

Investors' Guide

Obayashi Corporation | PRIME 1802

June 2026

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01

Overview of the Obayashi Group

Obayashi Group



Overview (as of March 31, 2026)

Founded	Share Capital
January 1892 (in Osaka)	¥57,752 million
Employees	Group Companies
Consolidated: 18,031 Non-Consolidated: 9,472	Subsidiaries: 130 Affiliated Companies: 26
Offices	Listed Exchange
17 countries and regions	Tokyo Stock Exchange (Prime Market)
Obayashi Rin-yu-kai* Member Companies	Stock Code
Approx. 1,250 <small>*Suppliers and subcontractors federation</small>	1802

Domestic Construction Business

(Building Construction and Civil Engineering)



Overseas Construction Business



Real Estate Development Business



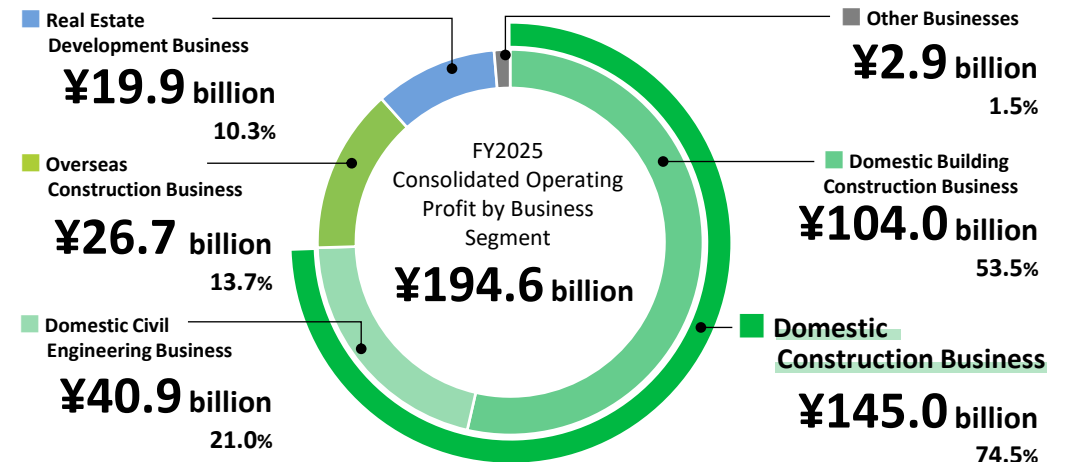
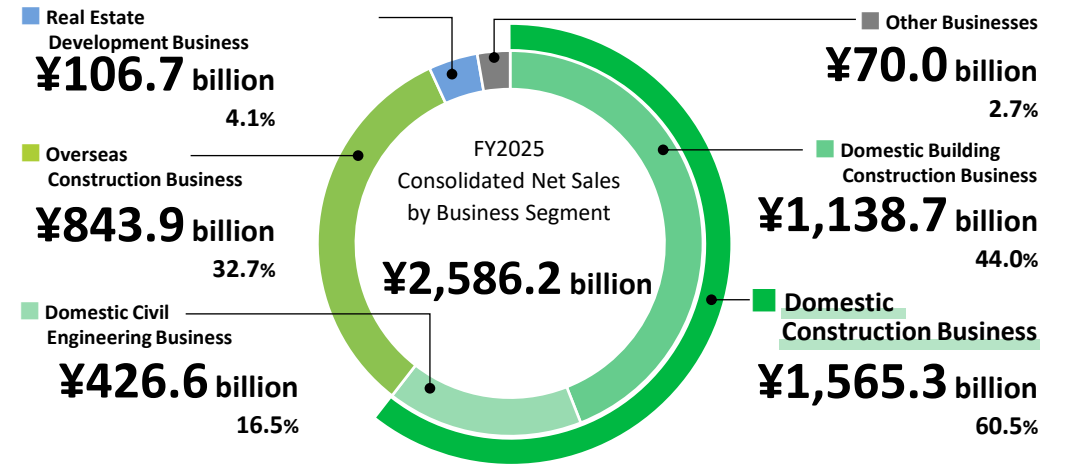
Green Energy Business



New Business Initiatives



Business Portfolio

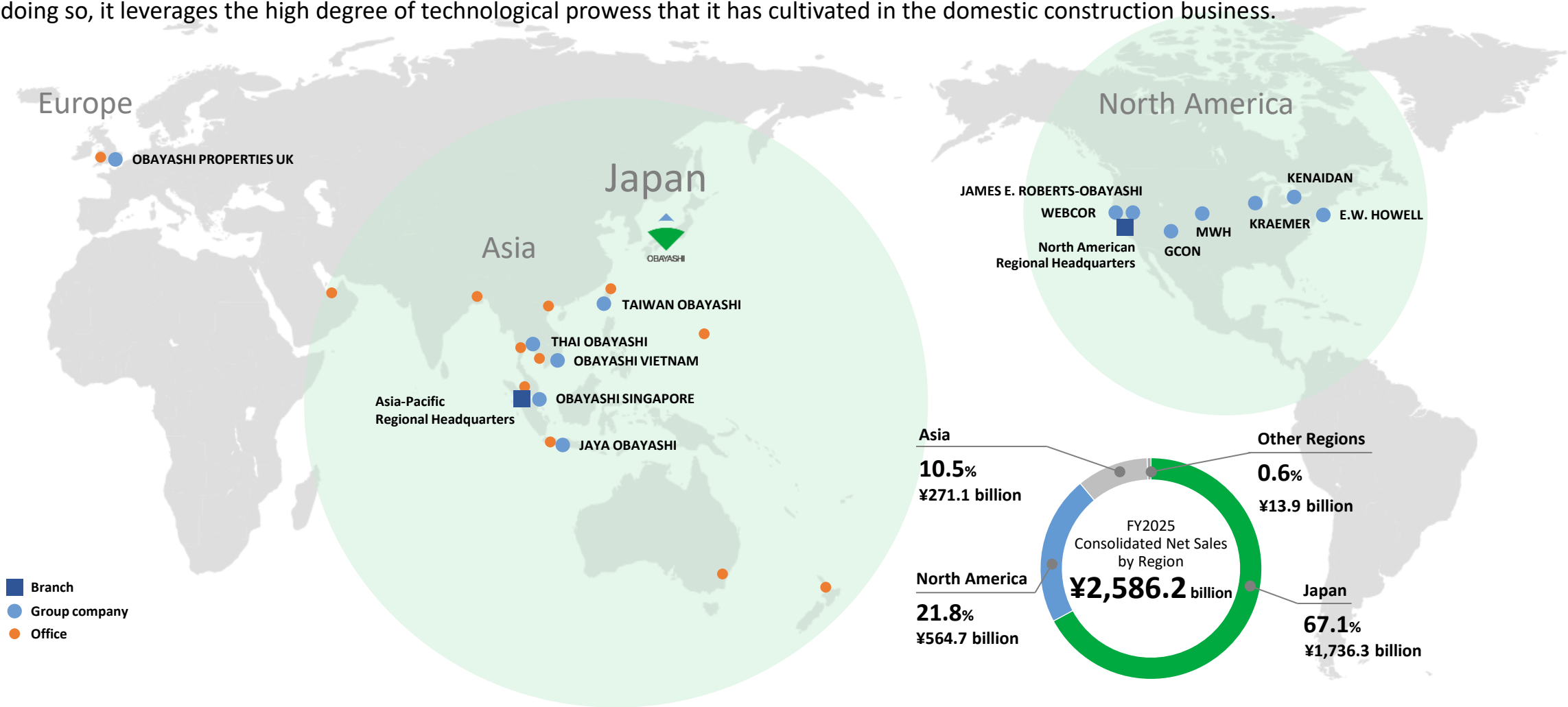


*Other businesses include the green energy business and new business initiatives.



Global Network

The Obayashi Group is pursuing construction and construction-related businesses in North America, Southeast Asia, Oceania, and other regions. In doing so, it leverages the high degree of technological prowess that it has cultivated in the domestic construction business.





History

Since its founding in 1892, the Obayashi Group has amassed technologies and expertise, enabling it to tackle epoch-making projects.



1905
Port of Osaka



1931
Main Tower of Osaka Castle



1982
San Francisco Sewer



2012
TOKYO SKYTREE®



2025
Grand Ring of the 2025 Expo Osaka, Kansai, Japan
(Photo courtesy of the Japan Association for the 2025 World Exposition; photographed by SHINWA LTD.)

Net Sales (FY2025)
¥2,586.2 billion



1914 Tokyo Central Station (currently Tokyo Station)



1997 Tokyo Bay Aqua-Line

Net Sales



1892

- 1892**
Founded in Osaka as the Obayashi Store by Yoshigoro Obayashi
- 1904**
Name changed to Obayashi Corporation
- 1918**
Incorporated as Obayashi Corporation, a stock company
- 1935**
Guidelines for On-Site Employees published, stipulating the Obayashi Three Pledges

1960

- 1960**
Listed on the Tokyo Stock Exchange
- 1964**
Opened the first overseas representative office (Bangkok, Thailand)
- 1965**
Technology Research Institute established

1970

- 1970**
Established the Tokyo Head Office
Entered the real estate development business
- 1972**
Established the first overseas local subsidiary (PT JAYA OBAYASHI)
- 1979**
Became the first Japanese construction company to receive an order for a public civil engineering project in the continental United States

1980

1990

- 1991**
100th anniversary
- 1999**
Launched full-scale expansion of the PFI business

2000

2010

- 2010**
Registered head office location moved from Osaka to Tokyo
- 2012**
Started the renewable energy power generation business*
- 2017**
Established an R&D base in Silicon Valley (Silicon Valley Ventures & Laboratory)
- 2019**
Formulated Obayashi Sustainability Vision 2050

2020

*This has since evolved into the green energy business.



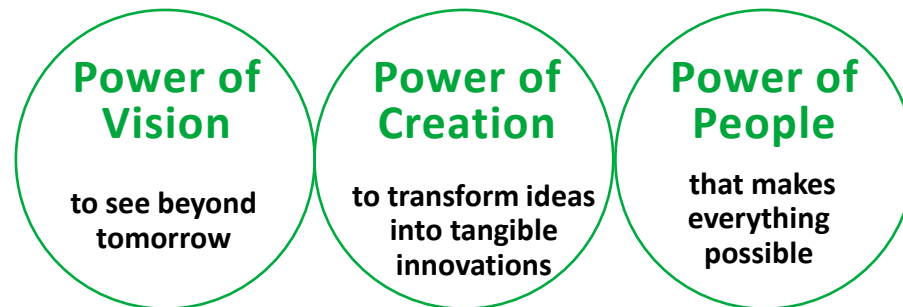
Our Pride, Strengths, and Direction of Sustainable Growth

Our Pride

Guided by the philosophy of the **Obayashi Three Pledges to quality, value, and efficiency** since our founding, we will continue to pursue **honest craftsmanship**.

Our Strengths

Strengths Cultivated to Support
Honest Craftsmanship



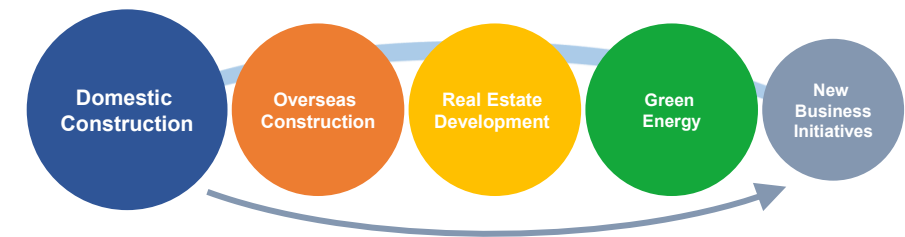
Well Over **8,000** World-Class
Construction Engineers

Our Direction of Sustainable Growth

Expansion into New Areas Through Cultivated Strengths

**A Diversified Global Business Portfolio
Centered on Domestic Construction**

(in which businesses other than the domestic construction business generate performance equal to or greater than that of the domestic construction business)



