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May 13, 2026

Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

Company name: OBAYASHI CORPORATION
 Listing: Tokyo Stock Exchange
 Securities code: 1802
 URL: <https://www.obayashi.co.jp/en/>
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 Scheduled date of annual general meeting of shareholders: June 29, 2026
 Scheduled date to commence dividend payments: June 30, 2026
 Scheduled date to file annual securities report: June 22, 2026
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	2,586,258	(0.2)	194,678	36.6	204,195	34.1	173,759	19.5
March 31, 2025	2,590,765	11.4	142,469	79.5	152,236	66.4	145,355	93.7

Note: Comprehensive income For the fiscal year ended March 31, 2026: 222,645 Millions of yen [131.9%]
 For the fiscal year ended March 31, 2025: 95,997 Millions of yen [(49.4)%]

	Basic earnings per share (EPS)	Diluted earnings per share	Rate of return on equity (ROE)	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	249.42	—	14.4	6.6	7.5
March 31, 2025	202.91	—	12.6	5.0	5.5

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended March 31, 2026: 1,333 Millions of yen

For the fiscal year ended March 31, 2025: 1,123 Millions of yen

Note: Due to a change in accounting policy, results for the fiscal year ended March 31, 2025, have been re-presented retrospectively.

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share (BPS)
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	3,143,449	1,316,466	40.0	1,830.64
March 31, 2025	3,042,778	1,210,201	38.1	1,628.88

Reference: Equity

As of March 31, 2026: 1,258,424 Millions of yen

As of March 31, 2025: 1,158,245 Millions of yen

Note: Due to a change in accounting policy, results for the fiscal year ended March 31, 2025, have been re-presented retrospectively.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	252,920	(84,363)	(141,449)	416,028
March 31, 2025	84,161	10,044	(50,440)	380,169

Note: Due to a change in accounting policy, results for the fiscal year ended March 31, 2025, have been re-presented retrospectively.

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2025	—	40.00	—	41.00	81.00	57,911	39.9	5.0
Fiscal year ended March 31, 2026	—	41.00	—	47.00	88.00	60,941	35.3	5.1
Fiscal year ending March 31, 2027 (Forecast)	—	47.00	—	47.00	94.00		41.2	

Note: Due to a change in accounting policy, payout ratio (consolidated) and ratio of dividends to net assets (consolidated) for the fiscal year ended March 31, 2025, have been re-presented retrospectively.

3. Consolidated forecasts for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share (EPS)
Fiscal year ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
March 31, 2027	2,945,000	13.9	180,000	(7.5)	183,000	(10.4)	157,000	(9.6)	228.39

Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: Yes
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

Refer to page 21 of the appendix, (5) Notes to the Consolidated Financial Statements “Changes in Accounting Policies” for details.

(3) Number of issued shares (ordinary shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

March 31, 2026	691,811,346 shares
March 31, 2025	721,509,646 shares

- (ii) Number of treasury shares at the end of the period

March 31, 2026	4,389,832 shares
March 31, 2025	10,439,266 shares

- (iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	696,649,328 shares
Fiscal year ended March 31, 2025	716,367,240 shares

[Reference] Overview of non-consolidated financial results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	1,509,991	(9.1)	129,952	45.3	174,607	77.0	162,842	40.7
March 31, 2025	1,660,662	5.0	89,418	106.4	98,673	78.1	115,721	133.1

	Basic earnings per share (EPS)	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	233.75	—
March 31, 2025	161.54	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share (BPS)
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	2,101,094	873,189	41.6	1,270.24
March 31, 2025	2,135,276	822,644	38.5	1,156.91

Reference: Equity

As of March 31, 2026: 873,189 Millions of yen

As of March 31, 2025: 822,644 Millions of yen

2. Non-consolidated forecast for the fiscal year ending March 31, 2027 (from April 1, 2026 to March 31, 2027)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share (EPS)
Fiscal year ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
March 31, 2027	1,605,000	6.3	115,000	(11.5)	137,000	(21.5)	131,000	(19.6)	190.57

* This financial results report is exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

1. Refer to page 2 of the appendix for consolidated forecasts.
2. Forward-looking statements and figures in this document are based on the information that the Company is able to obtain at the present point. Actual results may be different due to various factors.
3. The Company will hold a financial results briefing for analysts and institutional investors on Thursday, May 14, 2026. Presentation document is on the Company's website.

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1. Overview of Operating Results and Financial Position

(1) Overview of operating results

Operating results for fiscal year ended March 31, 2026 (FY2025)

In FY2025, the Japanese economy continued its gradual recovery, given the upturn in consumer spending and improvement in corporate profits. It is expected that the improvement in employment and personal income will support the gradual recovery in the economy, however, trends in raw material and energy prices and other matters due to the situation in the Middle East require close monitoring. In addition, close attention is required to the fluctuations in financial and capital markets, ongoing developments surrounding US trade policy and others.

In the domestic construction market, although there are concerns about a decline in companies' capital investments mainly due to soaring construction material prices and exchange rate fluctuations, the environment for orders is expected to remain firm for the time being, backed by steady orders for private-sector construction and public works projects.

Under such circumstances, the Obayashi Group's consolidated net sales amounted to 2,586.2 billion yen, a decrease of 4.5 billion yen (0.2%) from the previous fiscal year, reflecting a decline in the domestic building construction business which benefited from progress with large-scale projects, despite steady progress with projects in hand in the overseas building construction and in the domestic and overseas civil engineering businesses. In terms of profit and loss, operating profit amounted to 194.6 billion yen, an increase of 52.2 billion yen (36.6%) from the previous fiscal year. Ordinary profit amounted to 204.1 billion yen, an increase of 51.9 billion yen (34.1%) year-on-year. These were mainly due to factors including additional claim approvals and change orders, greater contribution from highly profitable construction projects in the domestic building construction business, steady progress with projects in hand in the overseas civil engineering business, and the sale of developed properties in the real estate business. Profit attributable to owners of parent amounted to 173.7 billion yen, an increase of 28.4 billion yen (19.5%) year-on-year.

Operating results by business segment for FY2025 were as follows:

Construction business

Consolidated orders received for the construction business amounted to 2,849.8 billion yen, a decrease of 312.0 billion yen (9.9%) from the previous fiscal year, due to a decline in the domestic building construction and civil engineering, and in the overseas civil engineering compared to the previous fiscal year which benefited from new orders for large-scale projects, and new orders being strategically received in alignment with the current construction capacity in the domestic building construction and civil engineering, despite an increase in new orders for large-scale projects in the overseas building construction. More specifically, orders received for domestic building construction were 1,200.9 billion yen; for overseas building construction, 788.1 billion yen; for domestic civil engineering, 444.2 billion yen; and for overseas civil engineering, 416.5 billion yen.

Non-consolidated orders received amounted to 1,604.8 billion yen, a decrease of 415.2 billion yen (20.6%) from the previous fiscal year. More specifically, orders received for building construction projects amounted to 1,164.9 billion yen, a decrease of 351.3 billion yen (23.2%) year-on-year; and for civil engineering projects, 439.9 billion yen, a decrease of 63.8 billion yen (12.7%).

Consolidated net sales for the construction business amounted to 2,409.3 billion yen, a decrease of 58.3 billion yen (2.4%) from the previous fiscal year, mainly reflecting a decline in the domestic building construction business which benefited from progress with large-scale projects, despite steady progress with projects in hand in the overseas building construction and in the domestic and overseas civil engineering. More specifically, net sales for domestic building construction were 1,138.7 billion yen; for overseas building construction, 507.9 billion yen; for domestic civil engineering, 426.6 billion yen; and for overseas civil engineering, 336.0 billion yen.

Operating profit amounted to 171.7 billion yen, an increase of 47.6 billion yen (38.3%) from the previous fiscal year, mainly due to factors including additional claim approvals and change orders, greater contribution from highly profitable construction projects in the domestic building construction, and steady progress with projects in hand in the overseas civil engineering.

Non-consolidated net sales amounted to 1,474.0 billion yen, a decrease of 162.3 billion yen (9.9%) from the previous fiscal year. More specifically, building construction sales amounted to 1,104.2 billion yen, a decrease of 193.4 billion yen (14.9%) year-on-year and civil engineering sales, 369.7 billion yen, an increase of 31.0 billion yen (9.2%) year-on-year.

Real estate business

Net sales from the real estate business amounted to 106.7 billion yen, an increase of 34.0 billion yen (46.9%) from the previous fiscal year, and operating profit amounted to 19.9 billion yen, an increase of 3.9 billion yen (24.3%) year-on-year mainly due to the sale of developed properties.

Other businesses

Net sales from other businesses amounted to 70.0 billion yen, an increase of 19.7 billion yen (39.4%) from the previous fiscal year, and operating profit amounted to 2.9 billion yen, an increase of 0.6 billion yen (31.4%) year-on-year.

<Consolidated net sales and operating profit by segment>

(Yen in millions)

Segment	Construction Business					Real Estate Business	Other Businesses	Total
	Domestic Building Construction	Overseas Building Construction	Domestic Civil Engineering	Overseas Civil Engineering	Total Construction Business			
Net Sales	1,138,762	507,992	426,623	336,000	2,409,378	106,798	70,082	2,586,258
Operating Profit	104,088	11,999	40,925	14,769	171,782	19,978	2,917	194,678

Outlook for consolidated performance for FY2026

The outlook for consolidated performance in FY2026 is as follows: 3,100.0 billion yen in orders received (including 140.0 billion yen from the real estate and other businesses), 2,945.0 billion yen in net sales (including 165.0 billion yen from the real estate and other businesses), 180.0 billion yen in operating profit, 183.0 billion yen in ordinary profit, and 157.0 billion yen in profit attributable to owners of parent.

(2) Overview of consolidated financial position

Total assets increased by 100.6 billion yen (3.3%) compared with the balance at the end of the previous fiscal year, amounting to 3,143.4 billion yen as of March 31, 2026. This was mainly due to increases in cash and deposits, and in buildings, structures, and land by the purchase of real estate for business use despite a decrease in trade receivables related to construction contracts (the sum of notes receivable, accounts receivable from completed construction contracts and other and electronically recorded monetary claims).

Total liabilities decreased by 5.5 billion yen (0.3%) compared with the balance at the end of the previous fiscal year, amounting to 1,826.9 billion yen as of March 31, 2026. This was mainly due to decreases in trade payables related to construction costs (the sum of notes payable, accounts payable for construction contracts and other and electronically recorded obligations) and in interest-bearing debt such as short-term borrowings despite an increase in advances received on construction contracts in progress. The balance of interest-bearing debt decreased by 18.6 billion yen (5.2%) compared with the balance at the end of the previous fiscal year, amounting to 344.0 billion yen as of March 31, 2026.

Total net assets increased by 106.2 billion yen (8.8%) compared with the balance at the end of the previous fiscal year, amounting to 1,316.4 billion yen as of March 31, 2026. This was mainly due to an increase in retained earnings from the recognition of profit attributable to owners of parent.

As a result, the equity ratio as of March 31, 2026, was 40.0%, up 1.9 percentage points from the end of the previous fiscal year.

