

Investor Presentation



**4th Quarter : Presentation on Financial Results
(April 1, 2020 to March 31, 2021)**

May 12, 2021

OBAYASHI CORPORATION

Financial Results for Fiscal Year Ended March 31, 2021



Forecasts for Fiscal Year Ending March 31, 2022



Forecasts for Fiscal Year Ending March 31, 2022 - Consolidated Statements of Income



(Yen in billions)

	Result April 1, 2018 - March 31, 2019	Result April 1, 2019 - March 31, 2020	Result April 1, 2020 - March 31, 2021 A	Forecast April 1, 2021 - March 31, 2022 B	Y o Y Comparison B - A
Net Sales	2,039.6	2,073.0	1,766.8	1,910.0	143.1
Non-consolidated	1,398.2	1,416.3	1,230.4	1,365.0	134.5
Gross Profit	254.0	255.5	225.7	207.0	(18.7)
Selling, General and Administrative Expense	98.5	102.6	102.6	112.0	9.3
Operating Income (Operating Income margin)	155.4 7.6%	152.8 7.4%	123.1 7.0%	95.0 5.0%	(28.1)
Non-consolidated	123.2 8.8%	113.0 8.0%	93.4 7.6%	65.0 4.8%	(28.4)
Ordinary Income	163.0	159.0	128.7	98.5	(30.2)
Profit attributable to owners of parent	113.1	113.0	98.7	71.5	(27.2)

Forecasts for Fiscal Year Ending March 31, 2022 - By Reportable Segments



(Yen in billions)

			Result			Result			Forecast			Y o Y Comparison	
			April 1, 2019 - March 31, 2020			April 1, 2020 - March 31, 2021			April 1, 2021 - March 31, 2022			B - A	
			Net Sales	Operating Income		Net Sales	Operating Income		Net Sales	Operating Income		Net Sales	Operating Income
Construction Business	Building Construction	Domestic	1,138.9	82.6	7.3%	964.6	59.9	6.2%	1,030.0	45.5	4.4%	65.3	(14.4)
		Overseas	398.5	10.7	2.7%	304.3	3.4	1.1%	310.0	3.5	1.1%	5.6	0.1
		Subtotal	1,537.4	93.4	6.1%	1,269.0	63.4	5.0%	1,340.0	49.0	3.7%	70.9	(14.4)
	Civil Engineering	Domestic	342.7	39.6	11.6%	342.2	45.3	13.3%	360.0	31.0	8.6%	17.7	(14.3)
		Overseas	72.2	4.2	5.8%	72.0	(0.2)	△0.3%	80.0	0.5	0.6%	7.9	0.7
		Subtotal	414.9	43.8	10.6%	414.2	45.1	10.9%	440.0	31.5	7.2%	25.7	(13.6)
	Construction Total	Domestic	1,481.6	122.2	8.3%	1,306.8	105.3	8.1%	1,390.0	76.5	5.5%	83.1	(28.8)
		Overseas	470.7	14.9	3.2%	376.3	3.2	0.9%	390.0	4.0	1.0%	13.6	0.7
		Subtotal	1,952.4	137.2	7.0%	1,683.2	108.5	6.5%	1,780.0	80.5	4.5%	96.7	(28.0)
Real Estate Business			55.0	13.2	24.1%	42.4	11.9	28.1%	53.0	12.0	22.6%	10.5	0.1
New Businesses and Other			65.5	2.3	3.6%	41.1	2.6	6.4%	77.0	2.5	3.2%	35.8	(0.1)
Total			2,073.0	152.8	7.4%	1,766.8	123.1	7.0%	1,910.0	95.0	5.0%	143.1	(28.1)

Forecasts for Fiscal Year Ending March 31, 2022 - Non-consolidated Statements of Income



(Yen in billions)