Seeds to create new business opportunities



Our Value Creation Process



02

Business Overview

Domestic Building Construction Business

FY2025

Consolidated Net Sales

¥1,138.7 billion

Non-Consolidated: ¥1,094.7 billion

Consolidated Operating Profit / Margin

¥104.0 billion / 9.1%

Consolidated Orders Received

¥1,200.9 billion

Non-Consolidated: ¥1,161.3 billion

Business Environment

Demand

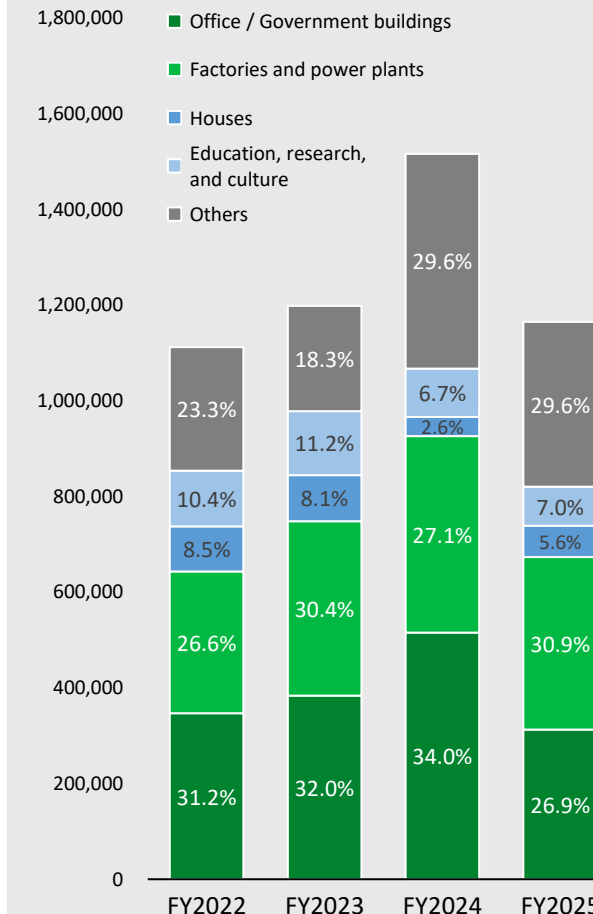
- Continued demand for **large-scale redevelopments** of urban areas
- Expansion of **data center** demand driven by the widespread use of AI and cloud services
- **Factory construction** demand in a wide range of fields (such as semiconductors, machine tools, general machinery, and electrical machinery), driven by the return of production bases to Japan, their diversification, and the government's designation of specified critical products
- **Sports and community facilities** supporting urban development and regional hubs

Others

- **Construction capacity considerations** amid increased demand and overtime cap regulations
- **Tight supply chain conditions** due to increased demand
- **Soaring construction material prices and rising labor costs**
- **Progress in cost pass-through** following revisions to the Construction Business Act and other regulations

Orders Received by Purpose (Non-Consolidated)

(Millions of yen)



Major Projects



TAKANAWA GATEWAY CITY
THE LINKPILLAR 1 NORTH/SOUTH



TOYOTA WOVEN CITY



HIROSE & CO., LTD.
Inashiki Plant



ES CON FIELD HOKKAIDO

Domestic Civil Engineering Business

FY2025

Consolidated Net Sales

¥426.6 billion

Non-Consolidated: ¥340.0 billion

Consolidated Operating Profit / Margin

¥40.9 billion / 9.6%

Consolidated Orders Received

¥444.2 billion

Non-Consolidated: ¥351.9 billion

Business Environment

Demand

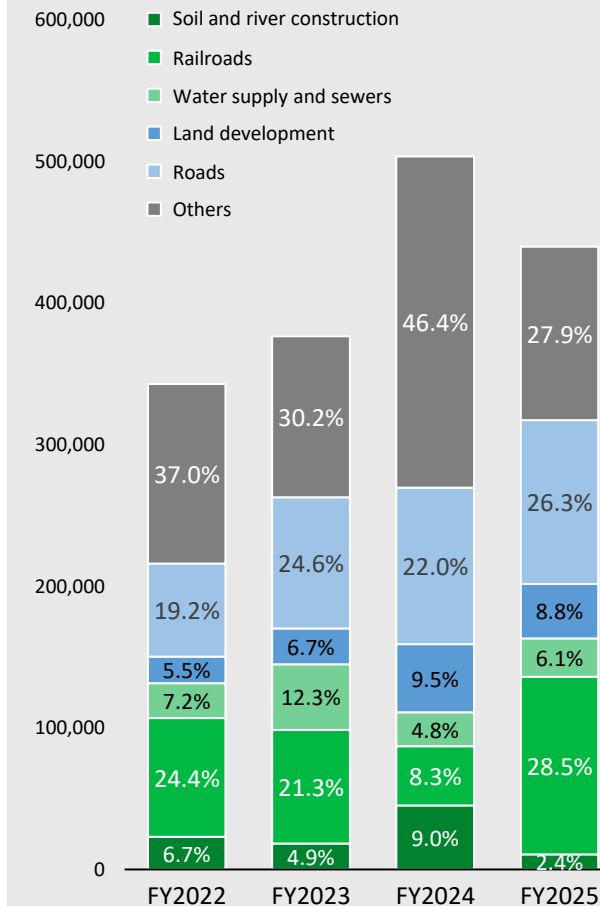
- Government works
 - Firm demand in areas such as **disaster prevention/mitigation and national resilience projects**
 - Steady level of new orders expected for **expressway renewal projects**
 - Anticipating an increase in new orders for **defense-related facility development projects** in the future
- Private-sector works
 - Expected to remain firm, supported by expansion in **renewable energy and decarbonization-related markets**, along with **railroad construction in the Tokyo metropolitan area**

Others

- **Construction capacity considerations** amid increased demand and overtime cap regulations
- Changes in ordering methods

Orders Received by Purpose (Non-Consolidated)

(Millions of yen)



Major Projects



Osaka Metro Chuo Line Yumeshima Station



Chuo Expressway Yandarugawa Bridge and other 9 bridges



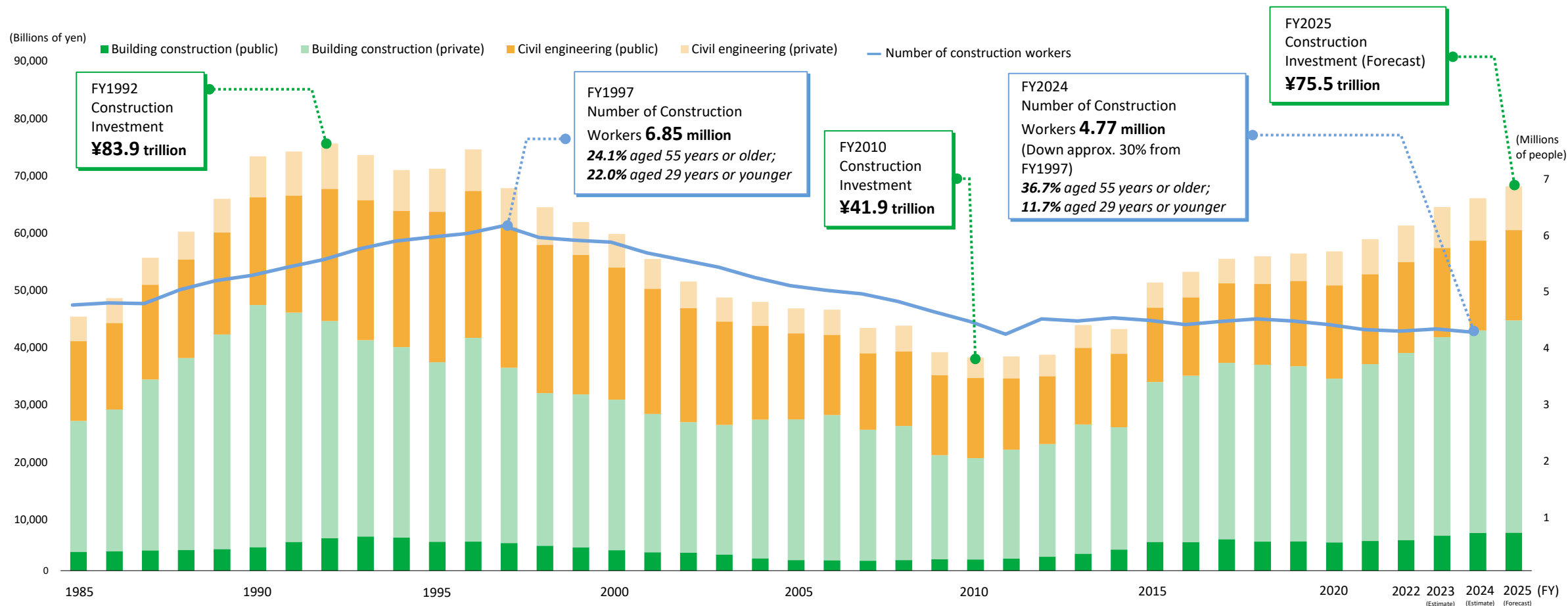
Aigawa Dam



Kawanishi Wind Farm

Domestic Construction Business: Construction Investment and Number of Construction Workers in Japan

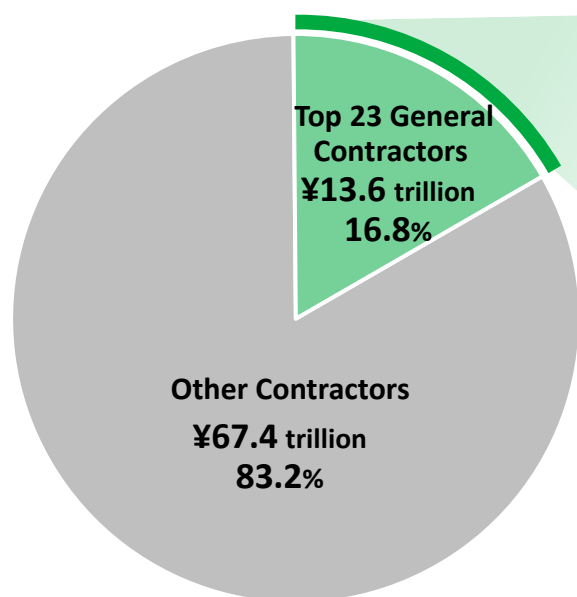
Construction investment in Japan remains strong, driven by the return of manufacturing bases to Japan, urban redevelopment, national resilience measures, infrastructure renewal, and other factors. However, the number of workers in the construction industry in Japan has decreased by approximately 30% from its FY1997 peak, and the workforce continues to age, leading to worker shortages and challenges in passing on technical expertise.



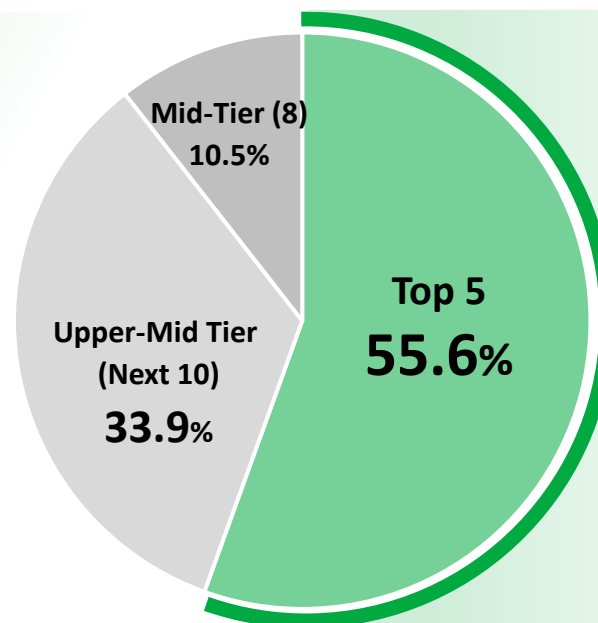
Source: Prepared by Obayashi Corporation based on MLIT's "Estimate of Construction Investment (FY2025)" and MIC's "Labour Force Survey" for each year.

Market Share in Japan's Construction Industry (FY2024)

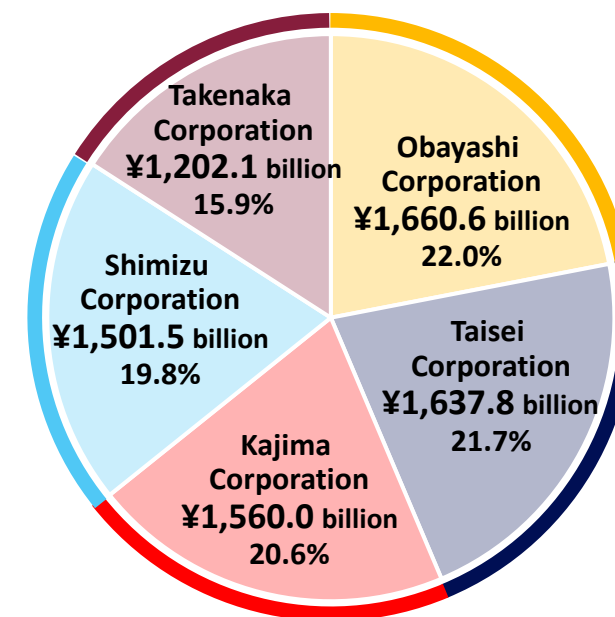
Market Share of Top 23 General Contractors (Based on Orders Received)



Net Sales Breakdown of Top 23 General Contractors



Net Sales Comparison of Top 5 General Contractors



Source: Prepared by Obayashi Corporation based on MLIT's "Current Survey on Orders Received for Construction" and non-consolidated figures from each company's financial results summaries and other materials (as of the end of March 2025).

Domestic Construction Business: Addressing Social Issues

Amid a declining and aging construction worker population, the Obayashi Group is advancing various initiatives to address key social issues facing the construction industry: worker shortages and challenges in passing on technical expertise.