(3) Overview of consolidated cash flows

During FY2025, net cash provided by operating activities amounted to 252.9 billion yen, primarily due to a continued steady balance of the domestic construction business. (Net cash provided by operating activities was 84.1 billion yen in the previous fiscal year.) Net cash used in investing activities amounted to 84.3 billion yen, primarily due to the purchase of real estate for business use and the acquisition of shares of GCON, LLC and its affiliated companies, despite proceeds from the sale of cross-shareholdings. (Net cash provided by investing activities was 10.0 billion yen in the previous fiscal year.) Net cash used in financing activities amounted to 141.4 billion yen, primarily due to the purchase of treasury shares and the payment of dividends. (Net cash used in financing activities was 50.4 billion yen in the previous fiscal year.)

Consequently, cash and cash equivalents as of March 31, 2026, increased by 35.8 billion yen to 416.0

billion yen compared with the balance at the end of the previous fiscal year.

(4) Basic policy regarding the allocation of profits and dividend payout plan for FY2025 and FY2026

Aiming to enhance its corporate value, the Company will strengthen investment in human resources, digital transformation (DX), technology, and enhancement of productivity and create sustainable profits to continue to fulfill the social mission of the construction industry where a decline in the number of engineers and workers is expected while giving top priority to the safety and quality. In addition, the Company will primarily carry out timely and proactive growth investments in fields where it can establish a competitive advantage and increase profits. From the point of improving capital efficiency, the Company will implement strategic shareholder returns by setting investment capital for each business according to the growth of the construction business and related businesses of the Group and set the necessary equity amount after examining the capital structure of each business.

For annual ordinary dividends, the Company has a policy that sets a dividend on equity ratio (DOE) of around 5%, with a priority on maintaining long-term stable dividends.

< Reference: Annual ordinary dividends based on DOE of around 5% >

DOE 5% = [(Equity as of the end of the previous fiscal year + Equity as of the end of the current fiscal year) / 2] × 5%

→ Target for total annual ordinary dividends (interim + year-end)

In addition to annual ordinary dividends, the Company will execute flexible shareholder returns by using various ways such as special dividends and purchase of treasury shares, according to necessary equity and profit status (comprehensive decision-making will be made in consideration of the profitability and financial status of the Group, price-to-book ratio, and other factors). The Company will review the DOE target in line with the medium- to long-term improvement of the profit level.

Based on this policy, the Company plans a year-end dividend of 47 yen per share for FY2025. As a result, together with the interim dividend of 41 yen per share, the annual ordinary dividend is planned to be 88 yen per share (DOE of 5.1%, consolidated payout ratio of 35.3%). Please refer to the “Notice Concerning Dividends of Surplus” separately released on May 13, 2026.

For FY2026, the Company plans to pay an interim and year-end dividend of 47 yen per share, a total annual dividend of 94 yen per share, based on the performance forecast for the relevant fiscal year calculated at a DOE of around 5%.

(5) Policy regarding cross-shareholdings

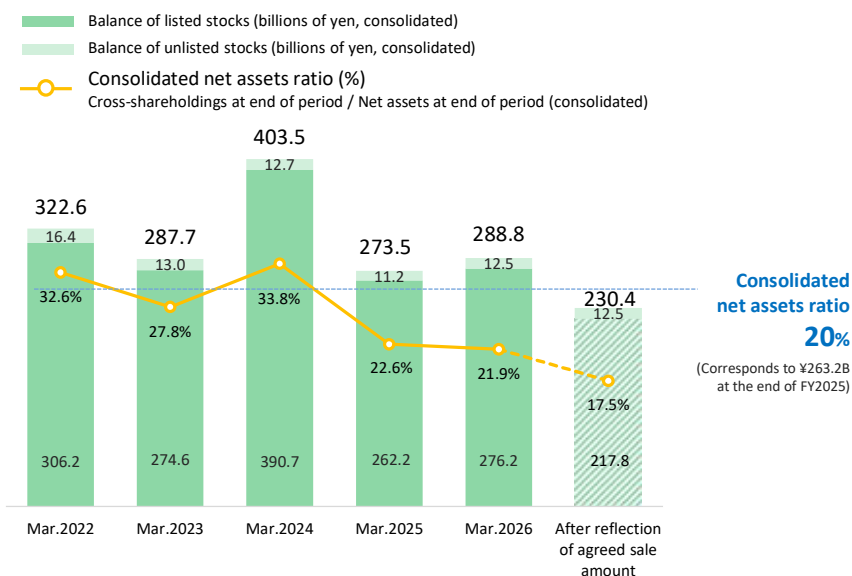
The Company owns cross-shareholdings to maintain and strengthen business relationships with the customers. The Company reviews the significance of owning shares in each company by regularly reporting to the Board of Directors on valuation gains/losses, and collective consideration of indicators of profitability such as capital cost and return on business from maintaining and strengthening the business relationship with a company. The Company verifies the economic rationale for owning shares over the medium and long term, and sells shares as needed when the business significance of owning the shares has weakened.

The Medium-Term Business Plan 2022 states that the Company will proceed further on reassessment of the significance of owning shares and overall investment efficiency for the Company. The Company has reduced cross-shareholdings, aiming to bring the ratio of cross-shareholdings to 20% or less of consolidated net assets by the end of March 2027.

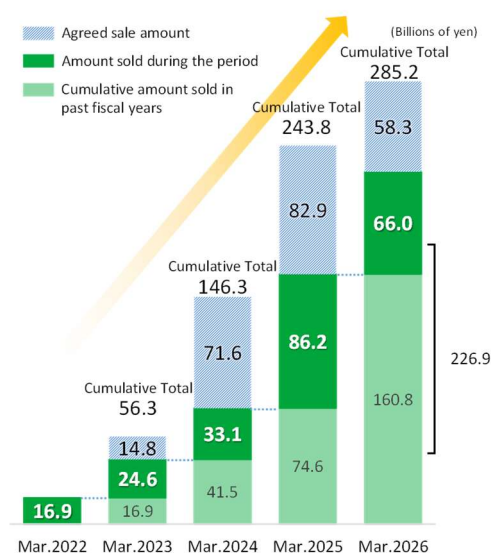
The balance of cross-shareholdings as of March 31, 2026, accounted for 21.9% of consolidated net assets, down 0.7 percentage points from 22.6% from the end of March 2025. This was mainly due to the steady progress in selling cross-shareholdings and an increase in consolidated net assets from the recognition of profit attributable to owners of parent, despite an increase in the balance of cross-shareholdings due to a significant rise in the share prices of those holdings. The ratio of cross-shareholdings after reflection of agreed sale amount by the end of March 2027 to consolidated net assets was 17.5% and the Company will proceed with further sale of cross-shareholdings to achieve its target reducing such shares to 20% or less of consolidated net assets.

To enhance its corporate value, the Company will strengthen investments in human resources, DX, technology, investments to expand production capacity, and growth investments in fields where it can establish a competitive advantage. From the point of improving capital efficiency, the Company will implement strategic shareholder returns by setting the necessary equity amount according to the growth of the Group's businesses. Proceeds from the sale of cross-shareholdings will be used for these investments or shareholder returns.

<Changes in balance of cross-shareholdings and consolidated net asset ratio >



<Changes in cumulative amount sold from FY2021 including agreed sale amount (Consolidated) >



<Factors behind changes in the balance of cross-shareholdings (Consolidated) >

Balance and Changes	Amount
Balance as of March 31, 2025	¥273.5B
Amount sold during the period	(¥66.0B)
Increase due to higher stock prices	+¥79.8B
Other (purchase of unlisted stocks, etc.)	+¥1.4B
Balance as of March 31, 2026	¥288.8B
	Of which agreed sale amount: ¥58.3B

2. Basic Policy Regarding Selection of Accounting Standards

The Obayashi Group intends to prepare consolidated financial statements according to the Japanese generally accepted accounting principles and has taken into account the comparability of consolidated financial statements in different periods and comparisons between companies. The Obayashi Group also intends to respond appropriately to the adoption of IFRS upon collective consideration of conditions in Japan and overseas.

3. Financial Highlights

(1) Financial Results for the Fiscal Year Ended March 31, 2026 (YoY Comparison)

(Billions of yen)

(Billions of yen)

	Consolidated						Non-consolidated					
	Results Fiscal Year Ended March 31, 2025		Results Fiscal Year Ended March 31, 2026		Change	% Change	Results Fiscal Year Ended March 31, 2025		Results Fiscal Year Ended March 31, 2026		Change	% Change
Net sales of completed construction contracts	%	2,467.7	%	2,409.3	(58.3)	(2.4)	%	1,636.3	%	1,474.0	(162.3)	(9.9)
Building construction		—		—	—	—		1,297.7		1,104.2	(193.4)	(14.9)
Civil engineering		—		—	—	—		338.6		369.7	31.0	9.2
Gross profit on completed construction contracts	10.8	265.4	13.6	328.7	63.3	23.9	11.0	179.9	15.5	228.2	48.2	26.8
Building construction		—		—	—	—	9.1	118.0	14.8	163.6	45.5	38.6
Civil engineering		—		—	—	—	18.3	61.9	17.5	64.5	2.6	4.3
Net sales in real estate business and other		123.0		176.8	53.8	43.8		24.3		35.9	11.6	48.0
Gross profit on real estate business and other	24.4	29.9	20.3	35.9	6.0	20.0	20.1	4.8	17.4	6.2	1.3	28.2
Net sales		2,590.7		2,586.2	(4.5)	(0.2)		1,660.6		1,509.9	(150.6)	(9.1)
Gross profit	11.4	295.3	14.1	364.6	69.3	23.5	11.1	184.8	15.5	234.4	49.6	26.8
Selling, general and administrative expenses	5.9	152.9	6.6	170.0	17.0	11.2	5.7	95.4	6.9	104.5	9.0	9.5
(Personnel expenses)		81.8		91.4	9.5			47.5		51.8	4.3	
(Others)		71.0		78.5	7.5			47.9		52.6	4.7	
Operating profit	5.5	142.4	7.5	194.6	52.2	36.6	5.4	89.4	8.6	129.9	40.5	45.3
Non-operating income		15.7		19.2	3.5	22.3		14.0		50.3	36.3	258.2
Non-operating expenses		6.0		9.7	3.7	62.8		4.8		5.7	0.9	19.1
Ordinary profit	5.9	152.2	7.9	204.1	51.9	34.1	5.9	98.6	11.6	174.6	75.9	77.0
Extraordinary income		69.0		49.8	(19.2)	(27.8)		69.1		52.0	(17.0)	(24.7)
Extraordinary losses		11.4		4.6	(6.7)	(59.4)		7.3		7.3	(0.0)	(0.3)
Profit before income taxes	8.1	209.8	9.6	249.4	39.5	18.8	9.7	160.4	14.5	219.3	58.9	36.7
Total income taxes		60.2		71.6	11.3	18.9		44.7		56.4	11.7	26.4
Profit		149.6		177.7	28.1	18.8		—		—	—	—
Profit attributable to non-controlling interests (deduction)		4.2		4.0	(0.2)	(6.1)		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	5.6	145.3	6.7	173.7	28.4	19.5	7.0	115.7	10.8	162.8	47.1	40.7

Note: Due to a change in accounting policy, consolidated results for the fiscal year ended March 31, 2025, have been re-presented retrospectively.

