

Engagement with Shareholders and Investors

FY2025: April 2025 - March 2026

June 22, 2026

Obayashi Corporation

PRIME 1802

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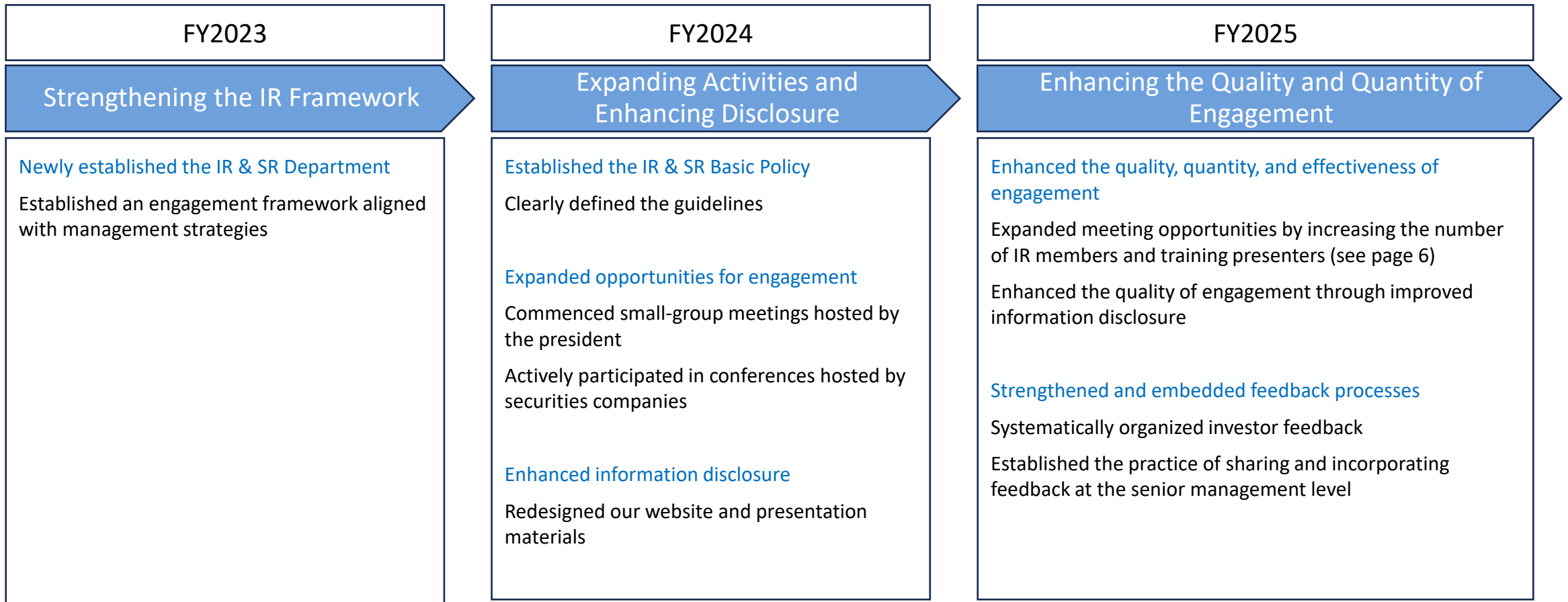


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1. Deepening SR and IR Activities

- In April 2023, we newly established the Investor Relations & Shareholder Relations (IR & SR) Department under the Corporate Strategy Division to establish a framework for conducting IR and SR activities in line with our management strategies. These IR and SR activities are overseen by the executive officer of the Corporate Strategy Division responsible for IR and SR activities.
- In FY2024, we strengthened the IR/SR framework and expanded opportunities for engagement with shareholders and investors.
- In FY2025, with our previous initiatives now well established, we transitioned to an operational phase focused on enhancing the quality and effectiveness of engagement.



