

Obayashi Corporation Presentation on Financial Results for FY2025 1st Quarter (April 1, 2025 to June 30, 2025)

August 8, 2025

PRIME 1802



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TRANSCENDING THE ART AND SCIENCE OF MAKING OF THINGS

Disclaimer Regarding the Appropriate Use of Financial Forecasts:

The forward-looking statements in this document, including financial forecasts, are based on information currently available to the Company and certain assumptions that the Company has judged to be reasonable, and are not intended as a guarantee of their realization. Actual results may differ significantly from the forecasts due to various factors.

Disclaimer Regarding the Translation:

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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Buyback and Cancellation of Shares (Disclosed on August 8, 2025)

Buyback and Cancellation of Shares (Disclosed on August 8, 2025)

1. Share Buyback

- Class of shares to be acquired: Common shares
- Total number of shares to be acquired: 25,000,000 shares (maximum)
- Total acquisition amount: ¥40,000,000,000 (maximum)
- Acquisition period: From August 12, 2025, to December 30, 2025
- Method of acquisition: Purchase on the Tokyo Stock Exchange

2. Share Cancellation

- Class of shares to be cancelled: Common shares
- Number of shares to be cancelled: 14,558,600 shares
(Shares acquired during the period from February 12, 2025, to June 30, 2025)
- Date of cancellation: August 29, 2025 (scheduled)

Reference:

Total number of issued shares after the cancellation: 706,951,046 shares

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Change in Foreign Currency Translation Method

Change in Foreign Currency Translation Method

The exchange rate used to translate the results of overseas Group companies will be changed from the exchange rate as of the end of a reporting period (hereinafter, the “closing rate”) to the average exchange rate during the period (hereinafter, the “average rate”). This change will be applied starting from the FY2025 first quarter results.

1. Items Subject to Change

- Income statement items pertaining to overseas Group companies, such as net sales and profit (i.e., revenue and expense items)
- Orders received by overseas Group companies

*There will be no change in the translation method for results at the non-consolidated level or for balance sheet items related to overseas transactions.

2. Calculation Method for the Average Rate

The average rate is calculated for each reporting period and for each currency.

Example: In the case of an overseas Group company with a December fiscal year-end

- FY2025 1Q Results
Before the change: Exchange rate as of the end of March 2025
After the change: Average rate in FY2025 1Q
- FY2025 Full Year Results
Before the change: Exchange rate as of the end of December 2025
After the change: Average rate in FY2025 (full year)

Change in Foreign Currency Translation Method

3. Reasons for the Change in the Foreign Currency Translation Method

- To mitigate the impact of sudden foreign exchange fluctuations on financial results and forecasts and to more accurately represent actual transaction conditions in the income statements using rates that more closely reflect market rates.
- Overseas Group companies are accounting for a growing share of consolidated performance, driven by M&A and the growth of existing Group companies.

4. Regarding Previously Disclosed Financial Results

The change to the average rate will be retrospectively applied only to the results for the previous fiscal year (FY2024). Accordingly, in various FY2025 financial disclosures, the FY2024 quarterly results will be presented as figures recalculated using the average rate. Note that the initially assumed exchange rate for the FY2025 forecasts remains unchanged (1 USD = 145 JPY).

■ FY2024 Full Year Results

(Millions of yen)

	Before Retrospective Application (Closing Rate) A	After Retrospective Application (Average Rate) B	Difference B–A
Net Sales	2,620,101	2,590,765	(29,336)
Operating Income	143,442	142,469	(972)
Profit Attributable to Owners of Parent	146,052	145,355	(696)
Orders Received	3,357,214	3,316,662	(40,552)

Reference: USD/JPY rates for FY2024 (fiscal year ended Mar. 2025) were 158.18 for the closing rate (end of Dec. 2024) and 151.44 for the average rate.

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FY2025 1st Quarter Results

***FY2024 1Q results reflect the retrospective application of the change in the foreign currency translation method.**

Summary of FY2025 1st Quarter Results (P&L)

Consolidated Net Sales

¥523.7B

YoY: (¥48.0B) (8.4%)
Progress: 20.5%

Consolidated Operating Income

¥15.7B

YoY: +¥0.4B +3.1%
Progress: 12.9%

Profit Attributable to Owners of Parent

¥18.0B

YoY: (¥7.7B) (30.0%)
Progress: 18.1%

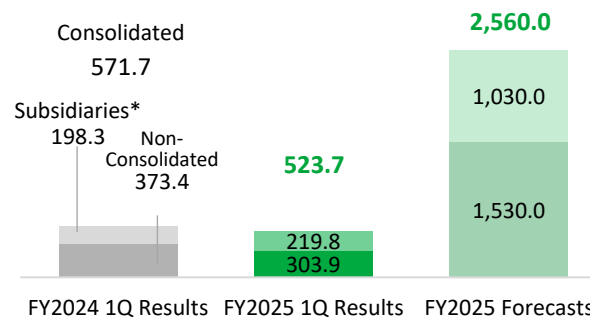
Consolidated Orders Received

¥622.0B

YoY: (¥66.0B) (9.6%)
Progress: 23.0%

Consolidated Net Sales

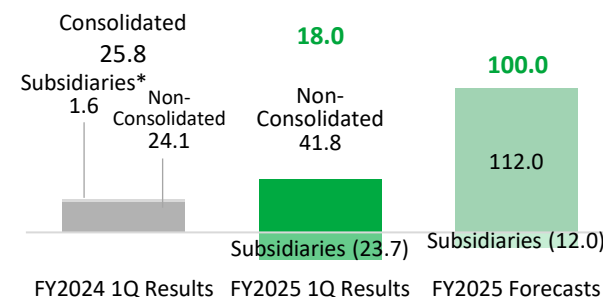
(Billions of yen)



Decreased YoY: In domestic building, net sales of completed construction contracts declined compared to FY2024—which benefited from progress in large projects—and due to new orders being strategically received in alignment with the current construction capacity.

Profit Attributable to Owners of Parent

(Billions of yen)

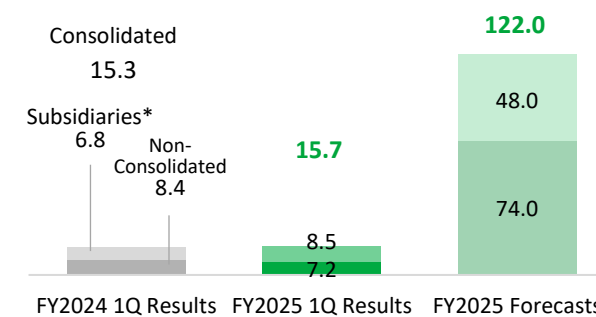


Decreased YoY: Extraordinary income from the sale of cross-shareholdings declined (profit of subsidiaries is temporarily negative due to consolidated accounting implications of revisions to the subsidiaries' dividend policy).

* All consolidated journal entries are included in the subsidiaries' figures.

Consolidated Operating Income

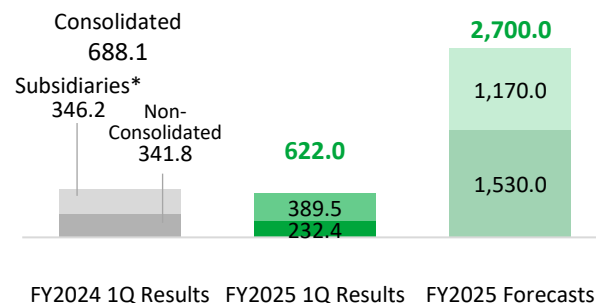
(Billions of yen)



Roughly at a similar level YoY: The start and progress of highly profitable projects, along with steady progress in overseas civil engineering, offset the decline in net sales of completed construction contracts in domestic building.

Consolidated Orders Received

(Billions of yen)



Decreased YoY: Due to a decline in new orders for large projects in domestic building and civil engineering.

Income Statements

(Billions of yen)

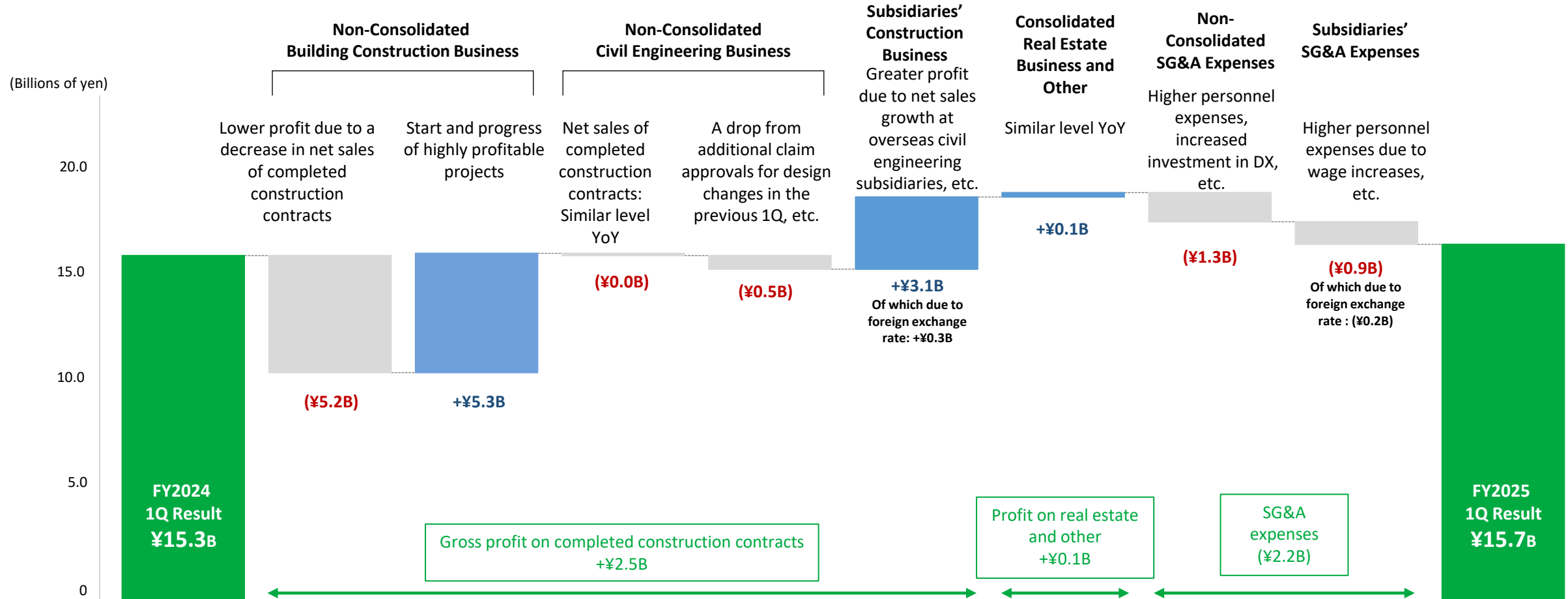
		Consolidated					
		FY2024 1Q Results A	FY2025 1Q Results B	YoY B-A	FY2025 Forecasts C	Progress (%) B/C	
Net Sales of Completed Construction Contracts	Building	416.7	342.1	(74.5)	1,675.0	20.4	
	Civil	134.4	154.2	+19.8	725.0	21.3	
	Total	551.1	496.3	(54.7)	2,400.0	20.7	
Net Sales of Real Estate Business and Other		20.6	27.3	+6.7	160.0	17.1	
Net Sales		571.7	523.7	(48.0)	2,560.0	20.5	
Gross Profit on Completed Construction Contracts	Building	% -	-	% -	-	-	% -
	Civil	-	-	-	-	-	-
	Total	8.3	46.0	9.8	48.5	+2.5	10.5
Gross Profit on Real Estate Business and Other		27.0	5.5	21.0	5.7	+0.1	19.4
Gross Profit		9.0	51.5	10.4	54.3	+2.7	11.0
Selling, General, and Administrative Expenses		6.3	36.2	7.4	38.5	+2.2	6.2
Operating Income		2.7	15.3	3.0	15.7	+0.4	4.8
Ordinary Income		3.5	20.2	3.5	18.3	(1.8)	4.9
Profit Attributable to Owners of Parent		4.5	25.8	3.5	18.0	(7.7)	3.9