Orders Received

(Billions of yen)

	Consolidated					Non-consolidated				
	Results Fiscal Year Ended March 31, 2025	Results Fiscal Year Ended March 31, 2026	Change	% Change		Results Fiscal Year Ended March 31, 2025	Results Fiscal Year Ended March 31, 2026	Change	% Change	
Building construction	2,031.6	1,989.0	(42.5)	(2.1)		1,516.2	1,164.9	(351.3)	(23.2)	
Domestic	1,554.5	1,200.9	(353.6)	(22.7)		1,510.8	1,161.3	(349.4)	(23.1)	
Overseas	477.0	788.1	311.0	65.2		5.4	3.5	(1.8)	(34.4)	
Civil engineering	1,130.2	860.7	(269.5)	(23.8)		503.8	439.9	(63.8)	(12.7)	
Domestic	533.4	444.2	(89.1)	(16.7)		456.8	351.9	(104.9)	(23.0)	
Overseas	596.8	416.5	(180.3)	(30.2)		46.9	88.0	41.0	87.3	
Construction total	3,161.8	2,849.8	(312.0)	(9.9)		2,020.0	1,604.8	(415.2)	(20.6)	
Domestic	2,087.9	1,645.1	(442.8)	(21.2)		1,967.6	1,513.2	(454.3)	(23.1)	
Overseas	1,073.9	1,204.6	130.7	12.2		52.4	91.6	39.1	74.6	
Real estate business and other	154.7	159.2	4.4	2.9		24.3	36.7	12.4	51.2	
Total orders received	3,316.6	3,009.0	(307.5)	(9.3)		2,044.4	1,641.6	(402.7)	(19.7)	

Note: Due to a change in accounting policy, consolidated results for the fiscal year ended March 31, 2025, have been re-presented retrospectively.

Interest-bearing Debt Balances

(Billions of yen)

	Consolidated					Non-consolidated				
	Results As of March 31, 2025	Results As of March 31, 2026	Change	% Change		Results As of March 31, 2025	Results As of March 31, 2026	Change	% Change	
Interest-bearing debt (except nonrecourse loans)	285.2	279.5	(5.6)	(2.0)		178.4	173.4	(5.0)	(2.8)	
Nonrecourse loans	77.5	64.4	(13.0)	(16.8)		—	—	—	—	
Total interest-bearing debt	362.7	344.0	(18.6)	(5.2)		178.4	173.4	(5.0)	(2.8)	

(2) Financial Results for the Fiscal Year Ended March 31, 2026 (Comparison with the latest forecasts announced on February 9, 2026)

(Billions of yen)

	Consolidated						Non-consolidated					
	Forecasts announced on February 9, 2026		Results Fiscal Year Ended March 31, 2026		Change	% Change	Forecasts announced on February 9, 2026		Results Fiscal Year Ended March 31, 2026		Change	% Change
Net sales of completed construction contracts	%	2,400.0	%	2,409.3	9.3	0.4	%	1,480.0	%	1,474.0	(5.9)	(0.4)
Building construction		—		—	—	—		1,110.0		1,104.2	(5.7)	(0.5)
Civil engineering		—		—	—	—		370.0		369.7	(0.2)	(0.1)
Gross profit on completed construction contracts	13.8	332.0	13.6	328.7	(3.2)	(1.0)	15.9	235.0	15.5	228.2	(6.7)	(2.9)
Building construction		—		—	—	—	15.2	169.0	14.8	163.6	(5.3)	(3.2)
Civil engineering		—		—	—	—	17.8	66.0	17.5	64.5	(1.4)	(2.2)
Net sales in real estate business and other		170.0		176.8	6.8	4.0		35.0		35.9	0.9	2.8
Gross profit on real estate business and other	19.4	33.0	20.3	35.9	2.9	9.0	17.1	6.0	17.4	6.2	0.2	4.3
Net sales		2,570.0		2,586.2	16.2	0.6		1,515.0		1,509.9	(5.0)	(0.3)
Gross profit	14.2	365.0	14.1	364.6	(0.3)	(0.1)	15.9	241.0	15.5	234.4	(6.5)	(2.7)
Selling, general and administrative expenses	6.6	170.0	6.6	170.0	0.0	0.0	6.9	105.0	6.9	104.5	(0.4)	(0.5)
(Personnel expenses)		91.0		91.4	0.4			51.5		51.8	0.3	
(Others)		79.0		78.5	(0.4)			53.5		52.6	(0.8)	
Operating profit	7.6	195.0	7.5	194.6	(0.3)	(0.2)	9.0	136.0	8.6	129.9	(6.0)	(4.4)
Non-operating income		16.0		19.2	3.2	20.5		49.0		50.3	1.3	2.8
Non-operating expenses		6.0		9.7	3.7	62.8		3.0		5.7	2.7	91.1
Ordinary profit	8.0	205.0	7.9	204.1	(0.8)	(0.4)	12.0	182.0	11.6	174.6	(7.3)	(4.1)
Extraordinary income		48.0		49.8	1.8	3.8		49.0		52.0	3.0	6.3
Extraordinary losses		5.0		4.6	(0.3)	(7.4)		6.0		7.3	1.3	22.3
Profit before income taxes	9.6	248.0	9.6	249.4	1.4	0.6	14.9	225.0	14.5	219.3	(5.6)	(2.5)
Total income taxes		74.0		71.6	(2.3)	(3.2)		60.0		56.4	(3.5)	(5.8)
Profit		174.0		177.7	3.7	2.2		—		—	—	—
Profit attributable to non-controlling interests (deduction)		4.0		4.0	0.0	0.0		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	6.6	170.0	6.7	173.7	3.7	2.2	10.9	165.0	10.8	162.8	(2.1)	(1.3)

Orders Received

(Billions of yen)

	Consolidated				Non-consolidated			
	Forecasts announced on February 9, 2026	Results Fiscal Year Ended March 31, 2026	Change	% Change	Forecasts announced on February 9, 2026	Results Fiscal Year Ended March 31, 2026	Change	% Change
Building construction	2,045.0	1,989.0	(55.9)	(2.7)	1,206.0	1,164.9	(41.0)	(3.4)
Domestic	1,245.0	1,200.9	(44.0)	(3.5)	1,200.0	1,161.3	(38.6)	(3.2)
Overseas	800.0	788.1	(11.8)	(1.5)	6.0	3.5	(2.4)	(40.1)
Civil engineering	865.0	860.7	(4.2)	(0.5)	415.0	439.9	24.9	6.0
Domestic	410.0	444.2	34.2	8.3	330.0	351.9	21.9	6.6
Overseas	455.0	416.5	(38.4)	(8.5)	85.0	88.0	3.0	3.5
Construction total	2,910.0	2,849.8	(60.1)	(2.1)	1,621.0	1,604.8	(16.1)	(1.0)
Domestic	1,655.0	1,645.1	(9.8)	(0.6)	1,530.0	1,513.2	(16.7)	(1.1)
Overseas	1,255.0	1,204.6	(50.3)	(4.0)	91.0	91.6	0.6	0.7
Real estate business and other	140.0	159.2	19.2	13.8	32.0	36.7	4.7	14.9
Total orders received	3,050.0	3,009.0	(40.9)	(1.3)	1,653.0	1,641.6	(11.3)	(0.7)

Interest-bearing Debt Balances

(Billions of yen)

	Consolidated				Non-consolidated			
	Forecasts announced on February 9, 2026	Results As of March 31, 2026	Change	% Change	Forecasts announced on February 9, 2026	Results As of March 31, 2026	Change	% Change
Interest-bearing debt (except nonrecourse loans)	270.0	279.5	9.5	3.5	170.0	173.4	3.4	2.0
Nonrecourse loans	70.0	64.4	(5.5)	(7.9)	—	—	—	—
Total interest-bearing debt	340.0	344.0	4.0	1.2	170.0	173.4	3.4	2.0

(3) Forecasts for the Fiscal Year Ending March 31, 2027 (YoY Comparison)

(Billions of yen)

	Consolidated						Non-consolidated					
	Results Fiscal Year Ended March 31, 2026		Forecasts Fiscal Year Ending March 31, 2027		Change	% Change	Results Fiscal Year Ended March 31, 2026		Forecasts Fiscal Year Ending March 31, 2027		Change	% Change
	%		%				%		%			
Net sales of completed construction contracts		2,409.3		2,780.0	370.6	15.4		1,474.0		1,573.0	98.9	6.7
[Building construction		—		—	—	—		1,104.2		1,160.0	55.7	5.0
Civil engineering		—		—	—	—		369.7		413.0	43.2	11.7
Gross profit on completed construction contracts	13.6	328.7	12.1	337.0	8.2	2.5	15.5	228.2	14.3	224.5	(3.7)	(1.6)
[Building construction		—		—	—	—	14.8	163.6	13.0	150.5	(13.1)	(8.0)
Civil engineering		—		—	—	—	17.5	64.5	17.9	74.0	9.4	14.6
Net sales in real estate business and other		176.8		165.0	(11.8)	(6.7)		35.9		32.0	(3.9)	(11.1)
Gross profit on real estate business and other	20.3	35.9	23.6	39.0	3.0	8.4	17.4	6.2	17.2	5.5	(0.7)	(12.1)
Net sales		2,586.2		2,945.0	358.7	13.9		1,509.9		1,605.0	95.0	6.3
Gross profit	14.1	364.6	12.8	376.0	11.3	3.1	15.5	234.4	14.3	230.0	(4.4)	(1.9)
Selling, general and administrative expenses	6.6	170.0	6.7	196.0	25.9	15.3	6.9	104.5	7.1	115.0	10.4	10.0
(Personnel expenses)		91.4		102.0	10.5			51.8		58.0	6.1	
(Others)		78.5		94.0	15.4			52.6		57.0	4.3	
Operating profit	7.5	194.6	6.1	180.0	(14.6)	(7.5)	8.6	129.9	7.2	115.0	(14.9)	(11.5)
Non-operating income		19.2		12.0	(7.2)	(37.8)		50.3		28.0	(22.3)	(44.4)
Non-operating expenses		9.7		9.0	(0.7)	(7.9)		5.7		6.0	0.2	4.7
Ordinary profit	7.9	204.1	6.2	183.0	(21.1)	(10.4)	11.6	174.6	8.5	137.0	(37.6)	(21.5)
Extraordinary income		49.8		49.0	(0.8)	(1.7)		52.0		49.0	(3.0)	(5.9)
Extraordinary losses		4.6		4.0	(0.6)	(13.6)		7.3		3.0	(4.3)	(59.1)
Profit before income taxes	9.6	249.4	7.7	228.0	(21.4)	(8.6)	14.5	219.3	11.4	183.0	(36.3)	(16.6)
Total income taxes		71.6		65.5	(6.1)	(8.6)		56.4		52.0	(4.4)	(8.0)
Profit		177.7		162.5	(15.2)	(8.6)		—		—	—	—
Profit attributable to non-controlling interests (deduction)		4.0		5.5	1.4	37.4		—		—	—	—
Profit attributable to owners of parent (Non-consolidated: Profit)	6.7	173.7	5.3	157.0	(16.7)	(9.6)	10.8	162.8	8.2	131.0	(31.8)	(19.6)

