



Presentation on Financial Results FY2022

(Fiscal year ended April 1, 2022 to March 31, 2023)

May 11, 2023

OBAYASHI CORPORATION

MAKE BEYOND
TRANSCENDING THE ART AND SCIENCE
OF MAKING OF THINGS

- 1. FY2022 Financial Results**
- 2. FY2023 Financial Forecasts**
- 3. Order Received Outlook for FY2023**
- 4. Medium-Term Business Plan 2022
Implementation Status**

FY2022 Financial Results

FY2022 Financial Results - Statements of Income

(Yen in billions)

		Consolidated			Non-consolidated		
		FY2021 Results	FY2022 Results	Y o Y Comparison	FY2021 Results	FY2022 Results	Y o Y Comparison
		Apr. - Mar. 2022	Apr. - Mar. 2023		Apr. - Mar. 2022	Apr. - Mar. 2023	
		A	B	B-A	C	D	D-C
Net Sales of Completed Construction Contracts	Building	1,358.7	1,400.3	41.5	1,050.1	1,051.5	1.4
	Civil	436.4	447.3	10.9	301.0	296.5	(4.4)
	Total	1,795.2	1,847.6	52.4	1,351.1	1,348.1	(3.0)
Net Sales of Real Estate Business and Other		127.6	136.2	8.5	22.9	38.9	15.9
Net Sales		1,922.8	1,983.8	61.0	1,374.1	1,387.0	12.8
Gross Profit on Completed Construction Contracts	Building	-	-	-	37.7	87.8	50.0
	Civil	-	-	-	41.4	45.3	3.8
		121.9	177.8	55.9	79.1	133.1	53.9
Gross Profit on Real Estate Business and Other		32.3	38.6	6.3	5.3	13.3	7.9
Gross Profit		154.3	216.5	62.2	84.5	146.4	61.8
Selling, General and Administrative Expenses		113.2	122.7	9.4	80.1	86.5	6.3
Operating Income		41.0	93.8	52.7	4.4	59.9	55.5
Ordinary Income		49.8	100.8	50.9	19.5	71.1	51.6
Profit Attributable to Owners of Parent		39.1	77.6	38.5	18.8	62.5	43.7

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FY2022 Financial Results

Both consolidated income and profits increased from the previous fiscal year

- Net Sales: ¥1,983.8 billion (+¥61.0 billion YoY)
- Operating Income: ¥93.8 billion (+¥52.7 billion YoY)
- Ordinary Income: ¥100.8 billion (+¥50.9 billion YoY)
- Profit Attributable to Owners of Parent: ¥77.6 billion (+¥38.5 billion YoY)

Net sales: Increased by ¥61.0 billion from the previous fiscal year due to solid progress of abundant construction work in the domestic construction business and an increase in yen equivalent sales of overseas subsidiaries due to the yen depreciation

Gross profit: Significantly increased mainly due to a provision for loss on construction contracts on several large-scale construction projects in the non-consolidated building business in FY2022

Operating income: Initial plan of ¥100.0 billion (as of May 2022) has been lowered to ¥86.0 billion (as of November 2022) mainly due to the inability to absorb the full impact of the sharp rise in construction material prices, however, focus on profit recovery has helped to improve to ¥93.8 billion

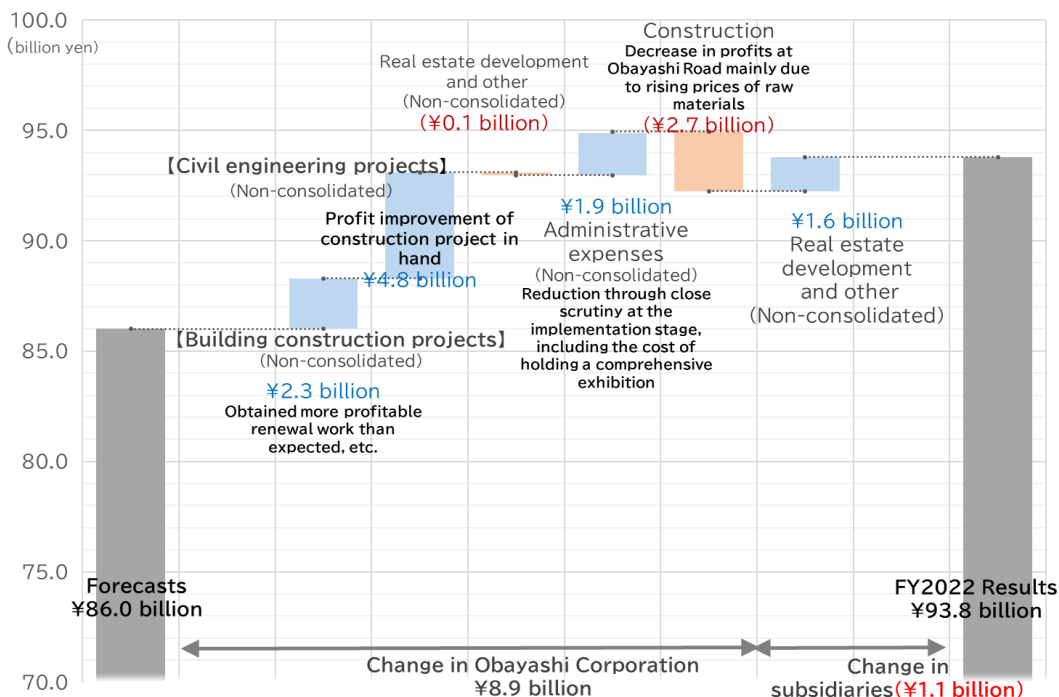
Profit attributable to owners of parent: The initial financial plan of ¥77.6 billion of May 2022 has been achieved

