

Presentation on Financial Results
FY2023 2nd Quarter
(April 1, 2023 to September 30, 2023)

OBUYASHI CORPORATION

MAKE BEYOND
TRANSCENDING THE ART AND SCIENCE
OF MAKING OF THINGS

1. FY2023 2nd Quarter Financial Results and FY2023 Financial Forecasts

2. Management Issues

Highlight

FY2023 2nd Quarter Financial Results

- ✓ Net sales increased due to progress in construction projects in hand (YoY)
- ✓ Operating income progressed as planned
 - Consolidated net sales amounted to ¥1,081.3 billion (+ ¥156.9 billion YoY)
This is the highest record for the 2nd quarter financial results
 - Operating income was ¥30.8 billion (- ¥10.9 billion YoY), but progressed as planned
The sale of large-scale properties in the 2nd quarter of FY2022 reflects the YoY decline

FY2023 Financial Forecasts

- ✓ Net sales, operating income and ordinary income expected to meet the initial forecast
- ✓ Profit attributable to owners of parent revised upward
- ✓ Orders received keeping a high-level
 - Consolidated net sales expected to be ¥2,280.0 billion (+ ¥296.1 billion YoY)
 - Consolidated operating income expected to be ¥74.0 billion (- ¥19.8 billion YoY)
 - Profit attributable to owners of parent to be ¥59.0 billion (+ ¥4.0 billion)
An upward revision due to progress of sale of cross-shareholdings
 - Order received expected to be ¥2,135.0 billion
On track exceeding ¥2,000.0 billion following FY2022
 - Continuing with DOE 3%, the dividend policy under the Medium-Term Business Plan 2022

MAKE BEYOND
TRANSCENDING THE ART AND SCIENCE
OF MAKING OF THINGS

3

Highlight

FY2023 2nd Quarter Financial Results

- ✓ Net sales increased due to progress on construction projects in hand (YoY)
- ✓ Operating income progressed as planned
 - Consolidated net sales amounted to ¥1,081.3 billion (+ ¥156.9 billion YoY)
This is the highest record for the 2nd quarter financial results
 - Operating income was ¥30.8 billion (- ¥10.9 billion YoY), but progressed as planned
The sale of large-sized real estate in the 2nd quarter of FY2022 reflects the YoY decline

FY2023 Financial Forecasts

- ✓ Net sales, operating income and ordinary income are as anticipated
 - Consolidated net sales expected to be ¥2,280.0 billion (+ ¥296.1 billion YoY)
 - Consolidated operating income expected to be ¥74.0 billion (- ¥19.8 billion YoY)
 - Impact of the accident in Yaesu is not incorporated
- ✓ Profit attributable to owners of parent revised upward
 - An upward revision due to the progress of sale of cross-shareholdings
 - Gain on sale of ¥5.3 billion has already been recorded by the end of the 2nd quarter
- ✓ Orders received keeping a high-level
 - Order received expected to be ¥2,135.0 billion
 - On track exceeding ¥2,000.0 billion following FY2022, partly due to the impact of the rise in construction materials prices
- ✓ Continuing with DOE 3%, the dividend policy under the Medium-Term Business Plan 2022

FY2023 2nd Quarter Financial Results -Statements of Income (YoY Comparison)

(Yen in billions)

		Consolidated			Non-consolidated						
		FY2022 Results	FY2023 Results	Y o Y Comparison	FY2022 Results	FY2023 Results	Y o Y Comparison				
		Apr. - Sep. 2022	Apr. - Sep. 2023	B-A	Apr. - Sep. 2022	Apr. - Sep. 2023	D-C				
		A	B		C	D					
Net Sales of Completed Construction Contracts	Building	662.0	811.8	149.8	491.3	586.9	95.6				
	Civil	200.6	224.7	24.1	135.0	146.4	11.3				
	Total	862.7	1,036.6	173.9	626.4	733.4	107.0				
Net Sales of Real Estate Business and Other		61.6	44.6	(17.0)	23.2	10.7	(12.4)				
Net Sales		924.3	1,081.3	156.9	649.6	744.1	94.5				
Gross Profit on Completed Construction Contracts	Building	-	-	-	37.0	7.5%	33.6	5.7%	(3.3)		
	Civil	-	-	-	21.5	16.0%	21.7	14.8%	0.1		
		80.3	9.3%	84.4	8.2%	4.1	58.6	9.4%	55.4	7.6%	(3.2)
Gross Profit on Real Estate Business and Other		19.8	32.2%	11.6	26.0%	(8.2)	10.3	44.5%	2.7	25.2%	(7.6)
Gross Profit		100.2	10.8%	96.1	8.9%	(4.1)	68.9	10.6%	58.1	7.8%	(10.8)
Selling, General and Administrative Expenses		58.4	6.3%	65.2	6.0%	6.8	40.8	6.3%	44.1	5.9%	3.2
Operating Income		41.7	4.5%	30.8	2.9%	(10.9)	28.1	4.3%	14.0	1.9%	(14.1)
Ordinary Income		48.6	5.3%	38.0	3.5%	(10.6)	37.4	5.8%	21.6	2.9%	(15.7)
Profit Attributable to Owners of Parent		38.4	4.2%	29.7	2.8%	(8.7)	31.6	4.9%	19.6	2.6%	(11.9)

MAKE BEYOND
TRANSCENDING THE ART AND SCIENCE
OF MAKING OF THINGS

4

FY2023 2nd Quarter Financial Results (Consolidated)

