

Investor Presentation

**4th Quarter : Presentation on Financial Results
(April 1 to March 31, 2022)**

May 13, 2022

OBAYASHI CORPORATION

Financial Results for Fiscal Year Ended March 31, 2022

Overview of Full-Year Consolidated Results

See the “Consolidated Financial Results” in the “4th Quarter Financial Results” on the upper side of Page 1.

<Consolidated Business Results>

Net Sales	1,922.8 billion yen	+ 8.8% YoY
Operating Income	41.0 billion yen	(66.7) % YoY
Ordinary Income	49.8 billion yen	(61.3) % YoY
Profit attributable to owners of parent	39.1 billion yen	(60.4) % YoY

<Dividends per Share>

Fiscal year ended March 31, 2022		
	Total annual dividends of 32 yen per share	Interim dividend of 16 yen and a year-end dividend of 16 yen
Fiscal year ending March 31, 2023		
	Total annual dividends of 42 yen per share (forecast)	Dividend increase of 10 yen, about 3% in DOE based on the earnings forecast for the fiscal year

<Non-consolidated> Topics of Statements of Income

See the Financial Results “Non-consolidated” (YoY Comparison) on the upper right-hand side of Page 6.

< Net Sales of Completed Construction Contracts >

Total 1,351.1 billion yen, +141.5 billion yen YoY

Building Construction	1,050.1 billion yen	+123.4 billion yen YoY
→ Due to steady progress in multiple large-scale projects		
Civil Engineering	301.0 billion yen	+18.1 billion yen YoY

<Gross Profit on Completed Construction Contracts>

Total 79.1 billion yen, (81.5) billion yen YoY

Building Construction	37.7 billion yen Gross profit margin 3.6%	(65.9) billion yen YoY (7.6) pt YoY
→ Due to provision for loss on construction contracts for multiple large-scale projects		
Civil Engineering	41.4 billion yen Gross profit margin 13.8%	(15.6) billion yen YoY (6.4) pt YoY
→ Due to reactionary fall caused by increase in profit level such as change in design etc. in the previous year		

<Consolidated> Topics of Statements of Income

Notable Affiliated Company Results

See the [Consolidated] “Net Sales” and “Operating Income” on the top part on Page 9.

<Consolidated Net Sales>

Overseas Building Construction

298.8 billion yen, (5.5) billion yen YoY

Webcor: 117.8 billion yen, (33.9) billion yen YoY

→Due to decrease in orders received in fiscal year ended 2021.3 caused by the spread of the Novel Coronavirus.

Obayashi Singapore: 50.6 billion yen, +26.3 billion yen YoY

→Due to reactions rise caused by less progress on construction projects caused by the spread of the Novel Coronavirus in the previous year

<Consolidated Operating Income>

Real Estate Business

20.3 billion yen, +8.4 billion yen YoY

Obayashi-Shinseiwa Real Estate: 16.1 billion yen, +7.5 billion yen YoY

→Due to sale of part of properties held following a review of the portfolio

Orders Received and Interest-bearing Debt Balances

See the “Orders Received (Non-consolidated)” at the second chart on Page 6.

<Non-consolidated>

Building Construction	1,187.8 billion yen	23.7 billion yen YoY
Civil Engineering	323.4 billion yen	(21.6) billion yen YoY
Construction Total	1,511.2 billion yen	2.1 billion yen YoY

Received orders for several large project which are planned

See the “Interest-bearing Debt Balances (Consolidated)” at the third chart on Page 6.

<Interest-bearing Debt Balances Total>

As of March 31, 2021	265.9 billion yen
As of March 31, 2022	280.4 billion yen
YoY Change	14.4 billion yen

- The forecast as of March 31, 2023 is 350 billion yen
(Includes Sustainability Linked Bond of 30.0 billion yen issued in April)

Forecasts for Fiscal Year Ending March 31, 2023

Forecasts for Fiscal Year Ending March 31, 2023

- Statements of Income

(Yen in billions)