		Result April 1, 2018 - March 31, 2019		Result April 1, 2019 - March 31, 2020		Result April 1, 2020 - March 31, 2021 A		Forecast April 1, 2021 - March 31, 2022 B		Y o Y Comparison B - A
Net Sales of Completed Construction Contracts	Building	1,085.2		1,111.8		926.7		1,035.0		108.2
	Civil	291.4		280.9		282.8		305.0		22.1
	Total	1,376.6		1,392.8		1,209.5		1,340.0		130.4
Net Sales of Real Estate Business and Other		21.5		23.5		20.8		25.0		4.1
Net Sales		1,398.2		1,416.3		1,230.4		1,365.0		134.5
Gross Profit on Completed Construction Contracts	Building	132.6	12.2%	124.0	11.2%	103.6	11.2%	92.5	8.9%	(11.1)
	Civil	52.7	18.1%	55.2	19.7%	57.0	20.2%	46.5	15.2%	(10.5)
	Total	185.3	13.5%	179.3	12.9%	160.7	13.3%	139.0	10.4%	(21.7)
Gross Profit on Real Estate Business and Other		5.3	24.7%	4.7	20.1%	5.1	24.5%	6.0	24.0%	0.8
Gross Profit		190.6	13.6%	184.1	13.0%	165.8	13.5%	145.0	10.6%	(20.8)
Selling, General and Administrative Expenses		67.3	4.8%	71.0	5.0%	72.3	5.9%	80.0	5.8%	7.6
Operating Income		123.2	8.8%	113.0	8.0%	93.4	7.6%	65.0	4.8%	(28.4)
Ordinary Income		135.7	9.7%	121.6	8.6%	103.8	8.4%	72.5	5.3%	(31.3)
Profit		98.4	7.0%	88.4	6.2%	81.2	6.6%	55.0	4.0%	(26.2)

Forecasts for Fiscal Year Ending March 31, 2022 - Orders Received



(Non-consolidated Orders received)

(Yen in billions)

			Result	Result	Result	Forecast	Y o Y
			April 1, 2018 - March 31, 2019	April 1, 2019 - March 31, 2020	April 1, 2020 - March 31, 2021 A	April 1, 2021 - March 31, 2022 B	Comparison B-A
Construction Business	Building Construction	Domestic	1,038.7	1,193.4	1,162.1	1,050.0	(112.1)
		Overseas	5.5	12.1	1.9	5.0	3.0
		Total	1,044.3	1,205.6	1,164.0	1,055.0	(109.0)
	Civil Engineering	Domestic	244.4	247.3	336.9	280.0	(56.9)
		Overseas	17.1	79.5	8.1	45.0	36.8
		Total	261.6	326.8	345.0	325.0	(20.0)
	Construction Total	Domestic	1,283.1	1,440.7	1,499.0	1,330.0	(169.0)
		Overseas	22.7	91.6	10.0	50.0	39.9
		Total	1,305.9	1,532.4	1,509.1	1,380.0	(129.1)
Real Estate Business and Other			21.6	23.4	20.8	25.0	4.1
Total			1,327.5	1,555.9	1,529.9	1,405.0	(124.9)

(Consolidated Orders received)

Building Construction	1,469.2	1,677.0	1,378.7	1,440.0	61.2
Civil Engineering	404.5	472.7	478.9	455.0	(23.9)
Real Estate Business and Other	85.1	90.2	90.9	95.0	4.0
Total	1,958.8	2,240.0	1,948.6	1,990.0	41.3

Forecasts for Fiscal Year Ending March 31, 2022 - Investment Plan



(Yen in billions)

	Result April 1, 2017 - March 31, 2021 A	Forecast April 1, 2021 - March 31, 2022 B	Total for 5 Years A + B	Medium-Term Business Plan 2017	
				Fiscal year average	Plan for FY2017–FY2021
R&D of construction technologies	90.7	25.0	115.8	20.0	100.0
Construction machinery and business facilities	44.3	20.0	64.4	10.0	50.0
Real estate leasing business	153.0	50.0	203.0	20.0	100.0
Renewable energy business, and others	50.5	10.0	60.6	20.0	100.0
M&As and others	32.2	5.0	37.3	10.0	50.0
Total	371.0	110.0	481.0	80.0	400.0

Forecasts for Fiscal Year Ending March 31, 2022 - Main Management Indicator Targets



(Consolidated)