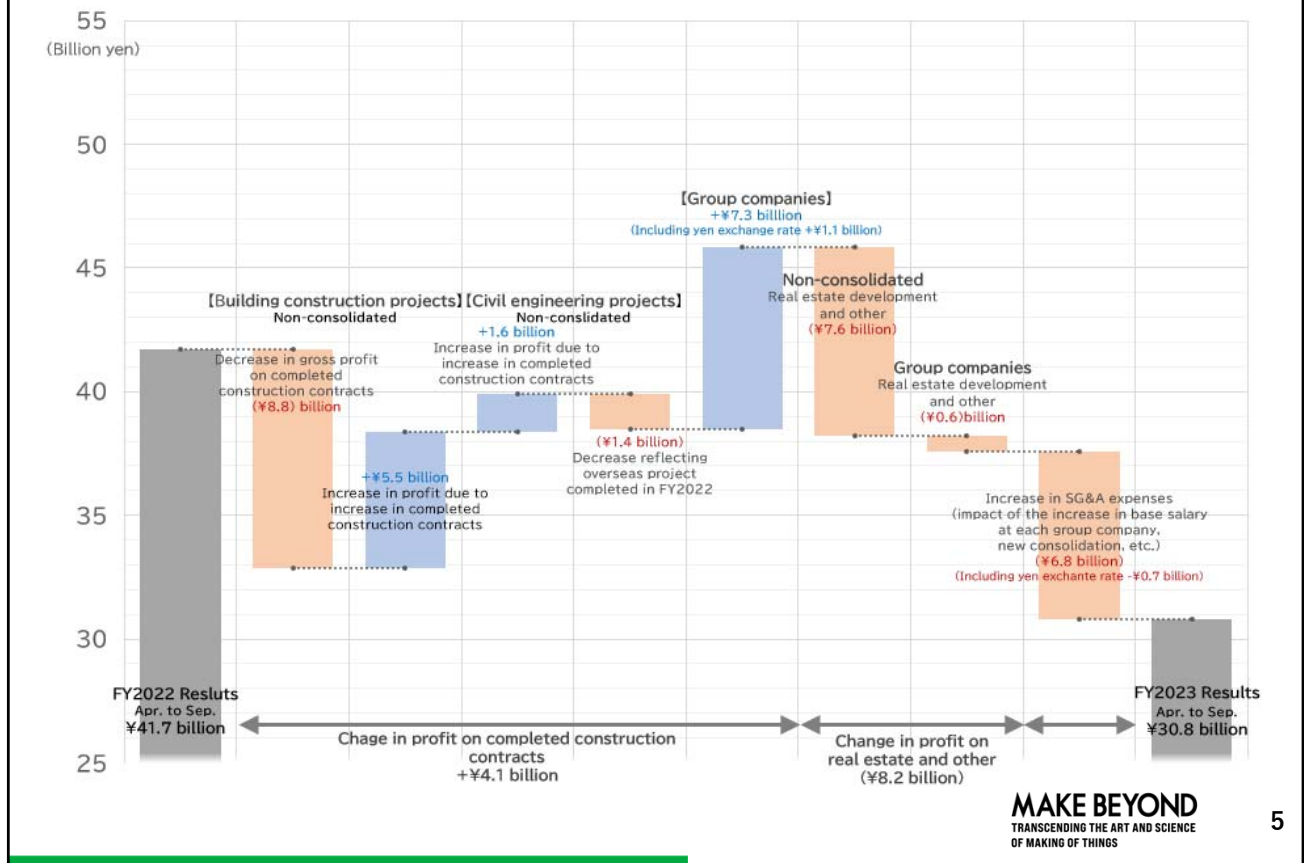
- Net Sales: ¥1,081.3 billion (+¥156.9 billion YoY)
- Operating Income: ¥30.8 billion (-¥10.9 billion YoY)
- Ordinary Income: ¥38.0 billion (-¥10.6 billion YoY)
- Profit Attributable to Owners of Parent: ¥29.7 billion (-¥8.7 billion YoY)

Net sales

Increased by ¥156.9 billion from FY2022 due to progress on construction projects in hand in the domestic building construction business and an increase in net sales at overseas group subsidiaries when repatriated to the yen's depreciation.

FY2023 2nd Quarter Financial Results

-Reasons for Change in Consolidated Operating Income (YoY Comparison)



5

FY2022 2nd Quarter Financial Results

Reasons for change in consolidated operating income from FY2022 to FY2023 (¥41.7 billion to ¥30.8 billion)

- Gross profit on completed construction contracts: Increased by ¥4.1 billion
Factors are a decline in gross profit margin as the multiple large-scale contracts for which provision for losses have already been recorded in the past fiscal years in the non-consolidated building construction business make progress, an increase in yen equivalent sales of overseas Group companies due to the yen depreciation, and profit increases at Group companies in general including those in Japan.
- Profit on real estate business and other: Declined by ¥8.2 billion, in response to sales of large-scale properties in FY2022.
- Consolidated operating income came to ¥30.8 billion
Selling, general and administrative expenses rose due to raising base pay at various companies and also due to the impact of newly consolidated Group companies.

FY2023 Financial Forecasts -Statements of Income (YoY Comparison)

(Yen in billions)

		Consolidated			Non-consolidated		
		FY2022 Results	FY2023 Forecasts	Y o Y Comparison	FY2022 Results	FY2023 Forecasts	Y o Y Comparison
		Apr. - Mar. 2023	Apr. - Mar. 2024	B-A	Apr. - Mar. 2023	Apr. - Mar. 2024	D-C
		A	B	B-A	C	D	D-C
Net Sales of Completed Construction Contracts	Building	1,400.3	1,700.0	299.6	1,051.5	1,248.0	196.4
	Civil	447.3	460.0	12.6	296.5	293.0	(3.5)
	Total	1,847.6	2,160.0	312.3	1,348.1	1,541.0	192.8
Net Sales of Real Estate Business and Other		136.2	120.0	(16.2)	38.9	34.0	(4.9)
Net Sales		1,983.8	2,280.0	296.1	1,387.0	1,575.0	187.9
Gross Profit on Completed Construction Contracts	Building	-	-	-	87.8	86.5	(1.3)
	Civil	-	-	-	45.3	37.5	(7.8)
		177.8	175.0	(2.8)	133.1	124.0	(9.1)
Gross Profit on Real Estate Business and Other		38.6	26.5	(12.1)	13.3	7.0	(6.3)
Gross Profit		216.5	201.5	(15.0)	146.4	131.0	(15.4)
Selling, General and Administrative Expenses		122.7	127.5	4.7	86.5	88.0	1.4
Operating Income		93.8	74.0	(19.8)	59.9	43.0	(16.9)
Ordinary Income		100.8	79.0	(21.8)	71.1	50.5	(20.6)
Profit Attributable to Owners of Parent		77.6	59.0	(18.6)	62.5	45.0	(17.5)

MAKE BEYOND
TRANSCENDING THE ART AND SCIENCE
OF MAKING OF THINGS

6

FY2023 Financial Forecasts (Consolidated)

The followings are progressed as planned and toward this forecast

- Net sales
- Gross Profit
- Selling, general and administrative expenses
- Operating income
- Ordinary income

Profit attributable to owners of parent

Originally anticipated ¥55.0 billion

Revised upward to ¥59.0 billion,

due to the negotiations with clients to sell cross-shareholdings are in progress.

FY2023 Financial Forecasts

-Reasons for Change in Consolidated Operating Income



FY2023 Financial Forecasts

Reasons for Change in Consolidated Operating Income from FY2022 to FY2023 (¥93.8 billion to ¥74.0 billion)

There have been no revisions to the forecasts previously announced on May 11, 2023.

Orders Received

- Results for FY2023 2nd Quarter and Outlook for FY2023

Non-Consolidated

(Yen in billions)

			FY2022 Results	FY2023 Results	Y o Y Comparison	FY2022 Results	FY2023 Forecasts	Y o Y Comparison
			Apr. - Sep. 2022	Apr. - Sep. 2023		Apr. - Mar. 2023	Apr. - Mar. 2023	
			A	B	B-A	C	D	D-C
Construction Business	Building Construction	Domestic	384.5	396.5	12.0	1,093.1	1,070.0	(23.1)
		Overseas	19.7	1.9	(17.7)	18.9	20.0	1.0
		Subtotal	404.2	398.5	(5.6)	1,112.0	1,090.0	(22.0)
	Civil Engineering	Domestic	131.9	112.1	(19.7)	280.1	290.0	9.8
		Overseas	3.9	18.0	14.1	62.8	40.0	(22.8)
		Subtotal	135.8	130.2	(5.5)	342.9	330.0	(12.9)
	Construction Total	Domestic	516.4	508.7	(7.6)	1,373.2	1,360.0	(13.2)
		Overseas	23.6	20.0	(3.5)	81.7	60.0	(21.7)
		Subtotal	540.0	528.8	(11.2)	1,454.9	1,420.0	(34.9)
	Real Estate Business and Other			23.2	10.8	(12.3)	38.9	34.0
Total			563.2	539.6	(23.6)	1,493.8	1,454.0	(39.8)
Consolidated								
Building Construction			644.2	720.7	76.4	1,612.8	1,525.0	(87.8)
Civil Engineering			209.0	212.0	3.0	494.5	510.0	15.4
Real Estate Business and Other			50.2	40.7	(9.4)	114.9	100.0	(14.9)
Total			903.5	973.5	70.0	2,222.2	2,135.0	(87.2)

