OBAYASHI CORPORATION

NON-CONSOLIDATED
FINANCIAL STATEMENTS

Year Ended March 31, 2026

Shape the future
with confidence

Independent Auditor's Report

The Board of Directors
OBAYASHI CORPORATION

The Audit of the Non-Consolidated Financial Statements

Opinion

We have audited the accompanying non-consolidated financial statements of OBAYASHI CORPORATION (the Company), which comprise the non-consolidated balance sheet as at March 31, 2026, and the non-consolidated statements of income, and changes in net assets for the year then ended, and notes to the non-consolidated financial statements.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the non-consolidated financial position of the Company as at March 31, 2026, and its non-consolidated financial performance for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the non-consolidated financial statements in Japan, including those applicable to audits of financial statements of public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the non-consolidated financial statements of the current period. These matters were addressed in the context of the audit of the non-consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Estimation of total construction revenue and total construction costs in applying the method to recognize revenue by satisfying performance obligations over a certain period of time
Description is omitted because it is the same key audit matter described in the auditor's report of the consolidated financial statements (Estimation of total construction revenue and total construction costs in applying the method to recognize revenue by satisfying performance obligations over a certain period of time).

Shape the future
with confidence

Assessment of indicators of impairment of investment and rental properties
Description is omitted because it is the same key audit matter described in the auditor's report of the consolidated financial statements (Assessment of indicators of impairment of investment and rental properties).

Other Information

Other information comprises the information included in disclosure documents that contains audited non-consolidated financial statements, but does not include the non-consolidated financial statements and our auditor's report thereon.

We have concluded that other information does not exist. Accordingly, we have not performed any work related to other information.

Responsibilities of Management, the Corporate Auditor and the Board of Corporate Auditors for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Corporate Auditor and the Board of Corporate Auditors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these non-consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the non-consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the non-consolidated financial statements is not expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the non-consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.

We communicate with the Corporate Auditor and the Board of Corporate Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Corporate Auditor and the Board of Corporate Auditors with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the non-consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Corporate Auditor and the Board of Corporate Auditors, we determine those matters that were of most significance in the audit of the non-consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Convenience Translation

The U.S. dollar amounts in the accompanying non-consolidated financial statements with respect to the year ended March 31, 2026 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 2 to the non-consolidated financial statements.

Fee-related Information

The fee-related information is described in the auditor's report of the consolidated financial statements.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

July 31, 2026

Yoko Ito
Designated Engagement Partner
Certified Public Accountant

Takeshi Yoshida
Designated Engagement Partner
Certified Public Accountant

Non-Consolidated Balance Sheet

OBAYASHI CORPORATION

As of March 31, 2026 and 2025

	Yen in millions		U.S. dollars in thousands (Note 2)	
	2026	2025	**2026**	2025
Assets				
Current assets				
Cash and deposits	**¥ 182,981**	¥ 194,430	**$ 1,144,495**	$ 1,216,103
Notes receivable—trade	**3,117**	313	**19,500**	1,961
Electronically recorded monetary claims - operating	**12,830**	12,945	**80,250**	80,968
Accounts receivable from completed construction contracts	**756,465**	848,985	**4,731,457**	5,310,139
Accounts receivable—real estate business and other	**9,600**	6,393	**60,047**	39,986
Securities (Note 6)	**—**	10	**—**	67
Real estate for sale	**3,026**	2,116	**18,931**	13,239
Costs on construction contracts in progress	**46,508**	35,998	**290,894**	225,159
Costs on real estate business and other	**4,198**	6,992	**26,260**	43,735
Raw materials and supplies	**1,628**	1,886	**10,188**	11,797
Short-term loans receivable	**16,401**	46,819	**102,587**	292,842
Prepaid expenses	**2,444**	2,282	**15,291**	14,276
Accounts receivable—other	**75,690**	84,799	**473,418**	530,395
Other (Note 6)	**46,415**	21,663	**290,315**	135,498
Allowance for doubtful accounts	**(85)**	(96)	**(531)**	(600)
Total current assets	**1,161,225**	1,265,541	**7,263,108**	7,915,571
Non-current assets				
Property, plant and equipment				
Buildings	**135,089**	118,190	**844,940**	739,246
Accumulated depreciation	**(54,395)**	(51,294)	**(340,225)**	(320,833)
Buildings, net	**80,693**	66,895	**504,714**	418,412
Structures	**6,927**	7,033	**43,332**	43,989
Accumulated depreciation	**(4,127)**	(4,418)	**(25,816)**	(27,633)
Structures, net	**2,800**	2,614	**17,515**	16,355
Machinery and equipment	**53,749**	49,876	**336,183**	311,962
Accumulated depreciation	**(42,474)**	(37,914)	**(265,662)**	(237,144)
Machinery and equipment, net	**11,274**	11,961	**70,520**	74,818
Vessels	**6,596**	6,596	**41,256**	41,256
Accumulated depreciation	**(2,464)**	(1,636)	**(15,416)**	(10,236)
Vessels, net	**4,131**	4,959	**25,840**	31,020
Vehicles	**909**	568	**5,690**	3,556
Accumulated depreciation	**(661)**	(447)	**(4,138)**	(2,801)
Vehicles, net	**248**	120	**1,551**	755
Tools, furniture and fixtures	**18,167**	16,916	**113,632**	105,810
Accumulated depreciation	**(13,781)**	(13,174)	**(86,200)**	(82,400)
Tools, furniture and fixtures, net	**4,385**	3,742	**27,432**	23,409
Land	**197,325**	183,219	**1,234,209**	1,145,983
Leased assets	**25**	24	**158**	156
Accumulated depreciation	**(5)**	(17)	**(34)**	(111)
Leased assets, net	**19**	7	**123**	44
Construction in progress	**3,963**	11,289	**24,793**	70,614
Total property, plant and equipment	**304,843**	284,812	**1,906,701**	1,781,414
Intangible assets				
Software	**4,841**	5,287	**30,283**	33,073
Leasehold interests in land	**1,380**	14	**8,633**	93
Telephone subscription right	**1**	1	**12**	12
Other	**2,718**	2,598	**17,005**	16,249
Total intangible assets	**8,942**	7,902	**55,934**	49,428
Investments and other assets				
Investment securities (Note 6)	**295,920**	278,270	**1,850,890**	1,740,494
Shares of subsidiaries and associates (Notes 6 and 9)	**147,349**	128,984	**921,627**	806,757
Bonds of subsidiaries and associates	**943**	—	**5,903**	—
Investments in capital	**106**	104	**667**	656
Investments in capital of subsidiaries and associates	**161,877**	154,762	**1,012,494**	967,989
Long-term loans receivable from employees	**766**	712	**4,792**	4,455
Long-term loans receivable from subsidiaries and associates	**8,490**	2,799	**53,107**	17,508
Distressed receivables	**610**	610	**3,815**	3,815
Prepaid pension costs	**3,471**	2,542	**21,711**	15,902
Lease and guarantee deposits	**5,780**	5,993	**36,157**	37,489
Other (Note 6)	**2,554**	2,924	**15,975**	18,290
Allowance for doubtful accounts	**(1,789)**	(683)	**(11,193)**	(4,278)
Total investments and other assets	**626,082**	577,019	**3,915,952**	3,609,081
Total non-current assets	**939,868**	869,735	**5,878,588**	5,439,924
Total assets	**¥ 2,101,094**	¥ 2,135,276	**$ 13,141,696**	$ 13,355,496