Transforming Construction Processes with Robotics Construction™

Three Elements of Robotics Construction™

1. Task Mechanization

Construction site environments conducive to efficiency and safety

- Improves safety and productivity by mechanizing straightforward and physically demanding tasks.
- Enables workers to focus on tasks requiring advanced skills, construction management, or more creative work.

2. Automated Machine Operation (Remotely Operated, Automatic, and Autonomous)

Reduction of worker load and passing on of expert skills

- Remote operation technology enables operators to manage multiple construction sites.
- Accumulated data on machine operations by skilled operators provides operational support and advances automated and autonomous operations.

3. Construction Process Digitalization

Efficient and high-quality construction

- Digital twins that synchronize real-space and cyberspace conditions improve safety, quality, and productivity management in construction.



Robotics Construction Initiative
(Japanese only)

Collaboration with Subcontractors and Suppliers

Obayashi Rin-yu-kai Vocational Training School



Scaffolding assembly training

- Established jointly with Obayashi Rin-yu-kai to train skilled workers and pass on technical skills to future generations.
- Offers three courses specializing in scaffolding, reinforcing, and form working, as well as a short-term course specializing in CAD.
- The O-DX Room utilizes VR technology for crane slinging operation training and safety simulation training.



VR-based crane slinging training

Certified System for Excellent Site Supervisors and Excellent Operators

- Introduced to enhance the attractiveness of the construction industry and improve recruitment and retention of younger skilled workers.
- Certified Excellent Site Supervisors and Excellent Operators receive allowances based on the number of days they worked at Obayashi's construction sites.

Overseas Construction Business

FY2025

Consolidated Net Sales

¥843.9 billion

Building: ¥507.9 billion

Civil: ¥336.0 billion

Consolidated Operating Profit / Margin

¥26.7 billion / 3.2%

Building: ¥11.9 billion / 2.4%

Civil: ¥14.7 billion / 4.4%

Consolidated Orders Received

¥1,204.6 billion

Building: ¥788.1 billion

Civil: ¥416.5 billion

Business Environment

Building

● North America

- Capital investment, which had stagnated among private real estate developers and others due to interest rate policies and other factors, is showing signs of improvement.
- Investment demand remains steady in areas such as **semiconductors, data centers, public education, and private-sector facilities**.

● Asia

- Capital investment is expected to remain firm across countries.

Civil

● North America

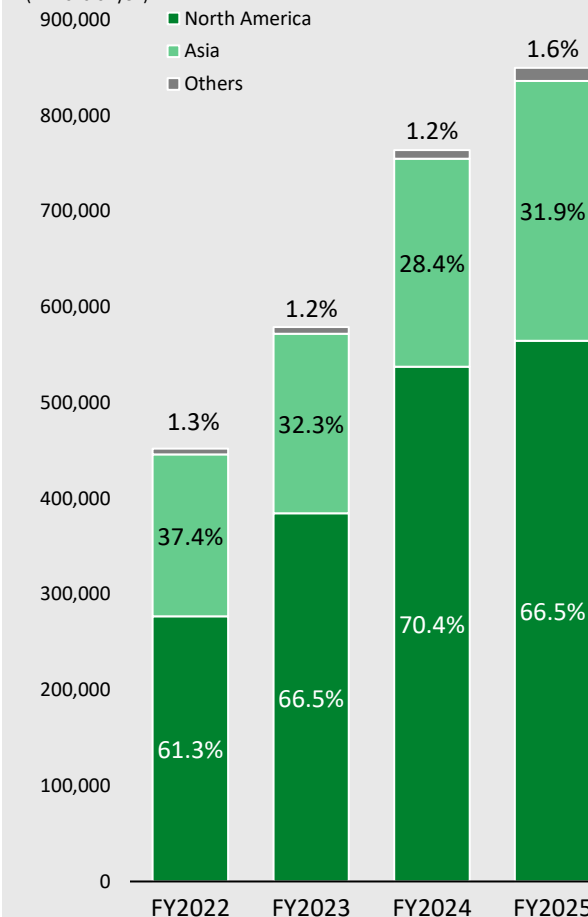
- **Public infrastructure-related** construction investment is expected to remain firm. Steady increase in investment in **water treatment facilities**.

● Asia

- Construction investment is expected to remain firm, especially in the **energy and transportation infrastructure sectors**.

Net Sales by Region (Consolidated)*

(Millions of yen)

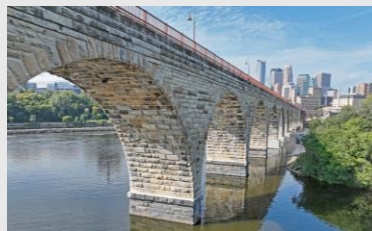


*Figures include some net sales from businesses other than the overseas construction business.

Major Projects



Genesis Marina (U.S.)
(Constructed by Webcor)



MnDOT Stone Arch Bridge (U.S.)
(Constructed by KRAEMER)



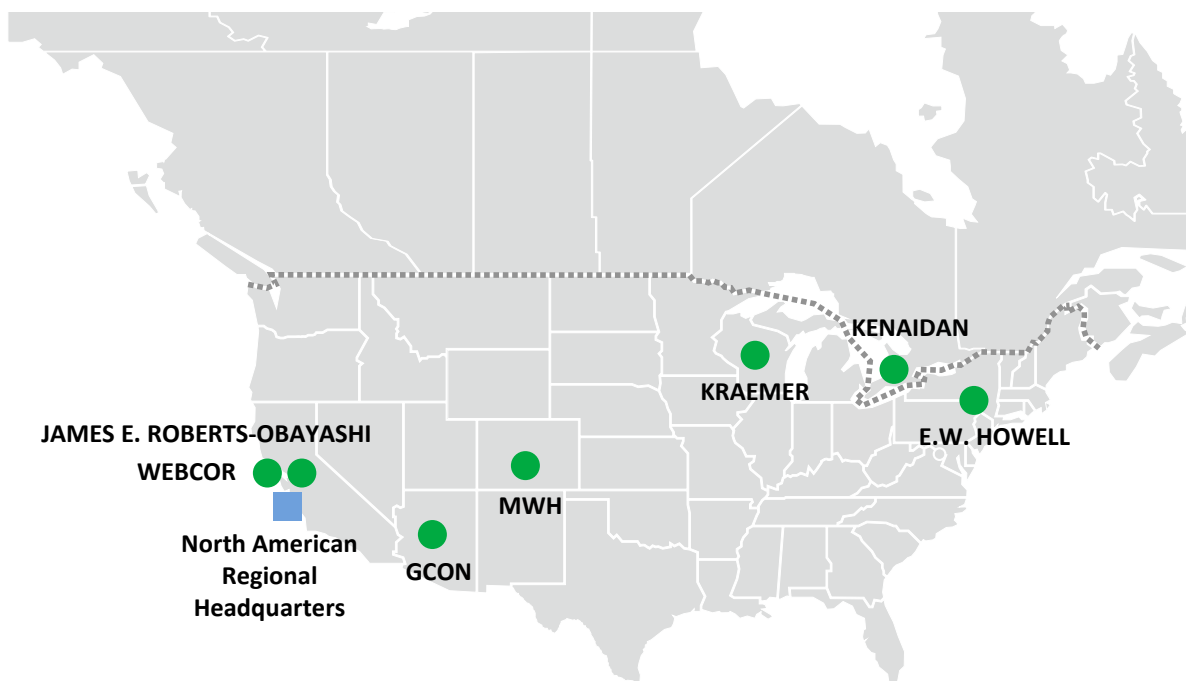
Bird Paradise (Singapore)
(Constructed by Obayashi Singapore)



Jamuna Railway Bridge (Eastern Part of
Civil Works Package WD-1 / Bangladesh)

Overseas Construction Business: North America

In North America, we aim to achieve continuous growth by stabilizing the performance of our subsidiaries, led by the North American Regional Headquarters, while strategically expanding our business territories and domains through M&A.



- Group company
- Branch

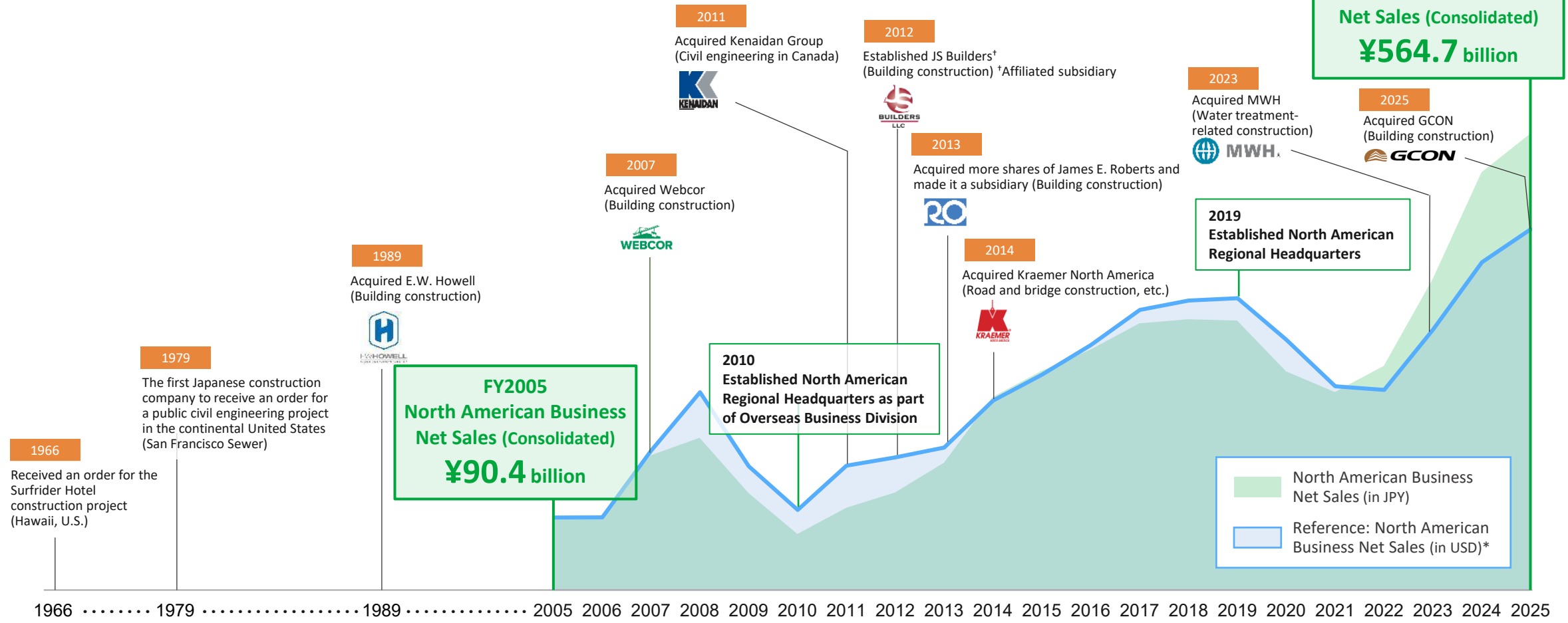
Company Name	Major Business	Main Operating Areas	FY2025 Net Sales
E.W. HOWELL CO., LLC	Building construction (Educational facilities, office buildings, medical and welfare facilities, cultural facilities, etc.)	New York	¥45.1 billion
WEBCOR, L.P.	Building construction (Office buildings, commercial facilities, educational facilities, medical facilities, etc.)	California	¥181.5 billion
GCON INC.*	Building construction (Semiconductor facilities, data centers, etc.)	Arizona, New Mexico, Oregon, and other states	
JAMES E. ROBERTS-OBAYASHI CORPORATION	Building construction (Residential)	San Francisco Bay area	¥31.7 billion
KRAEMER NORTH AMERICA, LLC	Civil engineering (Road and bridge construction)	Wisconsin and other locations across the U.S.	¥98.6 billion
MWH MANAGEMENT, INC.	Civil engineering (Water treatment facilities)	Colorado and other locations across the U.S.	¥146.8 billion
KENAI DAN GROUP LTD.	Civil engineering (Transportation infrastructure, heavy civil constructions, etc.)	Ontario, Canada	¥37.5 billion
OBAYASHI CORPORATION (Non-Consolidated)	Civil engineering	Various locations across the U.S.	¥22.0 billion

*Became a consolidated subsidiary in the third quarter of FY2025.