2. Engagement with Shareholders and Investors

(1) Activities in FY2025

Engagement Activity	Number of Times Held/Participated		Presenter	Participants Engaged / Details
	1 st Half	2 nd Half		
Financial results briefing conferences	4		For 2Q and 4Q (full-year) briefings: <ul style="list-style-type: none"> • President and CEO • Head of Marketing Division (Executive Vice President) • Head of Civil Engineering Construction Division (Executive Vice President) • Head of Building Construction Division (Executive Vice President) • General Manager of Accounting Department For 1Q and 3Q briefings: <ul style="list-style-type: none"> • General Manager of Corporate Strategy Division (Managing Executive Officer) 	Securities analysts and institutional investors (some of whom are shareholders) <ul style="list-style-type: none"> • Held online • Total of 450 attendees: <ul style="list-style-type: none"> • FY2024 4Q: 111 • FY2025 1Q: 104 • FY2025 2Q: 113 • FY2025 3Q: 122
	2	2		
IR meetings	257		<ul style="list-style-type: none"> • General Manager of Corporate Strategy Division (Managing Executive Officer) • General Manager of Accounting Department • General Manager and members from the IR & SR Department 	Securities analysts and institutional investors (some of whom are shareholders) <ul style="list-style-type: none"> • Total of 628 individuals (45 securities analysts, 244 representatives from domestic institutional investors, and 339 representatives from overseas institutional investors)
	113	144		
Conferences hosted by securities companies	6		<ul style="list-style-type: none"> • General Manager of Corporate Strategy Division (Managing Executive Officer) • General Manager and members from the IR & SR Department 	Overseas institutional investors (some of whom are shareholders) <ul style="list-style-type: none"> • Engagement with a total of 64 firms and 87 individuals (including group meetings)
	3	3		
Small-group meetings	4		<ul style="list-style-type: none"> • President and CEO 	Securities analysts and institutional investors (shareholders) <ul style="list-style-type: none"> • Total of 8 securities analysts and 7 representatives from domestic institutional investors • Main questions and answers
	4	—		
Overseas IR activities	1		<ul style="list-style-type: none"> • President and CEO • General Manager of the IR & SR Department 	Overseas institutional investors (some of whom are shareholders) <ul style="list-style-type: none"> • Visited a total of 4 firms, including 3 major shareholders
	1	—		

2. Engagement with Shareholders and Investors

(1) Activities in FY2025

Engagement Activity	Number of Times Held		Presenter	Participants Engaged / Details
	1 st Half	2 nd Half		
Business briefings / Tours of construction sites	3		Construction Site Tour of Shin-Sasago Tunnel <ul style="list-style-type: none"> Project Director General Manager of Tunnel Engineering Department Obayashi Singapore Business Briefing <ul style="list-style-type: none"> Managing Executive Officer, Head of Asia-Pacific Regional Headquarters, and CEO of Obayashi Singapore 	Securities analysts and institutional investors (some of whom are shareholders) <ul style="list-style-type: none"> Introduced business initiatives and construction sites Held a construction site tour of Shin-Sasago Tunnel Held the Obayashi Singapore Business Briefing Held an ESG briefing and a site tour at a construction site in Yokohama, Kanagawa Prefecture
	–	3		
Integrated report discussions	7		<ul style="list-style-type: none"> General Manager and members from the IR & SR Department General Manager and members from the ESG and SDGs Department 	Domestic institutional investors (shareholders) <ul style="list-style-type: none"> Held discussions with our top domestic and overseas institutional investors to obtain feedback on the Corporate Report 2025 (integrated report)
	–	7		
Individual meetings with major shareholders (SR meetings)	14		<ul style="list-style-type: none"> Independent Directors General Manager of General Administration Department and Manager of General Administration Section (in charge of managing stocks) General Manager of ESG and SDGs Department General Manager of IR & SR Department 	Major shareholders (domestic and overseas institutional investors) and proxy voting advisory firms <ul style="list-style-type: none"> Mainly engaged with proxy voting representatives Total of 28 individuals
	–	14		
ESG briefing	1		<ul style="list-style-type: none"> General Manager of Corporate Strategy Division (Managing Executive Officer) Members from the Carbon Neutral & Timber Construction Solution Department of the Marketing Division Members from the ESG and SDGs Department Project Director of Construction Site 	Securities analysts and institutional investors (some of whom are shareholders) <ul style="list-style-type: none"> Introduced specific ESG initiatives and related efforts Held an ESG briefing and a site tour at a construction site in Yokohama, Kanagawa Prefecture
	–	1		
ESG meetings	2		<ul style="list-style-type: none"> General Manager of ESG and SDGs Department General Manager of General Administration Department Members from the IR & SR Department 	Institutional investors (some of whom are shareholders) <ul style="list-style-type: none"> Held at the request of the institutional investors Total of 2 firms and 2 individuals
	1	1		