Orders Received

(Billions of yen)

	Consolidated					Non-consolidated			
	Results Fiscal Year Ended March 31, 2026	Forecasts Fiscal Year Ending March 31, 2027	Change	% Change		Results Fiscal Year Ended March 31, 2026	Forecasts Fiscal Year Ending March 31, 2027	Change	% Change
Building construction	1,989.0	1,890.0	(99.0)	(5.0)		1,164.9	1,250.0	85.0	7.3
Domestic	1,200.9	1,315.0	114.0	9.5		1,161.3	1,240.0	78.6	6.8
Overseas	788.1	575.0	(213.1)	(27.0)		3.5	10.0	6.4	178.5
Civil engineering	860.7	1,070.0	209.2	24.3		439.9	397.0	(42.9)	(9.8)
Domestic	444.2	440.0	(4.2)	(1.0)		351.9	350.0	(1.9)	(0.5)
Overseas	416.5	630.0	213.4	51.2		88.0	47.0	(41.0)	(46.6)
Construction total	2,849.8	2,960.0	110.1	3.9		1,604.8	1,647.0	42.1	2.6
Domestic	1,645.1	1,755.0	109.8	6.7		1,513.2	1,590.0	76.7	5.1
Overseas	1,204.6	1,205.0	0.3	0.0		91.6	57.0	(34.6)	(37.8)
Real estate business and other	159.2	140.0	(19.2)	(12.1)		36.7	33.0	(3.7)	(10.2)
Total orders received	3,009.0	3,100.0	90.9	3.0		1,641.6	1,680.0	38.3	2.3

Interest-bearing Debt Balances

(Billions of yen)

	Consolidated				Non-consolidated			
	Results As of March 31, 2026	Forecasts As of March 31, 2027	Change	% Change	Results As of March 31, 2026	Forecasts As of March 31, 2027	Change	% Change
Interest-bearing debt (except nonrecourse loans)	279.5	270.0	(9.5)	(3.4)	173.4	170.0	(3.4)	(2.0)
Nonrecourse loans	64.4	60.0	(4.4)	(7.0)	—	—	—	—
Total interest-bearing debt	344.0	330.0	(14.0)	(4.1)	173.4	170.0	(3.4)	(2.0)

4. Breakdown of Net Sales and Operating Profit/Gross Profit for Domestic/Overseas Segments

(1) Operating Results for the Fiscal Year Ended March 31, 2026 (YoY Comparison)

【Consolidated】

(Yen in millions)

	Net Sales				Operating Profit					
	Results Fiscal Year Ended March 31, 2025	Results Fiscal Year Ended March 31, 2026	Change	% Change	Results Fiscal Year Ended March 31, 2025		Results Fiscal Year Ended March 31, 2026		Change	% Change
					% Profit		% Profit			
<u>Building Construction</u>										
Domestic	1,337,171	1,138,762	(198,408)	(14.8)	4.7	62,784	9.1	104,088	41,303	65.8
Overseas	477,879	507,992	30,112	6.3	2.7	12,810	2.4	11,999	(811)	(6.3)
Subtotal	1,815,050	1,646,755	(168,295)	(9.3)	4.2	75,595	7.0	116,088	40,492	53.6
<u>Civil Engineering</u>										
Domestic	402,252	426,623	24,370	6.1	10.1	40,576	9.6	40,925	349	0.9
Overseas	250,459	336,000	85,540	34.2	3.2	8,006	4.4	14,769	6,762	84.5
Subtotal	652,712	762,623	109,911	16.8	7.4	48,583	7.3	55,694	7,111	14.6
<u>Construction Total</u>										
Domestic	1,739,423	1,565,386	(174,037)	(10.0)	5.9	103,361	9.3	145,014	41,653	40.3
Overseas	728,339	843,992	115,653	15.9	2.9	20,817	3.2	26,768	5,950	28.6
Subtotal	2,467,763	2,409,378	(58,384)	(2.4)	5.0	124,178	7.1	171,782	47,604	38.3
<u>Real Estate Business and Other</u>										
Real Estate Business	72,712	106,798	34,085	46.9	22.1	16,071	18.7	19,978	3,907	24.3
Other	50,289	70,082	19,792	39.4	4.4	2,219	4.2	2,917	697	31.4
Subtotal	123,001	176,880	53,878	43.8	14.9	18,291	12.9	22,896	4,605	25.2
Total	2,590,765	2,586,258	(4,506)	(0.2)	5.5	142,469	7.5	194,678	52,209	36.6

Notes: 1. Consolidated net sales and operating profit show the sales and operating profit to external customers.

2. Due to a change in accounting policy, results for the fiscal year ended March 31, 2025, have been re-presented retrospectively.

【Non-consolidated】

(Yen in millions)

	Net Sales				Gross Profit					
	Results Fiscal Year Ended March 31, 2025	Results Fiscal Year Ended March 31, 2026	Change	% Change	Results Fiscal Year Ended March 31, 2025		Results Fiscal Year Ended March 31, 2026		Change	% Change
					% Gross Profit		% Gross Profit			
<u>Building Construction</u>										
Domestic	1,290,917	1,094,777	(196,139)	(15.2)	9.1	117,800	14.9	162,947	45,147	38.3
Overseas	6,798	9,503	2,704	39.8	3.5	236	7.1	677	440	186.6
Subtotal	1,297,716	1,104,281	(193,434)	(14.9)	9.1	118,036	14.8	163,624	45,588	38.6
<u>Civil Engineering</u>										
Domestic	309,199	340,037	30,837	10.0	18.8	58,235	18.0	61,346	3,111	5.3
Overseas	29,433	29,684	251	0.9	12.6	3,696	10.9	3,228	(467)	(12.7)
Subtotal	338,632	369,721	31,089	9.2	18.3	61,931	17.5	64,575	2,643	4.3
<u>Construction Total</u>										
Domestic	1,600,117	1,434,815	(165,302)	(10.3)	11.0	176,035	15.6	224,294	48,258	27.4
Overseas	36,231	39,188	2,956	8.2	10.9	3,932	10.0	3,905	(26)	(0.7)
Subtotal	1,636,348	1,474,003	(162,345)	(9.9)	11.0	179,968	15.5	228,200	48,231	26.8
Real Estate Business and Other	24,313	35,987	11,674	48.0	20.1	4,881	17.4	6,258	1,376	28.2
Total	1,660,662	1,509,991	(150,671)	(9.1)	11.1	184,849	15.5	234,458	49,608	26.8

(2) Forecasts for the Fiscal Year Ending March 31, 2027 (YoY Comparison)

【Consolidated】

(Yen in millions)

	Net Sales				Operating Profit					
	Results Fiscal Year Ended March 31, 2026	Forecasts Fiscal Year Ending March 31, 2027	Change	% Change	Results Fiscal Year Ended March 31, 2026		Forecasts Fiscal Year Ending March 31, 2027		Change	% Change
					% Profit		% Profit			
<u>Building Construction</u>										
Domestic	1,138,762	1,200,000	61,237	5.4	9.1	104,088	6.8	82,000	(22,088)	(21.2)
Overseas	507,992	690,000	182,007	35.8	2.4	11,999	1.8	12,500	500	4.2
Subtotal	1,646,755	1,890,000	243,244	14.8	7.0	116,088	5.0	94,500	(21,588)	(18.6)
<u>Civil Engineering</u>										
Domestic	426,623	460,000	33,376	7.8	9.6	40,925	10.0	46,000	5,074	12.4
Overseas	336,000	430,000	93,999	28.0	4.4	14,769	3.5	15,000	230	1.6
Subtotal	762,623	890,000	127,376	16.7	7.3	55,694	6.9	61,000	5,305	9.5
<u>Construction Total</u>										
Domestic	1,565,386	1,660,000	94,613	6.0	9.3	145,014	7.7	128,000	(17,014)	(11.7)
Overseas	843,992	1,120,000	276,007	32.7	3.2	26,768	2.5	27,500	731	2.7
Subtotal	2,409,378	2,780,000	370,621	15.4	7.1	171,782	5.6	155,500	(16,282)	(9.5)
<u>Real Estate Business and Other</u>										
Real Estate Business	106,798	85,000	(21,798)	(20.4)	18.7	19,978	26.5	22,500	2,521	12.6
Other	70,082	80,000	9,917	14.2	4.2	2,917	2.5	2,000	(917)	(31.4)
Subtotal	176,880	165,000	(11,880)	(6.7)	12.9	22,896	14.8	24,500	1,603	7.0
Total	2,586,258	2,945,000	358,741	13.9	7.5	194,678	6.1	180,000	(14,678)	(7.5)

Note: Consolidated net sales and operating profit show the sales and operating profit to external customers.

【Non-consolidated】

(Yen in millions)

	Net Sales				Gross Profit					
	Results Fiscal Year Ended March 31, 2026	Forecasts Fiscal Year Ending March 31, 2027	Change	% Change	Results Fiscal Year Ended March 31, 2026		Forecasts Fiscal Year Ending March 31, 2027		Change	% Change
					% Gross Profit		% Gross Profit			
<u>Building Construction</u>										
Domestic	1,094,777	1,150,000	55,222	5.0	14.9	162,947	13.0	150,000	(12,947)	(7.9)
Overseas	9,503	10,000	496	5.2	7.1	677	5.0	500	(177)	(26.1)
Subtotal	1,104,281	1,160,000	55,718	5.0	14.8	163,624	13.0	150,500	(13,124)	(8.0)
<u>Civil Engineering</u>										
Domestic	340,037	370,000	29,962	8.8	18.0	61,346	18.9	70,000	8,653	14.1
Overseas	29,684	43,000	13,315	44.9	10.9	3,228	9.3	4,000	771	23.9
Subtotal	369,721	413,000	43,278	11.7	17.5	64,575	17.9	74,000	9,424	14.6
<u>Construction Total</u>										
Domestic	1,434,815	1,520,000	85,184	5.9	15.6	224,294	14.5	220,000	(4,294)	(1.9)
Overseas	39,188	53,000	13,811	35.2	10.0	3,905	8.5	4,500	594	15.2
Subtotal	1,474,003	1,573,000	98,996	6.7	15.5	228,200	14.3	224,500	(3,700)	(1.6)
<u>Real Estate Business and Other</u>										
	35,987	32,000	(3,987)	(11.1)	17.4	6,258	17.2	5,500	(758)	(12.1)
Total	1,509,991	1,605,000	95,008	6.3	15.5	234,458	14.3	230,000	(4,458)	(1.9)

5. Breakdown of Non-consolidated Orders Received, Net Sales and Projects in Process

(1) Breakdown of Non-consolidated Orders Received

(Yen in millions)