		Consolidated			Non-consolidated						
		Result	Forecast	Y o Y Comparison	Result	Forecast	Y o Y Comparison				
		April 1, 2021- March 31, 2022	April 1, 2022- March 31, 2023		April 1, 2021- March 31, 2022	April 1, 2022- March 31, 2023					
		A	B	B-A	C	D	D-C				
Net Sales of Completed Construction Contracts	Building	1,358.7	1,460.0	101.2	1,050.1	1,082.0	31.8				
	Civil	436.4	455.0	18.5	301.0	300.0	(1.0)				
	Total	1,795.2	1,915.0	119.7	1,351.1	1,382.0	30.8				
Net Sales of Real Estate Business and Other		127.6	135.0	7.3	22.9	35.0	12.0				
Net Sales		1,922.8	2,050.0	127.1	1,374.1	1,417.0	42.8				
Gross Profit on Completed Construction Contracts	Building	-	-	-	37.7	94.5	8.7%	56.7			
	Civil	-	-	-	41.4	41.5	13.8%	0.0			
		121.9	6.8%	183.0	9.6%	61.0	79.1	-	136.0	9.8%	56.8
Gross Profit on Real Estate Business and Other		32.3	25.4%	36.0	26.7%	3.6	5.3	23.5%	13.0	37.1%	7.6
Gross Profit		154.3	8.0%	219.0	10.7%	64.6	84.5	6.2%	149.0	10.5%	64.4
Selling, General and Administrative Expenses		113.2	5.9%	119.0	5.8%	5.7	80.1	5.9%	84.0	5.9%	3.8
Operating Income		41.0	2.1%	100.0	4.9%	58.9	4.4	0.3%	65.0	4.6%	60.5
Ordinary Income		49.8	2.6%	104.0	5.1%	54.1	19.5	1.4%	74.0	5.2%	54.4
Profit attributable owners of parent		39.1	2.0%	76.0	3.7%	36.8	18.8	1.4%	57.5	4.1%	38.6

Forecasts for Fiscal Year Ending March 31, 2023 - By Reportable Segments (Consolidated)

(Yen in billions)

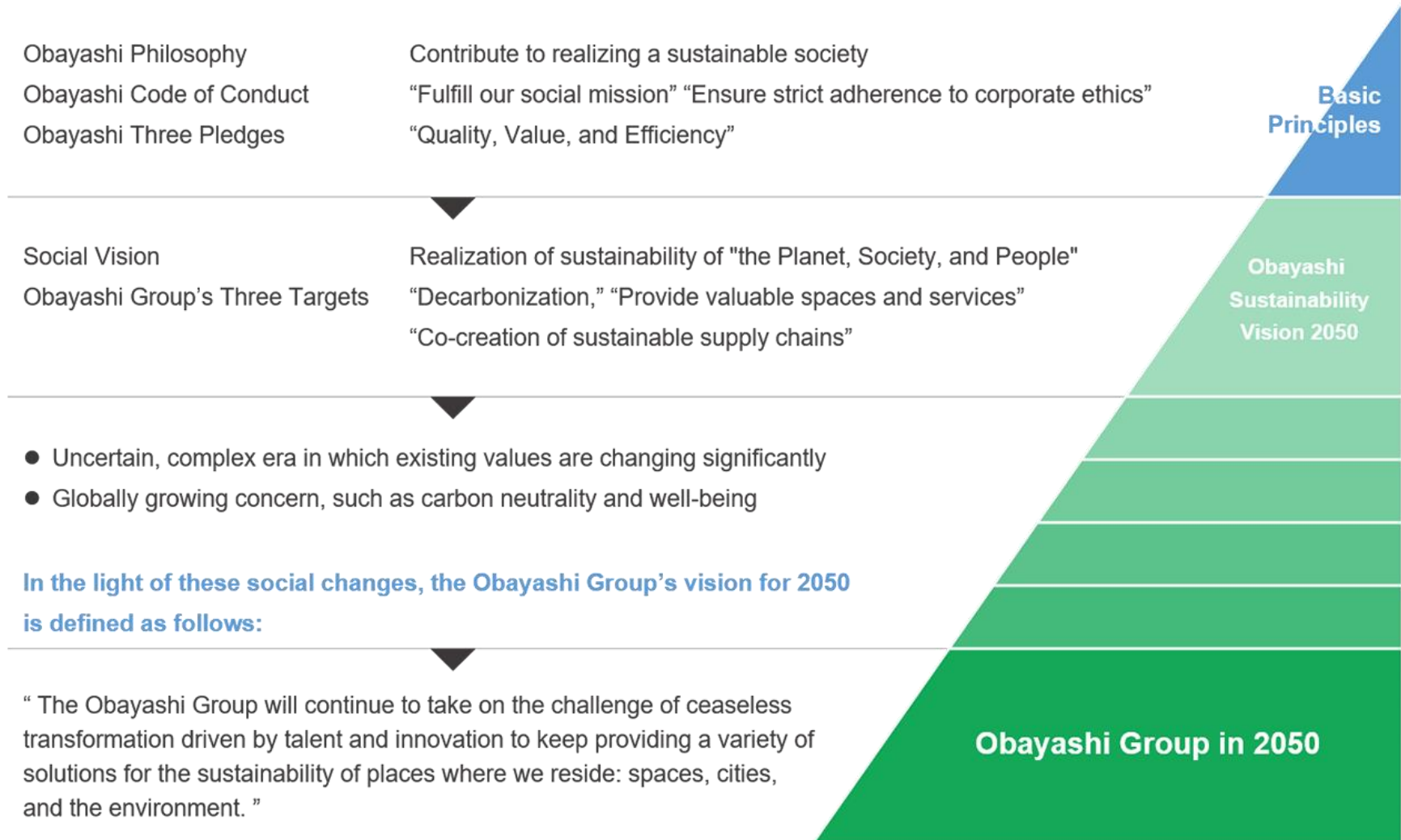
			Result		Forecast		Yo Y Comparison	
			April 1, 2021- March 31, 2022		April 1, 2022- March 31, 2023			
			A		B		B-A	
			Net Sales	Operating Income	Net Sales	Operating Income	Net Sales	Operating Income
Construction Business	Building Construction	Domestic	1,059.9	(8.9)	1,095.0	43.5	35.0	52.4
		Overseas	298.8	0.8	365.0	5.0	66.1	4.1
		Subtotal	1,358.7	(8.0)	1,460.0	48.5	101.2	56.5
	Civil Engineering	Domestic	346.8	23.8	355.0	24.5	8.1	0.6
		Overseas	89.6	2.0	100.0	0.5	10.3	(1.5)
		Subtotal	436.4	25.9	455.0	25.0	18.5	(0.9)
	Construction Total	Domestic	1,406.7	14.9	1,450.0	68.0	43.2	53.0
		Overseas	388.4	2.8	465.0	5.5	76.5	2.6
		Subtotal	1,795.2	17.8	1,915.0	73.5	119.7	55.6
Real Estate Business and Other		Real Estate Business	61.1	20.3	78.0	22.0	16.8	1.6
		Other	66.5	2.8	57.0	4.5	(9.5)	1.6
		Subtotal	127.6	23.2	135.0	26.5	7.3	3.2
Total			1,922.8	41.0	2,050.0	100.0	127.1	58.9