2. Engagement with Shareholders and Investors

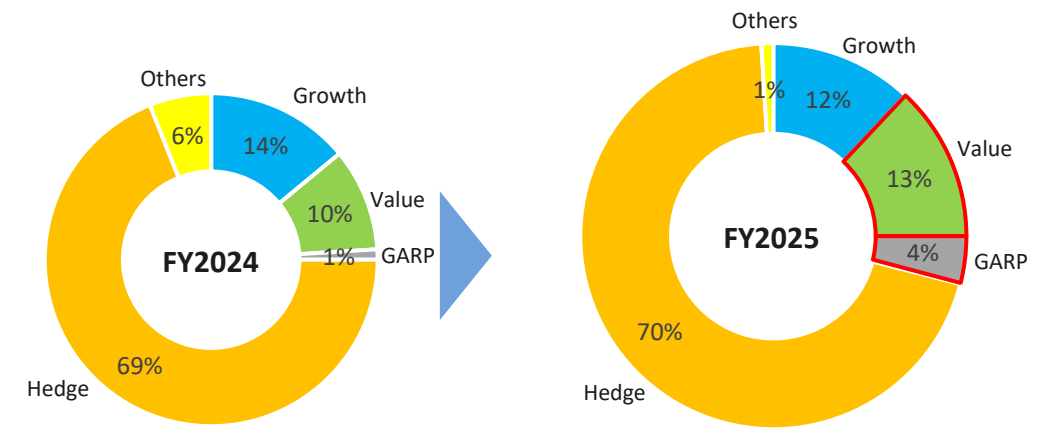
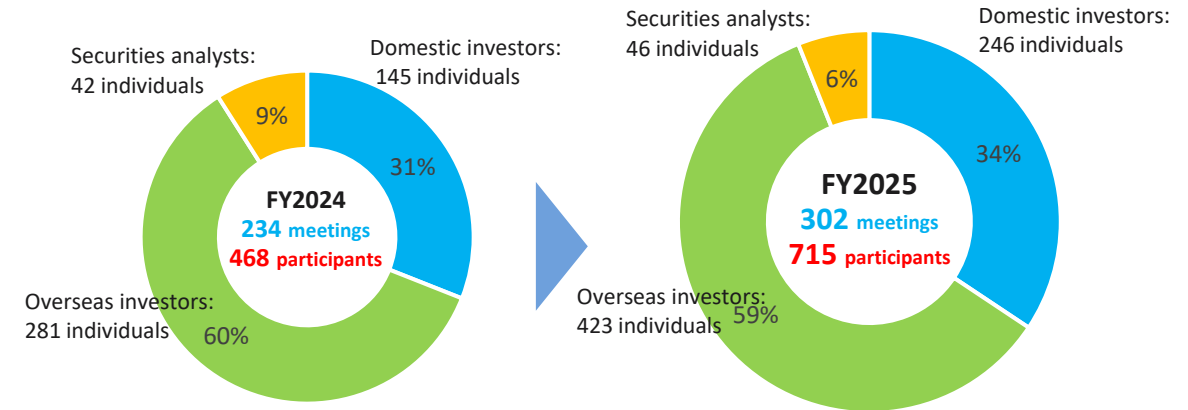
(2) IR Meetings

Number of IR Meetings and Participants (Including Conferences Hosted by Securities Companies)

- In FY2025, both the number of IR meetings and participants increased significantly compared to the previous fiscal year.
- The number of IR meetings and participants remained at a high level, exceeding FY2024, when both had increased significantly due to strong investor interest in [our capital policy announced in March 2024](#). Amid uncertainty stemming from U.S. tariff policies and other factors, interest in the construction sector increased, as investors recognized its relative defensiveness and favorable order environment.
- Actively participated in conferences hosted by securities companies to expand opportunities to engage with overseas investors.

Breakdown of Meetings with Overseas Investors by Investment Style

- By investment style, the proportion of IR meetings with value-focused and GARP-focused investors increased slightly.
- We believe that demand for meetings from value-focused and GARP-focused investors is increasing due to macroeconomic trends, including a shift in investment flows from relatively expensive U.S. equities to attractively valued Japanese equities.