	Results Fiscal Year Ended March 31, 2025		Results Fiscal Year Ended March 31, 2026		Change	
		% of Total		% of Total		% Change
Building Construction						
Domestic Public	91,098	4.5	72,030	4.4	(19,068)	(20.9)
Domestic Private	1,419,714	69.4	1,089,338	66.3	(330,375)	(23.3)
Domestic Total	1,510,813	73.9	1,161,368	70.7	(349,444)	(23.1)
Overseas	5,471	0.3	3,591	0.2	(1,880)	(34.4)
Subtotal	1,516,284	74.2	1,164,959	70.9	(351,325)	(23.2)
Civil Engineering						
Domestic Public	270,528	13.2	216,363	13.2	(54,164)	(20.0)
Domestic Private	186,296	9.1	135,551	8.3	(50,745)	(27.2)
Domestic Total	456,825	22.3	351,915	21.5	(104,909)	(23.0)
Overseas	46,986	2.3	88,016	5.4	41,029	87.3
Subtotal	503,811	24.6	439,931	26.9	(63,880)	(12.7)
Construction Total						
Domestic Public	361,627	17.7	288,393	17.6	(73,233)	(20.3)
Domestic Private	1,606,010	78.5	1,224,889	74.6	(381,120)	(23.7)
Domestic Total	1,967,638	96.2	1,513,283	92.2	(454,354)	(23.1)
Overseas	52,457	2.6	91,607	5.6	39,149	74.6
Subtotal	2,020,096	98.8	1,604,891	97.8	(415,205)	(20.6)
Real Estate Business and Other	24,309	1.2	36,754	2.2	12,445	51.2
Total	2,044,406	100	1,641,646	100	(402,760)	(19.7)

(2) Breakdown of Non-consolidated Net Sales

(Yen in millions)

	Results Fiscal Year Ended March 31, 2025		Results Fiscal Year Ended March 31, 2026		Change	
		% of Total		% of Total		% Change
Building Construction						
Domestic Public	73,304	4.4	59,444	3.9	(13,859)	(18.9)
Domestic Private	1,217,612	73.3	1,035,332	68.6	(182,280)	(15.0)
Domestic Total	1,290,917	77.7	1,094,777	72.5	(196,139)	(15.2)
Overseas	6,798	0.4	9,503	0.6	2,704	39.8
Subtotal	1,297,716	78.1	1,104,281	73.1	(193,434)	(14.9)
Civil Engineering						
Domestic Public	192,208	11.6	221,697	14.7	29,489	15.3
Domestic Private	116,991	7.0	118,339	7.8	1,347	1.2
Domestic Total	309,199	18.6	340,037	22.5	30,837	10.0
Overseas	29,433	1.8	29,684	2.0	251	0.9
Subtotal	338,632	20.4	369,721	24.5	31,089	9.2
Construction Total						
Domestic Public	265,512	16.0	281,142	18.6	15,630	5.9
Domestic Private	1,334,604	80.3	1,153,672	76.4	(180,932)	(13.6)
Domestic Total	1,600,117	96.3	1,434,815	95.0	(165,302)	(10.3)
Overseas	36,231	2.2	39,188	2.6	2,956	8.2
Subtotal	1,636,348	98.5	1,474,003	97.6	(162,345)	(9.9)
Real Estate Business and Other	24,313	1.5	35,987	2.4	11,674	48.0
Total	1,660,662	100	1,509,991	100	(150,671)	(9.1)

(3) Breakdown of Non-consolidated Projects in Process

(Yen in millions)

	Results As of March 31, 2025		Results As of March 31, 2026		Change	
		% of Total		% of Total		% Change
Building Construction						
Domestic Public	138,840	5.0	164,727	5.7	25,887	18.6
Domestic Private	1,771,992	63.8	1,812,696	62.3	40,703	2.3
Domestic Total	1,910,832	68.8	1,977,423	68.0	66,590	3.5
Overseas	14,467	0.5	8,555	0.3	(5,912)	(40.9)
Subtotal	1,925,300	69.3	1,985,978	68.3	60,678	3.2
Civil Engineering						
Domestic Public	476,109	17.1	470,775	16.2	(5,334)	(1.1)
Domestic Private	263,292	9.5	280,504	9.6	17,212	6.5
Domestic Total	739,401	26.6	751,279	25.8	11,878	1.6
Overseas	114,642	4.1	172,974	5.9	58,331	50.9
Subtotal	854,044	30.7	924,254	31.7	70,209	8.2
Construction Total						
Domestic Public	614,949	22.1	635,503	21.9	20,553	3.3
Domestic Private	2,035,284	73.3	2,093,200	71.9	57,915	2.8
Domestic Total	2,650,234	95.4	2,728,703	93.8	78,468	3.0
Overseas	129,110	4.6	181,529	6.2	52,418	40.6
Subtotal	2,779,344	100	2,910,232	100.0	130,887	4.7
Real Estate Business and Other	—	—	766	0.0	766	—
Total	2,779,344	100	2,910,999	100	131,654	4.7

6. Major Projects

(1) Orders Received

Client	Project Name
HORIBA, Ltd.	HORIBA World Headquarters Project
ES-CON JAPAN Ltd. OBAYASHI-SHINSEIWA REAL ESTATE CORPORATION	ES CON FIELD TOWER
Hulic Co., Ltd.	(Tentative name) Ginza 7-Chome Showadori Development Project
East Nippon Expressway Company Limited	Construction work of the Kan-Etsu Expressway Replacing of Concrete Slab on Irumagawa-Bridge
Ministry of Health	PROPOSED DEVELOPMENT OF AN INTEGRATED ACUTE AND COMMUNITY HOSPITAL AT BEDOK NORTH (SINGAPORE) *1
AEG PLENARY CONVENTIONS LOS ANGELES LLC	LOS ANGELES CONVENTION CENTER EXPANSION AND MODERNIZATION PROJECT (U.S.A.) *2

*1 Undertaken by OBAYASHI SINGAPORE

*2 Undertaken by WEBCOR (Subsidiary of Obayashi USA)

(2) Completed Projects

Client	Project Name
KINDAI UNIVERSITY	KINDAI UNIVERSITY, KINDAI UNIVERSITY HOSPITAL
NIPPON STEEL CORPORATION	Next-generation hot strip mill at Nagoya Works
HIROSE HOLDINGS&CO., LTD.	(Tentative name) Hirose Kanto New Factory Project
Imperial Hotel, Ltd.	IMPERIAL HOTEL, KYOTO
ADEKA CORPORATION	(Tentative name) ADEKA Corporation Kuki New Research Building Construction Plan
University of California, Irvine	Mesa Court Residence Hall Expansion Project (U.S.A.) *

* Undertaken by WEBCOR (Subsidiary of Obayashi USA)

(3) Projects in Process

Client	Project Name
MGM Osaka Corporation	Osaka IR Construction Project (MUSUBI Hotel, Kansai Tourism Center, and Others)
MUFG Bank, Ltd.	M Project, Construction of new MUFG Headquarters Building
NARITA INTERNATIONAL AIRPORT CORPORATION	Runway C Southward Development Project (Package 1, Package 2)
Kumoidori 5-Chome Redevelopment Corporation	Demolition of Basement and Construction of New Facility Building in Kobe-Sannomiya Kumoidori 5-Chome District Class 1 Urban Redevelopment Project
Shibuya Nishi Kaihatsu TMK	Shibuya Upper West Project
The Portland Water Bureau	The Bull Run Filtration Projects (U.S.A.) *

* Undertaken by MWH (Subsidiary of Obayashi USA)

7. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Yen in millions)

	March 31, 2025	March 31, 2026	Change
Assets			
Current assets			
Cash and deposits	394,728	430,885	36,156
Notes receivable, accounts receivable from completed construction contracts and other	1,139,624	1,083,224	(56,400)
Electronically recorded monetary claims - operating	15,172	15,112	(59)
Securities	11,410	9,791	(1,619)
Real estate for sale	31,301	24,103	(7,197)
Costs on construction contracts in progress	38,399	49,758	11,359
Costs on real estate business	38,006	38,274	267
Inventories for PFI and other projects	3,141	1,545	(1,595)
Other inventories	16,013	12,568	(3,445)
Accounts receivable - other	96,954	89,594	(7,359)
Other	32,132	30,555	(1,576)
Allowance for doubtful accounts	(7,425)	(6,871)	553
Total current assets	1,809,460	1,778,543	(30,916)
Non-current assets			
Property, plant and equipment			
Buildings and structures	207,945	230,151	22,205
Machinery, vehicles, tools, furniture and fixtures	81,664	83,082	1,417
Land	424,354	453,952	29,598
Leased assets	6,001	7,223	1,222
Construction in progress	17,611	18,557	945
Total property, plant and equipment	737,577	792,967	55,389
Intangible assets	37,116	63,111	25,995
Investments and other assets			
Investment securities	311,557	339,322	27,764
Long-term loans receivable	2,812	3,070	258
Deferred tax assets	3,031	2,152	(879)
Retirement benefit asset	8,718	13,688	4,970
Other	132,675	150,811	18,135
Allowance for doubtful accounts	(171)	(217)	(46)
Total investments and other assets	458,624	508,827	50,202
Total non-current assets	1,233,318	1,364,906	131,587
Total assets	3,042,778	3,143,449	100,670

(Yen in millions)

	March 31, 2025	March 31, 2026	Change
Liabilities			
Current liabilities			
Notes payable, accounts payable for construction contracts and other	678,719	594,367	(84,352)
Electronically recorded obligations - operating	95,232	87,635	(7,596)
Short-term borrowings	97,532	75,203	(22,328)
Current portion of nonrecourse loans	9,496	8,510	(985)
Current portion of bonds payable	—	66	66
Lease liabilities	2,709	2,950	241
Income taxes payable	49,085	41,810	(7,275)
Advances received on construction contracts in progress	193,434	299,979	106,545
Deposits received	177,156	195,692	18,535
Provision for warranties for completed construction	3,333	2,977	(356)
Provision for loss on construction contracts	16,726	8,575	(8,151)
Other	129,931	111,757	(18,174)
Total current liabilities	1,453,358	1,429,526	(23,832)
Non-current liabilities			
Bonds payable	60,091	60,009	(82)
Long-term borrowings	127,589	144,299	16,710
Nonrecourse loans	68,056	55,977	(12,079)
Lease liabilities	8,160	9,464	1,303
Deferred tax liabilities	14,558	23,859	9,300
Deferred tax liabilities for land revaluation	18,124	17,736	(388)
Provision for share awards for directors (and other officers)	686	703	17
Retirement benefit liability	52,095	50,528	(1,567)
Other	29,855	34,877	5,022
Total non-current liabilities	379,218	397,457	18,238
Total liabilities	1,832,577	1,826,983	(5,594)
Net assets			
Shareholders' equity			
Share capital	57,752	57,752	—
Capital surplus	41,328	41,288	(40)
Retained earnings	852,429	905,459	53,030
Treasury shares	(14,828)	(9,514)	5,314
Total shareholders' equity	936,681	994,986	58,304
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	126,640	147,730	21,090
Deferred gains or losses on hedges	15,268	21,776	6,507
Revaluation reserve for land	21,545	21,278	(266)
Foreign currency translation adjustment	53,831	65,396	11,565
Remeasurements of defined benefit plans	4,277	7,255	2,977
Total accumulated other comprehensive income	221,563	263,438	41,874
Non-controlling interests	51,956	58,041	6,085
Total net assets	1,210,201	1,316,466	106,264
Total liabilities and net assets	3,042,778	3,143,449	100,670

(Reference)

Interest-bearing debt balances 362,765 **344,066** (18,698)

Note: Due to a change in accounting policy, results for the fiscal year ended March 31, 2025, have been re-presented retrospectively.