Forecasts for Fiscal Year Ending March 31, 2023 - Orders Received

(Yen in billions)

			Consolidated			Non-consolidated		
			Result	Forecast	YoY Comparison	Result	Forecast	YoY Comparison
			April 1, 2021- March 31, 2022	April 1, 2022- March 31, 2023		April 1, 2021- March 31, 2022	April 1, 2022- March 31, 2023	
			A	B	B-A	C	D	D-C
Construction Business	Building Construction	Domestic	1,217.3	1,050.0	(167.3)	1,186.5	1,010.0	(176.5)
		Overseas	340.5	440.0	99.4	1.3	0.0	(1.3)
		Subtotal	1,557.8	1,490.0	(67.8)	1,187.8	1,010.0	(177.8)
	Civil Engineering	Domestic	408.4	360.0	(48.4)	321.3	270.0	(51.3)
		Overseas	76.1	95.0	18.8	2.0	40.0	37.9
		Subtotal	484.6	455.0	(29.6)	323.4	310.0	(13.4)
	Construction Total	Domestic	1,625.8	1,410.0	(215.8)	1,507.8	1,280.0	(227.8)
		Overseas	416.6	535.0	118.3	3.4	40.0	36.5
		Subtotal	2,042.4	1,945.0	(97.4)	1,511.2	1,320.0	(191.2)
	Real Estate Business and Other			103.8	95.0	(8.8)	22.9	35.0
Total			2,146.3	2,040.0	(106.3)	1,534.2	1,355.0	(179.2)

Vision and Social Issues of Obayashi Group



Our brand vision, “MAKE BEYOND Transcending the art and science of making of things,” supports the achievement of our basic principles and vision.

Note: “Obayashi Sustainability Vision 2050” <https://www.obayashi.co.jp/en/sustainability/vision.html>
“MAKE BEYOND” https://www.obayashi.co.jp/en/company/corporate_message.html

Obayashi Group Medium-Term Business Plan 2022

By implementing the Medium-Term Business Plan 2022, Obayashi Group will establish a business foundation capable of generating stable profits with consolidated operating income of 100.0 billion yen as the bottom line, and further improve earnings within the period of the new business plan. Obayashi Group will also establish a path to sustainable growth in corporate value by continuing to make decisive investments.