MAKE BEYOND
TRANSCENDING THE ART AND SCIENCE
OF MAKING OF THINGS

8

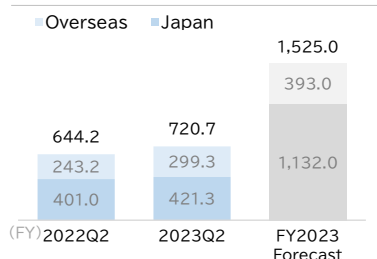
Orders Received

Results for FY2023 2nd Quarter and Outlook for FY2023

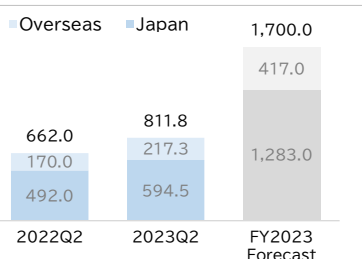
- Orders received in the first half maintained levels similar to past fiscal years both in terms of the amount and the rate of progress and retained the original forecast for the full year.
- We will secure orders for building construction and civil engineering with a focus on profitability while continuing to consider production capacity.

Business Performance – Building Construction (Consolidated)

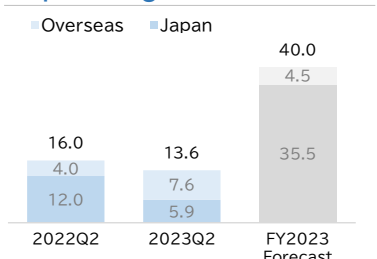
Orders Received



Net Sales



Operating Income



FY2023 2nd Quarter Results

- ✓ Net sales increased due to progress in large-scale projects in hand
- ✓ Operating income was ¥13.6 billion due to the decrease of the profit on non-consolidated completed construction contracts

FY2023 Forecasts

- ✓ Net sales expected to meet the initial forecast as large-scale construction projects in hand have been making steady progress
- ✓ Operating income expected to meet the initial forecast as rises in construction materials prices and labor unit prices are discounted

Main Projects

	Client	Project Name
Orders Received	Kumoidori 5-Chome Redevelopment Corporation	Demolition of Basement and Construction of New Facility Building in Kobe-Sannomiya Kumoidori 5-Chome District Class 1 Urban Redevelopment Project
Completed	Mori Building Co., Ltd.	Azabudai Hills Garden Plaza Construction Project
Project in Process	East Japan Railway Company	TAKANAWA GATEWAY CITY, Tower 1 (North · South) and Tower 2 Construction Project

MAKE BEYOND
TRANSCENDING THE ART AND SCIENCE
OF MAKING OF THINGS

9

Business Performance – Building Construction (Consolidated)

• Orders Received

2023Q2: ¥720.7 billion

Increased YoY due to orders for large-scale projects overseas contributed.

Forecast:

Expected to achieve the initial forecast for the full year, as there is a sufficient number of tentative, highly likely projects for which we expect to receive orders in the second half.

• Net Sales

2023Q2: ¥811.8 billion

Increased as construction of projects in hand is in full swing and yen equivalent sales of overseas Group companies increased.

Forecast:

Expected to achieve the initial forecast as construction projects in hand continue to progress.

• Operating Income

2023Q2: ¥13.6 billion

Declined due to decreased non-consolidated gross profit and others.

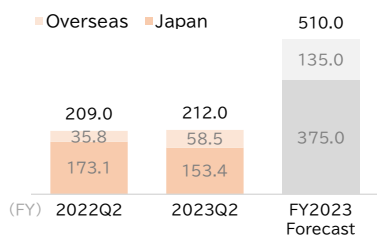
Forecast:

Expected to achieve the original forecast of ¥400.0 billion, as the rises in construction materials prices and labor unit prices have been within the initially expected scope.

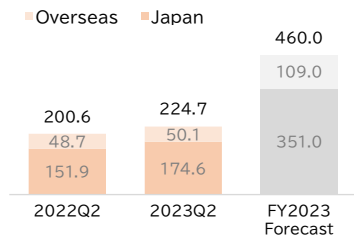
Business Performance– Civil Engineering (Consolidated)

Billions of yen

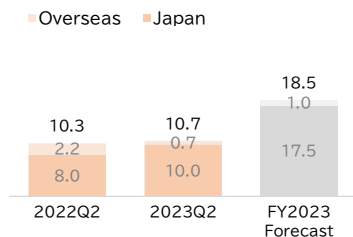
Orders Received



Net Sales



Operating Income



FY2023 2nd Quarter Results

- ✓ Net sales increased due to progress on construction projects in hand (YoY)
- ✓ Operating income was ¥10.7 billion, YoY at the same level, having improvement on profitability on some projects due to reducing cost and acquiring additional contract

FY2023 Forecasts

- ✓ Net sales expected to meet the initial forecast of ¥460.0 billion
- ✓ Operating income also expected to meet the initial forecast and no revision is scheduled at this moment

Main Projects

	Client	Project Name
Orders Received	SAGAMI RAILWAY Co., Ltd.	Tsurugamine Station Area Grade Separation Project (Construction Section 2, Civil Engineering Part 2)
Completed	TOBU RAILWAY CO.,LTD.	Tobu Noda Line Elevation Work (between Shimizu-Koen Station and Umesato Station), Civil Engineering Section 3, Part 1
Project in Process	Land Transport Authority (Singapore)	Contract CR202 Design and Construction of Bored Tunnel between Fairways Drive and Sin Ming Walk and Associated Works

MAKE BEYOND
TRANSCENDING THE ART AND SCIENCE
OF MAKING OF THINGS

10

Business Performance – Civil Engineering (Consolidated)

• Orders Received

2023Q2: ¥212.0 billion (a level similar to a year ago)

Forecast:

Expected to meet the initial forecast as construction demand led by government projects has been solid

• Net Sales

2023Q2: ¥224.7 billion (increased YoY)

Increased due to steady progress in construction projects in hand

Forecast:

Expected to achieve the initial forecast as construction projects in hand are likely to continue progressing steadily.