Overseas Construction Business: North America

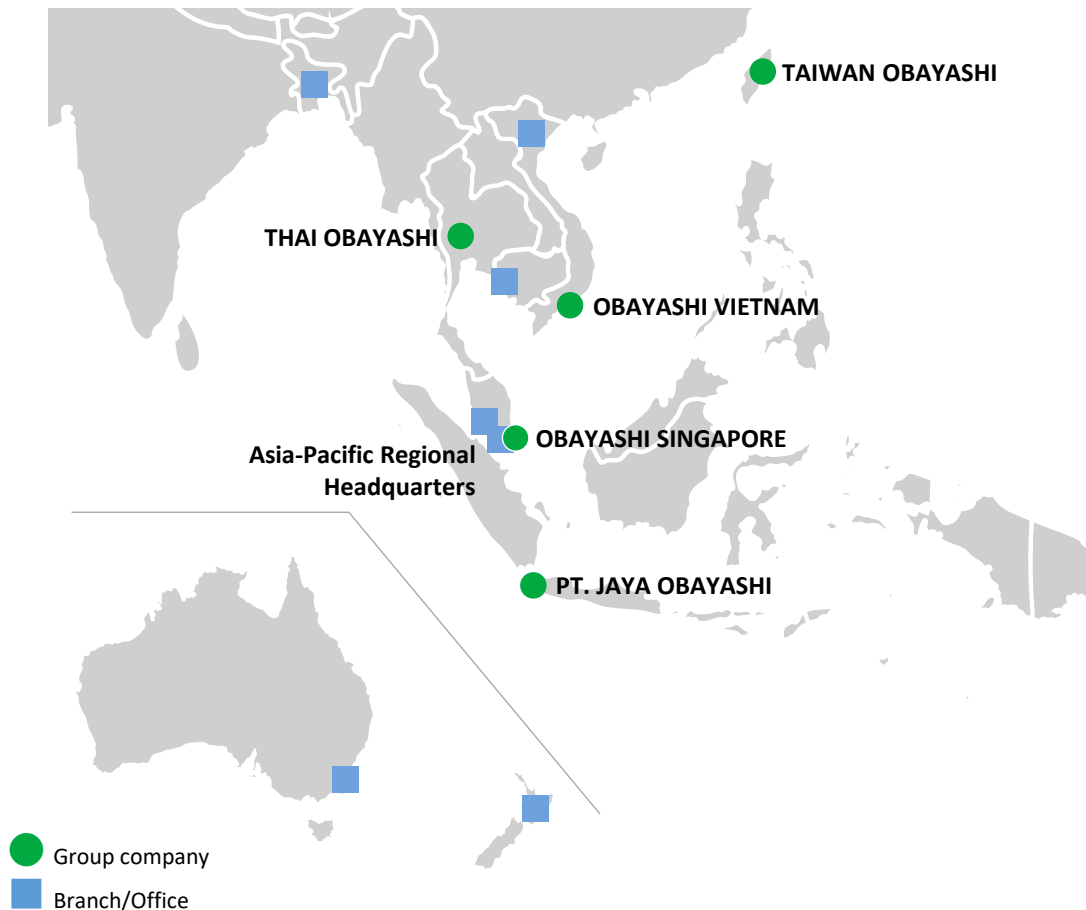
Since the acquisition of WEBCOR in 2007, we have expanded our business scale in North America through active M&A and the growth of acquired subsidiaries.



*North American business net sales (in USD) are a simple translation of the North American business net sales (in JPY) using the USD/JPY rate at each fiscal year-end.

Overseas Construction Business: Asia

In Asia, we seek to strengthen local business foundations and differentiate our subsidiaries by developing collaborative cross-border mechanisms centered on the Asia-Pacific Regional Headquarters to secure stable earnings.

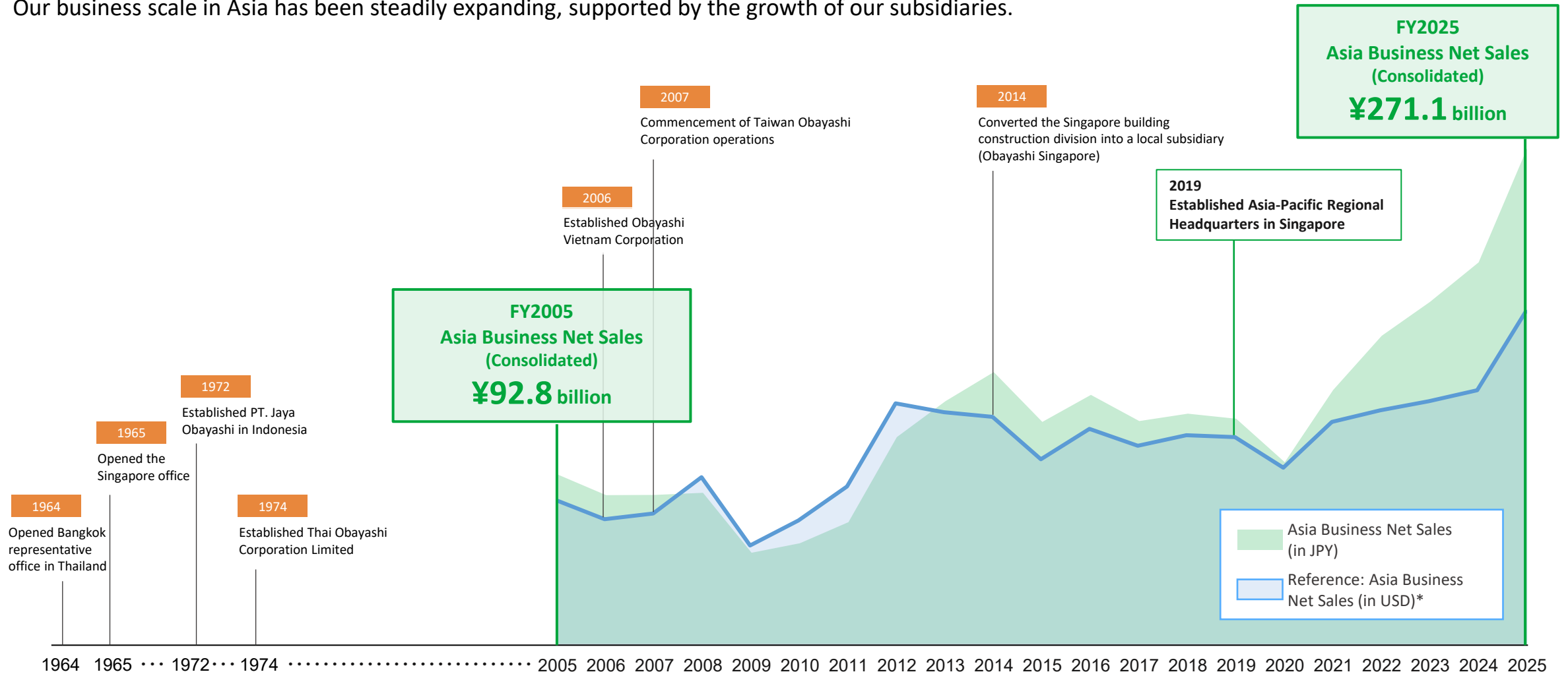


Company Name	Major Business	FY2025 Net Sales
THAI OBAYASHI CORPORATION LIMITED	Building construction and real estate business	¥82.9 billion
PT. JAYA OBAYASHI	Building construction	¥22.8 billion
TAIWAN OBAYASHI CORPORATION	Building construction	¥13.0 billion
OBAYASHI SINGAPORE PRIVATE LIMITED	Building construction and civil engineering	¥137.7 billion
OBAYASHI VIETNAM CORPORATION	Building construction	¥8.2 billion
OBAYASHI CORPORATION (Non-Consolidated)	Building construction and civil engineering	¥7.8 billion



Overseas Construction Business: Asia

Our business scale in Asia has been steadily expanding, supported by the growth of our subsidiaries.



*Asia business net sales (in USD) are a simple translation of the Asia business net sales (in JPY) using the USD/JPY rate at each fiscal year-end.

*Excluding the Middle East

*Figures include some net sales from businesses other than the overseas construction business.

Real Estate Development Business

FY2025

Consolidated Net Sales

¥106.7 billion

Consolidated Operating Profit / Margin

¥19.9 billion / 18.7%

Book Value / Market Value of Real Estate for Lease

¥573.7 billion / ¥861.4 billion

Business Strategy

Profit Target

- Secure consolidated operating profit of ¥20.0 billion

Strategy

- Earnings base underpinned by **stable income gains from competitive assets**, with **capital gains** and sustainable profit growth driven by a cycle of agile property sales and new investments in projects
- Expand our non-asset business (asset management, property management, and building maintenance)** by leveraging private funds established by our Group company as exit vehicles
- Provide high value-added properties and differentiate them through environmental certifications and smart building solutions

Portfolio

- Offices in Japan (primarily in Tokyo's central five wards and central Osaka)
- Overseas offices (London and Bangkok)
- Logistics facilities (primarily in the Tokyo metropolitan area)
- Rental apartments

Investment Plan

- Medium-Term Business Plan 2022: ¥300.0 billion
(Property sales: ¥140.0 billion / Net investment: ¥160.0 billion)

Major Projects



©Akira Ito (aifoto)
GRAND GREEN OSAKA



Yokohama Symphostage



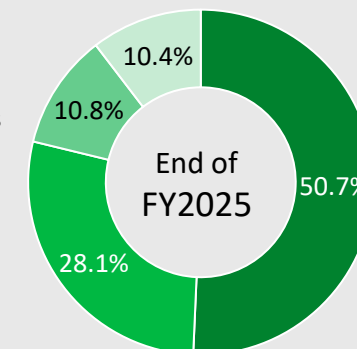
OAK LOGISTICS CENTER NAGOYA



60 Gracechurch Street
(Image of the exterior after redevelopment)

Breakdown of Assets Held (Consolidated)

- Offices in Japan
- Overseas offices
- Logistics
- Housing and others



Green Energy Business



Business Strategy

Basic Policy

Creating Added Value Through Energy

Through energy, we expand choices for Obayashi Corporation, our customers, and society, create value and profits, and enhance corporate sustainability.

Create

Pioneer

Sustain

Shared foundation: People capable of sound judgment and flexible, evolving business models

Create

Strengthen the foundation for business value creation, while prioritizing stable earnings

Pioneer

Take on challenges in new value domains to pioneer the future of energy and drive business growth and expansion

Sustain

Establish the conditions necessary for business and society to remain sustainable

Strategy

- Focusing on increasing earnings in the renewable energy power generation business
- Exploring next-generation businesses in areas such as hydrogen and geothermal power
- Contribution to the Obayashi Group's carbon neutrality

Investment Plan

- Medium-Term Business Plan 2022: **¥60.0 billion**

Portfolio

Solar

- Storage battery utilization anticipating feed-in tariffs (FIT) transitioning to feed-in premium (FIP) system
- On-site PPA at our own facilities

Wind

- Secure stable earnings from existing facilities

Biomass

- Secure stable earnings from existing facilities

Geothermal

- Steady progress with domestic projects under development
- Generation of synergies with overseas affiliated companies

Overseas

- Expansion of power generation capacity in Oceania (including M&A and equity participation)

Hydrogen

- Development of a green hydrogen supply chain in New Zealand
- International marine transport demonstration tests

Major Initiatives



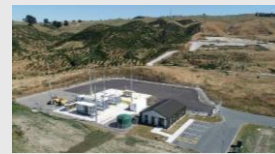
Domestic Renewable Energy Business

On-Site PPA: Obayashi Clean Energy Corporation is advancing on-site self-consumption PPA projects. To date, it has installed solar power-generating equipment on the rooftops of subsidiary facilities, supplying renewable energy.
(Photo: Cypress Sunadaya Toyo Industrial Park factory)



Overseas Renewable Energy Business

In 2024, we acquired a 50% stake in Eastland Generation Limited in New Zealand. This acquisition enables us to secure renewable energy generation capacity—such as geothermal and hydroelectric—as well as to leverage expertise and experience gained from owning these assets across our renewable energy business in Japan and overseas. In March 2026, the new geothermal power plant, TOPP2, also commenced operations.
(Photo: TOPP2 geothermal power plant owned by Eastland Generation Limited)



Hydrogen Business

Over the medium to long term, we are advancing initiatives to establish a hydrogen supply chain from production to supply of green hydrogen in Japan and overseas.

In 2024, we successfully demonstrated the marine transportation of green hydrogen from New Zealand to Fiji and its utilization, using green hydrogen produced in New Zealand by Halcyon Power, a joint venture with a local partner.

In 2026, we established a consortium for hydrogen exports from New Zealand and began a feasibility study on transporting green hydrogen to Japan. We are also advancing demonstration tests for marine transport to Singapore.

