

**Obayashi Corporation**

PRIME 1802

**Presentation on Financial Results  
FY2024 1st Quarter  
(April 1, 2024 to June 30, 2024)**

August 6, 2024



**MAKE BEYOND**  
TRANSCENDING THE ART AND SCIENCE OF MAKING OF THINGS

**Disclaimer:**

This document has been translated from the Japanese original for reference purpose only. If there is any discrepancy between the Japanese original and this English translation, the former will prevail.

# INDEX



## 1 FY2024 1st Quarter Results

- Summary
- Statements of Income
- Operating Income
- Orders Received

## 2 FY2024 Forecasts

- Summary
- Statements of Income (Forecasts)
- Operating Income (Forecasts)
- Orders Received (Forecasts)

## 3 Overview of Each Business

- Domestic Building Construction Business
- Domestic Civil Engineering Business
- Overseas Construction Business
- Real Estate Business and Other
- Consolidated vs Non-consolidated

1

## FY2024 1st Quarter Results

- Summary
- Statements of Income
- Operating Income
- Orders Received

# Summary of FY2024 1st Quarter Results



## Consolidated net sales

**¥574.7** bln

YoY

+¥87.2 bln

**+17.9%**

Progress rate

22.9%

- Steady progress in both building construction and civil engineering projects in hand  
- Impact on foreign exchange rates and the consolidation of MWH contributed to the overseas construction

## Consolidated operating income

**¥15.3** bln

YoY

+¥11.2 bln

**+268.9%**

Progress rate

16.5%

Increase in domestic building construction business due to start and progress in high profitability projects while those ratio to total project in hands increase, and improvement in gross profit on completed construction projects in hand.

## Profit attributable to owners of parent

**¥25.8** bln

YoY

+¥19.2 bln

**+292.1%**

Progress rate

29.7%

Significant increase YoY due to higher operating income and steady progress in the sale of cross-shareholdings

## Consolidated orders received

**¥693.7** bln

YoY

+¥158.9 bln

**+29.7%**

Progress rate

27.5%

Consolidation of MWH and orders received for large-scale projects, etc. in the North American subsidiary contributed to the overseas civil engineering business

# Statements of Income

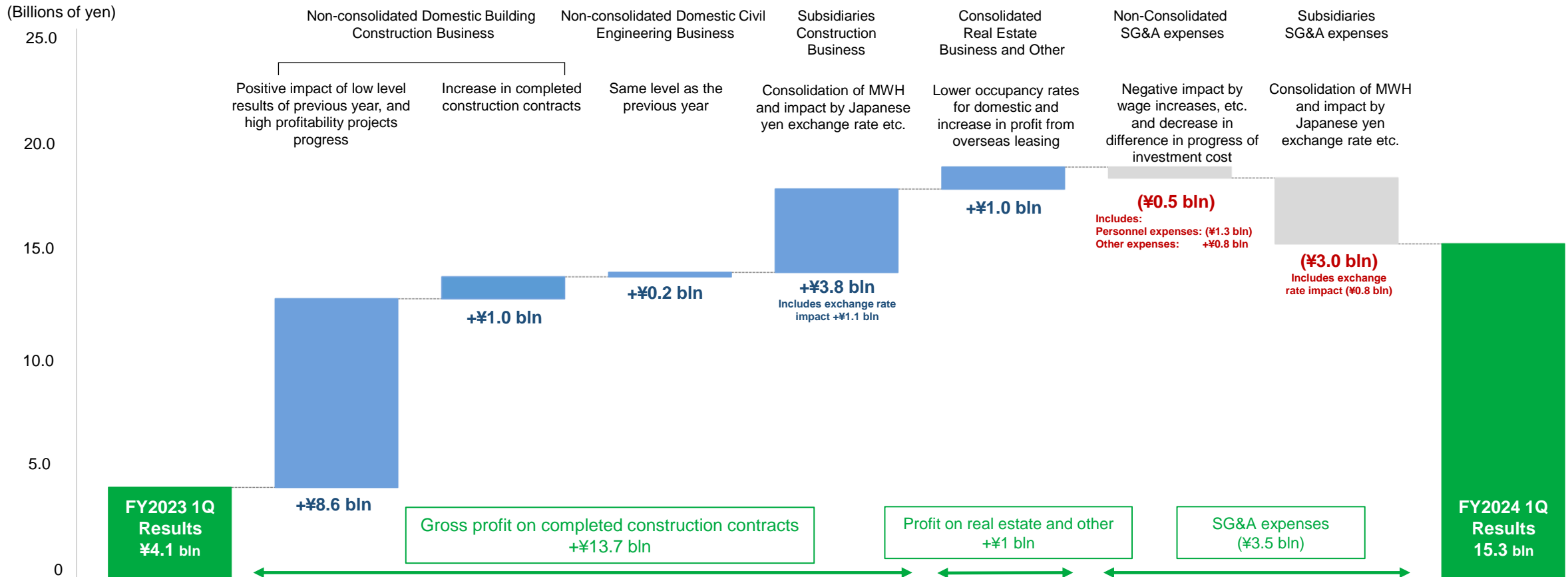


(Unit: Billions of yen)