2. Engagement with Shareholders and Investors

(3) Major Themes Discussed in IR Meetings

Item	Major Themes
Domestic building construction business	<ul style="list-style-type: none"> ● Assessment of profit level and sustainability <ul style="list-style-type: none"> – Reasons why gross profit on completed construction contracts in FY2025 exceeded the initial forecast (including profit improvements on large-scale unprofitable construction projects and projects completed in FY2025) – Background to the two significant upward revisions, including our approach to formulating forecasts and our view on the outlook – Outlook for net sales of completed construction contracts and gross profit margin on completed construction contracts in FY2026 and beyond (potential to exceed the FY2025 gross profit margin on completed construction contracts) ● Changes in the earnings structure (cost pass-through and profitability at the time of receiving new orders) <ul style="list-style-type: none"> – Progress in cost pass-through (including the broader adoption of inflation-adjustment clauses and growing client understanding of the need for cost pass-through) – Changes in pricing power driven by tight supply-demand conditions – Improvement in profitability at the time of receiving new orders, driven by tight supply-demand conditions, and medium- to long-term outlook ● Risks <ul style="list-style-type: none"> – Level of provision for loss on construction contracts (the ratio to net sales of completed construction contracts in FY2025 as well as FY2026 and beyond) – Changes to projects by clients, including plan revisions, postponements, and cancellations, and their impact on financial results
Domestic civil engineering business	<ul style="list-style-type: none"> ● Assessment of profit level and sustainability <ul style="list-style-type: none"> – Reasons why gross profit on completed construction contracts in FY2025 exceeded the initial forecast (including additional claim approvals for design changes) – Outlook for net sales of completed construction contracts and gross profit margin on completed construction contracts in FY2026 and beyond ● Supply and demand conditions and construction capacity <ul style="list-style-type: none"> – Trends in orders received, reflecting the current construction capacity (upside potential in net sales of completed construction contracts) – Outlook for medium- to long-term demand centered on national resilience initiatives, disaster prevention/mitigation, and investment related to defense
Overseas business	<ul style="list-style-type: none"> ● Assessment of profit level and sustainability <ul style="list-style-type: none"> – Reasons why operating profit in FY2025 exceeded the initial forecast – Outlook for net sales of completed construction contracts, operating profit, and new orders in FY2026 and beyond ● Growth strategy and business portfolio <ul style="list-style-type: none"> – Outlook for medium- to long-term demand in North America and Asia – Role of GCON Inc., which has been acquired, and outlook for its contribution to consolidated financial results – Strategic significance of the overseas business and future direction amid a strong domestic market ● Level of bonding capacity in the North American construction business and capital constraints on business expansion, among other topics

2. Engagement with Shareholders and Investors

(3) Major Themes Discussed in IR Meetings

Item	Major Themes
Real estate development business	<ul style="list-style-type: none"> ● Profitability level and outlook <ul style="list-style-type: none"> – Operating profit in FY2025 as well as FY2026 and beyond – Profitability analysis of properties held (including yields and vacancy rates) and factors behind the relatively low yields of real estate for lease ● Asset scale and portfolio management policy <ul style="list-style-type: none"> – Approach to the scale and composition of properties held – Outlook for medium- to long-term scale of assets ● Strategy for improving asset efficiency <ul style="list-style-type: none"> – Specific measures to enhance capital recycling (progress with property sales and the approach to assets targeted for sale) – Leverage policy – Impact of rising interest rates on capital efficiency and investment decisions
Overall performance	<ul style="list-style-type: none"> ● External environment and business opportunities <ul style="list-style-type: none"> – Potential for growth and expansion in the domestic construction business driven by policy trends (including the 17 strategic sectors, Osaka Sub-Capital Plan, and national resilience initiatives) – Impact of the prolonged conflict in the Middle East on each of our businesses ● Performance level and outlook <ul style="list-style-type: none"> – Evaluation of performance level compared with other companies in the same industry – Outlook for consolidated net sales and operating profit in FY2026 and beyond – Outlook for SG&A expenses in FY2026 and beyond
Our explanation approach and precision in managing financial performance figures	<ul style="list-style-type: none"> ● Our approach to explaining future profit levels, including business environment recognition, outlook assumptions, and explanation tone, based on comparison with other companies in the same industry ● Investor evaluation of our forecasts, our precision in managing financial performance figures, and forecast revisions ● Revisions of forecasts in light of changes in market conditions, and the approach to information disclosure
Performance indicator targets	<ul style="list-style-type: none"> ● Potential revision of targets following the achievement of performance indicator targets set in the Addendum to the Medium-Term Business Plan 2022 ● Progress with discussions on revising the ROE target in the next medium-term business plan (the approach to setting an appropriate target based on the cost of shareholders' equity) ● Profit scenario for maintaining and improving ROE levels after the completion of cross-shareholding reductions