Key Efforts to Pursue for Sustainable Growth

- Strengthen the construction business foundation by enhancing proposal capabilities and production capacity integrating all the construction business process
- Innovate technologies and businesses model in order to create valuable solutions to social issues that we can turn into our new business opportunities
- Expand the business portfolio on the assumption that business activities in the global market are a given condition for the Company's survival



“Strengthening the Business Foundation and Accelerating Company-wide Transformation”

〈Three Pillars of Fundamental Strategy〉

① Strengthen and Expand the foundation of the Construction Business

Enhance productivity and the ability to provide added value for customers by “re-engineering business processes of the domestic construction business,” “expanding the construction value chain” and “Implementing innovative construction production systems.”

② Innovative Technologies and Businesses

Capture growth opportunities generated from social demand for “carbon neutrality” and “well-being (safety, security, comfort and health)” by materializing new value with in-depth integration of innovative technology and business mode.

③ Expand Business Portfolio for Sustainable Growth

Continuously acquire new profit opportunities through open innovation and active investments, leveraging strengths in technologies and networks cultivated in a variety of global business fields centered on construction.

Investment Plan under Medium-Term Business Plan 2022

Medium-Term Business Plan 2022	
2022~2026	FY average

(Reference)
2017~2021
Results

Intangible asset investment for platform development

Human resource-related investment	25.0 billion yen	5.0 billion yen		—
Digital-related investment	70.0 billion yen	14.0 billion yen	Including the amount recognized as assets	54.7 billion yen
Technology-related investment	80.0 billion yen	16.0 billion yen	Including the amount recognized as assets	66.4 billion yen

Ongoing tangible asset investment with a focus on strengthening the foundation of the construction business

Construction machinery and facilities	50.0 billion yen	10.0 billion yen		61.1 billion yen
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Growth investment toward expanding business portfolio

Real Estate Development Business	300.0 billion yen	60.0 billion yen	Excluding 140.0 billion yen recovered as a result of sales of assets invested (Net 160.0 billion yen when combined with the recovered amount)	181.6 billion yen
Green Energy Business	50.0 billion yen	10.0 billion yen		55.0 billion yen
M&A, etc.	25.0 billion yen	5.0 billion yen	Including open innovation investment	37.2 billion yen
Total Investment amount for five years	600.0 billion yen	120.0 billion yen		456.3 billion yen

Note: Potential investments for growth such as large-scale M&A projects are not included in the plan above

Note: Human resource-related investment is based on approximate estimates

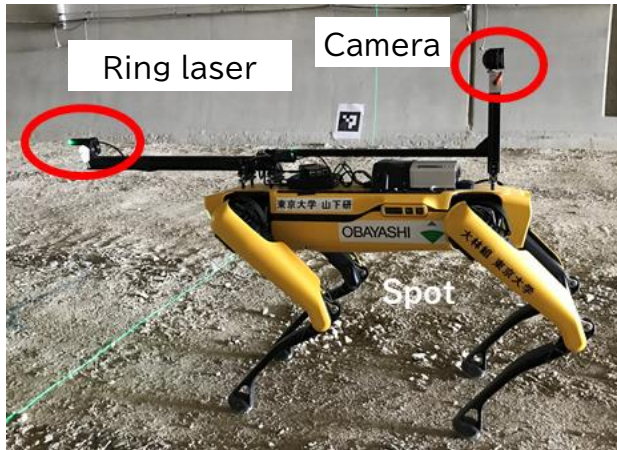
Social Challenges “Quality Control amid Labor Shortage”

[Civil Engineering DX]

■ Completed lining concrete management DX using an autonomous four-legged walking robot called SPOT.

(A work management process co-developed with Tokyo University, designed to compare high-speed and high-density 3D measurements with clearance limits)