(Photo: Halcyon Power's green hydrogen manufacturing plant)

Power Plants

Japan

- Solar: 31 sites; Onshore wind: 3 sites; Offshore wind: 1 site; Woody biomass: 2 sites; Total: 37 sites
- Generation capacity: approx. 285 MW (equity share)

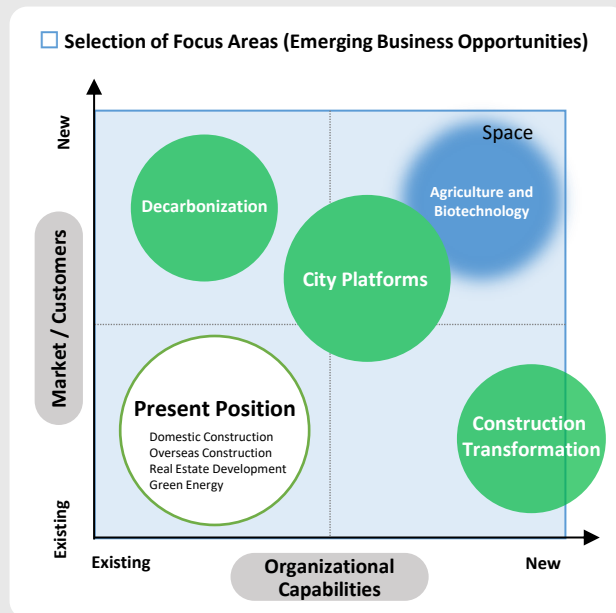
Overseas

- Geothermal: 4 sites; Solar: 1 site; Hydroelectric: 1 site; Woody biomass: 1 site; Total: 7 sites
- Generation capacity: approx. 59 MW (equity share)

New Business Initiatives

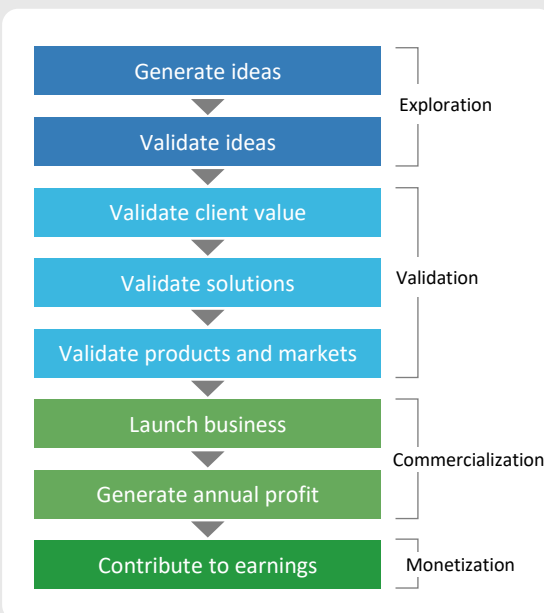
Business Strategy

- Creating an organization that enjoys consistent growth by boldly exploring new business initiatives beyond our core business areas.
- Our most important missions: Addressing social issues such as carbon neutrality and well-being, and contributing to a sustainable society.
- Focus areas are selected based on two criteria: whether it enables the Obayashi Group to demonstrate the power of its vision, creation, and people, and whether the market offers sufficient scale, business opportunities, and future growth potential.



Innovation Process

- Under the leadership of the Business Innovation Division, we have established an innovation process, as shown at right, and are advancing projects selected through an internal application process.
- We also collaborate with Silicon Valley Ventures & Laboratory in the U.S. and our Singapore base to explore the latest business models and innovative technologies and apply them to our innovation initiatives, accelerating innovation globally.



Spun-Off Group Companies



The company provides a solution that enables centralized management of autonomous operations by connecting a wide variety of autonomous mobile robots—such as indoor and outdoor transport and cleaning robots—with customers' equipment through integrated control platforms.

<https://www.plibot.co.jp/en/>



Japan's first dedicated smart building service provider, jointly established with Hitachi Solutions. The company offers one-stop services that consolidate all elements required for smart buildings, including construction, equipment, digital technologies, and systems.

<https://oprizon.com/en>



In response to growing demand for urban data centers located near areas requiring data, including for edge computing, the company develops distributed data centers in urban areas by regenerating existing buildings through renovation and reconstruction, while reducing the burden on existing power grids and ensuring coexistence with the community.

<https://mitasun.com/en>

03

Medium-Term Business Plan 2022

Medium-Term Business Plan 2022: Fundamental Strategies

Obayashi Group Medium-Term Business Plan 2022

FY2022

FY2023

FY2024

FY2025

FY2026

Measures for Strengthening the Foundation of the Construction Business

Measures for Accelerating Transformation

Strengthen the Foundation

To secure safety and quality, thoroughly implement measures to strengthen the foundation of the business and continue other necessary measures while keeping in mind that the business environment changes constantly.

Fundamental Strategy 1: Strengthen and Expand the Foundation of the Construction Business

- Strategize work portfolio with a focus on securing stable earnings and passing on technologies
- Suppress material price fluctuation risk, including the revision of terms and conditions with the clients
- BPR (business process re-engineering)
- Retain and develop human resources and maintain, strengthen, and expand supply chain
- Respond to the application of overtime cap regulations under the revised Labor Standards Act of Japan

Fundamental Strategy 2: Innovate Technologies and Businesses

- Early transition in the implementation phase of new technologies that contribute to production capacity enhancement
- Develop innovative construction production systems

Fundamental Strategy 3: Expand Business Portfolio for Sustainable Growth

- Adopt ROIC and ROE as key performance indicators to make management decisions with a focus on capital efficiency

Accelerate Transformation

Establish a path to medium- to long-term growth through Company-wide transformation and achieve stable consolidated operating profit of ¥100 billion or more

Fundamental Strategy 1: Strengthen and Expand the Foundation of the Construction Business

- Value-added proposals and development of differentiated technologies to meet social needs
- Strengthen the construction value chain and expand construction service domains
- Improve productivity through the implementation of innovative construction production systems

Fundamental Strategy 2: Innovate Technologies and Businesses

- Generate new value for customers in new business domains
- Develop business models and technologies that will lead to resolving social issues, such as carbon neutrality and well-being
- Promote Circular Timber Construction™

Fundamental Strategy 3: Expand Business Portfolio for Sustainable Growth

- Establish solid and resilient sources of growth and reorganize the five business domains, enhanced by continuous investment

Note: Highlighted parts are from the addendum announced in May 2024.

Medium-Term Business Plan 2022: Key Performance Indicators (KPIs)



	FY2022 Results	FY2023 Results	FY2024 Results	FY2025 Results	FY2026 Forecasts	Addendum to the Medium-Term Business Plan 2022 KPI Targets
Consolidated net sales	¥1,983.8 billion	¥2,325.1 billion	¥2,590.7 billion	¥2,586.2 billion	¥2,945.0 billion	Mid-¥2 trillion range
Consolidated operating profit	¥93.8 billion	¥79.3 billion	¥142.4 billion	¥194.6 billion	¥180.0 billion	¥100.0 billion or more
Profit attributable to owners of parent	¥77.6 billion	¥75.0 billion	¥145.3 billion	¥173.7 billion	¥157.0 billion	Around ¥100.0 billion
Profit attributable to owners of parent per share (EPS)	¥108.34	¥104.69	¥202.91	¥249.42	¥228.39	Around ¥140
Invested capital at the end of period	¥1,373.8 billion	¥1,519.1 billion	¥1,572.9 billion	¥1,660.5 billion	¥1,680.0 billion	—
Equity at the end of period	¥997.1 billion	¥1,151.6 billion	¥1,158.2 billion	¥1,258.4 billion	¥1,290.0 billion	¥1 trillion level
Consolidated interest-bearing debt and nonrecourse loans at the end of period	¥337.9 billion	¥323.8 billion	¥362.7 billion	¥344.0 billion	¥330.0 billion	—
Return on invested capital (ROIC)	4.9%	3.8%	6.4%	8.4%	7.4%	5% or more in the medium term
Return on equity (ROE)	8.0%	7.0%	12.6%	14.4%	12.3%	10% or more by FY2026
Dividend on equity ratio (DOE)	3.1%	5.0%	5.0%	5.1%	5.0%	Around 5%

*FY2024 figures reflect the retrospective application of the change in the foreign currency translation method.

Medium-Term Business Plan 2022: Cash Allocation

Cash Inflows

<p>5-year forecast of consolidated operating profit during Medium-Term Business Plan 2022: Around ¥480.0 billion</p> <p>Note: Reflects budget allocated for the base salary increase in line with the transition to an inflation economy</p>
<p>Depreciation: ¥120.0 billion over 5 years</p>
<p>Sale of cross-shareholdings to less than 20% of consolidated net assets: ¥260.0 billion* based on the current stock market prices</p>
<p>Use of leverage in real estate development business: ¥200.0 billion</p>

Cash Outflows

Income taxes
<p>Shareholder returns</p> <ul style="list-style-type: none"> Annual dividend at a DOE of around 5% Flexible shareholder returns in line with levels of equity and profits
Improved payment terms for subcontractors and suppliers
<p>Cash used in investing activities: Around ¥420.0 billion</p>

Breakdown of Cash Used in Investing Activities

Item	Investment Plan
Human resource-related investment	¥30.0 billion
DX-related investment	¥90.0 billion
Technology-related investment	¥100.0 billion
Construction machinery and business facilities	¥75.0 billion
Real estate development business	¥300.0 billion
Green energy business	¥60.0 billion
M&A, capital tie-ups, VC, etc.	¥95.0 billion
Investment plan	¥750.0 billion
Deduction of amount not included in cash flows from investing activities	(¥190.0 billion)
Amount recovered from the sale of assets in real estate development business	(¥140.0 billion)
Amount to be included in cash flows from investing activities	¥420.0 billion

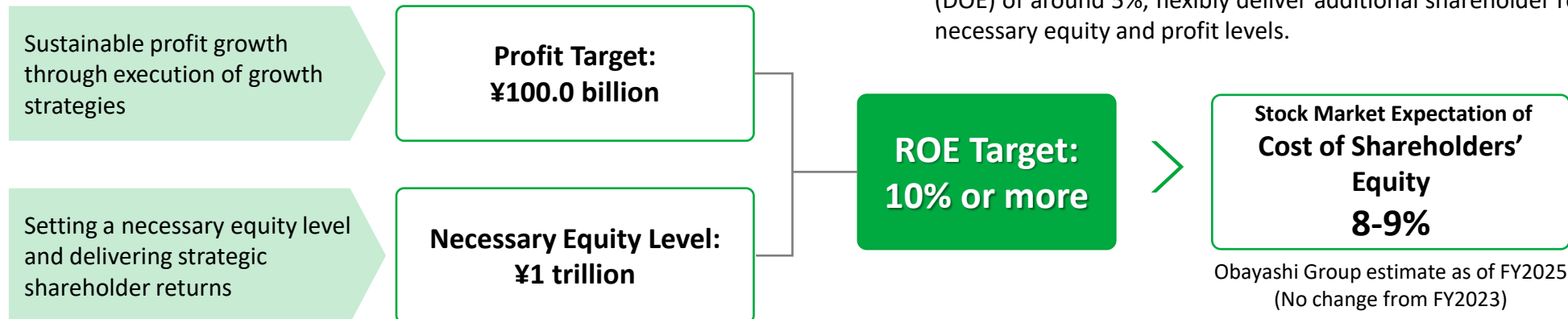
*As of the announcement of the Addendum to the Medium-Term Business Plan 2022 (disclosed on May 13, 2024)

Capital Policy: Our Approach to Capital Efficiency Improvement

By controlling equity through profit generation and strategic shareholder returns, the Obayashi Group aims to achieve an ROE of 10% or more, exceeding the cost of shareholders' equity expected by the stock market.

Sustainable Profit Growth Through Execution of Growth Strategies

- Sustainably generate profits by further enhancing investment in human resources, digital transformation (DX), technologies, and productivity improvement.
- Achieve profit growth by implementing proactive and timely growth investments in promising growth fields and fields where the Group can contribute to solving social issues.



Setting a Necessary Equity Level and Delivering Strategic Shareholder Returns

- Setting a Necessary Equity Level
 - Set the necessary equity level for each business, taking into account business scale changes, execution of investments, changes in the asset-liability balance of the construction business, revisions to payment terms, sales of cross-shareholdings, use of leverage in the real estate development business, and other factors through FY2026.
 - Finance through interest-bearing debt and nonrecourse loans to use leverage in improving capital efficiency.
- Delivering Strategic Shareholder Returns
 - In addition to ordinary dividends based on a target dividend on equity ratio (DOE) of around 5%, flexibly deliver additional shareholder returns based on the necessary equity and profit levels.

Capital Policy: Shareholder Returns

Basic Policy

- Maintain stable dividend payments over the long term.