(Billions of yen)

		Non-Consolidated					
		FY2024 1Q Results D	FY2025 1Q Results E	YoY E-D	FY2025 Forecasts F	Progress (%) E/F	
		292.9	219.4	(73.5)	1,140.5	19.2	
		75.7	75.0	(0.7)	362.0	20.7	
		368.7	294.4	(74.2)	1,502.5	19.6	
		4.7	9.4	+4.6	27.5	34.4	
		373.4	303.9	(69.5)	1,530.0	19.9	
		% 7.1	20.8	% 9.5	20.9	0.0	% 9.7
		13.4	10.1	12.6	9.4	(0.6)	16.3
		8.4	30.9	10.3	30.3	(0.6)	11.3
		18.4	0.8	16.2	1.5	+0.6	16.4
		8.5	31.8	10.5	31.9	0.0	11.4
		6.2	23.3	8.1	24.6	+1.3	6.6
		2.3	8.4	2.4	7.2	(1.2)	4.8
		4.3	15.8	12.9	39.2	+23.4	8.0
		6.5	24.1	13.8	41.8	+17.7	7.3

Change in Consolidated Operating Income: Compared to the FY2024 1Q Result

Consolidated operating income grew YoY due to the start and progress of highly profitable projects, steady progress in overseas civil engineering driven primarily by subsidiaries, and other factors, which offset the decline in net sales of completed construction contracts in domestic building.



Income Statements: By Reporting Segment

(Billions of yen)

			FY2024 1Q Results		
			Net Sales A	Operating Income B	Operating Margin B/A
		Domestic Building	298.2	6.1	2.1%
		Overseas Building	118.4	1.7	1.5%
	Building Construction		416.7	7.9	1.9%
		Domestic Civil	87.9	3.6	4.1%
		Overseas Civil	46.5	0.8	1.8%
	Civil Engineering		134.4	4.4	3.3%
	Construction Business		551.1	12.3	2.2%
		Real Estate Business	9.2	2.1	23.6%
		Other	11.4	0.7	6.8%
	Real Estate Business and Other		20.6	2.9	14.3%
Total			571.7	15.3	2.7%

(Billions of yen)

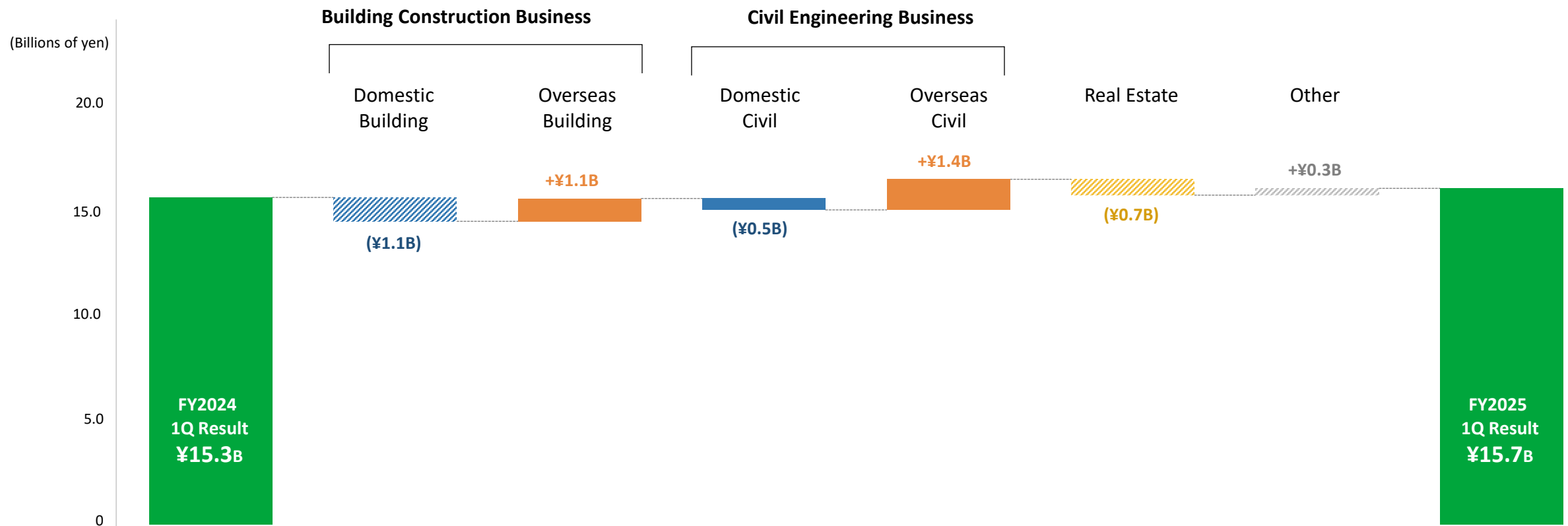
			FY2025 1Q Results		
			Net Sales C	Operating Income D	Operating Margin D/C
			227.2	5.0	2.2%
			114.8	2.8	2.5%
			342.1	7.8	2.3%
			90.3	3.0	3.4%
			63.9	2.2	3.6%
			154.2	5.3	3.5%
			496.3	13.2	2.7%
			10.4	1.4	13.8%
			16.9	1.1	6.5%
			27.3	2.5	9.3%
Total			523.7	15.7	3.0%

(Billions of yen)

		YoY	
		Net Sales C–A	Operating Income D–B
		(70.9)	(1.1)
		(3.6)	+1.1
		(74.5)	(0.0)
		+2.3	(0.5)
		+17.4	+1.4
		+19.8	+0.9
		(54.7)	+0.8
		+1.2	(0.7)
		+5.5	+0.3
		+6.7	(0.4)
Total		(48.0)	+0.4

Change in Consolidated Operating Income: Compared to FY2024 1Q Result by Reporting Segment

Breakdown of the YoY growth in consolidated operating income by reporting segment shows that profit growth in overseas building (Asia) and overseas civil engineering (North America), driven by higher net sales of completed construction contracts, offset profit declines due to increased SG&A expenses in domestic building and depreciation in the real estate business exceeding lease income from opened properties, among other factors.



Orders Received



(Billions of yen)

(Billions of yen)

			Consolidated			Non-Consolidated		
			FY2024 1Q Results A	FY2025 1Q Results B	YoY B–A	FY2024 1Q Results C	FY2025 1Q Results D	YoY D–C
Construction Business	Building	Domestic	247.4	175.1	(72.2)	239.1	175.7	(63.3)
		Overseas	147.9	234.5	+86.5	2.6	0.9	(1.6)
		Total	395.4	409.7	+14.2	241.7	176.7	(65.0)
	Civil	Domestic	84.2	65.0	(19.1)	64.5	45.4	(19.1)
		Overseas	162.0	103.3	(58.6)	30.6	0.8	(29.8)
		Total	246.2	168.4	(77.7)	95.2	46.2	(48.9)
	Total	Domestic	331.6	240.2	(91.4)	303.6	221.1	(82.5)
		Overseas	309.9	337.8	+27.8	33.3	1.8	(31.5)
		Total	641.6	578.1	(63.5)	337.0	223.0	(114.0)
Real Estate Business and Other			46.4	43.9	(2.5)	4.7	9.4	+4.7
Total			688.1	622.0	(66.0)	341.8	232.4	(109.3)

Consolidated Balance Sheets

March 31, 2025

(Billions of yen)

Current Assets 1,809.4	Current Liabilities 1,453.3
Noncurrent Assets 1,233.3	Noncurrent Liabilities 379.2
	Capital (Net Assets) 1,210.2
	Of which equity 1,158.2

Total Assets
¥3,042.7B

June 30, 2025

(Billions of yen)

Current Assets 1,648.0	Current Liabilities 1,340.8
Noncurrent Assets 1,232.8	Noncurrent Liabilities 373.7
	Capital (Net Assets) 1,166.3
	Of which equity 1,117.5

Total Assets
¥2,880.9B

Assets and Liabilities: Major Balances and Changes

(Billions of yen)	March 31, 2025	June 30, 2025	YoY
Cash and deposits	394.7	456.8	+62.1
Cross-shareholdings	273.5	270.3	(3.2)
Interest-bearing debt and nonrecourse loans	362.7	357.3	(5.4)
Construction business balance (construction-related assets minus liabilities)*	228.9	86.7	(142.2)

Equity: Major Changes

(Billions of yen)

Balance of equity as of March 31, 2025 (end of previous fiscal year)	1,158.2
Profit attributable to owners of parent	18.0
Cash dividends paid	(29.1)
Share buyback	(18.0)
Other comprehensive income:	
A) Increase (decrease) due to sales of cross-shareholdings	(5.9)
B) Increase (decrease) due to changes in the fair value of short-term investment securities, etc.	+4.3
C) Foreign currency translation adjustment account	(9.1)
Other	(0.6)
Balance of equity as of June 30, 2025 (end of current fiscal year's 1Q)	1,117.5

*Construction-related assets = Notes and accounts receivable from completed construction contracts and other + Electronically recorded monetary claims + Costs on uncompleted construction contracts + Inventories from PFI and other projects

*Construction-related liabilities = Notes and accounts payable for construction contracts and other + Electronically recorded obligations + Advances received on uncompleted construction contracts

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FY2025 Full Year Forecasts

***FY2025 forecasts for consolidated equity and ROE have been updated following the resolution on the share buyback.
Other items remain unchanged from the previous announcement.**

***FY2024 results reflect the retrospective application of the change in the foreign currency translation method.**

Summary of FY2025 Forecasts (P&L)

Consolidated Net Sales

¥2,560.0B

YoY: (¥30.7B) (1.2%)

Consolidated Operating Income

¥122.0B

YoY: (¥20.4B) (14.4%)

Profit Attributable to Owners of Parent

¥100.0B

YoY: (¥45.3B) (31.2%)

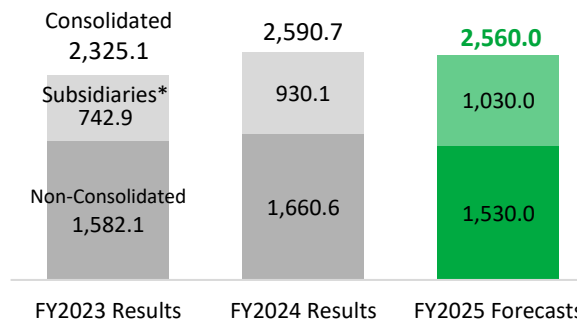
Consolidated New Orders

¥2,700.0B

YoY: (¥616.6B) (18.6%)

Consolidated Net Sales

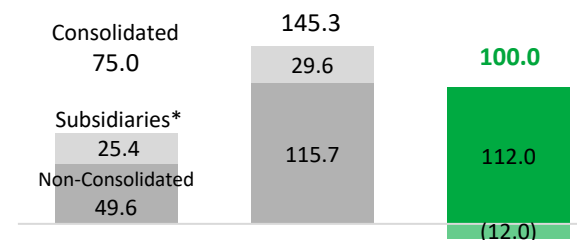
(Billions of yen)



Decrease due to factors including a decline compared to FY2024 which benefited from progress in large projects in domestic building.