*Cash & Cash Equivalent: ¥405.6 billion as of March 2023 (+¥156.3 billion from March 2022)

This is temporary increase by progress payment of several large-scale construction projects, and it will decrease to the amount of previous fiscal year in FY2023.

FY2022 Financial Results

- Reasons for Change in Consolidated Operating Income



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FY2022 Financial Results

Reasons for change in consolidated operating income

FY2022 forecasts: ¥86.0 billion → FY2022 results: ¥93.8 billion

- Profits in both building construction and civil engineering have recovered on a non-consolidated basis
- General and administrative expenses on a non-consolidated basis were reduced through careful examination at the implementation stage
- In the construction business of the group companies, Obayashi Road's profit declined due to mainly the impact of soaring raw material prices

FY2023 Financial Forecasts

FY2023 Financial Forecasts

- Statements of Income

(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	-	-	0.0	87.8	86.5	(1.3)
	Civil	-	-	0.0	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	55.0	(22.6)	62.5	39.0	(23.5)

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FY2023 Financial Forecasts

Consolidated net sales

¥2,280.0 billion (+¥296.1 billion YoY)

This is mainly due to the peak of progress for large-scale construction projects in hand of the domestic building construction business

Gross profit on completed construction contracts

¥175 billion (remain almost the same as the previous fiscal year)

- The profit of the non-consolidated building construction and civil engineering business is expected to decline
- This is due to several large-scale contracts for which provision for losses on domestic building construction contracts that were recorded in previous years have contributed to increase the net sales but not contribute to profit, higher material prices and labor costs, and decrease in profitable civil engineering work

Gross profit on real estate business and other

¥26.5 billion (-¥12.1 billion YoY)

no sale of large-scale properties is scheduled for FY2023

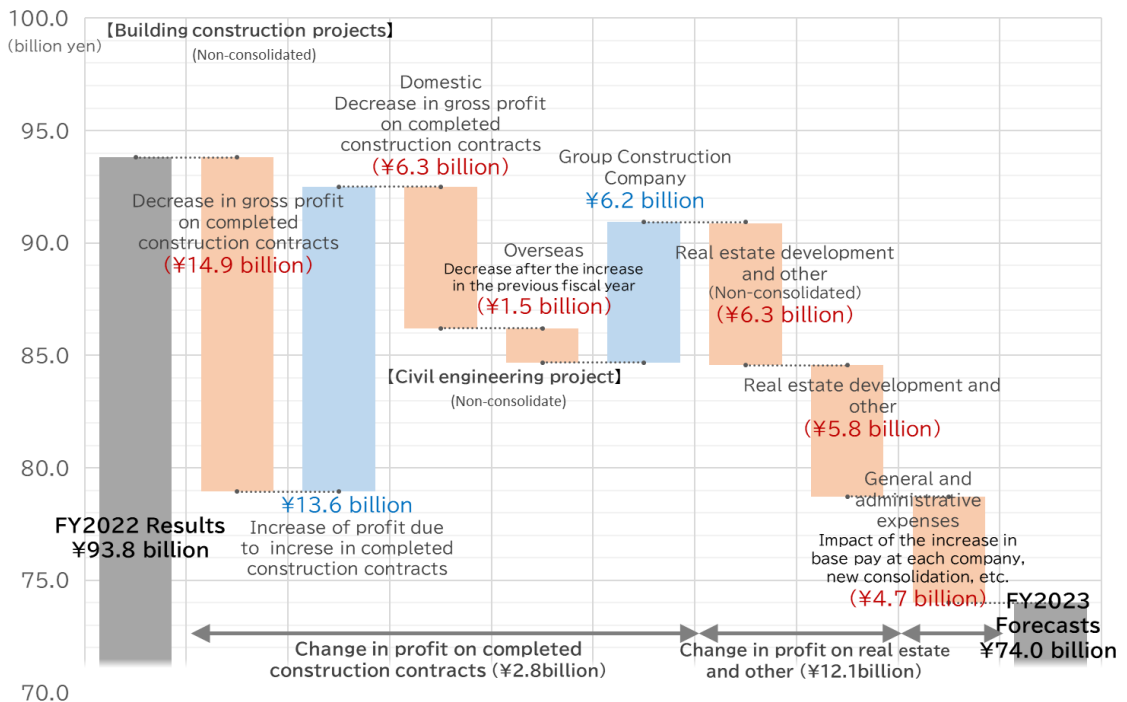
Operating Income

¥74.0 billion (-¥19.8 billion YoY)