• Operating Income

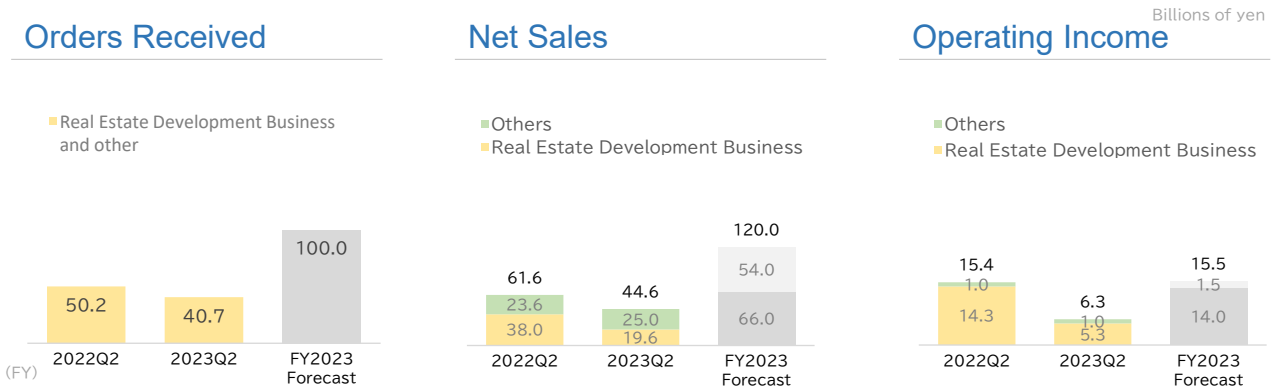
2023Q2: ¥10.7 billion (a level similar to a year ago)

Improvement on some projects due to reducing cost and acquiring additional contract

Forecast: ¥18.5 billion

Expected to meet the initial forecast

Business Performance - Real Estate Development and Others (Consolidated)



FY2023 2nd Quarter Results

- ✓ Declined due to reflect of the sale of large-scale properties in the 2nd quarter of FY2022

FY2023 Forecasts

- ✓ Both net sales and operating income are expected to decline as no sale of large-scale properties is planned in FY2023

Main Projects

- Obayashi Properties UK, 60 Gracechurch Street Project
- Umekita 2nd Project Development (GRAND GREEN OSAKA)
- Minato Mirai 21 Central District 53 Block Development Project (YOKOHAMA SYMPHOSTAGE)

Business Performance

- Real Estate Development Business and Other Businesses (Consolidated)

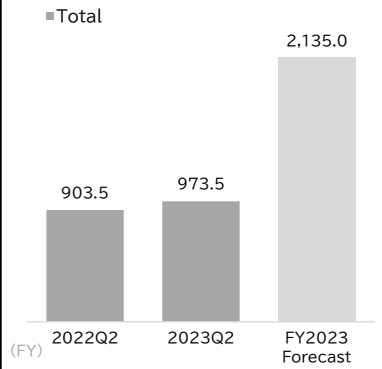
“Others” include sales for the green energy business and new business initiatives.

- Both net sales and operating income are expected to decline as no sale of large-scale properties is planned in FY2023.
- Stable income from leasing business will help achieve the original forecast.

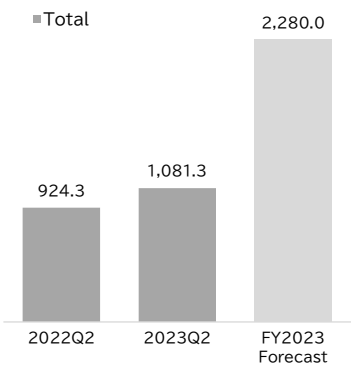
We are engaged in 60 Gracechurch Street Project, GRAND GREEN OSAKA and YOKOHAMA SYMPHOSTAGE projects.

Consolidated Business Performance (Total)

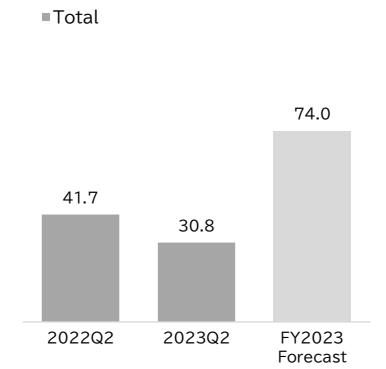
Orders Received



Net Sales



Operating Income



FY2023 2nd Quarter Results

- ✓ Net sales amounted to ¥1,081.3 billion, the highest record for the 2nd quarter financial results
- ✓ Operating income was ¥30.8 billion, the sale of large-scale properties in the 2nd quarter of FY2022 reflects the YoY decline
- ✓ Net sales, operating income are as planned

FY2023 Forecasts

- ✓ No change in net sales (¥2,280.0 billion)
- ✓ No change in operating income (¥74.0 billion)
- ✓ Progressing to the targeting forecast

This is the summary of Building Construction, Civil Engineering, and Real Estate Development and Others.

Medium-Term Business Plan 2022 Investment Plan

	FY2022	FY2023		Medium-Term Business Plan 2022 (2022~2026)
	Results	Results (Apr. to Sep.)	Forecast	
■ Intangible asset investment for platform development				
Human resource-related investment	¥5.1 billion	¥2.6 billion	¥5.0 billion	¥25.0 billion
Digital-related investment	¥16.0 billion	¥7.6 billion	¥14.0 billion	¥70.0 billion
Technology-related investment	¥16.1 billion	¥8.3 billion	¥16.0 billion	¥80.0 billion
■ Ongoing tangible asset investment with a focus on strengthening the foundation of the construction				
Construction machinery and facilities	¥14.8 billion	¥7.9 billion	¥10.0 billion	¥50.0 billion
■ Growth investment toward expanding business portfolio				
Real Estate Development Business	¥101.1 billion	¥50.4 billion	¥80.0 billion	¥300.0 billion
Green Energy Business	¥3.2 billion	¥2.5 billion	¥10.0 billion	¥50.0 billion
M&A etc.	¥10.3 billion	¥1.0 billion	¥24.0 billion	¥25.0 billion
Total investment amount	¥166.7 billion	¥80.4 billion	¥159.0 billion	¥600.0 billion

*Large scale M&A projects are not included in the plan above.

Medium-Term Business Plan 2022 Investment Plan

The 1st half of FY2023 Results: ¥80.4 billion

FY2023 Plan: ¥159.0 billion

- Investment implemented is progressed as planned.
- This plan includes the acquisition of shares of MWH US Acquisitions, Inc., announced on November 6, 2023.

Medium-Term Business Plan 2022 Performance Indicator Targets

	FY2022	FY2023		Medium-Term Business Plan 2022 (2022~2026)
	Results	Results (Apr. to Sep.)	Plan	
■ Performance indicators				
Consolidated net sales	¥1,983.8 billion	¥1,081.3 billion	¥2,280.0 billion	Around 2 trillion yen
Consolidated operating income	¥93.8 billion	¥30.8 billion	¥74.0 billion	¥100.0 billion or more
Earnings per share (EPS)	¥108.34	¥41.48	¥82.29	¥100 or more
■ Stability indicators				
Equity ratio	38.2%	38.9%	39.5%	Around 40%
■ Efficiency indicators				
Return on invested capital (ROIC)	4.9%	1.5%	3.6%	5% or more in the medium term
Reference: Return on equity (ROE)	8.0%	2.9%	5.7%	8% or more in the medium term
■ Targets for shareholder returns				
Dividend on equity ratio (DOE)	3.1%	-	3.0%	Around 3%
Reference: Dividends per share	¥42	-	¥42	

[About FY2023 Forecast]

Earnings per share (EPS)	EPS is calculated by dividing the profit in the forecast announced on November 6, 2023 by the total number of shares as of September 30, 2023 (excluding treasury stocks.)
Equity ratio	Equity as of March 31, 2024 is calculated by adding/subtracting profit expected for FY2023 and expected total year-end and interim dividend to/from the equity as of September 30, 2023. Total assets as of March 31, 2024 are calculated by adding/subtracting expected annual increases/decreases in equity and interest-bearing debt to/from total assets as of September 30, 2023.
Return on invested capital (ROIC)	The effective tax rate used to calculate NOPAT is 30.5%. Net assets as of March 31, 2024 are calculated by adding/subtracting profit expected for FY2023 and expected total year-end and interim dividend to/from net assets as of September 30, 2023.