Profit Attributable to Owners of Parent

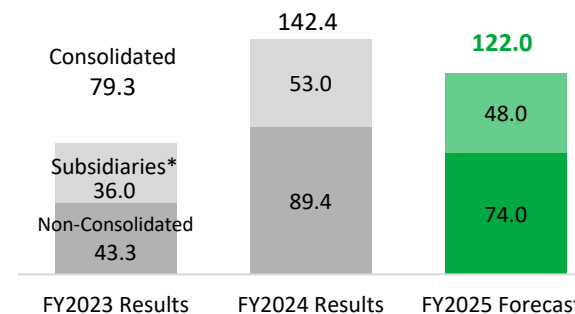
(Billions of yen)



Decrease due to lower operating income and the currently agreed sale amount of cross-shareholdings being lower than the amount sold in FY2024, among other factors (profit of subsidiaries in FY2025 is forecasted to be temporarily negative due to consolidated accounting implications of revisions to the subsidiaries' dividend policy).

Consolidated Operating Income

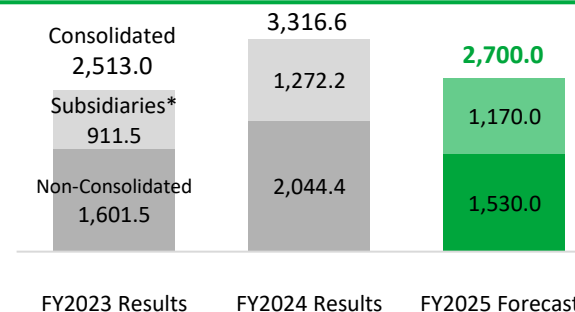
(Billions of yen)



Decrease due to factors including a decline in net sales of completed construction contracts in domestic building, a decline in domestic civil engineering compared to FY2024 which benefited from additional claim approvals for design changes, and a drop in demand in the North American building construction business.

Consolidated New Orders

(Billions of yen)



YoY decrease planned in FY2025, despite continued strong demand in domestic building and civil engineering, to align with the current construction capacity.

* All consolidated journal entries are included in the subsidiaries' figures.

Summary of FY2025 Forecasts (Financial Position)

Consolidated Equity

¥1,125.0B

YoY: (¥33.2B) (2.9%)

(Down ¥40.0B from the initial forecast due to the most recently announced share buyback)

Consolidated Interest-Bearing Debt and Nonrecourse Loans

¥320.0B

YoY: (¥42.7B) (11.8%)

Return on Invested Capital (ROIC)

5.5%

YoY: (90 bps)

Return on Equity (ROE)

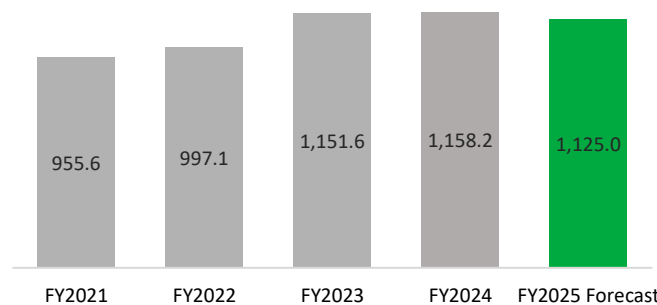
8.7%

YoY: (390 bps)

(Up 10 bps from the initial forecast due to the change in the consolidated equity forecast)

Consolidated Equity

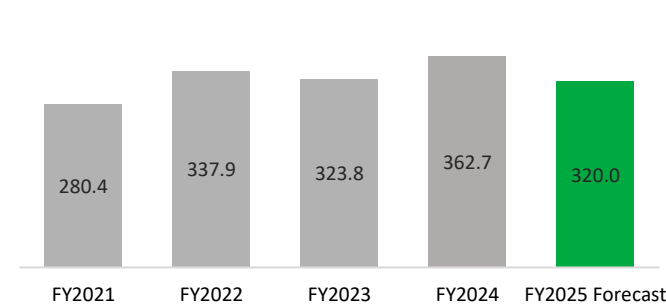
(Billions of yen)



Expected to decrease YoY to ¥1,125.0B as a result of the share buyback disclosed on August 8.*

Consolidated Interest-Bearing Debt and Nonrecourse Loans

(Billions of yen)

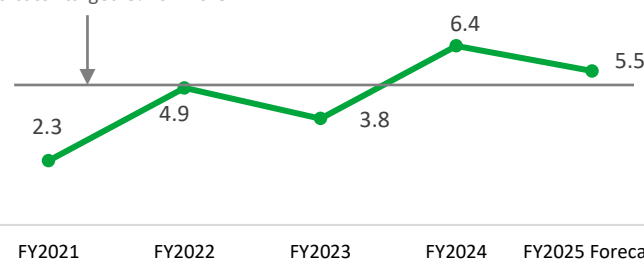


Decrease since working capital financing is expected to be temporarily unnecessary due to the completion of large construction projects with improved collections on outstanding construction receivables in FY2025.

ROIC

(%)

Medium-Term Business Plan 2022's performance indicator target: 5% or more

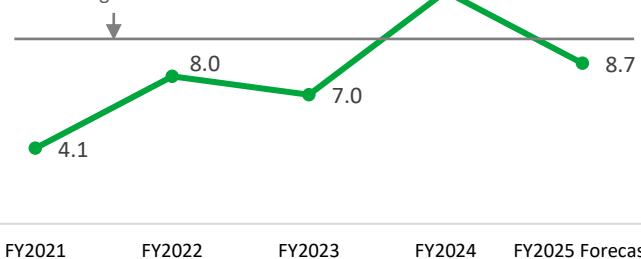


Expected to exceed the performance indicator target of 5%, despite a decrease in operating income YoY mainly in domestic construction.

ROE

(%)

Medium-Term Business Plan 2022's performance indicator target: 10% or more



Expected to decline compared to FY2024 when extraordinary income was recorded due to significant progress with the sale of cross-shareholdings. Aim for 10% ROE, the performance indicator target, by continuing to steadily execute growth strategies and improve capital efficiency.

*Calculated by adjusting the equity balance at the end of March 2025 by the following amounts: (1) forecasted profit attributable to owners of parent for FY2025, (2) amount of impact by the announced share buyback, (3) decrease in retained earnings due to dividend payment, and (4) adjustment amount of the valuation difference on available-for-sale securities due to the sale of cross-shareholdings.

Income Statements (Forecasts)

(Billions of yen)

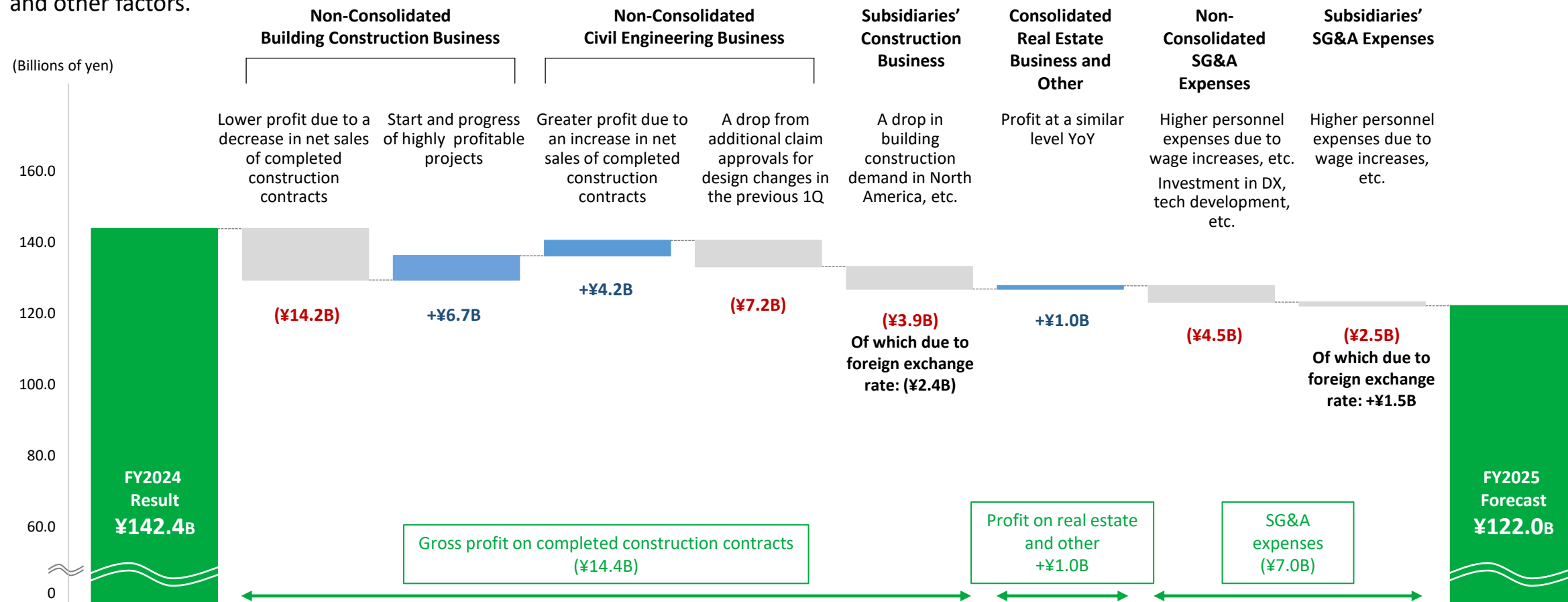
		Consolidated			
		FY2024 Results A	FY2025 Forecasts B	YoY B–A	
Net Sales of Completed Construction Contracts	Building	1,815.0	1,675.0	(140.0)	
	Civil	652.7	7,25.0	+72.2	
	Total	2,467.7	2,400.0	(67.7)	
Net Sales of Real Estate Business and Other		123.0	160.0	+36.9	
Net Sales		2,590.7	2,560.0	(30.7)	
Gross Profit on Completed Construction Contracts	Building	% -	% -	-	
	Civil	-	-	-	
	Total	10.8	265.4	10.5	251.0 (14.4)
Gross Profit on Real Estate Business and Other		24.4	29.9	19.4	31.0 +1.0
Gross Profit		11.4	295.3	11.0	282.0 (13.3)
Selling, General, and Administrative Expenses		5.9	152.9	6.2	160.0 +7.0
Operating Income		5.5	142.4	4.8	122.0 (20.4)
Ordinary Income		5.9	152.2	4.9	126.0 (26.2)
Profit Attributable to Owners of Parent		5.6	145.3	3.9	100.0 (45.3)

