

May 13, 2024

Notice Concerning Dividends from Surplus

OBAYASHI CORPORATION (hereinafter referred to as the "Company") hereby announces that it has resolved, at a meeting of the Board of Directors held on May 13th, 2024, to submit a proposal to the 120th Ordinary General Meeting of Shareholders scheduled to be held on June 27, 2024, regarding the payment of dividends of surplus with a record date of March 31, 2024. The details are described below.

1. Details of Dividend

	Determined amount	Most recent dividend forecast Announced on March 4, 2024	Actual results for the previous period Fiscal year ended March 31, 2023
Record date	March 31, 2024	March 31, 2024	March 31, 2023
Dividend per share	54.00 yen	51.00 yen	21.00 yen
Total amount of dividends	38,768 million yen	-	15,078 million yen
Effective date	June 28, 2024	-	June 29, 2023
Source of dividends	Retained earnings	-	Retained earnings

2. Reason

As disclosed on March 4, 2024 in ["Notice Concerning Changes in Dividend Policy and Revision to Dividend Forecasts \(Dividend Increase\)."](#) the Company has changed its dividend policy and raised the annual dividend level from a dividend on equity ratio (DOE) of around 3% to DOE of around 5%.

Based on this policy, the Company plans a year-end dividend of 54 yen per share (an increase of 3 yen from the dividend forecast announced on March 4, 2024). Together with the interim dividend of 21 yen per share, the annual dividend is planned to be 75 yen per share (consolidated dividend payout ratio of 71.6%, an increase of 33 yen from the previous year).

(Reference)

1. Dividend Policy

Aiming to enhance its corporate value, the Company will strengthen investment in human resources, digital transformation (DX), technology, and enhancement of productivity and create sustainable profits to continue to fulfill the social mission of the construction industry

where a decline in the number of engineers and workers is expected while giving top priority to the safety and quality. In addition, the Company will primarily carry out timely and proactive growth investments in fields where the Company can establish a competitive advantage and increase profits. From the point of improving capital efficiency, the Company will implement strategic shareholder returns by setting investment capital for each business according to the growth of the construction business and related businesses of the Obayashi Group and determining the necessary equity amount after examining the capital structure of each business.

For annual dividends, the Company established a policy that sets DOE of around 5%, with a priority on maintaining long-term stable dividends.

< Reference: Annual dividends based on DOE of around 5%>
 $DOE\ 5\% = [(Equity\ as\ of\ the\ end\ of\ the\ previous\ fiscal\ year + Equity\ as\ of\ the\ end\ of\ the\ current\ fiscal\ year) / 2] \times 5\%$
 → Target for total annual dividends (interim + year-end)

In addition to annual dividends, the Company will execute flexible shareholder returns by using various ways such as special dividends and acquisition of own shares, according to necessary equity and profit status (comprehensive decision-making will be made in consideration of the profitability and financial status of the Group, PBR, and other factors).

In addition, the Company will review the DOE target in line with the medium- to long-term improvement of the profit level.

2. Breakdown of Annual Dividends

Record date	Dividend per share (Yen)		
	End of 2Q (interim)	End of 4Q (year-end)	Annual
Actual results for the current period (Fiscal year ended March 31, 2024)	21.00	54.00	75.00
Actual results for the previous period (Fiscal year ended March 31, 2023)	21.00	21.00	42.00

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