Medium-Term Business Plan 2022 Performance Indicator Targets

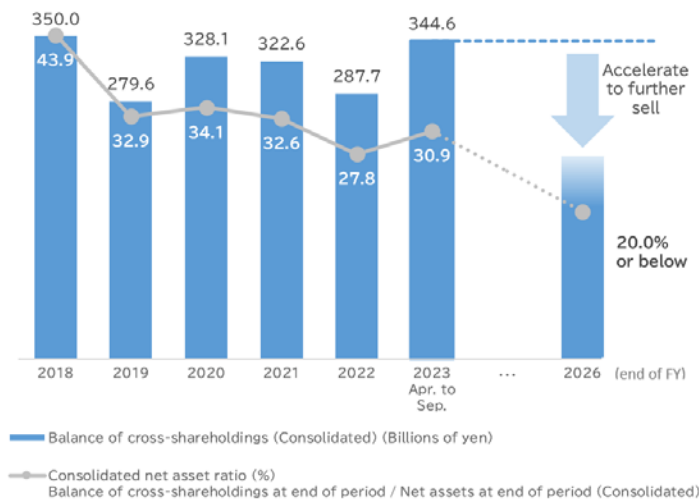
- Along with the upward revision of the forecast of profit attributable to owners of parent, the full-year forecasts for EPS and ROE have been revised.
- We will continue to implement management conscious of capital efficiency.

Reducing Cross-Shareholdings

Policy of selling cross-shareholdings

- Reduce cross-shareholdings to 20% or less of consolidated net assets as soon as possible before the end of March 2027
(Progress in agreement with the customers: ¥47.8 billion sold from FY2021, cumulative amount sold + Agreed sale amount: ¥104.5 billion)
- Accelerate to sell as the balance of cross-shareholdings increased due to the rise of their share price

Changes in Balance of Cross-Shareholdings and Consolidated Net Asset Ratio



Changes in Sale of Cross-Shareholdings

	FY2021	FY2022	FY2023 (Apr. to Sep.)
Amount sold	16.9	24.6	6.2
Cumulative amount sold from FY2021	16.9	41.5	47.8
Cumulative amount sold + Agreed sale amount		56.3	104.5

Factors Behind Changes in the Balance of Cross-Shareholdings (Apr. 2023 to Sep. 2023)

	Balance
Result as of Mar. 31, 2023	287.7
Amount sold from Apr. to Sep. 2023	-6.2
An increase due to rises in share prices	63.5
Other (Impairment loss on unlisted stocks, etc.)	-0.4
Result as of Sep. 30, 2023	344.6
[Agreed sale amount included above]	[56.6]

MAKE BEYOND
TRANSCENDING THE ART AND SCIENCE
OF MAKING OF THINGS

15

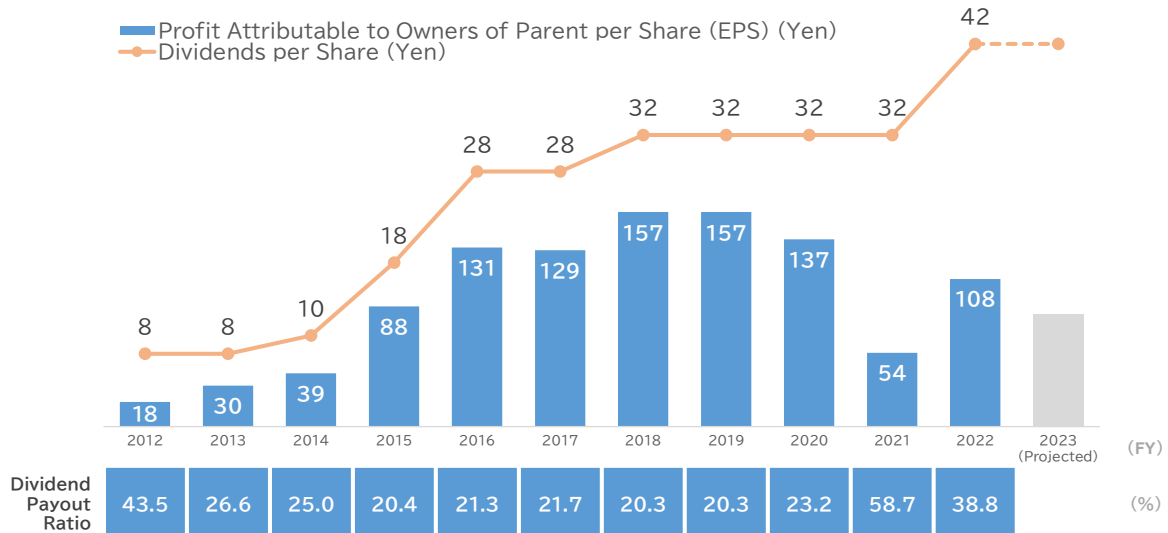
Reducing Cross-Shareholdings

- We are working to reduce cross-shareholdings to 20% or less of consolidated net assets as soon as possible before the end of March 2027.
- We have sold a cumulative ¥47.8 billion in cross-shareholdings from FY2021 (cumulative sales of cross-shareholdings: ¥104.5 billion, including the shares whose sales have been agreed upon)
- On the other hand, the balance based on market value of total cross-shareholdings increased to ¥344.6 billion due to the rise of holding stock price.
- We will proceed with further sales of cross-shareholdings irrespective of the initial sale target of 150 billion yen and will strive to reduce such shares to a level of 20% or below of consolidated net assets by the end of March 2027.

Shareholder Returns

Dividend policy

- Maintaining stable long-term dividends is a top priority to target a dividend on equity (DOE) ratio of approximately 3% to appropriately reflect equity levels
- Considering the significant changes in the business environment envisaged in Medium-Term Business Plan 2022, explore the best capital policy including various options such as dividend increases and share buy-backs



MAKE BEYOND
 TRANSCENDING THE ART AND SCIENCE
 OF MAKING OF THINGS

Shareholder Returns

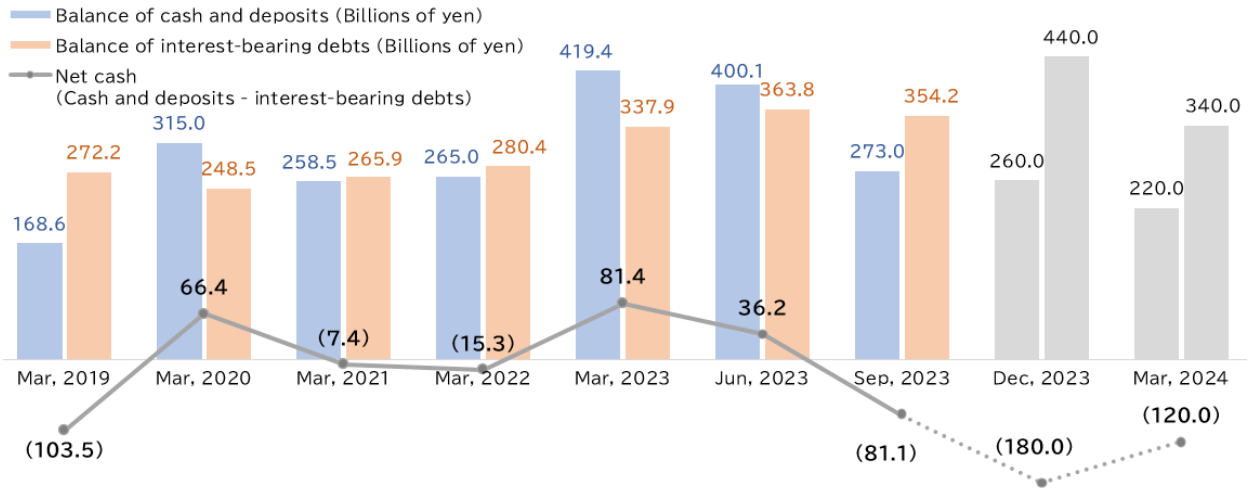
- Priority in shareholder returns is to maintain stable payment of dividends over the long term.
- A dividend policy in Medium-Term Business Plan2022 that involved achieving a dividend on equity (DOE) ratio of approximately 3%.
- We have increased the annual dividend for FY2022 to ¥42 per share, which is more than 5 times to that of FY2012.