This level is to be achieved, and the Group will make concerted efforts to recover profits by reviewing contract terms and conditions and discussing design changes in order to achieve the target amount

FY2023 Financial Forecasts

- Reasons for Change in Operating Income (Consolidated)



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FY2023 Financial Forecasts

- Reasons for Change in Consolidated Operating Income

Consolidated operating income (YoY)

Impact of the decrease in profits at real estate development

Medium-Term Business Plan 2022 Investment Plan

	FY2022		FY2023 Plan	Medium-Term Business Plan 2022 (2022~2026)
	Plan	Results		
■ Intangible asset investment for platform development				
Human resource-related investment	¥5.0 billion	¥5.1 billion	¥5.0 billion	¥25.0 billion
Digital-related investment	¥14.0 billion	¥16.0 billion	¥14.0 billion	¥70.0 billion
Technology-related investment	¥16.0 billion	¥16.1 billion	¥16.0 billion	¥80.0 billion
■ Ongoing tangible asset investment with a focus on strengthening the foundation of the construction business				
Construction machinery and facilities	¥10.0 billion	¥14.8 billion	¥10.0 billion	¥50.0 billion
■ Growth investment toward expanding business portfolio				
Real Estate Development Business	¥100.0 billion	¥101.1 billion	¥80.0 billion	¥300.0 billion
Green Energy Business	¥10.0 billion	¥3.2 billion	¥10.0 billion	¥50.0 billion
M&A etc.	¥5.0 billion	¥10.3 billion	¥5.0 billion	¥25.0 billion
Total investment amount	¥160.0 billion	¥166.7 billion	¥140.0 billion	¥600.0 billion

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

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FY2022 Results

Initial plan: ¥160.0 billion → Investment implemented: ¥166.7 billion

- Intangible asset investment for platform development, including human resource, digital, and technology-related resources; investments in construction machinery and facilities to improve productivity and quality; and investments for growth in the development business

FY2023 Plan

140.0 billion yen

The total investment is expected to exceed 300.0 billion yen in FY2022 and FY2023

*Since progress is being made ahead of schedule, especially in the real estate development business, the total investment plan of 600 billion yen over 5 years set forth in the Medium-Term Business Plan 2022 remains unchanged

Medium-Term Business Plan 2022 Performance Indicator Targets

	FY2022 Results	FY2023 Forecasts	Medium-Term Business Plan 2022
■ Performance indicators			
Consolidated net sales	¥1,983.8 billion	¥2,280.0 billion	Around 2 trillion yen
Consolidated operating income	¥93.8 billion	¥74.0 billion	100.0 billion yen or more
Earnings per share (EPS)	¥108.34	¥76.71	100 yen or more
■ Stability indicators			
Equity ratio	38.2%	38.8%	Around 40%
■ Efficiency indicators			
Return on invested capital (ROIC)	4.9%	3.7%	5% or more in the medium term
Reference: Return on equity (ROE)	8.0%	5.4%	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 yen	¥42 yen	
[About FY2023 Forecast]			
Earnings per share (EPS)	EPS is calculated by dividing the profit in the forecast announced on May 11, 2023 by the total number of shares as of March 31, 2023 (excluding treasury stocks.)		
Equity ratio	Equity as of March 31, 2024 is calculated by adding/subtracting profit expected for FY2023 and expected dividend per year to/from the equity as of March 31, 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 March 31, 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 March 31, 2023.		

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Medium-Term Business Plan 2022 Performance Indicator Targets

FY2022 Results

- The Group's performance indicator was generally in line with the Medium-Term Business Plan 2022, except for the consolidated operating income being slightly below the indicators

FY2023 Forecasts

- EPS and efficiency indicators are expected to decline due to decrease in consolidated operating income
- Effort will be made to strengthen business foundation and accelerate transformation of Medium-Term Business Plan 2022 to improve the profitability after FY2024

Shareholder returns

Dividend per share of FY2023 is expected 42 yen (same amount as FY2022), based on a target DOE of around 3%

Order Received Outlook for FY2023

Order Received Outlook for FY2023 - Statements of Income

(Yen in billions)

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			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
Construction Business	Building Construction	Domestic	1,124.2	1,132.0	7.7	1,093.1	1,070.0	(23.1)
		Overseas	488.5	393.0	(95.5)	18.9	20.0	1.0
		Subtotal	1,612.8	1,525.0	(87.8)	1,112.0	1,090.0	(22.0)
	Civil Engineering	Domestic	360.7	375.0	14.2	280.1	290.0	9.8
		Overseas	133.8	135.0	1.1	62.8	40.0	(22.8)
		Subtotal	494.5	510.0	15.4	342.9	330.0	(12.9)
	Construction Total	Domestic	1,484.9	1,507.0	22.0	1,373.2	1,360.0	(13.2)
		Overseas	622.4	528.0	(94.4)	81.7	60.0	(21.7)
		Subtotal	2,107.3	2,035.0	(72.3)	1,454.9	1,420.0	(34.9)
Real Estate Business and Other			114.9	100.0	(14.9)	38.9	34.0	(4.9)
Total			2,222.2	2,135.0	(87.2)	1,493.8	1,454.0	(39.8)

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Order Received Outlook for FY2023

Building construction:	¥1,525.0 billion
Civil Engineering:	¥510.0 billion
Real Estate Business and Other:	¥100.0 billion
Total	¥2,135.0 billion

In domestic building construction, order receiving decisions are made so as to control the volume of construction work to match our construction capacity by improving productivity and expanding construction capacity

Medium-Term Business Plan 2022 Implementation Status

Medium-Term Business Plan 2022 – Building Construction

◆ Examples of the Obayashi Group's initiatives in wooden building construction and wood material utilization



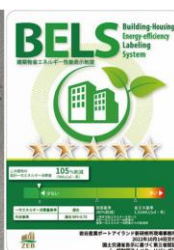
Large-scale plant with hybrid structure of wood and concrete
Reconstruction of Naigai Technos head office and factory



High quality and short construction period achieved with the CLT unit construction method
Obayashi Corporation
Sendai Umeda Dormitory



First wooden temporary site office in Japan to receive ZEB certification: Temporary Construction Site Office of Iwatani Corporation New Training Facility



JR East Group's first wooden commercial building, nonowa KUNITACHI SOUTH

Building Construction:

Focused on wooden building construction and wood material utilization as part of efforts to solve social issues such as carbon neutrality and to strengthen initiatives in growth areas.

- Track recorded of constructing a new head office and factory for Naigai Technos Corporation and the Sendai Umeda Dormitory, etc.
- The construction of “nonowa KUNITACHI SOUTH,” the JR East Group's first wooden commercial building, which started building in March of this year, has been selected by the Ministry of Land, Infrastructure, Transport and Tourism for its contribution to the realization of a decarbonized society under the Fiscal 2022 Sustainable Building Leadership Project (Wooden Leadership Type).
- Creating sustainable buildings and structures is one of our group's social missions. The Group will open up new markets in the field of mid- and high-rise wooden construction, while developing and utilizing the cultural wisdom of the wooden construction that has been cultivated over Japan's long history.

Medium-Term Business Plan 2022 – Civil Engineering

◆ OBRIS:Obayashi Bridge Rehabilitation Integrated System

OBRIS is a cloud-based integrated management system that streamlines operations in each phase of a large-scale highway bridge rehabilitation work through a centralized utilization of data from design to production (component fabrication), construction, and maintenance management. The system contributes to productivity improvement, defect prevention, and assurance of high quality.

Maintenance

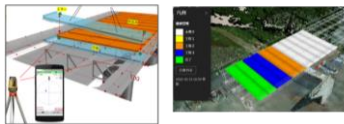
- Maintenance and management based on centralized quality and performed work data



OBRIS-M
Maintenance
Maintenance Management
Integrated System

Construction

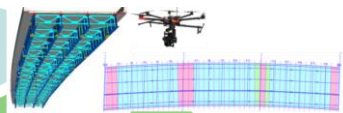
- Installation of floor slabs based on 3D coordinates
- Corrects installation data from the next day onwards based on installation errors
- Digital storage of performed work data and site quality control results



OBRIS-D
Design
Survey & Design
Integrated System

Design

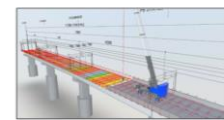
- Automatic CIM data construction from 3D surveying
- Centralized management of design data
- Optimization of design work with automatic allocation functions, etc.



OBRIS-P
Production
Production
Integrated System

Production

- Centralized management of quality records during precast floor slab fabrication
- Remote monitoring of production status
- Measures fabricated slabs and simulates construction with a 3D model



OBRISTM
Obayashi Bridge
Rehabilitation Integrated
System

OBRIS-C
Construction
Construction
Integrated System

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Civil Engineering:

Initiatives toward improvement of productivity and quality

- OBRIS is a cloud-based integrated management system that streamlines operations in each phase of a large-scale highway bridge renewal project through a centralized utilization of data, from design to component fabrication, construction, and maintenance management.
- With approximately 70% of Japan's expressways constructed more than 30 years ago and the need to respond to increasing demand for renewal, the newly developed OBRIS is expected to help realize automation, labor-saving, and is capable of simulating construction by using a digital twin, thereby contributing to improving productivity, preventing defects, and ensuring high quality.

Medium-Term Business Plan 2022 – Real Estate Development

◆ YOKOHAMA SYMPHOSTAGE (under development)

Health, comfort, and infection control in office spaces
Use of rooftop terraces and courtyard terraces



◆ 60 Gracechurch Street (acquired in March 2023)

BF, LGF, GF, 1-8F
Leasable floor area 11,800m² (127,300sq ft)



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Real Estate Development : New projects

<Domestic>

YOKOHAMA SYMPHOSTAGE

- Development is underway in the Minato Mirai 21 Central district of Yokohama with partners Keihin Electric Express Railway, Nittetsu Kowa Real Estate, and Yamaha Corporation.
- Obayashi Group is participating in Yokohama City's efforts to build a decarbonization model, creating a comfortable office environment while reducing building energy consumption, and responding to social demands for decarbonization and environmental consciousness.