2. Engagement with Shareholders and Investors

(3) Major Themes Discussed in IR Meetings

Item	Major Themes
Capital policy and shareholder returns	<p>Necessary equity level of ¥1 trillion</p> <ul style="list-style-type: none">● Recognition and internal assessment of the current level of equity, which is approaching ¥1.2 trillion● Progress with discussions on revising the necessary equity level<ul style="list-style-type: none">— Potential revision during the period of the Medium-Term Business Plan 2022 or in the next medium-term business plan— Approach to setting the equity level, taking into account bond capacity requirements in the North American construction business— Approach to the appropriate level, taking into account valuation difference on available-for-sale securities from cross-shareholdings and foreign exchange fluctuations <p>Growth investments</p> <ul style="list-style-type: none">● Specific details of and returns on human resource-related investment, DX-related investment, and technology-related investment● M&A strategy (domestic and overseas M&A policy and future key domains/regions) <p>Shareholder returns</p> <ul style="list-style-type: none">● Basic approach to dividend policy and the significance of adopting the dividend on equity ratio (DOE)● Implementation policy for the purchase of treasury shares on a scale of ¥100.0 billion (the approach to the timing and amount of the remaining portion)● Approach to shareholder returns given equity significantly exceeding the necessary equity level due to solid performance<ul style="list-style-type: none">— Potential purchase of treasury shares exceeding ¥100.0 billion— Approach to reviewing the DOE level (potential increases and assumed levels)● Shareholder return policy in the next medium-term business plan <p>Reduction of cross-shareholdings</p> <ul style="list-style-type: none">● (Please refer to page 10)

2. Engagement with Shareholders and Investors

(4) Major Themes Discussed in Individual Meetings with Major Shareholders (SR Meetings)

Item	Major Themes
Reduction of cross-shareholdings	<ul style="list-style-type: none"> ● Progress toward the reduction target by the end of March 2027 (20% or less of consolidated net assets) and negotiations with companies that we hold shares in ● Likelihood of achieving the reduction target, given the potential increase in the cross-shareholding balance due to stock price movements, and additional measures in the event of a sharp price increase ● Policy on further reduction after achieving the reduction target of 20% or less of consolidated net assets ● Approach to our reduction target level given the high reduction target level of other companies in the same industry and the guidelines of proxy voting advisory firms and institutional investors ● Institutional investors' voting guidelines and approach to the exercise of voting rights given the progress in reducing cross-shareholdings
Accident at Yaesu	<p>Current status of and measures for the accident that occurred at a construction site of Yaesu, in front of Tokyo Station, in September 2023</p> <ul style="list-style-type: none"> ● Current status of the investigation by the police and Labor Standards Inspection Office (Labor Standards Inspection Office: investigation completed) ● Completion and handover of the project in February 2026 within the contracted construction period ● Implementation of company-wide safety procedures to prevent recurrence ● Institutional investor evaluation of governance and risk management (each institutional investor's approach to exercising voting rights)
Governance	<p>Director composition / diversity</p> <ul style="list-style-type: none"> ● Ratio of independent directors and whether restrictions on concurrent positions apply ● Ratio of female directors and approach to achieving the 2030 target ● Review of the skills and skill matrix required of internal and independent directors <p>Officer remuneration / incentives</p> <ul style="list-style-type: none"> ● Consideration of raising the proportion of performance-linked remuneration ● Approach to linking remuneration with performance indicators <p>Effectiveness of the Board of Directors, Recommendation Committee, and Remuneration Committee</p> <ul style="list-style-type: none"> ● Evaluation on the effectiveness of the Board of Directors ● Activities of the Recommendation Committee and Remuneration Committee
Other items	<ul style="list-style-type: none"> ● Response to the false reporting of an industrial accident at the east construction area of the Chuo Shinkansen maglev line's Minamikoma Tunnel Project ● Impact of the cap on overtime work under the revised Labor Standards Act of Japan, and clients' acceptance of construction periods based on closing construction sites for eight days out of every four-week period ● Initiatives for human capital management (including the development of globally capable talent and expansion of the incentive system)