However, given the significant changes in the business environment envisaged in the Medium-Term Business Plan 2022, we believe it is necessary to restate the Group’s growth strategy and planned steps for improving corporate value once again. As part of that effort, we are currently examining various options, such as dividend increases and share buyback.

Net Cash Status

Changes in interest-bearing debts, and cash and deposits (Consolidated)

- The positive consolidated net cash position at the end of FY2022, ¥81.4 billion is temporary
- Net cash as of September 30, 2023 decreased by ¥ 81.5 billion due to a large amount of prior payments for construction and others



MAKE BEYOND
TRANSCENDING THE ART AND SCIENCE
OF MAKING OF THINGS

17

Net Cash Status

- Net cash as of March 31, 2023: +¥81.4 billion
This is due to the receipt of several large-scale construction projects
- Net cash as of September 30, 2023: -¥81.5 billion
This is due to a large amount of prior payments for construction, which leads to net debt
- Net cash as of March 31, 2024 (forecast): -¥120.0 billion

Management Issues

- **The revised Labor Standards Act of Japan**
- **Promoting Digital Transformation**
- **Carbon Neutrality as Business Opportunities**
- **Expanding Overseas Construction Business**
- **Projects at Expo2050 Osaka, Kansai, Japan**

Management Issues: The revised Labor Standards Act of Japan

Initiatives toward the revised Labor Standards Act of Japan from FY2024

◆ The cap on overtime work hours in the revised Labor Standards Act

KPI* achievement rate for overtime work hours as of September 30, 2023

98.1% (+11.2pt YoY)

*Ratio of employees with overtime hours below the upper limit stipulated by the revised Labor Standards Act (to be applied from FY2024 for the construction industry) during the period from April to September.

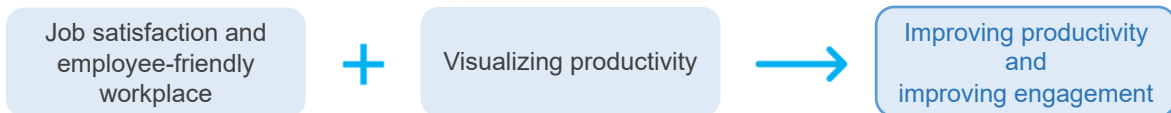
◆ Implementation of action in accordance with the Declaration of Ensuring Appropriate Construction Period by the Japan Federation of Construction Contractors

Declaration of Ensuring Appropriate Construction Period (excerpt)

Prepare quotes based on the appropriate construction period in accordance with the principle of closing construction sites eight days out of every four-week period and 40-hour operation per week when submitting a quote to a client along with the construction period and schedule, and make sure to explain to the client.

◆ Improving productivity by job satisfaction reform and visualization of productivity

Reforming true job satisfaction, making a employee-friendly workplace and visualizing a productivity will improve productivity and enhances employee engagement



MAKE BEYOND
TRANSCENDING THE ART AND SCIENCE
OF MAKING OF THINGS

19

Management Issues The revised Labor Standards Act of Japan

- We have been implementing our initiatives to achieve the requirements under the revised Labor Standards Act of Japan one year earlier than the enforcement of the Act.
- As of the end of September this year, the rate of KPI achievement regarding the upper limit of overtime hours was 98.1%, an improvement of 11.2 percentage points YoY.
- Among concrete initiatives, our policy is to secure orders based on the premise of closing construction sites eight days out of every four-week period, in accordance with the Declaration of Ensuring Appropriate Construction Period of the Japan Federation of Construction Contractors, and we are continuing with efforts to gain the understanding of clients.
- We will increase productivity and improve employee engagement by promoting employee job satisfaction reforms, developing a employee-friendly workplace, and visualizing productivity.

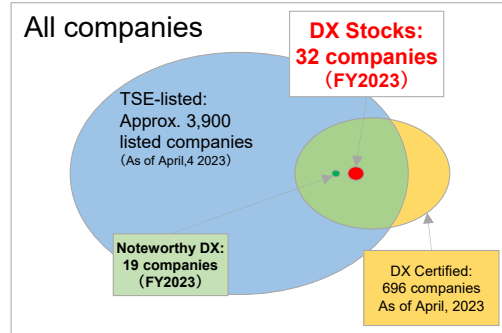
Management Issues: Promoting Digital Transformation

Listed as the DX Stocks 2023



A general comment from DX Stocks 2023 evaluation committee

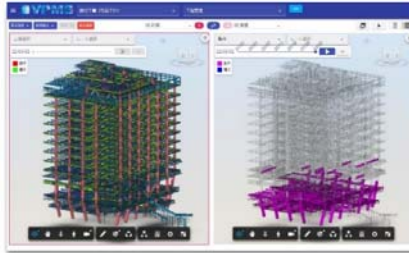
- ✓ The Company can be expected to achieve results through its efforts not only in strengthening existing businesses, but in presenting a clear DX strategy with a view to pursuing new businesses and transforming business models, as well as for putting system in place to promote that process.
- ✓ The Company describes the concrete initiatives for deepening existing businesses, creating new businesses, and implementing systems, which makes us convinced and surprised.



◆ Example: Utilization of a visual construction process management system, ProMIE®



Large-scale mixed-use complex development project



Overall image of the steel beam model

The completed parts are displayed in color



Utilization of ProMIE in wooden framework construction for Sendai Umeda Dormitory

MAKE BEYOND
TRANSCENDING THE ART AND SCIENCE
OF MAKING OF THINGS

Management Issues Promoting Digital Transformation

- Obayashi was listed as one of the DX Stocks 2023, which are selected jointly by Japan’s Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange this year, on May 31, 2023.
- Under our DX strategy slogan, “DX: The Bridge Linking Today with Our Future Ideal Structure,” Obayashi Group, as a craftsmanship-based company, will continue to meet the expectations of its stakeholders with continued initiatives of DX promotion and enhancement.