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Yen in millions)

	April 1, 2024 - March 31, 2025	April 1, 2025 - March 31, 2026	Change
Net sales			
Net sales of completed construction contracts	2,467,763	2,409,378	(58,384)
Net sales in real estate business and other	123,001	176,880	53,878
Total net sales	2,590,765	2,586,258	(4,506)
Cost of sales			
Cost of sales of completed construction contracts	2,202,357	2,080,668	(121,688)
Cost of sales in real estate business and other	93,021	140,898	47,876
Total cost of sales	2,295,378	2,221,567	(73,811)
Gross profit			
Gross profit on completed construction contracts	265,406	328,710	63,303
Gross profit on real estate business and other	29,980	35,981	6,001
Total gross profit	295,386	364,691	69,305
Selling, general and administrative expenses	152,916	170,012	17,096
Operating profit	142,469	194,678	52,209
Non-operating income			
Interest income	4,689	5,234	544
Dividend income	8,946	6,822	(2,124)
Foreign exchange gains	—	3,599	3,599
Other	2,130	3,628	1,497
Total non-operating income	15,766	19,284	3,517
Non-operating expenses			
Interest expenses	4,675	5,311	636
Foreign withholding tax	59	2,780	2,720
Other	1,265	1,675	410
Total non-operating expenses	6,000	9,767	3,767
Ordinary profit	152,236	204,195	51,959
Extraordinary income			
Gain on sale of investment securities	68,718	48,986	(19,732)
Other	335	859	524
Total extraordinary income	69,053	49,846	(19,207)
Extraordinary losses			
Impairment losses	4,450	1,712	(2,737)
Loss on retirement of non-current assets	861	1,210	348
Loss on valuation of investment securities	2,112	898	(1,214)
Other	3,982	809	(3,172)
Total extraordinary losses	11,407	4,631	(6,775)
Profit before income taxes	209,882	249,410	39,527
Income taxes - current	62,276	74,497	12,221
Income taxes - deferred	(2,008)	(2,848)	(840)
Total income taxes	60,267	71,648	11,381
Profit	149,615	177,761	28,146
Profit attributable to non-controlling interests	4,259	4,001	(257)
Profit attributable to owners of parent	145,355	173,759	28,404

Note: Due to a change in accounting policy, results for the fiscal year ended March 31, 2025, have been re-presented retrospectively.

Consolidated Statement of Comprehensive Income

(Yen in millions)

	April 1, 2024 - March 31, 2025	April 1, 2025 - March 31, 2026
Profit	149,615	177,761
Other comprehensive income		
Valuation difference on available-for-sale securities	(78,996)	21,093
Deferred gains or losses on hedges	311	3,465
Revaluation reserve for land	(513)	—
Foreign currency translation adjustment	27,307	13,473
Remeasurements of defined benefit plans, net of tax	(420)	2,978
Share of other comprehensive income of entities accounted for using equity method	(1,305)	3,873
Total other comprehensive income	(53,617)	44,883
Comprehensive income	95,997	222,645
Comprehensive income attributable to owners of parent	86,892	215,900
Comprehensive income attributable to non-controlling interests	9,105	6,744

Note: Due to a change in accounting policy, results for the fiscal year ended March 31, 2025, have been re-presented retrospectively.

(3) Consolidated Statement of Changes in Equity

For the Fiscal Year Ended March 31, 2025

(Yen in millions)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	57,752	42,002	773,841	(2,711)	870,884
Changes during period					
Dividends of surplus			(67,486)		(67,486)
Profit attributable to owners of parent			145,355		145,355
Reversal of revaluation reserve for land			718		718
Purchase of treasury shares				(12,217)	(12,217)
Disposal of treasury shares				100	100
Cancellation of treasury shares					—
Transfer from retained earnings to capital surplus					—
Change in ownership interest of parent due to transactions with non-controlling interests		(673)			(673)
Net changes in items other than shareholders' equity					
Total changes during period	—	(673)	78,588	(12,117)	65,797
Balance at end of period	57,752	41,328	852,429	(14,828)	936,681

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	205,623	15,341	22,777	32,304	4,698	280,745	43,614	1,195,244
Changes during period								
Dividends of surplus								(67,486)
Profit attributable to owners of parent								145,355
Reversal of revaluation reserve for land								718
Purchase of treasury shares								(12,217)
Disposal of treasury shares								100
Cancellation of treasury shares								—
Transfer from retained earnings to capital surplus								—
Change in ownership interest of parent due to transactions with non-controlling interests								(673)
Net changes in items other than shareholders' equity	(78,982)	(73)	(1,232)	21,527	(421)	(59,182)	8,342	(50,840)
Total changes during period	(78,982)	(73)	(1,232)	21,527	(421)	(59,182)	8,342	14,957
Balance at end of period	126,640	15,268	21,545	53,831	4,277	221,563	51,956	1,210,201

Note: Due to a change in accounting policy, results for the fiscal year ended March 31, 2025, have been re-presented retrospectively.

For the Fiscal Year Ended March 31, 2026

(Yen in millions)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	57,752	41,328	852,429	(14,828)	936,681
Changes during period					
Dividends of surplus			(57,788)		(57,788)
Profit attributable to owners of parent			173,759		173,759
Reversal of revaluation reserve for land			266		266
Purchase of treasury shares				(58,061)	(58,061)
Disposal of treasury shares				168	168
Cancellation of treasury shares		(63,206)		63,206	—
Transfer from retained earnings to capital surplus		63,206	(63,206)		—
Change in ownership interest of parent due to transactions with non-controlling interests		(40)			(40)
Net changes in items other than shareholders' equity					
Total changes during period	—	(40)	53,030	5,314	58,304
Balance at end of period	57,752	41,288	905,459	(9,514)	994,986

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	126,640	15,268	21,545	53,831	4,277	221,563	51,956	1,210,201
Changes during period								
Dividends of surplus								(57,788)
Profit attributable to owners of parent								173,759
Reversal of revaluation reserve for land								266
Purchase of treasury shares								(58,061)
Disposal of treasury shares								168
Cancellation of treasury shares								—
Transfer from retained earnings to capital surplus								—
Change in ownership interest of parent due to transactions with non-controlling interests								(40)
Net changes in items other than shareholders' equity	21,090	6,507	(266)	11,565	2,977	41,874	6,085	47,959
Total changes during period	21,090	6,507	(266)	11,565	2,977	41,874	6,085	106,264
Balance at end of period	147,730	21,776	21,278	65,396	7,255	263,438	58,041	1,316,466

(4) Consolidated Statement of Cash Flows

(Yen in millions)

	April 1, 2024 - March 31, 2025	April 1, 2025 - March 31, 2026	Change
Cash flows from operating activities			
Profit (loss) before income taxes	209,882	249,410	39,527
Depreciation	32,087	36,353	4,265
Impairment losses	4,450	1,712	(2,737)
Increase (decrease) in allowance for doubtful accounts	1	(754)	(756)
Increase (decrease) in provision for loss on construction contracts	(16,500)	(8,145)	8,355
Increase (decrease) in retirement benefit liability	187	(1,215)	(1,402)
Loss (gain) on valuation of short-term and long-term investment securities	2,112	898	(1,214)
Interest and dividend income	(13,636)	(12,056)	1,579
Interest expenses	4,675	5,311	636
Loss (gain) on sale of short-term and long-term investment securities	(68,752)	(48,956)	19,796
Decrease (increase) in trade receivables	(62,424)	69,791	132,215
Decrease (increase) in costs on construction contracts in progress	2,415	(11,931)	(14,346)
Decrease (increase) in inventories	8,034	38,889	30,854
Decrease (increase) in inventories for PFI and other projects	1,706	1,595	(110)
Decrease (increase) in other assets	32,227	11,672	(20,555)
Increase (decrease) in trade payables	(59,622)	(102,543)	(42,921)
Increase (decrease) in advances received on construction contracts in progress	(3,691)	100,183	103,874
Increase (decrease) in other liabilities	21,821	340	(21,481)
Other, net	4,511	(2,290)	(6,802)
Subtotal	99,487	328,265	228,777
Interest and dividends received	14,176	11,418	(2,758)
Interest paid	(4,077)	(4,526)	(449)
Income taxes refund (paid)	(25,425)	(82,235)	(56,809)
Net cash provided by (used in) operating activities	84,161	252,920	168,759
Cash flows from investing activities			
Payments into time deposits	(16,232)	(27,097)	(10,864)
Proceeds from withdrawal of time deposits	15,459	27,087	11,627
Purchase of property, plant and equipment and intangible assets	(49,942)	(125,630)	(75,688)
Proceeds from sale of property, plant and equipment and intangible assets	1,907	15,673	13,765
Purchase of short-term and long-term investment securities	(33,175)	(16,997)	16,177
Proceeds from sale and redemption of short-term and long-term investment securities	96,256	75,340	(20,915)
Loan advances	(319)	(486)	(167)
Proceeds from collection of loans receivable	120	143	23
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(26,873)	(26,873)
Other, net	(4,029)	(5,523)	(1,493)
Net cash provided by (used in) investing activities	10,044	(84,363)	(94,408)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings	(637)	136	774
Repayments of lease liabilities	(2,272)	(2,889)	(616)
Proceeds from long-term borrowings	36,400	35,200	(1,200)
Repayments of long-term borrowings	(15,565)	(44,145)	(28,580)
Proceeds from nonrecourse loans payable	16,804	250	(16,554)
Payment of nonrecourse loans payable	(13,379)	(13,314)	64
Proceeds from issuance of bonds	20,000	—	(20,000)
Redemption of bonds	(10,016)	(16)	10,000
Purchase of treasury shares	(12,217)	(58,061)	(45,843)
Dividends paid	(67,486)	(57,788)	9,697
Proceeds from share issuance to non-controlling shareholders	1,181	1,334	153
Dividends paid to non-controlling interests	(1,783)	(1,853)	(69)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(1,467)	(245)	1,222
Other, net	—	(56)	(56)
Net cash provided by (used in) financing activities	(50,440)	(141,449)	(91,008)
Effect of exchange rate change on cash and cash equivalents	9,716	8,751	(965)
Net increase (decrease) in cash and cash equivalents	53,481	35,859	(17,622)
Cash and cash equivalents at beginning of period	326,688	380,169	53,481
Cash and cash equivalents at end of period	380,169	416,028	35,859

Note: Due to a change in accounting policy, results for the fiscal year ended March 31, 2025, have been re-presented retrospectively.

