

May 13, 2026

**OBAYASHI CORPORATION**  
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(Securities code: 1802; Tokyo Stock Exchange Prime Market)

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## **Notice Concerning the Continuation and Partial Revision of Board Incentive Plan (BIP) Trust**

OBAYASHI CORPORATION (hereinafter referred to as the “Company”) hereby announces that it has resolved, at a meeting of the Board of Directors held on May 13, 2026, to submit a proposal to the 122nd Ordinary General Meeting of Shareholders scheduled to be held on June 29, 2026 (hereinafter referred to as the “OGM”), regarding revisions to the stock remuneration plan (hereinafter referred to as the “Plan”) under the Board Incentive Plan (BIP) Trust, which has been adopted as an incentive plan for the Company’s Directors and Executive Officers who have entered into a service agreement with the Company (excluding Independent Directors; hereinafter referred to as the “Eligible Officers”).

### **1. Purpose of Revision**

In 2022 and 2024, the Company formulated the Obayashi Group Medium-Term Business Plan 2022 and its Addendum and has been working to enhance corporate value across the Obayashi Group (hereinafter referred to as the “Group”).

In order for the Group to continue to meet the expectations and demands of all stakeholders and to achieve sustainable growth and further enhancement of corporate value, the Company believes it is important to secure talented management personnel both in Japan and overseas, and the Eligible Officers’ strong motivation and responsible, proactive involvement in contributing to the mid- to long-term enhancement of corporate value. Accordingly, the Company has decided to implement partial revisions to the Plan.

Specifically, the Company will expand the stock remuneration limit under the Plan and, with respect to the structure of the Plan, will consolidate the stock remuneration previously paid based on the degree of achievement of both short-term and mid- to long-term performance indicators and the responsibilities associated with each position into a single performance-linked stock remuneration that is paid based solely on the degree of achievement of mid- to long-term performance indicators. Through these revisions, the Company aims to strengthen incentives for the mid- to long-term enhancement of corporate value through the achievement of performance targets.

Furthermore, as in the past, shares will be delivered under the Plan upon the Eligible Officers’ retirement. Accordingly, the Eligible Officers will carry not only the benefits of an increase in stock price but also the risks of a decline in stock price as shareholders do, thereby ensuring that the incentive effect to enhance corporate value over the mid- to long-term continues through retirement.

In addition, the Company's Remuneration Committee, which has been established as an advisory body to the Board of Directors and is composed of a majority of Independent Directors with an Independent Director serving as chair, has concluded, following its deliberations, that the revision of the Plan is appropriate from the perspective of enhancing corporate value.

For an overview of the current Plan, please refer to the Company's announcement dated May 12, 2021, entitled "Notice Regarding Continuation of and Partial Amendments to the 'Officer Remuneration BIP Trust'" (Japanese Only).

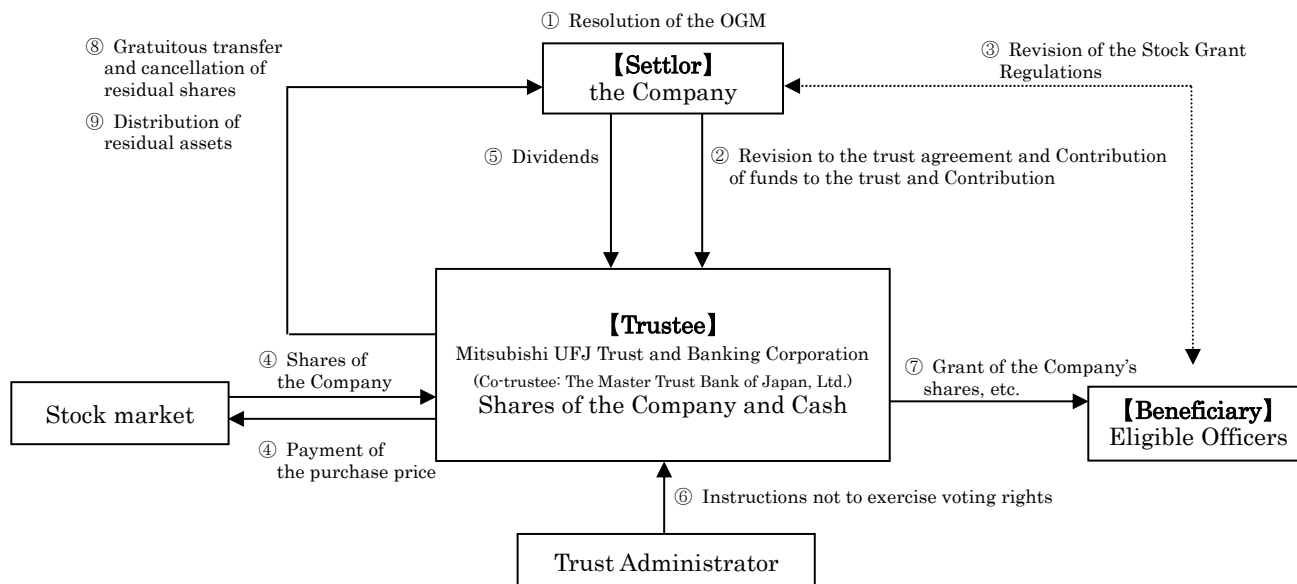
## 2. Overview of the Continuation and Partial Revisions to the Plan