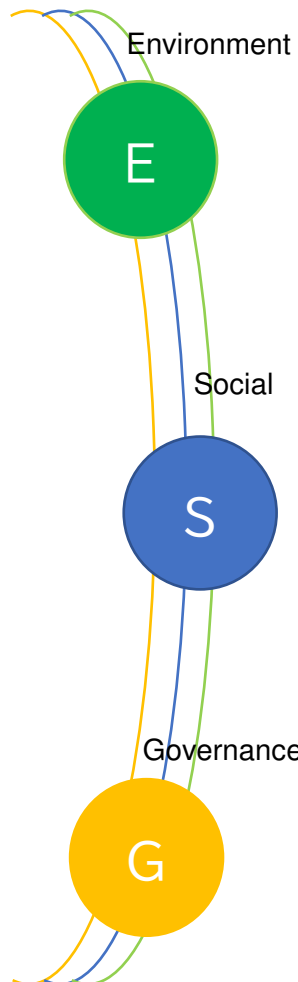
	Result April 1, 2017 - March 31, 2018	Result April 1, 2018 - March 31, 2019	Result April 1, 2019 - March 31, 2020	Result April 1, 2020 - March 31, 2021	Forecast April 1, 2021 - March 31, 2022	Medium-Term Business Plan 2017 Targets for March 31, 2022 Consolidated Income Statement
Net Sales	1,900.6 billion yen	2,039.6 billion yen	2,073.0 billion yen	1,766.8 billion yen	1,910.0 billion yen	Around 2 trillion yen
Operating Income	137.8 billion yen	155.4 billion yen	152.8 billion yen	123.1 billion yen	95.0 billion yen	Around 150 billion yen
Profit attributable owners of parent	92.6 billion yen	113.1 billion yen	113.0 billion yen	98.7 billion yen	71.5 billion yen	Around 100 billion yen
Profit attributable owners of parent per share (EPS)	129.09 yen	157.65 yen	157.59 yen	137.64 yen	99.63 yen	Around 150 yen
Return on Equity (ROE) ※	14.5%	15.6%	14.3%	11.3%	7.9%	Over 10%

※The forecast for shareholders' equity as of March 31, 2022 was calculated by adding the forecast for the profit attributable to owners of parent of FY ending March 31, 2022 to the balance as of March 31, 2021 and subtracting the forecast for payment of interim dividends.

(Consolidated)

	Result March 31, 2018	Result March 31, 2019	Result March 31, 2020	Result March 31, 2021	Medium-Term Business Plan 2017 Targets for March 31, 2022 Consolidated Balance Sheet
Equity	684.8 billion yen	768.9 billion yen	817.8 billion yen	931.0 billion yen	900 billion yen
Retained Earnings	404.8 billion yen	498.1 billion yen	587.0 billion yen	661.5 billion yen	700 billion yen
Equity Ratio	32.2%	34.7%	36.7%	41.0%	40%
Net Interest-bearing Debt	86.6 billion yen	103.5 billion yen	(66.4) billion yen	7.4 billion yen	0 yen
Interest-bearing Debt	276.7 billion yen	272.2 billion yen	248.5 billion yen	265.9 billion yen	250 billion yen
Cash and Deposits	190.0 billion yen	168.6 billion yen	315.0 billion yen	258.5 billion yen	250 billion yen

Promoting ESG Management



● Achieve Carbon Neutrality

- [Construction] Promote lifecycle ZEB (**ZEM + ZEC + ZEB**).
- [Energy] Create stronger green energy solutions with a fusion of renewable energy, hydrogen, and smart grids → Established the Green Energy Division.
- [Climate Change] Provide information disclosure based on the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations.

● Ensure Safety & Strengthen Workplace Skills and Technical Capabilities to Support That

- [Construction] Firmly root safety as the first priority in the corporate culture and use digital transformation (DX) in construction.

● Ensure Diversity & Inclusion

- [Workstyles] Establish a workplace environment in which diverse human resources can play an active role and reduce long work hours.
- [Respecting Human Rights] Instill a mindset of mutual appreciation of individual characteristics and views and supporting one another → Established the Diversity & Inclusion Promotion Department.

● Commit to Strong Corporate Ethics

- Create a corporate culture in which wrongdoing and unlawful actions are never condoned and never committed.