(5) Notes to the Consolidated Financial Statements

Uncertainties of Entity's Ability to Continue as Going Concern:

There are no applicable items.

Changes in Accounting Policies:

Change to the method for translating revenues and expenses of overseas subsidiaries and others

The revenues and expenses of the Company's overseas subsidiaries and others were previously translated into Japanese yen using the spot exchange rate at each subsidiary's reporting date. However, effective from the beginning of the current consolidated fiscal year, the Company has changed the method of translation to the average exchange rate during the reporting period.

This change was made in consideration of the increasing significance of net sales and profit or loss from overseas subsidiaries and others as the Company's overseas business expand, as well as recent exchange rate fluctuations. The new method aims to mitigate the impact of short-term exchange rate volatility on profit or loss during the applicable reporting period and to more appropriately reflect the performance of overseas subsidiaries and others in the consolidated financial statements over the course of the fiscal year.

This change in accounting policy has been applied retrospectively. Consolidated financial statements for the previous fiscal year have been restated to reflect this retrospective application.

As a result of the retrospective application, compared to the figures before the change, net sales in the previous fiscal year decreased by 29,336 million yen, operating profit decreased by 972 million yen, ordinary profit decreased by 1,147 million yen, and profit attributable to owners of parent decreased by 696 million yen and basic earnings per share (EPS) has decreased by 0.97 yen, respectively. In addition, retained earnings as of the end of the previous consolidated fiscal year decreased by 696 million yen, and foreign currency translation adjustments increased by an identical amount.

Note that the cumulative effect amount for consolidated fiscal years prior to the beginning of the previous consolidated fiscal year was immaterial, and therefore retrospective application for those periods was not performed.

Changes in Presentation:

Consolidated Statement of Income

"Foreign withholding tax," which was included in "Other" under non-operating expenses in the previous consolidated fiscal year, is separately presented in the current consolidated fiscal year due to their increased monetary importance. To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, 1,324 million yen presented as "Other" under non-operating expenses in the consolidated statement of income for the previous fiscal year has been reclassified as "Foreign withholding tax" of 59 million yen and "Other" of 1,265 million yen.

"Loss on retirement of non-current assets," which was included in "Other" under extraordinary loss in the previous consolidated fiscal year, is separately presented in the current consolidated fiscal year due to their increased monetary importance. To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, 994 million yen presented as "Other" under extraordinary loss in the consolidated statement of income for the previous fiscal year has been reclassified as "Loss on retirement of non-current assets" of 861 million yen and "Other" of 132 million yen.

"Loss on liquidation of business," which was separately presented under extraordinary loss in the previous consolidated fiscal year, is included in "Other" in the current consolidated fiscal year due to their decreased monetary importance. To reflect this change in presentation, the consolidated financial statements for the previous consolidated fiscal year have been reclassified.

As a result, 3,849 million yen presented as "Loss on liquidation of business" under extraordinary loss in the consolidated statement of income for the previous fiscal year has been reclassified as "Other."

Additional Information:**Performance-linked stock remuneration system for directors and executive officers****(a) Transaction Summary**

The Company has introduced a performance-linked stock remuneration system as an incentive plan for its directors and executive officers (excluding Independent Directors and overseas residents; the "Directors") since the fiscal year ended March 31, 2016. The plan is highly transparent and objective and closely linked with the Company's performance for the Directors, with the goal of increasing awareness of the importance of contributing to further enhancing the corporate value and performance over the medium to long term.

The Company's shares are acquired through the Board Incentive Plan Trust (the "BIP Trust") and awarded to the Directors in accordance with performance targets achieved.

(b) The Company's own stock in the BIP Trust

The Company's own stock in the BIP Trust is recorded in "Treasury shares" under net assets based on the book value in the BIP Trust (excluding ancillary expenses). The book value and the number of these treasury shares in the BIP Trust as of March 31, 2025 decreased from 1,067 million yen and 978,650 shares, to 898 million yen and 814,114 shares as of March 31, 2026.

Stock-based incentive plan for managers

The Company resolved, at a meeting of the Board of Directors held on March 27, 2026, to introduce a stock-based incentive plan (the "Plan") for employees in managerial positions who meet certain requirements (the "Eligible Managers"). The Company has already introduced a performance-linked stock remuneration system for its Directors and executive officers (excluding Independent Directors and overseas residents). Through the introduction of the Plan, the Company encourages management and the Eligible Managers to work together as one toward the enhancement of sustainable corporate value. In addition, the Plan positions the Company's growth not as something to be "enjoyed as a result," but as something to be "proactively created," and institutionally supports the heightened roles and responsibilities of Eligible Managers who are engaged in initiatives to enhance corporate value.

(a) Transaction Summary

In the Plan, the Company has adopted a structure utilizing a Stock-Granting Employee Stock Ownership Plan Trust (the "ESOP Trust"). The Company will establish the ESOP Trust by contributing funds for the acquisition of the Company's shares, designating Eligible Managers who meet prescribed requirements as beneficiaries. The ESOP Trust will purchase the number of Company shares expected to be granted to the Eligible Managers from the stock market in advance, in accordance with the pre-determined stock grant regulations. Thereafter, in accordance with the stock grant regulations, the ESOP Trust will deliver the Company's shares and/or pay cash equivalent to the proceeds from the sale of such shares, depending on factors such as the Company's performance and the work status of the Eligible Managers during the trust period.

(b) The Company's own stock in the ESOP Trust

The ESOP Trust is scheduled to commence in July 2026, and accordingly, there are no applicable matters as of the end of the fiscal year ended March 31, 2026.

Consolidated Segment Information:
Disclosure of sales, profit (loss), asset, liability, and other items for each reportable segment
For the Fiscal Year Ended March 31, 2025
(Yen in millions)

	Reporting segment						Others *1	Total
	Domestic Building Construction	Overseas Building Construction	Domestic Civil Engineering	Overseas Civil Engineering	Real Estate	Subtotal		
<u>Net sales</u>								
Sales to external customers	1,337,171	477,879	402,252	250,459	72,712	2,540,475	50,289	2,590,765
Transactions with other segments	18,383	179	15,457	—	851	34,872	12,245	47,118
Segment sales	1,355,554	478,058	417,710	250,459	73,564	2,575,348	62,535	2,637,883
<u>Operating profit</u>								
Operating profit from sales to external customers *2	62,784	12,810	40,576	8,006	16,071	140,249	2,219	142,469
Transactions with other segments	(42)	(143)	(142)	—	(30)	(359)	(27)	(387)
Segment profit	62,742	12,666	40,433	8,006	16,040	139,890	2,191	142,082

*1 Businesses that cannot be classified into the reportable segments are shown as others. These include PFI (Private Finance Initiative), renewable energy, finance and other businesses.

*2 Operating profit from sales to external customers was computed by subtracting transactions with other segments. The total operating profit from sales to external customers equals to operating profit as shown in the consolidated statement of income.

*3 Assets are not allocated to reportable segments.

For the Fiscal Year Ended March 31, 2026

(Yen in millions)

	Reporting segment						Others *1	Total
	Domestic Building Construction	Overseas Building Construction	Domestic Civil Engineering	Overseas Civil Engineering	Real Estate	Subtotal		
<u>Net sales</u>								
Sales to external customers	1,138,762	507,992	426,623	336,000	106,798	2,516,176	70,082	2,586,258
Transactions with other segments	26,794	1,520	16,399	—	839	45,554	14,022	59,577
Segment sales	1,165,556	509,513	443,023	336,000	107,637	2,561,731	84,104	2,645,836
<u>Operating profit</u>								
Operating profit from sales to external customers *2	104,088	11,999	40,925	14,769	19,978	191,761	2,917	194,678
Transactions with other segments	(473)	(583)	(275)	469	(54)	(918)	(72)	(990)
Segment profit	103,615	11,415	40,649	15,238	19,924	190,843	2,844	193,687

*1 Businesses that cannot be classified into the reportable segments are shown as others. These include PFI (Private Finance Initiative), renewable energy, finance and other businesses.

*2 Operating profit from sales to external customers was computed by subtracting transactions with other segments. The total operating profit from sales to external customers equals to operating profit as shown in the consolidated statement of income.

*3 Assets are not allocated to reportable segments.

*4 As described in "Changes in Accounting Policies," the revenues and expenses of the Company's overseas subsidiaries and others were previously translated into Japanese yen using the spot exchange rate at each subsidiary's reporting date. However, effective from the beginning of the current consolidated fiscal year, the Company has changed the method of translation to the average exchange rate during the reporting period.

As a result of the retrospective application, compared to the figures before the change, segment sales in the previous fiscal year decreased by 20,898 million yen in the overseas building construction, 8,218 million yen in the overseas civil engineering, and 219 million yen in the real estate, while segment profit decreased by 632 million yen in the overseas building construction, 270 million yen in the overseas civil engineering, and 67 million yen in the real estate, respectively.

Per Share Information:

(Yen)

	Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2026
Net assets per share (BPS)	1,628.88	1,830.64
Basic earnings per share (EPS)	202.91	249.42

Note:

1. Diluted earnings per share is not presented because the Company has no potentially dilutive shares.

2. The basis for calculating net assets per share (BPS)

		As of March 31, 2025	As of March 31, 2026
Net assets	(Yen in millions)	1,210,201	1,316,466
Amounts deducted from net assets	(Yen in millions)	51,956	58,041
[Non-controlling interests]	(Yen in millions)	51,956	58,041
Net assets applicable to ordinary shares	(Yen in millions)	1,158,245	1,258,424
Number of ordinary shares at the year-end	(Thousands of shares)	711,070	687,421

Shares in the BIP Trust are included in "Treasury shares" which are deducted from the number of ordinary shares in calculating net assets per share. The numbers of the treasury shares as of March 31, 2025 and March 31, 2026 are 10,439 thousand and 4,389 thousand, including 978 thousand and 814 thousand shares in the BIP Trust, respectively.

3. The basis for calculating basic earnings per share (EPS)

		Fiscal Year Ended March 31, 2025	Fiscal Year Ended March 31, 2026
Profit attributable to owners of parent	(Yen in millions)	145,355	173,759
Profit attributable to owners of parent not attributable to shareholders of ordinary shares	(Yen in millions)	—	—
Profit attributable to owners of parent attributable to shareholders of ordinary shares	(Yen in millions)	145,355	173,759
Average number of ordinary shares issued and outstanding during the fiscal year	(Thousands of shares)	716,367	696,649

Shares in the BIP Trust are included in "Treasury shares" which are deducted from the number of ordinary shares in calculating basic earnings per share. The average numbers of shares and outstanding during the years ended March 31, 2025 and March 31, 2026 are 5,142 thousand and 12,407 thousand, including 956 thousand and 864 thousand shares in the BIP Trust, respectively.

