

# Obayashi Corporation

PRIME 1802

## Presentation on Financial Results FY2024 3rd Quarter (April 1, 2024 to December 31, 2024)

February 10, 2025



**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.

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## Revision to Full Year Forecasts and Acquisition of Own Shares

- Revision to FY2024 Full Year Forecasts
- Acquisition of Own Shares

## Revision to FY2024 Full Year Forecasts

### Consolidated

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit attributable to owners of parent per share (EPS)
Previously announced forecasts (A)	Yen in millions 2,510,000	Yen in millions 93,000	Yen in millions 98,000	Yen in millions 87,000	Yen 121.35
Revised forecasts (B)	2,610,000	132,000	143,000	128,000	178.69
Change (B - A)	100,000	39,000	45,000	41,000	

### Non-consolidated

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit attributable to owners of parent per share (EPS)
Previously announced forecasts (A)	Yen in millions 1,610,000	Yen in millions 53,500	Yen in millions 63,500	Yen in millions 68,000	Yen 94.84
Revised forecasts (B)	1,650,000	85,000	95,000	98,000	136.81
Change (B - A)	40,000	31,500	31,500	30,000	

### Reasons for revision

- Steady progress on construction projects in the domestic construction business and improved profitability
- Improved profitability at overseas construction subsidiaries currency translation gains
- Increase in extraordinary income due to progress in the sale of cross-shareholdings

# Acquisition of Own Shares



## Reason for acquisition of own shares

In Addendum to Obayashi Group Medium-Term Business Plan 2022, we have committed to pursue management that emphasizes capital efficiency and promote sustainable profit growth by executing a growth strategy. In addition, we have set the level of necessary equity at one trillion yen and aim to achieve a return on equity (ROE) of 10% by the final year of the current medium-term plan in FY2026 (fiscal year ending March 31, 2027) by implementing a strategic capital policy.

We have taken into account a number of factors including the solid performance of the group and steady investment to the plan, reduction of cross-shareholdings as planned, and our stable financial situation. Based on these factors and the capital policy revised in March 2024, which ensures control of equity at reasonable level, we have decided to continue to pay annual dividends based on a dividend on equity ratio (DOE) of 5% and to make an additional return through the acquisition of own shares (share buyback) on a scale of 100.0 billion yen by the end of FY2026. We will begin acquiring one-third of the amount immediately, with the aim of completing the acquisition by the end of June 30, 2025.

We will consider the timing and amount of future acquisition of its own shares as it seeks to improve business performance and progress with its growth strategy and will make a further announcement as soon as a decision is made.

Obayashi will continue to promote management that emphasizes capital efficiency in order to steadily achieve a ROE of 10%.

## Details of matters related to the acquisition

- Class of shares to be acquired                      Common shares
- Total number of shares to be acquired            20,000,000 shares (maximum)
- Total amount of share acquisition costs        ¥30.0 billion (maximum)
- Acquisition period                                      From February 12, 2025 to June 30, 2025
- Method of acquisition                                Purchase on the Tokyo Stock Exchange

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## FY2024 3rd Quarter Results

- **Summary**
- **Statements of Income**
- **Operating Income**
- **Orders Received**
- **Balance Sheets**

# Summary of FY2024 3rd Quarter Results



## Consolidated net sales

**¥1,881.1** bln

YoY

+¥179.6 bln

**+10.6%**

Progress rate

72.1%

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

## Consolidated operating income

**¥97.1** bln

YoY

+¥45.9 bln

**+89.8%**

Progress rate

73.6%

- Increased profit due to start and progress in high profitability projects in domestic building construction
- Profit improvement in domestic civil engineering construction projects in hand

## Profit attributable to owners of parent

**¥95.5** bln

YoY

+¥48.0 bln

**+101.2%**

Progress rate

74.6%

Significantly increased YoY due to higher operating income and faster progress in the sale of cross-shareholdings than planned

## Consolidated orders received

**¥2,074.5** bln

YoY

+¥454.6 bln

**+28.1%**

Progress rate

63.6%

- Increased significantly, up ¥372.9 billion YoY in the overseas civil engineering business due to the consolidation of MWH
- Secured orders focusing to equalize the amount of construction work and to emphasize profitability at the time of receiving orders for the domestic construction business

**Note: Progress rate is calculated based on the figures announced on February 10, 2025.**



# Statements of Income



(Billions of yen)

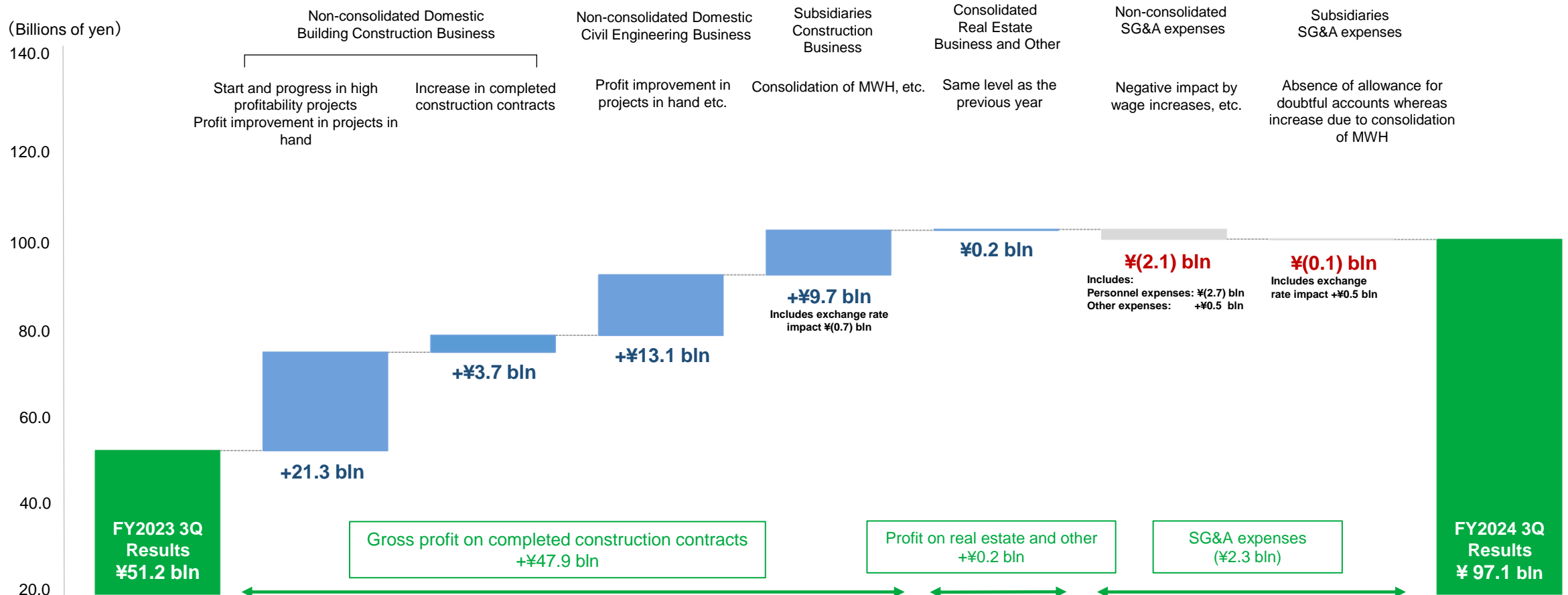
		Consolidated					Non-consolidated				
		FY2023 3Q Results		FY2024 3Q Results		Y o Y	FY2023 3Q Results		FY2024 3Q Results		Y o Y
Net sales of completed construction contracts	Building	1,274.4		1,347.4		+72.9	912.7		970.3		+57.6
	Civil	357.5		460.4		+102.8	229.8		248.5		+18.6
	Total	1,632.0		1,807.8		+175.7	1,142.5		1,218.8		+76.3
Net sales of real estate business and other		69.4		73.2		+3.8	16.4		14.7		(1.7)
Net sales		1,701.5		1,881.1		+179.6	1,159.0		1,233.5		+74.5
Gross profit on completed construction contracts	Building	%	-	%	-	-	6.5	58.8	8.7	83.9	+25.1
	Civil	-	-	-	-	-	14.7	33.7	18.9	46.8	+13.1
	Total	8.5	139.4	10.4	187.4	+47.9	8.1	92.6	10.7	130.8	+38.2
Gross profit on real estate business and other		24.7	17.1	23.8	17.4	+0.2	21.5	3.5	20.0	2.9	(0.6)
Gross profit		9.2	156.5	10.9	204.8	+48.2	8.3	96.1	10.8	133.8	+37.6
Selling, general and administrative expenses		6.2	105.3	5.7	107.6	+2.3	5.7	66.1	5.5	68.3	+2.1
Operating income		3.0	51.2	5.2	97.1	+45.9	2.6	29.9	5.3	65.4	+35.4
Ordinary income		3.6	61.0	5.6	105.6	+44.5	3.4	39.6	6.1	74.7	+35.0
Profit attributable to owners of parent		2.8	47.4	5.1	95.5	+48.0	2.6	30.2	6.2	76.2	+46.0