The Plan is a performance-linked stock remuneration plan under which the Company contributes funds corresponding to the remuneration of the Eligible Officers, acquires shares of the Company through a trust using such funds, and delivers shares of the Company corresponding to the points granted each fiscal year based on the degree of achievement of performance targets, position, and other factors, in principle, upon the Eligible Officers' retirement.

The specific details of the revisions to the Plan are as follows. As any additional acquisition of the Company's stock in connection with these revisions will be expected to be made through purchases on the stock market, no dilution of the Company's shares will occur.

(1)	Eligible persons	Directors and delegated Executive Officers (excluding Independent Directors)
(2)	Performance period	The initial performance period shall cover three fiscal years, from the fiscal year ending March 31, 2027 to the fiscal year ending March 31, 2029. Upon the expiration of the performance period, the performance period may be extended for an additional three-year period. Such extensions may be repeated and are not limited to a single occurrence.
(3)	Maximum amount of monetary to be contributed by the Company	JPY 3,000 million in aggregate for the three-fiscal-year period.
(4)	Maximum number of shares of the Company to be delivered to the Eligible Officers	The maximum total number of points granted to the Eligible Officers per fiscal year shall be 500,000 points. With one point corresponding to one stock of the Company's ordinary share, the number of stocks corresponding to such points represents approximately 0.07% per fiscal year (approximately 0.22% per 3 fiscal years) of the total number of stocks outstanding of the Company (excluding treasury shares) as of March 31, 2026.
(5)	Method for determining the number of shares of the Company to be delivered to the Eligible Officers	At a fixed time each year during the trust period, the Company shall grant to each Eligible Officer performance-linked points based on the Company's performance. The performance-linked points are calculated by multiplying the base number of points predetermined for each position by a performance-linked coefficient, which varies within a range of 0% to 150% depending primarily on the degree of achievement of performance targets*determined in advance by the Board of Directors, with reference to the management indicators set forth in the Company's medium-term business plan and other relevant factors. In the event that an Eligible Officer passes away during his or her term of office, the number of points granted shall be adjusted in proportion to the period served up to the date of death.
(6)	Timing of delivery of the Company's shares	At retirement (or in the event of death, upon death).
(7)	Method for acquisition of the Company's shares by the trust	Purchase on the stock market.

\*With respect to performance targets, during the period covered by the Medium-Term Business Plan 2022 (FY2022 to FY2026), such targets will be set based on the key performance indicator targets under the Medium-Term Business Plan 2022, including return on equity (ROE). Following the end of such period, performance targets are expected to be determined by the Board of Directors after deliberation by the Remuneration Committee, with reference to the management indicators set forth in the next medium-term business plan etc.