Promoting ESG Management

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Green Energy Division Established



- We will integrate the technology, expertise, and other strengths of the Obayashi Group in Japan and overseas and provide energy solutions to customers to achieve carbon neutrality, one pressing social issue.
- We will generate revenue opportunities from the entire green energy value chain by pursuing projects that utilize Obayashi's expertise and ability to supply many forms of energy, cultivated through our renewable energy power generation business, and will commercialize new businesses targeting next-generation technologies such as storage batteries and hydrogen production and storage.

Mitanehamada Wind Power Generation Project



Kamisu Biomass Power Generation Project



Promoting ESG Management

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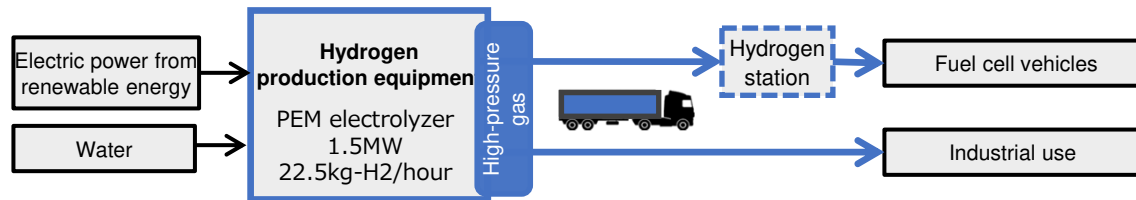
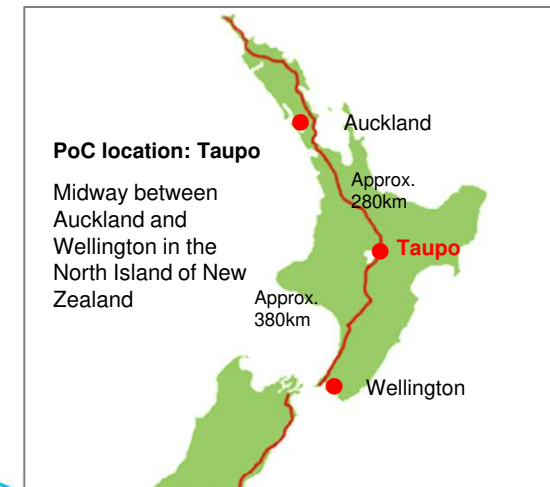


Concrete Initiative of the Green Energy Division (1)

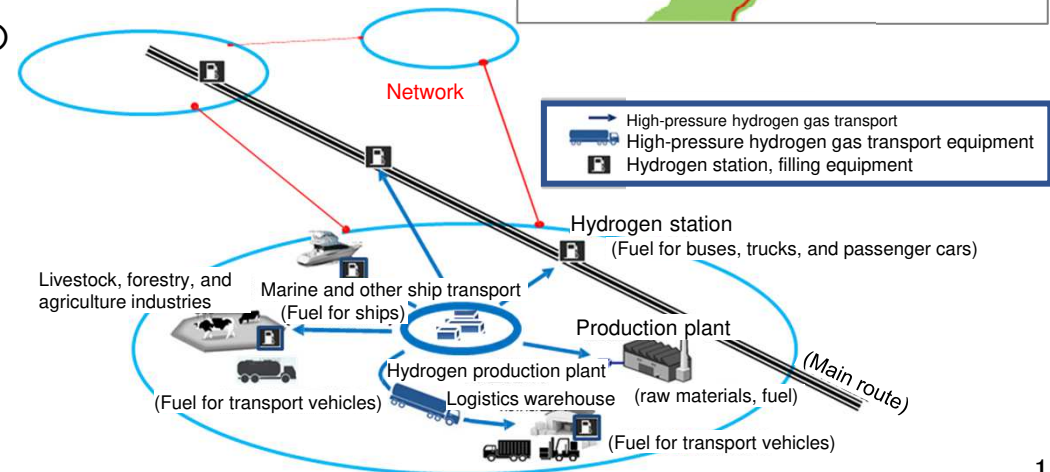


Green hydrogen production using geothermal power generation in New Zealand

- Proof-of-concept (PoC) project aimed at building a green hydrogen supply chain in New Zealand (joint operating company established with a local company)
- PoC trial to verify the commercial feasibility of a green hydrogen supply chain that involves building the entire supply chain, from CO₂-free hydrogen production using geothermal electric power, to storage, transport, and use.
- Hydrogen production began in March 2021.