The accompanying notes to the non-consolidated financial statements are an integral part of this statement.

	Yen in millions		U.S. dollars in thousands (Note 2)	
	2026	2025	**2026**	2025
Liabilities				
Current liabilities				
Notes payable—trade	**¥ 805**	¥ 4,556	**$ 5,041**	$ 28,500
Electronically recorded obligations - operating	**92,111**	98,463	**576,127**	615,856
Accounts payable for construction contracts	**386,743**	513,317	**2,418,960**	3,210,641
Accounts payable - real estate business and other	**2,921**	1,869	**18,271**	11,695
Short-term borrowings	**44,650**	67,111	**279,271**	419,758
Lease liabilities	**5**	4	**31**	25
Accounts payable—other (Note 6)	**9,205**	33,651	**57,579**	210,481
Accrued expenses	**29,168**	23,754	**182,436**	148,577
Income taxes payable	**34,936**	41,594	**218,517**	260,162
Advances received on construction contracts in progress	**197,949**	124,776	**1,238,115**	780,440
Deposits received - real estate business and other	**5,679**	4,953	**35,521**	30,982
Deposits received	**178,077**	164,784	**1,113,819**	1,030,673
Unearned revenue	**140**	133	**876**	836
Provision for warranties for completed construction	**2,324**	2,734	**14,535**	17,100
Provision for loss on construction contracts	**6,840**	15,061	**42,782**	94,201
Deposits received from employees	**23,921**	25,255	**149,622**	157,967
Other	**1,489**	4,420	**9,316**	27,647
Total current liabilities	**1,016,969**	1,126,442	**6,360,828**	7,045,550
Non-current liabilities				
Bonds payable	**60,000**	60,000	**375,281**	375,281
Long-term borrowings	**68,792**	51,352	**430,272**	321,190
Lease liabilities	**16**	3	**104**	23
Long-term income taxes payable	**984**	114	**6,155**	715
Deferred tax liabilities (Note 10)	**13,264**	6,580	**82,963**	41,160
Deferred tax liabilities for land revaluation (Note 10)	**14,600**	14,696	**91,320**	91,922
Provision for retirement benefits	**42,595**	43,614	**266,421**	272,792
Provision for share awards for directors (and other officers)	**703**	686	**4,401**	4,292
Provision for loss on business of subsidiaries and associates	**2,001**	3,312	**12,520**	20,715
Assets retirement obligations	**589**	578	**3,688**	3,619
Other	**7,387**	5,251	**46,208**	32,843
Total non-current liabilities	**210,936**	186,189	**1,319,339**	1,164,557
Total liabilities	**1,227,905**	1,312,632	**7,680,168**	8,210,108
Net assets				
Shareholders' equity				
Share capital	**57,752**	57,752	**361,225**	361,225
Capital surplus				
Legal capital surplus	**41,694**	41,694	**260,785**	260,785
Total capital surpluses	**41,694**	41,694	**260,785**	260,785
Retained earnings				
Legal retained earnings	**14,438**	14,438	**90,305**	90,305
Other retained earnings				
Reserve for tax purpose reduction entry of non-current assets	**2,177**	2,217	**13,619**	13,872
General reserve	**460,000**	460,000	**2,877,157**	2,877,157
Retained earnings brought forward	**142,060**	118,583	**888,546**	741,704
Total retained earnings	**618,676**	595,239	**3,869,629**	3,723,040
Treasury shares	**(9,514)**	(14,828)	**(59,510)**	(92,750)
Total shareholders' equity	**708,608**	679,857	**4,432,129**	4,252,300
Valuation and translation adjustments				
Valuation difference on available-for-sale securities	**147,834**	126,467	**924,660**	791,016
Revaluation reserve for land	**16,745**	16,318	**104,738**	102,069
Total valuation and translation adjustments	**164,580**	142,786	**1,029,399**	893,086
Total net assets	**873,189**	822,644	**5,461,528**	5,145,387
Total liabilities and net assets	**¥ 2,101,094**	¥ 2,135,276	**$ 13,141,696**	$ 13,355,496

The accompanying notes to the non-consolidated financial statements are an integral part of this statement.