Ordinary Dividends

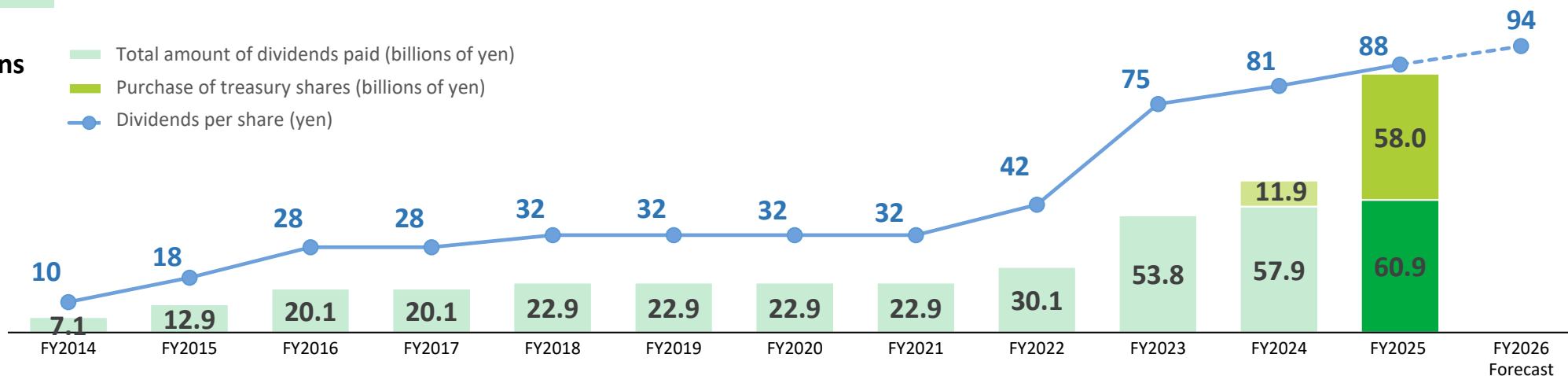
- Adopted the dividend on equity ratio (DOE) starting from the Medium-Term Business Plan 2022 to place greater emphasis on delivering stable, medium- to long-term returns to shareholders based on equity enhanced through the accumulation of profits.
- From FY2023, ordinary dividends are paid based on a target DOE of around 5%.

Flexible Shareholder Returns

- Flexibly deliver additional returns based on the necessary equity and profit levels.
- Purchase of treasury shares planned at a scale of ¥100.0 billion by the end of FY2026, starting in February 2025.

Shareholder Returns

- Total amount of dividends paid (billions of yen)
- Purchase of treasury shares (billions of yen)
- Dividends per share (yen)



DOE (%)	1.6	2.5	3.6	3.1	3.2	2.9	2.6	2.4	3.1	5.0	5.0	5.1	5.0
(Reference) Dividend Payout Ratio (%)	25.0	20.4	21.3	21.7	20.3	20.3	23.2	58.7	38.8	71.6	39.9	35.3	41.2
(Reference) Total Payout Ratio (%)	-	-	-	-	-	-	-	-	-	-	48.1	68.5	-

Medium-Term Business Plan 2017

Medium-Term Business Plan 2022

*DOE for FY2013–2021 is for reference only.

*DOE = Total annual dividends (interim + year-end) / {(Equity as of the end of the previous fiscal year + Equity as of the end of the current fiscal year) / 2}

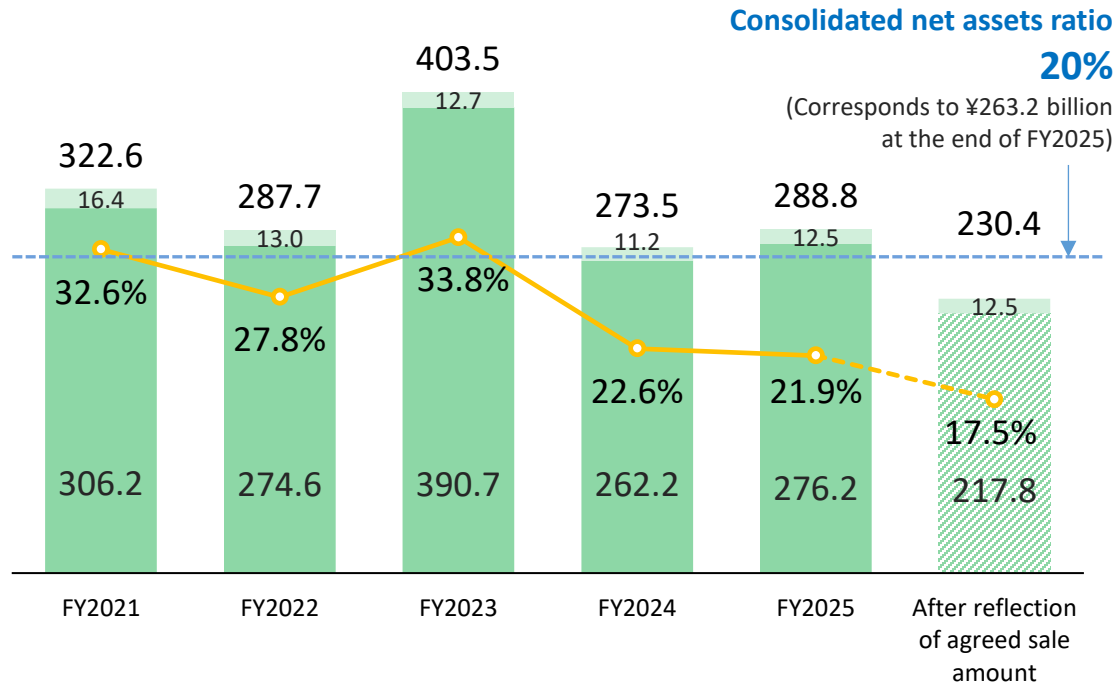


Capital Policy: Cross-Shareholdings

Aiming to reduce cross-shareholdings to 20% or less of consolidated net assets as soon as possible (before the end of March 2027).
 Proceeds from sales will be allocated to growth investments or shareholder returns.

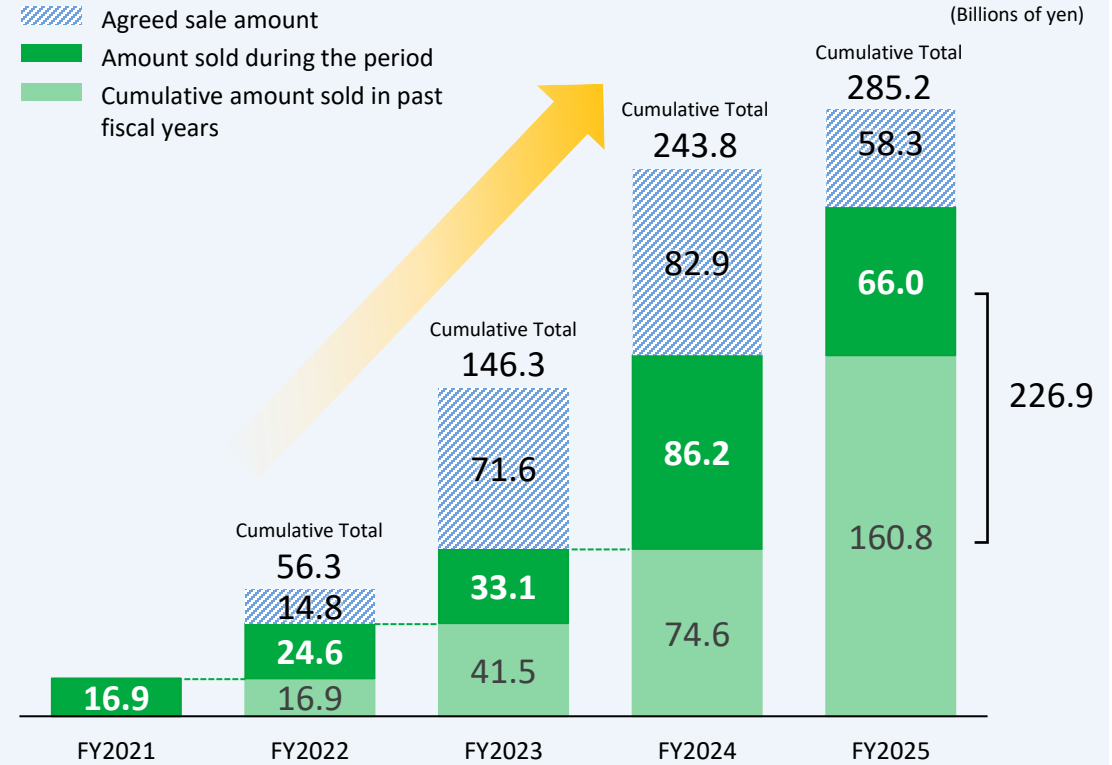
Balance of Cross-Shareholdings and Net Assets Ratio (Consolidated)

- Balance of listed stocks (billions of yen, consolidated)
- Balance of unlisted stocks (billions of yen, consolidated)
- Consolidated net assets ratio (%)
 Cross-shareholdings at end of period / Net assets at end of period (consolidated)



Cross-Shareholdings Sales from FY2021 to FY2025 (Consolidated)

- Agreed sale amount
- Amount sold during the period
- Cumulative amount sold in past fiscal years



Medium-Term Business Plan 2022: Investment Plan (Major Investments)

Total Investment Amount: ¥750.0 billion	Intangible asset investment for platform development	Human resource-related investment	¥30.0 billion	<ul style="list-style-type: none"> Expanding training systems Developing a personnel system that facilitates diverse work styles Securing and developing talent Improving employee engagement
		DX-related investment	¥90.0 billion	<ul style="list-style-type: none"> System development and software purchases ICT equipment purchases BPR initiatives Internal data integration and utilization Strengthening information security
		Technology-related investment	¥100.0 billion	<ul style="list-style-type: none"> Technological development and management in areas such as CO₂ emissions reduction initiatives, automated construction, and large-scale infrastructure renewal Administration of engineering, nuclear power, and BIM (Building Information Modeling)-related departments, as well as investment in facilities and research equipment at the Obayashi Technology Research Institute
	Continuous tangible assets investment with a focus on strengthening the foundation of the construction business	Construction machinery and business facilities	¥75.0 billion	<ul style="list-style-type: none"> Construction-related machinery Relocation and renovation of offices and employee dormitories
		Real estate development business	¥300.0 billion	<ul style="list-style-type: none"> Offices, logistics facilities, and condominiums Net investment: ¥160.0 billion (property sales: ¥140.0 billion)
	Growth investment toward expanding business portfolio	Green energy business	¥60.0 billion	<ul style="list-style-type: none"> Geothermal and hydrogen (including M&A, capital tie-ups, and other initiatives related to the green energy business) Acquisition of shares of Eastland Generation (New Zealand) in 2024
		M&A, capital tie-ups, VC, etc.	¥95.0 billion	<ul style="list-style-type: none"> Acquisition of MWH (North America) in 2023 Acquisition of GCON (North America) in 2025

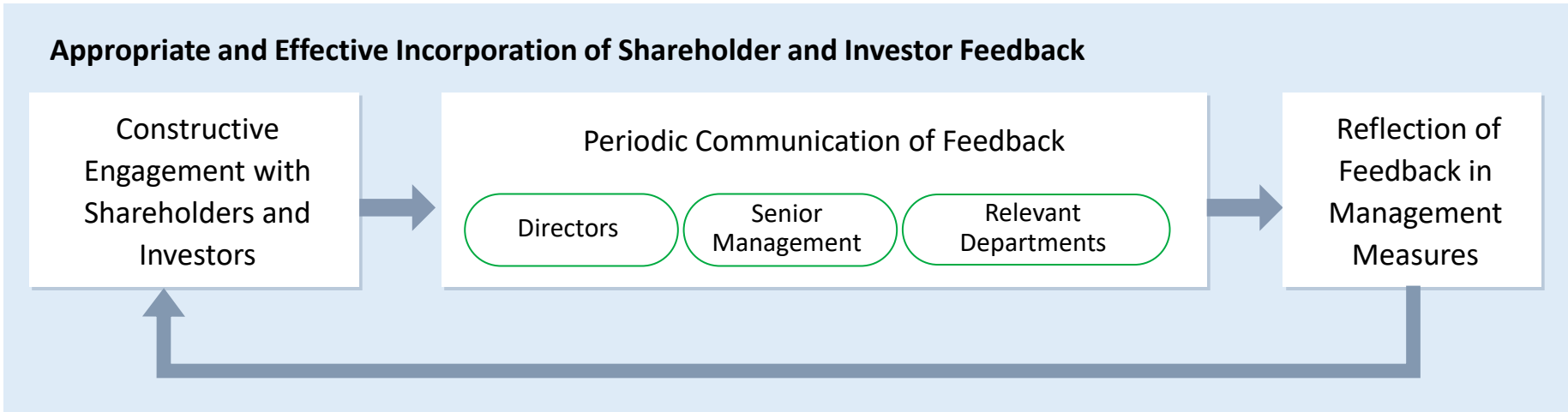
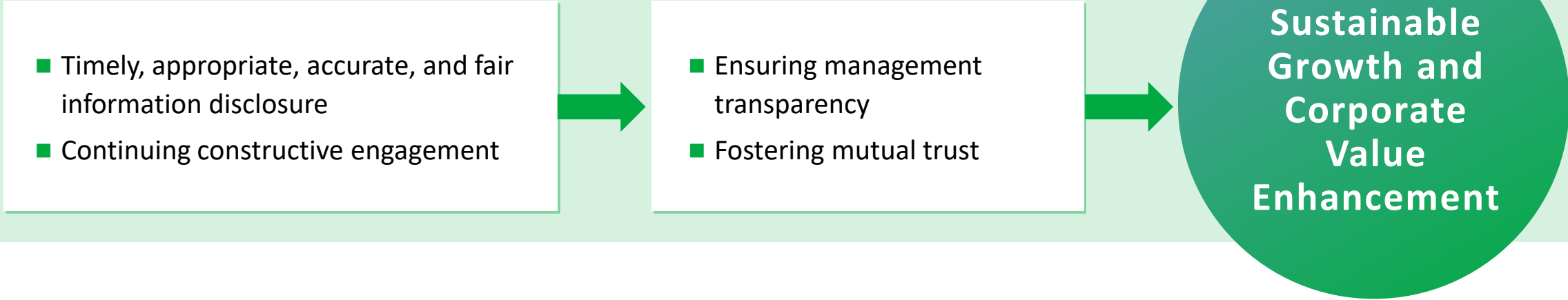
04

