

**Obayashi Corporation**

PRIME 1802

**Presentation on Financial Results  
FY2024 1st Quarter  
(April 1, 2024 to June 30, 2024)**



August 6, 2024

**Disclaimer:**

This document has been translated from the Japanese original for reference purpose only. If there is any discrepancy between the Japanese original and this English translation, the former will prevail.

# INDEX



1

## FY2024 1st Quarter Results

- Summary
- Statements of Income
- Operating Income
- Orders Received

2

## FY2024 Forecasts

- Summary
- Statements of Income (Forecasts)
- Operating Income (Forecasts)
- Orders Received (Forecasts)

3

## Overview of Each Business

- Domestic Building Construction Business
- Domestic Civil Engineering Business
- Overseas Construction Business
- Real Estate Business and Other
- Consolidated vs Non-consolidated

1

## FY2024 1st Quarter Results

- Summary
- Statements of Income
- Operating Income
- Orders Received

## Summary of FY2024 1st Quarter Results



<b>Consolidated net sales</b>	<b>¥574.7 bln</b>	YoY Progress rate	+¥87.2 bln 22.9%	<b>+17.9%</b>	- Steady progress in both building construction and civil engineering projects in hand - Impact on foreign exchange rates and the consolidation of MWH contributed to the overseas construction
<b>Consolidated operating income</b>	<b>¥15.3 bln</b>	YoY Progress rate	+¥11.2 bln 16.5%	<b>+268.9%</b>	Increase in domestic building construction business due to start and progress in high profitability projects while those ratio to total project in hands increase, and improvement in gross profit on completed construction projects in hand.
<b>Profit attributable to owners of parent</b>	<b>¥25.8 bln</b>	YoY Progress rate	+¥19.2 bln 29.7%	<b>+292.1%</b>	Significant increase YoY due to higher operating income and steady progress in the sale of cross-shareholdings
<b>Consolidated orders received</b>	<b>¥693.7 bln</b>	YoY Progress rate	+¥158.9 bln 27.5%	<b>+29.7%</b>	Consolidation of MWH and orders received for large-scale projects, etc. in the North American subsidiary contributed to the overseas civil engineering business

### Summary of FY2024 1<sup>st</sup> quarter results

#### Consolidated net sales

- ✓ ¥574.7 billion [+¥ 87.2 billion YoY]
- ✓ Record-high result for the 1<sup>st</sup> quarter
- ✓ Construction projects in hand for both building construction and civil engineering business in the non-consolidated domestic segment made steady progress.
- ✓ Overseas construction business increased from the previous year due to the consolidation of MWH acquired through M&A and impact of foreign exchange rates.

#### Consolidated operating income

- ✓ ¥15.3 billion yen [+¥11.2 billion YoY]
- ✓ Increase in domestic building construction business due to the impact of low gross profit on completed construction in the previous year, start and progress in high profitability projects while those ratio to total project in hands increase.

#### Profit attributable to owners of parent

- ✓ ¥25.8 billion yen [+¥19.2 billion YoY]
- ✓ Record-high result for the 1<sup>st</sup> quarter
- ✓ Steady progress made in the sale of cross-shareholdings.

#### Consolidated orders received

- ✓ ¥693.7 billion yen [+¥158.9 billion YoY]
- ✓ Continued strong demand supports steady progress in both building construction and civil engineering business in the domestic segment.
- ✓ Increased significantly due to consolidation of MWH and orders received for large-scale construction projects in the overseas civil engineering business overseas.

## Statements of Income

(Unit: Billions of yen)



		Consolidated			Non-consolidated		
		FY2023 1Q Results	FY2024 1Q Results	Y o Y	FY2023 1Q Results	FY2024 1Q Results	Y o Y
Net sales of completed construction contracts	Building	366.2	<b>418.7</b>	+52.4	267.8	<b>292.9</b>	+25.1
	Civil	101.5	<b>135.3</b>	+33.7	68.9	<b>75.7</b>	+6.7
	Total	467.7	<b>554.0</b>	+86.2	336.8	<b>368.7</b>	+31.8
Net sales of real estate business and other		19.6	<b>20.6</b>	+1.0	4.4	<b>4.7</b>	+0.3
Net sales		487.4	<b>574.7</b>	+87.2	341.3	<b>373.4</b>	+32.1
Gross profit on completed construction contracts	Building	% -	% -	-	% 4.2	% 11.1	+9.6
	Civil	-	-	-	14.3	9.8	+0.2
	Total	6.9	32.4	8.3	6.3	21.0	+9.9
Gross profit on real estate business and other		23.3	4.5	27.0	23.4	1.0	(0.1)
Gross profit		7.6	37.0	9.0	6.5	22.0	+9.7
Selling, general and administrative expenses		6.7	32.8	6.3	6.7	22.8	+0.5
Operating income		0.9	4.1	2.7	(0.2)	(0.7)	+9.2
Ordinary income		1.9	9.3	3.5	1.5	5.1	+10.7
Profit attributable to owners of parent		1.4	6.5	4.5	1.1	3.8	+20.2

© OBAYASHI CORPORATION, All rights reserved.

5

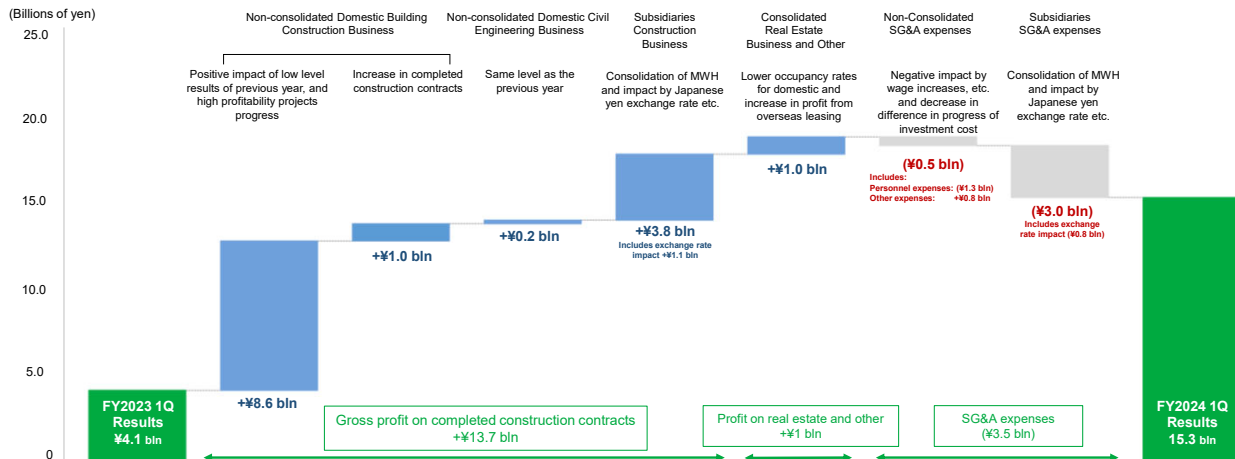
### Statements of income for FY2024/1Q

See page 6 for YoY comparison of consolidated operating income.

## Change in Consolidated Operating Income



- FY2024/1Q resulted in ¥15.3 billion, up ¥11.2 billion YoY.
- Main positive factors are impact of low gross profit on completed construction in the previous year and start and progress in high profitability projects while those ratio to total project in hands increase for building construction business.



### Change in consolidated operating income (Comparison between FY2023/1Q and FY2024/1Q)

- ✓ Increase in domestic building construction business due to impact of low gross profit on completed construction in the previous year and start and progress in high profitability projects while those ratio to total project in hands increase.
- ✓ Increase in gross profit on completed construction and SG&A expenses of overseas subsidiaries due to consolidation of MWH.

See pages 14 and after for more detail.

## Orders Received



(Unit: Billions of yen)

			Consolidated			Non-consolidated		
			FY2023 1Q Results	FY2024 1Q Forecasts	Y o Y	FY2023 Results	FY2024 Forecasts	Y o Y
Construction business	Building	Domestic	257.8	247.4	(10.3)	243.6	239.1	(4.5)
		Overseas	176.4	150.4	(25.9)	0.8	2.6	+1.8
		Total	434.2	397.9	(36.2)	244.5	241.7	(2.7)
	Civil	Domestic	62.1	84.2	+22.1	39.7	64.5	+24.8
		Overseas	19.9	165.1	+145.2	15.7	30.6	+14.9
		Total	82.0	249.3	167.3	55.5	95.2	+39.7
	Total	Domestic	319.9	331.6	+11.7	283.3	303.6	+20.2
		Overseas	196.3	315.6	+119.2	16.6	33.3	+16.7
		Total	516.2	647.3	131.0	300.0	337.0	+36.9
Real estate business and other			18.6	46.4	+27.8	4.4	4.7	+0.3
Total			534.8	693.7	+158.9	304.4	341.8	+37.3

© OBAYASHI CORPORATION, All rights reserved.

7

### Orders received for FY2024/1Q

- ✓ Continue to focus on profitability to win orders, taking construction capacity into consideration.

2

## FY2024 Forecasts

- Summary
- Statements of Income (Forecasts)
- Operating Income (Forecasts)
- Orders Received(Forecasts)

No revisions are made to the forecasts announced on May 13, 2024.

© OBAYASHI CORPORATION, All rights reserved.

8



## Summary of FY2024 Forecasts



<b>Consolidated net sales</b>	<b>¥2,510.0 bln</b>	YoY	+¥184.8 bln	+7.9%	Significant increase of over 100.0 billion yen due to the consolidation of MWH, acquired in the previous year
<b>Consolidated operating income</b>	<b>¥93.0 bln</b>	YoY	+¥13.6 bln	+17.2%	Included significant profit recovery due to the impact of losses in the previous year in domestic building construction, increase in net sales of completed construction contracts, and improvement in profitability of construction projects, etc.
<b>Profit attributable to owners of parent</b>	<b>¥87.0 bln</b>	YoY	+¥11.9 bln	+15.9%	Improved operating income and steady sale of cross-shareholdings executed as planned
<b>Consolidated orders received</b>	<b>¥2,520.0 bln</b>	YoY	+¥6.9 bln	+0.3%	Keep the high level as the same as the previous year foreseeing the continued strong demand for domestic building construction

No revisions are made to the forecasts announced on May 13, 2024.

© OBAYASHI CORPORATION, All rights reserved.

9

### Summary of FY2024 forecasts

No revisions are made to the forecasts announced on May 13, 2024.

#### Net sales

- ✓ ¥2,510.0 billion (+¥184.8 billion YoY)
- ✓ Increase of more than 100 billion yen in net sales due to consolidation of MWH acquired in the previous year.

#### Operating income

- ✓ ¥93.0 billion (+¥13.6 billion YoY)
- ✓ Expected to recover significantly due to a rebound from the loss recorded in the previous fiscal year and an improvement in construction profitability in domestic building construction business.

#### Profit attributable to owners of parent

- ✓ ¥87.0 billion (+¥11.9 billion YoY)
- ✓ Continue to sell cross-shareholdings.

#### Orders received

- ✓ Expect ¥2,520.0 billion (+¥6.9 billion YoY)
- ✓ Plan to continue order-taking activities in consideration of construction capacity both in Japan and overseas.

## Statements of Income (Forecasts)

(Unit: Billions of yen)



		Consolidated			Non-consolidated		
		FY2023 Results	FY2024 Forecasts	Y o Y	FY2023 Results	FY2024 Forecasts	Y o Y
Net sales of completed construction contracts	Building	1,722.0	1,770.0	+47.9	1,240.2	1,265.0	+24.7
	Civil	484.7	605.0	+120.2	315.6	320.0	+4.3
	Total	2,206.7	2,375.0	+168.2	1,555.8	1,585.0	+29.1
Net sales of real estate business and other		118.3	135.0	+16.6	26.3	25.0	(1.3)
Net sales		2,325.1	2,510.0	+184.8	1,582.1	1,610.0	+27.8
		%	%		%	%	
Gross profit on completed construction contracts	Building	-	-	-	6.3	78.3	+22.1
	Civil	-	-	-	15.4	48.5	(4.0)
	Total	8.6	188.8	8.8	8.2	126.9	+18.0
Gross profit on real estate business and other		26.0	30.7	21.5	19.7	5.1	(1.6)
Gross profit		9.4	219.6	9.5	8.3	132.1	+16.3
Selling, general and administrative expenses		6.0	140.2	5.8	5.6	88.7	+6.2
Operating income		3.4	79.3	3.7	2.7	43.3	+10.1
Ordinary income		3.9	91.5	3.9	3.5	55.4	+8.0
Profit attributable to owners of parent		3.2	75.0	3.5	3.1	49.6	+18.3

No revisions are made to the forecasts announced on May 13, 2024.

© OBAYASHI CORPORATION, All rights reserved.

10

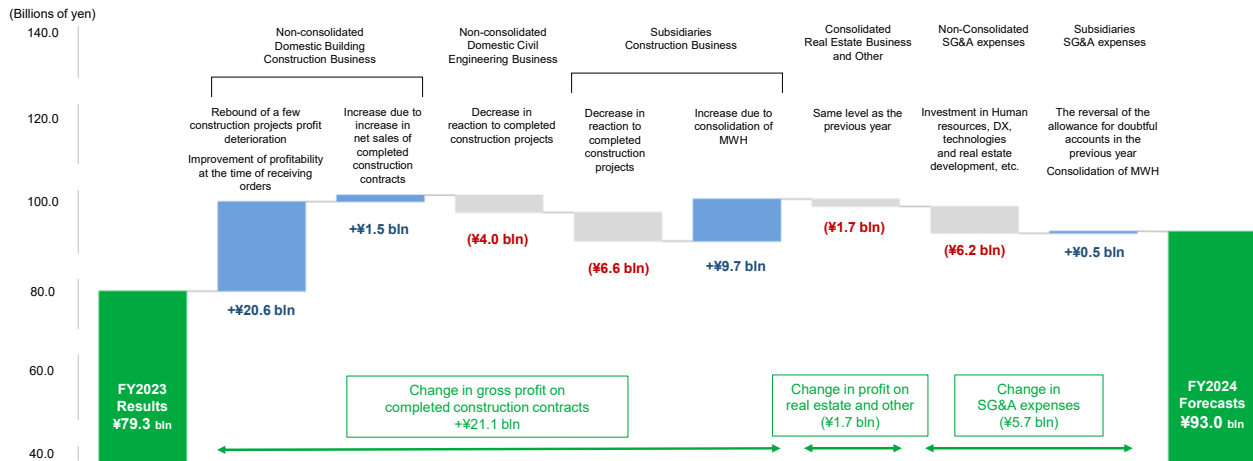
### Statements of income (Forecasts)

See page 11 for YoY comparison of operating income.

## Change in Operating Income (Forecasts)



- While non-consolidated SG&A expenses are expected to increase due to progress in investment for growth, profits are expected to recover significantly due to the losses in domestic building construction in the previous year and the consolidation of MWH, acquired in the previous fiscal year, as a consolidated subsidiary.



No revisions are made to the forecasts announced on May 13, 2024.

© OBAYASHI CORPORATION, All rights reserved.

11

### Change in consolidated operating income (Forecasts)

- ✓ Operating income is expected to recover significantly from ¥79.3 billion in FY2023 to ¥93 billion in FY2024.
- ✓ The main factor is an increase in the domestic building construction business in reaction to the loss recorded in the previous fiscal year and an improvement in construction profitability.
- ✓ MWH, acquired in the previous fiscal year, also contributes to profit.

## Orders Received (Forecasts)

(Unit: Billions of yen)



			Consolidated			Non-consolidated		
			FY2023 Results	FY2024 Forecasts	Y o Y	FY2023 Results	FY2024 Forecasts	Y o Y
Construction business	Building	Domestic	1,236.9	<b>1,355.0</b>	+118.0	1,194.8	<b>1,300.0</b>	+105.1
		Overseas	520.3	<b>340.0</b>	(180.3)	3.7	<b>10.0</b>	+6.2
		Total	1,757.3	<b>1,695.0</b>	(62.3)	1,198.5	<b>1,310.0</b>	+111.4
	Civil	Domestic	423.1	<b>380.0</b>	(43.1)	328.0	<b>295.0</b>	(33.0)
		Overseas	174.5	<b>325.0</b>	+150.4	48.5	<b>45.0</b>	(3.5)
		Total	597.7	<b>705.0</b>	+107.2	376.6	<b>340.0</b>	(36.6)
	Total	Domestic	1,660.1	<b>1,735.0</b>	+74.8	1,522.9	<b>1,595.0</b>	+72.0
		Overseas	694.9	<b>665.0</b>	(29.9)	52.2	<b>55.0</b>	+2.7
		Total	2,355.0	<b>2,400.0</b>	+44.9	1,575.1	<b>1,650.0</b>	+74.8
Real estate business and other			158.0	<b>120.0</b>	(38.0)	26.3	<b>25.0</b>	(1.3)
Total			2,513.0	<b>2,520.0</b>	+6.9	1,601.5	<b>1,675.0</b>	+73.4

No revisions are made to the forecasts announced on May 13, 2024.

© OBAYASHI CORPORATION, All rights reserved.

12

### Orders received (Forecasts)

No revisions are made to the forecasts announced on May 13, 2024.



3

## Overview of Each Businesses

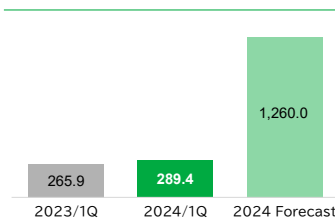
- Domestic Building Construction Business
- Domestic Civil Engineering Business
- Overseas Construction Business
- Real Estate Business and Other
- Consolidated vs Non-consolidated

## Domestic Building Construction Business (Non-consolidated)

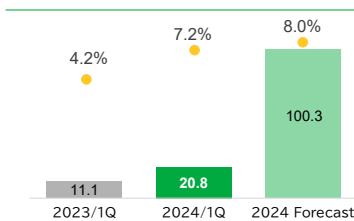


(Unit: Billions of yen)

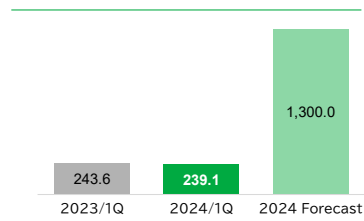
Net sales of completed construction contracts



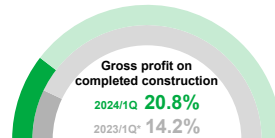
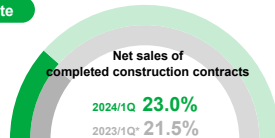
Gross profit on completed construction/ratio



Orders received



### Progress rate



\*Compared to full-year results for FY2023

### FY2024/1Q Results

- Net sales of completed construction contracts increased by ¥23.5 billion from the previous year, mainly due to steady progress in the construction of large-scale projects in hand.
- Gross profit on completed construction contracts increased by ¥9.6 billion, mainly due to impact of low gross profit on completed construction in the previous year, start and progress in high profitability projects while those ratio to total project in hands increase, and improvement in gross profit on completed construction projects in hand.

### FY2024 Forecasts

- Completed construction volume is expected to remain same level as previous year, and strong demand in order environment especially from the manufacturing sector will continue.
- Continue to place top priority on ensuring profitability at the time of receiving orders.
- Expect more than ¥100.0 bln -level for gross profit on completed construction contracts with a background of start and progress in high profitability projects while those ratio to total project in hands increase.

© OBAYASHI CORPORATION, All rights reserved.

14

## Domestic Building Construction Business (Non-consolidated)

### FY2024/1Q results

- ✓ Net sales of completed construction contracts increased from the previous year due to steady progress in the construction of large-scale projects in hand.
- ✓ Gross profit and ratio on completed construction increased due to impact of low gross profit on completed construction in the previous year and start and progress in high profitability projects while those ratio to total project in hands increase.
- ✓ Progress of more than 20% to the full-year forecast in both net sales and gross profit on completed construction contracts.

### FY2024 forecasts

- ✓ Net sales of completed construction contracts are expected to be around ¥ 1,260.0 billion, almost the same level as FY2023.
- ✓ Expect more than ¥ 100.0 billion-level for gross profit on completed construction with a background of start and progress in high profitability projects while those ratio to total project in hands increase.

### Orders received

- ✓ Strong demand is expected to continue especially in the manufacturing industry.
- ✓ Continue to place top priority on ensuring profitability at the time of receiving orders while considering construction capacity.

1

2

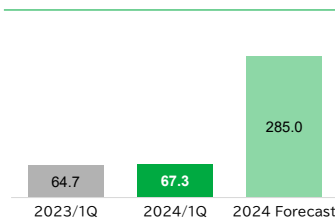
3 Overview of Each Business

## Domestic Civil Engineering Business (Non-consolidated)

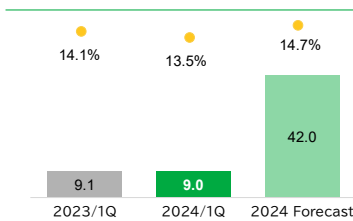


(Unit: Billions of yen)

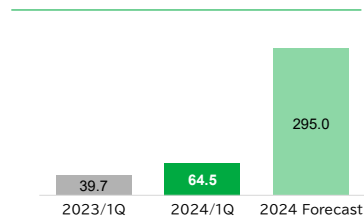
### Net sales of completed construction contracts



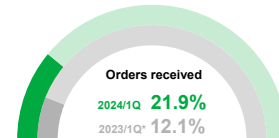
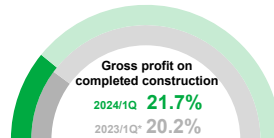
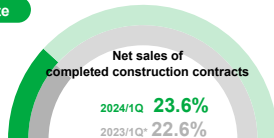
### Gross profit on completed construction/ratio



### Orders received



### Progress rate



\*Compared to full-year results for FY2023

### FY2024/1Q Results

- Net sales of completed construction contracts increased from the previous year due to steady progress in projects in hand
- Gross profit on completed construction remained at the same level from the previous fiscal year

### FY2024 Forecasts

- Net sales of completed construction is expected to remain the same level from the previous year due to continued steady progress in construction projects in hand
- Gross profit on completed construction contract is targeted at ¥42.0 billion, which is to be raised through cost reductions and gain of additional contracts

© OBAYASHI CORPORATION, All rights reserved.

15

## Domestic Civil Engineering Business (Non-consolidated)

### FY2024/1Q results

- ✓ Net sales of completed construction contracts increased from the previous year due to steady progress in construction in hand.
- ✓ Gross profit on completed construction contracts remained the same level as the previous year.

### FY2024 forecasts

- ✓ Net sales of completed construction contracts are expected to remain the same level as the previous year of around ¥ 280.5 billion due to steady progress in the construction in hand.
- ✓ Will aim more than the target of ¥ 42.0 billion on gross profit on completed construction contracts by reducing costs and acquiring additional contracts.
- ✓ More than 20% progress on the full-year forecast in both completed construction contracts and gross profit on construction contracts.

### Orders received

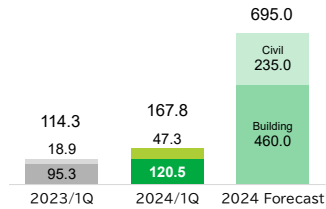
- ✓ The FY2024 target of ¥ 295.0 billion takes into account the construction capacity based on the actual orders received in FY2023.

## Overseas Construction Business (Consolidated)

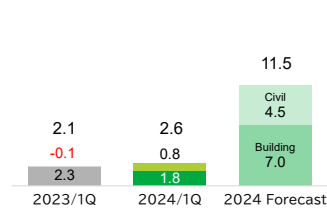


(Unit: Billions of yen)

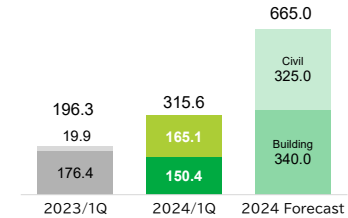
### Net sales of completed construction contracts



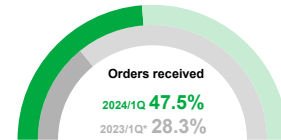
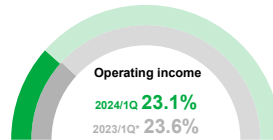
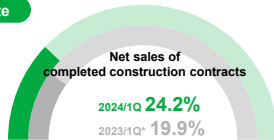
### Operating income



### Orders received



### Progress rate



\*Compared to full-year results for FY2023

### FY2024/1Q Results

- Net sales on completed construction contracts increased by ¥53.5 billion from the previous fiscal year due to the impact of foreign exchange rates and the consolidation of MWH
- Operating income increased in civil engineering due to the contribution of MWH, but decreased in building construction in the absence of a one-time factor in the previous year

### FY2024 Forecasts

- Both net sales and operating income are expected to increase from the previous fiscal year due to steady progress in construction projects in hand and the consolidation of MWH, as well as the absence of allowance for doubtful accounts that was recorded in the previous fiscal year

© OBAYASHI CORPORATION, All rights reserved.

16

## Overseas Construction Business (Consolidated)

### FY2024/1Q results

- ✓ Net sales of completed construction contracts significantly increased from the previous year due to consolidation of MWH acquired in FY2023, as well as the impact of foreign exchange rates.
- ✓ A small increase in total operating income, where increase in civil engineering business due to consolidation of MWH and decrease in building construction business due to the absence of a one-time factor that boosted profits in FY2023.
- ✓ Progress of more than 20% in both completed construction contracts and gross profit on construction contracts compared to the full-year forecast.

### FY2024 forecasts

- ✓ Expect increases in net sales and operating income due to steady progress in construction projects in hand in both North America and Asia, as well as impact of the consolidation of MWH acquired last fiscal year.

### Orders received

- ✓ More than 40% progress on full-year forecast where impact on foreign exchange rates also contributes to the result.

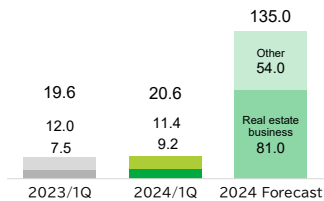


## Real Estate Business and Other (Consolidated)

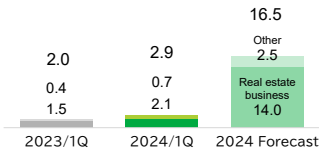


(Unit: Billions of yen)

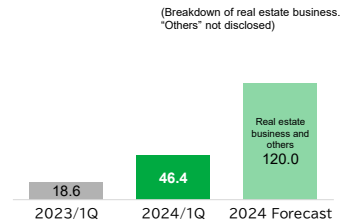
### Net sales



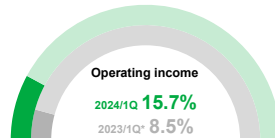
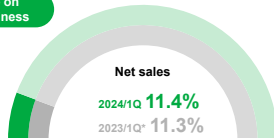
### Operating income



### Orders received



#### Progress rate on real estate business



\*Compared to full-year results for FY2023

#### FY2024/1Q Results

- In the real estate business, net sales and operating income increased from the previous year due to increase in the sales business at Obayashi Shinseiwa Real Estate and rental business at Obayashi Properties UK, Inc.
- Orders received increased due to the successful bid for the PFI for the new exhibition hall (tentative name) in Sapporo (¥23.8 billion)

#### FY2024 Forecasts

- Operating income in the real estate business is expected to decrease from the previous fiscal year due to the sale of properties to private funds, etc., and lower occupancy rates of rental properties
- Continue to flexibly replace the portfolio through new investments and sales of properties to private funds, etc.

© OBAYASHI CORPORATION, All rights reserved.

17

## Real Estate Business and Other (Consolidated)

### FY2024/1Q results

- ✓ Operating income for the domestic leasing business decreased from the previous year as initially forecasted, due to a lower rental income by the inclusion of properties in private funds and a decline in occupancy rates of leasing properties.
- ✓ Net sales and operating income in total increased mainly due to an increase in rental income at Obayashi Properties UK, Inc.

### FY2024 forecasts

- ✓ Operating income is expected to decrease due to a lower rental income by the inclusion of properties in private funds and a decline in occupancy rates of rental properties.

### Orders received

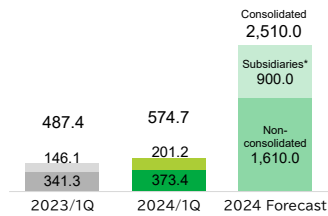
- ✓ Large-scale orders received in PFI business sector.

## Consolidated / Non-consolidated Comparison

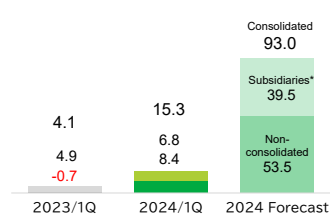


(Unit: Billions of yen)

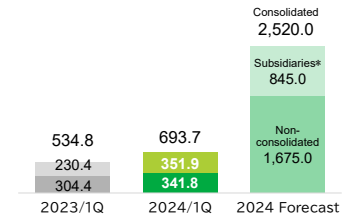
### Net sales



### Operating income



### Orders received



\*Includes consolidated journal entries

### Consolidated/non-consolidated ratio

2023/1Q	1.43
2024/1Q	1.54
2024 Forecast	1.56

2023/1Q	-
2024/1Q	1.81
2024 Forecast	1.74

2023/1Q	1.76
2024/1Q	2.03
2024 Forecast	1.50

### FY2024/1Q Results

- Both net sales and operating income increased on a non-consolidated basis due to steady progress in construction projects in hand for domestic building construction and civil engineering sectors, as well as contribution of start and progress in high profitability projects while those ratio to total project in hands increase at domestic building construction
- Subsidiaries: Net sales and operating income increased mainly due to the contribution of MWH acquired previous fiscal year

### FY2024 Forecasts

- Both sales and income are expected to increase due to steady progress in construction projects in hand in the non-consolidated domestic construction sector, as well as due to the absence of provision of loss on construction contracts and improved profitability at the time of receiving order
- Subsidiaries: Increase in net sales and operating income due to the consolidation of MWH acquired in the previous fiscal year

### Consolidated/non-consolidated comparison

- ✓ Expect increases in net sales and operating income for both consolidated and non-consolidated segments.
- ✓ Result of net sales, operating income, and orders received for the first quarter all exceeded the previous year.