(Billions of yen)

Non-Consolidated				
FY2024 Results C	FY2025 Forecasts D	YoY D–C		
1,297.7	1,140.5	(157.2)		
338.6	362.0	+23.3		
1,636.3	1,502.5	(133.8)		
24.3	27.5	+3.1		
1,660.6	1,530.0	(130.6)		
9.1%	118.0	9.7%	110.5	(7.5)
18.3	61.9	16.3	59.0	(2.9)
11.0	179.9	11.3	169.5	(10.4)
20.1	4.8	16.4	4.5	(0.3)
11.1	184.8	11.4	174.0	(10.8)
5.7	95.4	6.6	100.0	+4.5
5.4	89.4	4.8	74.0	(15.4)
5.9	98.6	8.0	122.0	+23.3
7.0	115.7	7.3	112.0	(3.7)

Forecasted Change in Consolidated Operating Income: Compared to the FY2024 Result

FY2025 consolidated operating income is expected to be ¥122.0B, a YoY decrease of ¥20.4B, due to a decrease in net sales of completed construction contracts in non-consolidated building, a decline compared to FY2024 which benefited from profits earned in non-consolidated civil engineering (including those due to design changes), a drop in building construction demand in North America, an increase in SG&A expenses due to wage increases, and other factors.



Income Statements (Forecasts): By Reporting Segment

(Billions of yen)

			FY2024 Results		
			Net Sales A	Operating Income B	Operating Margin B/A
		Domestic Building	1,337.1	62.7	4.7%
		Overseas Building	477.8	12.8	2.7%
	Building Construction		1,815.0	75.5	4.2%
		Domestic Civil	402.2	40.5	10.1%
		Overseas Civil	250.4	8.0	3.2%
	Civil Engineering		652.7	48.5	7.4%
	Construction Business		2,467.7	124.1	5.0%
		Real Estate Business	72.7	16.0	22.1%
Other		50.2	2.2	4.4%	
Real Estate Business and Other			123.0	18.2	14.9%
Total			2,590.7	142.4	5.5%

(Billions of yen)

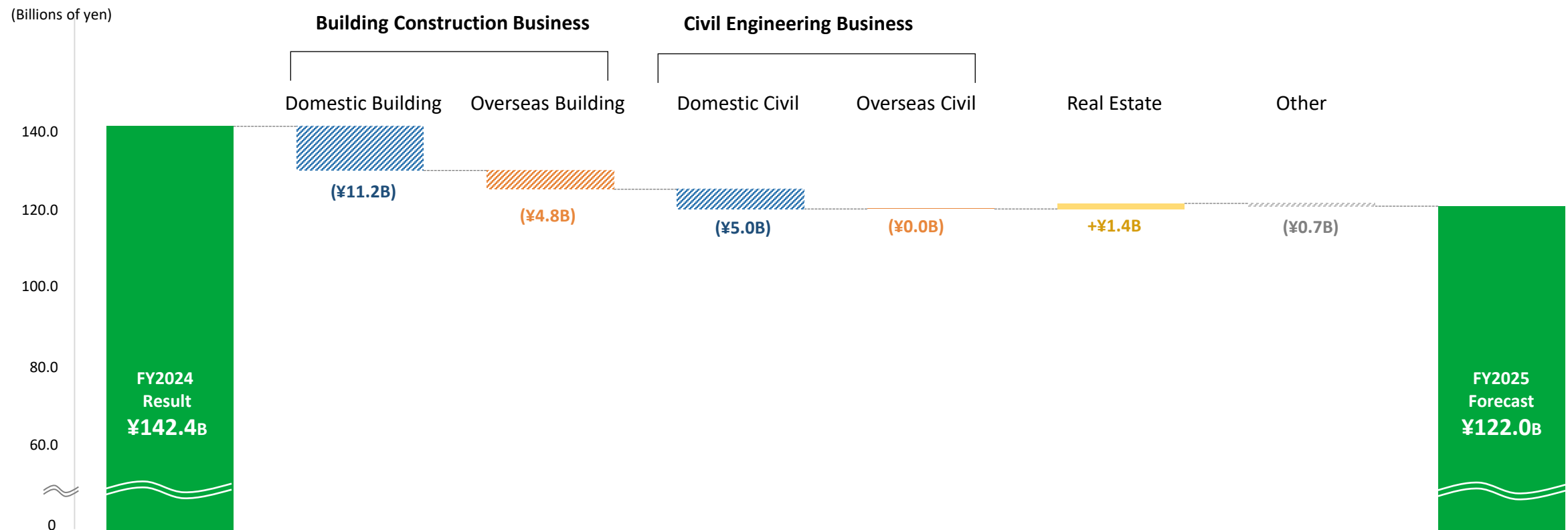
			FY2025 Forecasts		
			Net Sales A	Operating Income B	Operating Margin B/A
			1,180.0	51.5	4.4%
			495.0	8.0	1.6%
			1,675.0	59.5	3.6%
			420.0	35.5	8.5%
			305.0	8.0	2.6%
			725.0	43.5	6.0%
			2,400.0	103.0	4.3%
			97.0	17.5	18.0%
			63.0	1.5	2.4%
			160.0	19.0	11.9%
Total			2,560.0	122.0	4.8%

(Billions of yen)

		YoY	
		Net Sales C–A	Operating Income D–B
		(157.1)	(11.2)
		+17.1	(4.8)
		(140.0)	(16.0)
		+17.7	(5.0)
		+54.5	(0.0)
		+72.2	(5.0)
		(67.7)	(21.1)
		+24.2	+1.4
		+12.7	(0.7)
		+36.9	+0.7
Total		(30.7)	(20.4)

Forecasted Change in Consolidated Operating Income: Compared to FY2024 Result By Reporting Segment

Breakdown of the forecasted YoY decline in operating income, by reporting segment, includes a decrease in domestic building due to decreased net sales of completed construction contracts and in comparison with FY2024 which benefited from additional claim approvals; a decline in domestic civil engineering compared to FY2024 which benefited from additional claim approvals for design changes; and a drop in building construction demand in North America.



Order Environment for the Domestic Construction Business

Domestic Building Construction

Market Landscape

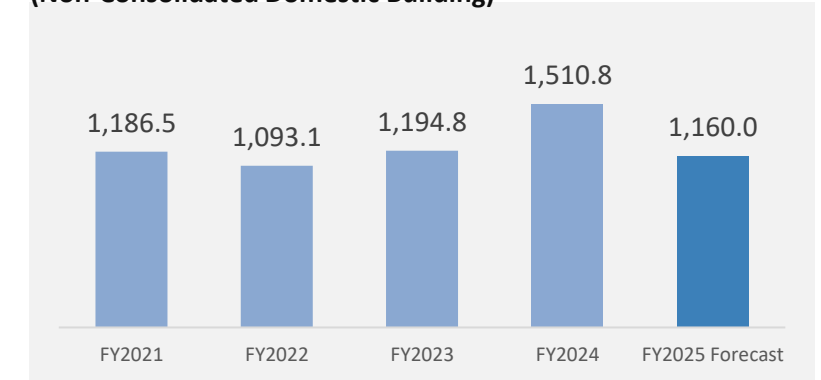
- Demand for construction in a wide range of fields (such as semiconductors, storage batteries, machine tools, general machinery, and electrical machinery) boosted by the return of production bases to Japan and the government's designation of specified critical products.
- Continued demand for data centers due to the acceleration of digitalization and for construction due to large-scale redevelopments of urban areas.
- Accumulating information on construction plans at a high level through FY2028 but carefully selecting projects in terms of construction capacity, securing of the supply chain, and other factors. Continuing to focus on profitability in receiving new orders.

FY2025 Forecasts (Non-Consolidated)

- ¥1,160.0B forecasted for FY2025.
- Prepared FY2025 new orders forecast to align with the current construction capacity.

Changes in Orders Received (Non-Consolidated Domestic Building)

(Billions of yen)



Domestic Civil Engineering

Market Landscape

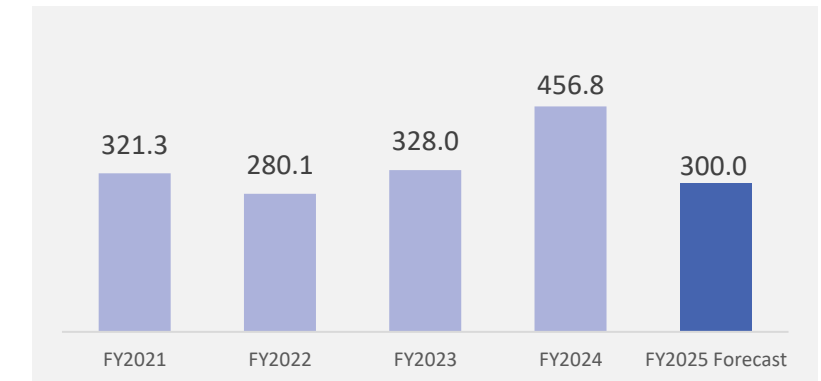
- Government works: Expected to remain firm in areas such as disaster prevention/mitigation and national resilience projects. Overall demand expected to remain generally flat or slightly increase.
- Anticipating an increase in new orders for defense-related facility development projects in the future.
- Private-sector construction: Predicted to be firm due to the expected expansion of the market for renewable energy and decarbonization-related businesses, in addition to railroad construction in the Tokyo metropolitan area.
- Competition will remain intense for government works, as contracts are awarded through bidding, in principle.

FY2025 Forecasts (Non-Consolidated)

- ¥300.0B forecasted for FY2025.
- Prepared FY2025 new orders forecast to align with the current construction capacity.