3. Internal Sharing of Shareholder and Investor Engagement Results

Internal Sharing in FY2025

Shared Item	Shared Contents	Frequency (per year)	Recipients and Methods of Sharing
Financial results briefing conference summary	<ul style="list-style-type: none"> Q&A at financial results briefing conferences (attended by securities analysts and institutional investors) 	4	Via email: <ul style="list-style-type: none"> Directors who attended the briefing Each business division Relevant departments Posted on the intranet: <ul style="list-style-type: none"> All officers and employees
IR meeting summary	<ul style="list-style-type: none"> IR meeting overview Major questions Opinions and requests from securities analysts and institutional investors Comments by the IR & SR Department Trends in share price and stock price index Analysts' target share prices Trends in consensus estimates, etc. 	4	At the meetings of the Board of Directors or the Directors' Roundtable Meetings: <ul style="list-style-type: none"> Directors Audit and Supervisory Board members
		4	Explanations and discussions via email or in person: <ul style="list-style-type: none"> Each business division
		4	Via email: <ul style="list-style-type: none"> Relevant departments
Summary of individual meetings with major shareholders (SR meetings)	<ul style="list-style-type: none"> Our company's explanations and shareholder feedback Shareholder interest related to ESG Approaches to the exercise of voting rights, etc. 	1	At the meeting of the Board of Directors: <ul style="list-style-type: none"> Directors Audit and Supervisory Board members
Other IR and SR activities	<ul style="list-style-type: none"> Contents of the business briefings, the tours of construction sites, and the ESG briefing Efforts to address issues, etc. 	2	At the meetings of the Board of Directors: <ul style="list-style-type: none"> Directors Audit and Supervisory Board members
Analyst reports	<ul style="list-style-type: none"> Analyses, evaluations, and ratings by securities analysts 	As needed	Via email: <ul style="list-style-type: none"> Directors Audit and Supervisory Board members General Managers of the Business Divisions Relevant departments, etc.

4. Incorporation of Shareholder and Investor Feedback

Item	Opinions and Requests from Shareholders and Investors	Our Response and Actions
Growth strategy	<ul style="list-style-type: none"> ● Could you provide a clear explanation of your growth story and disclose your key differentiating factors? ● Could you share your growth vision for the overseas business, including North America? 	<ul style="list-style-type: none"> ● In the President's Message of the Corporate Report 2025, our president explained our key differentiators, namely maintaining and further strengthening our solid position in the domestic construction business while pursuing growth in overseas construction, real estate development, green energy, and new businesses.
Performance indicator targets of the Medium-Term Business Plan 2022	<ul style="list-style-type: none"> ● Given that the necessary equity level has been set at ¥1 trillion, could you disclose the amount of invested capital and necessary amount of equity for each business? 	<ul style="list-style-type: none"> ● We will continue to examine the matter internally for disclosure in the next medium-term business plan.
	<ul style="list-style-type: none"> ● Could you disclose ROIC for each business? 	<ul style="list-style-type: none"> ● The ROIC reverse tree for each business is disclosed in the Corporate Report 2025. We will continue to examine whether to disclose figures for each business.
Capital policy	<ul style="list-style-type: none"> ● Could you explain the gap between actual equity and the necessary equity level and your approach to shareholder returns? 	<ul style="list-style-type: none"> ● At financial results briefing conferences and other meetings, we explained the factors behind the increase in equity, our approach to capital policy, and the relationship with securing bonding capacity in line with the expansion of the North American business.
	<ul style="list-style-type: none"> ● Various opinions and requests regarding flexible shareholder returns have been received, including those related to the purchase of treasury shares and the possibility of raising DOE levels. 	<ul style="list-style-type: none"> ● We will continue to examine the matter internally based on the opinions of securities analysts and institutional investors.
Growth investments	<ul style="list-style-type: none"> ● What are your growth investments, including the expected time horizon for returns? ● Could you disclose the target sectors and regions under your M&A policy, as well as your investment criteria (including hurdle rates)? 	<ul style="list-style-type: none"> ● Disclosure regarding returns on each investment area will remain under ongoing review. ● Investments in human capital, DX, and technology are expected to be reflected in the profitability and productivity of each business, particularly the construction business. We are also working to quantitatively measure returns, including methods for verifying the impact on productivity and other outcomes. ● At the financial results briefing conference, we explained specific examples of growth investments and our M&A policy.