<Overseas>

60 Gracechurch Street

- Obayashi Group acquired an office building in the City of London, 60 Gracechurch Street, through Obayashi Properties UK, a U.K. subsidiary.
- This is the third investment in the UK, and we will continue to diversify our rental business portfolio on a global basis to strengthen the Group's stable earnings base and increase its corporate value.

Medium-Term Business Plan 2022 – Green Energy

◆ Started Commercial Operation of Offshore Wind Farms Projects at Akita and Noshiro Ports in Akita Prefecture



Offshore wind farm at Noshiro Port (photo courtesy of Akita Offshore Wind Corporation; all right reserved)

Projects Outline

Location : Akita and Noshiro Ports in Akita Prefecture

Combined total capacity: approx. 140 MW

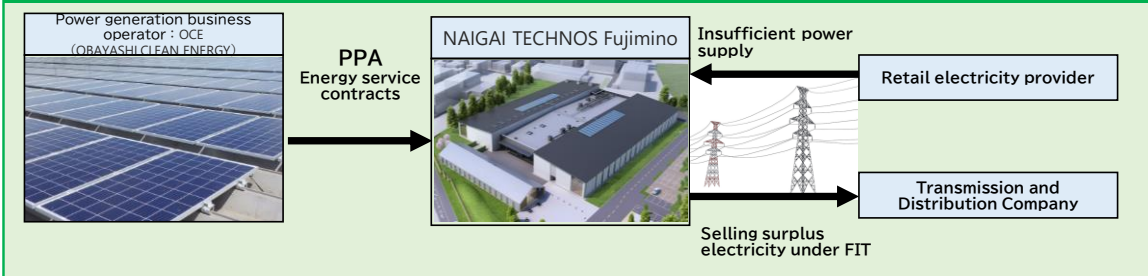
Total project cost: about 100.0 billion yen

Type of power generation: Bottom-mounted offshore wind turbine

Purchaser: Tohoku Electric Power Network Co., Inc.

Power selling period: 20 years

◆ On-site PPA at the Obayashi Group (NAIGAI TECHNOS New Plant)

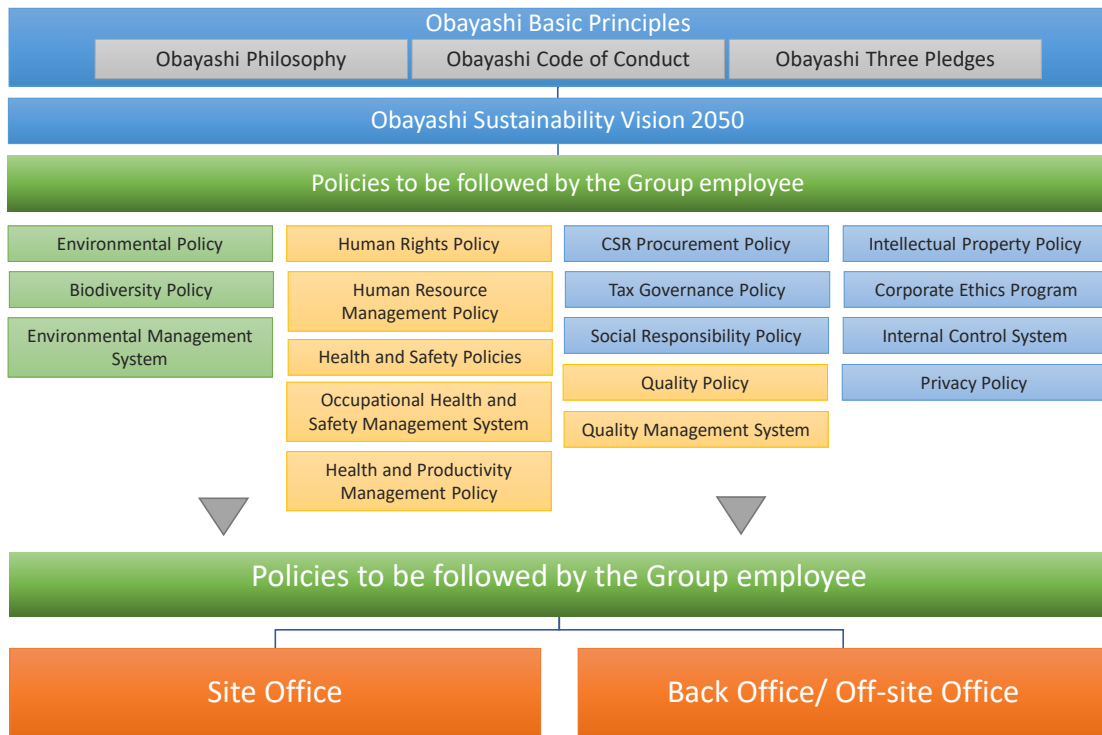


Green Energy

- Obayashi Group, jointly with Marubeni, Tohoku Electric Power, Cosmo Power, Kansai Electric Power, Chubu Electric Power, and other local companies, have undertaken offshore wind power generation projects in Akita and Noshiro ports, which started commercial operation in December 2022
- The project is the first large-scale offshore wind power generation project in Japan on a commercial basis, and will proceed with the project while leveraging its accumulated knowledge and expertise
- Obayashi Clean Energy, which operates a renewable energy business, began supplying electricity through a solar on-site PPA to the head office and factories of Naigai Technos, our subsidiary, in March this year
- Our strength in on-site PPA is our ability to make proposals that meet the customer needs by leveraging our accumulated knowledge as a renewable energy business operator
- By acquiring new know-how through this project, Obayashi Group hopes to be able to propose solutions to the decarbonization needs of its construction clients in the future

Medium-Term Business Plan 2022

– Sustainability Management (Basic Principles, Policies)



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To realize Obayashi group's basic philosophy and Obayashi Sustainability Vision 2050, the Obayashi Group has established policies and regulations that all group employees must adhere to as a foundation.