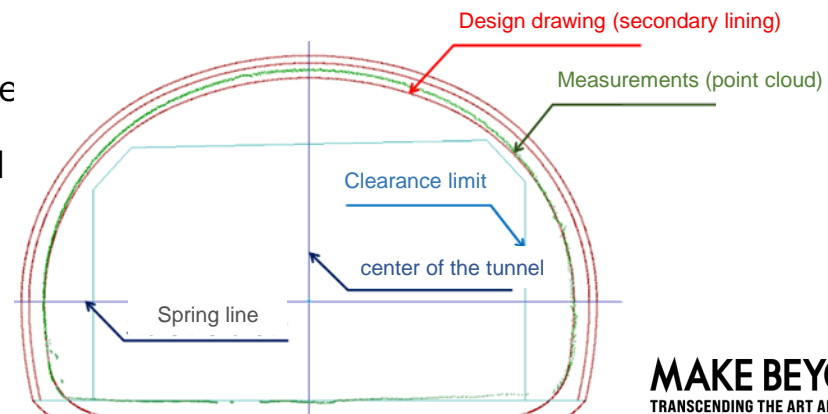
- Measures cross-sections of a tunnel with a **light-section method** using a ring laser and a fish-eye camera (takes about 5 seconds).
- Utilizes an **autonomous four-legged walking robot** capable of measuring multiple cross-sections and on-site movement.
- Compares measurements (point cloud) with clearance limits to check whether they are within the limits.



Picture left:
On-site measurement

Drawing down: Comparison of
measurements and clearance
limits

By utilizing digital technologies (digital camera and image processing technology), we improved measuring productivity 120 times and reduced workload to one-third compared to conventional methods.



Social Challenges “Quality Control amid Labor Shortage”

[Building Construction DX]

■ Use of diverse digital technologies supporting complex structures

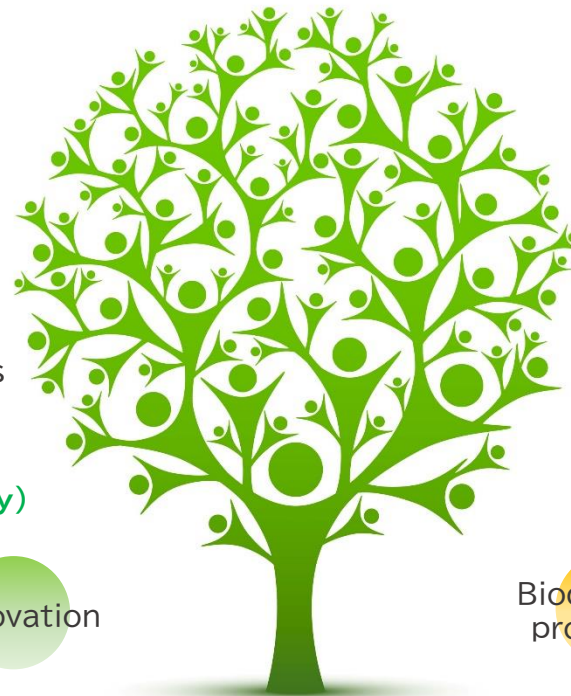
(Efforts for increasing productivity by using the BIM model in building a new ballpark, “ES CON Field Hokkaido,” for the Hokkaido Nippon-Ham Fighters baseball team.)

- Used 3D images on tablets, instead of 2D drawings, at a construction site to verify that components are fit in the right positions.
- Consolidated all kinds of data on the 3D model, not only all processes from design to construction, but also other necessary information, such as agreements with clients and order placement with suppliers and subcontractors in charge of manufacturing components, so as to have them shared and utilized by all concerned.

Social Challenges “Environmental Management”

- ▶ Environmental management means the business management that positions countermeasures for climate change, biodiversity protection, promotion of resource recycling as corporate social responsibilities, and at the same time creates economic value to enhance corporate value.
- ▶ It is necessary not only to passively comply with environment-related laws and regulations but also to get voluntarily involved in environmental protection and seek to proactively create business opportunities and increase value proposition for customers.
- ▶ We established the “Environmental Management Department” responsible for supervising company-wide efforts to achieve carbon neutrality.

Carbon Neutrality



Obayashi Sustainability Vision 2050

Wooden architecture

Renewable energy

Carbon neutrality of work sites

Reduction of CO₂ emissions from materials and equipment

Hydrogen

Promotion of ZEB initiatives
Net Zero Energy Building

Construction waste countermeasures

Soil pollution countermeasures

Green infrastructures

Use electric power from renewable energy sources in our facilities and facilities for lease

Circular economy
(Recycling-oriented economy)

Respect for the natural world
(Biodiversity)

Extending the life of infrastructure

Renovation

Biodiversity protection

Food safety

Social Challenges “Environmental Management”

[For achievement of SBT targets]

Setting new CO₂ emissions reduction targets

FY2031.3 targets
(vs. FY2020.3)