* Hydrogen production & supply PoC trial facility in Taupo (Halcyon)



Promoting ESG Management

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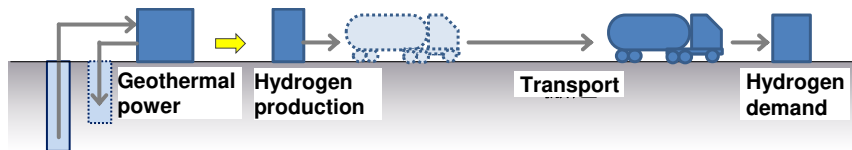


Concrete Initiative of the Green Energy Division (2)



Effective use of hydrogen produced using geothermal energy in the town of Kokonoe in the Kusu district of Oita Prefecture (In-house PoC trial)

● System



A water electrolyzer powered by geothermal energy is used to produce hydrogen.

- Geothermal power generation capacity: Two 125-kW generators (one generator used in the PoC trial)
- Power generation capacity during trial period: Power generation, 125 kW; power transmission, 100 kW
- Hydrogen production: 10Nm³/h (enough for 5 to 7 forklift fuel cells)
- Begins: August 2020
- PoC trial period: July 2021 to March 2024

2. PoC Trial to Verify New Business Model

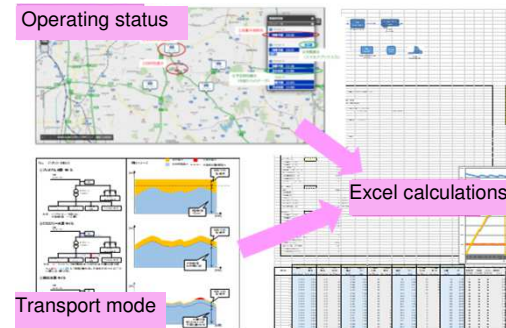
Gain market competitiveness through the effective use of small-scale renewable energy by using hydrogen when selling electric power is not feasible due to lack of grid capacity, excessive private distribution line costs, falling FIT prices, and other factors.

Example: Mountainous areas, remote islands

● Significance

1. Development of EMS to Manage Hydrogen Transport

An optimal transport management system was developed in-house that can monitor surplus hydrogen at locations hydrogen is supplied to and the transporting status of transport vehicles, while transporting hydrogen efficiently to multiple locations.



3. Connecting to One-stop Business

EPC business: Engineering, procurement, and construction of a geothermal power plant

New technology development: PoC trial to verify hydrogen production using geothermal power, transport systems, and a new geothermal power generation system

Geothermal One-stop Business



Promoting ESG Management



Diversity & Inclusion Promotion Department Established



- We strive to be a corporate group in which each and every employee can feel a real sense of enrichment aimed at achieving well-being, and that works to create stronger, more vital organization and achieves continuous growth.
 - We will improve the workplace environment to increase job satisfaction, achieve flexible work-life balance, and instill an internal commitment in top management to increase awareness of human rights, eliminate unconscious bias, and improve diversity and inclusion in other ways.
- Recent Topics –
- Establishing vibrant workplaces that provide job satisfaction (reducing working hours, promoting advancement of women, etc.)
 - Achieving a new work-life balance (Revision of HR systems, etc.)