IR & SR Basic Policy



IR & SR Basic Policy

Basic Approach to IR & SR Activities



IR & SR Basic Policy

<https://ir.obayashi.co.jp/en/ir/governance/policy.html>

05

Appendix

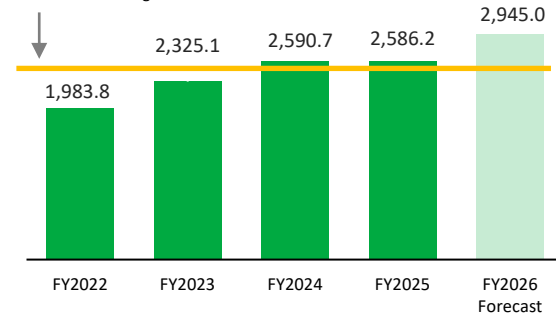
Performance Data

P&L

Consolidated Net Sales

(Billions of yen)

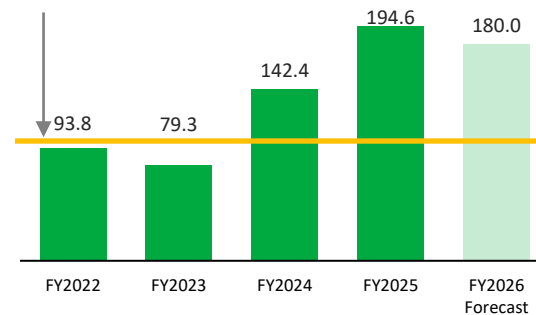
Target in the Addendum to the Medium-Term Business Plan 2022:
Mid-¥2 trillion range



Consolidated Operating Profit

(Billions of yen)

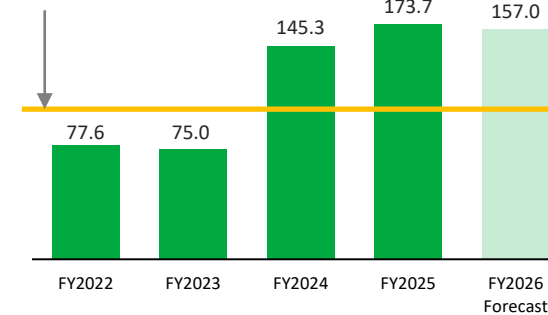
Target in the Addendum to the Medium-Term Business Plan 2022:
¥100.0 billion or more



Profit Attributable to Owners of Parent

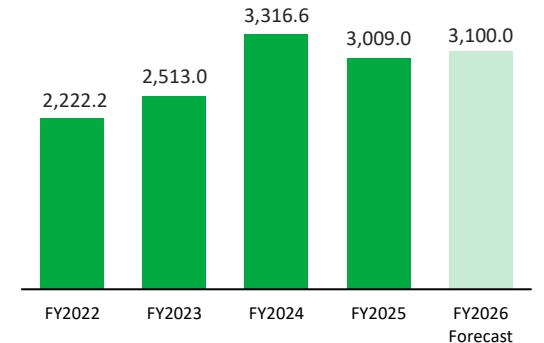
(Billions of yen)

Target in the Addendum to the Medium-Term Business Plan 2022:
Around ¥100.0 billion



Consolidated Orders Received

(Billions of yen)

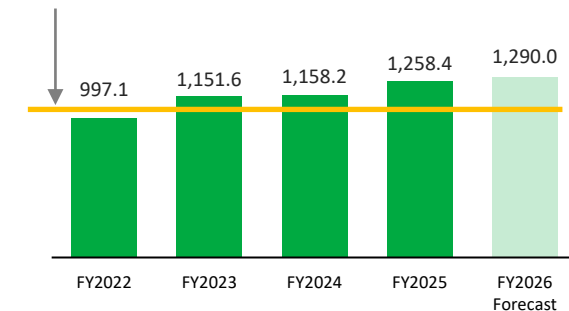


Financial Position

Consolidated Equity

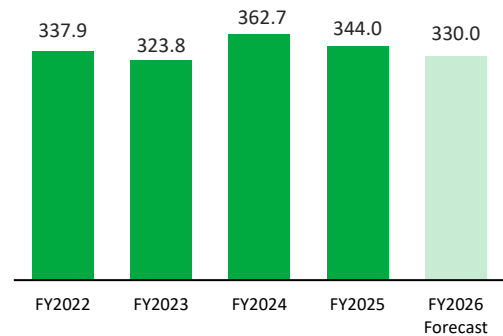
(Billions of yen)

Target in the Addendum to the Medium-Term Business Plan 2022:
¥1 trillion level



Consolidated Interest-Bearing Debt and Nonrecourse Loans

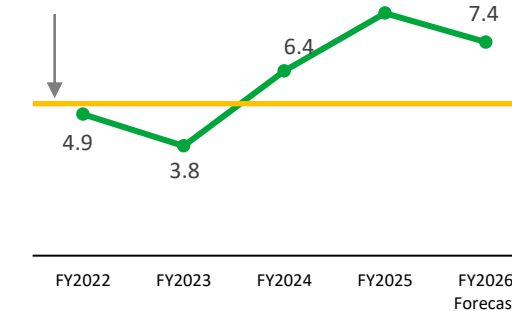
(Billions of yen)



Return on Invested Capital (ROIC) (%)

(%)

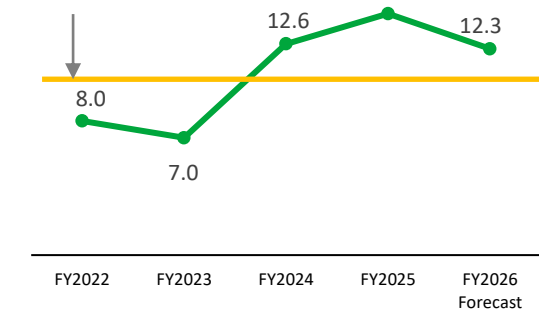
Medium-Term Business Plan 2022's performance indicator target:
5% or more in the medium term



Return on Equity (ROE) (%)

(%)

Medium-Term Business Plan 2022's performance indicator target:
10% or more



*FY2024 figures reflect the retrospective application of the change in the foreign currency translation method.



Performance Data (FY2025)

	Consolidated Net Sales	Consolidated Operating Profit	Profit Attributable to Owners of Parent	Consolidated Orders Received
P&L	(Previous FY) ¥2,590.7 billion ▶ ¥2,586.2 billion (¥4.5 billion)	(Previous FY) ¥142.4 billion ▶ ¥194.6 billion +¥52.2 billion	(Previous FY) ¥145.3 billion ▶ ¥173.7 billion +¥28.4 billion	(Previous FY) ¥3,316.6 billion ▶ ¥3,009.0 billion (¥307.5 billion)
	Largely flat YoY, as steady progress with projects in hand in overseas building and civil engineering, among other factors, offset the decline in domestic building compared to FY2024, which benefited from progress with large projects.	Increased YoY due to factors including additional claim approvals, change orders, and greater contribution from highly profitable construction projects in domestic building and steady progress with projects in hand in overseas civil engineering.	Increased YoY due to higher operating profit, primarily in domestic building and overseas civil engineering, and other factors.	Decreased YoY, despite new orders for large projects in overseas building, as domestic building and civil engineering declined, reflecting comparison with FY2024—which saw large project orders—and new orders being strategically received in alignment with the current construction capacity.
Financial Position	(Previous FY) ¥1,158.2 billion ▶ ¥1,258.4 billion +¥110.1 billion	(Previous FY) ¥362.7 billion ▶ ¥344.0 billion (¥18.6 billion)	(Previous FY) 6.4% ▶ 8.4% +200 bps	(Previous FY) 12.6% ▶ 14.4% +180 bps
	Increased YoY due to higher retained earnings from solid performance, an increase in valuation difference on available-for-sale securities reflecting higher stock prices, and higher foreign currency translation adjustment due to yen depreciation, despite the purchase of treasury shares.	Decreased YoY due to the completion of large projects with improved collections on outstanding construction receivables.	Improved due to higher operating profit, primarily in domestic building.	Exceeded the previous fiscal year’s level due to improved profit attributable to owners of parent. Continued management with a focus on capital efficiency.

*FY2024 figures reflect the retrospective application of the change in the foreign currency translation method.



Performance Data (FY2024)

	Consolidated Net Sales	Consolidated Operating Profit	Profit Attributable to Owners of Parent	Consolidated Orders Received
P&L	(Previous FY) ¥2,325.1 billion ▶ ¥2,590.7 billion +265.6 billion	(Previous FY) ¥79.3 billion ▶ ¥142.4 billion +¥63.0 billion	(Previous FY) ¥75.0 billion ▶ ¥145.3 billion +¥70.2 billion	(Previous FY) ¥2,513.0 billion ▶ ¥3,316.6 billion +¥803.5 billion
	Increased YoY due to steady progress with projects in hand in domestic construction, consolidation of MWH in overseas civil engineering, and other factors.	Increased YoY due to additional claim approvals and the start and progress of highly profitable construction projects in domestic construction, among other factors.	Increased YoY due to improved operating profit and faster-than-planned progress in the sale of cross-shareholdings.	Received more new orders YoY in domestic construction while focusing on construction capacity and profitability at the time of receiving new orders. Consolidation of MWH also contributed.
Financial Position	(Previous FY) ¥1,151.6 billion ▶ ¥1,158.2 billion +¥6.6 billion	(Previous FY) ¥323.8 billion ▶ ¥362.7 billion +¥38.8 billion	(Previous FY) 3.8% ▶ 6.4% +260 bps	(Previous FY) 7.0% ▶ 12.6% +560 bps
	Same level YoY due to an increase in retained earnings from solid performance and shareholder returns including the purchase of treasury shares.	Increased YoY due to factors including financing to make investments in the real estate business and other and to cover advance payments to suppliers and subcontractors that are incurred in line with construction progress.	Operating profit improved mainly in domestic building due to the start and progress of highly profitable construction projects and other factors, boosting the Company-wide ROIC.	ROE improved significantly thanks to extraordinary income from the sale of cross-shareholdings, in addition to improved business profits. Continued thorough management with a focus on capital efficiency.

*FY2024 figures reflect the retrospective application of the change in the foreign currency translation method.



Performance Data (FY2023)

	Consolidated Net Sales	Consolidated Operating Profit	Profit Attributable to Owners of Parent	Consolidated Orders Received
P&L	(Previous FY) ¥1,983.8 billion ▶ ¥2,325.1 billion +¥341.2 billion	(Previous FY) ¥93.8 billion ▶ ¥79.3 billion (¥14.4 billion)	(Previous FY) ¥77.6 billion ▶ ¥75.0 billion (¥2.6 billion)	(Previous FY) ¥2,222.2 billion ▶ ¥2,513.0 billion +¥290.7 billion
	Increased significantly YoY due to steady progress with projects in hand in domestic and overseas construction, the impact of foreign currency translation due to yen depreciation in overseas construction, and other factors.	Decreased YoY due to losses recorded in relation to an accident on a large-scale project in domestic building, a decline in the real estate business compared to FY2022, which benefited from the sale of large properties, and other factors.	Declined YoY due to a decrease in operating profit, despite an increase in profit on the sale of cross-shareholdings.	Increased YoY due to factors including strong demand mainly from domestic manufacturers and additional claim approvals for price hikes in domestic building.
Financial Position	(Previous FY) ¥997.1 billion ▶ ¥1,151.6 billion +¥154.5 billion	(Previous FY) ¥337.9 billion ▶ ¥323.8 billion (¥14.0 billion)	(Previous FY) 4.9% ▶ 3.8% (110 bps)	(Previous FY) 8.0% ▶ 7.0% (100 bps)
	Increased significantly YoY due to an increase in valuation difference on available-for-sale securities from the rise in stock prices of cross-shareholdings.	Decreased YoY due to the redemption of bonds payable and other factors.	ROIC for domestic construction decreased, pushing down the Company-wide ROIC.	Declined YoY due to a decrease in profit in domestic building, despite an increase in profit on the sale of cross-shareholdings.