		Consolidated			Non-consolidated						
		FY2023 1Q Results	FY2024 1Q Results	Y o Y	FY2023 1Q Results	FY2024 1Q Results	Y o Y				
Net sales of completed construction contracts	Building	366.2	<b>418.7</b>	+52.4	267.8	<b>292.9</b>	+25.1				
	Civil	101.5	<b>135.3</b>	+33.7	68.9	<b>75.7</b>	+6.7				
	Total	467.7	<b>554.0</b>	+86.2	336.8	<b>368.7</b>	+31.8				
Net sales of real estate business and other		19.6	<b>20.6</b>	+1.0	4.4	<b>4.7</b>	+0.3				
Net sales		487.4	<b>574.7</b>	+87.2	341.3	<b>373.4</b>	+32.1				
Gross profit on completed construction contracts	Building	% -	-	-	4.2	11.1	7.1	<b>20.8</b>	+9.6		
	Civil	-	-	-	14.3	9.8	13.4	<b>10.1</b>	+0.2		
	Total	6.9	32.4	<b>8.3</b>	<b>46.1</b>	+13.7	6.3	21.0	<b>8.4</b>	<b>30.9</b>	+9.9
Gross profit on real estate business and other		23.3	4.5	<b>27.0</b>	<b>5.5</b>	+1.0	23.4	1.0	<b>18.4</b>	<b>0.8</b>	(0.1)
Gross profit		7.6	37.0	<b>9.0</b>	<b>51.7</b>	+14.7	6.5	22.0	<b>8.5</b>	<b>31.8</b>	+9.7
Selling, general and administrative expenses		6.7	32.8	<b>6.3</b>	<b>36.4</b>	+3.5	6.7	22.8	<b>6.2</b>	<b>23.3</b>	+0.5
Operating income		0.9	4.1	<b>2.7</b>	<b>15.3</b>	+11.2	(0.2)	(0.7)	<b>2.3</b>	<b>8.4</b>	+9.2
Ordinary income		1.9	9.3	<b>3.5</b>	<b>20.3</b>	+10.9	1.5	5.1	<b>4.3</b>	<b>15.8</b>	+10.7
Profit attributable to owners of parent		1.4	6.5	<b>4.5</b>	<b>25.8</b>	+19.2	1.1	3.8	<b>6.5</b>	<b>24.1</b>	+20.2

# Change in Consolidated Operating Income

- FY2024/1Q resulted in ¥15.3 billion, up ¥11.2 billion YoY.
- Main positive factors are impact of low gross profit on completed construction in the previous year and start and progress in high profitability projects while those ratio to total project in hands increase for building construction business.



# Orders Received



(Unit: Billions of yen)

			Consolidated			Non-consolidated		
			FY2023 1Q Results	FY2024 1Q Forecasts	Y o Y	FY2023 Results	FY2024 Forecasts	Y o Y
Construction business	Building	Domestic	257.8	<b>247.4</b>	(10.3)	243.6	<b>239.1</b>	(4.5)
		Overseas	176.4	<b>150.4</b>	(25.9)	0.8	<b>2.6</b>	+1.8
		Total	434.2	<b>397.9</b>	(36.2)	244.5	<b>241.7</b>	(2.7)
	Civil	Domestic	62.1	<b>84.2</b>	+22.1	39.7	<b>64.5</b>	+24.8
		Overseas	19.9	<b>165.1</b>	+145.2	15.7	<b>30.6</b>	+14.9
		Total	82.0	<b>249.3</b>	167.3	55.5	<b>95.2</b>	+39.7
	Total	Domestic	319.9	<b>331.6</b>	+11.7	283.3	<b>303.6</b>	+20.2
		Overseas	196.3	<b>315.6</b>	+119.2	16.6	<b>33.3</b>	+16.7
		Total	516.2	<b>647.3</b>	131.0	300.0	<b>337.0</b>	+36.9
Real estate business and other			18.6	<b>46.4</b>	+27.8	4.4	<b>4.7</b>	+0.3
Total			534.8	<b>693.7</b>	+158.9	304.4	<b>341.8</b>	+37.3



2

## FY2024 Forecasts

- **Summary**
- **Statements of Income (Forecasts)**
- **Operating Income (Forecasts)**
- **Orders Received(Forecasts)**

No revisions are made to the forecasts announced on May 13, 2024.



# Summary of FY2024 Forecasts



Consolidated  
net sales

**¥2,510.0** bln

YoY

+¥184.8 bln

**+7.9%**

Significant increase of over 100.0 billion yen due to the consolidation of MWH, acquired in the previous year

Consolidated  
operating income

**¥93.0** bln

YoY

+¥13.6 bln

**+17.2%**

Included significant profit recovery due to the impact of losses in the previous year in domestic building construction, increase in net sales of completed construction contracts, and improvement in profitability of construction projects, etc.