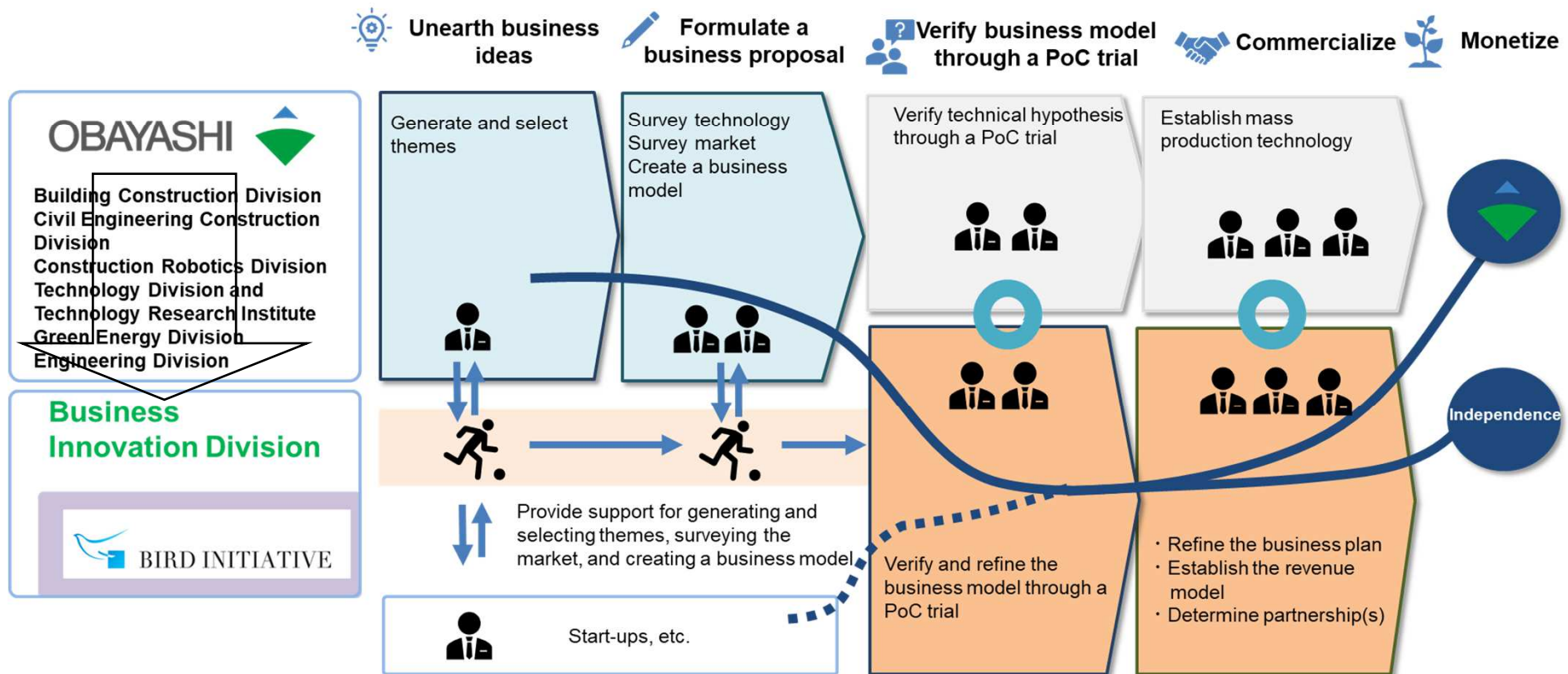
Action plan based on the Act on Promotion of Women's Participation and Advancement in the Workplace and the Act on Advancement of Measures to Support Raising Next-Generation Children

- Increase the ratio of female managers and of female engineers to 12% (fiscal year ending March 31, 2025).
- Establish and expand systems that enable both men and women to choose flexible workstyles (telecommuting, staggered work hours, taking leave on an hourly basis, short working hours, etc.).
- Achieve a 100% rate for childcare leave taken by male employees and annual leave taken for the purpose of childcare (fiscal year ending March 31, 2025).
- Expand time off for caring for a sick child.