Changes in Orders Received (Non-Consolidated Domestic Civil Engineering)

(Billions of yen)



Order Environment for the Overseas Construction Business

Overseas Building Construction

Market Landscape

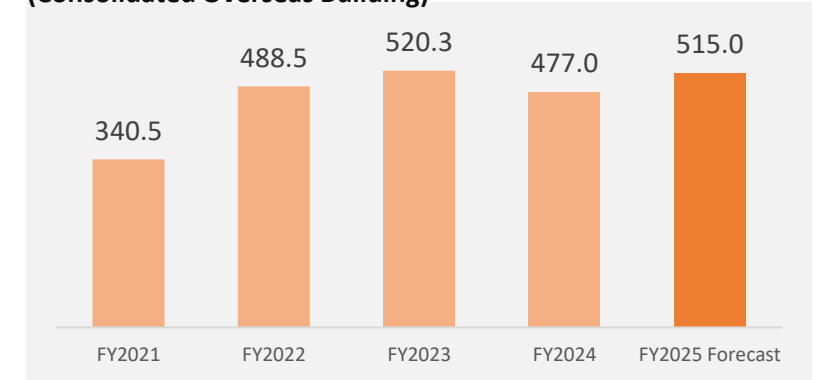
- North America: Stagnant capital investment due to the recent interest rate policy and other factors, mainly among private sector real estate developers, who are the main customers of WEBCOR, one of our major subsidiaries. Working on securing new orders to target additional areas, such as the public sector.
- Asia: Overall capital investment expected to remain firm, although it varies among Southeast Asian countries.
- In both North America and Asia, the impact of the Trump administration's reciprocal tariff policy needs to be closely monitored.

FY2025 Forecasts (Consolidated)

- ¥515.0B forecasted for FY2025.
- Orders received remain stable at approx. ¥500.0B since FY2022.

Changes in Orders Received (Consolidated Overseas Building)

(Billions of yen)



Overseas Civil Engineering

Market Landscape

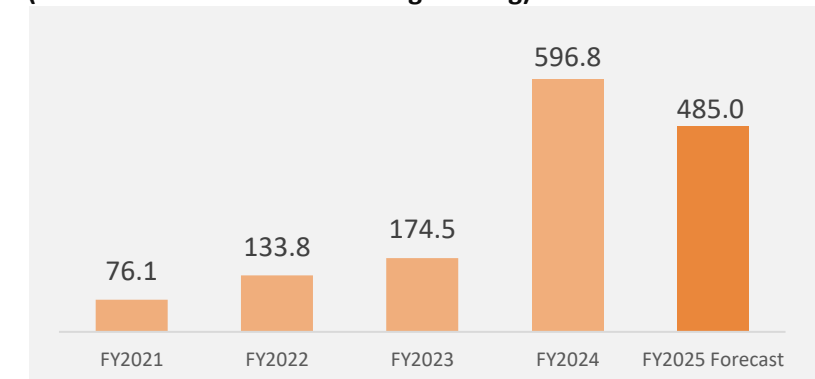
- North America: Stable market growth expected for infrastructure and civil engineering in 2025 and beyond. Continued strong demand for water treatment facility construction by MWH (a subsidiary that became consolidated in FY2023).
- Asia: Expected to remain firm, especially regarding construction investments in the energy and transportation infrastructure sectors.

FY2025 Forecasts (Consolidated)

- ¥485.0B forecasted for FY2025.
- New orders projected to be stably secured despite an expected decline compared to FY2024, during which new orders for large projects were received.

Changes in Orders Received (Consolidated Overseas Civil Engineering)

(Billions of yen)



New Orders Forecasts

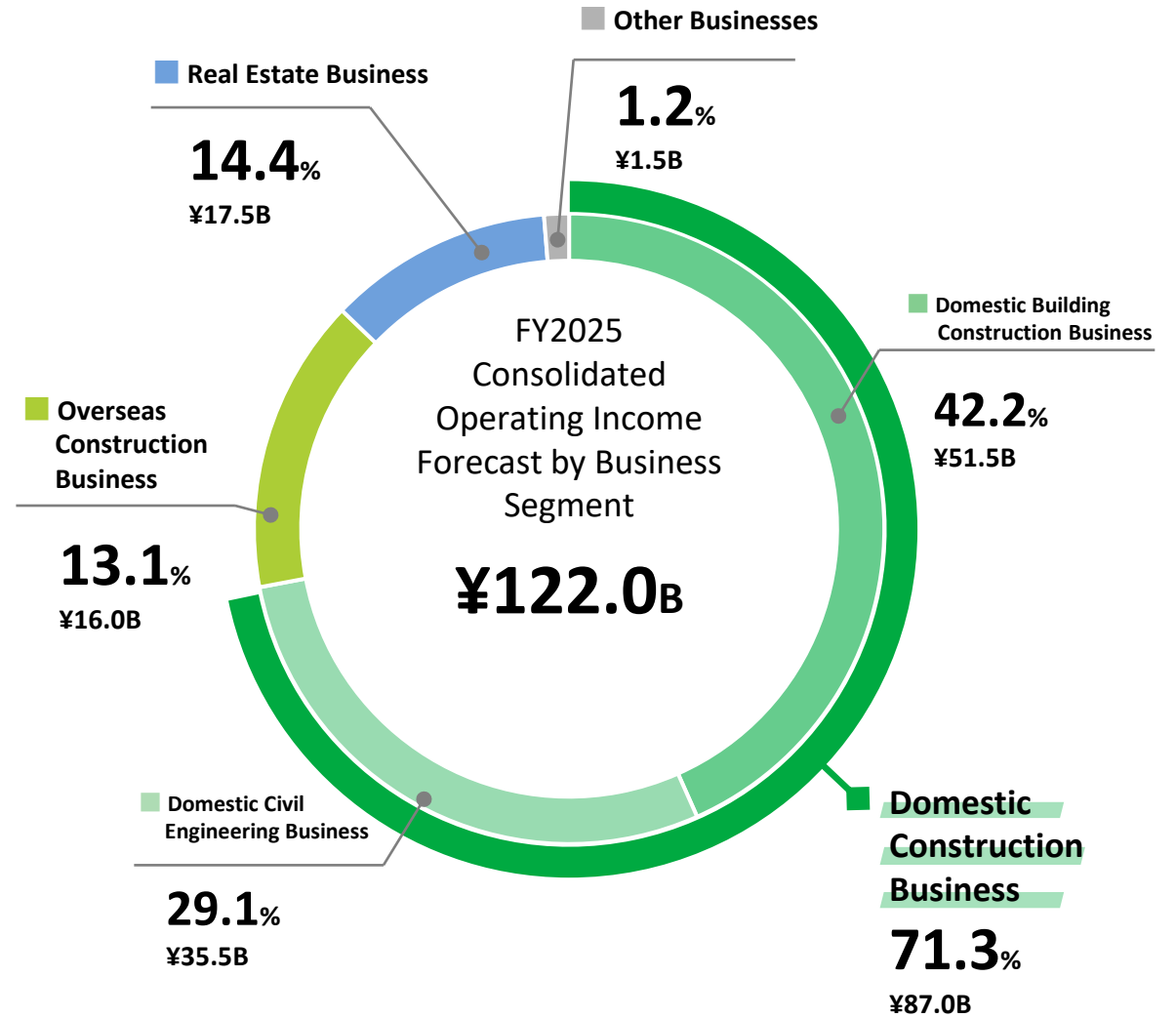
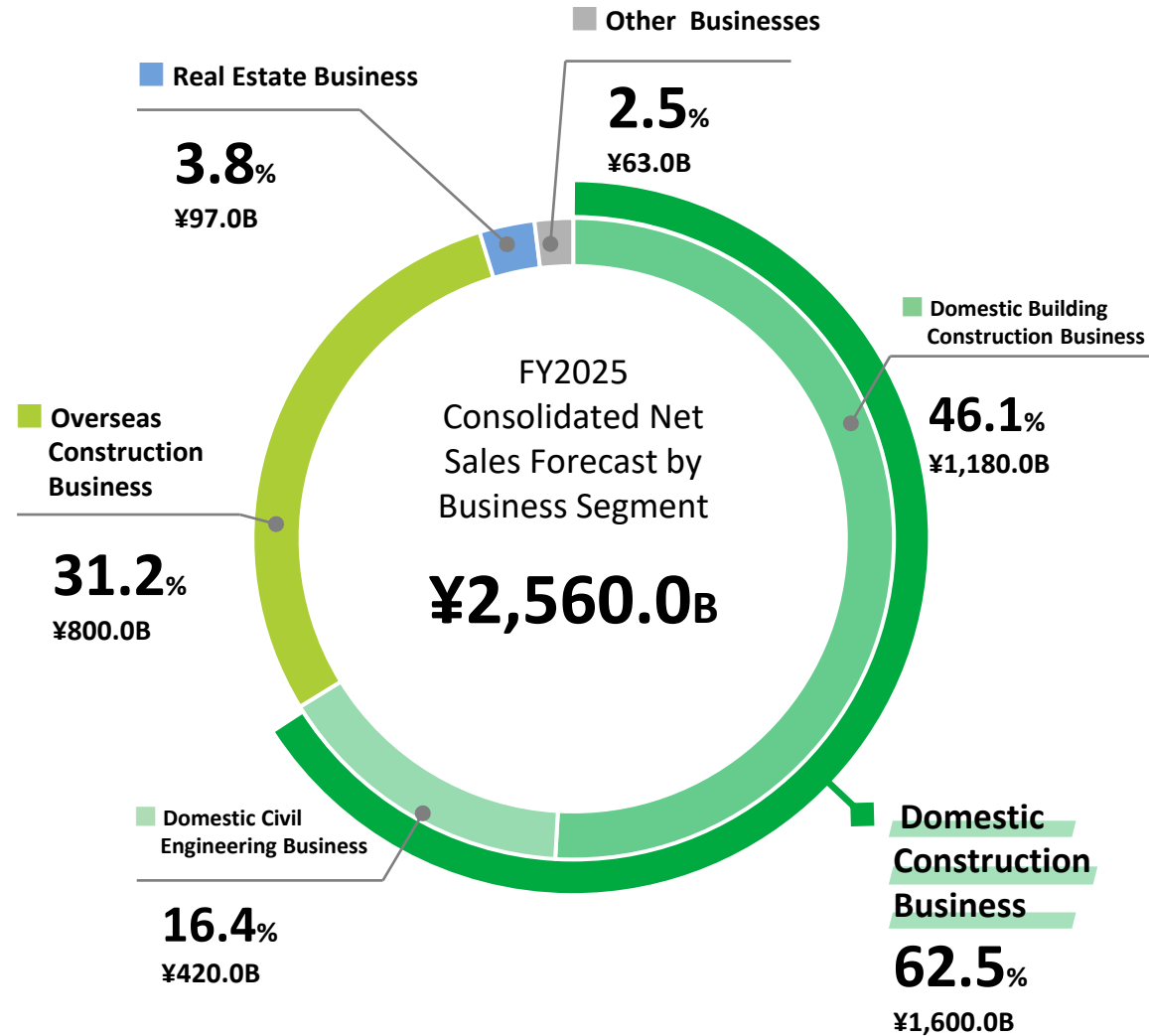
			(Billions of yen)			(Billions of yen)		
			Consolidated			Non-Consolidated		
			FY2024 Results A	FY2025 Forecasts B	YoY B–A	FY2024 Results C	FY2025 Forecasts D	YoY D–C
Construction Business	Building	Domestic	1,554.5	1,205.0	(349.5)	1,510.8	1,160.0	(350.8)
		Overseas	477.0	515.0	+37.9	5.4	10.0	+4.5
		Total	2,031.6	1,720.0	(311.6)	1,516.2	1,170.0	(346.2)
	Civil	Domestic	533.4	385.0	(148.4)	456.8	300.0	(156.8)
		Overseas	596.8	485.0	(111.8)	46.9	33.0	(13.9)
		Total	1,130.2	870.0	(260.2)	503.8	333.0	(170.8)
	Total	Domestic	2,087.9	1,590.0	(497.9)	1,967.6	1,460.0	(507.6)
		Overseas	1,073.9	1,000.0	(73.9)	52.4	43.0	(9.4)
		Total	3,161.8	2,590.0	(571.8)	2,020.0	1,503.0	(517.0)
Real Estate Business and Other			154.7	110.0	(44.7)	24.3	27.0	+2.6
Total			3,316.6	2,700.0	(616.6)	2,044.4	1,530.0	(514.4)

5

Overview of Each Business Segment

***FY2024 Q1 results reflect the retrospective application of the change in the foreign currency translation method.**

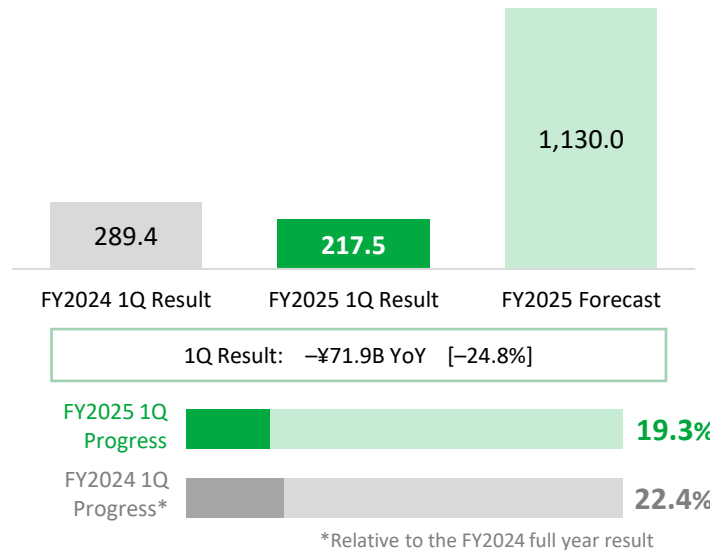
Business Scale



Domestic Building Construction Business (Non-Consolidated)

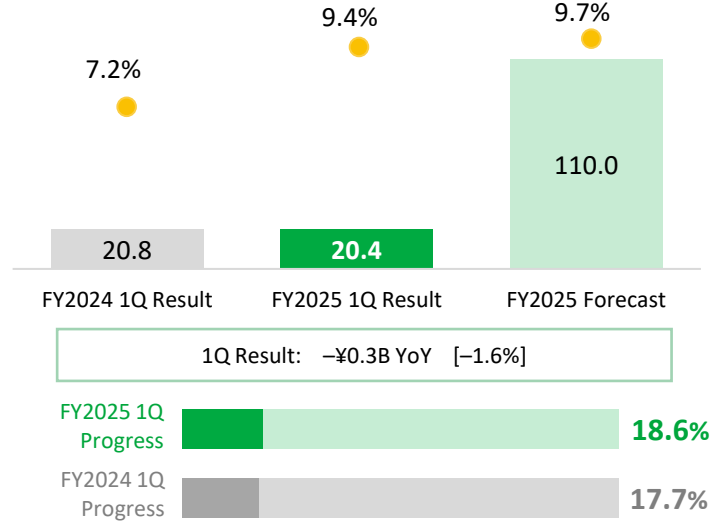
Net Sales of Completed Construction Contracts

(Billions of yen)



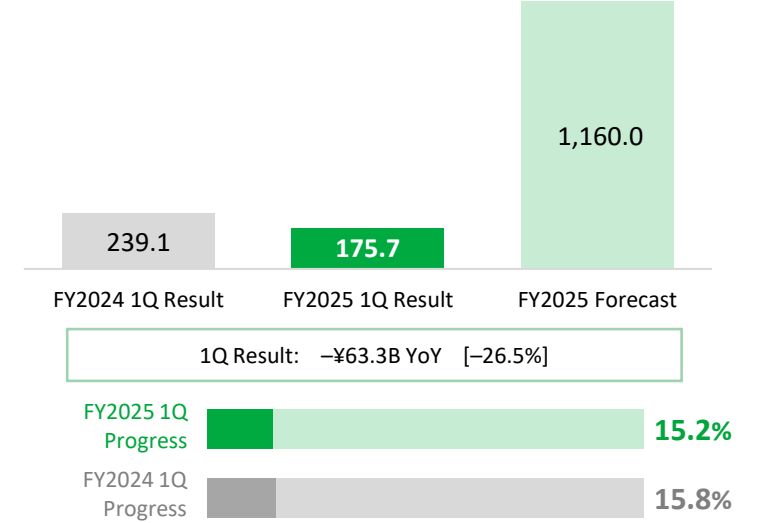
Gross Profit on Completed Construction Contracts / Ratio

(Billions of yen)



Orders Received

(Billions of yen)



FY2025 1Q Results

- Net sales of completed construction contracts decreased by ¥71.9B YoY, reflecting a decline compared to FY2024—which benefited from progress in large projects—and new orders being strategically received in alignment with the current construction capacity.
- Gross profit on completed construction contracts decreased by ¥0.3B YoY, impacted by the decline in net sales of completed construction contracts. Gross profit margin improved, however, due to the start and progress of highly profitable projects and other factors.
- Orders received decreased by ¥63.3B YoY due to a YoY decline in new orders for large projects.

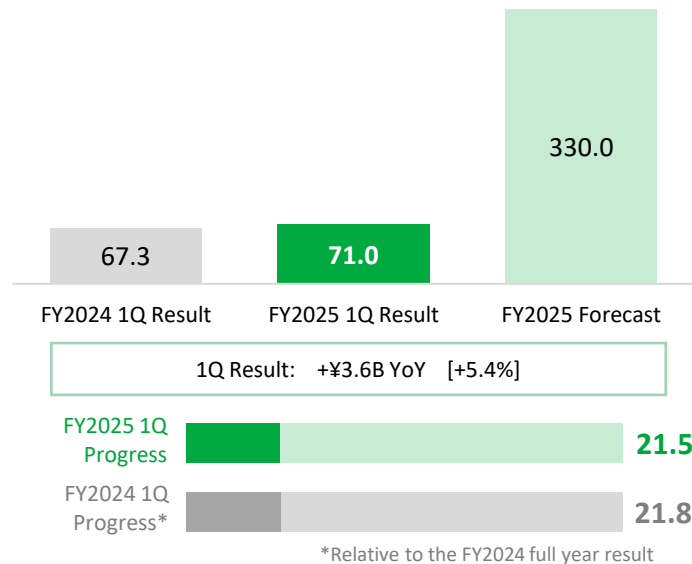
FY2025 Forecasts

- Net sales of completed construction contracts are expected to be ¥1,130.0B due to factors including a decline compared to FY2024 which benefited from progress in large projects.
- Gross profit on completed construction contracts is expected to decrease YoY due to factors including a decline compared to FY2024 which benefited from additional claim approvals. Gross profit margin on completed construction contracts is expected to improve, however, due to the start and progress of highly profitable projects.
- New orders forecast is ¥1,160.0B, aligned with the current construction capacity. A significant decrease from FY2024 during which new orders for large projects were received.

Domestic Civil Engineering Business (Non-Consolidated)

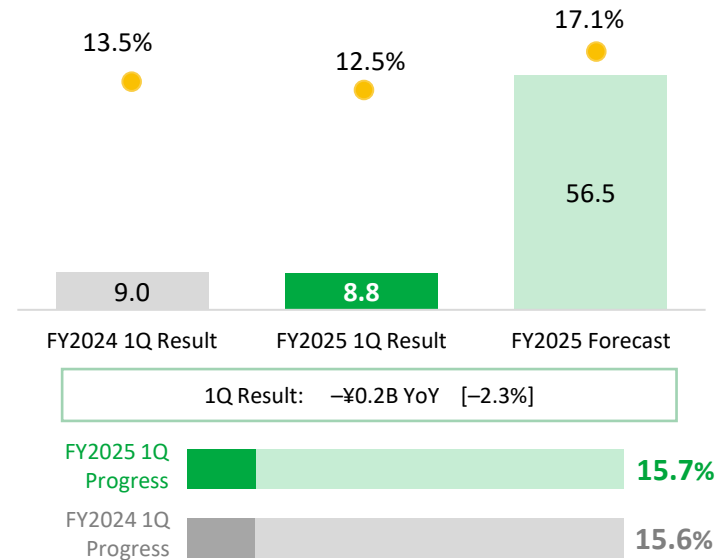
Net Sales of Completed Construction Contracts

(Billions of yen)



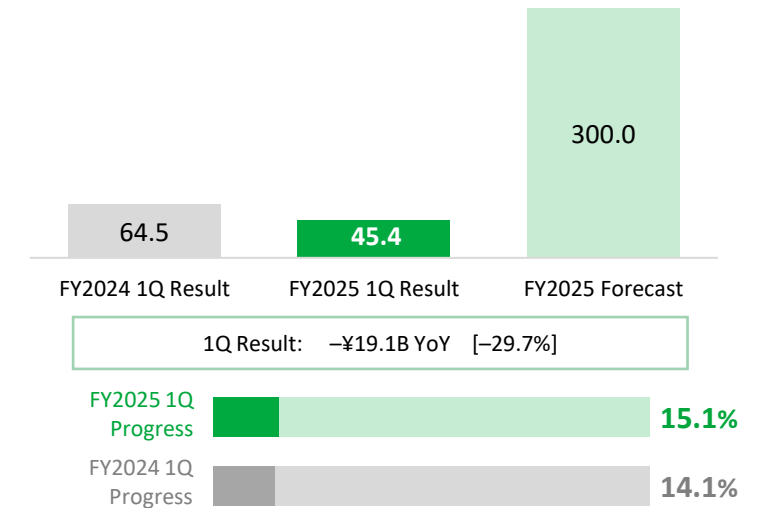
Gross Profit on Completed Construction Contracts / Ratio

(Billions of yen)



Orders Received

(Billions of yen)



FY2025 1Q Results

- Net sales of completed construction contracts grew by ¥3.6B YoY due to steady progress in construction projects in hand.
- Gross profit on completed construction contracts decreased by ¥0.2B, reflecting a decline compared to the previous 1Q, which benefited from additional claim approvals.
- Orders received decreased by ¥19.1B YoY due to a YoY decline in new orders for large projects.