Profit attributable  
to owners of  
parent

**¥87.0** bln

YoY

+¥11.9 bln

**+15.9%**

Improved operating income and steady sale of cross-shareholdings executed as planned

Consolidated  
orders received

**¥2,520.0** bln

YoY

+¥6.9 bln

**+0.3%**

Keep the high level as the same as the previous year foreseeing the continued strong demand for domestic building construction

No revisions are made to the forecasts announced on May 13, 2024.

# Statements of Income (Forecasts)



(Unit: Billions of yen)

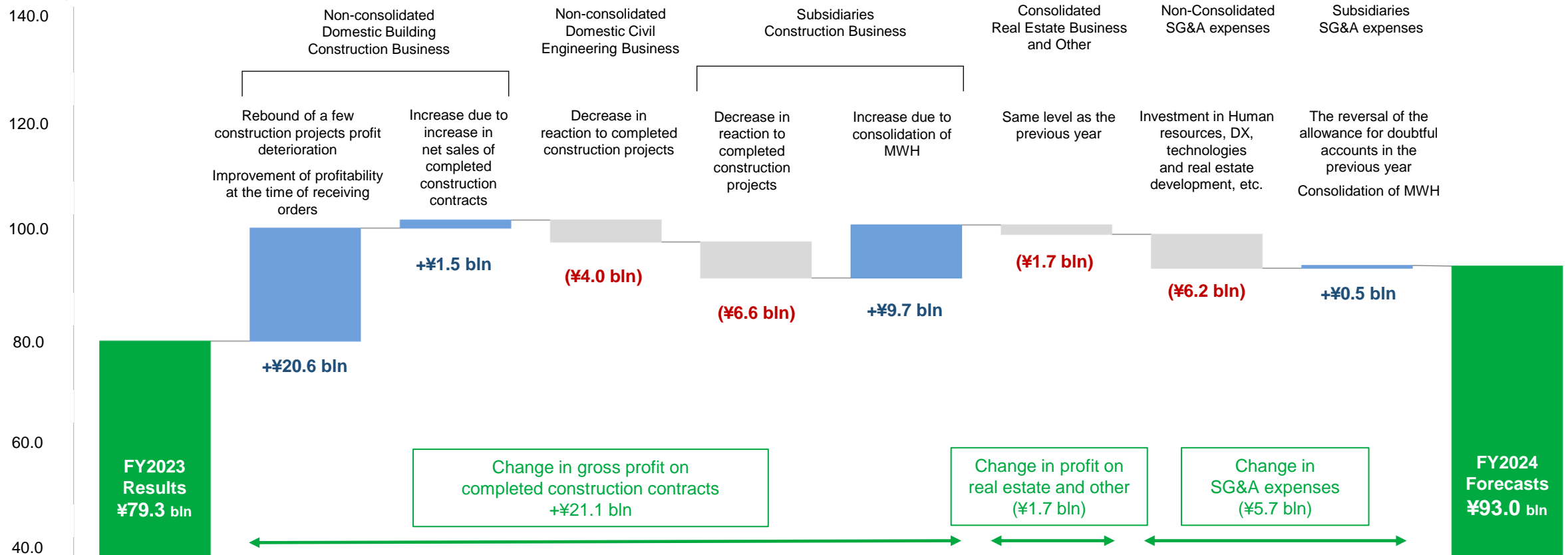
		Consolidated					Non-consolidated				
		FY2023 Results		FY2024 Forecasts		Y o Y	FY2023 Results		FY2024 Forecasts		Y o Y
Net sales of completed construction contracts	Building	1,722.0		1,770.0		+47.9	1,240.2		1,265.0		+24.7
	Civil	484.7		605.0		+120.2	315.6		320.0		+4.3
	Total	2,206.7		2,375.0		+168.2	1,555.8		1,585.0		+29.1
Net sales of real estate business and other		118.3		135.0		+16.6	26.3		25.0		(1.3)
Net sales		2,325.1		2,510.0		+184.8	1,582.1		1,610.0		+27.8
		%		%			%		%		
Gross profit on completed construction contracts	Building	-	-	-	-	-	6.3	78.3	7.9	100.5	+22.1
	Civil	-	-	-	-	-	15.4	48.5	13.9	44.5	(4.0)
	Total	8.6	188.8	8.8	210.0	+21.1	8.2	126.9	9.1	145.0	+18.0
Gross profit on real estate business and other		26.0	30.7	21.5	29.0	(1.7)	19.7	5.1	14.0	3.5	(1.6)
Gross profit		9.4	219.6	9.5	239.0	+19.3	8.3	132.1	9.2	148.5	+16.3
Selling, general and administrative expenses		6.0	140.2	5.8	146.0	+5.7	5.6	88.7	5.9	95.0	+6.2
Operating income		3.4	79.3	3.7	93.0	+13.6	2.7	43.3	3.3	53.5	+10.1
Ordinary income		3.9	91.5	3.9	98.0	+6.4	3.5	55.4	3.9	63.5	+8.0
Profit attributable to owners of parent		3.2	75.0	3.5	87.0	+11.9	3.1	49.6	4.2	68.0	+18.3

No revisions are made to the forecasts announced on May 13, 2024.

## Change in Operating Income (Forecasts)

- While non-consolidated SG&A expenses are expected to increase due to progress in investment for growth, profits are expected to recover significantly due to the losses in domestic building construction in the previous year and the consolidation of MWH, acquired in the previous fiscal year, as a consolidated subsidiary.

(Billions of yen)



No revisions are made to the forecasts announced on May 13, 2024.

# Orders Received (Forecasts)



(Unit: Billions of yen)

			Consolidated			Non-consolidated		
			FY2023 Results	FY2024 Forecasts	Y o Y	FY2023 Results	FY2024 Forecasts	Y o Y
Construction business	Building	Domestic	1,236.9	<b>1,355.0</b>	+118.0	1,194.8	<b>1,300.0</b>	+105.1
		Overseas	520.3	<b>340.0</b>	(180.3)	3.7	<b>10.0</b>	+6.2
		Total	1,757.3	<b>1,695.0</b>	(62.3)	1,198.5	<b>1,310.0</b>	+111.4
	Civil	Domestic	423.1	<b>380.0</b>	(43.1)	328.0	<b>295.0</b>	(33.0)
		Overseas	174.5	<b>325.0</b>	+150.4	48.5	<b>45.0</b>	(3.5)
		Total	597.7	<b>705.0</b>	+107.2	376.6	<b>340.0</b>	(36.6)
	Total	Domestic	1,660.1	<b>1,735.0</b>	+74.8	1,522.9	<b>1,595.0</b>	+72.0
		Overseas	694.9	<b>665.0</b>	(29.9)	52.2	<b>55.0</b>	+2.7
		Total	2,355.0	<b>2,400.0</b>	+44.9	1,575.1	<b>1,650.0</b>	+74.8
Real estate business and other			158.0	<b>120.0</b>	(38.0)	26.3	<b>25.0</b>	(1.3)
Total			2,513.0	<b>2,520.0</b>	+6.9	1,601.5	<b>1,675.0</b>	+73.4

No revisions are made to the forecasts announced on May 13, 2024.



3

## Overview of Each Businesses

- Domestic Building Construction Business
- Domestic Civil Engineering Business
- Overseas Construction Business
- Real Estate Business and Other
- Consolidated vs Non-consolidated

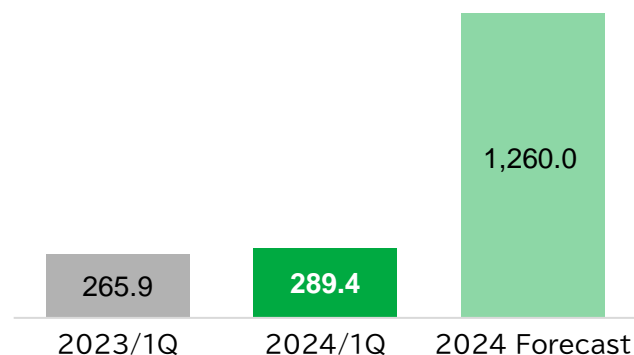
# Domestic Building Construction Business (Non-consolidated)



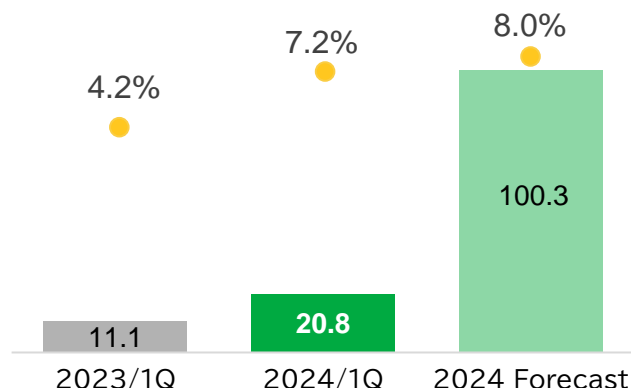
OBAYASHI

(Unit: Billions of yen)

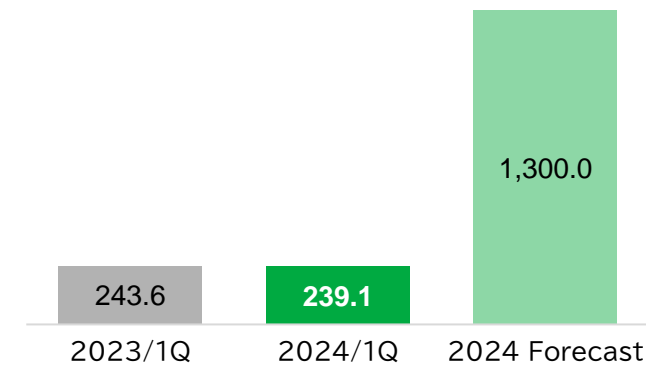
## Net sales of completed construction contracts



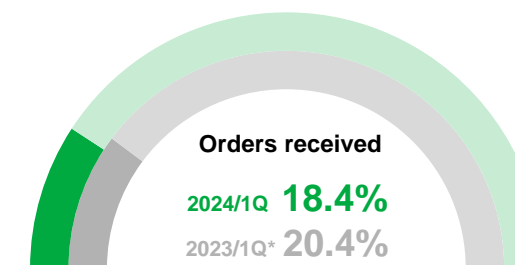
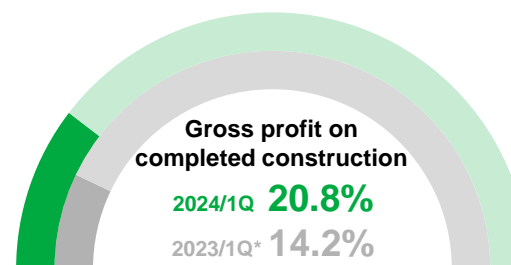
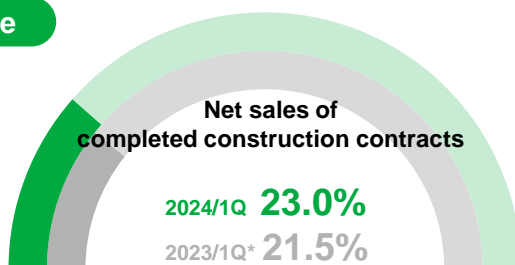
## Gross profit on completed construction/ratio



## Orders received



## Progress rate



\*Compared to full-year results for FY2023

## FY2024/1Q Results

- Net sales of completed construction contracts increased by ¥23.5 billion from the previous year, mainly due to steady progress in the construction of large-scale projects in hand.
- Gross profit on completed construction contracts increased by ¥9.6 billion, mainly due to impact of low gross profit on completed construction in the previous year, start and progress in high profitability projects while those ratio to total project in hands increase, and improvement in gross profit on completed construction projects in hand.

## FY2024 Forecasts

- Completed construction volume is expected to remain same level as previous year, and strong demand in order environment especially from the manufacturing sector will continue.
- Continue to place top priority on ensuring profitability at the time of receiving orders.
- Expect more than ¥100.0 bln -level for gross profit on completed construction contracts with a background of start and progress in high profitability projects while those ratio to total project in hands increase.

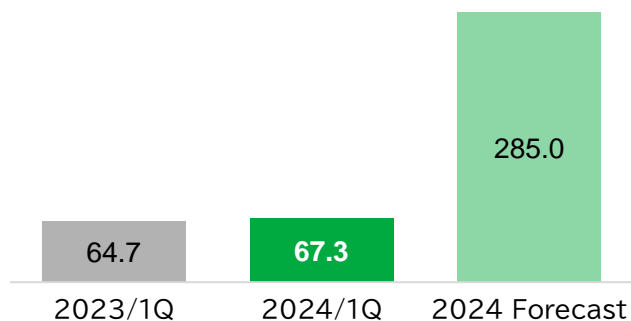
# Domestic Civil Engineering Business (Non-consolidated)



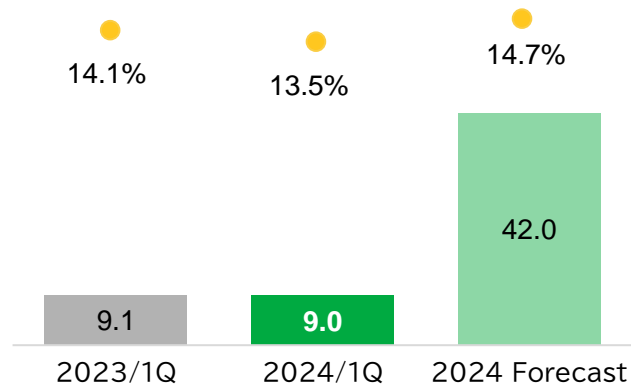
OBAYASHI

(Unit: Billions of yen)

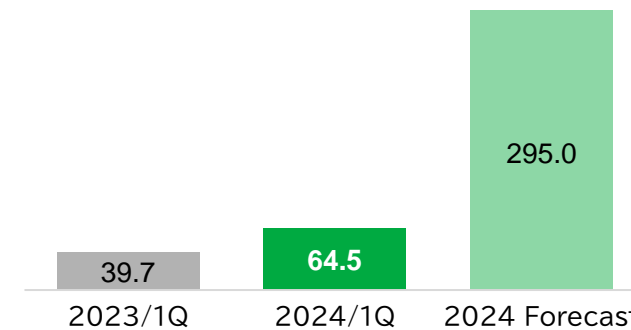
## Net sales of completed construction contracts



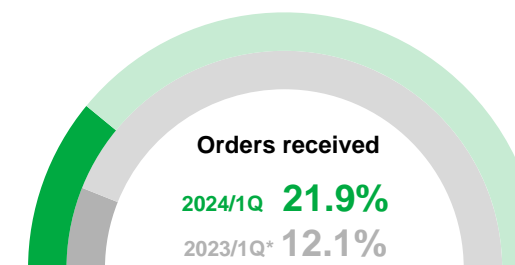
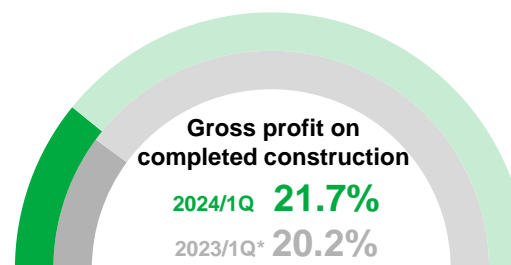
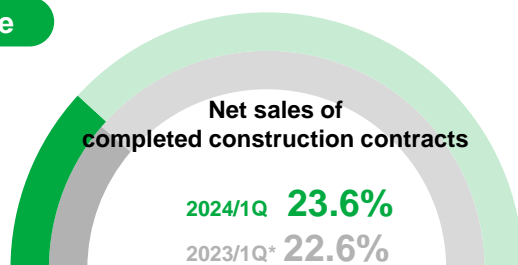
## Gross profit on completed construction/ratio



## Orders received



## Progress rate



\*Compared to full-year results for FY2023

## FY2024/1Q Results

- Net sales of completed construction contracts increased from the previous year due to steady progress in projects in hand
- Gross profit on completed construction remained at the same level from the previous fiscal year

## FY2024 Forecasts

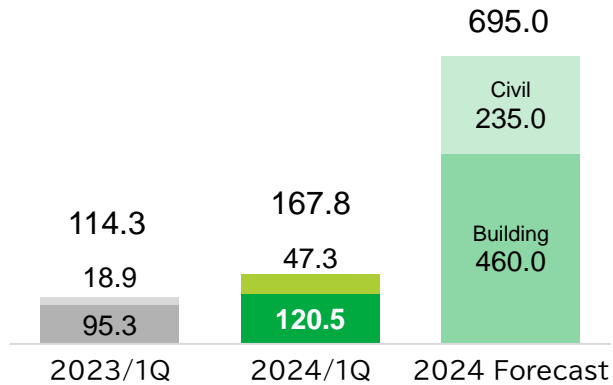
- Net sales of completed construction is expected to remain the same level from the previous year due to continued steady progress in construction projects in hand
- Gross profit on completed construction contract is targeted at ¥42.0 billion, which is to be raised through cost reductions and gain of additional contracts

# Overseas Construction Business (Consolidated)

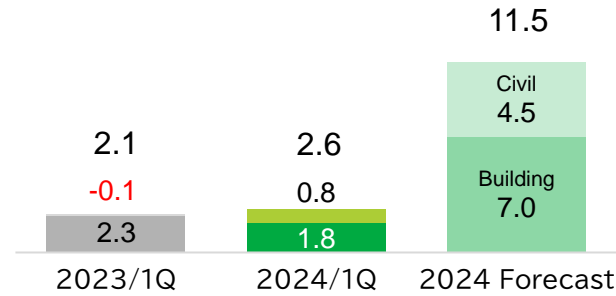


(Unit: Billions of yen)

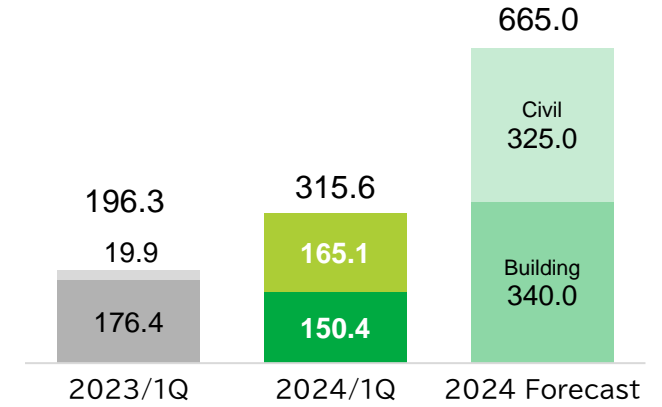
## Net sales of completed construction contracts



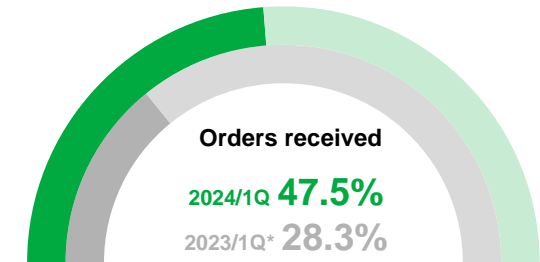
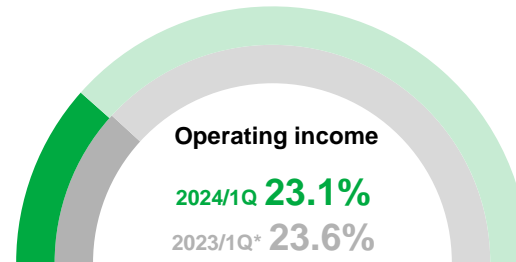
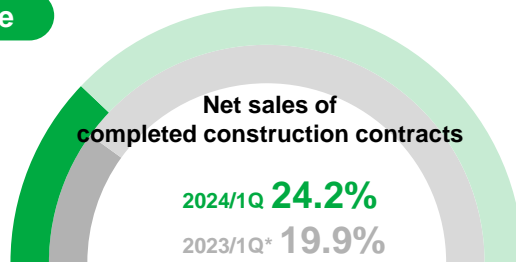
## Operating income



## Orders received



## Progress rate



\*Compared to full-year results for FY2023

## FY2024/1Q Results

- Net sales on completed construction contracts increased by ¥53.5 billion from the previous fiscal year due to the impact of foreign exchange rates and the consolidation of MWH
- Operating income increased in civil engineering due to the contribution of MWH, but decreased in building construction in the absence of a one-time factor in the previous year

## FY2024 Forecasts

- Both net sales and operating income are expected to increase from the previous fiscal year due to steady progress in construction projects in hand and the consolidation of MWH, as well as the absence of allowance for doubtful accounts that was recorded in the previous fiscal year



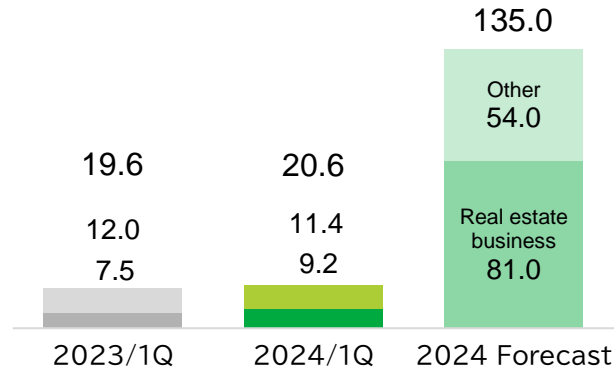
# Real Estate Business and Other (Consolidated)



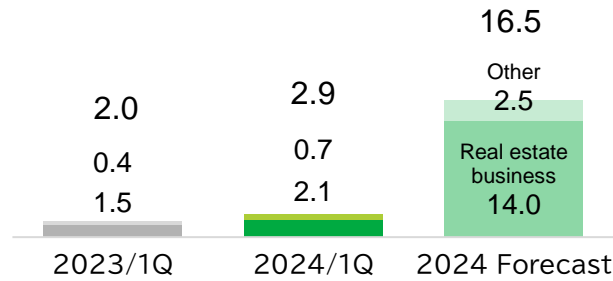
OBAYASHI

(Unit: Billions of yen)

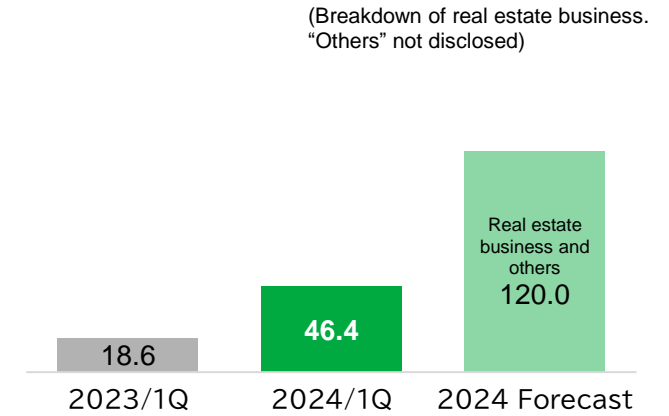
## Net sales



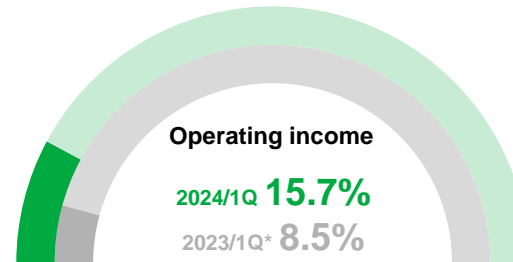
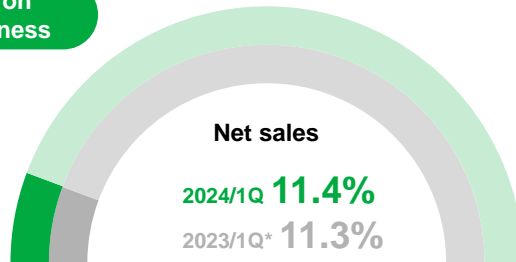
## Operating income



## Orders received



Progress rate on real estate business



\*Compared to full-year results for FY2023

## FY2024/1Q Results

- In the real estate business, net sales and operating income increased from the previous year due to increase in the sales business at Obayashi Shinseiwa Real Estate and rental business at Obayashi Properties UK, Inc.
- Orders received increased due to the successful bid for the PFI for the new exhibition hall (tentative name) in Sapporo (¥23.8 billion)

## FY2024 Forecasts

- Operating income in the real estate business is expected to decrease from the previous fiscal year due to the sale of properties to private funds, etc., and lower occupancy rates of rental properties
- Continue to flexibly replace the portfolio through new investments and sales of properties to private funds, etc.

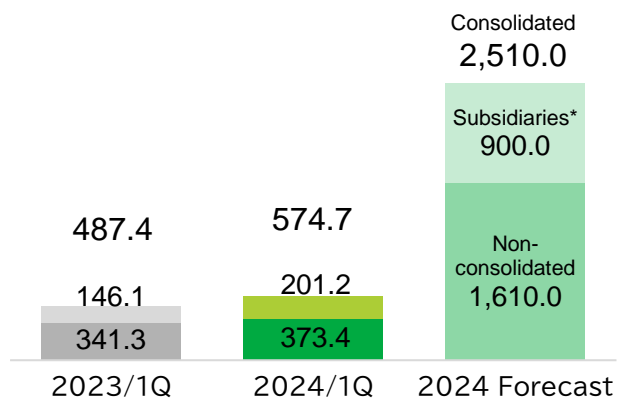
# Consolidated / Non-consolidated Comparison



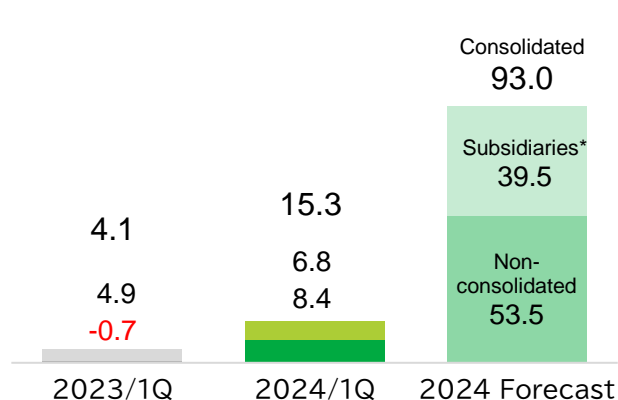
OBAYASHI

(Unit: Billions of yen)

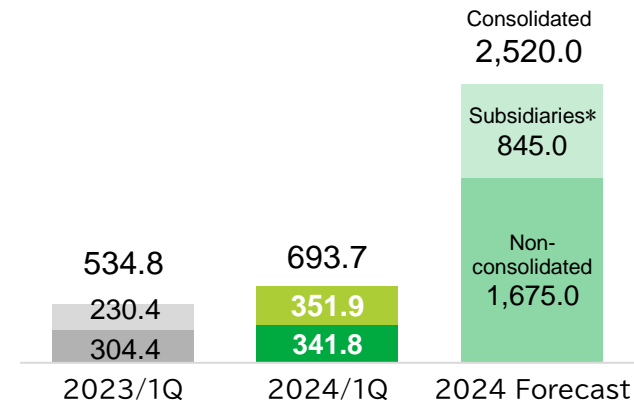
## Net sales



## Operating income



## Orders received



\*Includes consolidated journal entries

### Consolidated/non-consolidated ratio

Period	2023/1Q	2024/1Q	2024 Forecast
Ratio	1.43	1.54	1.56

Period	2023/1Q	2024/1Q	2024 Forecast
Ratio	-	1.81	1.74

Period	2023/1Q	2024/1Q	2024 Forecast
Ratio	1.76	2.03	1.50

## FY2024/1Q Results

- Both net sales and operating income increased on a non-consolidated basis due to steady progress in construction projects in hand for domestic building construction and civil engineering sectors, as well as contribution of start and progress in high profitability projects while those ratio to total project in hands increase at domestic building construction
- Subsidiaries: Net sales and operating income increased mainly due to the contribution of MWH acquired previous fiscal year

## FY2024 Forecasts

- Both sales and income are expected to increase due to steady progress in construction projects in hand in the non-consolidated domestic construction sector, as well as due to the absence of provision of loss on construction contracts and improved profitability at the time of receiving order
- Subsidiaries: Increase in net sales and operating income due to the consolidation of MWH acquired in the previous fiscal year