4. Incorporation of Shareholder and Investor Feedback

Item	Opinions and Requests from Shareholders and Investors	Our Response and Actions
Real estate development business	<ul style="list-style-type: none"> ● Given that the balance of real estate assets for lease is continuing to increase, what scale of assets do you consider necessary going forward? ● Could you provide earlier disclosure on the capital efficiency of the real estate development business, as well as your policy for improving it? 	<ul style="list-style-type: none"> ● We explained our policy of actively renewing our portfolio by replacing older properties with new ones, based on a real estate asset scale of ¥700.0 billion, while limiting investments to those that do not impair the asset efficiency of the Group as a whole. ● We will continue to examine the matter internally for disclosure in the next medium-term business plan.
	<ul style="list-style-type: none"> ● Could you consider providing more detailed disclosure, including asset balances, a list of properties, occupancy rates of each property, yields, and a breakdown of rental versus sales revenue? 	<ul style="list-style-type: none"> ● We will continue to explore further disclosure where feasible.
Sustainability	<ul style="list-style-type: none"> ● Could you provide disclosure on progress regarding the Taskforce on Climate-related Financial Disclosures (TCFD) and the Taskforce on Nature-related Financial Disclosures (TNFD)? 	<ul style="list-style-type: none"> ● TCFD-related disclosures were updated in April 2024, and TNFD-related information was disclosed in February 2025. Future updates will be disclosed on our corporate website as appropriate.
	<ul style="list-style-type: none"> ● Could you provide specific disclosure on productivity enhancement, including indicators and improvement measures? 	<ul style="list-style-type: none"> ● We will continue to examine productivity indicators that can appropriately reflect the effectiveness of our measures.
	<ul style="list-style-type: none"> ● Could you disclose the analysis of engagement score results regarding personnel system reforms and measures for improvement? 	<ul style="list-style-type: none"> ● Information is partly disclosed in the Corporate Report 2025. We will continue to disclose our progress in corporate reports and other materials.
	<ul style="list-style-type: none"> ● Given the years that have passed since the formulation of Obayashi Sustainability Vision 2050, could you re-clarify your vision for 2050 and explain the story toward achieving it, including your current position? 	<ul style="list-style-type: none"> ● We are reviewing the vision to strengthen its alignment with management strategies and business plans and make its content more specific. ● The updated vision is planned to be disclosed together with the next medium-term business plan.

4. Incorporation of Shareholder and Investor Feedback

Item	Opinions and Requests from Shareholders and Investors	Our Response and Actions
Governance	<ul style="list-style-type: none"> ● From the perspective of Board effectiveness, we would like to see enhanced disclosure on whether governance by independent directors is functioning effectively, including the views and concerns of independent directors. 	<ul style="list-style-type: none"> ● As in the Corporate Report 2025, the Chairman of the Board’s Dialogue and the Independent Directors’ Dialogue are planned to be included in the Corporate Report 2026.
	<ul style="list-style-type: none"> ● We would like the Recommendation Committee to disclose the process behind the change in president and evaluation. 	<ul style="list-style-type: none"> ● We disclosed discussions of the Recommendation Committee on the appointment of the current president in the “Dialogue Among the Chairman of the Board and the Chairs of the Recommendation and Remuneration Committees” in the Corporate Report 2025.
Enhancement of engagement with shareholders and investors	<ul style="list-style-type: none"> ● At financial results briefing conferences, could you convey a clearer message about future growth potential without being overly conservative in your tone? ● Could you enhance the quality of engagement regarding your key differentiators and competitive advantages? 	<ul style="list-style-type: none"> ● To continuously improve the content of our explanations, we organized the comments and feedback from securities analysts and institutional investors and shared them internally, including reporting them to the Board of Directors.