New Initiatives Targeting Growth - New Business Creation



Business Innovation Division Business Incubation Process

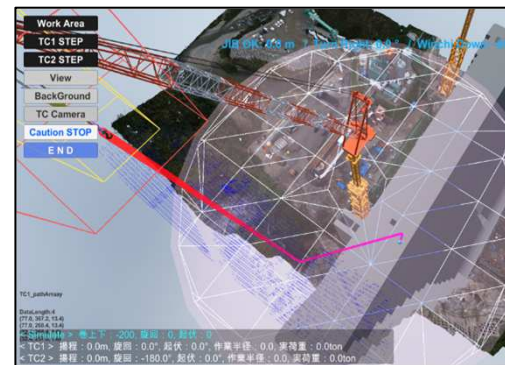
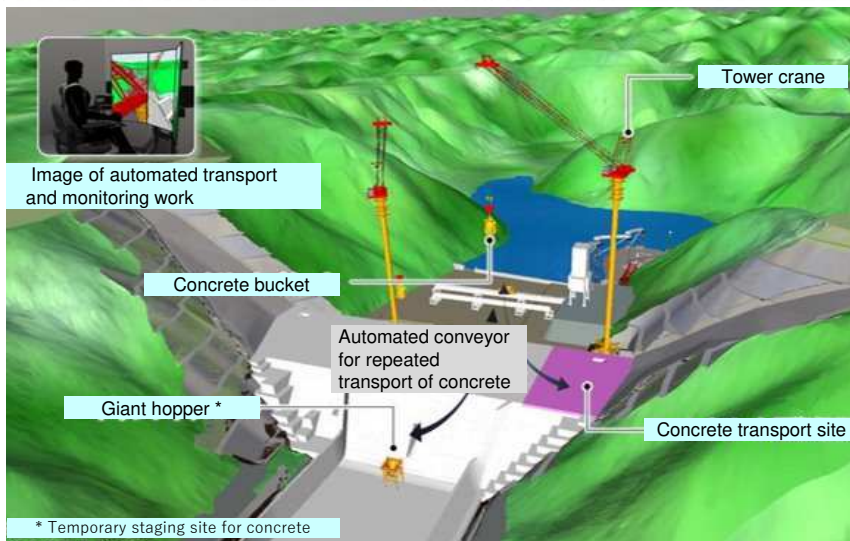
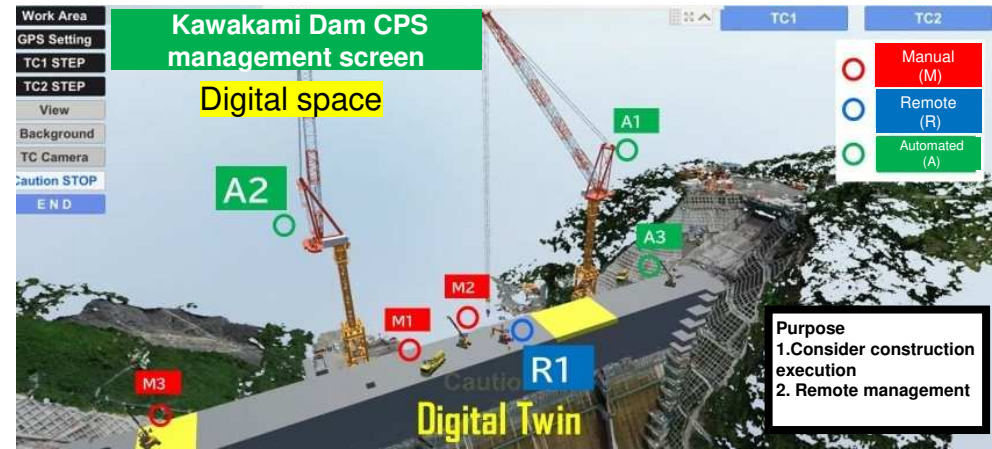


Initiatives Aimed at Growth-Use of Digital Technology

Use of AI and ICT technology to automate construction
(Construction underway on Kawakami Dam in Iga City, Mie Prefecture)



Equalize the workforce and improve productivity by replicating the construction site in **digital space** and implementing both **automated operation technology** and **remote control** to achieve remote management.



Automated concrete conveyor system



Remote operation R1

Disclaimer

This investor presentation, an English translation of the presentation made at the investor telephone meeting on May 12, 2021 as a digest of Obayashi Corporation's "4th Quarter Financial Results (April 1, 2020 to March 31, 2021)" ("Kessan Tanshin" and "Kessan Setsumei Shiryo") disclosed at the Tokyo Stock Exchange on May 12, 2021, is presented solely for the convenience of non-Japanese speaking users. If there is any discrepancy between Japanese "Kessan Tanshin" or "Kessan Setsumei Shiryo" and this presentation, Japanese "Kessan Tanshin" or "Kessan Setsumei Shiryo" 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. The unit used for numerical representations is billion yen unless otherwise specified.