# Change in Consolidated Operating Income



- FY2024/3Q resulted in ¥97.1 billion, up ¥45.9 billion YoY
- Profit increased due to start and progress in high profitability projects in the domestic building construction business and profit improvement in construction projects in hand in the domestic civil engineering business



# Orders Received



OBAYASHI

(Billions of yen)

			Consolidated			Non-consolidated		
			FY2023 3Q Results	FY2024 3Q Results	Y o Y	FY2023 3Q Results	FY2024 3Q Results	Y o Y
Construction business	Building	Domestic	755.9	<b>864.6</b>	+108.7	718.7	<b>830.2</b>	+111.4
		Overseas	445.7	<b>285.4</b>	(160.2)	3.9	<b>3.8</b>	(0.1)
		Total	1,201.7	<b>1,150.1</b>	(51.5)	722.7	<b>834.0</b>	+111.3
	Civil	Domestic	265.8	<b>361.5</b>	+95.7	195.0	<b>303.7</b>	+108.7
		Overseas	91.8	<b>464.7</b>	+372.9	19.1	<b>67.8</b>	+48.7
		Total	357.6	<b>826.2</b>	+468.6	214.1	<b>371.6</b>	+157.4
	Total	Domestic	1,021.7	<b>1,226.1</b>	+204.4	913.8	<b>1,134.0</b>	+220.2
		Overseas	537.5	<b>750.2</b>	+212.6	23.0	<b>71.6</b>	+48.6
		Total	1,559.3	<b>1,976.4</b>	+417.0	936.8	<b>1,205.7</b>	+268.8
Real estate business and other			60.5	<b>98.0</b>	+37.5	16.4	<b>14.7</b>	(1.7)
Total			1,619.8	<b>2,074.5</b>	+454.6	953.3	<b>1,220.4</b>	+267.0

# Consolidated Balance Sheets

- **Decrease in cash and deposits:** Upfront subcontractor payments in line with progress of construction projects
- **Increase in interest-bearing debt:** Issuance of commercial papers
- **Slight decrease in equity:** Valuation difference on available-for-sale securities decreased due to decline in stock prices and to annual dividends payment while steady business profits have been recorded

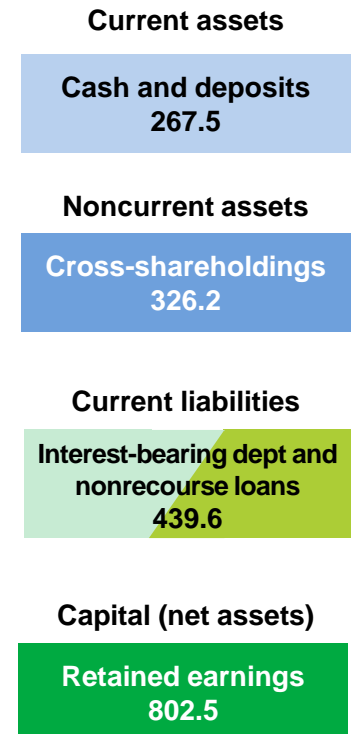
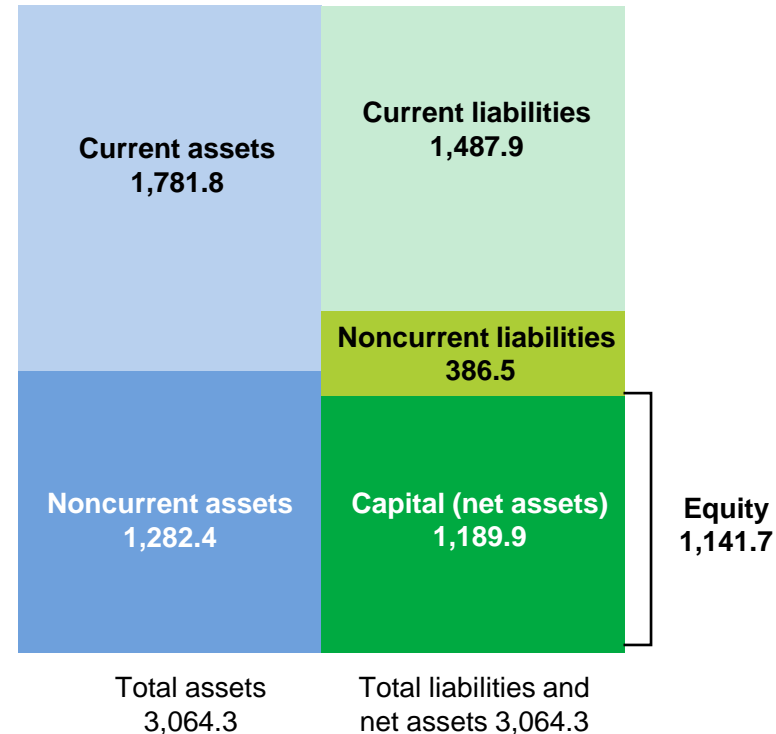
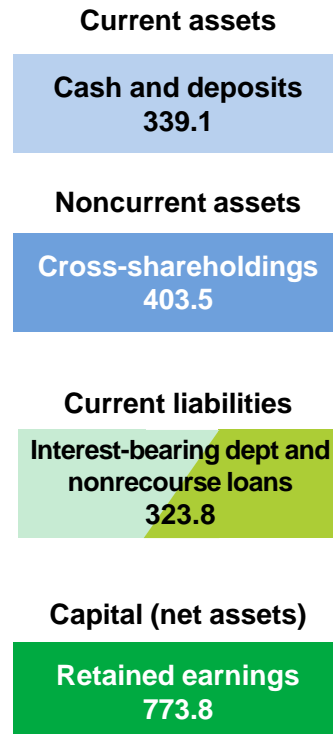
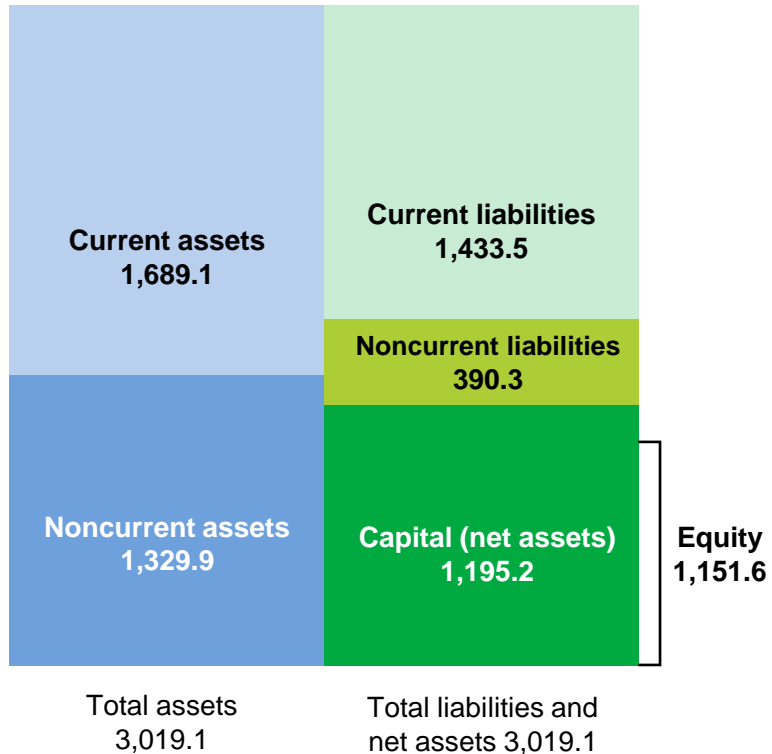
## FY2023 Results