Performance Data (FY2022)

P&L	Consolidated Net Sales (Previous FY) ¥1,922.8 billion ► ¥1,983.8 billion +¥61.0 billion	Consolidated Operating Profit (Previous FY) ¥41.0 billion ► ¥93.8 billion +¥52.7 billion	Profit Attributable to Owners of Parent (Previous FY) ¥39.1 billion ► ¥77.6 billion +¥38.5 billion	Consolidated Orders Received (Previous FY) ¥2,146.3 billion ► ¥2,222.2 billion +¥75.9 billion
	Increased YoY, reflecting factors including the impact of foreign exchange translation due to yen depreciation in overseas construction and the sale of large properties in the real estate business.	Increased YoY due to factors including the sale of large properties in the real estate business and a rebound in domestic building from FY2021, during which a provision for loss on construction contracts was recorded.	Increased YoY due to profit on the sale of cross-shareholdings, in addition to higher operating profit.	Increased modestly YoY due to an increase in new orders in overseas construction amid post-COVID economic recovery, despite a decline in new orders in domestic construction in alignment with the current construction capacity.
	Consolidated Equity (Previous FY) ¥955.6 billion ► ¥997.1 billion +¥41.4 billion	Consolidated Interest-Bearing Debt and Nonrecourse Loans (Previous FY) ¥280.4 billion ► ¥337.9 billion +¥57.4 billion	Return on Invested Capital (ROIC) (Previous FY) 2.3% ► 4.9% +260 bps	Return on Equity (ROE) (Previous FY) 4.1% ► 8.0% +390 bps
	Increased YoY due to an increase in retained earnings, despite a decrease in valuation difference on available-for-sale securities caused by the sale of cross-shareholdings.	Increased YoY due to early financing of working capital ahead of the peak of large-scale construction work in domestic building in the following fiscal year, amid concerns over potential interest rate rises.	Company-wide ROIC improved in a recovery from the decline in ROIC in domestic construction in the previous fiscal year.	Improved from the decline caused by the significant profit decrease in the previous fiscal year.

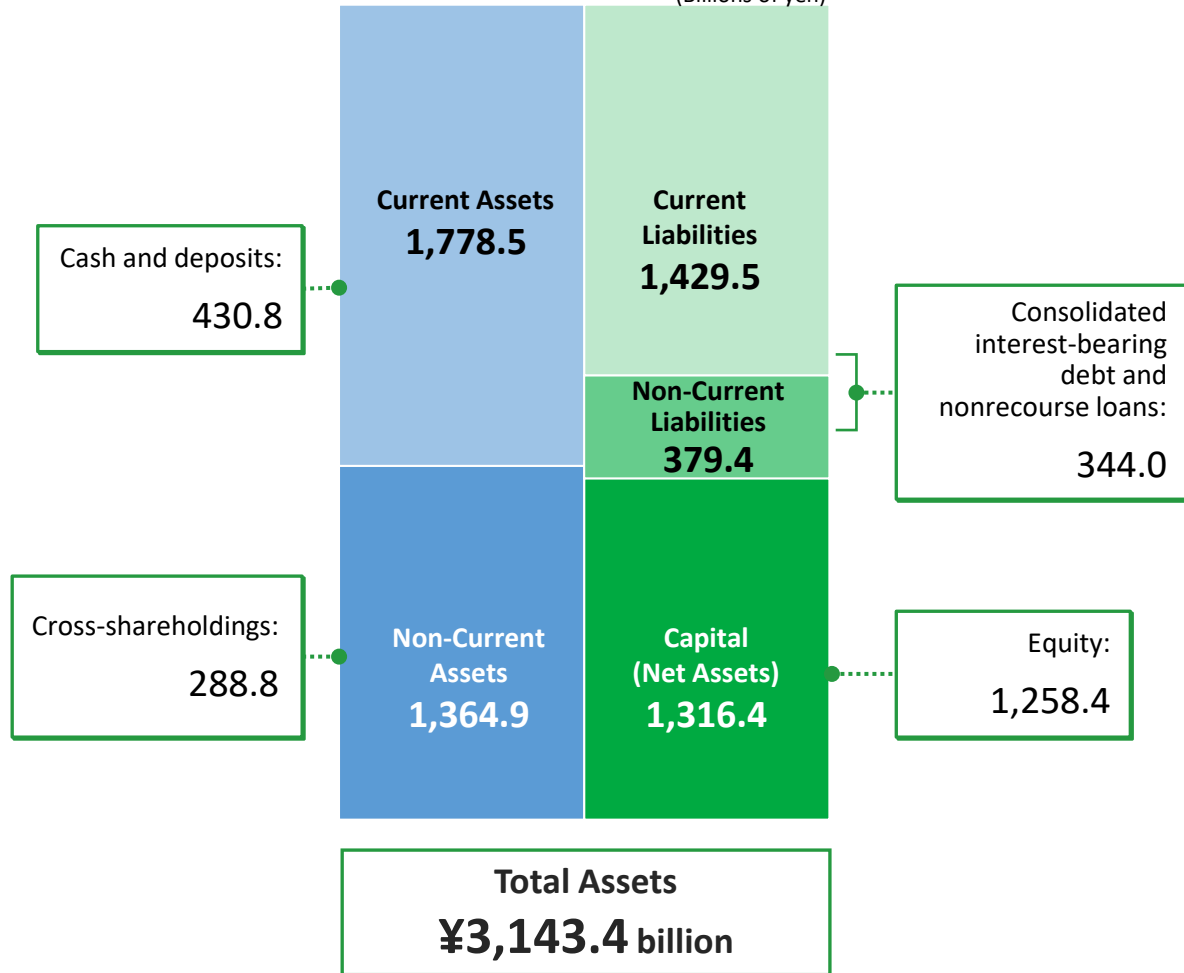
Financial Position



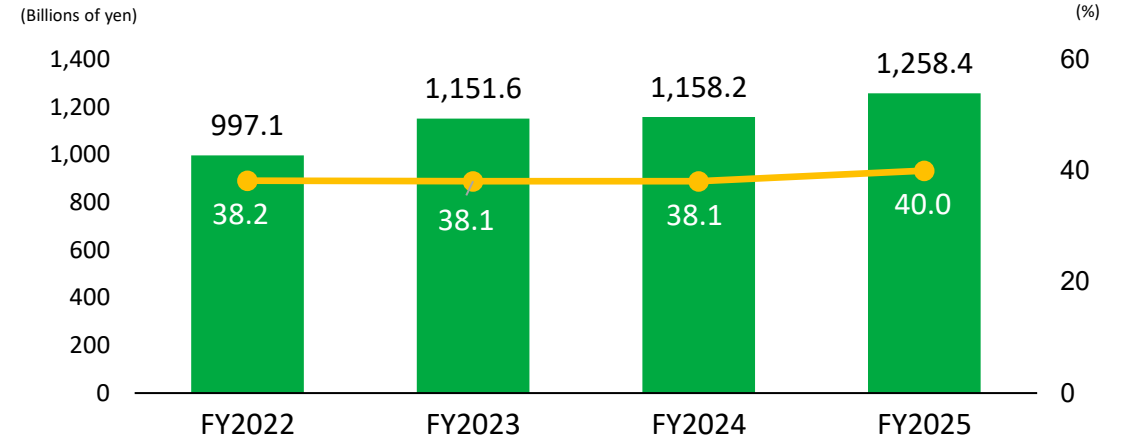
Consolidated Balance Sheet Data

March 31, 2026

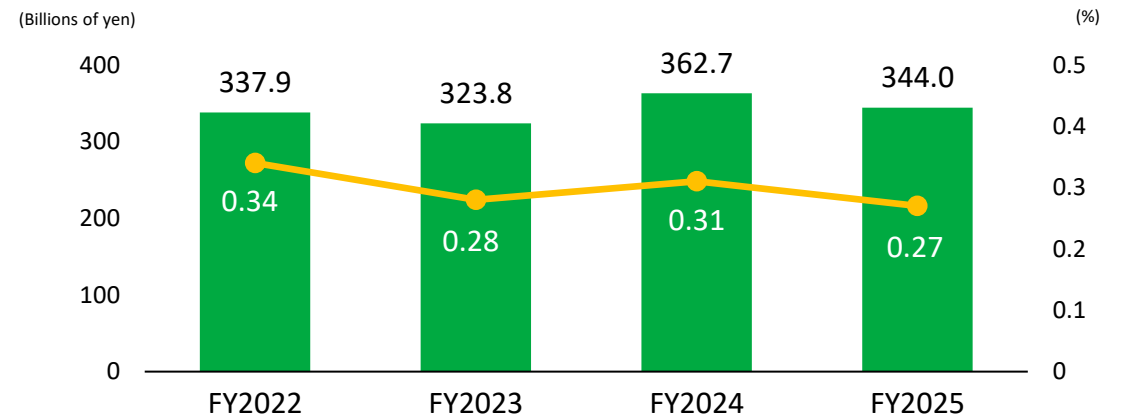
(Billions of yen)



Equity / Equity Ratio

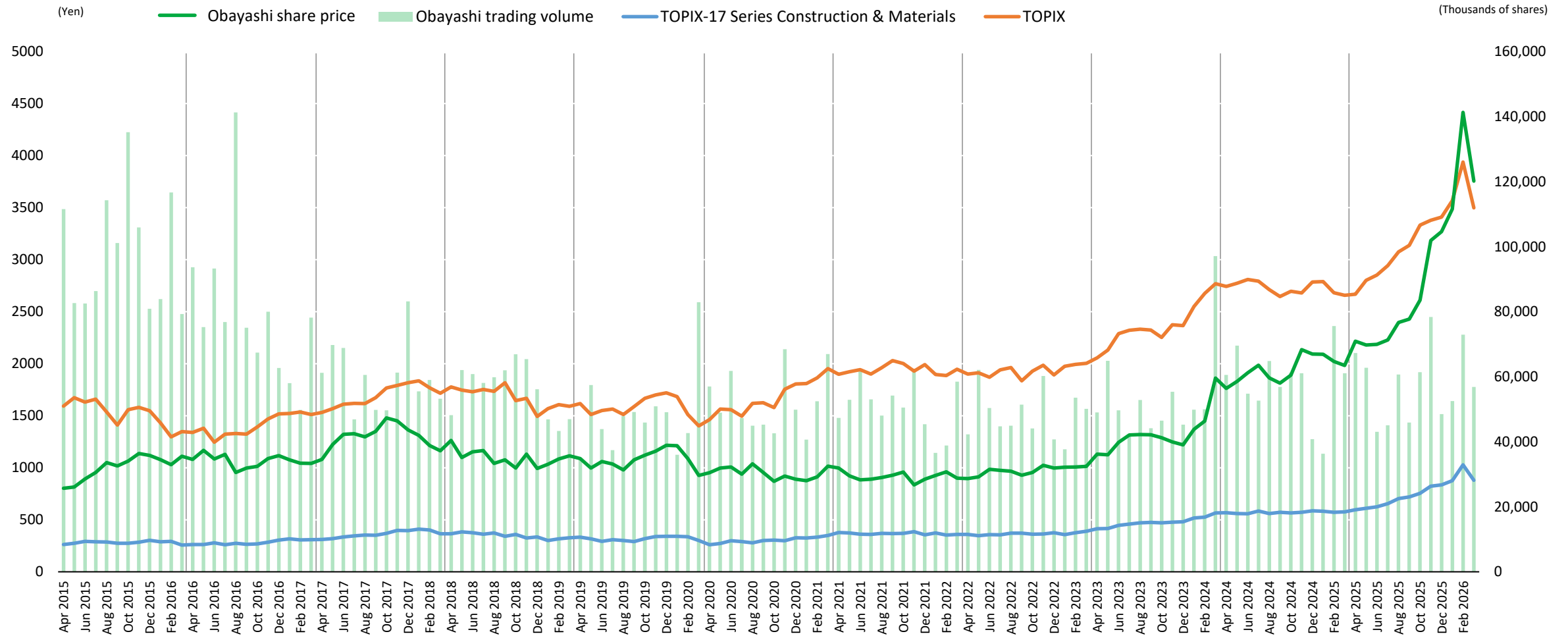


Consolidated Interest-Bearing Debt and Nonrecourse Loans / Debt-Equity Ratio





Stock Price and Trading Volume



External Evaluations

External ESG Evaluations



2025 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX



Obayashi Corporation has been selected for inclusion in the Dow Jones Best-in-Class Asia Pacific Index.

External IR Evaluations



Other External Evaluations

Links

Investor Relations

Medium-Term Business Plan 2022

Financial Results

Auditor's Report

Corporate Report (Integrated Report)

Obayashi Sustainability Vision 2050

Engagement with Shareholders and Investors

General Stock Information



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Disclaimer Regarding the Appropriate Use of Financial Forecasts:

The forward-looking statements in this document, including financial forecasts, are based on information currently available to the Company and certain assumptions that the Company has judged to be reasonable, and are not intended as a guarantee of their realization. Actual results may differ significantly from the forecasts due to various factors.

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*Fiscal years are March-ending.