- Human Resource Management Policy (Established in December 2022)

The purpose of this policy is to improve engagement by providing opportunities for growth through work and creating a rewarding workplace in a corporate culture that embraces diversity and mutual respect.

Regarding human rights in the supply chain, Obayashi Group is confirming the acceptance status of foreign technical intern trainees and the traceability of lumber and solar panels procured from overseas. It will continue to implement human rights due diligence based on the roadmap established.

- Environmental Policy (Revised in in April 2023)

Expands the scope of application to all officers and employees of the Group and specifies specific initiatives to realize a decarbonized society

- Intellectual Property Management Policy (Established in April 2023)

Serves as the basis for improving the value of intellectual property and developing an intellectual property strategy that organically links the technology development strategy with the business strategy

Medium-Term Business Plan 2022 – Human Resource Management Policy

1 Reaching one's full potential while staying safe and healthy

We will build a healthy workplace where mutual respect and trust allow for constructive discussions.

2 Securing Attractive Diverse Talent

Through multiple hiring opportunities, we will employ people with diverse abilities and experiences and offer them a place where they can achieve their full potential.

3 Making everyone enjoy learning and grow together

Emphasize the value of workplace conversations and develop a mindset in employees that their work and work environment are opportunities for growth. We will support skill and knowledge acquisition to fulfill their curiosity and ambition. We will also offer training, overseas study programs, and talent exchange programs to drive our employees to develop their abilities and career paths proactively.

4 Dynamic individuals, effective teams

We will allocate human resources appropriately based on the individual's ability, aptitude, and career progression to ensure we respect the individual while maximizing business execution organizational ability.

5 Rewarding contribution to the company

We will establish and implement fair assessment and treatment systems based on the job, responsibility, and ability in order to maintain and enhance each employee's motivation while rewarding in a timely manner those who contribute to the Obayashi Group's performance as well as medium- to long-term growth.

Through these initiatives, the Obayashi Group will develop human resources personnel who identify with the company vision and are driven to seize opportunities and collaborate with others to achieve their full potential. And together, we will pave the way for a prosperous future for our society.

Medium-Term Business Plan 2022 – Intellectual Property Policy

The Obayashi Group define intellectual property as overall intellectual assets encompassing a broad spectrum of techniques, ideas, know-how, accumulated data, and networks built with external partners, regardless of whether or not they are protected by statutory industrial property rights, such as patent and design rights, being linked together in an organic fashion. We will create and utilize these assets effectively to generate value, in order to ensure the sustainable advantage of our business and contribute to solving social issues.

To the above end, we have therefore established the Intellectual Property Policy to provide guidelines for developing intellectual property activities in an integrated manner, with the aim of achieving a sustained increase in the Obayashi Group's corporate value.

Create

We effectively acquire intellectual property to realize the vision and business strategies of the Obayashi Group.

Utilize

We make the most effective use of intellectual property so acquired in order to create new value on an ongoing basis.

Protect

In order to ensure the protection of intellectual property, we secure and exercise our legitimate rights to such property while respecting those of others.

Communicate

We communicate with our stakeholders in a comprehensible way about our activities aimed at achieving the Obayashi Group's sustainable growth by creating value through the acquisition and utilization of intellectual property.

We promote these intellectual property activities in a bid to achieve a sustained increase in our corporate value.

Medium-Term Business Plan 2022 – Environment Policy

◆ Obayashi Group Environmental Policy (Extract)

As an environmentally friendly, good corporate citizen, the Obayashi Group considers voluntarily engaging in environmental initiatives and continuously improving them as one of priority issues in our business management and seeks to contribute through all our business activities to the realization of sustainability of the Planet, Society, and People as stated in the Obayashi Sustainability Vision 2050.

1 Scope of Application

This Policy applies to all officers and employees of the Obayashi Group (all employees including officers, employees, seconded employees, and employees accepted on assignment). In addition, we expect our business partners and suppliers to support this Policy and adopt similar policy of their own.

2 Compliance with Laws and Regulations

The Obayashi Group complies with laws, regulations, ordinances, and rules related to the environment.

3 Efforts to Reduce Environmental Impact through Entire Business Activities

The Obayashi Group implements the following initiatives throughout our supply chain to realize a decarbonized, recycling-oriented society that has respect for the natural world.

- (1) Reduce greenhouse gas emissions
- (2) Reduce the consumption of materials, water, and energy through their efficient use
- (3) Reduce and recycle waste materials
- (4) Preserve biodiversity and protect nature
- (5) Prevent pollution through proper management of toxic substances and other hazardous substances
- (6) Procure materials and equipment with low environmental impact
- (7) Research and develop environmentally friendly technologies

4 Implementation of Environmental Management Review (Omitted)

5 Education and Training (Omitted)

6 Dialog and Consultation with Stakeholders

The Obayashi Group has dialogues and discussions with our stakeholders to promote environmental initiatives in response to the demands from society.

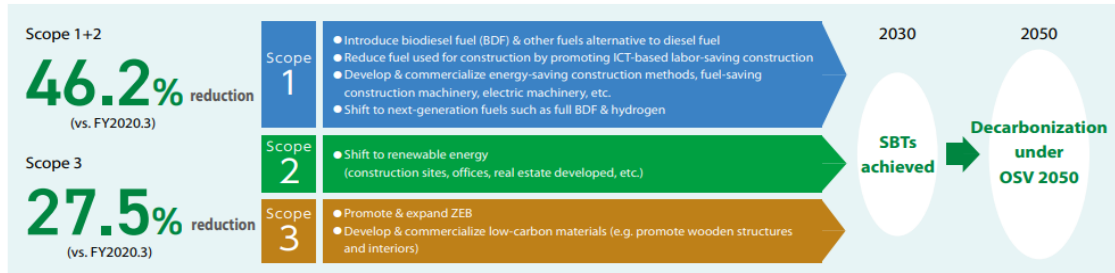
7 Information Disclosure

The Obayashi Group will report our environmental initiatives based on this Policy through our website and other means.

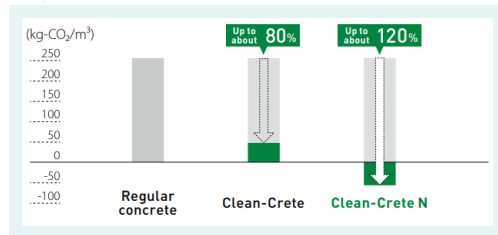
Sustainability Initiatives [Toward Achieving Carbon Neutrality]

The Group obtained SBT certification in October 2022 for newly set greenhouse gas emission reduction targets based on the long-term vision Obayashi Sustainability Vision 2050. To achieve the targets, the Group will promote specific carbon neutral initiatives through our business activities in accordance with the framework disclosed in accordance with TCFD recommendations.

GHG Reduction Targets for FY2031.3



◆Clean-Crete N
 In 2010, the Group developed “Clean-Crete,” which reduces CO2 emissions during manufacturing by up to 80%. It has been applied to a total of approximately 90 building construction and civil engineering projects. Furthermore, the Group has developed “Clean-Crete N,” which achieves carbon negativity by mixing a powder composed mainly of calcium carbonate, which absorbs and fixes CO2.



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Sustainability Initiatives [Toward Achieving Carbon Neutrality]

- The Obayashi Group obtained Science Based Targets (SBT) certification in October 2022 for greenhouse gas emission reduction targets.
- At construction sites, the introduction of alternative fuels of such as diesel oil and labor-saving construction using ICT are being promoted.
- In addition, the Group is promoting the conversion to renewable energy sources at construction sites, offices, and development properties, and is making steady progress toward reducing Scope 1 and Scope 2 emissions, including the conversion to renewable energy sources at more than 80% of its leased office buildings.
- As to Scope 3, the Group will contribute to the realization of a sustainable society by developing and commercializing low-carbon materials such as ZEB, wooden building construction and wood materials, and clean concrete, in addition to the onsite PPAs introduced earlier.

Sustainability Initiatives

[Realization of a recycling-oriented business model that makes the most of forest resources]



Comprehensive agreement signed with Hanno City, Saitama Prefecture, on the use of locally produced wood

Cypress Sunadaya, a wood products manufacturing and sales company, becomes our subsidiary



Technology developed for stable cultivation and growth of saplings by artificial light

Tree planting and afforestation

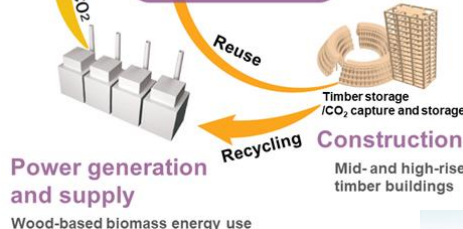
Circular use of forest

Processing and procurement

Supply chain management

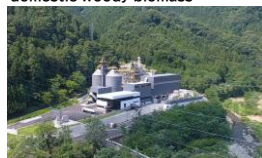


Circular Timber Construction®



Fully-wooden and fire-resistant high-rise structure "Port Plus"

Otsuki Biomass Power Plant (Otsuki City, Yamanashi Prefecture), which utilizes domestic woody biomass



Hybrid timber structure Obayashi Corporation Sendai Umeda Dormitory

Atlassian Central New Construction (Australia), the tallest wood hybrid structure in the world



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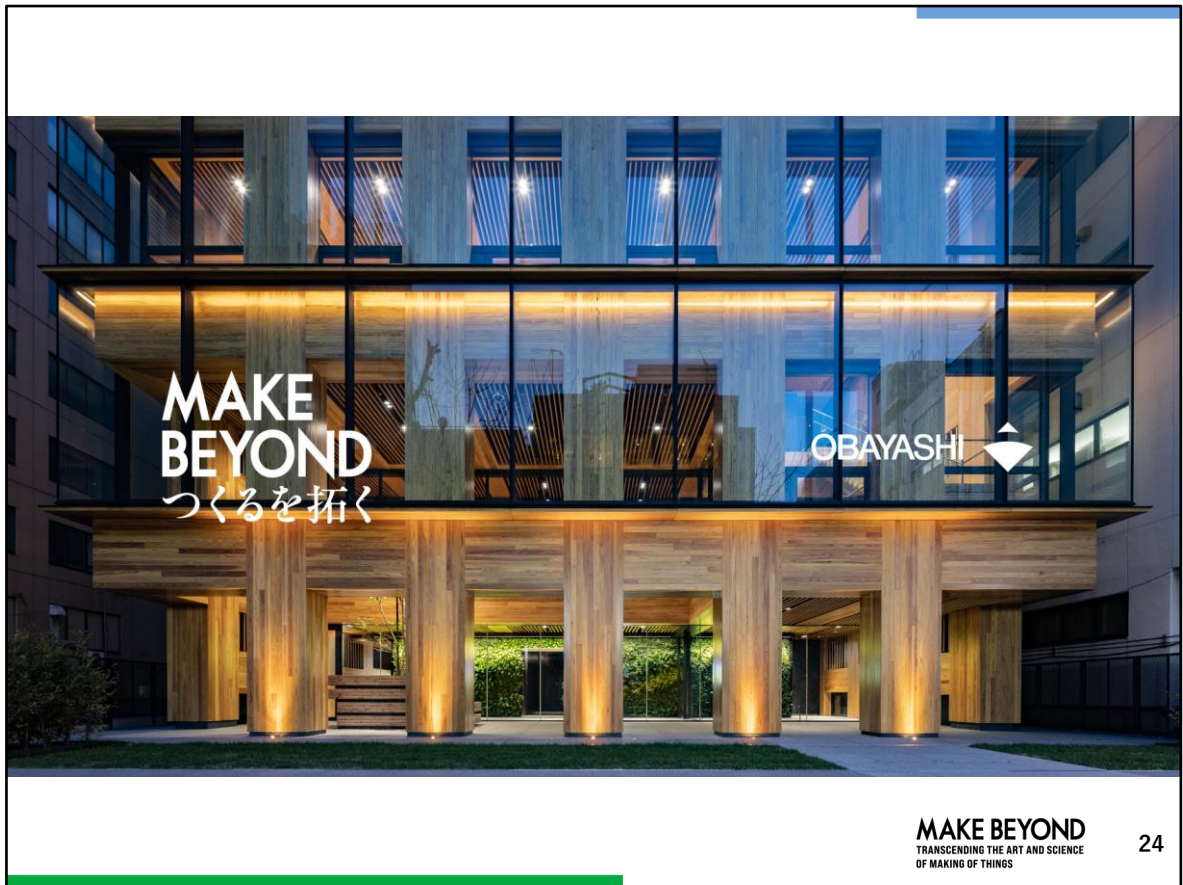
Sustainability Initiatives [Realization of a recycling-oriented business model that makes the most of forest resources]

The Obayashi Group has a new recycling-oriented business model, Circular Timber Construction, which optimizes the entire supply chain in wooden building construction and wood material utilization.

One of Obayashi Group's upstream initiatives has developed a technology to stably and efficiently grow larch and other species of saplings, which can be used as structural components of medium-to high-rise wooden buildings, from seeding to ready-to-ship size by controlling the environment indoors with artificial light, regardless of the environment or season.

In the mid-stream business, the Group has entered into a capital partnership with Cypress Sunadaya, the largest manufacturer of Japanese cypress wood products, which possesses advanced processing technology, large-scale production capacity, and price competitiveness.

In addition to wooden building construction and wood material utilization, the Group will promote upstream and midstream initiatives such as these to promote the use of wood and the sustainable circular utilization of forests.



MAKE BEYOND
TRANSCENDING THE ART AND SCIENCE
OF MAKING OF THINGS

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In an extremely challenging business environment, our Group is required to respond to a variety of issues, including price hikes and the need to secure human resources. The Group will overcome this difficult situation by combining the skills and wisdom of each and every member of our Group and continuing to take on the challenge of change with the passion for manufacturing that has been inherited since our foundation.

Disclaimer

This investor presentation, an English translation of the presentation made at the investor meeting on May 11, 2023 as a digest of “FY2022 Financial Results (April 1 to March 31, 2023)” (“Kessan Tanshin” and “Kessan Setsumeishi Shiryō”) disclosed at the Tokyo Stock Exchange on May 11, 2023, is presented solely for the convenience of non-Japanese speaking users. If there is any discrepancy between Japanese “Kessan Tanshin” or “Kessan Setsumeishi Shiryō” and this presentation, Japanese version 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.