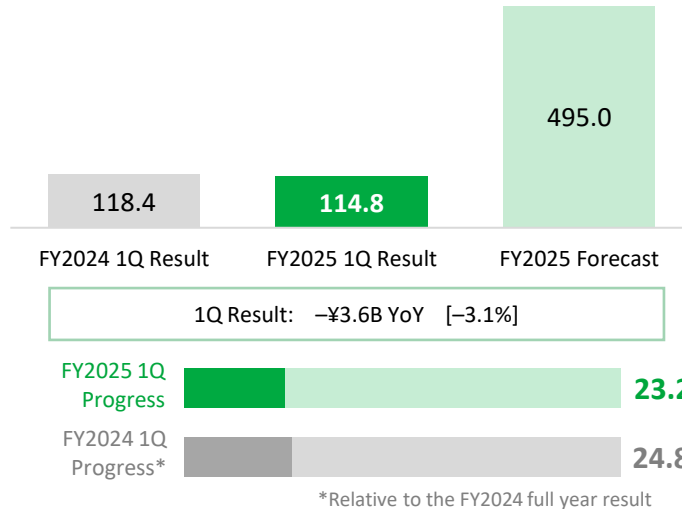
FY2025 Forecasts

- Net sales of completed construction contracts are expected to grow YoY due to continued steady progress in construction projects in hand.
- Gross profit on completed construction contracts is expected to decrease due to factors including a decline compared to FY2024 which benefited from additional claim approvals. Gross profit margin on completed construction contracts is set at a level that reflects a certain amount of profit improvement due to additional claim approvals.
- New orders forecast is ¥300.0B, a significant decrease YoY, reflecting the current construction capacity and new orders received in the past fiscal years.

Overseas Building Construction Business (Consolidated)

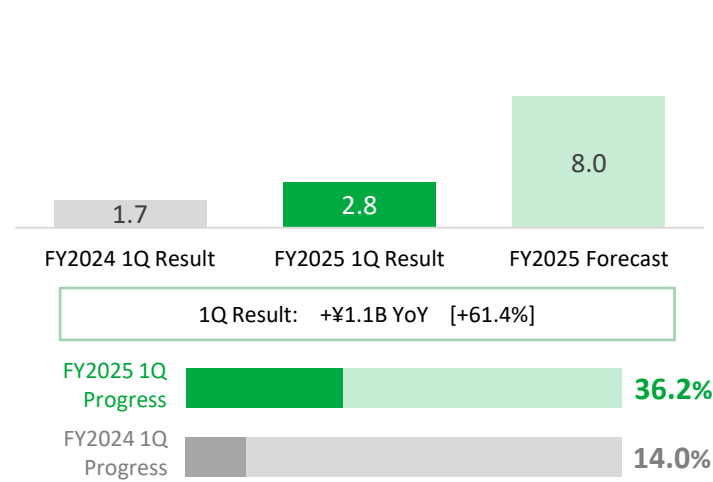
Net Sales of Completed Construction Contracts

(Billions of yen)



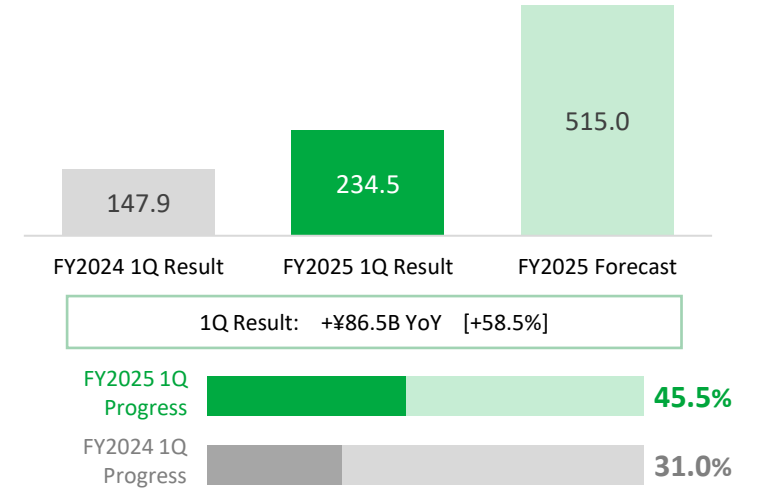
Operating Income

(Billions of yen)



Orders Received

(Billions of yen)



FY2025 1Q Results

- Net sales of completed construction contracts decreased by ¥3.6B YoY due to a decrease in the amount of construction projects in hand at the North American subsidiaries, among other factors, despite steady progress in large projects in Asia.
- Operating income grew by ¥1.1B YoY due to a reduction in the cost of completed projects, in addition to steady progress in large projects in Asia and other factors.
- Orders received increased by ¥86.5B YoY due to new orders for large projects in both North America and Asia.

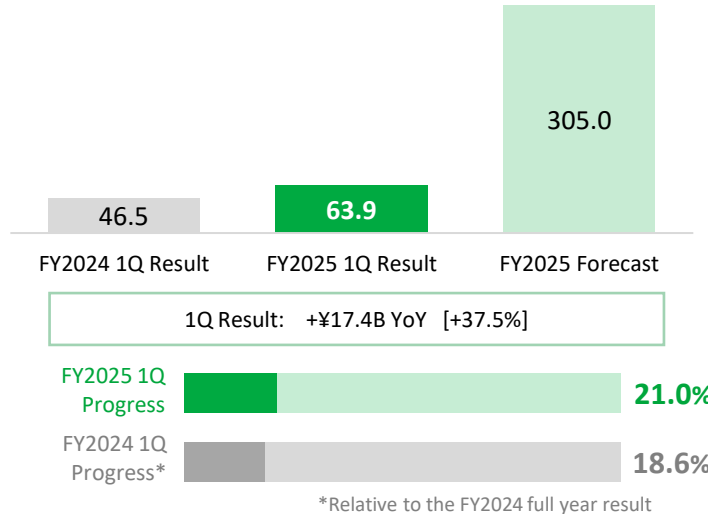
FY2025 Forecasts

- Net sales on completed construction contracts are expected to grow YoY, since a significant increase is expected in Obayashi Singapore where there is a large amount of construction projects in hand, offsetting the decline expected at the North American subsidiaries due to a reduced amount of construction projects in hand.
- Operating income is expected to decrease YoY due to factors including lower net sales at the North American subsidiaries and the impact of foreign exchange rates.
- New orders forecast is ¥515.0B, a YoY increase, due to factors including a recovery in new orders expected at the North American subsidiaries compared to the previous fiscal year.

Overseas Civil Engineering Business (Consolidated)

Net Sales of Completed Construction Contracts

(Billions of yen)

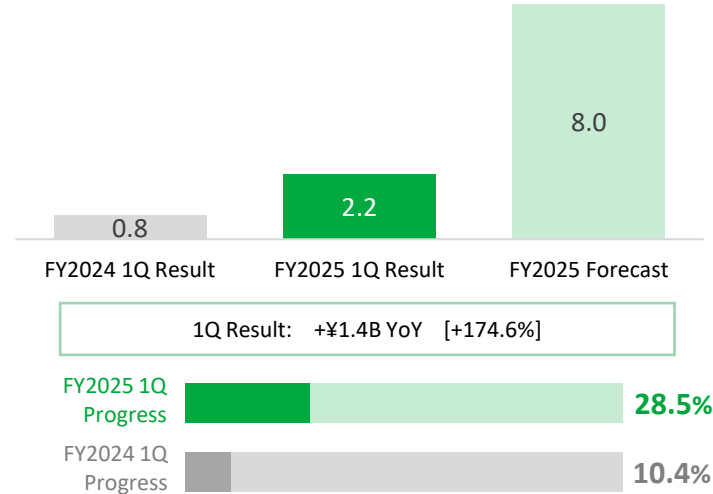


FY2025 1Q Results

- Net sales of completed construction contracts grew by ¥17.4B YoY due to progress with the large amount of construction projects in hand at the North American subsidiaries.
- Operating income grew by ¥1.4B YoY due to an increase in net sales of completed construction contracts.
- Orders received decreased by ¥58.6B YoY, reflecting a decline compared to FY2024 during which new orders for large projects were received.

Operating Income

(Billions of yen)

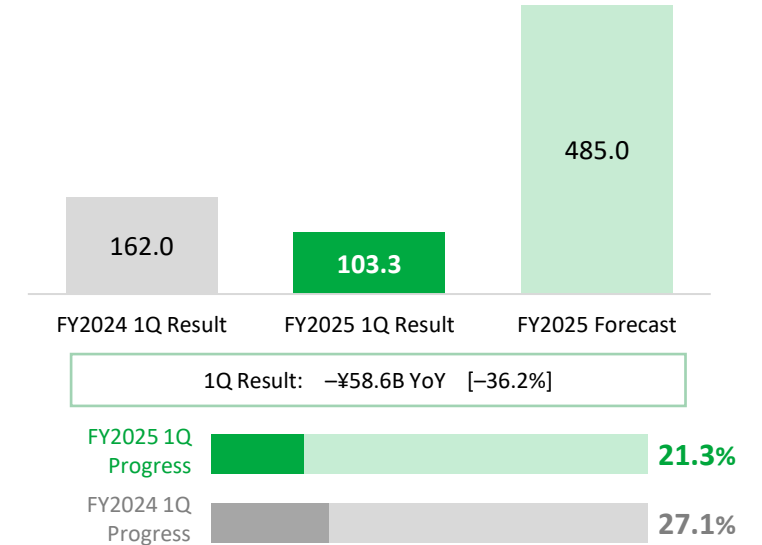


FY2025 Forecasts

- Net sales on completed construction contracts are expected to grow YoY due to steady progress with the large amount of construction projects in hand at the North American subsidiaries.
- Operating income is expected to be at a similar level YoY since net sales of completed construction contracts are expected to increase, while a decline is expected following large project completions that had contributed to profit, among other factors.
- New orders forecast is down YoY, reflecting factors including a decline compared to FY2024 during which new orders for large projects were received.

Orders Received

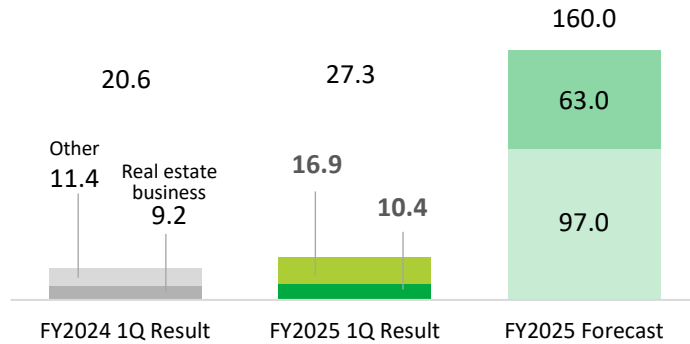
(Billions of yen)



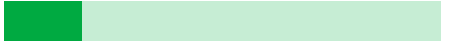
Real Estate Business and Other (Consolidated)

Net Sales

(Billions of yen)



1Q Result: +¥6.7B YoY [+32.6%]

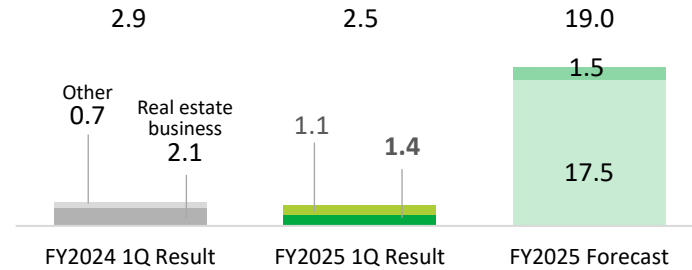
FY2025 1Q Progress  17.1%

FY2024 1Q Progress*  16.8%

*Relative to the FY2024 full year result

Operating Income

(Billions of yen)



1Q Result: -¥0.4B YoY [-13.9%]

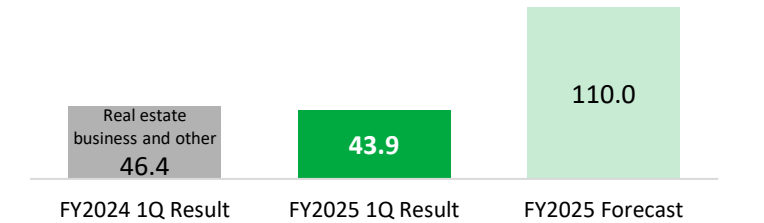
FY2025 1Q Progress  13.4%

FY2024 1Q Progress  16.2%

Orders Received

(Billions of yen)

(Breakdown of real estate business and other not disclosed)



1Q Result: -¥2.5B YoY [-5.4%]

FY2025 1Q Progress  39.9%

FY2024 1Q Progress  30.0%

FY2025 1Q Results

- Net sales grew by ¥6.7B YoY, reflecting factors including an increase in sales of condominiums in the real estate business and an increase in revenue from design-related work in other businesses.
- Operating income decreased by ¥0.4B YoY due to depreciation in the real estate business exceeding lease income from opened properties, among other factors.

FY2025 Forecasts

- Net sales are expected to grow YoY due to factors including the sale of properties in the real estate business and the launch of PPP projects.
- Operating income is expected to grow YoY due to factors including the sale of properties in the real estate business.

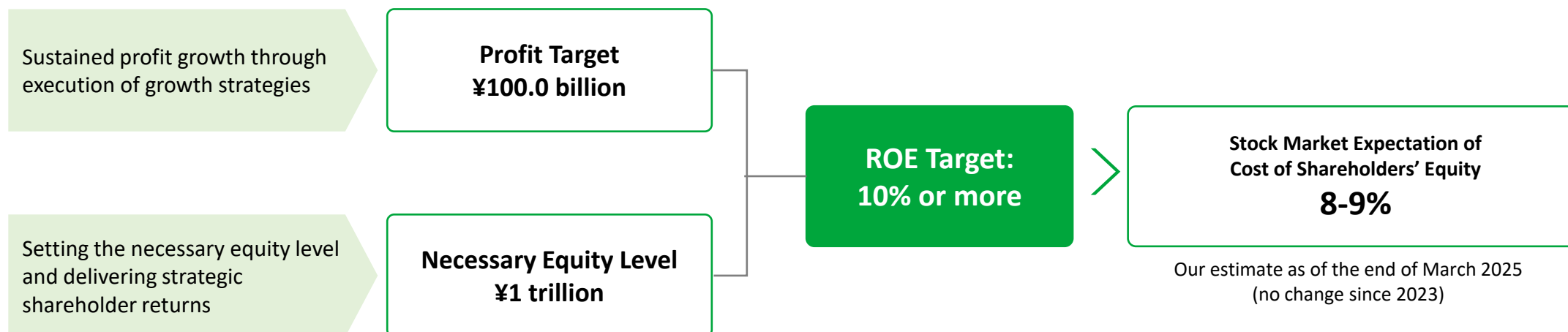
6

Capital Policy Progress

Capital Policy

Setting the Necessary Equity Level and Managing Equity

- Setting the necessary equity level and managing equity
 - Set the necessary equity level for each business, taking into account business scale changes, execution of investments, changes in the asset-liability balance of the construction business, revisions to payment terms, sales of cross-shareholdings, use of leverage in the real estate development business, and other factors through FY2026
 - Finance through interest-bearing debt and nonrecourse loans to use leverage in improving capital efficiency
 - Maintain bond capacity and credit rating in the North American construction business
- Manage equity through profit generation and strategic shareholder returns



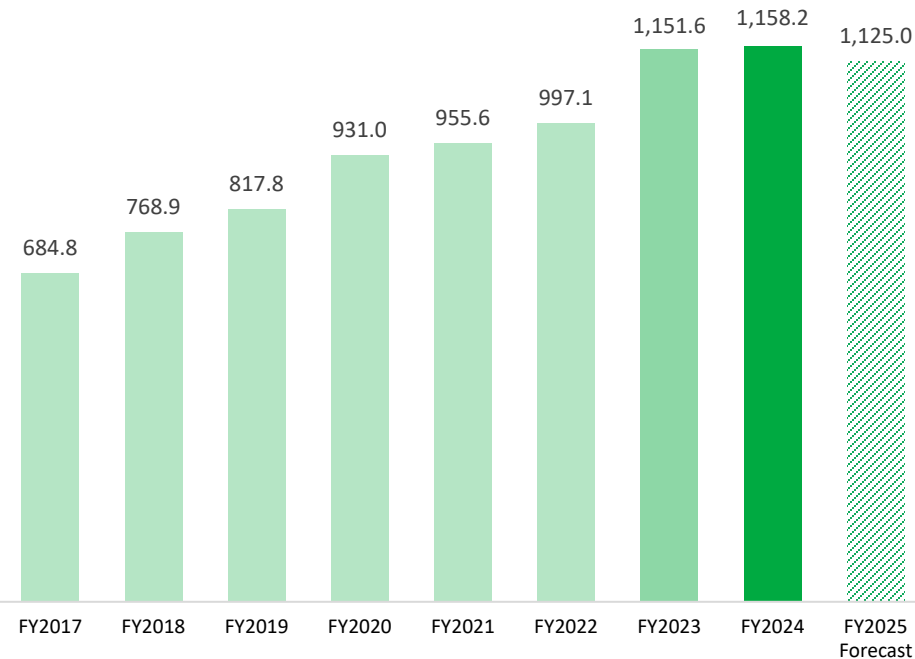
Shareholder Return Policy

- Basic policy: Maintain stable dividend payments over the long term.
- Adopted the dividend on equity ratio (DOE) to place greater emphasis on delivering stable, medium- to long-term returns to shareholders based on equity enhanced through the accumulation of profits. We will pay ordinary dividends based on a target DOE of around 5%.
- Flexibly deliver additional returns, in addition to ordinary dividends, based on the necessary amount of equity and profit levels.

Trends in Equity and Shareholder Returns

Delivered on our capital policy of the Medium-Term Business Plan 2022 based on equity enhanced during the period of the Medium-Term Business Plan 2017. Stably paying dividends for over 10 years without reduction—maintaining long-term, stable dividends is our top priority.

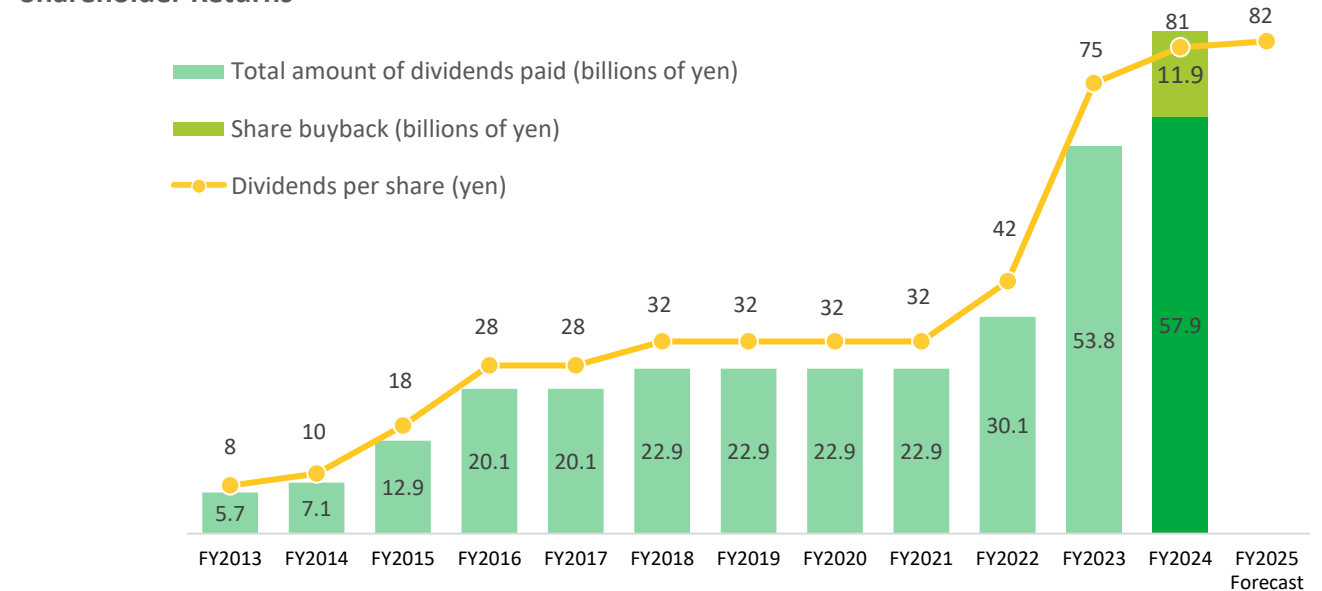
Equity (Billions of Yen)



Medium-Term Business Plan 2017

Medium-Term
Business Plan 2022

Shareholder Returns



DOE (%)	1.4	1.6	2.5	3.6	3.1	3.2	2.9	2.6	2.4	3.1	5.0	5.0	5.0
(Reference) Dividend Payout Ratio (%)	26.6	25.0	20.4	21.3	21.7	20.3	20.3	23.2	58.7	38.8	71.6	39.9	57.0
(Reference) Total Payout Ratio (%)	-	-	-	-	-	-	-	-	-	-	-	48.1	-

*DOE for FY2013–2021 is for reference only.

Medium-Term Business Plan 2017

Medium-Term
Business Plan 2022

MAKE BEYOND

TRANSCENDING THE ART AND SCIENCE OF MAKING OF THINGS

We make things.

And in the process, we go beyond.

Our experience and technology empower us to break
new ground, to do what has never been done.

With the Power of Vision we see beyond tomorrow.

Through the Power of Creation we transform ideas
into tangible innovations.

But it is the Power of People that makes everything possible.

Our shared history and collective expertise constitute our
strengths, allowing us to go beyond construction and
into new realms, for this is where our future lies.

As the world becomes more unpredictable and complex,
our unique approach to making things defines a new horizon,
and we lay a foundation that will enrich lives and ensure sustainability.

This is our mission, our truth.

Now, we take the next step, and
go beyond making, to the next Obayashi.