Non-Consolidated Statement of Income

OBAYASHI CORPORATION
For the Fiscal Years Ended March 31, 2026 and 2025

	Yen in millions		U.S. dollars in thousands (Note 2)	
	2026	2025	**2026**	2025
Net sales				
Net sales of completed construction contracts	¥ **1,474,003**	¥ 1,636,348	$ **9,219,435**	$ 10,234,856
Net sales in real estate business and other	**35,987**	24,313	**225,093**	152,075
Total net sales	**1,509,991**	1,660,662	**9,444,528**	10,386,932
Cost of sales				
Cost of sales of completed construction contracts	**1,245,803**	1,456,380	**7,792,114**	9,109,211
Cost of sales in real estate business and other	**29,729**	19,432	**185,950**	121,543
Total cost of sales	**1,275,533**	1,475,813	**7,978,065**	9,230,754
Gross profit				
Gross profit on completed construction contracts	**228,200**	179,968	**1,427,320**	1,125,644
Gross profit on real estate business and other	**6,258**	4,881	**39,143**	30,532
Total gross profit	**234,458**	184,849	**1,466,463**	1,156,177
Selling, general and administrative expenses (Note 7)	**104,505**	95,431	**653,648**	596,892
Operating profit	**129,952**	89,418	**812,814**	559,284
Other income (expenses)				
Interest and dividend income (Note 7)	**41,292**	12,939	**258,270**	80,932
Foreign exchange gains (losses), net	**3,093**	(1,040)	**19,348**	(6,505)
Interest expenses	**(1,496)**	(1,101)	**(9,358)**	(6,890)
Foreign withholding tax	**(2,780)**	(59)	**(17,388)**	(373)
Gain on sale of investment securities	**48,973**	68,709	**306,314**	429,758
Gain on sale of non-current assets	**168**	9	**1,056**	59
Loss on business of subsidiaries and associates (Note 7)	**(5,763)**	(53)	**(36,051)**	(332)
Loss on valuation of investment securities	**(898)**	(2,112)	**(5,620)**	(13,214)
Loss on sale and retirement of non-current assets	**(150)**	(531)	**(942)**	(3,325)
Other, net (Note 7)	**6,945**	(5,744)	**43,440**	(35,928)
Total other income (expenses)	**89,384**	71,015	**559,069**	444,179
Profit before income taxes	**219,336**	160,433	**1,371,884**	1,003,464
Income taxes (Note 10)				
Income taxes—current	**59,686**	48,021	**373,323**	300,358
Income taxes—deferred	**(3,192)**	(3,309)	**(19,970)**	(20,698)
Total income taxes	**56,494**	44,711	**353,352**	279,659
Profit	¥ **162,842**	¥ 115,721	$ **1,018,531**	$ 723,804

The accompanying notes to the non-consolidated financial statements are an integral part of this statement.

Non-Consolidated Statement of Changes in Equity

OBAYASHI CORPORATION

For the Fiscal Year Ended March 31, 2026

Yen in millions

	Shareholders' equity										
		Capital surplus			Retained earnings						
						Other retained earnings					
	Share capital	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	Total retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	¥ 57,752	¥ 41,694	¥ -	¥ 41,694	¥ 14,438	¥ 2,217	¥ 460,000	¥ 118,583	¥ 595,239	¥ (14,828)	¥ 679,857
Changes during period											
Reversal of reserve for tax purpose reduction entry of non-current assets						(40)		40	-		-
Dividends of surplus								(57,788)	(57,788)		(57,788)
Profit								162,842	162,842		162,842
Reversal of revaluation reserve for land								(426)	(426)		(426)
Decrease by corporate division								(17,984)	(17,984)		(17,984)
Purchase of treasury shares										(58,061)	(58,061)
Disposal of treasury shares										168	168
Cancellation of treasury shares			(63,206)	(63,206)						63,206	-
Transfer from retained earnings to capital surplus			63,206	63,206				(63,206)	(63,206)		-
Net changes in items other than shareholders' equity											
Total changes during period	-	-	-	-	-	(40)	-	23,477	23,436	5,314	28,750
Balance at end of period	¥ 57,752	¥ 41,694	¥ -	¥ 41,694	¥ 14,438	¥ 2,177	¥ 460,000	¥ 142,060	¥ 618,676	¥ (9,514)	¥ 708,608

	Valuation and translation adjustments				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	¥ 126,467	¥ -	¥ 16,318	¥ 142,786	¥ 822,644
Changes during period					
Reversal of reserve for tax purpose reduction entry of non-current assets					-
Dividends of surplus					(57,788)
Profit					162,842
Reversal of revaluation reserve for land					(426)
Decrease by corporate division					(17,984)
Purchase of treasury shares					(58,061)
Disposal of treasury shares					168
Cancellation of treasury shares					-
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity	21,366	-	426	21,793	21,793
Total changes during period	21,366	-	426	21,793	50,544
Balance at end of period	¥ 147,834	¥ -	¥ 16,745	¥ 164,580	¥ 873,189

Non-Consolidated Statement of Changes in Equity

For the Fiscal Year Ended March 31, 2026

U.S. dollars in thousands (Note 2)

	Shareholders' equity										
	Share capital	Capital surplus			Retained earnings					Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings			Total retained earnings		
						Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward			
Balance at beginning of period	$ 361,225	$ 260,785	$ -	$ 260,785	$ 90,305	$ 13,872	$ 2,877,157	$ 741,704	$ 3,723,040	$ (92,750)	$ 4,252,300
Changes during period											
Reversal of reserve for tax purpose reduction entry of non-current assets						(252)		252	-		-
Dividends of surplus								(361,449)	(361,449)		(361,449)
Profit								1,018,531	1,018,531		1,018,531
Reversal of revaluation reserve for land								(2,668)	(2,668)		(2,668)
Decrease by corporate division								(112,484)	(112,484)		(112,484)
Purchase of treasury shares										(363,155)	(363,155)
Disposal of treasury shares										1,055	1,055
Cancellation of treasury shares			(395,339)	(395,339)						395,339	-
Transfer from retained earnings to capital surplus			395,339	395,339				(395,339)	(395,339)		-
Net changes in items other than shareholders' equity											
Total changes during period	-	-	-	-	-	(252)	-	146,841	146,589	33,239	179,828
Balance at end of period	$ 361,225	$ 260,785	$ -	$ 260,785	$ 90,305	$ 13,619	$ 2,877,157	$ 888,546	$ 3,869,629	$ (59,510)	$ 4,432,129

	Valuation and translation adjustments				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	$ 791,016	$ -	$ 102,069	$ 893,086	$ 5,145,387
Changes during period					
Reversal of reserve for tax purpose reduction entry of non-current assets					-
Dividends of surplus					(361,449)
Profit					1,018,531
Reversal of revaluation reserve for land					(2,668)
Decrease by corporate division					(112,484)
Purchase of treasury shares					(363,155)
Disposal of treasury shares					1,055
Cancellation of treasury shares					-
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity	133,643	-	2,668	136,312	136,312
Total changes during period	133,643	-	2,668	136,312	316,140
Balance at end of period	$ 924,660	$ -	$ 104,738	$ 1,029,399	$ 5,461,528

The accompanying notes to the consolidated financial statements are an integral part of this statement.

Non-Consolidated Statement of Changes in Equity

For the Fiscal Year Ended March 31, 2025

Yen in millions

	Shareholders' equity										
		Capital surplus			Retained earnings						
						Other retained earnings					
	Share capital	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	Total retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	¥ 57,752	¥ 41,694	¥ -	¥ 41,694	¥ 14,438	¥ 2,287	¥ 460,000	¥ 69,557	¥ 546,283	¥ (2,711)	¥ 643,018
Changes during period											
Reversal of reserve for tax purpose reduction entry of non-current assets						(69)		69	-		-
Dividends of surplus								(67,486)	(67,486)		(67,486)
Profit								115,721	115,721		115,721
Reversal of revaluation reserve for land								720	720		720
Decrease by corporate division											-
Purchase of treasury shares										(12,217)	(12,217)
Disposal of treasury shares										100	100
Cancellation of treasury shares											-
Transfer from retained earnings to capital surplus											-
Net changes in items other than shareholders' equity											
Total changes during period	-	-	-	-	-	(69)	-	49,025	48,956	(12,117)	36,839
Balance at end of period	¥ 57,752	¥ 41,694	¥ -	¥ 41,694	¥ 14,438	¥ 2,217	¥ 460,000	¥ 118,583	¥ 595,239	¥ (14,828)	¥ 679,857

	Valuation and translation adjustments				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	¥ 205,396	¥ 355	¥ 17,460	¥ 223,212	¥ 866,231
Changes during period					
Reversal of reserve for tax purpose reduction entry of non-current assets					-
Dividends of surplus					(67,486)
Profit					115,721
Reversal of revaluation reserve for land					720
Decrease by corporate division					-
Purchase of treasury shares					(12,217)
Disposal of treasury shares					100
Cancellation of treasury shares					-
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity	(78,928)	(355)	(1,141)	(80,425)	(80,425)
Total changes during period	(78,928)	(355)	(1,141)	(80,425)	(43,586)
Balance at end of period	¥ 126,467	¥ -	¥ 16,318	¥ 142,786	¥ 822,644

Non-Consolidated Statement of Changes in Equity

For the Fiscal Year Ended March 31, 2025

U.S. dollars in thousands (Note 2)

	Shareholders' equity										
		Capital surplus			Retained earnings						
						Other retained earnings					
	Share capital	Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Reserve for tax purpose reduction entry of non-current assets	General reserve	Retained earnings brought forward	Total retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	$ 361,225	$ 260,785	$ -	$ 260,785	$ 90,305	$ 14,306	$ 2,877,157	$ 435,063	$ 3,416,832	$ (16,961)	$ 4,021,882
Changes during period											
Reversal of reserve for tax purpose reduction entry of non-current assets						(433)		433	-		-
Dividends of surplus								(422,106)	(422,106)		(422,106)
Profit								723,804	723,804		723,804
Reversal of revaluation reserve for land								4,509	4,509		4,509
Decrease by corporate division											-
Purchase of treasury shares										(76,418)	(76,418)
Disposal of treasury shares										629	629
Cancellation of treasury shares											-
Transfer from retained earnings to capital surplus											-
Net changes in items other than shareholders' equity											
Total changes during period	-	-	-	-	-	(433)	-	306,641	306,207	(75,788)	230,418
Balance at end of period	$ 361,225	$ 260,785	$ -	$ 260,785	$ 90,305	$ 13,872	$ 2,877,157	$ 741,704	$ 3,723,040	$ (92,750)	$ 4,252,300

	Valuation and translation adjustments				Total net assets
	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	$ 1,284,688	$ 2,225	$ 109,211	$ 1,396,125	$ 5,418,007
Changes during period					
Reversal of reserve for tax purpose reduction entry of non-current assets					-
Dividends of surplus					(422,106)
Profit					723,804
Reversal of revaluation reserve for land					4,509
Decrease by corporate division					-
Purchase of treasury shares					(76,418)
Disposal of treasury shares					629
Cancellation of treasury shares					-
Transfer from retained earnings to capital surplus					-
Net changes in items other than shareholders' equity	(493,671)	(2,225)	(7,141)	(503,038)	(503,038)
Total changes during period	(493,671)	(2,225)	(7,141)	(503,038)	(272,619)
Balance at end of period	$ 791,016	$ -	$ 102,069	$ 893,086	$ 5,145,387

The accompanying notes to the consolidated financial statements are an integral part of this statement.

Notes to Non-Consolidated Financial Statements

OBAYASHI CORPORATION for the fiscal years ended March 31, 2026 and 2025

1. Basis of Presenting Non-consolidated Financial Statements

The accompanying non-consolidated financial statements have been prepared from the accounting records maintained by OBAYASHI CORPORATION (the “Company”) in accordance with accounting principles generally accepted in Japan (J-GAAP), which differ in certain respects from IFRS accounting standards as issued by the International Accounting Standards Board (IASB), and are derived from the non-consolidated financial statements prepared by the Company in accordance with the requirements of the Financial Instruments and Exchange Act of Japan.
Certain amounts in the prior year's financial statements have been reclassified to conform to the presentation for the current year.

2. U.S. Dollar Amounts

The non-consolidated financial statements presented herein are expressed in Japanese yen by rounding down to the nearest million. The U.S. dollar amounts shown in the accompanying non-consolidated financial statements and notes thereto were translated from the original Japanese yen into U.S. dollars on the basis of ¥159.88 to US$1, the exchange rate prevailing at March 31, 2026, and were then rounded down to the nearest thousand. These U.S. dollar amounts are not intended to imply that the Japanese yen amounts have been or could be converted, realized or settled in U.S. dollars at this or any other rate.

3. Summary of Significant Accounting Policies

(1) Securities
Securities are classified into three categories: held-to-maturity securities, shares of subsidiaries and associates, and other securities. Held-to-maturity securities are carried at amortized cost. Shares of subsidiaries and associates are carried at cost. Marketable securities classified as other securities are carried at fair value with changes in unrealized holding gains or losses, net of the applicable income taxes, recognized directly in net assets. Non-marketable securities classified as other securities are carried at cost. The cost of securities sold is determined by the moving average method.

(2) Inventories
Real estate held for sale, costs on uncompleted construction contracts and costs on real estate business and other are all stated at cost determined by the specific identification method.
Raw materials and supplies are stated at cost determined by the first-in first-out method.
Inventories are stated at the lower of cost or net realizable value.

(3) Property, plant and equipment
The Company calculates depreciation by the declining-balance method, while the straight-line method is applied to the buildings and fixtures acquired on or after April 1, 1998 and facilities attached to the buildings and other non-building structures acquired on or after April 1, 2016.
The useful lives and residual values of depreciable assets are estimated in accordance with the Corporate Tax Law.

(4) Intangible assets
Intangible assets are amortized by the straight-line method. Computer software for internal use is amortized by the straight-line method over the estimated useful life of 5 years.

(5) Leased assets
Leased assets under finance leases that do not transfer ownership to the lessee are amortized by the straight-line method over the lease term with no residual value.

(6) Foreign currency translation
Receivables and payables denominated in foreign currencies are translated into Japanese yen at the exchange rate in effect at the balance sheet date. The resulting exchange gains and losses from translation are recognized in the non-consolidated statement of income.

(7) Allowance for doubtful accounts
Allowance for doubtful accounts is provided based on the Company's historical experience with respect to write-offs and based on estimates of amounts for specific uncollectible accounts.

(8) Provision for warranties for completed construction
Provision for warranties for completed construction is provided to cover expenses for defects claimed concerning completed work, based on the estimated amount of compensation to be paid in the future for the work completed during the fiscal year.

(9) Provision for loss on construction contracts
Provision for loss on construction contracts is provided at the estimated amount of future losses on contract backlog at the balance sheet date that will probably be incurred and can be reasonably estimated.

(10) Provision for retirement benefits
Provision for retirement benefits is provided mainly at an amount calculated based on the projected benefit obligation and the fair value of the pension plan assets, as adjusted for unrecognized actuarial differences and unrecognized prior service cost.
Retirement benefit obligation for employees is attributed to each period by the benefit formula method.
Actuarial differences are amortized from the following year after they are recognized primarily by the straight-line method over a period of 10 years that is shorter than the average remaining years of service of the employees. Prior service cost (PSC) is amortized by the straight-line method over a period of 10 years that is shorter than the average remaining years of service of the employees.

(11) Provision for share awards for directors (and other officers)
Provision for share awards for directors (and other officers) is provided for the estimated amount of stock award obligations at the balance sheet date based on predetermined regulations, to cover future awards of the Company's shares to its directors and executive officers.

(12) Provision for loss on business of subsidiaries and associates
Provision for loss on business of subsidiaries and associates is provided for the estimated losses that exceed investments in capital of and loans receivable from subsidiaries and associates.

(13) Recognizing revenues and costs of construction contracts
In the construction business, which is the Company's principal business, the Company performs building construction and civil engineering work in Japan and overseas based on construction contracts.
When control over goods or services is transferred to customers over a period of time, the Company applies the method of recognizing revenue over a period of time as it satisfies its performance obligations to transfer goods or services to customers. The measurement of the percentage of completion in satisfying the performance obligations is based on the percentage of the cost of construction incurred by the end of each fiscal year to the total expected cost of construction.
In the early stages of a contract, when the degree of progress toward satisfying performance obligations cannot be reasonably estimated, but it is probable that the costs incurred will be recovered, revenue is recognized based on a cost recovery method.
For construction contracts with a very short period of time between the transaction commencement date and the point in time when the performance obligations are expected to be fully satisfied, an alternative treatment is applied, whereby revenue is not recognized over a certain period of time but is recognized when the performance obligations are fully satisfied.

(14) Derivatives and hedge accounting
(a) Method of hedge accounting
Hedging instruments are valued at fair value and accounted for using the deferral method of accounting. The monetary assets and liabilities denominated in foreign currencies, for which foreign exchange forward contracts or currency options are used to hedge foreign currency fluctuations, are translated at the contracted rate if the foreign exchange forward contracts or currency options qualify for hedge accounting.
The interest rate swaps, which qualify for hedge accounting and meet specific matching criteria, are not remeasured at market value, but the differential paid or received under the swap agreements is charged to income (short-cut method).

(b) Hedging instruments and hedged items
To hedge foreign exchange risks related to the monetary assets and liabilities denominated in foreign currencies and projected future foreign currency transactions, foreign exchange forward contracts and non-deliverable foreign exchange forward contracts are employed as hedging instruments. To hedge the interest-rate risks and foreign exchange risks related to loans payable, interest rate swaps or interest rate/currency swaps are employed as hedging instruments.

(c) Hedging policy
The Company utilizes derivative financial instruments only for the purpose of hedging future risks arising from fluctuations in foreign currency exchange rates or interest rates in accordance with internal rules.

(d) Assessment of hedge effectiveness
Hedge effectiveness is not assessed when substantial terms and conditions of the hedging instruments and the hedged forecasted transactions are the same.
The assessment of hedge effectiveness is omitted for interest rate swaps as they meet certain criteria under the short-cut method.

(15) Accounting treatment of retirement benefits
The treatment of unrecognized actuarial differences and unrecognized prior service cost in the non-consolidated balance sheet differs from that in the consolidated balance sheet.

(16) Consumption taxes
Consumption tax and local consumption tax are accounted for under the tax-exclusive method.

(17) Income taxes
The Company applies deferred tax accounting for income taxes, whereby deferred tax assets and liabilities are recognized based on the asset/liability method.
Under the asset/liability method, deferred tax assets and liabilities are determined based on the difference between the accounting basis and the tax basis of the assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

(18) Accounting method for joint ventures in construction business
The accounting method for joint ventures in the construction business is mainly based on recognizing assets, liabilities, income and expenses in proportion to the members' respective investments.

4. Significant Accounting Estimates

For the fiscal year ended March 31, 2026
(1) Application of the method to recognize revenue by satisfying performance obligations over a certain period of time
(a) The amounts recorded in the non-consolidated financial statements for the current fiscal year
Revenues from construction based on the method to recognize revenue by satisfying performance obligations over a certain period of time: ¥1,378,528 million (US$8,622,268 thousand)
Provision for loss on construction contracts: ¥6,840 million (US$42,782 thousand)

(b) Other information that contributes to the understanding of users of non-consolidated financial statements
As for the method of calculating the amounts in (a), see Note 4 of "Significant Accounting Estimates" to the consolidated financial statements.

(2) Impairment of investment and rental properties
(a) The amounts recorded in the non-consolidated financial statements for the current fiscal year
Impairment loss: ¥62 million (US$389 thousand)
It should be noted that investment and rental properties recorded in the non-consolidated balance sheet are ¥215,230 million (US$1,346,203 thousand) as of March 31, 2026.

(b) Other information that contributes to the understanding of users of non-consolidated financial statements
As for the method of calculating the amounts in (a), see Note 4 of "Significant Accounting Estimates" to the consolidated financial statements.

For the fiscal year ended March 31, 2025
(1) Application of the method to recognize revenue by satisfying performance obligations over a certain period of time
(a) The amounts recorded in the non-consolidated financial statements for the current fiscal year
Revenues from construction based on the method to recognize revenue by satisfying performance obligations over a certain period of time: ¥1,542,236 million (US$9,646,213 thousand)
Provision for loss on construction contracts: ¥15,061 million (US$94,201 thousand)

(b) Other information that contributes to the understanding of users of non-consolidated financial statements
As for the method of calculating the amounts in (a), see Note 4 of "Significant Accounting Estimates" to the consolidated financial statements.

(2) Impairment of investment and rental properties
(a) The amounts recorded in the non-consolidated financial statements for the current fiscal year
Impairment loss: ¥726 million (US$4,546 thousand)
It should be noted that investment and rental properties recorded in the non-consolidated balance sheet are ¥193,501 million (US$1,210,291 thousand) as of March 31, 2025.

(b) Other information that contributes to the understanding of users of non-consolidated financial statements
As for the method of calculating the amounts in (a), see Note 4 of "Significant Accounting Estimates" to the consolidated financial statements.

5. Additional Information

Performance-linked stock compensation plan for directors and executive officers
As for the performance-linked stock compensation plan for the Directors through the BIP Trust, see Note 7 of "Notes to Consolidated Financial Statements."

Stock-based incentive plan for managers
As for the Stock-based incentive plan for managers, see Note 7 of "Notes to Consolidated Financial Statements."

6. Notes to Non-Consolidated Balance Sheet

(1) Pledged assets

Assets pledged as collateral for advances received on uncompleted construction contracts are as follows:

	Yen in millions		U.S. dollars in thousands	
As of March 31	**2026**	2025	**2026**	2025
Assets pledged as collateral:				
Current assets—other	¥ **850**	¥ 850	$ **5,319**	$ 5,319
Investment securities	**481**	481	**3,008**	3,008
Shares of subsidiaries and associates	**251**	251	**1,574**	1,574
Total	¥ **1,583**	¥ 1,583	$ **9,902**	$ 9,902

Notes: 1.There are no liabilities secured by the assets above as of March 31, 2026 and 2025.
2."Shares of subsidiaries and associates" are pledged as collateral for debts of subsidiaries and associates.

(2) Deposited assets

Assets deposited under the "Law for Execution of Warranty against Housing Defects" and the others are as follows:

	Yen in millions		U.S. dollars in thousands	
As of March 31	**2026**	2025	**2026**	2025
Securities	¥ **-**	¥ 10	$ **-**	$ 67
Investment securities	**315**	-	**1,970**	-
Investments and other assets—other	**388**	377	**2,429**	2,361
Total	¥ **703**	¥ 388	$ **4,400**	$ 2,429

(3) Guarantee obligations

The Company is contingently liable for the following:

	Yen in millions		U.S. dollars in thousands	
As of March 31	**2026**	2025	**2026**	2025
Guarantees of long-term debt of subsidiaries and employees	¥ **92,720**	¥ 89,789	$ **579,938**	$ 561,607
Guarantees of long-term debt of an associate (Note)	**-**	9,820	**-**	61,423
Commitments of guarantees for short-term and long-term debt of subsidiaries	**14,688**	16,871	**91,871**	105,527

Note: These guarantees are for debts related to the power generation business of an associate. The guarantee balance indicates the total amount guaranteed jointly with another company. The actual amount borne by the company as of March 31, 2025 is ¥4,910 million (US$30,711 thousand).

(4) Consumption tax receivable and payable

As of March 31, 2026 and 2025, Consumption tax payable and local consumption tax payable are included in "Accounts payable—other".

(5) Commitment lines

The Company has a commitment line agreement with syndicated financial institutions to ensure timely access to funds in case of emergency.
This commitment line agreement includes financial covenants on net assets, ordinary income (loss) and the credit rating of the Company.
The total commitment lines available are as follows:

	Yen in millions		U.S. dollars in thousands	
As of March 31	**2026**	2025	**2026**	2025
Contract amount	¥ **100,000**	¥ 100,000	$ **625,469**	$ 625,469
Outstanding borrowings	**-**	-	**-**	-
Available amount	¥ **100,000**	¥ 100,000	$ **625,469**	$ 625,469

7. Notes to Non-Consolidated Statement of Income

(1) The major components of "Selling, general and administrative expenses"

	Yen in millions				U.S. dollars in thousands			
For the fiscal years ended March 31		**2026**		2025		**2026**		2025
Employees' salaries and allowances	**¥**	**37,725**	¥	34,667	**$**	**235,959**	$	216,837
Retirement benefit expenses		**1,119**		1,021		**7,000**		6,388
Research study expenses		**17,353**		15,930		**108,539**		99,638

(2) Transactions with subsidiaries and associates

	Yen in millions				U.S. dollars in thousands			
For the fiscal years ended March 31		**2026**		2025		**2026**		2025
Other income								
Dividend income	**¥**	**32,837**	¥	2,861	**$**	**205,386**	$	17,897
Interest and Other		**6,546**		1,429		**40,947**		8,941

(3) The major components of "Other, net" included in "Other income(expenses)"

	Yen in millions				U.S. dollars in thousands			
For the fiscal years ended March 31		**2026**		2025		**2026**		2025
Other income								
Reversal of provision for loss on business of subsidiaries and associates	**¥**	**1,673**	¥	262	**$**	**10,468**	$	1,641
Reversal of allowance for doubtful accounts for subsidiaries and associates		**883**		138		**5,528**		866

(4) Breakdown of "Loss on business of subsidiaries and associates"

	Yen in millions				U.S. dollars in thousands			
For the fiscal years ended March 31		**2026**		2025		**2026**		2025
Loss on valuation of shares of subsidiaries and associates	**¥**	**5,394**	¥	-	**$**	**33,740**	$	-
Provision for loss on business of subsidiaries and associates		**363**		53		**2,272**		332
Loss on liquidation of subsidiaries and associates		**6**		-		**37**		-
Total	**¥**	**5,763**	¥	53	**$**	**36,051**	$	332

8. Notes to Non-Consolidated Statements of Changes in Net Assets

Shareholders' equity
The Corporation Law of Japan provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than legal capital surplus) and retained earnings (other than legal reserve) be transferred to legal capital surplus or legal reserve, until the sum of legal capital surplus and legal reserve equals 25% of the share capital account. Such distributions can be made at any time by resolution of the shareholders, or by the Board of Directors if certain conditions are met. The retained earnings account in the accompanying non-consolidated balance sheet at March 31, 2026 includes a legal reserve of ¥14,438 million (US$90,305 thousand).

9. Shares of Subsidiaries and Associates with Fair Value

Shares of subsidiaries and associates with fair value
None.

Note: Carrying value of shares of subsidiaries and associates

	Yen in millions				U.S. dollars in thousands			
As of March 31		**2026**		2025		**2026**		2025
Shares of subsidiaries	**¥**	**146,616**	¥	128,251	**$**	**917,043**	$	802,173
Shares of associates		**732**		732		**4,584**		4,584

The fair values for these securities are not stated because they have no quoted market prices available.

10. Deferred Tax Accounting

(1) The major components of deferred tax assets and liabilities as of March 31, 2026 and 2025 are summarized as follows:

As of March 31	Yen in millions		U.S. dollars in thousands	
	2026	2025	**2026**	2025
Deferred tax assets				
Costs on construction contracts in progress	**¥ 26,318**	¥ 21,157	**$ 164,614**	$ 132,333
Provision for retirement benefits	**13,374**	13,666	**83,656**	85,477
Accrued expenses (bonus)	**7,600**	5,949	**47,538**	37,212
Loss on valuation of investments in subsidiaries and associates	**5,118**	3,425	**32,017**	21,422
Impairment losses	**2,789**	2,695	**17,449**	16,859
Provision for loss on construction contracts	**2,147**	4,604	**13,433**	28,799
Bad debts expenses and allowance for doubtful accounts	**2,130**	2,418	**13,324**	15,126
Other	**13,015**	13,546	**81,409**	84,730
	72,496	67,463	**453,444**	421,961
Valuation allowance	**(14,218)**	(12,540)	**(88,930)**	(78,433)
Total deferred tax assets	**58,278**	54,923	**364,513**	343,527
Deferred tax liabilities				
Valuation difference on available-for-sale securities	**(67,667)**	(57,887)	**(423,241)**	(362,068)
Gain on assets traded within the Group	**(1,144)**	(1,083)	**(7,157)**	(6,773)
Prepaid pension costs	**(1,089)**	(781)	**(6,817)**	(4,889)
Other	**(1,640)**	(1,751)	**(10,260)**	(10,955)
Total deferred tax liabilities	**(71,542)**	(61,503)	**(447,476)**	(384,687)
Net deferred tax assets (liabilities)	**¥ (13,264)**	¥ (6,580)	**$ (82,963)**	$ (41,160)

In addition to the above, the Company recognized deferred tax liabilities for land revaluation on the non-consolidated balance sheet:

As of March 31	Yen in millions		U.S. dollars in thousands	
	2026	2025	**2026**	2025
	¥ (14,600)	¥ (14,696)	**$ (91,320)**	$ (91,922)

(2) Reconciliation between the statutory tax rates and the effective tax rates for the fiscal years ended March 31, 2026 and 2025 are as follows:

For the fiscal years ended March 31	**2026**	2025
Statutory tax rate	**30.5 %**	30.5 %
Reconciliation:		
Permanent non-deductible items	**0.7**	0.6
Permanent non-taxable items	**(4.7)**	(0.9)
Change in valuation allowance	**0.7**	0.4
Tax credit under the Tax Measure to Promote Wage Increases	**(1.6)**	(1.7)
Income taxes for global minimum tax	**0.7**	0.1
Other	**(0.5)**	(1.1)
Effective tax rate	**25.8 %**	27.9 %

(3) The Company applies the group tax sharing system. Also, in accordance with the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (Practical Solution No. 42, August 12, 2021), the Company implements accounting procedures and disclosure for income tax, local corporation tax and tax effect accounting.

11. Business Combinations

Common control transactions

The Company transferred its data center business by way of a company split (hereinafter referred to as the "Company Split") with an effective date of April 1, 2025.The Company Split is based on the absorption-type company split agreement concluded between the Company and MiTASUN Inc. on December 25, 2024.

(1) Purpose of the Company Split
Under the Obayashi Group Medium-Term Business Plan 2022 strategy to expand business portfolio for sustainable growth, the Company has been making efforts to acquire new profit opportunities through active investments by leveraging strengths in technologies and networks cultivated in various business fields.
The Company has technologies and know-how cultivated in the construction business, as well as networks and expertise in the real estate development business. It will renovate or reconstruct existing buildings with chronic vacancy caused by ample supply of large office buildings into data centers with medium-power consumption to create new values for cities and enrich social infrastructure.
The Company established a data center operating company, MiTASUN, in November 2024 and transferred the Company's assets and rights to MiTASUN through the Company Split in order to enable more flexible business development and efficient group management.

(2) Overview of the split business
(a) Description of the business to be split: Data center business
(b) Items and book value of assets and liabilities split

Yen in millions

Item	Book Value	Item	Book Value
Current assets	¥ 174	Current liabilities	¥ 6
Non-current assets	17,984	Non-current liabilities	168
Total assets	18,158	Total liabilities	174

U.S.dollars in thousands

Item	Book Value	Item	Book Value
Current Assets	$ 1,091	Current Liabilities	$ 40
Non-current Assets	112,484	Non-current Liabilities	1,051
Total assets	113,576	Total liabilities	1,091

(c) Commencement date (Effective date): April 1, 2025
(d) Forms of the Company Split
The Company Split is a simplified absorption-type company split, by which the Company is the splitting company and MiTASUN is the succeeding company.

(3) Accounting treatment
The Company accounted for the Company Split as a common control transaction in accordance with the "Accounting Standard for Business Divestitures" (ASBJ Statement No. 7, September 13, 2013) and the "Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures" (ASBJ Guidance No. 10, January 16, 2019).

12. Revenue Recognition

As for the information as a basis to understand revenue from contracts with customers, see Note 22 of "Notes to Consolidated Financial Statements."

13. Significant Subsequent Events

Establishment of a Subsidiary for Concession Business in Indonesia

The Company, at a meeting of the Board of Directors held on May 13, 2026, resolved to establish PT Obayashi Concession Indonesia (hereinafter referred to as “OCI”), a local subsidiary, through joint investment by the Company and PT. Jaya Obayashi, an overseas subsidiary of the Company, for the purpose of acquiring shares of PT JTD JAYA PRATAMA (hereinafter referred to as “JTDJP”), which is engaged in the toll road concession business in Indonesia. The total amount of investment in OCI will be equivalent to 10% or more of the Company’s capital, and therefore OCI will fall under the category of a specified subsidiary of the Company.

(1) Purpose of Establishment of the Subsidiary (OCI)
The Obayashi Group (hereinafter referred to as the “Group”) has defined the direction of its sustainable growth strategy as "establishing a Group-wide business structure centered on the domestic construction business and in which other businesses generate performance equal to or greater than that of the domestic construction business," and aims to build a future Group business structure to achieve this goal.
In the new business domains, based on one of the three pillars of the Obayashi Group Medium-Term Business Plan 2022's fundamental strategies, expansion of the business portfolio for sustainable growth, the Group is focused on market areas with high growth potential by addressing social issues and leveraging its core technologies and has promoted initiatives such as PPPs and concessions.
JTDJP, whose shares the Company will acquire, holds the concession rights for an approximately 31-kilometer toll road (total project cost of approximately ¥213 billion / US$1,332 million), crossing central Jakarta, the capital of Indonesia, which faces a social issue of chronic traffic congestion. Although the toll road is currently open only in sections, demand is expected to increase and help mitigate severe congestion on existing local roads once land acquisition by the Indonesian government is done and the entire route is completed.
In addition, the Group intends to share with JTDJP the expertise that it has cultivated through its construction business in Japan and overseas, thereby contributing to the further growth of JTDJP’s concession business.
By further promoting concession businesses, the Group will strengthen its earnings base while contributing to the resolution of social issues.
For the purpose of acquiring shares of JTDJP, the Company resolved to establish the local subsidiary OCI, with full investment by the Group. The overview of JTDJP is as described in the Note 28 of "Significant Subsequent Events" to the consolidated financial statements.

(2) Overview of the Subsidiary (OCI)

(a) Name	PT Obayashi Concession Indonesia
(b) Location	Special Capital Region of Jakarta, Indonesia
(c) Name and Title of Representative	President Director: Teruhiko Inoue
(d) Description of Business	Investment in concession business in Indonesia
(e) Capital	Rp5.2 trillion (approx. ¥48.2 billion / US$301 million) (scheduled) *1 The capital at the time of establishment is scheduled to be Rp770.0 billion (approx. ¥7.2 billion / US$45 million), and the remaining amount will be increased upon completion of land acquisition by the Indonesian government (scheduled for December 2027).
(f) Establishment	July 31, 2026 (scheduled)
(g) Ownership Ratio	Obayashi Corporation: 99.999% PT. Jaya Obayashi: 0.001%

*1 Converted at the rate of ¥0.0093 per Rp1 as of April 30, 2026, and at the rate of ¥159.88 per US$1 as of March 31, 2026.

Establishment of a Subsidiary for Building Construction Businesses in Australia, the United Kingdom and Canada

On June 18, 2026, the Company decided to acquire all the shares of “BCI UK Holdings Limited” (hereinafter referred to as “BCI”), the holding company that owns all the shares of “Multiplex Global Limited” (hereinafter referred to as “Multiplex”), which operates building construction businesses in Australia, the United Kingdom and Canada, with the aim of acquiring Multiplex, and entered into a share purchase agreement on the same date.
The Company established the local subsidiary “Obayashi UK Holdings Limited” (hereinafter referred to as “OC UK HLDS”) for the purpose of acquiring BCI’s shares. The total amount of investment in OC UK HLDS will be equivalent to 10% or more of the Company’s capital, and therefore OC UK HLDS will fall under the category of a specified subsidiary of the Company.

(1) Purpose of Establishment of the Subsidiary (OC UK HLDS)
The Group has defined the direction of its sustainable growth strategy as "establishing a Group-wide business structure centered on the domestic construction business and in which other businesses generate performance equal to or greater than that of the domestic construction business," and aims to build a future Group business structure to achieve this goal.
Currently, the overseas construction business is focused on North America and Southeast Asia, where growth in the construction market is expected. In addition, the Group is further expanding civil engineering business in Canada and the real estate development business in the United Kingdom, supported by solid economic growth in each country.
Meanwhile, Australia has been positioned as one of the Group’s most important markets, and the Group has been exploring opportunities for full-scale market entry, considering the stable economic growth driven by robust population growth, the well-established legal framework and business infrastructure, and the stable political and economic relationship with Japan.
The Company has been engaged in discussions and considerations regarding the potential establishment of a strategic relationship with Multiplex, with whom it has a track record of collaboration on the construction of the main stadium for the 2000 Sydney Olympic Games, as well as with its de facto parent company, Brookfield Business Corporation.
Multiplex is one of the leading construction companies in the Australian market and has a strong reputation for delivering high value-added and technically complex projects, including high-rise buildings, hospitals, and data centers. In addition, it has a solid track record in the United Kingdom, particularly in London, in the office and mixed-use development sectors, where it has established a strong competitive position. In Canada, it is a growing market for the company and further business expansion is expected, supported by steady growth underpinned by its high level of technical expertise.
After careful consideration of all relevant factors, the Company has decided that making Multiplex its wholly owned subsidiary will contribute to the further growth and development of both parties and has therefore decided to make Multiplex a wholly owned subsidiary of the Company.
Multiplex possesses a mature global business foundation, and by joining the Group, it will be able to achieve further growth by promoting business expansion in Australia, the United Kingdom, and Canada through the mutual utilization of the Group’s technologies, customer networks and management resources, as well as financial support.
Through the acquisition of Multiplex as a wholly owned subsidiary, the Group will realize full-scale business expansion into construction markets in Australia and the United Kingdom, as well as strengthen the Group’s presence in the Canadian construction market, thereby further enhancing its corporate value.
For the purpose of acquiring shares of Multiplex, the Company decided to establish the local subsidiary OC UK HLDS. The overview of Multiplex is as described in the Note 28 of "Significant Subsequent Events" to the consolidated financial statements.

(2) Overview of the Subsidiary (OC UK HLDS)

(a) Name	Obayashi UK Holdings Limited
(b) Location	London, United Kingdom
(c) Name and Title of Representative	Director: Atsushi Nakagawa
(d) Description of Business	Holding company established for the purpose of holding shares
(e) Capital	At establishment: GBP 1
	After capital increase: US$556 million (approx. ¥88.6 billion) (scheduled) *1, 2
(f) Establishment	May 19, 2026
(g) Capital increase	September 30, 2026 (scheduled) *1
(h) Ownership Ratio	Obayashi Corporation: 100%

*1 The capital increase is scheduled to be executed once the termination conditions such as approval by the relevant authorities as stipulated in the share purchase agreement have been satisfied.
*2 Converted at the rate of ¥159.39 per US$1 as of May 29, 2026.