machida Grandberry Park

Cultivated strengths

Technology that keeps urban functions running

Construction technology that has been cultivated through solving customer challenges, including railway construction and advanced techniques from the world's leading people flow in Shibuya, to maintain urban functionality.

In the Tokyu Toyoko Line Shibuya Station to Daikanyama Station underground project (2013), approximately 1,200 construction personnel completed the work in about three and a half hours after the last train of the day, seamlessly converting the above-ground tracks to underground overnight, providing users with an unchanged daily routine the following morning.

Expertise cultivated over many years

The accumulated track record of construction work has been passed down as expertise within the company.

Shibuya Scramble Square (2019) overcame challenges not only related to the high level of difficulty in the construction technology of the approximately 230-meter skyscraper directly above Shibuya Station but also in coordinating with other intricately intertwined redevelopment projects, managing pedestrian passages running through the building under construction, and addressing issues such as highways and ground and underground railways in the surrounding area, completing the construction over approximately five years.

Teamwork beyond departmental boundaries

In addition to teamwork at the construction site, the collaboration between civil engineering and building construction across projects will facilitate smooth project advancement and enhance the overall value of the city.

The history of urban development along the Tokyu line and other areas has been supported by the collaboration of civil engineering and buildng construction, and by our shared value of being "consumer-oriented" (considering the entire "community" from the perspective of customers and residents rather than just a single building), balancing the complex interests involved in construction projects.

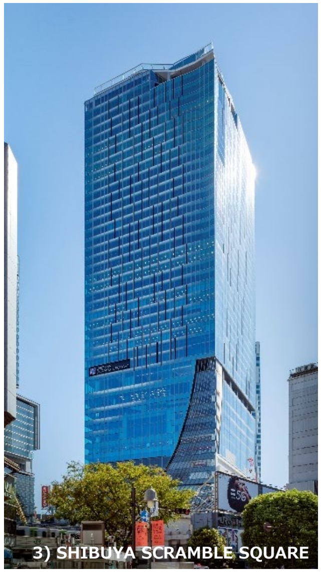
Acquisition of Market Opportunities by Leveraging Our Strength

Urban Development in Shibuya“Future potential”

We have executed difficult construction projects in Shibuya, leveraging our technology, expertise and teamwork.
Shibuya has huge future potential with numerous redevelopment projects planned.

2) SHIBUYA STREAM ©SHIBUYA STREAM

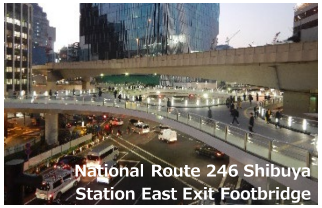
Toyoko Line/Fukutoshin Line Shibuya Station



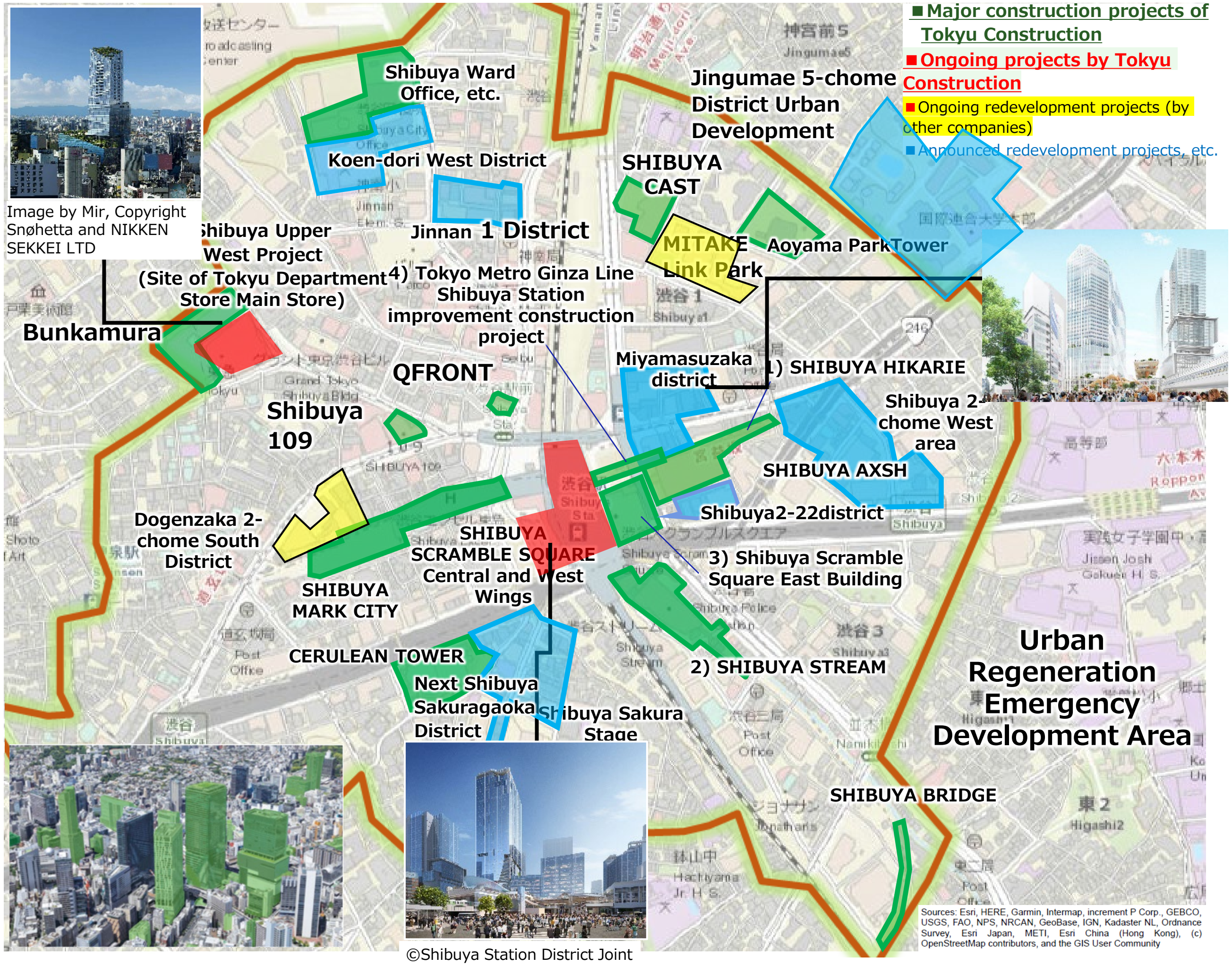
3) SHIBUYA SCRAMBLE SQUARE

1) SHIBUYA HIKARIE ©TOKYU CORPORATION

4) Tokyo Metro Ginza Line Shibuya Station



National Route 246 Shibuya Station East Exit Footbridge



©Shibuya Station District Joint Building Operator

The buildings and infrastructure highlighted in the aerial photos are our construction projects. The map was created by the Company based on published data.

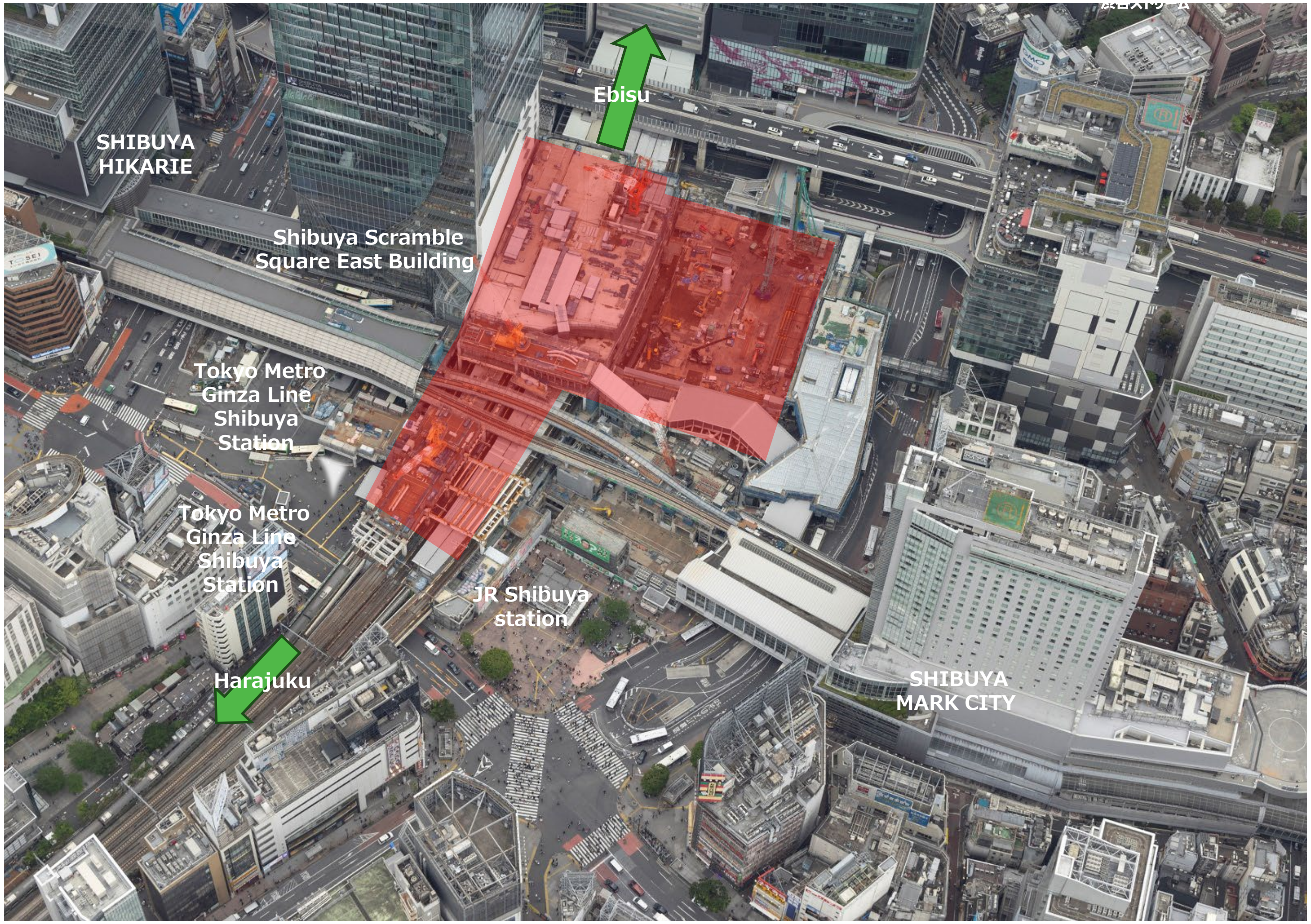
Acquisition of Market Opportunities by Leveraging Our Strength

Progress of urban development around Shibuya Station

Construction at a major terminal station demands constant and meticulous attention to the safety of railway facilities and the large volumes of pedestrians passing through the site. Leveraging our core strength — "Technologies that keep urban functions running" — we deliver an uninterrupted everyday experience to all who visit Shibuya throughout the construction period, while contributing to the continued evolution of the city.

The situation around Shibuya Station

(As of April 2026)



The red frame indicates the construction site for the Shibuya Scramble Square Phase II (Central Building and West Building), with construction starting in May 2025.

Improve ROE | Reduce capital costs

Focus Area in Building Construction | Full-scale Expansion of Urban Data Center Business

Amid rapidly expanding demand for generative AI and cloud services, we are accelerating a strategic shift toward niche markets in urban areas. Strengthening profitability and the business foundation simultaneously through a business model that leverages Tokyu Group's strengths and is difficult for competitors to replicate.

Market Environment

Market Environment

•Data center construction investment is surging both domestically and internationally.

• Large-scale projects are coming to market in rapid succession across a wide range of regions.

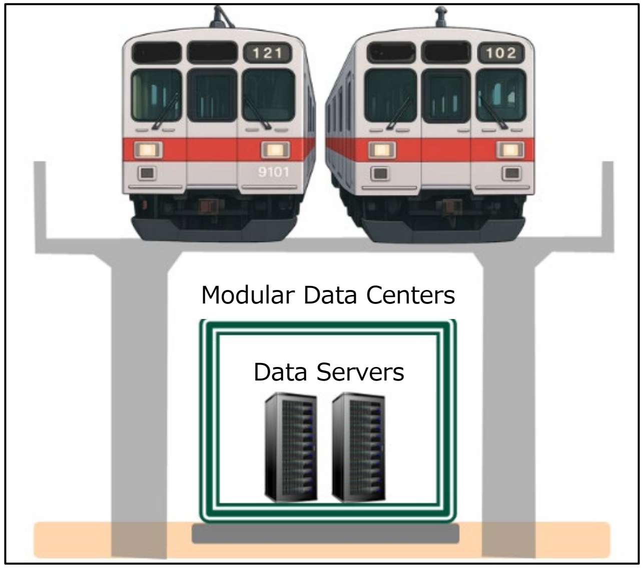
Strategic Position: Capturing Niche Opportunities in Urban Markets Target:

Capturing demand for "low-latency, distributed" data centers in urban areas — a segment underserved by large-scale DC operators.

Group Synergies:

Underutilized land beneath elevated railway structures × Fiber-optic network (iTSCOM) × Power supply (Tokyu Power Supply Co., Ltd.) =

A competitive advantage that is difficult for competitors to replicate.



▲Modular small-scale data centers installed under elevated tracks (Conceptual image)

Our Strengths and Initiatives

Technology Package

･Urban Engineering: Soundproofing, vibration isolation, and cooling technologies designed for harsh environments involving vibration, electromagnetic interference, and iron particulates (patent pending).

･Digital Supply Chain: Integration of BIM and standardized PCa construction methods reduces drawing production man-hours by approximately 40%, enabling ultra-short construction schedules.

Track Record and Rollout

･The Company holds an established track record, including the "Data Hall Building Construction Work (Hokkaido)" for SoftBank Corp.

･Q1 FY2026: Proof-of-concept testing to commence beneath the Oimachi Line elevated railway structures.

･Revenue Model Transformation: Transitioning from construction contracting (flow / project-based income) to operations and maintenance support (stock / recurring income).

目標 Position Tokyu Group–powered urban data centers as a pillar of earnings growth, improving profitability and capital efficiency in the building construction business.

Improve ROE | Reduce capital costs

Focus Area in Civil Engineering | Establishing Competitive Advantage through Proprietary Tunneling Technology

Further deepening proprietary technologies in tunnel construction to promote labor-saving, safety, and quality enhancement. Sustained improvement in profitability through problem-solving skills to complete projects under difficult conditions, and enhancing corporate value by solving social issues.

Market Environment

▌ Expanding Investment and Procurement Environment

Expanding needs for difficult tunnel works due to urban infrastructure renewal and functional enhancement.

•Stable medium-to-long-term orders for mountain tunnels driven by national resilience and disaster prevention investments.

•Increase in construction under operating conditions due to highway widening and large-scale renewals.

▌ Evolving Requirements from Clients and the Market

•Construction plans that simultaneously satisfy labor-saving, enhanced safety, and accelerated schedules — including the application of digital technologies — are becoming a standard selection criterion.

▲Advancing proprietary technologies to drive labor-saving in construction and elevate safety and quality standards.

Our Strengths and Initiatives

▌ Deepening of Proprietary Technologies

•The Tunnel Group — encompassing mountain tunneling, shield tunneling, and pipe-jacking methods — drives technology development and construction support in an integrated manner.

•An extensive track record of construction under highly constrained conditions, including directly beneath railway lines and in confined spaces, translates directly into a clear competitive differentiation from competitors.

▌ Convergence of Digital Technologies and Construction Expertise

Advanced utilization of CIM enhances the management of schedules, quality, and design change responses.

▌ Improving Order Quality and Addressing Long-Life Infrastructure Needs

•By concentrating management resources on projects where our strengths can be fully leveraged, we achieve sustained improvements in profitability.

•Our **"Total Tunnel Solution"** — encompassing repair and reinforcement — captures recurring demand and serves as a clear differentiator throughout the infrastructure lifecycle.

目標 Further strengthen competitiveness through the combination of proprietary tunnel technologies and digital solutions, improving profitability in the civil engineering business and expanding corporate value sustainably.

Cash Allocation(FY2021 to FY2030)

We will invest 187.0 billion yen by FY03/2031 as part of a growth investment to reform our business portfolio. Operating cash flows and proceeds from the sale of strategic shareholdings will be allocated to fund growth investments and maintain stable dividends, targeting a DOE of at least 4.0%.

Financial and Capital Strategies

Emphasizing capital efficiency through the pursuit of an optimal capital structure and establishing a stable financial foundation

Actively utilize interest-bearing debt while maintaining financial discipline**(D/E ratio of 0.5 times or less)**

Policy Regarding Strategic Shareholdings

Reducing the ratio of strategic shareholdings to **consolidated net assets to below 10%** by FY2030

Improving Profitability

By rebuilding our earning capacity and transforming our business portfolio, we aim to achieve consolidated operating profit of over 22.0 billion yen by FY2030.

Cash generation

- Interest-bearing debt
- Strategic shareholdings
- Operating cash flow

Cash allocation

- Total investment: 187.0 billion yen
- Shareholder return: 41.0 billion yen

Growth investments

【Core Businesses】35.0 billion yen

Technology development investments
Innovation in production systems and DX promotion investments
M&A investments

【Strategic Businesses】 78.0 billion yen

M&A investments for international business expansion
Real estate business investments, including property acquisitions
New business incubation investments
Investments in renewable energy–related businesses
Concession/PPP business investments Investments in venture funds and companies

【Human Resources & DX Investments】74.0 billion yen

Investments in sources of competitive advantage
Development of the environment and system infrastructure for company-wide DX promotion

Shareholder return policy

Dividend on equity ratio (DOE) of 4.0% or higher
Dynamic share buybacks

Improve ROE | Reduce capital costs

Reforming Business Portfolio and Expanding Human Resource Investment

To achieve synergy with the construction business and secure stable revenue, we will grow our strategic businesses and transform the business portfolio for FY2030 to a 75% core business and 25% strategic business ratio, expanding investment in human capital, which is a source of our competitive advantages.

Portfolio Reforms

Core Businesses 94%
Strategic Businesses 6%
(FY2019)

Core Businesses 75%
Strategic Businesses 25%
(FY2030)

(percentage of gross profit)

Investment in sources of competitive advantage (human resources, DX)

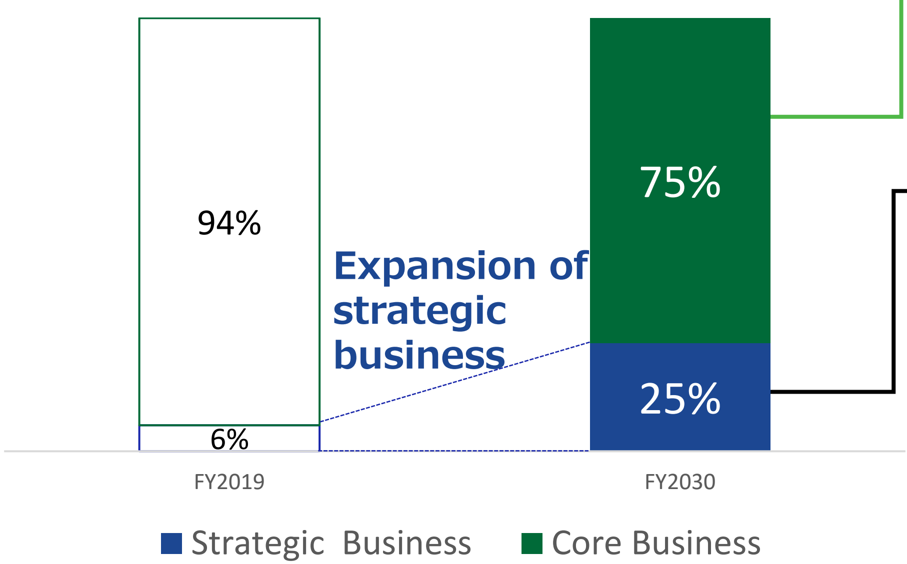
Review the human resource portfolio, including skills shift and recruitment

Long-Term Management Plan in May 2021
10 billion yen

Rolling Plan in May 2026
74billion yen

(Total investment amount for FY2021-FY2030)

Business Portfolio



Core Businesses（Domestic Building Construction/ Domestic Civil Engineering/Construction Renewal)）

Develop digital professionals who can deal with transformations to the construction production system
Digitalize the customer contact point throughout life cycle
Build and operate BIM/CIM-driven data platform

Strategic Businesses（International Business/Real Estate Business/New Businesses)

Hire experts and develop professionals
Foster innovative corporate culture

Common (recruitment, training, and reskilling)

HR system reform, treatment improvement, and personnel development investment
Establish system infrastructure and environment that promote company-wide DX

Promotion of Human Capital Management (Instilling Philosophy and Vision)

Vision Dialogue throughout the year, an opportunity for management and a small number of employees to communicate online (all employees are eligible)
Over the past five years, we have held more than 2,500 sessions in total, encouraging employees to take initiative and act autonomously.

What is Vision Dialogue?

- Online dialogue where one management officer and five employees communicate (all employees are eligible)
- Facilitated by corporate and executive officers including the President (held 2 to 3 times a month)
- Randomly chosen employees of various departments, ages, and job types, etc.
- Everyone attends the dialogue on a level footing (no lecturer, no audience)

Background to initiatives

- The whole company needs to understand and accept the plan regarding difficulties and change, including VISION 2030, and the Long-term Management Plan to realize it
- Management repeatedly conveys the Company’s vision to employees to create a cycle of understanding, agreement, and voluntary action

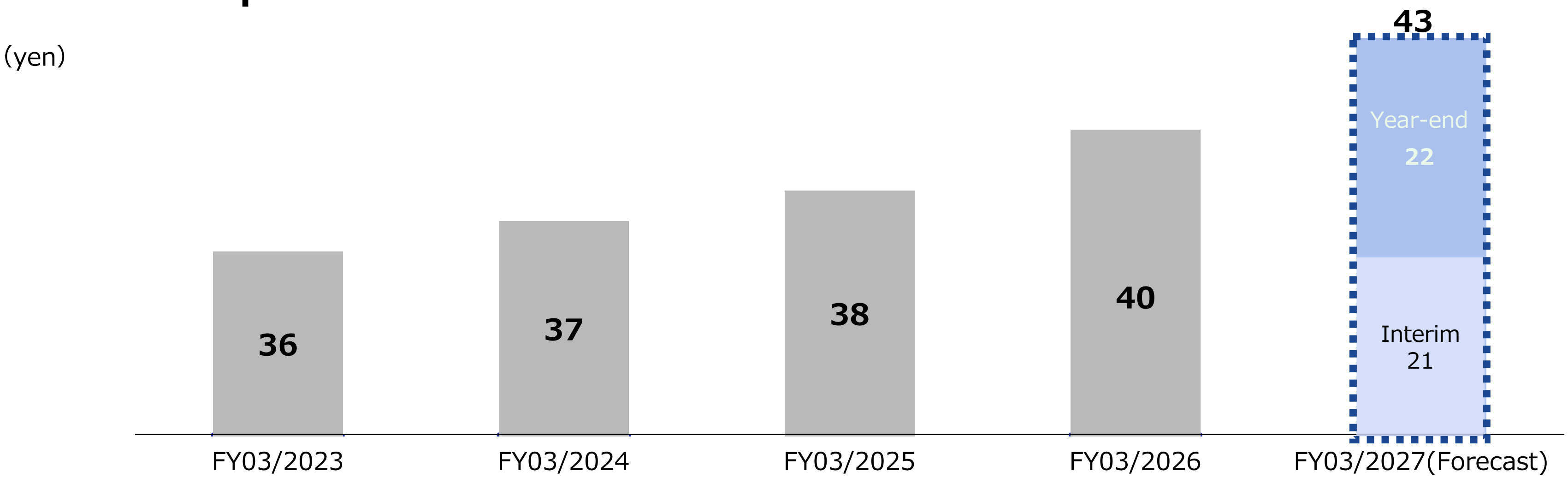
Implementation status

	FY2021 (1st phase)	FY2022 (2nd phase)	FY2023 (3rd phase)	FY2024 (4th phase)	FY2025 (5th phase)	FY2026 (6th phase)
Theme	First step is to spread the new Vision and have people learn it	Behavioral change necessary to realize vision and transformation	Moving experience (rediscover job satisfaction, pride, and vision)	Dream (Deepen the mission “Realize dreams for each individual”)	Individual Growth	Philosophy and Vision
Concept	Ongoing Implementation as a Permanent Initiative (Embedding Dialogue into Our Culture)	Defining specific actions and fostering personal ownership	Rediscovering job satisfaction and pride through shared inspiring experiences	Reaffirming the purpose of work by reflecting on past and present aspirations	Sharing growth requirements to enhance the quality of actions	Reaffirming our "ideal state" as we move into the second half of the period
Participation status	• 2,436 (participation ratio: 93%) • 511 times	• 2,447 (participation ratio: 90%) • 571 times	• 2,371 (participation ratio: 90%) • 495 times	• 2,328 (participation ratio: 86%) • 499 times	• 2,287 (participation ratio: 82%) • 489 times	(from June)
Evaluation	・Valuable opportunity for direct dialogue with senior management	・Gaining insights from diverse perspectives	・A forum for dialogue with psychological safety	・Opportunity to interact with colleagues from other departments	・Opportunity for self-reflection on past experiences ・Leading to new insights and learning	**Ongoing Implementation as a Permanent Initiative (Embedding Dialogue into Our Culture)**

Shareholder returns

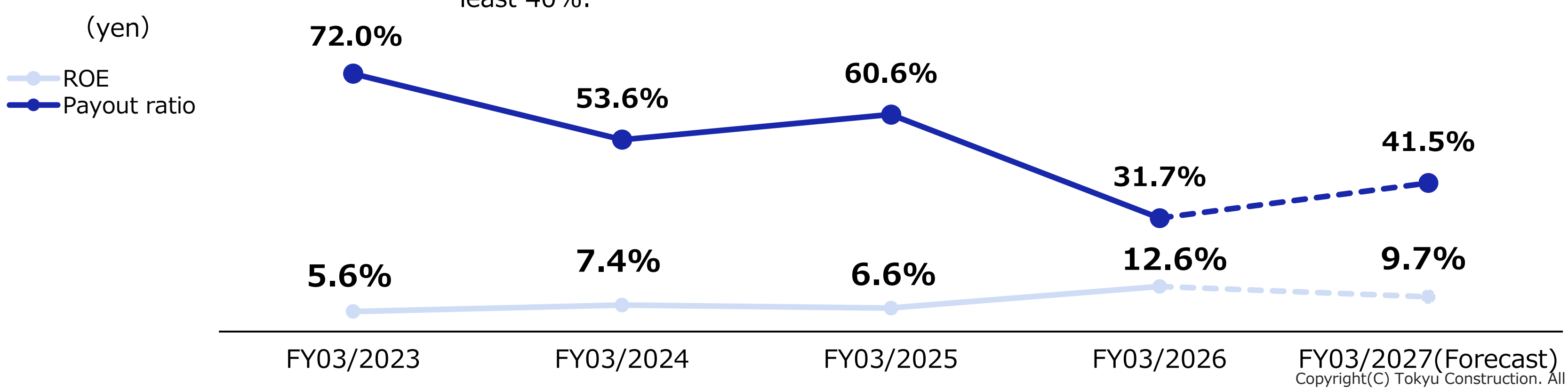
We will continue our basic policy of maintaining a DOE of at least 4.0%.
For FY03/2026, we increased the annual dividend per share from the initial forecast of ¥39 to ¥40.
For FY03/2027, we plan an annual dividend of ¥43 per share, an increase of ¥3.

Dividend per share



[Reference] ROE and payout ratio

A “DOE of at least 4.0%” is set in the basic policy of paying dividends, as a balance between the medium to long-term results targets of an ROE of at least 10% and a consolidated payout ratio of at least 40%.

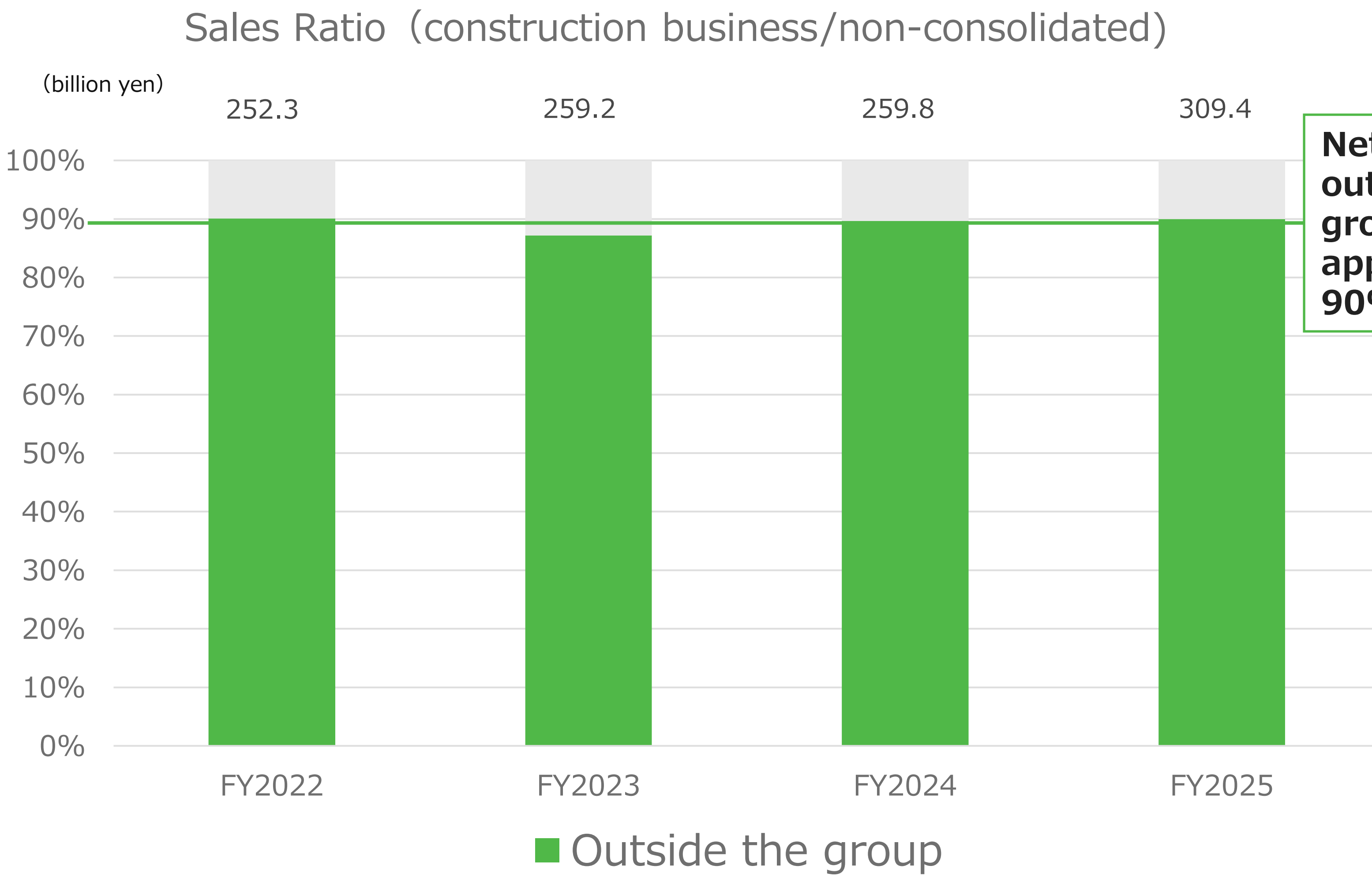


【Appendix】

FY03/2026 Financial Results Briefing

Robust business foundation

While promoting value creation through synergy pursuit with the Tokyu Group, including urban development in Shibuya, approximately 90% of net sales are derived from transactions with a diverse range of external clients, building a robust business foundation that does not overly rely on the group.

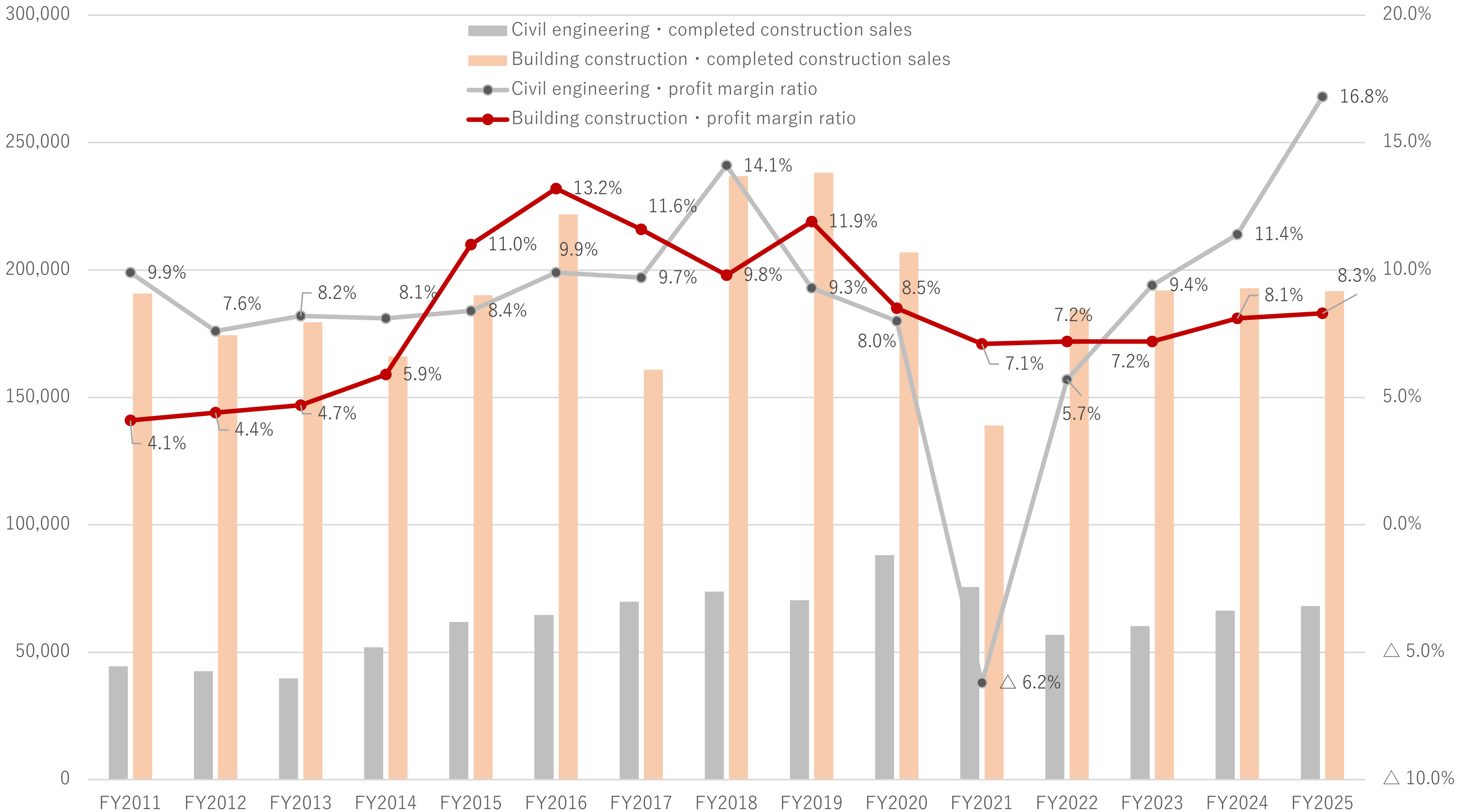


Net sales outside the group are approximately 90%.

Trends in Net Sales and Gross Profit (Consolidated, Non-Consolidated, and Subsidiaries)

Performance trends(Non-consolidated)

(Millions of yen)



Orders (Non-Consolidated ／ Classified by ordering party)

Division (Millions of yen)		Results FY03/2024	Results FY03/2025	Results FY03/2026	YoY Difference	YoY Rate(%)	Full-year Forecast
Building construction	Domestic public	27,717	36,128	49,337	13,209	36.6%	10,000
	Domestic private	190,890	247,711	254,462	6,750	2.7%	334,000
	General private	172,924	226,087	172,151	(53,936)	(23.9%)	314,000
	Tokyu Group	17,965	21,624	82,310	60,686	280.6%	20,000
	Overseas	158	51	8	(43)	(84.3%)	—
		218,765	283,892	303,808	19,915	7.0%	344,000
Civil engineering	Domestic public	31,639	38,559	52,614	14,055	36.5%	41,700
	Domestic private	24,034	25,680	50,545	24,865	96.8%	24,800
	General private	16,774	13,925	41,046	27,121	194.8%	12,800
	Tokyu Group	7,260	11,755	9,499	(2,256)	(19.2%)	12,000
	Overseas	3,901	32,966	1,976	(30,990)	(94.0%)	76,000
		59,575	97,206	105,136	7,930	8.2%	142,500
Total	Domestic public	59,356	74,688	101,952	27,264	36.5%	51,700
	Domestic private	214,924	273,392	305,008	31,615	11.6%	358,800
	General private	189,698	240,012	213,198	(26,814)	(11.2%)	326,800
	Tokyu Group	25,225	33,379	91,809	58,430	175.1%	32,000
	Overseas	4,059	33,018	1,984	(31,033)	(94.0%)	76,000
		278,341	381,098	408,944	27,846	7.3%	486,500

Orders（Non-Consolidated ／ Classified by use）

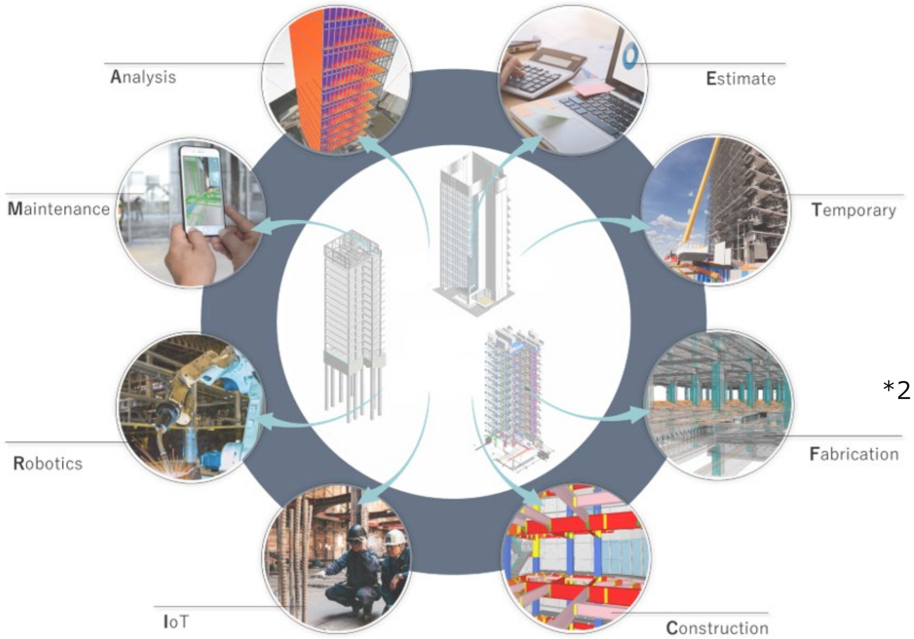
(Millions of yen)	Division	Results FY03/2024	Results FY03/2025	Results FY03/2026	YoY Difference	YoY Rate(%)
Building construction	Office / Government office	11,974	31,159	61,961	30,802	98.9%
	Accommodation	18,190	5,046	14,865	9,819	194.6%
	Retail shop	7,681	39,212	76,361	37,149	94.7%
	Factory / Power plant	32,147	12,723	6,280	(6,443)	(50.6%)
	Logistic facility	52,396	59,437	55,419	(4,018)	(6.8%)
	Condominium	49,801	58,007	38,456	(19,550)	(33.7%)
	Cultural / Educational facility	30,477	21,797	23,874	2,076	9.5%
	Medical / Welfare	1,598	16,651	8,970	(7,681)	(46.1%)
	Amusement	180	185	1,157	971	522.5%
	Others	14,316	39,671	16,460	(23,210)	(58.5%)
		218,765	283,892	303,808	19,915	7.0%
Civil engineering	Soil / River conservation	4,890	954	1,035	81	8.5%
	Railways	22,992	22,399	32,148	9,748	43.5%
	Water supply / Sewer	8,664	15,033	20,132	5,098	33.9%
	Site formation	1,134	36	201	165	458.3%
	Port / Airport	4	—	—	—	—
	Road	14,902	48,112	28,404	(19,708)	(41.0%)
	Electric cable	2,356	2,195	5,488	3,293	150.0%
	Others	4,629	8,473	17,724	9,251	109.2%
		59,575	97,206	105,136	7,930	8.2%
Total		278,341	381,098	408,944	27,846	7.3%

Improve ROE | Reduce capital costs

Transformation to BIM-Driven Construction and Production Systems

We are accelerating construction production system reform centered on BIM/CIM to provide solutions to a labor shortage and working time cap, etc.
We strengthen training to improve the digital literacy of employees and promote collaboration with partner companies.

【Building Construction】 In view of digital twin*1, we have accumulated a track record of introducing a labor-saving and efficient system driven by digital technology centered on BIM, in cooperation with partner companies.



*2

*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.

[Civil Engineering] Achieving Labor Savings and Enhanced Safety through CIM-Centered Digital Technologies, Including 4D Simulation and Other ICT Tools

Item	Initiatives
Efficiency	- Accelerating the reform of construction production systems centered on CIM - Enhancing employees' digital literacy Achieve a 50% reduction in construction schedules through 4D simulation (PPCa Box Culverts*3) - Eliminating idle time and rework - Routine utilization of ICT, drones, and 3D modeling - Strengthening collaboration with subcontractors - Improving and integrating construction management ICT tools
Safety Enhance ment	- Automated API integration between construction management services and the occupational accident case search system※4 - Real-time distribution of safety information

*3 A construction method for box culverts (rectangular cross-section structures buried underground) using precast concrete (factory-manufactured). Its high compatibility with 4D simulation enables a significant reduction in construction processes.
*4 A system that automatically links work details entered into the construction management service to the occupational accident case search system, automatically extracts relevant accident cases, and distributes notification emails.

Initiatives for Working Style Reform and Productivity Improvement

Improve ROE | Reduce capital costs

Realize a more productive and satisfactory working style, taking the overtime work cap restriction as an opportunity for change Continue to improve our construction technology and know-how, while utilizing digital skills to improve productivity,
in cooperation with other partner companies.

Purpose of initiative

- ✓ Change from "support" to "sharing"
- ✓ Eliminate lost profits through thorough awareness of quality, safety and security
- ✓ Utilization of digital technology and human resource development with a view to the medium to long term

Measures to be taken

Focus on productivity improvement and core business activities

- Focus on core operations by work site engineers
  - ･Support from head office departments
  - ･Use of dispatch and outsourcing
- Introduction and expansion of ICT tools and labor-saving methods
  - ･Remote operation, automated technologies
- Strengthening and support for quality management systems
  - ･Turn a local office into a satellite office
  - ･Introduction of shift work and flexible working hours
  - ･Construction plans based on the premise of closing work sites for a total of eight days of every four weeks

Creating with cooperating companies

- Strengthening cooperation with cooperative associations
- Holding events to present good practices and improvement cases at the work site (held every year)
- Support for human rights education
- The recruitment support site "TQ-BUDDY＊2" for partner companies was newly established.

In April 2025, a "Support and Development Center" was established in the Building Construction Business Division.

Improving implementation ratio of closing work sites for a total of eight days out of every four weeks

Realize a more productive and satisfactory working style

＊1 closing work sites for a total of eight days out of every four weeks: A system to secure eight days off in four weeks (a five-day week)
＊2 TQ-BUDDY: A job information site operated by a professional construction partner company released in 2023 with which the Company has business. Job seekers can directly apply for jobs at each partner company.

Improve ROE | Reduce capital costs

Improve Dialogue with the Stock Market and Information Disclosure

We strive to reduce any asymmetric information between the Company and investors through constructive dialogue with shareholders and investors, and active disclosure.
We report opinions received through IR activities to management and outside directors to improve corporate value.

Major activity

Information disclosure

1Q	2Q	3Q	4Q
• Financial results reference material • Financial results briefing session	• Financial results reference material • Publication of integrated report	• Financial results reference material • Q2 financial results briefing session	• Financial results reference material

Quarterly actions
Report IR activity results, and opinions of shareholders and investors, and share information with related internal divisions

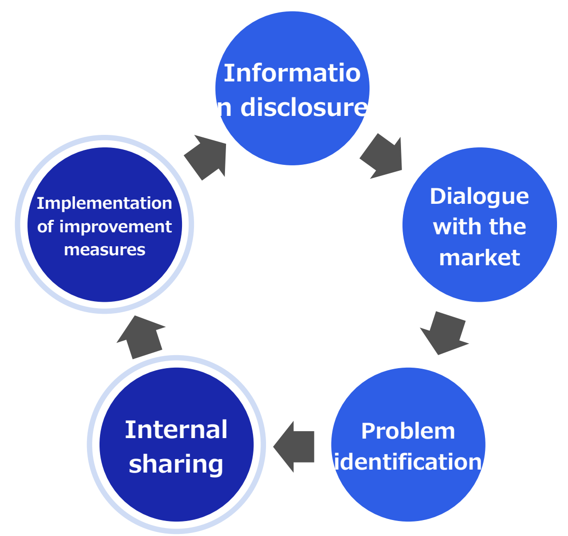
Activity done all year round (as needed)
Active distribution of news releases and enhancement of corporate website
Deal with inquiries and questionnaires

Dialogue

1Q	2Q	3Q	4Q
• Business briefing session • Financial result briefing for employees	• Business briefing session	• Business briefing session • Financial result briefing for employees	• Field tour • Constructive dialogue with shareholders and institutional investors

Activity done all year round (as needed)
Individual IR interviews, surveys of related (internal) divisions and on-site visits

Reflect management in PDCA cycle

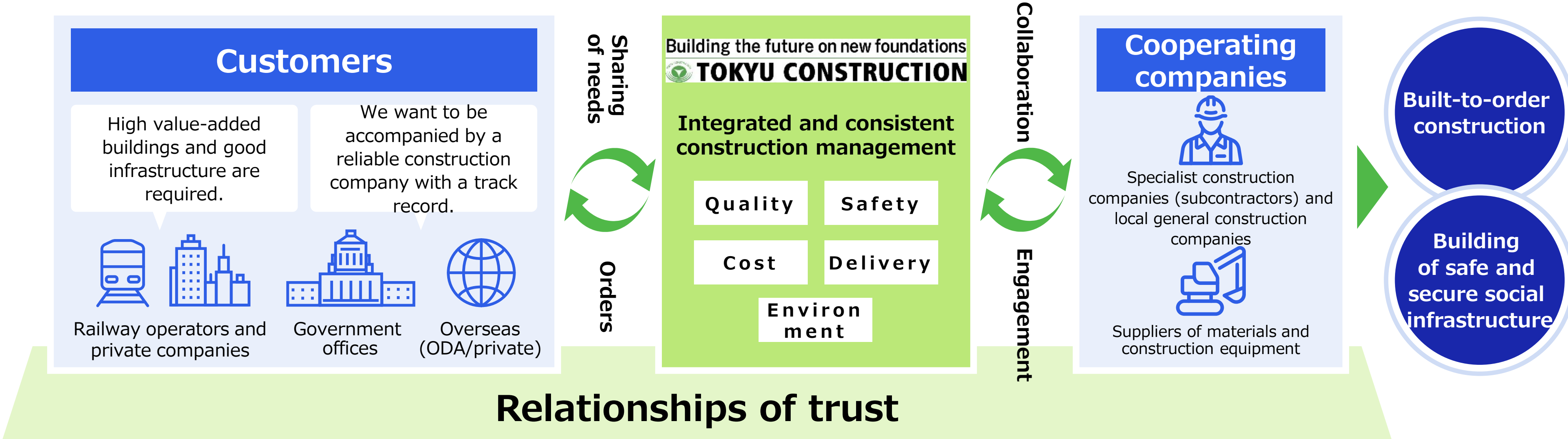


Promote mutual understanding and make us more trustworthy for the stock market through IR activities

Business model and business overview

Undertake custom-order construction projects commissioned by public offices and private companies, completing them in collaboration with numerous specialized construction companies. Oversee and manage the construction process over a long term, ensuring safety, quality, cost, schedule, and environmental aspects, and deliver results that satisfy clients.

Business development based on strong relationships of trust



Business overview

Core business	
Building Construction	Construction of commercial facilities, hotels, offices, factories, and distribution centers
Civil Engineering	Railways, roads, tunnels, bridges, and other construction
Construction renewal	Building renewal work

Synergy

Strategic business	
Real estate	Real estate rental business Equivalent exchange business, etc
Inter-national	Railways and roads, construction of high rise buildings and factories, etc
New Business	PPP / Concession Business such as airports, water and sewage systems

Building the future on new foundations

TOKYU CONSTRUCTION

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