Significant Subsequent Events:

Conversion to an Equity-method Affiliate through Acquisition of Shares and Establishment of a Subsidiary

The Company, at a meeting of the Board of Directors held on May 13, 2026, resolved to acquire shares of PT JTD JAYA PRATAMA (hereinafter referred to as "JTDJP"), which is engaged in the toll road concession business in Indonesia, and to appoint directors to JTDJP, thereby making it an affiliate of the Company.

In addition, for the purpose of acquiring shares of JTDJP, the Company resolved to establish PT Obayashi Concession Indonesia (hereinafter referred to as "OCI"), a local subsidiary, through joint investment by the Company and PT. Jaya Obayashi, an overseas subsidiary of the Company. The total amount of investment in OCI is equivalent to 10% or more of the Company's capital, and therefore OCI will fall under the category of a specified subsidiary of the Company.

1. Purpose of Acquisition of Shares of JTDJP and Establishment of OCI

The Obayashi Group has defined the direction of its sustainable growth strategy as "establishing a Group-wide business structure centered on the domestic construction business and in which other businesses generate performance equal to or greater than that of the domestic construction business," and aims to build a future Group business structure to achieve this goal.

In the new business domains, based on one of the three pillars of the Obayashi Group Medium-Term Business Plan 2022's fundamental strategies, expansion of the business portfolio for sustainable growth, the Obayashi Group is focused on market areas with high growth potential by addressing social issues and leveraging its core technologies and promoted initiatives such as PPPs and concessions.

JTDJP, whose shares the Company will acquire, holds the concession rights for an approximately 31-kilometer toll road (total project cost of approximately JPY 213 billion), crossing central Jakarta, the capital of Indonesia, which faces a social issue of chronic traffic congestion. Although the toll road is currently open only in sections, demand is expected to increase and help mitigate severe congestion on existing local roads once land acquisition by the Indonesian government is done and the entire route is completed.

In addition, the Obayashi Group intends to share with JTDJP the expertise that it has cultivated through its construction business in Japan and overseas, thereby contributing to the further growth of JTDJP's concession business.

By further promoting concession businesses, the Obayashi Group will strengthen its earnings base while contributing to the resolution of social issues.

2. Overview of JTDJP subject to being an affiliate of the Company

(1) Name	PT JTD JAYA PRATAMA	
(2) Location	Special Capital Region of Jakarta, Indonesia	
(3) Name and Title of Representative	Sutopo Kristanto	
	President Director	
(4) Description of Business	Toll road concession business in Jakarta, Indonesia	
(5) Capital	IDR 5.12 trillion (approx. JPY 47.6 billion) (as of December 31, 2025) *1	
(6) Establishment	March 2015	
(7) Dates of Acquisition of Shares	1st share acquisition	September 14, 2026 (scheduled) *2
	2nd share acquisition	December 2027 (scheduled) *3
	OCI is scheduled to acquire newly issued shares	
(8) Number of shares to be acquired, acquisition cost and ownership ratio after Acquisition of Shares		
(a) Number of shares to be acquired	1st share acquisition	733,000 shares
	2nd share acquisition	4,146,643 shares
(b) Acquisition cost	1st share acquisition	IDR 733.0 billion (approx. JPY 6.8 billion) *1
	2nd share acquisition	IDR 4,146.6 billion (approx. JPY 38.5 billion) *1
(c) Ownership ratio after Acquisition of Shares	OCI's share after 1st acquisition: 12.5%	
	OCI's share after 2nd acquisition: 48.8% (to be an affiliate of the Company)	

*1 Converted at the rate of JPY 0.0093 per IDR 1 as of April 30, 2026.

*2 Scheduled to be implemented subject to approval by the Indonesian authorities.

*3 Scheduled to be implemented subject to completion of land acquisition by the Indonesian government.

3. Overview of the subsidiary (OCI) to be established

(1) Name	PT Obayashi Concession Indonesia
(2) Location	Special Capital Region of Jakarta, Indonesia
(3) Name and Title of Representative	Teruhiko Inoue President Director
(4) Description of Business	Investment in concession business in Indonesia
(5) Capital	IDR 5.2 trillion (approx. JPY 48.2 billion) (scheduled) * The capital at the time of establishment is scheduled to be IDR 770.0 billion (approx. JPY 7.2 billion), and the remaining amount will be increased upon completion of land acquisition by the Indonesian government (scheduled for December 2027).
(6) Establishment	July 31, 2026 (scheduled)
(7) Ownership Ratio	Obayashi Corporation 99.999% PT. Jaya Obayashi 0.001%

* Converted at the rate of JPY 0.0093 per IDR 1 as of April 30, 2026.

8. Non-consolidated Financial Statements

(1) Non-consolidated Balance Sheet

(Yen in millions)

	March 31, 2025	March 31, 2026	Change
Assets			
Current assets			
Cash and deposits	194,430	182,981	(11,448)
Notes receivable - trade	313	3,117	2,804
Electronically recorded monetary claims - operating	12,945	12,830	(114)
Accounts receivable from completed construction contracts	848,985	756,465	(92,519)
Accounts receivable - real estate business and other	6,393	9,600	3,207
Securities	10	—	(10)
Real estate for sale	2,116	3,026	909
Costs on construction contracts in progress	35,998	46,508	10,509
Costs on real estate business and other	6,992	4,198	(2,793)
Short-term loans receivable	46,819	16,401	(30,417)
Accounts receivable - other	84,799	75,690	(9,109)
Other	25,832	50,489	24,657
Allowance for doubtful accounts	(96)	(85)	11
Total current assets	1,265,541	1,161,225	(104,315)
Non-current assets			
Property, plant and equipment			
Buildings and structures	69,510	83,494	13,983
Machinery, equipment and vehicles	17,042	15,654	(1,388)
Tools, furniture and fixtures	3,742	4,385	643
Land	183,219	197,325	14,105
Leased assets	7	19	12
Construction in progress	11,289	3,963	(7,325)
Total property, plant and equipment	284,812	304,843	20,030
Intangible assets	7,902	8,942	1,040
Investments and other assets			
Investment securities	278,270	296,864	18,594
Shares and investments in capital of subsidiaries and associates	283,746	309,227	25,480
Long-term loans receivable	3,511	9,257	5,745
Distressed receivables	610	610	—
Prepaid pension costs	2,542	3,471	928
Other	9,023	8,441	(581)
Allowance for doubtful accounts	(683)	(1,789)	(1,105)
Total investments and other assets	577,019	626,082	49,062
Total non-current assets	869,735	939,868	70,133
Total assets	2,135,276	2,101,094	(34,182)

	March 31, 2025	March 31, 2026	Change
Liabilities			
Current liabilities			
Notes payable - trade	4,556	805	(3,750)
Electronically recorded obligations - operating	98,463	92,111	(6,351)
Accounts payable for construction contracts	513,317	386,743	(126,573)
Accounts payable - real estate business and other	1,869	2,921	1,051
Short-term borrowings	67,111	44,650	(22,461)
Lease liabilities	4	5	0
Accounts payable - other	33,651	9,205	(24,446)
Accrued expenses	23,754	29,168	5,413
Income taxes payable	41,594	34,936	(6,658)
Advances received on construction contracts in progress	124,776	197,949	73,172
Deposit received - real estate business and other	4,953	5,679	725
Deposits received	164,784	178,077	13,293
Provision for warranties for completed construction	2,734	2,324	(410)
Provision for loss on construction contracts	15,061	6,840	(8,221)
Deposits received from employees	25,255	23,921	(1,334)
Other	4,554	1,629	(2,924)
Total current liabilities	1,126,442	1,016,969	(109,473)
Non-current liabilities			
Bonds payable	60,000	60,000	—
Long-term borrowings	51,352	68,792	17,440
Lease liabilities	3	16	13
Deferred tax liabilities	6,580	13,264	6,683
Deferred tax liabilities for land revaluation	14,696	14,600	(96)
Provision for retirement benefits	43,614	42,595	(1,018)
Provision of share awards for directors (and other officers)	686	703	17
Provision for loss on business of subsidiaries and associates	3,312	2,001	(1,310)
Other	5,944	8,961	3,017
Total non-current liabilities	186,189	210,936	24,746
Total liabilities	1,312,632	1,227,905	(84,726)
Net assets			
Shareholders' equity			
Share capital	57,752	57,752	—
Capital surplus			
Legal capital surplus	41,694	41,694	—
Total capital surpluses	41,694	41,694	—
Retained earnings			
Legal retained earnings	14,438	14,438	—
Other retained earnings			
Reserve for tax purpose reduction entry of non-current assets	2,217	2,177	(40)
General reserve	460,000	460,000	—
Retained earnings brought forward	118,583	142,060	23,477
Total retained earnings	595,239	618,676	23,436
Treasury shares	(14,828)	(9,514)	5,314
Total shareholders' equity	679,857	708,608	28,750
Valuation and translation adjustments			
Valuation difference on available-for-sale securities	126,467	147,834	21,366
Revaluation reserve for land	16,318	16,745	426
Total valuation and translation adjustments	142,786	164,580	21,793
Total net assets	822,644	873,189	50,544
Total liabilities and net assets	2,135,276	2,101,094	(34,182)
(Reference)			
Interest-bearing debt balances	178,463	173,442	(5,021)

(2) Non-consolidated Statement of Income

(Yen in millions)

	April 1, 2024 - March 31, 2025	April 1, 2025 - March 31, 2026	Change
Net sales			
Net sales of completed construction contracts	1,636,348	1,474,003	(162,345)
Net sales in real estate business and other	24,313	35,987	11,674
Total net sales	1,660,662	1,509,991	(150,671)
Cost of sales			
Cost of sales of completed construction contracts	1,456,380	1,245,803	(210,577)
Cost of sales in real estate business and other	19,432	29,729	10,297
Total cost of sales	1,475,813	1,275,533	(200,280)
Gross profit			
Gross profit on completed construction contracts	179,968	228,200	48,231
Gross profit on real estate business and other	4,881	6,258	1,376
Total gross profit	184,849	234,458	49,608
Selling, general and administrative expenses	95,431	104,505	9,074
Operating profit	89,418	129,952	40,534
Non-operating income			
Interest and dividend income	12,939	41,292	28,352
Other	1,128	9,094	7,966
Total non-operating income	14,067	50,387	36,319
Non-operating expenses			
Interest expenses	1,391	1,878	487
Foreign withholding tax	59	2,780	2,720
Foreign exchange losses	1,040	—	(1,040)
Other	2,321	1,073	(1,248)
Total non-operating expenses	4,812	5,732	919
Ordinary profit	98,673	174,607	75,934
Extraordinary income			
Gain on sale of investment securities	68,709	48,973	(19,736)
Other	410	3,090	2,679
Total extraordinary income	69,120	52,064	(17,056)
Extraordinary losses			
Loss on business of subsidiaries and associates	53	5,763	5,710
Loss on valuation of investment securities	2,112	898	(1,214)
Other	5,194	672	(4,521)
Total extraordinary losses	7,360	7,335	(25)
Profit before income taxes	160,433	219,336	58,903
Income taxes - current	48,021	59,686	11,665
Income taxes - deferred	(3,309)	(3,192)	116
Total income taxes	44,711	56,494	11,782
Profit	115,721	162,842	47,120