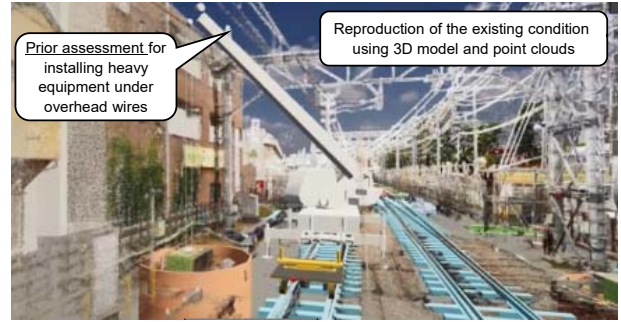
Management Issues: Promoting DX

Promoting labor saving and expanding productivity through next-generation production technologies and digital technologies

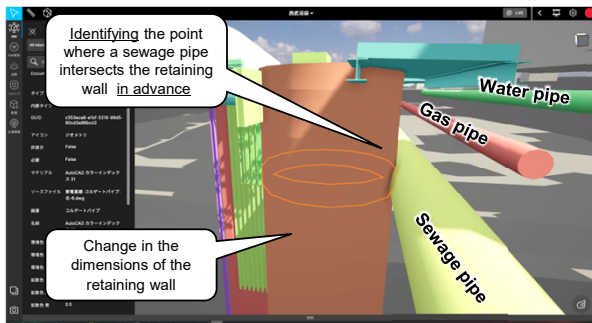
◆ Realize an on-site DX by digital twin platform in the construction phase, CONNECTIA™



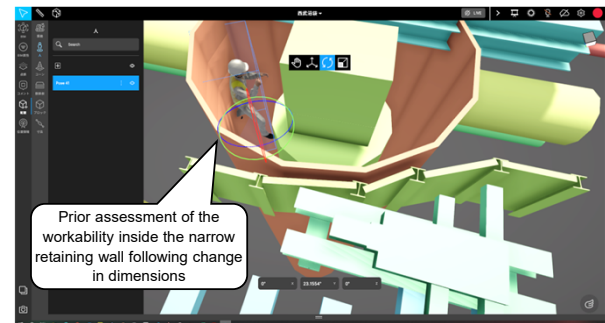
A tool that enables construction site personnel to efficiently share information necessary for construction work using a 3D model, which does not require high-performance PCs or special skills



Assessment for installing heavy equipment in railroad construction



Identifying the point of intersection in advance



Prior assessment of the work inside the retaining wall

MAKE BEYOND
TRANSCENDING THE ART AND SCIENCE
OF MAKING OF THINGS

21

Management Issues Promoting DX

- We are promoting utilization of CONNECTIA, a digital twin platform for labor-saving and enhancing production capacity at civil engineering construction sites.
- CONNECTIA is a technology to display the real-time situation of the site, including dynamic data, by leveraging 3D models
- It enables efficient implementation of construction planning and efficient sharing of information necessary for construction among involved parties.
- We will continue to improve the efficiency of site operations and management by utilizing DX in the civil engineering business.

Management Issues: Carbon Neutrality as Business Opportunities

Expanding initiatives for eco-friendly architecture, including ZEB, a growth area

- ◆ Completed a ZEB (net ZEB) certification project (design and construction project)

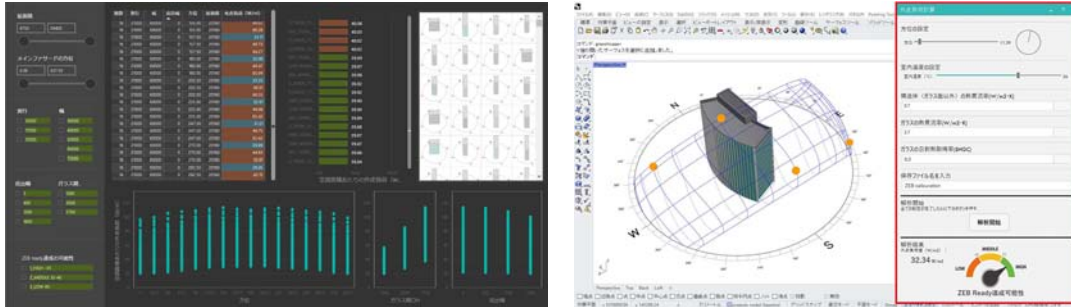


Design and Research Building, Kubota Global Institute of Technology (for office-use portion)



Kyowa Kirin Future Project

- ◆ Developed ZEB Ready evaluation system in an initial design phase



MAKE BEYOND
TRANSCENDING THE ART AND SCIENCE
OF MAKING OF THINGS

Management Issues Carbon Neutrality as Business Opportunities

Two main projects obtained ZEB certification:

- Kubota Global Institute of Technology
- Kyowa Kirin Future Project

ZEB Ready evaluation system:

- A system that enables achievement assessment of Building ZEB Ready, which reduces energy consumption by more than 50%, in the initial stages of design.

We will strengthen our initiatives in ZEB amid the growing needs of customers for improving energy-saving performance from the planning phase.

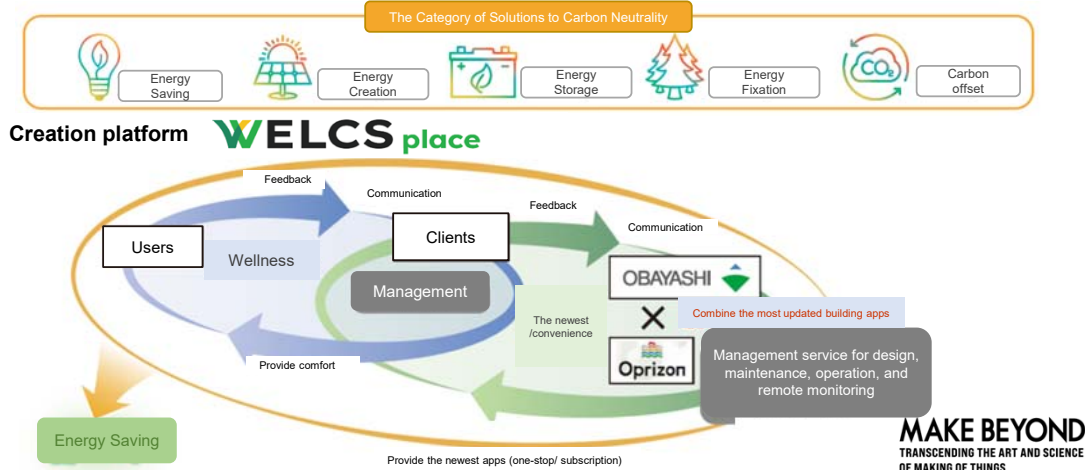
Management Issues: Carbon Neutrality as Business Opportunities

Started consulting business to support for the realization of carbon neutrality

- ◆ Provide one-stop support for customers' carbon neutrality-related initiatives, from building inspection and energy-saving diagnosis to roadmap creation by experts



- ◆ Select and propose the best method for each building type from ample choice of solutions through grasping the status of and building operation



Management Issues Carbon Neutrality as Business Opportunities

- We have started a new one-stop service, in which experts from specialized departments support the entire process of customers' carbon neutrality-related initiatives from building inspection and energy-saving diagnosis to preparation of road map.
- In this service, our experts grasp the current status and operation of the target building and select and propose an optimum method for the building type from the Group's various carbon neutrality-related solutions.
- We also provide the cutting-edge energy saving solution through the smart building platform WELCS Place in collaboration with one of our Group companies, Oprizon, which contributes to improve users' wellness.