(Billions of yen)



## FY2024/3Q Results

(Billions of yen)



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## FY2024 Full Year Forecasts

- **Summary**
- **Statements of Income (Forecasts)**
- **Operating Income (vs Forecasts before revision)**
- **Operating Income (YoY)**
- **Orders Received (Forecasts)**

**Note: Revised forecasts announced on February 10, 2025**

# Summary of FY2024 Forecasts



(Main reasons for revision)

## Consolidated net sales

**¥2,610.0 bln**  
(Before revision: ¥2,510.0 bln)

YoY  
vs forecasts  
before revision

+¥284.8 bln  
+¥100.0 bln

**+12.3%**  
**+4.0%**

Significant increase due to additional claim approval in the domestic construction business and impact of foreign currency translation in the overseas construction business

## Consolidated operating income

**¥132.0 bln**  
(Before revision: ¥93.0 bln)

YoY  
vs forecasts  
before revision

+¥52.6 bln  
+¥39.0 bln

**+66.3%**  
**+41.9%**

- Increase in net sales of completed construction contracts due to additional claim approval and cost reduction in the domestic construction business
- Impact of foreign currency translation in the overseas construction business

## Profit attributable to owners of parent

**¥128.0 bln**  
(Before revision : ¥87.0 bln)

YoY  
vs forecasts  
before revision

+¥52.9 bln  
+¥41.0 bln

**+70.5%**  
**+47.1%**

- In addition to increase in operating income, the sale of cross-shareholdings progress faster than the initial plan
- Expect to exceed ¥100.0 billion target of the Medium-Term Business Plan 2022

## Consolidated orders received

**¥3,260.0 bln**  
(Before revision : ¥2,520.0 bln)

YoY  
vs forecasts  
before revision

+¥746.9 bln  
+¥740.0 bln

**+29.7%**  
**+29.4%**

- Projects in the domestic building construction business awarded ahead of schedule
- Impact of foreign currency translation in the overseas construction business
- Large project orders received at MWH

Note: Figures are revised forecasts announced on February 10, 2025

## Summary of FY2024 Forecasts

### Consolidated equity

**¥1,150.0 bln**  
(Before revision : ¥1,147.0 bln)

YoY  
vs forecasts  
before revision

¥(1.6) bln  
+¥3.0 bln

(0.1)%  
+0.3%

- Although upward revision of profit, equity is not to be changed due to decrease in valuation difference on available-for-sale securities
- Unconfirmed factors are not taken into account \*

### Consolidated interest-bearing debt and nonrecourse loans

**¥400.0 bln**  
(Before revision : ¥400.0 bln)

YoY  
vs forecasts  
before revision

+¥76.1 bln  
±¥0.0 bln

+23.5%  
(-)

No changes to the plan that advanced payments to suppliers and subcontractors to be covered by procurement according to the progress of the construction projects and investments in the real estate business and other

### Return on invested capital (ROIC)

**5.9 %**  
(Before revision : 4.2%)

YoY  
vs forecasts  
before revision

+2.1 pt  
+1.7 pt

ROIC for the domestic construction business is to improve and will boost the ROIC for the entire company

### Return on equity (ROE)

**11.1 %**  
(Before revision : 7.6%)

YoY  
vs forecasts  
before revision


+4.1 pt  
+3.5 pt

Expected to exceed 10% in FY2024 along with profit improvement

\*Equity at the end of December 2024, plus or minus the latest forecasted net income, year-end and interim dividends, and the adjustment to valuation difference on available-for-sale securities resulting from the sale of cross-shareholdings included in the earnings forecast

Note: Figures are revised forecasts announced on February 10, 2025

# Statements of Income (Forecasts)

 (Billions of yen)  OBAYASHI

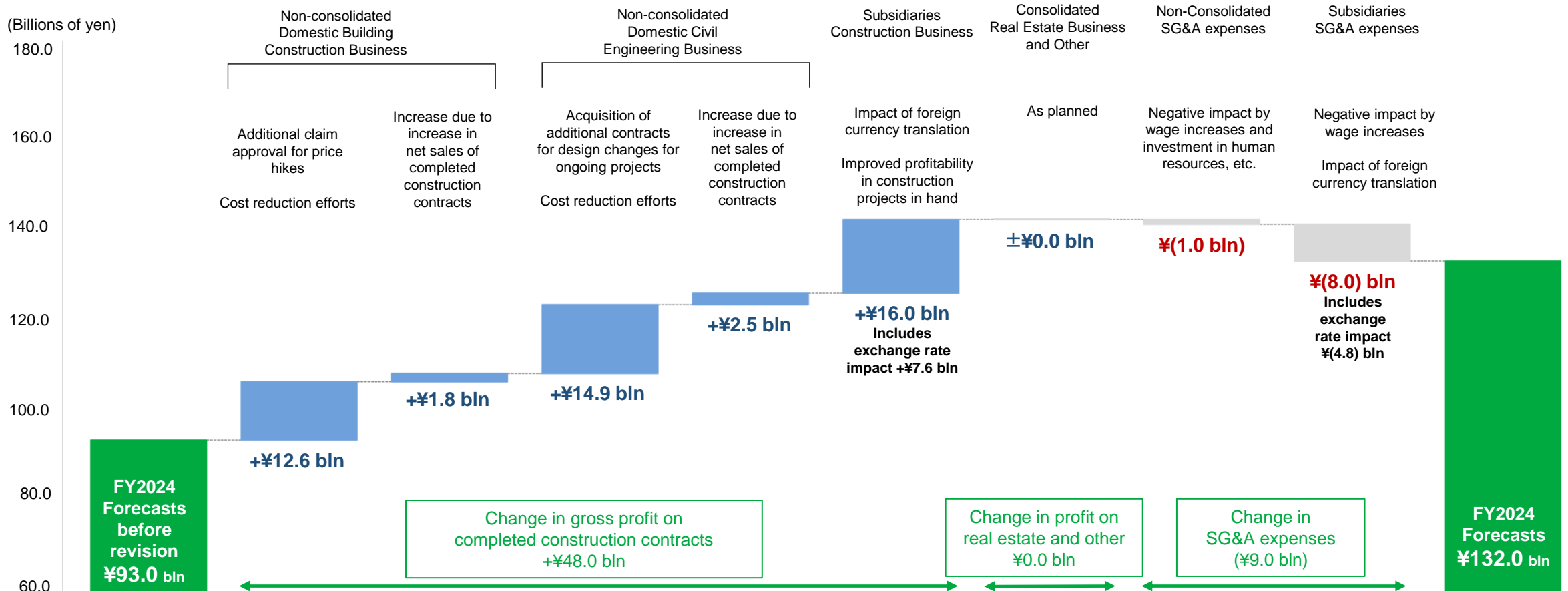
		Consolidated			Non-consolidated						
		FY2023 Results	FY2024 Forecasts	Y o Y	FY2023 Results	FY2024 Forecasts	Y o Y				
Net sales of completed construction contracts	Building	1,722.0	<b>1,833.0</b>	+110.9	1,240.2	<b>1,285.0</b>	+44.7				
	Civil	484.7	<b>652.0</b>	+167.2	315.6	<b>340.0</b>	+24.3				
	Total	2,206.7	<b>2,485.0</b>	+278.2	1,555.8	<b>1,625.0</b>	+69.1				
Net sales of real estate business and other		118.3	<b>125.0</b>	+6.6	26.3	<b>25.0</b>	(1.3)				
Net sales		2,325.1	<b>2,610.0</b>	+284.8	1,582.1	<b>1,650.0</b>	+67.8				
Gross profit on complete construction contracts	Building	% -	-	-	6.3	78.3	8.9	<b>115.0</b>	+36.6		
	Civil	-	-	-	15.4	48.5	18.2	<b>62.0</b>	+13.4		
	Total	8.6	188.8	10.4	<b>258.0</b>	+69.1	8.2	126.9	10.9	<b>177.0</b>	+50.0
Gross profit on real estate business and other		26.0	30.7	23.2	<b>29.0</b>	(1.7)	19.7	5.1	16.0	<b>4.0</b>	(1.1)
Gross profit		9.4	219.6	11.0	<b>287.0</b>	+67.3	8.3	132.1	11.0	<b>181.0</b>	+48.8
Selling, general and administrative expenses		6.0	140.2	5.9	<b>155.0</b>	+14.7	5.6	88.7	5.8	<b>96.0</b>	+7.2
Operating income		3.4	79.3	5.1	<b>132.0</b>	+52.6	2.7	43.3	5.2	<b>85.0</b>	+41.6
Ordinary income		3.9	91.5	5.5	<b>143.0</b>	+51.4	3.5	55.4	5.8	<b>95.0</b>	+39.5
Profit attributable to owners of parent		3.2	75.0	4.9	<b>128.0</b>	+52.9	3.1	49.6	5.9	<b>98.0</b>	+48.3

Note: Figures are revised forecasts announced on February 10, 2025



# Change in Consolidated Operating Income (vs forecasts before revision)

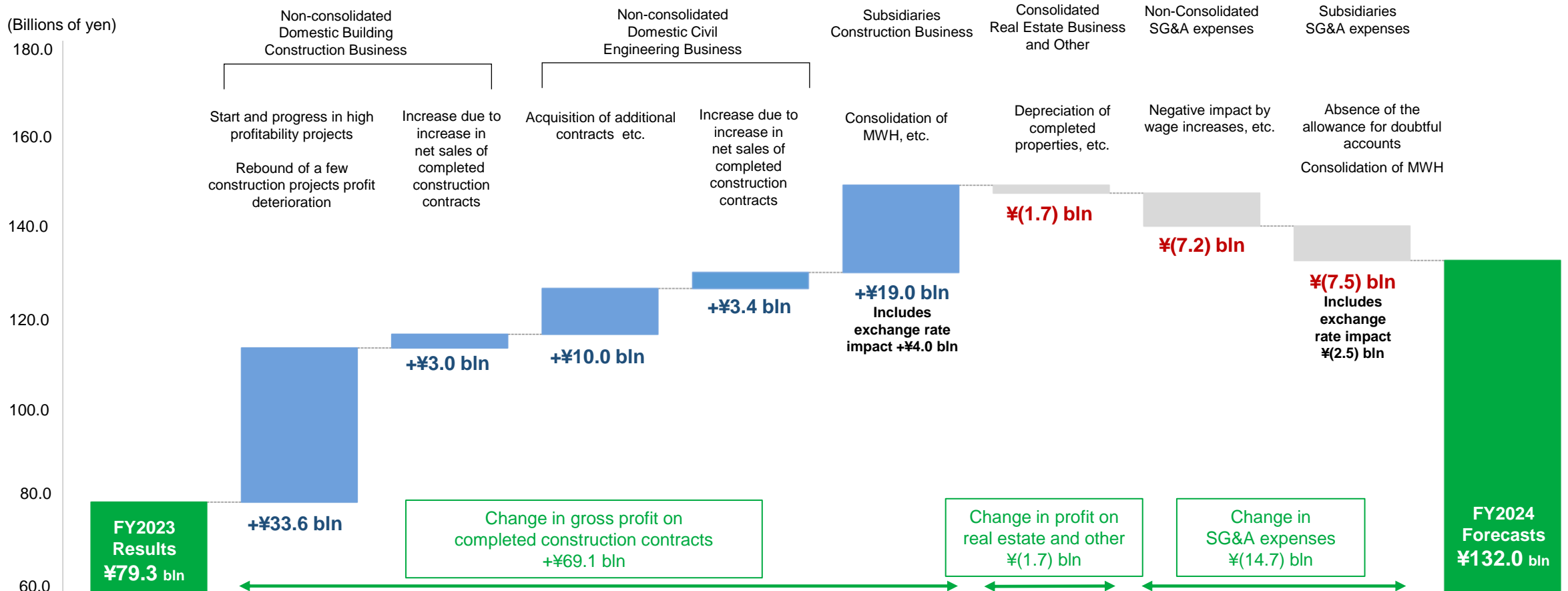
- Revised upward to ¥132.0 billion.
- Increased due to additional claim approval for price hikes and acquisition of additional contracts for design changes in the domestic construction business, and effect of foreign currency translation in the overseas construction business.



Note: Figures are revised forecasts announced on February 10, 2025

# Change in Consolidated Operating Income (YoY)

- Profits are expected to recover significantly
- Increase of ¥52.6 billion YoY due to the consolidation of MWH, acquired in the previous fiscal year, in addition to start and progress in high profitability projects and acquisition of additional contracts.



Note: Figures are revised forecasts announced on February 10, 2025

# Orders Received (Forecasts)



OBAYASHI

(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>1,550.0</b>	+313.0	1,194.8	<b>1,500.0</b>	+305.1
		Overseas	520.3	<b>470.0</b>	(50.3)	3.7	<b>5.0</b>	+1.2
		Total	1,757.3	<b>2,020.0</b>	+262.6	1,198.5	<b>1,505.0</b>	+306.4
	Civil	Domestic	423.1	<b>530.0</b>	+106.8	328.0	<b>445.0</b>	+116.9
		Overseas	174.5	<b>570.0</b>	+395.4	48.5	<b>80.0</b>	+31.4
		Total	597.7	<b>1,100.0</b>	+502.2	376.6	<b>525.0</b>	+148.3
	Total	Domestic	1,660.1	<b>2,080.0</b>	+419.8	1,522.9	<b>1,945.0</b>	+422.0
		Overseas	694.9	<b>1,040.0</b>	+345.0	52.2	<b>85.0</b>	+32.7
		Total	2,355.0	<b>3,120.0</b>	+764.9	1,575.1	<b>2,030.0</b>	+454.8
Real estate business and other			158.0	<b>140.0</b>	(18.0)	26.3	<b>25.0</b>	(1.3)
Total			2,513.0	<b>3,260.0</b>	+746.9	1,601.5	<b>2,055.0</b>	+453.4

Note: Figures are revised forecasts announced on February 10, 2025

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## Overview of Each Business

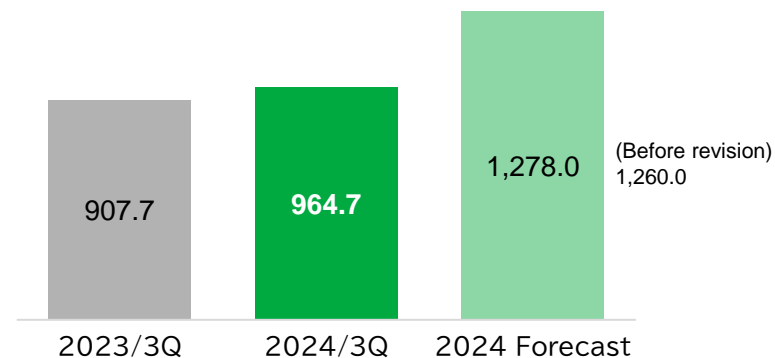
- Domestic Building Construction Business
- Domestic Civil Engineering Business
- Overseas Construction Business
- Real Estate Business and Other
- Consolidated/ Non-consolidated Comparison

# Domestic Building Construction Business (Non-consolidated)

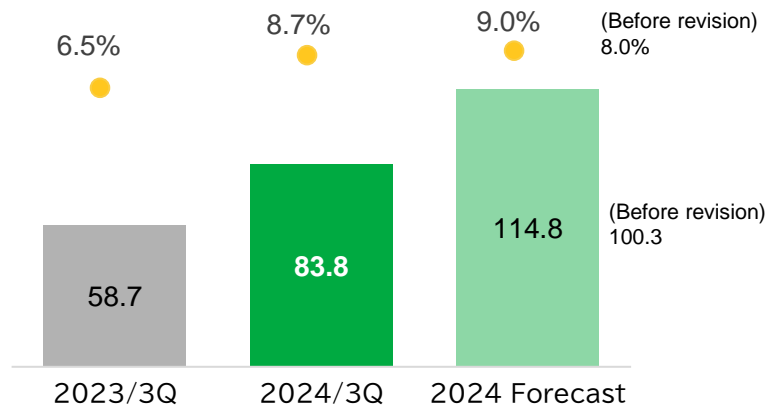


(Billions of yen)

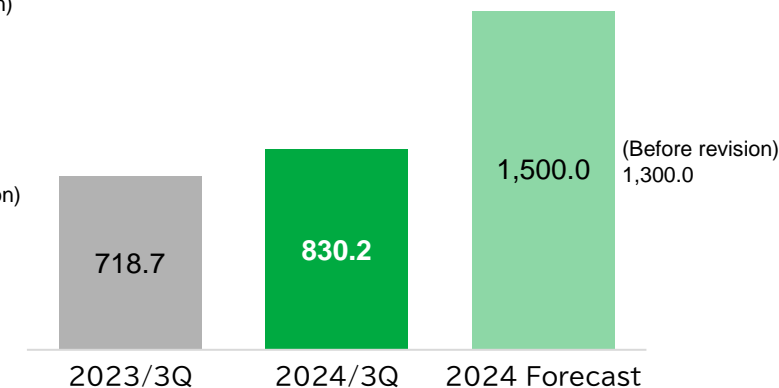
## Net sales of completed construction contracts



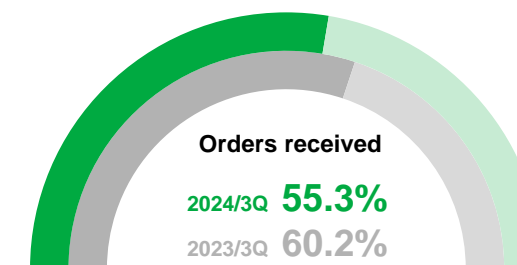
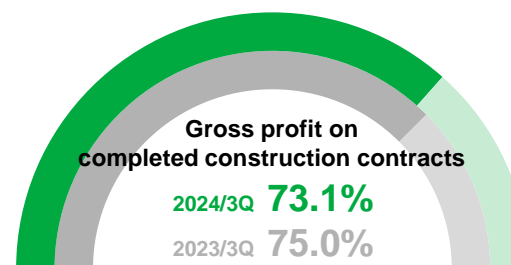
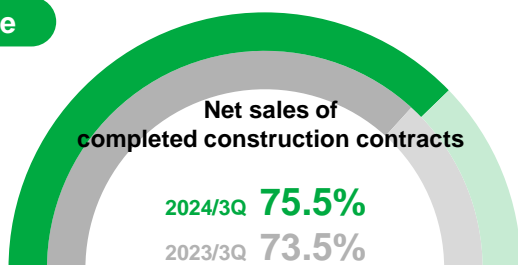
## Gross profit on completed construction/ ratio



## Orders received



## Progress rate



## FY2024/3Q Results

- Net sales of completed construction contracts increased by ¥56.9 billion YoY, mainly due to steady progress in the construction of large-scale projects in hand
- Gross profit on completed construction contracts increased by ¥25.1 billion, due to start and progress in high profitability projects and profit improvement in construction projects in hand

## FY2024 Full Year Forecasts

- Net sales of completed construction contracts is revised upward mainly due to additional claim approval for price hikes
- Orders received is revised upward as large projects are expected to be awarded ahead of schedule in current fiscal year

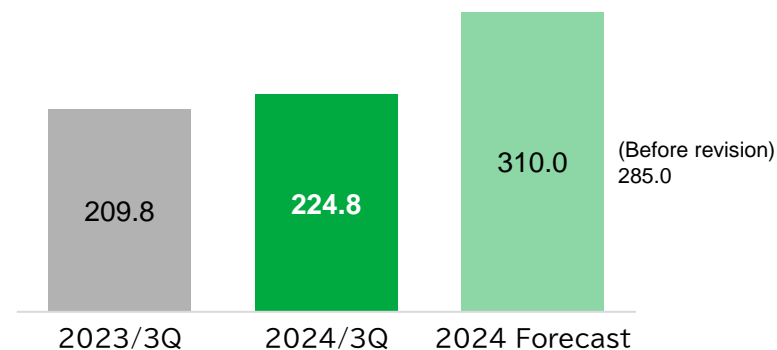
Note: Progress rate for FY2023/3Q is calculated based on the FY2023 results.  
Progress rate for FY2024/3Q is calculated based on the figures announced on February 10, 2025.

# Domestic Civil Engineering Business (Non-consolidated)

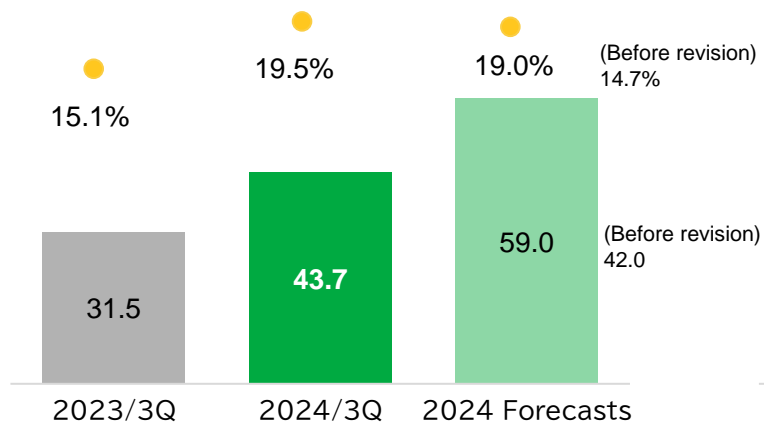


(Billions of yen)

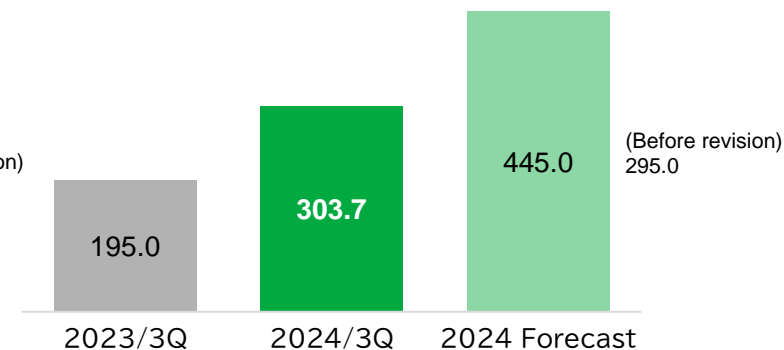
## Net sales of completed construction contracts



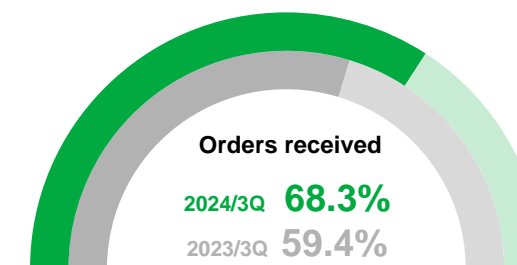
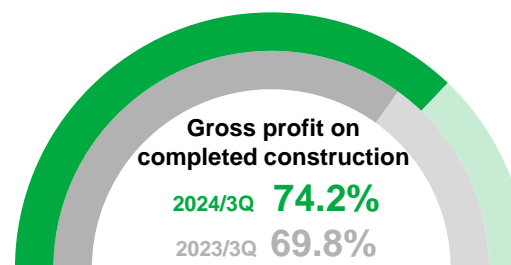
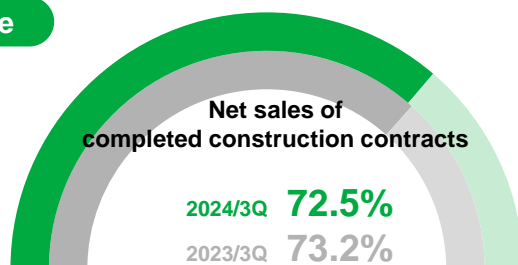
## Gross profit on completed construction/ ratio



## Orders received



## Progress rate



## FY2024/3Q Results

- Gross profit on completed construction increased by ¥12.1 billion YoY, due to profit improvement in projects in hand and additional claim approval

## FY2024 Full Year Forecasts

- Both net sales of completed construction contracts and gross profit on completed construction are revised upward due to acquisition of additional contracts for design
- Orders received is revised upward due to multiple large-scale construction projects orders received, including planned projects

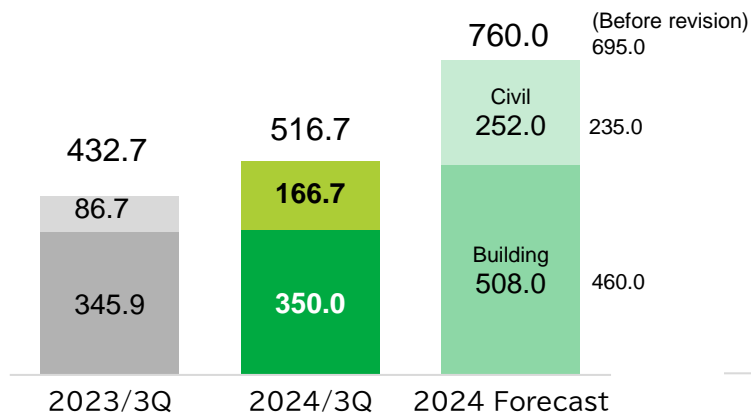
Note: Progress rate for FY2023/3Q is calculated based on the FY2023 results.  
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# Overseas Construction Business (Consolidated)

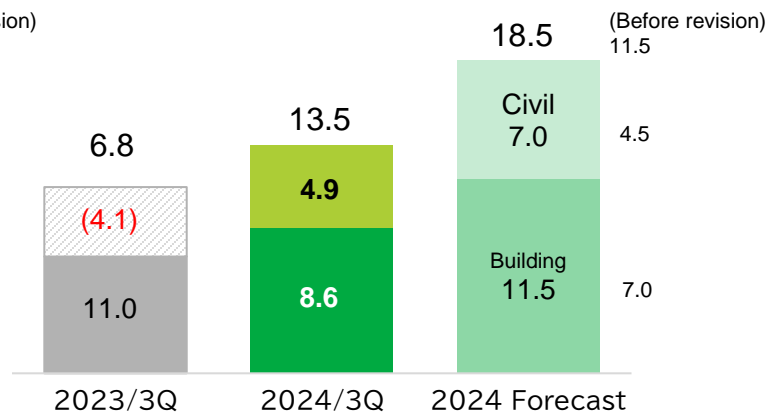


(Billions of yen)

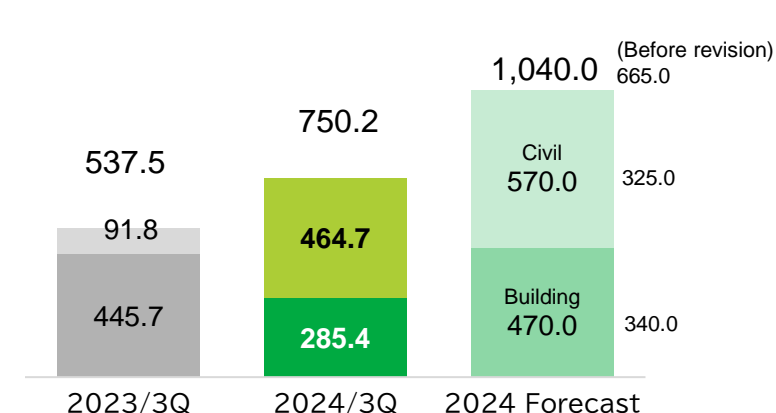
## Net sales of completed construction contracts



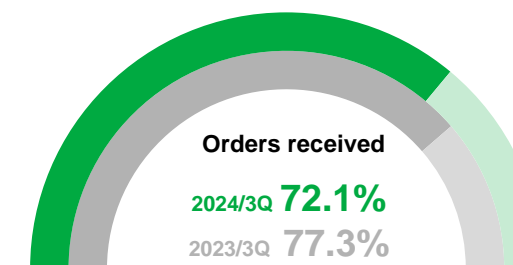
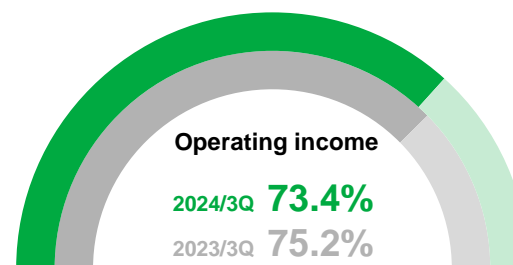
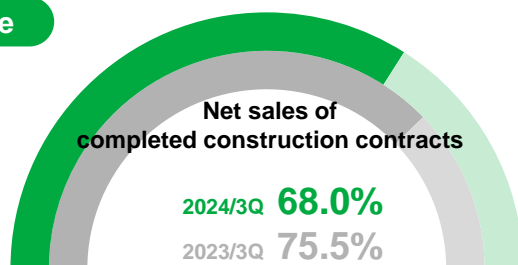
## Operating income



## Orders received



## Progress rate



## FY2024/3Q Results

- Net sales of completed construction contracts and operating income increased YoY due to the consolidation of MWH, acquired in FY2023 and the absence of an allowance for doubtful accounts in FY2023
- The consolidation of MWH contributed to significant increase in orders received

## FY2024 Full Year Forecasts

- Both net sales of completed construction contracts and gross profit on completed construction are revised upward due to the impact of foreign currency translation
- Large-scale projects received at MWH and at Obayashi Singapore exceeding the initial plan and positive impact of foreign currency translation contributed to orders received

Note: Progress rate for FY2023/3Q is calculated based on the FY2023 results.  
Progress rate for FY2024/3Q is calculated based on the figures announced on February 10, 2025

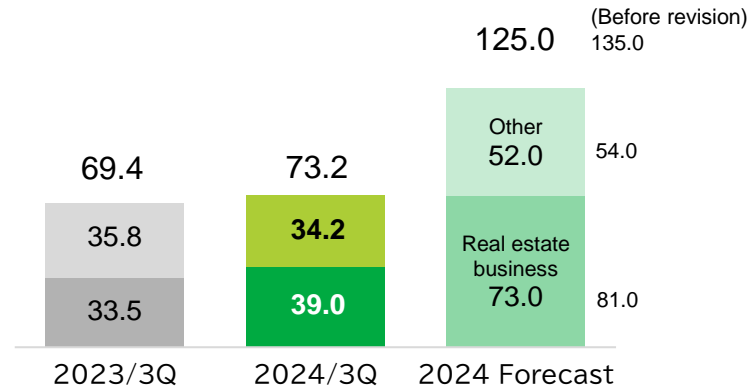


# Real Estate Business and Other (Consolidated)

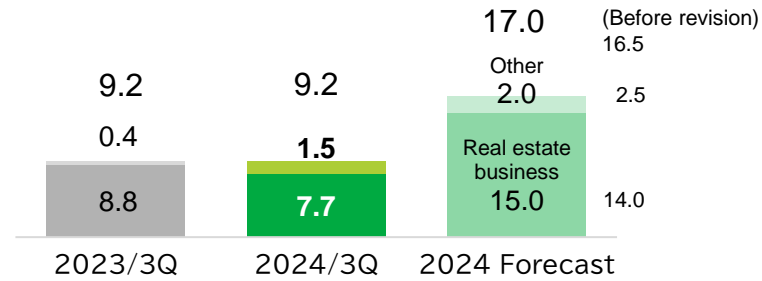


(Billions of yen)

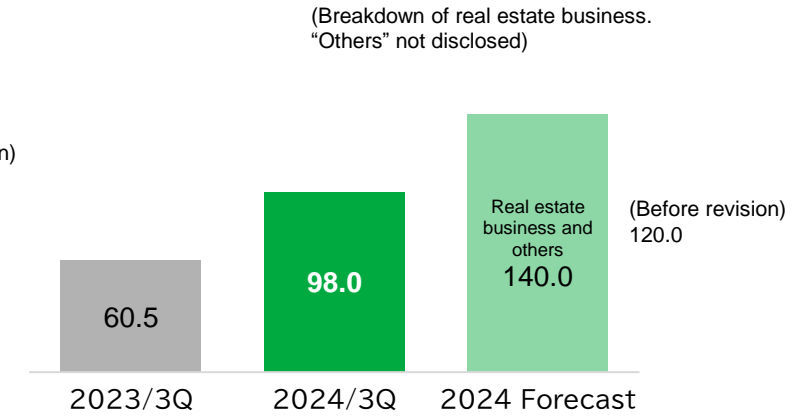
## Net sales



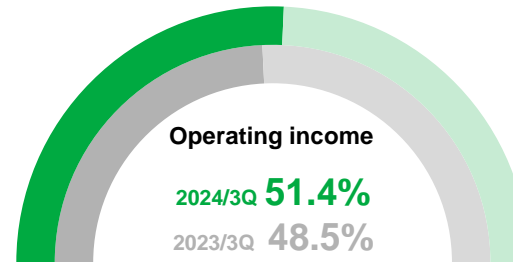
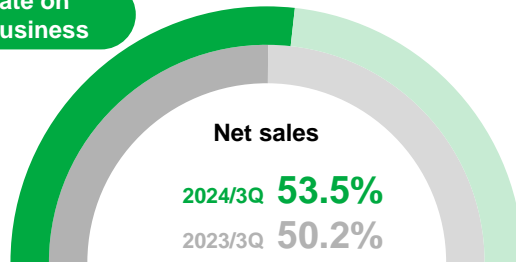
## Operating income



## Orders received



Progress rate on real estate business



## FY2024/3Q Results

- Net sales for the real estate business increased due to rise in the price of condominiums at Obayashi Shinseiwa Real Estate
- Operating income decreased due to depreciation expenses of completed properties, and a lower rental income due to absence of properties sold in FY2023

## FY2024 Full Year Forecasts

- Operating income in the real estate business is expected to increase YoY securing profit exceeding the initial plan by the sale of properties although, net sales is to decrease from forecasts before revision

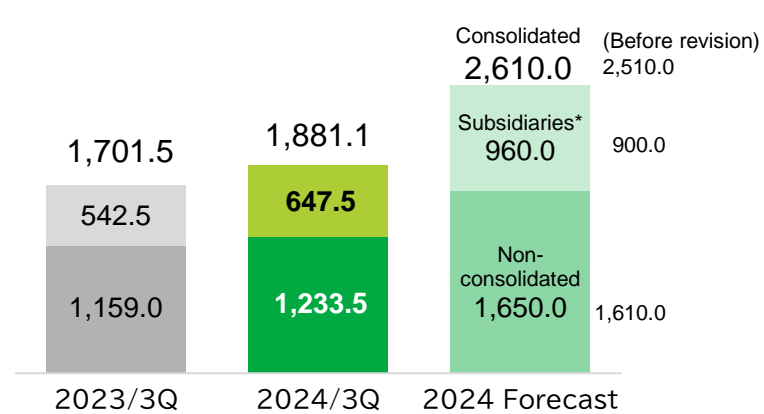
Note: Progress rate for FY2023/3Q is calculated based on the FY2023 results.  
Progress rate for FY2024/3Q is calculated based on the figures announced on February 10, 2025

# Consolidated / Non-consolidated Comparison

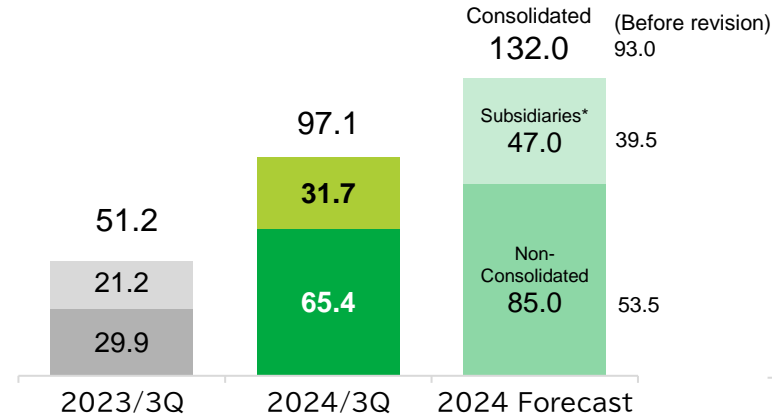


(Billions of yen)

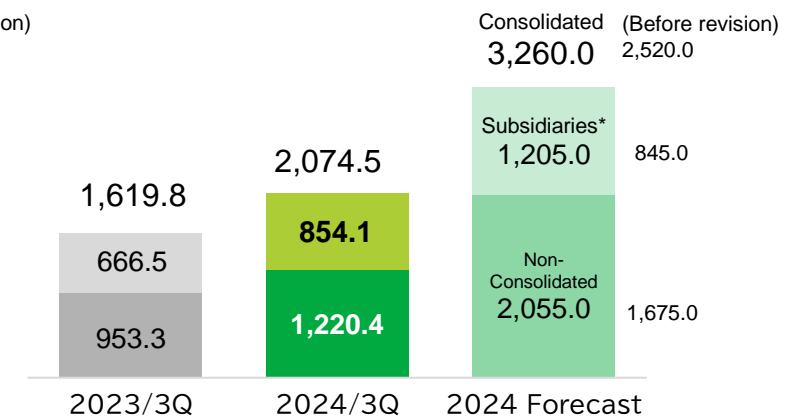
## Net sales



## Operating income



## Orders received



\*Includes consolidated journal entries

## Consolidated/ non-consolidated ratio

1.47	1.52	1.58
------	------	------

1.71	1.48	1.55
------	------	------

1.70	1.70	1.59
------	------	------

## FY2024/3Q Results

- Non-Consolidated: Net sales and operating income increased due to steady progress in construction projects in hand for domestic building construction and civil engineering, as well as contribution from start and progress in high profitability projects in hands
- Subsidiaries: Net sales and operating income increased mainly due to the contribution of MWH acquired in FY2023

## FY2024 Full Year Forecasts

- Net sales and operating income are revised upward due to acquisition of additional contracts and additional clam approval in the domestic construction business
- Subsidiaries: Both net sales and operating income are revised upward due to the impact of foreign currency translation in the overseas construction business

Note: Progress rate is calculated based on the figures announced on February 10, 2025.

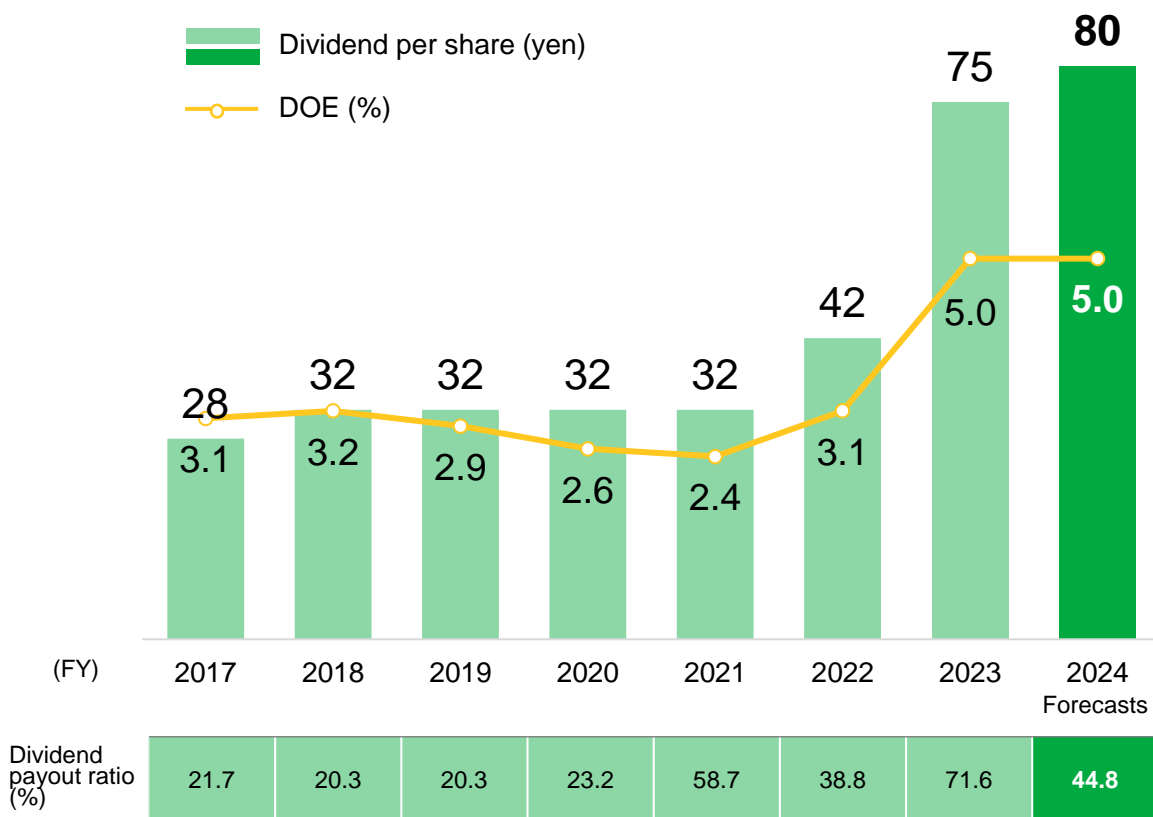


5

## Changes in Shareholder Returns

## Changes in Shareholder Returns

- Planning an annual dividend of 80 yen per share, based on a dividend policy of DOE around 5%
- Acquisition of own shares (share buyback) of ¥100.0 billion by the end of FY2026 and begin repurchasing ¥30.0 billion immediately



Top priority to maintain stable long-term dividend

**DOE around 5%**

Review DOE target in line with medium- to long-term improvement of the profit level



Execute flexible shareholder-returns according to necessary equity and profit status

**Share buyback**

Scale of ¥100.0 billion by the end of FY2026 (¥30.0 billion from Feb. 2025 to Jun. 2025)



6

## **Establishment of Subsidiary (Sub-subsidiary) by Consolidated Subsidiary of Obayashi Corporation**

# Establishment of Subsidiary (Sub-subsidiary) by Consolidated Subsidiary of Obayashi Corporation

- Thai Obayashi develops a multipurpose complex mainly for office use with a hotel on the upper floors in Bangkok
- Establish a hotel management company with Saha Group, one of Thailand's general consumer goods company, to enter a hotel business under the management contract scheme

## Overview of the subsidiary (sub-subsidiary)

### (Tentative name) Ratchadamri Hospitality Management Company Limited

- Description of business:  
Management of hotel business in a planned multipurpose complex on Ratchadamri Road, Pathumwan District, Bangkok
  - Capital (in Thai baht): 2,600 million
  - Date of establishment: June 2025
  - Major shareholders:  
Thai Obayashi Corporation (TOC) 60%  
Saha Pathana Inter-Holding Public Company\* (SPI) 40%
- \*A core subsidiary of Saha Group

## Outline of Plan

- Location: Ratchadamri Road, Patumwan District, Bangkok
- Land area: Approx. 9,804m<sup>2</sup>
- Total floor area: Approx. 117,650m<sup>2</sup>
- Number of floors: 39 floor, 3 basement floors
- Building use: Office, hotel, commercial, parking
- Completion and opening: Fiscal year ending 2029 (scheduled)





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