- ① The Company obtains an approval at the OGM regarding the partial revisions to the Plan.
- ② Based on the agreement to revise the trust agreement, the Company contribute funds to the trust within the range approved at the General Meeting of Shareholders referred to in ①, and extend the trust period of the trust, under which the Eligible Officers who satisfy the beneficiary requirements shall be the beneficiaries.
- ③ In connection with the continuation of the Plan, the Company partially revise the Stock Grant Regulations.
- ④ In accordance with instructions from the trust administrator, the trust acquire shares of the Company on the stock market using funds remaining in the trust estate at the time of the amendment to the trust agreement, together with the funds contributed pursuant to ②, as the source of funding. The number of shares to be acquired by the trust following the extension of the trust period shall be within the scope approved at the OGM referred to in ①.
- ⑤ Dividends are paid on the Company's shares held in the trust in the same manner as other outstanding shares of the Company.
- ⑥ With respect to the shares of the Company held in the trust, voting rights shall not be exercised throughout the trust period.
- ⑦ During the trust period, points shall be granted and accumulated for the Eligible Officers based on the degree of achievement of performance targets, position, and other factors. At the retirement of an Eligible Officer who satisfies certain beneficiary requirements (or in the event of death, upon death), the trust shall deliver to such Eligible Officer shares of the Company corresponding to a specified percentage of the total accumulated points. With respect to the remaining points, the corresponding number of shares shall be converted into cash within the trust in accordance with the trust agreement, and an amount equivalent to the proceeds thereof shall be paid to the Eligible Officer.
- ⑧ In the event that residual shares remain at the end of the trust period due to, among other reasons, the failure to achieve performance targets, the Company plans either to continue using the trust as a new share-based compensation plan by amending the trust agreement and making an additional contribution to the trust, or to transfer such residual shares to the Company without consideration and cancel them pursuant to a resolution of the Board of Directors.
- ⑨ Upon termination of the trust, any residual assets remaining after distribution to the beneficiaries are expected to revert to the Company within the amount of the trust expense reserve, which is calculated by deducting the funds used for the acquisition of shares from the trust funds. Any portion exceeding the trust expense reserve is expected to be donated to organizations with no conflicts of interest with the Company or the Eligible Officers.

(Note) Within the scope of the funds approved by the shareholder resolution referred to in ①, the Company may make additional contributions to the trust as funds for the acquisition of the Company's shares and continue the Plan.

(Reference) Outline of the Trust Agreement

(1) Types of Trusts	Monetary trusts other than specified single trusts
(2) Purpose of the Trust	To raise management's awareness of contributing to continued improvement of the Company's mid- to long-term performance and increasing its corporate value by granting a certain amount of the Company's shares and monetary benefits to Eligible Officers.
(3) Settlor	The Company
(4) Trustee	Mitsubishi UFJ Trust and Banking Corporation (Co-trustee: The Master Trust Bank of Japan, Ltd.)
(5) Beneficiaries	Eligible Officers who satisfy the beneficiary requirements
(6) Trust administrator	Third party with no special conflict of interest with the Company (Certified public accountant)
(7) Trust extension agreement date	July 27, 2026 (planned)
(8) Trust period after extension	July 27, 2026 to August 31, 2029 (planned)
(9) Plan commencement date after extension	July 27, 2026 (planned)
(10) Exercise of Voting Rights	Not to be exercised
(11) Type of Shares to be Acquired	Common shares of the Company
(12) Total Amount of Shares to be Acquired	JPY 3,000 million (planned) (including trust fees and trust expenses)
(13) Timing of Share Acquisition	August, 2026 (planned)
(14) Method of Share Acquisition	Acquisition from the stock market
(15) Residual Rights Holder	The Company
(16) Residual Assets	Residual assets receivable by the Company shall be limited to the trust expense reserve after deducting share acquisition funds.

(Notes)

1. Upon the extension of the Plan, the Company will enter into an agreement regarding the extension of the Plan with the trustee and the trust administrator. Following the execution of such agreement, the Company will make additional cash contributions to the trust and acquire additional shares of the Company within the limits approved at the OGM, namely, an upper limit of trust funds of JPY 3,000 million and an upper limit of 1,500,000 shares to be acquired during the trust period.
2. The acquisition of the Company's shares will be carried out after the announcement of the first set of financial results to be released during the extended trust period, which is scheduled to be the announcement of the financial results for the first quarter of the fiscal year ending March 31, 2027.

Disclaimer:

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.