Scope 1 and 2
-46.2%

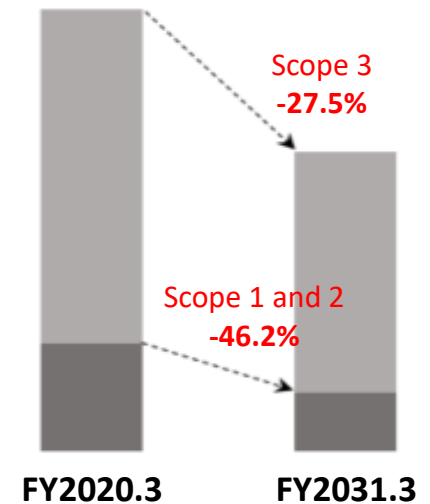
Scope 3
-27.5%

Obayashi Group set new group-wide CO₂ emissions reduction targets (FY2031.3 targets) to achieve the “decarbonization” target under Obayashi Sustainability Vision 2050 (OSV2050).

With these reduction targets, the Group is committed to the Science Based Targets (SBT), CO₂ emission reduction targets consistent with the Paris Agreement. The group is due to acquire recognition of the reduction targets as SBT in 2022.

By continuing to make the Group’s energy-saving efforts across the board and steadily implementing the following initiatives, the Group aims to achieve our targets as well as carbon neutrality by 2050.

Image of CO₂ emissions reduction



Measures for the reduction of CO₂ emissions

Scope 1

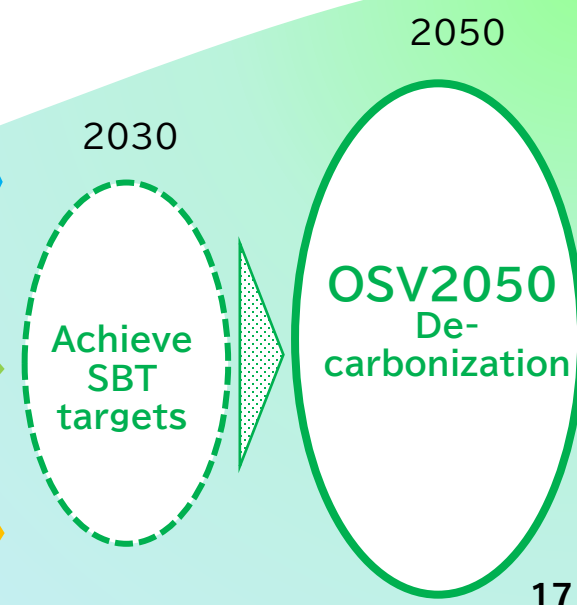
- Introduce alternative fuels to diesel fuel
- Promote labor-saving construction by ICT
- Develop and practically use energy-saving construction methods and fuel-saving construction machinery and electrify construction machinery
- Convert to next-generation fuels (e.g., hydrogen)

Scope 2

- Convert to renewable energy (Construction sites, offices, dormitories, company housing, recreation facilities, real estate to be developed)

Scope 3

- Promote and expand ZEB
- Develop and practically use low-carbon materials (e.g., promote all-timber and wood-based buildings)
- Enhance sales and marketing capabilities, e.g., offering energy solutions



Social Challenges “Carbon Neutrality / Circular Economy”

[Integrating all timber and wood-based buildings]



Obayashi Group next-generation training facility (Port Plus)

Place/ area: Yokohama; fire-resistant building due to fire protection district
 Purpose of use/ scale: Training facility; total floor area of 3,620m², 11 floors above ground and one basement floor
 Structure: All-timber building (seismic-isolation structure)
 Developer: Obayashi Corporation
 Design: Obayashi Corporation
 Construction: Obayashi Corporation
 Year of completion: March 2022



Obayashi Corporation Umeda employee dormitory (Sendai, Miyagi)



Amount of wood used	Biogenic carbon storage	CO ₂ reduction
1,990 m ³	1,652t-CO ₂	1,700t-CO ₂

Social Challenges “Carbon Neutrality”

[Green buildings, green energy business]

■ O-NES TOWER

Developed by Thai Obayashi, a green building in Thailand (office building)



■ Kamisu biomass power generation project



■ Kamikita Ogawara onshore wind power generation project



■ Halcyon project hydrogen refueling station project in New Zealand



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.

Disclaimer

This investor presentation, an English translation of the presentation made at the online conference on May 13, 2022 as a digest of Obayashi Corporation's "4th Quarter Financial Results (April 1, 2021 to March 31, 2022)" ("Kessan Tanshin" and "Kessan Setsumei Shiryo") disclosed at the Tokyo Stock Exchange on May 12, 2022, 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.

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