Management Issues: Expanding Overseas Construction Business

Acquiring shares of MWH US Acquisitions, Inc., a major construction company in the water treatment facility construction market in the United States

Resolved to acquire shares of MWH US through Obayashi USA, LLC, our wholly owned subsidiary in the United States, and make it a specified subsidiary

[Reason for acquisition of shares]

- MWH US is a major construction company in the water treatment facility construction market in the United States. It is especially notable for its extensive track record in the construction of large-scale water treatment facilities and its competitive advantage in the market
- We have long been looking to make comprehensive inroads into the market, deeming it as a promising and stable setting that will contribute to the development of our North American construction business
- MWH US will be able to pursue further growth through the utilization of our Group's technologies, resources, and financial support, as well as cooperation from our existing subsidiaries in the United States.

[Overview of MWH US]

Name	MWH US Acquisitions, Inc.
Location	Colorado, U.S.A.
Description of Business	Pre-construction services, construction management, design, and construction for water treatment facilities
Ratio of shares to be acquired	90% (scheduled)
Acquisition costs	126,000,000 U.S. dollars (scheduled)*
Date of conclusion of the agreement	November 10, 2023 (scheduled)
Date of commencement of share transfer*	December 31, 2023 (scheduled)

Management Issues Expanding Overseas Construction Business

- We have resolved, at a meeting of the Board of Directors held on November 6, 2023, to acquire shares of MWH US Acquisitions, Inc., which engages in construction of water treatment facilities in the United States, through Obayashi USA, LLC, our wholly owned subsidiary in the United States, and make it a specified subsidiary of the Company.
- Water infrastructure construction services in the United States is a stable market largely unaffected by economic trends. The Obayashi Group has long been looking to make comprehensive inroads into the market, deeming it as a promising and stable setting that will contribute to the development of its North American construction business.
- MWH US is a major construction company in the water treatment facility construction market in the United States. It is especially notable for its extensive track record in the construction of large-scale water treatment facilities and its competitive advantage in the market.
- By becoming a subsidiary of Obayashi, MWH US will be able to pursue further growth through the utilization of our Group's technologies, resources, and financial support, as well as cooperation from our existing subsidiaries in the United States.
- We will fully develop our business in the water infrastructure construction market in the United States and further enhance its corporate value.

Management Issues: Projects at Expo2050 Osaka, Kansai, Japan

Construction Projects at Expo 2025 Osaka, Kansai, Japan

- ◆ Progressed the Grand Roof (Ring) and private sectors' pavilions as planned



The Grand Roof (Ring) at the venue of Expo
(Rendering of completed building)



Construction status of the Grand Roof (Ring)
at Pavilion World northeast section



Panasonic Group's pavilion, "NOMO NO KUNI"
(Rendering of completed building)



Construction status of Panasonic Group's pavilion

MAKE BEYOND
TRANSCENDING THE ART AND SCIENCE
OF MAKING OF THINGS

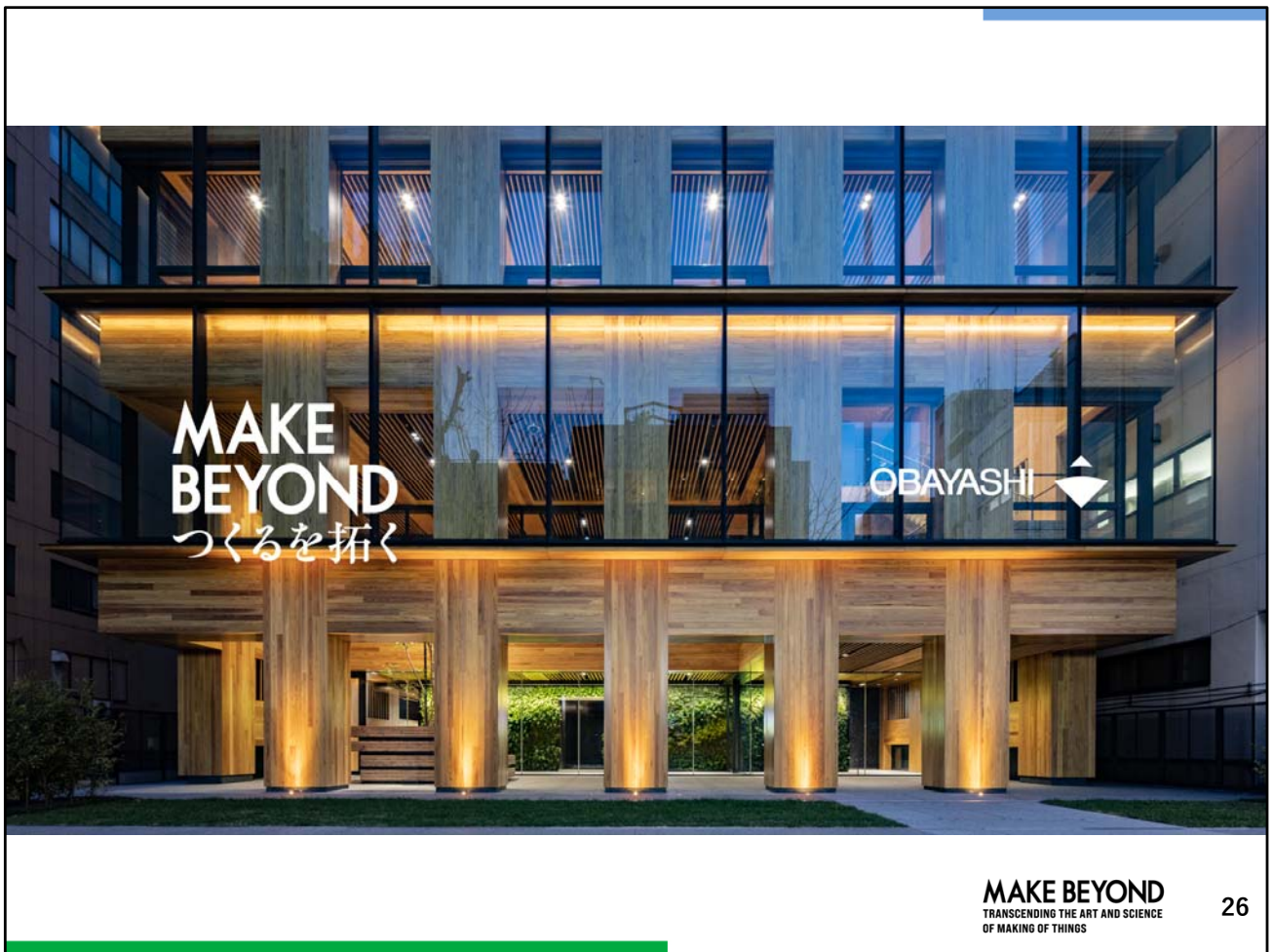
25

Management Issues Projects at Expo2050 Osaka, Kansai, Japan

Orders received and construction progressing for the following projects:

- Pavilion World northeast by JV
- Site infrastructure maintenance (civil engineering) by JV
- Some private sectors' pavilions
- Co-being Pavilion, themed "Resonance of Lives", one of Signature Pavilions, produced by Professor Miyata, Keio University

Though it is less than 17 months until the opening of the Expo in April 2025, we will continue to cooperate the success of the Expo as a contractor.



For the Group engaged in the construction business, fulfilling social responsibility through safe construction is the utmost priority. We will ensure that operations are carried out by once again placing the awareness that “we do not compromise on safety” at the base at all workplaces.

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.

This investor presentation is not to solicit any individuals or entities to buy or sell stocks of Obayashi Corporation. This investor presentation contains certain forward-looking statements that are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements.