

Launching the Second Phase of Startup Investment and Collaboration Activities

- Up to 3 billion yen to be invested in promising startups by 2026 -

Toda Corporation (Head Office: Chuo-ku, Tokyo, President: Otani Seisuke) has announced the establishment of a new investment budget, earmarking up to 3 billion yen to strengthen its startup investment and collaboration activities. Our company intends to enhance its initiatives towards actualizing innovation through collaboration with startup companies.

1. Overview of our Startup Investment and Collaboration Activities

Since 2018, our company has consistently worked on creating shared value with startups. So far, we have gathered information from more than 2,300 startups domestically and abroad and have become involved in more than 45 Proof of Concepts (PoC, including trials), as shown in Figure 1. Further, with strategic and financial returns in mind, we have secured investments to support startups' funding needs since 2020 and have funded ten companies and four venture funds.

Now, to maintain and bolster our startup investment initiatives, we have set a new investment budget of up to 3 billion yen to be utilized by 2026. Through these investment and collaboration activities, we are dedicated to accelerating collaboration with promising startups not previously part of the traditional construction supply chain and delivering new value to our clients and society (Figure 2).

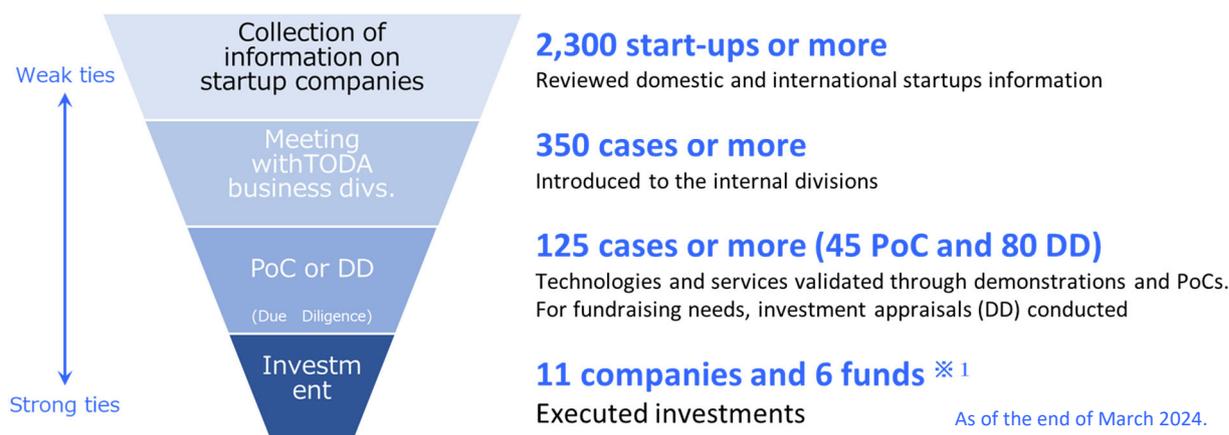
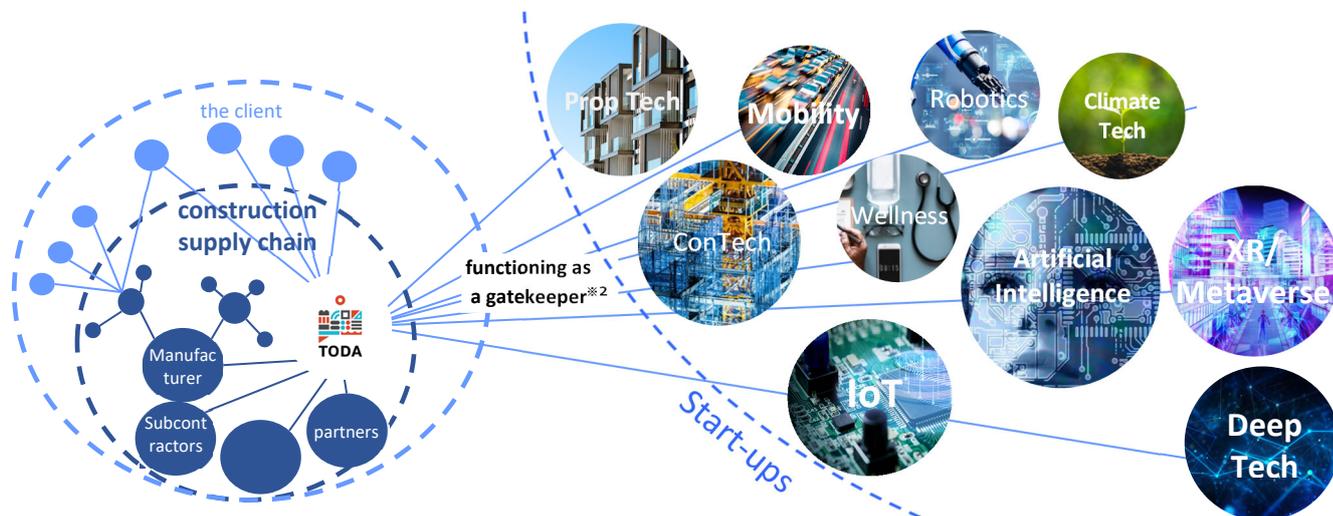


Figure 1: Accomplishments in our Collaborative Activities with Startups

※ 1: Investments were made in one company and two funds before 2019.



※2 A presence which enables a combination of information and values like never before, creating newfound value

Figure 2: Conceptual Diagram of our Value Creation Activities with Startups

2. Investment Overview

Our investments in startups follow these under-listed policies

Table: Investment Policies etc.

Investment Policies	We invest in companies that can work collaboratively to create value in the core businesses* ³ of the Toda Corporation Group or companies that can jointly contribute to solving our clients' challenges. * ³ Architecture, Civil Engineering, Real Estate (Development, Acquisition, Management, Maintenance), Renewable Energy, and others
Investment Purposes	① New Business Development& Diversification ② Strengthen Toda Corporation Group's Core Businesses ③ Nurturing of Startups
Investment Amount (Total)	Invest up to 3 billion yen over three years (April 2024 to March 2027) It includes investing in venture capital funds that make startup investments (LP investments)
Investment Sectors	<ul style="list-style-type: none"> ● Services that can contribute to our client's challenges e.g., Prop tech, IoT, AI, SaaS, XR, IT/DX, Energy, etc. ● Services that contribute to Smart Cities and Wellness e.g., Smart City, Wellness, Energy, Climate Tech, Mobility, Metaverse, etc. ● Technologies, Products, and Services that contribute to the development of the construction industry e.g. Con Tech, Robotics, AI, IoT, Deep Tech, XR, IT/DX, etc.
Business stage of the investment companies	seed, early, middle, and later
Investment Region	Mainly in Japan and the U.S.

3. Background and Past Initiatives

Our company has been continuously working on value co-creation with various stakeholders to realize our future vision of CX150 establishment as 'realizing a co-creative society as a value gatekeeper'. In recent years, as more and more startups are emerging, offering superior products and services, our company established a department in 2020 that focuses on building relationships with these startups and has been engaged in product and service verification and joint experiments, mainly with startups in Japan and North America. In addition, we set up an investment budget(phase 1) in the 2020, reconfirming our commitment to nurture our relationships with startups, demonstrating our good faith by investing in 10 companies and 4 funds (Figure 3). Through these investment activities, we are steadily forging ahead in developing continuous activities that can generate business synergies for us and the startups we have invested in.

There have been instances of these efforts, such as:

- - Incorporation of Toilet Signage "Unveil" provided by [VACAN Inc.](#) into our real estate, introducing congestion visualization solutions to our facilities and adding these products and services to customer-centric proposals
- - The application "[HataLuck,](#)" provided by [HataLuck and Person](#) that transforms shift worker's working style through IT, was proposed to customers and group companies, leading to its adoption

- A system developed by [BH Inc.](#) to remotely control temporary distribution boards with a smartphone was introduced and operated at a construction site, leading to system improvements based on feedback from the site.
 - – Assisting the spread in Japan of superior products and services by foreign companies, such as the laser layout system provided by Canada's [Mechasys](#)
- We will establish a new investment budget to continue developing startup investment and collaboration activities.

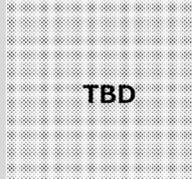
 waqua Desalination of seawater	 BH Deploy IoT products and services	 ROUTREK NETWORKS Smart Agriculture services	 ENABLER Space-Time information service	 Loop Renewable energy	 EVERING Cashless settlement ring
 SORABITO Construction equipment rental application	 HATALUCK HataLucky and Person Communication application for Store Services	 Aillis AI Medical Equipment for infectious disease	 VACAN Visualization of vacancy of spaces	 Mechasys Laser layout system	 TBD
 CIW Capital Medica Ventures Healthcare New Frontier Fund	 大和企業投資 Daiwa Corporate Investment DCI Venture Growth Support Fund	 GREAT WAVE VENTURES Agya Ventures Fund LP	 15th Rock Ventures 15th Rock Ventures Fund 1	 global brain Global Brain No. 8 Fund	 TOKYO WELLNESS IMPACT FUND Tokyo Wellness Impact Fund

Figure 3: List of investee companies (as of April 2024) *4

*4: Waqua, Healthcare New Frontier Fund and DCI Venture have been financed prior to 2019.

Our company aims to achieve ROE of 8%, which is a medium- and long-term Goal. We will endeavor to further improve corporate value by optimizing the business portfolio through the promotion of strategic investments in key management businesses and intangible assets that underpin future growth.

